

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

Company name: TRE HOLDINGS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9247 URL <https://tre-hd.co.jp>
 Representative: President ABE Mitsuo
 Inquiries: Executive Officer and OSHIMA Yoshimitsu TEL 03-6327-2622
 Head of Corporate Planning Division
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 8, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	44,490	0.6	3,167	2.4	3,166	0.9	2,007	(10.8)
Six months ended September 30, 2022	44,210	–	3,094	–	3,137	–	2,250	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	39.08	–
Six months ended September 30, 2022	43.81	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	136,524	68,357	48.8
As of March 31, 2023	132,290	67,137	49.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	20.00	–	20.00	40.00
Year ending March 31, 2024	–	20.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	95,200	4.9	8,300	10.5	8,300	9.2	5,400	3.9	105.14

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	52,610,712 shares	As of March 31, 2023	52,610,712 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,239,561 shares	As of March 31, 2023	1,252,637 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	51,363,519 shares	Six months ended September 30, 2022	51,360,110 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	24,143	21,839
Notes and accounts receivable - trade, and contract assets	9,862	9,530
Inventories	3,031	2,981
Accounts receivable - other	1,136	584
Other	1,018	1,117
Allowance for doubtful accounts	(14)	(14)
Total current assets	39,177	36,037
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,753	20,048
Machinery, equipment and vehicles, net	15,942	15,622
Landfills	3,443	3,287
Land	32,475	32,534
Construction in progress	8,134	10,863
Other, net	1,426	1,428
Total property, plant and equipment	81,176	83,785
Intangible assets		
Goodwill	5,870	5,584
Other	605	596
Total intangible assets	6,476	6,180
Investments and other assets		
Investment securities	1,859	6,991
Retirement benefit asset	63	76
Deferred tax assets	622	612
Other	1,855	1,799
Allowance for doubtful accounts	(68)	(66)
Total investments and other assets	4,333	9,412
Total non-current assets	91,985	99,379
Deferred assets	1,126	1,107
Total assets	132,290	136,524

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,846	3,344
Short-term borrowings	10,302	10,312
Current portion of bonds payable	571	571
Current portion of long-term borrowings	4,930	4,518
Accounts payable - other	2,739	2,256
Income taxes payable	1,335	1,337
Provision for bonuses	816	832
Provision for bonuses for directors (and other officers)	3	–
Provision for repairs	118	298
Other	2,346	2,588
Total current liabilities	27,011	26,058
Non-current liabilities		
Bonds payable	10,358	15,260
Long-term borrowings	21,962	21,224
Deferred tax liabilities	2,448	2,395
Provision for share awards for directors (and other officers)	215	234
Provision for repairs	231	133
Retirement benefit liability	509	511
Asset retirement obligations	1,523	1,543
Other	891	804
Total non-current liabilities	38,141	42,108
Total liabilities	65,152	68,167
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	34,012	34,012
Retained earnings	23,149	24,113
Treasury shares	(1,641)	(1,626)
Total shareholders' equity	65,520	66,499
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	49
Deferred gains or losses on hedges	10	12
Foreign currency translation adjustment	59	121
Remeasurements of defined benefit plans	(124)	(117)
Total accumulated other comprehensive income	(37)	67
Non-controlling interests	1,654	1,790
Total net assets	67,137	68,357
Total liabilities and net assets	132,290	136,524

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	44,210	44,490
Cost of sales	35,738	35,651
Gross profit	8,471	8,838
Selling, general and administrative expenses	5,377	5,671
Operating profit	3,094	3,167
Non-operating income		
Interest income	1	0
Dividend income	5	4
Share of profit of entities accounted for using equity method	139	97
Rental income	138	137
Surrender value of insurance policies	–	52
Other	66	94
Total non-operating income	351	386
Non-operating expenses		
Interest expenses	113	114
Interest expenses on bonds	25	29
Bond issuance costs	–	31
Commission expenses	43	55
Amortization of business commencement expenses	45	45
Business commencement expense	–	64
Other	78	45
Total non-operating expenses	307	387
Ordinary profit	3,137	3,166
Extraordinary income		
Gain on sale of non-current assets	35	42
Insurance claim income	74	–
Surrender value of insurance policies	109	–
Total extraordinary income	218	42
Profit before income taxes	3,356	3,209
Income taxes	1,072	1,098
Profit	2,284	2,110
Profit attributable to non-controlling interests	34	103
Profit attributable to owners of parent	2,250	2,007

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,284	2,110
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	32
Deferred gains or losses on hedges	4	2
Remeasurements of defined benefit plans, net of tax	4	7
Share of other comprehensive income of entities accounted for using equity method	92	62
Total other comprehensive income	86	104
Comprehensive income	2,370	2,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,336	2,112
Comprehensive income attributable to non-controlling interests	34	103

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,356	3,209
Depreciation	2,719	2,771
Amortization of goodwill	284	285
Increase (decrease) in allowance for doubtful accounts	(1)	(3)
Increase (decrease) in provision for repairs	(330)	82
Increase (decrease) in provision for share awards for directors (and other officers)	21	19
Increase (decrease) in retirement benefit liability	2	1
Interest and dividend income	(6)	(4)
Interest expenses	113	114
Interest expenses on bonds	25	29
Bond issuance costs	–	31
Share of loss (profit) of entities accounted for using equity method	(139)	(97)
Rental income	(138)	(137)
Insurance claim income	(74)	–
Loss (gain) on sale of non-current assets	(35)	(42)
Decrease (increase) in notes and accounts receivable - trade and contract assets	1,188	330
Decrease (increase) in inventories	(21)	50
Increase (decrease) in trade payables	(225)	(502)
Increase (decrease) in accrued consumption taxes	(621)	237
Other, net	(628)	5
Subtotal	5,487	6,381
Interest and dividends received	8	5
Interest paid	(149)	(145)
Income taxes paid	(2,126)	(770)
Proceeds from insurance income	74	–
Dividends received from entities accounted for using equity method	89	128
Net cash provided by (used in) operating activities	3,383	5,600
Cash flows from investing activities		
Payments into time deposits	(1)	(1)
Proceeds from withdrawal of time deposits	7	1
Purchase of investment securities	(1)	(1)
Payments for investment in partnerships	–	(5,000)
Purchase of non-current assets	(2,942)	(5,574)
Proceeds from sale of non-current assets	58	29
Payments for retirement of non-current assets	(1)	(3)
Proceeds from rent of non current assets	138	137
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,412)	–
Other, net	(10)	(33)
Net cash provided by (used in) investing activities	(4,167)	(10,445)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,841	(40)
Proceeds from issuance of bonds	–	5,168
Redemption of bonds	(298)	(298)
Proceeds from long-term borrowings	2,600	1,853
Repayments of long-term borrowings	(2,571)	(3,003)
Repayments of lease liabilities	(139)	(122)
Purchase of treasury shares	(6)	(0)
Dividends paid	(1,292)	(1,044)
Dividends paid to non-controlling interests	(46)	(36)
Proceeds from share issuance to non-controlling shareholders	–	68
Other, net	(12)	(2)
Net cash provided by (used in) financing activities	1,075	2,541
Net increase (decrease) in cash and cash equivalents	291	(2,304)
Cash and cash equivalents at beginning of period	24,014	23,678
Cash and cash equivalents at end of period	24,305	21,373