

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: TRE HOLDINGS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9247 URL <https://tre-hd.co.jp>
 Representative: President ABE Mitsuo
 Executive Officer and
 Inquiries: Head of Corporate Planning Division OSHIMA Yoshimitsu TEL 03-6327-2622
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	92,860	2.4	7,769	3.5	7,787	2.5	3,623	(30.3)
Year ended March 31, 2023	90,712	32.9	7,509	(2.0)	7,600	0.7	5,197	9.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	70.54	–	5.5	5.7	8.4
Year ended March 31, 2023	101.20	–	8.1	5.8	8.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	142,159	69,083	47.2	1,306.98
As of March 31, 2023	132,290	67,137	49.5	1,275.04

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	12,194	(16,819)	1,609	20,663
Year ended March 31, 2023	9,184	(6,693)	(2,827)	23,678

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	20.00	–	20.00	40.00	2,077	39.5	3.2
Year ended March 31, 2024	–	20.00	–	20.00	40.00	2,087	56.7	3.1
Year ending March 31, 2025 (Forecast)	–	20.00	–	20.00	40.00		40.3	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	48,900	9.9	3,900	23.1	3,600	13.7	2,200	9.6	42.83
Full year	99,000	6.6	8,300	6.8	7,900	1.4	5,100	40.8	99.29

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	1,241,089 shares	As of March 31, 2023	1,252,637 shares
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Average number of shares during the period

Year ended March 31, 2024	51,366,733 shares	Year ended March 31, 2023	51,359,343 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	24,143	21,130
Notes and accounts receivable - trade, and contract assets	9,862	11,183
Inventories	3,031	3,032
Accounts receivable - other	1,136	825
Other	1,018	2,103
Allowance for doubtful accounts	(14)	(16)
Total current assets	39,177	38,259
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,753	19,869
Machinery, equipment and vehicles, net	15,942	15,260
Landfills	3,443	3,232
Land	32,475	32,622
Construction in progress	8,134	14,370
Other, net	1,426	1,447
Total property, plant and equipment	81,176	86,804
Intangible assets		
Goodwill	5,870	5,435
Other	605	755
Total intangible assets	6,476	6,190
Investments and other assets		
Investment securities	1,859	7,116
Retirement benefit asset	63	207
Deferred tax assets	622	552
Other	1,855	1,979
Allowance for doubtful accounts	(68)	(67)
Total investments and other assets	4,333	9,789
Total non-current assets	91,985	102,785
Deferred assets		
Business commencement expenses	1,126	1,115
Total deferred assets	1,126	1,115
Total assets	132,290	142,159

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,846	3,666
Short-term borrowings	10,302	12,052
Current portion of bonds payable	571	651
Current portion of long-term borrowings	4,930	4,290
Accounts payable - other	2,739	2,949
Income taxes payable	1,335	1,756
Provision for bonuses	816	928
Provision for bonuses for directors (and other officers)	3	3
Provision for repairs	118	421
Provision for loss on disaster	–	2,026
Other	2,346	3,668
Total current liabilities	27,011	32,414
Non-current liabilities		
Bonds payable	10,358	14,987
Long-term borrowings	21,962	20,620
Deferred tax liabilities	2,448	1,836
Provision for share awards for directors (and other officers)	215	268
Provision for repairs	231	82
Retirement benefit liability	509	541
Asset retirement obligations	1,523	1,558
Other	891	768
Total non-current liabilities	38,141	40,661
Total liabilities	65,152	73,076
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	34,012	33,892
Retained earnings	23,149	24,685
Treasury shares	(1,641)	(1,635)
Total shareholders' equity	65,520	66,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	76
Deferred gains or losses on hedges	10	13
Foreign currency translation adjustment	59	133
Remeasurements of defined benefit plans	(124)	(27)
Total accumulated other comprehensive income	(37)	196
Non-controlling interests	1,654	1,944
Total net assets	67,137	69,083
Total liabilities and net assets	132,290	142,159

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	90,712	92,860
Cost of sales	72,378	73,580
Gross profit	18,333	19,279
Selling, general and administrative expenses	10,823	11,510
Operating profit	7,509	7,769
Non-operating income		
Interest income	1	0
Dividend income	8	8
Share of profit of entities accounted for using equity method	231	179
Subsidy income	19	124
Rental income	275	271
Other	172	319
Total non-operating income	710	903
Non-operating expenses		
Interest expenses	235	238
Interest expenses on bonds	51	93
Bond issuance costs	–	31
Commission expenses	75	101
Amortization of business commencement expenses	90	88
Business commencement expense	–	128
Rental expenses on non-current assets	61	52
Other	104	150
Total non-operating expenses	619	885
Ordinary profit	7,600	7,787
Extraordinary income		
Gain on sale of non-current assets	106	138
Gain on bargain purchase	–	58
Insurance claim income	74	–
Surrender value of insurance policies	116	–
Reversal of allowance for doubtful accounts	14	–
Settlement income	–	73
Total extraordinary income	312	270
Extraordinary losses		
Impairment losses	28	18
Casualty loss	–	6
Provision for loss on disaster	–	2,026
Total extraordinary losses	28	2,051
Profit before income taxes	7,885	6,006
Income taxes - current	2,767	2,795
Income taxes - deferred	(202)	(625)
Total income taxes	2,565	2,169
Profit	5,319	3,837
Profit attributable to non-controlling interests	122	213
Profit attributable to owners of parent	5,197	3,623

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,319	3,837
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	59
Deferred gains or losses on hedges	5	2
Remeasurements of defined benefit plans, net of tax	(48)	98
Share of other comprehensive income of entities accounted for using equity method	78	74
Total other comprehensive income	28	234
Comprehensive income	5,348	4,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,226	3,857
Comprehensive income attributable to non-controlling interests	122	214

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	34,080	20,277	(1,697)	62,661
Changes during period					
Dividends of surplus			(2,326)		(2,326)
Profit attributable to owners of parent			5,197		5,197
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares				0	0
Transfer of treasury shares from trust				(734)	(734)
Transfer of treasury shares to trust		(63)		797	734
Change in ownership interest of parent due to transactions with non-controlling interests		(4)			(4)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(68)	2,871	56	2,859
Balance at end of period	10,000	34,012	23,149	(1,641)	65,520

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	23	4	(19)	(75)	(66)	1,578	64,173
Changes during period							
Dividends of surplus					–		(2,326)
Profit attributable to owners of parent					–		5,197
Purchase of treasury shares					–		(8)
Disposal of treasury shares					–		0
Transfer of treasury shares from trust					–		(734)
Transfer of treasury shares to trust					–		734
Change in ownership interest of parent due to transactions with non-controlling interests					–		(4)
Net changes in items other than shareholders' equity	(6)	5	78	(48)	28	76	104
Total changes during period	(6)	5	78	(48)	28	76	2,964
Balance at end of period	17	10	59	(124)	(37)	1,654	67,137

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	34,012	23,149	(1,641)	65,520
Changes during period					
Dividends of surplus			(2,087)		(2,087)
Profit attributable to owners of parent			3,623		3,623
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		8	8
Change in ownership interest of parent due to transactions with non-controlling interests		(120)			(120)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(120)	1,536	6	1,422
Balance at end of period	10,000	33,892	24,685	(1,635)	66,943

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	17	10	59	(124)	(37)	1,654	67,137
Changes during period							
Dividends of surplus					–		(2,087)
Profit attributable to owners of parent					–		3,623
Purchase of treasury shares					–		(2)
Disposal of treasury shares					–		8
Change in ownership interest of parent due to transactions with non-controlling interests					–		(120)
Net changes in items other than shareholders' equity	59	2	74	97	233	290	523
Total changes during period	59	2	74	97	233	290	1,946
Balance at end of period	76	13	133	(27)	196	1,944	69,083

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,885	6,006
Depreciation	5,740	5,895
Impairment losses	28	18
Amortization of goodwill	570	571
Increase (decrease) in allowance for doubtful accounts	(72)	(0)
Increase (decrease) in provision for repairs	(238)	154
Increase (decrease) in provision for share awards for directors (and other officers)	45	52
Increase (decrease) in retirement benefit liability	89	(58)
Interest and dividend income	(10)	(8)
Interest expenses	235	238
Interest expenses on bonds	51	93
Bond issuance costs	–	31
Share of loss (profit) of entities accounted for using equity method	(231)	(179)
Rental income	(275)	(271)
Insurance claim income	(74)	–
Settlement income	–	(73)
Loss (gain) on sale of non-current assets	(106)	(130)
Gain on bargain purchase	–	(58)
Provision for loss on disaster	–	2,026
Decrease (increase) in accounts receivable - trade, and contract assets	(76)	(1,224)
Decrease (increase) in inventories	(254)	95
Increase (decrease) in trade payables	364	(227)
Increase (decrease) in accrued consumption taxes	(615)	188
Other, net	83	1,226
Subtotal	13,136	14,364
Interest and dividends received	12	8
Interest paid	(302)	(337)
Income taxes paid	(3,825)	(2,042)
Proceeds from insurance income	74	–
Dividends received from entities accounted for using equity method	89	128
Proceeds from settlement received	–	73
Net cash provided by (used in) operating activities	9,184	12,194
Cash flows from investing activities		
Payments into time deposits	(3)	(3)
Proceeds from withdrawal of time deposits	8	2
Purchase of investment securities	(2)	(2)
Payments for investment in partnerships	–	(5,000)
Purchase of non-current assets	(5,707)	(11,955)
Proceeds from sale of non-current assets	265	208
Payments for retirement of non-current assets	(9)	(3)
Proceeds from rent of non current assets	275	271
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,412)	(91)
Other, net	(108)	(245)
Net cash provided by (used in) investing activities	(6,693)	(16,819)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,875	1,648
Proceeds from issuance of bonds	–	5,168
Redemption of bonds	(596)	(571)
Proceeds from long-term borrowings	2,814	3,293
Repayments of long-term borrowings	(5,262)	(5,451)
Repayments of lease liabilities	(262)	(233)
Proceeds from sale of treasury shares	734	0
Purchase of treasury shares	(742)	(2)
Dividends paid	(2,326)	(2,088)
Dividends paid to non-controlling interests	(46)	(36)
Proceeds from share issuance to non-controlling shareholders	–	68
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(181)
Other, net	(17)	(5)
Net cash provided by (used in) financing activities	(2,827)	1,609
Net increase (decrease) in cash and cash equivalents	(336)	(3,014)
Cash and cash equivalents at beginning of period	24,014	23,678
Cash and cash equivalents at end of period	23,678	20,663