

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

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 Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: December 10, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	53,671	20.6	6,896	117.7	6,722	112.3	4,357	117.1
Six months ended September 30, 2023	44,490	0.6	3,167	2.4	3,166	0.9	2,007	(10.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	85.01		-	
Six months ended September 30, 2023	39.08		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	152,080	71,326	45.5
As of March 31, 2024	142,159	69,083	47.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	-	20.00	-	20.00	40.00
Year ending March 31, 2025	-	20.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	20.00	40.00

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
Full year	102,000	9.8	12,000	54.5	11,600	49.0	6,900	90.4	135.44

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: Yes

(2) Application of special accounting methods for preparing semi-annual 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: Yes

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, 2024	52,610,712 shares	As of March 31, 2024	52,610,712 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	2,031,641 shares	As of March 31, 2024	1,241,089 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, 2024	51,258,024 shares	Six months ended September 30, 2023	51,363,519 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	21,130	21,655
Notes and accounts receivable - trade, and contract assets	11,183	17,356
Inventories	3,032	3,440
Accounts receivable - other	825	111
Other	2,103	2,537
Allowance for doubtful accounts	(16)	(15)
Total current assets	38,259	45,086
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,869	24,174
Machinery, equipment and vehicles, net	15,260	15,937
Landfills	3,232	9,044
Land	32,622	33,440
Construction in progress	14,370	5,198
Other, net	1,447	1,417
Total property, plant and equipment	86,804	89,214
Intangible assets		
Goodwill	5,435	5,142
Other	755	1,236
Total intangible assets	6,190	6,379
Investments and other assets		
Investment securities	7,116	7,150
Retirement benefit asset	207	220
Deferred tax assets	552	584
Other	1,979	2,440
Allowance for doubtful accounts	(67)	(66)
Total investments and other assets	9,789	10,328
Total non-current assets	102,785	105,922
Deferred assets	1,115	1,072
Total assets	142,159	152,080

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,666	3,663
Short-term borrowings	12,052	16,412
Current portion of bonds payable	651	621
Current portion of long-term borrowings	4,290	4,558
Accounts payable - other	2,949	3,145
Income taxes payable	1,756	2,427
Provision for bonuses	928	945
Provision for bonuses for directors (and other officers)	3	–
Provision for repairs	421	159
Provision for loss on disaster	2,026	71
Other	3,668	3,479
Total current liabilities	32,414	35,483
Non-current liabilities		
Bonds payable	14,987	14,689
Long-term borrowings	20,620	24,712
Deferred tax liabilities	1,836	1,822
Provision for share awards for directors (and other officers)	268	346
Provision for repairs	82	162
Retirement benefit liability	541	548
Asset retirement obligations	1,558	2,263
Other	768	724
Total non-current liabilities	40,661	45,270
Total liabilities	73,076	80,754
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	33,892	33,891
Retained earnings	24,685	27,999
Treasury shares	(1,635)	(2,958)
Total shareholders' equity	66,943	68,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76	58
Deferred gains or losses on hedges	13	15
Foreign currency translation adjustment	133	186
Remeasurements of defined benefit plans	(27)	(23)
Total accumulated other comprehensive income	196	236
Non-controlling interests	1,944	2,157
Total net assets	69,083	71,326
Total liabilities and net assets	142,159	152,080

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, 2023	Six months ended September 30, 2024
Net sales	44,490	53,671
Cost of sales	35,651	40,535
Gross profit	8,838	13,135
Selling, general and administrative expenses	5,671	6,238
Operating profit	3,167	6,896
Non-operating income		
Interest income	0	1
Dividend income	4	5
Share of profit of entities accounted for using equity method	97	62
Rental income	137	133
Other	147	119
Total non-operating income	386	322
Non-operating expenses		
Interest expenses	114	147
Interest expenses on bonds	29	63
Bond issuance costs	31	–
Commission expenses	55	46
Amortization of business commencement expenses	45	63
Business commencement expense	64	107
Other	45	68
Total non-operating expenses	387	496
Ordinary profit	3,166	6,722
Extraordinary income		
Gain on sale of non-current assets	42	59
Total extraordinary income	42	59
Extraordinary losses		
Loss on retirement of non-current assets	–	65
Casualty loss	–	188
Total extraordinary losses	–	253
Profit before income taxes	3,209	6,528
Income taxes	1,098	2,088
Profit	2,110	4,439
Profit attributable to non-controlling interests	103	82
Profit attributable to owners of parent	2,007	4,357

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,110	4,439
Other comprehensive income		
Valuation difference on available-for-sale securities	32	(18)
Deferred gains or losses on hedges	2	2
Remeasurements of defined benefit plans, net of tax	7	3
Share of other comprehensive income of entities accounted for using equity method	62	52
Total other comprehensive income	104	40
Comprehensive income	2,215	4,479
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,112	4,397
Comprehensive income attributable to non-controlling interests	103	82

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,209	6,528
Depreciation	2,771	3,470
Amortization of goodwill	285	292
Increase (decrease) in allowance for doubtful accounts	(3)	(1)
Increase (decrease) in provision for repairs	82	(182)
Increase (decrease) in provision for share awards for directors (and other officers)	19	84
Increase (decrease) in retirement benefit liability	1	0
Interest and dividend income	(4)	(7)
Interest expenses	114	147
Interest expenses on bonds	29	63
Bond issuance costs	31	–
Share of loss (profit) of entities accounted for using equity method	(97)	(62)
Rental income	(137)	(133)
Loss (gain) on sale of non-current assets	(42)	(59)
Loss on disaster	–	188
Loss on retirement of non-current assets	–	65
Decrease (increase) in accounts receivable - trade, and contract assets	330	(6,171)
Decrease (increase) in inventories	50	(408)
Increase (decrease) in trade payables	(502)	(2)
Increase (decrease) in accrued consumption taxes	237	622
Other, net	5	(1,163)
Subtotal	6,381	3,270
Interest and dividends received	5	6
Interest paid	(145)	(226)
Income taxes paid	(770)	(923)
Dividends received from entities accounted for using equity method	128	74
Payments associated with disaster loss	–	(1,818)
Net cash provided by (used in) operating activities	5,600	381
Cash flows from investing activities		
Payments into time deposits	(1)	–
Proceeds from withdrawal of time deposits	1	6
Purchase of investment securities	(1)	(1)
Payments for investment in partnerships	(5,000)	–
Purchase of non-current assets	(5,574)	(5,832)
Proceeds from sale of non-current assets	29	88
Payments for retirement of non-current assets	(3)	(65)
Proceeds from rent of non current assets	137	133
Other, net	(33)	(188)
Net cash provided by (used in) investing activities	(10,445)	(5,858)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(40)	4,319
Proceeds from issuance of bonds	5,168	–
Redemption of bonds	(298)	(328)
Proceeds from long-term borrowings	1,853	6,623
Repayments of long-term borrowings	(3,003)	(2,263)
Repayments of lease liabilities	(122)	(96)
Purchase of treasury shares	(0)	(1,330)
Dividends paid	(1,044)	(1,044)
Dividends paid to non-controlling interests	(36)	(47)
Proceeds from share issuance to non-controlling shareholders	68	200
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(23)
Other, net	(2)	(2)
Net cash provided by (used in) financing activities	2,541	6,007
Net increase (decrease) in cash and cash equivalents	(2,304)	531
Cash and cash equivalents at beginning of period	23,678	20,663
Cash and cash equivalents at end of period	21,373	21,194