

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: TRUST CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 3347 URL <https://www.trust-ltd.co.jp>
 Representative: CEO Kenji Kawamura
 Inquiries: Administration manager Naoki Nogimori TEL 052-219-9058
 Scheduled date of ordinary general meeting of shareholders: June 22, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 7, 2023
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	34,284	24.1	2,377	28.0	2,467	28.9	1,246	50.7
Year ended March 31, 2022	27,617	37.5	1,856	251.9	1,914	253.7	827	–

	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, 2023	48.16	–	15.4	6.8	6.9
Year ended March 31, 2022	31.96	–	11.4	6.1	6.7

(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, 2023	39,480	13,338	21.8	332.30
As of March 31, 2022	33,612	11,629	22.7	294.96

(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, 2023	7,262	(4,732)	(2,979)	975
Year ended March 31, 2022	4,783	(2,442)	(1,673)	1,418

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, 2022	–	2.00	–	4.00	6.00	155	18.8	2.1
Year ended March 31, 2023	–	4.00	–	2.00	6.00	155	12.5	1.9
Year ending March 31, 2024 (Forecast)	–	3.00	–	3.00	6.00		17.8	

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
Six months ending September 30, 2023	19,106	6.4	1,088	(27.8)	1,013	(44.0)	418	(59.5)	16.15
Full year	39,012	13.8	2,442	2.7	2,282	(7.5)	873	(29.9)	33.73

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: Yes

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, 2023	28,150,000 shares	As of March 31, 2022	28,150,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	2,273,100 shares	As of March 31, 2022	2,273,100 shares
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Average number of shares during the period

Year ended March 31, 2023	25,876,900 shares	Year ended March 31, 2022	25,876,900 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,418,511	975,211
Notes receivable - trade	41,815	36,199
Accounts receivable - trade	3,779,104	3,553,484
Lease receivables and investments in leases	7,415,826	9,384,446
Merchandise and finished goods	3,217,384	3,994,223
Work in process	954	427
Raw materials and supplies	32,213	44,679
Other	859,372	1,211,562
Allowance for doubtful accounts	(195,739)	(190,530)
Total current assets	16,569,445	19,009,705
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,808,139	3,125,170
Accumulated depreciation	(969,585)	(1,095,491)
Buildings and structures, net	1,838,553	2,029,678
Machinery, equipment and vehicles	6,425,470	9,219,027
Accumulated depreciation	(2,864,331)	(3,570,063)
Machinery, equipment and vehicles, net	3,561,138	5,648,964
Land	3,500,983	3,970,116
Leased assets	10,956,544	11,734,883
Accumulated depreciation	(3,974,912)	(4,482,335)
Leased assets, net	6,981,632	7,252,548
Other	227,541	287,491
Accumulated depreciation	(154,485)	(162,989)
Other, net	73,055	124,502
Construction in progress	8,317	315,810
Total property, plant and equipment	15,963,682	19,341,620
Intangible assets		
Goodwill	52,630	45,183
Other	72,881	103,762
Total intangible assets	125,512	148,945
Investments and other assets		
Investment securities	291,602	242,939
Long-term loans receivable	139,845	131,690
Deferred tax assets	184,575	207,894
Other	420,675	473,875
Allowance for doubtful accounts	(83,002)	(76,269)
Total investments and other assets	953,696	980,129
Total non-current assets	17,042,890	20,470,696
Total assets	33,612,335	39,480,401

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	573,409	682,271
Short-term borrowings	4,750,000	6,600,000
Current portion of long-term borrowings	2,519	–
Lease liabilities	9,677,557	11,620,065
Income taxes payable	588,314	299,882
Contract liabilities	487,708	455,688
Provision for bonuses	139,341	156,517
Other	1,179,288	1,594,968
Total current liabilities	17,398,139	21,409,394
Non-current liabilities		
Lease liabilities	4,408,633	4,538,269
Provision for retirement benefits for directors (and other officers)	11,685	15,062
Asset retirement obligations	75,922	80,224
Other	88,111	99,194
Total non-current liabilities	4,584,352	4,732,750
Total liabilities	21,982,492	26,142,145
Net assets		
Shareholders' equity		
Share capital	1,349,000	1,349,000
Capital surplus	1,174,800	1,174,800
Retained earnings	5,709,255	6,748,352
Treasury shares	(618,209)	(618,209)
Total shareholders' equity	7,614,846	8,653,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,500	3,901
Foreign currency translation adjustment	2,421	(58,892)
Total accumulated other comprehensive income	17,922	(54,991)
Non-controlling interests	3,997,074	4,739,304
Total net assets	11,629,843	13,338,256
Total liabilities and net assets	33,612,335	39,480,401

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	27,617,161	34,284,045
Cost of sales	20,870,394	26,363,952
Gross profit	6,746,766	7,920,092
Selling, general and administrative expenses	4,889,770	5,542,229
Operating profit	1,856,995	2,377,863
Non-operating income		
Interest income	10,626	17,320
Dividend income	6,927	6,871
Foreign exchange gains	155,587	187,236
Insurance claim income	1,051	1,485
Compensation income	20	–
Subsidy income	2,387	10,250
Other	10,503	12,146
Total non-operating income	187,104	235,311
Non-operating expenses		
Interest expenses	124,081	142,384
Guarantee commission	2,877	1,125
Other	2,170	2,149
Total non-operating expenses	129,129	145,659
Ordinary profit	1,914,970	2,467,515
Extraordinary income		
Gain on sale of investment securities	–	299,119
Surrender value of insurance policies	–	17,867
Total extraordinary income	–	316,986
Extraordinary losses		
Loss on retirement of non-current assets	2,042	4,028
Loss on disposal of non-current assets	–	700
Total extraordinary losses	2,042	4,728
Profit before income taxes	1,912,928	2,779,773
Income taxes - current	703,225	719,918
Income taxes - deferred	(98,134)	(25,129)
Total income taxes	605,090	694,789
Profit	1,307,837	2,084,983
Profit attributable to non-controlling interests	480,795	838,872
Profit attributable to owners of parent	827,041	1,246,111

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,307,837	2,084,983
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,052)	(11,586)
Foreign currency translation adjustment	49,510	(61,314)
Total other comprehensive income	46,457	(72,901)
Comprehensive income	1,354,294	2,012,082
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	873,489	1,173,197
Comprehensive income attributable to non-controlling interests	480,804	838,884

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,349,000	1,174,800	4,985,721	(618,209)	6,891,312
Changes during period					
Dividends of surplus			(103,507)		(103,507)
Profit attributable to owners of parent			827,041		827,041
Net changes in items other than shareholders' equity					
Total changes during period	–	–	723,533	–	723,533
Balance at end of period	1,349,000	1,174,800	5,709,255	(618,209)	7,614,846

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	18,562	(47,088)	(28,525)	3,564,596	10,427,383
Changes during period					
Dividends of surplus					(103,507)
Profit attributable to owners of parent					827,041
Net changes in items other than shareholders' equity	(3,061)	49,510	46,448	432,477	478,926
Total changes during period	(3,061)	49,510	46,448	432,477	1,202,460
Balance at end of period	15,500	2,421	17,922	3,997,074	11,629,843

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,349,000	1,174,800	5,709,255	(618,209)	7,614,846
Changes during period					
Dividends of surplus			(207,015)		(207,015)
Profit attributable to owners of parent			1,246,111		1,246,111
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,039,096	–	1,039,096
Balance at end of period	1,349,000	1,174,800	6,748,352	(618,209)	8,653,943

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	15,500	2,421	17,922	3,997,074	11,629,843
Changes during period					
Dividends of surplus					(207,015)
Profit attributable to owners of parent					1,246,111
Net changes in items other than shareholders' equity	(11,599)	(61,314)	(72,913)	742,230	669,316
Total changes during period	(11,599)	(61,314)	(72,913)	742,230	1,708,413
Balance at end of period	3,901	(58,892)	(54,991)	4,739,304	13,338,256

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,912,928	2,779,773
Depreciation	4,640,775	5,261,398
Amortization of goodwill	6,189	6,224
Increase (decrease) in allowance for doubtful accounts	44,929	(11,620)
Increase (decrease) in provision for bonuses	16,549	17,176
Interest and dividend income	(17,554)	(24,191)
Interest expenses	124,081	142,384
Foreign exchange losses (gains)	(10,473)	(21,419)
Loss on retirement of non-current assets	2,042	4,028
Loss (gain) on sale of investment securities	–	(299,119)
Decrease (increase) in trade receivables	(1,264,593)	229,645
Decrease (increase) in inventories	(105,891)	494,308
Increase (decrease) in trade payables	(71,823)	149,566
Increase (decrease) in accrued consumption taxes	109,901	458,418
Decrease (increase) in other current assets	(522,678)	(1,191,182)
Increase (decrease) in other current liabilities	107,087	347,968
Decrease (increase) in other non-current assets	(1,888)	19,650
Increase (decrease) in other non-current liabilities	17,743	9,954
Other, net	9,362	11,219
Subtotal	4,996,689	8,384,183
Interest and dividends received	17,106	23,771
Interest paid	(123,876)	(142,133)
Income taxes paid	(106,194)	(1,003,205)
Net cash provided by (used in) operating activities	4,783,724	7,262,616
Cash flows from investing activities		
Payments into time deposits	–	(18,000)
Purchase of property, plant and equipment	(2,375,813)	(4,926,873)
Purchase of intangible assets	(37,427)	(57,637)
Proceeds from sale of investment securities	–	333,119
Purchase of investment securities	(20,000)	–
Loan advances	(350)	–
Proceeds from collection of loans receivable	13,827	1,237
Payments of leasehold and guarantee deposits	(41,387)	(84,714)
Proceeds from refund of leasehold and guarantee deposits	27,212	28,415
Other, net	(8,168)	(7,888)
Net cash provided by (used in) investing activities	(2,442,107)	(4,732,340)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,300,000	1,850,000
Repayments of long-term borrowings	(9,996)	(2,519)
Dividends paid	(103,578)	(206,901)
Dividends paid to non-controlling interests	(48,327)	(96,654)
Repayments of lease liabilities	(3,811,532)	(4,523,135)
Net cash provided by (used in) financing activities	(1,673,434)	(2,979,210)
Effect of exchange rate change on cash and cash equivalents	32,060	5,634
Net increase (decrease) in cash and cash equivalents	700,243	(443,300)
Cash and cash equivalents at beginning of period	718,268	1,418,511
Cash and cash equivalents at end of period	1,418,511	975,211