

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: TRUST CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 3347 URL <https://www.trust-ltd.co.jp>
 Representative: CEO Kenji Kawamura
 Inquiries: Director Kazuharu Yanaka TEL 052-219-9058
 Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 8, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	27,617	37.5	1,856	251.9	1,914	253.7	827	–
Year ended March 31, 2021	20,080	(0.3)	527	(63.6)	541	(60.7)	49	(85.9)

	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, 2022	31.96	–	11.4	6.1	6.7
Year ended March 31, 2021	1.91	–	0.7	1.9	2.6

(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, 2022	33,612	11,629	22.7	294.96
As of March 31, 2021	28,998	10,427	23.7	265.21

(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, 2022	4,783	(2,442)	(1,673)	1,418
Year ended March 31, 2021	4,483	(1,287)	(2,827)	718

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, 2021	–	2.00	–	2.00	4.00	103	209.4	1.5
Year ended March 31, 2022	–	2.00	–	4.00	6.00	155	18.8	2.1
Year ending March 31, 2023 (Forecast)	–	2.00	–	2.00	4.00		15.0	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	12,800	4.3	800	1.7	750	0.3	310	27.5	11.98
Full year	28,800	4.3	1,900	2.3	1,800	(6.0)	750	(9.3)	28.98

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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, 2022	28,150,000 shares	As of March 31, 2021	28,150,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	2,273,100 shares	As of March 31, 2021	2,273,100 shares
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Average number of shares during the period

Year ended March 31, 2022	25,876,900 shares	Year ended March 31, 2021	25,876,900 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	718,268	1,418,511
Notes and accounts receivable - trade	2,589,934	3,820,919
Lease receivables and investments in leases	7,310,716	7,415,826
Merchandise and finished goods	1,965,323	3,217,384
Work in process	665	954
Raw materials and supplies	28,114	32,213
Other	768,166	859,372
Allowance for doubtful accounts	(192,630)	(195,739)
Total current assets	13,188,557	16,569,445
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,677,914	2,808,139
Accumulated depreciation	(856,222)	(969,585)
Buildings and structures, net	1,821,692	1,838,553
Machinery, equipment and vehicles	5,598,832	6,425,470
Accumulated depreciation	(2,803,364)	(2,864,331)
Machinery, equipment and vehicles, net	2,795,467	3,561,138
Land	3,500,983	3,500,983
Leased assets	10,025,264	10,956,544
Accumulated depreciation	(3,342,271)	(3,974,912)
Leased assets, net	6,682,992	6,981,632
Other	195,408	227,541
Accumulated depreciation	(130,894)	(154,485)
Other, net	64,514	73,055
Construction in progress	14,282	8,317
Total property, plant and equipment	14,879,932	15,963,682
Intangible assets		
Goodwill	57,477	52,630
Other	57,180	72,881
Total intangible assets	114,657	125,511
Investments and other assets		
Investment securities	274,869	291,602
Long-term loans receivable	147,799	139,845
Deferred tax assets	82,526	184,575
Other	351,804	420,675
Allowance for doubtful accounts	(41,456)	(83,002)
Total investments and other assets	815,543	953,696
Total non-current assets	15,810,133	17,042,890
Total assets	28,998,691	33,612,335

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	610,767	573,409
Short-term borrowings	2,450,000	4,750,000
Current portion of long-term borrowings	9,996	2,519
Lease liabilities	9,550,341	9,677,557
Income taxes payable	6,896	588,314
Provision for bonuses	122,792	139,341
Other	1,253,485	1,666,997
Total current liabilities	14,004,279	17,398,139
Non-current liabilities		
Long-term borrowings	2,519	–
Lease liabilities	4,413,068	4,408,633
Provision for retirement benefits for directors (and other officers)	10,135	11,685
Asset retirement obligations	71,526	75,922
Other	69,778	88,111
Total non-current liabilities	4,567,028	4,584,352
Total liabilities	18,571,308	21,982,492
Net assets		
Shareholders' equity		
Share capital	1,349,000	1,349,000
Capital surplus	1,174,800	1,174,800
Retained earnings	4,985,721	5,709,255
Treasury shares	(618,209)	(618,209)
Total shareholders' equity	6,891,312	7,614,846
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,562	15,500
Foreign currency translation adjustment	(47,088)	2,421
Total accumulated other comprehensive income	(28,525)	17,922
Non-controlling interests	3,564,596	3,997,074
Total net assets	10,427,383	11,629,843
Total liabilities and net assets	28,998,691	33,612,335

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	20,080,231	27,617,161
Cost of sales	15,195,880	20,870,394
Gross profit	4,884,351	6,746,766
Selling, general and administrative expenses	4,356,688	4,889,770
Operating profit	527,663	1,856,995
Non-operating income		
Interest income	9,224	10,626
Dividend income	5,720	6,927
Foreign exchange gains	35,735	155,587
Gain on redemption of investment securities	48	–
Insurance claim income	5,380	1,051
Compensation income	575	20
Subsidy income	27,901	2,387
Gain on adjustment of account payable	2,259	–
Other	20,664	10,503
Total non-operating income	107,510	187,104
Non-operating expenses		
Interest expenses	89,215	124,081
Guarantee commission	3,669	2,877
Other	943	2,170
Total non-operating expenses	93,828	129,129
Ordinary profit	541,344	1,914,970
Extraordinary income		
Gain on sale of investment securities	11,582	–
Total extraordinary income	11,582	–
Extraordinary losses		
Loss on retirement of non-current assets	59	2,042
Total extraordinary losses	59	2,042
Profit before income taxes	552,867	1,912,928
Income taxes - current	235,969	703,225
Income taxes - deferred	32,627	(98,134)
Total income taxes	268,597	605,090
Profit	284,269	1,307,837
Profit attributable to non-controlling interests	234,761	480,795
Profit attributable to owners of parent	49,507	827,041

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	284,269	1,307,837
Other comprehensive income		
Valuation difference on available-for-sale securities	19,944	(3,052)
Foreign currency translation adjustment	44,212	49,510
Total other comprehensive income	64,157	46,457
Comprehensive income	348,426	1,354,294
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	113,645	873,489
Comprehensive income attributable to non-controlling interests	234,781	480,804

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(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	5,039,721	(618,209)	6,945,312
Changes during period					
Dividends of surplus			(103,507)		(103,507)
Profit attributable to owners of parent			49,507		49,507
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(53,999)	–	(53,999)
Balance at end of period	1,349,000	1,174,800	4,985,721	(618,209)	6,891,312

	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	(1,362)	(91,301)	(92,663)	3,378,142	10,230,790
Changes during period					
Dividends of surplus					(103,507)
Profit attributable to owners of parent					49,507
Net changes in items other than shareholders' equity	19,924	44,212	64,137	186,454	250,592
Total changes during period	19,924	44,212	64,137	186,454	196,592
Balance at end of period	18,562	(47,088)	(28,525)	3,564,596	10,427,383

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

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	552,867	1,912,928
Depreciation	4,156,926	4,640,775
Amortization of goodwill	6,099	6,189
Increase (decrease) in allowance for doubtful accounts	197,702	44,929
Increase (decrease) in provision for bonuses	7,031	16,549
Interest and dividend income	(14,945)	(17,554)
Interest expenses	89,215	124,081
Foreign exchange losses (gains)	(3,724)	(10,473)
Loss on retirement of non-current assets	59	2,042
Loss (gain) on sale of investment securities	(11,582)	–
Decrease (increase) in trade receivables	(511,726)	(1,264,593)
Decrease (increase) in inventories	964,351	(105,891)
Increase (decrease) in trade payables	(350,228)	(71,823)
Increase (decrease) in accrued consumption taxes	453,394	109,901
Decrease (increase) in other current assets	(633,796)	(522,678)
Increase (decrease) in other current liabilities	161,074	107,087
Decrease (increase) in other non-current assets	(922)	(1,888)
Increase (decrease) in other non-current liabilities	12,063	17,743
Other, net	8,530	9,362
Subtotal	5,082,391	4,996,689
Interest and dividends received	14,580	17,106
Interest paid	(114,893)	(123,876)
Income taxes paid	(498,801)	(106,194)
Net cash provided by (used in) operating activities	4,483,277	4,783,724
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	4,890	–
Purchase of property, plant and equipment	(1,461,288)	(2,375,813)
Purchase of intangible assets	(25,347)	(37,427)
Proceeds from sale of investment securities	13,082	–
Purchase of investment securities	–	(20,000)
Loan advances	–	(350)
Proceeds from collection of loans receivable	191,474	13,827
Payments of leasehold and guarantee deposits	(60,991)	(41,387)
Proceeds from refund of leasehold and guarantee deposits	56,663	27,212
Other, net	(5,550)	(8,168)
Net cash provided by (used in) investing activities	(1,287,067)	(2,442,107)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	650,000	2,300,000
Repayments of long-term borrowings	(14,470)	(9,996)
Dividends paid	(103,528)	(103,578)
Dividends paid to non-controlling interests	(48,327)	(48,327)
Repayments of lease liabilities	(3,311,277)	(3,811,532)
Net cash provided by (used in) financing activities	(2,827,602)	(1,673,434)
Effect of exchange rate change on cash and cash equivalents	17,755	32,060
Net increase (decrease) in cash and cash equivalents	386,362	700,243
Cash and cash equivalents at beginning of period	331,906	718,268
Cash and cash equivalents at end of period	718,268	1,418,511