

Translation

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

November 13, 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 to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 8, 2023
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(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	19,407	8.1	1,481	(1.7)	1,559	(13.8)	612	(40.6)
Six months ended September 30, 2022	17,954	46.4	1,507	91.7	1,809	142.0	1,032	324.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	23.69		-	
Six months ended September 30, 2022	39.91		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	44,369	14,227	20.7
As of March 31, 2023	39,480	13,338	21.8

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, 2023	-	4.00	-	2.00	6.00
Year ending March 31, 2024	-	3.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	3.00	6.00

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	39,336	14.7	2,834	19.2	2,819	14.2	1,065	(14.5)	41.15

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): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (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	28,150,000 shares	As of March 31, 2023	28,150,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	2,273,100 shares	As of March 31, 2023	2,273,100 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	25,876,900 shares	Six months ended September 30, 2022	25,876,900 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	975,211	982,211
Notes receivable - trade	36,199	63,517
Accounts receivable - trade	3,553,484	4,434,024
Lease receivables and investments in leases	9,384,446	10,762,402
Merchandise and finished goods	3,994,223	4,054,840
Work in process	427	941
Raw materials and supplies	44,679	45,127
Other	1,211,562	1,405,722
Allowance for doubtful accounts	(190,530)	(190,163)
Total current assets	19,009,705	21,558,624
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	5,648,964	5,726,201
Leased assets, net	7,252,548	8,832,458
Land	3,970,116	3,971,463
Other, net	2,469,990	3,169,213
Total property, plant and equipment	19,341,620	21,699,336
Intangible assets		
Goodwill	45,183	42,539
Other	103,762	114,453
Total intangible assets	148,945	156,992
Investments and other assets		
Other	1,056,399	1,034,154
Allowance for doubtful accounts	(76,269)	(79,559)
Total investments and other assets	980,129	954,594
Total non-current assets	20,470,696	22,810,923
Total assets	39,480,401	44,369,548
Liabilities		
Current liabilities		
Notes and accounts payable - trade	682,271	922,542
Short-term borrowings	6,600,000	7,200,000
Lease liabilities	11,620,065	13,773,959
Income taxes payable	299,882	447,373
Contract liabilities	455,688	478,119
Provision for bonuses	156,517	163,778
Other	1,594,968	1,147,096
Total current liabilities	21,409,394	24,132,869
Non-current liabilities		
Lease liabilities	4,538,269	5,776,476
Provision for retirement benefits for directors (and other officers)	15,062	15,767
Asset retirement obligations	80,224	96,065
Other	99,194	120,436
Total non-current liabilities	4,732,750	6,008,746
Total liabilities	26,142,145	30,141,616

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,349,000	1,349,000
Capital surplus	1,174,800	1,174,800
Retained earnings	6,748,352	7,309,593
Treasury shares	(618,209)	(618,209)
Total shareholders' equity	8,653,943	9,215,184
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,901	9,531
Foreign currency translation adjustment	(58,892)	(27,564)
Total accumulated other comprehensive income	(54,991)	(18,033)
Non-controlling interests	4,739,304	5,030,781
Total net assets	13,338,256	14,227,932
Total liabilities and net assets	39,480,401	44,369,548

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	17,954,704	19,407,048
Cost of sales	13,804,366	14,854,821
Gross profit	4,150,337	4,552,227
Selling, general and administrative expenses	2,642,999	3,070,641
Operating profit	1,507,338	1,481,585
Non-operating income		
Interest income	8,125	7,848
Dividend income	3,531	3,569
Foreign exchange gains	348,059	131,828
Other	10,951	23,496
Total non-operating income	370,667	166,743
Non-operating expenses		
Interest expenses	67,408	89,077
Other	1,407	49
Total non-operating expenses	68,816	89,126
Ordinary profit	1,809,189	1,559,203
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	120	4,155
Loss on removal of non-current assets	–	231
Total extraordinary losses	120	4,387
Profit before income taxes	2,126,056	1,554,815
Income taxes - current	543,680	474,384
Income taxes - deferred	14,484	30,980
Total income taxes	558,165	505,364
Profit	1,567,891	1,049,451
Profit attributable to non-controlling interests	535,148	436,456
Profit attributable to owners of parent	1,032,742	612,995

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,567,891	1,049,451
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,212)	5,631
Foreign currency translation adjustment	(22,678)	31,328
Total other comprehensive income	(31,891)	36,959
Comprehensive income	1,536,000	1,086,410
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,000,868	649,953
Comprehensive income attributable to non-controlling interests	535,131	436,457

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,126,056	1,554,815
Depreciation	2,499,111	2,957,426
Amortization of goodwill	3,122	3,093
Increase (decrease) in allowance for doubtful accounts	(6,268)	3,363
Increase (decrease) in provision for bonuses	3,653	7,260
Interest and dividend income	(11,656)	(11,418)
Interest expenses	67,408	89,077
Foreign exchange losses (gains)	(5,971)	(4,905)
Loss on retirement of non-current assets	120	3,962
Loss (gain) on sale of investment securities	(299,119)	–
Decrease (increase) in trade receivables	(766,353)	(902,439)
Decrease (increase) in inventories	510,448	757,591
Increase (decrease) in trade payables	44,131	215,779
Increase (decrease) in accrued consumption taxes	180,795	583,520
Decrease (increase) in other current assets	(974,465)	(25,906)
Increase (decrease) in other current liabilities	28,860	(82,936)
Decrease (increase) in other non-current assets	19,588	(2,356)
Increase (decrease) in other non-current liabilities	10,873	21,242
Other, net	4,489	4,707
Subtotal	3,434,822	5,171,879
Interest and dividends received	11,475	10,057
Interest paid	(67,716)	(88,507)
Income taxes paid	(657,028)	(336,692)
Net cash provided by (used in) operating activities	2,721,553	4,756,737
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	18,000
Purchase of property, plant and equipment	(2,609,702)	(2,689,354)
Purchase of intangible assets	(20,261)	(22,028)
Proceeds from sale of investment securities	333,119	–
Proceeds from collection of loans receivable	648	454
Payments of leasehold and guarantee deposits	(47,987)	(41,951)
Proceeds from refund of leasehold and guarantee deposits	11,878	25,105
Other, net	(3,219)	456
Net cash provided by (used in) investing activities	(2,335,524)	(2,709,318)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,090,000	600,000
Repayments of long-term borrowings	(2,519)	–
Dividends paid	(103,400)	(51,257)
Dividends paid to non-controlling interests	(96,654)	(144,981)
Repayments of lease liabilities	(2,016,700)	(2,452,840)
Net cash provided by (used in) financing activities	(1,129,274)	(2,049,079)
Effect of exchange rate change on cash and cash equivalents	120	8,660
Net increase (decrease) in cash and cash equivalents	(743,126)	7,000
Cash and cash equivalents at beginning of period	1,418,511	975,211
Cash and cash equivalents at end of period	675,385	982,211