

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

November 9, 2023

Company name: Japan Transcity Corporation  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 9310 URL <https://www.transcity.co.jp>  
 Representative: President and Representative Director Hitoshi Ando  
 Finance & Accounting Dept. General Inquiries: Ritsuko Kato TEL 059-363-5211  
 Manager  
 Scheduled date to file Quarterly Securities Report: November 10, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(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	62,183	(3.5)	3,212	(21.5)	3,868	(29.3)	2,617	(29.9)
Six months ended September 30, 2022	64,460	15.7	4,094	20.7	5,473	31.4	3,733	27.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	40.86		-	
Six months ended September 30, 2022	58.05		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	155,511	84,732	52.2
As of March 31, 2023	137,166	79,742	55.9

### 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	-	5.50	-	6.00	11.50
Year ending March 31, 2024	-	6.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	6.00	12.00

### 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	120,000	(10.5)	5,500	(24.1)	6,500	(27.8)	4,500	(26.9)	70.25

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: 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, 2023	67,142,417 shares	As of March 31, 2023	67,142,417 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2023	3,151,828 shares	As of March 31, 2023	2,897,602 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	64,059,834 shares	Six months ended September 30, 2022	64,304,205 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	19,814	20,917
Notes and accounts receivable-trade and contract assets	18,717	18,360
Inventories	206	236
Other	2,905	3,868
Allowance for doubtful accounts	(67)	(67)
Total current assets	41,577	43,315
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,677	41,712
Land	32,291	34,422
Other, net	7,667	8,041
Total property, plant and equipment	70,636	84,175
Intangible assets	1,122	1,395
Investments and other assets		
Investment securities	17,720	20,491
Other	6,122	6,146
Allowance for doubtful accounts	(11)	(12)
Total investments and other assets	23,830	26,625
Total non-current assets	95,589	112,196
Total assets	137,166	155,511

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	10,472	9,301
Short-term borrowings	2,457	2,370
Current portion of long-term borrowings	5,174	5,301
Income taxes payable	1,417	910
Provision for bonuses	1,238	1,314
Other	4,368	3,767
<b>Total current liabilities</b>	<b>25,128</b>	<b>22,964</b>
<b>Non-current liabilities</b>		
Bonds payable	–	8,000
Long-term borrowings	20,042	27,017
Deferred tax liabilities for land revaluation	3,694	3,694
Retirement benefit liability	2,134	2,145
Long-term guarantee deposits	2,075	2,081
Other	4,349	4,876
<b>Total non-current liabilities</b>	<b>32,296</b>	<b>47,814</b>
<b>Total liabilities</b>	<b>57,424</b>	<b>70,779</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,428	8,428
Capital surplus	6,822	6,868
Retained earnings	59,332	61,563
Treasury shares	(1,154)	(1,357)
<b>Total shareholders' equity</b>	<b>73,428</b>	<b>75,503</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,142	5,057
Revaluation reserve for land	(1,364)	(1,364)
Foreign currency translation adjustment	822	1,488
Remeasurements of defined benefit plans	580	531
<b>Total accumulated other comprehensive income</b>	<b>3,181</b>	<b>5,713</b>
<b>Non-controlling interests</b>	<b>3,132</b>	<b>3,516</b>
<b>Total net assets</b>	<b>79,742</b>	<b>84,732</b>
<b>Total liabilities and net assets</b>	<b>137,166</b>	<b>155,511</b>

**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, 2022	Six months ended September 30, 2023
Net sales	64,460	62,183
Cost of sales	57,052	55,351
Gross profit	7,407	6,832
Selling, general and administrative expenses	3,313	3,619
Operating profit	4,094	3,212
Non-operating income		
Interest income	11	26
Dividend income	251	198
Share of profit of entities accounted for using equity method	522	329
Foreign exchange gains	573	197
Other	85	48
Total non-operating income	1,443	799
Non-operating expenses		
Interest expenses	55	64
Interest expenses on bonds	–	11
Bond issuance costs	–	43
Other	8	23
Total non-operating expenses	63	143
Ordinary profit	5,473	3,868
Extraordinary income		
Gain on disposal of non-current assets	20	3
Gain on sale of investment securities	9	50
Other	–	2
Total extraordinary income	29	57
Extraordinary losses		
Loss on disposal of non-current assets	35	25
Total extraordinary losses	35	25
Profit before income taxes	5,466	3,900
Income taxes	1,545	1,117
Profit	3,921	2,782
Profit attributable to non-controlling interests	188	165
Profit attributable to owners of parent	3,733	2,617

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,921	2,782
Other comprehensive income		
Valuation difference on available-for-sale securities	(260)	1,920
Foreign currency translation adjustment	923	834
Remeasurements of defined benefit plans, net of tax	(46)	(48)
Share of other comprehensive income of entities accounted for using equity method	47	19
Total other comprehensive income	663	2,726
Comprehensive income	4,584	5,509
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,162	5,150
Comprehensive income attributable to non-controlling interests	422	359

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	5,466	3,900
Depreciation	2,264	2,433
Increase (decrease) in retirement benefit liability	35	14
Decrease (increase) in retirement benefit asset	(144)	(0)
Loss (gain) on disposal of non-current assets	15	21
Interest and dividend income	(262)	(224)
Interest expenses on borrowings and bonds	55	76
Share of loss (profit) of entities accounted for using equity method	(522)	(329)
Decrease (increase) in trade receivables	565	731
Increase (decrease) in trade payables	(2,630)	(1,503)
Increase (decrease) in accrued consumption taxes	(113)	(1,151)
Other, net	(768)	(545)
Subtotal	3,960	3,424
Interest and dividends received	694	525
Interest paid	(58)	(55)
Income taxes paid	(1,070)	(1,645)
Net cash provided by (used in) operating activities	3,526	2,249
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,248)	(15,971)
Proceeds from sale of property, plant and equipment and intangible assets	24	8
Other, net	(6)	55
Net cash provided by (used in) investing activities	(1,229)	(15,907)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,800	8,000
Repayments of long-term borrowings	(5,949)	(898)
Proceeds from issuance of bonds	–	7,956
Dividends paid	(353)	(385)
Other, net	(159)	(563)
Net cash provided by (used in) financing activities	(1,662)	14,108
Effect of exchange rate change on cash and cash equivalents	727	639
Net increase (decrease) in cash and cash equivalents	1,362	1,089
Cash and cash equivalents at beginning of period	13,737	19,515
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	14
Cash and cash equivalents at end of period	15,099	20,619