Translation

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

November 11, 2024

Company name: Japan Transcity Corporation
Stock exchange listing: Tokyo, Nagoya
Stock code: 9310 URL https://www.trancy.co.jp
Representative: President and Representative Director Hitoshi Ando
Inquiries: Finance & Accounting Dept. General Manager Ritsuko Kato TEL 059-363-5211
Scheduled date to file Semi-annual Securities Report: November 12, 2024
Scheduled date to commence dividend payments: December 4, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(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	61,625	(0.9)	4,035	25.6	4,781	23.6	3,193	22.0
Six months ended September 30, 2023	62,183	(3.5)	3,212	(21.5)	3,868	(29.3)	2,617	(29.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	50.33	–
Six months ended September 30, 2023	40.86	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	163,147	92,417	54.1
As of March 31, 2024	160,323	89,205	53.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	6.00	–	7.00	13.00
Year ending March 31, 2025	–	16.50			
Year ending March 31, 2025 (Forecast)			–	18.00	34.50

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	124,000	1.2	6,800	9.0	7,800	6.1	5,400	16.5	85.11

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(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:	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, 2024	67,142,417 shares	As of March 31, 2024	67,142,417 shares

Number of treasury shares at the end of the period

As of September 30, 2024	3,941,833 shares	As of March 31, 2024	3,597,194 shares

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

Six months ended September 30, 2024	63,447,275 shares	Six months ended September 30, 2023	64,059,834 shares

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	21,993	28,098
Notes and accounts receivable-trade and contract assets	18,027	16,791
Inventories	254	255
Other	3,797	2,589
Allowance for doubtful accounts	(67)	(67)
Total current assets	44,005	47,666
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,419	39,684
Land	35,012	35,026
Other, net	8,042	8,311
Total property, plant and equipment	83,474	83,022
Intangible assets	1,055	1,043
Investments and other assets		
Investment securities	23,099	22,804
Other	8,700	8,621
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	31,788	31,415
Total non-current assets	116,317	115,481
Total assets	160,323	163,147

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Trade accounts payable	9,654	9,302
Short-term borrowings	2,370	2,370
Current portion of long-term borrowings	2,251	2,101
Income taxes payable	359	1,297
Provision for bonuses	1,287	1,340
Other	3,761	3,915
Total current liabilities	19,683	20,327
Non-current liabilities		
Bonds payable	8,000	8,000
Long-term borrowings	29,091	28,116
Deferred tax liabilities for land revaluation	3,694	3,694
Retirement benefit liability	2,131	2,181
Long-term guarantee deposits	2,031	1,997
Other	6,485	6,412
Total non-current liabilities	51,434	50,402
Total liabilities	71,117	70,730
Net assets		
Shareholders' equity		
Share capital	8,428	8,428
Capital surplus	6,870	6,870
Retained earnings	63,194	65,943
Treasury shares	(1,642)	(1,957)
Total shareholders' equity	76,850	79,284
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,726	6,529
Revaluation reserve for land	(1,364)	(1,364)
Foreign currency translation adjustment	1,356	2,014
Remeasurements of defined benefit plans	1,951	1,845
Total accumulated other comprehensive income	8,670	9,025
Non-controlling interests	3,684	4,107
Total net assets	89,205	92,417
Total liabilities and net assets	160,323	163,147

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	62,183	61,625
Cost of sales	55,351	53,938
Gross profit	6,832	7,687
Selling, general and administrative expenses	3,619	3,651
Operating profit	3,212	4,035
Non-operating income		
Interest income	26	30
Dividend income	198	231
Share of profit of entities accounted for using equity method	329	304
Foreign exchange gains	197	213
Other	48	71
Total non-operating income	799	852
Non-operating expenses		
Interest expenses	64	80
Interest expenses on bonds	11	20
Bond issuance costs	43	–
Other	23	5
Total non-operating expenses	143	106
Ordinary profit	3,868	4,781
Extraordinary income		
Gain on disposal of non-current assets	3	17
Gain on sale of investment securities	50	123
Other	2	–
Total extraordinary income	57	141
Extraordinary losses		
Loss on disposal of non-current assets	25	13
Total extraordinary losses	25	13
Profit before income taxes	3,900	4,909
Income taxes	1,117	1,450
Profit	2,782	3,458
Profit attributable to non-controlling interests	165	265
Profit attributable to owners of parent	2,617	3,193

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,782	3,458
Other comprehensive income		
Valuation difference on available-for-sale securities	1,920	(210)
Foreign currency translation adjustment	834	772
Remeasurements of defined benefit plans, net of tax	(48)	(106)
Share of other comprehensive income of entities accounted for using equity method	19	58
Total other comprehensive income	2,726	515
Comprehensive income	5,509	3,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,150	3,546
Comprehensive income attributable to non-controlling interests	359	427

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	3,900	4,909
Depreciation	2,433	2,643
Increase (decrease) in retirement benefit liability	14	51
Decrease (increase) in retirement benefit asset	(0)	(100)
Loss (gain) on disposal of non-current assets	21	(4)
Interest and dividend income	(224)	(262)
Interest expenses on borrowings and bonds	76	100
Share of loss (profit) of entities accounted for using equity method	(329)	(304)
Decrease (increase) in trade receivables	731	1,473
Increase (decrease) in trade payables	(1,503)	(494)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(1,151)	1,575
Other, net	(545)	(951)
Subtotal	3,424	8,636
Interest and dividends received	525	626
Interest paid	(55)	(100)
Income taxes paid	(1,645)	(287)
Net cash provided by (used in) operating activities	2,249	8,875
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(15,971)	(1,460)
Proceeds from sale of property, plant and equipment and intangible assets	8	17
Other, net	55	454
Net cash provided by (used in) investing activities	(15,907)	(989)
Cash flows from financing activities		
Proceeds from long-term borrowings	8,000	–
Repayments of long-term borrowings	(898)	(1,125)
Proceeds from issuance of bonds	7,956	–
Dividends paid	(385)	(444)
Other, net	(563)	(579)
Net cash provided by (used in) financing activities	14,108	(2,150)
Effect of exchange rate change on cash and cash equivalents	639	609
Net increase (decrease) in cash and cash equivalents	1,089	6,344
Cash and cash equivalents at beginning of period	19,515	21,507
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	14	–
Cash and cash equivalents at end of period	20,619	27,852