

Translation

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

November 2, 2023

Company name: Tenpo Innovation CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 3484 URL <https://www.tenpo-r.co.jp>  
 Representative: President Yasuo Hara  
 Inquiries: Senior Managing Director Yohei Shimura TEL 03-6274-8733  
 Scheduled date to file Quarterly Securities Report: November 13, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(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	7,098	16.3	525	(5.3)	558	(3.9)	381	(4.3)
Six months ended September 30, 2022	6,103	–	554	–	581	–	398	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	22.64	–
Six months ended September 30, 2022	22.55	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	12,977	3,032	23.4
As of March 31, 2023	12,882	3,195	24.8

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, 2023	–	0.00	–	16.00	16.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	20.00	20.00

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	14,844	13.6	1,276	5.3	1,306	3.2	891	0.7	52.37

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: 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	17,674,400 shares	As of March 31, 2023	17,674,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	900,608 shares	As of March 31, 2023	650,588 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	16,844,848 shares	Six months ended September 30, 2022	17,673,886 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
<b>Assets</b>		
Current assets		
Cash and deposits	3,501,245	3,264,992
Real estate for sale	337,396	372,730
Prepaid expenses	1,103,740	1,145,662
Other	185,654	185,887
Total current assets	5,128,037	4,969,272
Non-current assets		
Property, plant and equipment	666,515	664,854
Intangible assets	41,863	48,311
Investments and other assets		
Guarantee deposits	6,423,205	6,672,451
Other	622,765	622,135
Total investments and other assets	7,045,971	7,294,586
Total non-current assets	7,754,351	8,007,751
Total assets	12,882,388	12,977,024
<b>Liabilities</b>		
Current liabilities		
Income taxes payable	265,275	190,775
Provision for bonuses	46,872	31,811
Unearned revenue	1,356,757	1,471,639
Other	644,363	557,394
Total current liabilities	2,313,269	2,251,621
Non-current liabilities		
Retirement benefit liability	21,500	30,000
Guarantee deposits received	6,969,768	7,271,456
Other	382,554	391,915
Total non-current liabilities	7,373,823	7,693,371
Total liabilities	9,687,092	9,944,993
<b>Net assets</b>		
Shareholders' equity		
Share capital	308,394	308,394
Capital surplus	539,930	539,930
Retained earnings	3,153,526	3,262,536
Treasury shares	(806,554)	(1,078,830)
Total shareholders' equity	3,195,296	3,032,031
Total net assets	3,195,296	3,032,031
Total liabilities and net assets	12,882,388	12,977,024

**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	6,103,772	7,098,645
Cost of sales	4,939,953	5,831,596
Gross profit	1,163,819	1,267,049
Selling, general and administrative expenses	608,843	741,242
Operating profit	554,976	525,806
Non-operating income		
Penalty income	6,893	17,652
Compensation income	80,671	28,097
Subsidy income	11,342	–
Other	2,734	238
Total non-operating income	101,641	45,988
Non-operating expenses		
Compensation expenses	68,787	5,298
Non-deductible consumption tax	4,701	5,355
Other	1,163	2,149
Total non-operating expenses	74,652	12,803
Ordinary profit	581,965	558,991
Profit before income taxes	581,965	558,991
Income taxes	183,260	177,600
Profit	398,705	381,391
Profit attributable to owners of parent	398,705	381,391

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

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	398,705	381,391
Comprehensive income	398,705	381,391
Comprehensive income attributable to Comprehensive income attributable to owners of parent	398,705	381,391

## 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	581,965	558,991
Depreciation	18,649	20,889
Increase (decrease) in provision for bonuses	(9,539)	(15,061)
Increase (decrease) in retirement benefit liability	5,042	8,500
Subsidy income	(11,342)	–
Decrease (increase) in prepaid expenses	(61,196)	(41,921)
Decrease (increase) in guarantee deposits	(276,806)	(249,245)
Increase (decrease) in unearned revenue	97,609	114,882
Increase (decrease) in guarantee deposits received	273,639	301,687
Decrease (increase) in real estate for sale	(82,145)	(35,334)
Other, net	6,469	(81,802)
Subtotal	542,346	581,585
Income taxes paid	(237,455)	(248,674)
Subsidies received	11,342	–
Other, net	14	2
Net cash provided by (used in) operating activities	316,248	332,913
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(11,320)
Purchase of intangible assets	(8,708)	(13,189)
Other, net	(1,163)	–
Net cash provided by (used in) investing activities	(9,871)	(24,509)
Cash flows from financing activities		
Dividends paid	(212,086)	(272,380)
Purchase of treasury shares	–	(272,275)
Net cash provided by (used in) financing activities	(212,086)	(544,656)
Net increase (decrease) in cash and cash equivalents	94,289	(236,252)
Cash and cash equivalents at beginning of period	3,467,517	3,501,245
Cash and cash equivalents at end of period	3,561,807	3,264,992