

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

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: February 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	10,521	6.6	720	(29.6)	761	(28.6)	519	(28.9)
Nine months ended December 31, 2022	9,874	–	1,022	–	1,066	–	730	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	30.87		–	
Nine months ended December 31, 2022	41.33		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	13,217	3,172	24.0
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				
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2023	16,821,076 shares	Nine months ended December 31, 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	3,501,245	2,826,692
Real estate for sale	337,396	944,933
Prepaid expenses	1,103,740	1,182,575
Other	185,654	155,094
Total current assets	5,128,037	5,109,295
Non-current assets		
Property, plant and equipment	666,515	675,575
Intangible assets	41,863	46,428
Investments and other assets		
Guarantee deposits	6,423,205	6,770,736
Other	622,765	615,788
Total investments and other assets	7,045,971	7,386,525
Total non-current assets	7,754,351	8,108,529
Total assets	12,882,388	13,217,824
Liabilities		
Current liabilities		
Income taxes payable	265,275	33,227
Provision for bonuses	46,872	34,931
Unearned revenue	1,356,757	1,493,996
Other	644,363	503,222
Total current liabilities	2,313,269	2,065,377
Non-current liabilities		
Retirement benefit liability	21,500	31,000
Guarantee deposits received	6,969,768	7,552,986
Other	382,554	396,190
Total non-current liabilities	7,373,823	7,980,177
Total liabilities	9,687,092	10,045,554
Net assets		
Shareholders' equity		
Share capital	308,394	308,394
Capital surplus	539,930	539,930
Retained earnings	3,153,526	3,400,417
Treasury shares	(806,554)	(1,078,830)
Total shareholders' equity	3,195,296	3,169,911
Share acquisition rights	–	2,358
Total net assets	3,195,296	3,172,269
Total liabilities and net assets	12,882,388	13,217,824

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	9,874,466	10,521,694
Cost of sales	7,924,764	8,663,792
Gross profit	1,949,702	1,857,901
Selling, general and administrative expenses	926,711	1,137,406
Operating profit	1,022,990	720,495
Non-operating income		
Penalty income	20,985	22,599
Compensation income	84,749	49,144
Subsidy income	16,580	-
Other	3,743	6,825
Total non-operating income	126,058	78,570
Non-operating expenses		
Compensation expenses	74,000	23,041
Non-deductible consumption tax	7,697	8,144
Other	1,163	6,668
Total non-operating expenses	82,861	37,853
Ordinary profit	1,066,187	761,212
Profit before income taxes	1,066,187	761,212
Income taxes	335,580	241,940
Profit	730,607	519,272
Profit attributable to owners of parent	730,607	519,272

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	730,607	519,272
Comprehensive income	730,607	519,272
Comprehensive income attributable to Comprehensive income attributable to owners of parent	730,607	519,272