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Consolidated Financial Results for the Year Ended July 31, 2024 [Japanese GAAP]

September 12, 2024

Company name: TSUKURUBA Inc.

Listing: Tokyo

Securities code: 2978

URL: <https://tsukuruba.com/>

Representative: Hiroki Murakami

Representative Director, CEO

Inquiries: Kent Monma

Executive Officer, CFO

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Scheduled date of annual general meeting of shareholders: October 28, 2024

Scheduled date to commence dividend payments: -

Scheduled date to file annual securities report: October 28, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(1) Consolidated Operating Results

(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	%
Fiscal year ended July 31, 2024	5,483	-	155	-	114	-	215	-
July 31, 2023	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Fiscal year ended July 31, 2024: ¥ 213 million [-%]
Fiscal year ended July 31, 2023: ¥ - million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended July 31, 2024	Yen 18.42	Yen 18.26	% 13.0	% 2.7	% 2.8
July 31, 2023	-	-	-	-	-

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended July 31, 2024: ¥ - million
Fiscal year ended July 31, 2023: ¥ - million

As TSUKURUBA transitioned from non-consolidated to consolidated financial statements in the first quarter of the fiscal year ending July 31, 2024, prior year financials and comparisons have not been presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of July 31, 2024	Millions of yen 4,221	Millions of yen 1,800	% 39.3	Yen 84.00
July 31, 2023	-	-	-	-

(Reference) Equity: As of July 31, 2024: ¥ 1,660 million
As of July 31, 2023: ¥ - million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended July 31, 2024	Millions of yen (900)	Millions of yen 81	Millions of yen 954	Millions of yen 1,871
July 31, 2023	-	-	-	-

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
July 31, 2023	-	0.00	-	0.00	0.00	-	-	-
July 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending July 31, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended July 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2025 (August 1, 2024 to July 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,000	45.9	230	48.1	165	44.6	125	(42.0)	11.01

* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
- Newly included: 1 (Company name: TSUKURUBA Box Inc.)
- Excluded: - (Company name:)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None
- (3) Number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- July 31, 2024: 11,685,600 shares
- July 31, 2023: 11,569,500 shares
- 2) Number of treasury shares at the end of the period:
- July 31, 2024: 335,709 shares
- July 31, 2023: 335,709 shares
- 3) Average number of shares outstanding during the period:
- Fiscal Year ended July 31, 2024: 11,328,586 shares
- Fiscal Year ended July 31, 2023: 11,163,789 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2024	4,682	12.8	(41)	-	73	-	186	-
July 31, 2023	4,152	50.1	(132)	-	(150)	-	(165)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
July 31, 2024	15.85	15.71
July 31, 2023	(14.83)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
July 31, 2024	4,498	1,764	36.1	80.82
July 31, 2023	3,064	1,512	45.3	60.82

(Reference) Equity: As of July 31, 2024: ¥ 1,624 million
As of July 31, 2023: ¥ 1,388 million

Cash dividends of class shares

The following is the breakdown of dividends per share related to class shares that have different rights from common shares.

Class A shares	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended July 31, 2023	-	0.00	-	7,095.90	7,095.90
Fiscal year ending July 31, 2024	-	0.00	-	10,000.00	10,000.00
Fiscal year ending July 31, 2025 (Forecast)	-	0.00	-	10,000.00	10,000.00

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

As of July 31, 2024

Assets	
Current assets	
Cash and deposits	1,917,882
Accounts receivable - trade	71,708
Real estate for sale	969,405
Real estate for sale in process	903,172
Other	105,251
Total current assets	3,967,419
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	56,435
Tools, furniture and fixtures, net	18,947
Total property, plant and equipment	75,383
Investments and other assets	
Investment securities	32,421
Deferred tax assets	31,517
Other	114,808
Total investments and other assets	178,747
Total non-current assets	254,130
Total assets	4,221,550
Liabilities	
Current liabilities	
Accounts payable - trade	46,658
Short-term borrowings	927,916
Current portion of bonds payable	140,000
Current portion of long-term borrowings	340,068
Income taxes payable	15,500
Contract liabilities	17,340
Other	219,948
Total current liabilities	1,707,432
Non-current liabilities	
Bonds payable	173,000
Long-term borrowings	540,914
Total non-current liabilities	713,914
Total liabilities	2,421,346
Net assets	
Shareholders' equity	
Share capital	60,139
Capital surplus	1,610,834
Retained earnings	57,064
Treasury shares	(62,516)
Total shareholders' equity	1,665,521
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	(5,167)
Total accumulated other comprehensive income	(5,167)
Share acquisition rights	139,848
Total net assets	1,800,203
Total liabilities and net assets	4,221,550

Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended July 31, 2024
Net sales	5,483,091
Cost of sales	2,658,910
Gross profit	2,824,180
Selling, general and administrative expenses	2,668,924
Operating profit	155,256
Non-operating income	
Interest income	45
Dividend income	2
Subsidy income	1,700
Commission income	1,794
Other	832
Total non-operating income	4,374
Non-operating expenses	
Interest expenses	22,019
Interest expenses on bonds	757
Share issuance costs	700
Bond issuance costs	5,263
Commission expenses	11,217
Compensation expense	5,359
Other	225
Total non-operating expenses	45,542
Ordinary profit	114,088
Extraordinary income	
Gain on sale of shares of subsidiaries and associates	49,226
Gain on sale of investment securities	50,779
Gain on reversal of share acquisition rights	7,409
Gain on sale of non-current assets	701
Total extraordinary income	108,117
Extraordinary losses	
Impairment losses	20,472
Loss on valuation of investment securities	2,010
Loss on sale of non-current assets	72
Total extraordinary losses	22,556
Profit before income taxes	199,648
Income taxes - current	15,508
Income taxes - deferred	(31,517)
Total income taxes	(16,009)
Profit	215,658
Profit attributable to owners of parent	215,658

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended July 31, 2024
Profit	215,658
Other comprehensive income	
Valuation difference on available-for-sale securities	(2,523)
Total other comprehensive income	(2,523)
Comprehensive income	213,134
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	213,134

Consolidated Statements of Changes in Equity
For the fiscal year ended July 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,635	1,587,297	(158,593)	(62,516)	1,397,822
Changes during period					
Issuance of new shares - exercise of share acquisition rights	28,504	28,504			57,008
Dividends of surplus - other capital surplus		(4,967)			(4,967)
Profit attributable to owners of parent			215,658		215,658
Net changes in items other than shareholders' equity					
Total changes during period	28,504	23,537	215,658	-	267,699
Balance at end of period	60,139	1,610,834	57,064	(62,516)	1,665,521

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	(2,644)	(2,644)	124,329	1,519,507
Changes during period				
Issuance of new shares - exercise of share acquisition rights				57,008
Dividends of surplus - other capital surplus				(4,967)
Profit attributable to owners of parent				215,658
Net changes in items other than shareholders' equity	(2,523)	(2,523)	15,519	12,996
Total changes during period	(2,523)	(2,523)	15,519	280,695
Balance at end of period	(5,167)	(5,167)	139,848	1,800,203

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended July 31, 2024
Cash flows from operating activities	
Profit before income taxes	199,648
Depreciation	28,545
Share-based payment expenses	37,473
Interest and dividend income	(48)
Subsidy income	(1,700)
Interest expenses	22,019
Interest expenses on bonds	757
Commission expenses	11,217
Share issuance costs	700
Bond issuance costs	5,263
Gain on sales of shares of subsidiaries and associates	(49,226)
Gain on sale of investment securities	(50,779)
Gain on reversal of share acquisition rights	(7,409)
Loss (gain) on sale of non-current assets	(628)
Impairment losses	20,472
Loss on valuation of investment securities	2,010
Decrease (increase) in trade receivables	(14,201)
Decrease (increase) in inventories	(983,691)
Increase (decrease) in trade payables	34,614
Increase (decrease) in accounts payable - other	(2,870)
Increase (decrease) in accrued consumption taxes	(77,005)
Increase (decrease) in contract liabilities	10,767
Other, net	(58,323)
Subtotal	(872,392)
Interest and dividends received	48
Interest paid	(24,969)
Subsidies received	1,700
Income taxes paid	(4,937)
Net cash provided by (used in) operating activities	(900,551)
Cash flows from investing activities	
Purchase of property, plant and equipment	(38,454)
Proceeds from sale of property, plant and equipment	766
Purchase of investment securities	(5,000)
Proceeds from sale of investment securities	53,534
Proceeds from sale of shares of subsidiaries and associates	97,000
Payments for asset retirement obligations	(3,070)
Payments of leasehold and guarantee deposits	(29,205)
Proceeds from refund of leasehold and guarantee deposits	5,499
Other, net	0
Net cash provided by (used in) investing activities	81,070

(Thousands of yen)

For the fiscal year
ended July 31, 2024

Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	854,916
Proceeds from long-term borrowings	450,600
Repayments of long-term borrowings	(413,303)
Proceeds from issuance of bonds	144,736
Redemption of bonds	(108,250)
Proceeds from exercise of employee share options	41,738
Proceeds from issuance of share acquisition rights	725
Payment of commission	(11,217)
Dividends paid	(4,967)
Other, net	(700)
Net cash provided by (used in) financing activities	954,278
Net increase (decrease) in cash and cash equivalents	134,797
Cash and cash equivalents at beginning of period	1,737,075
Cash and cash equivalents at end of period	1,871,872