

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 3, 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: August 9, 2023
 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	3,410	13.5	244	(14.6)	277	(9.4)	189	(9.8)
Three months ended June 30, 2022	3,004	–	286	–	305	–	209	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	11.17		–	
Three months ended June 30, 2022	11.85		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	12,642	2,839	22.5
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	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	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
Six months ending September 30, 2023	7,158	17.3	610	10.1	625	7.6	427	7.1	25.09
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 three months ended June 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 June 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 June 30, 2023	900,588 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)

Three months ended June 30, 2023	16,916,669 shares	Three months ended June 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	3,501,245	2,922,492
Real estate for sale	337,396	571,881
Prepaid expenses	1,103,740	1,130,657
Other	185,654	163,570
Total current assets	5,128,037	4,788,600
Non-current assets		
Property, plant and equipment	666,515	658,837
Intangible assets	41,863	46,753
Investments and other assets		
Guarantee deposits	6,423,205	6,523,836
Other	622,765	624,680
Total investments and other assets	7,045,971	7,148,516
Total non-current assets	7,754,351	7,854,108
Total assets	12,882,388	12,642,709
Liabilities		
Current liabilities		
Income taxes payable	265,275	94,015
Provision for bonuses	46,872	40,671
Unearned revenue	1,356,757	1,410,985
Other	644,363	681,900
Total current liabilities	2,313,269	2,227,572
Non-current liabilities		
Retirement benefit liability	21,500	27,500
Guarantee deposits received	6,969,768	7,156,763
Other	382,554	391,178
Total non-current liabilities	7,373,823	7,575,441
Total liabilities	9,687,092	9,803,014
Net assets		
Shareholders' equity		
Share capital	308,394	308,394
Capital surplus	539,930	539,930
Retained earnings	3,153,526	3,070,174
Treasury shares	(806,554)	(1,078,804)
Total shareholders' equity	3,195,296	2,839,694
Total net assets	3,195,296	2,839,694
Total liabilities and net assets	12,882,388	12,642,709

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	3,004,247	3,410,994
Cost of sales	2,415,839	2,805,101
Gross profit	588,407	605,892
Selling, general and administrative expenses	302,114	361,351
Operating profit	286,293	244,541
Non-operating income		
Penalty income	3,137	12,758
Compensation income	10,000	26,915
Subsidy income	5,942	–
Other	2,706	202
Total non-operating income	21,786	39,875
Non-operating expenses		
Compensation expenses	1,103	4,117
Non-deductible consumption tax	–	2,873
Amortization of organization expenses	1,163	–
Other	–	357
Total non-operating expenses	2,267	7,347
Ordinary profit	305,812	277,069
Profit before income taxes	305,812	277,069
Income taxes	96,310	88,040
Profit	209,502	189,029
Profit attributable to owners of parent	209,502	189,029

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	209,502	189,029
Comprehensive income	209,502	189,029
Comprehensive income attributable to Comprehensive income attributable to owners of parent	209,502	189,029