

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 17, 2024
 Scheduled date to file Securities Report: June 18, 2024
 Scheduled date to commence dividend payments: June 18, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 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	%
Year ended March 31, 2024	14,263	9.1	974	(19.6)	1,011	(20.1)	666	(24.8)
Year ended March 31, 2023	13,070	–	1,212	–	1,266	–	885	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	39.62	–	20.5	7.6	6.8
Year ended March 31, 2023	50.33	–	27.7	9.8	9.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	13,697	3,324	24.2	197.73
As of March 31, 2023	12,882	3,195	24.8	187.69

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	455	(87)	(537)	3,331
Year ended March 31, 2023	1,073	(21)	(1,018)	3,501

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	16.00	16.00	272	31.8	8.5
Year ended March 31, 2024	–	0.00	–	20.00	20.00	335	50.5	10.4
Year ending March 31, 2025 (Forecast)	–	0.00	–	21.00	21.00		55.9	

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
Six months ending September 30, 2024	8,066	13.6	434	(17.3)	452	(19.1)	311	(18.3)	18.57
Full year	16,840	18.1	907	(6.9)	942	(6.9)	630	(5.3)	37.58

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	900,608 shares	As of March 31, 2023	650,588 shares
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Average number of shares during the period

Year ended March 31, 2024	16,809,320 shares	Year ended March 31, 2023	17,593,740 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,501,245	3,331,233
Accounts receivable - trade	16,707	9,444
Real estate for sale	337,396	823,765
Prepaid expenses	1,103,740	1,195,477
Other	168,947	119,836
Total current assets	5,128,037	5,479,757
Non-current assets		
Property, plant and equipment		
Buildings, net	651,857	634,164
Other	14,658	42,596
Total property, plant and equipment	666,515	676,760
Intangible assets	41,863	31,165
Investments and other assets		
Deferred tax assets	316,219	351,715
Guarantee deposits	6,423,205	6,841,860
Other	306,546	316,052
Total investments and other assets	7,045,971	7,509,628
Total non-current assets	7,754,351	8,217,554
Total assets	12,882,388	13,697,311
Liabilities		
Current liabilities		
Income taxes payable	265,275	162,074
Provision for bonuses	46,872	39,453
Unearned revenue	1,356,757	1,515,682
Other	644,363	674,587
Total current liabilities	2,313,269	2,391,797
Non-current liabilities		
Asset retirement obligations	48,609	48,824
Retirement benefit liability	21,500	37,000
Guarantee deposits received	6,969,768	7,506,961
Other	333,945	388,685
Total non-current liabilities	7,373,823	7,981,471
Total liabilities	9,687,092	10,373,269
Net assets		
Shareholders' equity		
Share capital	308,394	308,394
Capital surplus	539,930	539,930
Retained earnings	3,153,526	3,547,222
Treasury shares	(806,554)	(1,078,830)
Total shareholders' equity	3,195,296	3,316,717
Share acquisition rights	—	2,358
Non-controlling interests	—	4,967
Total net assets	3,195,296	3,324,042
Total liabilities and net assets	12,882,388	13,697,311

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	13,070,402	14,263,842
Cost of sales	10,551,488	11,689,916
Gross profit	2,518,914	2,573,925
Selling, general and administrative expenses	1,306,738	1,599,626
Operating profit	1,212,175	974,299
Non-operating income		
Subsidy income	19,888	–
Penalty income	29,223	30,405
Compensation income	107,558	50,902
Other	5,832	6,859
Total non-operating income	162,502	88,168
Non-operating expenses		
Compensation expenses	92,931	28,272
Nonrecoverable consumption taxes	12,553	14,394
Other	2,892	8,386
Total non-operating expenses	108,377	51,053
Ordinary profit	1,266,301	1,011,413
Extraordinary income		
Gain on termination of retirement benefit plan	211	–
Total extraordinary income	211	–
Extraordinary losses		
Loss on retirement of non-current assets	–	19,217
Total extraordinary losses	–	19,217
Profit before income taxes	1,266,512	992,196
Income taxes - current	428,603	361,646
Income taxes - deferred	(47,598)	(35,495)
Total income taxes	381,004	326,151
Profit	885,507	666,044
Loss attributable to non-controlling interests	–	(32)
Profit attributable to owners of parent	885,507	666,077

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	885,507	666,044
Comprehensive income	885,507	666,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	885,507	666,077
Comprehensive income attributable to non-controlling interests	—	(32)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	308,394	539,930	2,480,104	(463)	3,327,966	3,327,966
Changes during period						
Dividends of surplus			(212,086)		(212,086)	(212,086)
Profit attributable to owners of parent			885,507		885,507	885,507
Purchase of treasury shares				(806,091)	(806,091)	(806,091)
Total changes during period	–	–	673,421	(806,091)	(132,670)	(132,670)
Balance at end of period	308,394	539,930	3,153,526	(806,554)	3,195,296	3,195,296

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	308,394	539,930	3,153,526	(806,554)	3,195,296
Changes during period					
Dividends of surplus			(272,380)		(272,380)
Profit attributable to owners of parent			666,077		666,077
Purchase of treasury shares				(272,275)	(272,275)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	393,696	(272,275)	121,421
Balance at end of period	308,394	539,930	3,547,222	(1,078,830)	3,316,717

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	–	–	3,195,296
Changes during period			
Dividends of surplus			(272,380)
Profit attributable to owners of parent			666,077
Purchase of treasury shares			(272,275)
Net changes in items other than shareholders' equity	2,358	4,967	7,325
Total changes during period	2,358	4,967	128,746
Balance at end of period	2,358	4,967	3,324,042

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,266,512	992,196
Depreciation	36,675	50,012
Increase (decrease) in provision for bonuses	(6,562)	(7,419)
Increase (decrease) in retirement benefit liability	21,500	15,500
Subsidy income	(19,888)	–
Loss on retirement of non-current assets	–	19,217
Decrease (increase) in prepaid expenses	(150,042)	(91,736)
Decrease (increase) in guarantee deposits	(639,394)	(413,350)
Increase (decrease) in unearned revenue	158,434	158,924
Increase (decrease) in guarantee deposits received	660,847	537,192
Decrease (increase) in real estate for sale	(7,663)	(486,369)
Other, net	150,853	144,024
Subtotal	1,471,271	918,191
Income taxes paid	(417,378)	(462,972)
Subsidies received	19,888	–
Other, net	32	6
Net cash provided by (used in) operating activities	1,073,814	455,224
Cash flows from investing activities		
Purchase of property, plant and equipment	(470)	(50,183)
Purchase of intangible assets	(11,608)	(22,621)
Payments of leasehold deposits	–	(5,304)
Other, net	(9,830)	(9,830)
Net cash provided by (used in) investing activities	(21,908)	(87,938)
Cash flows from financing activities		
Proceeds from issuance of share acquisition rights	–	2,358
Purchase of treasury shares	(806,091)	(272,275)
Dividends paid	(212,086)	(272,380)
Proceeds from share issuance to non-controlling shareholders	–	5,000
Net cash provided by (used in) financing activities	(1,018,178)	(537,298)
Net increase (decrease) in cash and cash equivalents	33,727	(170,012)
Cash and cash equivalents at beginning of period	3,467,517	3,501,245
Cash and cash equivalents at end of period	3,501,245	3,331,233