

Translation

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Consolidated Financial Results for the Six Months Ended April 30, 2024 (under Japanese GAAP)

June 14, 2024

Company name: tripla Co., Ltd. Listing: Tokyo Stock Exchange
 Securities code: 5136 URL: <https://en.tripla.io/>
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 Scheduled date to file Quarterly Securities Report (*Shihanki Hokokusho*): June 14, 2024
 Scheduled date to commence payment of dividends: –
 Preparation of supplementary briefing material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors, securities analysts, and individual investors)

(Amounts less than a million yen are rounded down to the nearest million yen.)

1. Consolidated financial results for the six months ended April 30, 2024 (from November 1, 2023 to April 30, 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	%
Six months ended April 30, 2024	765	–	55	–	44	–	26	–
April 30, 2023	–	–	–	–	–	–	–	–

Note: Comprehensive income

For the six months ended April 30, 2024: ¥43 million (–%)

For the six months ended April 30, 2023: ¥– million (–%)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended April 30, 2024	4.67		4.51	
April 30, 2023	–		–	

Note: As the Company began preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending October 31, 2024, the figures for the six months ended April 30, 2023 and the percentages of year-on-year changes are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2024	7,373	1,393	17.8
October 31, 2023	–	–	–

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of April 30, 2024: ¥1,311 million

As of October 31, 2023: ¥– million

Note: As the Company began preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending October 31, 2024, the figures as of October 31, 2023 are not presented.

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended October 31, 2023	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00
Fiscal year ending October 31, 2024	–	0.00			
Fiscal year ending October 31, 2024 (forecast)			–	0.00	0.00

Note: Revisions from the most recently announced dividends forecast: None

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2024 (from November 1, 2023 to October 31, 2024)
(Percentages indicate year-on-year changes.)

Fiscal year	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
	1,841	—	238	—	227	—	165	—	29.75

Notes: Revisions from the most recently announced forecast of consolidated financial results: None

As the Company began preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending October 31, 2024, the percentages of year-on-year changes are not presented.

* Notes

(1) Significant changes in subsidiaries during the period (Changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Newly included:	3 companies:	Bookandlink Pte. Ltd. PT Surya Jagat Mandiri Surehigh International Technology Inc.
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Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements

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|--|------|
| 1) Changes in accounting policies due to application of new or revised accounting standards: | None |
| 2) Changes in accounting policies due to reasons other than above 1): | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatements of prior period financial statements: | None |

(4) Number of shares of common stock issued

- | | |
|---|------------------|
| 1) Number of shares issued (including treasury shares) | |
| As of April 30, 2024: | 5,804,122 shares |
| As of October 31, 2023: | 5,562,300 shares |
| 2) Number of treasury shares | |
| As of April 30, 2024: | 81 shares |
| As of October 31, 2023: | 34 shares |
| 3) Average number of shares outstanding during the period | |
| Six months ended April 30, 2024: | 5,748,952 shares |
| Six months ended April 30, 2023: | 5,302,693 shares |

* This quarterly financial results report is not subject to quarterly review procedures by certified public accountants or an audit firm.

* Proper use of earnings forecast and other special notes

The forward-looking statements, including the earnings forecast, contained in this document are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, please be advised that we do not guarantee the achievement of the forecast, and the actual results may differ significantly from the forecast due to a variety of factors. For notes on the earnings forecast, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Explanation of forward-looking information including consolidated earnings forecast” on page 3 of the Attached Materials.

Contents of Attached Materials

1. Qualitative Information on Quarterly Consolidated Financial Results	P. 2
(1) Explanation of consolidated operating results	P. 2
(2) Explanation of consolidated financial position	P. 2
(3) Explanation of forward-looking information including consolidated earnings forecast	P. 3
2. Quarterly Consolidated Financial Statements and Major Notes	P. 4
(1) Quarterly consolidated balance sheet	P. 4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	P. 6
Quarterly consolidated statement of income for six months ended April 30, 2024	P. 6
Quarterly consolidated statement of comprehensive income for six months ended April 30, 2024	P. 7
(3) Quarterly consolidated statement of cash flows	P. 8
(4) Notes to quarterly consolidated financial statements	P. 10
<i>Going concern assumption</i>	P. 10
<i>Significant changes in shareholders' equity</i>	P. 10
<i>Segment information</i>	P. 10
<i>Subsequent events after reporting period</i>	P. 10

1. Qualitative Information on Quarterly Consolidated Financial Results

Forward-looking statements in this document are based on the Company's judgements as of April 30, 2024. We have not made an analysis of the results for the six months ended April 30, 2024 based on the comparison with the results for the same period last year as we did not prepare quarterly consolidated financial statements for the six months ended April 30, 2023.

(1) Explanation of consolidated operating results

During the six months ended April 30, 2024, the Japanese economy got back to normal and showed some signs of picking up, backed by the recovery of consumer spending and inbound tourists, despite persistent rises in prices, as a range of COVID-19-related restrictions on activities were largely lifted. Meanwhile, the outlook for the economy has remained uncertain for a number of factors, such as a spike in energy prices, a rise in commodity prices, and interest rate policies in each country, against the backdrop of the economic conditions biased towards yen depreciation.

In the hotel industry, which is related to the Group's hospitality solutions business, had struggled with worsened business environments for a few years in the wake of the COVID-19 pandemic. However, in the middle of the fiscal year ended October 31, 2023, in line with the moves towards normalization, the number of guests started to recover. Such moves include the lifting of restrictions on activities, the easing of restrictions on entry, the announcement by the Japanese government to leave the decision whether to wear a mask to individuals, and the reclassification of COVID-19 from the rank equivalent to Category II (novel influenza and equivalent infectious diseases) to Category V infectious diseases. We expect the number of guests remain at normal levels in the fiscal year ending October 31, 2024. Statistics by the Japan Tourism Agency indicate that the cumulative number of guests (including inbound tourists) during the current fiscal year recovered to 106% of the level during the same period in 2019 before the COVID-19 pandemic. In fact, the number of Japanese guests recovered to 101%, reaching nearly the level during the same period in 2019; and the number of inbound guests from abroad recovered to 127%, exceeding the level in 2019. In almost all months since July 2023, monthly guests have continued to outperform the numbers during the same months in 2019. Note that the cumulative number of guests are aggregated based on the numbers announced by the Japan Tourism Agency of the Ministry of Land, Infrastructure and Transport.

While people's lifestyles, which had been forced to change since the outbreak of COVID-19, were getting back to normal, the Group's hospitality solutions business improved the functions of its mainstay services, including "tripla Book" and "tripla Bot," and CRM/MA tools dedicated to the hotel industry, including "tripla Connect," to enhance customer satisfaction. Since November 2023, the Group also has developed and delivered the advertising management service "tripla Boost," the online travel agency service "tripla.ai," and the service to assist travelers on journey "tripla Guide" providing integrated information necessary during hotel stay. In addition, the Group established a Korean branch to sell accommodation facilities in Korea in March 2023, acquired BOOKANDLINK PTE. LTD. in November 2023, and acquired Surehigh International Technology Inc. and Endurance Technology Solution Pte Ltd. in February 2024. We are thus committed to expanding business overseas, which is a pillar of our growth strategy.

As the result of these efforts, during the six months ended April 30, 2024, the numbers of facilities available with tripla Book and tripla Bot increased 173 and 44 year on year to 2,658 and 1,710, respectively. During the same period, Gross Merchandise Value ("GMV") also increased 108.8% year on year to ¥54,903 million.

As a result, for the six months ended April 30, 2024, operating revenue amounted to ¥765,048 thousand. On the profit side, operating profit amounted to ¥55,819 thousand, ordinary profit amounted to ¥44,734 thousand, and profit attributable to owners of parent amounted to ¥26,859 thousand.

Description by segment is omitted as the Group operates in a single segment, i.e. the hospitality solutions business.

(2) Explanation of consolidated financial position

(i) Assets, liabilities and net assets as of April 30, 2024

(Assets)

For the six months ended April 30, 2024, total assets came in at ¥7,373,587 thousand.

Current assets amounted to ¥6,584,715 thousand, which consisted primarily of cash and deposits of ¥6,212,754 thousand.

Non-current assets amounted to ¥788,872 thousand, which consisted primarily of goodwill of ¥658,698 thousand and deferred tax assets of ¥48,796 thousand.

(Liabilities)

For the six months ended April 30, 2024, total liabilities came in at ¥5,980,517 thousand.

Current liabilities amounted to ¥5,314,000 thousand, which consisted primarily of deposits received as part of accommodation fees for tripla Book of ¥4,820,543 thousand.

Non-current liabilities amounted to ¥666,516 thousand, which consisted of long-term borrowings and retirement benefit liability.

(Net assets)

For the six months ended April 30, 2024, total net assets came in at ¥1,393,070 thousand, which consisted primarily of share capital of ¥845,978 thousand yen, capital surplus of ¥1,226,714 thousand, and retained earnings of (¥772,647) thousand.

(ii) Cash flows for the six months ended April 30, 2024

As of April 30, 2024, cash and cash equivalents (“net cash”) came in at ¥6,084,774 thousand. Major factors for increases/decreases in cash flows in the six months ended April 30, 2024 are as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥372,846 thousand, which is attributable primarily to profit before income taxes of ¥44,734 thousand and an increase in deposits received of ¥326,058 thousand due in part to an increase in the settled amount of accommodation fees for the tripla Book business.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥388,168 thousand, which is attributable primarily to purchases of property, plant and equipment of ¥18,408 thousand, payments of leasehold and guarantee deposits of ¥26,293 thousand, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥343,530 thousand.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥619,194 thousand, which is attributable primarily to proceeds from long-term borrowings of ¥637,535 thousand.

(3) Explanation of forward-looking information including consolidated earnings forecast

There is no change in the consolidated financial result forecasts for the current fiscal year from the forecasts previously announced. For details, refer to supplementary presentation materials. We will keep watching the trends of future business environments and earnings results, and will disclose any changes promptly in the event we deem it necessary to review the forecasts.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheet

	(Thousands of yen)
	As of April 30, 2024
Assets	
Current assets	
Cash and deposits	6,212,754
Accounts receivable - trade, net	220,318
Other	151,641
Total current assets	<u>6,584,715</u>
Non-current assets	
Property, plant and equipment	<u>31,002</u>
Intangible assets	
Goodwill	<u>658,698</u>
Total intangible assets	<u>658,698</u>
Investments and other assets	
Deferred tax assets	48,796
Other	50,375
Total investments and other assets	<u>99,171</u>
Total non-current assets	<u>788,872</u>
Total assets	<u>7,373,587</u>
Liabilities	
Current liabilities	
Current portion of long-term borrowings	157,219
Income taxes payable	39,054
Provision for bonuses	1,060
Deposits received	4,820,543
Other	296,122
Total current liabilities	<u>5,314,000</u>
Non-current liabilities	
Long-term borrowings	654,756
Retirement benefit liability	11,760
Total non-current liabilities	<u>666,516</u>
Total liabilities	<u>5,980,517</u>

(Thousands of yen)

As of April 30, 2024

Net assets

Shareholders' equity

Share capital 845,978

Capital surplus 1,226,714

Retained earnings (772,647)

Treasury shares (183)

Total shareholders' equity 1,299,862

Accumulated other comprehensive income

Foreign currency translation adjustment 11,970

Total accumulated other comprehensive income 11,970

Share acquisition rights

8,592

Non-controlling interests

72,645

Total net assets

1,393,070

Total liabilities and net assets

7,373,587

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income for six months ended April 30, 2024

	(Thousands of yen)
	Six months ended April 30, 2024
Operating revenue	765,048
Operating expenses	709,228
Operating profit	55,819
Non-operating income	
Interest income	305
Other	373
Total non-operating income	678
Non-operating expenses	
Interest expenses	2,597
Foreign exchange losses	9,031
Other	134
Total non-operating expenses	11,763
Ordinary profit	44,734
Profit before income taxes	44,734
Income taxes – current	16,349
Income taxes – deferred	(91)
Total income taxes	16,258
Profit	28,475
Profit attributable to non-controlling interests	1,616
Profit attributable to owners of parent	26,859

Quarterly consolidated statement of comprehensive income for six months ended April 30, 2024

(Thousands of yen)

	Six months ended April 30, 2024
Profit	28,475
Other comprehensive income	
Foreign currency translation adjustment	14,967
Total other comprehensive income	14,967
Comprehensive income	43,442
Comprehensive income attributable to:	
Owners of parent	38,829
Non-controlling interests	4,613

(3) Quarterly consolidated statement of cash flows

	(Thousands of yen)
	Six months ended April 30, 2024
Cash flows from operating activities	
Profit before income taxes	44,734
Depreciation	2,532
Amortization of goodwill	10,268
Share-based payment expenses	9,652
Interest income	(305)
Interest expenses	2,597
Foreign exchange losses (gains)	(11,753)
Decrease (increase) in trade receivables	(10,339)
Increase (decrease) in deposits received	326,058
Other, net	20,476
Subtotal	393,921
Interest received	305
Interest paid	(2,597)
Income taxes paid	(18,782)
Net cash provided by (used in) operating activities	372,846
Cash flows from investing activities	
Purchase of property, plant and equipment	(18,408)
Payments of leasehold and guarantee deposits	(26,293)
Proceeds from refund of leasehold and guarantee deposits	63
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(343,530)
Net cash provided by (used in) investing activities	(388,168)

	(Thousands of yen)
	Six months ended April 30, 2024
Cash flows from financing activities	
Proceeds from issuance of shares	20,955
Purchase of treasury shares	(87)
Proceeds from long-term borrowings	637,535
Repayments of long-term borrowings	(39,208)
Net cash provided by (used in) financing activities	619,194
Effect of exchange rate change on cash and cash equivalents	12,739
Net increase (decrease) in cash and cash equivalents	616,611
Cash and cash equivalents at beginning of period	5,468,162
Cash and cash equivalents at end of period	6,084,774

(4) Notes to quarterly consolidated financial statements

Going concern assumption

Not applicable

Significant changes in shareholders' equity

The Company resolved at the Board of Directors' meeting held on September 13, 2023 to issue new shares through third-party allotment; the payment for the new shares was completed as of November 8, 2023. As a result, during the six months ended April 30, 2024, share capital and capital surplus increased 124,241 thousand yen and 124,241 thousand yen, respectively.

In addition, share capital and legal capital surplus increased 10,477 thousand yen and 10,477 thousand yen, respectively, as new shares were issued in response to the exercise of stock options.

As a result of the above, as of April 30, 2024, share capital and capital surplus came in at 845,978 thousand yen and 1,226,714 thousand yen, respectively.

Segment information

Description is omitted as the Group operates in a single segment, i.e. the hospitality solutions business.

Significant events after reporting period

Not applicable