

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 2, 2022

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: November 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	6,103	–	554	–	581	–	398	–
Six months ended September 30, 2021	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	22.55	–
Six months ended September 30, 2021	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	12,449	3,514	28.2
As of March 31, 2022	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	12.00	12.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	12,655	–	1,059	–	1,074	–	733	–	41.37

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 September 30, 2022	17,674,400 shares	As of March 31, 2022	17,674,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	514 shares	As of March 31, 2022	514 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	17,673,886 shares	Six months ended September 30, 2021	17,777,165 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

As of September 30, 2022

Assets	
Current assets	
Cash and deposits	3,561,807
Real estate for sale	411,877
Prepaid expenses	1,014,895
Other	133,684
Total current assets	5,122,264
Non-current assets	
Property, plant and equipment	681,510
Intangible assets	35,203
Investments and other assets	
Guarantee deposits	6,060,618
Other	550,287
Total investments and other assets	6,610,905
Total non-current assets	7,327,619
Total assets	12,449,884
Liabilities	
Current liabilities	
Income taxes payable	196,457
Unearned revenue	1,295,932
Provision for bonuses	43,896
Other	445,629
Total current liabilities	1,981,916
Non-current liabilities	
Guarantee deposits received	6,582,561
Retirement benefit liability	5,042
Other	365,778
Total non-current liabilities	6,953,383
Total liabilities	8,935,299
Net assets	
Shareholders' equity	
Share capital	308,394
Capital surplus	539,930
Retained earnings	2,666,723
Treasury shares	(463)
Total shareholders' equity	3,514,584
Total net assets	3,514,584
Total liabilities and net assets	12,449,884

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

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended September 30, 2022
Net sales	6,103,772
Cost of sales	4,939,953
Gross profit	1,163,819
Selling, general and administrative expenses	608,843
Operating profit	554,976
Non-operating income	
Compensation income	80,671
Subsidy income	11,342
Other	9,627
Total non-operating income	101,641
Non-operating expenses	
Compensation expenses	68,787
Other	5,865
Total non-operating expenses	74,652
Ordinary profit	581,965
Profit before income taxes	581,965
Income taxes	183,260
Profit	398,705
Profit attributable to owners of parent	398,705

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022
Profit	398,705
Comprehensive income	398,705
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	398,705

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022
Cash flows from operating activities	
Profit before income taxes	581,965
Depreciation	18,649
Increase (decrease) in provision for bonuses	(9,539)
Increase (decrease) in retirement benefit liability	5,042
Subsidy income	(11,342)
Decrease (increase) in prepaid expenses	(61,196)
Decrease (increase) in guarantee deposits	(276,806)
Increase (decrease) in unearned revenue	97,609
Increase (decrease) in guarantee deposits received	273,639
Decrease (increase) in real estate for sale	(82,145)
Other, net	6,469
Subtotal	542,346
Income taxes paid	(237,455)
Subsidies received	11,342
Other, net	14
Net cash provided by (used in) operating activities	316,248
Cash flows from investing activities	
Purchase of intangible assets	(8,708)
Other, net	(1,163)
Net cash provided by (used in) investing activities	(9,871)
Cash flows from financing activities	
Dividends paid	(212,086)
Net cash provided by (used in) financing activities	(212,086)
Net increase (decrease) in cash and cash equivalents	94,289
Cash and cash equivalents at beginning of period	3,467,517
Cash and cash equivalents at end of period	3,561,807