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## Non-consolidated Financial Results for the Year Ended July 31, 2023 [Japanese GAAP]

September 14, 2023

Company name: TSUKURUBA Inc.

Stock exchange listing: Tokyo

Code number: 2978

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

Representative: Hiroki Murakami

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Scheduled date of Annual General Meeting of Shareholders: October 27, 2023

Scheduled date of commencing dividend payments: -

Scheduled date of filing annual securities report: October 27, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

Representative Director, CEO

Executive Officer, CFO

(Amounts of less than one million yen are rounded down.)

### 1. Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2023 (August 1, 2022 to July 31, 2023)

#### (1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2023	4,152	50.1	(132)	-	(150)	-	(165)	-
July 31, 2022	2,766	70.3	(773)	-	(795)	-	(822)	-

	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
	Yen	Yen	%	%	%
Fiscal year ended July 31, 2023	(14.83)	-	(15.0)	(5.1)	(3.2)
July 31, 2022	(74.37)	-	(99.4)	(26.9)	(28.0)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended July 31, 2023: ¥ - million  
Fiscal year ended July 31, 2022: ¥ - million

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2023	3,064	1,512	45.3	60.82
July 31, 2022	2,878	909	28.4	73.67

(Reference) Equity: As of July 31, 2023: ¥ 1,388 million  
As of July 31, 2022: ¥ 818 million

#### (3) Non-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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended July 31, 2023	(85)	(59)	263	1,725
July 31, 2022	(1,025)	(108)	544	1,607

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	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, 2022	-	0.00	-	0.00	0.00	-	-	-
July 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending								
July 31, 2024 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended July 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	-	-	-	-	-	-	-	-	-

## \* Notes:

## (1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

## (2) Total number of issued shares (common shares)

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

July 31, 2023:	11,569,500 shares
July 31, 2022:	11,451,600 shares

## 2) Number of treasury shares at the end of the period:

July 31, 2023:	335,709 shares
July 31, 2022:	335,671 shares

## 3) Average number of shares outstanding during the period:

Fiscal Year ended July 31, 2023:	11,163,789 shares
Fiscal Year ended July 31, 2022:	11,059,227 shares

## 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, 2022	-	-	-	-	-
Fiscal year ending July 31, 2023	-	0.00	-	7,095.90	7,095.90
Fiscal year ending July 31, 2024 (Forecast)	-	0.00	-	10,000.00	10,000.00

## Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,653,629	1,771,911
Accounts receivable - trade and contract assets	44,484	73,516
Real estate for sale	810,602	840,373
Advance payments to suppliers	19,201	4,913
Prepaid expenses	29,973	32,338
Other	3,496	5,880
Total current assets	2,561,388	2,728,933
Non-current assets		
Property, plant and equipment		
Buildings, net	142,992	127,866
Structures, net	1,418	1,297
Tools, furniture and fixtures, net	34,298	23,038
Land	19,927	19,927
Total property, plant and equipment	198,637	172,129
Investments and other assets		
Investment securities	22,864	34,710
Shares of subsidiaries and associates	2,000	2,000
Leasehold and guarantee deposits	89,211	118,643
Long-term prepaid expenses	4,719	7,906
Other	20	20
Total investments and other assets	118,815	163,280
Total non-current assets	317,453	335,410
Total assets	2,878,842	3,064,344

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	-	73,000
Current portion of bonds payable	102,000	108,250
Current portion of long-term borrowings	130,638	267,803
Accounts payable - other	137,626	160,166
Accrued expenses	77,963	47,599
Income taxes payable	2,495	4,860
Accrued consumption taxes	18,107	84,919
Contract liabilities	8,471	16,642
Deposits received	53,675	38,701
Unearned revenue	7,296	1,152
Total current liabilities	538,275	803,094
Non-current liabilities		
Bonds payable	271,250	163,000
Long-term borrowings	439,524	575,882
Convertible-bond-type bonds with share acquisition rights	700,000	-
Other	20,185	9,789
Total non-current liabilities	1,430,959	748,671
Total liabilities	1,969,234	1,551,766
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,314	31,635
Capital surplus		
Legal capital surplus	14,314	31,635
Other capital surplus	1,678,082	1,555,662
Total capital surplus	1,692,397	1,587,297
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(822,420)	(165,523)
Total retained earnings	(822,420)	(165,523)
Treasury shares	(62,486)	(62,516)
Total shareholders' equity	821,804	1,390,892
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(2,890)	(2,644)
Total valuation and translation adjustments	(2,890)	(2,644)
Share acquisition rights	90,692	124,329
Total net assets	909,607	1,512,577
Total liabilities and net assets	2,878,842	3,064,344

## Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended July 31, 2022	For the fiscal year ended July 31, 2023
Net sales	2,766,313	4,152,638
Cost of sales	921,948	1,630,305
Gross profit	1,844,365	2,522,333
Selling, general and administrative expenses	2,618,325	2,654,801
Operating loss	(773,960)	(132,468)
Non-operating income		
Interest income	25	16
Dividend income	0	0
Subsidy income	-	475
Insurance claim income	1,182	-
Commission income	437	2,598
Other	618	826
Total non-operating income	2,264	3,916
Non-operating expenses		
Interest expenses	5,115	7,275
Interest expenses on bonds	4,699	1,898
Bond issuance costs	2,100	-
Share issuance costs	8,025	3,069
Commission expenses	2,011	8,091
Other	1,372	1,910
Total non-operating expenses	23,325	22,246
Ordinary loss	(795,020)	(150,798)
Extraordinary income		
Gain on reversal of share acquisition rights	225	2,923
Gain on sale of non-current assets	1,014	857
Total extraordinary income	1,240	3,781
Extraordinary losses		
Impairment losses	26,141	11,586
Total extraordinary losses	26,141	11,586
Loss before income taxes	(819,921)	(158,603)
Income taxes - current	2,499	6,920
Total income taxes	2,499	6,920
Loss	(822,420)	(165,523)

Non-consolidated Statements of Changes in Equity  
For the fiscal year ended July 31, 2022

(Thousands of yen)

	Shareholders' equity						
	Share capital	Deposits for subscriptions of shares	Capital surplus			Retained earnings	
			Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	30,632	200,000	30,632	1,119,283	1,149,915	(482,465)	(482,465)
Changes during period							
Issuance of new shares	500,000		500,000		500,000		
Issuance of new shares - exercise of share acquisition rights	4,314		4,314		4,314		
Increase (decrease) in deposit for subscriptions to shares		(200,000)					
Capital reduction	(520,632)		(520,632)	1,041,265	520,632		
Deficit disposition				(482,465)	(482,465)	482,465	482,465
Loss						(822,420)	(822,420)
Net changes in items other than shareholders' equity							
Total changes during period	(16,317)	(200,000)	(16,317)	558,799	542,481	(339,954)	(339,954)
Balance at end of period	14,314	-	14,314	1,678,082	1,692,397	(822,420)	(822,420)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(62,486)	835,596	-	-	44,197	879,793
Changes during period						
Issuance of new shares		1,000,000				1,000,000
Issuance of new shares - exercise of share acquisition rights		8,629				8,629
Increase (decrease) in deposit for subscriptions to shares		(200,000)				(200,000)
Capital reduction		-				-
Deficit disposition		-				-
Loss		(822,420)				(822,420)
Net changes in items other than shareholders' equity			(2,890)	(2,890)	46,495	43,605
Total changes during period	-	(13,791)	(2,890)	(2,890)	46,495	29,813
Balance at end of period	(62,486)	821,804	(2,890)	(2,890)	90,692	909,607

For the fiscal year ended July 31, 2023

(Thousands of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	14,314	14,314	1,678,082	1,692,397	(822,420)	(822,420)
Changes during period						
Issuance of new shares	350,000	350,000		350,000		
Issuance of new shares - exercise of share acquisition rights	17,320	17,320		17,320		
Capital reduction	(350,000)	(350,000)	700,000	350,000		
Deficit disposition			(822,420)	(822,420)	822,420	822,420
Loss					(165,523)	(165,523)
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	17,320	17,320	(122,420)	(105,099)	656,896	656,896
Balance at end of period	31,635	31,635	1,555,662	1,587,297	(165,523)	(165,523)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(62,486)	821,804	(2,890)	(2,890)	90,692	909,607
Changes during period						
Issuance of new shares		700,000				700,000
Issuance of new shares - exercise of share acquisition rights		34,641				34,641
Capital reduction		-				-
Deficit disposition		-				-
Loss		(165,523)				(165,523)
Purchase of treasury shares	(29)	(29)				(29)
Net changes in items other than shareholders' equity			246	246	33,636	33,882
Total changes during period	(29)	569,087	246	246	33,636	602,970
Balance at end of period	(62,516)	1,390,892	(2,644)	(2,644)	124,329	1,512,577



## Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended July 31, 2022	For the fiscal year ended July 31, 2023
Cash flows from operating activities		
Loss before income taxes	(819,921)	(158,603)
Depreciation	36,653	38,297
Impairment losses	26,141	11,586
Share-based payment expenses	46,425	39,517
Loss on valuation of inventories	-	8,218
Interest and dividend income	(26)	(16)
Insurance claim income	(1,182)	-
Subsidy income	-	(475)
Interest expenses	5,115	7,275
Interest expenses on bonds	4,699	1,898
Bond issuance costs	2,100	-
Commission expenses	2,011	8,091
Share issuance costs	8,025	3,069
Gain on sale of non-current assets	(1,014)	(857)
Gain on reversal of share acquisition rights	(225)	(2,923)
Decrease (increase) in trade receivables	(13,638)	(29,031)
Decrease (increase) in inventories	(377,584)	(48,756)
Increase (decrease) in accounts payable - other	19,162	22,312
Increase (decrease) in accrued consumption taxes	(2,041)	66,812
Increase (decrease) in contract liabilities	3,971	8,170
Other, net	45,849	(46,254)
Subtotal	(1,015,478)	(71,667)
Interest and dividends received	26	16
Interest paid	(10,394)	(9,745)
Subsidies received	-	475
Proceeds from insurance income	1,182	-
Income taxes refund (paid)	(694)	(4,555)
Net cash provided by (used in) operating activities	(1,025,358)	(85,476)

(Thousands of yen)

	For the fiscal year ended July 31, 2022	For the fiscal year ended July 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(86,063)	(8,859)
Proceeds from sale of property, plant and equipment	1,014	888
Purchase of investment securities	(23,000)	(11,600)
Payments for asset retirement obligations	-	(14,324)
Payments of leasehold and guarantee deposits	(731)	(47,504)
Proceeds from refund of leasehold and guarantee deposits	-	22,142
Other payments	(1)	-
Net cash provided by (used in) investing activities	(108,781)	(59,257)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	73,000
Proceeds from long-term borrowings	-	450,000
Repayments of long-term borrowings	(287,580)	(176,477)
Proceeds from issuance of bonds	122,149	-
Redemption of bonds	(91,000)	(102,000)
Payments for retirement by purchase of convertible bond-type bonds with subscription rights to shares	-	(700,000)
Proceeds from issuance of shares	793,974	694,930
Proceeds from exercise of employee share options	8,629	31,378
Proceeds from issuance of share acquisition rights	295	305
Payment of commission	(2,011)	(8,091)
Other payments	-	(29)
Net cash provided by (used in) financing activities	544,457	263,015
Net increase (decrease) in cash and cash equivalents	(589,682)	118,280
Cash and cash equivalents at beginning of period	2,197,304	1,607,621
Cash and cash equivalents at end of period	1,607,621	1,725,902