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## Consolidated Financial Results for the Six Months Ended August 31, 2024 [Japanese GAAP]

October 11, 2024

Company name: TECMIRA HOLDINGS INC.

Listing: Tokyo

Securities code: 3627

URL: <https://www.tecmira.com/>

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Scheduled date to file semi-annual securities report: October 11, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President & Representative Director  
Corporate Planning & Administration Division Director

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended August 31, 2024 (March 1, 2024 to August 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                         | %     |
| Six months ended August 31, 2024 | 5,554           | 34.4 | 11               | - | 65              | 20.1 | (66)                                    | -     |
| August 31, 2023                  | 4,134           | 8.9  | (34)             | - | 54              | 2.1  | 34                                      | 117.9 |

(Note) Comprehensive income: Six months ended August 31, 2024: ¥ 22 million [ (90.0) %]  
Six months ended August 31, 2023: ¥ 227 million [ (10.3) %]

|                                  | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
|                                  | Yen                      | Yen                        |
| Six months ended August 31, 2024 | (5.65)                   | -                          |
| August 31, 2023                  | 2.93                     | 2.88                       |

#### (2) Consolidated Financial Position

|                       | Total assets    | Net assets      | Capital adequacy ratio |
|-----------------------|-----------------|-----------------|------------------------|
|                       | Millions of yen | Millions of yen | %                      |
| As of August 31, 2024 | 10,188          | 6,314           | 61.3                   |
| February 29, 2024     | 10,110          | 6,343           | 62.0                   |

(Reference) Equity: As of August 31, 2024: ¥ 6,243 million  
As of February 29, 2024: ¥ 6,272 million

## 2. Dividends

|  | Annual dividends   |                    |                    |          |       |
|--|--------------------|--------------------|--------------------|----------|-------|
|  | 1st<br>quarter-end | 2nd<br>quarter-end | 3rd<br>quarter-end | Year-end | Total |
|  | Yen                | Yen                | Yen                | Yen      | Yen   |
| Fiscal year ended February 29, 2024                | -                  | 0.00               | -                  | 5.00     | 5.00  |
| Fiscal year ending February 28, 2025               | -                  | 0.00               |                    |          |       |
| Fiscal year ending February 28, 2025<br>(Forecast) |                    |                    | -                  | 5.00     | 5.00  |

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending February 28, 2025 :

|                        |       |
|------------------------|-------|
| Commemorative dividend | - yen |
| Special dividend       | - yen |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025(March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

|           | Net sales       |      | Operating profit |   | Ordinary profit |       | Profit attributable to<br>owners of parent |       | Basic earnings<br>per share |
|-----------|-----------------|------|------------------|---|-----------------|-------|--|-------|-----------------------------|
|           | Millions of yen | %    | Millions of yen  | % | Millions of yen | %     | Millions of yen                            | %     | Yen                         |
| Full year | 10,000          | 14.5 | -                | - | 300             | 126.1 | 200  | 170.5 | 16.99                       |

(Note) Revision to the financial results forecast announced most recently: None

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

|                 |   |                |   |
|-----------------|---|----------------|---|
| Newly included: | - | (Company name: | ) |
| Excluded:       | - | (Company name: | ) |

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

|                    |                   |
|--------------------|-------------------|
| August 31, 2024:   | 12,491,500 shares |
| February 29, 2024: | 12,472,200 shares |

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

|                    |                |
|--------------------|----------------|
| August 31, 2024:   | 660,105 shares |
| February 29, 2024: | 660,105 shares |

3) Average number of shares outstanding during the period:

|                                   |                   |
|-----------------------------------|-------------------|
| Six months ended August 31, 2024: | 11,822,494 shares |
| Six months ended August 31, 2023: | 11,734,260 shares |

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

## Semi-annual Consolidated Financial Statements

## Semi-annual Consolidated Balance Sheets

(Thousands of yen)

|  | As of February 29, 2024 | As of August 31, 2024 |
|--|-------------------------|-----------------------|
| <b>Assets</b>  |                         |                       |
| Current assets   |                         |                       |
| Cash and deposits  | 2,662,384               | 3,696,256             |
| Notes and accounts receivable - trade, and contract assets | 1,790,080               | 944,424               |
| Merchandise and finished goods                             | 355,169                 | 351,167               |
| Work in process  | 131,165                 | 208,684               |
| Raw materials  | 233,750                 | 203,624               |
| Short-term loans receivable                                | 20,000                  | -                     |
| Advance payments to suppliers                              | 348,556                 | 593,722               |
| Other  | 558,975                 | 229,536               |
| Allowance for doubtful accounts                            | (951)                   | (806)                 |
| Total current assets                                       | 6,099,131               | 6,226,609             |
| Non-current assets   |                         |                       |
| Property, plant and equipment                              |                         |                       |
| Buildings, net   | 167,754                 | 170,570               |
| Vehicles, net  | 1,362                   | 1,168                 |
| Furniture and fixtures, net                                | 73,102                  | 85,890                |
| Construction in progress                                   | 649                     | 1,914                 |
| Total property, plant and equipment                        | 242,870                 | 259,544               |
| Intangible assets  |                         |                       |
| Software   | 668,101                 | 557,795               |
| Software in progress                                       | 305,619                 | 256,537               |
| Goodwill   | 1,213,872               | 1,153,178             |
| Other  | 8,700                   | 10,090                |
| Total intangible assets                                    | 2,196,293               | 1,977,603             |
| Investments and other assets                               |                         |                       |
| Investment securities                                      | 713,627                 | 804,323               |
| Investments in capital                                     | 474,638                 | 472,443               |
| Deferred tax assets  | 186,391                 | 193,819               |
| Guarantee deposits   | 196,153                 | 250,159               |
| Other  | 1,024                   | 4,278                 |
| Total investments and other assets                         | 1,571,835               | 1,725,023             |
| Total non-current assets                                   | 4,010,999               | 3,962,171             |
| Total assets   | 10,110,131              | 10,188,780            |

(Thousands of yen)

|   | As of February 29, 2024 | As of August 31, 2024 |
|---|-------------------------|-----------------------|
| <b>Liabilities</b>                                    |                         |                       |
| Current liabilities                                   |                         |                       |
| Accounts payable - trade                              | 468,460                 | 331,395               |
| Current portion of long-term borrowings               | 612,471                 | 580,831               |
| Income taxes payable                                  | 22,760                  | 49,572                |
| Contract liabilities                                  | 147,371                 | 737,464               |
| Provision for bonuses                                 | 204,509                 | 125,895               |
| Provision for loss on construction contracts          | 8,339                   | -                     |
| Provision for product warranties                      | 427                     | 427                   |
| Other   | 475,086                 | 442,741               |
| Total current liabilities                             | 1,939,426               | 2,268,328             |
| Non-current liabilities                               |                         |                       |
| Long-term borrowings                                  | 1,788,528               | 1,552,795             |
| Deferred tax liabilities                              | -                       | 9,906                 |
| Asset retirement obligations                          | 35,728                  | 40,389                |
| Other   | 3,347                   | 3,357                 |
| Total non-current liabilities                         | 1,827,605               | 1,606,448             |
| Total liabilities                                     | 3,767,031               | 3,874,777             |
| <b>Net assets</b>                                     |                         |                       |
| Shareholders' equity                                  |                         |                       |
| Share capital   | 2,410,273               | 2,414,163             |
| Capital surplus                                       | 2,339,982               | 2,343,872             |
| Retained earnings                                     | 1,633,298               | 1,507,416             |
| Treasury shares                                       | (297,166)               | (297,166)             |
| Total shareholders' equity                            | 6,086,388               | 5,968,285             |
| Accumulated other comprehensive income                |                         |                       |
| Valuation difference on available-for-sale securities | 29,889                  | 76,355                |
| Deferred gains or losses on hedges                    | 8,533                   | (40,715)              |
| Foreign currency translation adjustment               | 147,915                 | 239,574               |
| Total accumulated other comprehensive income          | 186,338                 | 275,215               |
| Share acquisition rights                              | 64,289                  | 63,610                |
| Non-controlling interests                             | 6,083                   | 6,892                 |
| Total net assets                                      | 6,343,099               | 6,314,003             |
| Total liabilities and net assets                      | 10,110,131              | 10,188,780            |

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

|   | For the six months<br>ended August 31, 2023 | For the six months<br>ended August 31, 2024 |
|---|---|---|
| Net sales   | 4,134,186                                   | 5,554,704                                   |
| Cost of sales   | 2,687,384                                   | 3,609,735                                   |
| Gross profit  | 1,446,802                                   | 1,944,969                                   |
| Selling, general and administrative expenses            | 1,481,511                                   | 1,933,256                                   |
| Operating profit (loss)                                 | (34,709)                                    | 11,713                                      |
| Non-operating income                                    |   |   |
| Interest income   | 581   | 11,349                                      |
| Foreign exchange gains                                  | 16,178                                      | 50,924                                      |
| Gain on sale of investment securities                   | 72,734                                      | -   |
| Other   | 4,930                                       | 5,696                                       |
| Total non-operating income                              | 94,423                                      | 67,970                                      |
| Non-operating expenses                                  |   |   |
| Interest expenses                                       | 3,891                                       | 10,225                                      |
| Other   | 1,505                                       | 4,239                                       |
| Total non-operating expenses                            | 5,396                                       | 14,464                                      |
| Ordinary profit   | 54,317                                      | 65,219                                      |
| Extraordinary income                                    |   |   |
| Gain on reversal of share acquisition rights            | -   | 627   |
| Total extraordinary income                              | -   | 627   |
| Extraordinary losses                                    |   |   |
| Loss on valuation of investment securities              | -   | 68,985                                      |
| Office relocation expenses                              | -   | 2,482                                       |
| Settlement payments                                     | -   | 7,474                                       |
| Total extraordinary losses                              | -   | 78,942                                      |
| Profit (loss) before income taxes                       | 54,317                                      | (13,095)                                    |
| Income taxes  | 21,982                                      | 52,917                                      |
| Profit (loss)   | 32,335                                      | (66,013)                                    |
| Profit (loss) attributable to non-controlling interests | (2,067)                                     | 808   |
| Profit (loss) attributable to owners of parent          | 34,403                                      | (66,821)                                    |

(Thousands of yen)

|  | For the six months<br>ended August 31, 2023 | For the six months<br>ended August 31, 2024 |
|--|---|---|
| Profit (loss)  | 32,335                                      | (66,013)                                    |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | 132,072                                     | 46,466                                      |
| Deferred gains or losses on hedges                             | 29,965                                      | (49,249)                                    |
| Foreign currency translation adjustment                        | 33,420                                      | 91,659                                      |
| Total other comprehensive income                               | 195,457                                     | 88,877                                      |
| Comprehensive income   | 227,793                                     | 22,863                                      |
| Comprehensive income attributable to                           |   |   |
| Comprehensive income attributable to owners of parent          | 229,861                                     | 22,055                                      |
| Comprehensive income attributable to non-controlling interests | (2,067)                                     | 808   |

## Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

|   | For the six months<br>ended August 31, 2023 | For the six months<br>ended August 31, 2024 |
|---|---|---|
| <b>Cash flows from operating activities</b>                         |   |   |
| Profit (loss) before income taxes                                   | 54,317                                      | (13,095)                                    |
| Depreciation  | 96,494                                      | 392,583                                     |
| Amortization of goodwill  | 2,891                                       | 60,693                                      |
| Increase (decrease) in provision for bonuses                        | (90,379)                                    | (78,613)                                    |
| Increase (decrease) in provision for loss on construction contracts | -   | (8,339)                                     |
| Increase (decrease) in provision for product warranties             | (39,676)                                    | -   |
| Loss (gain) on sale of investment securities                        | (72,734)                                    | -   |
| Loss (gain) on valuation of investment securities                   | -   | 68,985                                      |
| Gain on reversal of share acquisition rights                        | -   | (627)                                       |
| Office relocation expenses  | -   | 2,482                                       |
| Settlement payments   | -   | 7,474                                       |
| Decrease (increase) in trade receivables, and contract assets       | 313,399                                     | 876,253                                     |
| Decrease (increase) in inventories                                  | 42,673                                      | (3,725)                                     |
| Increase (decrease) in trade payables                               | (37,622)                                    | (156,147)                                   |
| Increase (decrease) in contract liabilities                         | 118,415                                     | 567,164                                     |
| Decrease (increase) in advance payments to suppliers                | (202,055)                                   | (224,192)                                   |
| Other, net  | (29,143)                                    | 154,414                                     |
| Subtotal  | 156,579                                     | 1,645,311                                   |
| Interest and dividends received                                     | 1,730                                       | 13,025                                      |
| Interest paid   | (4,426)                                     | (9,965)                                     |
| Payments of relocation expenses                                     | (31,220)                                    | (2,482)                                     |
| Settlement paid   | -   | (7,474)                                     |
| Income taxes paid   | (32,994)                                    | (20,538)                                    |
| Income taxes refund   | 103,459                                     | 66,941                                      |
| Net cash provided by (used in) operating activities                 | 193,128                                     | 1,684,815                                   |
| <b>Cash flows from investing activities</b>                         |   |   |
| Purchase of property, plant and equipment                           | (48,560)                                    | (31,881)                                    |
| Purchase of intangible assets                                       | (350,719)                                   | (208,136)                                   |
| Purchase of investment securities                                   | (152,840)                                   | (67,350)                                    |
| Proceeds from sale of investment securities                         | 234,882                                     | -   |
| Payments of guarantee deposits                                      | -   | (52,620)                                    |
| Payments for investments in capital                                 | (450,000)                                   | -   |
| Long-term loan advances   | (80,000)                                    | -   |
| Net cash provided by (used in) investing activities                 | (847,237)                                   | (359,988)                                   |
| <b>Cash flows from financing activities</b>                         |   |   |
| Proceeds from long-term borrowings                                  | -   | 500,000                                     |
| Net increase (decrease) in short-term borrowings                    | 42,291                                      | -   |
| Repayments of long-term borrowings                                  | (197,528)                                   | (767,373)                                   |
| Proceeds from issuance of shares                                    | 12,678                                      | 292   |
| Proceeds from share issuance to non-controlling shareholders        | 5,000                                       | -   |
| Repayments of lease liabilities                                     | (477)                                       | (959)                                       |
| Dividends paid  | (58,045)                                    | (58,699)                                    |
| Net cash provided by (used in) financing activities                 | (196,081)                                   | (326,740)                                   |
| Effect of exchange rate change on cash and cash equivalents         | 43,224                                      | 35,785                                      |
| Net increase (decrease) in cash and cash equivalents                | (806,966)                                   | 1,033,872                                   |
| Cash and cash equivalents at beginning of period                    | 2,983,960                                   | 2,662,384                                   |

|   |           |           |
|---|-----------|-----------|
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 72,352    | -         |
| Cash and cash equivalents at end of period  | 2,249,345 | 3,696,256 |