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Consolidated Financial Results for the Year Ended February 28, 2025 [Japanese GAAP]

April 11, 2025

Company name: TECMIRA HOLDINGS INC.

Listing: Tokyo Stock Exchange

Securities code: 3627

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

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Scheduled date of annual general meeting of shareholders: May 28, 2025

Scheduled date to commence dividend payments: May 29, 2025

Scheduled date to file annual securities report: May 29, 2025

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 Fiscal Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)

(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 | % |
| Fiscal year ended February 28, 2025 | 11,165 | 27.8 | 91 | - | 102 | (22.7) | (140) | - |
| February 29, 2024 | 8,736 | 0.9 | (122) | - | 132 | (65.7) | 73 | (71.9) |

(Note) Comprehensive income: Fiscal year ended February 28, 2025: ¥ (84) million [-%]
Fiscal year ended February 29, 2024: ¥ 127 million [(52.1)%]

| | 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 February 28, 2025 | (11.85) | - | (2.3) | 1.0 | 0.8 |
| February 29, 2024 | 6.28 | 6.17 | 1.3 | 1.5 | - |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2025: ¥ - million
Fiscal year ended February 29, 2024: ¥ 0 million

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|-------------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of February 28, 2025 | 10,641 | 6,124 | 56.9 | 507.44 |
| February 29, 2024 | 10,110 | 6,343 | 62.0 | 531.04 |

(Reference) Equity: As of February 28, 2025: ¥ 6,055 million
As of February 29, 2024: ¥ 6,272 million

(3) 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 February 28, 2025 | 1,370 | (1,184) | 79 | 2,957 |
| February 29, 2024 | 60 | (1,258) | 807 | 2,662 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|---|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| February 29, 2024 | - | 0.00 | - | 5.00 | 5.00 | 59 | 79.6 | 1.0 |
| February 28, 2025 | - | 0.00 | - | 5.00 | 5.00 | 59 | - | 1.0 |
| Fiscal year ending February 28, 2026 (Forecast) | - | 0.00 | - | 5.00 | 5.00 | | 59.3 | |

(Note) Breakdown of the year-end dividend for the fiscal year ended February 28, 2025 :

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

| | 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 |
| Full year | 11,500 | 3.0 | - | - | 200 | 95.0 | 100 | - | 8.43 |

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

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

(2) 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

(3) Number of issued shares (common shares)

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

| | |
|--------------------|-------------------|
| February 28, 2025: | 12,593,300 shares |
| February 29, 2024: | 12,472,200 shares |

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

| | |
|--------------------|----------------|
| February 28, 2025: | 660,105 shares |
| February 29, 2024: | 660,105 shares |

3) Average number of shares outstanding during the period:

| | |
|--------------------------------------|-------------------|
| Fiscal Year ended February 28, 2025: | 11,858,908 shares |
| Fiscal Year ended February 29, 2024: | 11,770,445 shares |

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

| | As of February 29, 2024 | As of February 28, 2025 |
|--|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,662,384 | 2,957,158 |
| Notes and accounts receivable - trade | 1,251,672 | 856,965 |
| Contract assets | 538,408 | 356,636 |
| Merchandise and finished goods | 355,169 | 727,437 |
| Work in process | 131,165 | 179,837 |
| Raw materials | 233,750 | 280,940 |
| Short-term loans receivable | 20,000 | - |
| Advance payments to suppliers | 348,556 | 350,253 |
| Other | 558,975 | 389,647 |
| Allowance for doubtful accounts | (951) | (805) |
| Total current assets | 6,099,131 | 6,098,071 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 167,754 | 184,880 |
| Vehicles, net | 1,362 | 306 |
| Furniture and fixtures, net | 73,102 | 60,717 |
| Construction in progress | 649 | 649 |
| Total property, plant and equipment | 242,870 | 246,554 |
| Intangible assets | | |
| Software | 668,101 | 524,034 |
| Software in progress | 305,619 | 355,411 |
| Goodwill | 1,213,872 | 1,379,279 |
| Other | 8,700 | 10,257 |
| Total intangible assets | 2,196,293 | 2,268,982 |
| Investments and other assets | | |
| Investment securities | 713,627 | 829,592 |
| Investments in capital | 474,638 | 715,901 |
| Deferred tax assets | 186,391 | 245,111 |
| Guarantee deposits | 196,153 | 234,030 |
| Other | 1,024 | 2,828 |
| Total investments and other assets | 1,571,835 | 2,027,464 |
| Total non-current assets | 4,010,999 | 4,543,000 |
| Total assets | 10,110,131 | 10,641,072 |

(Thousands of yen)

| | As of February 29, 2024 | As of February 28, 2025 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 468,460 | 523,937 |
| Current portion of long-term borrowings | 612,471 | 1,435,751 |
| Income taxes payable | 22,760 | 128,306 |
| Contract liabilities | 147,371 | 195,340 |
| Provision for bonuses | 204,509 | 221,290 |
| Provision for loss on construction contracts | 8,339 | 2,924 |
| Provision for product warranties | 427 | - |
| Allowance restructuring costs | - | 35,280 |
| Other | 475,086 | 614,199 |
| Total current liabilities | 1,939,426 | 3,157,031 |
| Non-current liabilities | | |
| Long-term borrowings | 1,788,528 | 1,317,888 |
| Asset retirement obligations | 35,728 | 40,599 |
| Other | 3,347 | 1,331 |
| Total non-current liabilities | 1,827,605 | 1,359,819 |
| Total liabilities | 3,767,031 | 4,516,851 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,410,273 | 2,420,475 |
| Capital surplus | 2,339,982 | 2,250,224 |
| Retained earnings | 1,633,298 | 1,433,707 |
| Treasury shares | (297,166) | (297,166) |
| Total shareholders' equity | 6,086,388 | 5,807,240 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 29,889 | 77,468 |
| Deferred gains or losses on hedges | 8,533 | (14,805) |
| Foreign currency translation adjustment | 147,915 | 185,418 |
| Total accumulated other comprehensive income | 186,338 | 248,081 |
| Share acquisition rights | 64,289 | 68,898 |
| Non-controlling interests | 6,083 | - |
| Total net assets | 6,343,099 | 6,124,221 |
| Total liabilities and net assets | 10,110,131 | 10,641,072 |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

| | For the fiscal year ended February 29, 2024 | For the fiscal year ended February 28, 2025 |
|---|--|--|
| Net sales | 8,736,684 | 11,165,530 |
| Cost of sales | 5,865,159 | 7,375,343 |
| Gross profit | 2,871,525 | 3,790,187 |
| Selling, general and administrative expenses | 2,994,504 | 3,698,801 |
| Operating profit (loss) | (122,979) | 91,385 |
| Non-operating income | | |
| Foreign exchange gains | 119,988 | 21,098 |
| Gain on sale of investment securities | 114,142 | 6,409 |
| Other | 39,456 | 23,580 |
| Total non-operating income | 273,587 | 51,088 |
| Non-operating expenses | | |
| Interest expenses | 10,261 | 23,792 |
| Loss on abandonment of inventories | 2,412 | - |
| Loss on investments in investment partnerships | - | 7,951 |
| Other | 5,273 | 8,152 |
| Total non-operating expenses | 17,947 | 39,897 |
| Ordinary profit | 132,661 | 102,576 |
| Extraordinary income | | |
| Reversal of foreign currency translation adjustment | - | 29,826 |
| Gain on reversal of share acquisition rights | - | 627 |
| Total extraordinary income | - | 30,454 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 46,996 | 87,425 |
| Loss on sale and retirement of non-current assets | - | 2,436 |
| Impairment losses | - | 64,992 |
| Business restructuring expenses | 8,026 | 39,314 |
| Office relocation expenses | - | 2,482 |
| Settlement money paid | - | 14,500 |
| Total extraordinary losses | 55,023 | 211,152 |
| Profit (loss) before income taxes | 77,637 | (78,120) |
| Income taxes - current | 22,592 | 119,621 |
| Income taxes - deferred | (18,029) | (51,128) |
| Total income taxes | 4,563 | 68,493 |
| Profit (loss) | 73,074 | (146,613) |
| Loss attributable to non-controlling interests | (852) | (6,083) |
| Profit (loss) attributable to owners of parent | 73,927 | (140,530) |

Consolidated Statements of Comprehensive Income

(Thousands of yen)

| | For the fiscal year ended February 29, 2024 | For the fiscal year ended February 28, 2025 |
|--|--|--|
| Profit (loss) | 73,074 | (146,613) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19,638 | 47,579 |
| Deferred gains or losses on hedges | 30,707 | (23,339) |
| Foreign currency translation adjustment | 4,376 | 37,503 |
| Total other comprehensive income | 54,722 | 61,743 |
| Comprehensive income | 127,797 | (84,869) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 128,649 | (78,786) |
| Comprehensive income attributable to non-controlling interests | (852) | (6,083) |

Consolidated Statements of Changes in Equity
For the fiscal year ended February 29, 2024

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 2,403,000 | 1,511,991 | 1,794,478 | (297,166) | 5,412,304 |
| Changes during period | | | | | |
| Issuance of new shares | 7,273 | 7,273 | | | 14,546 |
| Dividends of surplus | | | (58,396) | | (58,396) |
| Profit (loss) attributable to owners of parent | | | 73,927 | | 73,927 |
| Change in scope of consolidation | | 822,717 | (176,710) | | 646,006 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (2,000) | | | (2,000) |
| Net changes in items other than shareholders' equity | | | | | - |
| Total changes during period | 7,273 | 827,991 | (161,180) | | 674,084 |
| Balance at end of period | 2,410,273 | 2,339,982 | 1,633,298 | (297,166) | 6,086,388 |

| | Accumulated other comprehensive income | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 10,250 | (22,173) | 143,538 | 131,615 | 50,045 | - | 5,593,965 |
| Changes during period | | | | | | | |
| Issuance of new shares | | | | | | | 14,546 |
| Dividends of surplus | | | | | | | (58,396) |
| Profit (loss) attributable to owners of parent | | | | | | | 73,927 |
| Change in scope of consolidation | | | | | | 1,936 | 647,943 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | (2,000) |
| Net changes in items other than shareholders' equity | 19,638 | 30,707 | 4,376 | 54,722 | 14,243 | 4,147 | 73,113 |
| Total changes during period | 19,638 | 30,707 | 4,376 | 54,722 | 14,243 | 6,083 | 749,133 |
| Balance at end of period | 29,889 | 8,533 | 147,915 | 186,338 | 64,289 | 6,083 | 6,343,099 |

For the fiscal year ended February 28, 2025

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 2,410,273 | 2,339,982 | 1,633,298 | (297,166) | 6,086,388 |
| Changes during period | | | | | |
| Issuance of new shares | 10,201 | 10,201 | | | 20,403 |
| Dividends of surplus | | | (59,060) | | (59,060) |
| Profit (loss) attributable to owners of parent | | | (140,530) | | (140,530) |
| Change in scope of consolidation | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (99,960) | | | (99,960) |
| Net changes in items other than shareholders' equity | | | | | - |
| Total changes during period | 10,201 | (89,758) | (199,590) | | (279,147) |
| Balance at end of period | 2,420,475 | 2,250,224 | 1,433,707 | (297,166) | 5,807,240 |

| | Accumulated other comprehensive income | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 29,889 | 8,533 | 147,915 | 186,338 | 64,289 | 6,083 | 6,343,099 |
| Changes during period | | | | | | | |
| Issuance of new shares | | | | | | | 20,403 |
| Dividends of surplus | | | | | | | (59,060) |
| Profit (loss) attributable to owners of parent | | | | | | | (140,530) |
| Change in scope of consolidation | | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | (99,960) |
| Net changes in items other than shareholders' equity | 47,579 | (23,339) | 37,503 | 61,743 | 4,608 | (6,083) | 60,269 |
| Total changes during period | 47,579 | (23,339) | 37,503 | 61,743 | 4,608 | (6,083) | (218,878) |
| Balance at end of period | 77,468 | (14,805) | 185,418 | 248,081 | 68,898 | - | 6,124,221 |

Consolidated Statements of Cash Flows

(Thousands of yen)

| | For the fiscal year ended February 29, 2024 | For the fiscal year ended February 28, 2025 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | 77,637 | (78,120) |
| Depreciation | 263,566 | 618,896 |
| Impairment losses | - | 64,992 |
| Amortization of goodwill | 2,891 | 121,387 |
| Reversal of foreign currency translation adjustment | - | (29,826) |
| Increase (decrease) in allowance for doubtful accounts | (36,180) | - |
| Increase (decrease) in provision for bonuses | (11,006) | 10,045 |
| Increase (decrease) in provision for loss on construction contracts | 8,339 | (5,415) |
| Increase (decrease) in provision for product warranties | (40,210) | (427) |
| Increase (decrease) in provision for restructuring costs | - | 35,280 |
| Loss (gain) on sale of investment securities | (114,142) | (6,409) |
| Loss (gain) on valuation of investment securities | 46,996 | 87,425 |
| Loss (gain) on sale and retirement of non-current assets | - | 2,436 |
| Loss (gain) on investments in investment partnerships | (25,542) | 7,951 |
| Business restructuring expenses | 8,026 | 39,314 |
| Office relocation expenses | - | 2,482 |
| Settlement money paid | - | 14,500 |
| Decrease (increase) in accounts receivable - trade, and contract assets | (36,720) | 639,328 |
| Decrease (increase) in inventories | 242,374 | (433,814) |
| Increase (decrease) in trade payables | 62,241 | 34,753 |
| Increase (decrease) in contract liabilities | (90,421) | 53,629 |
| Decrease (increase) in advance payments to suppliers | (242,300) | 11,213 |
| Increase/decrease in consumption taxes payable/consumption taxes refund receivable | - | 181,681 |
| Gain on reversal of share acquisition rights | - | (627) |
| Other, net | (35,405) | (10,470) |
| Subtotal | 80,146 | 1,360,207 |
| Interest and dividends received | 2,690 | 16,688 |
| Interest paid | (8,726) | (28,515) |
| Payments for business restructuring | (8,026) | (5,067) |
| Payments of relocation expenses | (31,220) | (2,482) |
| Settlement paid | - | (9,434) |
| Income taxes paid | (77,633) | (28,086) |
| Income taxes refund | 103,459 | 66,942 |
| Net cash provided by (used in) operating activities | 60,689 | 1,370,251 |

(Thousands of yen)

| | For the fiscal year ended February 29, 2024 | For the fiscal year ended February 28, 2025 |
|--|--|--|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (81,740) | (79,730) |
| Proceeds from sale of property, plant and equipment | - | 1,829 |
| Purchase of intangible assets | (610,306) | (510,004) |
| Purchase of investment securities | (222,770) | (117,350) |
| Proceeds from sale of investment securities | 278,728 | - |
| Payments for investments in capital | (450,000) | (250,000) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (42,212) | (96,592) |
| Loan advances | (195,000) | - |
| Proceeds from collection of loans receivable | 65,000 | - |
| Purchase of shares of subsidiaries and associates | - | (99,960) |
| Payments of guarantee deposits | - | (54,374) |
| Proceeds from refund of guarantee deposits | - | 21,392 |
| Net cash provided by (used in) investing activities | (1,258,299) | (1,184,790) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (2,562) | 700,000 |
| Proceeds from long-term borrowings | 1,249,016 | 500,000 |
| Repayments of long-term borrowings | (399,016) | (1,070,809) |
| Proceeds from issuance of shares | 13,919 | 10,768 |
| Proceeds from share issuance to non-controlling shareholders | 5,000 | - |
| Repayments of lease liabilities | (954) | (1,505) |
| Dividends paid | (58,298) | (58,755) |
| Net cash provided by (used in) financing activities | 807,105 | 79,697 |
| Effect of exchange rate change on cash and cash equivalents | (3,423) | 29,615 |
| Net increase (decrease) in cash and cash equivalents | (393,928) | 294,773 |
| 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 | 2,662,384 | 2,957,158 |