

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2023 (Based on Japanese GAAP)

January 12, 2024

Company name: TECMIRA HOLDINGS INC.  
 Stock exchange listing: Tokyo  
 Stock code: 3627 URL <https://www.tecmira.com/>  
 Representative: President & Representative Director Masashi Ikeda  
 Inquiries: Corporate Planning Department Director Satoru Fujishiro TEL (03)6838-8800  
 Scheduled date to file Quarterly Securities Report: January 12, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

(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	%
Nine months ended November 30, 2023	6,163	6.5	(171)	–	(4)	–	(20)	–
Nine months ended November 30, 2022	5,786	(14.1)	(86)	–	109	(42.2)	43	(93.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2023	(1.78)		–	
Nine months ended November 30, 2022	3.73		3.61	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2023	7,668	5,700	73.5	477.38
As of February 28, 2023	8,021	5,593	69.1	474.68

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2023	–	0.00	–	5.00	5.00
Year ending February 29, 2024	–	0.00	–		
Year ending February 29, 2024 (Forecast)				6.00	6.00

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

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	10,200	17.8	–	–	500	29.4	360	36.9	30.82

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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 November 30, 2023	12,463,700 shares	As of February 28, 2023	12,339,500 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	660,105 shares	As of February 28, 2023	660,105 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	11,757,034 shares	Nine months ended November 30, 2022	11,722,561 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2023	As of November 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,983,960	2,112,319
Notes and accounts receivable - trade, and contract assets	1,705,890	1,238,501
Merchandise and finished goods	317,461	306,695
Work in process	246,024	218,874
Raw materials	354,499	168,818
Short-term loans receivable	–	65,000
Short-term loans receivable from subsidiaries and associates	100,000	–
Advance payments to suppliers	98,507	292,891
Other	354,646	411,376
Allowance for doubtful accounts	–	(660)
<b>Total current assets</b>	<b>6,160,990</b>	<b>4,813,817</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	128,712	175,001
Vehicles, net	1,732	1,611
furniture and fixtures, net	78,393	80,180
Construction in progress	1,433	649
<b>Total property, plant and equipment</b>	<b>210,272</b>	<b>257,443</b>
<b>Intangible assets</b>		
Software	211,522	356,086
Software in progress	329,524	537,850
Goodwill	2,891	–
Other	7,573	8,189
<b>Total intangible assets</b>	<b>551,511</b>	<b>902,125</b>
<b>Investments and other assets</b>		
Investment securities	717,300	762,435
Investments in capital	–	450,000
Long-term loans receivable	–	110,000
Deferred tax assets	182,156	192,474
Guarantee deposits	207,909	189,490
Other	28,882	28,235
Allowance for doubtful accounts	(37,131)	(37,131)
<b>Total investments and other assets</b>	<b>1,099,116</b>	<b>1,695,505</b>
<b>Total non-current assets</b>	<b>1,860,900</b>	<b>2,855,074</b>
<b>Total assets</b>	<b>8,021,890</b>	<b>7,668,891</b>

(Thousands of yen)

	As of February 28, 2023	As of November 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	357,787	298,089
Current portion of long-term borrowings	399,016	356,512
Income taxes payable	5,866	42,095
Contract liabilities	128,840	186,746
Provision for bonuses	215,515	189,890
Provision for product warranties	40,637	427
Other	435,505	317,760
<b>Total current liabilities</b>	<b>1,583,169</b>	<b>1,391,521</b>
<b>Non-current liabilities</b>		
Long-term borrowings	792,196	535,928
Deferred tax liabilities	10,955	–
Asset retirement obligations	35,368	35,638
Other	6,236	5,173
<b>Total non-current liabilities</b>	<b>844,755</b>	<b>576,740</b>
<b>Total liabilities</b>	<b>2,427,924</b>	<b>1,968,261</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,403,000	2,409,703
Capital surplus	1,511,991	1,518,694
Retained earnings	1,794,478	1,714,855
Treasury shares	(297,166)	(297,166)
<b>Total shareholders' equity</b>	<b>5,412,304</b>	<b>5,346,086</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	10,250	89,855
Deferred gains or losses on hedges	(22,173)	3,296
Foreign currency translation adjustment	143,538	195,614
<b>Total accumulated other comprehensive income</b>	<b>131,615</b>	<b>288,765</b>
Share acquisition rights	50,045	60,885
Non-controlling interests	–	4,892
<b>Total net assets</b>	<b>5,593,965</b>	<b>5,700,630</b>
<b>Total liabilities and net assets</b>	<b>8,021,890</b>	<b>7,668,891</b>

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Net sales	5,786,617	6,163,622
Cost of sales	3,686,739	4,094,287
Gross profit	2,099,877	2,069,335
Selling, general and administrative expenses	2,186,627	2,240,606
Operating loss	(86,749)	(171,271)
Non-operating income		
Foreign exchange gains	197,026	89,265
Gain on sale of investment securities	–	76,568
Other	9,620	10,418
Total non-operating income	206,646	176,252
Non-operating expenses		
Interest expenses	7,285	6,368
Other	3,364	2,920
Total non-operating expenses	10,650	9,288
Ordinary profit (loss)	109,246	(4,307)
Extraordinary income		
Gain on reversal of share acquisition rights	313	–
Total extraordinary income	313	–
Extraordinary losses		
Business restructuring expenses	–	7,942
Total extraordinary losses	–	7,942
Profit (loss) before income taxes	109,560	(12,250)
Income taxes	65,886	10,764
Profit (loss)	43,674	(23,015)
Loss attributable to non-controlling interests	–	(2,043)
Profit (loss) attributable to owners of parent	43,674	(20,971)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit (loss)	43,674	(23,015)
Other comprehensive income		
Valuation difference on available-for-sale securities	5,629	79,604
Deferred gains or losses on hedges	(49,836)	25,469
Foreign currency translation adjustment	130,067	52,075
Total other comprehensive income	85,860	157,150
Comprehensive income	129,535	134,135
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	129,535	136,179
Comprehensive income attributable to non-controlling interests	–	(2,043)