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Consolidated Financial Results for the Nine Months Ended September 30, 2022 [Japanese GAAP]

November 10, 2022

Company name: Tera Probe, Inc.

Stock exchange listing: Tokyo

Code number: 6627

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

Representative: Tsuyoshi Yokoyama

President

Contact: Naokazu Jinushi

Chief Financial Officer

Phone: 045-476-5711

Scheduled date of filing quarterly securities report: November 10, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2022 (January 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 30, 2022	24,516	32.5	4,810	73.5	5,362	99.3	2,076	66.0
September 30, 2021	18,503	37.3	2,773	934.9	2,691	-	1,251	959.3

(Note) Comprehensive income: Nine months ended September 30, 2022: ¥ 6,365 million [69.1%]
 Nine months ended September 30, 2021: ¥ 3,764 million [822.8%]

	Net income per share	Net income per share (diluted)
Nine months ended	Yen	Yen
September 30, 2022	228.30	-
September 30, 2021	137.54	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	73,517	41,832	39.8
December 31, 2021	62,966	36,560	41.6

(Reference) Equity: As of September 30, 2022: ¥ 29,247 million
 As of December 31, 2021: ¥ 26,188 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	-	0.00	-	17.00	17.00
Fiscal year ending December 31, 2022	-	0.00	-		
Fiscal year ending December 31, 2022 (Forecast)				-	-

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	33,050	27.4	6,400	53.8	7,100	73.7	2,650	47.7	291.30

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New - (Company name: -)

Exclusion: 1 (Company name: Tera Probe Aizu, Inc.)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2022: 9,282,500 shares

December 31, 2021: 9,282,500 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 185,371 shares

December 31, 2021: 185,371 shares

3) Average number of shares during the period:

Nine months ended September 30, 2022: 9,097,129 shares

Nine months ended September 30, 2021: 9,097,203 shares

※This Consolidated Financial Results report is out of scope of Financial Audit by certified public accountants or an audit firm.

※Explanation regarding the appropriate use of forecasts of business results

The financial forecast is based on the information available at a time of issuance of this report, and are not intended to be a commitment by the Company to achieve the forecasted figures. The actual results may change from the forecasted figures due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	11,224,389	16,378,225
Accounts receivable - trade	8,051,638	-
Accounts receivable - trade, and contract assets	-	9,714,184
Finished goods	65,268	-
Work in process	474,609	-
Raw materials and supplies	73,185	99,795
Accounts receivable - other	1,643,984	1,482,730
Other	816,893	1,469,381
Total current assets	22,349,969	29,144,317
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,101,067	11,629,625
Machinery, equipment and vehicles, net	25,813,107	28,550,873
Other, net	3,445,060	3,904,897
Total property, plant and equipment	40,359,235	44,085,396
Intangible assets	170,694	174,362
Investments and other assets	86,841	113,030
Total non-current assets	40,616,771	44,372,790
Total assets	62,966,741	73,517,108

(Thousand yen)

	As of December 31, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	387,643	346,569
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	505,000	1,330,399
Lease obligations	139,975	141,826
Asset retirement obligations	11,265	-
Accounts payable - other	1,034,484	1,685,333
Income taxes payable	1,035,687	1,172,299
Unearned revenue	367,134	185,250
Provision for bonuses	978,147	1,557,244
Provision for business restructuring	112,402	-
Provision for loss on order received	5,198	7,812
Other	2,383,295	3,081,981
Total current liabilities	7,260,235	9,808,717
Non-current liabilities		
Long-term borrowings	18,414,599	21,144,878
Lease obligations	127,210	23,633
Retirement benefit liability	221,959	229,791
Asset retirement obligations	10,457	10,539
Deferred tax liabilities	293,072	394,601
Provision for repairs	17,988	21,421
Other	60,975	50,809
Total non-current liabilities	19,146,261	21,875,675
Total liabilities	26,406,497	31,684,392
Net assets		
Shareholders' equity		
Share capital	11,823,312	11,823,312
Capital surplus	7,611,322	7,611,322
Retained earnings	5,313,842	7,276,038
Treasury shares	(120,123)	(120,123)
Total shareholders' equity	24,628,353	26,590,550
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,578,998	2,671,903
Remeasurements of defined benefit plans	(18,471)	(14,597)
Total accumulated other comprehensive income	1,560,527	2,657,306
Non-controlling interests	10,371,362	12,584,858
Total net assets	36,560,243	41,832,715
Total liabilities and net assets	62,966,741	73,517,108

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income and Comprehensive Income (For the nine months)

(Thousand yen)

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2022
Net sales	18,503,561	24,516,261
Cost of sales	14,299,015	17,796,508
Gross profit	4,204,546	6,719,753
Selling, general and administrative expenses	1,431,543	1,908,920
Operating income	2,773,002	4,810,832
Non-operating income		
Interest income	2,383	8,698
Foreign exchange gains	-	544,000
Other	112,653	184,446
Total non-operating income	115,036	737,144
Non-operating expenses		
Interest expenses	135,603	151,754
Foreign exchange losses	11,822	-
Other	49,387	33,326
Total non-operating expenses	196,813	185,080
Ordinary income	2,691,224	5,362,896
Extraordinary income		
Gain on sale of non-current assets	219,341	543,100
Local government subsidy	192,660	-
Other	-	12,512
Total extraordinary income	412,001	555,612
Extraordinary losses		
Loss on sale of non-current assets	593	2,479
Loss on retirement of non-current assets	631	1,397
Impairment losses	-	858
Business restructuring expenses	85,923	85,057
Total extraordinary losses	87,148	89,792
Income before income taxes	3,016,078	5,828,716
Income taxes	821,913	1,629,058
Refund of income taxes for prior periods	(55,518)	(18,555)
Net income	2,249,684	4,218,213
Net income attributable to		
Net income attributable to owners of parent	1,251,254	2,076,846
Net income attributable to non-controlling interests	998,430	2,141,367
Other comprehensive income		
Foreign currency translation adjustment	1,511,538	2,142,952
Remeasurements of defined benefit plans, net of tax	3,521	3,873
Total other comprehensive income	1,515,059	2,146,825
Comprehensive income	3,764,743	6,365,039
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,025,659	3,173,625
Comprehensive income attributable to non-controlling interests	1,739,083	3,191,413