

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

## Consolidated Financial Results for the Three Months Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

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: May 12, 2023

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 Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)

#### (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	%
Three months ended March 31, 2023	8,245	8.8	1,690	16.6	1,695	9.0	1,137	96.4
March 31, 2022	7,578	38.0	1,449	149.5	1,555	195.8	579	107.0

(Note) Comprehensive income: Three months ended March 31, 2023: ¥ 2,175 million [ 17.3%]  
Three months ended March 31, 2022: ¥ 1,855 million [ 36.4%]

	Net income per share	Net income per share (diluted)
Three months ended	Yen	Yen
March 31, 2023	125.07	-
March 31, 2022	63.67	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
March 31, 2023	72,910	43,891	41.7
December 31, 2022	72,262	42,206	40.9

(Reference) Equity: As of March 31, 2023: ¥ 30,423 million  
As of December 31, 2022: ¥ 29,578 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, 2022	-	0.00	-	54.00	54.00
Fiscal year ending December 31, 2023	-				
Fiscal year ending December 31, 2023 (Forecast)		0.00	-	-	-

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

## 3. Consolidated Financial Results Forecast for the Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023), and

Consolidated Financial Results Forecast for the Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 2023)

(% 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
Six months ended June 30, 2023	16,350	3.5	3,000	(0.8)	3,030	(9.7)	1,590	40.7	174.78
Nine months ended September 30, 2023	24,850	1.4	4,600	(4.4)	4,600	(14.2)	2,250	8.3	247.33

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

\* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(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: No

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):

March 31, 2023: 9,282,500 shares

December 31, 2022: 9,282,500 shares

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

March 31, 2023: 185,371 shares

December 31, 2022: 185,371 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2023: 9,097,129 shares

Three months ended March 31, 2022: 9,097,129 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	15,691,244	16,432,346
Accounts receivable - trade and contract assets	9,148,169	9,015,744
Raw materials and supplies	104,260	109,148
Accounts receivable - other	1,367,734	1,811,650
Lease receivables	210,124	308,181
Other	1,091,535	692,760
Total current assets	27,613,068	28,369,833
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,986,459	10,976,455
Machinery, equipment and vehicles, net	28,106,421	27,985,930
Other, net	5,260,406	5,264,272
Total property, plant and equipment	44,353,287	44,226,658
Intangible assets	197,179	195,256
Investments and other assets	98,816	118,348
Total non-current assets	44,649,283	44,540,264
Total assets	72,262,352	72,910,097

(Thousand yen)

	As of December 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	482,497	396,668
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	785,000	852,866
Lease liabilities	127,864	92,621
Accounts payable - other	2,433,086	1,662,836
Income taxes payable	1,432,832	1,735,461
Contract liabilities	19,246	17,167
Unearned revenue	158,067	121,701
Provision for bonuses	1,264,130	1,470,254
Provision for bonuses for directors (and other officers)	56,084	61,381
Provision for loss on orders received	4,397	2,396
Provision for repairs	22,286	24,705
Other	2,425,055	1,796,528
Total current liabilities	9,510,548	8,534,588
Non-current liabilities		
Long-term borrowings	19,777,375	19,629,958
Lease liabilities	2,289	2,125
Retirement benefit liability	223,651	220,285
Asset retirement obligations	10,566	10,587
Deferred tax liabilities	479,618	571,431
Provision for repairs	2,116	2,730
Other	49,483	47,049
Total non-current liabilities	20,545,100	20,484,168
Total liabilities	30,055,648	29,018,756
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,823,312	11,823,312
Capital surplus	7,611,322	7,611,322
Retained earnings	8,334,177	8,980,708
Treasury shares	(120,123)	(120,123)
Total shareholders' equity	27,648,689	28,295,220
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,939,437	2,137,607
Remeasurements of defined benefit plans	(9,825)	(8,885)
Total accumulated other comprehensive income	1,929,611	2,128,722
Non-controlling interests	12,628,402	13,467,398
Total net assets	42,206,703	43,891,340
Total liabilities and net assets	72,262,352	72,910,097

Quarterly Consolidated Statements of Income and Comprehensive Income

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

(Thousand yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Net sales	7,578,121	8,245,997
Cost of sales	5,565,350	5,975,774
Gross profit	2,012,770	2,270,223
Selling, general and administrative expenses	562,813	579,950
Operating income	1,449,957	1,690,273
Non-operating income		
Interest income	378	8,470
Foreign exchange gains	101,514	-
Commission income	36,875	121,916
Other	10,359	7,771
Total non-operating income	149,128	138,158
Non-operating expenses		
Interest expenses	40,920	66,177
Foreign exchange losses	-	48,136
Other	2,292	18,985
Total non-operating expenses	43,212	133,300
Ordinary income	1,555,873	1,695,131
Extraordinary income		
Gain on sale of non-current assets	788	530,614
Total extraordinary income	788	530,614
Extraordinary losses		
Loss on retirement of non-current assets	755	-
Impairment losses	858	-
Business restructuring expenses	14,348	-
Total extraordinary losses	15,962	-
Income before income taxes	1,540,698	2,225,746
Income taxes	365,265	439,372
Net income	1,175,433	1,786,373
Net income attributable to		
Net income attributable to owners of parent	579,225	1,137,775
Net income attributable to non-controlling interests	596,208	648,597
Other comprehensive income		
Foreign currency translation adjustment	678,789	388,568
Remeasurements of defined benefit plans, net of tax	1,291	940
Total other comprehensive income	680,081	389,509
Comprehensive income	1,855,514	2,175,882
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	926,699	1,336,886
Comprehensive income attributable to non-controlling interests	928,815	838,996