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Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

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

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Scheduled date of filing quarterly securities report: May 14, 2024

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, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2024	8,949	8.5	1,697	0.4	1,714	1.1	921	(19.0)
March 31, 2023	8,245	8.8	1,690	16.6	1,695	9.0	1,137	96.4

(Note) Comprehensive income: Three months ended March 31, 2024: ¥ 2,385 million [9.6%]
Three months ended March 31, 2023: ¥ 2,175 million [17.3%]

	Net income per share	Net income per share (diluted)
	Yen	Yen
Three months ended March 31, 2024	101.30	-
March 31, 2023	125.07	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	70,144	50,391	49.1
December 31, 2023	69,438	49,006	49.1

(Reference) Equity: As of March 31, 2024: ¥ 34,430 million
As of December 31, 2023: ¥ 34,122 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, 2023	-	0.00	-	110.00	110.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (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, 2024 (January 1, 2024 to June 30, 2024), and

Consolidated Financial Results Forecast for the Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2024	18,350	8.8	3,500	6.4	3,580	2.4	1,780	(7.2)	195.67
Nine months ending September 30, 2024	27,750	6.5	5,300	1.4	5,360	(3.8)	2,450	(15.6)	269.32

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2024

(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, 2024: 9,282,500 shares

December 31, 2023: 9,282,500 shares

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

March 31, 2024: 185,412 shares

December 31, 2023: 185,371 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2024: 9,097,116 shares

Three months ended March 31, 2023: 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

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	11,796,001	10,724,770
Accounts receivable - trade and contract assets	9,803,202	10,062,431
Raw materials and supplies	348,282	468,074
Accounts receivable - other	341,705	416,614
Lease receivables	819,888	913,989
Other	385,038	217,960
Total current assets	23,494,119	22,803,841
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,982,543	11,021,166
Machinery, equipment and vehicles, net	31,359,352	30,919,470
Other, net	3,185,479	4,990,439
Total property, plant and equipment	45,527,375	46,931,076
Intangible assets	211,776	205,406
Investments and other assets	205,289	204,570
Total non-current assets	45,944,441	47,341,052
Total assets	69,438,560	70,144,893

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	538,522	563,040
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	570,000	570,000
Accounts payable - other	453,484	2,317,906
Income taxes payable	1,191,281	1,204,855
Contract liabilities	9,122	8,137
Provision for bonuses	1,319,548	1,527,481
Provision for bonuses for directors (and other officers)	59,563	16,115
Provision for loss on orders received	5,516	2,354
Provision for repairs	32,131	39,178
Other	1,725,913	1,573,916
Total current liabilities	6,205,083	8,122,987
Non-current liabilities		
Contract liabilities	21,008	19,021
Long-term borrowings	13,260,986	10,564,462
Retirement benefit liability	226,763	227,349
Asset retirement obligations	10,650	10,671
Deferred tax liabilities	684,327	782,945
Provision for repairs	1,930	5,027
Other	21,478	21,298
Total non-current liabilities	14,227,145	11,630,777
Total liabilities	20,432,229	19,753,765
Net assets		
Shareholders' equity		
Share capital	11,823,312	11,823,312
Capital surplus	7,611,322	7,611,322
Retained earnings	11,937,606	11,858,432
Treasury shares	(120,123)	(120,412)
Total shareholders' equity	31,252,117	31,172,654
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,873,607	3,260,997
Remeasurements of defined benefit plans	(3,660)	(2,761)
Total accumulated other comprehensive income	2,869,947	3,258,235
Non-controlling interests	14,884,266	15,960,238
Total net assets	49,006,331	50,391,128
Total liabilities and net assets	69,438,560	70,144,893

Quarterly Consolidated Statements of Income and Comprehensive Income

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

(Thousands of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Net sales	8,245,997	8,949,365
Cost of sales	5,975,774	6,611,111
Gross profit	2,270,223	2,338,254
Selling, general and administrative expenses	579,950	641,168
Operating income	1,690,273	1,697,085
Non-operating income		
Interest income	8,470	1,007
Foreign exchange gains	-	43,059
Commission income	121,916	46,405
Other	7,771	20,456
Total non-operating income	138,158	110,928
Non-operating expenses		
Interest expenses	66,177	40,758
Depreciation of inactive non-current assets	7,377	23,385
Compensation for damage	3,724	22,000
Other	56,019	7,623
Total non-operating expenses	133,300	93,766
Ordinary income	1,695,131	1,714,246
Extraordinary income		
Gain on sale of non-current assets	530,614	205,273
Local government subsidy	-	82,627
Total extraordinary income	530,614	287,900
Income before income taxes	2,225,746	2,002,147
Income taxes	439,372	376,862
Net income	1,786,373	1,625,284
Net income attributable to		
Net income attributable to owners of parent	1,137,775	921,510
Net income attributable to non-controlling interests	648,597	703,774
Other comprehensive income		
Foreign currency translation adjustment	388,568	759,588
Remeasurements of defined benefit plans, net of tax	940	898
Total other comprehensive income	389,509	760,486
Comprehensive income	2,175,882	2,385,771
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,336,886	1,309,798
Comprehensive income attributable to non-controlling interests	838,996	1,075,972