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## Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]

August 14, 2024

Company name: Tera Probe, Inc.  
Listing: Tokyo  
Securities code: 6627  
URL: <https://www.teraprobe.com/>  
Representative: Tsuyoshi Yokoyama                                  President  
Inquiries: Naokazu Jinushi    Chief Financial Officer  
Telephone: +81-45-476-5711  
Scheduled date to file semi-annual securities report: August 14, 2024  
Scheduled date to commence dividend payments: -  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)

#### (1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	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	%
Six months ended June 30, 2024	18,879	12.0	3,800	15.5	3,898	11.5	1,817	(5.2)
June 30, 2023	16,862	6.7	3,290	8.9	3,494	4.2	1,917	69.7

(Note) Comprehensive income:     Six months ended June 30, 2024:                                  ¥                                  5,514 million     [                                  4.3%]  
   Six months ended June 30, 2023:                                  ¥                                  5,288 million     [                                  11.9%]

	Net income per share		Net income per share (diluted)	
	Yen		Yen	
Six months ended June 30, 2024	199.82		-	
June 30, 2023	210.81		-	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	72,883	51,777	49.5
December 31, 2023	69,438	49,006	49.1

(Reference) Equity:     As of June 30, 2024:                                  ¥                                  36,070 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	-	0.00			
Fiscal year ending December 31, 2024 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024), and Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	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
Nine months ending September 30, 2024	28,380	9.0	5,670	8.5	5,760	3.4	2,630	(9.4)	289.10
Full year	38,080	7.6	7,950	10.6	8,020	8.2	3,540	(13.5)	389.14

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

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

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

June 30, 2024:	9,282,500 shares
December 31, 2023:	9,282,500 shares

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

June 30, 2024:	185,412 shares
December 31, 2023:	185,371 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2024:	9,097,102 shares
Six months ended June 30, 2023:	9,097,129 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

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.

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	11,796,001	10,796,127
Accounts receivable - trade, and contract assets	9,803,202	11,260,232
Raw materials and supplies	348,282	508,106
Accounts receivable - other	341,705	427,727
Lease receivables	819,888	1,027,186
Other	385,038	274,482
<b>Total current assets</b>	<b>23,494,119</b>	<b>24,293,861</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,982,543	13,000,609
Machinery, equipment and vehicles, net	31,359,352	31,674,515
Other, net	3,185,479	3,495,158
<b>Total property, plant and equipment</b>	<b>45,527,375</b>	<b>48,170,283</b>
Intangible assets	211,776	211,567
Investments and other assets	205,289	208,159
<b>Total non-current assets</b>	<b>45,944,441</b>	<b>48,590,010</b>
<b>Total assets</b>	<b>69,438,560</b>	<b>72,883,872</b>

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	538,522	534,766
Short-term borrowings	300,000	-
Current portion of long-term borrowings	570,000	693,755
Accounts payable - other	453,484	2,328,692
Income taxes payable	1,191,281	1,435,853
Contract liabilities	9,122	7,948
Provision for bonuses	1,319,548	1,646,649
Provision for bonuses for directors (and other officers)	59,563	30,992
Provision for loss on orders received	5,516	664
Provision for repairs	32,131	1,029
Other	1,725,913	3,691,331
Total current liabilities	6,205,083	10,371,682
Non-current liabilities		
Contract liabilities	21,008	17,034
Long-term borrowings	13,260,986	9,747,074
Retirement benefit liability	226,763	231,722
Asset retirement obligations	10,650	10,693
Deferred tax liabilities	684,327	701,284
Provision for repairs	1,930	7,272
Other	21,478	19,738
Total non-current liabilities	14,227,145	10,734,820
Total liabilities	20,432,229	21,106,503
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,823,312	11,823,312
Capital surplus	7,611,322	7,611,322
Retained earnings	11,937,606	12,754,737
Treasury shares	(120,123)	(120,412)
Total shareholders' equity	31,252,117	32,068,960
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,873,607	4,003,810
Remeasurements of defined benefit plans	(3,660)	(1,863)
Total accumulated other comprehensive income	2,869,947	4,001,947
Non-controlling interests	14,884,266	15,706,461
Total net assets	49,006,331	51,777,368
Total liabilities and net assets	69,438,560	72,883,872

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	16,862,155	18,879,167
Cost of sales	12,362,691	13,716,291
Gross profit	4,499,464	5,162,876
Selling, general and administrative expenses	1,209,154	1,361,956
Operating income	3,290,310	3,800,920
Non-operating income		
Interest income	42,887	20,025
Foreign exchange gains	100,856	114,347
Commission income	209,056	88,626
Other	16,404	41,108
Total non-operating income	369,204	264,107
Non-operating expenses		
Interest expenses	135,611	73,105
Depreciation of inactive non-current assets	8,664	37,847
Compensation for damage	9,057	38,437
Other	11,223	17,052
Total non-operating expenses	164,556	166,442
Ordinary income	3,494,959	3,898,584
Extraordinary income		
Gain on sale of non-current assets	709,088	433,978
Local government subsidy	-	82,627
Total extraordinary income	709,088	516,605
Extraordinary losses		
Loss on retirement of non-current assets	57	0
Total extraordinary losses	57	0
Income before income taxes	4,203,990	4,415,190
Income taxes	999,420	1,118,864
Net income	3,204,570	3,296,325
Net income attributable to		
Net income attributable to owners of parent	1,917,746	1,817,816
Net income attributable to non-controlling interests	1,286,824	1,478,509
Other comprehensive income		
Foreign currency translation adjustment	2,081,807	2,216,084
Remeasurements of defined benefit plans, net of tax	1,881	1,796
Total other comprehensive income	2,083,688	2,217,881
Comprehensive income	5,288,258	5,514,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,981,349	2,949,815
Comprehensive income attributable to non-controlling interests	2,306,909	2,564,391

## Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
<b>Cash flows from operating activities</b>		
Income before income taxes	4,203,990	4,415,190
Depreciation	5,938,966	6,846,541
Increase (decrease) in retirement benefit liability	(1,463)	4,959
Increase (decrease) in provision for bonuses	150,301	237,287
Increase (decrease) in provision for bonuses for directors (and other officers)	27,905	(28,570)
Interest income	(42,887)	(20,025)
Interest expenses	135,611	73,105
Local government subsidy	-	(82,627)
Compensation for damage	-	38,437
Loss (gain) on sale and retirement of non-current assets	(709,030)	(433,978)
Decrease (increase) in trade receivables and contract assets	(279,908)	(1,018,428)
Decrease (increase) in inventories	(54,142)	(143,175)
Increase (decrease) in trade payables	(85,951)	(12,981)
Decrease (increase) in lease receivables	11,229	37,835
Decrease (increase) in other current assets	1,310,819	73,899
Increase (decrease) in other current liabilities	(482,070)	33,103
Increase (decrease) in other non-current liabilities	6,142	(27,129)
Other, net	16,695	(55,072)
Subtotal	10,146,209	9,938,369
Interest received	44,435	19,920
Interest paid	(135,611)	(73,288)
Subsidies received	-	82,627
Income taxes refund	18,875	190
Income taxes paid	(1,114,864)	(887,189)
Compensation paid for damage	(6,073)	(21,996)
Net cash provided by (used in) operating activities	8,952,971	9,058,633
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,100,000)	(1,800,000)
Proceeds from withdrawal of time deposits	1,100,000	2,700,000
Purchase of property, plant and equipment	(9,957,754)	(5,251,167)
Proceeds from sale of property, plant and equipment	963,446	245,520
Purchase of intangible assets	(33,236)	(18,383)
Proceeds from equipment rental	9,869	39,235
Other, net	(22,641)	(1,093)
Net cash provided by (used in) investing activities	(9,040,316)	(4,085,889)

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	600,000	300,000
Repayments of short-term borrowings	(600,000)	(600,000)
Proceeds from long-term borrowings	442,110	955,280
Repayments of long-term borrowings	(1,879,441)	(5,066,372)
Purchase of treasury shares	-	(289)
Dividends paid	(490,460)	(1,000,340)
Repayments of lease liabilities	(70,912)	(650)
Net cash provided by (used in) financing activities	(1,998,703)	(5,412,372)
Effect of exchange rate change on cash and cash equivalents	591,064	339,754
Net increase (decrease) in cash and cash equivalents	(1,494,984)	(99,874)
Cash and cash equivalents at beginning of period	14,591,244	9,096,001
Cash and cash equivalents at end of period	13,096,260	8,996,127