

Fiscal Year Ended December 31, 2024

Consolidated Financial Results

Tera Probe, Inc.

Stock code: 6627

FY2024

Financial Information

As a general rule, percent change is indicated as "-" in this document when it exceeds 1,000% or when one or both of the figures used for calculation are negative.



Achieved record-high Net sales
for the full year

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Full year (YoY)	37,108M¥ (+4.8%)	6,949M¥ (▲3.3%)	7,005M¥ (▲5.5%)	3,509M¥ (▲14.3%)
4Q (QoQ)	8,998M¥ (▲2.5%)	1,464M¥ (▲13.0%)	1,615M¥ (+8.3%)	935M¥ (+23.8%)

Consolidated Financial Summary (QoQ)

- Decrease in automotive demand due to inventory adjustment
- Recovery of CPUs&GPUs

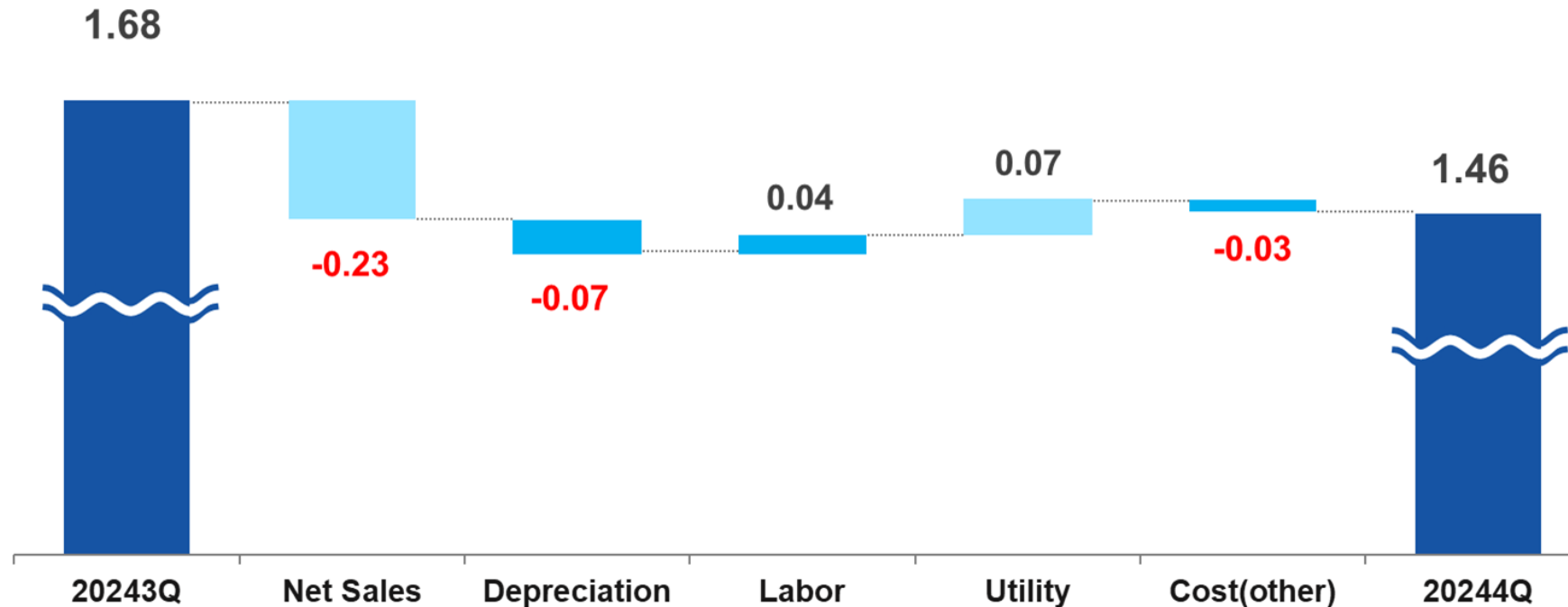
(Unit : Billion Yen)

	FY2023				FY2024				QoQ	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Change	%
Net sales	8.25	8.62	9.18	9.36	8.95	9.93	9.23	9.00	-0.23	-3%
Gross profit	2.27	2.23	2.56	2.62	2.34	2.82	2.35	2.09	-0.26	-11%
% Margin	27.5%	25.9%	27.9%	28.0%	26.1%	28.4%	25.4%	23.3%	-2.1pt	—
Operating income	1.69	1.60	1.94	1.96	1.70	2.10	1.68	1.46	-0.22	-13%
% Margin	20.5%	18.6%	21.1%	21.0%	19.0%	21.2%	18.2%	16.3%	-1.9pt	—
Ordinary income	1.70	1.80	2.08	1.84	1.71	2.18	1.49	1.62	0.13	8%
Income before income taxes	2.23	1.98	2.22	2.10	2.00	2.41	1.74	1.75	0.01	0%
Net income attributable to owners of parent	1.14	0.78	0.98	1.19	0.92	0.90	0.76	0.94	0.18	24%
% Margin	13.8%	9.1%	10.7%	12.8%	10.3%	9.0%	8.2%	10.4%	2.2pt	—
US\$	132.85	134.88	142.51	149.10	146.67	153.20	154.17	149.14		
NT\$	4.36	4.42	4.47	4.52	4.73	4.78	4.73	4.72		

Analysis of Consolidated Operating Income (QoQ)

■ Decrease in operating income due to net sales decline and increase in depreciation

(Unit : Billion Yen)



Net sales : Decrease Decrease in the volume of automotive application due to inventory adjustment
Recovery of CPUs&GPUs

Depreciation : Increase Start of depreciation for capital investments from Q3 2024

Consolidated Financial Summary (YoY)

- Decrease in gross profit margin and operating income margin due to increase in depreciation and utility cost

(Unit : Billion Yen)

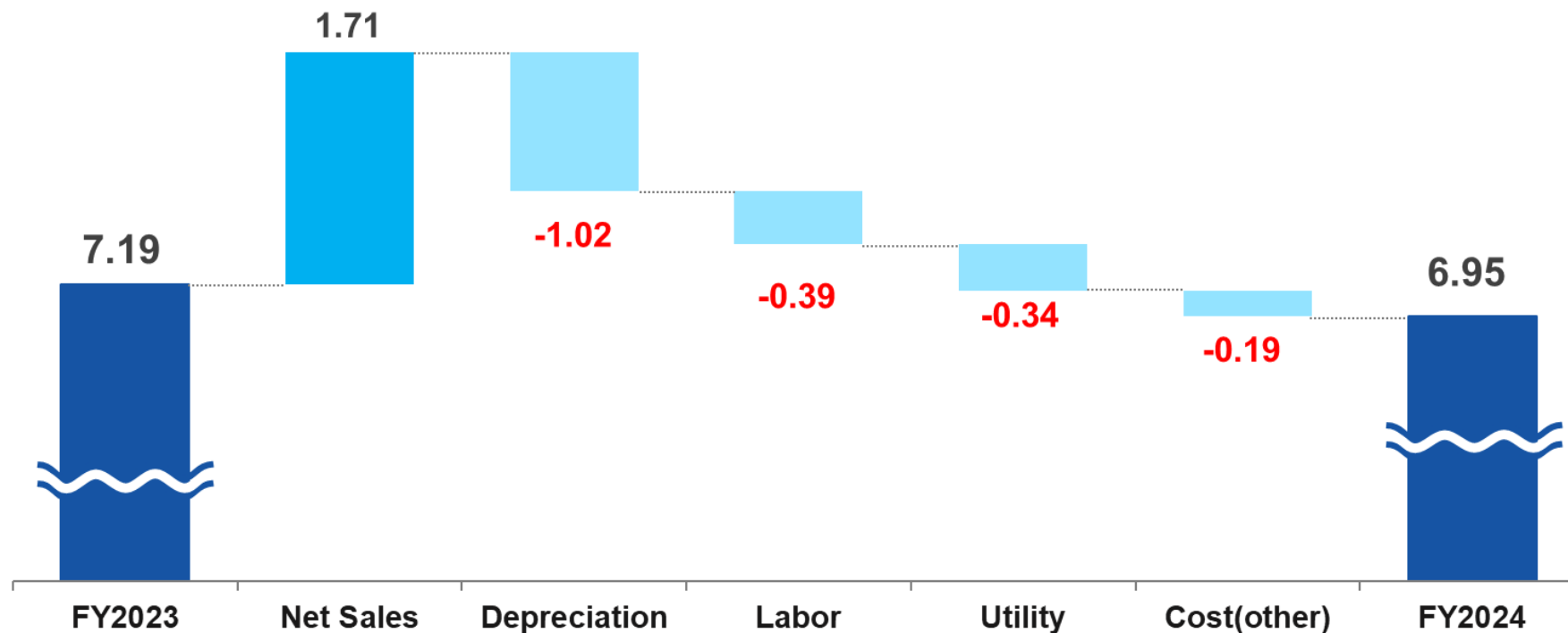
	FY2023	FY2024	YoY	
	12months	12months	Change	%
Net sales	35.40	37.11	1.71	5%
Gross profit	9.68	9.60	-0.08	-1%
% Margin	27.3%	25.9%	-1.4pt	—
Operating income	7.19	6.95	-0.24	-3%
% Margin	20.3%	18.7%	-1.6pt	—
Ordinary income	7.41	7.01	-0.40	-5%
Income before income taxes	8.52	7.91	-0.61	-7%
Net income attributable to owners of parent	4.09	3.51	-0.58	-14%
% Margin	11.6%	9.5%	-2.1pt	—

US\$	139.88	150.87
NT\$	4.52	4.72

Analysis of Consolidated Operating Income (YoY)

- Decrease in operating income due to lower utilization of existing testers and increase in various expenses

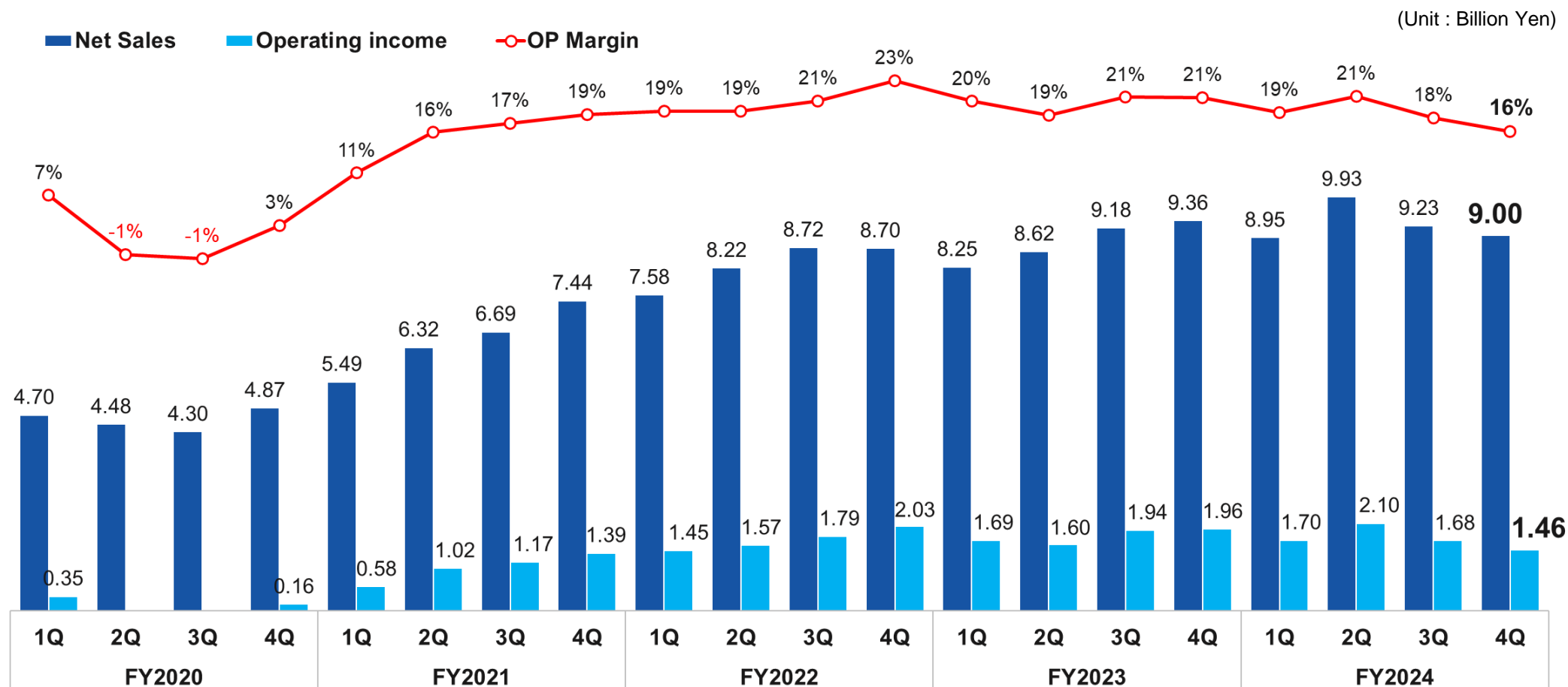
(Unit : Billion Yen)



Net sales	: Increase	YoY growth in automotive applications, continuing inventory adjustments from Q3 2024
Depreciation	: Increase	New capital investment for advanced testers
Labor	: Increase	Personnel increase

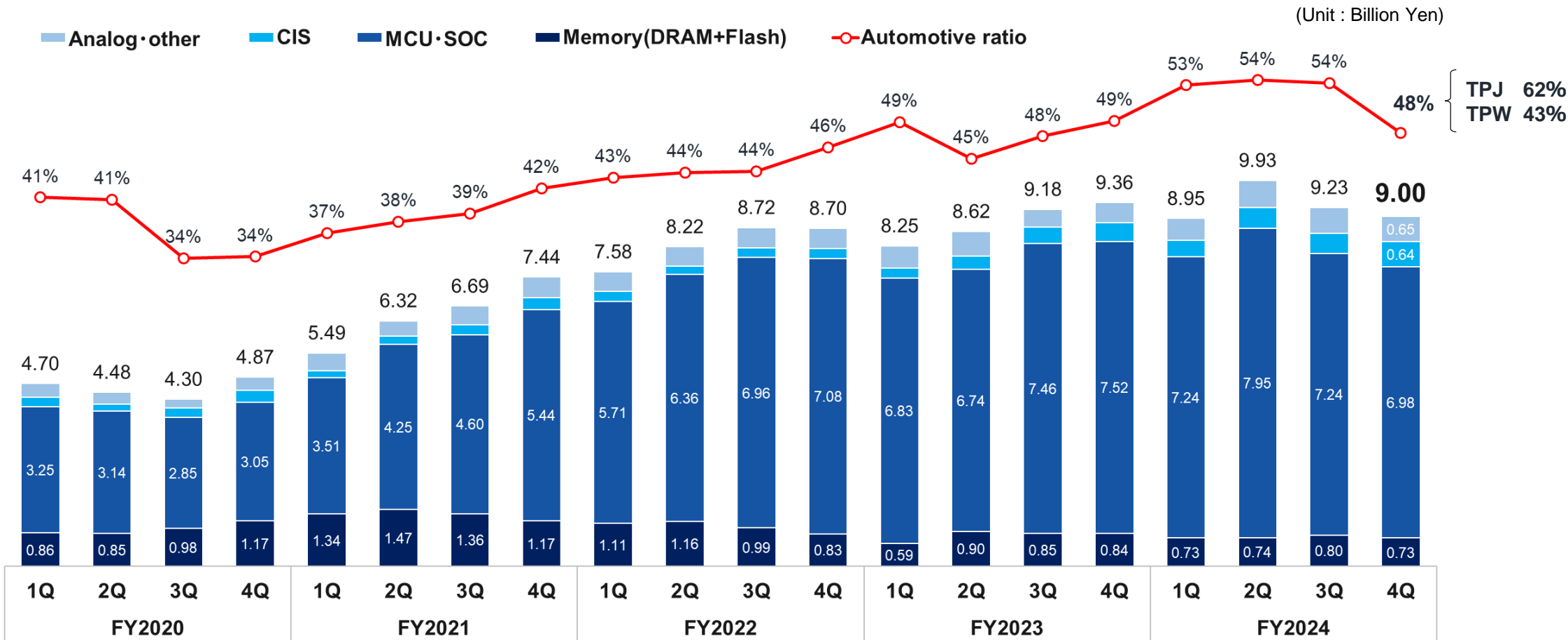
Quarterly Net Sales and Operating Income

- Limited decline by growth in server applications demand despite impact of automotive inventory adjustments
- Decrease in operating income due to lower utilization of existing testers



Quarterly Net Sales by Products

■ Decline in automotive ratio due to increase in server applications and decrease in automotive applications

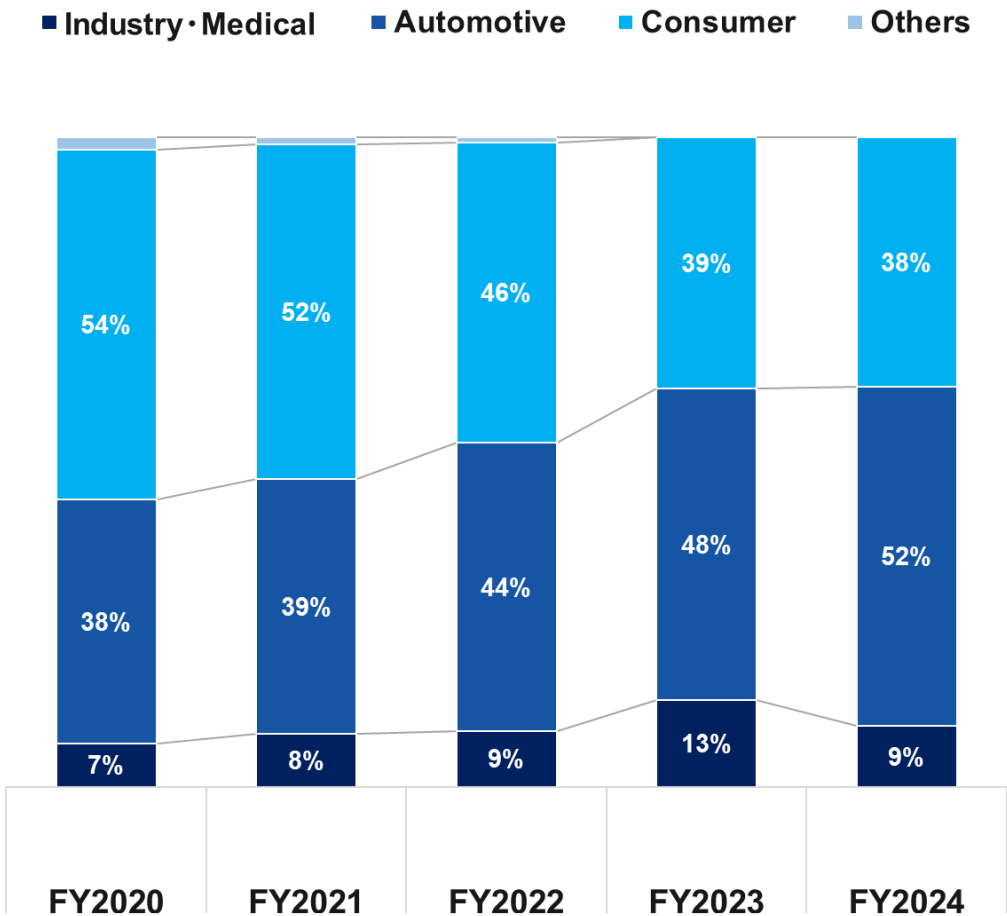
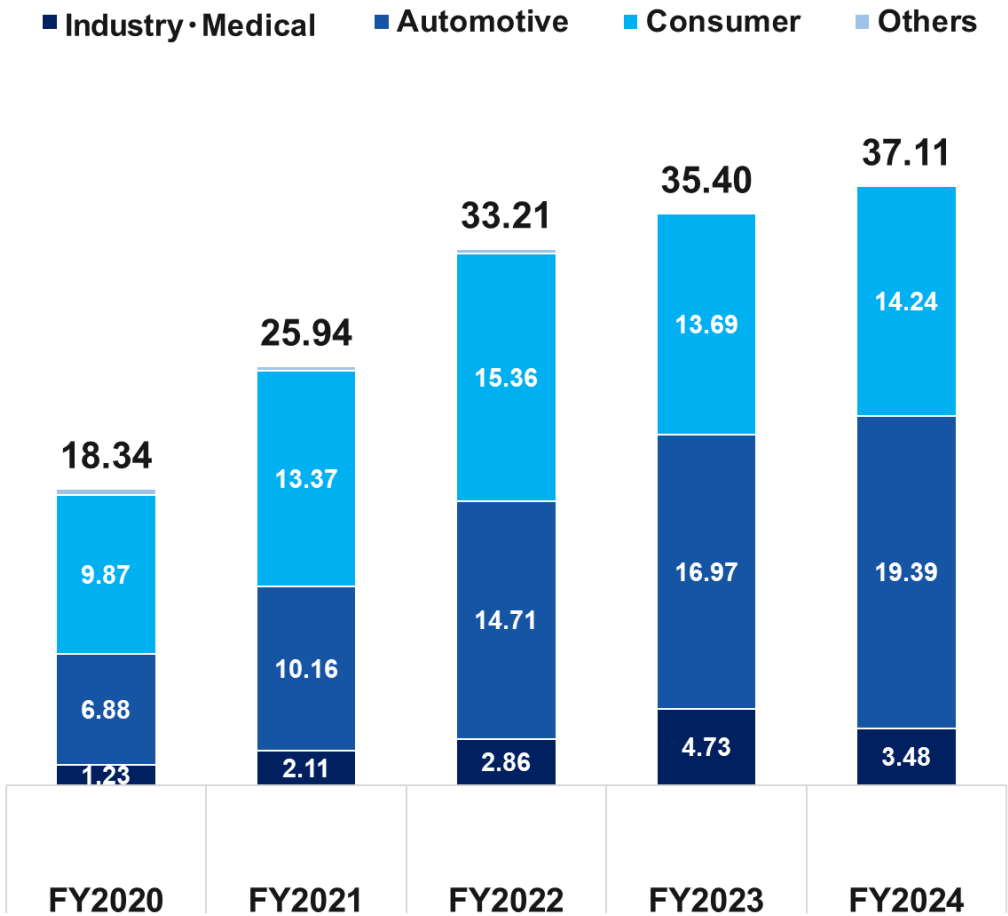


TPJ : TeraProbe TPW=TeraPower Technology Inc.



Quarterly Net Sales by Application (Trends from FY2020)

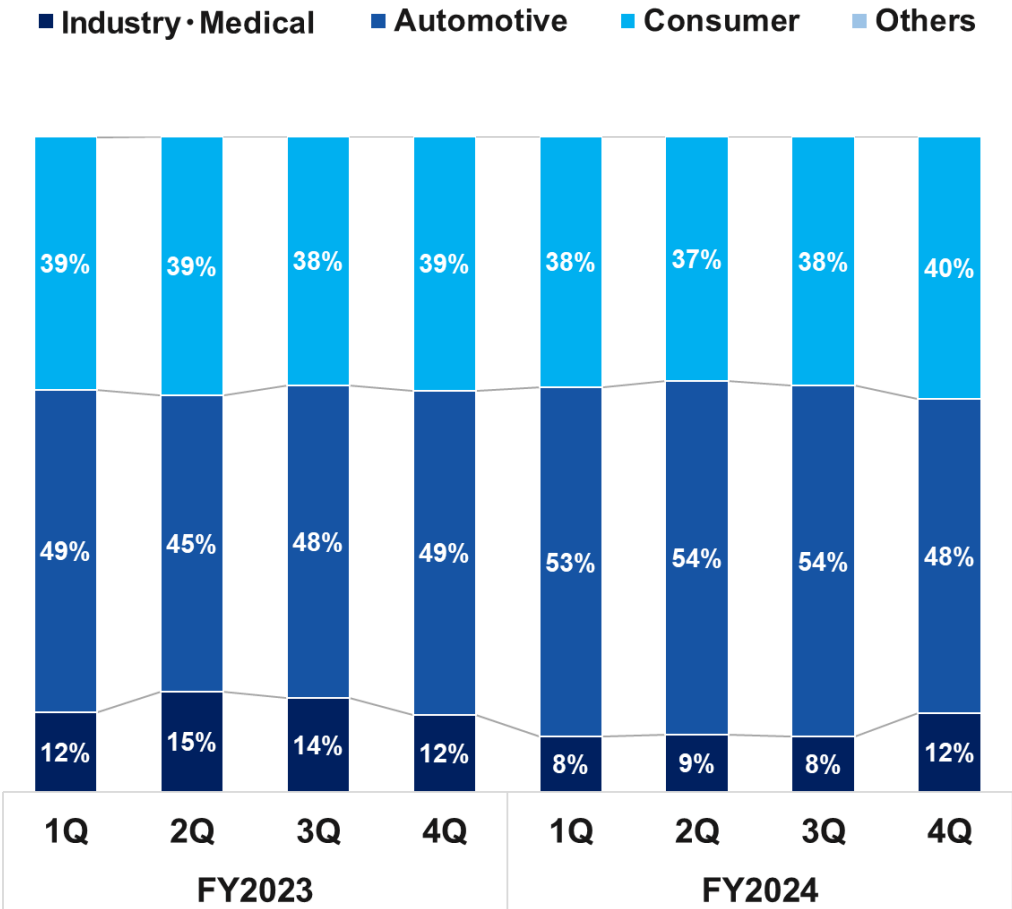
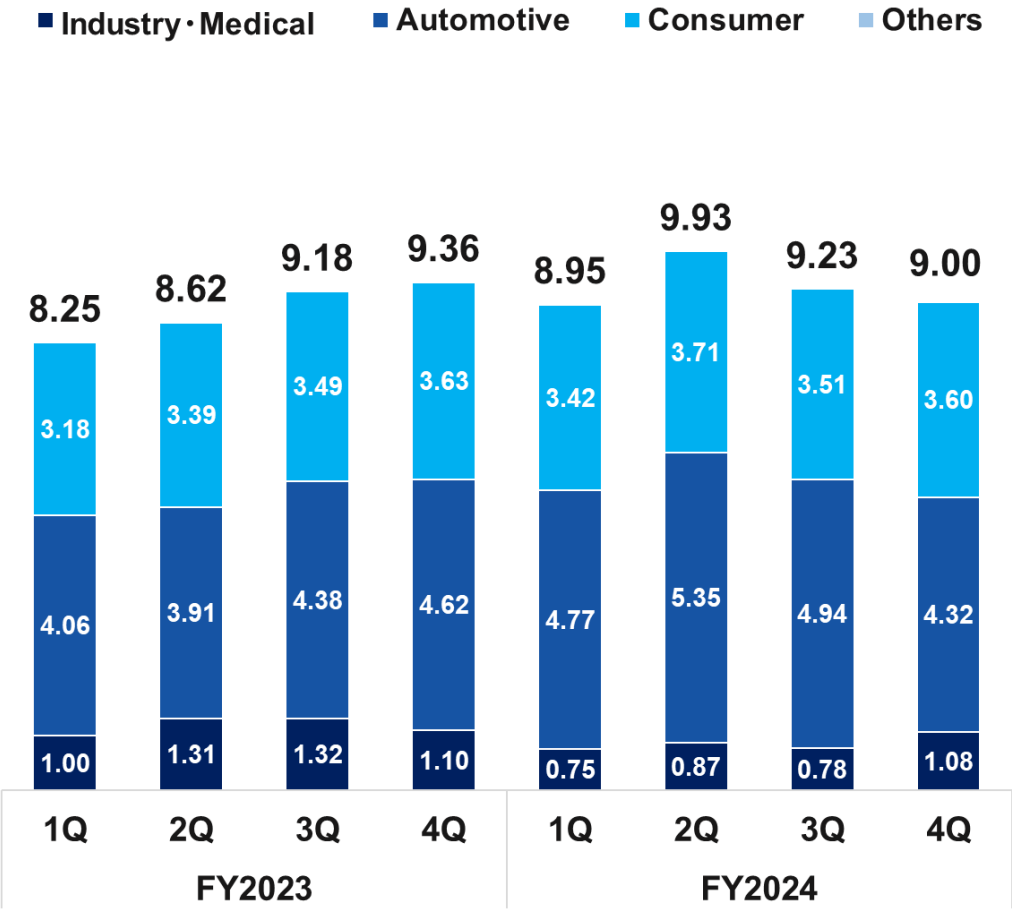
(Unit : Billion Yen)





Quarterly Net Sales by Application (Trends by quarter)

(Unit : Billion Yen)



Consolidated Balance Sheet and Cash Flow

- Maintained positive operating cash flow
- Continued capital investments

(Unit : Billion Yen)

	FY2023				FY2024				QoQ		YoY	
	As of Mar. 31	As of Jun. 30	As of Sep. 30	As of Dec. 31	As of Mar. 31	As of Jun. 30	As of Sep. 30	As of Dec. 31	Change	%	Change	%
Total assets	72.9	75.1	73.0	69.4	70.1	72.9	73.4	75.4	2.0	3%	6.0	9%
Cash and deposits	16.4	14.2	13.3	11.8	10.7	10.8	10.9	11.7	0.8	7%	-0.1	-1%
Property, plant and equipment	44.2	48.9	47.1	45.5	46.9	48.2	48.4	49.9	1.5	3%	4.4	10%
Other assets	12.3	12.1	12.7	12.2	12.5	13.9	14.0	13.8	-0.2	-2%	1.6	13%
Total liabilities	29.0	29.3	25.6	20.4	19.8	21.1	22.9	21.4	-1.5	-7%	1.0	5%
Interest-bearing liabilities*	20.9	20.8	18.8	14.1	11.4	10.4	13.9	13.8	-0.1	-1%	-0.3	-3%
Other liabilities	8.1	8.5	6.8	6.3	8.3	10.7	9.1	7.7	-1.4	-16%	1.4	22%
Total net assets	43.9	45.8	47.4	49.0	50.4	51.8	50.4	53.9	3.5	7%	4.9	10%

*Interest-bearing liabilities = Loans + Lease liabilities

	FY2023				FY2024				QoQ		YoY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Change	%	Change	%
Operating CF	4.6	4.4	3.4	5.9	4.8	4.3	2.5	5.9	3.4	132%	0.0	-1%
Investment CF	-3.1	-5.9	-2.3	-3.4	-1.5	-2.6	-6.1	-4.4	1.7	-	-1.0	-
Free CF	1.5	-1.6	1.2	2.6	3.3	1.7	-3.6	1.5	5.1	-	-1.1	-42%
Financial CF	-0.9	-1.1	-3.1	-4.5	-4.0	-1.4	2.5	-0.6	-3.1	-	3.9	-

Capital Expenditure and Depreciation

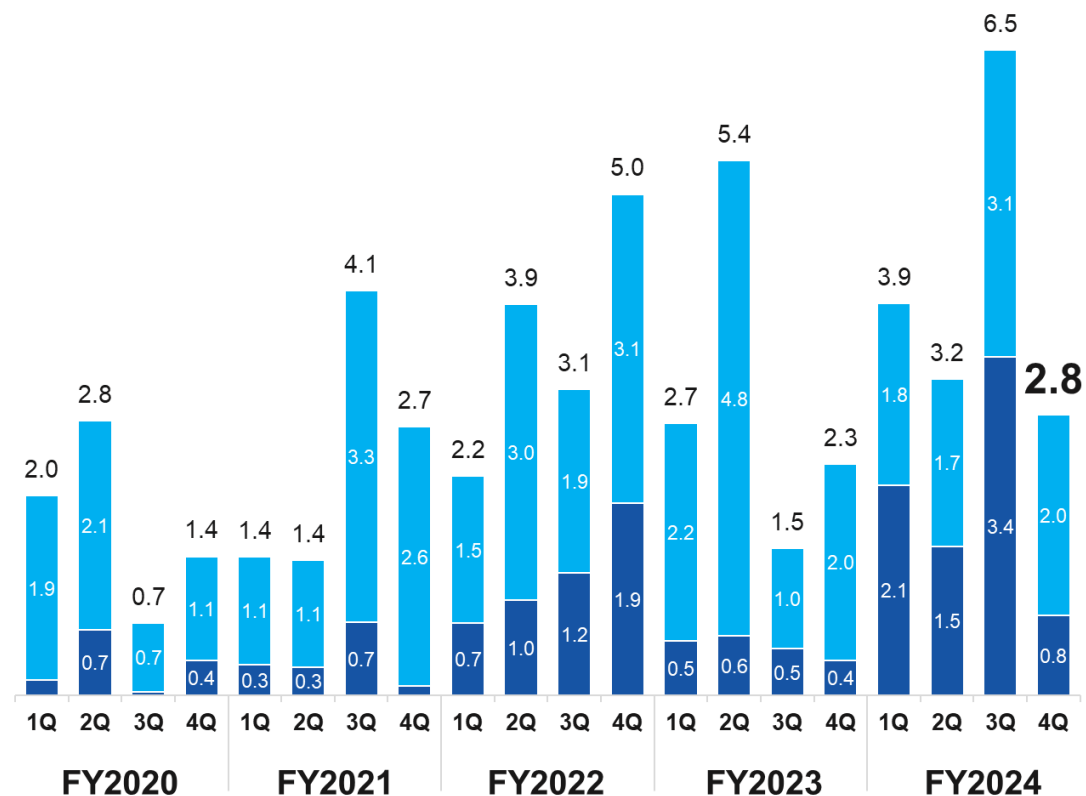
- Continued capital investments for CPUs&GPUs
- Capital investments for CMOS image sensor in Japan

CAPEX

■ TPJ

■ TPW

(Unit : Billion Yen)

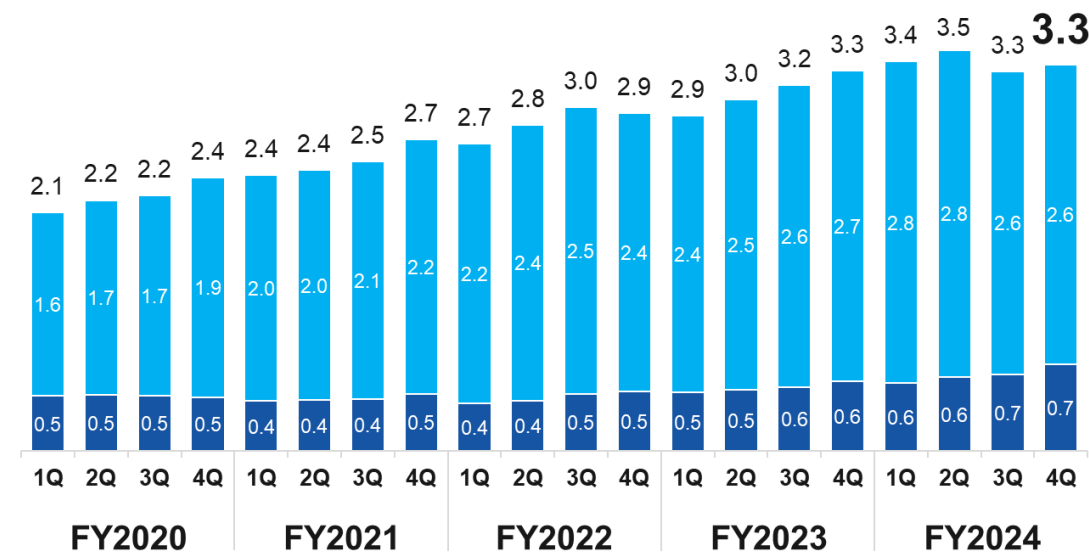


Depreciation

■ TPJ

■ TPW

(Unit : Billion Yen)



1H FY2025 Consolidated Earnings Forecast



Consolidated Earnings Forecast (1H FY2025)

- Net sales growth due to increase in server applications and AI-related products, despite continuing inventory adjustment of automotive applications

(Unit : Billion Yen)

	FY2024					FY2025	QoQ		FY2025	QoQ		FY2025	YoY	
	1Q	2Q	1H	3Q	4Q	1Q	Change	%	2Q	Change	%	1H	Change	%
Net sales	8.95	9.93	18.88	9.23	9.00	9.40	0.40	4%	9.60	0.20	2%	19.00	0.12	1%
Operating income	1.70	2.10	3.80	1.68	1.46	1.84	0.38	26%	1.97	0.13	7%	3.81	0.01	0%
% Margin	19.0%	21.2%	20.1%	18.2%	16.3%	19.6%	3.3pt	—	20.5%	0.9pt	—	20.1%	0.0pt	—
Ordinary income	1.71	2.18	3.90	1.49	1.62	1.84	0.22	14%	1.97	0.13	7%	3.81	-0.09	-2%
Net income attributable to owners of parent	0.92	0.90	1.82	0.76	0.94	0.65	-0.29	-31%	0.70	0.05	8%	1.35	-0.47	-26%
% Margin	10.3%	9.0%	9.6%	8.2%	10.4%	6.9%	-3.5pt	—	7.3%	0.4pt	—	7.1%	-2.5pt	—
US\$	146.67	153.20	150.02	154.17	149.14	151.96			145.00			148.39		
NT\$	4.73	4.78	4.78	4.73	4.72	4.72			4.71			4.71		

Q4 FY2024 → 1H FY2025

- Net sales

: Increase

Decrease in automotive applications due to inventory adjustment
Increase in server and AI-related products
- Operating income

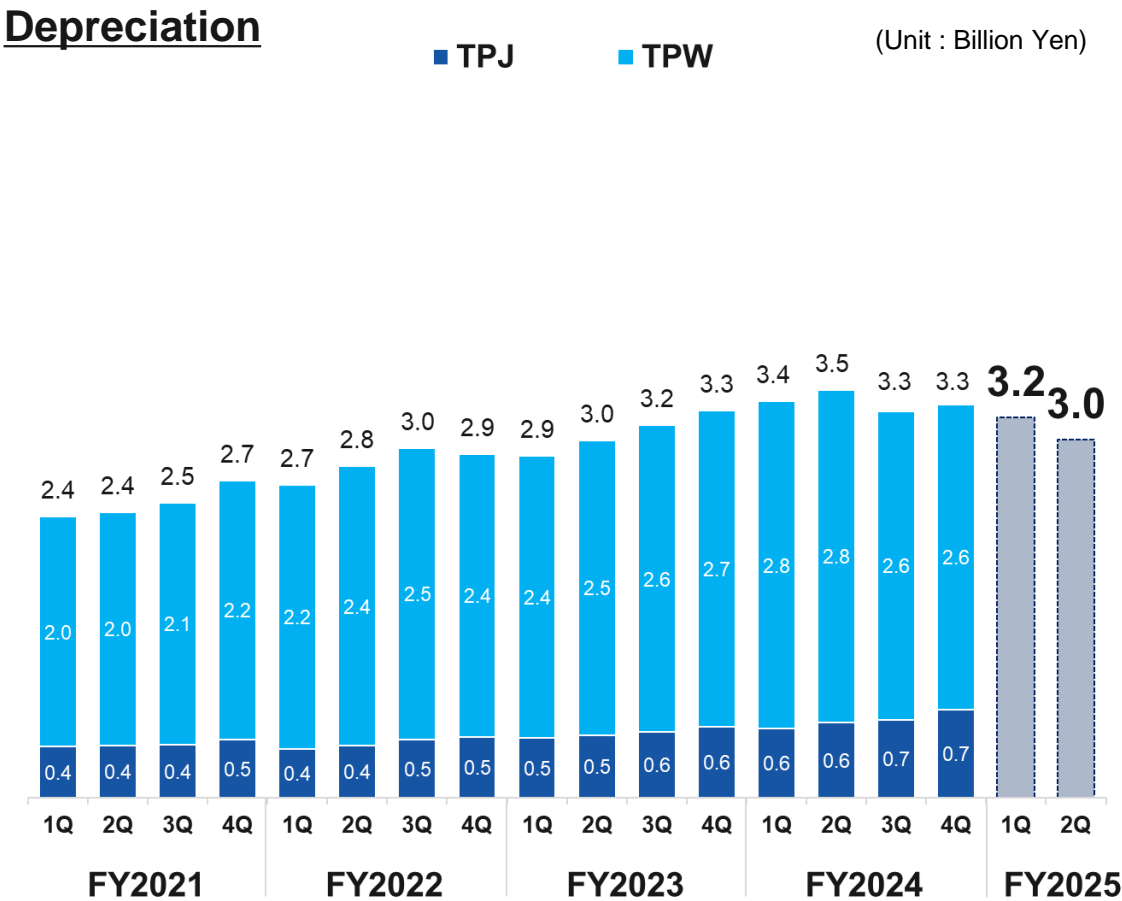
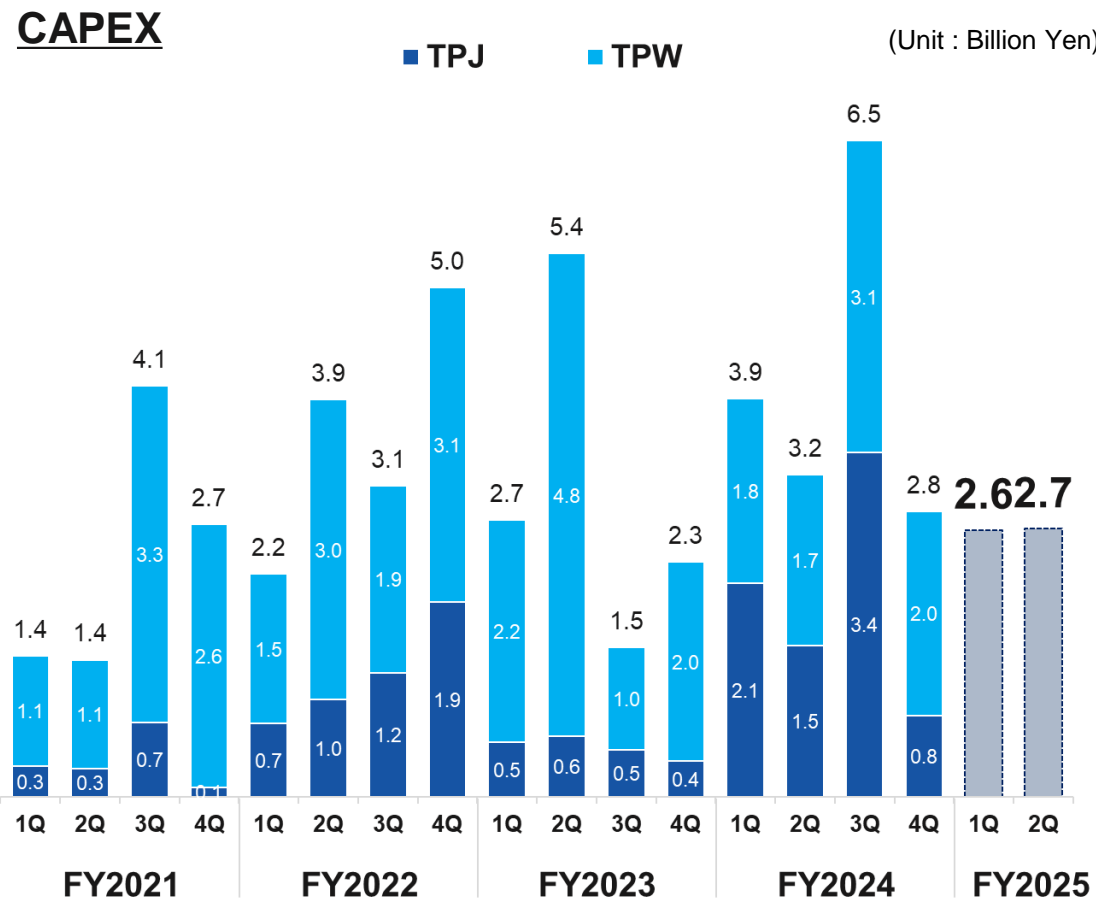
: Increase

Increase in profit due to higher net sales



Capital Expenditure and Depreciation Forecast (1H Y2025)

■ Continue CAPEX in advanced testers with carefully monitoring global situations and demand trends



Topics



Topics.1 FY2024 Financial highlights

【Consolidated】

Net sales **37.1 B¥**

OP ratio **18.7%**

(Unit : Billion Yen)

【Non-consolidated】

Net sales **9.61 B¥**

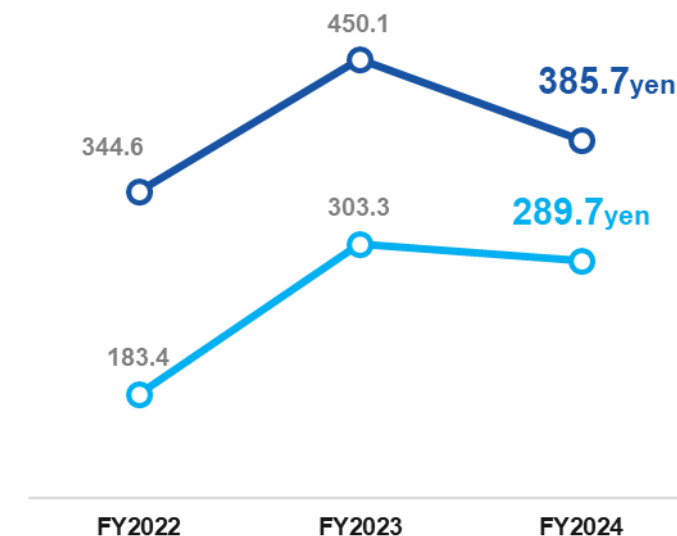
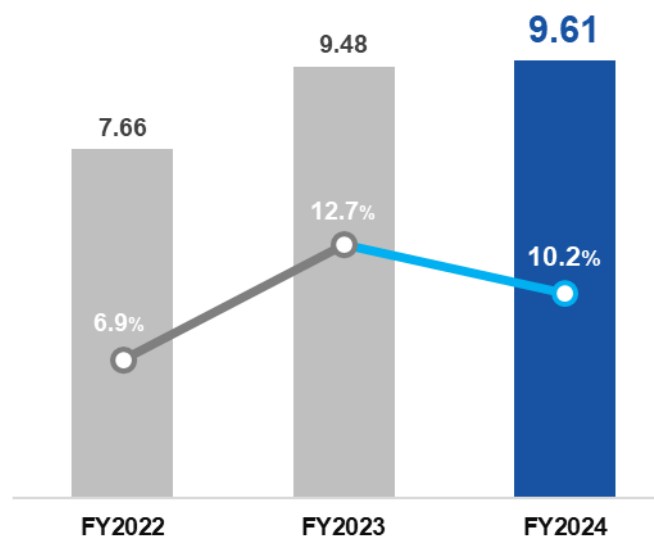
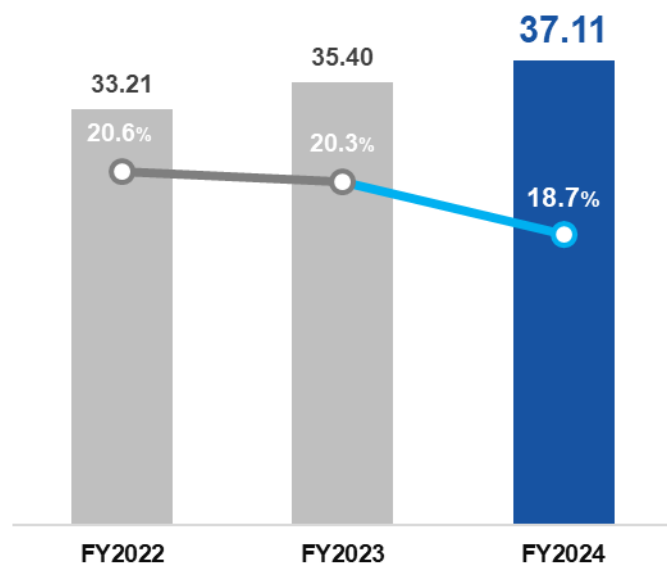
OP ratio **10.2%**

(Unit : Billion Yen)

EPS

Consolidated **385.7 yen**

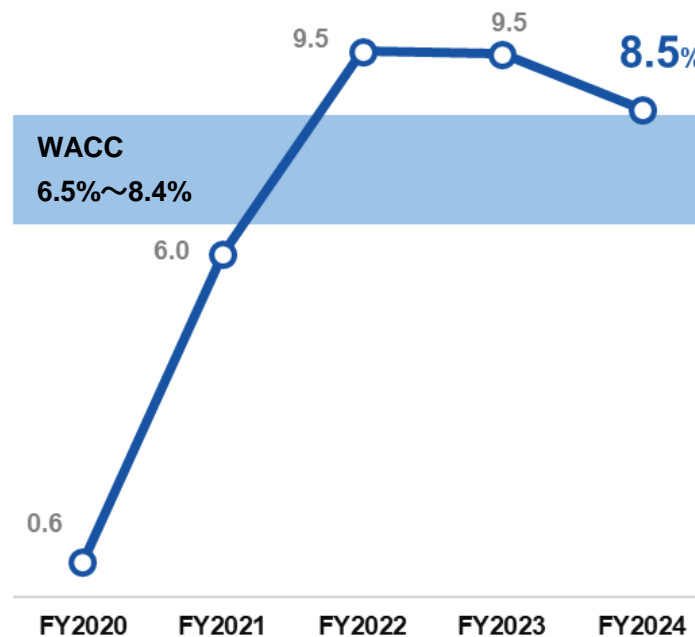
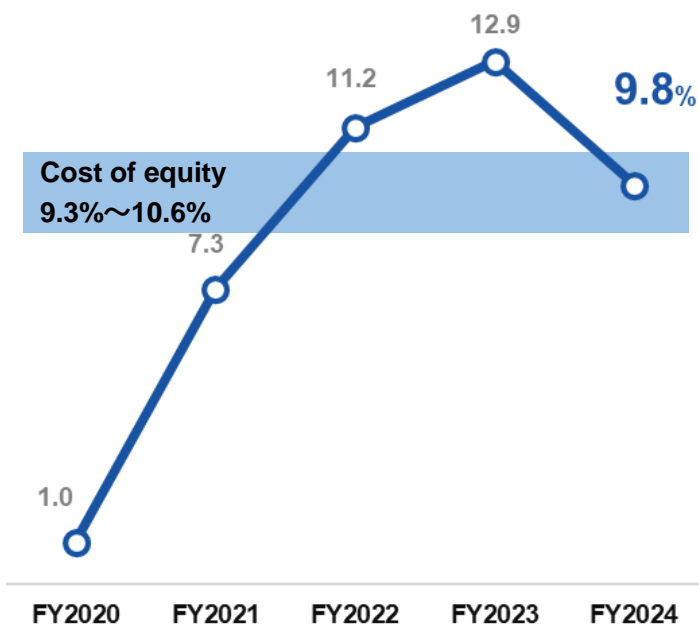
Non-consolidated **289.7 yen**



Topics.2-1 Return on capital (ROE·ROIC)

ROE
9.8%

ROIC
8.5%



Target

ROE

Maintain a level that exceeds the cost of shareholders' equity

ROIC

Maintain a level that exceeds WACC

Compiled by the Company based on Japan Exchange Group statistical information
ROE: (net income attributable to shareholders of the parent company)/(average shareholders' equity for two periods)

ROIC: Calculated as (ordinary income/loss + interest expense) x (1 - effective tax rate) / (interest-bearing debt + net assets)

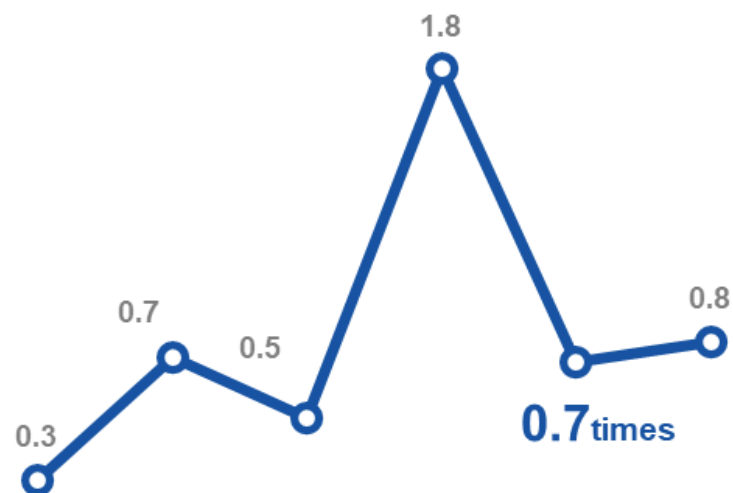
* Reference cost of equity calculated using CAPM model

* Risk-free rate 1.0%, beta 1.4-1.6 (5-year monthly), market risk premium 5.9%-6.0% (using historical stock market returns)

Topics.2-2 Market valuation (PBR・PER)

FY2024 PBR

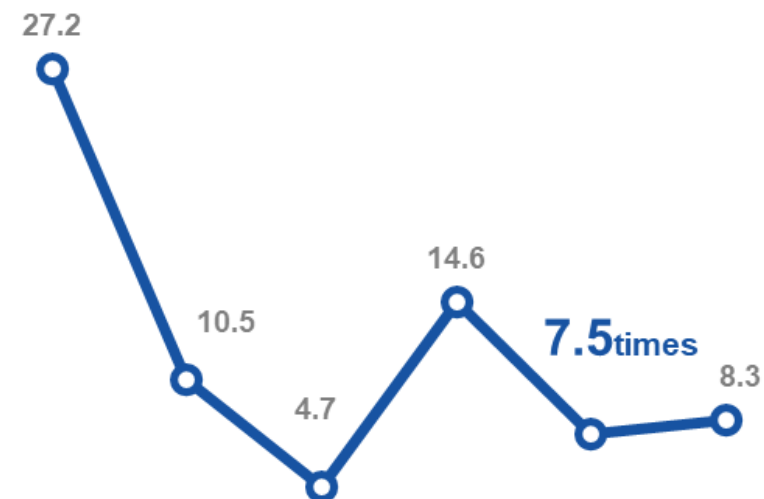
0.7 times



FY2020 FY2021 FY2022 FY2023 FY2024 Jan. FY2025

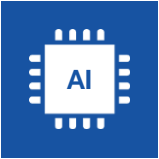
FY2024 PER

7.5 times



FY2020 FY2021 FY2022 FY2023 FY2024 Jan. FY2025

FY2025 Initiatives



Enhancing business for AI semiconductors and related products



Capturing business opportunities driven by government support for the semiconductor industry

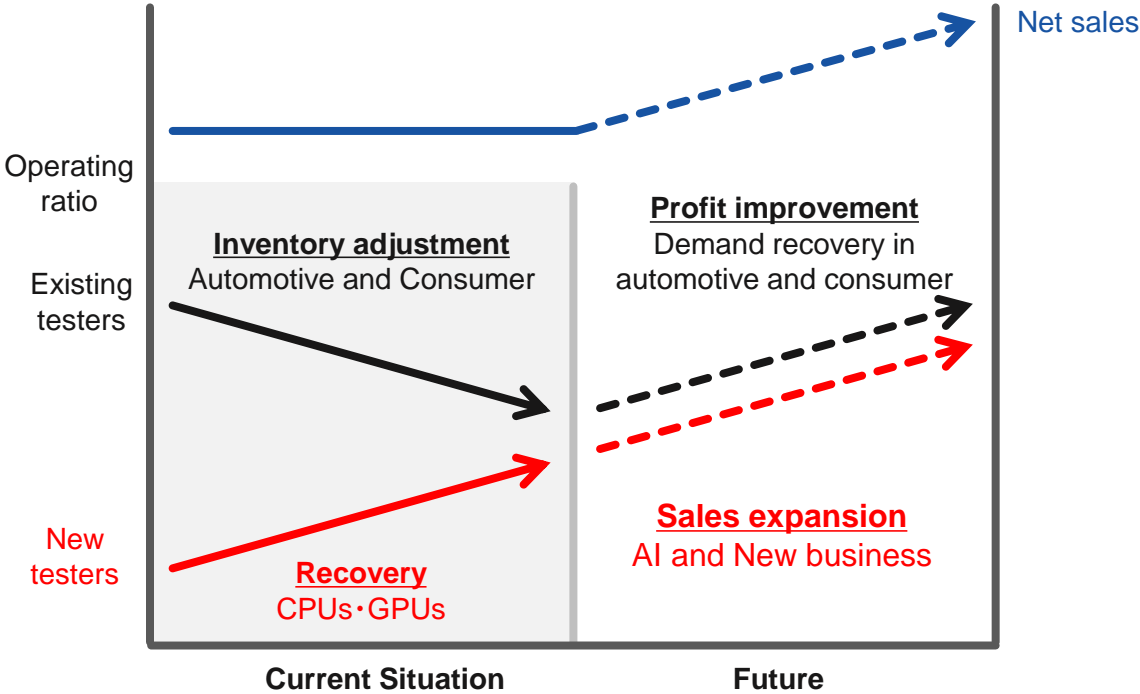


Effective utilization of testers and optimization of investments at both TPJ (Japan) and TPW (Taiwan)



Horizontal deployment and brush-up of advanced production technologies (automation, AI introduction) in TPW to TPJ (Kyushu Operation Center)

Improving profitability by increasing utilization



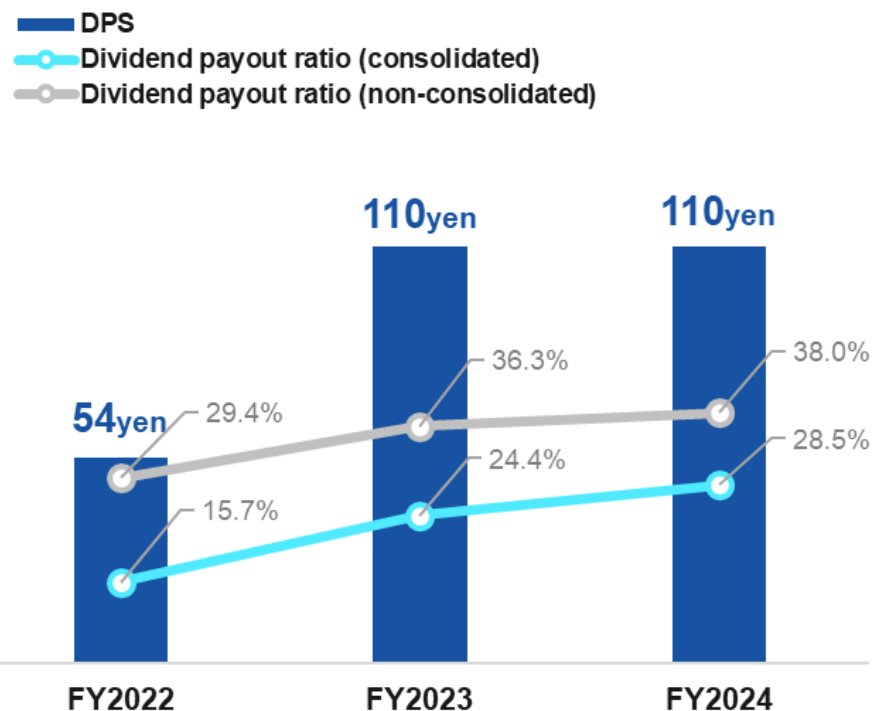
$$ROE \uparrow = \frac{\text{Net income}}{\text{Net Sales}} \uparrow \times \frac{\text{Net Sales}}{\text{Total Assets}} \times \frac{\text{Total Assets}}{\text{Shareholders' equity}}$$

$$PBR \uparrow = ROE \uparrow \times PER \uparrow$$

Topics.4 Dividend

~Change in dividend policy from Non-consolidated basis to Consolidated basis~

	FY2022	FY2023	FY2024
Dividend payout ratio (consolidated)	15.7%	24.4%	28.5%
Dividend payout ratio (non-consolidated)	29.4%	36.3%	38.0%



Shareholder Return Policy

1. Capital investment to strengthen the business base necessary to increase corporate value and achieve a sound financial position, while also responding to earnings conditions.

2. Dividends

【Before】

Approximately 30% of non-consolidated net income

Promoting sustainable growth
across the entire group

【After】

Approximately 30% of consolidated net income
(net income attributable to owners of the parent)

Appendix



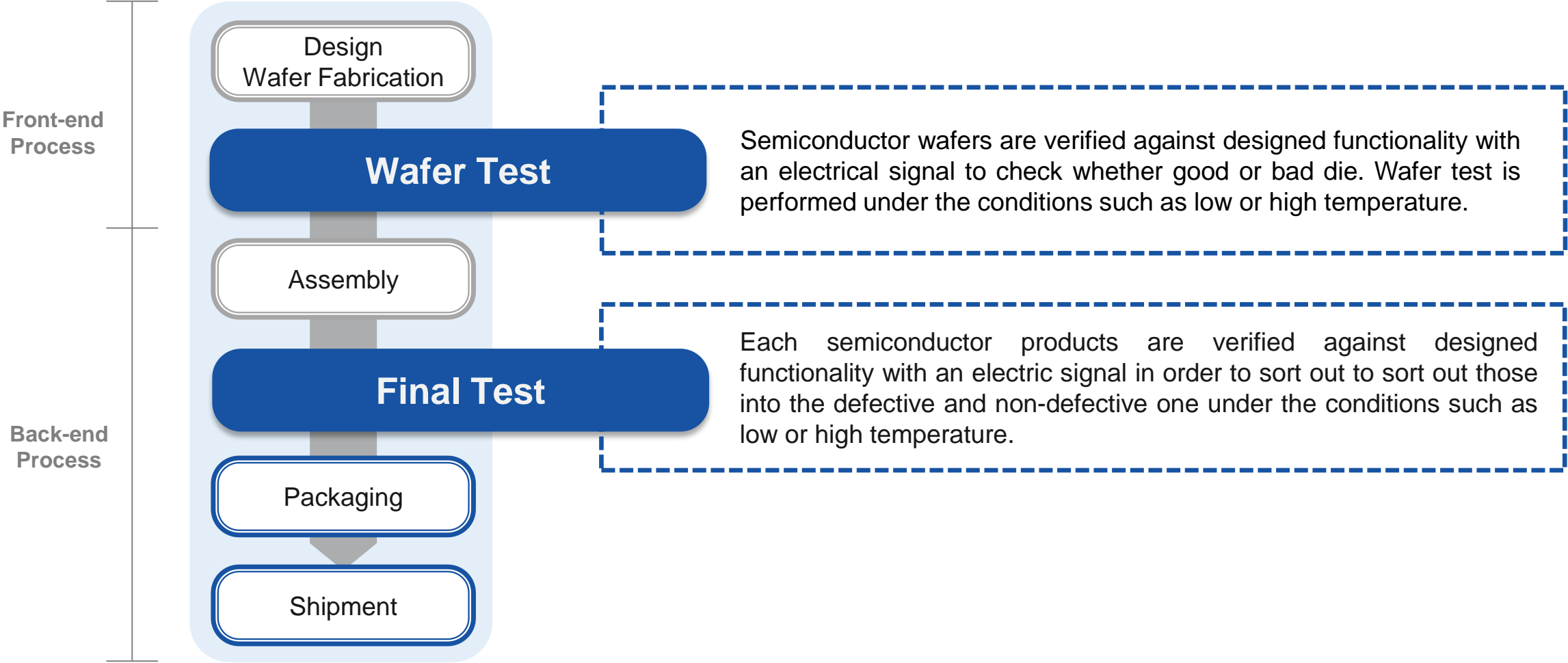
Name	Tera Probe, Inc.
Head office	Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa
Locations	Kyushu Operation Center (Kumamoto Japan) TeraPower Technology Inc. (Subsidiary/Taiwan)
Representative	President & Representative Executive Officer : Tsuyoshi Yokoyama
Establishment	August 2005
Business	Semiconductor Test Business (Wafer Test/Final Test etc.)
Capital	11.82 billions of yen
Consolidated net sales	37.11 billions of yen (FY2024)
Listed market	The Standard Market of the Tokyo Stock Exchange
Employees	1,298 (Consolidated) / 293 (TPJ) (as of December 2024)







Our business are both wafer testing and final testing

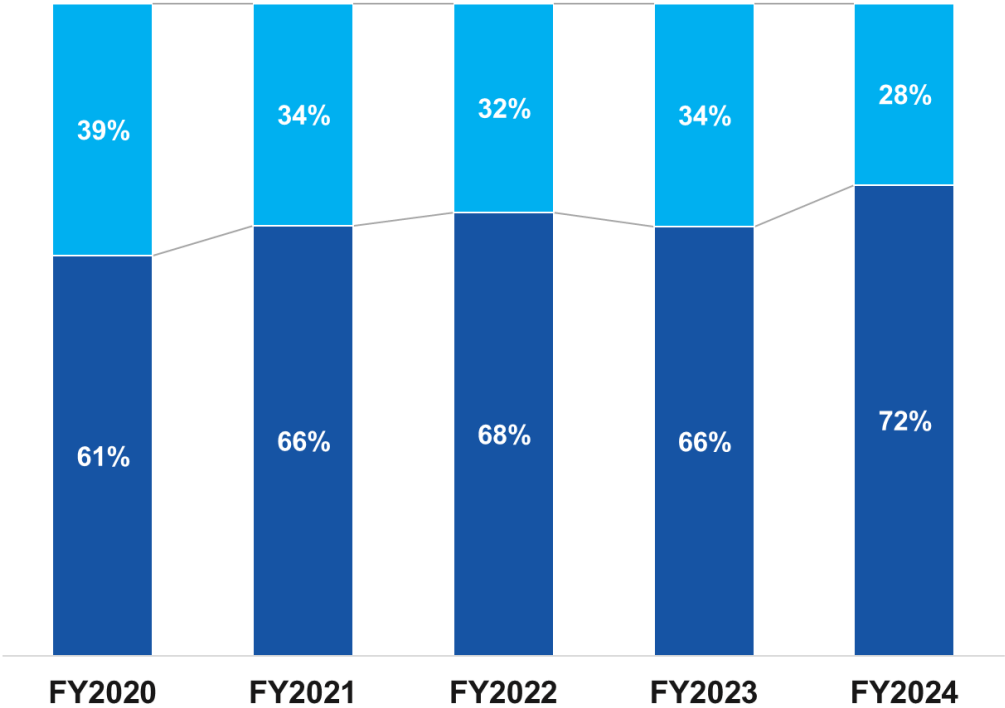




Consolidated Net Sales Ratio by Customers' Region

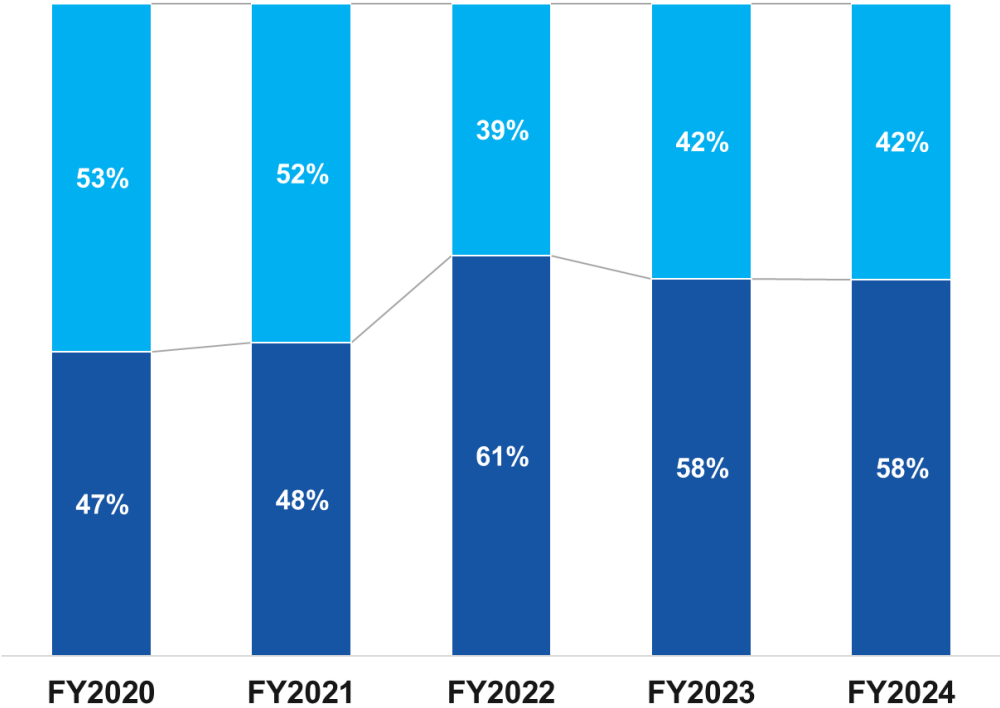
Tera Probe

■ Japan ■ Non-Japan



TeraPower

■ Japan ■ Non-Japan





Consolidated Financial Summary (In millions of yen)

(Unit : million yen)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	17,961	21,740	16,908	18,340	25,942	33,212	35,404	37,109
Gross profit	3,710	4,006	1,602	2,078	6,168	9,379	9,682	9,601
Operating income	1,878	1,671	-111	429	4,162	6,839	7,189	6,949
% Margin	10.5%	7.7%	-0.7%	2.3%	16.0%	20.6%	20.3%	18.7%
Ordinary income	1,791	1,540	-393	162	4,087	7,345	7,411	7,006
Net income attributable to owners of parent	335	1,039	-243	239	1,794	3,134	4,095	3,509
% Margin	1.9%	4.8%	-1.4%	1.3%	6.9%	9.4%	11.6%	9.5%

	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	7,578	8,222	8,716	8,696	8,246	8,616	9,184	9,357	8,949	9,930	9,231	8,998
Gross profit	2,013	2,243	2,427	2,659	2,270	2,229	2,563	2,619	2,338	2,825	2,345	2,093
Operating income	1,450	1,573	1,788	2,028	1,690	1,600	1,935	1,963	1,697	2,104	1,683	1,465
% Margin	19.1%	19.1%	20.5%	23.3%	20.5%	18.6%	21.1%	21.0%	19.0%	21.2%	18.2%	16.3%
Ordinary income	1,556	1,798	2,009	1,983	1,695	1,800	2,078	1,838	1,714	2,184	1,491	1,616
Net income attributable to owners of parent	579	551	947	1,058	1,138	780	984	1,193	922	896	756	936
% Margin	7.6%	6.7%	10.9%	12.2%	13.8%	9.1%	10.7%	12.8%	10.3%	9.0%	8.2%	10.4%

US\$	114.60	124.17	135.27	144.25	132.85	134.88	142.51	149.10	146.67	153.20	154.17	149.14
NT\$	4.16	4.29	4.38	4.41	4.36	4.42	4.47	4.52	4.73	4.78	4.73	4.72

※Figures are rounded to the nearest million yen

Disclaimer

- This document has been prepared for the purpose of providing investors with an understanding of the current situation of Tera Probe, Inc.
- Some parts of this document contain information that is not subject to audit or review by the auditors.
- These materials were prepared based on economic, social, and other conditions generally recognized at the time of publication and certain assumptions that we judged to be reasonable. These are subject to change without notice due to changes in the business environment and other reasons.
- When making any investment decision, we ask that investors do so by using their own judgment and at their own risk after reading the materials disclosed by Tera Probe, Inc.

【Contact us】

Finance Division / Tera Probe, Inc.

TEL: 045-476-5711

E-mail: ir@teraprobe.com

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