

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 12, 2024

Company name: teno. Holdings Company Limited  
 Stock exchange listing: Tokyo, Fukuoka  
 Stock code: 7037 URL <https://www.teno.co.jp/>  
 Representative: President & CEO Hiroko Ikeuchi  
 Inquiries: Director, GM of Administrative Headquarter Motoshi Okada TEL 092 (263) 3550  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2024	11,889	10.7	391	1.6	28	(65.5)	17	(81.4)	(72)	–
Nine months ended September 30, 2023	10,745	21.6	385	21.0	82	8.9	94	14.1	60	587.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2024	(15.95)		–	
Nine months ended September 30, 2023	13.21		13.16	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	9,764	2,128	21.8
As of December 31, 2023	9,527	2,242	23.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	–	0.00	–	9.00	9.00
Year ending December 31, 2024	–	0.00	–		
Year ending December 31, 2024 (Forecast)				9.00	9.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,880	9.1	155	(17.2)	138	(28.9)	32	(67.7)	7.87

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2024: Yes

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2024	4,701,300 shares	As of December 31, 2023	4,701,300 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	132,724 shares	As of December 31, 2023	132,724 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2024	4,568,576 shares	Nine months ended September 30, 2023	4,557,262 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,925	1,634
Accounts receivable - trade and contract assets	1,194	1,202
Inventories	66	61
Other	911	887
Allowance for doubtful accounts	(3)	(16)
<b>Total current assets</b>	<b>4,094</b>	<b>3,769</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,840	3,406
Accumulated depreciation	(1,290)	(1,579)
Buildings and structures, net	1,550	1,827
Leased assets	38	38
Accumulated depreciation	(35)	(36)
Leased assets, net	3	2
Construction in progress	73	15
Other	508	652
Accumulated depreciation	(430)	(486)
Other, net	78	165
<b>Total property, plant and equipment</b>	<b>1,705</b>	<b>2,011</b>
<b>Intangible assets</b>		
Goodwill	1,670	1,964
Other	244	256
<b>Total intangible assets</b>	<b>1,915</b>	<b>2,221</b>
<b>Investments and other assets</b>		
Investment securities	10	10
Long-term loans receivable	697	666
Long-term prepaid expenses	321	328
Deferred tax assets	181	211
Leasehold and guarantee deposits	601	544
Other	2	3
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>1,811</b>	<b>1,762</b>
<b>Total non-current assets</b>	<b>5,432</b>	<b>5,994</b>
<b>Total assets</b>	<b>9,527</b>	<b>9,764</b>

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	56	47
Short-term borrowings	1,339	1,789
Current portion of long-term borrowings	569	678
Accounts payable - other	909	710
Income taxes payable	73	71
Provision for bonuses	65	205
Contract liabilities	561	392
Other	561	552
Total current liabilities	4,136	4,446
Non-current liabilities		
Long-term borrowings	2,855	2,899
Deferred tax liabilities	4	–
Provision for retirement benefits for directors (and other officers)	37	41
Asset retirement obligations	222	223
Other	27	25
Total non-current liabilities	3,148	3,189
Total liabilities	7,285	7,636
<b>Net assets</b>		
Shareholders' equity		
Share capital	455	455
Capital surplus	532	532
Retained earnings	1,339	1,225
Treasury shares	(84)	(84)
Total shareholders' equity	2,242	2,128
Total net assets	2,242	2,128
Total liabilities and net assets	9,527	9,764

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	10,745	11,889
Cost of sales	9,153	10,197
Gross profit	1,591	1,692
Selling, general and administrative expenses	1,509	1,663
Operating profit	82	28
Non-operating income		
Interest income	4	3
Subsidy income	24	8
Other	2	3
Total non-operating income	31	15
Non-operating expenses		
Interest expenses	15	21
Payments for employment of persons with disabilities	2	0
Other	1	3
Total non-operating expenses	18	26
Ordinary profit	94	17
Extraordinary income		
Subsidy income	290	29
Total extraordinary income	290	29
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	290	28
Total extraordinary losses	290	28
Profit before income taxes	94	17
Income taxes - current	84	103
Income taxes - deferred	(50)	(12)
Total income taxes	34	90
Profit (loss)	60	(72)
Profit (loss) attributable to owners of parent	60	(72)

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit (loss)	60	(72)
Comprehensive income	60	(72)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	60	(72)