

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 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 file Quarterly Securities Report: May 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 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	%
Three months ended March 31, 2024	3,809	12.4	176	9.4	65	9.7	65	(14.4)	12	(30.3)
Three months ended March 31, 2023	3,389	14.7	161	(6.0)	59	(37.3)	76	(31.3)	18	(69.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2024	2.78		–	
Three months ended March 31, 2023	4.00		3.98	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	11,079	2,213	20.0
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				
Year ended December 31, 2023	–	0.00	–	9.00	9.00
Year ending December 31, 2024	–				
Year ending December 31, 2024 (Forecast)		0.00	–	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) Changes in significant subsidiaries during the three months ended March 31, 2024  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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 March 31, 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 March 31, 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)

Three months ended March 31, 2024	4,568,576 shares	Three months ended March 31, 2023	4,556,176 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,925	2,668
Accounts receivable - trade and contract assets	1,194	1,260
Inventories	66	67
Other	911	1,255
Allowance for doubtful accounts	(3)	(11)
<b>Total current assets</b>	<b>4,094</b>	<b>5,239</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,840	2,827
Accumulated depreciation	(1,290)	(1,316)
Buildings and structures, net	1,550	1,511
Leased assets	38	38
Accumulated depreciation	(35)	(35)
Leased assets, net	3	2
Construction in progress	73	127
Other	508	519
Accumulated depreciation	(430)	(443)
Other, net	78	75
<b>Total property, plant and equipment</b>	<b>1,705</b>	<b>1,718</b>
<b>Intangible assets</b>		
Goodwill	1,670	2,057
Other	244	254
<b>Total intangible assets</b>	<b>1,915</b>	<b>2,311</b>
<b>Investments and other assets</b>		
Investment securities	10	10
Long-term loans receivable	697	686
Long-term prepaid expenses	321	318
Deferred tax assets	181	183
Leasehold and guarantee deposits	601	611
Other	2	2
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>1,811</b>	<b>1,809</b>
<b>Total non-current assets</b>	<b>5,432</b>	<b>5,839</b>
<b>Total assets</b>	<b>9,527</b>	<b>11,079</b>

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	56	44
Short-term borrowings	1,339	2,614
Current portion of long-term borrowings	569	710
Accounts payable - other	909	856
Income taxes payable	73	43
Provision for bonuses	65	164
Contract liabilities	561	406
Other	561	671
Total current liabilities	4,136	5,512
Non-current liabilities		
Long-term borrowings	2,855	3,062
Deferred tax liabilities	4	–
Provision for retirement benefits for directors (and other officers)	37	39
Asset retirement obligations	222	222
Other	27	28
Total non-current liabilities	3,148	3,352
Total liabilities	7,285	8,865
<b>Net assets</b>		
Shareholders' equity		
Share capital	455	455
Capital surplus	532	532
Retained earnings	1,339	1,311
Treasury shares	(84)	(84)
Total shareholders' equity	2,242	2,213
Total net assets	2,242	2,213
Total liabilities and net assets	9,527	11,079

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Net sales	3,389	3,809
Cost of sales	2,888	3,229
Gross profit	500	579
Selling, general and administrative expenses	440	514
Operating profit	59	65
Non-operating income		
Interest income	1	1
Subsidy income	19	4
Other	2	0
Total non-operating income	22	6
Non-operating expenses		
Interest expenses	5	5
Other	0	0
Total non-operating expenses	5	6
Ordinary profit	76	65
Extraordinary income		
Subsidy income	2	27
Total extraordinary income	2	27
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	2	27
Total extraordinary losses	2	27
Profit before income taxes	76	66
Income taxes - current	96	41
Income taxes - deferred	(38)	11
Total income taxes	58	53
Profit	18	12
Profit attributable to owners of parent	18	12

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Profit	18	12
Comprehensive income	18	12
Comprehensive income attributable to Comprehensive income attributable to owners of parent	18	12