

Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

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 of ordinary general meeting of shareholders: March 19, 2025
 Scheduled date to file Securities Report: March 19, 2025
 Scheduled date to commence dividend payments: March 21, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

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	%
Year ended December 31, 2024	16,017	10.0	690	15.3	196	5.0	182	(6.0)	(466)	—
Year ended December 31, 2023	14,557	20.0	599	22.1	187	21.6	194	24.3	100	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	(102.03)	—	(23.4)	1.9	1.2
Year ended December 31, 2023	22.00	21.91	4.5	2.1	1.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	9,742	1,735	17.8	379.80
As of December 31, 2023	9,527	2,242	23.5	490.83

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	691	(916)	458	2,095
Year ended December 31, 2023	324	(367)	(208)	1,862

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	—	0.00	—	9.00	9.00	41	40.9	1.9
Year ended December 31, 2024	—	0.00	—	9.00	9.00	41	—	2.1
Year ending December 31, 2025 (Forecast)	—	0.00	—	9.00	9.00		27.4	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	17,800	11.1	440	123.4	400	118.7	150	–	32.83

4. Notes

(1) Significant changes in the scope of consolidation during the year ended December 31, 2024: Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of December 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 December 31, 2024	132,724 shares	As of December 31, 2023	132,724 shares
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Average number of shares during the period

Year ended December 31, 2024	4,568,576 shares	Year ended December 31, 2023	4,557,963 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,925	2,171
Accounts receivable - trade and contract assets	1,194	1,309
Inventories	66	67
Other	911	908
Allowance for doubtful accounts	(3)	(17)
Total current assets	4,094	4,438
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,840	3,297
Accumulated depreciation	(1,290)	(1,624)
Buildings and structures, net	1,550	1,673
Leased assets	38	38
Accumulated depreciation	(35)	(36)
Leased assets, net	3	2
Construction in progress	73	21
Other	508	663
Accumulated depreciation	(430)	(511)
Other, net	78	151
Total property, plant and equipment	1,705	1,849
Intangible assets		
Goodwill	1,670	1,561
Other	244	249
Total intangible assets	1,915	1,811
Investments and other assets		
Investment securities	10	10
Long-term loans receivable	697	656
Long-term prepaid expenses	321	305
Deferred tax assets	181	125
Leasehold and guarantee deposits	601	545
Other	2	3
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	1,811	1,643
Total non-current assets	5,432	5,303
Total assets	9,527	9,742

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	56	61
Short-term borrowings	1,339	1,947
Current portion of long-term borrowings	569	646
Accounts payable - other	909	877
Income taxes payable	73	109
Provision for bonuses	65	81
Contract liabilities	561	599
Other	561	624
Total current liabilities	4,136	4,947
Non-current liabilities		
Long-term borrowings	2,855	2,772
Deferred tax liabilities	4	—
Provision for retirement benefits for directors (and other officers)	37	42
Asset retirement obligations	222	218
Other	27	25
Total non-current liabilities	3,148	3,059
Total liabilities	7,285	8,007
Net assets		
Shareholders' equity		
Share capital	455	455
Capital surplus	532	532
Retained earnings	1,339	832
Treasury shares	(84)	(84)
Total shareholders' equity	2,242	1,735
Total net assets	2,242	1,735
Total liabilities and net assets	9,527	9,742

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	14,557	16,017
Cost of sales	12,375	13,630
Gross profit	2,181	2,387
Selling, general and administrative expenses	1,994	2,190
Operating profit	187	196
Non-operating income		
Interest income	4	4
Subsidy income	24	11
Gain on reversal of asset retirement obligations	5	—
Other	2	6
Total non-operating income	37	22
Non-operating expenses		
Interest expenses	19	30
Payments for employment of persons with disabilities	3	0
subsidies return loss	5	1
Other	1	3
Total non-operating expenses	30	36
Ordinary profit	194	182
Extraordinary income		
Subsidy income	292	33
Business compensation	—	48
Other	—	5
Total extraordinary income	292	87
Extraordinary losses		
Impairment losses	—	485
Loss on tax purpose reduction entry of non-current assets	292	33
Other	3	—
Total extraordinary losses	295	519
Profit before income taxes	191	(248)
Income taxes - current	106	142
Income taxes - deferred	(15)	75
Total income taxes	91	217
Profit	100	(466)
Profit attributable to owners of parent	100	(466)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	100	(466)
Comprehensive income	100	(466)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	100	(466)

Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	453	531	1,280	(84)	2,180	2,180
Changes during period						
Issuance of new shares - exercise of share acquisition rights	1	1			2	2
Profit (loss) attributable to owners of parent			100		100	100
Dividends of surplus			(40)		(40)	(40)
Purchase of treasury shares					—	—
Total changes during period	1	1	59	—	62	62
Balance at end of period	455	532	1,339	(84)	2,242	2,242

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	455	532	1,339	(84)	2,242	2,242
Changes during period						
Issuance of new shares - exercise of share acquisition rights						
Profit (loss) attributable to owners of parent			(466)		(466)	(466)
Dividends of surplus			(41)		(41)	(41)
Purchase of treasury shares						
Total changes during period			(507)		(507)	(507)
Balance at end of period	455	532	832	(84)	1,735	1,735

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	191	(248)
Depreciation	244	289
Impairment losses	—	485
Amortization of goodwill	166	204
Increase (decrease) in allowance for doubtful accounts	(1)	7
Increase (decrease) in provision for bonuses	1	10
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(0)	4
Interest income	(4)	(4)
Interest expenses	19	30
Subsidy income	(292)	(33)
Loss on tax purpose reduction entry of non-current assets	292	33
Decrease (increase) in accounts receivable - trade, and contract assets	(47)	(31)
Increase (decrease) in trade payables	(4)	5
Increase (decrease) in accounts payable - other	39	(16)
Increase (decrease) in contract liabilities	(63)	4
Other, net	(136)	104
Subtotal	404	845
Interest received	0	0
Interest paid	(19)	(29)
Income taxes paid	(60)	(124)
Net cash provided by (used in) operating activities	324	691
Cash flows from investing activities		
Payments into time deposits	(2)	(4)
Purchase of property, plant and equipment	(392)	(278)
Purchase of intangible assets	(46)	(31)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(172)	(474)
Payments for acquisition of businesses	—	(204)
Subsidies received	292	33
Proceeds from collection of long-term loans receivable	45	45
Payments of leasehold and guarantee deposits	(119)	(23)
Proceeds from refund of leasehold and guarantee deposits	28	26
Other, net	(0)	(5)
Net cash provided by (used in) investing activities	(367)	(916)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	199	597
Proceeds from long-term borrowings	340	550
Repayments of long-term borrowings	(704)	(646)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2	—
Dividends paid	(40)	(41)
Repayments of lease liabilities	(4)	(1)
Net cash provided by (used in) financing activities	(208)	458
Net increase (decrease) in cash and cash equivalents	(250)	233
Cash and cash equivalents at beginning of period	2,113	1,862
Cash and cash equivalents at end of period	1,862	2,095