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Consolidated Financial Results for the Six Months Ended January 31, 2025 [Japanese GAAP]

March 14, 2025

Company name: TSUKURUBA Inc.

Listing: Tokyo

Securities code: 2978

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Scheduled date to file semi-annual securities report: March 14, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, CEO

Executive Officer, CFO

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

1. Consolidated Financial Results for the Six Months Ended January 31, 2025 (August 1, 2024 to January 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended January 31, 2025	3,375	65.1	58	59.0	22	(3.7)	(15)	-
January 31, 2024	2,045	-	37	-	23	-	123	-

(Note) Comprehensive income: Six months ended January 31, 2025: ¥ (15) million [-%]
Six months ended January 31, 2024: ¥ 123 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended January 31, 2025	(1.69)	-
January 31, 2024	10.59	10.50

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of January 31, 2025	5,289	1,789	31.3
July 31, 2024	4,221	1,800	39.3

(Reference) Equity: As of January 31, 2025: ¥ 1,654 million
As of July 31, 2024: ¥ 1,660 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 July 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending July 31, 2025	-	0.00			
Fiscal year ending July 31, 2025 (Forecast)			-	0.00	0.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending July 31, 2025:

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2025 (August 1, 2024 to July 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,000	45.9	230	48.1	165	44.6	125	(42.0)	11.01

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(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):

January 31, 2025: 11,706,000 shares
July 31, 2024: 11,685,600 shares

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

January 31, 2025: 335,709 shares
July 31, 2024: 335,709 shares

3) Average number of shares outstanding during the period:

Six months ended January 31, 2025: 11,366,881 shares
Six months ended January 31, 2024: 11,313,938 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

(Cautionary statement regarding forward-looking statements)

This financial results report contains forward-looking statements, such as financial results forecast, which are based on information currently available to the management and certain assumptions that are deemed to be reasonable. The Company makes no guarantee regarding the accuracy of the forecasts contained herein. Because of variable factors, actual results may differ from the forecast.

Cash dividends of class shares

The following is the breakdown of dividends per share related to class shares that have different rights from common shares.

Class A shares	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended July 31, 2024	-	0.00	-	10,000.00	10,000.00
Fiscal year ending July 31, 2025	-	0.00			
Fiscal year ending July 31, 2025 (Forecast)			-	10,000.00	10,000.00

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of July 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	1,917,882	1,944,142
Accounts receivable - trade	71,708	132,739
Real estate for sale	969,405	1,308,706
Real estate for sale in process	903,172	1,442,721
Other	105,251	176,337
Total current assets	3,967,419	5,004,647
Non-current assets		
Property, plant and equipment	75,383	82,325
Investments and other assets	178,747	202,040
Total non-current assets	254,130	284,366
Total assets	4,221,550	5,289,013
Liabilities		
Current liabilities		
Accounts payable - trade	46,658	37,057
Short-term borrowings	927,916	1,476,400
Current portion of bonds payable	140,000	112,000
Current portion of long-term borrowings	340,068	714,897
Income taxes payable	15,500	17,735
Provision for bonuses	-	53,361
Provision for bonuses for directors (and other officers)	-	1,725
Other	237,289	223,915
Total current liabilities	1,707,432	2,637,091
Non-current liabilities		
Bonds payable	173,000	127,000
Long-term borrowings	540,914	735,675
Total non-current liabilities	713,914	862,675
Total liabilities	2,421,346	3,499,766
Net assets		
Shareholders' equity		
Share capital	60,139	10,691
Capital surplus	1,610,834	1,676,765
Retained earnings	57,064	34,341
Treasury shares	(62,516)	(62,516)
Total shareholders' equity	1,665,521	1,659,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,167)	(4,707)
Total accumulated other comprehensive income	(5,167)	(4,707)
Share acquisition rights	139,848	134,672
Total net assets	1,800,203	1,789,246
Total liabilities and net assets	4,221,550	5,289,013

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended January 31, 2024	For the six months ended January 31, 2025
Net sales	2,045,182	3,375,609
Cost of sales	761,704	1,731,283
Gross profit	1,283,477	1,644,325
Selling, general and administrative expenses	1,246,433	1,585,426
Operating profit	37,044	58,898
Non-operating income		
Interest income	19	187
Commission income	921	425
Other	186	382
Total non-operating income	1,127	995
Non-operating expenses		
Interest expenses	7,842	18,566
Interest expenses on bonds	318	251
Share issuance costs	700	-
Commission expenses	4,970	17,739
Other	903	762
Total non-operating expenses	14,735	37,320
Ordinary profit	23,436	22,573
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	49,226	-
Gain on sale of investment securities	50,779	-
Gain on reversal of share acquisition rights	1,921	9,711
Gain on sale of non-current assets	532	-
Total extraordinary income	102,460	9,711
Extraordinary losses		
Office transfer related expenses	-	25,188
Loss on valuation of investment securities	-	5,000
Loss on sale of non-current assets	-	60
Total extraordinary losses	-	30,249
Profit before income taxes	125,896	2,036
Income taxes - current	2,577	17,759
Total income taxes	2,577	17,759
Profit (loss)	123,318	(15,723)
Profit (loss) attributable to owners of parent	123,318	(15,723)

(Thousands of yen)

	For the six months ended January 31, 2024	For the six months ended January 31, 2025
Profit (loss)	123,318	(15,723)
Other comprehensive income		
Valuation difference on available-for-sale securities	250	460
Total other comprehensive income	250	460
Comprehensive income	123,569	(15,263)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	123,569	(15,263)

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended January 31, 2024	For the six months ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	125,896	2,036
Depreciation	13,272	11,044
Share-based payment expenses	11,172	19,061
Increase (decrease) in provision for bonuses	46,644	53,361
Increase (decrease) in provision for bonuses for directors (and other officers)	1,437	1,725
Interest and dividend income	(19)	(187)
Interest expenses	7,842	18,566
Interest expenses on bonds	318	251
Commission expenses	4,970	17,739
Share issuance costs	700	-
Gain on sales of shares of subsidiaries and associates	(49,226)	-
Gain on sale of investment securities	(50,779)	-
Gain on sale of non-current assets	(532)	-
Gain on reversal of share acquisition rights	(1,921)	(9,711)
Office transfer related	-	25,188
Loss on valuation of investment securities	-	5,000
Loss on sales of non current assets	-	60
Decrease (increase) in trade receivables	33,963	(61,031)
Decrease (increase) in inventories	(817,247)	(883,097)
Increase (decrease) in trade payables	-	(9,600)
Increase (decrease) in accounts payable - other	(56,680)	(15,839)
Increase (decrease) in accrued consumption taxes	(67,501)	20,517
Increase (decrease) in contract liabilities	23,966	23,670
Other, net	(103,791)	(117,311)
Subtotal	(877,514)	(898,556)
Interest and dividends received	19	155
Interest paid	(9,204)	(22,237)
Income taxes refund (paid)	(4,932)	(15,524)
Net cash provided by (used in) operating activities	(891,632)	(936,163)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,160)	(13,545)
Proceeds from sale of property, plant and equipment	532	-
Proceeds from sale of investment securities	53,534	-
Proceeds from sale of shares of subsidiaries and associates	97,000	-
Payments for asset retirement obligations	(3,070)	-
Payments of leasehold and guarantee deposits	(4,000)	(21,000)
Proceeds from refund of leasehold and guarantee deposits	5,499	600
Loan advances	-	(25,062)
Proceeds from collection of loans receivable	-	140
Net cash provided by (used in) investing activities	143,336	(58,867)

(Thousands of yen)

	For the six months ended January 31, 2024	For the six months ended January 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	372,688	548,484
Proceeds from long-term borrowings	102,500	987,200
Repayments of long-term borrowings	(54,317)	(417,610)
Redemption of bonds	(57,250)	(74,000)
Proceeds from exercise of employee share options	37,465	1,549
Proceeds from issuance of share acquisition rights	725	406
Payment of commission	(4,970)	(17,739)
Dividends paid	(4,967)	(7,000)
Other, net	(700)	-
Net cash provided by (used in) financing activities	391,173	1,021,290
Net increase (decrease) in cash and cash equivalents	(357,122)	26,260
Cash and cash equivalents at beginning of period	1,737,075	1,871,872
Cash and cash equivalents at end of period	1,379,953	1,898,132