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May 14, 2024

Consolidated Financial Results for the Nine Months Ended March 31, 2024 (Under Japanese GAAP)

Company name: Trial Holdings Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 141A
 URL: <https://trial-holdings.inc>
 Representative: Koichi Kameda, Representative Director and President
 Inquiries: Keiji Furuhashi, Corporate Officer and Executive Vice President
 Telephone: +81-3-6435-6308
 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 briefing: Yes

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

1. Consolidated financial results for the nine months ended March 31, 2024 (from July 1, 2023 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(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	%
Nine months ended								
March 31, 2024	537,217	—	15,397	—	16,167	—	9,494	—
March 31, 2023	—	—	—	—	—	—	—	—

Note: Comprehensive income For the nine months ended March 31, 2024: ¥9,822 million [—%]
 For the nine months ended March 31, 2023: ¥ — million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2024	96.72	95.71
March 31, 2023	—	—

Note 1: Since the Company did not prepare quarterly consolidated financial statements for the third quarter of the fiscal year ended June 30, 2023, figures for the third quarter of the fiscal year ended June 30, 2023 and percentage change from the same period of the previous year for the third quarter of the fiscal year ending June 30, 2024 are not shown.

Note 2: Since the Company was listed on the Growth Market of the Tokyo Stock Exchange on March 21, 2024, the diluted net income per share for the nine months ended March 31, 2024 is calculated by deeming the average share price from the initial listing date to the end of the third quarter of the fiscal year ending June 30, 2024 as the average share price during the period. The calculation is based on the average share price from the initial listing date to the end of the third quarter of the fiscal year ending June 30, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	275,377	110,421	39.2
June 30, 2023	200,639	68,020	32.8

Reference: Equity
 As of March 31, 2024: ¥108,001 million
 As of June 30, 2023: ¥65,885 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2023	—	0.00	—	13.00	13.00
Fiscal year ending June 30, 2024	—	0.00	—		
Fiscal year ending June 30, 2024 (Forecast)				15.00	15.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2024 (July 1, 2023 - June 30, 2024)

(Percentages indicate year-on-year changes.)

Year Ending	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
June 30, 2024	711,067	8.9	18,575	33.0	19,045	32.6	10,774	33.3	104.26

Note: Revision of earnings forecast from the most recently announced forecast: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 4 companies (Trial Challenged, Inc. Aomori Trial, Inc. TGR ASO, Inc. TGR OITA, Inc.)

Excluded: — companies

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

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (4) Number of issued shares (common shares)

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

As of March 31, 2024	118,890,400 shares
As of June 30, 2023	97,690,400 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	370,900 shares
As of June 30, 2024	370,900 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2024	98,167,500 shares
Nine months ended March 31, 2023	— shares

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters

(Cautionary Statement Concerning Forward-Looking Statements)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to various factors.

(How to obtain supplementary information on quarterly financial results and the contents of the quarterly financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and securities analysts on Wednesday, May 15, 2024, and the financial results briefing materials to be used on that day will be posted on the Company's website.

Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	23,898	85,117
Accounts receivable - trade	974	1,231
Inventories	46,388	45,749
Other	10,854	12,613
Allowance for doubtful accounts	(1)	(1)
Total current assets	82,114	144,709
Non – current assets		
Property, plant and equipment		
Buildings and structures	110,980	118,816
Accumulated depreciation	(40,779)	(45,180)
Buildings and structures, net	70,201	73,635
Machinery, equipment and vehicles	13,113	14,780
Accumulated depreciation	(8,085)	(8,855)
Machinery, equipment and vehicles, net	5,028	5,924
Land	18,160	21,008
Construction in progress	786	1,492
Other	33,614	37,648
Accumulated depreciation	(24,791)	(27,237)
Other, net	8,823	10,411
Total property, plant and equipment	102,999	112,473
Intangible assets		
Other	2,682	2,530
Total intangible assets	2,682	2,530
Investments and other assets		
Investment securities	4,660	5,418
Deferred tax assets	1,917	2,860
Construction assistance fund receivables	1,486	1,636
Leasehold and guarantee deposits	4,621	5,654
Other	156	94
Total investments and other assets	12,842	15,663
Total non – current assets	118,524	130,667
Total assets	200,639	275,377

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable – trade	71,852	100,955
Current portion of long-term bank loans	4,426	4,180
Accounts payable - other	8,162	7,336
Income taxes payable	2,781	4,821
Accrued consumption taxes	494	2,447
Contract liabilities	9,413	9,985
Provision for bonuses	468	1,313
Provision for point card certificates	599	646
Other	9,466	10,152
Total current liabilities	107,666	141,838
Non – current liabilities		
Long – term bank loans	15,164	12,993
Asset retirement obligations	8,011	8,378
Other	1,776	1,746
Total non – current liabilities	24,952	23,117
Total liabilities	132,618	164,956
Net assets		
Shareholders` equity		
Share capital	100	17,038
Capital surplus	3,568	20,503
Retained earnings	61,778	70,007
Treasury shares	(529)	(529)
Total shareholders` equity	64,917	107,021
Accumulated other comprehensive income		
Valuation difference on available – for – sale securities	550	519
Deferred gains or losses on hedges	8	8
Foreign currency translation adjustment	408	451
Total accumulated other comprehensive income	968	980
Non – controlling interests	2,134	2,420
Total net assets	68,020	110,421
Total liabilities and assets	200,639	275,377

Consolidated Quarterly Statements of Income

(Millions of yen)

Nine months ended
March 31, 2024

	Amount
Net sales	537,217
Cost of sales	430,952
Gross profit	106,264
Other operating revenue	1,881
Operating gross profit	108,145
Selling, general and administrative expenses	92,747
Operating profit	15,397
Non - operating income	
Interest and dividend income	10
Share of profit of entities accounted for using equity method	448
Gain on sale of investment securities	88
Subsidy income	131
Contribution received for construction	152
Other	210
Total non - operating income	1,041
Non - operating expense	
Interest expense	66
Loss on retirement of non-current assets	68
Foreign exchange losses	64
Other	71
Total non - operating expense	271
Ordinary profit	16,167
Extraordinary losses	
Impairment losses	31
Total extraordinary losses	31
Profit before income taxes	16,136
Income taxes - current	7,245
Income taxes - deferred	(918)
Total income taxes	6,326
Profit	9,810
Profit attributable to non - controlling interests	315
Profit attributable to owners of parent	9,494

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

Nine months ended
March 31, 2024

	<u>Amount</u>
Profit	9,810
Other comprehensive income	
Valuation difference on available-for-sale securities	(32)
Foreign currency translation adjustment	34
Share of other comprehensive income of entities accounted for using equity method	10
Total other comprehensive income	<u>12</u>
Comprehensive income	<u>9,822</u>
Comprehensive income attributable to:	
Owners of parent	9,506
Non - controlling interests	315