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Aug 13, 2024

Consolidated Financial Results for the Fiscal Year Ended June 30, 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 securities report: Sep 27, 2024
 Scheduled date to commence dividend payments: Sep 30 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	717,948	9.9	19,161	37.2	19,789	37.8	11,439	41.5
June 30, 2023	653,112	9.7	13,964	15.9	14,358	13.2	8,084	13.3

Note: Comprehensive income For the fiscal year ended June 30, 2024: ¥12,110 million [39.6%]
 For the fiscal year ended June 30, 2023: ¥8,673 million [16.5%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary Profit to total assets	Ratio of operating Profit to net sales
	Yen	Yen	%	%	%
June 30, 2024	109.77	108.79	12.6	8.2	2.7
June 30, 2023	82.90	—	13.1	7.4	2.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended June 30, 2024: ¥533 million
 For the fiscal year ended June 30, 2023: ¥374 million

Note 1: Diluted net income per share for the fiscal year ended June 30, 2023 is not shown in the above table, because although there are residual shares, the Company's shares are unlisted and the average share price during the period cannot be determined.

Note 2: Diluted net income per share for the fiscal year ended June 30, 2024 is calculated by considering the average share price from the initial listing date to the end of the fiscal year ended June 30, 2024 as the average share price during the period, since the Company listed on the Growth Market of Tokyo Stock Exchange on March 21, 2024.

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2024	283,627	118,187	40.8	948.64
June 30, 2023	200,639	68,020	32.8	677.00

Reference: Equity

As of June 30, 2024: ¥115,684 million

As of June 30, 2023: ¥65,885 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2024	59,497	△26,005	34,503	91,947
June 30, 2023	18,445	△16,765	△5,192	23,898

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2023	—	0.00	—	13.00	13.00	1,265	15.7	2.1
Fiscal year ended June 30, 2024	—	0.00	—	15.00	15.00	1,829	13.7	1.9
Fiscal year ending June 30, 2025 (Forecast)	—	0.00	—	16.00	16.00		—	

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2025 (July 1, 2024 - June 30, 2025)

(Percentages indicate year-on-year changes.)

	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
Six months ending December 31, 2024	406,146	11.8	12,270	6.1	12,733	6.3	7,786	12.1	63.66
Year ending June 30, 2025	808,866	12.7	22,986	20.0	23,810	20.3	13,756	20.3	112.46

*** 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 June 30, 2024	122,318,300 shares
As of June 30, 2023	97,690,400 shares

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

As of June 30, 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)

Fiscal year ended June 30, 2024	104,215,892 shares
Fiscal year ended June 30, 2023	97,524,528 shares

* 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 presentation for institutional investors and securities analysts on August 14, 2024 (Wednesday), and the financial results presentation materials to be used on that day will be posted on the Company's website.

Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2023	As of June 30, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	23,898	91,947
Accounts receivable - trade	974	1,170
Inventories	46,388	46,440
Other	10,854	12,743
Allowance for doubtful accounts	(1)	(0)
Total current assets	82,114	152,300
Non – current assets		
Property, plant and equipment		
Buildings and structures	110,980	120,310
Accumulated depreciation	(40,779)	(46,539)
Buildings and structures, net	70,201	73,771
Machinery, equipment and vehicles	13,113	15,143
Accumulated depreciation	(8,085)	(8,993)
Machinery, equipment and vehicles, net	5,028	6,150
Land	18,160	21,474
Construction in progress	786	2,416
Other	33,614	38,208
Accumulated depreciation	(24,791)	(28,324)
Other, net	8,823	9,883
Total property, plant and equipment	102,999	113,694
Intangible assets		
Other	2,682	1,879
Total intangible assets	2,682	1,879
Investments and other assets		
Investment securities	4,660	5,777
Deferred tax assets	1,917	2,880
Construction assistance fund receivables	1,486	1,747
Leasehold and guarantee deposits	4,621	5,282
Other	156	64
Total investments and other assets	12,842	15,752
Total non – current assets	118,524	131,327
Total assets	200,639	283,627

	As of June 30, 2023	As of June 30, 2024
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable – trade	71,852	101,838
Current portion of long-term bank loans	4,426	3,949
Accounts payable - other	8,162	7,449
Income taxes payable	2,781	5,370
Accrued consumption taxes	494	2,927
Contract liabilities	9,413	9,644
Provision for bonuses	468	732
Provision for point card certificates	599	723
Other	9,466	10,374
Total current liabilities	107,666	143,010
Non – current liabilities		
Long – term bank loans	15,164	12,195
Asset retirement obligations	8,011	8,466
Other	1,776	1,767
Total non – current liabilities	24,952	22,429
Total liabilities	132,618	165,440
Net assets		
Shareholders` equity		
Share capital	100	19,777
Capital surplus	3,568	23,242
Retained earnings	61,778	71,952
Treasury shares	(529)	(529)
Total shareholders` equity	64,917	114,443
Accumulated other comprehensive income		
Valuation difference on available – for – sale securities	550	711
Deferred gains or losses on hedges	8	10
Foreign currency translation adjustment	408	517
Total accumulated other comprehensive income	968	1,240
Non – controlling interests	2,134	2,503
Total net assets	68,020	118,187
Total liabilities and assets	200,639	283,627

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
	Amount	Amount
Net sales	653,112	717,948
Cost of sales	527,841	575,596
Gross profit	125,271	142,352
Other operating revenue	2,366	2,493
Operating gross profit	127,637	144,846
Selling, general and administrative expenses	113,673	125,684
Operating profit	13,964	19,161
Non - operating income		
Interest and dividend income	28	39
Share of profit of entities accounted for using equity method	374	533
Subsidy income	125	245
Contribution received for construction	—	138
Other	264	395
Total non - operating income	792	1,351
Non - operating expense		
Interest expense	113	88
Foreign exchange losses	111	90
Loss on retirement of non-current assets	30	430
Other	144	113
Total non - operating expense	398	723
Ordinary profit	14,358	19,789
Extraordinary losses		
Impairment losses	291	1,096
Total extraordinary losses	291	1,096
Profit before income taxes	14,067	18,693
Income taxes - current	5,500	7,787
Income taxes - deferred	94	(932)
Total income taxes	5,594	6,855
Profit	8,472	11,837
Profit attributable to non - controlling interests	387	398
Profit attributable to owners of parent	8,084	11,439

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
	Amount	Amount
Profit	8,472	11,837
Other comprehensive income		
Valuation difference on available-for-sale securities	196	89
Foreign currency translation adjustment	(16)	87
Share of other comprehensive income of entities accounted for using equity method	20	94
Total other comprehensive income	200	272
Comprehensive income	8,673	12,110
Comprehensive income attributable to:		
Owners of parent	8,285	11,711
Non - controlling interests	387	398

Consolidated Statements of changes in Net Assets

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
	Amount	Amount
Shareholders' equity		
Share capital		
Balance at beginning of current period	100	100
Changes of items during period		
Issuance of new shares	—	19,677
Total changes of items during period	—	19,677
Balance at end of current period	100	19,777
Capital surplus		
Balance at beginning of current period	3,568	3,568
Changes of items during period		
Issuance of new shares	—	19,677
Purchase of shares of consolidated subsidiaries	—	(3)
Total changes of items during period	—	19,674
Balance at end of current period	3,568	23,242
Retained earnings		
Balance at beginning of current period	53,693	61,778
Changes of items during period		
Dividends of surplus	—	(1,265)
Profit attributable to owners of parent	8,084	11,439
Total changes of items during period	8,084	10,174
Balance at end of current period	61,778	71,952
Treasury shares		
Balance at beginning of current period	(169)	(529)
Changes of items during period		
Purchase of treasury shares	(359)	—
Total changes of items during period	(359)	—
Balance at end of current period	(529)	(529)
Total shareholders' equity		
Balance at beginning of current period	57,192	64,917
Changes of items during period		
Issuance of new shares	—	39,355
Dividends of surplus	—	(1,265)
Profit attributable to owners of parent	8,084	11,439
Purchase of treasury shares	(359)	—
Purchase of shares of consolidated subsidiaries	—	(3)
Total changes of items during period	7,724	49,526
Balance at end of current period	64,917	114,443

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
	Amount	Amount
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of current period	352	550
Changes of items during period		
Net changes of items other than shareholders' equity	197	161
Total changes of items during period	197	161
Balance at end of current period	550	711
Deferred gains or losses on hedges		
Balance at beginning of current period	4	8
Changes of items during period		
Net changes of items other than shareholders' equity	4	1
Total changes of items during period	4	1
Balance at end of current period	8	10
Foreign currency translation adjustment		
Balance at beginning of current period	410	408
Changes of items during period		
Net changes of items other than shareholders' equity	(2)	108
Total changes of items during period	(2)	108
Balance at end of current period	408	517
Total accumulated other comprehensive income		
Balance at beginning of current period	767	968
Changes of items during period		
Net changes of items other than shareholders' equity	200	272
Total changes of items during period	200	272
Balance at end of current period	968	1,240
Non-controlling interests		
Balance at beginning of current period	1,746	2,134
Changes of items during period		
Net changes of items other than shareholders' equity	387	368
Total changes of items during period	387	368
Balance at end of current period	2,134	3,503
Total net assets		
Balance at beginning of current period	59,707	68,020
Changes of items during period		
Issuance of new shares	—	39,355
Dividends of surplus	—	(1,265)
Profit attributable to owners of parent	8,084	11,439
Purchase of treasury shares	(359)	—
Purchase of shares of consolidated subsidiaries	—	(3)
Net changes of items other than shareholders' equity	588	640
Total changes of items during period	8,313	50,166
Balance at end of current period	68,020	118,187

Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	14,067	18,693
Depreciation	10,849	11,925
Impairment losses	291	1,096
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for point card certificates	132	123
Increase (decrease) in provision for bonuses	1	256
Interest and dividend income	(28)	(39)
Interest expenses	113	88
Share of loss (profit) of entities accounted for using equity method	(374)	(533)
Decrease (increase) in trade receivables	35	(143)
Decrease (increase) in inventories	(6,111)	(12)
Increase (decrease) in trade payables	5,582	30,560
Other, net	(1,071)	2,699
Subtotal	23,487	64,714
Interest and dividends received	28	39
Interest paid	(114)	(86)
Income taxes paid	(5,007)	(5,508)
Income taxes refund	52	339
Net cash provided by operating activities	18,445	59,497
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,897)	(22,601)
Proceeds from sale of property, plant and equipment	224	66
Proceeds from deposits on sales of property, plant and equipment	—	50
Purchase of intangible assets	(847)	(52)
Purchase of investment securities	(16)	(428)
Proceeds from sale of investment securities	—	170
Proceeds from collection of loans receivable	0	0
Payments of construction assistance fund receivables	(409)	(390)
Proceeds from collection of construction assistance fund receivables	309	129
Payments of leasehold and guarantee deposits	(295)	(1,321)
Proceeds from refund of leasehold and guarantee deposits	167	706
Payments for acquisition of businesses	—	(618)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,559)
Other, net	0	(158)
Net cash used in investing activities	(16,765)	(26,005)

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	—	900
Repayments of long-term borrowings	(4,756)	(4,435)
Repayments of lease liabilities	(76)	(17)
Purchase of treasury shares	(359)	—
Proceeds from issuance of shares	—	39,355
Dividends paid	—	(1,265)
Dividends paid to non-controlling interests	—	(30)
Other, net	—	(3)
Net cash used in financing activities	(5,192)	34,503
Effect of exchange rate change on cash and cash equivalents	(21)	54
Net increase (decrease) in cash and cash equivalents	(3,533)	68,048
Cash and cash equivalents at beginning of period	27,432	23,898
Cash and cash equivalents at end of period	23,898	91,947