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July 26, 2024

To whom it may concern:

Company name: Tenma Corporation
Representative: Hirohiko Hirono, President and Representative Director
(Securities code: 7958, TSE Prime)
Contact: Naoto Suzuki, Executive Officer and General Manager of Corporate Planning Dept.
(Phone: +81-3-3598-5642)

Announcement concerning Dissolution of Consolidated Subsidiaries and Recording of Extraordinary Income

The company announced that it resolved to dissolve PRINCIA CO., LTD ("PRINCIA"), a consolidated subsidiary at a meeting of the Board of Directors held on July 26, 2024.

In conjunction with this matter, extraordinary income is expected to be posted, so we announced this as well.

Details

1.Reasons for the Dissolution

Our Group is reorganizing its offices to improve asset efficiency and reduce management costs. However, transactions via PRINCIA have been declining in recent years, and we have only performed financial functions such as lending funds to Group companies exclusively. Therefore, we have decided to dissolve PRINCIA because of the need to consolidate financial assets overseas at the head office and improve asset efficiency.

2.Overview of Subsidiaries

(1) Name	PRINCIA CO., LTD.
(2) Address	15/F., O.T.B.Building, No.259-265 Des Voeux Road Central, Hong Kong.
(3) Job title/name of representative	Director ／ Hirohiko Hirono
(4) Description of Businesses	Loans to trade and group companies
(5) Common stock	HK$2million, US$13 million
(6) Date of Establishment	September 30, 1993

(7) Major shareholders and shareholding ratio		The company 100%
(8) Relationship between the company and affiliates of such company	Capital relationship	The company owns 100%.
	Human relations	One of our Representative Directors, one Director and one Executive Officer serve concurrently as Director of our subsidiaries.
	Business relationship	Not applicable.
	Applicable status to the relevant party	PRINCIA is a consolidated subsidiary of the company.

(9) Financial Condition and Results of Operations for the Last Three Years (dollars in thousands)

Fiscal year end	FY 2021/12	FY 2022/12	FY 2023/12
Net assets	24,946	25,251	13,249
Total assets	25,040	25,449	13,252
Net sales	31	338	176
Operating income	▲19	▲19	▲15
Ordinary income	6	305	189
Net income	5	305	189

3.Schedule of Dissolution

The dissolution was resolved by the Board of Directors held today, and the necessary procedures will be promoted in accordance with the laws and regulations of China. The liquidation will be completed once it is completed (scheduled for November 2024).

4.Future Outlook

In the fiscal year ended March 31, 2025, we expect to record a gain of 1,118 million on reversal of foreign currency translation adjustments as a result of reversal of foreign currency translation adjustments recorded in our consolidated balance sheets as a gain on liquidation of subsidiaries and an extraordinary gain. The amount of extraordinary income recorded will fluctuate depending on the level of exchange rates up to the date of completion of the liquidation process.

5.Impact on earnings forecasts

Extraordinary income associated with the dissolution has been factored into the consolidated earnings forecast announced on May 10, 2024. We will promptly disclose if any revisions are deemed necessary.

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