Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2024 (Based on Japanese GAAP)

January 14, 2025

Company name: TerraSky Co., Ltd.
Stock exchange listing: Tokyo
Stock code: 3915 URL http://www.terrasky.co.jp
Representative: Representative Director Executive President and CEO — Hideya Sato
Inquiries: Director Executive Managing Officer and CFO — Koichiro Tsukada TEL 03-5255-3410
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2024 (from March 1, 2024 to November 30, 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 November 30, 2024	18,102	30.3	938	235.6	1,038	173.6	564	391.5
Nine months ended November 30, 2023	13,890	21.8	279	(39.4)	379	(18.8)	114	(50.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2024	43.79	43.75
Nine months ended November 30, 2023	8.94	8.90

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	18,131	12,140	57.8
As of February 29, 2024	18,446	12,553	60.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2024	–	0.00	–	0.00	0.00
Year ending February 28, 2025	–	0.00	–		
Year ending February 28, 2025 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,040	25.6	1,167	123.2	1,282	95.6	745	148.3	57.76

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended November 30, 2024: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

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

As of November 30, 2024	12,918,380 shares	As of February 29, 2024	12,866,380 shares

Number of treasury shares at the end of the period

As of November 30, 2024	8,961 shares	As of February 29, 2024	8,116 shares

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

Nine months ended November 30, 2024	12,898,506 shares	Nine months ended November 30, 2023	12,849,321 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	5,616,176	5,608,507
Accounts receivable - trade, and contract assets	3,487,748	4,464,463
Prepaid expenses	1,497,985	1,594,372
Other	40,101	19,381
Total current assets	10,642,010	11,686,724
Non-current assets		
Property, plant and equipment	308,584	393,016
Intangible assets		
Software	641,497	654,640
Goodwill	38,952	15,580
Other	245,903	495,551
Total intangible assets	926,353	1,165,772
Investments and other assets		
Investment securities	5,948,726	4,211,922
Deferred tax assets	48,795	49,123
Leasehold and guarantee deposits	510,535	580,075
Other	61,593	45,215
Total investments and other assets	6,569,651	4,886,336
Total non-current assets	7,804,589	6,445,125
Total assets	18,446,600	18,131,849
Liabilities		
Current liabilities		
Accounts payable - trade	1,243,758	1,487,668
Short-term borrowings	200,000	200,000
Current portion of long-term borrowings	23,122	3,672
Income taxes payable	157,779	282,005
Contract liabilities	1,853,712	1,885,417
Other	944,196	1,189,988
Total current liabilities	4,422,569	5,048,752
Non-current liabilities		
Long-term borrowings	5,958	3,204
Deferred tax liabilities	1,452,272	928,854
Other	11,870	10,417
Total non-current liabilities	1,470,100	942,476
Total liabilities	5,892,670	5,991,228

(Thousands of yen)

	As of February 29, 2024	As of November 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,252,993	1,256,892
Capital surplus	1,711,191	1,777,304
Retained earnings	4,781,663	5,346,472
Treasury shares	(650)	(746)
Total shareholders' equity	7,745,198	8,379,923
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,342,846	2,083,134
Foreign currency translation adjustment	15,514	10,281
Total accumulated other comprehensive income	3,358,360	2,093,415
Share acquisition rights	–	6,934
Non-controlling interests	1,450,371	1,660,347
Total net assets	12,553,930	12,140,621
Total liabilities and net assets	18,446,600	18,131,849

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Net sales	13,890,118	18,102,844
Cost of sales	10,274,151	13,261,487
Gross profit	3,615,966	4,841,356
Selling, general and administrative expenses	3,336,425	3,903,182
Operating profit	279,541	938,174
Non-operating income		
Commission income	27,728	23,953
Dividend income	8,316	12,615
Subsidy income	11,653	14,363
Foreign exchange gains	1,272	5,600
Share of profit of entities accounted for using equity method	50,772	27,711
Gain on investments in investment partnerships	–	8,918
Other	2,523	8,544
Total non-operating income	102,266	101,708
Non-operating expenses		
Interest expenses	672	1,315
Loss on investments in investment partnerships	1,520	–
Total non-operating expenses	2,192	1,315
Ordinary profit	379,614	1,038,567
Profit before income taxes	379,614	1,038,567
Income taxes	185,968	364,826
Profit	193,646	673,741
Profit attributable to non-controlling interests	78,733	108,932
Profit attributable to owners of parent	114,912	564,808

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Profit	193,646	673,741
Other comprehensive income		
Valuation difference on available-for-sale securities	786,269	(1,259,712)
Foreign currency translation adjustment	(848)	(5,232)
Total other comprehensive income	785,420	(1,264,944)
Comprehensive income	979,067	(591,203)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	896,618	(694,841)
Comprehensive income attributable to non-controlling interests	82,448	103,638