

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 8, 2022

Company name: TANABE ENGINEERING CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 1828 URL <https://www.tanabe-ind.co.jp/>  
 Representative: President and Representative Director Yoshio Watanuki  
 Director, Senior Executive officer and  
 Inquiries: General Manager of Yuichi Gommori TEL 025-545-6500  
 Corporate Administration Division  
 Scheduled date to file Quarterly Securities Report: November 11, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	21,001	3.5	1,427	(2.1)	1,464	(2.6)	958	(5.6)
Six months ended September 30, 2021	20,299	20.9	1,457	32.8	1,502	31.3	1,015	47.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	89.62		–	
Six months ended September 30, 2021	94.93		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	38,177	20,219	53.0	1,889.48
As of March 31, 2022	35,093	19,367	55.2	1,809.92

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	0.00	–	33.00	33.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	33.00	33.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	43,000	1.1	2,500	(11.2)	2,600	(10.3)	1,700	(9.2)	158.86

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: Yes
- 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 September 30, 2022	10,728,000 shares	As of March 31, 2022	10,728,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	27,084 shares	As of March 31, 2022	27,084 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	10,700,916 shares	Six months ended September 30, 2021	10,700,916 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,124,250	4,184,878
Notes receivable, accounts receivable from completed construction contracts and other	18,860,749	22,858,727
Electronically recorded monetary claims - operating	501,066	461,082
Costs on construction contracts in progress	61,240	84,364
Other inventories	511,544	562,656
Other	212,506	203,711
Allowance for doubtful accounts	(1,882)	(2,238)
<b>Total current assets</b>	<b>25,269,475</b>	<b>28,353,181</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	7,318,792	7,406,880
Machinery, vehicles, tools, furniture and fixtures	5,190,539	5,507,783
Land	3,143,599	3,153,594
Leased assets	361,671	361,037
Construction in progress	193,064	345,044
Accumulated depreciation	(8,011,106)	(8,478,564)
<b>Total property, plant and equipment</b>	<b>8,196,561</b>	<b>8,295,774</b>
Intangible assets	372,156	321,868
<b>Investments and other assets</b>		
Investment securities	423,477	385,337
Deferred tax assets	726,267	722,058
Other	106,044	99,179
<b>Total investments and other assets</b>	<b>1,255,790</b>	<b>1,206,574</b>
<b>Total non-current assets</b>	<b>9,824,507</b>	<b>9,824,218</b>
<b>Total assets</b>	<b>35,093,983</b>	<b>38,177,400</b>

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,981,565	5,012,896
Electronically recorded obligations - operating	2,504,510	2,973,662
Short-term borrowings	500,000	2,900,000
Lease liabilities	41,361	41,800
Accounts payable - other	1,558,172	1,436,680
Accrued expenses	687,789	374,262
Income taxes payable	537,370	524,315
Advances received on construction contracts in progress	614,340	2,020,523
Provision for warranties for completed construction	40,328	22,526
Provision for loss on construction contracts	22,150	3,260
Provision for bonuses	1,230,395	878,236
Provision for bonuses for directors (and other officers)	60,000	25,000
Other	63,232	60,020
<b>Total current liabilities</b>	<b>13,841,217</b>	<b>16,273,184</b>
<b>Non-current liabilities</b>		
Long-term borrowings	600,000	400,000
Lease liabilities	45,205	47,263
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	1,109,794	1,107,797
<b>Total non-current liabilities</b>	<b>1,885,000</b>	<b>1,685,061</b>
<b>Total liabilities</b>	<b>15,726,217</b>	<b>17,958,245</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,475,320
Retained earnings	17,172,165	17,764,639
Treasury shares	(7,020)	(7,020)
<b>Total shareholders' equity</b>	<b>19,525,784</b>	<b>20,118,258</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	60,413	28,185
Foreign currency translation adjustment	(15,680)	253,538
Remeasurements of defined benefit plans	(202,752)	(180,828)
<b>Total accumulated other comprehensive income</b>	<b>(158,019)</b>	<b>100,895</b>
<b>Total net assets</b>	<b>19,367,765</b>	<b>20,219,154</b>
<b>Total liabilities and net assets</b>	<b>35,093,983</b>	<b>38,177,400</b>

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	20,299,756	21,001,583
Cost of sales	16,862,188	17,503,172
Gross profit	3,437,568	3,498,410
Selling, general and administrative expenses	1,979,963	2,070,780
Operating profit	1,457,605	1,427,629
Non-operating income		
Interest income	351	531
Dividend income	4,801	5,371
Rental income from land and buildings	21,643	32,769
Foreign exchange gains	3,356	2,356
Other	37,143	14,766
Total non-operating income	67,295	55,796
Non-operating expenses		
Interest expenses	5,447	4,578
Commitment fees	13,660	5,536
Compensation expenses	–	6,327
Other	3,337	2,894
Total non-operating expenses	22,444	19,338
Ordinary profit	1,502,456	1,464,087
Extraordinary income		
Gain on sale of non-current assets	246	391
Total extraordinary income	246	391
Extraordinary losses		
Loss on disposal of non-current assets	14,551	15,583
Loss on valuation of investment securities	–	1,977
Loss on valuation of golf club membership	2,349	–
Total extraordinary losses	16,901	17,561
Profit before income taxes	1,485,801	1,446,918
Income taxes	469,936	487,954
Profit	1,015,865	958,963
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,015,865	958,963

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,015,865	958,963
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,751)	(32,228)
Foreign currency translation adjustment	12,938	269,219
Remeasurements of defined benefit plans, net of tax	22,392	21,924
Total other comprehensive income	22,580	258,915
Comprehensive income	1,038,445	1,217,878
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,038,445	1,217,878
Comprehensive income attributable to non-controlling interests	—	—