

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 8, 2023

Company name: TANABE ENGINEERING CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1828 URL <https://www.tanabe-ind.co.jp/>
 Representative: President and Representative Director Fumio Mizusawa
 Director, Managing Executive Officer and
 Inquiries: General Manager of Yuichi Gommori TEL 025-545-6500
 Corporate Administration Division
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	11,002	7.8	638	22.5	663	21.5	421	22.0
Three months ended June 30, 2022	10,210	(4.6)	521	(29.6)	546	(29.5)	345	(32.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	39.38		–	
Three months ended June 30, 2022	32.29		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	38,265	20,992	54.8	1,960.98
As of March 31, 2023	37,574	20,967	55.8	1,959.43

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, 2023	–	0.00	–	40.00	40.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	45.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	47,000	9.4	2,950	7.9	3,000	7.7	1,900	14.7	177.55

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: 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 June 30, 2023	10,728,000 shares	As of March 31, 2023	10,728,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	27,084 shares	As of March 31, 2023	27,084 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	10,700,916 shares	Three months ended June 30, 2022	10,700,916 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	6,174,237	5,646,032
Notes receivable, accounts receivable from completed construction contracts and other	20,221,186	21,579,238
Electronically recorded monetary claims - operating	508,442	515,784
Costs on construction contracts in progress	127,609	147,261
Other inventories	310,468	289,360
Other	268,971	179,147
Allowance for doubtful accounts	(2,060)	(2,198)
Total current assets	27,608,853	28,354,627
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,114,818	8,153,276
Machinery, vehicles, tools, furniture and fixtures	5,359,003	5,336,862
Land	3,152,404	3,155,022
Leased assets	336,817	344,491
Construction in progress	91,886	213,216
Accumulated depreciation	(8,638,403)	(8,816,467)
Total property, plant and equipment	8,416,527	8,386,400
Intangible assets	276,280	258,773
Investments and other assets		
Investment securities	406,048	428,334
Deferred tax assets	737,331	730,428
Other	129,037	106,985
Total investments and other assets	1,272,417	1,265,749
Total non-current assets	9,965,225	9,910,924
Total assets	37,574,079	38,265,551

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,779,219	4,395,274
Electronically recorded obligations - operating	3,037,067	5,871,332
Short-term borrowings	1,000,000	550,000
Lease liabilities	34,471	42,672
Accounts payable - other	1,195,336	514,514
Accrued expenses	422,869	395,958
Income taxes payable	558,565	282,417
Advances received on construction contracts in progress	1,507,810	1,780,236
Provision for warranties for completed construction	22,696	16,576
Provision for bonuses	1,270,828	1,697,239
Provision for bonuses for directors (and other officers)	55,000	16,250
Other	167,640	220,411
Total current liabilities	15,051,506	15,782,883
Non-current liabilities		
Long-term borrowings	300,000	250,000
Lease liabilities	30,184	21,609
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	1,094,737	1,088,418
Total non-current liabilities	1,554,922	1,490,028
Total liabilities	16,606,428	17,272,911
Net assets		
Shareholders' equity		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,475,320
Retained earnings	18,475,355	18,404,864
Treasury shares	(7,020)	(7,020)
Total shareholders' equity	20,828,974	20,758,483
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,987	72,612
Foreign currency translation adjustment	223,874	283,287
Remeasurements of defined benefit plans	(139,186)	(130,067)
Total accumulated other comprehensive income	138,675	225,832
Non-controlling interests	–	8,323
Total net assets	20,967,650	20,992,639
Total liabilities and net assets	37,574,079	38,265,551

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	10,210,932	11,002,329
Cost of sales	8,622,804	9,217,717
Gross profit	1,588,128	1,784,611
Selling, general and administrative expenses	1,066,847	1,146,216
Operating profit	521,280	638,395
Non-operating income		
Interest income	142	160
Dividend income	4,942	3,587
Rental income from land and buildings	20,177	11,396
Foreign exchange gains	1,936	1,002
Other	8,271	12,668
Total non-operating income	35,470	28,816
Non-operating expenses		
Interest expenses	1,258	746
Commitment fees	2,756	2,814
Compensation expenses	6,327	–
Other	47	0
Total non-operating expenses	10,390	3,560
Ordinary profit	546,360	663,650
Extraordinary income		
Gain on sale of non-current assets	300	961
Gain on sale of investment securities	–	17
Total extraordinary income	300	978
Extraordinary losses		
Loss on disposal of non-current assets	13,862	2,230
Loss on valuation of investment securities	1,977	444
Total extraordinary losses	15,840	2,675
Profit before income taxes	530,820	661,954
Income taxes	185,324	240,513
Profit	345,495	421,441
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	345,495	421,441

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	345,495	421,441
Other comprehensive income		
Valuation difference on available-for-sale securities	(23,531)	18,625
Foreign currency translation adjustment	152,866	59,413
Remeasurements of defined benefit plans, net of tax	11,962	9,119
Total other comprehensive income	141,296	87,157
Comprehensive income	486,792	508,598
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	486,792	508,598
Comprehensive income attributable to non-controlling interests	—	—