

Translation

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

August 10, 2023

Company name: TENOX CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1905 URL <https://www.tenox.co.jp/>
 Representative: President and Representative Director Masayuki Sato
 Inquiries: Director and Management General Manager Takuya Sakaguchi TEL 03-3455-7758
 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	4,678	10.2	272	171.4	285	140.1	223	125.3
Three months ended June 30, 2022	4,245	33.2	100	362.9	119	192.3	99	196.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	34.19		33.47	
Three months ended June 30, 2022	14.86		14.56	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	18,959	12,564	64.3
As of March 31, 2023	18,770	12,467	64.4

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	–	12.00	–	23.00	35.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		19.00	–	19.00	38.00

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	21,200	15.7	810	24.0	840	20.9	560	16.0	85.76

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	7,347,680 shares	As of March 31, 2023	7,347,680 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	817,349 shares	As of March 31, 2023	818,204 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	6,530,117 shares	Three months ended June 30, 2022	6,665,591 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	9,545,508	9,093,258
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	3,493,874	3,285,984
Electronically recorded monetary claims - operating	1,244,489	1,358,746
Costs on construction contracts in progress	832,536	975,144
Accounts receivable - other	453,004	678,112
Other	74,930	69,785
Allowance for doubtful accounts	(1,443)	(237)
Total current assets	15,642,901	15,460,793
Non-current assets		
Property, plant and equipment	2,218,937	2,514,828
Intangible assets		
Goodwill	16,257	15,173
Other	40,930	47,756
Total intangible assets	57,188	62,929
Investments and other assets		
Other	854,925	923,931
Allowance for doubtful accounts	(3,072)	(3,072)
Total investments and other assets	851,852	920,859
Total non-current assets	3,127,978	3,498,617
Total assets	18,770,879	18,959,410

(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	4,392,628	4,411,571
Long-term loans payable within one year	9,940	9,940
Income taxes payable	206,100	121,796
Contract liabilities	203,459	117,041
Provision for loss on construction contracts	27,800	64,200
Other provisions	142,691	38,468
Other	697,373	1,004,984
Total current liabilities	5,679,993	5,768,002
Non-current liabilities		
Long-term borrowings	9,940	9,940
Retirement benefit liability	493,365	500,354
Provisions	68,682	68,777
Other	51,500	47,611
Total non-current liabilities	623,488	626,683
Total liabilities	6,303,482	6,394,686
Net assets		
Shareholders' equity		
Share capital	1,710,900	1,710,900
Capital surplus	2,330,219	2,330,219
Retained earnings	8,581,570	8,649,602
Treasury shares	(557,014)	(556,427)
Total shareholders' equity	12,065,674	12,134,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,098	72,272
Foreign currency translation adjustment	(11,115)	(10,697)
Total accumulated other comprehensive income	17,983	61,574
Share acquisition rights	89,636	89,636
Non-controlling interests	294,103	279,220
Total net assets	12,467,397	12,564,724
Total liabilities and net assets	18,770,879	18,959,410

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	4,245,513	4,678,876
Cost of sales	3,633,109	3,845,249
Gross profit	612,404	833,626
Selling, general and administrative expenses	511,975	561,107
Operating profit	100,429	272,519
Non-operating income		
Interest income	18	188
Dividend income	6,754	6,078
Purchase discounts	4,632	5,607
Gain on sale of goods	3,211	2,632
Foreign exchange gains	3,634	–
Other	503	243
Total non-operating income	18,754	14,750
Non-operating expenses		
Interest expenses	7	–
Commission expenses	89	–
Foreign exchange losses	–	1,358
Other	–	27
Total non-operating expenses	96	1,386
Ordinary profit	119,087	285,883
Extraordinary income		
Gain on sale of non-current assets	–	11,699
Total extraordinary income	–	11,699
Extraordinary losses		
Loss on disposal of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	119,087	297,583
Income taxes	30,701	88,307
Profit	88,385	209,276
Loss attributable to non-controlling interests	(10,697)	(13,982)
Profit attributable to owners of parent	99,082	223,259

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	88,385	209,276
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,838)	43,173
Foreign currency translation adjustment	(1,331)	417
Total other comprehensive income	(8,169)	43,591
Comprehensive income	80,216	252,867
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	90,913	266,850
Comprehensive income attributable to non-controlling interests	(10,697)	(13,982)