

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 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: November 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 six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	23,364	11.2	1,539	7.8	1,567	7.0	1,030	7.5
Six months ended September 30, 2022	21,001	3.5	1,427	(2.1)	1,464	(2.6)	958	(5.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	96.92		–	
Six months ended September 30, 2022	89.62		–	

(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, 2023	41,138	21,366	51.9	2,040.43
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	–	0.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	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	180.09

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2023	260,484 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)

Six months ended September 30, 2023	10,633,319 shares	Six months ended September 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 September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,174,237	3,321,260
Notes receivable, accounts receivable from completed construction contracts and other	20,221,186	26,558,587
Electronically recorded monetary claims - operating	508,442	656,761
Costs on construction contracts in progress	127,609	186,947
Other inventories	310,468	282,924
Other	268,971	189,786
Allowance for doubtful accounts	(2,060)	(2,703)
<b>Total current assets</b>	<b>27,608,853</b>	<b>31,193,565</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,114,818	8,218,893
Machinery, vehicles, tools, furniture and fixtures	5,359,003	5,589,424
Land	3,152,404	3,158,830
Leased assets	336,817	352,967
Construction in progress	91,886	195,911
Accumulated depreciation	(8,638,403)	(9,042,517)
<b>Total property, plant and equipment</b>	<b>8,416,527</b>	<b>8,473,509</b>
Intangible assets	276,280	237,794
<b>Investments and other assets</b>		
Investment securities	406,048	398,284
Deferred tax assets	737,331	728,512
Other	129,037	106,611
<b>Total investments and other assets</b>	<b>1,272,417</b>	<b>1,233,409</b>
<b>Total non-current assets</b>	<b>9,965,225</b>	<b>9,944,713</b>
<b>Total assets</b>	<b>37,574,079</b>	<b>41,138,278</b>

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,779,219	4,401,758
Electronically recorded obligations - operating	3,037,067	6,194,261
Short-term borrowings	1,000,000	3,700,000
Lease liabilities	34,471	39,656
Accounts payable - other	1,195,336	609,071
Accrued expenses	422,869	399,604
Income taxes payable	558,565	605,475
Advances received on construction contracts in progress	1,507,810	1,322,822
Provision for warranties for completed construction	22,696	17,319
Provision for bonuses	1,270,828	883,256
Provision for bonuses for directors (and other officers)	55,000	32,500
Other	167,640	120,877
Total current liabilities	15,051,506	18,326,604
Non-current liabilities		
Long-term borrowings	300,000	200,000
Lease liabilities	30,184	18,576
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	1,094,737	1,096,590
Total non-current liabilities	1,554,922	1,445,166
Total liabilities	16,606,428	19,771,771
Net assets		
Shareholders' equity		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,475,320
Retained earnings	18,475,355	18,980,256
Treasury shares	(7,020)	(310,440)
Total shareholders' equity	20,828,974	21,030,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,987	91,606
Foreign currency translation adjustment	223,874	357,795
Remeasurements of defined benefit plans	(139,186)	(121,647)
Total accumulated other comprehensive income	138,675	327,754
Non-controlling interests	–	8,296
Total net assets	20,967,650	21,366,507
Total liabilities and net assets	37,574,079	41,138,278

## 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, 2022	Six months ended September 30, 2023
Net sales	21,001,583	23,364,195
Cost of sales	17,503,172	19,556,922
Gross profit	3,498,410	3,807,273
Selling, general and administrative expenses	2,070,780	2,267,578
Operating profit	1,427,629	1,539,694
Non-operating income		
Interest income	531	893
Dividend income	5,371	4,444
Rental income from land and buildings	32,769	22,947
Receive compensation	–	13,619
Foreign exchange gains	2,356	–
Other	14,766	17,476
Total non-operating income	55,796	59,381
Non-operating expenses		
Interest expenses	4,578	3,970
Commitment fees	5,536	15,078
Compensation expenses	6,327	–
Loss on redemption of investment securities	–	10,863
Foreign exchange losses	–	513
Other	2,894	1,412
Total non-operating expenses	19,338	31,838
Ordinary profit	1,464,087	1,567,238
Extraordinary income		
Gain on sale of non-current assets	391	1,876
Gain on sale of investment securities	–	17
Total extraordinary income	391	1,893
Extraordinary losses		
Loss on sale of non-current assets	–	56
Loss on disposal of non-current assets	15,583	4,442
Loss on valuation of investment securities	1,977	444
Total extraordinary losses	17,561	4,944
Profit before income taxes	1,446,918	1,564,187
Income taxes	487,954	533,635
Profit	958,963	1,030,552
Profit attributable to non-controlling interests	–	(6)
Profit attributable to owners of parent	958,963	1,030,558

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

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	958,963	1,030,552
Other comprehensive income		
Valuation difference on available-for-sale securities	(32,228)	37,618
Foreign currency translation adjustment	269,219	133,900
Remeasurements of defined benefit plans, net of tax	21,924	17,539
Total other comprehensive income	258,915	189,058
Comprehensive income	1,217,878	1,219,610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,217,878	1,219,637
Comprehensive income attributable to non-controlling interests	–	(26)