

Translation

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

August 10, 2022

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: Accounting Manager Kazuhiko Sakoda TEL 03-3455-7758  
 Scheduled date to file Quarterly Securities Report: August 10, 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 three months ended June 30, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	4,245	33.2	100	362.9	119	192.3	99	196.6
Three months ended June 30, 2021	3,186	(6.6)	21	–	40	–	33	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	14.86		14.56	
Three months ended June 30, 2021	4.97		4.87	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	17,997	12,215	65.8
As of March 31, 2022	17,681	12,300	67.4

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, 2022	–	10.00	–	15.00	25.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		12.00	–	13.00	25.00

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	17,500	18.1	450	(3.5)	500	(3.1)	310	(13.4)	46.34

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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: 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, 2022	7,694,080 shares	As of March 31, 2022	7,694,080 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,075,330 shares	As of March 31, 2022	1,004,808 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, 2022	6,665,591 shares	Three months ended June 30, 2021	6,717,707 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	9,612,254	9,227,936
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	2,683,049	2,703,890
Electronically recorded monetary claims - operating	1,405,880	1,339,219
Costs on construction contracts in progress	721,800	908,280
Accounts receivable - other	348,216	775,316
Other	80,166	214,463
Allowance for doubtful accounts	(1,299)	(455)
Total current assets	14,850,067	15,168,651
Non-current assets		
Property, plant and equipment	2,308,899	2,262,347
Intangible assets		
Goodwill	20,592	19,509
Other	19,530	30,084
Total intangible assets	40,123	49,593
Investments and other assets		
Other	493,520	527,638
Allowance for doubtful accounts	(11,112)	(11,112)
Total investments and other assets	482,407	516,526
Total non-current assets	2,831,430	2,828,467
Total assets	17,681,498	17,997,118

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	3,681,737	4,145,521
Long-term loans payable within one year	9,940	9,940
Income taxes payable	189,149	61,007
Contract liabilities	128,586	269,422
Provision for loss on construction contracts	8,793	7,798
Other provisions	111,496	33,986
Other	565,573	592,112
<b>Total current liabilities</b>	<b>4,695,275</b>	<b>5,119,788</b>
<b>Non-current liabilities</b>		
Long-term borrowings	19,880	19,880
Retirement benefit liability	503,134	499,270
Provisions	62,455	62,162
Other	100,548	80,557
<b>Total non-current liabilities</b>	<b>686,018</b>	<b>661,870</b>
<b>Total liabilities</b>	<b>5,381,294</b>	<b>5,781,659</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,710,900	1,710,900
Capital surplus	2,447,772	2,447,970
Retained earnings	8,380,240	8,375,615
Treasury shares	(630,462)	(689,604)
<b>Total shareholders' equity</b>	<b>11,908,450</b>	<b>11,844,881</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	19,469	12,631
Foreign currency translation adjustment	(8,621)	(9,952)
<b>Total accumulated other comprehensive income</b>	<b>10,848</b>	<b>2,679</b>
Share acquisition rights	91,045	89,636
Non-controlling interests	289,859	278,262
<b>Total net assets</b>	<b>12,300,204</b>	<b>12,215,459</b>
<b>Total liabilities and net assets</b>	<b>17,681,498</b>	<b>17,997,118</b>

**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, 2021	Three months ended June 30, 2022
Net sales	3,186,434	4,245,513
Cost of sales	2,691,321	3,633,109
Gross profit	495,112	612,404
Selling, general and administrative expenses	473,419	511,975
Operating profit	21,693	100,429
Non-operating income		
Interest income	109	18
Dividend income	6,834	6,754
Purchase discounts	3,490	4,632
Gain on sale of goods	3,274	3,211
Foreign exchange gains	2,926	3,634
Other	2,810	503
Total non-operating income	19,445	18,754
Non-operating expenses		
Interest expenses	189	7
Commission expenses	48	89
Loss on sale of golf club membership	142	–
Other	19	–
Total non-operating expenses	401	96
Ordinary profit	40,738	119,087
Extraordinary income		
Gain on sale of non-current assets	3,799	–
Total extraordinary income	3,799	–
Extraordinary losses		
Loss on disposal of non-current assets	0	–
Total extraordinary losses	0	–
Profit before income taxes	44,538	119,087
Income taxes	16,250	30,701
Profit	28,287	88,385
Loss attributable to non-controlling interests	(5,122)	(10,697)
Profit attributable to owners of parent	33,410	99,082

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

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	28,287	88,385
Other comprehensive income		
Valuation difference on available-for-sale securities	(21,471)	(6,838)
Foreign currency translation adjustment	3,420	(1,331)
Total other comprehensive income	(18,050)	(8,169)
Comprehensive income	10,237	80,216
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,360	90,913
Comprehensive income attributable to non-controlling interests	(5,122)	(10,697)