

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

November 11, 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: November 14, 2022  
 Scheduled date to commence dividend payments: December 6, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(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	8,511	24.5	234	384.1	265	265.3	207	236.5
Six months ended September 30, 2021	6,838	(5.1)	48	189.3	72	142.5	61	38.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	31.32		30.67	
Six months ended September 30, 2021	9.21		9.02	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	17,523	12,273	68.0
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	–	12.00			
Year ending March 31, 2023 (Forecast)			–	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 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: 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, 2022	7,694,080 shares	As of March 31, 2022	7,694,080 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2022	1,114,280 shares	As of March 31, 2022	1,004,808 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	6,634,839 shares	Six months ended September 30, 2021	6,704,516 shares
-------------------------------------	------------------	-------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	9,612,254	8,835,482
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	2,683,049	3,222,544
Electronically recorded monetary claims - operating	1,405,880	1,000,271
Costs on construction contracts in progress	721,800	793,201
Accounts receivable - other	348,216	744,877
Other	80,166	150,677
Allowance for doubtful accounts	(1,299)	(1,539)
Total current assets	14,850,067	14,745,516
Non-current assets		
Property, plant and equipment	2,308,899	2,216,988
Intangible assets		
Goodwill	20,592	18,425
Other	19,530	37,725
Total intangible assets	40,123	56,150
Investments and other assets		
Other	493,520	515,885
Allowance for doubtful accounts	(11,112)	(11,112)
Total investments and other assets	482,407	504,772
Total non-current assets	2,831,430	2,777,911
Total assets	17,681,498	17,523,427

(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	3,681,737	3,748,095
Current portion of long-term borrowings	9,940	9,940
Income taxes payable	189,149	114,407
Contract liabilities	128,586	126,536
Provision for loss on construction contracts	8,793	2,376
Other provisions	111,496	130,867
Other	565,573	463,876
<b>Total current liabilities</b>	<b>4,695,275</b>	<b>4,596,099</b>
<b>Non-current liabilities</b>		
Long-term borrowings	19,880	19,880
Retirement benefit liability	503,134	492,136
Provisions	62,455	71,621
Other	100,548	70,486
<b>Total non-current liabilities</b>	<b>686,018</b>	<b>654,124</b>
<b>Total liabilities</b>	<b>5,381,294</b>	<b>5,250,223</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,710,900	1,710,900
Capital surplus	2,447,772	2,454,862
Retained earnings	8,380,240	8,484,308
Treasury shares	(630,462)	(732,472)
<b>Total shareholders' equity</b>	<b>11,908,450</b>	<b>11,917,598</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	19,469	4,033
Foreign currency translation adjustment	(8,621)	(13,338)
<b>Total accumulated other comprehensive income</b>	<b>10,848</b>	<b>(9,304)</b>
Share acquisition rights	91,045	89,636
Non-controlling interests	289,859	275,273
<b>Total net assets</b>	<b>12,300,204</b>	<b>12,273,203</b>
<b>Total liabilities and net assets</b>	<b>17,681,498</b>	<b>17,523,427</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	6,838,049	8,511,963
Cost of sales	5,843,014	7,257,965
Gross profit	995,034	1,253,997
Selling, general and administrative expenses	946,544	1,019,271
Operating profit	48,490	234,726
Non-operating income		
Interest income	139	50
Dividend income	7,081	6,754
Purchase discounts	5,230	9,475
Gain on sale of goods	4,416	3,369
Foreign exchange gains	3,270	9,899
Other	5,585	852
Total non-operating income	25,724	30,402
Non-operating expenses		
Interest expenses	214	7
Commission expenses	88	89
Guarantee commission	1,087	–
Loss on sale of golf club membership	142	–
Other	136	4
Total non-operating expenses	1,669	100
Ordinary profit	72,545	265,028
Extraordinary income		
Gain on sale of non-current assets	4,299	5,900
Gain on sale of investment securities	1,235	–
Total extraordinary income	5,535	5,900
Extraordinary losses		
Loss on disposal of non-current assets	592	0
Total extraordinary losses	592	0
Profit before income taxes	77,488	270,928
Income taxes	29,818	76,837
Profit	47,670	194,090
Loss attributable to non-controlling interests	(14,068)	(13,685)
Profit attributable to owners of parent	61,738	207,776

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

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	47,670	194,090
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,589)	(15,435)
Foreign currency translation adjustment	504	(4,717)
Total other comprehensive income	(22,085)	(20,152)
Comprehensive income	25,584	173,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,653	187,623
Comprehensive income attributable to non-controlling interests	(14,068)	(13,685)