

Translation

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

November 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: November 13, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 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, 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	9,729	14.3	215	(8.2)	247	(6.7)	195	(5.8)
Six months ended September 30, 2022	8,511	24.5	234	384.1	265	265.3	207	236.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	29.95		29.32	
Six months ended September 30, 2022	31.32		30.67	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	18,697	12,553	65.2
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	–	19.00			
Year ending March 31, 2024 (Forecast)			–	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 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	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 September 30, 2023	794,691 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)

Six months ended September 30, 2023	6,536,682 shares	Six months ended September 30, 2022	6,634,839 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
Assets		
Current assets		
Cash and deposits	9,545,508	8,809,900
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	3,493,874	3,179,543
Electronically recorded monetary claims - operating	1,244,489	1,953,572
Costs on construction contracts in progress	832,536	683,233
Accounts receivable - other	453,004	316,716
Other	74,930	109,884
Allowance for doubtful accounts	(1,443)	(662)
Total current assets	15,642,901	15,052,189
Non-current assets		
Property, plant and equipment	2,218,937	2,439,665
Intangible assets		
Goodwill	16,257	14,089
Other	40,930	49,668
Total intangible assets	57,188	63,758
Investments and other assets		
Other	854,925	1,145,120
Allowance for doubtful accounts	(3,072)	(3,072)
Total investments and other assets	851,852	1,142,047
Total non-current assets	3,127,978	3,645,471
Total assets	18,770,879	18,697,660

(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	4,392,628	4,367,531
Current portion of long-term borrowings	9,940	9,940
Income taxes payable	206,100	143,245
Contract liabilities	203,459	86,529
Provision for loss on construction contracts	27,800	58,800
Other provisions	142,691	134,423
Other	697,373	700,299
Total current liabilities	5,679,993	5,500,768
Non-current liabilities		
Long-term borrowings	9,940	9,940
Retirement benefit liability	493,365	499,496
Provisions	68,682	92,234
Other	51,500	41,356
Total non-current liabilities	623,488	643,026
Total liabilities	6,303,482	6,143,795
Net assets		
Shareholders' equity		
Share capital	1,710,900	1,710,900
Capital surplus	2,330,219	2,340,256
Retained earnings	8,581,570	8,622,089
Treasury shares	(557,014)	(541,988)
Total shareholders' equity	12,065,674	12,131,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,098	82,040
Foreign currency translation adjustment	(11,115)	(18,637)
Total accumulated other comprehensive income	17,983	63,403
Share acquisition rights	89,636	89,636
Non-controlling interests	294,103	269,568
Total net assets	12,467,397	12,553,865
Total liabilities and net assets	18,770,879	18,697,660

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	8,511,963	9,729,755
Cost of sales	7,257,965	8,367,424
Gross profit	1,253,997	1,362,330
Selling, general and administrative expenses	1,019,271	1,146,833
Operating profit	234,726	215,496
Non-operating income		
Interest income	50	392
Dividend income	6,754	6,078
Purchase discounts	9,475	10,743
Gain on sale of goods	3,369	4,919
Foreign exchange gains	9,899	7,989
Other	852	1,597
Total non-operating income	30,402	31,721
Non-operating expenses		
Interest expenses	7	–
Commission expenses	89	27
Other	4	1
Total non-operating expenses	100	28
Ordinary profit	265,028	247,189
Extraordinary income		
Gain on sale of non-current assets	5,900	11,699
Total extraordinary income	5,900	11,699
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Other	–	0
Total extraordinary losses	0	0
Profit before income taxes	270,928	258,889
Income taxes	76,837	86,777
Profit	194,090	172,111
Loss attributable to non-controlling interests	(13,685)	(23,635)
Profit attributable to owners of parent	207,776	195,746

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	194,090	172,111
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,435)	52,941
Foreign currency translation adjustment	(4,717)	(7,521)
Total other comprehensive income	(20,152)	45,420
Comprehensive income	173,937	217,531
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	187,623	241,166
Comprehensive income attributable to non-controlling interests	(13,685)	(23,635)