

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 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: Accounting Manager Kazuhiko Sakoda TEL 03-3455-7758
 Scheduled date to file Quarterly Securities Report: February 13, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	13,545	26.9	472	97.9	514	85.4	403	96.2
Nine months ended December 31, 2021	10,671	(3.4)	238	104.3	277	101.8	205	65.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	61.10		59.84	
Nine months ended December 31, 2021	30.71		30.07	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	17,507	12,339	68.4
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 nine months ended December 31, 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 December 31, 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 December 31, 2022	1,166,376 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)

Nine months ended December 31, 2022	6,605,138 shares	Nine months ended December 31, 2021	6,699,624 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	9,612,254	9,281,923
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	2,683,049	3,383,479
Electronically recorded monetary claims - operating	1,405,880	1,107,042
Costs on construction contracts in progress	721,800	569,456
Accounts receivable - other	348,216	323,059
Other	80,166	82,429
Allowance for doubtful accounts	(1,299)	(954)
Total current assets	14,850,067	14,746,437
Non-current assets		
Property, plant and equipment	2,308,899	2,201,384
Intangible assets		
Goodwill	20,592	17,341
Other	19,530	35,258
Total intangible assets	40,123	52,600
Investments and other assets		
Other	493,520	518,043
Allowance for doubtful accounts	(11,112)	(11,112)
Total investments and other assets	482,407	506,930
Total non-current assets	2,831,430	2,760,914
Total assets	17,681,498	17,507,352

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,681,737	3,697,523
Current portion of long-term borrowings	9,940	9,940
Income taxes payable	189,149	86,198
Contract liabilities	128,586	104,962
Provision for loss on construction contracts	8,793	29,700
Other provisions	111,496	35,307
Other	565,573	559,405
Total current liabilities	4,695,275	4,523,037
Non-current liabilities		
Long-term borrowings	19,880	19,880
Retirement benefit liability	503,134	491,213
Provisions	62,455	70,155
Other	100,548	63,074
Total non-current liabilities	686,018	644,323
Total liabilities	5,381,294	5,167,360
Net assets		
Shareholders' equity		
Share capital	1,710,900	1,710,900
Capital surplus	2,447,772	2,454,862
Retained earnings	8,380,240	8,598,498
Treasury shares	(630,462)	(779,039)
Total shareholders' equity	11,908,450	11,985,221
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,469	5,680
Foreign currency translation adjustment	(8,621)	(14,790)
Total accumulated other comprehensive income	10,848	(9,110)
Share acquisition rights	91,045	89,636
Non-controlling interests	289,859	274,244
Total net assets	12,300,204	12,339,991
Total liabilities and net assets	17,681,498	17,507,352

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	10,671,573	13,545,691
Cost of sales	9,026,207	11,551,610
Gross profit	1,645,366	1,994,081
Selling, general and administrative expenses	1,406,862	1,522,066
Operating profit	238,503	472,015
Non-operating income		
Interest income	175	73
Dividend income	9,581	8,333
Purchase discounts	11,803	14,926
Gain on sale of goods	7,933	5,176
Foreign exchange gains	4,791	12,491
Other	6,259	1,461
Total non-operating income	40,544	42,462
Non-operating expenses		
Interest expenses	239	7
Loss on sale of trade receivables	–	59
Commission expenses	88	89
Guarantee commission	1,087	–
Loss on sale of golf club membership	142	–
Other	138	61
Total non-operating expenses	1,696	218
Ordinary profit	277,351	514,259
Extraordinary income		
Gain on sale of non-current assets	12,699	31,749
Gain on sale of investment securities	1,235	–
Total extraordinary income	13,935	31,749
Extraordinary losses		
Loss on disposal of non-current assets	592	0
Total extraordinary losses	592	0
Profit before income taxes	290,695	546,009
Income taxes	101,945	157,137
Profit	188,749	388,872
Loss attributable to non-controlling interests	(16,997)	(14,714)
Profit attributable to owners of parent	205,746	403,587

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	188,749	388,872
Other comprehensive income		
Valuation difference on available-for-sale securities	(35,373)	(13,789)
Foreign currency translation adjustment	(1,114)	(6,169)
Total other comprehensive income	(36,488)	(19,958)
Comprehensive income	152,261	368,913
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	169,258	383,628
Comprehensive income attributable to non-controlling interests	(16,997)	(14,714)