

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 2021

Company name: TANABE ENGINEERING CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1828 URL <https://www.tanabe-ind.co.jp/>
 Representative: President and Representative Director Yoshio Watanuki
 Director, Senior Executive officer and
 Inquiries: General Manager of Yuichi Gommori TEL 025-545-6500
 Corporate Administration Division
 Scheduled date to file Quarterly Securities Report: August 11, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	10,707	50.8	740	96.1	775	90.8	508	105.2
Three months ended June 30, 2020	7,098	(3.9)	377	60.4	406	61.2	247	101.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	47.51		–	
Three months ended June 30, 2020	23.16		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	35,106	18,085	51.5	1,690.05
As of March 31, 2021	33,307	17,816	53.5	1,664.94

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, 2021	–	0.00	–	30.00	30.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	27.00	27.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	39,000	2.3	2,300	(13.3)	2,350	(14.3)	1,600	(8.8)	149.52

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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: Yes
- 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, 2021	10,728,000 shares	As of March 31, 2021	10,728,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	27,084 shares	As of March 31, 2021	27,084 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, 2021	10,700,916 shares	Three months ended June 30, 2020	10,700,916 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	4,525,013	4,289,041
Notes receivable, accounts receivable from completed construction contracts and other	16,902,899	20,433,888
Costs on construction contracts in progress	1,737,883	268,790
Other inventories	490,175	488,612
Other	228,874	117,568
Allowance for doubtful accounts	(1,672)	(2,004)
Total current assets	23,883,174	25,595,896
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,712,294	6,743,141
Machinery, vehicles, tools, furniture and fixtures	5,115,905	5,165,632
Land	3,143,837	3,146,217
Leased assets	358,902	342,175
Construction in progress	339,061	337,465
Accumulated depreciation	(7,636,796)	(7,755,337)
Total property, plant and equipment	8,033,204	7,979,295
Intangible assets	173,342	336,177
Investments and other assets		
Investment securities	422,715	404,302
Deferred tax assets	673,806	671,124
Other	121,210	119,845
Total investments and other assets	1,217,732	1,195,272
Total non-current assets	9,424,279	9,510,745
Total assets	33,307,454	35,106,642

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	7,475,744	7,271,301
Short-term borrowings	912,000	2,779,312
Lease obligations	40,269	37,501
Accounts payable - other	1,428,171	1,404,804
Accrued expenses	480,375	358,242
Income taxes payable	602,265	279,151
Advances received on construction contracts in progress	821,656	903,005
Provision for warranties for completed construction	36,372	38,656
Provision for loss on construction contracts	5,600	36,120
Provision for bonuses	1,163,017	1,543,476
Provision for bonuses for directors (and other officers)	60,000	12,500
Other	185,412	188,285
Total current liabilities	13,210,884	14,852,357
Non-current liabilities		
Long-term borrowings	1,000,000	900,000
Lease obligations	75,338	65,652
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	1,074,881	1,073,585
Total non-current liabilities	2,280,219	2,169,237
Total liabilities	15,491,104	17,021,595
Net assets		
Shareholders' equity		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,475,320
Retained earnings	15,605,123	15,815,156
Treasury shares	(7,020)	(7,020)
Total shareholders' equity	17,958,742	18,168,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	107,387	92,693
Foreign currency translation adjustment	(36,323)	25,838
Remeasurements of defined benefit plans	(213,457)	(202,260)
Total accumulated other comprehensive income	(142,392)	(83,728)
Total net assets	17,816,349	18,085,046
Total liabilities and net assets	33,307,454	35,106,642

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, 2020	Three months ended June 30, 2021
Net sales	7,098,007	10,707,217
Cost of sales	5,788,396	8,966,757
Gross profit	1,309,610	1,740,459
Selling, general and administrative expenses	931,890	999,668
Operating profit	377,719	740,790
Non-operating income		
Interest income	145	100
Dividend income	4,782	4,127
Rental income from land and buildings	9,653	10,774
Foreign exchange gains	13,825	3,373
Other	5,935	21,245
Total non-operating income	34,342	39,620
Non-operating expenses		
Interest expenses	2,243	1,830
Commitment fees	2,444	2,444
Other	968	852
Total non-operating expenses	5,657	5,128
Ordinary profit	406,404	775,283
Extraordinary income		
Gain on sale of non-current assets	36	54
Total extraordinary income	36	54
Extraordinary losses		
Loss on disposal of non-current assets	407	8,471
Loss on valuation of golf club membership	-	1,500
Total extraordinary losses	407	9,971
Profit before income taxes	406,033	765,366
Income taxes	158,248	256,969
Profit	247,784	508,397
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	247,784	508,397

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	247,784	508,397
Other comprehensive income		
Valuation difference on available-for-sale securities	11,479	(14,693)
Foreign currency translation adjustment	(173,239)	62,161
Remeasurements of defined benefit plans, net of tax	13,189	11,196
Total other comprehensive income	(148,570)	58,664
Comprehensive income	99,214	567,061
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	99,214	567,061
Comprehensive income attributable to non-controlling interests	—	—