Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: TANABE ENGINEERING CORPORATION
Stock exchange listing: Tokyo
Stock code: 1828 URL https://www.tanabe-ind.co.jp/
Representative: President and Representative Director Fumio Mizusawa
Inquiries: Director, Managing Executive Officer and General Manager of Corporate Administration Division Yuichi Gommori TEL 025-545-6500
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	12,178	10.7	877	37.5	901	35.9	536	27.4
Three months ended June 30, 2023	11,002	7.8	638	22.5	663	21.5	421	22.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	51.28	–
Three months ended June 30, 2023	39.38	–

(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, 2024	47,486	22,734	47.9	2,171.25
As of March 31, 2024	46,239	22,633	48.9	2,161.55

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	50.00	50.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		0.00	–	60.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	52,000	0.3	3,000	12.0	3,050	11.9	2,000	5.5	191.07

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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, 2024	10,728,000 shares	As of March 31, 2024	10,728,000 shares

Number of treasury shares at the end of the period

As of June 30, 2024	260,521 shares	As of March 31, 2024	260,484 shares

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

Three months ended June 30, 2024	10,467,503 shares	Three months ended June 30, 2023	10,700,916 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	3,290,904	3,634,523
Notes receivable, accounts receivable from completed construction contracts and other	31,103,229	31,702,995
Electronically recorded monetary claims - operating	833,393	989,081
Costs on construction contracts in progress	99,038	115,942
Other inventories	271,944	282,674
Other	319,667	323,320
Allowance for doubtful accounts	(3,171)	(3,237)
Total current assets	35,915,007	37,045,299
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,310,852	8,557,684
Machinery, vehicles, tools, furniture and fixtures	5,735,715	5,797,919
Land	3,195,754	3,196,468
Leased assets	399,140	301,744
Construction in progress	449,297	398,738
Accumulated depreciation	(9,288,521)	(9,326,249)
Total property, plant and equipment	8,802,239	8,926,305
Intangible assets	206,168	208,978
Investments and other assets		
Investment securities	431,419	442,213
Deferred tax assets	773,881	766,668
Other	110,612	96,998
Total investments and other assets	1,315,913	1,305,880
Total non-current assets	10,324,321	10,441,164
Total assets	46,239,329	47,486,463

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,909,348	4,267,915
Electronically recorded obligations - operating	7,548,839	7,347,182
Short-term borrowings	4,500,000	6,000,000
Lease liabilities	35,411	31,649
Accounts payable - other	772,065	777,617
Accrued expenses	451,251	393,793
Income taxes payable	425,334	303,136
Advances received on construction contracts in progress	1,016,625	2,285,059
Provision for warranties for completed construction	19,957	16,333
Provision for loss on construction contracts	18,510	2,588
Provision for bonuses	1,290,234	1,727,523
Provision for bonuses for directors (and other officers)	55,000	16,250
Provision for loss on liquidation of subsidiaries and associates	33,209	14,730
Other	129,250	299,971
Total current liabilities	22,205,038	23,483,751
Non-current liabilities		
Long-term borrowings	475,000	400,000
Lease liabilities	77,952	22,677
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	717,770	715,082
Total non-current liabilities	1,400,722	1,267,760
Total liabilities	23,605,761	24,751,511
Net assets		
Shareholders' equity		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,475,320
Retained earnings	19,943,281	19,956,687
Treasury shares	(310,440)	(310,495)
Total shareholders' equity	21,993,481	22,006,831
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	119,366	127,096
Foreign currency translation adjustment	375,666	453,892
Remeasurements of defined benefit plans	137,554	139,671
Total accumulated other comprehensive income	632,587	720,659
Non-controlling interests	7,499	7,460
Total net assets	22,633,568	22,734,951
Total liabilities and net assets	46,239,329	47,486,463

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, 2023	Three months ended June 30, 2024
Net sales	11,002,329	12,178,266
Cost of sales	9,217,717	10,115,092
Gross profit	1,784,611	2,063,174
Selling, general and administrative expenses	1,146,216	1,185,521
Operating profit	638,395	877,652
Non-operating income		
Interest income	160	611
Dividend income	3,587	4,201
Rental income from land and buildings	11,396	11,996
Foreign exchange gains	1,002	4,641
Other	12,668	11,775
Total non-operating income	28,816	33,226
Non-operating expenses		
Interest expenses	746	6,195
Commitment fees	2,814	2,818
Other	0	104
Total non-operating expenses	3,560	9,119
Ordinary profit	663,650	901,759
Extraordinary income		
Gain on sale of non-current assets	961	1,288
Gain on sale of investment securities	17	–
Total extraordinary income	978	1,288
Extraordinary losses		
Loss on sale of non-current assets	–	243
Loss on disposal of non-current assets	2,230	54,186
Loss on valuation of investment securities	444	–
Total extraordinary losses	2,675	54,430
Profit before income taxes	661,954	848,617
Income taxes	240,513	311,929
Profit	421,441	536,687
Loss attributable to non-controlling interests	–	(93)
Profit attributable to owners of parent	421,441	536,781

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	421,441	536,687
Other comprehensive income		
Valuation difference on available-for-sale securities	18,625	7,729
Foreign currency translation adjustment	59,413	78,280
Remeasurements of defined benefit plans, net of tax	9,119	2,116
Total other comprehensive income	87,157	88,126
Comprehensive income	508,598	624,814
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	508,598	624,853
Comprehensive income attributable to non-controlling interests	–	(39)