

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

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 Atsushi Taniyama TEL 03-3455-7758  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to file Securities Report: June 27, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2024	20,207	10.3	520	(20.2)	557	(19.7)	388	(19.6)
Year ended March 31, 2023	18,317	23.6	653	40.0	694	34.6	482	34.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	59.29	58.06	3.2	2.9	2.6
Year ended March 31, 2023	73.29	71.77	4.0	3.8	3.6

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	19,066	12,689	64.5	1,876.87
As of March 31, 2023	18,770	12,467	64.4	1,850.63

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	142	(947)	(309)	8,342
Year ended March 31, 2023	955	(622)	(404)	9,515

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	12.00	—	23.00	35.00	236	47.8	1.9
Year ended March 31, 2024	—	19.00	—	19.00	38.00	257	64.1	2.0
Year ending March 31, 2025 (Forecast)	—	21.00	—	22.00	43.00		43.4	

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	25,000	23.7	890	70.8	930	66.7	650	67.5	99.16

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	792,750 shares	As of March 31, 2023	818,204 shares
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Average number of shares during the period

Year ended March 31, 2024	6,544,561 shares	Year ended March 31, 2023	6,587,793 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,545,508	8,367,784
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	3,493,874	3,127,594
Electronically recorded monetary claims - operating	1,244,489	1,657,896
Costs on construction contracts in progress	832,536	1,000,210
Accounts receivable - other	453,004	716,331
Other	74,930	417,463
Allowance for doubtful accounts	(1,443)	(2,010)
<b>Total current assets</b>	<b>15,642,901</b>	<b>15,285,271</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	566,976	594,499
Accumulated depreciation	(296,964)	(320,138)
Buildings and structures, net	270,011	274,360
Machinery, equipment and vehicles	7,150,739	7,311,654
Accumulated depreciation	(6,302,025)	(6,164,601)
Machinery, equipment and vehicles, net	848,713	1,147,052
Tools, furniture and fixtures	1,750,977	1,853,575
Accumulated depreciation	(1,615,472)	(1,663,357)
Tools, furniture and fixtures, net	135,505	190,217
Land	954,278	954,278
Other	18,001	32,914
Accumulated depreciation	(7,574)	(11,183)
Other, net	10,427	21,731
<b>Total property, plant and equipment</b>	<b>2,218,937</b>	<b>2,587,641</b>
<b>Intangible assets</b>		
Goodwill	16,257	11,922
Other	40,930	92,436
<b>Total intangible assets</b>	<b>57,188</b>	<b>104,358</b>
<b>Investments and other assets</b>		
Investment securities	315,274	632,069
Deferred tax assets	129,880	41,633
Other	409,770	419,089
Allowance for doubtful accounts	(3,072)	(3,072)
<b>Total investments and other assets</b>	<b>851,852</b>	<b>1,089,719</b>
<b>Total non-current assets</b>	<b>3,127,978</b>	<b>3,781,719</b>
<b>Total assets</b>	<b>18,770,879</b>	<b>19,066,990</b>

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	4,392,628	4,608,237
Current portion of long-term borrowings	9,940	9,940
Income taxes payable	206,100	30,906
Contract liabilities	203,459	300,777
Provision for bonuses	113,091	118,840
Provision for bonuses for directors	25,600	–
Provision for warranties for completed construction	4,000	100
Provision for loss on construction contracts	27,800	5,600
Other	697,373	668,329
<b>Total current liabilities</b>	<b>5,679,993</b>	<b>5,742,731</b>
<b>Non-current liabilities</b>		
Long-term borrowings	9,940	–
Retirement benefit liability	493,365	502,194
Provision for share awards	68,682	88,219
Other	51,500	44,240
<b>Total non-current liabilities</b>	<b>623,488</b>	<b>634,655</b>
<b>Total liabilities</b>	<b>6,303,482</b>	<b>6,377,386</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,710,900	1,710,900
Capital surplus	2,330,219	2,340,256
Retained earnings	8,581,570	8,685,750
Treasury shares	(557,014)	(540,658)
<b>Total shareholders' equity</b>	<b>12,065,674</b>	<b>12,196,248</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	29,098	118,514
Foreign currency translation adjustment	(11,115)	(12,002)
<b>Total accumulated other comprehensive income</b>	<b>17,983</b>	<b>106,512</b>
Share acquisition rights	89,636	89,636
Non-controlling interests	294,103	297,207
<b>Total net assets</b>	<b>12,467,397</b>	<b>12,689,604</b>
<b>Total liabilities and net assets</b>	<b>18,770,879</b>	<b>19,066,990</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	18,317,876	20,207,106
Cost of sales	15,553,454	17,373,448
Gross profit	2,764,421	2,833,657
Selling, general and administrative expenses	2,111,326	2,312,721
Operating profit	653,094	520,935
Non-operating income		
Interest income	164	844
Dividend income	8,333	9,712
Foreign exchange gains	5,243	–
Other	28,148	31,952
Total non-operating income	41,890	42,508
Non-operating expenses		
Interest expenses	231	149
Foreign exchange losses	–	5,140
Other	229	377
Total non-operating expenses	460	5,667
Ordinary profit	694,524	557,777
Extraordinary income		
Gain on sale of non-current assets	37,499	46,899
Total extraordinary income	37,499	46,899
Extraordinary losses		
Loss on disposal of non-current assets	0	163
Other	–	0
Total extraordinary losses	0	163
Profit before income taxes	732,024	604,513
Income taxes - current	283,285	151,223
Income taxes - deferred	(39,229)	61,228
Total income taxes	244,056	212,451
Profit	487,968	392,061
Profit attributable to non-controlling interests	5,143	4,004
Profit attributable to owners of parent	482,824	388,057

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	487,968	392,061
Other comprehensive income		
Valuation difference on available-for-sale securities	9,629	89,415
Foreign currency translation adjustment	(2,494)	(886)
Total other comprehensive income	7,134	88,529
Comprehensive income	495,103	480,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	489,959	476,586
Comprehensive income attributable to non-controlling interests	5,143	4,004

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,710,900	2,447,772	8,380,240	(630,462)	11,908,450
Changes during period					
Dividends of surplus			(185,329)		(185,329)
Profit attributable to owners of parent			482,824		482,824
Purchase of treasury shares				(169,976)	(169,976)
Disposal of treasury shares				3,434	3,434
Cancellation of treasury shares		(220,808)		220,808	–
Transfer to capital surplus for negative balance		96,164	(96,164)		–
Exercise of share acquisition rights		197		1,213	1,411
Restricted share awards		6,892		17,967	24,860
Net changes in items other than shareholders' equity					
Total changes during period	–	(117,553)	201,329	73,447	157,223
Balance at end of period	1,710,900	2,330,219	8,581,570	(557,014)	12,065,674

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	19,469	(8,621)	10,848	91,045	289,859	12,300,204
Changes during period						
Dividends of surplus						(185,329)
Profit attributable to owners of parent						482,824
Purchase of treasury shares						(169,976)
Disposal of treasury shares						3,434
Cancellation of treasury shares						–
Transfer to capital surplus for negative balance						–
Exercise of share acquisition rights						1,411
Restricted share awards						24,860
Net changes in items other than shareholders' equity	9,629	(2,494)	7,134	(1,409)	4,243	9,969
Total changes during period	9,629	(2,494)	7,134	(1,409)	4,243	167,193
Balance at end of period	29,098	(11,115)	17,983	89,636	294,103	12,467,397

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,710,900	2,330,219	8,581,570	(557,014)	12,065,674
Changes during period					
Dividends of surplus			(283,877)		(283,877)
Profit attributable to owners of parent			388,057		388,057
Purchase of treasury shares				(52)	(52)
Disposal of treasury shares				2,326	2,326
Restricted share awards		10,037		14,082	24,119
Net changes in items other than shareholders' equity					
Total changes during period	–	10,037	104,179	16,356	130,573
Balance at end of period	1,710,900	2,340,256	8,685,750	(540,658)	12,196,248

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	29,098	(11,115)	17,983	89,636	294,103	12,467,397
Changes during period						
Dividends of surplus						(283,877)
Profit attributable to owners of parent						388,057
Purchase of treasury shares						(52)
Disposal of treasury shares						2,326
Restricted share awards						24,119
Net changes in items other than shareholders' equity	89,415	(886)	88,529		3,104	91,633
Total changes during period	89,415	(886)	88,529	–	3,104	222,206
Balance at end of period	118,514	(12,002)	106,512	89,636	297,207	12,689,604



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	732,024	604,513
Depreciation	430,196	474,166
Amortization of goodwill	4,335	4,335
Increase (decrease) in provision for loss on construction contracts	19,006	(22,200)
Increase (decrease) in allowance for doubtful accounts	(7,896)	566
Increase (decrease) in provision for bonuses	4,995	5,749
Increase (decrease) in provision for bonuses for directors	25,600	(25,600)
Increase (decrease) in provision for warranties for completed construction	600	(3,900)
Increase (decrease) in retirement benefit liability	(9,768)	8,829
Increase (decrease) in provision for share awards	6,227	19,537
Interest and dividend income	(8,497)	(10,556)
Interest expenses	231	149
Loss (gain) on sale of property, plant and equipment	(37,499)	(46,899)
Loss (gain) on disposal of property, plant and equipment	0	163
Foreign exchange losses (gains)	(9,835)	58,052
Decrease (increase) in accounts receivable - trade, and contract assets	(743,717)	(268,505)
Decrease (increase) in costs on construction contracts in progress	(110,731)	(167,774)
Increase (decrease) in trade payables	710,911	215,698
Increase (decrease) in contract liabilities	74,900	97,270
Other, net	165,834	(444,417)
Subtotal	1,246,916	499,179
Interest and dividends received	9,394	10,496
Interest paid	(231)	(149)
Income taxes refund (paid)	(300,193)	(366,980)
Net cash provided by (used in) operating activities	955,886	142,546
Cash flows from investing activities		
Payments into long-term time deposits	(300,000)	–
Purchase of property, plant and equipment	(319,312)	(707,563)
Proceeds from sale of property, plant and equipment	37,500	34,815
Purchase of intangible assets	(20,410)	(67,058)
Purchase of investment securities	(20,753)	(200,360)
Loan advances	(2,373)	(8,154)
Proceeds from collection of loans receivable	953	2,958
Payments of leasehold and guarantee deposits	(3,414)	(3,345)
Proceeds from refund of leasehold and guarantee deposits	2,610	1,739
Other, net	2,419	(49)
Net cash provided by (used in) investing activities	(622,780)	(947,020)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(9,940)	(9,940)
Purchase of treasury shares	(169,976)	(52)
Dividends paid	(183,704)	(281,334)
Dividends paid to non-controlling interests	(900)	(900)
Other, net	(39,969)	(17,385)
Net cash provided by (used in) financing activities	(404,491)	(309,613)
Effect of exchange rate change on cash and cash equivalents	5,432	(58,987)
Net increase (decrease) in cash and cash equivalents	(65,952)	(1,173,074)
Cash and cash equivalents at beginning of period	9,581,283	9,515,331
Cash and cash equivalents at end of period	9,515,331	8,342,257