

Translation

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

May 13, 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  
 Director, Managing Executive Officer and  
 Inquiries: General Manager of Yuichi Gommori TEL 025-545-6500  
 Corporate Administration Division  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024  
 Scheduled date to file Securities Report: June 27, 2024  
 Scheduled date to commence dividend payments: June 27, 2024  
 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 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	51,842	20.7	2,677	(2.0)	2,726	(2.1)	1,895	14.5
Year ended March 31, 2023	42,944	1.0	2,732	(2.9)	2,785	(3.9)	1,656	(11.6)

	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	179.71	–	8.7	6.5	5.2
Year ended March 31, 2023	154.78	–	8.2	7.7	6.4

#### (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	46,239	22,633	48.9	2,161.55
As of March 31, 2023	37,574	20,967	55.8	1,959.43

#### (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	(4,740)	(1,089)	2,899	3,290
Year ended March 31, 2023	1,829	(647)	(196)	6,174

### 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	–	0.00	–	40.00	40.00	428	25.8	2.1
Year ended March 31, 2024	–	0.00	–	50.00	50.00	523	27.8	2.4
Year ending March 31, 2025 (Forecast)	–	0.00	–	60.00	60.00		31.4	

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

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	10,728,000 shares	As of March 31, 2023	10,728,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	260,484 shares	As of March 31, 2023	27,084 shares
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Average number of shares during the period

Year ended March 31, 2024	10,550,418 shares	Year ended March 31, 2023	10,700,916 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	6,174,237	3,290,904
Notes receivable, accounts receivable from completed construction contracts and other	20,221,186	31,103,229
Electronically recorded monetary claims - operating	508,442	833,393
Costs on construction contracts in progress	127,609	99,038
Other inventories	310,468	271,944
Other	268,971	319,667
Allowance for doubtful accounts	(2,060)	(3,171)
<b>Total current assets</b>	<b>27,608,853</b>	<b>35,915,007</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,114,818	8,310,852
Machinery, vehicles, tools, furniture and fixtures	5,359,003	5,735,715
Land	3,152,404	3,195,754
Leased assets	336,817	399,140
Construction in progress	91,886	449,297
Accumulated depreciation	(8,638,403)	(9,288,521)
<b>Total property, plant and equipment</b>	<b>8,416,527</b>	<b>8,802,239</b>
Intangible assets	276,280	206,168
<b>Investments and other assets</b>		
Investment securities	406,048	431,419
Deferred tax assets	737,331	773,881
Other	129,037	110,612
<b>Total investments and other assets</b>	<b>1,272,417</b>	<b>1,315,913</b>
<b>Total non-current assets</b>	<b>9,965,225</b>	<b>10,324,321</b>
<b>Total assets</b>	<b>37,574,079</b>	<b>46,239,329</b>

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,779,219	5,909,348
Electronically recorded obligations - operating	3,037,067	7,548,839
Short-term borrowings	1,000,000	4,500,000
Lease liabilities	34,471	35,411
Accounts payable - other	1,195,336	772,065
Accrued expenses	422,869	451,251
Income taxes payable	558,565	425,334
Advances received on construction contracts in progress	1,507,810	1,016,625
Provision for warranties for completed construction	22,696	19,957
Provision for loss on construction contracts	–	18,510
Provision for bonuses	1,270,828	1,290,234
Provision for bonuses for directors (and other officers)	55,000	55,000
Provision for loss on liquidation of subsidiaries and associates	–	33,209
Other	167,640	129,250
Total current liabilities	15,051,506	22,205,038
Non-current liabilities		
Long-term borrowings	300,000	475,000
Lease liabilities	30,184	77,952
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	1,094,737	717,770
Total non-current liabilities	1,554,922	1,400,722
Total liabilities	16,606,428	23,605,761
Net assets		
Shareholders' equity		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,475,320
Retained earnings	18,475,355	19,943,281
Treasury shares	(7,020)	(310,440)
Total shareholders' equity	20,828,974	21,993,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,987	119,366
Foreign currency translation adjustment	223,874	375,666
Remeasurements of defined benefit plans	(139,186)	137,554
Total accumulated other comprehensive income	138,675	632,587
Non-controlling interests	–	7,499
Total net assets	20,967,650	22,633,568
Total liabilities and net assets	37,574,079	46,239,329

**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		
Net sales of completed construction contracts	42,944,179	51,842,358
Total net sales	42,944,179	51,842,358
Cost of sales		
Cost of sales of completed construction contracts	35,716,962	44,513,805
Total cost of sales	35,716,962	44,513,805
Gross profit		
Gross profit on completed construction contracts	7,227,217	7,328,553
Total gross profit	7,227,217	7,328,553
Selling, general and administrative expenses		
Employees' salaries and allowances	1,312,105	1,367,672
Provision for bonuses	506,614	512,042
Provision for bonuses for directors (and other officers)	55,000	55,000
Retirement benefit expenses	60,800	63,310
Depreciation	304,193	337,674
Enterprise tax	108,675	104,402
Other	2,146,930	2,210,991
Total selling, general and administrative expenses	4,494,320	4,651,094
Operating profit	2,732,896	2,677,458
Non-operating income		
Interest income	1,056	2,095
Dividend income	8,965	7,781
Rental income from land and buildings	55,411	46,571
Receive compensation	–	13,619
Other	30,811	35,486
Total non-operating income	96,244	105,554
Non-operating expenses		
Interest expenses	11,941	12,494
Loss on sale of receivables	6,155	4,363
Commitment fees	11,049	20,715
Compensation expenses	6,327	–
Loss on redemption of investment securities	–	10,863
Foreign exchange losses	6,741	2,856
Other	1,910	5,659
Total non-operating expenses	44,126	56,953
Ordinary profit	2,785,014	2,726,059
Extraordinary income		
Gain on sale of non-current assets	64	2,641
Gain on sale of investment securities	–	17
Gain on sale of golf club membership	9	–
Total extraordinary income	74	2,658

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses		
Loss on sale of non-current assets	757	71
Loss on disposal of non-current assets	48,588	21,874
Loss on valuation of investment securities	7,912	444
Loss on valuation of golf club membership	–	409
Impairment losses	91,859	56,017
Provision for loss on liquidation of subsidiaries and associates	–	33,209
Total extraordinary losses	149,117	112,027
Profit before income taxes	2,635,971	2,616,690
Income taxes - current	1,013,788	887,710
Income taxes - deferred	(34,136)	(166,057)
Total income taxes	979,651	721,652
Profit	1,656,320	1,895,037
Profit attributable to non-controlling interests	–	(925)
Profit attributable to owners of parent	1,656,320	1,895,963

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,656,320	1,895,037
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,425)	65,378
Foreign currency translation adjustment	239,555	151,893
Remeasurements of defined benefit plans, net of tax	63,565	276,741
Total other comprehensive income	296,694	494,013
Comprehensive income	1,953,015	2,389,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,953,015	2,389,874
Comprehensive income attributable to non-controlling interests	–	(823)

## 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	885,320	1,475,320	17,172,165	(7,020)	19,525,784
Changes during period					
Dividends of surplus			(353,130)		(353,130)
Profit attributable to owners of parent			1,656,320		1,656,320
Purchase of treasury shares					
Increase in consolidated subsidiaries - non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,303,190	–	1,303,190
Balance at end of period	885,320	1,475,320	18,475,355	(7,020)	20,828,974

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	60,413	(15,680)	(202,752)	(158,019)	–	19,367,765
Changes during period						
Dividends of surplus						(353,130)
Profit attributable to owners of parent						1,656,320
Purchase of treasury shares						
Increase in consolidated subsidiaries - non-controlling interests						
Net changes in items other than shareholders' equity	(6,425)	239,555	63,565	296,694		296,694
Total changes during period	(6,425)	239,555	63,565	296,694		1,599,885
Balance at end of period	53,987	223,874	(139,186)	138,675	–	20,967,650



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	885,320	1,475,320	18,475,355	(7,020)	20,828,974
Changes during period					
Dividends of surplus			(428,036)		(428,036)
Profit attributable to owners of parent			1,895,963		1,895,963
Purchase of treasury shares				(303,420)	(303,420)
Increase in consolidated subsidiaries - non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,467,926	(303,420)	1,164,506
Balance at end of period	885,320	1,475,320	19,943,281	(310,440)	21,993,481

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	53,987	223,874	(139,186)	138,675	–	20,967,650
Changes during period						
Dividends of surplus						(428,036)
Profit attributable to owners of parent						1,895,963
Purchase of treasury shares						(303,420)
Increase in consolidated subsidiaries - non-controlling interests					8,323	8,323
Net changes in items other than shareholders' equity	65,378	151,791	276,741	493,911	(823)	493,088
Total changes during period	65,378	151,791	276,741	493,911	7,499	1,665,918
Balance at end of period	119,366	375,666	137,554	632,587	7,499	22,633,568

## 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	2,635,971	2,616,690
Depreciation	717,561	727,829
Impairment losses	91,859	56,017
Increase (decrease) in allowance for doubtful accounts	178	1,110
Increase (decrease) in provision for bonuses	35,433	19,406
Increase (decrease) in retirement benefit liability	1,669	(29,406)
Increase (decrease) in provision for warranties for completed construction	(17,680)	(2,777)
Increase (decrease) in provision for loss on construction contracts	(22,150)	18,510
Interest and dividend income	(10,022)	(9,877)
Interest expenses	11,941	12,494
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	–	33,209
Loss (gain) on sale of investment securities	–	(17)
Loss (gain) on valuation of investment securities	7,921	444
Loss (gain) on redemption of investment securities	–	10,863
Loss (gain) on sale of property, plant and equipment	692	(2,569)
Loss on retirement of property, plant and equipment	23,823	12,104
Decrease (increase) in trade receivables	(1,269,395)	(11,185,431)
Decrease (increase) in costs on construction contracts in progress	(66,018)	30,135
Decrease (increase) in inventories	216,735	53,086
Decrease (increase) in other current assets	(47,989)	(46,623)
Increase (decrease) in trade payables	143,790	3,997,975
Increase (decrease) in advances received on construction contracts in progress	891,923	(495,071)
Increase (decrease) in other current liabilities	(609,510)	411,906
Other, net	91,276	53,264
Subtotal	2,828,014	(3,716,724)
Interest and dividends received	10,022	9,877
Interest paid	(11,752)	(12,760)
Income taxes paid	(996,651)	(1,020,942)
Net cash provided by (used in) operating activities	1,829,632	(4,740,550)
Cash flows from investing activities		
Purchase of property, plant and equipment	(615,737)	(1,131,738)
Proceeds from sale of property, plant and equipment	716	2,768
Purchase of intangible assets	(9,678)	(17,119)
Purchase of investment securities	(2,568)	(5,515)
Proceeds from sale of investment securities	427	471
Proceeds from redemption of investment securities	–	39,136
Loan advances	–	(16,313)
Proceeds from collection of loans receivable	–	16,741
Other, net	(20,848)	21,613
Net cash provided by (used in) investing activities	(647,688)	(1,089,955)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	600,000	3,500,000
Repayments of long-term borrowings	(400,000)	(325,000)
Proceeds from long-term borrowings	–	500,000
Dividends paid	(346,419)	(433,617)
Proceeds from share issuance to non-controlling shareholders	–	8,323
Purchase of treasury shares	–	(303,420)
Repayments of lease liabilities	(49,975)	(46,687)
Net cash provided by (used in) financing activities	(196,395)	2,899,598
Effect of exchange rate change on cash and cash equivalents	64,438	47,573
Net increase (decrease) in cash and cash equivalents	1,049,986	(2,883,333)
Cash and cash equivalents at beginning of period	5,124,250	6,174,237
Cash and cash equivalents at end of period	6,174,237	3,290,904