

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 13, 2025

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 and Managing Executive Officer Yuichi Gommori TEL 025-545-6500
 Scheduled date of ordinary general meeting of shareholders: June 25, 2025
 Scheduled date to file Securities Report: June 24, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 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, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	50,832	(1.9)	3,837	43.3	3,906	43.3	2,593	36.8
Year ended March 31, 2024	51,842	20.7	2,677	(2.0)	2,726	(2.1)	1,895	14.5

	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, 2025	247.47	—	10.9	8.5	7.5
Year ended March 31, 2024	179.71	—	8.7	6.5	5.2

(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, 2025	45,976	24,988	54.3	2,381.01
As of March 31, 2024	46,239	22,633	48.9	2,161.55

(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, 2025	12,925	(1,278)	(4,171)	10,849
Year ended March 31, 2024	(4,740)	(1,089)	2,899	3,290

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, 2024	—	0.00	—	50.00	50.00	523	27.8	2.4
Year ended March 31, 2025	—	0.00	—	87.00	87.00	912	35.2	3.8
Year ending March 31, 2026 (Forecast)	—	0.00	—	92.00	92.00		35.7	

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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	53,000	4.3	4,000	4.2	4,050	3.7	2,700	4.1	257.67

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended March 31, 2025: Yes
- (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: Yes
- 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, 2025	10,728,000 shares	As of March 31, 2024	10,728,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	236,321 shares	As of March 31, 2024	260,484 shares
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Average number of shares during the period

Year ended March 31, 2025	10,478,449 shares	Year ended March 31, 2024	10,550,418 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,290,904	10,849,611
Notes receivable, accounts receivable from completed construction contracts and other	31,103,229	21,632,332
Electronically recorded monetary claims - operating	833,393	1,696,250
Costs on construction contracts in progress	99,038	79,576
Other inventories	271,944	261,002
Other	319,667	494,404
Allowance for doubtful accounts	(3,171)	(2,291)
Total current assets	35,915,007	35,010,887
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,310,852	8,890,597
Machinery, vehicles, tools, furniture and fixtures	5,735,715	6,341,779
Land	3,195,754	3,239,355
Leased assets	399,140	134,661
Construction in progress	449,297	795,060
Accumulated depreciation	(9,288,521)	(9,887,385)
Total property, plant and equipment	8,802,239	9,514,069
Intangible assets	206,168	183,707
Investments and other assets		
Investment securities	431,419	330,657
Retirement benefit asset	—	25,003
Deferred tax assets	773,881	790,528
Other	110,612	121,456
Total investments and other assets	1,315,913	1,267,645
Total non-current assets	10,324,321	10,965,423
Total assets	46,239,329	45,976,310

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,909,348	4,601,857
Electronically recorded obligations - operating	7,548,839	6,433,987
Short-term borrowings	4,500,000	400,000
Lease liabilities	35,411	30,397
Accounts payable - other	772,065	1,007,918
Accrued expenses	451,251	482,121
Income taxes payable	425,334	845,108
Advances received on construction contracts in progress	1,016,625	3,508,905
Provision for warranties for completed construction	19,957	15,259
Provision for loss on construction contracts	18,510	—
Provision for bonuses	1,290,234	1,587,540
Provision for bonuses for directors (and other officers)	55,000	75,000
Provision for loss on liquidation of subsidiaries and associates	33,209	—
Other	129,250	103,531
Total current liabilities	22,205,038	19,091,627
Non-current liabilities		
Long-term borrowings	475,000	975,000
Lease liabilities	77,952	21,244
Long-term accounts payable - other	130,000	130,000
Retirement benefit liability	717,770	770,253
Total non-current liabilities	1,400,722	1,896,498
Total liabilities	23,605,761	20,988,125
Net assets		
Shareholders' equity		
Share capital	885,320	885,320
Capital surplus	1,475,320	1,482,702
Retained earnings	19,943,281	22,013,044
Treasury shares	(310,440)	(281,474)
Total shareholders' equity	21,993,481	24,099,592
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	119,366	114,751
Foreign currency translation adjustment	375,666	610,134
Remeasurements of defined benefit plans	137,554	156,305
Total accumulated other comprehensive income	632,587	881,191
Non-controlling interests	7,499	7,400
Total net assets	22,633,568	24,988,184
Total liabilities and net assets	46,239,329	45,976,310

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

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	51,842,358	50,832,166
Total net sales	51,842,358	50,832,166
Cost of sales		
Cost of sales of completed construction contracts	44,513,805	42,104,259
Total cost of sales	44,513,805	42,104,259
Gross profit		
Gross profit on completed construction contracts	7,328,553	8,727,907
Total gross profit	7,328,553	8,727,907
Selling, general and administrative expenses		
Employees' salaries and allowances	1,367,672	1,344,513
Provision for bonuses	512,042	615,954
Provision for bonuses for directors (and other officers)	55,000	75,000
Retirement benefit expenses	63,310	82,298
Depreciation	337,674	315,271
Enterprise tax	104,402	116,872
Other	2,210,991	2,340,451
Total selling, general and administrative expenses	4,651,094	4,890,362
Operating profit	2,677,458	3,837,544
Non-operating income		
Interest income	2,095	3,346
Dividend income	7,781	9,410
Rental income from land and buildings	46,571	48,006
Receive compensation	13,619	—
Insurance claim income	6,550	28,948
Other	28,936	38,628
Total non-operating income	105,554	128,341
Non-operating expenses		
Interest expenses	12,494	27,732
Loss on sale of receivables	4,363	16,199
Commitment fees	20,715	11,299
Loss on redemption of investment securities	10,863	—
Foreign exchange losses	2,856	856
Other	5,659	2,858
Total non-operating expenses	56,953	58,947
Ordinary profit	2,726,059	3,906,938
Extraordinary income		
Gain on sale of non-current assets	2,641	2,105
Gain on sale of investment securities	17	8,457
Total extraordinary income	2,658	10,562

	(Thousands of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary losses		
Loss on sale of non-current assets	71	2,753
Loss on disposal of non-current assets	21,874	58,080
Loss on sale of investment securities	—	599
Loss on valuation of investment securities	444	—
Loss on valuation of golf club membership	409	—
Impairment losses	56,017	22,927
Provision for loss on liquidation of subsidiaries and associates	33,209	—
Total extraordinary losses	112,027	84,360
Profit before income taxes	2,616,690	3,833,141
Income taxes - current	887,710	1,273,061
Income taxes - deferred	(166,057)	(32,033)
Total income taxes	721,652	1,241,027
Profit	1,895,037	2,592,113
Loss attributable to non-controlling interests	(925)	(1,024)
Profit attributable to owners of parent	1,895,963	2,593,138

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	1,895,037	2,592,113
Other comprehensive income		
Valuation difference on available-for-sale securities	65,378	(4,615)
Foreign currency translation adjustment	151,893	235,394
Remeasurements of defined benefit plans, net of tax	276,741	18,750
Total other comprehensive income	494,013	249,530
Comprehensive income	2,389,051	2,841,643
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,389,874	2,841,742
Comprehensive income attributable to non-controlling interests	(823)	(98)

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2025

(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	19,943,281	(310,440)	21,993,481
Changes during period					
Dividends of surplus			(523,375)		(523,375)
Profit attributable to owners of parent			2,593,138		2,593,138
Purchase of treasury shares				(54)	(54)
Disposal of treasury shares		7,382		29,020	36,403
Increase in consolidated subsidiaries - non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	7,382	2,069,762	28,966	2,106,110
Balance at end of period	885,320	1,482,702	22,013,044	(281,474)	24,099,592

	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	119,366	375,666	137,554	632,587	7,499	22,633,568
Changes during period						
Dividends of surplus						(523,375)
Profit attributable to owners of parent						2,593,138
Purchase of treasury shares						(54)
Disposal of treasury shares						36,403
Increase in consolidated subsidiaries - non-controlling interests						
Net changes in items other than shareholders' equity	(4,615)	234,468	18,750	248,604	(98)	248,505
Total changes during period	(4,615)	234,468	18,750	248,604	(98)	2,354,616
Balance at end of period	114,751	610,134	156,305	881,191	7,400	24,988,184

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,616,690	3,833,141
Depreciation	727,829	731,652
Impairment losses	56,017	22,927
Increase (decrease) in allowance for doubtful accounts	1,110	(879)
Increase (decrease) in provision for bonuses	19,406	317,306
Decrease (increase) in retirement benefit asset	—	(25,003)
Increase (decrease) in retirement benefit liability	(29,406)	45,913
Increase (decrease) in provision for warranties for completed construction	(2,777)	(4,767)
Increase (decrease) in provision for loss on construction contracts	18,510	(18,510)
Interest and dividend income	(9,877)	(12,757)
Interest expenses	12,494	27,732
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	33,209	(33,209)
Loss (gain) on sale of investment securities	(17)	(7,858)
Loss (gain) on valuation of investment securities	444	—
Loss (gain) on redemption of investment securities	10,863	—
Loss (gain) on sale of property, plant and equipment	(2,569)	648
Loss on retirement of property, plant and equipment	12,104	58,080
Decrease (increase) in trade receivables	(11,185,431)	8,650,413
Decrease (increase) in costs on construction contracts in progress	30,135	19,463
Decrease (increase) in inventories	53,086	31,117
Decrease (increase) in other current assets	(46,623)	(156,481)
Increase (decrease) in trade payables	3,997,975	(2,437,227)
Increase (decrease) in advances received on construction contracts in progress	(495,071)	2,487,547
Increase (decrease) in other current liabilities	411,906	203,774
Other, net	53,264	62,159
Subtotal	(3,716,724)	13,795,183
Interest and dividends received	9,877	12,757
Interest paid	(12,760)	(28,922)
Income taxes paid	(1,020,942)	(853,287)
Net cash provided by (used in) operating activities	(4,740,550)	12,925,730
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,131,738)	(1,309,234)
Proceeds from sale of property, plant and equipment	2,768	2,001
Payments for retirement of property, plant and equipment	—	(45,452)
Purchase of intangible assets	(17,119)	(38,916)
Purchase of investment securities	(5,515)	(2,368)
Proceeds from sale of investment securities	471	108,409
Proceeds from redemption of investment securities	39,136	—
Loan advances	(16,313)	—
Proceeds from collection of loans receivable	16,741	535
Other, net	21,613	6,798
Net cash provided by (used in) investing activities	(1,089,955)	(1,278,226)

	(Thousands of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,500,000	(4,200,000)
Repayments of long-term borrowings	(325,000)	(400,000)
Proceeds from long-term borrowings	500,000	1,000,000
Dividends paid	(433,617)	(523,816)
Proceeds from share issuance to non-controlling shareholders	8,323	—
Purchase of treasury shares	(303,420)	(54)
Repayments of lease liabilities	(46,687)	(47,203)
Net cash provided by (used in) financing activities	2,899,598	(4,171,075)
Effect of exchange rate change on cash and cash equivalents	47,573	82,279
Net increase (decrease) in cash and cash equivalents	(2,883,333)	7,558,707
Cash and cash equivalents at beginning of period	6,174,237	3,290,904
Cash and cash equivalents at end of period	3,290,904	10,849,611