

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

Company name: teno.Holdings Company Limited  
 Stock exchange listing: Tokyo, Fukuoka  
 Stock code: 7037 URL <https://www.teno.co.jp/>  
 Representative: President & CEO Hiroko Ikeuchi  
 Inquiries: Director Haruhiko Yoshino TEL 092 (263) 3550  
 Scheduled date to file Quarterly Securities Report: November 11, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2021 (from January 1, 2021 to September 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	%
Nine months ended September 30, 2021	8,550	7.3	353	(27.1)	354	(25.1)	217	(26.4)
Nine months ended September 30, 2020	7,970	6.6	484	35.5	473	39.8	295	32.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2021	46.59		46.24	
Nine months ended September 30, 2020	63.56		62.90	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	7,155	2,311	32.3
As of December 31, 2020	7,419	2,127	28.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2020	–	0.00	–	8.20	8.20
Year ending December 31, 2021	–	0.00	–		
Year ending December 31, 2021 (Forecast)				8.40	8.40

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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	11,400	5.8	433	(29.3)	426	(28.3)	234	(31.0)	50.01

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 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: No
- (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: No
- 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 September 30, 2021	4,679,700 shares	As of December 31, 2020	4,657,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	224 shares	As of December 31, 2020	183 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	4,675,057 shares	Nine months ended September 30, 2020	4,655,874 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,895,696	1,488,833
Accounts receivable - trade	955,655	858,655
Other	356,148	406,635
Allowance for doubtful accounts	(1,028)	(1,011)
Total current assets	3,206,472	2,753,112
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,376,863	2,427,725
Accumulated depreciation	(723,967)	(832,373)
Buildings and structures, net	1,652,896	1,595,351
Leased assets	15,633	15,633
Accumulated depreciation	(10,770)	(12,891)
Leased assets, net	4,863	2,742
Construction in progress	81,040	335,841
Other	341,161	356,310
Accumulated depreciation	(291,906)	(307,627)
Other, net	49,254	48,682
Total property, plant and equipment	1,788,055	1,982,618
Intangible assets		
Goodwill	710,548	664,974
Other	110,618	161,551
Total intangible assets	821,167	826,526
Investments and other assets		
Long-term loans receivable	818,039	788,004
Long-term prepaid expenses	355,249	324,252
Deferred tax assets	58,681	109,749
Leasehold and guarantee deposits	371,501	370,938
Other	581	5,788
Allowance for doubtful accounts	(581)	(5,788)
Total investments and other assets	1,603,471	1,592,944
Total non-current assets	4,212,694	4,402,089
Total assets	7,419,167	7,155,201

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	24,001	22,353
Short-term borrowings	300,000	650,000
Current portion of long-term borrowings	441,312	446,329
Accounts payable - other	795,981	570,214
Income taxes payable	185,859	61,698
Provision for bonuses	47,924	168,157
Other	600,794	296,048
Total current liabilities	2,395,874	2,214,803
Non-current liabilities		
Long-term borrowings	2,767,782	2,485,213
Deferred tax liabilities	2,764	14,033
Provision for retirement benefits for directors (and other officers)	16,513	22,207
Asset retirement obligations	92,197	92,469
Other	16,369	15,160
Total non-current liabilities	2,895,627	2,629,084
Total liabilities	5,291,501	4,843,888
<b>Net assets</b>		
Shareholders' equity		
Share capital	451,141	453,184
Capital surplus	528,641	530,684
Retained earnings	1,148,074	1,327,687
Treasury shares	(191)	(241)
Total shareholders' equity	2,127,665	2,311,313
Total net assets	2,127,665	2,311,313
<b>Total liabilities and net assets</b>	<b>7,419,167</b>	<b>7,155,201</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	7,970,700	8,550,293
Cost of sales	6,549,637	7,187,601
Gross profit	1,421,063	1,362,691
Selling, general and administrative expenses	936,126	1,009,038
Operating profit	484,937	353,653
Non-operating income		
Interest income	3,828	3,821
Subsidy income	150	21,269
Other	649	1,224
Total non-operating income	4,628	26,315
Non-operating expenses		
Interest expenses	11,267	12,468
Payments for employment of persons with disabilities	4,220	3,325
subsidies return loss	544	7,442
Other	191	2,008
Total non-operating expenses	16,223	25,244
Ordinary profit	473,342	354,724
Extraordinary income		
Subsidy income	400,003	478,810
Total extraordinary income	400,003	478,810
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	399,904	476,868
Other	–	4,444
Total extraordinary losses	399,904	481,312
Profit before income taxes	473,441	352,221
Income taxes - current	218,783	174,218
Income taxes - deferred	(41,249)	(39,799)
Total income taxes	177,533	134,419
Profit	295,907	217,802
Profit attributable to owners of parent	295,907	217,802

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	295,907	217,802
Comprehensive income	295,907	217,802
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	295,907	217,802