

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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, GM of Administrative Headquarter Motoshi Okada TEL 092 (263) 3550
 Scheduled date to file Quarterly Securities Report: May 12, 2023
 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2023	3,389	14.7	161	(6.0)	59	(37.3)	76	(31.3)	18	(69.2)
Three months ended March 31, 2022	2,954	(0.4)	170	(66.4)	95	(56.6)	111	(52.7)	59	(59.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	4.00		3.98	
Three months ended March 31, 2022	12.68		12.61	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	10,441	2,158	20.7
As of December 31, 2022	9,323	2,180	23.4

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 December 31, 2022	–	0.00	–	9.00	9.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		0.00	–	9.00	9.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	15,170	25.1	320	107.5	285	82.0	137	–	29.24

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 March 31, 2023	4,690,500 shares	As of December 31, 2022	4,685,700 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	132,724 shares	As of December 31, 2022	132,724 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	4,556,176 shares	Three months ended March 31, 2022	4,670,354 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,174	2,467
Accounts receivable - trade and contract assets	1,147	1,209
Inventories	67	66
Other	604	934
Allowance for doubtful accounts	(3)	(4)
Total current assets	3,989	4,673
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,679	2,685
Accumulated depreciation	(1,121)	(1,164)
Buildings and structures, net	1,557	1,520
Leased assets	48	48
Accumulated depreciation	(42)	(43)
Leased assets, net	6	5
Construction in progress	105	346
Other	454	460
Accumulated depreciation	(395)	(405)
Other, net	58	55
Total property, plant and equipment	1,728	1,926
Intangible assets		
Goodwill	1,636	1,793
Other	229	252
Total intangible assets	1,865	2,045
Investments and other assets		
Investment securities	10	10
Long-term loans receivable	737	727
Long-term prepaid expenses	328	318
Deferred tax assets	165	202
Leasehold and guarantee deposits	497	537
Other	1	1
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	1,739	1,795
Total non-current assets	5,333	5,768
Total assets	9,323	10,441

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	60	40
Short-term borrowings	1,140	2,389
Current portion of long-term borrowings	652	622
Accounts payable - other	801	708
Income taxes payable	26	97
Provision for bonuses	64	173
Contract liabilities	624	349
Other	370	637
Total current liabilities	3,739	5,019
Non-current liabilities		
Long-term borrowings	3,137	2,996
Deferred tax liabilities	8	3
Provision for retirement benefits for directors (and other officers)	26	34
Asset retirement obligations	209	209
Other	20	20
Total non-current liabilities	3,402	3,264
Total liabilities	7,142	8,283
Net assets		
Shareholders' equity		
Share capital	453	454
Capital surplus	531	531
Retained earnings	1,280	1,257
Treasury shares	(84)	(84)
Total shareholders' equity	2,180	2,158
Total net assets	2,180	2,158
Total liabilities and net assets	9,323	10,441

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	2,954	3,389
Cost of sales	2,489	2,888
Gross profit	465	500
Selling, general and administrative expenses	369	440
Operating profit	95	59
Non-operating income		
Interest income	1	1
Subsidy income	12	19
Other	6	2
Total non-operating income	21	22
Non-operating expenses		
Interest expenses	4	5
Other	0	0
Total non-operating expenses	4	5
Ordinary profit	111	76
Extraordinary income		
Subsidy income	4	2
Total extraordinary income	4	2
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	4	2
Total extraordinary losses	4	2
Profit before income taxes	111	76
Income taxes - current	85	96
Income taxes - deferred	(33)	(38)
Total income taxes	52	58
Profit	59	18
Profit attributable to owners of parent	59	18

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	59	18
Comprehensive income	59	18
Comprehensive income attributable to Comprehensive income attributable to owners of parent	59	18