

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 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: November 10, 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 nine months ended September 30, 2023 (from January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	10,745	21.6	385	21.0	82	8.9	94	14.1	60	587.1
Nine months ended September 30, 2022	8,835	3.3	318	(42.2)	75	(78.7)	82	(76.7)	8	(96.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	13.21		13.16	
Nine months ended September 30, 2022	1.91		1.90	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	9,294	2,200	23.7
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				
Year ended December 31, 2022	–	0.00	–	9.00	9.00
Year ending December 31, 2023	–	0.00	–		
Year ending December 31, 2023 (Forecast)				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	14,700	21.2	200	29.7	190	21.3	120	–	25.58

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 2023	4,691,700 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 September 30, 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)

Nine months ended September 30, 2023	4,557,262 shares	Nine months ended September 30, 2022	4,597,343 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,174	1,798
Accounts receivable - trade and contract assets	1,147	1,167
Inventories	67	68
Other	604	914
Allowance for doubtful accounts	(3)	(3)
<b>Total current assets</b>	<b>3,989</b>	<b>3,945</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,679	2,722
Accumulated depreciation	(1,121)	(1,242)
Buildings and structures, net	1,557	1,479
Leased assets	48	48
Accumulated depreciation	(42)	(43)
Leased assets, net	6	4
Construction in progress	105	23
Other	454	469
Accumulated depreciation	(395)	(425)
Other, net	58	44
<b>Total property, plant and equipment</b>	<b>1,728</b>	<b>1,553</b>
<b>Intangible assets</b>		
Goodwill	1,636	1,711
Other	229	251
<b>Total intangible assets</b>	<b>1,865</b>	<b>1,962</b>
<b>Investments and other assets</b>		
Investment securities	10	10
Long-term loans receivable	737	707
Long-term prepaid expenses	328	316
Deferred tax assets	165	213
Leasehold and guarantee deposits	497	585
Other	1	2
Allowance for doubtful accounts	(1)	(2)
<b>Total investments and other assets</b>	<b>1,739</b>	<b>1,833</b>
<b>Total non-current assets</b>	<b>5,333</b>	<b>5,349</b>
<b>Total assets</b>	<b>9,323</b>	<b>9,294</b>

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	60	50
Short-term borrowings	1,140	1,189
Current portion of long-term borrowings	652	571
Accounts payable - other	801	723
Income taxes payable	26	50
Provision for bonuses	64	188
Contract liabilities	624	428
Other	370	614
Total current liabilities	3,739	3,816
Non-current liabilities		
Long-term borrowings	3,137	2,996
Deferred tax liabilities	8	1
Provision for retirement benefits for directors (and other officers)	26	36
Asset retirement obligations	209	222
Other	20	19
Total non-current liabilities	3,402	3,277
Total liabilities	7,142	7,094
<b>Net assets</b>		
Shareholders' equity		
Share capital	453	454
Capital surplus	531	531
Retained earnings	1,280	1,299
Treasury shares	(84)	(84)
Total shareholders' equity	2,180	2,200
Total net assets	2,180	2,200
Total liabilities and net assets	9,323	9,294

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	8,835	10,745
Cost of sales	7,564	9,153
Gross profit	1,270	1,591
Selling, general and administrative expenses	1,195	1,509
Operating profit	75	82
Non-operating income		
Interest income	3	4
Subsidy income	21	24
Other	4	2
Total non-operating income	29	31
Non-operating expenses		
Interest expenses	12	15
Payments for employment of persons with disabilities	2	2
Other	8	1
Total non-operating expenses	22	18
Ordinary profit	82	94
Extraordinary income		
Subsidy income	246	290
Total extraordinary income	246	290
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	246	290
Total extraordinary losses	246	290
Profit before income taxes	82	94
Income taxes - current	136	84
Income taxes - deferred	(62)	(50)
Total income taxes	74	34
Profit	8	60
Profit attributable to owners of parent	8	60

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

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	8	60
Comprehensive income	8	60
Comprehensive income attributable to Comprehensive income attributable to owners of parent	8	60