

Translation

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

November 13, 2023

Company name: TAZMO CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6266 URL <https://www.tazmo.co.jp/ja/ir/index.html>
 Representative: Representative Director YASUYUKI SATO
 Manager for General Affairs
 Inquiries: Department ,General Maneger of HISAO YOSHIKUNI TEL 086-239-5000
 Administration Division
 Scheduled date to file Quarterly Securities Report: November 13, 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		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, 2023	19,034	12.2	2,405	74.1	2,690	34.4	1,539	7.9
Nine months ended September 30, 2022	16,958	22.2	1,381	64.8	2,001	115.8	1,426	129.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	105.44		–	
Nine months ended September 30, 2022	103.63		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of September 30, 2023	47,650		19,609		40.4		1,316.51	
As of December 31, 2022	39,397		17,549		43.9		1,188.12	

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	–	21.00	21.00
Year ending December 31, 2023	–	0.00	–		
Year ending December 31, 2023 (Forecast)				21.00	21.00

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	31,423	29.0	3,118	11.1	3,087	(1.6)	2,109	(6.8)	151.07

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): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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	14,836,691 shares	As of December 31, 2022	14,813,300 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	197,782 shares	As of December 31, 2022	264,282 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	14,596,735 shares	Nine months ended September 30, 2022	13,766,228 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	5,141,311	6,628,374
Notes and accounts receivable - trade	4,496,041	5,954,666
Electronically recorded monetary claims - operating	1,869,262	2,924,233
Inventories	17,983,655	22,276,636
Other	2,415,311	2,069,282
Total current assets	31,905,581	39,853,193
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,617,831	3,547,934
Machinery, equipment and vehicles, net	791,135	988,315
Land	1,291,426	1,291,426
Other, net	567,391	961,754
Total property, plant and equipment	6,267,785	6,789,431
Intangible assets		
Software	138,991	169,127
Other	59,184	53,276
Total intangible assets	198,175	222,403
Investments and other assets		
Investment securities	401,948	66,755
Deferred tax assets	212,650	298,179
Other	415,450	425,870
Allowance for doubtful accounts	(4,576)	(4,922)
Total investments and other assets	1,025,472	785,883
Total non-current assets	7,491,434	7,797,719
Total assets	39,397,015	47,650,913

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,725,959	1,666,112
Electronically recorded obligations - operating	4,350,479	3,390,083
Short-term borrowings	5,279,474	7,361,826
Accounts payable - other	1,585,551	1,341,556
Income taxes payable	505,697	601,849
Contract liabilities	3,691,848	6,189,563
Provision for bonuses	318,104	595,539
Provision for product warranties	301,542	393,836
Provision for share awards	5,751	6,390
Liability related to paid transactions	577,364	—
Other	121,592	215,950
Total current liabilities	18,463,365	21,762,708
Non-current liabilities		
Long-term borrowings	2,643,216	5,503,776
Provision for share awards	251,593	275,828
Provision for retirement benefits for directors (and other officers)	21,177	24,178
Provision for share awards for directors (and other officers)	122,187	—
Retirement benefit liability	66,417	69,596
Asset retirement obligations	171,580	196,214
Other	108,214	208,932
Total non-current liabilities	3,384,387	6,278,527
Total liabilities	21,847,753	28,041,235
Net assets		
Shareholders' equity		
Share capital	3,495,400	3,556,896
Capital surplus	3,430,855	3,415,301
Retained earnings	10,151,848	11,379,942
Treasury shares	(434,156)	(314,264)
Total shareholders' equity	16,643,947	18,037,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150	(106)
Foreign currency translation adjustment	641,870	1,234,444
Total accumulated other comprehensive income	642,020	1,234,338
Non-controlling interests	263,294	337,463
Total net assets	17,549,262	19,609,677
Total liabilities and net assets	39,397,015	47,650,913

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, 2022	Nine months ended September 30, 2023
Net sales	16,958,440	19,034,138
Cost of sales	12,368,907	13,089,950
Gross profit	4,589,532	5,944,187
Selling, general and administrative expenses	3,208,070	3,539,180
Operating profit	1,381,462	2,405,007
Non-operating income		
Interest income	11,639	28,815
Foreign exchange gains	621,828	292,099
Subsidy income	5,522	1,164
Other	22,242	12,093
Total non-operating income	661,233	334,173
Non-operating expenses		
Interest expenses	26,055	42,689
Share issuance costs	12,511	–
Other	2,657	6,307
Total non-operating expenses	41,224	48,996
Ordinary profit	2,001,470	2,690,183
Extraordinary income		
Gain on sale of non-current assets	64,999	14,789
Total extraordinary income	64,999	14,789
Extraordinary losses		
Loss on valuation of investment securities	–	335,030
Total extraordinary losses	–	335,030
Profit before income taxes	2,066,470	2,369,942
Income taxes	617,934	786,692
Profit	1,448,535	1,583,249
Profit attributable to non-controlling interests	21,995	44,113
Profit attributable to owners of parent	1,426,540	1,539,136

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	1,448,535	1,583,249
Other comprehensive income		
Valuation difference on available-for-sale securities	(98)	(256)
Foreign currency translation adjustment	852,931	628,020
Total other comprehensive income	852,832	627,763
Comprehensive income	2,301,368	2,211,012
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,230,469	2,131,453
Comprehensive income attributable to non-controlling interests	70,898	79,558