

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended June 30, 2024
(Based on Japanese GAAP)**

August 9, 2024

Company name: TAZMO CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6266 URL <https://tazmo.co.jp/irlibrary/#irlib-report01>
 Representative: President and Representative Director YASUYUKI SATO
 Executive Managing Director General
 Inquiries: Maneger for Management Headquarters HISAO YOSHIKUNI TEL 086-239-5000
 Scheduled date to file Semi-annual Securities Report: August 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(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	%
Six months ended June 30, 2024	16,239	55.6	2,836	425.5	2,981	321.8	2,067	–
Six months ended June 30, 2023	10,434	(19.0)	539	(58.1)	706	(59.0)	137	(89.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	141.20		–	
Six months ended June 30, 2023	9.42		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	50,536	22,627	44.0	1,518.50
As of December 31, 2023	47,428	20,095	41.7	1,350.22

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, 2023	–	0.00	–	24.00	24.00
Year ending December 31, 2024	–	0.00			
Year ending December 31, 2024 (Forecast)			–	30.00	30.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	36,000	27.8	4,600	25.9	4,500	15.7	3,060	29.8	209.48

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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 June 30, 2024	14,842,354 shares	As of December 31, 2023	14,836,691 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	189,997 shares	As of December 31, 2023	196,237 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	14,643,785 shares	Six months ended June 30, 2023	14,575,874 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	6,899,779	9,187,015
Notes and accounts receivable - trade	5,674,454	5,314,877
Electronically recorded monetary claims - operating	2,712,839	4,436,204
Inventories	22,173,970	22,515,813
Other	1,959,636	842,824
Total current assets	39,420,680	42,296,735
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,765,877	3,774,714
Machinery, equipment and vehicles, net	1,126,533	1,154,666
Land	1,288,477	1,296,394
Other, net	826,849	1,049,243
Total property, plant and equipment	7,007,738	7,275,018
Intangible assets		
Software	106,467	89,231
Other	51,307	47,368
Total intangible assets	157,774	136,599
Investments and other assets		
Investment securities	66,921	22,774
Deferred tax assets	359,900	366,082
Other	420,639	444,269
Allowance for doubtful accounts	(4,797)	(5,304)
Total investments and other assets	842,665	827,820
Total non-current assets	8,008,177	8,239,439
Total assets	47,428,858	50,536,175

	(Thousands of yen)	
	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,098,819	2,000,775
Electronically recorded obligations - operating	4,097,812	2,710,640
Short-term borrowings	6,436,717	2,738,540
Accounts payable - other	1,472,832	1,402,507
Income taxes payable	1,023,245	825,651
Contract liabilities	5,246,027	8,928,195
Provision for bonuses	328,488	268,413
Provision for product warranties	454,568	450,911
Provision for share awards	6,869	5,751
Liability related to paid transactions	-	1,420
Other	214,981	395,843
Total current liabilities	21,380,362	19,728,650
Non-current liabilities		
Long-term borrowings	5,075,329	7,249,815
Provision for share awards	284,299	302,397
Provision for retirement benefits for directors (and other officers)	25,179	27,681
Retirement benefit liability	68,343	74,017
Asset retirement obligations	187,778	208,569
Other	311,762	317,573
Total non-current liabilities	5,952,693	8,180,055
Total liabilities	27,333,055	27,908,706
Net assets		
Shareholders' equity		
Share capital	3,556,896	3,568,590
Capital surplus	3,415,301	3,426,995
Retained earnings	12,197,637	13,909,323
Treasury shares	(311,894)	(302,067)
Total shareholders' equity	18,857,940	20,602,841
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30	(315)
Foreign currency translation adjustment	909,862	1,647,087
Total accumulated other comprehensive income	909,892	1,646,771
Non-controlling interests	327,969	377,855
Total net assets	20,095,803	22,627,468
Total liabilities and net assets	47,428,858	50,536,175

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	10,434,328	16,239,910
Cost of sales	7,572,078	10,705,602
Gross profit	2,862,249	5,534,307
Selling, general and administrative expenses	2,322,542	2,697,909
Operating profit	539,706	2,836,398
Non-operating income		
Interest income	22,700	18,741
Foreign exchange gains	163,425	155,245
Subsidy income	1,164	420
Other	8,159	9,998
Total non-operating income	195,449	184,406
Non-operating expenses		
Interest expenses	23,234	36,595
Other	5,020	2,525
Total non-operating expenses	28,254	39,121
Ordinary profit	706,901	2,981,683
Extraordinary income		
Gain on sale of non-current assets	14,582	3,776
Total extraordinary income	14,582	3,776
Extraordinary losses		
Loss on valuation of investment securities	335,030	43,862
Impairment losses	—	100,584
Total extraordinary losses	335,030	144,447
Profit before income taxes	386,453	2,841,012
Income taxes	226,867	747,770
Profit	159,585	2,093,242
Profit attributable to non-controlling interests	22,265	25,520
Profit attributable to owners of parent	137,320	2,067,721

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	159,585	2,093,242
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	(345)
Foreign currency translation adjustment	566,832	769,135
Total other comprehensive income	566,753	768,790
Comprehensive income	726,339	2,862,032
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	670,862	2,804,601
Comprehensive income attributable to non-controlling interests	55,476	57,431

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	386,453	2,841,012
Depreciation	353,394	417,700
Gain on sale of non-current assets	(14,582)	(3,776)
Loss (gain) on valuation of investment securities	335,030	43,862
Impairment losses	–	100,584
Increase (decrease) in allowance for doubtful accounts	223	507
Increase (decrease) in provision for bonuses	(90,450)	(60,075)
Decrease (increase) in Provision for Employee Stock Ownership Plan Trust	25,437	27,044
Decrease (increase) in Provision for Management Board Incentive Plan Trust	(122,187)	–
Decrease (increase) in trade receivables	43,140	(1,103,124)
Decrease (increase) in inventories	(4,129,132)	(35,293)
Increase (decrease) in trade payables	(297,424)	(1,712,701)
Increase (Decrease) Contract Liabilities	1,749,035	3,544,086
Other, net	(127,260)	1,194,258
Subtotal	(1,888,322)	5,254,086
Income taxes paid	(431,839)	(884,320)
Other payments	(534)	(16,041)
Net cash provided by (used in) operating activities	(2,320,695)	4,353,724
Cash flows from investing activities		
Net decrease (increase) in time deposits	54,979	(446,034)
Purchase of investment securities	(60)	(60)
Proceeds from sale of property, plant and equipment	19,690	5,334
Purchase of property, plant and equipment	(356,264)	(508,905)
Purchase of intangible assets	(58,512)	(1,630)
Other, net	1,123	(19,928)
Net cash provided by (used in) investing activities	(339,044)	(971,223)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,500,000)	(4,400,000)
Proceeds from long-term borrowings	5,200,000	4,200,000
Repayments of long-term borrowings	(903,036)	(1,323,691)
Dividends paid	(310,526)	(355,750)
Dividends paid to non-controlling interests	–	(7,546)
Purchase of treasury shares	–	(237)
Proceeds from sale of treasury shares	7,686	–
Other, net	3,479	(40,099)
Net cash provided by (used in) financing activities	2,497,603	(1,927,324)
Effect of exchange rate change on cash and cash equivalents	223,376	363,274
Net increase (decrease) in cash and cash equivalents	61,239	1,818,451
Cash and cash equivalents at beginning of period	5,024,659	6,771,398
Cash and cash equivalents at end of period	5,085,898	8,589,849