

Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 14, 2025

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 of ordinary general meeting of shareholders: March 26, 2025
 Scheduled date to file Securities Report: March 27, 2025
 Scheduled date to commence dividend payments: March 27, 2025
 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 year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

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	%
Year ended December 31, 2024	35,865	27.4	5,917	61.9	5,998	54.2	4,247	80.2
Year ended December 31, 2023	28,161	15.6	3,654	30.2	3,890	23.9	2,356	4.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	289.94	—	19.3	12.4	16.5
Year ended December 31, 2023	161.34	—	12.7	9.0	13.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	49,200	24,642	49.1	1,649.40
As of December 31, 2023	47,428	20,095	41.7	1,350.22

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	7,506	(1,710)	(3,163)	9,733
Year ended December 31, 2023	(350)	(1,258)	3,211	6,771

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	—	0.00	—	24.00	24.00	356	14.9	1.8
Year ended December 31, 2024	—	0.00	—	33.00	33.00	489	11.4	2.0
Year ending December 31, 2025 (Forecast)	—	—	—	34.00	34.00		14.2	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

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
Six months ending June 30, 2025	18,640	14.8	1,930	(32.0)	1,920	(35.6)	1,350	(34.7)	92.15
Full year	41,000	14.3	5,000	(15.5)	5,100	(15.0)	3,500	(17.6)	238.92

4. Notes

(1) Significant changes in the scope of consolidation during the year ended December 31, 2024: Yes

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 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 December 31, 2024	184,897 shares	As of December 31, 2023	196,237 shares
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Average number of shares during the period

Year ended December 31, 2024	14,649,524 shares	Year ended December 31, 2023	14,607,537 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	6,899,779	10,343,286
Notes and accounts receivable - trade	5,674,454	5,683,858
Electronically recorded monetary claims - operating	2,712,839	3,542,623
Merchandise and finished goods	46,169	53,957
Work in process	17,012,488	15,869,332
Raw materials and supplies	5,115,312	4,371,109
Other	1,959,636	961,714
Allowance for doubtful accounts	—	(94,775)
Total current assets	39,420,680	40,731,106
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,361,060	8,611,677
Accumulated depreciation	(4,595,183)	(4,816,875)
Buildings and structures, net	3,765,877	3,794,802
Machinery, equipment and vehicles	3,622,892	3,414,434
Accumulated depreciation	(2,496,359)	(2,121,220)
Machinery, equipment and vehicles, net	1,126,533	1,293,213
Tools, furniture and fixtures	1,276,914	1,286,039
Accumulated depreciation	(1,074,104)	(968,012)
Tools, furniture and fixtures, net	202,810	318,026
Land	1,288,477	1,449,362
Leased assets	34,648	28,007
Accumulated depreciation	(31,393)	(13,388)
Leased assets, net	3,254	14,618
Construction in progress	315,546	361,610
Other	337,098	230,812
Accumulated depreciation	(31,860)	(77,356)
Other, net	305,238	153,456
Total property, plant and equipment	7,007,738	7,385,091
Intangible assets		
Software	106,467	112,907
Other	51,307	43,429
Total intangible assets	157,774	156,337
Investments and other assets		
Investment securities	66,921	26,271
Deferred tax assets	359,900	466,944
Other	420,639	439,856
Allowance for doubtful accounts	(4,797)	(5,213)
Total investments and other assets	842,665	927,859
Total non-current assets	8,008,177	8,469,288
Total assets	47,428,858	49,200,394

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,098,819	1,636,795
Electronically recorded obligations - operating	4,097,812	3,906,060
Short-term borrowings	6,436,717	2,813,108
Lease liabilities	4,153	5,611
Accounts payable - other	1,472,832	1,563,704
Income taxes payable	1,023,245	1,213,001
Contract liabilities	5,246,027	5,252,062
Provision for bonuses	328,488	393,851
Provision for product warranties	454,568	611,459
Provision for share awards	6,869	9,266
Other	210,827	291,446
Total current liabilities	21,380,362	17,696,367
Non-current liabilities		
Long-term borrowings	5,075,329	5,980,749
Lease liabilities	6,422	15,896
Deferred tax liabilities	17,038	8,617
Provision for share awards	284,299	314,235
Provision for retirement benefits for directors (and other officers)	25,179	30,447
Retirement benefit liability	68,343	77,171
Asset retirement obligations	187,778	208,764
Other	288,301	225,711
Total non-current liabilities	5,952,693	6,861,593
Total liabilities	27,333,055	24,557,961
Net assets		
Shareholders' equity		
Share capital	3,556,896	3,568,590
Capital surplus	3,415,301	3,430,399
Retained earnings	12,197,637	16,089,096
Treasury shares	(311,894)	(293,919)
Total shareholders' equity	18,857,940	22,794,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30	(289)
Foreign currency translation adjustment	909,862	1,382,193
Total accumulated other comprehensive income	909,892	1,381,904
Non-controlling interests	327,969	466,361
Total net assets	20,095,803	24,642,433
Total liabilities and net assets	47,428,858	49,200,394

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	28,161,419	35,865,084
Cost of sales	19,603,040	24,009,938
Gross profit	8,558,379	11,855,145
Selling, general and administrative expenses		
Freight costs	288,866	294,808
Remuneration for directors (and other officers)	292,828	326,701
Salaries and allowances	1,094,266	1,173,820
Bonuses	311,295	426,634
Legal welfare expenses	243,746	271,491
Retirement benefit expenses	51,217	57,166
Research and development expenses	435,161	699,323
Provision of allowance for doubtful accounts	—	94,775
Other	2,186,367	2,593,158
Total selling, general and administrative expenses	4,903,748	5,937,878
Operating profit	3,654,630	5,917,267
Non-operating income		
Interest income	51,630	56,927
Subsidy income	9,449	3,098
Foreign exchange gains	229,430	94,675
Other	16,493	26,764
Total non-operating income	307,004	181,464
Non-operating expenses		
Interest expenses	60,926	78,090
Other	10,699	21,924
Total non-operating expenses	71,626	100,014
Ordinary profit	3,890,008	5,998,717
Extraordinary income		
Gain on sale of non-current assets	11,556	3,771
Total extraordinary income	11,556	3,771
Extraordinary losses		
Loss on valuation of investment securities	335,030	43,862
Impairment losses	—	100,441
Extra retirement payments	—	33,361
Other	16,903	—
Total extraordinary losses	351,934	177,664
Profit before income taxes	3,549,630	5,824,823
Income taxes - current	1,321,280	1,638,786
Income taxes - deferred	(184,700)	(106,820)
Total income taxes	1,136,580	1,531,966
Profit	2,413,050	4,292,856
Profit attributable to non-controlling interests	56,218	45,361
Profit attributable to owners of parent	2,356,831	4,247,495

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	2,413,050	4,292,856
Other comprehensive income		
Valuation difference on available-for-sale securities	(120)	(319)
Foreign currency translation adjustment	281,839	496,393
Share of other comprehensive income of entities accounted for using equity method	—	39
Total other comprehensive income	281,718	496,114
Comprehensive income	2,694,769	4,788,970
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,624,703	4,719,507
Comprehensive income attributable to non-controlling interests	70,065	69,463

Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,495,400	3,430,855	10,151,848	(434,156)	16,643,947
Changes during period					
Issuance of new shares	61,496	61,496			122,992
Dividends of surplus			(311,041)		(311,041)
Profit attributable to owners of parent			2,356,831		2,356,831
Purchase of treasury shares				(186)	(186)
Disposal of treasury shares				45,398	45,398
Cancellation of treasury shares		(77,050)		77,050	—
Net changes in items other than shareholders' equity					—
Total changes during period	61,496	(15,554)	2,045,789	122,261	2,213,993
Balance at end of period	3,556,896	3,415,301	12,197,637	(311,894)	18,857,940

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	150	641,870	642,020	263,294	17,549,262
Changes during period					
Issuance of new shares			—		122,992
Dividends of surplus			—		(311,041)
Profit attributable to owners of parent			—		2,356,831
Purchase of treasury shares			—		(186)
Disposal of treasury shares			—		45,398
Cancellation of treasury shares			—		—
Net changes in items other than shareholders' equity	(120)	267,992	267,872	64,675	332,547
Total changes during period	(120)	267,992	267,872	64,675	2,546,540
Balance at end of period	30	909,862	909,892	327,969	20,095,803

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,556,896	3,415,301	12,197,637	(311,894)	18,857,940
Changes during period					
Issuance of new shares	11,694	11,694			23,388
Dividends of surplus			(356,036)		(356,036)
Profit attributable to owners of parent			4,247,495		4,247,495
Purchase of treasury shares				(237)	(237)
Disposal of treasury shares				18,212	18,212
Cancellation of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests		3,404			3,404
Net changes in items other than shareholders' equity					—
Total changes during period	11,694	15,098	3,891,458	17,975	3,936,226
Balance at end of period	3,568,590	3,430,399	16,089,096	(293,919)	22,794,167

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	30	909,862	909,892	327,969	20,095,803
Changes during period					
Issuance of new shares			—		23,388
Dividends of surplus			—		(356,036)
Profit attributable to owners of parent			—		4,247,495
Purchase of treasury shares			—		(237)
Disposal of treasury shares			—		18,212
Cancellation of treasury shares			—		—
Change in ownership interest of parent due to transactions with non-controlling interests			—		3,404
Net changes in items other than shareholders' equity	(319)	472,331	472,011	138,391	610,403
Total changes during period	(319)	472,331	472,011	138,391	4,546,630
Balance at end of period	(289)	1,382,193	1,381,904	466,361	24,642,433

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,549,630	5,824,823
Depreciation	757,467	920,567
Gain on sale of non-current assets	(11,556)	(3,771)
Loss (gain) on valuation of investment securities	335,030	43,862
Impairment losses	—	100,441
Increase (decrease) in allowance for doubtful accounts	221	95,191
Increase (decrease) in provision for bonuses	10,384	65,362
Increase (decrease) in provision for product warranties	153,025	156,891
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4,002	5,267
Increase (decrease) in retirement benefit liability	1,925	8,828
Increase (decrease) in provision for share awards	71,536	50,544
Increase (decrease) in provision for share awards for directors (and other officers)	(122,187)	—
Interest and dividend income	(51,637)	(58,752)
Interest expenses	60,926	78,090
Foreign exchange losses (gains)	(33,235)	(47,819)
Decrease (increase) in trade receivables	(1,940,880)	(634,857)
Decrease (increase) in inventories	(4,023,645)	2,081,865
Decrease (increase) in other current assets	(65,255)	1,043,159
Increase (decrease) in trade payables	37,269	(799,110)
Increase (decrease) in contract liabilities	1,506,403	(170,718)
Increase (decrease) in accounts payable - other	(25,657)	51,994
Increase (decrease) in accrued consumption taxes	38,378	33,713
Increase (decrease) in other current liabilities	143,367	67,839
Other, net	81,315	54,329
Subtotal	476,830	8,967,742
Interest and dividends received	51,912	58,968
Interest paid	(59,300)	(75,538)
Income taxes paid	(819,561)	(1,444,446)
Net cash provided by (used in) operating activities	(350,117)	7,506,726

	(Thousands of yen)	
	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from investing activities		
Net decrease (increase) in time deposits	(20,393)	(468,566)
Purchase of investment securities	(124)	(125)
Proceeds from sale of property, plant and equipment	39,708	5,328
Purchase of property, plant and equipment	(1,233,065)	(1,168,589)
Purchase of intangible assets	(41,039)	(50,106)
Other, net	(3,389)	(28,262)
Net cash provided by (used in) investing activities	(1,258,303)	(1,710,321)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500,000	(4,400,000)
Proceeds from long-term borrowings	5,200,000	4,400,000
Repayments of long-term borrowings	(2,110,644)	(2,718,189)
Repayments of lease liabilities	(67,946)	(82,047)
Dividends paid	(311,005)	(355,891)
Dividends paid to non-controlling interests	(5,390)	(7,546)
Purchase of treasury shares	(186)	(237)
Proceeds from sale of treasury shares	7,686	—
Other, net	(543)	(21)
Net cash provided by (used in) financing activities	3,211,971	(3,163,932)
Effect of exchange rate change on cash and cash equivalents	143,188	329,486
Net increase (decrease) in cash and cash equivalents	1,746,739	2,961,959
Cash and cash equivalents at beginning of period	5,024,659	6,771,398
Cash and cash equivalents at end of period	6,771,398	9,733,357