

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended June 30, 2022
(Based on Japanese GAAP)**

August 10, 2022

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 TOSHIO IKEDA
 Senior Managing Director, General Manager
 Inquiries: SHIGEO KAMEYAMA TEL 086-239-5000
 of Administration Division
 Scheduled date to file Quarterly Securities Report: August 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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, 2022 (from January 1, 2022 to June 30, 2022)

(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, 2022	12,885	32.3	1,289	72.7	1,725	110.0	1,246	125.6
Six months ended June 30, 2021	9,742	5.1	746	(39.4)	821	(32.0)	552	(38.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2022	93.21	–
Six months ended June 30, 2021	41.73	–

(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, 2022	35,057	16,828	47.2	1,138.04
As of December 31, 2021	29,390	13,574	45.5	1,009.37

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, 2021	–	0.00	–	16.00	16.00
Year ending December 31, 2022	–	0.00	–	–	–
Year ending December 31, 2022 (Forecast)	–	–	–	20.00	20.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	26,133	18.8	2,988	42.8	3,396	53.1	2,412	37.9	172.74

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2022
(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: Yes
- 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, 2022	14,813,300 shares	As of December 31, 2021	13,508,300 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	264,849 shares	As of December 31, 2021	271,849 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, 2022	13,368,484 shares	Six months ended June 30, 2021	13,232,138 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	3,267,552	5,686,326
Notes and accounts receivable - trade	5,475,653	4,816,789
Electronically recorded monetary claims - operating	1,201,953	1,465,287
Inventories	11,384,458	13,815,234
Other	746,302	1,579,988
Total current assets	22,075,920	27,363,626
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,527,656	3,622,899
Machinery, equipment and vehicles, net	784,408	800,900
Land	1,259,848	1,291,426
Other, net	299,009	479,485
Total property, plant and equipment	5,870,923	6,194,711
Intangible assets		
Software	139,220	136,598
Other	8,246	63,123
Total intangible assets	147,467	199,721
Investments and other assets		
Investment securities	401,975	401,975
Deferred tax assets	473,342	455,234
Other	420,484	446,873
Allowance for doubtful accounts	–	(4,905)
Total investments and other assets	1,295,803	1,299,177
Total non-current assets	7,314,194	7,693,610
Total assets	29,390,115	35,057,237

(Thousands of yen)

	As of December 31, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,873,986	2,206,915
Electronically recorded obligations - operating	2,488,484	4,153,725
Short-term borrowings	3,171,522	2,539,033
Current portion of bonds payable	300,000	–
Accounts payable - other	1,267,615	1,227,634
Income taxes payable	313,392	477,081
Advances received	3,371,322	–
Contract liabilities	–	2,440,925
Provision for bonuses	241,296	182,798
Provision for product warranties	298,254	288,337
Provision for share awards	5,911	3,834
Liability related to paid transactions	–	458,733
Other	125,737	168,992
Total current liabilities	13,457,522	14,148,012
Non-current liabilities		
Long-term borrowings	1,652,717	3,330,088
Provision for share awards	214,321	230,190
Provision for retirement benefits for directors (and other officers)	17,225	19,176
Provision for share awards for directors (and other officers)	91,310	106,730
Retirement benefit liability	58,076	62,825
Asset retirement obligations	149,345	175,928
Other	174,968	155,992
Total non-current liabilities	2,357,964	4,080,933
Total liabilities	15,815,486	18,228,945
Net assets		
Shareholders' equity		
Share capital	2,724,067	3,495,400
Capital surplus	2,659,522	3,430,855
Retained earnings	8,104,586	9,134,517
Treasury shares	(446,249)	(435,066)
Total shareholders' equity	13,041,925	15,625,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300	240
Foreign currency translation adjustment	318,211	930,797
Total accumulated other comprehensive income	318,512	931,037
Non-controlling interests	214,190	271,547
Total net assets	13,574,628	16,828,291
Total liabilities and net assets	29,390,115	35,057,237

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, 2021	Six months ended June 30, 2022
Net sales	9,742,761	12,885,557
Cost of sales	7,160,845	9,415,582
Gross profit	2,581,916	3,469,975
Selling, general and administrative expenses	1,835,351	2,180,555
Operating profit	746,565	1,289,419
Non-operating income		
Interest income	5,798	8,692
Subsidy income	4,573	4,389
Foreign exchange gains	67,534	439,866
Other	21,104	14,530
Total non-operating income	99,011	467,477
Non-operating expenses		
Interest expenses	18,745	16,849
Share issuance costs	–	12,281
Other	4,945	1,770
Total non-operating expenses	23,690	30,901
Ordinary profit	821,885	1,725,996
Extraordinary income		
Gain on sale of non-current assets	–	64,999
Total extraordinary income	–	64,999
Profit before income taxes	821,885	1,790,996
Income taxes	251,119	524,930
Profit	570,765	1,266,065
Profit attributable to non-controlling interests	18,525	20,029
Profit attributable to owners of parent	552,240	1,246,035

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	570,765	1,266,065
Other comprehensive income		
Valuation difference on available-for-sale securities	163	(60)
Foreign currency translation adjustment	245,268	649,912
Total other comprehensive income	245,431	649,852
Comprehensive income	816,197	1,915,917
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	782,436	1,858,561
Comprehensive income attributable to non-controlling interests	33,761	57,356

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	821,885	1,790,996
Depreciation	278,600	330,816
Gain on sale of non-current assets	–	(64,999)
Increase (decrease) in allowance for doubtful accounts	–	4,905
Increase (decrease) in provision for bonuses	(3,397)	(58,498)
Decrease (increase) in Provision for Employee Stock Ownership Plan Trust	28,522	24,976
Decrease (increase) in Provision for Management Board Incentive Plan Trust	10,954	15,420
Share issuance costs	–	12,281
Decrease (increase) in trade receivables	402,816	639,978
Decrease (increase) in inventories	(782,374)	(2,120,297)
Increase (decrease) in trade payables	(50,316)	1,777,677
Increase (decrease) in advances received	248,048	–
Increase (Decrease) Contract Liabilities	–	(1,042,527)
Other, net	(22,998)	(475,286)
Subtotal	931,740	835,442
Income taxes paid	(156,962)	(269,509)
Other payments	(12,946)	(8,156)
Net cash provided by (used in) operating activities	761,831	557,776
Cash flows from investing activities		
Payments into time deposits	(191,289)	–
Proceeds from withdrawal of time deposits	–	68,229
Purchase of investment securities	(200,059)	(60)
Proceeds from sale of property, plant and equipment	–	65,000
Purchase of property, plant and equipment	(251,150)	(441,360)
Purchase of intangible assets	(15,415)	(80,169)
Other, net	8,177	9,912
Net cash provided by (used in) investing activities	(649,736)	(378,448)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	380,000	(1,100,000)
Proceeds from long-term borrowings	500,000	3,000,000
Repayments of long-term borrowings	(738,499)	(855,118)
Redemption of bonds	–	(300,000)
Proceeds from issuance of shares	–	1,530,385
Dividends paid	(215,525)	(216,152)
Dividends paid to non-controlling interests	(2,965)	–
Other, net	(4,346)	(4,374)
Net cash provided by (used in) financing activities	(81,337)	2,054,739
Effect of exchange rate change on cash and cash equivalents	118,938	225,521
Net increase (decrease) in cash and cash equivalents	149,695	2,459,588
Cash and cash equivalents at beginning of period	2,749,568	2,981,549
Cash and cash equivalents at end of period	2,899,264	5,441,137