

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 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 Manager of HISAO YOSHIKUNI TEL 086-239-5000
 Administration Division
 Scheduled date to file Quarterly Securities Report: May 12, 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 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	%
Three months ended March 31, 2023	3,864	(36.0)	(136)	–	(231)	–	(219)	–
Three months ended March 31, 2022	6,036	32.3	645	81.0	754	82.5	534	91.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	(15.11)		–	
Three months ended March 31, 2022	40.37		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2023	42,022		17,175		40.2		1,161.67	
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
Year ended December 31, 2022	–	0.00	–	21.00	21.00
Year ending December 31, 2023	–	–	–	–	–
Year ending December 31, 2023 (Forecast)	–	0.00	–	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
Six months ending June 30, 2023	13,610	5.6	1,187	(7.9)	1,170	(32.2)	800	(35.7)	57.34
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 three months ended March 31, 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 March 31, 2023	14,813,300 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 March 31, 2023	262,482 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)

Three months ended March 31, 2023	14,549,306 shares	Three months ended March 31, 2022	13,236,679 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,141,311	5,662,163
Notes and accounts receivable - trade	4,496,041	4,173,077
Electronically recorded monetary claims - operating	1,869,262	2,172,275
Inventories	17,983,655	21,069,837
Other	2,415,311	1,393,764
Total current assets	31,905,581	34,471,118
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,617,831	3,579,972
Machinery, equipment and vehicles, net	791,135	795,927
Land	1,291,426	1,291,426
Other, net	567,391	639,713
Total property, plant and equipment	6,267,785	6,307,041
Intangible assets		
Software	138,991	130,837
Other	59,184	57,215
Total intangible assets	198,175	188,052
Investments and other assets		
Investment securities	401,948	401,985
Deferred tax assets	212,650	236,881
Other	415,450	422,382
Allowance for doubtful accounts	(4,576)	(4,672)
Total investments and other assets	1,025,472	1,056,577
Total non-current assets	7,491,434	7,551,671
Total assets	39,397,015	42,022,789

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,725,959	2,028,352
Electronically recorded obligations - operating	4,350,479	4,392,464
Short-term borrowings	5,279,474	4,513,788
Accounts payable - other	1,585,551	1,106,591
Income taxes payable	505,697	114,621
Contract liabilities	3,691,848	5,120,450
Provision for bonuses	318,104	437,891
Provision for product warranties	301,542	260,060
Provision for share awards	5,751	6,550
Liability related to paid transactions	577,364	587
Other	121,592	138,271
Total current liabilities	18,463,365	18,119,629
Non-current liabilities		
Long-term borrowings	2,643,216	6,010,670
Provision for share awards	251,593	260,587
Provision for retirement benefits for directors (and other officers)	21,177	22,178
Provision for share awards for directors (and other officers)	122,187	97,249
Retirement benefit liability	66,417	65,717
Asset retirement obligations	171,580	176,619
Other	108,214	94,175
Total non-current liabilities	3,384,387	6,727,196
Total liabilities	21,847,753	24,846,826
Net assets		
Shareholders' equity		
Share capital	3,495,400	3,495,400
Capital surplus	3,430,855	3,430,855
Retained earnings	10,151,848	9,620,897
Treasury shares	(434,156)	(431,280)
Total shareholders' equity	16,643,947	16,115,873
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150	157
Foreign currency translation adjustment	641,870	787,148
Total accumulated other comprehensive income	642,020	787,306
Non-controlling interests	263,294	272,783
Total net assets	17,549,262	17,175,962
Total liabilities and net assets	39,397,015	42,022,789

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	6,036,572	3,864,643
Cost of sales	4,343,997	2,881,100
Gross profit	1,692,574	983,543
Selling, general and administrative expenses	1,046,751	1,120,216
Operating profit (loss)	645,822	(136,673)
Non-operating income		
Interest income	4,175	1,286
Rental income	1,653	1,772
Foreign exchange gains	103,519	–
Subsidy income	1,141	78
Other	7,550	3,000
Total non-operating income	118,040	6,138
Non-operating expenses		
Interest expenses	6,963	9,709
Foreign exchange losses	–	82,520
Other	2,559	8,441
Total non-operating expenses	9,522	100,671
Ordinary profit (loss)	754,340	(231,207)
Extraordinary income		
Gain on sale of non-current assets	–	12,803
Total extraordinary income	–	12,803
Profit (loss) before income taxes	754,340	(218,403)
Income taxes	209,110	(1,610)
Profit (loss)	545,229	(216,793)
Profit attributable to non-controlling interests	10,927	3,114
Profit (loss) attributable to owners of parent	534,301	(219,908)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit (loss)	545,229	(216,793)
Other comprehensive income		
Valuation difference on available-for-sale securities	(106)	7
Foreign currency translation adjustment	271,978	151,652
Total other comprehensive income	271,872	151,660
Comprehensive income	817,102	(65,133)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	792,530	(74,622)
Comprehensive income attributable to non-controlling interests	24,571	9,488