

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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: May 13, 2022
 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, 2022 (from January 1, 2022 to March 31, 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	%
Three months ended March 31, 2022	6,036	32.3	645	81.0	754	82.5	534	91.0
Three months ended March 31, 2021	4,564	(3.6)	356	(57.1)	413	(49.0)	279	(53.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	40.37		–	
Three months ended March 31, 2021	21.14		–	

(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, 2022	32,798	14,178	42.5	1,053.00
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				
Year ended December 31, 2021	–	0.00	–	16.00	16.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		0.00	–	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
Six months ending June 30, 2022	12,090	24.1	856	14.8	832	1.2	565	2.4	42.70
Full year	25,338	15.2	2,555	22.1	2,503	12.8	1,731	(1.0)	130.84

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 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 March 31, 2022	13,508,300 shares	As of December 31, 2021	13,508,300 shares
----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	269,749 shares	As of December 31, 2021	271,849 shares
----------------------	----------------	-------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	13,236,679 shares	Three months ended March 31, 2021	13,230,716 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	3,267,552	4,965,781
Notes and accounts receivable - trade	5,475,653	5,450,983
Electronically recorded monetary claims - operating	1,201,953	1,293,925
Inventories	11,384,458	12,421,748
Other	746,302	1,185,219
Allowance for doubtful accounts	–	(4,633)
Total current assets	22,075,920	25,313,024
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,527,656	3,527,186
Machinery, equipment and vehicles, net	784,408	794,448
Land	1,259,848	1,259,848
Other, net	299,009	392,230
Total property, plant and equipment	5,870,923	5,973,713
Intangible assets		
Software	139,220	138,140
Other	8,246	65,092
Total intangible assets	147,467	203,232
Investments and other assets		
Investment securities	401,975	401,900
Deferred tax assets	473,342	479,770
Other	420,484	427,262
Total investments and other assets	1,295,803	1,308,934
Total non-current assets	7,314,194	7,485,880
Total assets	29,390,115	32,798,905

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,873,986	2,228,292
Electronically recorded obligations - operating	2,488,484	2,970,042
Short-term borrowings	3,171,522	3,534,874
Current portion of bonds payable	300,000	–
Accounts payable - other	1,267,615	1,091,033
Income taxes payable	313,392	258,198
Advances received	3,371,322	–
Contract liabilities	–	2,823,693
Provision for bonuses	241,296	296,007
Provision for product warranties	298,254	270,018
Provision for share awards	5,911	6,709
Liability related to paid transactions	–	458,733
Other	125,737	151,315
Total current liabilities	13,457,522	14,088,918
Non-current liabilities		
Long-term borrowings	1,652,717	3,839,524
Provision for share awards	214,321	222,574
Provision for retirement benefits for directors (and other officers)	17,225	18,176
Provision for share awards for directors (and other officers)	91,310	99,020
Retirement benefit liability	58,076	60,182
Asset retirement obligations	149,345	159,467
Other	174,968	132,059
Total non-current liabilities	2,357,964	4,531,005
Total liabilities	15,815,486	18,619,923
Net assets		
Shareholders' equity		
Share capital	2,724,067	2,724,067
Capital surplus	2,659,522	2,659,522
Retained earnings	8,104,586	8,422,783
Treasury shares	(446,249)	(442,894)
Total shareholders' equity	13,041,925	13,363,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300	194
Foreign currency translation adjustment	318,211	576,546
Total accumulated other comprehensive income	318,512	576,740
Non-controlling interests	214,190	238,762
Total net assets	13,574,628	14,178,981
Total liabilities and net assets	29,390,115	32,798,905

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, 2021	Three months ended March 31, 2022
Net sales	4,564,460	6,036,572
Cost of sales	3,350,562	4,343,997
Gross profit	1,213,898	1,692,574
Selling, general and administrative expenses	857,169	1,046,751
Operating profit	356,729	645,822
Non-operating income		
Interest income	1,115	4,175
Foreign exchange gains	44,855	103,519
Subsidy income	2,995	1,141
Other	16,956	9,203
Total non-operating income	65,923	118,040
Non-operating expenses		
Interest expenses	8,275	6,963
Other	1,128	2,559
Total non-operating expenses	9,404	9,522
Ordinary profit	413,248	754,340
Profit before income taxes	413,248	754,340
Income taxes	124,921	209,110
Profit	288,327	545,229
Profit attributable to non-controlling interests	8,586	10,927
Profit attributable to owners of parent	279,740	534,301

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	288,327	545,229
Other comprehensive income		
Valuation difference on available-for-sale securities	28	(106)
Foreign currency translation adjustment	230,273	271,978
Total other comprehensive income	230,301	271,872
Comprehensive income	518,628	817,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	495,289	792,530
Comprehensive income attributable to non-controlling interests	23,339	24,571