

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 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: November 14, 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 nine months ended September 30, 2022 (from January 1, 2022 to September 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	%
Nine months ended September 30, 2022	16,958	22.2	1,381	64.8	2,001	115.8	1,426	129.9
Nine months ended September 30, 2021	13,876	(2.7)	838	(49.0)	927	(42.8)	620	(48.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	103.63		–	
Nine months ended September 30, 2021	46.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	37,004	17,208	45.7	1,163.62
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	–	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 nine months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 September 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 September 30, 2022	264,449 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)

Nine months ended September 30, 2022	13,766,228 shares	Nine months ended September 30, 2021	13,233,456 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,267,552	5,398,121
Notes and accounts receivable - trade	5,475,653	3,138,636
Electronically recorded monetary claims - operating	1,201,953	1,460,474
Inventories	11,384,458	17,051,682
Other	746,302	2,108,819
Total current assets	22,075,920	29,157,733
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,527,656	3,627,619
Machinery, equipment and vehicles, net	784,408	824,054
Land	1,259,848	1,291,426
Other, net	299,009	554,737
Total property, plant and equipment	5,870,923	6,297,837
Intangible assets		
Software	139,220	126,837
Other	8,246	61,154
Total intangible assets	147,467	187,991
Investments and other assets		
Investment securities	401,975	401,969
Deferred tax assets	473,342	518,316
Other	420,484	445,919
Allowance for doubtful accounts	–	(4,900)
Total investments and other assets	1,295,803	1,361,304
Total non-current assets	7,314,194	7,847,134
Total assets	29,390,115	37,004,868

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,873,986	1,962,268
Electronically recorded obligations - operating	2,488,484	4,296,455
Short-term borrowings	3,171,522	2,908,260
Current portion of bonds payable	300,000	–
Accounts payable - other	1,267,615	977,157
Income taxes payable	313,392	452,809
Advances received	3,371,322	–
Contract liabilities	–	4,026,686
Provision for bonuses	241,296	435,722
Provision for product warranties	298,254	270,530
Provision for share awards	5,911	5,431
Liability related to paid transactions	–	577,364
Other	125,737	135,406
Total current liabilities	13,457,522	16,048,093
Non-current liabilities		
Long-term borrowings	1,652,717	2,986,404
Provision for share awards	214,321	241,898
Provision for retirement benefits for directors (and other officers)	17,225	20,177
Provision for share awards for directors (and other officers)	91,310	114,440
Retirement benefit liability	58,076	64,717
Asset retirement obligations	149,345	185,042
Other	174,968	135,103
Total non-current liabilities	2,357,964	3,747,783
Total liabilities	15,815,486	19,795,876
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	9,315,021
Treasury shares	(446,249)	(434,427)
Total shareholders' equity	13,041,925	15,806,849
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300	201
Foreign currency translation adjustment	318,211	1,122,239
Total accumulated other comprehensive income	318,512	1,122,441
Non-controlling interests	214,190	279,699
Total net assets	13,574,628	17,208,991
Total liabilities and net assets	29,390,115	37,004,866

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	13,876,218	16,958,440
Cost of sales	10,300,947	12,368,907
Gross profit	3,575,271	4,589,532
Selling, general and administrative expenses	2,736,765	3,208,070
Operating profit	838,506	1,381,462
Non-operating income		
Interest income	8,433	11,639
Subsidy income	5,282	5,522
Foreign exchange gains	82,890	621,828
Other	25,161	22,242
Total non-operating income	121,768	661,233
Non-operating expenses		
Interest expenses	26,622	26,055
Share issuance costs	–	12,511
Other	6,216	2,657
Total non-operating expenses	32,839	41,224
Ordinary profit	927,434	2,001,470
Extraordinary income		
Gain on sale of non-current assets	–	64,999
Total extraordinary income	–	64,999
Profit before income taxes	927,434	2,066,470
Income taxes	282,158	617,934
Profit	645,275	1,448,535
Profit attributable to non-controlling interests	24,753	21,995
Profit attributable to owners of parent	620,521	1,426,540

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	645,275	1,448,535
Other comprehensive income		
Valuation difference on available-for-sale securities	261	(98)
Foreign currency translation adjustment	296,422	852,931
Total other comprehensive income	296,683	852,832
Comprehensive income	941,959	2,301,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	899,171	2,230,469
Comprehensive income attributable to non-controlling interests	42,788	70,898