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January 31, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: TSUBAKIMOTO KOGYO CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 8052

URL: https://www.tsubaki.co.jp

Representative: Masashi Koda, President & COO Inquiries: Junshi Koketsu, Managing Officer

Telephone: +81-6-4795-8832

Scheduled date to file quarterly securities report: February 9, 2024

Scheduled date to commence dividend payments:

Preparation of supplementary material on quarterly financial results: Yes Holding of quarterly financial results briefing:

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales	s	Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	83,139	5.7	3,889	8.0	4,223	7.6	2,890	9.8
December 31, 2022	78,634	18.4	3,599	35.3	3,924	30.5	2,632	32.1

Note: Comprehensive income For the nine months ended December 31, 2023: ¥4,775 million [65.2%] For the nine months ended December 31, 2022: ¥2,890 million [45.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	461.49	_
December 31, 2022	420.38	

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	90,545	37,778	41.5
March 31, 2023	84,474	34,039	40.0

Reference: Equity

As of December 31, 2023: \$\frac{\pmax}{37,549}\$ million As of March 31, 2023: \$\frac{\pmax}{33,806}\$ million

2. Cash dividends

	Annual dividends per share							
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 31, 2023	_	30.00	_	120.00	150.00			
Fiscal year ending March 31, 2024	_	40.00	_					
Fiscal year ending March 31, 2024 (Forecast)				120.00	160.00			

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: The year-end dividend for the fiscal year ended March 31, 2023 includes a special dividend of 10 yen.

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate changes from the previous corresponding period.)

	Net sales	Net sales		Operating profit		t Ordinary profit Profit attributable to owners of parent			Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	107,000	(0.9)	5,000	(2.0)	5,350	(1.6)	3,750	2.3	598.66

Note: Revisions to the most recently announced forecasts of consolidated financial results: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None Excluded: None

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:

 None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions of accounting standards and other regulations: None
 - (ii) Changes in accounting policies other than those in (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None
- (4) Number of issued shares (common shares)
 - (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	6,497,969 shares
As of March 31, 2023	6,497,969 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2023	234,341 shares
As of March 31, 2023	233,797 shares

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

Nine months ended December 31, 2023	6,263,936 shares
Nine months ended December 31, 2022	6,262,719 shares

Note: The Company has introduced the Board Benefit Trust for Directors, etc., and the Company's shares held by the said trust are included in the treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.
- * Proper use of earnings forecasts, and other special matters

Forecasts stated herein are based on the currently available information and the Company's assumptions that were judged to be valid as of the announcement date hereof, and are not intended to be a promise by the Company to achieve these forecasts. Therefore, actual results may differ for various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(1) Quarterly Consolidated Balance Sheet		(Millions of Yen)
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	22,927	28,123
Notes and accounts receivable - trade, and contract assets	27,966	27,402
Electronically recorded monetary claims - operating	12,980	11,979
Merchandise and finished goods	2,952	2,697
Work in process	1,191	1,073
Other	3,205	3,410
Allowance for doubtful accounts	(173)	(178)
Total current assets	71,049	74,508
Non-current assets		
Property, plant and equipment	2,055	2,134
Intangible assets	357	340
Investments and other assets		
Investment securities	9,825	12,421
Deferred tax assets	53	14
Other	1,336	1,329
Allowance for doubtful accounts	(203)	(202)
Total investments and other assets	11,011	13,563
Total non-current assets	13,424	16,037
Total assets	84,474	90,545
Liabilities	-	
Current liabilities		
Notes and accounts payable - trade	18,592	17,788
Electronically recorded obligations - operating	22,987	23,768
Income taxes payable	960	386
Advances received	4,217	6,249
Provision for bonuses for directors (and other officers)	11	70
Other	960	920
Total current liabilities	47,730	49,182
Non-current liabilities	47,730	77,102
Provision for share awards for directors (and other officers)	126	164
Retirement benefit liability	1,804	1,830
Long-term accounts payable - other	211	211
Deferred tax liabilities	330	1,126
Other Total non-current liabilities	231 2,704	251 3,584
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Total liabilities	50,434	52,767
Net assets		
Shareholders' equity	2015	
Share capital	2,945	2,945
Capital surplus	1,867	1,944
Retained earnings	26,184	28,062
Treasury shares	(542)	(621)
Total shareholders' equity	30,455	32,330
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,231	5,020
Deferred gains or losses on hedges	(0)	(10)
Foreign currency translation adjustment	142	218
Remeasurements of defined benefit plans	(22)	(10)
Total accumulated other comprehensive income	3,350	5,218
Non-controlling interests	233	229
Total net assets	34,039	37,778
Total liabilities and net assets	84,474	90,545

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

		(Millions of Yen)
	Nine months ended	Nine months ended
	December 31, 2022	December 31, 2023
Net sales	78,634	83,139
Cost of sales	66,905	70,283
Gross profit	11,728	12,856
Selling, general and administrative expenses	8,128	8,967
Operating profit	3,599	3,889
Non-operating income		
Interest income	4	5
Dividend income	320	358
Other	33	32
Total non-operating income	358	396
Non-operating expenses		
Interest expenses	4	5
Share of loss of entities accounted for using equity method	4	32
Other	26	24
Total non-operating expenses	34	62
Ordinary profit	3,924	4,223
Extraordinary income		
Gain on sale of investment securities	_	33
Total extraordinary income		33
Profit before income taxes	3,924	4,256
Income taxes - current	1,281	1,345
Income taxes - deferred	(1)	20
Total income taxes	1,280	1,366
Profit	2,643	2,890
Loss attributable to non-controlling interests	11	(0)
Profit attributable to owners of parent	2,632	2,890

Quarterly Consolidated Statement of Comprehensive Income

•		(Millions of Yen)
	Nine months ended	Nine months ended
	December 31, 2022	December 31, 2023
Profit	2,643	2,890
Other comprehensive income		
Valuation difference on available-for-sale securities	87	1,789
Deferred gains or losses on hedges	10	(9)
Foreign currency translation adjustment	90	63
Remeasurements of defined benefit plans, net of tax	13	11
Share of other comprehensive income of entities accounted for using		
equity method	44	29
Total other comprehensive income	246	1,884
Comprehensive income	2,890	4,775
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,858	4,759
Comprehensive income attributable to non-controlling interests	31	16

(Segment Information, etc.)

Segment information

- I. For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
 - 1. Information on net sales and profit (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

		Reportabl	e segment		Total	Adjustments	Amount in the
	Eastern Japan Headquarters	Western Japan Headquarters	Central Japan Headquarters	Strategic Business Development Center			quarterly consolidated statement of income
Net sales							
Goods or services transferred at a point in time	21,951	17,680	8,946	13,007	61,585	_	61,585
Goods or services transferred over time	3,329	12,729	559	431	17,048	_	17,048
Revenue from contracts with customers	25,280	30,409	9,505	13,439	78,634	_	78,634
Sales to external customers	25,280	30,409	9,505	13,439	78,634	_	78,634
Inter-segment sales or transfers	112	316	249	789	1,466	(1,466)	_
Total	25,392	30,725	9,754	14,228	80,100	(1,466)	78,634
Segment profit	1,023	2,398	390	650	4,464	(864)	3,599

2. Differences between the total amount of reportable segments and the amount recorded in the quarterly consolidated statement of income, and major breakdown of such differences (matters related to adjustment of differences)

(Millions of yen)

	• /
Profit	Amount
Total reportable segments	4,464
Elimination of inter-segment transactions	0
Corporate expenses (Note)	(864)
Operating profit in the quarterly consolidated statement of income	3,599

(Note) Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Information concerning impairment losses on non-current assets by reportable segment Not applicable.

- II. For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
 - 1. Information on net sales and profit (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

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	Reportable segment				Total	Adjustments	Amount in the
	Eastern Japan Headquarters	Western Japan Headquarters	Central Japan Headquarters	Strategic Business Development Center			quarterly consolidated statement of income
Net sales							
Goods or services transferred at a point in time	23,554	20,126	10,374	15,018	69,073	_	69,073
Goods or services transferred over time	5,597	6,969	888	609	14,065		14,065
Revenue from contracts with customers	29,151	27,096	11,263	15,627	83,139		83,139
Sales to external customers	29,151	27,096	11,263	15,627	83,139		83,139
Inter-segment sales or transfers	287	1,176	200	1,021	2,686	(2,686)	_
Total	29,439	28,273	11,464	16,648	85,825	(2,686)	83,139
Segment profit	1,675	2,036	639	652	5,003	(1,114)	3,889

(Notes)1. Main sales areas and subsidiaries in each segment are as follows.

In the case of deliveries outside the sales area at the request of the customer, the results are recorded in the segment to which the division in charge belongs.

Segment	Main sales areas and subsidiaries
Eastern Japan Headquarters	Hokkaido, Tohoku, Koshinetsu, Kanto regions and 6 subsidiaries located in the same regions
Western Japan Headquarters	Hokuriku, Kansai, Chugoku, Shikoku, Kyushu regions and 5 subsidiaries located in the same regions
Central Japan Headquarters	Tokai region and 1 subsidiary located in the same region
Strategic Business Development Center	All over Japan, overseas and 7 overseas subsidiaries

2. Major products in each segment are as follows.

Segment	Category	Major product name
Eastern Japan Headquarters	Power Transmission	Various drive parts such as reducer/accelerator, various transport parts such as conveyor chains, control equipment, various sensors, electronic equipment, and other transmission equipment
Western Japan Headquarters Central Japan Headquarters	Facility and equipment	Clean energy-related equipment, pharmaceutical-related equipment, chemical machinery equipment, water treatment equipment, food machinery, other environmental equipment, machine tools, industrial robots, various conveyors, various automation equipment, three-dimensional warehouses and automatic sorting equipment, and FA systems including various transportation equipment
Strategic Business Development Center		Various non-woven fabrics and processed products thereof, various synthetic resin molding machines and molded products, and functional materials Sensor, Industrial camera and lens, Image processing system

2. Differences between the total amount of reportable segments and the amount recorded in the quarterly consolidated statement of income, and major breakdown of such differences (matters related to adjustment of differences)

(Millions of yen)

Profit	Amount
Total reportable segments	5,003
Elimination of inter-segment transactions	(7)
Corporate expenses (Note)	(1,107)
Operating profit in the quarterly consolidated statement of income	3,889

(Note) Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

3. Information concerning impairment losses on non-current assets by reportable segment Not applicable.