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July 28, 2023

# Consolidated Financial Results for the Three Months Ended June 30, 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: August 10, 2023
Scheduled date to commence dividend payments: —
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: None

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

## 1. Consolidated financial results for the Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| June 30, 2023 | 26,103 | 14.3 | 1,277 | 56.0 | 1,453 | 49.2 | 1,011 | 51.0 |
| June 30, 2022 | 22,830 | 8.5 | 819 | 0.8 | 974 | 2.0 | 669 | 3.4 |

Note: Comprehensive income For the three months ended June 30, 2023: ¥2,043 million [235.0%]
For the three months ended June 30, 2022: ¥610 million [2.8%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Three months ended | Yen | Yen |
| June 30, 2023 | 161.43 | — |
| June 30, 2022 | 106.98 | — |

### (2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| June 30, 2023 | 79,702 | 35,304 | 44.0 |
| March 31, 2023 | 84,474 | 34,039 | 40.0 |

Reference: Equity
As of June 30, 2023: ¥35,088 million
As of March 31, 2023: ¥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 | — | | | | |
| Fiscal year ending March 31, 2024 (Forecast) | | 30.00 | — | 110.00 | 140.00 |

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 | | Operating profit | | 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 |
| First half | 50,000 | (3.4) | 2,180 | (3.8) | 2,360 | (3.8) | 1,570 | (4.8) | 250.68 |
| Full year | 100,000 | (3.7) | 4,250 | (16.7) | 4,600 | (15.4) | 3,050 | (16.8) | 486.98 |

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 June 30, 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 June 30, 2023 | 233,854 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)

| | |
|---|---|
| Three months ended June 30, 2023 | 6,264,141 shares |
| Three months ended June 30, 2022 | 6,260,529 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

(Millions of Yen)

| | As of March 31, 2023 | As of June 30, 2023 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,927 | 18,770 |
| Notes and accounts receivable - trade, and contract assets | 27,966 | 25,170 |
| Electronically recorded monetary claims - operating | 12,980 | 13,076 |
| Merchandise and finished goods | 2,952 | 2,904 |
| Work in process | 1,191 | 1,379 |
| Other | 3,205 | 3,689 |
| Allowance for doubtful accounts | (173) | (172) |
| Total current assets | 71,049 | 64,818 |
| Non-current assets | | |
| Property, plant and equipment | 2,055 | 2,058 |
| Intangible assets | 357 | 387 |
| Investments and other assets | | |
| Investment securities | 9,825 | 11,279 |
| Deferred tax assets | 53 | 31 |
| Other | 1,336 | 1,329 |
| Allowance for doubtful accounts | (203) | (202) |
| Total investments and other assets | 11,011 | 12,438 |
| Total non-current assets | 13,424 | 14,884 |
| Total assets | 84,474 | 79,702 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 18,592 | 17,201 |
| Electronically recorded obligations - operating | 22,987 | 18,012 |
| Income taxes payable | 960 | 205 |
| Advances received | 4,217 | 4,937 |
| Provision for bonuses for directors (and other officers) | 11 | — |
| Other | 960 | 825 |
| Total current liabilities | 47,730 | 41,181 |
| Non-current liabilities | | |
| Provision for share awards for directors (and other officers) | 126 | 138 |
| Retirement benefit liability | 1,804 | 1,830 |
| Long-term accounts payable - other | 211 | 211 |
| Deferred tax liabilities | 330 | 787 |
| Other | 231 | 248 |
| Total non-current liabilities | 2,704 | 3,216 |
| Total liabilities | 50,434 | 44,397 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,945 | 2,945 |
| Capital surplus | 1,867 | 1,867 |
| Retained earnings | 26,184 | 26,436 |
| Treasury shares | (542) | (542) |
| Total shareholders' equity | 30,455 | 30,707 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,231 | 4,248 |
| Deferred gains or losses on hedges | △0 | (9) |
| Foreign currency translation adjustment | 142 | 160 |
| Remeasurements of defined benefit plans | (22) | (18) |
| Total accumulated other comprehensive income | 3,350 | 4,380 |
| Non-controlling interests | 233 | 215 |
| Total net assets | 34,039 | 35,304 |
| Total liabilities and net assets | 84,474 | 79,702 |

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

### Quarterly Consolidated Statement of Income

(Millions of Yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|---|---|---|
| Net sales | 22,830 | 26,103 |
| Cost of sales | 19,468 | 22,022 |
| Gross profit | 3,361 | 4,080 |
| Selling, general and administrative expenses | 2,542 | 2,803 |
| Operating profit | 819 | 1,277 |
| Non-operating income | | |
| Interest income | 2 | 1 |
| Dividend income | 158 | 177 |
| Other | 7 | 18 |
| Total non-operating income | 168 | 196 |
| Non-operating expenses | | |
| Interest expenses | 0 | 0 |
| Share of loss of entities accounted for using equity method | 4 | 13 |
| Commission expenses | 2 | ― |
| Other | 5 | 5 |
| Total non-operating expenses | 13 | 20 |
| Ordinary profit | 974 | 1,453 |
| Profit before income taxes | 974 | 1,453 |
| Income taxes - current | 269 | 423 |
| Income taxes - deferred | 35 | 23 |
| Total income taxes | 305 | 446 |
| Profit | 669 | 1,006 |
| Profit (loss) attributable to non-controlling interests | (0) | (4) |
| Profit attributable to owners of parent | 669 | 1,011 |

**Quarterly Consolidated Statement of Comprehensive Income**

(Millions of Yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|---|---|---|
| Profit | 669 | 1,006 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (69) | 1,017 |
| Deferred gains or losses on hedges | (59) | (8) |
| Foreign currency translation adjustment | 51 | 21 |
| Remeasurements of defined benefit plans, net of tax | 4 | 3 |
| Share of other comprehensive income of entities accounted for using equity method | 14 | 2 |
| Total other comprehensive income | (58) | 1,037 |
| Comprehensive income | 610 | 2,043 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 597 | 2,041 |
| Comprehensive income attributable to non-controlling interests | 12 | 2 |

(Segment Information, etc.)

Segment information

I. For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

1. Information on net sales and profit (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

| | Reportable segment | | | | Total | Adjustments | Amount in the quarterly consolidated statement of income |
|---|---|---|---|---|---|---|---|
| | Eastern Japan Headquarters | Western Japan Headquarters | Central Japan Headquarters | Strategic Business Development Center | | | |
| Net sales | | | | | | | |
| Goods or services transferred at a point in time | 6,217 | 5,548 | 2,669 | 4,047 | 18,483 | — | 18,483 |
| Goods or services transferred over time | 759 | 3,585 | 2 | — | 4,347 | — | 4,347 |
| Revenue from contracts with customers | 6,976 | 9,133 | 2,672 | 4,047 | 22,830 | — | 22,830 |
| Sales to external customers | 6,976 | 9,133 | 2,672 | 4,047 | 22,830 | — | 22,830 |
| Inter-segment sales or transfers | 33 | 70 | 100 | 183 | 388 | (388) | — |
| Total | 7,009 | 9,204 | 2,772 | 4,231 | 23,218 | (388) | 22,830 |
| Segment profit | 229 | 583 | 43 | 184 | 1,041 | (222) | 819 |

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 | 1,041 |
| Elimination of inter-segment transactions | (0) |
| Corporate expenses (Note) | (221) |
| Operating profit in the quarterly consolidated statement of income | 819 |

(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 three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

1. Information on net sales and profit (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

| | Reportable segment | | | | Total | Adjustments | Amount in the quarterly consolidated statement of income |
|---|---|---|---|---|---|---|---|
| | Eastern Japan Headquarters | Western Japan Headquarters | Central Japan Headquarters | Strategic Business Development Center | | | |
| Net sales | | | | | | | |
| Goods or services transferred at a point in time | 7,597 | 7,375 | 3,129 | 5,116 | 23,218 | — | 23,218 |
| Goods or services transferred over time | 1,327 | 1,307 | 90 | 159 | 2,884 | — | 2,884 |
| Revenue from contracts with customers | 8,925 | 8,682 | 3,220 | 5,275 | 26,103 | — | 26,103 |
| Sales to external customers | 8,925 | 8,682 | 3,220 | 5,275 | 26,103 | — | 26,103 |
| Inter-segment sales or transfers | 57 | 535 | 58 | 352 | 1,004 | (1,004) | — |
| Total | 8,983 | 9,217 | 3,278 | 5,628 | 27,108 | (1,004) | 26,103 |
| Segment profit | 423 | 795 | 153 | 223 | 1,597 | (319) | 1,277 |

(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 5 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 | Major product name |
|---|---|
| Eastern Japan Headquarters | 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<br>Central Japan Headquarters | 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<br>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 | 1,597 |
| Elimination of inter-segment transactions | (7) |
| Corporate expenses (Note) | (312) |
| Operating profit in the quarterly consolidated statement of income | 1,277 |

(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.