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July 26, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (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
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of 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, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	24,519	(6.1)	725	(43.2)	932	(35.8)	568	(43.7)
June 30, 2023	26,103	14.3	1,277	56.0	1,453	49.2	1,011	51.0

Note: Comprehensive income For the three months ended June 30, 2024: ¥1,907 million [(6.7)%]
For the three months ended June 30, 2023: ¥2,043 million [235.0%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	30.28	—
June 30, 2023	53.81	—

Note: The Company conducted a 3-for-1 share split on April 1, 2024. “Basic earnings per share” is calculated on the assumption that the share split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	95,090	41,390	43.3
March 31, 2024	94,756	40,377	42.4

Reference: Equity
As of June 30, 2024: ¥41,142 million
As of March 31, 2024: ¥40,134 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, 2024	—	40.00	—	140.00	180.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		15.00	—	45.00	60.00

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

Notes: 1. The Company conducted a 3-for-1 share split on April 1, 2024. For the fiscal years ended March 31, 2023 and 2024, the actual dividend amount before the share split is stated. For the fiscal year ending March 31, 2025 (forecast), the forecast dividend amount after the share split is stated. For reference, the annual dividend for the fiscal year ending March 31, 2025 (forecast) without considering the share split is 180 yen per share.

2. The year-end dividend for the fiscal year ended March 31, 2024 includes a commemorative dividend of 10 yen.

3. Consolidated financial results forecast for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	57,000	2.0	2,700	2.4	2,920	2.8	1,940	0.6	103.24
Full year	116,000	2.2	5,500	5.1	5,900	5.8	3,900	(2.5)	207.54

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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, 2024	19,493,907 shares
As of March 31, 2024	19,493,907 shares

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

As of June 30, 2024	703,726 shares
As of March 31, 2024	703,446 shares

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

Three months ended June 30, 2024	18,790,314 shares
Three months ended June 30, 2023	18,792,422 shares

Notes: 1. The Company conducted a 3-for-1 share split on April 1, 2024. "Total number of issued shares at the end of the period", "Number of treasury shares at the end of the period" and "Average number of shares outstanding during the period" are calculated on the assumption that the share split had been conducted at the beginning of the previous fiscal year.
2. 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

* The English-language quarterly financial statements have not been reviewed by certified public accountants or an audit firm.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	26,855	25,790
Notes and accounts receivable - trade, and contract assets	30,167	27,856
Electronically recorded monetary claims - operating	12,952	14,095
Merchandise and finished goods	2,666	2,337
Work in process	954	1,151
Other	2,868	3,426
Allowance for doubtful accounts	(186)	(186)
Total current assets	76,279	74,470
Non-current assets		
Property, plant and equipment	2,284	2,419
Intangible assets	421	418
Investments and other assets		
Investment securities	14,633	16,618
Deferred tax assets	12	25
Other	1,326	1,339
Allowance for doubtful accounts	(202)	(202)
Total investments and other assets	15,771	17,782
Total non-current assets	18,477	20,620
Total assets	94,756	95,090
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,954	17,206
Electronically recorded obligations - operating	21,688	23,737
Income taxes payable	749	222
Advances received	5,331	6,354
Provision for bonuses for directors (and other officers)	14	—
Provision for loss on construction contracts	20	20
Other	1,321	1,268
Total current liabilities	50,080	48,810
Non-current liabilities		
Provision for share awards for directors (and other officers)	176	189
Retirement benefit liability	1,860	1,817
Long-term accounts payable - other	211	211
Deferred tax liabilities	1,802	2,429
Other	248	242
Total non-current liabilities	4,298	4,890
Total liabilities	54,379	53,700
Net assets		
Shareholders' equity		
Share capital	2,945	2,945
Capital surplus	1,944	1,944
Retained earnings	29,172	28,851
Treasury shares	(622)	(623)
Total shareholders' equity	33,439	33,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,580	7,941
Deferred gains or losses on hedges	(67)	(137)
Foreign currency translation adjustment	197	232
Remeasurements of defined benefit plans	(15)	(11)
Total accumulated other comprehensive income	6,694	8,024
Non-controlling interests	243	247
Total net assets	40,377	41,390
Total liabilities and net assets	94,756	95,090

(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, 2023	Three months ended June 30, 2024
Net sales	26,103	24,519
Cost of sales	22,022	20,747
Gross profit	4,080	3,772
Selling, general and administrative expenses	2,803	3,046
Operating profit	1,277	725
Non-operating income		
Interest income	1	1
Dividend income	177	217
Other	18	7
Total non-operating income	196	227
Non-operating expenses		
Interest expenses	0	0
Share of loss of entities accounted for using equity method	13	6
Foreign exchange losses	—	7
Other	5	4
Total non-operating expenses	20	19
Ordinary profit	1,453	932
Extraordinary losses		
Loss on sale and retirement of non-current assets	—	2
Office renovation expenses	—	102
Total extraordinary losses	—	104
Profit before income taxes	1,453	828
Income taxes - current	423	218
Income taxes - deferred	23	33
Total income taxes	446	252
Profit	1,006	576
Profit (loss) attributable to non-controlling interests	(4)	7
Profit attributable to owners of parent	1,011	568

Quarterly Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,006	576
Other comprehensive income		
Valuation difference on available-for-sale securities	1,017	1,361
Deferred gains or losses on hedges	(8)	(70)
Foreign currency translation adjustment	21	23
Remeasurements of defined benefit plans, net of tax	3	3
Share of other comprehensive income of entities accounted for using equity method	2	13
Total other comprehensive income	1,037	1,331
Comprehensive income	2,043	1,907
Comprehensive income attributable to:		
Owners of parent	2,041	1,898
Non-controlling interests	2	9

(Segment Information, etc.)

Segment information

I. 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	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	Industrial materials and new product	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	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.

II. For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

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	7,678	5,831	3,462	3,730	20,702	—	20,702
Goods or services transferred over time	1,179	2,451	185	—	3,817	—	3,817
Revenue from contracts with customers	8,858	8,282	3,648	3,730	24,519	—	24,519
Sales to external customers	8,858	8,282	3,648	3,730	24,519	—	24,519
Inter-segment sales or transfers	32	61	117	282	493	(493)	—
Total	8,890	8,344	3,765	4,012	25,012	(493)	24,519
Segment profit	429	390	217	96	1,133	(408)	725

(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
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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	Industrial materials and new product	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	1,133
Elimination of inter-segment transactions	(5)
Corporate expenses (Note)	(402)
Operating profit in the quarterly consolidated statement of income	725

(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.