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October 31, 2024

Consolidated Financial Results for the Six Months Ended September 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
Inquiries: Junshi Koketsu, Managing Officer
Telephone: +81-6-4795-8832
Scheduled date to file semi-annual securities report: November 11, 2024
Scheduled date to commence dividend payments: December 5, 2024
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 six months ended September 30, 2024 (from April 1, 2024 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	56,600	1.3	2,566	(2.7)	2,795	(1.6)	1,888	(2.0)
September 30, 2023	55,893	8.0	2,636	16.3	2,841	15.8	1,927	16.9

Note: Comprehensive income For the six months ended September 30, 2024: ¥2,368 million [(35.5)%]
For the six months ended September 30, 2023: ¥3,671 million [147.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	100.49	—
September 30, 2023	102.58	—

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	%
September 30, 2024	95,026	41,874	43.8
March 31, 2024	94,756	40,377	42.4

Reference: Equity
As of September 30, 2024: ¥41,622 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	—	15.00			
Fiscal year ending March 31, 2025 (Forecast)			—	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, 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
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 semi-annual 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 September 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 September 30, 2024	683,523 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)

Six months ended September 30, 2024	18,794,647 shares
Six months ended September 30, 2023	18,792,099 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.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	26,855	27,433
Notes and accounts receivable - trade, and contract assets	30,167	30,895
Electronically recorded monetary claims - operating	12,952	11,231
Merchandise and finished goods	2,666	2,368
Work in process	954	850
Other	2,868	3,293
Allowance for doubtful accounts	(186)	(191)
Total current assets	76,279	75,881
Non-current assets		
Property, plant and equipment	2,284	2,424
Intangible assets	421	400
Investments and other assets		
Investment securities	14,633	15,069
Deferred tax assets	12	26
Other	1,326	1,425
Allowance for doubtful accounts	(202)	(201)
Total investments and other assets	15,771	16,320
Total non-current assets	18,477	19,145
Total assets	94,756	95,026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,954	19,506
Electronically recorded obligations - operating	21,688	17,362
Income taxes payable	749	958
Advances received	5,331	10,137
Provision for bonuses for directors (and other officers)	14	80
Provision for loss on construction contracts	20	20
Other	1,321	638
Total current liabilities	50,080	48,703
Non-current liabilities		
Provision for share awards for directors (and other officers)	176	180
Retirement benefit liability	1,860	1,821
Long-term accounts payable - other	211	199
Deferred tax liabilities	1,802	1,980
Other	248	266
Total non-current liabilities	4,298	4,448
Total liabilities	54,379	53,151
Net assets		
Shareholders' equity		
Share capital	2,945	2,945
Capital surplus	1,944	1,944
Retained earnings	29,172	30,171
Treasury shares	(622)	(599)
Total shareholders' equity	33,439	34,461
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,580	6,857
Deferred gains or losses on hedges	(67)	27
Foreign currency translation adjustment	197	282
Remeasurements of defined benefit plans	(15)	(5)
Total accumulated other comprehensive income	6,694	7,160
Non-controlling interests	243	252
Total net assets	40,377	41,874
Total liabilities and net assets	94,756	95,026

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of Yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	55,893	56,600
Cost of sales	47,277	47,757
Gross profit	8,615	8,843
Selling, general and administrative expenses	5,979	6,276
Operating profit	2,636	2,566
Non-operating income		
Interest income	4	3
Dividend income	195	244
Share of profit of entities accounted for using equity method	—	11
Other	32	18
Total non-operating income	231	277
Non-operating expenses		
Interest expenses	4	3
Share of loss of entities accounted for using equity method	10	—
Foreign exchange losses	—	33
Commission expenses	4	3
Other	7	7
Total non-operating expenses	27	48
Ordinary profit	2,841	2,795
Extraordinary income		
Gain on sale of investment securities	—	108
Total extraordinary income	—	108
Extraordinary losses		
Loss on sale and retirement of non-current assets	—	2
Office renovation expenses	—	106
Total extraordinary losses	—	109
Profit before income taxes	2,841	2,794
Income taxes - current	962	919
Income taxes - deferred	(43)	(13)
Total income taxes	919	905
Profit	1,922	1,888
Profit (loss) attributable to non-controlling interests	(5)	0
Profit attributable to owners of parent	1,927	1,888

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,922	1,888
Other comprehensive income		
Valuation difference on available-for-sale securities	1,705	276
Deferred gains or losses on hedges	(39)	94
Foreign currency translation adjustment	49	71
Remeasurements of defined benefit plans, net of tax	7	9
Share of other comprehensive income of entities accounted for using equity method	25	26
Total other comprehensive income	1,749	479
Comprehensive income	3,671	2,368
Comprehensive income attributable to:		
Owners of parent	3,661	2,354
Non-controlling interests	9	13

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of Yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,841	2,794
Depreciation	118	147
Increase (decrease) in provisions	88	90
Interest and dividend income	(199)	(247)
Interest expenses	4	3
Share of loss (profit) of entities accounted for using equity method	10	(11)
Loss (gain) on sale of securities	—	(108)
Loss (gain) on sale and retirement of non-current assets	—	2
Decrease (increase) in trade receivables	(455)	1,024
Decrease (increase) in inventories	133	410
Increase (decrease) in trade payables	(664)	(5,827)
Decrease (increase) in advance payments to suppliers	393	(173)
Increase (decrease) in advances received	(760)	4,773
Increase (decrease) in accrued consumption taxes	771	(213)
Increase (decrease) in retirement benefit liability	40	(38)
Decrease (increase) in other assets	(9)	(17)
Increase (decrease) in other liabilities	(104)	(450)
Other, net	(38)	23
Subtotal	2,169	2,183
Interest and dividends received	199	247
Interest paid	(1)	(1)
Income taxes paid	(1,126)	(717)
Dividends received from entities accounted for using equity method	13	—
Net cash provided by (used in) operating activities	1,254	1,711
Cash flows from investing activities		
Purchase of non-current assets	(245)	(388)
Purchase of investment securities	(16)	(21)
Proceeds from sale of investment securities	—	145
Net decrease (increase) in short-term loans receivable	(9)	53
Long-term loan advances	(1)	(113)
Proceeds from collection of long-term loans receivable	1	1
Other, net	(3)	3
Net cash provided by (used in) investing activities	(275)	(318)
Cash flows from financing activities		
Purchase of treasury shares	(142)	(1)
Proceeds from disposal of treasury shares	141	11
Repayments of lease liabilities	(22)	(17)
Dividends paid	(758)	(889)
Dividends paid to non-controlling interests	(20)	(4)
Net cash provided by (used in) financing activities	(803)	(902)
Effect of exchange rate change on cash and cash equivalents	61	87
Net increase (decrease) in cash and cash equivalents	236	577
Cash and cash equivalents at beginning of period	22,927	26,855
Cash and cash equivalents at end of period	23,164	27,433

(Segment Information, etc.)

Segment information

I. For the six months ended September 30, 2023 (From April 1, 2023 to September 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 semi-annual 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	15,999	14,031	6,863	9,362	46,256	—	46,256
Goods or services transferred over time	3,835	4,502	835	464	9,637	—	9,637
Revenue from contracts with customers	19,834	18,533	7,698	9,826	55,893	—	55,893
Sales to external customers	19,834	18,533	7,698	9,826	55,893	—	55,893
Inter-segment sales or transfers	156	695	130	748	1,730	(1,730)	—
Total	19,990	19,228	7,829	10,575	57,623	(1,730)	55,893
Segment profit	1,121	1,453	448	326	3,350	(713)	2,636

(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 semi-annual consolidated statement of income, and major breakdown of such differences

(matters related to adjustment of differences)

(Millions of yen)

Profit	Amount
Total reportable segments	3,350
Elimination of inter-segment transactions	(7)
Corporate expenses (Note)	(706)
Operating profit in the semi-annual consolidated statement of income	2,636

(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 six months ended September 30, 2024 (From April 1, 2024 to September 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 semi-annual 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	16,986	12,910	7,467	7,352	44,716	—	44,716
Goods or services transferred over time	4,510	6,625	747	—	11,883	—	11,883
Revenue from contracts with customers	21,497	19,535	8,214	7,352	56,600	—	56,600
Sales to external customers	21,497	19,535	8,214	7,352	56,600	—	56,600
Inter-segment sales or transfers	172	1,044	198	762	2,177	(2,177)	—
Total	21,670	20,579	8,413	8,114	58,777	(2,177)	56,600
Segment profit	1,437	1,256	495	220	3,410	(844)	2,566

(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	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 semi-annual consolidated statement of income, and major breakdown of such differences

(matters related to adjustment of differences)

(Millions of yen)

Profit	Amount
Total reportable segments	3,410
Elimination of inter-segment transactions	(1)
Corporate expenses (Note)	(842)
Operating profit in the semi-annual consolidated statement of income	2,566

(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.