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November 10, 2023

Non-consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: Techno Smart Corp.
 Listing: Tokyo Stock Exchange
 Securities code: 6246
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 Scheduled date to file quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: December 7, 2023
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Non-consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2023	9,641	(10.0)	1,599	26.7	1,619	26.1	1,097	25.1
September 30, 2022	10,716	92.7	1,261	376.2	1,284	332.3	877	345.3

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	89.23	—
September 30, 2022	71.36	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	28,766	19,227	66.8
March 31, 2023	27,909	18,577	66.6

Reference: Equity

As of September 30, 2023: ¥ 19,227 million

As of March 31, 2023: ¥ 18,577 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	—	19.00	—	55.00	74.00
Fiscal year ending March 31, 2024	—	38.00			
Fiscal year ending March 31, 2024 (Forecast)			—	38.00	76.00

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

3. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,000	(3.4)	2,400	7.5	2,430	6.7	1,660	3.3	135.01

Note: Revisions to earnings forecast published most recently: None

***Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: Yes
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) 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, 2023	12,401,720 shares
As of March 31, 2023	12,401,720 shares

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

As of September 30, 2023	106,915 shares
As of March 31, 2023	106,828 shares

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

Six months ended September 30, 2023	12,294,820 shares
Six months ended September 30, 2022	12,294,898 shares

* 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
The above forecasts are based on information available as of the date of publication of this document. The achievement of such forecasts is not guaranteed by the Company.
Actual results may vary significantly from such forecasts due to a variety of factors.

1. Quarterly Financial Statements

(1) Quarterly balance sheet

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	9,583,051	11,131,971
Notes and accounts receivable - trade, and contract assets	5,247,229	8,973,516
Electronically recorded monetary claims - operating	6,134,225	1,411,639
Work in process	442,071	466,964
Raw materials and supplies	93,809	105,585
Other	171,634	251,863
Allowance for doubtful accounts	(50,103)	(49,503)
Total current assets	21,621,920	22,292,037
Non-current assets		
Property, plant and equipment		
Buildings, net	2,155,794	2,110,275
Machinery and equipment, net	151,338	166,239
Land	2,001,209	2,001,209
Other, net	139,206	138,921
Total property, plant and equipment	4,447,549	4,416,645
Intangible assets	49,112	43,410
Investments and other assets		
Investment securities	1,401,899	1,716,298
Other	388,789	298,190
Total investments and other assets	1,790,688	2,014,488
Total non-current assets	6,287,350	6,474,544
Total assets	27,909,270	28,766,581
Liabilities		
Current liabilities		
Accounts payable - trade	1,128,527	1,432,624
Electronically recorded obligations - operating	3,879,935	4,252,818
Income taxes payable	477,151	551,825
Advances received	1,729,751	1,357,772
Provision for bonuses	239,892	219,157
Provision for bonuses for directors (and other officers)	109,798	60,127
Other	358,777	211,338
Total current liabilities	7,923,834	8,085,665
Non-current liabilities		
Provision for retirement benefits	918,163	957,750
Provision for share-based payments	-	5,853
Asset retirement obligations	6,412	6,412
Other	483,283	483,283
Total non-current liabilities	1,407,858	1,453,300
Total liabilities	9,331,693	9,538,965

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,953,930	1,953,930
Capital surplus	1,683,457	1,683,457
Retained earnings	13,449,914	13,870,865
Treasury shares	(141,307)	(141,444)
Total shareholders' equity	16,945,993	17,366,807
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	536,173	757,569
Deferred gains or losses on hedges	(1,696)	6,131
Revaluation reserve for land	1,097,107	1,097,107
Total valuation and translation adjustments	1,631,583	1,860,808
Total net assets	18,577,577	19,227,616
Total liabilities and net assets	27,909,270	28,766,581

(2) Quarterly statement of income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	10,716,246	9,641,913
Cost of sales	9,040,703	7,576,139
Gross profit	1,675,543	2,065,774
Selling, general and administrative expenses	413,567	466,494
Operating profit	1,261,976	1,599,279
Non-operating income		
Interest income	15	26
Dividend income	25,873	29,402
Subsidy income	780	100
Other	6,532	2,948
Total non-operating income	33,202	32,477
Non-operating expenses		
Interest expenses	256	-
Guarantee commission	8,612	11,032
Other	1,755	1,198
Total non-operating expenses	10,624	12,231
Ordinary profit	1,284,554	1,619,526
Extraordinary income		
Gain on sale of non-current assets	99	111
Total extraordinary income	99	111
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	1,284,653	1,619,637
Income taxes	407,281	522,467
Profit	877,371	1,097,170

(3) Quarterly statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,284,653	1,619,637
Depreciation	88,722	105,553
Increase (decrease) in allowance for doubtful accounts	-	(599)
Interest and dividend income	(25,889)	(29,428)
Interest expenses	256	-
Decrease (increase) in trade receivables	1,184,162	996,298
Decrease (increase) in inventories	4,247	(36,668)
Increase (decrease) in trade payables	(738,462)	676,980
Increase (decrease) in advances received	1,315,888	(371,979)
Other, net	676,360	(140,215)
Subtotal	3,789,940	2,819,578
Interest and dividends received	25,889	29,428
Interest paid	(256)	-
Income taxes paid	(459,812)	(444,610)
Net cash provided by (used in) operating activities	3,355,761	2,404,397
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,659)	(171,676)
Proceeds from sale of property, plant and equipment	99	111
Purchase of investment securities	(755)	(836)
Purchase of intangible assets	(9,000)	(4,788)
Other, net	(4,132)	(4,777)
Net cash provided by (used in) investing activities	(25,447)	(181,968)
Cash flows from financing activities		
Dividends paid	(305,777)	(673,371)
Purchase of treasury shares	(43)	(137)
Net cash provided by (used in) financing activities	(305,820)	(673,508)
Effect of exchange rate change on cash and cash equivalents	87	-
Net increase (decrease) in cash and cash equivalents	3,024,580	1,548,920
Cash and cash equivalents at beginning of period	10,538,638	9,483,051
Cash and cash equivalents at end of period	13,563,218	11,031,971

2. Supplementary Information

Net Sales, Orders and Order Backlog by Product Segment

(Thousands of yen, %)

Product Segment	Six months ended September 30, 2022		Six months ended September 30, 2023		(Reference) Full year (April 1, 2022-March 31, 2023)	
	Amount of money	Composition ratio(%)	Amount of money	Composition ratio(%)	Amount of money	Composition ratio(%)
Net sales						
Display-Related Coater	3,714,223	34.7	3,919,056	40.6	7,464,446	37.9
Functional Film-Related Coater	3,902,950	36.4	1,785,707	18.5	5,257,643	26.7
Electronic Components-Related Coater	220,607	2.1	1,137,044	11.8	1,112,189	5.7
Energy-Related Coater	2,506,366	23.4	2,012,731	20.9	4,536,777	23.1
Chemical engineering machinery	22,000	0.2	14,600	0.2	22,000	0.1
Others	350,099	3.2	772,773	8.0	1,284,349	6.5
Total	10,716,246	100.0	9,641,913	100.0	19,677,406	100.0
Exports	9,725,550	90.8	6,935,834	71.9	16,537,675	84.0
Orders						
Display-Related Coater	4,162,088	39.9	2,261,451	32.2	6,574,218	29.9
Functional Film-Related Coater	2,516,667	24.1	653,300	9.3	7,387,780	33.6
Electronic Components-Related Coater	1,315,000	12.6	912,680	13.0	1,399,975	6.4
Energy-Related Coater	1,977,780	18.9	2,690,484	38.3	5,691,150	25.8
Chemical engineering machinery	—	—	37,600	0.5	—	—
Others	468,488	4.5	461,519	6.7	963,921	4.3
Total	10,440,024	100.0	7,017,035	100.0	22,017,045	100.0
Exports	9,114,529	87.3	2,264,826	32.3	13,789,900	62.6
Orders Backlog						
Display-Related Coater	8,367,687	34.6	5,371,990	22.2	7,029,594	26.2
Functional Film-Related Coater	6,129,230	25.3	8,513,243	35.2	9,645,651	36.0
Electronic Components-Related Coater	2,927,977	12.1	1,897,006	7.8	2,121,370	7.9
Energy-Related Coater	5,443,710	22.5	7,804,421	32.3	7,126,669	26.6
Chemical engineering machinery	—	—	23,000	0.1	—	—
Others	1,319,157	5.5	569,087	2.4	880,340	3.3
Total	24,187,764	100.0	24,178,748	100.0	26,803,626	100.0
Exports	18,011,453	74.5	11,203,692	46.3	15,874,699	59.2