

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 10, 2023

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

Company name: Techno Smart Corp.
 Listing: Tokyo Stock Exchange
 Securities code: 6246
 URL: <https://www.technosmart.co.jp>
 Representative: Masami Yanai, President
 Inquiries: Haruhiro Iida, Managing Director
 Telephone: +81-6-6253-7200
 Scheduled date to file quarterly securities report: August 10, 2023
 Scheduled date to commence dividend payments: —
 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 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	%
Three months ended								
June 30, 2023	4,257	(20.9)	444	(17.8)	461	(18.5)	312	(19.0)
June 30, 2022	5,381	216.8	541	—	566	—	385	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2023	25.39	—
June 30, 2022	31.34	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2023	27,080	18,348	67.8
March 31, 2023	27,909	18,577	66.6

Reference: Equity

As of June 30, 2023: ¥ 18,348 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	—				
Fiscal year ending March 31, 2024 (Forecast)		38.00	—	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
Six months ending September 30, 2023 (cumulative)	8,300	(22.6)	830	(34.2)	850	(33.8)	580	(33.9)	47.17
Full year	20,000	1.6	2,200	(1.5)	2,180	(4.3)	1,490	(7.3)	121.18

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 June 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 June 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)

Three months ended June 30, 2023	12,294,834 shares
Three months ended June 30, 2022	12,294,903 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	9,583,051	13,692,080
Notes and accounts receivable - trade, and contract assets	5,247,229	5,449,464
Electronically recorded monetary claims - operating	6,134,225	892,422
Work in process	442,071	410,937
Raw materials and supplies	93,809	107,897
Other	171,634	167,029
Allowance for doubtful accounts	(50,103)	(49,503)
Total current assets	21,621,920	20,670,326
Non-current assets		
Property, plant and equipment		
Buildings, net	2,155,794	2,136,975
Machinery and equipment, net	151,338	175,368
Land	2,001,209	2,001,209
Other, net	139,206	128,812
Total property, plant and equipment	4,447,549	4,442,365
Intangible assets	49,112	45,985
Investments and other assets		
Investment securities	1,401,899	1,587,139
Other	388,789	334,440
Total investments and other assets	1,790,688	1,921,579
Total non-current assets	6,287,350	6,409,930
Total assets	27,909,270	27,080,257
Liabilities		
Current liabilities		
Accounts payable - trade	1,128,527	1,223,676
Electronically recorded obligations - operating	3,879,935	3,953,542
Income taxes payable	477,151	161,767
Advances received	1,729,751	1,127,549
Provision for bonuses	239,892	109,888
Provision for bonuses for directors (and other officers)	109,798	28,187
Other	358,777	696,853
Total current liabilities	7,923,834	7,301,464
Non-current liabilities		
Provision for retirement benefits	918,163	937,940
Provision for share-based payments	-	2,743
Asset retirement obligations	6,412	6,412
Other	483,283	483,283
Total non-current liabilities	1,407,858	1,430,379
Total liabilities	9,331,693	8,731,844

(Thousands of yen)

	As of March 31, 2023	As of June 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	13,085,865
Treasury shares	(141,307)	(141,444)
Total shareholders' equity	16,945,993	16,581,807
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	536,173	666,546
Deferred gains or losses on hedges	(1,696)	2,951
Revaluation reserve for land	1,097,107	1,097,107
Total valuation and translation adjustments	1,631,583	1,766,606
Total net assets	18,577,577	18,348,413
Total liabilities and net assets	27,909,270	27,080,257

(2) Quarterly statement of income

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	5,381,933	4,257,609
Cost of sales	4,640,456	3,579,207
Gross profit	741,477	678,401
Selling, general and administrative expenses	200,021	233,557
Operating profit	541,455	444,843
Non-operating income		
Interest income	4	16
Dividend income	23,764	26,219
Subsidy income	780	-
Other	3,272	751
Total non-operating income	27,821	26,987
Non-operating expenses		
Interest expenses	137	-
Guarantee commission	2,843	9,687
Other	37	742
Total non-operating expenses	3,018	10,429
Ordinary profit	566,259	461,401
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	566,358	461,512
Income taxes	180,954	149,342
Profit	385,404	312,169

2. Supplementary Information

Net Sales, Orders and Order Backlog by Product Segment

(Thousands of yen, %)

Product Segment	Three months ended June 30, 2022		Three months ended June 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	1,548,337	28.8	1,433,138	33.7	7,464,446	37.9
Functional Film-Related Coater	2,362,248	43.9	1,093,222	25.7	5,257,643	26.7
Electronic Components-Related Coater	69,929	1.3	428,341	10.1	1,112,189	5.7
Energy-Related Coater	1,253,009	23.3	928,103	21.8	4,536,777	23.1
Chemical engineering machinery	-	-	-	-	22,000	0.1
Others	148,408	2.7	374,803	8.7	1,284,349	6.5
Total	5,381,933	100.0	4,257,609	100.0	19,677,406	100.0
Exports	5,024,706	93.4	3,058,801	71.8	16,537,675	84.0
Orders						
Display-Related Coater	4,058,798	51.1	136,092	12.5	6,574,218	29.9
Functional Film-Related Coater	774,957	9.7	449,999	41.5	7,387,780	33.6
Electronic Components-Related Coater	1,283,000	16.1	156,290	14.4	1,399,975	6.4
Energy-Related Coater	1,616,750	20.3	52,394	4.8	5,691,150	25.8
Chemical engineering machinery	-	-	37,600	3.5	-	-
Others	216,276	2.8	252,368	23.3	963,921	4.3
Total	7,949,782	100.0	1,084,743	100.0	22,017,045	100.0
Exports	7,594,095	95.5	183,885	17.0	13,789,900	62.6
Orders Backlog						
Display-Related Coater	10,430,283	38.6	5,732,547	24.3	7,029,594	26.2
Functional Film-Related Coater	5,928,222	21.9	9,002,427	38.1	9,645,651	36.0
Electronic Components-Related Coater	3,046,655	11.3	1,849,319	7.8	2,121,370	7.9
Energy-Related Coater	6,336,037	23.4	6,250,960	26.5	7,126,669	26.6
Chemical engineering machinery	22,000	0.1	37,600	0.2	-	-
Others	1,268,636	4.7	757,905	3.1	880,340	3.3
Total	27,031,836	100.0	23,630,760	100.0	26,803,626	100.0
Exports	21,191,862	78.4	12,999,784	55.0	15,874,699	59.2