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August 9, 2024

Non-consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Techno Smart Corp.
 Listing: Tokyo Stock Exchange
 Securities code: 6246
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 Representative: Haruhiro Iida, President
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of 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, 2024 (from April 1, 2024 to June 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	3,092	(27.4)	405	(8.8)	433	(6.1)	291	(6.6)
June 30, 2023	4,257	(20.9)	444	(17.8)	461	(18.5)	312	(19.0)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	23.67	—
June 30, 2023	25.39	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	27,782	19,438	70.0
March 31, 2024	29,948	19,707	65.8

Reference: Equity

As of June 30, 2024: ¥ 19,438 million
 As of March 31, 2024: ¥ 19,707 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	—	38.00	—	41.00	79.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		41.00	—	41.00	82.00

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

Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 Ordinary dividend 38.00 yen
Special dividend 3.00 yen

3. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period)

	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, 2024 (cumulative)	6,630	(31.2)	650	(59.4)	650	(59.9)	450	(59.0)	39.24
Full year	21,000	9.1	2,500	(3.4)	2,510	(4.6)	1,710	(5.2)	149.12

Note: 1. Revisions to earnings forecast published most recently: None

2. At a meeting of the Board of Directors held on June 27, 2024, the Company resolved to repurchase its own shares, and "Basic earnings per share" in the Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2025 takes into account the impact of this repurchase of its own shares.

***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: None
 - (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, 2024	12,401,720 shares
As of March 31, 2024	12,401,720 shares

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

As of June 30, 2024	84,265 shares
As of March 31, 2024	84,265 shares

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

Three months ended June 30, 2024	12,317,455 shares
Three months ended June 30, 2023	12,294,834 shares

Note: At a meeting of the Board of Directors held on June 27, 2024, the Company resolved to repurchase its own shares. Since the delivery date of the 850,000 treasury shares acquired was July 2, 2024, they are not included in the number of treasury shares at the end of the first quarter of the fiscal year ending March 31, 2025 or the average number of shares outstanding during the period (cumulative from the beginning of the fiscal year).

- * Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)
- * 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 Non-consolidated Financial Statements

(1) Quarterly Non-consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	9,711,442	9,304,886
Notes and accounts receivable - trade, and contract assets	10,650,023	10,210,861
Electronically recorded monetary claims - operating	1,606,607	308,468
Work in process	607,959	810,952
Raw materials and supplies	234,476	234,389
Other	328,961	31,325
Allowance for doubtful accounts	(100,008)	(100,008)
Total current assets	23,039,462	20,800,876
Non-current assets		
Property, plant and equipment		
Buildings, net	2,050,310	2,021,365
Machinery and equipment, net	168,607	162,705
Land	2,001,209	2,001,209
Other, net	372,685	545,002
Total property, plant and equipment	4,592,813	4,730,282
Intangible assets	39,772	36,708
Investments and other assets		
Investment securities	2,002,702	1,918,288
Other	274,026	296,790
Total investments and other assets	2,276,728	2,215,078
Total non-current assets	6,909,315	6,982,069
Total assets	29,948,777	27,782,946
Liabilities		
Current liabilities		
Accounts payable - trade	1,058,737	807,903
Electronically recorded obligations - operating	3,299,225	2,304,259
Income taxes payable	550,649	155,178
Advances received	3,005,574	2,597,924
Provision for bonuses	221,406	113,123
Provision for bonuses for directors (and other officers)	127,669	38,992
Other	499,663	845,102
Total current liabilities	8,762,926	6,862,485
Non-current liabilities		
Provision for retirement benefits	975,135	975,647
Provision for share-based payments	13,125	17,040
Asset retirement obligations	6,412	6,412
Other	483,283	483,283
Total non-current liabilities	1,477,955	1,482,383
Total liabilities	10,240,882	8,344,868

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,953,930	1,953,930
Capital surplus	1,693,830	1,693,830
Retained earnings	14,110,850	13,897,445
Treasury shares	(111,500)	(111,500)
Total shareholders' equity	17,647,110	17,433,706
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	959,015	899,099
Deferred gains or losses on hedges	4,661	8,164
Revaluation reserve for land	1,097,107	1,097,107
Total valuation and translation adjustments	2,060,784	2,004,371
Total net assets	19,707,895	19,438,077
Total liabilities and net assets	29,948,777	27,782,946

(2) Quarterly Non-consolidated Statement of Income
(Three months ended June 30, 2024)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	4,257,609	3,092,463
Cost of sales	3,579,207	2,359,441
Gross profit	678,401	733,021
Selling, general and administrative expenses	233,557	327,327
Operating profit	444,843	405,694
Non-operating income		
Interest income	16	4
Dividend income	26,219	27,335
Other	751	9,356
Total non-operating income	26,987	36,696
Non-operating expenses		
Interest expenses	-	12
Guarantee commission	9,687	9,097
Other	742	232
Total non-operating expenses	10,429	9,342
Ordinary profit	461,401	433,047
Extraordinary income		
Gain on sale of non-current assets	111	55
Gain on sale of investment securities	-	49
Total extraordinary income	111	104
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	461,512	433,152
Income taxes	149,342	141,541
Profit	312,169	291,611

2. Supplementary Information

Net Sales, Orders and Order Backlog by Product Segment

(Thousands of yen, %)

Product Segment	Three months ended June 30, 2023		Three months ended June 30, 2024		(Reference) Full year (April 1, 2023-March 31, 2024)	
	Amount of money	Composition ratio(%)	Amount of money	Composition ratio(%)	Amount of money	Composition ratio(%)
Net sales						
Display-Related Coater	1,433,138	33.7	686,872	22.2	6,348,526	33.0
Functional Film-Related Coater	1,093,222	25.7	1,056,225	34.2	4,388,007	22.8
Electronic Components-Related Coater	428,341	10.1	117,638	3.8	1,998,959	10.4
Energy-Related Coater	928,103	21.8	1,019,414	33.0	5,206,388	27.1
Chemical engineering machinery	-	-	12,972	0.4	24,628	0.1
Others	374,803	8.7	199,340	6.4	1,275,896	6.6
Total	4,257,609	100.0	3,092,463	100.0	19,242,406	100.0
Exports	3,058,801	71.8	1,336,246	43.2	12,154,175	63.2
Orders						
Display-Related Coater	136,092	12.5	646,410	24.2	14,661,913	60.4
Functional Film-Related Coater	449,999	41.5	1,121,272	41.9	1,835,350	7.6
Electronic Components-Related Coater	156,290	14.4	42,500	1.6	936,812	3.9
Energy-Related Coater	52,394	4.8	615,600	23.0	5,963,024	24.5
Chemical engineering machinery	37,600	3.5	-	-	37,600	0.1
Others	252,368	23.3	249,765	9.3	853,315	3.5
Total	1,084,743	100.0	2,675,547	100.0	24,288,015	100.0
Exports	183,885	17.0	1,420,532	53.1	13,718,267	56.5
Orders Backlog						
Display-Related Coater	5,732,547	24.3	15,302,520	48.7	15,342,982	48.2
Functional Film-Related Coater	9,002,427	38.1	7,158,040	22.8	7,092,994	22.3
Electronic Components-Related Coater	1,849,319	7.8	984,085	3.1	1,059,223	3.3
Energy-Related Coater	6,250,960	26.5	7,479,490	23.8	7,883,304	24.8
Chemical engineering machinery	37,600	0.2	-	-	12,972	0.0
Others	757,905	3.1	508,184	1.6	457,759	1.4
Total	23,630,760	100.0	31,432,320	100.0	31,849,236	100.0
Exports	12,999,784	55.0	17,523,078	55.7	17,438,791	54.8