

Note: This document has been translated from a part of 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.

February 7, 2025

Non-consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: Techno Smart Corp.
 Listing: Tokyo Stock Exchange
 Securities code: 6246
 URL: <https://www.technosmart.co.jp>
 Representative: Haruhiro Iida, President
 Inquiries: Kaname Takahashi, Director, General Manager of Administration Div.
 Telephone: +81-6-6253-7200
 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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	14,097	(7.9)	2,294	(8.2)	2,341	(7.9)	1,560	(9.7)
December 31, 2023	15,312	(5.0)	2,500	12.8	2,541	12.6	1,727	11.9

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	132.77	—
December 31, 2023	140.51	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	28,368	18,765	66.1
March 31, 2024	29,948	19,707	65.8

Reference: Equity

As of December 31, 2024: ¥18,765 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	—	41.00	—		
Fiscal year ending March 31, 2025 (Forecast)				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 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	21,700	12.8	3,100	19.8	3,100	17.9	2,100	16.4	183.12

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

Note: For details, please see “1. Quarterly Non-consolidated Financial Statements and Main Notes, (3) Notes to Quarterly Non-consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements)” on page 7 of the attached materials.

- (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 December 31, 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 December 31, 2024	934,265 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)

Nine months ended December 31, 2024	11,750,789 shares
Nine months ended December 31, 2023	12,294,815 shares

- * 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 and Main Notes

(1) Quarterly Non-consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	9,711,442	7,702,233
Notes and accounts receivable - trade, and contract assets	10,650,023	11,492,747
Electronically recorded monetary claims - operating	1,606,607	969,456
Work in process	607,959	345,220
Raw materials and supplies	234,476	240,087
Other	328,961	274,842
Allowance for doubtful accounts	(100,008)	(100,008)
Total current assets	23,039,462	20,924,579
Non-current assets		
Property, plant and equipment		
Buildings, net	2,050,310	2,489,341
Machinery and equipment, net	168,607	160,931
Land	2,001,209	2,001,209
Other, net	372,685	572,089
Total property, plant and equipment	4,592,813	5,223,572
Intangible assets	39,772	32,816
Investments and other assets		
Investment securities	2,002,702	1,876,559
Other	274,026	310,653
Total investments and other assets	2,276,728	2,187,213
Total non-current assets	6,909,315	7,443,602
Total assets	29,948,777	28,368,181
Liabilities		
Current liabilities		
Accounts payable - trade	1,058,737	1,623,662
Electronically recorded obligations - operating	3,299,225	3,243,901
Income taxes payable	550,649	359,130
Advances received	3,005,574	1,562,851
Provision for bonuses	221,406	403,280
Provision for bonuses for directors (and other officers)	127,669	128,768
Other	499,663	758,591
Total current liabilities	8,762,926	8,080,185
Non-current liabilities		
Provision for retirement benefits	975,135	1,008,130
Provision for share-based payments	13,125	24,941
Asset retirement obligations	6,412	6,412
Other	483,283	483,283
Total non-current liabilities	1,477,955	1,522,767
Total liabilities	10,240,882	9,602,953

(Thousands of yen)

	As of March 31, 2024	As of December 31, 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	14,695,922
Treasury shares	(111,500)	(1,548,000)
Total shareholders' equity	17,647,110	16,795,682
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	959,015	870,528
Deferred gains or losses on hedges	4,661	1,909
Revaluation reserve for land	1,097,107	1,097,107
Total valuation and translation adjustments	2,060,784	1,969,545
Total net assets	19,707,895	18,765,227
Total liabilities and net assets	29,948,777	28,368,181

(2) Quarterly Non-consolidated Statement of Income

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	15,312,547	14,097,733
Cost of sales	12,111,503	10,927,009
Gross profit	3,201,044	3,170,724
Selling, general and administrative expenses	700,531	875,880
Operating profit	2,500,513	2,294,844
Non-operating income		
Interest income	31	76
Dividend income	50,170	51,813
Other	3,830	10,691
Total non-operating income	54,032	62,581
Non-operating expenses		
Interest expenses	40	12
Guarantee commission	11,381	12,676
Other	1,312	3,322
Total non-operating expenses	12,734	16,011
Ordinary profit	2,541,810	2,341,413
Extraordinary income		
Gain on sale of non-current assets	362	55
Gain on sale of investment securities	-	49
Total extraordinary income	362	104
Extraordinary losses		
Loss on sale of non-current assets	-	8
Loss on retirement of non-current assets	12	412
Total extraordinary losses	12	420
Profit before income taxes	2,542,161	2,341,097
Income taxes	814,541	780,844
Profit	1,727,620	1,560,253

(3) Notes to Quarterly Non-consolidated Financial Statements

[Notes on going concern assumption]

Not applicable.

[Notes on significant changes in the amount of shareholders' equity]

Based on the resolution of the Board of Directors meeting held on June 27, 2024, the Company purchased 850,000 shares of its own stock on July 2, 2024 through the Tokyo Stock Exchange's Off-Auction Own Share Repurchase Transaction (ToSTNeT-3). As a result, treasury stock increased by ¥1,436,500 thousand during the first nine months of the fiscal year ending March 31, 2025, and amounted to ¥1,548,000 thousand as of the end of the first nine months of the fiscal year ending March 31, 2025.

[Notes to Quarterly Statements of Cash Flows]

The Company has not prepared a quarterly non-consolidated statement of cash flows for the first nine months ended December 31, 2024. Depreciation, including amortization related to intangible assets, to the first nine months of the accounting period are as follows.

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation and amortization	159,303	169,483

[Notes on segment and related information]

(Segment information)

The description of this section has been omitted as the Company has a single segment of Machinery and equipment manufacturing.

[Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements]

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year that includes the third quarter under review and by multiplying the profit before income taxes by the estimated effective tax rate. However, in cases where the calculation of tax expenses using the estimated effective tax rate results in a significant lack of rationality, tax expenses are calculated using the statutory effective tax rate.

2. Supplementary Information

Net Sales, Orders and Order Backlog by Product Segment

(Thousands of yen, %)

Product Segment	Nine months ended December 31, 2023		Nine months ended December 31, 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	5,762,983	37.6	5,376,885	38.1	6,348,526	33.0
Functional Film-Related Coater	3,143,801	20.5	3,903,459	27.7	4,388,007	22.8
Electronic Components-Related Coater	1,691,937	11.0	265,017	1.9	1,998,959	10.4
Energy-Related Coater	3,694,231	24.1	3,840,434	27.2	5,206,388	27.1
Chemical engineering machinery	24,122	0.2	12,972	0.1	24,628	0.1
Others	995,472	6.6	698,964	5.0	1,275,896	6.6
Total	15,312,547	100.0	14,097,733	100.0	19,242,406	100.0
Exports	10,165,874	66.4	6,836,049	48.5	12,154,175	63.2
Orders						
Display-Related Coater	14,473,935	65.6	4,169,892	47.3	14,661,913	60.4
Functional Film-Related Coater	993,500	4.5	3,190,255	36.2	1,835,350	7.6
Electronic Components-Related Coater	925,650	4.2	182,380	2.1	936,812	3.9
Energy-Related Coater	5,016,724	22.7	584,321	6.6	5,963,024	24.5
Chemical engineering machinery	37,600	0.2	-	-	37,600	0.1
Others	615,184	2.8	681,591	7.7	853,315	3.5
Total	22,062,594	100.0	8,808,440	100.0	24,288,015	100.0
Exports	12,871,428	58.3	3,717,077	42.2	13,718,267	56.5
Orders Backlog						
Display-Related Coater	15,740,546	46.9	14,135,989	53.2	15,342,982	48.2
Functional Film-Related Coater	7,495,350	22.3	6,379,789	24.0	7,092,994	22.3
Electronic Components-Related Coater	1,355,083	4.0	976,585	3.7	1,059,223	3.3
Energy-Related Coater	8,449,162	25.2	4,627,192	17.4	7,883,304	24.8
Chemical engineering machinery	13,478	0.0	-	-	12,972	0.0
Others	500,052	1.6	440,385	1.7	457,759	1.4
Total	33,553,673	100.0	26,559,942	100.0	31,849,236	100.0
Exports	18,580,253	55.4	14,319,820	53.9	17,438,791	54.8