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November 4, 2022

Non-consolidated Financial Results for the Six Months Ended September 30,2022 (Under Japanese GAAP)

Company name: Techno Medica Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6678
 URL: <http://www.technomedica.co.jp>
 Representative: Masatomo Saneyoshi, President and CEO
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 Scheduled date to file quarterly securities report: November 10, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes(for Securities analysts, Institutional Investors)

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

1. Non-consolidated financial results for the Six months ended September 30,2022 (from April 1,2022 to September 30,2022)

(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 30,2022	3,772	△12.1	446	△33.3	454	△32.7	309	△34.0
September 30,2021	4,291	15.9	669	65.5	676	64.0	468	66.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30,2022	36.71	—
September 30,2021	54.96	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30,2022	17,840	15,472	86.7
September 30,2021	18,508	15,650	84.6

Reference: Equity

As of September 30,2022: ¥15,472 million
 As of March 31,2022: ¥15,650 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2022	Yen —	Yen 0.00	Yen —	Yen 51.00	Yen 51.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		0.00	—	51.00	51.00

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

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(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 September 30,2022	8,760,000 shares
As of March 31,2022	8,760,000 shares

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

As of September 30,2022	330,201 shares
As of March 31,2022	339,751 shares

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

Six months ended June 30,2022	8,422,749 shares
Six months ended June 30,2021	8,520,155 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

Earnings forecasts contained in these disclosure materials are based on available information to the company and assumptions believed to be reasonable by management. This is not a promise or guarantee by the company that it will achieve these goals. Actual results may differ substantially due to several factors such as economic situation, market trend, exchange rates and other factors.

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	11,523,507	11,865,231
Notes receivable - trade	30,587	24,082
Electronically recorded monetary claims - operating	533,349	392,030
Accounts receivable - trade	3,088,090	1,781,270
Merchandise and finished goods	909,427	1,239,041
Work in process	191,018	246,018
Raw materials and supplies	128,854	146,781
Prepaid expenses	36,791	50,157
Consumption taxes refund receivable	-	49,607
Other	31,124	4,841
Total current assets	16,472,750	15,799,063
Non-current assets		
Property, plant and equipment		
Buildings	1,199,326	1,255,060
Accumulated depreciation	△674,876	△694,846
Buildings, net	524,450	560,214
Structures	2,577	5,042
Accumulated depreciation	△2,386	△2,421
Structures, net	191	2,620
Machinery and equipment	350,019	339,869
Accumulated depreciation	△228,589	△231,492
Machinery and equipment, net	121,429	108,376
Tools, furniture and fixtures	292,694	308,319
Accumulated depreciation	△233,612	△249,082
Tools, furniture and fixtures, net	59,081	59,237
Land	787,326	787,326
Construction in progress	-	412
Total property, plant and equipment	1,492,479	1,518,187
Intangible assets		
Telephone subscription right	1,177	1,177
Patent right	1,099	983
Software	30,739	25,636
Total intangible assets	33,017	27,798
Investments and other assets		
Investments in capital	7,510	7,510
Long-term prepaid expenses	49,100	37,548
Deferred tax assets	363,419	362,293
Other	115,682	114,157
Allowance for doubtful accounts	△25,714	△25,564
Total investments and other assets	509,998	495,944
Total non-current assets	2,035,494	2,041,930
Total assets	18,508,245	17,840,994

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,282,543	997,406
Accounts payable - other	146,856	88,618
Accrued expenses	81,284	83,350
Income taxes payable	370,527	162,022
Accrued consumption taxes	148,050	-
Advances received	296,351	499,426
Deposits received	9,496	9,503
Unearned revenue	114,530	128,896
Provision for bonuses	157,533	161,632
Provision for bonuses for directors (and other officers)	21,375	-
Other	1,657	2,125
Total current liabilities	2,630,205	2,132,981
Non-current liabilities		
Provision for retirement benefits	192,291	200,134
Provision for product warranties	63	57
Other	35,598	35,598
Total non-current liabilities	227,954	235,790
Total liabilities	2,858,160	2,368,771
Net assets		
Shareholders' equity		
Share capital	1,069,800	1,069,800
Capital surplus	967,926	967,926
Retained earnings	14,260,952	14,061,435
Treasury shares	△648,593	△626,938
Total shareholders' equity	15,650,085	15,472,223
Total net assets	15,650,085	15,472,223
Total liabilities and net assets	18,508,245	17,840,994

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	4,291,044	3,772,380
Cost of sales	2,177,587	1,897,176
Gross profit	2,113,456	1,875,203
Selling, general and administrative expenses	1,443,736	1,428,696
Operating profit	669,719	446,506
Non-operating income		
Interest income	1,116	74
Dividend income	0	0
Foreign exchange gains	667	4,704
Rental income	3,289	3,363
Compensation income	333	-
Other	1,205	693
Total non-operating income	6,613	8,837
Non-operating expenses		
Other	80	416
Total non-operating expenses	80	416
Ordinary profit	676,252	454,927
Extraordinary losses		
Loss on retirement of non-current assets	-	2,410
Total extraordinary losses	-	2,410
Profit before income taxes	676,252	452,516
Income taxes - current	218,290	142,163
Income taxes - deferred	△10,331	1,126
Total income taxes	207,959	143,289
Profit	468,293	309,226

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	676,252	452,516
Depreciation	58,938	51,335
Increase (decrease) in provision for retirement benefits	11,460	7,842
Increase (decrease) in provision for bonuses	11,528	4,098
Increase (decrease) in provision for product warranties	△24	△6
Increase (decrease) in provision for bonuses for directors (and other officers)	△18,000	△21,375
Increase (decrease) in allowance for doubtful accounts	-	△150
Interest and dividend income	△1,117	△74
Loss on retirement of property, plant and equipment	-	2,410
Decrease (increase) in trade receivables	1,096,781	1,454,643
Decrease (increase) in inventories	387,311	△402,541
Increase (decrease) in trade payables	△478,767	△285,137
Decrease (increase) in other assets	12,117	△6,061
Increase (decrease) in other liabilities	33,371	672
Subtotal	1,789,853	1,258,174
Interest and dividends received	1,117	74
Income taxes paid	△369,096	△343,005
Net cash provided by (used in) operating activities	1,421,874	915,243
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	2,568,592	-
Purchase of property, plant and equipment	△53,096	△63,788
Purchase of intangible assets	△5,012	△5,557
Payments of guarantee deposits	△1,661	△7,813
Proceeds from refund of guarantee deposits	2,495	8,386
Net cash provided by (used in) investing activities	2,511,318	△68,773
Cash flows from financing activities		
Dividends paid	△433,869	△504,746
Net cash provided by (used in) financing activities	△433,869	△504,746
Net increase (decrease) in cash and cash equivalents	3,499,323	341,723
Cash and cash equivalents at beginning of period	7,570,028	11,523,507
Cash and cash equivalents at end of period	11,069,351	11,865,231