

## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 31, 2023

Company name: TECNOS JAPAN INCORPORATED

Stock exchange listing: Tokyo

Code number: 3666

URL: <http://www.tecnos.co.jp/>

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Representative Director

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Director

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Scheduled date of filing quarterly securities report: August 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	3,262	32.5	462	68.1	495	58.4	282	32.4
June 30, 2022	2,462	6.9	275	(21.5)	312	(16.2)	213	(15.5)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 341 million [ 5.7%]  
Three months ended June 30, 2022: ¥ 323 million [ 34.3%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	14.72	14.72
June 30, 2022	10.91	10.91

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	9,621	6,616	67.8
March 31, 2023	9,867	6,564	65.7

(Reference) Equity: As of June 30, 2023: ¥ 6,521 million  
As of March 31, 2023: ¥ 6,485 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	15.50	15.50
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		0.00	-	16.00	16.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	6,185	20.7	716	8.1	728	3.1	476	0.6	24.80
Full year	12,700	15.2	1,440	11.0	1,475	8.7	955	5.9	49.75

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023  
(changes in specified subsidiaries resulting in changes in scope of consolidation): No  
New - (Company name: )  
Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2023:	20,400,000 shares
March 31, 2023:	20,400,000 shares

2) Number of treasury shares at the end of the period:

June 30, 2023:	1,203,656 shares
March 31, 2023:	1,203,656 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023:	19,196,344 shares
Three months ended June 30, 2022:	19,565,324 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,138,635	2,571,897
Trade receivables and contract asset	2,325,234	2,625,868
Electronically recorded monetary claims - operating	406,732	430,424
Merchandise	130	130
Work in process	209	14,111
Prepaid expenses	113,537	111,489
Other	133,497	129,907
Allowance for doubtful accounts	(6,201)	(2,341)
<b>Total current assets</b>	<b>6,111,775</b>	<b>5,881,485</b>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	248,451	247,851
Accumulated depreciation	(120,114)	(123,592)
Facilities attached to buildings, net	128,336	124,259
Tools, furniture and fixtures	114,281	115,874
Accumulated depreciation	(94,640)	(98,399)
Tools, furniture and fixtures, net	19,641	17,475
Other, net	3,623	1,824
<b>Total property, plant and equipment</b>	<b>151,601</b>	<b>143,559</b>
Intangible assets		
Software	2,562	2,212
Customer relationship	490,945	477,749
Goodwill	257,128	244,927
Other	64	64
<b>Total intangible assets</b>	<b>750,701</b>	<b>724,953</b>
Investments and other assets		
Investment securities	2,269,729	2,336,429
Shares of subsidiaries and associates	22,182	21,598
Long-term loans receivable from subsidiaries and associates	15,000	15,000
Long-term prepaid expenses	53,727	55,430
Deferred tax assets	87,353	37,183
Leasehold and guarantee deposits	228,526	227,789
Insurance funds	90,682	92,839
Other	86,096	85,597
<b>Total investments and other assets</b>	<b>2,853,299</b>	<b>2,871,867</b>
<b>Total non-current assets</b>	<b>3,755,601</b>	<b>3,740,380</b>
<b>Total assets</b>	<b>9,867,377</b>	<b>9,621,866</b>

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	669,609	665,683
Short-term borrowings	450,000	450,000
Accounts payable - other	281,236	100,484
Accrued expenses	180,092	134,652
Income taxes payable	378,091	141,504
Accrued consumption taxes	119,224	121,409
Reserve for guarantee for after-care of products	27,024	33,937
Provision for bonuses	301,215	339,899
Provision for bonuses for directors (and other officers)	36,178	40,350
Provision for shareholder benefit program	15,139	5,662
Other	235,624	348,384
Total current liabilities	2,693,437	2,381,968
Non-current liabilities		
Deferred tax liabilities	466,933	468,036
Retirement benefit liability	30,089	43,175
Provision for retirement benefits for directors (and other officers)	24,870	25,380
Asset retirement obligations	87,672	87,014
Total non-current liabilities	609,565	623,607
Total liabilities	3,303,003	3,005,575
Net assets		
Shareholders' equity		
Share capital	562,520	562,520
Capital surplus	202,747	202,747
Retained earnings	5,125,198	5,110,248
Treasury shares	(819,050)	(819,050)
Total shareholders' equity	5,071,414	5,056,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,288,129	1,334,419
Foreign currency translation adjustment	127,373	141,256
Remeasurements of defined benefit plans	(1,898)	(10,239)
Total accumulated other comprehensive income	1,413,605	1,465,435
Share award rights	21,585	29,526
Share acquisition rights	6,946	6,946
Non-controlling interests	50,821	57,916
Total net assets	6,564,373	6,616,290
Total liabilities and net assets	9,867,377	9,621,866

Quarterly Consolidated Statements of Income and Comprehensive Income  
 Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	2,462,880	3,262,504
Cost of sales	1,740,519	2,199,867
Gross profit	722,361	1,062,637
Selling, general and administrative expenses	447,301	600,173
Operating profit	275,060	462,463
Non-operating income		
Interest income	-	77
Dividend income	13,420	19,680
Gain on forgiveness of debts	22,090	-
Share of profit of entities accounted for using equity method	-	1,583
Subsidy income	2,562	9,531
Foreign exchange gains	1,811	1,346
Other	788	1,977
Total non-operating income	40,673	34,197
Non-operating expenses		
Interest expenses	-	1,067
Commission expenses	2,797	-
Total non-operating expenses	2,797	1,067
Ordinary profit	312,935	495,593
Extraordinary income		
Surrender value of insurance policies	-	891
Total extraordinary income	-	891
Profit before income taxes	312,935	496,485
Income taxes - current	100,680	174,068
Income taxes - deferred	(7,039)	32,874
Total income taxes	93,641	206,943
Profit	219,294	289,542
Profit attributable to non-controlling interests	5,838	6,947
Profit attributable to owners of parent	213,455	282,594

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	219,294	289,542
Other comprehensive income		
Valuation difference on available-for-sale securities	49,038	46,289
Foreign currency translation adjustment	54,784	14,468
Remeasurements of defined benefit plans, net of tax	-	(8,780)
Total other comprehensive income	103,822	51,978
Comprehensive income	323,116	341,520
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	314,972	333,986
Comprehensive income attributable to non-controlling interests	8,144	7,533