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November 7, 2023

Non-consolidated Financial Results for the Six Months Ended September 30,2023 (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, 2023
 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 30,2023 (from April 1,2023 to September 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	%
Six months ended September 30,2023	4,056	7.5	523	17.3	533	17.2	376	21.9
September 30,2022	3,772	△12.1	446	△33.3	454	△32.7	309	△34.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30,2023	46.16	—
September 30,2022	36.71	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30,2023	17,815	15,567	87.4
March 31,2023	19,443	16,386	84.3

Reference: Equity

As of September 30,2023: ¥15,567 million
 As of September 30,2022: ¥16,386 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	—	0.00	—	60.00	60.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		0.00	—	55.00	55.00

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 30,2023	8,760,000 shares
As of March 31,2023	8,760,000 shares

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

As of September 30,2023	669,856 shares
As of March 31,2023	286,501 shares

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

Six months ended September 30,2023	8,166,135 shares
Six months ended September 30,2022	8,422,749 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	11,750,289	10,917,143
Notes receivable - trade	40,614	14,828
Electronically recorded monetary claims - operating	433,431	439,840
Accounts receivable - trade	3,100,078	2,072,733
Merchandise and finished goods	1,452,633	1,803,018
Work in process	251,901	192,312
Raw materials and supplies	160,986	170,266
Prepaid expenses	28,170	56,403
Consumption taxes refund receivable	83,757	-
Other	5,167	2,566
Total current assets	17,307,030	15,669,114
Non-current assets		
Property, plant and equipment		
Buildings	1,265,334	1,265,594
Accumulated depreciation	△715,226	△735,818
Buildings, net	550,108	529,775
Structures	5,042	5,042
Accumulated depreciation	△2,481	△2,553
Structures, net	2,561	2,489
Machinery and equipment	359,914	363,014
Accumulated depreciation	△235,335	△246,136
Machinery and equipment, net	124,578	116,877
Tools, furniture and fixtures	313,396	317,415
Accumulated depreciation	△251,111	△260,644
Tools, furniture and fixtures, net	62,284	56,771
Land	787,326	787,326
Construction in progress	742	412
Total property, plant and equipment	1,527,602	1,493,652
Intangible assets		
Telephone subscription right	1,177	1,177
Patent right	868	752
Software	20,935	16,372
Software in progress	-	62,900
Total intangible assets	22,981	81,202
Investments and other assets		
Investments in capital	7,510	7,510
Long-term prepaid expenses	97,799	82,059
Deferred tax assets	375,332	379,427
Other	130,300	128,076
Allowance for doubtful accounts	△25,384	△25,374
Total investments and other assets	585,558	571,698
Total non-current assets	2,136,141	2,146,552
Total assets	19,443,171	17,815,667

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,499,557	917,696
Accounts payable - other	164,342	92,369
Accrued expenses	86,283	87,988
Income taxes payable	248,686	174,761
Accrued consumption taxes	-	21,575
Advances received	514,149	398,635
Deposits received	9,368	10,451
Unearned revenue	98,769	118,434
Provision for bonuses	168,376	173,166
Provision for bonuses for directors (and other officers)	19,125	-
Other	1,783	2,269
Total current liabilities	2,810,442	1,997,350
Non-current liabilities		
Provision for retirement benefits	210,230	214,861
Provision for product warranties	44	35
Other	35,598	35,598
Total non-current liabilities	245,874	250,495
Total liabilities	3,056,316	2,247,845
Net assets		
Shareholders' equity		
Share capital	1,069,800	1,069,800
Capital surplus	967,926	969,436
Retained earnings	14,890,924	14,759,427
Treasury shares	△541,795	△1,230,842
Total shareholders' equity	16,386,854	15,567,821
Total net assets	16,386,854	15,567,821
Total liabilities and net assets	19,443,171	17,815,667

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	3,772,380	4,056,387
Cost of sales	1,897,176	1,995,347
Gross profit	1,875,203	2,061,040
Selling, general and administrative expenses	1,428,696	1,537,466
Operating profit	446,506	523,574
Non-operating income		
Interest income	74	103
Dividend income	0	0
Foreign exchange gains	4,704	2,643
Rental income	3,363	3,746
Other	693	3,108
Total non-operating income	8,837	9,602
Non-operating expenses		
Other	416	-
Total non-operating expenses	416	-
Ordinary profit	454,927	533,177
Extraordinary losses		
Loss on retirement of non-current assets	2,410	-
Total extraordinary losses	2,410	-
Profit before income taxes	452,516	533,177
Income taxes - current	142,163	160,358
Income taxes - deferred	1,126	△4,094
Total income taxes	143,289	156,264
Profit	309,226	376,912

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	452,516	533,177
Depreciation	51,335	53,348
Increase (decrease) in provision for retirement benefits	7,842	4,630
Increase (decrease) in provision for bonuses	4,098	4,789
Increase (decrease) in provision for product warranties	△6	△9
Increase (decrease) in provision for bonuses for directors (and other officers)	△21,375	△19,125
Increase (decrease) in allowance for doubtful accounts	△150	△10
Interest and dividend income	△74	△104
Loss on retirement of property, plant and equipment	2,410	-
Decrease (increase) in trade receivables	1,454,643	1,046,721
Decrease (increase) in inventories	△402,541	△300,076
Increase (decrease) in trade payables	△285,137	△581,860
Decrease (increase) in other assets	△6,061	111,322
Increase (decrease) in other liabilities	672	△146,763
Subtotal	1,258,174	706,040
Interest and dividends received	74	104
Income taxes paid	△343,005	△232,333
Net cash provided by (used in) operating activities	915,243	473,811
Cash flows from investing activities		
Purchase of property, plant and equipment	△63,788	△27,123
Purchase of intangible assets	△5,557	△49,141
Payments of guarantee deposits	△7,813	△1,590
Proceeds from refund of guarantee deposits	8,386	3,222
Net cash provided by (used in) investing activities	△68,773	△74,633
Cash flows from financing activities		
Dividends paid	△504,746	△507,924
Purchase of treasury shares	-	△724,400
Net cash provided by (used in) financing activities	△504,746	△1,232,324
Net increase (decrease) in cash and cash equivalents	341,723	△833,145
Cash and cash equivalents at beginning of period	11,523,507	11,750,289
Cash and cash equivalents at end of period	11,865,231	10,917,143