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## Consolidated Financial Results for the Three Months Ended June 30, 2020 [Japanese GAAP]

July 31, 2020

Company name: TECNOS JAPAN INCORPORATED

Stock exchange listing: Tokyo

Code number: 3666

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

Representative: Takashi Yoshioka

Representative Director

Contact: Kiyoshi Kobayashi

Director

Phone: 03-3374-1212

Scheduled date of filing quarterly securities report: August 14, 2020

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, 2020 (April 01, 2020 to June 30, 2020)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2020	2,011	6.7	260	54.2	277	55.0	198	74.9
June 30, 2019	1,885	23.3	169	10.1	178	10.5	113	9.4

(Note) Comprehensive income: Three months ended June 30, 2020: ¥ 598 million [ 264.9%]  
Three months ended June 30, 2019: ¥ (363) million [ (385.3) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	10.05	10.05
June 30, 2019	5.75	5.75

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2020	6,360	4,731	74.0
March 31, 2020	5,990	4,369	72.6

(Reference) Equity: As of June 30, 2020: ¥ 4,709 million  
As of March 31, 2020: ¥ 4,348 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, 2020	-	0.00	-	12.00	12.00
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (Forecast)		0.00	-	-	-

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2020	4,035	11.4	441	-	447	-	304	-	15.42
Full year	7,900	2.9	800	183.2	820	166.4	554	324.9	28.09

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

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(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, 2020: 20,400,000 shares

March 31, 2020: 20,400,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2020: 680,200 shares

March 31, 2020: 680,200 shares

3) Average number of shares during the period:

Three months ended June 30, 2020: 19,719,800 shares

Three months ended June 30, 2019: 19,719,800 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of June 30,2020
<b>Assets</b>		
Current assets		
Cash and deposits	2,136,901	1,963,730
Accounts receivable - trade	1,391,196	1,368,727
Securities	100,698	100,433
Work in process	26,420	46,141
Prepaid expenses	73,958	69,684
Other	77,061	79,488
Allowance for doubtful accounts	(126)	(2,412)
Total current assets	3,806,111	3,625,794
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	209,825	211,942
Accumulated depreciation	(69,557)	(73,266)
Facilities attached to buildings, net	140,267	138,676
Tools, furniture and fixtures	85,346	87,204
Accumulated depreciation	(61,796)	(63,722)
Tools, furniture and fixtures, net	23,550	23,481
Construction in progress	2,431	-
Total property, plant and equipment	166,250	162,158
Intangible assets		
Software	12,040	10,767
Customer relationship	245,424	234,085
Goodwill	262,176	249,778
Other	36	36
Total intangible assets	519,677	494,667
Investments and other assets		
Investment securities	1,123,069	1,706,469
Long-term prepaid expenses	40,492	45,052
Deferred tax assets	15,165	5,595
Leasehold and guarantee deposits	218,471	218,010
Insurance funds	82,979	84,739
Other	18,173	18,317
Total investments and other assets	1,498,352	2,078,184
Total non-current assets	2,184,280	2,735,009
Total assets	5,990,391	6,360,803

(Thousand yen)

	As of March 31,2020	As of June 30,2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	416,302	376,214
Current portion of long-term borrowings	27,396	24,897
Accounts payable - other	86,967	93,153
Accrued expenses	95,568	94,882
Income taxes payable	89,048	85,952
Accrued consumption taxes	230,177	84,483
Reserve for guarantee for after-care of products	21,009	19,157
Provision for loss on order received	5,636	5,636
Provision for bonuses	125,515	119,356
Provision for bonuses for directors (and other officers)	8,885	10,704
Other	136,876	176,874
Total current liabilities	1,243,385	1,091,312
Non-current liabilities		
Long-term borrowings	43,193	38,012
Deferred tax liabilities	239,140	404,740
Asset retirement obligations	76,274	76,274
Other	19,287	19,100
Total non-current liabilities	377,895	538,127
Total liabilities	1,621,281	1,629,440
Net assets		
Shareholders' equity		
Share capital	562,520	562,520
Capital surplus	206,412	206,412
Retained earnings	3,676,265	3,637,846
Treasury shares	(579,839)	(579,839)
Total shareholders' equity	3,865,359	3,826,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	492,347	897,227
Foreign currency translation adjustment	(9,215)	(14,651)
Total accumulated other comprehensive income	483,132	882,575
Share acquisition rights	6,946	6,946
Non-controlling interests	13,672	14,901
Total net assets	4,369,110	4,731,363
Total liabilities and net assets	5,990,391	6,360,803

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

(Thousand yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Net sales	1,885,347	2,011,731
Cost of sales	1,399,778	1,391,360
Gross profit	485,568	620,370
Selling, general and administrative expenses	316,506	359,675
Operating profit	169,062	260,695
Non-operating income		
Interest income	-	2
Interest on securities	157	157
Dividend income	9,200	8,480
Subsidy income	-	2,255
Foreign exchange gains	-	3,099
Other	1,020	2,717
Total non-operating income	10,378	16,712
Non-operating expenses		
Interest expenses	233	160
Foreign exchange losses	389	-
Total non-operating expenses	623	160
Ordinary profit	178,816	277,247
Extraordinary losses		
Loss on cancellation of insurance policies	-	115
Total extraordinary losses	-	115
Profit before income taxes	178,816	277,131
Income taxes - current	50,156	79,523
Income taxes - deferred	15,426	(2,052)
Total income taxes	65,583	77,470
Profit	113,233	199,660
Profit (loss) attributable to non-controlling interests	(118)	1,442
Profit attributable to owners of parent	113,351	198,218

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

(Thousand yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Profit	113,233	199,660
Other comprehensive income		
Valuation difference on available-for-sale securities	(474,696)	404,879
Foreign currency translation adjustment	(1,681)	(5,649)
Total other comprehensive income	(476,377)	399,230
Comprehensive income	(363,143)	598,890
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(363,048)	597,662
Comprehensive income attributable to non-controlling interests	(94)	1,228