

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



# Consolidated Financial Results for the Nine Months Ended December 31, 2020 [Japanese GAAP]

January 29, 2021

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: February 12, 2021

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 Nine Months Ended December 31, 2020 (April 01, 2020 to December 31, 2020)

### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sale	es	Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2020	6,077	9.9	826	-	852	-	592	-
December 31, 2019	5,528	8.8	26	(95.9)	49	(92.9)	(1)	-

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 744 million [ -%] Nine months ended December 31, 2019: ¥ (276) million [ -%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2020	30.04	30.03
December 31, 2019	(0.09)	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2020	6,260	4,877	77.5
March 31, 2020	5,990	4,369	72.6

(Reference) Equity: As of December 31, 2020:  $\mbox{$\frac{1}{2}$}$  4,853 million As of March 31, 2020:  $\mbox{$\frac{1}{2}$}$  4,348 million



### 2. Dividends

	Annual dividends				
	1st quarter-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	-	0.00	-		
Fiscal year ending March 31, 2021				12.00	12.00
(Forecast)					

(Note) Revision to the forecast for dividends announced most recently: Yes

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 sale	es	Operating	profit	Ordinary p	orofit	Profit attribu		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	8,000	4.2	900	218.6	920	198.9	630	383.2	31.95

(Note) Revision to the financial results forecast announced most recently: Yes

- \* Notes:
- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes Exclusion: 1 (Company name: ACK Co., Ltd.

- (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):

December 31, 2020: 20,400,000 shares March 31, 2020: 20,400,000 shares

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

December 31, 2020: 680,200 shares March 31, 2020: 680,200 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 19,719,800 shares Nine months ended December 31, 2019: 19,719,800 shares



## Quarterly Consolidated Financial Statements Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of December 31,2020
Assets		
Current assets		
Cash and deposits	2,136,901	2,298,141
Accounts receivable - trade	1,391,196	1,359,790
Securities	100,698	-
Work in process	26,420	52,045
Prepaid expenses	73,958	68,011
Other	77,061	102,337
Allowance for doubtful accounts	(126)	(4,318)
Total current assets	3,806,111	3,876,008
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	209,825	224,238
Accumulated depreciation	(69,557)	(68,424)
Facilities attached to buildings, net	140,267	155,814
Tools, furniture and fixtures	85,346	88,929
Accumulated depreciation	(61,796)	(65,078)
Tools, furniture and fixtures, net	23,550	23,851
Construction in progress	2,431	-
Total property, plant and equipment	166,250	179,665
Intangible assets		
Software	12,040	8,678
Customer relationship	245,424	209,251
Goodwill	262,176	223,715
Other	36	36
Total intangible assets	519,677	441,682
Investments and other assets		
Investment securities	1,123,069	1,363,689
Long-term prepaid expenses	40,492	47,940
Deferred tax assets	15,165	5,815
Leasehold and guarantee deposits	218,471	239,414
Insurance funds	82,979	88,263
Other	18,173	18,317
Total investments and other assets	1,498,352	1,763,440
Total non-current assets	2,184,280	2,384,789
Total assets	5,990,391	6,260,797



	As of March 31,2020	As of December 31,2020
Liabilities		
Current liabilities		
Accounts payable - trade	416,302	321,780
Current portion of long-term borrowings	27,396	-
Accounts payable - other	86,967	105,603
Accrued expenses	95,568	114,416
Income taxes payable	89,048	197,343
Accrued consumption taxes	230,177	37,756
Reserve for guarantee for after-care of products	21,009	14,379
Provision for loss on order received	5,636	7,600
Provision for bonuses	125,515	14,631
Provision for bonuses for directors (and other officers)	8,885	3,804
Other	136,876	123,304
Total current liabilities	1,243,385	940,621
Non-current liabilities		
Long-term borrowings	43,193	19,717
Deferred tax liabilities	239,140	320,936
Asset retirement obligations	76,274	78,060
Other	19,287	24,220
Total non-current liabilities	377,895	442,935
Total liabilities	1,621,281	1,383,556
Net assets		
Shareholders' equity		
Share capital	562,520	562,520
Capital surplus	206,412	206,412
Retained earnings	3,676,265	4,032,003
Treasury shares	(579,839)	(579,839)
Total shareholders' equity	3,865,359	4,221,096
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	492,347	659,337
Foreign currency translation adjustment	(9,215)	(26,942)
Total accumulated other comprehensive income	483,132	632,395
Share acquisition rights	6,946	6,946
Non-controlling interests	13,672	16,801
Total net assets	4,369,110	4,877,240
Total liabilities and net assets	5,990,391	6,260,797



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

		(Thousand yen)
	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Net sales	5,528,045	6,077,318
Cost of sales	4,560,481	4,174,119
Gross profit	967,564	1,903,198
Selling, general and administrative expenses	941,441	1,076,858
Operating profit	26,122	826,340
Non-operating income		
Interest income	7	14
Interest on securities	466	413
Dividend income	12,620	12,440
Subsidy income	5,770	8,853
Foreign exchange gains	1,779	1,302
Other	3,451	2,936
Total non-operating income	24,095	25,960
Non-operating expenses		
Interest expenses	569	172
Total non-operating expenses	569	172
Ordinary profit	49,648	852,127
Extraordinary income		
Surrender value of insurance policies		7,882
Total extraordinary income	-	7,882
Extraordinary losses		
Loss on cancellation of insurance policies	358	385
Total extraordinary losses	358	385
Profit before income taxes	49,289	859,624
Income taxes - current	41,574	243,203
Income taxes - deferred	8,101	20,187
Total income taxes	49,675	263,391
Profit (loss)	(385)	596,233
Profit attributable to non-controlling interests	1,411	3,858
Profit (loss) attributable to owners of parent	(1,797)	592,375



### Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

		(Thousand yen)
	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit (loss)	(385)	596,233
Other comprehensive income		
Valuation difference on available-for-sale securities	(262,123)	166,990
Foreign currency translation adjustment	(13,665)	(18,455)
Total other comprehensive income	(275,789)	148,534
Comprehensive income	(276,175)	744,768
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(277,168)	741,638
Comprehensive income attributable to non-controlling interests	993	3,129