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**Consolidated Financial Results  
for the Six Months Ended September 30, 2024  
[Japanese GAAP]**



November 11, 2024

Company name: Totech Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 9960  
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 Scheduled date of filing semi-annual securities report: November 14, 2024  
 Scheduled date of commencing dividend payments: November 29, 2024  
 Availability of supplementary explanatory materials on financial results: Available  
 Schedule of financial results briefing session: None

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

**1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)**

(1) Consolidated Operating Results (Cumulative) (% 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	%
Six months ended September 30, 2024	68,343	7.3	5,856	61.9	6,385	56.6	4,531	70.2
Six months ended September 30, 2023	63,721	15.7	3,616	37.5	4,078	37.7	2,662	38.9

(Note) Comprehensive income: Six months ended September 30, 2024: ¥4,888 million [23.9%]

Six months ended September 30, 2023: ¥3,945 million [64.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	110.14	—
Six months ended September 30, 2023	64.78	—

(Note) The Company conducted a 3-for-1 stock split on April 1, 2024. “Basic earnings per share” was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2024	99,276	56,371	56.8	1,369.72
As of March 31, 2024	100,479	53,437	53.2	1,299.26

(Reference) Equity: As of September 30, 2024: ¥56,370 million

As of March 31, 2024: ¥53,434 million

(Note) The Company conducted a 3-for-1 stock split on April 1, 2024. “Net assets per share” was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	61.00	–	144.00	205.00
Fiscal year ending March 31, 2025	–	24.00			
Fiscal year ending March 31, 2025 (Forecast)			–	64.00	88.00

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

The Company conducted a 3-for-1 stock split on April 1, 2024. Figures for the fiscal year ended March 31, 2024 are actual dividends before the stock split. Figures for the fiscal year ending March 31, 2025 (forecast) are based on figures after the stock split. The annual dividend for the fiscal year ending March 31, 2025 (forecast) without taking into account the stock split would be 264 yen.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% 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
Full year	146,000	3.7	12,200	23.2	13,000	22.8	9,000	28.5	218.73

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

**\* Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – ( ), Excluded: – ( )

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements:  
None

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

1) Changes in accounting policies due to the revision of accounting standards and other regulations: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

As of September 30, 2024: 41,964,000 shares

As of March 31, 2024: 41,964,000 shares

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

As of September 30, 2024: 808,875 shares

As of March 31, 2024: 837,039 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 41,140,941 shares

Six months ended September 30, 2023: 41,103,015 shares

(Notes) 1. The Company conducted a 3-for-1 stock split on April 1, 2024. The number of issued shares (common shares) was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

2. The total number of treasury shares at the end of the period includes the shares of the Company (163,236 shares as of September 30, 2024) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of Board Benefit Trust (J-ESOP). The shares of the Company (169,020 shares as of September 30, 2024) held by Custody Bank of Japan, Ltd. (Trust Account E) are included in the treasury shares that are deducted in the calculation of the average number of shares outstanding during the period.

\* These semi-annual financial results are outside the scope of review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements such as financial results forecast included in this document are based on the information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in any way guarantee the achievement of these projections. Actual results may differ significantly due to various factors. For the assumptions underlying the financial forecasts and notes on the use of the financial forecasts, please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

(Access to supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results will be posted on the Company’s website on Monday, November 11, 2024.

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## 1. Qualitative Information on Semi-Annual Financial Results

### (1) Explanation of Operating Results

The Japanese economy during the six months ended September 30, 2024 was partially influenced by rising domestic commodity prices due to factors such as soaring energy and resource costs. However, with an expansion in demand from inbound tourists and improvements in the employment and wages conditions, the domestic economy has been on a recovery trend in general.

Turning to the construction industry in which the Totech Group operates, despite a strong order intake owing to continuously brisk domestic construction demand and steady investment by both public and private sectors, there remain many supply issues such as the sustained high construction material prices and a chronic shortage of engineers. It is essential to continue monitoring their impact on the business environment.

Under these circumstances, the Totech Group's operating results for the period under review were as follows.

Against the backdrop of steady construction demand, such as new construction projects for redevelopment mainly in major cities, renewal projects with a view toward carbon neutrality, and data center demand, sales steadily grew in each business segment. As a result, net sales were ¥68,343 million (up 7.3% year on year). On the profit front, thanks to gross profit steadily increasing in proportion to a rise in net sales, operating profit was ¥5,856 million (up 61.9% year on year). Accordingly, ordinary profit and profit attributable to owners of parent amounted to ¥6,385 million (up 56.6% year on year) and ¥4,531 million (up 70.2% year on year), respectively.

Note that the Totech Group's net sales tend to be concentrated in the fourth quarter of the fiscal year and financial results fluctuate seasonally.

#### <Product sales business>

The product sales business primarily sells equipment with a focus on air conditioners, controllers, and facilities equipment, and provides regular and spot maintenance for the equipment it has sold. Owing to strong order intake including redevelopment projects especially in urban areas, net sales and gross profit amounted to ¥39,998 million (up 0.7% year on year) and ¥8,900 million (up 8.1% year on year), respectively.

#### <Construction business>

The construction business engages in instrumentation and plumbing work, design and execution of a variety of construction, and the provision of regular and spot maintenance for the construction work it has done. With brisk demand nationwide and growing sales of regular and spot maintenance, net sales and gross profit amounted to ¥29,467 million (up 17.8% year on year) and ¥9,824 million (up 37.1% year on year), respectively.

### (2) Explanation of Financial Position

#### (Assets)

Total assets as of September 30, 2024 amounted to ¥99,276 million, a decrease of ¥1,202 million from the end of the previous fiscal year. This was primarily attributable to a net decrease of ¥946 million in trade receivable and inventories, as well as a decrease of ¥956 million in accounts receivable – other, despite an increase of ¥675 million in investments and other assets - other due to an increase in investments in capital of subsidiaries and associates, as well as leasehold deposits.

#### (Liabilities)

Total liabilities as of September 30, 2024 amounted to ¥42,905 million, a decrease of ¥4,136 million from the end of the previous fiscal year. This was primarily attributable to a decrease of ¥2,608 million in current liabilities due to decreases in notes and accounts payable – trade, electronically recorded obligations - operating, and income taxes payable, as well as a decrease of ¥1,735 million in long-term borrowings.

(Net assets)

Total net assets as of September 30, 2024 amounted to ¥56,371 million, an increase of ¥2,933 million from the end of the previous fiscal year. This was primarily attributable to a net increase of ¥2,548 million in retained earnings in which dividends paid and other items were deducted from the recording of profit attributable to owners of parent, and an increase of ¥547 million in foreign currency translation adjustment due to the fluctuation in foreign exchange rates.

As a result, equity ratio as of September 30, 2024 stood at 56.8%, a 3.6% increase from the end of the previous fiscal year.

(Cash flows)

Cash and cash equivalents (hereinafter “Funds”) at the end of the period under review amounted to ¥8,775 million, an increase of ¥250 million from the end of the previous fiscal year.

The cash flows at the end of the period under review and their contributing factors are as follows.

(Cash flows from operating activities)

Funds provided from operating activities at the end of the period under review amounted to ¥4,309 million (the previous fiscal year saw income of ¥1,500 million). This was primarily attributable to an increase in Funds due to recording ¥6,648 million in profit before income taxes against the backdrop of strong business performance, and a decrease of 2,056 million in trade receivables, despite a decrease in Funds due to a decrease of ¥1,424 million in trade payables and an increase of ¥844 million in inventories, in addition to ¥2,129 million in income taxes paid.

(Cash flows from investing activities)

Funds provided from investing activities at the end of the period under review amounted to ¥69 million (the previous fiscal year saw expenditures of ¥208 million). This was primarily due to ¥932 million in proceeds from sale and redemption of investment securities, despite ¥356 million in payments of leasehold and guarantee deposits, in addition to ¥408 million in purchase of property, plant and equipment.

(Cash flows from financing activities)

Funds used in financing activities at the end of the period under review amounted to ¥4,284 million (the previous fiscal year saw income of ¥1,009 million). This was primarily due to a net decrease of ¥2,135 million in long-term and short-term borrowings and ¥1,981 million in dividends paid.

### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Company has revised the consolidated financial results forecast it announced on May 15, 2024 as part of its financial results. Please refer to the “Notice of Revisions to Full-year Consolidated Financial Results Forecast and Dividend Forecast” announced today for details.

## 2. Semi-Annual Consolidated Financial Statements and Principal Notes

### (1) Semi-Annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,688	8,934
Notes and accounts receivable - trade, and contract assets	31,894	29,919
Electronically recorded monetary claims - operating	8,849	9,017
Inventories	4,248	5,108
Accounts receivable - other	1,811	855
Other	579	556
Allowance for doubtful accounts	(93)	(0)
Total current assets	55,978	54,391
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,922	14,064
Land	8,175	8,175
Leased assets	1,217	1,189
Construction in progress	16	271
Other	1,168	1,209
Accumulated depreciation	(4,230)	(4,562)
Total property, plant and equipment	20,269	20,346
Intangible assets		
Goodwill	1,171	1,184
Software	1,048	786
Software in progress	38	150
Other	1,051	1,093
Total intangible assets	3,310	3,215
Investments and other assets		
Investment securities	15,519	15,339
Deferred tax assets	447	354
Retirement benefit asset	1,091	1,090
Other	3,939	4,615
Allowance for doubtful accounts	(76)	(75)
Total investments and other assets	20,921	21,324
Total non-current assets	44,501	44,885
Total assets	100,479	99,276

(Million yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,388	14,415
Electronically recorded obligations - operating	9,501	8,115
Short-term borrowings	5,313	4,913
Income taxes payable	2,295	1,940
Provision for bonuses	2,919	2,701
Provision for bonuses for directors (and other officers)	14	15
Other	4,750	4,472
Total current liabilities	39,184	36,575
Non-current liabilities		
Long-term borrowings	3,688	1,953
Deferred tax liabilities	2,406	2,548
Provision for retirement benefits for directors (and other officers)	149	167
Retirement benefit liability	108	106
Other	1,504	1,554
Total non-current liabilities	7,857	6,329
Total liabilities	47,041	42,905
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,857	1,857
Capital surplus	2,286	2,301
Retained earnings	40,439	42,988
Treasury shares	(222)	(210)
Total shareholders' equity	44,360	46,936
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,459	7,355
Foreign currency translation adjustment	846	1,393
Remeasurements of defined benefit plans	767	685
Total accumulated other comprehensive income	9,074	9,434
Non-controlling interests	3	0
Total net assets	53,437	56,371
<b>Total liabilities and net assets</b>	<b>100,479</b>	<b>99,276</b>



## (2) Semi-Annual Consolidated Statements of Income and Comprehensive Income

## Semi-Annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	63,721	68,343
Cost of sales	48,333	49,587
Gross profit	15,387	18,755
Selling, general and administrative expenses	11,770	12,899
Operating profit	3,616	5,856
Non-operating income		
Interest income	19	26
Dividend income	149	208
Purchase discounts	194	188
Miscellaneous income	205	206
Total non-operating income	568	630
Non-operating expenses		
Interest expenses	48	32
Guarantee commission	39	41
Foreign exchange losses	4	11
Miscellaneous losses	13	15
Total non-operating expenses	106	100
Ordinary profit	4,078	6,385
Extraordinary income		
Gain on sale of investment securities	-	262
Total extraordinary income	-	262
Extraordinary losses		
Loss on sale of non-current assets	15	-
Total extraordinary losses	15	-
Profit before income taxes	4,063	6,648
Income taxes - current	1,010	1,805
Income taxes - deferred	390	314
Total income taxes	1,401	2,120
Profit	2,662	4,528
Loss attributable to non-controlling interests	-	(2)
Profit attributable to owners of parent	2,662	4,531

## Semi-Annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	2,662	4,528
Other comprehensive income		
Valuation difference on available-for-sale securities	884	(104)
Foreign currency translation adjustment	405	547
Remeasurements of defined benefit plans, net of tax	(7)	(82)
Total other comprehensive income	1,282	360
Comprehensive income	3,945	4,888
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,945	4,891
Comprehensive income attributable to non-controlling interests	-	(2)

## (3) Semi-Annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,063	6,648
Depreciation	693	765
Loss (gain) on sale of non-current assets	15	-
Amortization of goodwill	280	102
Loss (gain) on sale of investment securities	-	(262)
Interest and dividend income	(168)	(235)
Interest expenses	27	19
Increase (decrease) in provision for bonuses	(1,027)	(234)
Decrease (increase) in trade receivables	241	2,056
Decrease (increase) in inventories	(329)	(844)
Decrease (increase) in accounts receivable - other	360	303
Increase (decrease) in trade payables	(1,939)	(1,424)
Increase (decrease) in accrued consumption taxes	231	(246)
Other, net	661	(425)
Subtotal	3,110	6,223
Interest and dividend income received	168	234
Interest expenses paid	(29)	(19)
Income taxes paid	(1,749)	(2,129)
Net cash provided by (used in) operating activities	1,500	4,309
<b>Cash flows from investing activities</b>		
Payments into time deposits	(13)	(112)
Proceeds from withdrawal of time deposits	1,089	118
Purchase of property, plant and equipment	(1,278)	(408)
Proceeds from sales of property, plant and equipment	67	0
Purchase of intangible assets	(87)	(98)
Purchase of investment securities	(18)	(19)
Proceeds from sale and redemption of investment securities	0	932
Payments of leasehold and guarantee deposits	-	(356)
Other, net	32	13
Net cash provided by (used in) investing activities	(208)	69
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,620	690
Proceeds from long-term borrowings	3,854	-
Repayments of long-term borrowings	(2,740)	(2,825)
Dividends paid	(1,555)	(1,981)
Other, net	(168)	(167)
Net cash provided by (used in) financing activities	1,009	(4,284)
Effect of exchange rate change on cash and cash equivalents	120	156
Net increase (decrease) in cash and cash equivalents	2,422	250
Cash and cash equivalents at beginning of period	4,938	8,524
Cash and cash equivalents at end of period	7,360	8,775

(4) Notes to Semi-Annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "Accounting Standard Revised in 2022") and other standards from the beginning of the first half of the fiscal year under review.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter "Guidance Revised in 2022.") The changes in accounting policies have no impact on Semi-Annual Consolidated Financial Statements.

With regard to the revision associated with the review of treatment in Consolidated Financial Statements in case that gain or loss on sale of shares in a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Guidance Revised in 2022 has been applied from the beginning of the first half of the fiscal year under review. The changes in accounting policies have been retrospectively applied, and Semi-Annual Consolidated Financial Statements for the previous corresponding period and Consolidated Financial Statements for the previous fiscal year reflect the retrospective application. The changes in accounting policies have no impact on Semi-Annual Consolidated Financial Statements for the previous corresponding period and Consolidated Financial Statements for the previous fiscal year.

(Notes to segment information, etc.)

[Segment Information]

For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-Annual Consolidated Statements of Income (Note 3)
	Product Sales Business	Construction Business	Total				
Net sales							
Net sales to outside customers	38,731	24,963	63,694	26	63,721	-	63,721
Inter-segment net sales or transfers	980	58	1,038	-	1,038	(1,038)	-
Total	39,711	25,021	64,733	26	64,759	(1,038)	63,721
Segment profit	8,231	7,165	15,397	16	15,414	(26)	15,387

(Notes) 1. The category of “Others” represents an operating segment not included in reportable segments, which operates a solar power business.

2. The adjustment of segment profit of ¥(26) million mainly represents elimination of inter-segment transactions.

3. Segment profit is adjusted against gross profit in semi-annual consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Not applicable.

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-Annual Consolidated Statements of Income (Note 3)
	Product Sales Business	Construction Business	Total				
Net sales							
Net sales to outside customers	38,870	29,450	68,320	22	68,343	-	68,343
Inter-segment net sales or transfers	1,128	16	1,144	-	1,144	(1,144)	-
Total	39,998	29,467	69,465	22	69,488	(1,144)	68,343
Segment profit	8,900	9,824	18,725	14	18,739	16	18,755

(Notes) 1. The category of “Others” represents an operating segment not included in reportable segments, which operates a solar power business.

2. The adjustment of segment profit of ¥16 million mainly represents elimination of inter-segment transactions.

3. Segment profit is adjusted against gross profit in semi-annual consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Not applicable.