

Manufacturing and Selling Heat Sink Products and Glass Products for Industrial Equipment and Automobiles

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[2962 TECNISCO Sector : Metal Products]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Jun.2022	5,480	26.1	619	4.0x	887	2.5x	802	2.9x	123.2	539.9	0.0
Jun.2023 f	5,265	-3.9	256	-58.6	247	-72.2	129	-83.9	19.8	-	NB
Jun.2024 f	6,475	23.0	427	66.8	420	70.0	301	2.3x	34.9	-	NB

Note: Consolidated basis. Figures for the fiscal year ending June 2023 and June 2024 are the company's forecasts.
Dividends for the fiscal year ending June 2023 and June 2024 are not disclosed due to the difficulty of making an accurate estimate.

Manufacturing and Selling Heat Sink Products and Glass Products for Industrial Equipment and Automobiles

The TECNISCO group specializes in manufacturing and selling heat sink products that absorb and dissipate heat from electronic components, as well as glass products that have undergone detailed shaping and metallization of circuits on glass for use in electronic components. The company uses its Cross-Edge® Technology to combine the different processing technologies of cutting, grinding, polishing, metalizing and bonding in its development and production operations. This enables the group to respond to the needs of its customers.

The group includes TECNISCO and its consolidated subsidiaries TECNISCO (SuZhou) in China and TECNISCO Advanced Materials in Singapore and non-consolidated subsidiary TECNISCO EUROPE in Germany.

Its net sales are segmented into heat sink products, glass products and others respectively accounting for 60.1%, 22.2% and 17.7% of net sales in fiscal year ended June 2022. In addition, its overseas sales ratio is high, with China accounting for 41.5%, the U.S. 15.7%, Europe 12.9% and Asia accounting for 2.8% in fiscal year ended June 2022.

(1) Heat Sink Products

The group manufactures and sells high-spec heat sink products.

The main applications include industrial equipment such as high-power semiconductor laser equipment (for welding, cutting or surface processing), automotive applications such as laser devices for LiDAR sensors, life sciences applications such as medical equipment and beauty equipment, and optical and wireless communications applications.

Silver Diamond

High-spec heat sinks are needed for equipment for high-power laser applications. TECNISCO's Singapore subsidiary is involved in manufacturing and developing high-spec heat sink products made from silver diamond composite to meet these needs.

These heat sinks are expected to be used in high-growth fields, including submounts for next-generation high-power lasers, data centers, communication devices for electric vehicles and 5G/6G communications and aerospace.

(2) Glass Products

The glass products handled by the group are used in electronic devices after undergoing detailed shape processing and circuitry metallization on glass. These components enhance the functionality of electronic devices.

TECNISCO supplies precision glass products for various sensors, mobile devices, biotechnology and medical care applications. It also supplies glass products used in LiDAR sensors for autonomous driving, such as through-glass via (TGV) and 3D glass circuits.

(3) Others

In addition to heat sink products and glass products, the company supplies various metal materials, silicon materials and processed ceramic products such as aluminum nitride and aluminum oxide. It also supplies diamond tools for glass and ceramic processing.

Financial Statements

Statement of income	Fiscal Year	Jun.2021		Jun.2022		Nine months to Mar.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,346	100.0	5,480	100.0	3,901	100.0
Cost of sales		2,778	63.9	3,274	59.7	2,489	63.8
Gross profit		1,568	36.1	2,206	40.3	1,411	36.2
Selling, general and administrative expenses		1,414	32.5	1,586	28.9	1,151	29.5
Operating profit		154	3.5	619	11.3	259	6.6
Non-operating income		225	-	297	-	29	-
Non-operating expenses		26	-	29	-	36	-
Ordinary profit		353	8.1	887	16.2	252	6.5
Profit before income taxes		290	6.7	883	16.1	252	6.5
Profit attributable to owners of parent		277	6.4	802	14.6	188	4.8

Balance sheet	Fiscal Year	Jun.2021		Jun.2022		Mar.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,966	45.2	3,858	47.4	3,729	46.7
Cash and deposits		612	9.3	835	10.3	792	9.9
Accounts receivable-trade		1,546	23.5	1,544	19.0	1,430	17.9
Inventories		501	7.6	1,097	13.5	1,080	13.5
Non-current assets		3,602	54.8	4,282	52.6	4,258	53.3
Property, plant and equipment		3,017	45.9	3,632	44.6	3,674	46.0
Intangible assets		466	7.1	414	5.1	379	4.7
Investments and other assets		119	1.8	235	2.9	204	2.6
Total assets		6,568	100.0	8,140	100.0	7,988	100.0
Current liabilities		3,041	46.3	3,611	44.4	2,476	31.0
Accounts payable - trade		374	5.7	650	8.0	407	5.1
Short-term borrowings		1,346	20.5	1,221	15.0	843	10.6
Current portion of long-term borrowings.		602	9.2	586	7.2	495	6.2
Non-current liabilities		1,097	16.7	1,011	12.4	1,900	23.8
Long-term borrowings		962	14.6	880	10.8	1,744	21.8
Net assets		2,429	37.0	3,518	43.2	3,611	45.2
Owners' equity		2,429	37.0	3,518	43.2	3,611	45.2

Statement of cash flows	Fiscal Year	Jun.2021	Jun.2022	Six months to Dec.2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		837	1,042	113
Depreciation		458	484	262
Amortization of goodwill		47	52	28
Cash flows from investing activities		-337	-634	-394
Cash flows from financing activities		-380	-247	373
Dividends paid		-	-	-
Net increase in cash and cash equivalents		243	222	-51
Cash and cash equivalents		612	835	783

Note: Consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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