



# Financial Results for Q3 FY2022

February 3, 2023

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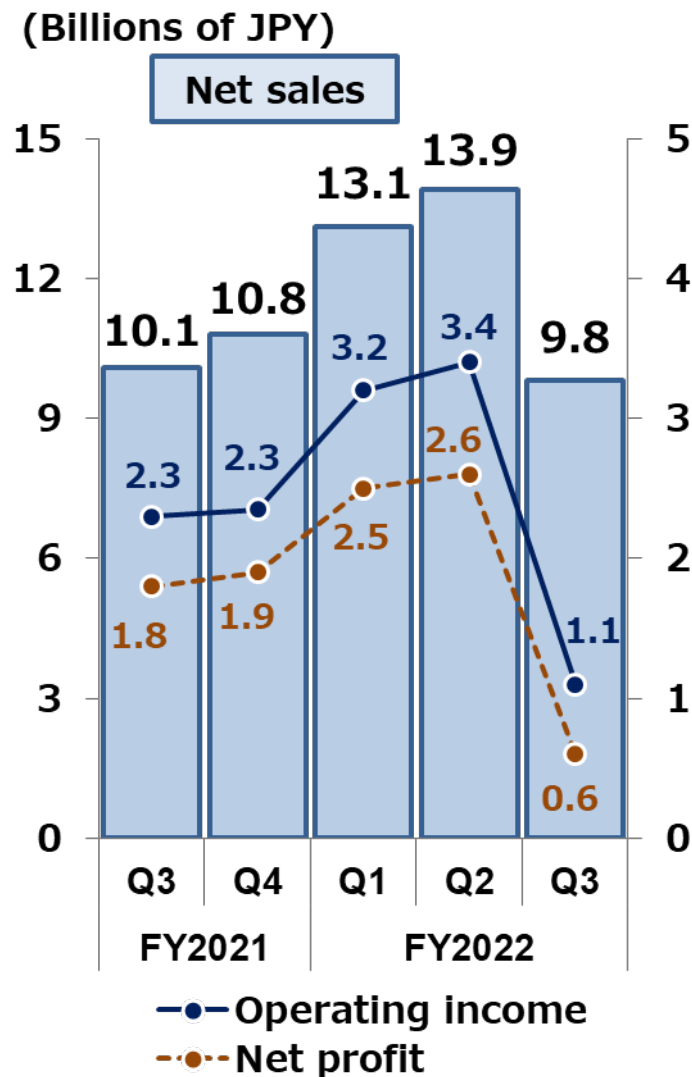
## 2. FY2022 Forecast

### Abbreviations Used in This Presentation

Business segment	Abbreviation
Test Solution Business	TS Business
Connector Solution Business	CS Business
Optical-Related Business	OPT Business

# 1. Q3 FY2022 Results

## Results



(Billions of JPY)	Q3 FY2021 results	Q3 FY2022 results	YoY increase (amount)	YoY increase (%)
Net sales	28.7	37.0	8.3	29.1%
Operating income	5.9	7.8	1.8	31.0%
Ordinary income	6.1	8.2	2.1	34.4%
Net profit	4.8	5.8	1.0	21.2%
EPS (JPY)	228.32	281.37	53.05	----
BPS (JPY)	1376.15	1705.07	328.92	----

Forex Rate	Q3 FY2021	Q3 FY2022	YoY Change
USD (JPY)	111.10	136.52	25.42
EUR (JPY)	130.61	140.58	9.97

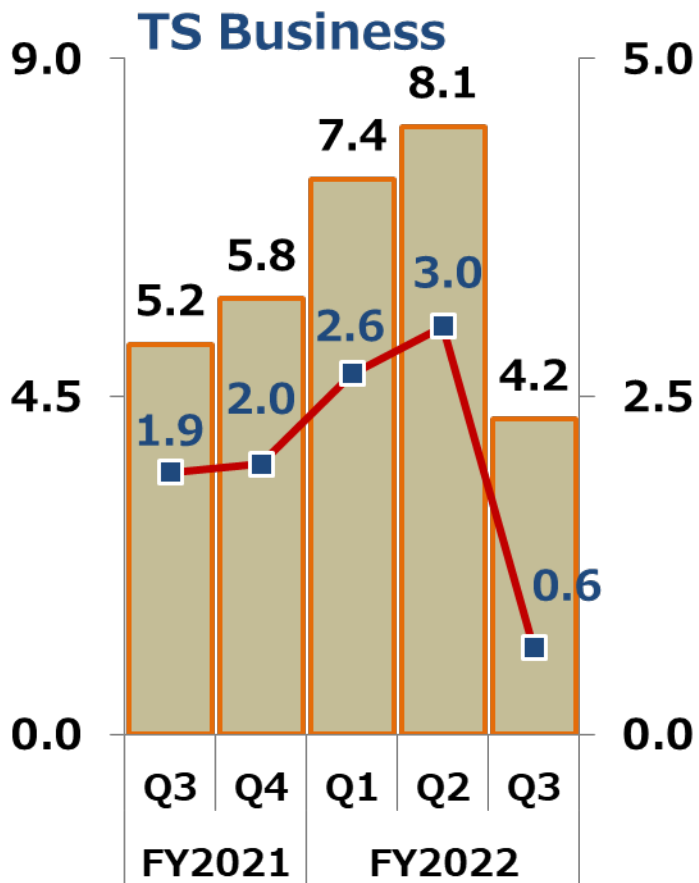
# 1. Q3 FY2022 Results

## Results by Business

(Billions of JPY)		Q3 FY2021 results	Q3 FY2022 results	YoY increase (amount)	YoY increase (%)
TS Business	Sales	14.8	19.8	4.9	33.6%
	Operating income	4.9	6.3	1.3	27.8%
CS Business	Sales	12.5	15.8	3.2	26.1%
	Operating income	0.9	1.3	0.3	39.4%
OPT Business	Sales	1.2	1.3	0.0	5.9%
	Operating income	0.1	0.1	(0.0)	-16.5%
Others	Operating income (Consolidated adjustment)	(0.1)	0.0	0.1	----
Total	Net sales	28.7	37	8.3	29.1%
	Operating income	5.9	7.8	1.8	31.0%

## TS Business Results

(Billions of JPY)

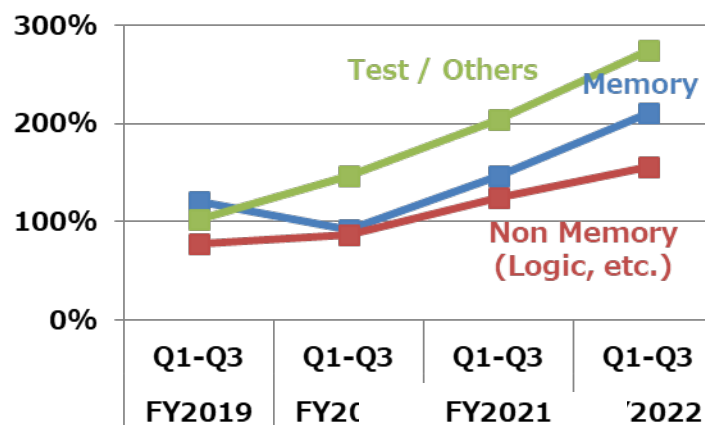


■ Sales ■ Operating income

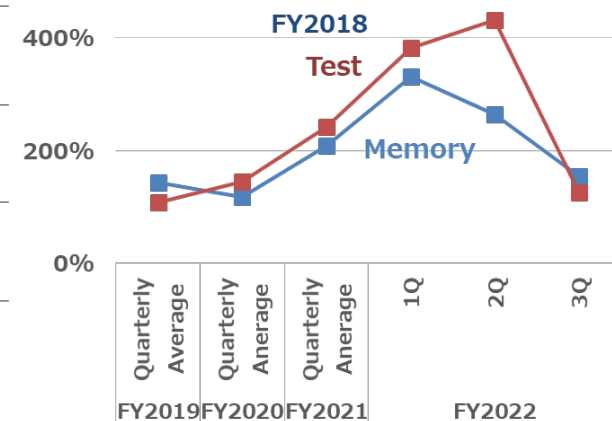
TS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	+4.9	33.6%
Operating income	+1.3	27.8%

- ◆ Performance from test sockets for use with automobiles and PCs was favorable, but results generated through smartphone-related products incurred adverse impact in Q3 from production cuts implemented by customers.
- ◆ Under the logic semiconductor sockets product group, we achieved strong sales primarily through products for in-vehicle ADAS.
- ◆ We observed steady performance from products with NAND- and DRAM-related applications, but overall sales generated through the sockets for memory semiconductors were hindered by Q3 capital investment adjustments conducted in response to increasingly disadvantageous market conditions.

Indexed to FY2018 cumulative Q3=100%



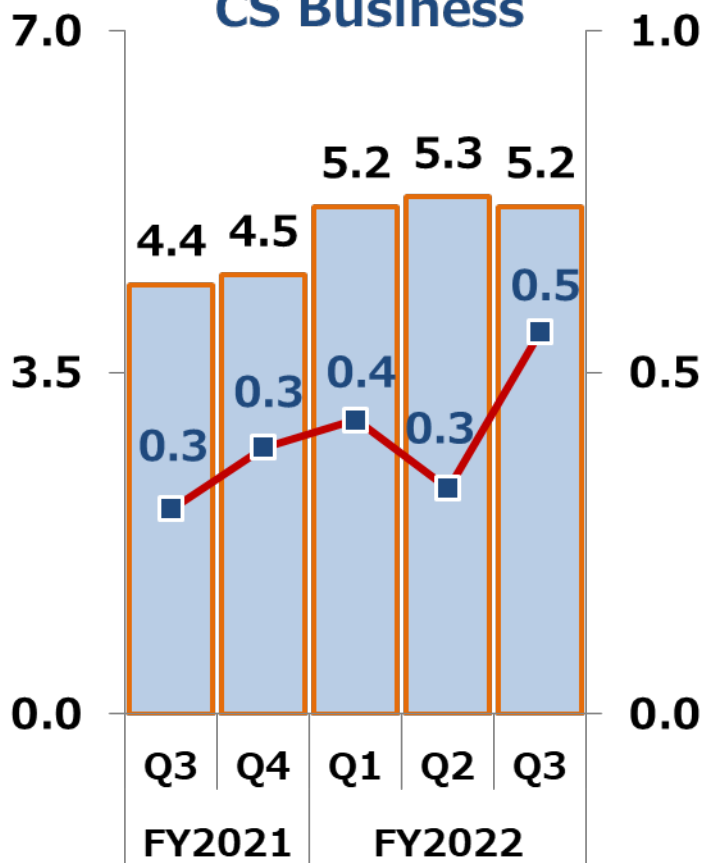
Sales by Product Type as Percentages of Average Quarterly Sales Reported in



## CS Business Results

(Billions of JPY)

### CS Business



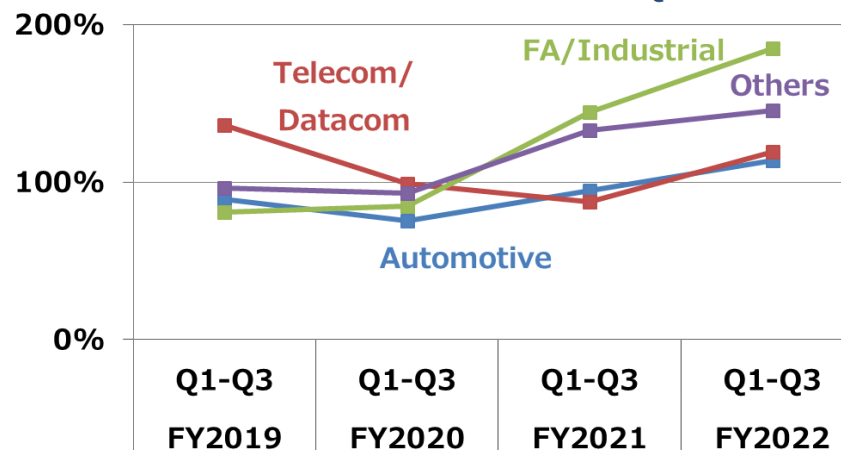
Sales

Operating income

CS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	+3.2	26.1%
Operating income	+0.3	39.4%

- ◆ Products for industrial equipment continued to perform well in Europe.
- ◆ Sales from products for telecommunications equipment grew as demand for high-speed, large-capacity transmission expanded, especially in the US.
- ◆ Despite lingering adverse impact from semiconductor shortages, performance from products for in-vehicle equipment continues to recover thanks to growth in production volumes among major customers.
- ◆ We incurred increases in both raw material and transportation costs, but improvements in productivity and quality minimized their impact.

Indexed to FY2018 cumulative Q3 = 100%



## Forex Impact on Results

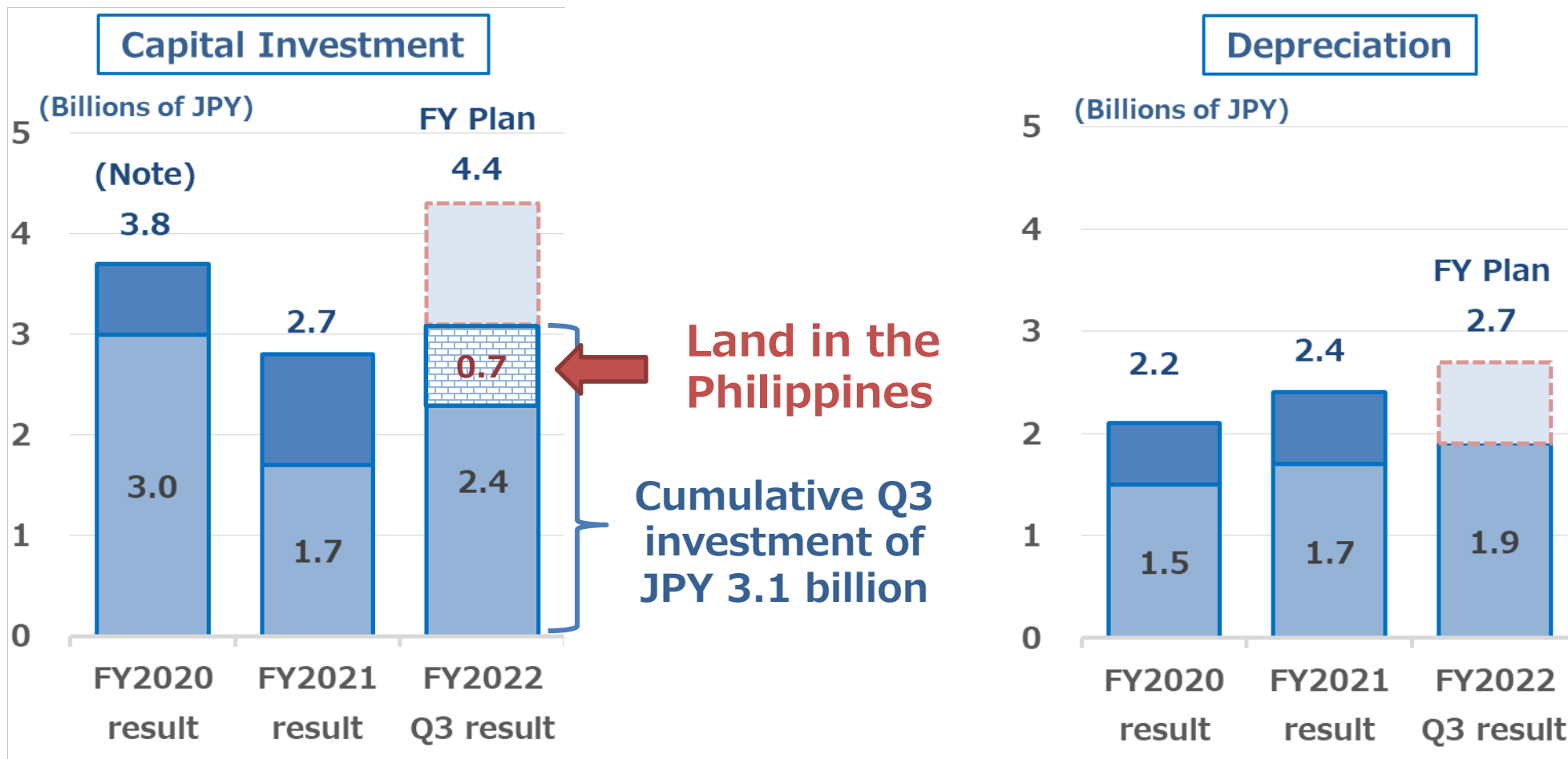
Forex rate	Q3 FY2021	Q3 FY2022	YoY increase
USD (JPY)	111.10	136.52	+25.42
EUR (JPY)	130.61	130.58	+9.97



YoY Forex impact	
Net sales	JPY 4.7 billion
Operating income	JPY 2.6 billion

Forex sensitivity (JPY1/year)	Impact on net sales	Impact on operating income
USD	JPY 0.21 billion	JPY 0.11 billion
EUR	JPY 0.08 billion	JPY 0.01 billion

## Capex and Depreciation



Note: The FY2020 capital investment figure includes impact from both the relocation of our new factory in Germany and investment of around JPY1.4 billion in a solar power generation and storage system at our Sakura Factory.



## Investment Highlights

### ◆ Notice regarding the acquisition of land in the Philippines

At a meeting held on September 22, 2022, our Board of Directors approved a resolution according to which consolidated subsidiary PMI Holdings, Inc. would acquire the land for its third factory in the Philippines. We promptly disclosed this information on the same day in accordance with timely disclosure requirements. PMI Holdings acquired the land on November 8, 2022.

Reference :

Location	Lots 1-2 Block 5 Elysan Road, Light Industry & Science Park IV (LISP IV), Brgy. Bulihan, Malvar, Batangas Philippines
Acquired land area	33,696m <sup>2</sup>
Acquisition amount	350 million Philippine Pesos
Financing plan	Internal funds

### ◆ Progress report concerning the construction of a new building at our Sakura Factory

At a meeting held on March 25, 2022, our Board of Directors approved a resolution regarding the construction of a new building on the premises of our Sakura Factory. We promptly disclosed this information on the same day in accordance with timely disclosure requirements. Preparations for the construction of this new building are currently underway, and corresponding facilities are on track to begin operating in April 2024.

Reference :

Location	1-4-1 Osaku, Sakura-shi, Chiba
Building area	3,000 m <sup>2</sup> (planned)
Total floor space	6,000 m <sup>2</sup> (planned)
Total amount of investment	Approx. 1.5 billion yen
Financing plan	Personal funds

## Business Highlight

### Yamaichi develops “OSFP-VLC”, the first VLC (Vertical Line Card) platform compliant connector on the market

Yamaichi Electronics has developed “OSFP-VLC”, a vertical variant of the Octal Small Form Factor Pluggable (“OSFP”) connector that is compatible with the Vertical Line Card (“VLC”) platform which was presented by Nubis communications in ECOC 2022 Basel Switzerland.

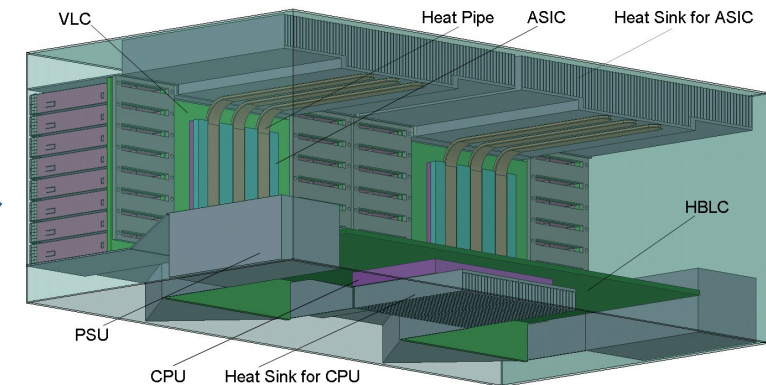
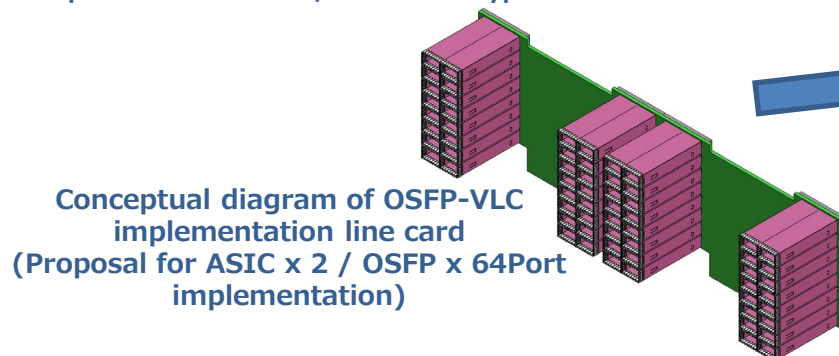
VLC is a recently proposed architecture that, while taking advantage of existing advanced technology (module, board assembly processes, and signal transmission technology), enables faster transmission speed with higher density through a vertical line card that is equipped with I/O connectors and ASICs and by maintaining a trace length of 3–4”.

The VLC architecture allows for shorter PCB line length than the conventional Horizontal Line Card solution (“HLC”), enabling 112G transmission at no additional cost. In addition, vertical line card placement decreases the number of necessary boards while freeing up a cooling space, which leads to much lower power consumption and increased cooling efficiency.

[https://www.yamaichi.co.jp/en/news/osfp\\_vlc/](https://www.yamaichi.co.jp/en/news/osfp_vlc/)

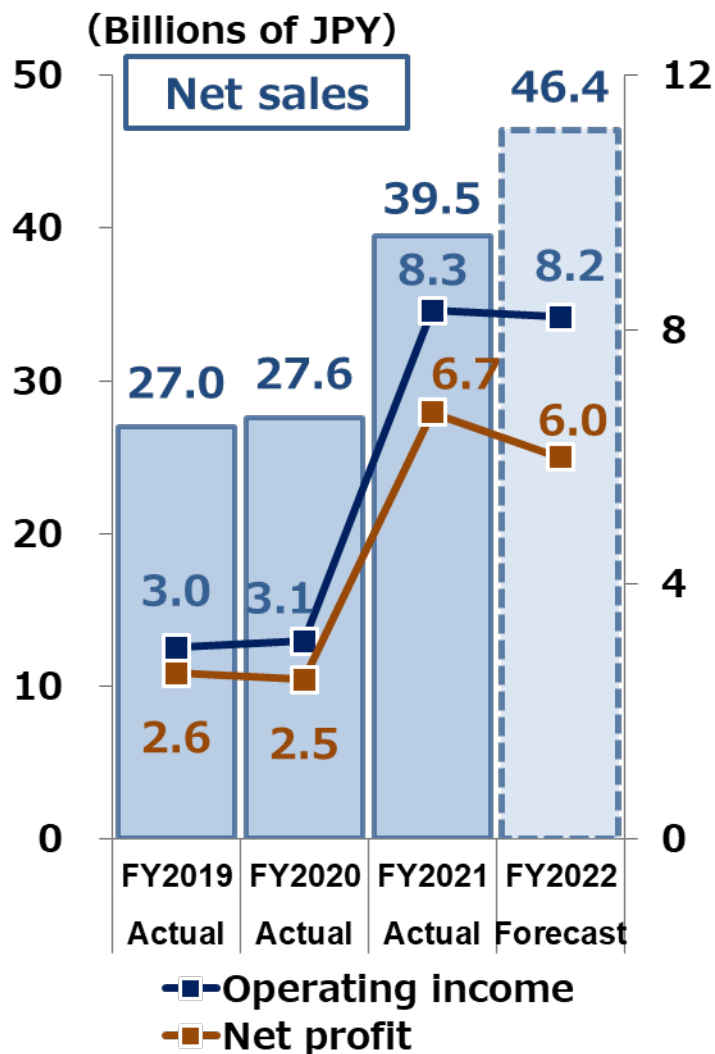
### Advantages

- Shortened trace length of signals dispatched to ASICs allows for data transmission speeds faster than those possible using only existing technology
- Vertical line card structure frees up cooling room within the system, facilitating a highly efficient cooling structure
- Lower power consumption achieved through a highly efficient cooling system
- Cost reduction through elimination of cables and reduction of the necessary quantity of boards
- Compatible with other I/O interface types



Conceptual diagram of OSFP-VLC system (Proposal for ASIC x 2 / OSFP x 64Port implementation)

# Revised Forecast for Full-Year FY2022



(Billions of JPY)	FY2021 Full year actual	FY2022 Full Year				
		Initial forecast	Forecast (As of Nov. 4, 2022)	Latest forecast	YoY increase (amount)	YoY increase (%)
Net sales	39.5	40.3	45.7	46.4	6.8	17.2%
Operating income	8.3	7.4	8.0	8.2	(0.1)	-1.5%
Ordinary income	8.7	7.4	8.6	8.6	(0.1)	-1.7%
Net profit	6.7	5.4	6.0	6.0	(0.7)	-11.4%
EPS (JPY)	319.25	255.48	287.90	287.90	(31.35)	----

On February 3, 2023, we reaffirmed our existing FY2022 net profit forecast (previously announced on November 4, 2022) and have accordingly made no changes to our year-end dividend forecast for FY2022.

Exchange Rate Assumption			
Forex rate	FY2021	FY2022	YoY Change
USD (JPY)	112.37	135.00	22.63
EUR (JPY)	130.56	140.00	9.44

In Q4 (January 1–March 31, 2023), the assumed exchange rates will be **JPY130.00/USD** and **JPY140.00/EUR**.

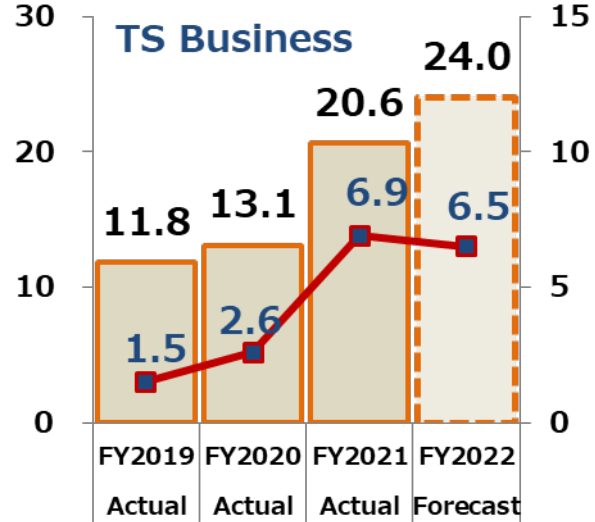
## 2. FY2022 Forecast

### Individual Segment Forecasts for Full-Year FY2022

(Billions of JPY)		FY2021 Actual	FY2022 Full year				
		Full- year	Initial forecast	Forecast (As of Nov. 4,2022)	Latest forecast	YoY increase (amount)	YoY increase (%)
TS Business	Sales	20.6	19.6	24.0	24.0	3.3	16.0%
	Operating income	6.9	5.3	6.5	6.5	(0.4)	-6.3%
CS Business	Sales	17.0	18.7	20.0	20.7	3.6	21.1%
	Operating income	1.3	1.8	1.2	1.5	0.1	13.5%
OPT Business	Sales	1.7	1.9	1.7	1.7	(0.0)	-4.9%
	Operating income	0.1	0.2	0.1	0.1	(0.0)	-7.4%
Others	Operating income (Consolidated adjustment)	(0.1)	0.0	0.1	0.0	0.1	----
Total	Net sales	39.5	40.3	45.7	46.4	6.8	17.2%
	Operating income	8.3	7.4	8.0	8.2	(0.1)	-1.5%

# Individual Segment Forecasts for FY2022

(Billions of JPY)

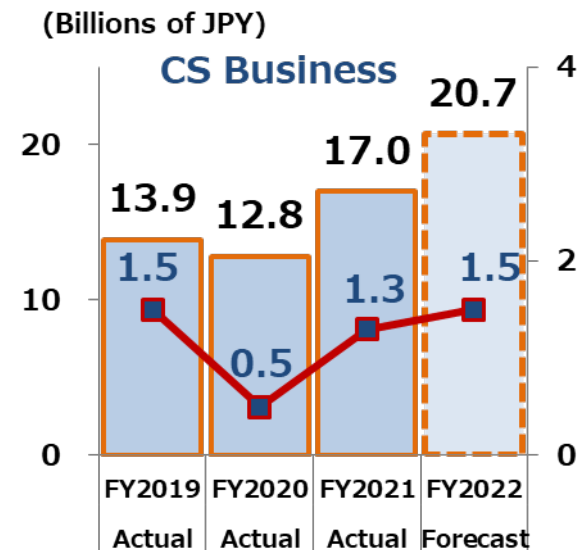


Legend: Sales (Bar), Operating income (Line)

Despite continuously stringent conditions surrounding logic semiconductor-related products with automotive applications, declining demand has caused a growth in inventories within the memory semiconductor market. This inventory expansion has triggered a sharp decline in prices, leading to cutbacks in production and capital investment. Consequently, we anticipate challenging circumstances in the memory market during Q4. In terms of income, we expect to incur negative profit impact from soaring energy prices, higher raw material and transportation costs, and expenses related to new plant construction.

### TS Business:

- ◆ We anticipate that Q4 of FY2022 will be a period of development focused primarily on new test socket products for smartphone models launching in 2023.
- ◆ Amid environmental deterioration in the memory market, we project ongoing general production cutbacks for sockets for memory semiconductors.
- ◆ Performance from logic semiconductor sockets (especially from those with in-vehicle ADAS-related applications) is expected to be strong.



Legend: Sales (Bar), Operating income (Line)

### CS Business:

- ◆ We project continuously strong results from products for industrial equipment.
- ◆ Our projections point to a strong showing from products for in-vehicle equipment as production cutbacks implemented in response to semiconductor shortages gradually subside.
- ◆ Despite some temporary cutbacks, we anticipate robust results from products for telecommunications equipment thanks to growth in demand for high-speed, large-capacity transmission, particularly in the US.

# Thank you for your attention.

**(FY2022 results are scheduled for release  
at 3:00 p.m. [JST] on May 12, 2023.)**

## **Disclaimer**

This material is intended to provide information on the Group's business, management strategies, and performance as of February 3, 2023, and is not intended as a solicitation for investment in securities issued by the Company.

The opinions and forecasts contained in this material are based on our judgments at the time of their preparation, and we do not guarantee or assure the accuracy or completeness of this information, which is subject to change without notice.

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