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Financial Results for Q1 FY2023

August 4, 2023

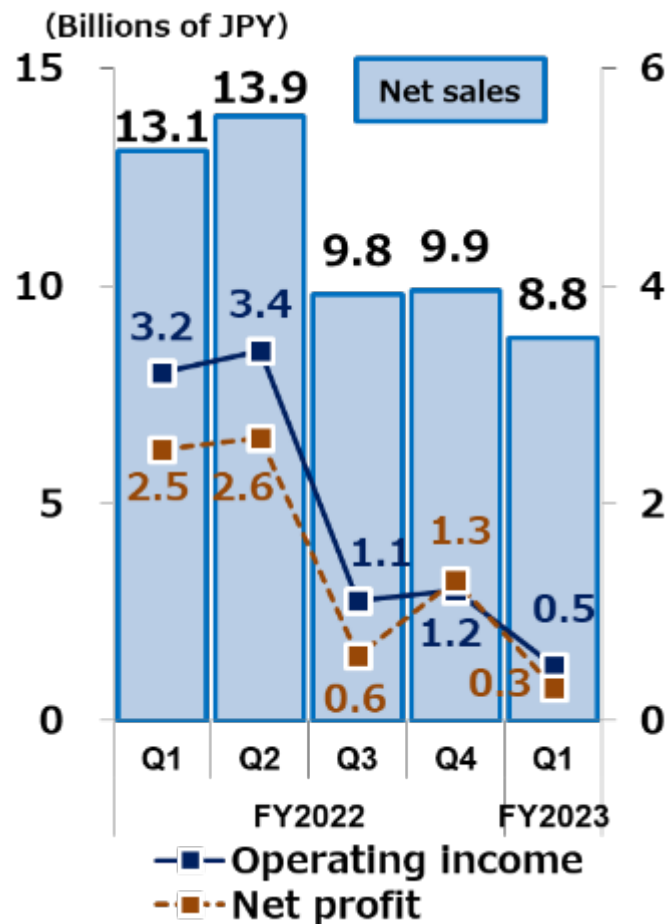
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Abbreviations Used in This Presentation

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

Results



(Billions of JPY)	Q1 FY2022 results	Q1 FY2023 results	YoY increase (amount)	YoY increase (%)
Net sales	13.1	8.8	(4.3)	-33.1%
Operating income	3.2	0.5	(2.6)	-81.5%
Ordinary income	3.6	0.6	(3.0)	-82.3%
Net profit	2.5	0.3	(2.2)	-86.6%
EPS (JPY)	122.69	16.76	(105.93)	----
BPS (JPY)	1591.14	1769.62	178.48	----

Forex Rate	Q1 FY2022	Q1 FY2023	YoY Change
USD (JPY)	129.57	137.36	7.79
EUR (JPY)	138.05	149.47	11.42

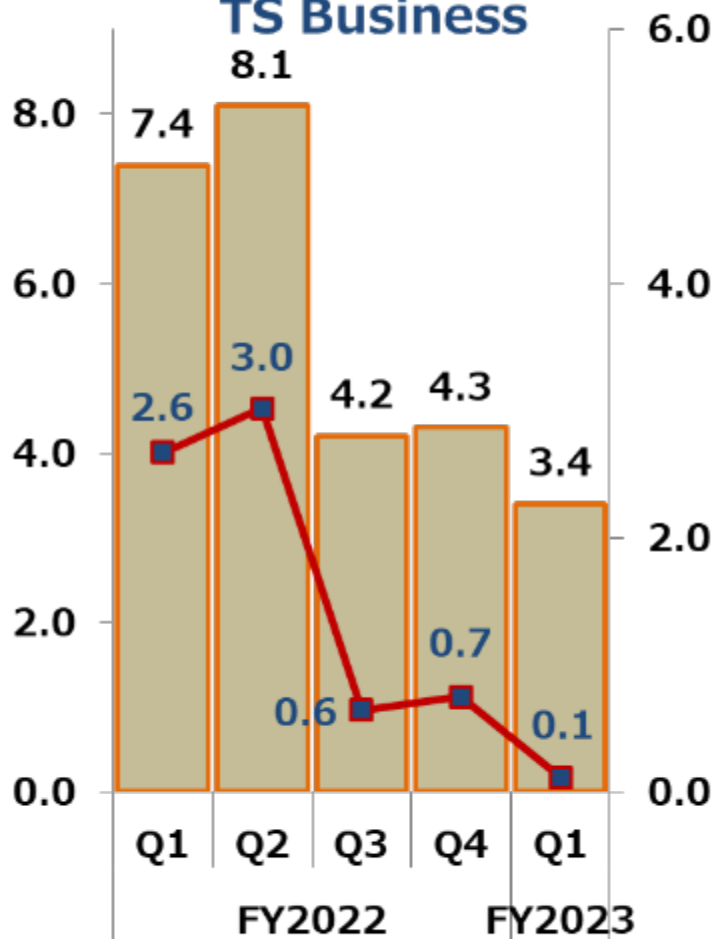
Results by Business

(Billions of JPY)		Q1 FY2022 results	Q2 FY2023 results	YoY increase (amount)	YoY increase (%)
TS Business	Sales	7.4	3.4	(3.9)	-53.2%
	Operating income	2.6	0.1	(2.5)	-95.5%
CS Business	Sales	5.2	4.9	(0.2)	-5.5%
	Operating income	0.4	0.2	(0.1)	-38.3%
OPT Business	Sales	0.5	0.3	(0.1)	-25.5%
	Operating income	0.0	0.0	(0.0)	-80.7%
Others	Operating income (Consolidated adjustment)	0.0	0.1	0.1	-----
Total	Sales	13.1	8.8	(4.3)	-33.1%
	Operating income	3.2	0.5	(2.6)	-81.5%

TS Business Results

(Billions of JPY)

TS Business

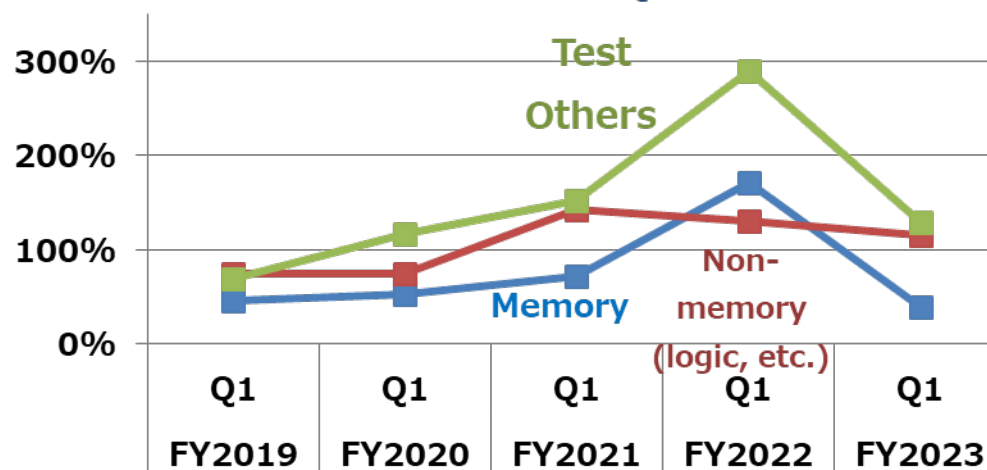


■ Sales ■ Operating income

TS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	(3.9)	-53.2%
Operating income	(2.5)	-95.5%

- ◆ Test sockets were affected by production adjustments by customers in products for smartphones and PCs.
- ◆ Under the logic semiconductor sockets product group, we achieved strong sales primarily through products for in-vehicle products.
- ◆ We continue to observe the impact of capital investment adjustments on sockets for memory semiconductors with NAND- and DRAM-related applications, stemming from the increasingly disadvantageous market conditions that began in 2H of the previous fiscal year.
- ◆ We incurred increases in raw material, transportation, and energy costs, but improvements in productivity and quality minimized their impact.

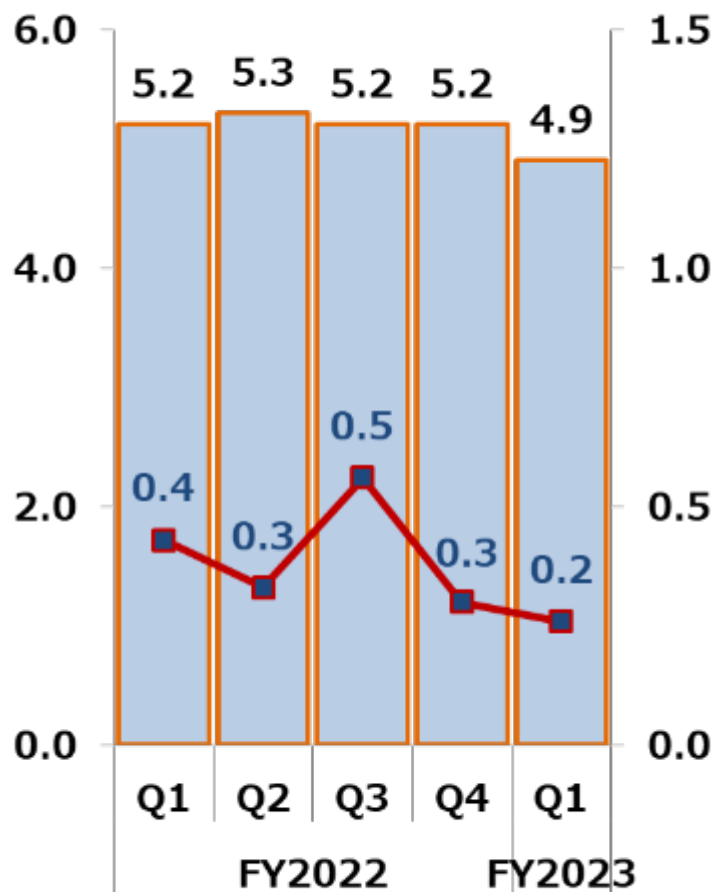
Indexed to FY2018 Q1 = 100%



CS Business Results

(Billions of JPY)

CS Business

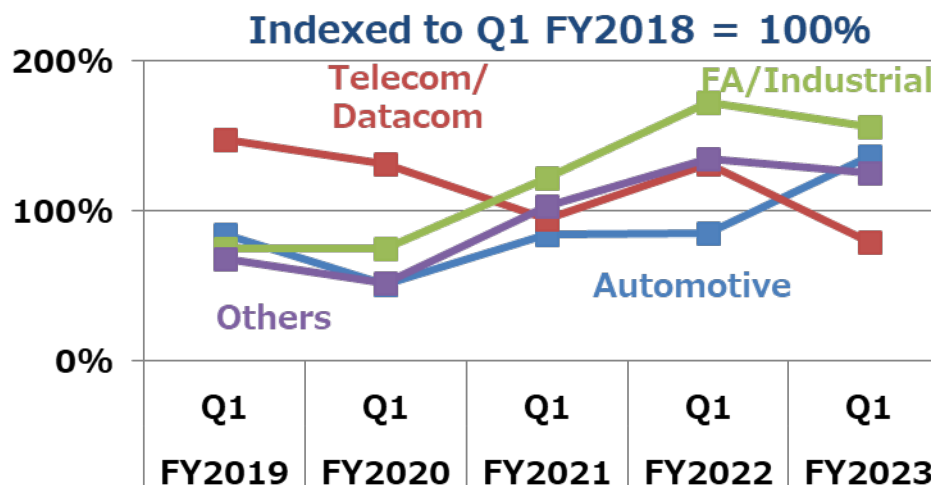


■ Sales

■ Operating income

CS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	(0.2)	-5.5%
Operating income	(0.1)	-38.3%

- ◆ Products intended for the automotive market performed favorably due in part to growth in production volumes among major customers and the launch of new product shipments.
- ◆ Products associated with the FA/industrial market were affected by inventory adjustments at some customers in Europe.
- ◆ Products created for use with telecommunications equipment performed well in Europe thanks to growth in demand surrounding high-speed, large-capacity transmission amid the continued impact of the economic friction between the US and China, but were affected by production adjustments at major North American customers.
- ◆ We incurred increases in raw material, transportation, and energy costs, but improvements in productivity and quality minimized their impact.



Forex Impact on Results

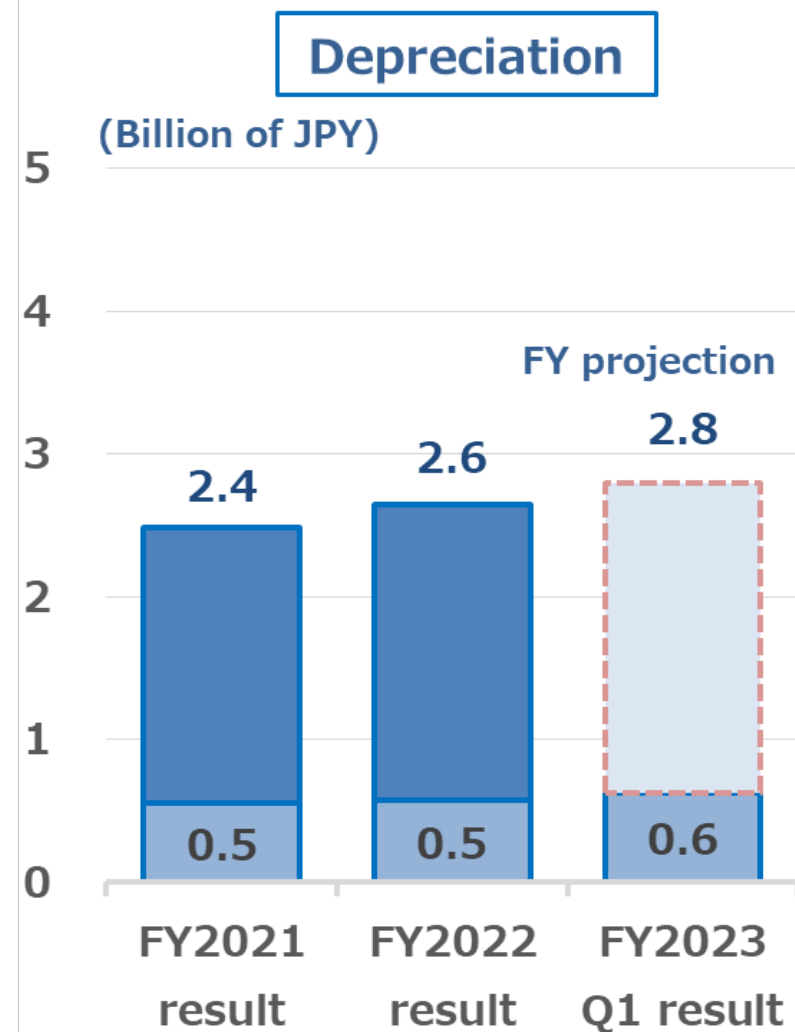
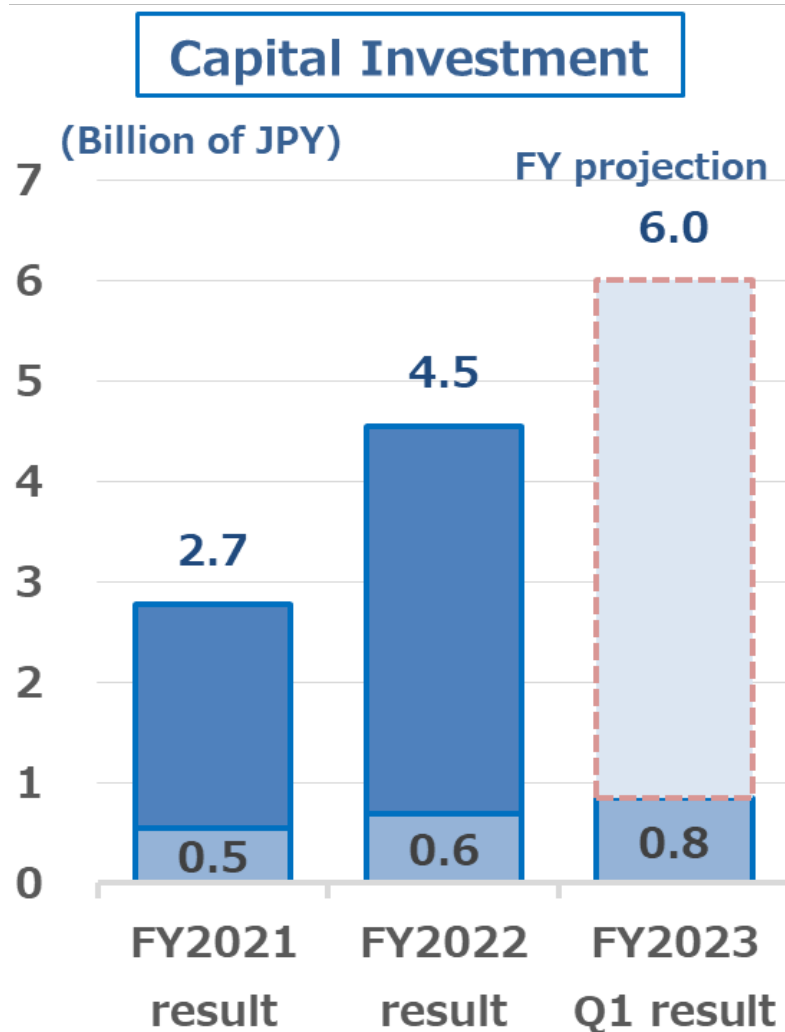
Forex rate	Q1 FY2022	Q1 FY2023	YoY increase
USD (JPY)	129.57	137.36	+7.79
EUR (JPY)	138.05	149.47	+11.42



YoY forex impact	
Net sales	JPY 0.49 billion
Operating income	JPY 0.13 billion

Forex sensitivity (JPY1/year)	Impact on net sales	Impact on operating income
USD	JPY 0.13 billion	JPY 0.05 billion
EUR	JPY 0.08 billion	JPY 0.01 billion

Capex and Depreciation



Revised Forecast for 1H and Full-Year FY2023

Regarding the consolidated earnings forecast for 1H FY2023, we expect that sales and income will be affected by production adjustments at major customers due to sluggish market demand for products for semiconductors used in smartphones and PCs, which will last longer than the forecast at the beginning of the fiscal year. On a company-wide basis, in addition to continuing high raw material and transportation costs, we expect a negative impact on income due to rising energy prices.

In light of these circumstances, we have revised our 1H consolidated earnings forecast announced on May 12, 2023.

The full-year consolidated earnings forecast for FY2023 announced on May 12, 2023 has been temporarily withdrawn and remains undetermined, as the semiconductor market environment has changed significantly since the initial forecast and it is difficult to formulate an appropriate and reasonable plan at this point in time.

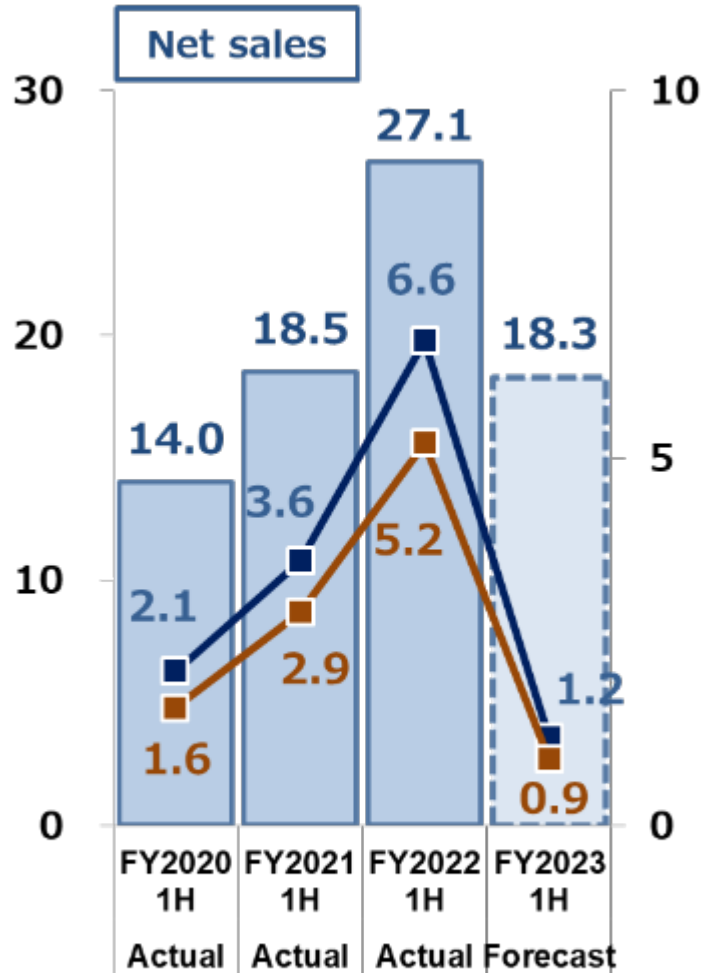
We will make an announcement as soon as it becomes possible to make a determination.

For details, please refer to the "Notice Regarding Revision of Earnings Forecast" announced today (August 4, 2023).

2. FY2023 Forecast

Revised Forecast for 1H and Full-Year FY2023

(Billions of JPY)



(Billions of JPY)	FY2022 actual		FY2023 forecast					
	1H	Full-year	Initial 1H forecast	Current 1H forecast	YoY increase	Initial full-year forecast	Current full-year forecast	YoY increase
Net Sales	27.1	46.9	19.6	18.3	(8.8)	42.0	----	----
Operating Income	6.6	9.1	2.4	1.2	(5.4)	6.6	----	----
Ordinary Income	7.2	9.4	2.4	1.2	(6.0)	6.4	----	----
Net Profit	5.2	7.2	1.7	0.9	(4.3)	4.5	----	----
EPS (JPY)	250.41	346.08	81.98	45.19	(205.22)	217.01	----	----
BPS (JPY)	1741.63	1770.47	----	----	----	----	----	----

Exchange Rate Assumption

Forex Rate	FY2022 1H	FY2023 1H	YoY change
USD (JPY)	133.97	137.00	3.03
EUR (JPY)	138.70	149.00	10.30

■ Operating income

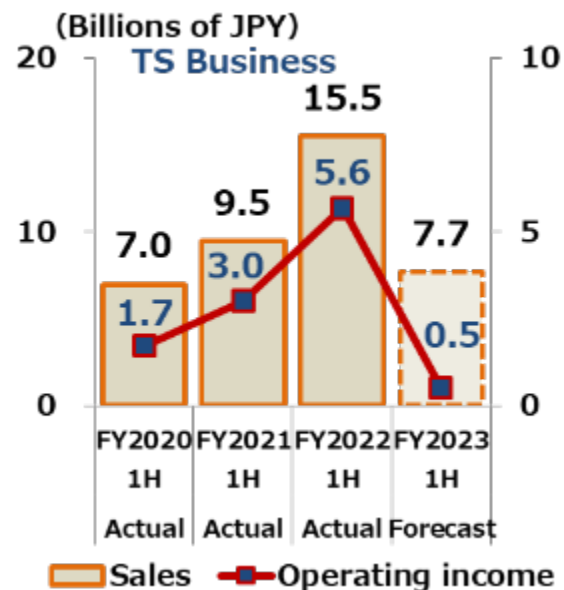
■ Net profit

2. FY2023 Forecast

Individual Segment Forecasts for 1H and Full-Year FY2023

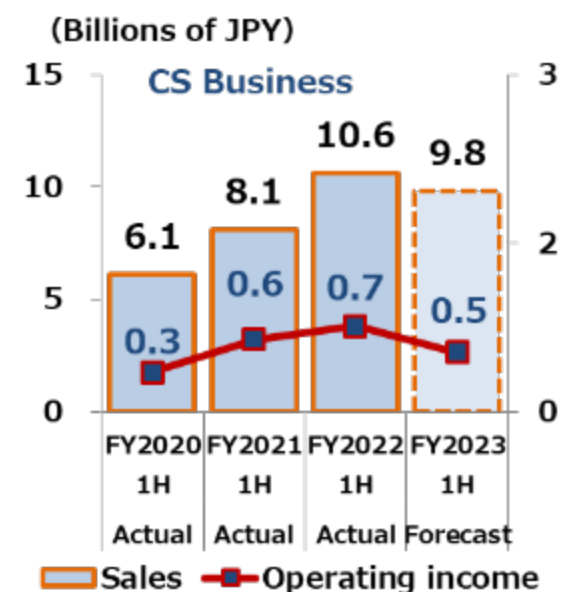
(Billions of JPY)		FY2022 actual		FY2023 forecast					
		1H	Full-year	Initial 1H forecast	Current 1H forecast	YoY increase	Initial full-year forecast	Current full-year forecast	YoY increase
TS Business	Sales	15.5	24.2	9.0	7.7	(7.8)	20.5	----	----
	Operating income	5.6	7.0	1.7	0.5	(5.1)	5.0	----	----
CS Business	Sales	10.6	21.0	9.8	9.8	(0.7)	19.8	----	----
	Operating income	0.7	1.6	0.7	0.5	(0.2)	1.5	----	----
OPT Business	Sales	0.9	1.7	0.8	0.7	(0.2)	1.7	----	----
	Operating income	0.1	0.1	0.0	0.0	(0.1)	0.1	----	----
Others	Operating income (Consolidated adjustment)	0.0	0.2	0.0	0.2	0.1	0.0	----	----
Total	Net sales	27.1	46.9	19.6	18.3	(8.8)	42.0	----	----
	Operating income	6.6	9.1	2.4	1.2	(5.4)	6.6	----	----

Individual Segment Forecasts for 1H FY2023



TS Business:

- ◆ We expect test socket products for smartphones to continue to experience the impact of production adjustments at major customers due to sluggish market demand.
- ◆ With regard to sockets for memory semiconductors, we anticipate further investment associated with new types of DRAM from 2H.
- ◆ We project solid growth in the logic semiconductor sockets product group, mainly for in-vehicle MCUs.
- ◆ We will strive to conduct proactive capital investment and expand our production capacity as we target improved profitability in the future.



CS Business:

- ◆ For products for industrial equipment, inventory adjustments at some customers continue, and we expect the recovery in demand to come in 2H, slightly behind our initial forecast.
- ◆ We project strong results from products for in-vehicle equipment thanks to an anticipated increase in production volumes among major customers and expectations of favorable impact from new product shipments.
- ◆ We expect difficult conditions through 1H for products associated with telecommunications equipment due to the continuing impact from the economic friction between the US and China as well as production and inventory adjustments at North American customers.
- ◆ Although we anticipate an impact from higher raw material and transportation costs, we will continue to work to minimize it.

3. Purchase of Treasury Shares

Purchase of Treasury Shares

Board of Directors' resolution			Purchase of treasury shares		
Resolution date	Maximum number of shares to be acquired	Maximum purchase price	Number of shares acquired	Purchase price	Acquisition period (based on the value date)
May 12, 2023	400,000	JPY 700,000,000	307,300	JPY 699,783,000	June 2 – July 21, 2023

4. Dividends

Dividends in FY2023

We have made no changes to our existing interim dividend forecast of JPY25 per share.

In the medium-term management plan, the Group announced its target of a 30% dividend payout ratio and has maintained a ratio of 30% since FY2018. In accordance with this 30% target, we will adjust our annual dividend amount for FY2023 based on the net profit at end-FY2023.

We plan to propose the year-end dividend during the Ordinary General Meeting of Shareholders scheduled for June 2024.

Thank you for your attention.

**(Q2 FY2023 results are scheduled for release
at 3:00 p.m. on Tuesday, November 7, 2023.)**

Disclaimer

This material is intended to provide information on the Group's business, management strategies, and performance as of August 4, 2023, and is not intended as a solicitation to invest in securities issued by the Company.

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

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