



Financial Results for 1H FY2023

November 7, 2023

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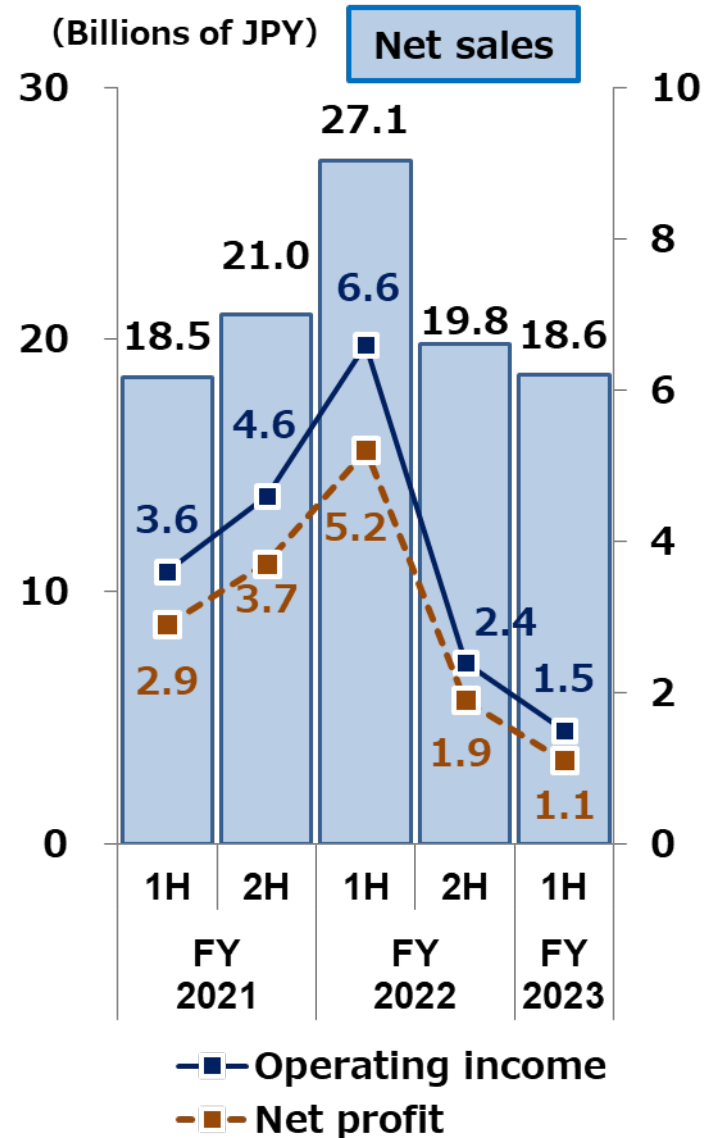
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Abbreviations Used in This Presentation

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

Results



(Billions of JPY)	1H FY2022 results	1H FY2023		YoY change (amount)	YoY change (%)
		Forecast (as of Aug. 4, 2023)	Results		
Net sales	27.1	18.3	18.6	(8.5)	-31.5%
Operating income	6.6	1.2	1.5	(5.0)	-76.5%
Ordinary income	7.2	1.2	1.6	(5.6)	-77.1%
Net profit	5.2	0.9	1.1	(4.0)	-77.1%
EPS (JPY)	250.41	45.19	58.24	(192.17)	----
BPS (JPY)	1741.63	----	1823.96	82.33	----

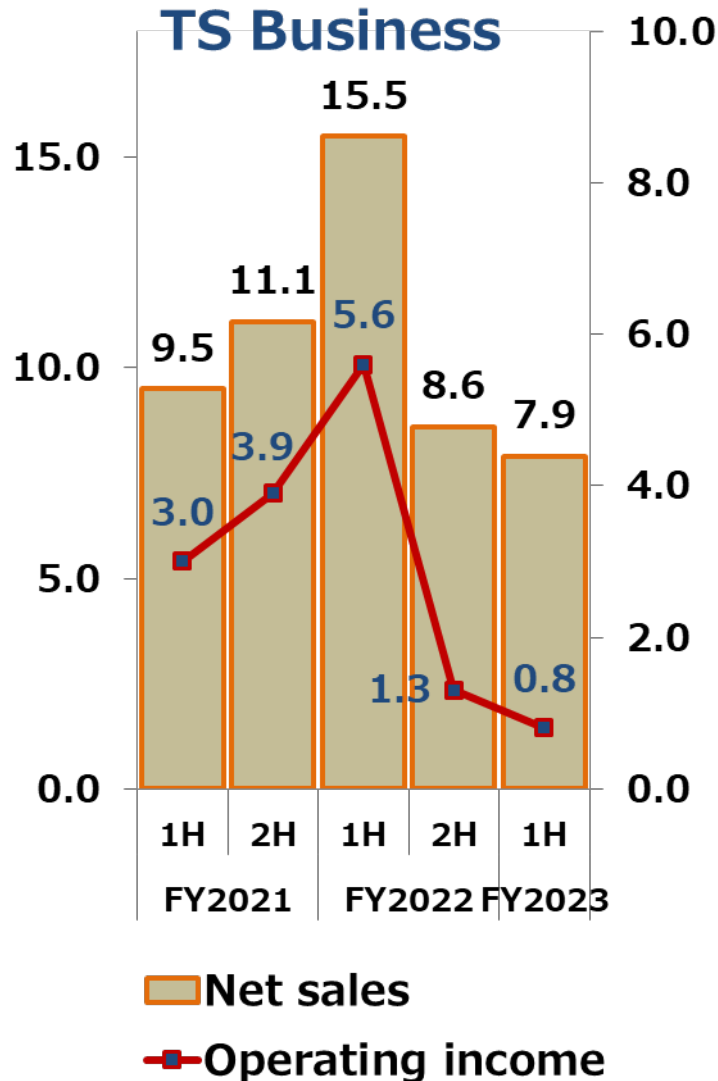
Forex rate	1H FY2022	1H FY2023	YoY change
USD (JPY)	133.97	141.00	7.03
EUR (JPY)	138.70	153.39	14.69

Results by Business

(Billions of JPY)		1H FY2022 results	1H FY2023		YoY increase (amount)	YoY increase (%)
			Forecast (as of Aug. 4,2023)	Results		
TS Business	Sales	15.5	7.7	7.9	(7.5)	-48.7%
	Operating income	5.6	0.5	0.8	(4.8)	-85.1%
CS Business	Sales	10.6	9.8	9.9	(0.7)	-6.8%
	Operating income	0.7	0.5	0.5	(0.2)	-27.4%
OPT Business	Sales	0.9	0.7	0.7	(0.2)	-25.8%
	Operating income	0.1	0.0	(0.0)	(0.1)	----
Others	Operating income (Consolidated adjustment)	0.0	0.2	0.1	0.0	----
Total	Sales	27.1	18.3	18.6	(8.5)	-31.5%
	Operating income	6.6	1.2	1.5	(5.0)	-76.5%

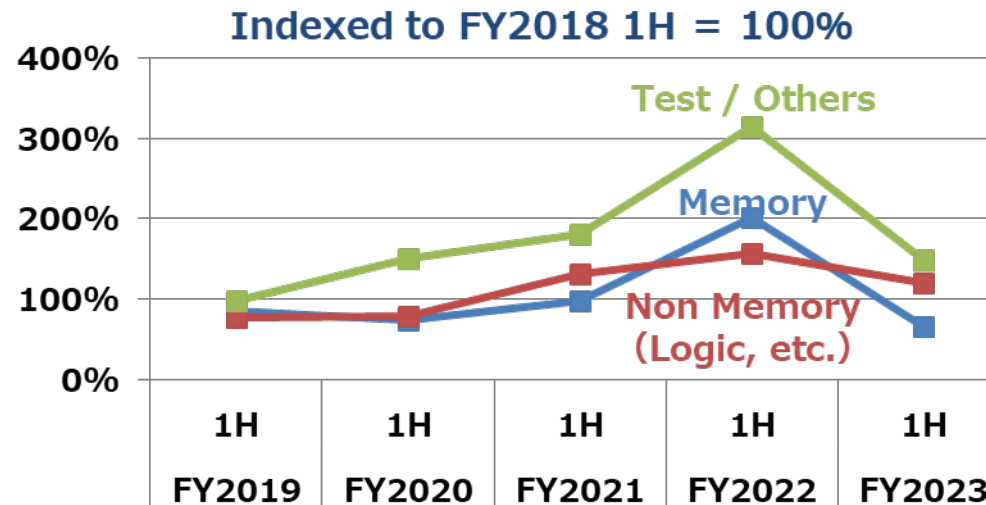
TS Business Results

(Billion of JPY)

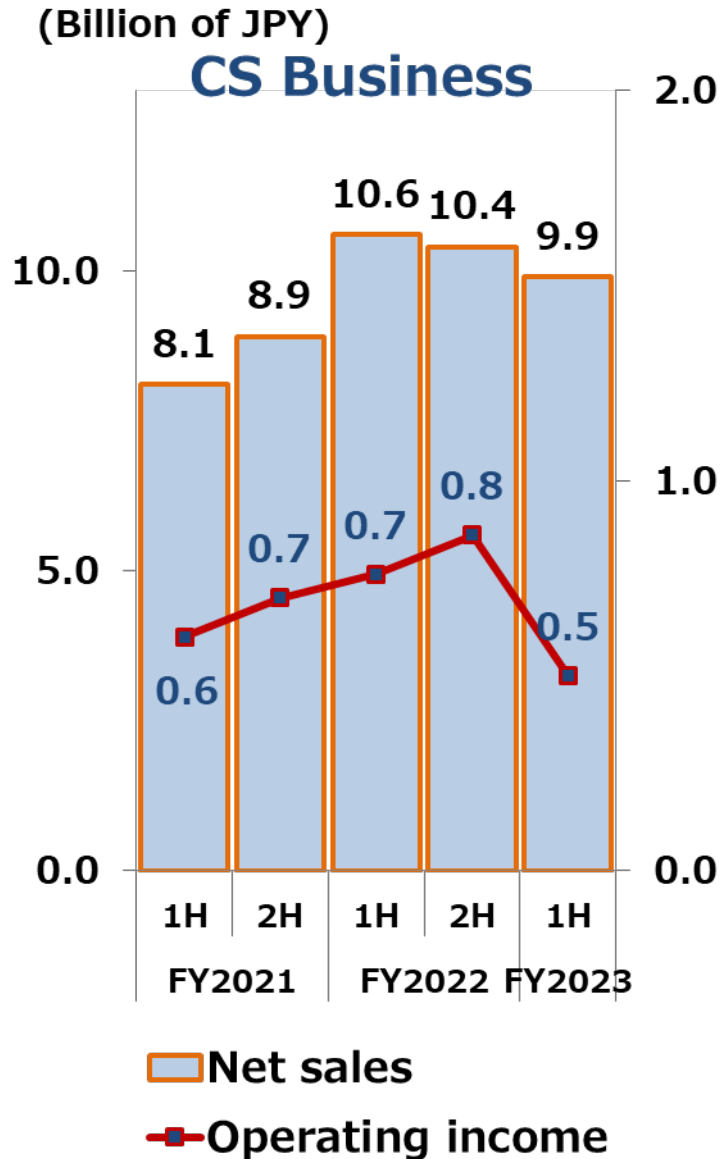


TS Business	YoY change (Billions of JPY)	YoY change (%)
Sales	(7.5)	-48.7%
Operating income	(4.8)	-85.1%

- ◆ Test sockets were impacted by a decline in demand due to the sluggish market environment for smartphone and PC products.
- ◆ Sockets for logic semiconductors were generally firm, although there were adjustments at some customers, mainly for automotive products.
- ◆ Sockets for memory semiconductors, both for NAND and DRAM, continued to be affected by capital investment reviews due to the market deterioration from 2H FY2022.
- ◆ Expenses increased due to high raw material and transportation costs and increased energy costs, but we made productivity and quality improvements to keep the impact to a minimum.

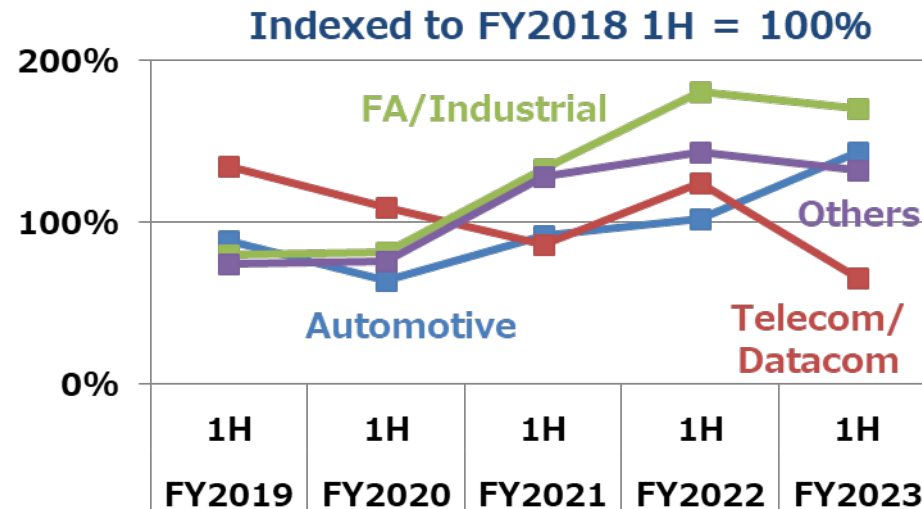


CS Business Results



CS Business	YoY change (Billions of JPY)	YoY change (%)
Sales	(0.7)	-6.8%
Operating income	(0.2)	-27.4%

- ◆ Products for the automotive market performed well, partly due to increased production volume by major customers and the start of new product shipments.
- ◆ Products for the FA/industrial market were affected by inventory adjustments at some customers in Europe, which is a key market.
- ◆ Products for the telecommunications market remained strong in Europe due to increased demand for high-speed, large-capacity transmission amid the continued impact of the economic friction between the US and China, but were affected by inventory adjustments at major North American customers.
- ◆ We incurred increases in raw material and transportation costs, but improvements in productivity and quality minimized their impact.



Forex Impact on Results

Forex rate	1H FY2022	1H FY2023	YoY change
USD (JPY)	133.97	141.00	+7.03
EUR (JPY)	138.70	153.39	+14.69

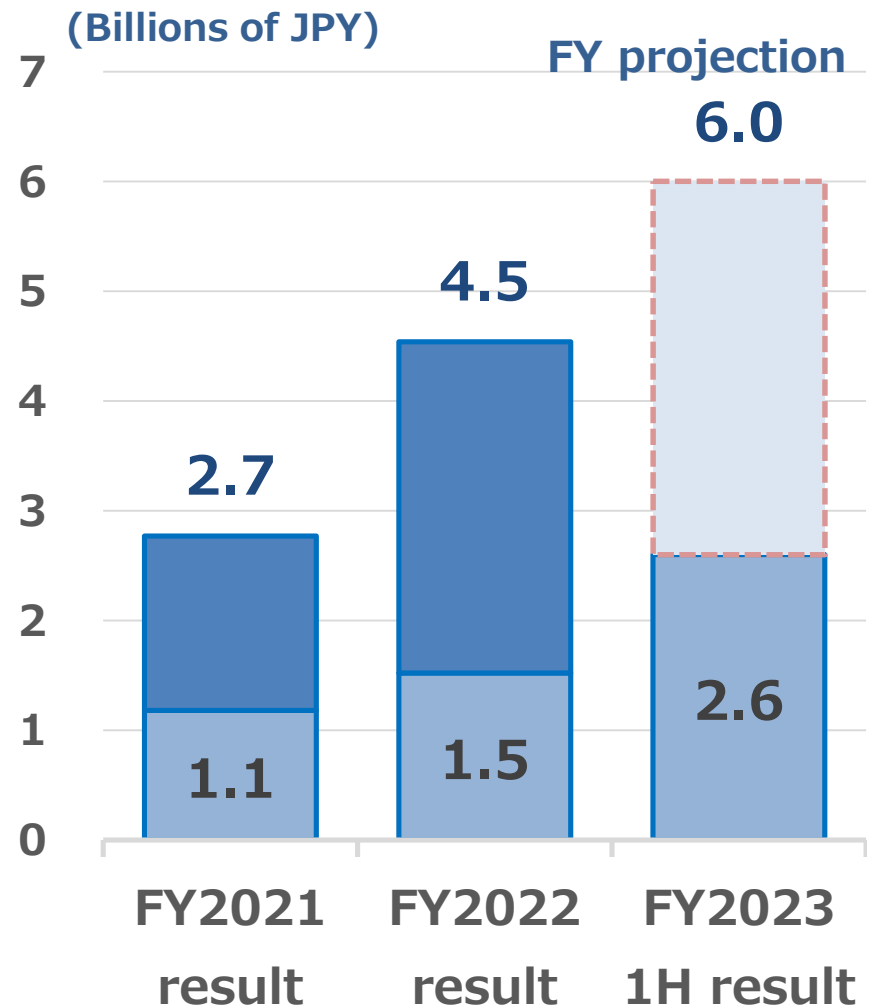


YoY forex impact	
Net sales	JPY 1.1 billion
Operating income	JPY 0.3 billion

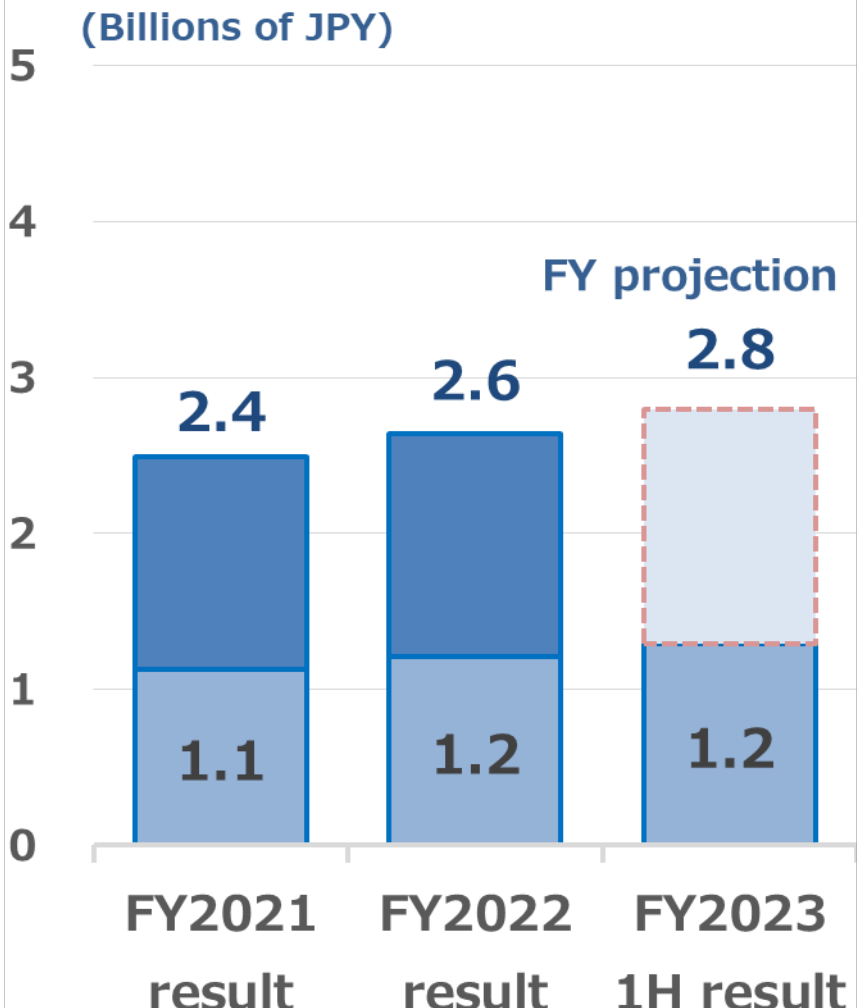
Forex sensitivity (JPY1/year)	Impact on net sales	Impact on operating income
USD	JPY 0.14 billion	JPY 0.06 billion
EUR	JPY 0.08 billion	JPY 0.01 billion

Capex and Depreciation

Capital Investment



Depreciation



Business Highlights

◆ Notice Regarding the Establishment of the Nomination and Compensation Committee

Yamaichi Electronics hereby announces its decision made at its Board of Directors meeting held on June 28, 2023 to establish a voluntary Nomination and Compensation Committee (hereinafter, “the Committee”) as an advisory body to the Board of Directors. Details are as follows.

1. Purposes of the establishment of the Committee

To strengthen the supervisory functions of the Board of Directors and further enhance the corporate governance system by ensuring the transparency and objectivity of the evaluation and decision-making processes related to director nomination, remuneration, etc.

2. Roles of the Committee

The Committee shall, in response to consultation by the Board of Directors, deliberate on the following matters and report to the Board of Directors.

- Matters concerning the composition of the Board of Directors
- Matters concerning the nomination of directors
- Matters concerning policies for determining remuneration for directors
- Matters concerning remuneration for directors
- Examination of successor training policies
- Other matters deemed necessary by the Board of Directors

3. Structure of the Committee

- (1) The Committee consists of three or more members selected by the Board of Directors.
- (2) The Committee consists of a majority of Independent Outside Directors.
- (3) The Chairperson shall be selected by resolution of the Committee from among its members.

4. Date of Establishment: June 28, 2023

Business Highlights

◆ Sakura Factory: Progress report on the construction of the new building

We are proceeding with the construction of Building No.2 on the premises of our Sakura Factory, and are on track to begin operations in April 2024.

Sakura Factory Building No.2 received the highest rank (5/5 stars) in the Building Energy-efficiency Labeling System (BELS) and acquired the “ZEB Ready” certification.

We plan to install photovoltaic power generation equipment on 63% of the rooftop area of Sakura Factory Building No.2, which is expected to reduce CO2 emissions by approximately 180 tons per year compared to when power is purchased from a power company.

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



◆ Land acquisition and factory construction in the Philippines

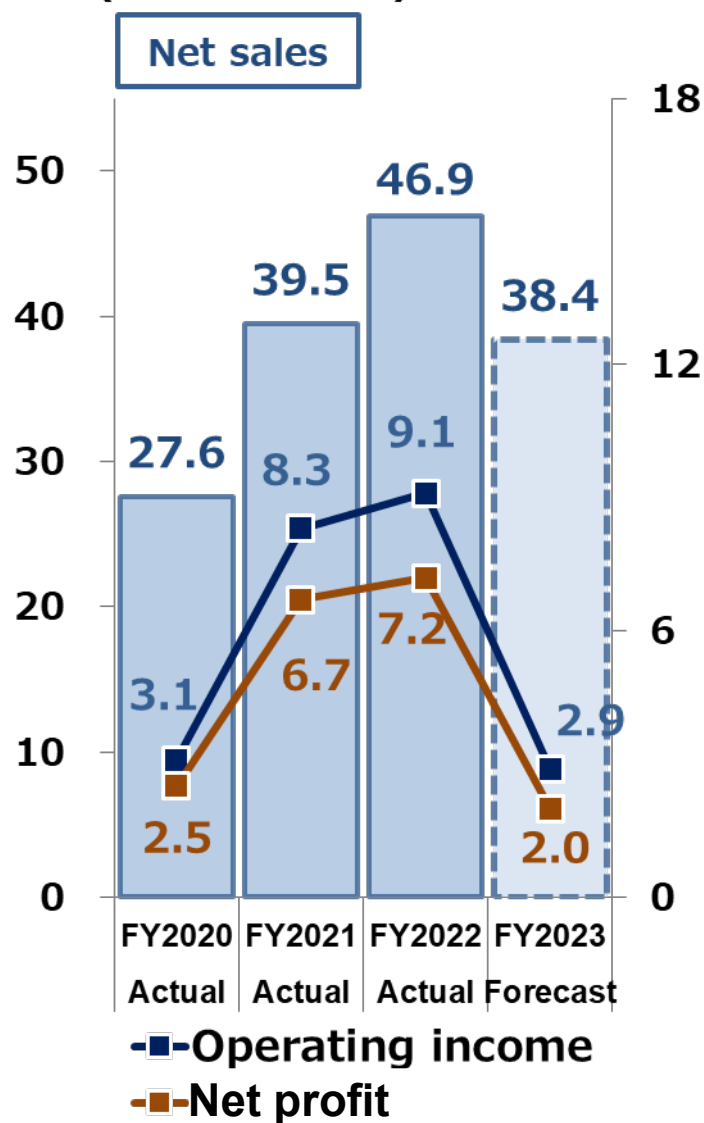
PMI Holdings, Inc., our consolidated subsidiary, has acquired land for a factory and is constructing Plant 3 in the Philippines, which is on track to begin operations in April 2024.

Location	Lots 1-2 Block 5 Elysan Road, Light Industry & Science Park IV (LISP IV), Brgy. Bulihan, Malvar, Batangas Philippines
Acquired land area	33,696 m ²
Acquisition amount (land)	350 million Philippine Pesos
Total investment (factory)	Approximately 1.1 billion yen (not including land costs)
Financing plan	Internal funds



Revised Forecast for Full-Year FY2023

(Billions of JPY)



Following continuous exchanges of information with our major customers in the process of formulating our plan for 2H, we anticipate a slower-than-expected recovery from the market downturn for mobile devices, particularly smartphones. This leads us to expect challenging conditions in 2H. However, we are optimistic about an increase in semiconductor demand for autonomous driving and ADAS units targeted at the automotive market, in addition to anticipating a resumption of investment in memory semiconductors. On the profit and loss front, we are also preparing for increased expenditures due to rising energy prices, higher costs for raw materials and transportation, and expenses related to the construction of new factories.

(Billions of JPY)	FY2022 Full-year actual	FY2023 forecast				
		Initial forecast	Forecast (as of Aug. 4, 2023)	Latest forecast	YoY change (amount)	YoY change (%)
Net sales	46.9	42.0	----	38.4	(8.5)	-18.2%
Operating income	9.1	6.6	----	2.9	(6.2)	-68.3%
Ordinary income	9.4	6.4	----	2.8	(6.6)	-69.8%
Net profit	7.2	4.5	----	2.0	(5.2)	-72.3%
EPS (JPY)	346.08	217.01	----	97.50	(248.58)	----

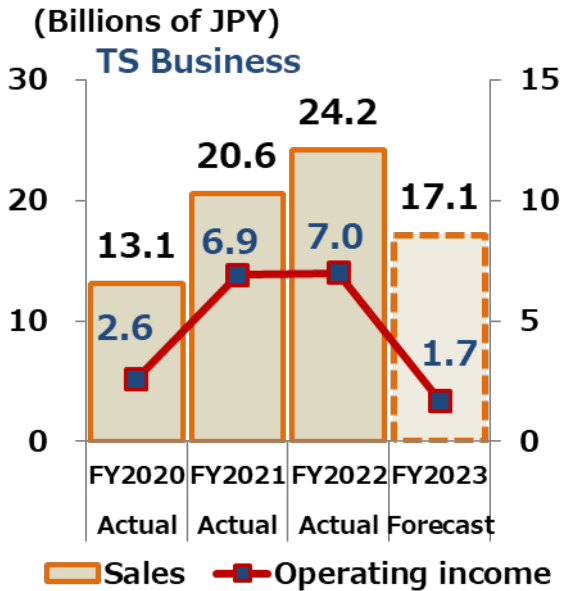
Exchange Rate Assumption

Forex rate	FY2022	FY2023	YoY change
USD (JPY)	135.47	144.00	8.53
EUR (JPY)	140.97	155.00	14.03

Individual Segment Forecasts for Full-Year FY2023

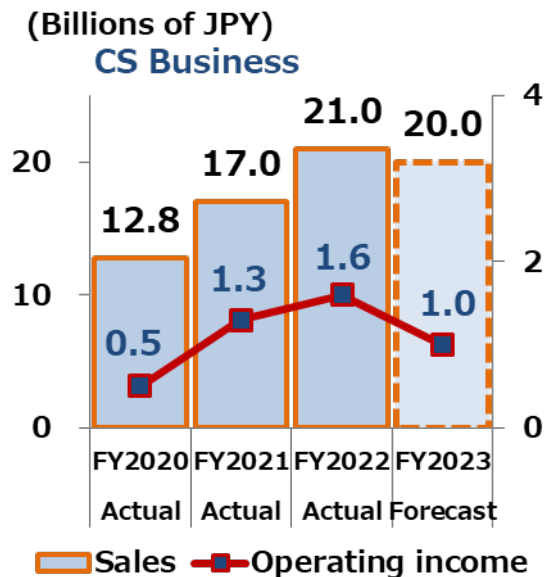
(Billions of JPY)		FY2022 Full-year Actual	FY2023 forecast				
			Initial forecast	Forecast (as of Aug. 4, 2023)	Latest forecast	YoY change (amount)	YoY change (%)
TS Business	Sales	24.2	20.5	----	17.1	(7.1)	-29.3%
	Operating income	7.0	5.0	----	1.7	(5.3)	-76.0%
CS Business	Sales	21.0	19.8	----	20.0	(1.0)	-5.1%
	Operating income	1.6	1.5	----	1.0	(0.5)	-34.4%
OPT Business	Sales	1.7	1.7	----	1.3	(0.3)	-21.2%
	Operating income	0.1	0.1	----	(0.0)	(0.2)	----
Others	Operating income (Consolidated adjustment)	0.2	0.0	----	0.2	(0.0)	-8.4%
Total	Net sales	46.9	42.0	----	38.4	(8.5)	-18.2%
	Operating income	9.1	6.6	----	2.9	(6.2)	-68.3%

Individual Segment Forecasts for FY2023



TS Business:

- ◆ We are anticipating that this will be a period of development focused primarily on new test socket products for smartphone models launching in the next fiscal year.
- ◆ We expect to resume investment in memory semiconductor sockets for DRAM.
- ◆ We expect solid growth in logic semiconductor sockets (especially for those with automotive MCU and ADAS-related applications).



CS Business:

- ◆ In products for industrial equipment, inventory adjustments at some customers are prolonged and this is expected to continue in 2H.
- ◆ We project a strong showing from products for in-vehicle equipment due to an increase in production volume by major customers and the expected effects of new product shipments.
- ◆ For telecommunications equipment, in addition to the continued impact of the economic friction between the US and China, production and inventory adjustments at North American customers are expected to continue in 2H.
- ◆ Although we expect the impact of increased raw material and transportation costs to continue, we will continue to work to minimize the impact.

3. Dividends

Dividends in FY2023

◆ Dividend of surplus (interim dividend)

	Updated dividend	Latest dividend estimation (Disclosed on May 12, 2023)	Last interim dividend (2H FY2022)
Reference date	September 30, 2023	September 30, 2023	September 30, 2022
Dividend per share	JPY 18	JPY 25	JPY 35
Total amount of dividends	JPY 367 million	----	JPY 725 million
Effective date	December 6, 2023	----	November 30, 2022
Dividend resource	Retained earnings	----	Retained earnings

◆ Revision of year-end dividend forecast for FY2024

	Annual dividends		
	Interim (end-1H)	Year-end	Total
Previous forecast (announced on May 12, 2023)	JPY 25	JPY 41	JPY 66
Revised forecast	-----	JPY 12	JPY 30
Actual in FY2023	JPY 18	-----	-----
Reference: Dividends in FY2022	JPY 35	JPY 69	JPY 104

The Company's basic policy for profit distribution is to maintain stable dividends and appropriately return profits to shareholders, while strengthening its financial position and management base. The Group announced its target of a 30% dividend payout ratio in its previous medium-term management plan, and has maintained a ratio of 30% continuously since FY2018. The interim dividend is JPY 18 per share due to lower results in Q2 than initially expected. The year-end dividend forecast for FY2023 has been revised to JPY 12 in line with the revision of the full-year earnings forecast. However, we will adjust our final dividend amount based on net income at the close of FY2023.

The Company plans to submit a proposal regarding its year-end dividend for FY2023 during its June 2024 Ordinary General Meeting of Shareholders.

Thank you for your attention.

**(Q3 FY2023 results are scheduled for release
at 3:00 p.m. [JST] on Tuesday, February 6, 2024.)**

(We will provide information about the Q3 results announcement at a later date.)

Disclaimer

This material is intended to provide information on the Group's business, management strategies, and performance as of November 7, 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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