A decorative graphic on the left side of the page, consisting of a large number of small, light blue logos arranged in a curved, downward-sloping pattern that resembles a stylized 'A' or a wave.

# Financial Results for FY2021

May 13, 2022

# Contents

- 1. FY2021 Results**
- 2. FY2022 Full-Year Forecast**
- 3. Progress on the Medium-Term Management Plan for FY2020 to FY2022**

## Abbreviations Used in This Presentation

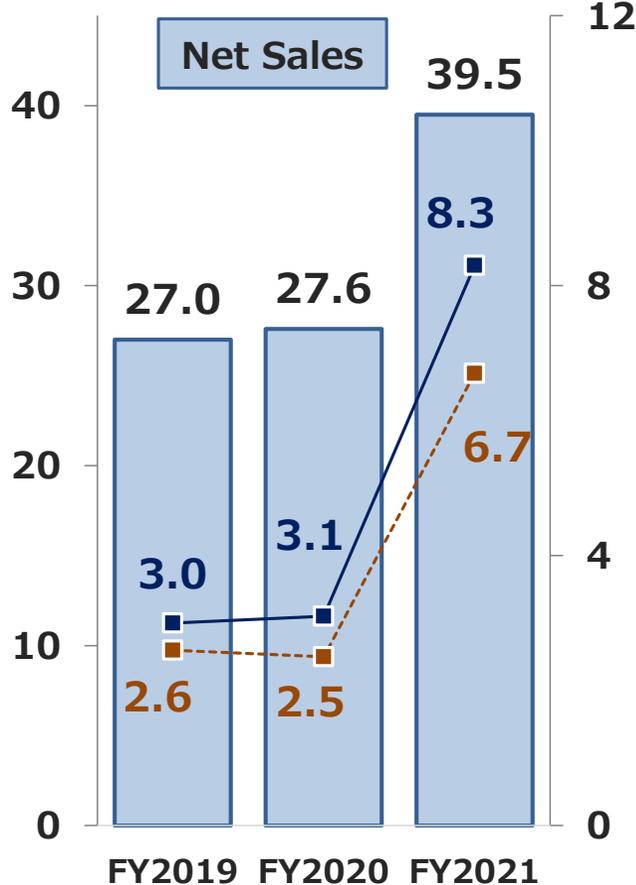
Business Unit	Abbreviation
Test Solution Business	TS Business
Connector Solution Business	CS Business
Optical-Related Business	OPT Business

# 1. FY2021 Results

## Results

**We posted our highest full-year operating income to date, buoyed by the favorable semiconductor market.**

(Billions of JPY)



FY2019 FY2020 FY2021

—■— Operating income  
- - - ■ - - - Net profit

(Billions of JPY)	FY2020 Full-Year Results	FY2021		YoY Increase (Amount)	YoY Increase (%)
		Forecast (As of Feb. 4, 2022)	Full-Year Results		
Net sales	27.6	38.5	39.5	11.9	43.0%
Operating income	3.1	7.5	8.3	5.1	162.4%
Ordinary income	3.1	7.7	8.7	5.6	178.2%
Net profit	2.5	5.6	6.7	4.1	161.2%
EPS (JPY)	121.10	264.04	319.25	198.15	—
BPS (JPY)	1,183.69	----	1499.07	315.38	—

Forex Rate	FY2020	FY2021	YoY Change
USD (JPY)	106.06	112.37	6.31
EUR (JPY)	123.70	130.56	6.86

## Forex Impact on Results

Forex Rate	FY2020	FY2021	YoY Increase
USD (JPY)	106.06	112.37	+6.31
EUR (JPY)	123.70	130.56	+6.86



YoY Forex Impact	
Net sales	JPY1.8 billion
Operating income	JPY0.9 billion

Forex Sensitivity (JPY1/year)	Impact on Net Sales	Impact on Operating Income
USD	JPY0.2 billion	JPY0.1 billion
EUR	JPY0.07 billion	JPY0.01 billion

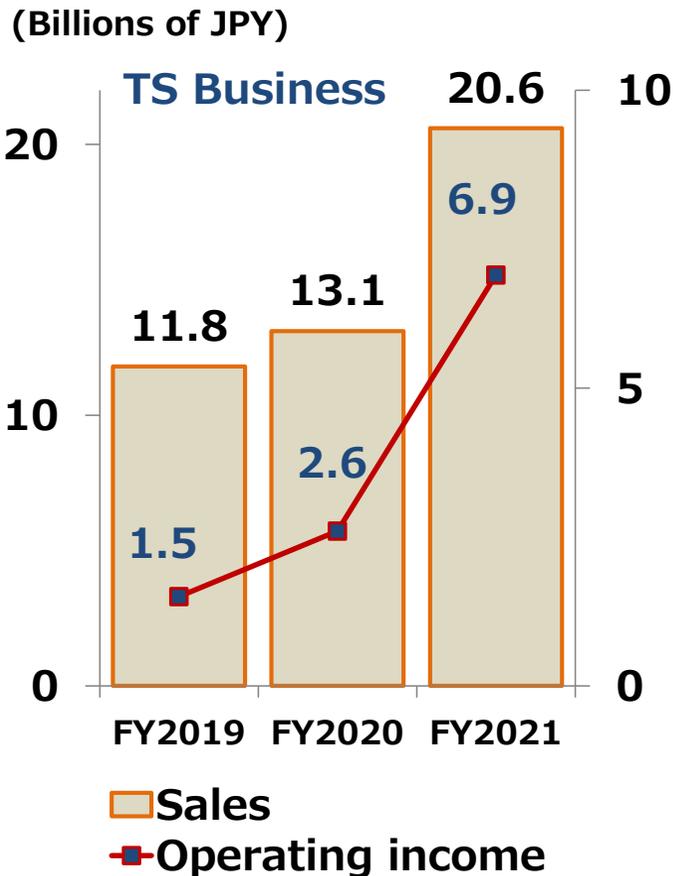
# 1. FY2021 Results

## Results by Business

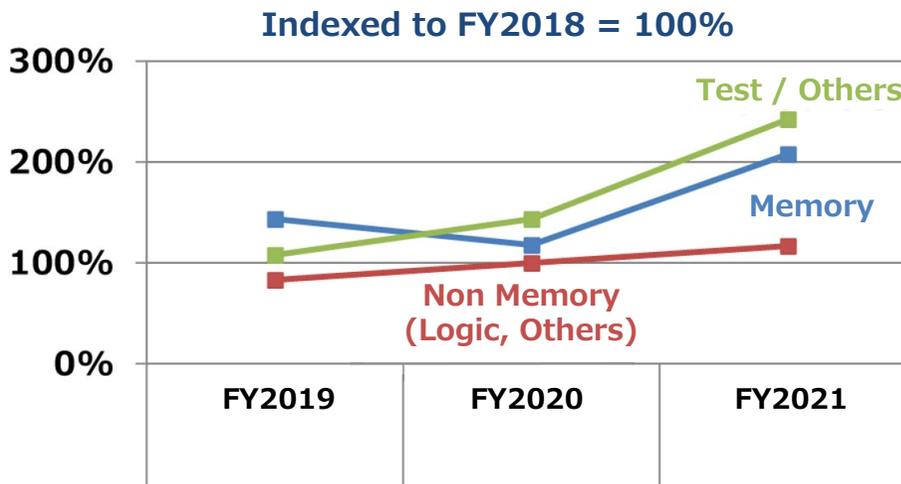
(Billions of JPY)		FY2020	FY2021		YoY Increase (Amount)	YoY Increase (%)
			Forecast (As of Feb. 4, 2022)	Full Year		
TS Business	Sales	13.1	20.0	20.6	7.5	57.0%
	Operating income	2.6	6.2	6.9	4.3	166.7%
CS Business	Sales	12.8	16.8	17.0	4.2	32.9%
	Operating income	0.5	1.2	1.3	0.7	145.7%
OPT Business	Sales	1.6	1.7	1.7	0.1	9.8%
	Operating income	0.1	0.2	0.1	0.0	66.4%
Others	Operating income (consolidated adjustment)	(0.07)	(0.12)	(0.11)	(0.04)	—
Total	Net sales	27.6	38.5	39.5	11.9	43.0%
	Operating income	3.1	7.5	8.3	5.1	162.4%

## TS Business Results

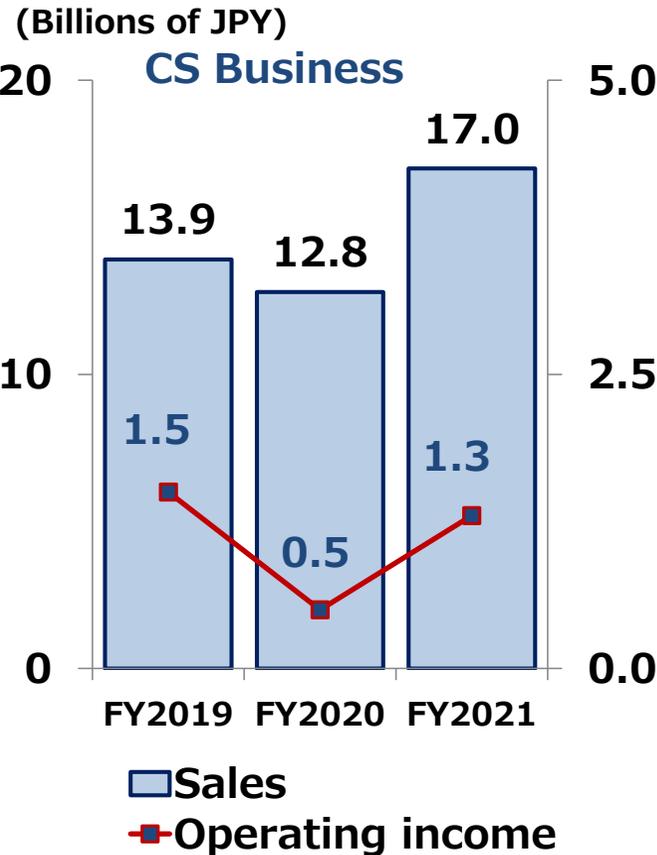
TS Business	YoY Increase (Billions of JPY)	YoY Increase (%)
Sales	7.5	57.0%
Operating income	4.3	166.7%



- ◆ In test sockets, products for smartphones performed well. Sales of products for automobiles and PC servers also grew.
- ◆ In logic semiconductor sockets, sales of products for in-vehicle ADAS/MCUs and PC servers were favorable.
- ◆ Sales of sockets for memory semiconductors were solid, owing to the start of shipments of new NAND products, although sales of products for DRAMs remained sluggish.



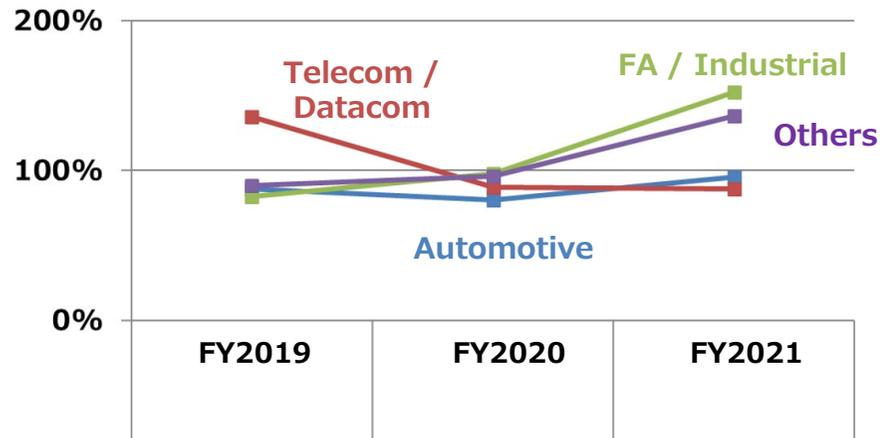
## CS Business Results



CS Business	YoY Increase (Billions of JPY)	YoY Increase (%)
Sales	4.2	32.9%
Operating income	0.7	145.7%

- ◆ Our products for industrial equipment performed well in Europe, thanks to a recovery in demand.
- ◆ Sales of products for in-vehicle equipment were up slightly, affected by semiconductor shortages.
- ◆ Products for telecommunications equipment continue to be affected by economic friction between the US and China. However, sales of products for the US market remained at the previous year's level, due to an increase in demand for high-speed, high-capacity transmission.
- ◆ Higher raw material and transportation costs pushed up expenses. We sought to minimize this impact by reducing costs and improving product quality.

Indexed to FY2018 = 100%



## Business Highlights

- ◆ We completed an expansion of Pricon Microelectronics 1<sup>st</sup> Factory in the Philippines, one of the Group's main factories.
  - A 640m<sup>2</sup> expansion increased the plant's total floor space to 8,666m<sup>2</sup>.
  - We plan to use the additional area mainly for the **production of test sockets**.
  - The expansion was completed on March 15, 2022.



Pricon Microelectronics  
1<sup>st</sup> Factory



A section of the expansion at  
Pricon Microelectronics 1<sup>st</sup> Factory

## Business Highlights

- ◆ Yamaichi and JAE jointly developed a 112Gbps Jumper Cable Interconnect product for the next-generation data networking market.
  - Yamaichi Electronics Co., Ltd. and Japan Aviation Electronics Industry, Ltd. have jointly developed a prototype for a high-speed jumper cable interconnect product, which supports a 112Gbps PAM4 signal on data networking systems.



112Gbps Jumper Cable Interconnect product

## ESG Highlights

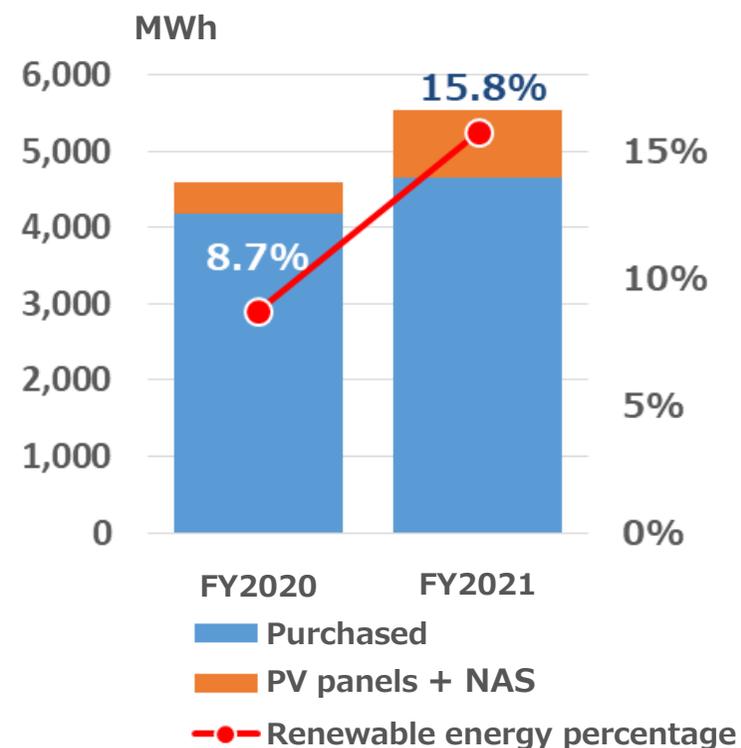
### ◆ Environmental response: Reduction in CO<sub>2</sub> emissions

A solar power generation and storage system went into operation at our Sakura Factory in October 2020. The system has been operating smoothly, helping to reduce CO<sub>2</sub> emissions.

#### CO<sub>2</sub> Emissions and Reductions (Tons)

Location		FY2020	FY2021
Japan	Emissions	5,461	5,535
	Reduction	177	387
	% reduction	3.2%	7.0%
Overseas	Emissions	5,645	6,356
World total	Emissions	11,106	11,891
	Reduction	177	387
	% reduction	1.6%	3.3%

#### Electricity Used at Sakura Factory



Note: Operations of the PV panels + NAS at Sakura Factory formally commenced in October 2020.

## ESG Highlights

### ◆ Governance Highlight: Transition to a company with an Audit and Supervisory Committee

Our Board of Directors resolved, at a meeting held on March 25, 2022, to transition to a company with an Audit and Supervisory Committee, subject to approval at the 67th Ordinary General Meeting of Shareholders to be held on June 28, 2022.

At the 67th Ordinary General Meeting of Shareholders scheduled for June 28, 2022, the necessary changes to the Articles of Incorporation are slated for approval. Then the Company will transition to a company with an Audit and Supervisory Committee.

## 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 delivery dates)
May 28, 2021	300,000	JPY500,000,000	299,400	JPY499,948,800	June 3, 2021 to August 19, 2021

## Dividends in FY2021

- In its medium-term management plan, the Group announced its target for a 30% dividend payout ratio. We have maintained a ratio of 30% since FY2018. Based on operating results for the fiscal year under review, we revised the year-end dividend to JPY81.

	Announced on May 14, 2021	Revised on February 4, 2022	Announced on May 13, 2022
Dividend per share	JPY40 Interim: JPY15 Year-end: JPY25	JPY80 Interim: 15 Year-end: JPY65	JPY96 Interim: JPY15 Year-end: JPY81
Total dividend	—	—	JPY2,029 million
Dividend payout ratio (consolidated)	30.6%	—	30.1%
Dividends to net assets (consolidated)	—	—	7.2%



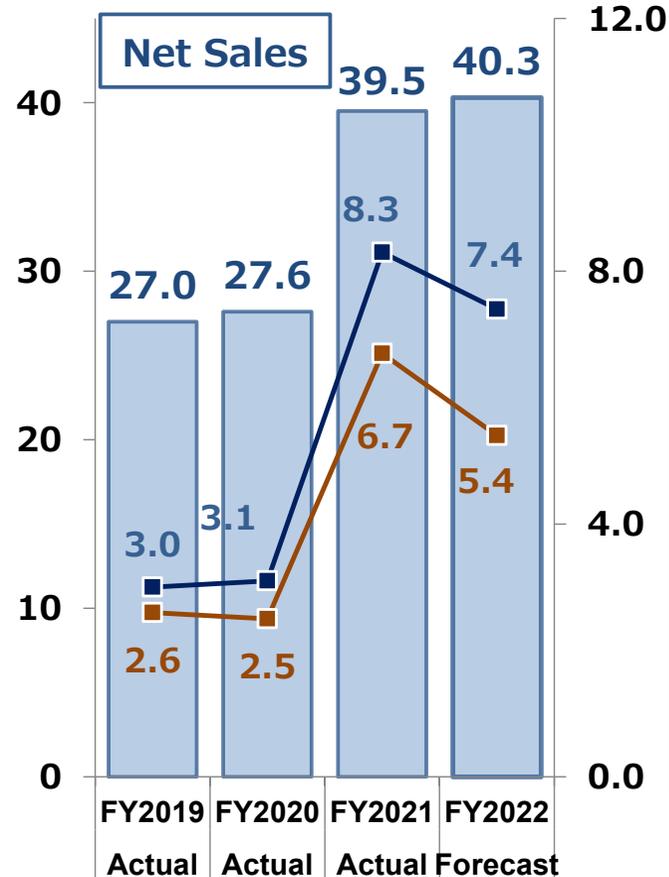
- We plan to table the year-end dividend for the fiscal year ended March 31, 2022 as a proposal at the ordinary general meeting of shareholders scheduled for June 2022.

## 2. FY2022 Full-Year Forecast

### Forecast of Results

In addition to concerns about the spread of COVID-19 variants, the outlook remains unpredictable due to such factors as ongoing US-China trade friction, sharp yen depreciation, soaring energy and resource prices, and heightened geopolitical risks.

(Billions of JPY)



■ Operating income  
■ Net profit

(Billions of JPY)	FY2021 Actual		FY2022 Forecast			
	1 H	Full Year	1 H	YoY Increase	Full Year	YoY Increase
Net Sales	18.5	39.5	21.2	2.6	40.3	0.7
Operating Income	3.6	8.3	4.3	0.6	7.4	(0.9)
Ordinary Income	3.7	8.7	4.3	0.5	7.4	(1.3)
Net Profit	2.9	6.7	3.1	0.1	5.4	(1.3)
EPS (JPY)	140.00	319.25	149.03	9.03	255.48	(63.77)
BPS (JPY)	1292.70	1499.07	—	—	—	—

#### Exchange Rate Assumptions

Forex Rate	FY2021	FY2022	YoY Change
USD (JPY)	112.37	120.00	7.63
EUR (JPY)	130.56	132.00	1.44

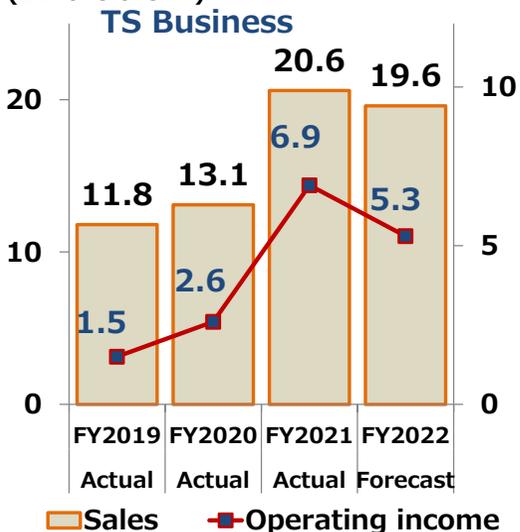
## 2. FY2022 Full-Year Forecast

### Forecast of Results by Business

(Billions of JPY)		FY2021 Actual		FY2022 Forecast			
		1st Half	Full Year	1st Half	YoY Increase	Full Year	YoY Increase
TS Business	Sales	9.5	20.6	11.3	1.7	19.6	(1.0)
	Operating income	3.0	6.9	3.5	0.5	5.3	(1.6)
CS Business	Sales	8.1	17.0	8.8	0.6	18.7	1.6
	Operating income	0.6	1.3	0.6	0.0	1.8	0.4
OPT Business	Sales	0.7	1.7	1.0	0.2	1.9	0.1
	Operating income	0.0	0.1	0.1	0.0	0.2	0.0
Others	Operating income (consolidated adjustment)	(0.06)	(0.11)	0.00	0.06	0.00	0.11
Total	Net sales	18.5	39.5	21.2	0.2	40.3	0.7
	Operating income	3.6	8.3	4.3	0.6	7.4	(0.9)

# Forecast of Results by Business

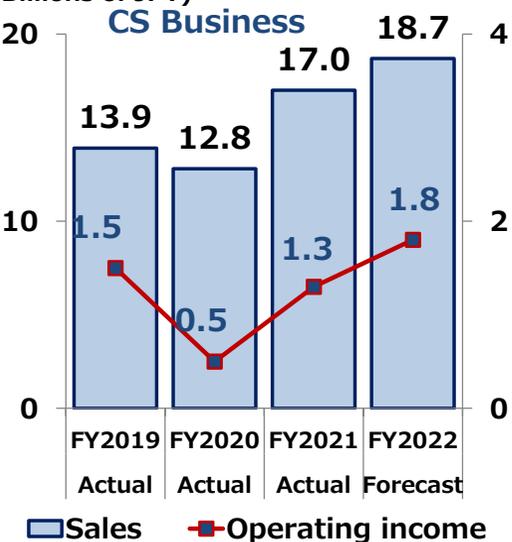
(Billions of JPY)



TS Business

- ◆ In test sockets, we expect sales to center on products for smartphones. We also anticipate ongoing growth in sales of products for automobiles and PC servers.
- ◆ In memory semiconductor sockets, in addition to shipments of new NAND products, we anticipate steady performance stemming from the start of shipments of products for new DRAMs.
- ◆ In logic semiconductor sockets, we anticipate steady performance in products for in-vehicle ADAS/MCUs, as well as robust sales of products for PCs and servers.
- ◆ We will work to improve profitability through aggressive capital investment and efforts to shore up production capabilities.

(Billions of JPY)

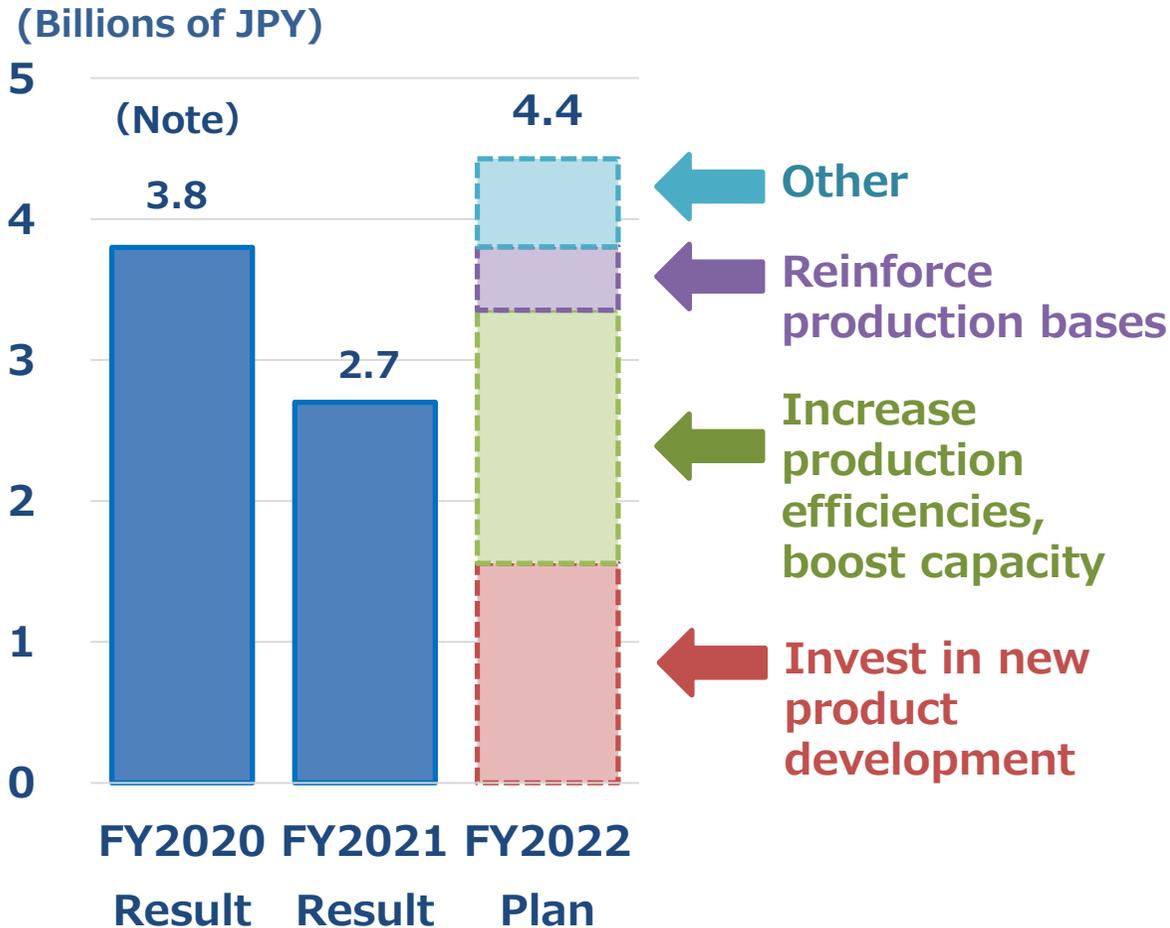


CS Business

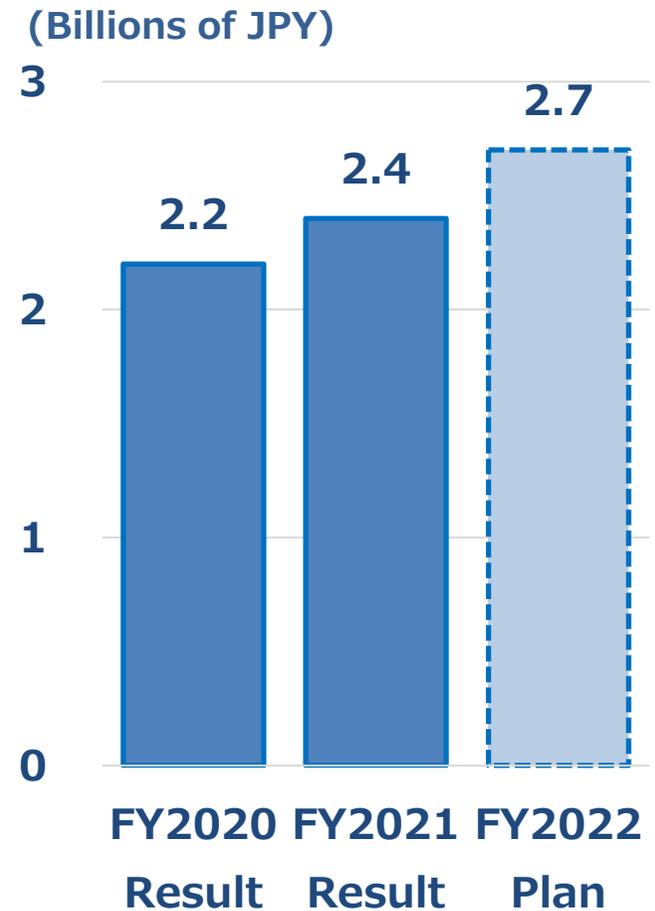
- ◆ We anticipate a continued recovery in demand for products for industrial equipment.
- ◆ Owing to semiconductor shortages, we are being affected by downward adjustments in the production of products for in-vehicle equipment. Nevertheless, we expect performance to remain solid.
- ◆ Products for telecommunications equipment continue to be affected by economic friction between the US and China. However, we expect an increase in demand for products for the US and European markets.
- ◆ We believe higher raw material and transportation costs will cause expenses to rise, and we will continue working to minimize this impact.

# Capex and Depreciation

### Capital Investment



### Depreciation



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

### Investment Plans for FY2022

- ◆ We intend to further expand the Group's mainstay factories in the Philippines.
  - We plan to expand the production area by revising the production layout of our three existing plants in the Philippines.
  - In line with favorable sales, we plan to use the additional space as a **test socket production area**.
    - ⇒ We will approximately double test socket production capacity, compared with FY2021 levels.
  - The expansion is slated for completion in October 2022.



Pricon Microelectronics  
1st Factory



Pricon Microelectronics  
2nd Factory



Test Solution Services Factory

# Investment Plans for FY2022

## ◆ Notice on Construction of a New Building at Sakura Factory

We hereby announce that our Board of Directors has resolved at a meeting held on March 25, 2022, to construct a new building on the premises of our Sakura Factory, as follows:

### Description

#### 1. Purpose of Constructing a New Building

We have decided to construct a new building to relocate production facilities and provide more space to increase production capacity. With the construction of the new building, we aim to establish a stable supply system for semiconductor test sockets. This decision was made due to the growing global demand for semiconductors and to respond speedily to diversifying customer needs for connector solutions due to the recovery of investment in industrial and in-vehicle equipment.

In constructing the new building, we will consider our business continuity plan (BCP), earthquake and infrastructure countermeasures, and measures to reduce environmental impact.

#### 2. Details of Acquired Assets

#### 3. Acquisition Schedule

Name	Sakura Factory Building No. 2 (tentative name), Yamaichi Electronics Co., Ltd.
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	Internal funds

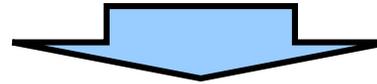
Construction start date	February 2023 (planned)
Production start date	April 2024 (planned)

# 3. Progress on the Medium-Term Management Plan for FY2020 to FY2022

## Basic Policy, Management Targets, Core Strategies

### Basic Policy

Create products for the future through global collaboration with our customers



Grow into a company that provides products and services that satisfy customers

### Management Targets

#### Looking toward March of FY2023

- Become a company that operates efficiently in a globally integrated manner
- Pursue efficiency, and become a competitive and distinctive company  
⇒ By FY2025, achieve record operating income, of JPY5.0 billion.

### Core Strategies

#### Growth Strategy: Create Leading Products in Global Niches

Reinforce global alliances

1. Develop unique, differentiated products
2. Offer products for growing markets, that meet regional and vibrant customer needs, and that are profitable

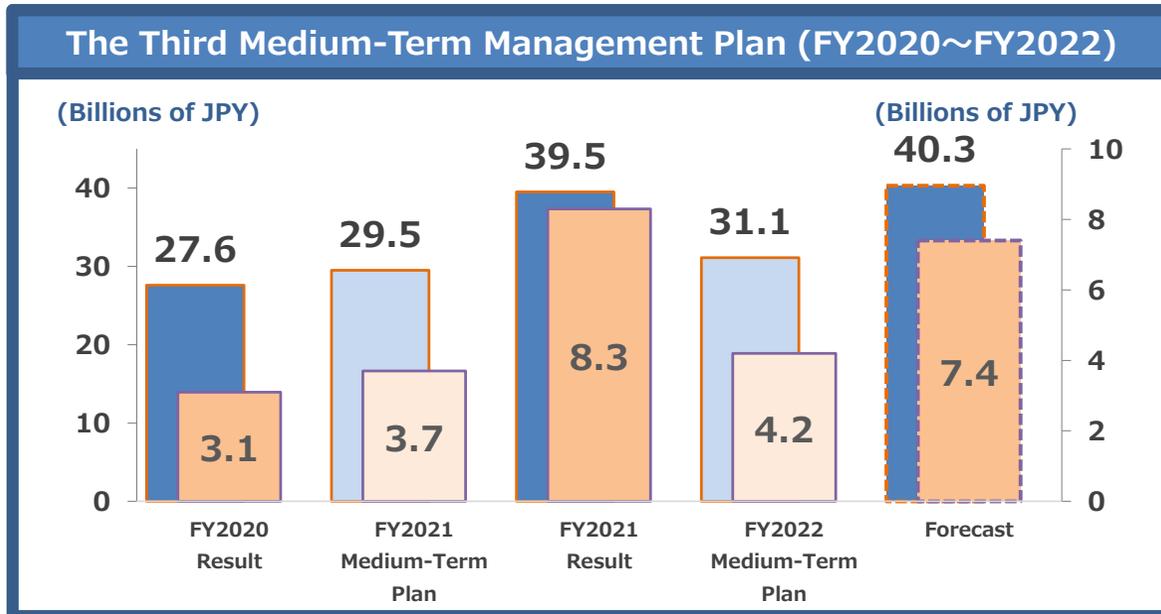
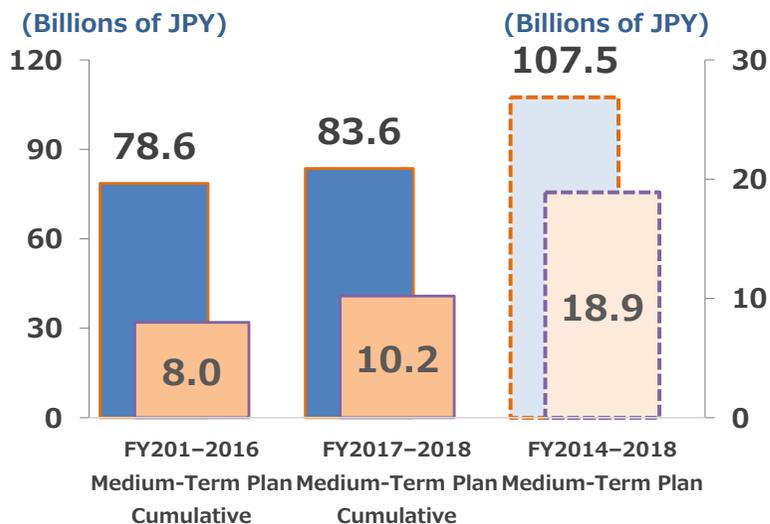
#### Structural Reform: Pursue Further Group Efficiencies

1. Reinforce the global management structure
2. Promote global manufacturing efficiencies
3. Enhance global systems

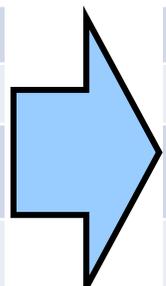


# 3. Progress on the Medium-Term Management Plan for FY2020 to FY2022

## State of Progress



(Billions of JPY)	Targets for Period of 3rd Mgmt. Plan
Net sales	88.3
Operating income	11.1
Capital investment	10.0
Dividend payout ratio	30.0% +
ROE	10.0% +



FY2020 Actual	FY2021 Actual	FY2022 Forecast	Total for 3rd Mgmt. Plan	% Achievement
27.6	39.5	40.3	107.5	122%
3.1	8.3	7.4	18.9	171%
3.8	2.7	4.4	11.0	110%
30.6%	30.1%	30.1%	—	—
10.7%	23.7%	—	—	—

# Thank you for your attention.

**(Q1 FY2022 results are scheduled for release  
at 3:00p.m. on Friday, August 5, 2022.)**

## **Disclaimer**

This material is intended to provide information on the Group's business, management strategies and performance as of May 13, 2022, 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 judgment at the time of preparation of the material, and we do not guarantee or promise the accuracy or completeness of such information, which is subject to change without notice.

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