

# SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the First Two Quarters (April 01 to September 30, 2022) of the Fiscal Year

Ending March 31, 2023

November 4, 2022

## Company Name: Yamaichi Electronics Co., Ltd.

Code: 6941 URL: <https://www.yamaichi.co.jp>

President: Junichi Kameya

Managing Director : Kazuhiro Matsuda Tel: (03)3734-0115

Scheduled date of securities report submission: November 11, 2022

Scheduled date of dividend payment commencement: November 30, 2022

Supplementary materials for the quarterly financial statements: Yes

Presentation to explain for the quarterly financial statement: Yes (for institutional Investors and analysts)

## 1. Consolidated Financial Results for the First Two Quarters (April 01 to September 30, 2022) of the Fiscal Year Ending March 31, 2023

### (1) Consolidated Operating Results (aggregated)

(Percentage figures represent changes from the same period of the previous year.)

	Net Sales		Operating income		Ordinary income		Profit Attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First two quarters ended September 30, 2022	27,166	46.4	6,667	81.3	7,286	93.7	5,244	76.0
September 30, 2021	18,562	32.0	3,677	74.0	3,761	84.0	2,979	82.8

Note: Comprehensive income First two quarters ended September 30, 2022 ¥6,854 million (127.0%)

First two quarters ended September 30, 2021 ¥3,020 million (85.3%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
First two quarters ended September 30, 2022	250.41	—
September 30, 2021	140.00	—

### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	51,806	36,436	69.7	1,741.63
As of March 31, 2022	45,372	31,993	69.8	1,499.07

Reference: Shareholders' equity as of September 30, 2022: ¥36,115 million; as of March 31, 2022: ¥31,685 million.

## 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	15.00	—	81.00	96.00
Year ending March 31, 2023	—	35.00			
Forecast: Year ending March 31, 2023			—	52.00	87.00

Note: Modifications in the dividend projection from the latest announcement: Yes

### 3. Forecast of Consolidated Operating Results for the year ending March 31, 2023

(Percentage figures represent changes from the same period of previous year.)

	Net Sales		Operating income		Ordinary income		Profit Attributable to owners of parent		Net profit per share
Year ending March 31, 2023	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	45,750	15.6	8,000	△4.5	8,600	△1.7	6,000	△11.4	287.90

Note: Modifications in forecasts of consolidated operating results from the latest announcement : Yes

We purchase treasury shares based on resolutions by the Board of Directors. Net profit per share in the Forecast of Consolidated Operating Results considers the impact of this purchase of treasury shares.

### 4. Other

(1) Changes in significant subsidiaries during current quarter consolidated period

(changes in specified subsidiaries with change in scope of consolidation) ; No

(2) Adoption of special accounting treatments for quarterly consolidated financial statements : No

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc. : Yes

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

4) Restatements : No

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury shares) at term end :

September 30, 2022 23,329,775 shares

March 31, 2022 23,329,775 shares

2) Number of treasury shares at term end:

September 30, 2022 2,593,310 shares

March 31, 2022 2,193,285 shares

3) Average number of outstanding shares (during the second quarter ended September 30):

September 30, 2022 20,944,216 shares

September 30, 2021 21,282,462 shares

\* This summary of quarterly consolidated financial results falls outside the scope of quarterly review procedures to be performed by certified public accountants or an audit firm.

\* Explanation of the appropriate use of performance forecasts and other related items

All forecasts in this presentation are based on information currently available to the management and on assumptions judged to be reasonable. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation for Business Performance

During the second quarter of the current consolidated cumulative period, the global economy was affected by the COVID-19 pandemic. Still, the economy showed signs of picking up as many countries normalized their economic activities. However, in addition to supply chain disruptions due to the lockdown in China, the global inflation caused by rising energy and resource prices due to the prolonged Ukraine crisis and the rapid depreciation of the yen due to a change in the monetary policies of mainly the United States and European countries have increased economic uncertainty.

Under these circumstances, the Yamaichi Electronics Group has responded speedily to diversifying market needs. Specifically, it has responded to increased demand for semiconductors due to a global shortage in semiconductors and the recovery of investment in the European industrial equipment market, our main market. We have continued to minimize the impact of cost increases in raw material and transportation costs by strengthening our production system and promoting cost reduction and quality improvement.

As a result, the Group achieved its highest quarterly operating results for the second quarter of a consolidated cumulative period. Our business performance in the second quarter of the current consolidated cumulative period marked net sales of 27,166 million yen (an increase of 46.4% year on year), operating profit of 6,667 million yen (an increase of 81.3% year on year), ordinary profit of 7,286 million yen (an increase of 93.7% year on year), and profit attributable to the owners of parent of 5,244 million yen (an increase of 76.0% year on year).

Our business performance on a segment-by-segment basis is shown below.

#### [Test Solutions Business]

In the test socket field, new products for automobiles and PCs sold well in addition to the mainstay products for smartphones. In the burn-in socket field, our sales of new products for memory and logic products for automotive applications were strong. Accordingly, our overall business was favorable.

As a result, our business performance resulted in net sales of 15,567 million yen (an increase of 62.4% year on year), and the operating profit was 5,695 million yen (an increase of 89.0% year on year).

#### [Connector Solutions Business]

The sales of our products for industrial equipment were favorable mainly in Europe, a major market, due to a recovery in demand. In addition, the sales of our products for telecommunications equipment were favorable due to significant growth in demand for high-speed, large-capacity transmission, mainly from the U.S. market, despite the continuing impact of economic friction between the United States and China. Products for in-vehicle equipment were affected by inventory and production adjustments at major customers due to the shortage of semiconductors. However, the market for these products has turned to a recovery trend.

As a result, our business performance resulted in net sales of 10,622 million yen (an increase of 29.8% year on year), and the operating profit was 764 million yen (an increase of 18.8% year on year).

## [Optics-related Business]

The sales of high-value-added filter products and other products for medical equipment and industrial equipment remained strong. In addition, our productivity improvements led to improved profits.

As a result, our business performance resulted in net sales of 976 million yen (an increase of 22.9% year on year), and the operating profit was 135 million yen (an increase of 64.8% year on year).

## (2) Explanation of Financial Condition

### 1) Assets, liabilities, and net assets

#### (Assets)

At the end of this quarter, our current assets were 35,629 million yen, increasing 5,401 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,802 million yen in cash and deposits resulting from an increase in orders received and sales and increase in notes and accounts receivable - trade of 1,443 million yen, and 696 million yen in inventories. Our non-current assets amounted to 16,176 million yen, increasing 1,032 million yen from the end of the previous fiscal year.

Consequently, the value of the total assets amounted to 51,806 million yen, an increase of 6,434 million yen from the end of the previous consolidated fiscal year.

#### (Liabilities)

Our current liabilities at the end of this quarter amounted to 12,629 million yen, increasing 1,954 million yen from the end of the previous fiscal year. This was mainly due to an increase of 811 million yen in short-term borrowings, an increase of 616 million yen in income taxes payable, and an increase of 566 million yen in the provision for bonuses. Our non-current liabilities amounted to 2,740 million yen, increasing 36 million yen from the end of the previous fiscal year.

As a result, our total liabilities amounted to 15,370 million yen, increasing 1,991 million yen from the end of the previous consolidated fiscal year.

#### (Net assets)

At the end of this quarter, our total net assets were 36,436 million yen, increasing 4,442 million yen from the end of the previous consolidated fiscal year. This was mainly due to profit attributable to the owners of parent of 5,244 million yen and an increase in foreign currency translation adjustment of 1,578 million yen due to the sharp depreciation of the yen, despite the payment of dividends from a surplus of 1,712 million yen and the purchase of treasury stock for 697 million yen.

As a result, the equity ratio was 69.7% (69.8% at the end of the previous fiscal year).

### 2) Overview of cash flow

The amount of cash and cash equivalents (hereafter referred to as “the funds”) in the consolidated cumulative second quarter increased by 2,801 million yen as a result of the appropriation of the quarterly net income before tax. Accordingly, the funds at the end of the consolidated cumulative second quarter totaled 16,350 million yen.

The status of each cash flow and factor at the end of the second quarter of the consolidated cumulative period are shown below.

(Cash flow from sales activities)

The funds obtained from the sales operations totaled 5,188 million yen (an increase of 56.4% year-on-year). This was mainly due to an increase in profit before income taxes of 7,287 million yen.

(Cash flow from investing activities)

The funds spent for investing activities ended with 1,503 million yen (an increase of 30.1% year-on-year). This was mainly due to purchase of property, plant and equipment of 1,478 million yen.

(Cash flow from financing activities)

The funds spent for financing activities ended with 1,998 million yen (an increase of 62.8% year-on-year). This was mainly due to dividends paid of 1,708 million yen and purchase of treasury shares of 697 million yen.

(3) Explanation for consolidated earnings forecasts and other forward-looking information

Concerning the full-year consolidated earnings forecast for the fiscal year ended March 31, 2023, the economic and market environment has changed significantly since our initial forecast at the beginning of the fiscal year. Therefore, we earlier determined that it was necessary to review our plan for the second quarter of the fiscal year by closely examining the environmental trends of businesses based on customers' future production trends, foreign exchange rate trends, and other factors. Therefore, the consolidated earnings forecast announced on May 13, 2022, was temporarily withdrawn on August 5, 2022 (when the first quarter financial results were announced), and the forecast has been undecided. However, we have revised the forecast based on the results of the second quarter of the fiscal year and future trends in the market environment surrounding our Group.

(4) Risk information on COVID-19

To prevent the spread of infection, the Group continues to improve its work system and environment to enable telecommuting. However, the infectious disease may spread further and become prolonged. In that case, the Group's performance and financial position could be further affected due to the suspension of plant operations and voluntary restraint of business activities.

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
	Amount	Amount
<b>(ASSETS)</b>		
<b>Current assets</b>		
Cash and deposits	13,573,533	16,376,130
Notes and accounts receivable	7,933,832	9,376,914
Electronically recorded monetary claims	547,058	463,164
Securities	10,000	10,000
Merchandise and finished goods	3,288,602	3,550,711
Work in process	348,994	352,137
Raw materials and supplies	2,750,954	3,182,077
Other	1,794,180	2,363,008
Allowance for doubtful accounts	△19,202	△44,207
<b>Total current assets</b>	<b>30,227,953</b>	<b>35,629,937</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,763,159	3,003,787
Machinery, equipment and vehicles	2,310,764	2,598,387
Tools, furniture and fixtures	1,777,285	1,880,431
Land	3,419,865	3,427,953
Leased assets	82,284	40,857
Right-of-use assets	2,741,809	2,775,861
Construction in progress	506,612	716,000
<b>Total property, plant and equipment</b>	<b>13,601,782</b>	<b>14,443,280</b>
<b>Intangible fixed assets</b>	<b>244,923</b>	<b>241,620</b>
<b>Investments and other assets</b>		
Investment securities	57,116	60,355
Deferred tax assets	201,863	346,266
Net defined benefit asset	733,178	764,960
Other	305,436	319,987
Allowance for doubtful accounts	△0	△0
<b>Total investments and other assets</b>	<b>1,297,594</b>	<b>1,491,568</b>
<b>Total non-current assets</b>	<b>15,144,301</b>	<b>16,176,469</b>
<b>Total assets</b>	<b>45,372,254</b>	<b>51,806,406</b>

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
	Amount	Amount
<b>(LIABILITIES)</b>		
<b>Current liabilities</b>		
Notes and accounts payable	2,377,829	2,407,852
Short-term borrowings	2,896,860	3,708,240
Lease obligations	357,819	328,545
Income taxes payable	1,661,054	2,278,031
Provision for bonuses	1,025,852	1,592,796
Provision for directors' bonuses	—	116,000
Other	2,355,848	2,198,441
<b>Total current liabilities</b>	<b>10,675,263</b>	<b>12,629,907</b>
<b>Non-current liabilities</b>		
Long-term borrowings	300,000	300,000
Lease obligations	2,045,101	2,049,364
Provision for director's retirement benefits	10,585	11,020
Provision for loss on litigation	98,962	103,031
Retirement benefit liability	24,026	40,014
Asset retirement obligations	26,225	27,102
Other	198,725	209,827
<b>Total non-current liabilities</b>	<b>2,703,626</b>	<b>2,740,360</b>
<b>Total liabilities</b>	<b>13,378,889</b>	<b>15,370,267</b>
<b>(NET ASSETS)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,084,103	10,084,103
Capital surplus	1,788,562	1,788,562
Retained earnings	22,008,155	25,540,678
Treasury shares	△2,653,379	△3,351,247
<b>Total shareholders' equity</b>	<b>31,227,440</b>	<b>34,062,096</b>
<b>Amount of other comprehensive income</b>		
Valuation difference on available-for-sale securities	11,700	13,901
Foreign currency translation adjustments	499,274	2,078,260
Remeasurments of defined benefit plans	△53,268	△39,042
<b>Total amount of other comprehensive income</b>	<b>457,705</b>	<b>2,053,119</b>
Subscription rights to shares	181,987	179,883
Non-controlling interests	126,230	141,039
<b>Total net assets</b>	<b>31,993,364</b>	<b>36,436,139</b>
<b>Total liabilities and total net assets</b>	<b>45,372,254</b>	<b>51,806,406</b>

## Consolidated Statements of Income

(Thousands of Yen)

	2Q period of previous year (From April 1, 2021 to September 30, 2021)	2Q period of current year (From April 1, 2022 to September 30, 2022)
	Amount	Amount
<b>Net sales</b>	18,562,377	27,166,808
<b>Cost of sales</b>	11,351,017	15,868,494
<b>Gross profit</b>	7,211,359	11,298,313
<b>Selling, general and administrative expenses</b>	3,534,068	4,630,762
<b>Operating profit</b>	3,677,291	6,667,551
<b>Non-operating income</b>		
Interests income	3,836	8,430
Dividend income	2,934	5,648
Foreign exchange gains	70,444	675,593
Share of profit of entities accounted for using equity method	17,550	—
Gain on sales of scraps	4,189	7,092
Subsidy income	5,427	4,328
Insurance claim income	574	2,443
Other	13,754	19,407
<b>Total non-operating income</b>	118,712	722,945
<b>Non-operating expenses</b>		
Interest expenses	30,523	45,499
Equipment relocation expenses	—	53,270
Other	4,416	5,018
<b>Total non-operating expenses</b>	34,939	103,788
<b>Ordinary profit</b>	3,761,063	7,286,707
<b>Extraordinary income</b>		
Gain on sales of non-current assets	122	355
<b>Total extraordinary income</b>	122	355
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	40	—
<b>Total extraordinary losses</b>	40	—
<b>Profit before income taxes</b>	3,761,146	7,287,063
<b>Current income taxes</b>	747,170	2,181,272
<b>Deferred income taxes</b>	31,955	△148,120
<b>Income taxes</b>	779,126	2,033,152
<b>Profit</b>	2,982,019	5,253,911



(Thousands of yen)

	2Q period of previous year (From April 1, 2021 to September 30, 2021)	2Q period of current year (From April 1, 2022 to September 30, 2022)
	Amount	Amount
<b>Profit attributable to non-controlling interests</b>	2,415	9,332
<b>Profit attributable to owners of parent</b>	2,979,604	5,244,578

### Consolidated Statements of Comprehensive Income

(Thousands of yen)

	2Q period of previous year (From April 1, 2021 to September 30, 2021)	2Q period of current year (From April 1, 2022 to September 30, 2022)
	Amount	Amount
<b>Profit</b>	2,982,019	5,253,911
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,100	2,200
Foreign currency translation adjustments	17,017	1,584,462
Remeasurements of defined benefit plans	14,734	14,226
Share of other comprehensive income of entities accounted for using equity method	5,323	—
<b>Total other comprehensive income</b>	38,175	1,600,890
<b>Comprehensive income</b>	3,020,195	6,854,801
(Attribute to)		
Comprehensive income attributable to owners of parent	3,022,036	6,839,992
Comprehensive income attributable to non-controlling interests	△1,841	14,809

## Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous year (From April 1, 2021 to September 30, 2021)	Current year (From April 1, 2022 to September 30, 2022)
	Amount	Amount
<b>Cash flows from operating activities</b>		
Income before income taxes	3,761,146	7,287,063
Depreciation	1,136,523	1,213,148
Interest and dividends income	△6,770	△14,079
Interest expenses	30,523	45,499
Exchange loss (△gain)	△47,962	△922,441
Decrease (△increase) in notes and accounts receivable	△1,528,567	△496,215
Decrease (△increase) in inventories	△890,708	△152,821
Increase (△decrease) in notes and accounts payable	171,594	△88,477
Other, net	1,111,046	△32,893
<b>Sub total</b>	<b>3,736,825</b>	<b>6,838,783</b>
Interest and dividends received	6,424	12,801
Interest expenses paid	△30,629	△45,296
Income taxes paid	△395,861	△1,617,889
<b>Net cash provided by operating activities</b>	<b>3,316,758</b>	<b>5,188,398</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△1,132,361	△1,478,184
Proceeds from sales of property, plant and equipment	1,517	914
Other, net	△24,637	△26,454
<b>Net cash used in investing activities</b>	<b>△1,155,480</b>	<b>△1,503,724</b>
<b>Cash flows from financing activities</b>		
Net increase (△decrease) in short-term borrowings	—	657,661
Proceeds from long-term borrowings	300,000	—
Repayments of long-term borrowings	△230,000	△10,000
Purchase of treasury shares	△500,044	△697,867
Cash dividends paid	△576,769	△1,708,463
Other, net	△220,743	△240,320
<b>Net cash used in financing activities</b>	<b>△1,227,557</b>	<b>△1,998,990</b>
<b>Effect of exchange rates changes on cash and cash equivalents</b>	<b>38,901</b>	<b>1,115,858</b>
<b>Net increase (△decrease) of cash and cash equivalents</b>	<b>972,621</b>	<b>2,801,542</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>9,448,653</b>	<b>13,548,863</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,421,275</b>	<b>16,350,405</b>