

Financial Results for 1H FY2022

November 4, 2022

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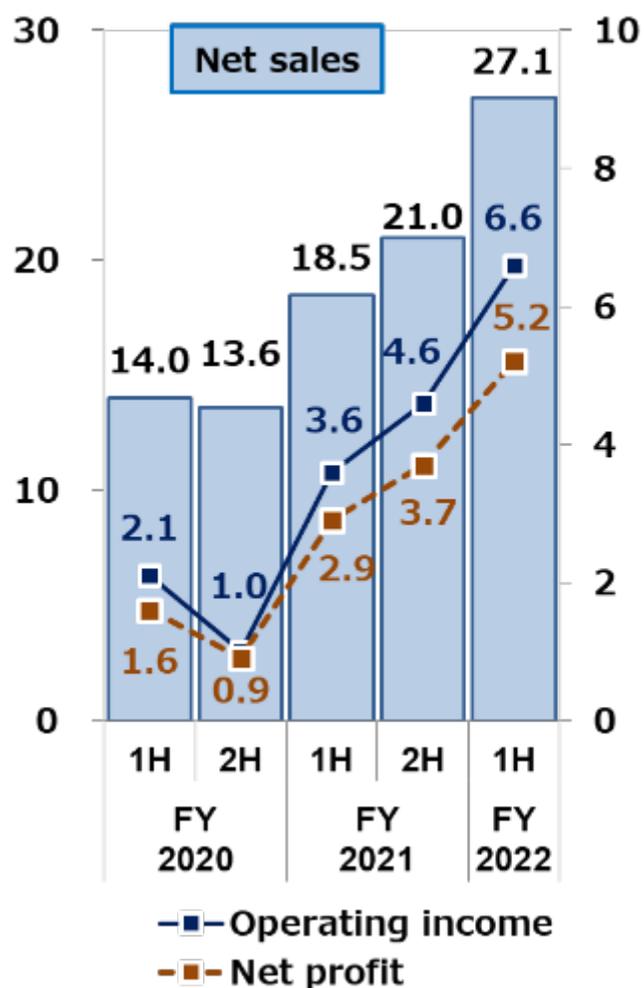
Abbreviations Used in This Presentation

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

Results

We generated record-high net sales and profits in 1H.

(Billions of JPY)



(Billions of JPY)	1H FY2021 results	1H FY2022		YoY increase (amount)	YoY increase (%)
		Forecast (as of Aug.5,2022)	Results		
Net sales	18.5	27.3	27.1	8.6	46.4%
Operating income	3.6	6.3	6.6	2.9	81.3%
Ordinary income	3.7	6.8	7.2	3.5	93.7%
Net profit	2.9	4.8	5.2	2.2	76.0%
EPS (JPY)	140.00	229.02	250.41	110.41	----
BPS (JPY)	1292.70	----	1741.63	448.93	----

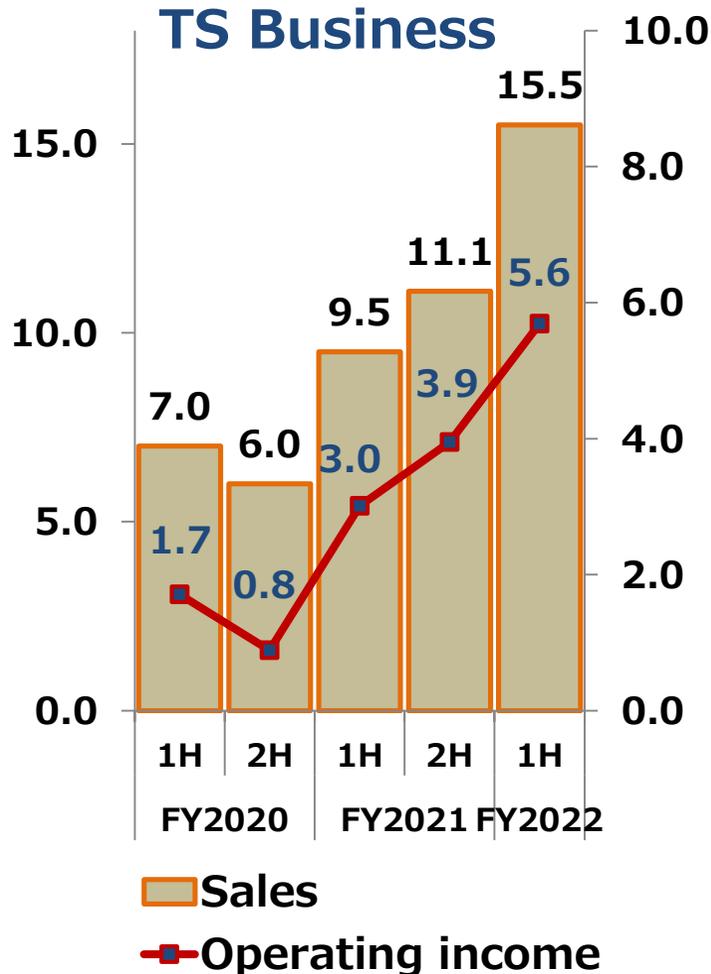
Forex rate	1H FY2021	1H FY2022	YoY change
USD (JPY)	109.80	133.97	24.17
EUR (JPY)	130.90	138.70	7.80

Results by Business

(Billions of JPY)		1H FY2021 results	1H FY2022		YoY increase (amount)	YoY increase (%)
			Forecast (as of Aug.5,2022)	Results		
TS Business	Sales	9.5	16.2	15.5	5.9	62.4%
	Operating income	3.0	5.5	5.6	2.6	89.0%
CS Business	Sales	8.1	10.1	10.6	2.4	29.8%
	Operating income	0.6	0.6	0.7	0.1	18.8%
OPT Business	Sales	0.7	0.9	0.9	0.1	22.9%
	Operating income	0.0	0.1	0.1	0.0	64.8%
Others	Operating income (consolidated adjustment)	(0.0)	0.0	0.0	0.1	----
Total	Net sales	18.5	27.3	27.1	8.6	46.4%
	Operating income	3.6	6.3	6.6	2.9	81.3%

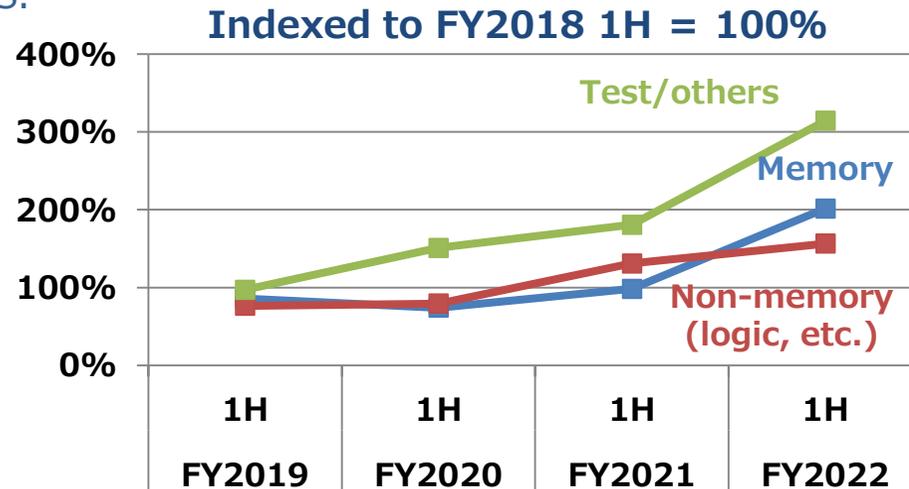
TS Business Results

(Billions of JPY)



TS Business	YoY increase (billions of JPY)	YoY increase (%)
Sales	+5.9	62.4%
Operating income	+2.6	89.0%

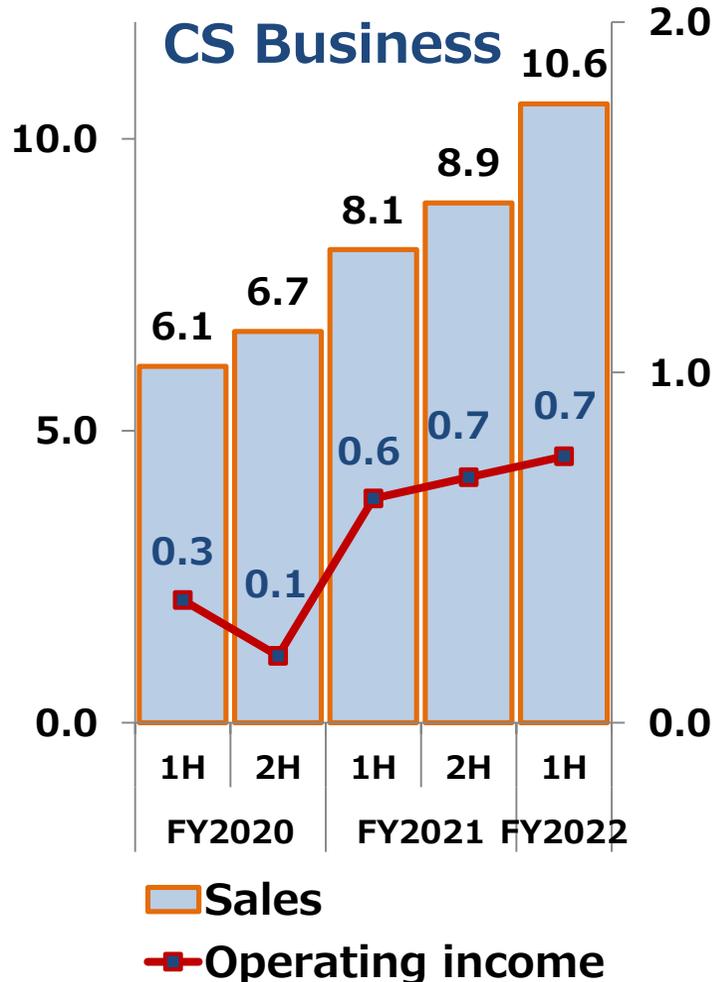
- ◆ Performance from test sockets for use with automobiles and PCs was favorable, but sales generated through the TS Business were below forecast due to production cutbacks associated with certain smartphone-related products.
- ◆ Sales generated through the sockets for memory semiconductor category were robust thanks in part to performance from new products with NAND- and DRAM-related applications.
- ◆ With regard to the logic semiconductor sockets product group, we achieved strong sales primarily through products for in-vehicle ADAS.



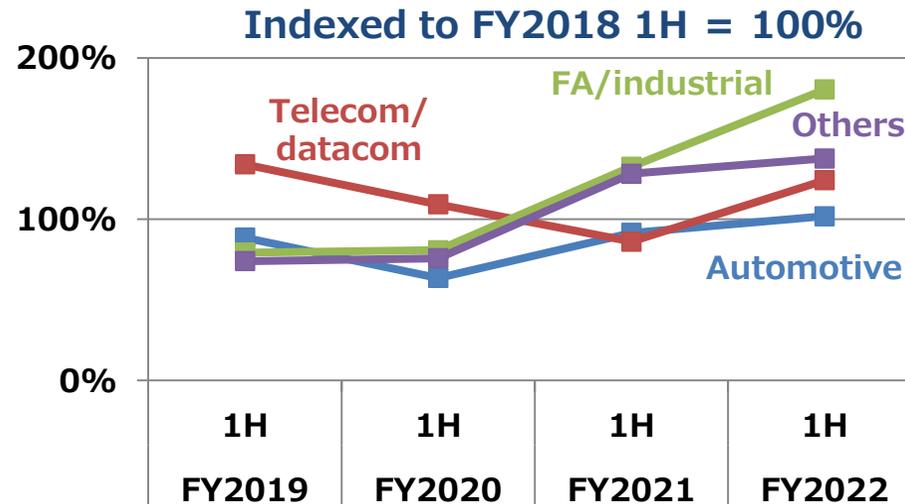
CS Business Results

(Billions of JPY)

CS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	+2.4	29.8%
Operating income	+1.2	18.8%



- ◆ 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.
- ◆ We observed recovery in results from products for in-vehicle equipment, which had been incurring impact from an ongoing semiconductor shortage.
- ◆ We incurred increases in both raw material and transportation costs, but improvements in productivity and quality minimized their impact.



Forex Impact on Results

Forex rate	1H FY2021	1H FY2022	YoY increase
USD (JPY)	109.80	133.97	+24.17
EUR (JPY)	130.90	138.70	+7.80

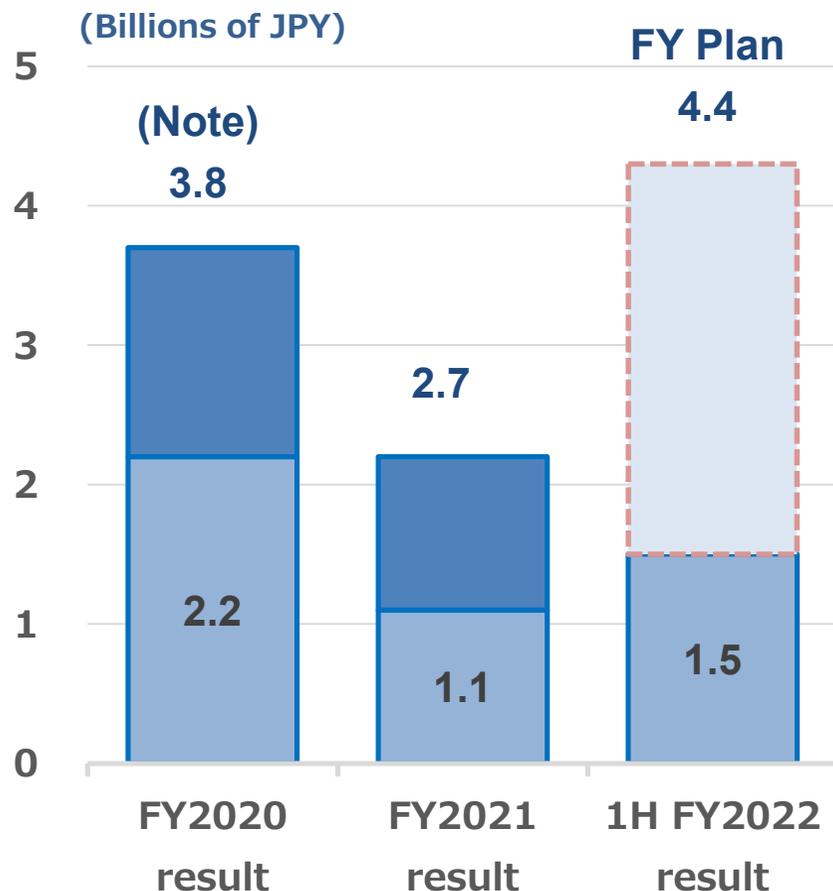


YoY Forex Impact	
Net sales	JPY 3.4 billion
Operating income	JPY 2.0 billion

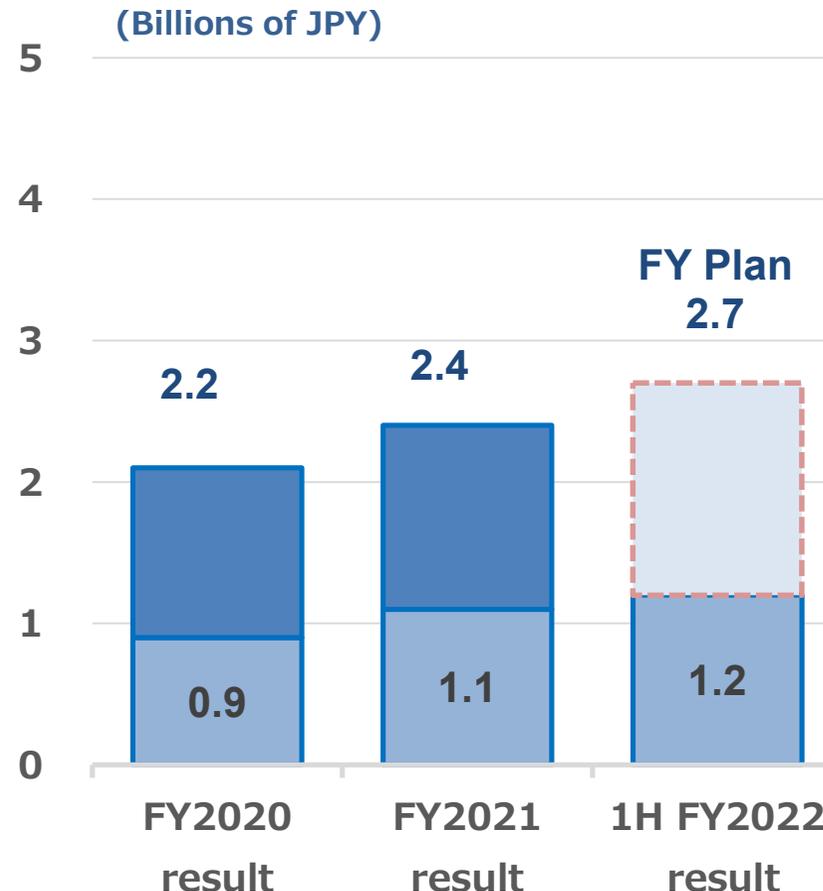
Forex sensitivity (JPY1/year)	Impact on net sales	Impact on operating income
USD	JPY 0.20 billion	JPY 0.11 billion
EUR	JPY 0.07 billion	JPY 0.01 billion

Capex and Depreciation

Capital investment



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.

Business Highlights

◆ Notice on acquisition of land in the Philippines

At a meeting held on September 22, 2022, our Board of Directors approved a resolution regarding an acquisition of land performed by our consolidated subsidiary, PMI Holdings, Inc.

➤ Purpose of land acquisition

Pricon Microelectronics, Inc., our group's consolidated subsidiary in the Philippines, will construct a new manufacturing plant (Plant 3) to increase its production capacity. With this plant, Pricon Microelectronics will establish a stable supply system for semiconductor test sockets in response to the growing global demand for semiconductors and respond more quickly to diversifying customer need associated with automobiles, telecommunications, and industrial equipment. The timetable for construction of the new production plant is currently undetermined and will be disclosed as soon as it is finalized.

➤ Details of acquired assets

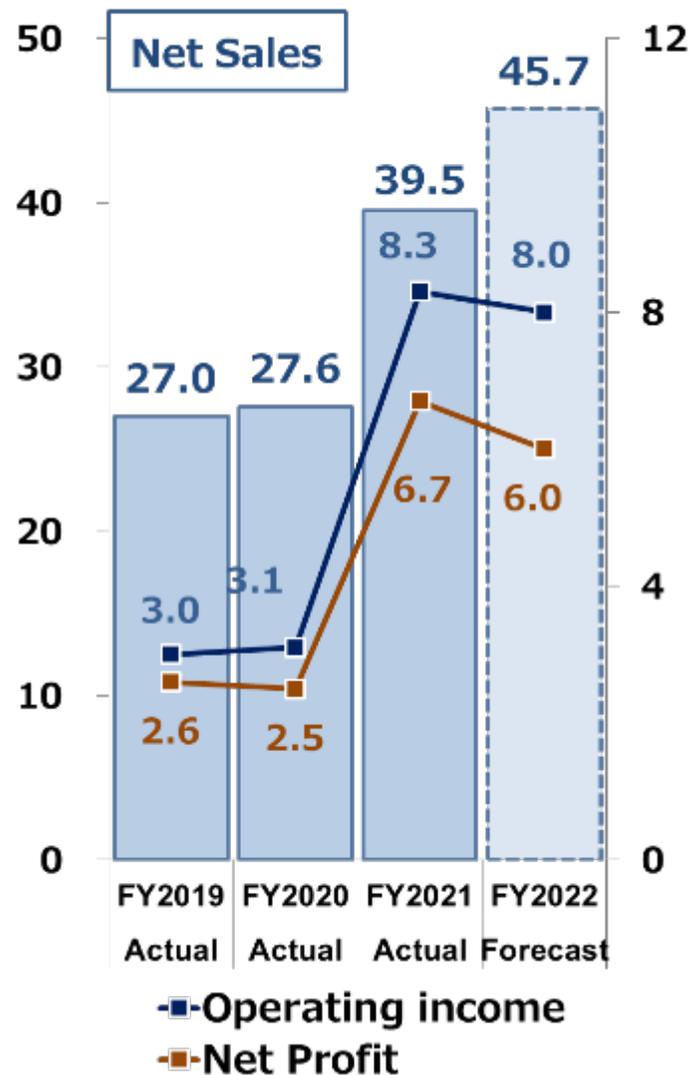
Location	Lots 1-2 Block 5 Elysan Road, Light Industry & Science Park IV (LISP IV), Brgy. Bulihan, Malvar, Batangas Philippines
Acquired land area	33,696m ²
Acquisition amount	350 million Philippine Pesos (About JPY 900 million)
Financing plan	Internal funds

Reference: Total site area of the Plant 1 currently in operation and the adjacent Plant 2 in the Philippines: 18,595 m²

2. FY2022 Forecast

Revised Forecast for Full-Year FY2022

(Billions of JPY)



(Billions of JPY)	FY2021 Full-year actual	FY2022 Full Year				
		Initial forecast	Forecast (as of Aug. 5, 2022)	Latest forecast	YoY increase (amount)	YoY increase (%)
Net sales	39.5	40.3	----	45.7	6.1	15.6%
Operating income	8.3	7.4	----	8.0	(0.3)	-4.5%
Ordinary income	8.7	7.4	----	8.6	(0.1)	-1.7%
Net profit	6.7	5.4	----	6.0	(0.7)	-11.4%
EPS (JPY)	319.25	255.48	----	287.90	(31.35)	----

Exchange Rate Assumption

Forex rate	FY2021	FY2022	YoY change
USD (JPY)	112.37	140.00	27.63
EUR (JPY)	130.56	140.00	9.44

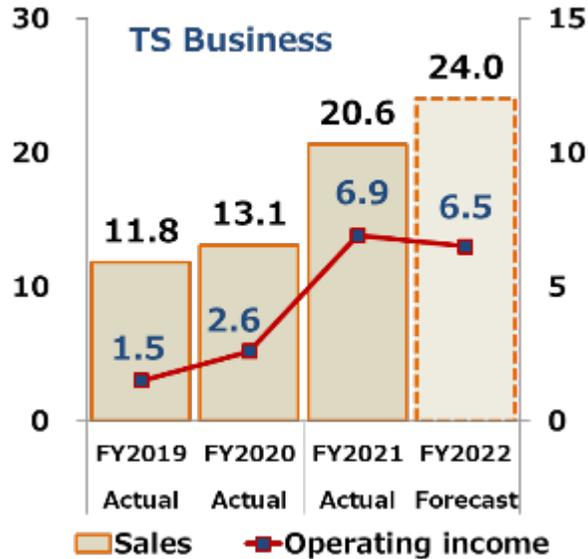
2. FY2022 Forecast

Individual Segment Forecasts for Full-Year FY2022

(Billions of JPY)		FY2021 actual	FY2022 full-year				
		Full- year	Initial forecast	Forecast (as of Aug. 5, 2022)	Latest forecast	YoY increase (amount)	YoY increase (%)
TS Business	Sales	20.6	19.6	----	24.0	3.3	16.0%
	Operating income	6.9	5.3	----	6.5	(0.4)	-6.0%
CS Business	Sales	17.0	18.7	----	20.0	2.9	17.0%
	Operating income	1.3	1.8	----	1.2	(0.1)	-11.0%
OPT Business	Sales	1.7	1.9	----	1.7	(0.0)	-2.1%
	Operating income	0.1	0.2	----	0.1	(0.0)	-13.2%
Others	Operating income (consolidated adjustment)	(0.1)	0.0	----	0.1	0.2	----
Total	Net sales	39.5	40.3	----	45.7	6.1	15.6%
	Operating income	8.3	7.4	----	8.0	(0.3)	-4.5%

Individual Segment Forecasts for FY2022

(Billions of JPY)

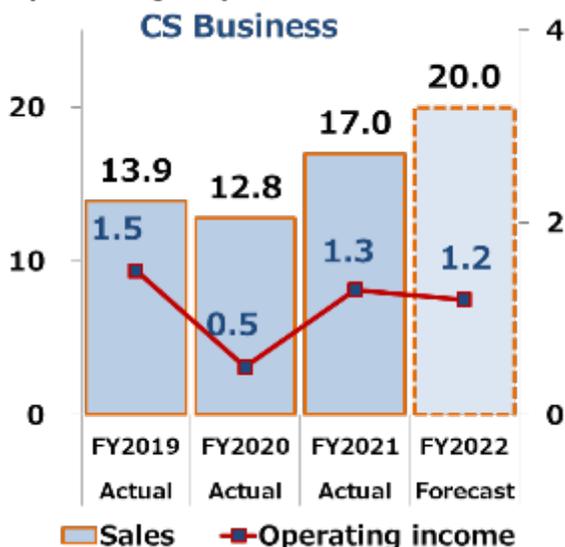


In 2H FY2022, we expect to face challenging circumstances such as stagnating capital investment caused by slowdown in the semiconductor market and sluggish conditions in the market for smartphones and other mobile devices. However, we anticipate recovery in demand for products with applications in the automotive market thanks to improvement in the availability of semiconductors. Additionally, we project an increase in outlays due in part to soaring energy prices, higher raw material and transportation costs, and expenses related to new plant construction.

TS Business:

- ◆ We anticipate that 2H of FY2022 will be a period of development focused primarily on new test socket products for smartphone models launching in 2023.
- ◆ We project general production cutbacks for sockets for memory semiconductors amid environmental deterioration in the memory market.
- ◆ Performance from logic semiconductor sockets (especially from those with in-vehicle ADAS-related applications) is expected to be strong.

(Billions of JPY)



CS Business:

- ◆ Despite a prior period of continuously strong results, we project that performance from products for industrial equipment will move into an adjustment phase.
- ◆ We project a strong showing from products for in-vehicle equipment as production cutbacks implemented in response to semiconductor shortages gradually subside.
- ◆ We anticipate robust results from products for telecommunications equipment due to increased demand for high-speed, large-capacity transmission, particularly in the US.

3. Purchase of Treasury Shares

Purchase of Treasury Shares in Progress

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 27, 2022	400,000	JPY 700,000,000	400,000	JPY 697,825,300	June 3–August 12, 2022

4. Dividends

Dividends in FY2022

- ◆ In its previous medium-term management plan, the Group announced its target for a 30% dividend payout ratio and has maintained a ratio of 30% since FY2018. Based on our revised full-year earnings forecast for FY2022 and a projected payout ratio of 30%, we anticipate a year-end dividend of JPY 52 per share. However, we will adjust our final dividend amount based on net income at the close of FY2022.

	Annual dividends		
	Interim (end-1H)	Year-end	Total
Previous forecast (announced on May 14, 2022)	JPY35	JPY42	JPY77
Revised forecast	JPY35	JPY52	JPY87
Reference: Dividends in FY2021	JPY15	JPY81	JPY96

- ◆ The Company plans to submit a proposal regarding its year-end dividend for FY2022 during its June 2023 Ordinary General Meeting of Shareholders.

Thank you for your attention.

**(Q3 FY2022 results are scheduled for release
at 3:00 p.m. [JST] on February 3, 2023.)**

Disclaimer

This material is intended to provide information on the Group's business, management strategies, and performance as of November 4, 2022, 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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