

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

Financial Results for the First Quarter (April 1 to June 30, 2023) of the Fiscal Year Ending March 31, 2024

August 04, 2023

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

Stock listing: Tokyo Stock Exchange – Prime Market

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: August 10, 2023

Scheduled date of dividend payment commencement: —

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 Quarter (April 01 to June 30, 2023) of the Fiscal Year Ending March 31, 2024

### (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 Quarter ended June 30, 2023	8,817	△33.1	597	△81.5	648	△82.3	347	△86.6
First Quarter ended June 30, 2022	13,187	48.1	3,232	78.8	3,658	98.7	2,589	79.1

Note: Comprehensive income First quarter ended June 30, 2023 ¥1,524 million (△58.9%)

First quarter ended June 30, 2022 ¥3,708 million (148.7%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
First Quarter ended June 30, 2023	16.76	—
First Quarter ended June 30, 2022	122.69	—

### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	49,375	36,730	73.7	1,769.62
As of March 31, 2023	50,368	37,013	72.9	1,770.47

Reference: Shareholders' equity as of June 30, 2023: ¥36,395 million; as of March 31, 2023: ¥36,713 million.

## 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	—	35.00	—	69.00	104.00
Year ending March 31, 2024	—				
Forecast; Year ending March 31, 2024		25.00	—	41.00	66.00

Note: Modifications in the dividend projection from the latest announcement: No

### 3. Forecast of Consolidated Operating Results for the year ending March 31, 2024

(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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Half year ending Sep 30, 2023	18,300	△32.6	1,250	△81.3	1,280	△82.4	930	△82.3
Year ending March 31, 2024	—	—	—	—	—	—	—	—

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

We purchase and cancellation of 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 and cancellation of treasury shares.

Regarding the full-year consolidated earnings forecast, due to the difficulty of formulating an appropriate and rational plan at this time, we have temporarily withdrawn the consolidated earnings forecast announced on May 12, 2023, leaving it undetermined. For details, please refer to the “Notice Regarding Revisions to Earnings Forecasts” announced on August 4, 2023.

### 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.: No

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:

June 30, 2023 21,829,775 shares

March 31, 2023 23,329,775 shares

2) Number of treasury shares at term end:

June 30, 2023 1,262,598 shares

March 31, 2023 2,593,423 shares

3) Average number of outstanding shares (during the first quarter ended June 30):

June 30, 2023 20,707,289 shares

June 30, 2022 21,109,525 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 first quarter of the current fiscal year, the global economy experienced an accelerated normalization of economic activities compared to the same period of the previous year, as various countries shifted their policies to accommodate living and operating with the ongoing presence of COVID-19. Consequently, the economies of major countries demonstrated resilience. However, the future remains uncertain, with concerns over an economic slowdown resulting from monetary tightening by central banks across various countries amidst the backdrop of sustained global inflation.

Amid the semiconductor market slump that has persisted since the latter half of the previous fiscal year, the Yamaichi Electronics Group has continued to be affected by adjustments in production and constraints in investment, owing to reduced demand in the mobile device semiconductor and memory semiconductor markets. This situation had an impact on sales and profits. Additionally, we have continued our efforts to mitigate the impact of rising costs due to increases in raw material prices, persistently high transportation costs, and soaring energy prices. Despite these efforts, these factors have had a significant effect on profits.

Under these circumstances, our consolidated business results for the first quarter of the current fiscal year were as follows: Net sales of 8,817 million yen (a decrease of 33.1% year on year), operating profit of 597 million yen (a decrease of 81.5% year on year), ordinary profit of 648 million yen (a decrease of 82.3% year on year), and profit attributable to the owners of parent of 347 million yen (a decrease of 86.6% year on year).

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

#### [Test Solutions Business]

In the test socket segment, our mainstay products for smartphones faced challenges due to sluggish market demand. In addition, the market was affected by the decline in demand for PCs after the COVID-19 pandemic. In the burn-in socket segment, products for automotive logic applications exhibited solid performance. However, sockets for memory semiconductors continued to be affected by a review of capital investment due to the deteriorating market. Overall, the business continued to face challenging conditions.

As a result, our business performance resulted in net sales of 3,478 million yen (a decrease of 53.2% year on year) and the operating profit was 119 million yen (a decrease of 95.5% year on year).

### [Connector Solutions Business]

Our products for in-vehicle devices saw robust performance, fueled by a recovery in production among our key customers and the positive impact of new product launches. Our industrial equipment products were impacted by inventory adjustments made by some of our European customers, a key market for us. In addition, our products for telecommunications equipment continued to be affected by the economic friction between the U.S. and China. Among them, our products for Europe performed well due to increased demand for high-speed and large-capacity transmission. However, we were affected by inventory adjustments at major customers in North America.

As a result, our business performance resulted in net sales of 4,943 million yen (a decrease of 5.5% year on year) and the operating profit was 267 million yen (a decrease of 38.3% year on year).

### [Optics-related Business]

Our high-value-added filter products and other medical and industrial equipment offerings maintained strong sales. However, they were affected by production adjustments for some customers in the medical equipment market.

As a result, our business performance resulted in net sales of 395 million yen (a decrease of 25.5% year on year) and the operating profit was 18 million yen (a decrease of 80.7% year on year).

## (2) Explanation of Financial Condition

### (Assets)

At the end of this quarter, our current assets amounted to 31,027 million yen, decreasing 1,667 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 2,151 million yen in cash and deposits resulting from the payment of dividends from surplus and the purchase of treasury shares. Our non-current assets amounted to 18,348 million yen, an increase of 673 million yen from the end of the previous fiscal year, mainly due to an increase in property, plant and equipment.

As a result, our total assets amounted to 49,375 million yen, a decrease of 993 million yen from the end of the previous consolidated fiscal year.

### (Liabilities)

At the end of this quarter, our current liabilities amounted to 9,546 million yen, decreasing 882 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 824 million yen in income taxes payable due to the payment of income taxes and a decrease of 671 million yen in provision for bonuses. Our non-current liabilities amounted to 3,098 million yen, an increase of 172 million yen from the end of the previous fiscal year, due to an increase in lease obligations.

As a result, our total liabilities amounted to 12,644 million yen, a decrease of 710 million yen from the end of the previous consolidated fiscal year.

(Net assets)

At the end of this quarter, our total net assets amounted to 36,730 million yen, a decrease of 283 million yen from the end of the previous consolidated fiscal year. This was mainly due to profit attributable to the owners of parent of 347 million yen and an increase of 1,125 million yen in foreign currency translation adjustment due to significant depreciation of the yen, which was offset by dividends from surplus of 1,430 million yen and purchase of treasury shares of 395 million yen.

As a result, the equity ratio was 73.7% (72.9% at the end of the previous fiscal year).

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

Consolidated earnings forecasts for the first half of the fiscal year ending March 31, 2024, based on the results of the current first quarter and the future market environment surrounding the Group, we have revised our earnings forecast announced on May 12, 2023.

For details, please refer to the “Notice Regarding Revisions to Earnings Forecasts” announced on August 4, 2023.

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
	Amount	Amount
<b>(ASSETS)</b>		
<b>Current assets</b>		
Cash and deposits	17,230,607	15,079,558
Notes and accounts receivable	6,148,892	6,945,628
Electronically recorded monetary claims	556,310	575,876
Merchandise and finished goods	3,321,857	3,367,913
Work in process	309,519	330,289
Raw materials and supplies	2,916,382	3,110,654
Other	2,244,823	1,655,644
Allowance for doubtful accounts	△33,600	△38,463
<b>Total current assets</b>	<b>32,694,792</b>	<b>31,027,102</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,937,356	2,999,581
Machinery, equipment and vehicles	3,119,923	3,043,484
Tools, furniture and fixtures	1,766,225	1,892,907
Land	4,181,931	4,250,330
Leased assets	43,227	39,758
Right-of-use assets	2,827,041	2,990,665
Construction in progress	937,358	1,324,704
<b>Total property, plant and equipment</b>	<b>15,813,063</b>	<b>16,541,433</b>
<b>Intangible fixed assets</b>	<b>229,499</b>	<b>238,728</b>
<b>Investments and other assets</b>		
Investment securities	58,210	66,259
Deferred tax assets	313,385	168,540
Net defined benefit asset	766,773	785,598
Other	493,264	547,564
Allowance for doubtful accounts	△0	△0
<b>Total investments and other assets</b>	<b>1,631,633</b>	<b>1,567,962</b>
<b>Total non-current assets</b>	<b>17,674,197</b>	<b>18,348,124</b>
<b>Total assets</b>	<b>50,368,989</b>	<b>49,375,227</b>

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
	Amount	Amount
<b>(LIABILITIES)</b>		
<b>Current liabilities</b>		
Notes and accounts payable	2,220,414	2,222,138
Short-term borrowings	3,100,860	3,275,060
Lease obligations	337,870	361,752
Income taxes payable	1,493,465	668,522
Provision for bonuses	1,158,368	486,638
Provision for directors' bonuses	-	22,500
Other	2,117,860	2,510,092
<b>Total current liabilities</b>	<b>10,428,839</b>	<b>9,546,703</b>
<b>Non-current liabilities</b>		
Long-term borrowings	450,000	450,000
Lease obligations	2,111,457	2,244,952
Provision for loss on litigation	105,492	114,092
Retirement benefit liability	37,696	48,779
Asset retirement obligations	27,332	27,846
Other	194,185	212,623
<b>Total non-current liabilities</b>	<b>2,926,165</b>	<b>3,098,295</b>
<b>Total liabilities</b>	<b>13,355,004</b>	<b>12,644,999</b>
<b>(NET ASSETS)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,084,103	10,084,103
Capital surplus	1,788,562	1,623,633
Retained earnings	26,782,778	23,941,402
Treasury shares	△3,351,466	△1,797,068
<b>Total shareholders' equity</b>	<b>35,303,978</b>	<b>33,852,071</b>
<b>Amount of other comprehensive income</b>		
Valuation difference on available-for-sale securities	12,486	14,687
Foreign currency translation adjustments	1,452,885	2,578,414
Remeasurments of defined benefit plans	△56,297	△49,184
<b>Total amount of other comprehensive income</b>	<b>1,409,074</b>	<b>2,543,917</b>
Subscription rights to shares	178,200	168,740
Non-controlling interests	122,731	165,498
<b>Total net assets</b>	<b>37,013,985</b>	<b>36,730,228</b>
<b>Total liabilities and total net assets</b>	<b>50,368,989</b>	<b>49,375,227</b>

## Consolidated Statements of Income

(Thousands of Yen)

	1Q period of previous year (From April 1, 2022 to June 30, 2022)	1Q period of current year (From April 1, 2023 to June 30, 2023)
	Amount	Amount
<b>Net sales</b>	13,187,122	8,817,063
<b>Cost of sales</b>	7,629,307	6,195,838
<b>Gross profit</b>	5,557,815	2,621,225
<b>Selling, general and administrative expenses</b>	2,324,981	2,023,262
<b>Operating profit</b>	3,232,834	597,963
<b>Non-operating income</b>		
Interests income	2,537	19,364
Foreign exchange gains	426,994	60,911
Gain on sales of scraps	3,241	3,542
Subsidy income	1,823	1,572
Other	10,101	30,731
<b>Total non-operating income</b>	444,698	116,122
<b>Non-operating expenses</b>		
Interest expenses	17,982	60,478
Other	1,519	5,218
<b>Total non-operating expenses</b>	19,502	65,697
<b>Ordinary profit</b>	3,658,030	648,388
<b>Extraordinary income</b>		
Gain on sales of non-current assets	343	909
<b>Total extraordinary income</b>	343	909
<b>Profit before income taxes</b>	3,658,374	649,298
<b>Current income taxes</b>	984,713	93,800
<b>Deferred income taxes</b>	82,548	176,321
<b>Income taxes</b>	1,067,262	270,121
<b>Profit</b>	2,591,111	379,176
<b>Profit attributable to non-controlling interests</b>	1,140	32,080
<b>Profit attributable to owners of parent</b>	2,589,971	347,095



## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	1Q period of previous year (From April 1, 2022 to June 30, 2022)	1Q period of current year (From April 1, 2023 to June 30, 2023)
	Amount	Amount
<b>Profit</b>	2,591,111	379,176
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,515	2,200
Foreign currency translation adjustments	1,107,768	1,136,214
Remeasurements of defined benefit plans	7,113	7,113
<b>Total other comprehensive income</b>	1,117,397	1,145,528
<b>Comprehensive income</b>	3,708,509	1,524,705
(Attribute to)		
Comprehensive income attributable to owners of parent	3,700,191	1,481,938
Comprehensive income attributable to non-controlling interests	8,317	42,766