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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: YOKOWO CO.,LTD.

Stock exchange listing: Tokyo

Code number: 6800

URL: <https://www.yokowo.co.jp/>

Representative: Takayuki Tokuma

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Scheduled date of Annual General Meeting of Shareholders: June 28, 2023

Scheduled date of commencing dividend payments: June 29, 2023

Scheduled date of filing annual securities report: June 28, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

Representative Director, President and Executive Officer

Executive Officer,SCI (Sustainability & Corporate Integrity)

Promotion H.Q.Chief Officer

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	77,962	16.6	4,739	1.2	5,675	(13.1)	3,147	(32.5)
March 31, 2022	66,848	11.5	4,684	(9.6)	6,529	22.7	4,663	22.1

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 3,992 million [(35.5)%
Fiscal year ended March 31, 2022: ¥ 6,185 million [12.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2023	Yen 135.01	Yen -	% 6.9	% 8.3	% 6.1
March 31, 2022	202.28	-	11.6	10.6	7.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ (688) million
Fiscal year ended March 31, 2022: ¥ 42 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2023	Million yen 70,656	Million yen 47,224	% 66.7	Yen 2,022.92
March 31, 2022	66,870	44,328	66.2	1,899.19

(Reference) Equity: As of March 31, 2023: ¥ 47,156 million
As of March 31, 2022: ¥ 44,272 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2023	Million yen 7,312	Million yen (5,857)	Million yen 1,531	Million yen 17,687
March 31, 2022	3,677	(5,967)	171	13,816

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	18.00	-	22.00	40.00	932	19.8	2.3
March 31, 2023	-	25.00	-	25.00	50.00	1,165	37.0	2.5
Fiscal year ending								
March 31, 2024 (Forecast)	-	22.00	-	22.00	44.00		51.3	

(Note) Breakdown of the 2nd quarter-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend 22.00 yen

Special dividend 3.00 yen

Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend 22.00 yen

Special dividend 3.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2023	36,000	(10.5)	500	(85.7)	50	(99.2)	35	(99.2)	1.50
Full year	77,000	(1.2)	3,200	(32.5)	2,750	(51.5)	2,000	(36.5)	85.80

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2023: 23,849,878 shares

March 31, 2022: 23,849,878 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 538,928 shares

March 31, 2022: 538,808 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 23,311,021 shares

Fiscal Year ended March 31, 2022: 23,053,642 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	62,171	8.9	2,168	(19.6)	5,391	(2.8)	2,928	(28.5)
March 31, 2022	57,072	13.3	2,696	27.7	5,545	86.5	4,095	85.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	125.63	-
March 31, 2022	177.63	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2023	52,916	31,512	59.6	1,351.85
March 31, 2022	48,888	29,465	60.3	1,264.01

(Reference) Equity: As of March 31, 2023: ¥ 31,512 million
As of March 31, 2022: ¥ 29,465 million

Explanation of the proper use of financial results forecast and other notes

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are no guarantees of future performance. Actual results may differ materially from the forecast depending on a range of factors. For a discussion of the assumptions and other factors considered by the Company in preparing projections, please refer to page 5 of the attachments, "1. Overview of Operating Results, etc., (4) Future Outlook."

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1. Overview of Operating Results, etc

(1) Overview of Operating Results

Net sales in the consolidated fiscal year under review amounted to ¥77,962 million, an increase of 16.6% year on year, reflecting increased year-on-year sales in both the Vehicle Communication Equipment and Circuit Testing Connector segments, despite decreased year-on-year sales in the Personal Communication Equipment segment. The Company reported operating profit of ¥4,739 million, an increase of 1.2% year on year, because the Personal Communication Equipment segment posted lower profit due to cost increases and changes in the business structure and the Vehicle Communication Equipment segment showed a loss due to cost increases associated with higher physical distribution cost, rising raw materials prices and a weaker yen, despite substantial year-on-year profit growth in the Circuit Testing Connector segment as a result of increased sales. Ordinary profit decreased by 13.1% year on year, to ¥5,675 million, reflecting the posting of ¥688 million as a share of loss of entities accounted for using the equity method following the weaker performance of a portfolio company, which offset an exchange gain of ¥1,519 million attributable to the weakening of the yen. Profit attributable to owners of the parent decreased by 32.5% year on year, to ¥3,147 million reflecting the posting of ¥863 million due to impairment on non-current assets in Vehicle Communication Equipment segment.

Results by segment are as follows.

<Vehicle Communication Equipment>

In the automotive market, the main market for this segment, sales are improving trend as semiconductor shortages started to ease gradually from the second quarter, although some of the effects of the global semiconductor shortages and component supply stagnation continue. A breakdown by region shows that the number of vehicles sold in the China market decreased from the same period of the previous fiscal year, while the number of units sold in the United States, the ASEAN, and the Japanese market increased.

In these circumstances, mainstay products for car manufacturers, such as shark fin antennas and GPS antennas, increased sales overseas by the weakening of the yen and the recovery of automotive production from the second quarter.

As a result, sales for this segment increased year on year, to ¥46,520 million (up 16.1% year on year). The segment reported a loss of ¥2,094 million (a loss of ¥1,443 million in the previous fiscal year), due to high ocean freight rates, high raw material costs, high labor costs, raw-material costs at production bases in China and Vietnam associated with the strengthening of the local currencies and temporary inventory devaluation with the application of the lower-of-cost-or-market method at the fourth quarter.

<Circuit Testing Connector>

In the semiconductor testing market, the main market for this segment, the main market for this segment, demand for servers and automotive remained firm and sales increased in the first half due to the expansion of semiconductor manufacturers' supply capacity addressing semiconductor shortages. However, sales in the second half substantially decreased reflecting low demand for PC and smartphones.

In these circumstances, sales of jigs for semiconductor back-end testing, the main product of the Group, increased year on year, due to benefits from the weakening of the yen and an increase in orders for logic semiconductor testing sockets, despite a decrease in orders in this second half. Sales of jigs for semiconductor front-end testing increased year on year because the turnkey business, which offers one-stop solutions services including peripheral devices, launched new products and sales for MEMS probe cards (YPX) for high-frequency electronics components testing increased year on year due to an increase of orders.

As a result, sales for this segment increased year on year, to ¥22,374 million (up 26.9% year on year). The segment reported a profit of ¥6,169 million (up 26.6% year on year) due to increased profit associated with an increase in sales and with the weakening of the yen in this first half, despite deteriorations in sales by a drastic decrease in orders in this fourth quarter.

<Personal Communication Equipment>

In the market for mobile communication terminals, a key market for this segment, sales of wearable terminals are expected to grow given their diversification and greater sophistication, however unit shipments of smartphones were on a downward trend due to the global shortage of semiconductors and the economic downturn. Demand for POS terminals was sluggish down by the global recession although the POS terminal market had been growing steadily in a wide range of industries, including those engaging in logistics and manufacturing, with a view toward improvements in operational efficiency through information management.

In these circumstances, net sales for the fine connector business, for which fine spring connectors act as core products, decreased year on year, reflecting a decrease in sales of POS terminals, and a decrease in sales of a product for wearable devices, such as wireless earbuds, due to customer's production adjustment.

In the medical device business, which is included in the segment, sales increased year on year, reflecting an increase in sales of the components to the main customers

As a result, sales for this segment decreased year on year, to 9,067 million (down 0.8% year on year). The segment posted a profit of ¥664 million (down 47.1% year on year) chiefly owing to decreased profit associated with a decrease in sales in the fine connector business, a higher labor cost ratio at production bases in China mainly due to a strong yuan, and changes in the business structure.

Consolidated Net Sales by Business Segment (year on year)

	Fiscal year ended March 31, 2022 (Million yen)	Fiscal year ended March 31, 2023 (Million yen)	Increase/ (decrease) (%)
Vehicle Communication Equipment	40,081	46,520	+ 16.1
Circuit Testing Connector	17,625	22,374	+ 26.9
Personal Communication Equipment	9,141	9,067	(0.8)
Total	66,848	77,962	+ 16.6

Consolidated Net Sales by Business Segment (Fiscal year ended March 31, 2023)

	1st quarter-end Apr. – Jun. (Million yen)	2nd quarter-end Jul. – Sep. (Million yen)	3rd quarter-end Oct. – Dec. (Million yen)	4th quarter-end Jan. – Mar. (Million yen)
Vehicle Communication Equipment	10,281	11,880	12,254	12,103
Circuit Testing Connector	6,203	6,851	5,362	3,957
Personal Communication Equipment	2,440	2,548	2,454	1,623
Total	18,926	21,281	20,071	17,684

(2) Overview of Financial Position

(Assets)

Assets stood at ¥70,656 million at the fiscal year ended March 31, 2023 under review (a gain of ¥3,786 million in the end of the previous fiscal year). This was due primarily to decreases of ¥707 million in trade receivables and ¥1,399 million in inventories, despite increases of ¥3,870 million in cash and deposits, ¥1,532 million in property, plant and equipment and ¥390 million in other investments. The decrease in trade receivables was mainly attributed to deteriorations in sales by a drastic decrease in order in this fourth quarter. Also, the decrease in inventories primarily reflects a decline in inventories in transit after the normalization of ocean freight and air freight lead times in the Vehicle Communication Equipment segment.

(Liabilities)

Liabilities stood at ¥23,431 million at the fiscal year ended March 31, 2023 under review (a gain of ¥890 million from the end of the previous fiscal year) due to increases of ¥3,000 million in long-term borrowings and ¥233 million in short-term borrowings, despite decreases of ¥1,507 million in trade payable and ¥961 million in income taxes payable. The decrease in trade payable reflected a decrease in purchasing materials based on the sales forecast in Circuit Testing Connector segment at the next fiscal year.

(Net assets)

Net assets amounted to ¥47,224 million at the fiscal year ended March 31, 2023 under review (a gain of ¥2,896 million from the end of the previous fiscal year). This primarily reflects an increase of ¥871 million in foreign currency translation adjustment, the recording of profit attributable to owners of the parent of ¥3,147 million, and dividends of surplus of ¥1,095 million.

(Equity ratio)

The equity ratio was 66.7% at the fiscal year ended March 31, 2023 under review (up 0.5point from the end of the previous consolidated fiscal year).

(3) Overview of Cash Flows

Cash and cash equivalents came to ¥17,687 million at the end of the consolidated fiscal year under review, up ¥3,870 million year on year.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥7,312 million (an increase in net cash provided of ¥3,635 million year on year), attributable to inflows include profit before income taxes of ¥4,433 million and depreciation of ¥3,833 million, despite outflows included a decrease of ¥2,652 in trade payables due to decrease in purchasing materials based on the sales forecast in Circuit Testing Connector segment at the next fiscal year.

(Cash flows from investing activities)

Net cash used in investing activities was ¥5,857 million (a decrease in net cash used of ¥110 million year on year), primarily due to outflows such as purchase of property, plant and equipment of ¥4,645 million, mainly attributable to the construction of MP center (a new research and development building in Tomioka plant), and purchase of intangible assets of ¥591million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥1,531 million (an increase in net cash provided of ¥1,360 million year on year), chiefly owing to inflows such as proceeds from long-term borrowings of ¥3,000 million, despite outflows such as dividend paid of ¥1,093 million.

(4) Future Outlook

The following are our assumptions for the results forecast for the fiscal year ending March 31, 2024.

- In the automobile market, the main market for the Company, demand is expected to recover, but some impact of the semiconductor shortage will remain.
- In the semiconductor testing market, a decline in the semiconductor market in the second half of the fiscal year ended March 31, 2023 is expected to continue through the first half of the fiscal year ending March 31, 2024 and to gradually recover from the second half.
- In the market for mobile communication terminals, the growth of POS terminals and other electronic terminals is expected to stagnate throughout the first half of the fiscal year ending March 31, 2024 due to the global economic downturn.
- In the advanced medical equipment market, the situation of the hard-pressed medical front line associated with the spread of COVID-19 infections and difficulty in procurement of some materials has been mitigated. We expect demand in this market to grow in the future.

Based on these assumptions, our forecasts for net sales and each profit for the first six months (first half) and the full-year are shown in the table below.

We base our performance forecasts below on an exchange rate of ¥130 against US\$.

(1) Forecasts for the first six months of the fiscal year (first half)

Our forecast for net sales for the first half is shown in the table below. This reflects projected year-on-year increases in net sales in the Vehicle Communication Equipment segment because demand in the automotive market is expected to be recovered, despite an anticipated year-on-year decline in net sales in both the Circuit Testing Connector segment and the Personal Communication Equipment segment due to a decrease in orders.

Our forecast for operating profit is shown in the table below. This reflects decreased profits in associated with a decrease in sales in both the Circuit Testing Connector segment and the Personal Communication Equipment segment due to a decrease in sales. Operating profit in the Vehicle Communication Equipment segment is expected to turn profitable due to the calming of ocean freight rates and a shift to selling prices incorporating the rise in raw material prices.

Our forecasts for ordinary profit and profit attributable to owners of parent are as shown in the table below, which incorporate a foreign exchange loss of ¥450 million based on an exchange rate of ¥130 against US\$.

(2) Full-year forecasts

Our forecast for net sales for the full-year is shown in the table below. Net sales in the Vehicle Communication Equipment segment are expected to increase from the previous year following the first half of the fiscal year ending March 31, 2024. Besides net sales in the Circuit Testing Connector segment are expected to be recovered under the assumption that demand for semiconductor testing will gradually recover from the second half of the fiscal year ending March 31, 2024.

Our forecast for operating profit is shown in the table below. Operating profit in the Vehicle Communication Equipment segment is expected to improve following the first half of the fiscal year ending March 31, 2024. Besides operating profit in the Circuit Testing Connector segment is expected to increase from the second half of the fiscal year ending March 31, 2024 driven by an increase in orders.

Based on our assumptions of an exchange rate of ¥130 against US\$ and no foreign exchange gain or loss, our forecasts for ordinary profit and profit attributable to owners of parent are as shown in the table below.

Consolidated Financial Results for the six months ended September 30, 2022 and Forecast for the six months ending September 30, 2023

(Unit : Million yen, %)

	Consolidated Financial Results for the six months ended September 30, 2022 (Million yen)	Consolidated Financial Forecast for the six months ending September 30, 2023 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	40,207	36,000	(4,207)	(10.5)
Vehicle Communication Equipment	22,162	24,700	+2,537	+11.4
Circuit Testing Connector	13,054	7,500	(5,554)	(42.6)
Personal Communication Equipment	4,989	3,800	(1,189)	(23.8)
Operating profit	3,507	500	(3,007)	(85.7)
Vehicle Communication Equipment	(1,475)	500	+1,975	—
Circuit Testing Connector	4,388	200	(4,188)	(95.4)
Personal Communication Equipment	593	(200)	(793)	—
Ordinary profit	6,538	50	(6,488)	(99.2)
Profit attributable to owners of parent	4,179	35	(4,144)	(99.2)

Consolidated Financial Result for the fiscal year ended March 31, 2023 and Forecast for the Fiscal Year Ending March 31, 2024

(Unit : Million yen, %)

	Consolidated Financial Results for the fiscal year ended March 31, 2023 (Million yen)	Consolidated Financial Forecast for the fiscal year ending March 31, 2024 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	77,962	77,000	(962)	(1.2)
Vehicle Communication Equipment	46,520	50,000	+3,479	+7.5
Circuit Testing Connector	22,374	18,500	(3,874)	(17.3)
Personal Communication Equipment	9,067	8,500	(567)	(6.3)
Operating profit	4,739	3,200	(1,539)	(32.5)
Vehicle Communication Equipment	(2,094)	1,100	+3,194	—
Circuit Testing Connector	6,169	2,200	(3,969)	(64.3)
Personal Communication Equipment	664	(100)	(764)	—
Ordinary profit	5,675	2,750	(2,925)	(51.5)
Profit attributable to owners of parent	3,147	2,000	(1,147)	(36.5)

2. Basic Policy for the Selection of Accounting Standards

The Group will continue to use the Japanese standard in the foreseeable future but will discuss adopting the IFRS, taking into consideration national and international movements, among other things.

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	13,816	17,687
Notes and accounts receivable - trade	13,057	12,350
Merchandise and finished goods	8,900	7,781
Work in process	742	427
Raw materials and supplies	6,037	6,073
Other	1,992	2,040
Allowance for doubtful accounts	(8)	(4)
Total current assets	44,540	46,355
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,085	10,433
Accumulated depreciation	(4,341)	(5,176)
Buildings and structures, net	3,744	5,256
Machinery, equipment and vehicles	14,626	16,482
Accumulated depreciation	(9,651)	(10,988)
Machinery, equipment and vehicles, net	4,975	5,493
Tools, furniture and fixtures	11,331	12,485
Accumulated depreciation	(8,479)	(9,708)
Tools, furniture and fixtures, net	2,852	2,776
Land	761	761
Leased assets	2,552	3,048
Accumulated depreciation	(1,310)	(1,625)
Leased assets, net	1,241	1,423
Construction in progress	2,970	2,366
Total property, plant and equipment	16,544	18,077
Intangible assets		
Leased assets	5	-
Other	1,156	1,210
Total intangible assets	1,162	1,210
Investments and other assets		
Investment securities	1,587	1,979
Retirement benefit asset	680	466
Deferred tax assets	678	901
Other	1,676	1,666
Total investments and other assets	4,623	5,013
Total non-current assets	22,330	24,300
Total assets	66,870	70,656

(Million yen)

	As of March 31,2022	As of March 31,2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,991	6,483
Short-term borrowings	5,570	5,804
Lease liabilities	343	348
Income taxes payable	1,476	515
Provision for bonuses	871	956
Other	3,930	3,781
Total current liabilities	20,184	17,890
Non-current liabilities		
Long-term borrowings	1,600	4,600
Lease liabilities	259	427
Deferred tax liabilities	123	105
Retirement benefit liability	368	402
Long-term accounts payable - other	6	6
Total non-current liabilities	2,357	5,541
Total liabilities	22,541	23,431
Net assets		
Shareholders' equity		
Share capital	7,819	7,819
Capital surplus	7,804	7,804
Retained earnings	25,950	28,001
Treasury shares	(634)	(634)
Total shareholders' equity	40,939	42,990
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	430	645
Foreign currency translation adjustment	2,635	3,506
Remeasurements of defined benefit plans	267	13
Total accumulated other comprehensive income	3,332	4,165
Non-controlling interests	56	68
Total net assets	44,328	47,224
Total liabilities and net assets	66,870	70,656

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales	66,848	77,962
Cost of sales	53,638	63,067
Gross profit	13,209	14,894
Selling, general and administrative expenses	8,525	10,155
Operating profit	4,684	4,739
Non-operating income		
Interest income	24	63
Dividend income	44	61
Share of profit of entities accounted for using equity method	42	-
Foreign exchange gains	1,763	1,519
Other	73	164
Total non-operating income	1,948	1,808
Non-operating expenses		
Interest expenses	51	112
Share of loss of entities accounted for using equity method	-	688
Commission expenses	16	28
Share acquisition rights issuance costs	18	-
Other	16	42
Total non-operating expenses	103	873
Ordinary profit	6,529	5,675
Extraordinary income		
Gain on liquidation of subsidiaries	-	10
Gain on sale of non-current assets	2	6
Gain on sale of investment securities	2	22
Total extraordinary income	4	40
Extraordinary losses		
Loss on retirement of non-current assets	73	41
Loss on sale of non-current assets	1	2
Loss on sale of investment securities	0	-
Business restructuring expenses	-	220
Settlement payments	-	153
Impairment losses	-	863
Total extraordinary losses	74	1,281
Profit before income taxes	6,459	4,433
Income taxes - current	2,027	1,490
Income taxes - deferred	(240)	(209)
Total income taxes	1,786	1,280
Profit	4,673	3,153
Profit attributable to non-controlling interests	9	6
Profit attributable to owners of parent	4,663	3,147

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Profit	4,673	3,153
Other comprehensive income		
Valuation difference on available-for-sale securities	(112)	214
Foreign currency translation adjustment	1,795	877
Remeasurements of defined benefit plans, net of tax	(170)	(253)
Total other comprehensive income	1,512	838
Comprehensive income	6,185	3,992
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,170	3,979
Comprehensive income attributable to non-controlling interests	14	12

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,387	6,373	22,199	(633)	34,326
Cumulative effects of changes in accounting policies			(51)		(51)
Restated balance	6,387	6,373	22,147	(633)	34,274
Changes during period					
Dividends of surplus			(860)		(860)
Issuance of new shares - exercise of share acquisition rights	1,431	1,431			2,862
Profit attributable to owners of parent			4,663		4,663
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	1,431	1,431	3,802	(1)	6,664
Balance at end of period	7,819	7,804	25,950	(634)	40,939

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	543	845	437	1,825	8	41	36,202
Cumulative effects of changes in accounting policies							(51)
Restated balance	543	845	437	1,825	8	41	36,150
Changes during period							
Dividends of surplus							(860)
Issuance of new shares - exercise of share acquisition rights							2,862
Profit attributable to owners of parent							4,663
Purchase of treasury shares							(1)
Net changes in items other than shareholders' equity	(112)	1,789	(170)	1,507	(8)	14	1,513
Total changes during period	(112)	1,789	(170)	1,507	(8)	14	8,177
Balance at end of period	430	2,635	267	3,332	-	56	44,328

For the fiscal year ended March 31,2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,819	7,804	25,950	(634)	40,939
Changes during period					
Dividends of surplus			(1,095)		(1,095)
Profit attributable to owners of parent			3,147		3,147
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,051	(0)	2,051
Balance at end of period	7,819	7,804	28,001	(634)	42,990

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	430	2,635	267	3,332	56	44,328
Changes during period						
Dividends of surplus						(1,095)
Profit attributable to owners of parent						3,147
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	214	871	(253)	832	12	844
Total changes during period	214	871	(253)	832	12	2,896
Balance at end of period	645	3,506	13	4,165	68	47,224

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from operating activities		
Profit before income taxes	6,459	4,433
Depreciation	3,302	3,833
Impairment losses	-	863
Increase (decrease) in allowance for doubtful accounts	4	(3)
Increase (decrease) in provision for bonuses	181	79
Increase (decrease) in net defined benefit asset and liability	(33)	(119)
Interest and dividend income	(69)	(124)
Interest expenses	51	112
Foreign exchange losses (gains)	(320)	(663)
Share of loss (profit) of entities accounted for using equity method	(42)	688
Loss (gain) on sale of non-current assets	(0)	(4)
Loss on retirement of non-current assets	73	41
Loss (gain) on sale of investment securities	(2)	(22)
Decrease (increase) in trade receivables	(612)	1,538
Decrease (increase) in inventories	(4,190)	2,263
Increase (decrease) in trade payables	(100)	(2,652)
Other, net	338	(468)
Subtotal	5,039	9,795
Interest and dividends received	69	124
Interest paid	(52)	(105)
Income taxes paid	(1,378)	(2,501)
Net cash provided by (used in) operating activities	3,677	7,312
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,739)	(4,645)
Proceeds from sale of property, plant and equipment	19	71
Purchase of intangible assets	(530)	(591)
Purchase of investment securities	(20)	(105)
Short-term loan advances	-	(80)
Proceeds from sale of investment securities	2	32
Proceeds from withdrawal of time deposits	175	-
Purchase of shares of subsidiaries and associates	(287)	(525)
Payments for investments in capital	(500)	-
Long-term loan advances	-	(70)
Proceeds from collection of long-term loans receivable	-	10
Other, net	(86)	45
Net cash provided by (used in) investing activities	(5,967)	(5,857)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	300	-
Proceeds from long-term borrowings	1,600	3,000
Repayments of long-term borrowings	(3,400)	-
Proceeds from issuance of shares	2,853	-
Repayments of lease liabilities	(322)	(374)
Dividends paid	(858)	(1,093)
Purchase of treasury shares	(1)	(0)
Net cash provided by (used in) financing activities	171	1,531
Effect of exchange rate change on cash and cash equivalents	640	882

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net increase (decrease) in cash and cash equivalents	(1,478)	3,870
Cash and cash equivalents at beginning of period	15,295	13,816
Cash and cash equivalents at end of period	13,816	17,687

Notes to Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Changes in accounting policies)

1. Application of accounting standard for fair value measurement, etc.

We started to apply the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 31, June 17, 2021, hereinafter the "Fair Value Measurement Accounting Standard") at the beginning of the first quarter of the current fiscal year. Accordingly, we have decided to continue to apply the new accounting policies specified in the Fair Value Measurement Accounting Standard and related measures according to the provisional treatment prescribed in Paragraph 27-2 of the Fair Value Measurement Accounting Standard. This application has no impact on quarterly consolidated financial statements.

2. Application of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 842, Leases

From the consolidated fiscal year under review, Accounting Standard Codification (ASC) 842, Leases, applies to subsidiaries in the United States that adopt the United States Generally Accepted Accounting Principles (US-GAAP). Accordingly, lessees shall in principle recognize all leases as assets and liabilities. This application has minor impact on quarterly consolidated financial statements.

(Segment and Other Information)

[Segment information]

1. Overview of reported segments

Reporting segments of the Group are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

Building on the foundation of business divisions by product, which are result management units, the Group's reportable segments are categorized into the Vehicle Communication Equipment Segment, Circuit Testing Connectors Segment, and Wireless Communication Equipment, based on criteria such as proximate target markets.

The Vehicle Communication Equipment Segment manufactures and sells a wide range of products in response to needs for the miniaturization and hybridization of antennas for vehicle communication and social infrastructure systems, the diversification of media and the wider adoption of RFID (Radio Frequency Identification).

The Circuit Testing Connectors Segment manufactures and sells fine connectors for testing with excellent signal quality and high-speed testing capabilities for high-performance, high-density, and high-integration semiconductor and electronic component areas, providing solutions in response to customer needs for a wide range of uses from front-end to back-end testing.

The Wireless Communication Equipment Segment manufactures and sells fine connectors that meet the needs for diversification and sophistication mainly for mobile communications and POS terminals. Moreover, the Medical Device Business (related components and units) in this segment manufactures and sells OEM guide wires, catheters, and other micro precision parts for the minimally invasive medical equipment market.

2. Method of calculating net sales, profit (loss), assets and other items by reporting segment

Accounting procedures for reported business segments are generally the same as those used for the consolidated financial statements. Reported segments' profit is based on Operating profit. Intersegment sales and transfers are based on actual transactions.

3. Sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2022

(Unit : Million yen)

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
Net Sales					—	
Japan	14,078	1,538	2,962	18,579	—	18,579
Europe and America	15,959	2,779	727	19,466	—	19,466
Asia	10,043	13,307	5,450	28,801	—	28,801
Revenue from contracts with customers	40,081	17,625	9,141	66,848	—	66,848
Sales to third parties	40,081	17,625	9,141	66,848	—	66,848
Inter-segment transactions and transfers	—	—	—	—	—	—
Total	40,081	17,625	9,141	66,848	—	66,848
Segment profit or loss	(1,443)	4,871	1,256	4,684	—	4,684
Segment assets	30,286	10,160	6,004	46,450	20,419	66,870
Other items						
Depreciation	1,721	1,048	532	3,302	—	3,302
Increase of Property, plant and equipment & Intangible assets	3,184	1,202	706	5,092	—	5,092

Notes :

“Other” in the segment assets of 20,419 million yen consisted mainly of surplus funds (cash and deposits) and long-term investments (investment securities).

Fiscal year ended March 31, 2023

(Unit : Million yen)

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
Net Sales						
Japan	14,034	1,476	3,070	18,580	—	18,580
Europe and America	21,055	4,464	880	26,400	—	26,400
Asia	11,430	16,433	5,116	32,980	—	32,980
Revenue from contracts with customers	46,520	22,374	9,067	77,962	—	77,962

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
Sales to third parties	46,520	22,374	9,067	77,962	—	77,962
Inter-segment transactions and transfers	—	—	—	—	—	—
Total	46,520	22,374	9,067	77,962	—	77,962
Segment profit or loss	(2,094)	6,169	664	4,739	—	4,739
Segment assets	28,841	12,051	5,102	45,995	24,661	70,656
Other items						
Depreciation	2,048	1,251	532	3,833	—	3,833
Increase of Property, plant and equipment & Intangible assets	2,709	2,266	472	5,448	—	5,448

Notes :

“Other” in the segment assets of 24,661 million yen consisted mainly of surplus funds (cash and deposits) and long-term investments (investment securities).

【Related Information】

Fiscal year ended March 31, 2022

1. Information by products and services

Since the Group makes reports based on a management approach having business divisions by product as the foundation, this information is omitted.

2. Information by areas

① Net Sales

(Unit : Million yen)

Japan	Europe and America	Asia	Total
18,579	19,466	28,801	66,848

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain, Germany, France and others

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and others

3 Overseas sales are sales posted by the Company and consolidates subsidiary in countries or regions other than Japan.

4 Sales in Europe and the United States includes sales in the United States amounting to 16,918 million yen.

② Property, plant and equipment

(Unit : Million yen)

Japan	Europe and America	Asia	Total
6,336	63	10,144	16,544

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain and Germany

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and Philippines

3 Sales in Asia includes sales in China amounting to 2,982 million yen, Vietnam amounting to 2,530 million yen, Malaysia amounting to 2,586 million yen and Philippines amounting to 1,996 million yen.

3. Information by main customer

(Unit : Million yen)

Name of the customer	Sales	Associated segment
Toyota Motor North America, Inc.	7,562	Vehicle Communication Equipment

[Information on impairment losses for non-current assets in reportable segments]

No item to report.

[Information on amortization of goodwill and unamortized balance by reportable segment]

No item to report.

[Information on gain on bargain purchase by reportable segment]

No item to report.

Fiscal year ended March 31, 2023

1. Information by products and services

Since the Group makes reports based on a management approach having business divisions by product as the foundation, this information is omitted.

2. Information by areas

① Net Sales

(Unit : Million yen)

Japan	Europe and America	Asia	Total
18,580	26,400	32,980	77,962

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain, Germany, France and others

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and others

3 Overseas sales are sales posted by the Company and consolidates subsidiary in countries or regions other than Japan.

4 Sales in Europe and the United States includes sales in the United States amounting to 23,248 million yen.

5 Sales in Asia includes sales in Taiwan amounting to 9,124 million yen.

② Property, plant and equipment

(Unit : Million yen)

Japan	Europe and America	Asia	Total
7,194	367	10,515	18,077

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain and Germany

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and Philippines

3 Sales in Asia includes sales in China amounting to 2,500 million yen, Vietnam amounting to 3,121 million yen, Malaysia amounting to 2,512 million yen and Philippines amounting to 2,318 million yen.

3. Information by main customer

(Unit : Million yen)

Name of the customer	Sales	Associated segment
Toyota Motor North America, Inc.	10,040	Vehicle Communication Equipment

[Information on impairment losses for non-current assets in reportable segments]

(Unit : Million yen)

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
impairment losses	863	—	—	863	—	863

[Information on amortization of goodwill and unamortized balance by reportable segment]

No item to report.

[Information on gain on bargain purchase by reportable segment]

No item to report.

(Per share information)

(Unit : yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	1,899.19	2,022.92
Basic earnings per share	202.28	135.01

Notes:

The basis for calculation of Basic earnings per share are as follows.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (million yen)	4,663	3,147
Amount not belonging to common shareholders (million yen)	—	—
Profit attributable to owners of parent regarding common stock (million yen)	4,663	3,147
Average number of common stock during the fiscal year (thousand shares)	23,053	23,311

Notes:

There are no diluted net earnings per share to report.

(Significant Subsequent Events)

No item to report.