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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

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 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 27, 2024

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)

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, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	76,895	(1.4)	1,617	(65.9)	3,710	(34.6)	1,511	(52.0)
March 31, 2023	77,962	16.6	4,739	1.2	5,675	(13.1)	3,147	(32.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 4,255 million [6.6%]

Fiscal year ended March 31, 2023: ¥ 3,992 million [(35.5)%]

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	64.86	-	3.1	5.0	2.1
March 31, 2023	135.01	-	6.9	8.3	6.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ (31) million

Fiscal year ended March 31, 2023: ¥ (688) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	76,408	50,384	65.8	2,157.96
March 31, 2023	70,656	47,224	66.7	2,022.92

(Reference) Equity: As of March 31, 2024: ¥ 50,303 million

As of March 31, 2023: ¥ 47,156 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	4,823	(5,125)	(260)	18,702
March 31, 2023	7,312	(5,857)	1,531	17,687

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	Millions of yen	%	%
March 31, 2023	-	25.00	-	25.00	50.00	1,165	37.0	2.5
March 31, 2024	-	22.00	-	22.00	44.00	1,095	67.8	2.1
Fiscal year ending								
March 31, 2025 (Forecast)	-	24.00	-	24.00	48.00		44.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	40,000	8.7	1,800	-	1,000	(41.2)	650	(32.2)	27.88
Full year	81,150	5.5	4,550	181.2	3,750	1.1	2,500	65.4	107.25

* 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: No

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, 2024: 23,849,878 shares

March 31, 2023: 23,849,878 shares

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

March 31, 2024: 539,008 shares

March 31, 2023: 538,928 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 23,310,894 shares

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

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	62,485	0.5	(2,505)	-	366	(93.2)	(97)	-
March 31, 2023	62,171	8.9	2,168	(19.6)	5,391	(2.8)	2,928	(28.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	(4.19)	-
March 31, 2023	125.63	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	53,367	30,758	57.6	1,319.50
March 31, 2023	52,916	31,512	59.6	1,351.85

(Reference) Equity: As of March 31, 2024: ¥ 30,758 million
As of March 31, 2023: ¥ 31,512 million

*This quarterly financial report is not subject to quarterly review by a certified public accountant or an audit corporation.

*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 page8 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

Effective from the first quarter of the consolidated fiscal year under review, the Company has changed the classifications and names of its reporting segments as follows.

「VCCS (Vehicle Communication Comfort & Safety)」 :

Former 「Vehicle Communication Equipment」 - 「Platform Business」

「CTC (Circuit Testing Connector)」 : Former 「Circuit Testing Connector」

「FC (Fine Connector) / MD (Medical Device)」 :

Former 「Personal Communication Equipment」 - 「Advanced Devices Business」

「Incubation Center」 : 「Platform Business」 + 「Advanced Device Business」

For more information, please refer to “4. Matters related to changes in reporting segments” under (5) Notes to Quarterly Consolidated Financial Statements (Segment and Other Information) of 3. Quarterly Consolidated Financial Statements.

Net sales in the consolidated fiscal year under review amounted to ¥76,895 million, a decrease of 1.4% year-on-year, reflecting decreased year-on-year sales in both CTC and FC・MD segment, despite increased year-on-year sales in VCCS segment. The Company reported an operating profit of ¥1,617 million, a decrease of 65.9% year-on-year, reflecting decreased profit in FC・MD segment while decreased sales and a loss in CTC and Incubation Center segment, which is focused on new business, although VCCS segment profitability had been improved significantly. Ordinary profit decreased by 34.6% year-on-year, to ¥3,710 million, reflecting an exchange gain of ¥2,099 million attributable to the weakening of the yen. Profit attributable to owners of the parent decreased by 52.0% year-on-year, to ¥1,511 million reflecting due to a decreased in ordinary profit and a reversal of deferred tax assets, leading to an increase in the tax burden ratio.

<VCCS> (Core product: Antenna for Vehicle)

In the automotive market, the main market for this segment, sales are improved as the global shortages of semiconductors and component supply stagnation eased, although reduced production by some of customer during the fourth quarter of the consolidated fiscal year under review. A breakdown by region shows that the number of units sold in the United States, China, and the Japanese market increased.

In these circumstances, mainstay products for automobile manufacturers, such as shark fin antennas and GPS antennas, increased year-on-year by the weakening of the yen and increasing production of automobile manufacturers.

As a result, sales for this segment increased year-on-year, to ¥55,583 million (up 20.6% year-on-year). The segment reported a profit of ¥3,100 million (a loss of ¥1,701 million in the previous fiscal year), due to increased profit associated with an increase in sales, decreased physical distribution costs by low ocean freight rates, and collection of cost increases, despite increased production volume and high labor costs at production bases in China and Vietnam associated with the strengthening of the local currencies.

<CTC> (Core Product: Semiconductor Testing Socket and Probe Card)

In the semiconductor testing market, the main market for this segment, testers related to generative AI suddenly attracted attention and sold well. However, demand for PCs and smartphones declined significantly, and demand for servers was weak. This resulted in inventory adjustments by semiconductor manufacturers and curbs on capital investment.

In these circumstances, sales of jigs for semiconductor back-end testing, the mainstay product of the Group, decreased year-on-year, due to a decrease in orders for logic semiconductor testing sockets. Sales of jigs for semiconductor front-end testing decreased year-on-year because of lower sales in both the turnkey business which offers one-stop solutions services including peripheral devices, and MEMS probe cards (YPX) for high-frequency electronics components testing.

As a result, sales for this segment decreased year-on-year, to ¥12,585 million (down 43.7% year-on-year). The segment reported a loss of ¥794 million (a gain of ¥6,169 million in the previous fiscal year), due to decreased profit associated with a decrease in sales, despite curb on expenses including labor costs.

<FC・MD> (FC Core Product: Fine spring connector for electronics) (MD Core Product: Medical devices and units)

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 economic downturn. Demand for POS terminals was slow down, 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, sales for FC 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 MD business, sales increase year-on-year due to strong sales of catheter components for a major domestic medical device manufacturer which is a major customer.

As a result, sales for this segment decreased year-on-year, to 8,373 million (down 7.5% year-on-year). The segment reported a profit of ¥117 million (down 85.2% year-on-year) chiefly owing to decreased profit associated with a decrease in sales in FC business, a higher labor cost ratio at production sites in China mainly due to a strong yuan, and changes in the business structure.

<Incubation Center> (Core Product: Antenna and providing solutions for MaaS/IoT)

The Company has been engaged in full-scale business development efforts, aiming to create new businesses and innovate business models for new growth markets such as MaaS, and IoT as well as optical communication market for higher-speed and larger-capacity communication. Due to organizational changes implemented during the first quarter of the consolidated fiscal year under review, development in these new business fields was split off from existing operating departments and classified under Incubation Center as a new reporting segment comprising Platform Business and Advanced Device Business. The MaaS/IoT market, which is a key market for this segment, is expected to grow steadily, reflecting the advance of mobility including car sharing, and the widespread adoption of IoT connecting everything through the Internet.

In these circumstances, Platform business has made progress in expanding sales of MIMO antennas utilizing smart antenna technologies for IoT, and vehicle key management solutions for MaaS and rental cars. For Advanced Device business, which includes the segment, the Company has developed systems for the mass production of optical connector products utilizing photoelectric conversion device technologies for the optical communications market.

As a result, sales for this segment decreased year-on-year, to 345 million (down 19.7% year-on-year). The segment reported a loss of ¥811 million (a loss of ¥534 million in the previous fiscal year), because the segment, which is in the early stages of its development, generates sales at a small scale and involves up-front investment.

Consolidated Net Sales by Business Segment (year on year)

	Fiscal year ended March 31, 2023 (Million yen)	Fiscal year ended March 31, 2024 (Million yen)	Increase/ (decrease) (%)
VCCS	46,089	55,583	+20.6
CTC	22,374	12,585	(43.7)
FC・MD	9,051	8,373	(7.5)
Incubation Center	430	345	(19.7)
Other	16	7	(54.9)
Total	77,962	76,895	(1.4)

Consolidated Net Sales by Business Segment (Fiscal year ended March 31, 2024)

	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)
VCCS	12,779	13,711	15,070	14,022
CTC	3,415	2,772	2,994	3,403
FC・MD	1,873	2,030	2,155	2,314
Incubation Center	110	97	88	49
Other	2	1	1	1
Total	18,181	18,613	20,309	19,791

(2) Overview of Financial Position

(Assets)

Assets stood at ¥76,408 million in the fiscal year ended March 31, 2024 under review (a gain of ¥5,751 million in the end of the previous fiscal year). This was due primarily to increases of ¥1,015 million in cash and deposits, ¥778 million in trade receivables, ¥1,677 million in property, plant and equipment, ¥827 million in other investments. The increase in trade receivables is mainly due to increased sales in VCCS segment driven by increased order. In addition, the increase in property, plant and equipment is mainly attributable to increased building and structures for the operational launch of the MP Center, a technology building newly established within Tomioka plant.

(Liabilities)

Liabilities stood at ¥26,023 million in the fiscal year ended March 31, 2024 under review (a gain of ¥2,592 million from the end of the previous fiscal year) due to increases of ¥354 million in short-term borrowings, ¥1,500 million in long-term borrowings (including payable within one year), and ¥555 million in lease obligations. The increase in lease obligations mainly reflected an increase in leased fixtures for the operational launch of the MP Center.

(Net assets)

Net assets amounted to ¥50,384 million in the fiscal year ended March 31, 2024 under review (a gain of ¥3,159 million from the end of the previous fiscal year). This primarily reflects an increase of ¥1,957 million in foreign currency translation adjustment, the recording of profit attributable to owners of the parent of ¥1,511 million, and dividends paid of ¥1,095 million.

(Equity ratio)

The equity ratio was 65.8% in the fiscal year ended March 31, 2024 under review (down 0.9 point from the end of the previous consolidated fiscal year).

(3) Overview of Cash Flows

Cash and cash equivalents came to ¥18,702 million at the end of the consolidated fiscal year under review, up ¥1,014 million year on year.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥4,823 million (a decrease in net cash provided of ¥2,489 million year on year), attributable to inflows include profit before income taxes of ¥3,311 million and depreciation of ¥4,013 million, despite outflows included a decrease in trade payables of ¥1,780 million caused by a decrease in purchases of components, etc. in CTC segments and other negative factors.

(Cash flows from investing activities)

Net cash used in investing activities was ¥5,125 million (a decrease in net cash used of ¥732 million year on year), primarily due to outflows such as purchase of property, plant and equipment of ¥3,917 million, mainly attributable to the construction of MP center, and inflow such as purchase of intangible assets of ¥865million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥260 million (inflows of ¥1,531 million in the previous fiscal year), chiefly owing to inflows such as proceeds from long-term borrowings of ¥1,500 million, despite outflows such as dividend paid of ¥1,090 million.

(4) Future Outlook

The following are our assumptions for the results forecast for the fiscal year ending March 31, 2025.

- In the automobile market, the main market for the Company, a full-scale recovery in production at automobile manufacturers are expected to be continued until the fiscal year ending March 31, 2025 because normalizing the global shortage of semiconductor, although production adjustment for some customer.
- In the semiconductor testing market, the downturn that developed from the second half of the fiscal year ended March 31, 2023 has been bottomed out as well as demand for semiconductor testing related to generative AI is expected to continue to increase.
- In the market for mobile communication terminals, stagnation of the sale of POS terminals and other electronic terminals caused by the global recession is expected to be recovered with customers' liquidating excess inventory.
- In the advanced medical equipment market, demand for minimally invasive medical procedures using catheters and similar products is expected to grow steadily.
- In the MaaS/IoT market, steady growth is expected, reflecting the advance of mobility solutions and widespread adoption of IoT.

Based on these assumptions, our forecasts for net sales and each profit for the 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 ¥145 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 an expected rise in customers' automobile production in VCCS segment as in the fiscal year ended March 31, 2024, and an expected year-on-year increase in sales in CTC segment and FC, MD segment due to an anticipated market recovery in these segments.

Our forecast for operating profit is shown in the table below. This is based on an expected improvement in earnings in VCCS segment and anticipated moves into profitability in CTC segment and FC, MD segment.

Our forecasts for ordinary income and profit attributable to owners of parent are as shown in the table below, which incorporate a foreign exchange loss of ¥750 million based on an exchange rate of ¥145 against US\$.

② Full-year forecasts

Our forecast for net sales for the full-year is shown in the table below. The forecast assumes that the Company will expand its business fields in testing for both front-end and back-end processes of semiconductor manufacturing in CTC segment, thereby tapping into new demand. Additionally, the Company plans to commence mass production of new products for the venture ecosystem in MD business of FC, MD segment in the latter half of the fiscal year.

Our forecast for operating profit for the full-year is shown in the table below. This is based on expected stable earnings in the VCCS segment during the first half of the fiscal year and an anticipated increase in profit due to an improvement in orders in CTC segment in the second half of the fiscal year.

Based on our assumptions of an exchange rate of ¥145 against US\$ and no foreign exchange gain or loss from the second half of the fiscal year ending March 31, 2025, our forecasts for ordinary income and profit attributable to owners of parent are as shown in the table below.

Consolidated Financial Results for the six months ended September 30, 2023 and Forecast for the six months ending September 30, 2024

(Unit : Million yen, %)

	Consolidated Financial Results for the six months ended September 30, 2023 (Million yen)	Consolidated Financial Forecast for the six months ending September 30, 2024 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	36,794	40,000	+3,205	+8.7
VCCS	26,491	27,700	+1,208	+4.6
CTC	6,188	7,500	+1,311	+21.2
FC・MD	3,903	4,650	+746	+19.1
Incubation Center	207	150	(57)	(27.8)
Others・Adjustments	4	—	—	—
Operating profit	(120)	1,800	+1,920	—
VCCS	717	1,700	+982	+137.1
CTC	(461)	250	+711	—
FC・MD	(46)	300	+346	—
Incubation Center	(337)	(450)	(112)	—
Others・Adjustments	7	—	—	—
Ordinary profit	1,701	1,000	(701)	(41.2)
Profit attributable to owners of parent	958	650	(308)	(32.2)

Consolidated Financial Result for the fiscal year ended March 31, 2024 and Forecast for the Fiscal Year Ending March 31, 2025

(Unit : Million yen, %)

	Consolidated Financial Results for the fiscal year ended March 31, 2024 (Million yen)	Consolidated Financial Forecast for the fiscal year ending March 31, 2025 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	76,895	81,150	+4,254	+5.5
VCCS	55,583	55,650	+66	+0.1
CTC	12,585	15,500	+2,914	+23.2
FC・MD	8,373	9,650	+1,276	+15.3
Incubation Center	345	350	+4	+1.2
Others・Adjustments	7	—	—	—
Operating profit	1,617	4,550	+2,932	+181.2
VCCS	3,100	3,450	+349	+11.3
CTC	(794)	1,200	+1,994	—
FC・MD	117	700	+582	+495.8
Incubation Center	(811)	(800)	+11	—
Others・Adjustments	6	—	—	—
Ordinary profit	3,710	3,750	+39	+1.1
Profit attributable to owners of parent	1,511	2,500	+988	+65.4

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.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	17,687	18,702
Notes and accounts receivable - trade	12,350	13,129
Merchandise and finished goods	7,781	8,445
Work in process	427	470
Raw materials and supplies	6,073	5,860
Other	2,040	2,563
Allowance for doubtful accounts	(4)	(3)
Total current assets	46,355	49,169
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,433	13,696
Accumulated depreciation	(5,176)	(5,872)
Buildings and structures, net	5,256	7,823
Machinery, equipment and vehicles	16,482	18,373
Accumulated depreciation	(10,988)	(12,742)
Machinery, equipment and vehicles, net	5,493	5,630
Tools, furniture and fixtures	12,485	13,504
Accumulated depreciation	(9,708)	(11,047)
Tools, furniture and fixtures, net	2,776	2,456
Land	761	761
Leased assets	1,790	1,744
Accumulated depreciation	(1,070)	(945)
Leased assets, net	720	798
Right-of-use assets	702	1,218
Construction in progress	2,366	1,065
Total property, plant and equipment	18,077	19,754
Intangible assets		
Other	1,210	1,642
Total intangible assets	1,210	1,642
Investments and other assets		
Investment securities	1,979	2,673
Retirement benefit asset	466	1,114
Deferred tax assets	901	450
Other	1,666	1,603
Total investments and other assets	5,013	5,841
Total non-current assets	24,300	27,238
Total assets	70,656	76,408

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,483	6,310
Short-term borrowings	5,804	6,158
Lease liabilities	348	438
Income taxes payable	515	518
Provision for bonuses	956	904
Current portion of long-term borrowings	-	1,600
Other	3,781	3,696
Total current liabilities	17,890	19,625
Non-current liabilities		
Long-term borrowings	4,600	4,500
Lease liabilities	427	893
Deferred tax liabilities	105	436
Retirement benefit liability	402	547
Other	6	20
Total non-current liabilities	5,541	6,398
Total liabilities	23,431	26,023
Net assets		
Shareholders' equity		
Share capital	7,819	7,819
Capital surplus	7,804	7,804
Retained earnings	28,001	28,418
Treasury shares	(634)	(635)
Total shareholders' equity	42,990	43,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	645	1,084
Foreign currency translation adjustment	3,506	5,463
Remeasurements of defined benefit plans	13	348
Total accumulated other comprehensive income	4,165	6,896
Non-controlling interests	68	80
Total net assets	47,224	50,384
Total liabilities and net assets	70,656	76,408

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	77,962	76,895
Cost of sales	63,067	64,918
Gross profit	14,894	11,977
Selling, general and administrative expenses	10,155	10,359
Operating profit	4,739	1,617
Non-operating income		
Interest income	63	126
Dividend income	61	67
Foreign exchange gains	1,519	2,099
Other	164	145
Total non-operating income	1,808	2,439
Non-operating expenses		
Interest expenses	112	236
Share of loss of entities accounted for using equity method	688	31
Commission expenses	28	30
Other	42	48
Total non-operating expenses	873	346
Ordinary profit	5,675	3,710
Extraordinary income		
Gain on liquidation of subsidiaries	10	-
Gain on sale of non-current assets	6	12
Gain on sale of investment securities	22	8
Total extraordinary income	40	20
Extraordinary losses		
Loss on retirement of non-current assets	41	42
Loss on sale of non-current assets	2	0
Business restructuring expenses	220	303
Settlement payments	153	-
Impairment losses	863	72
Total extraordinary losses	1,281	419
Profit before income taxes	4,433	3,311
Income taxes - current	1,487	1,028
Income taxes for prior periods	3	275
Income taxes - deferred	(209)	493
Total income taxes	1,280	1,797
Profit	3,153	1,513
Profit attributable to non-controlling interests	6	1
Profit attributable to owners of parent	3,147	1,511

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	3,153	1,513
Other comprehensive income		
Valuation difference on available-for-sale securities	214	439
Foreign currency translation adjustment	877	1,967
Remeasurements of defined benefit plans, net of tax	(253)	335
Total other comprehensive income	838	2,741
Comprehensive income	3,992	4,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,979	4,243
Comprehensive income attributable to non-controlling interests	12	11

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of 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

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,819	7,804	28,001	(634)	42,990
Changes during period					
Dividends of surplus			(1,095)		(1,095)
Profit attributable to owners of parent			1,511		1,511
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	416	(0)	416
Balance at end of period	7,819	7,804	28,418	(635)	43,407

	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	645	3,506	13	4,165	68	47,224
Changes during period						
Dividends of surplus						(1,095)
Profit attributable to owners of parent						1,511
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	439	1,957	335	2,731	11	2,743
Total changes during period	439	1,957	335	2,731	11	3,159
Balance at end of period	1,084	5,463	348	6,896	80	50,384

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,433	3,311
Depreciation	3,833	4,013
Impairment losses	863	72
Increase (decrease) in allowance for doubtful accounts	(3)	(1)
Increase (decrease) in provision for bonuses	79	(68)
Increase (decrease) in net defined benefit asset and liability	(119)	(19)
Interest and dividend income	(124)	(193)
Interest expenses	112	236
Foreign exchange losses (gains)	(663)	(977)
Share of loss (profit) of entities accounted for using equity method	688	31
Loss (gain) on sale of non-current assets	(4)	(11)
Loss on retirement of non-current assets	41	42
Loss (gain) on sale of investment securities	(22)	(8)
Decrease (increase) in trade receivables	1,538	738
Decrease (increase) in inventories	2,263	728
Increase (decrease) in trade payables	(2,652)	(1,780)
Other, net	(468)	345
Subtotal	9,795	6,457
Interest and dividends received	124	193
Interest paid	(105)	(235)
Income taxes paid	(2,501)	(1,593)
Net cash provided by (used in) operating activities	7,312	4,823
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,645)	(3,917)
Proceeds from sale of property, plant and equipment	71	14
Purchase of intangible assets	(591)	(865)
Purchase of investment securities	(105)	(110)
Short-term loan advances	(80)	(245)
Proceeds from sale of investment securities	32	8
Payments into time deposits	-	(0)
Purchase of shares of subsidiaries and associates	(525)	(26)
Long-term loan advances	(70)	-
Proceeds from collection of long-term loans receivable	10	10
Other, net	45	7
Net cash provided by (used in) investing activities	(5,857)	(5,125)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(173)
Proceeds from long-term borrowings	3,000	1,500
Repayments of lease liabilities	(374)	(497)
Dividends paid	(1,093)	(1,090)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	1,531	(260)
Effect of exchange rate change on cash and cash equivalents	882	1,577
Net increase (decrease) in cash and cash equivalents	3,870	1,014
Cash and cash equivalents at beginning of period	13,816	17,687
Cash and cash equivalents at end of period	17,687	18,702

(5) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Segment and Other Information)

1 Segment information

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 four, namely VCCS, CTC, FC/MD, and Incubation Center, based on criteria such as proximate target markets and manufacturing technologies. Effective from the first quarter of the consolidated fiscal year under review, the Company has changed the classifications and names of its reporting segments. Details of the changes are listed under "4. Matters related to changes in reporting segments."

To respond to the basic needs of vehicle antennas that they are smaller, more complex, have a lower profile and support smart technologies, VCCS segment has developed and supplied antenna systems that use modularization technologies in addition to antenna and microwave technologies. Also note that up until the previous fiscal year, VCCS segment disclosures were included in the Vehicle Communication Equipment segment.

To respond to the testing needs for semiconductors which increased performance, higher density and higher integration, CTC segment utilizes MEMS technology in addition to micro-precision processing technologies and microwave technologies, developing and supplying testing connectors for semiconductors globally in every area from front-end testing to back-end testing. Also note that up until the previous fiscal year, CTC segment made disclosures as the Circuit Testing Connector segment.

The FC business, which is included in FC/MD segment, manufactures and sells fine spring connectors with diversification and multi-function for mobile communication terminals. In addition, the MD business designs, develops, manufactures, and supplies OEM guide wires, medical catheters, and other equipment that helps with minimally invasive medical procedures. Also note that up until the previous fiscal year, FC/MD segment disclosures were included in the Personal Communication Equipment segment.

The Platform Business, which is part of the Incubation Center segment, works to develop more advanced and high value-added strategic products in new fields including advanced driving assistance systems (ADAS), autonomous driving, and connected cars. In addition, the Advanced Device Business supplies high-speed transmission device products that boast versatility and originality to the optical communications market, with the aim of achieving high-speed, high-capacity communications. Also note that up until the previous fiscal year, disclosures for the Platform Business were made as part of the Vehicle Communication Equipment segment, and disclosures for the Advanced Device Business were made as part of the Personal Communication Equipment segment.

2 Method of measurement for the amounts of net sales and profit (loss) for each reportable segment

The accounting methods for reportable segments are mostly the same as the accounting standards used in preparing quarterly consolidated financial statements. Reported segments' profit is based on operating profit. Also, inter-segment sales and transfers are valued at market prices.

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

Fiscal year ended March 31, 2023

(Unit : Million yen)

	Reportable segment					Other (Note 2)	Inter- segment transactions (Note 3)	Total
	VCCS	CTC	FC・MD	Incubation Center	Total			
Net Sales								
Japan	13,603	1,476	3,054	430	18,564	16	—	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	46,089	22,374	9,051	430	77,946	16	—	77,962
Sales to third parties	46,089	22,374	9,051	430	77,946	16	—	77,962
Inter-segment transactions and transfers	—	—	—	—	—	421	(421)	—
Total	46,089	22,374	9,051	430	77,946	437	(421)	77,962
Segment profit or loss	(1,701)	6,169	795	(534)	4,728	0	10	4,739
Segment profit	42,266	17,683	8,328	437	68,716	95	1,844	70,656
Other items								
Depreciation	2,040	1,249	524	17	3,831	1	—	3,833
Increase of property, plant and equipment & Intangible assets	2,702	2,265	472	7	5,447	0	—	5,448

Notes :

1 The total segment profit is the same as the operating profit on the quarterly consolidated statement.

2 The Others category is a business segment not included in reportable segments and includes the temporary staffing business and other businesses.

3 Adjustments to segment assets mainly include long-term investment funds (investment securities), etc.

4 The reconciling amounts for inter-segment sales and transfers are a method for the elimination of inter-segment transactions.

Fiscal year ended March 31, 2024

(Unit : Million yen)

	Reportable segment					Other (Note2)	Inter- segment transactions (Note 3)	Total
	VCCS	CTC	FC・MD	Incubation Center	Total			
Net Sales								
Japan	17,177	1,377	3,695	345	22,596	7	—	22,603
Europe and America	26,317	3,158	980	0	30,456	—	—	30,456
Asia	12,089	8,048	3,697	—	23,835	—	—	23,835
Revenue from contracts with customers	55,583	12,585	8,373	345	76,888	7	—	76,895
Sales to third parties	55,583	12,585	8,373	345	76,888	7	—	76,895
Inter-segment transactions and transfers	—	—	—	—	—	475	(475)	—
Total	55,583	12,585	8,373	345	76,888	483	(475)	76,895

	Reportable segment					Other (Note2)	Inter- segment transactions (Note 3)	Total
	VCCS	CTC	FC · MD	Incubation Center	Total			
Segment profit or loss	3,100	(794)	117	(811)	1,611	0	6	1,617
Segment profit	43,374	19,355	10,174	973	73,877	101	2,428	76,408
Other items								
Depreciation	1,804	1,698	450	57	4,011	1	—	4,013
Increase of property, plant and equipment & Intangible assets	2,363	1,574	723	80	4,741	—	—	4,741

Notes :

- 1 The total segment profit is the same as the operating profit on the quarterly consolidated statement.
- 2 The Others category is a business segment not included in reportable segments and includes the temporary staffing business and other businesses.
- 3 Adjustments to segment assets mainly include long-term investment funds (investment securities), etc.
- 4 The reconciling amounts for inter-segment sales and transfers are a method for the elimination of inter-segment transactions.

4 Matters related to changes in reporting segments

The Incubation Center, which was established with the aim of accelerating the launch of new businesses due to the organizational changes implemented during the first quarter of the consolidated fiscal year under review, has been newly classified as a reportable segment. The Platform Business which had been a part of the Vehicle Communication Equipment segment until the previous fiscal year, and the Advanced Device Business which had been part of the Personal Communication Equipment segment up until that time have been transferred to the Incubation Center.

In addition, due to the organizational changes implemented during the first quarter of the consolidated fiscal year under review, the segment names have been changed to names used for internal management. As a result, Vehicle Communication Equipment has been renamed to VCCS, Circuit Testing Connector to CTC, and Personal Communications Equipment to FC/MD. There are no changes to the details of businesses other than those that were transferred to the Incubation Center.

Segment information for the third quarter of the previous fiscal year was prepared based on the classification of reportable segments after the change is disclosed.

【Related Information】

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	VCCS

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

	Reportable segment				Total	Others	Total
	VCCS	CTC	FC・MD	Incubation center			
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.

Fiscal year ended March 31, 2024

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
22,603	30,456	23,835	76,895

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 26,813 million yen.

② Property, plant and equipment

(Unit : Million yen)

Japan	Europe and America	Asia	Total
8,314	409	11,029	19,754

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 2,558 million yen, Vietnam amounting to 3,247 million yen, Malaysia amounting to 2,574 million yen and Philippines amounting to 2,502 million yen.

3. Information by main customer

(Unit : Million yen)

Name of the customer	Sales	Associated segment
Toyota Motor North America, Inc.	12,565	VCCS

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

(Unit : Million yen)

	Reportable segment				Total	Others	Total
	VCCS	CTC	FC・MD	Incubation center			
Impairment losses	72	—	—	—	72	—	72

[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, 2023	Fiscal year ended March 31, 2024
Net assets per share	2,022.92	2,157.96
Basic earnings per share	135.01	64.86

Notes:

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (million yen)	3,147	1,511
Amount not belonging to common shareholders (million yen)	—	—
Profit attributable to owners of parent regarding common stock (million yen)	3,147	1,511
Average number of common stock during the fiscal year (thousand shares)	23,311	23,310

Notes:

There are no diluted net earnings per share to report.

(Significant Subsequent Events)

No item to report.