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## Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 8, 2024

Company name: YOKOWO CO.,LTD.

Listing: Tokyo

Securities code: 6800

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

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Scheduled date to file semi-annual securities report: November 8, 2024

Scheduled date to commence dividend payments: December 10, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, President and Executive Officer

Executive Officer, SCI (Sustainability & Corporate Integrity)

H.Q. Chief Officer

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	40,809	10.9	2,105	-	1,064	(37.5)	575	(40.0)
September 30, 2023	36,794	(8.5)	(120)	-	1,701	(74.0)	958	(77.1)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ (156) million [ -%]  
Six months ended September 30, 2023: ¥ 2,834 million [ (54.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	24.68	-
September 30, 2023	41.13	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	76,157	49,714	65.2
March 31, 2024	76,408	50,384	65.8

(Reference) Equity: As of September 30, 2024: ¥ 49,634 million  
As of March 31, 2024: ¥ 50,303 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2025	-	24.00			
Fiscal year ending March 31, 2025 (Forecast)			-	24.00	48.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages indicate year-on-year changes.)

	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
Full year	82,000	6.6	4,450	175.1	3,650	(1.6)	2,350	55.4	100.81

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 (Company name: Nanshin Co., Ltd. )  
 Excluded: - (Company name: )

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 23,849,878 shares  
 March 31, 2024: 23,849,878 shares

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

September 30, 2024: 539,085 shares  
 March 31, 2024: 539,008 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 23,310,828 shares  
 Six months ended September 30, 2023: 23,310,915 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

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 page4 of the attachments, "1. Overview of Operating Results, etc., (3) Future Outlook."

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# 1. Qualitative Information on Semi-annual Financial Results

## (1) Overview of Operating Results

Net sales in the first half of the consolidated fiscal year under review amounted to ¥40,809 million, an increase of 10.9% year-on-year, reflecting increased year-on-year sales in VCCS, CTC and FC · MD segment. The Company reported an operating profit of ¥2,105 million, a loss of ¥120 million in the previous year, due to profit in VCCS segment improved significantly and stabilized. Also, both CTC and FC · MD segment turned profitable after the first quarter.

Ordinary profit decreased by 37.5% year-on-year, to ¥1,064 million, reflecting an exchange loss of ¥1,034 million attributable to the strengthening of the yen. Profit attributable to owners of the parent decreased by 40.0% year-on-year, to ¥575 million reflecting due to a decreased ordinary profit and extraordinary loss of ¥241 million including business restructuring cost associated with layoff in subsidiary because of sluggish demand in Chinese market.

### <VCCS> (Core product: Antenna for Vehicle)

In the automotive market, the main market for this segment, demand for new vehicles is sluggish in response to the global economic slowdown, although sales are improving trend driven by a stable semiconductors and component supply. A breakdown by region shows that sales in the United States, China, and Japan were flat and slightly decreased.

In these circumstances, mainstay products for automobile manufacturers, such as shark fin antennas and GPS antennas, slightly decreased year-on-year because sales of Japanese automobile manufacturers to the Chinese market were slumped and product adjustments impacted by some customer.

As a result, sales for this segment increased year-on-year, to ¥27,714 million (up 4.6% year-on-year) attributable to the weakening of the yen. The segment reported a profit of ¥1,389 million (up 93.8% year-on-year), due to increased profit associated with an increase in sales and increased production efficiency through stable orders, despite 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, increased year-on-year due to strong demand for testers related to generative AI. However, demand for PCs and smartphones declined significantly, and demand growth for industrial machinery and automobiles was slowing.

In these circumstances, sales of jigs for semiconductor back-end testing, the mainstay product of the Group, increased year-on-year, due to capturing demand for testers related to generative AI despite a decrease in orders for logic semiconductor testing sockets. Sales of jigs for semiconductor front-end testing increased year-on-year because of increasing sales in the turnkey business which offers one-stop solutions services including peripheral devices despite sluggish sales in MEMS probe cards (YPX) for high-frequency electronics components testing.

As a result, sales for this segment increased year-on-year, to ¥7,467 million (up 20.7% year-on-year). The segment reported a profit of ¥789 million (a loss of ¥461 million in the previous fiscal year), due to increased profit associated with an increase in sales and a decline in cost through lower cost of raw materials and improving efficiency by product mix.

### <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, and unit shipments of smartphones were increased year-on-year. Demand for POS terminal market has 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, increased year-on-year, reflecting sales of the POS terminals were on a recovery trend and an increase in sales of a product for wearable devices, such as wireless earbuds, due resolution of customer's production adjustment.

In MD business, sales increase year-on-year due to strong sales of both unit products and catheter components for a major domestic medical device manufacturer which is a major customer. In addition, sales for the venture ecosystem in which the Company participates as a manufacturing partner were increased.

As a result, sales for this segment increased year-on-year, to 5,461 million (up 39.9% year-on-year). The segment reported a profit of ¥347 million (a loss of ¥46 million in the previous fiscal year) chiefly owing to increased profit associated with an increase in sales in FC business.

<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 the optical communication market for higher-speed and larger-capacity communication. Due to organizational changes implemented during the first half of the fiscal year ended March 31, 2024, 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 had developed systems for the mass production of optical connector products utilizing photoelectric conversion device technologies for the optical communications market. However, the Company disbanded developmentally this business as a photoelectric conversion project for the semiconductor testing market.

As a result, sales for this segment decreased year-on-year, to ¥163 million (down 21.3% year-on-year). The segment reported a loss of ¥430 million (a loss of ¥337 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)

	1st half ended March 31, 2024 Apr. – Sept. (Million yen)	2nd half ended March 31, 2024 Oct. – Mar. (Million yen)	1st half ending March 31, 2025 Apr. – Sept. (Million yen)	Y o Y Increase/ (decrease) (%)	Q o Q Increase/ (decrease) (%)
VCCS	26,491	29,092	27,714	+4.6	(4.7)
CTC	6,188	6,397	7,467	+20.7	+16.7
FC・MD	3,903	4,469	5,461	+39.9	+22.2
Incubation Center	207	138	163	(21.3)	+18.2
Others	4	2	2	(52.1)	(27.0)
Total	36,794	40,101	40,809	+10.9	+1.8

## (2) Overview of Financial Position

### (Assets)

Assets stood at ¥76,157 million in the first half of the fiscal year ending March 31, 2025 under review (a decrease of ¥250 million from the end of the previous fiscal year). This was due primarily to decreases of ¥875 million in inventories and ¥597 million in property, plants and equipment, despite increases of ¥572 million in cash and deposits, ¥417 million in trade receivables.

The increase in cash and deposits is due to an increase in operating profit. Also, the decrease in inventories is attributable to a decrease in the value converted into Japanese currency due to the strengthening of the yen.

### (Liabilities)

Liabilities stood at ¥26,443 million in the first half of the fiscal year ending March 31, 2025 under review (a gain of ¥419 million from the end of the previous fiscal year) due to increases of ¥391 million in provision for bonuses and ¥371 million in long-term borrowings (including current portion of long-term borrowings), despite decrease in ¥110 million in trade payables and ¥196 million in lease receivables.

### (Net assets)

Net assets amounted to ¥49,714 million in the first half of the fiscal year ending March 31, 2025 under review (a decrease of ¥669 million from the end of the previous fiscal year). This primarily reflects a decrease of ¥539 million in foreign currency translation adjustment, the recording of profit attributable to owners of the parent of ¥575 million, and dividends paid of ¥512 million.

### (Equity ratio)

The equity ratio was 65.2% in the first half of the fiscal year ending March 31, 2025 under review (down 0.6 points from the end of the previous consolidated fiscal year).

### (3) 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 production adjustment at some automobile manufacturers is expected to be continued until the fiscal year ending March 31, 2025.
- 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 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.
- We base our performance forecasts below on an exchange rate of ¥145 against US\$ from November 2024 through March 2025(the assumed exchange rate announced in August 2024 was ¥140 against US\$).

Our forecast for net sales for the full year is as shown in the table below based on the result and the latest order forecast of the first half for the fiscal year ending March 31, 2025. Our forecast for operating profit for the full year is as shown in the table below based on assumed increases in sales in both CTC and FC・MD segments, despite a decrease in profit in VCCS segment due to a revision of the assumed exchange rate associated with a weakening of the yen. 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 ¥800 million based on an exchange rate of ¥145 against US\$.

Previous and revised forecasts for the Fiscal Year Ending March 31, 2025

(Unit : Million yen, %)

	Previous forecast (Announced on August 8, 2024)	Revised forecast	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	80,000	82,000	+2,000	+2.5
VCCS	55,100	55,600	+500	+0.9
CTC	14,800	15,300	+500	+3.4
FC・MD	9,800	10,800	+1,000	+10.2
Incubation Center	300	300	-	-
Other・Adjustments	-	-	-	-
Operating profit	4,100	4,450	+350	+8.5
VCCS	3,050	2,800	(250)	(8.2)
CTC	1,200	1,650	+450	+37.5
FC・MD	650	750	+100	+15.4
Incubation Center	(800)	(750)	+50	-
Other・Adjustments	-	-	-	-
Ordinary profit	3,000	3,650	+650	+21.7
Profit attributable to owners of parent	2,000	2,350	+350	+17.5

## 2. Semi-annual Consolidated Financial Statements

### (1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	18,702	19,275
Notes and accounts receivable - trade	13,129	13,547
Merchandise and finished goods	8,445	7,878
Work in process	470	468
Raw materials and supplies	5,860	5,554
Other	2,563	2,199
Allowance for doubtful accounts	(3)	(4)
Total current assets	49,169	48,920
Non-current assets		
Property, plant and equipment	19,754	19,156
Intangible assets	1,642	2,347
Investments and other assets		
Retirement benefit asset	1,114	1,163
Other	4,727	4,569
Total investments and other assets	5,841	5,733
Total non-current assets	27,238	27,237
Total assets	76,408	76,157
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,310	6,199
Short-term borrowings	6,158	6,106
Current portion of long-term borrowings	1,600	1,659
Income taxes payable	518	679
Provision for bonuses	904	1,295
Other	4,134	4,050
Total current liabilities	19,625	19,990
Non-current liabilities		
Long-term borrowings	4,500	4,812
Retirement benefit liability	547	597
Other	1,350	1,042
Total non-current liabilities	6,398	6,452
Total liabilities	26,023	26,443
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,819	7,819
Capital surplus	7,804	7,804
Retained earnings	28,418	28,480
Treasury shares	(635)	(635)
Total shareholders' equity	43,407	43,469
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,084	912
Foreign currency translation adjustment	5,463	4,924
Remeasurements of defined benefit plans	348	327
Total accumulated other comprehensive income	6,896	6,164
Non-controlling interests	80	80

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Total net assets	50,384	49,714
Total liabilities and net assets	76,408	76,157



## (2) Semi-annual Consolidated Statements of Income and Comprehensive Income

## Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	36,794	40,809
Cost of sales	31,803	33,017
Gross profit	4,991	7,791
Selling, general and administrative expenses	5,111	5,686
Operating profit (loss)	(120)	2,105
Non-operating income		
Interest income	64	50
Dividend income	32	40
Foreign exchange gains	1,895	-
Other	47	56
Total non-operating income	2,040	146
Non-operating expenses		
Interest expenses	133	96
Share of loss of entities accounted for using equity method	31	30
Foreign exchange losses	-	1,034
Other	52	26
Total non-operating expenses	217	1,187
Ordinary profit	1,701	1,064
Extraordinary income		
Gain on sale of non-current assets	4	2
Total extraordinary income	4	2
Extraordinary losses		
Loss on retirement of non-current assets	29	13
Loss on sale of non-current assets	0	4
Business restructuring expenses	233	224
Impairment losses	11	-
Total extraordinary losses	274	241
Profit before income taxes	1,431	825
Income taxes - current	606	514
Income taxes - deferred	(129)	(270)
Total income taxes	477	243
Profit	953	581
Profit (loss) attributable to non-controlling interests	(5)	6
Profit attributable to owners of parent	958	575

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	953	581
Other comprehensive income		
Valuation difference on available-for-sale securities	282	(171)
Foreign currency translation adjustment	1,609	(544)
Remeasurements of defined benefit plans, net of tax	(11)	(21)
Total other comprehensive income	1,880	(737)
Comprehensive income	2,834	(156)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,830	(156)
Comprehensive income attributable to non-controlling interests	3	0

## (3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,431	825
Depreciation	1,960	1,974
Impairment losses	11	-
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	213	364
Increase (decrease) in net defined benefit asset and liability	(21)	(30)
Interest and dividend income	(97)	(90)
Interest expenses	133	96
Foreign exchange losses (gains)	(1,122)	433
Share of loss (profit) of entities accounted for using equity method	31	30
Loss on retirement of non-current assets	29	13
Loss (gain) on sale of non-current assets	(3)	1
Decrease (increase) in trade receivables	597	(893)
Decrease (increase) in inventories	911	490
Increase (decrease) in trade payables	(668)	588
Other, net	277	64
Subtotal	3,682	3,869
Interest and dividends received	97	90
Interest paid	(96)	(85)
Income taxes refund (paid)	(477)	57
Net cash provided by (used in) operating activities	3,205	3,933
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,974)	(1,253)
Proceeds from sale of property, plant and equipment	4	48
Purchase of intangible assets	(369)	(734)
Purchase of investment securities	-	(47)
Purchase of shares of subsidiaries and associates	(26)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	18
Short-term loan advances	(245)	-
Other, net	17	47
Net cash provided by (used in) investing activities	(3,594)	(1,921)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	1,500	-
Repayments of long-term borrowings	-	(14)
Repayments of lease liabilities	(245)	(239)
Dividends paid	(579)	(511)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	675	(765)
Effect of exchange rate change on cash and cash equivalents	1,499	(733)
Net increase (decrease) in cash and cash equivalents	1,786	512
Cash and cash equivalents at beginning of period	17,687	18,702
Cash and cash equivalents at end of period	19,473	19,214

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes to going concern assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

## (Segment and Other Information)

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

First half ended September 30, 2023 (Apr. – Sept.)

(Unit : Million yen)

	Reportable segment					Other	Inter-segment transactions	Total
	VCCS	CTC	FC・MD	Incubation Center	Total			
Net Sales								
Japan	8,168	642	1,772	207	10,791	4	-	10,795
Europe and America	12,393	1,554	441	-	14,389	-	-	14,389
Asia	5,929	3,991	1,689	-	11,609	-	-	11,609
Revenue from contracts with customers	26,491	6,188	3,903	207	36,790	4	-	36,794
Sales to third parties	26,491	6,188	3,903	207	36,790	4	-	36,794
Inter-segment transactions and transfers	-	-	-	-	-	235	(235)	-
Total	26,491	6,188	3,903	207	36,790	239	(235)	36,794
Segment profit	717	(461)	(46)	(337)	(128)	(0)	7	(120)

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

First half ended September 30, 2024 (Apr. – Sept.)

(Unit : Million yen)

	Reportable segment					Other	Inter-segment transactions	Total
	VCCS	CTC	FC・MD	Incubation Center	Total			
Net Sales								
Japan	9,210	593	2,094	163	12,061	2	-	12,063
Europe and America	13,482	1,910	641	0	16,034	-	-	16,034
Asia	5,022	4,963	2,725	-	12,711	-	-	12,711
Revenue from contracts with customers	27,714	7,467	5,461	163	40,806	2	-	40,809
Sales to third parties	27,714	7,467	5,461	163	40,806	2	-	40,809
Inter-segment transactions and transfers	-	-	-	-	-	264	(264)	-
Total	27,714	7,467	5,461	163	40,806	266	(264)	40,809
Segment profit	1,389	789	347	(430)	2,096	0	8	2,105

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