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August 2, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Aoi Electronics Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6832  
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 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

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

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (1) Consolidated operating results (cumulative)

(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	%
Three months ended June 30, 2024	8,566	2.9	361	–	436	–	416	–
June 30, 2023	8,326	(21.8)	(431)	–	(323)	–	(369)	–

Note: Comprehensive income For the three months ended June 30, 2024: ¥425 million [–%]  
 For the three months ended June 30, 2023: ¥(307) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	37.22	–
June 30, 2023	(30.79)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	50,948	43,261	84.9	3,863.00
March 31, 2024	50,134	43,161	86.1	3,854.03

Reference: Equity As of June 30, 2024: ¥43,261 million  
 As of March 31, 2024: ¥43,161 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	25.00	–	29.00	54.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		25.00	–	29.00	54.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from 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
First half	17,800	4.2	450	–	450	–	280	–	25.00
Full year	36,500	7.5	1,050	–	1,050	–	720	–	64.29

Note: Revisions to the financial results forecast most recently announced: None

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	12,000,000 shares
As of March 31, 2024	12,000,000 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	800,975 shares
As of March 31, 2024	800,975 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	11,199,025 shares
Three months ended June 30, 2023	11,999,025 shares

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

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

Although the financial results forecast was calculated based on information currently available as of the announcement date of these materials, a considerable number of uncertain factors are also included. Please understand that actual financial results may differ significantly from the forecasts presented in these materials due to changes to business conditions, etc.

Means of access to supplementary material on financial results

The supplementary material on financial results will be available on the Company's website.

## Attached Materials

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## **1. Qualitative information on the quarterly financial results**

### **(1) Operating results**

During the three months ended June 30, 2024, the Japanese economy maintained its track of moderate recovery with an improved employment and personal income environment and expanded demand from inbound tourism amid normalization of social and economic activities. On the other hand, the economic outlook remains uncertain and bleak due to economic downside risks such as soaring prices of raw materials and energy due to the unstable global situation and the volatility in foreign exchange, and weak consumer sentiment as a result of sustained high prices. Overseas, the U.S. economy has underlying strength from the support of expanding personal consumption and strong domestic demand from capital investment and housing investment. In China, the economy lacked strength mainly due to a prolonged real estate recession and a cooling of consumer sentiment. In addition, the level of uncertainty for the global economy remains high, due to prolonged geopolitical risks in Eastern Europe and the Middle East, deepening trade frictions, and other concerns.

In the electronic components industry, to which the Group belongs, although the market environment has improved for some products, following a recovery in demand after a demand slump caused by rapidly worsening market conditions, a full-scale recovery is yet to occur as there are observed discrepancies in the supply/demand balance and the status of inventory adjustments in each market.

Amid these circumstances, for the three months ended June 30, 2024, consolidated net sales totaled ¥8,566 million (increase of ¥240 million (+2.9%) year on year), operating profit totaled ¥361 million (compared with operating loss of ¥431 million in the same period of the previous fiscal year) due to a decline in depreciation following impairment processing carried out in the previous fiscal year, despite soaring raw material prices and other factors, ordinary profit totaled ¥436 million (compared with ordinary loss of ¥323 million in the same period of the previous fiscal year) partly due to foreign exchange gains, and profit attributable to owners of parent totaled ¥416 million (compared with loss attributable to owners of parent of ¥369 million in the same period of the previous fiscal year).

With regard to the Group's net sales by category, integrated circuits recorded ¥7,528 million (increase of ¥150 million (+2.0%) year on year) due to an increase in orders for components for mobile information devices and consumer devices. Sales of functional components totaled ¥1,034 million (increase of ¥88 million (+9.3%) year on year) due to progress in inventory adjustments for thermal print heads.

### **(2) Financial position**

Assets as of June 30, 2024 totaled ¥50,948 million (increase of ¥814 million from the end of the previous fiscal year) mainly due to increases in cash and deposits, and property, plant and equipment. Liabilities totaled ¥7,686 million (increase of ¥714 million from the end of the previous fiscal year) due to increases in accounts payable - other and short-term borrowings and a decrease in provision for bonuses. As a result, net assets totaled ¥43,261 million (increase of ¥100 million from the end of the previous fiscal year), and the equity-to-asset ratio was 84.9%.

### **(3) Explanation of consolidated financial results forecast and other forward-looking statements**

Regarding the consolidated financial results forecast for the fiscal year ending March 31, 2025, although no changes have been made to the consolidated financial results forecast announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024" on May 10, 2024, the Company is reviewing various factors concerning the business environment due to the possibility of significant changes in the financial results arising from trends of the global economy, market trends, etc. If modifications are necessary, the Company will announce them promptly.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	20,056,678	20,259,279
Notes and accounts receivable - trade	6,520,586	6,645,074
Electronically recorded monetary claims - operating	1,683,421	1,765,849
Securities	3,000,000	3,000,000
Merchandise and finished goods	63,176	90,370
Work in process	905,065	1,005,586
Raw materials and supplies	1,954,610	2,037,427
Prepaid expenses	86,392	115,761
Other	678,473	283,775
Total current assets	34,948,405	35,203,125
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,578,392	23,084,261
Accumulated depreciation and impairment	(17,007,723)	(17,188,080)
Buildings and structures, net	5,570,669	5,896,180
Machinery, equipment and vehicles	45,463,641	45,669,037
Accumulated depreciation and impairment	(44,714,908)	(44,778,929)
Machinery, equipment and vehicles, net	748,732	890,107
Tools, furniture and fixtures	8,778,433	8,769,036
Accumulated depreciation and impairment	(8,686,858)	(8,662,459)
Tools, furniture and fixtures, net	91,575	106,577
Land	3,453,102	3,453,102
Leased assets	311,308	309,948
Accumulated depreciation and impairment	(208,047)	(206,088)
Leased assets, net	103,260	103,860
Construction in progress	541,684	642,016
Total property, plant and equipment	10,509,025	11,091,844
Intangible assets	117,174	111,305
Investments and other assets		
Investment securities	2,948,981	2,983,008
Retirement benefit asset	1,320,318	1,341,848
Deferred tax assets	47,428	41,599
Other	242,908	176,129
Total investments and other assets	4,559,637	4,542,585
Total non-current assets	15,185,837	15,745,735
Total assets	50,134,243	50,948,861

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,719,617	1,982,821
Electronically recorded obligations - operating	916,022	847,199
Short-term borrowings	190,000	475,000
Current portion of long-term borrowings	233,496	233,496
Lease liabilities	52,292	50,449
Accounts payable - other	1,694,444	2,291,192
Income taxes payable	62,151	31,379
Provision for bonuses	681,035	171,841
Other	535,235	774,247
<b>Total current liabilities</b>	<b>6,084,296</b>	<b>6,857,628</b>
<b>Non-current liabilities</b>		
Long-term borrowings	474,185	417,686
Lease liabilities	60,855	62,177
Deferred tax liabilities	230,681	245,361
Retirement benefit liability	37,430	36,655
Asset retirement obligations	27,890	27,927
Other	57,476	39,553
<b>Total non-current liabilities</b>	<b>888,518</b>	<b>829,362</b>
<b>Total liabilities</b>	<b>6,972,815</b>	<b>7,686,990</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,545,500	4,545,500
Capital surplus	5,790,950	5,790,950
Retained earnings	33,836,814	33,928,833
Treasury shares	(1,961,228)	(1,961,228)
<b>Total shareholders' equity</b>	<b>42,212,036</b>	<b>42,304,054</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	310,676	337,084
Remeasurements of defined benefit plans	638,714	620,730
<b>Total accumulated other comprehensive income</b>	<b>949,391</b>	<b>957,815</b>
<b>Total net assets</b>	<b>43,161,427</b>	<b>43,261,870</b>
<b>Total liabilities and net assets</b>	<b>50,134,243</b>	<b>50,948,861</b>

**(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income****Quarterly consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	8,326,016	8,566,081
Cost of sales	7,735,633	7,132,125
Gross profit	590,382	1,433,956
Selling, general and administrative expenses	1,021,425	1,072,577
Operating profit (loss)	(431,042)	361,378
Non-operating income		
Interest income	293	809
Dividend income	7,459	8,349
Foreign exchange gains	76,906	41,981
Rental income	7,736	8,180
Compensation income	–	696
Technical support fee income	10,698	1,519
Share of profit of entities accounted for using equity method	–	923
Other	44,865	30,929
Total non-operating income	147,960	93,391
Non-operating expenses		
Interest expenses	610	1,288
Compensation expenses	14,448	4,509
Depreciation of assets for rent	8,492	7,613
Share of loss of entities accounted for using equity method	10,101	–
Other	6,707	4,615
Total non-operating expenses	40,360	18,027
Ordinary profit (loss)	(323,442)	436,742
Extraordinary income		
Gain on sale of non-current assets	8,850	282
Total extraordinary income	8,850	282
Extraordinary losses		
Loss on retirement of non-current assets	734	134
Total extraordinary losses	734	134
Profit (loss) before income taxes	(315,326)	436,890
Income taxes - current	2,501	2,493
Income taxes - deferred	51,645	17,605
Total income taxes	54,147	20,099
Profit (loss)	(369,473)	416,790
Profit (loss) attributable to owners of parent	(369,473)	416,790



**Quarterly consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	(369,473)	416,790
Other comprehensive income		
Valuation difference on available-for-sale securities	49,691	26,408
Remeasurements of defined benefit plans, net of tax	12,695	(17,983)
Total other comprehensive income	62,387	8,424
Comprehensive income	(307,086)	425,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(307,086)	425,215
Comprehensive income attributable to non-controlling interests	–	–

### **(3)Notes to quarterly consolidated financial statements**

#### **Notes on premise of going concern**

Not applicable

#### **Notes on significant changes in the amount of shareholders' equity**

Not applicable

#### **Application of special accounting for preparing quarterly consolidated financial statements**

Not applicable

#### **Changes in accounting policies**

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Application Guidance of 2022”). This change in the accounting policy has no impact on the quarterly consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Application Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. The change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in the accounting policy has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

#### **Changes in accounting estimates**

Not applicable

#### **Additional information**

Not applicable

#### **Notes to quarterly consolidated statements of cash flows**

Quarterly consolidated statements of cash flows for the three months ended June 30, 2024 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 are as follows.

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	684,143	310,478
Amortization of goodwill	3,170	–

**Notes to segment information, etc.**

Segment information

The three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023) and the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

The Group consists of a single operating segment, of which business activities are manufacturing and selling electric and electronic components, and the entire Group formulates comprehensive business strategies and conducts business activities. Accordingly, segment information has been omitted.