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October 28, 2022

## Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange  
 Securities code: 6832  
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 Scheduled date to file quarterly securities report: November 14, 2022  
 Scheduled date to commence dividend payments: December 1, 2022  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

#### (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	%
Six months ended								
September 30, 2022	20,657	(5.9)	1,102	(44.6)	1,409	(33.4)	972	(32.8)
September 30, 2021	21,961	—	1,989	—	2,115	—	1,447	—

Note: Comprehensive income For the six months ended September 30, 2022: ¥954 million [(39.0)%]  
 For the six months ended September 30, 2021: ¥1,565 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2022	81.04	—
September 30, 2021	120.65	—

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and each figure for the six months ended September 30, 2021, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2022	59,739	51,553	86.3	4,296.41
March 31, 2022	61,152	50,946	83.3	4,245.83

Reference: Equity  
 As of September 30, 2022: ¥51,553 million  
 As of March 31, 2022: ¥50,946 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, 2022	–	27.00	–	29.00	56.00
Fiscal year ending March 31, 2023	–	27.00			
Fiscal year ending March 31, 2023 (Forecast)			–	29.00	56.00

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, 2023 (from April 1, 2022 to March 31, 2023)

(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	44,000	1.5	2,500	(24.5)	2,500	(39.5)	1,750	(37.5)	145.84

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

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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

Note: For details, please refer to “Changes in accounting policies” of “(3) Notes to quarterly consolidated financial statements” in “2. Quarterly consolidated financial statements and significant notes thereto.”

(4) Number of issued shares (common shares)

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

As of September 30, 2022	12,000,000 shares
As of March 31, 2022	12,000,000 shares

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

As of September 30, 2022	899 shares
As of March 31, 2022	899 shares

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

Six months ended September 30, 2022	11,999,101 shares
Six months ended September 30, 2021	11,999,101 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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.

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## 1. Qualitative information on the quarterly financial results

### (1) Operating results

During the six months ended September 30, 2022, the Japanese economy maintained its track of recovery together with its move to balance COVID-19 preventive measures with social and economic activities. However, the outlook remains uncertain due to fluctuations in the foreign exchange market caused by the sharp depreciation of the yen and rising prices due to soaring resource prices. Overseas, concern is growing over the economic downside risk caused by global inflation and monetary tightening as well as the impact on resource prices and the supply chain caused by the prolonged geopolitical risk in Eastern Europe.

In the electronic components industry, to which the Group belongs, consumption of digital equipment and household electronics ran its course, resulting in decreased sales. Demand for components for mobile information devices also fell rapidly due to the slowdown in the Chinese economy caused by strict restrictions. The future also appears extremely challenging due to surging prices for raw materials and inventory adjustments caused by market deterioration.

Amid these circumstances, for the six months ended September 30, 2022, consolidated net sales totaled ¥20,657 million (decrease of ¥1,303 million (-5.9%) year on year), operating profit totaled ¥1,102 million (decrease of ¥886 million (-44.6%) year on year) due to soaring electricity and raw material prices as well as increased depreciation associated with upfront investments, ordinary profit totaled ¥1,409 million (decrease of ¥705 million (-33.4%) year on year) due to foreign exchange gains caused by yen depreciation despite a decrease in net sales, and profit attributable to owners of parent totaled ¥972 million (decrease of ¥475 million (-32.8%) year on year).

With regard to net sales by category of the Group's products, integrated circuits recorded ¥17,689 million (decrease of ¥1,218 million (-6.4%) year on year) due to a large decline in demand for components for mobile information devices caused by the stagnation of the Chinese economy. Sales of functional components totaled ¥2,944 million (decrease of ¥47 million (-1.6%) year on year) due to struggling orders for thermal print heads overseas.

### (2) Financial position

Assets as of September 30, 2022 totaled ¥59,739 million (decrease of ¥1,413 million from the end of the previous fiscal year) due to a decrease in cash and deposits, and notes and accounts receivable-trade. Liabilities totaled ¥8,186 million (decrease of ¥2,020 million from the end of the previous fiscal year) due to a decrease in trade payables and income taxes payable. As a result, net assets totaled ¥51,553 million (increase of ¥606 million from the end of the previous fiscal year), and the equity-to-asset ratio was 86.3%.

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

Regarding the financial results forecast for the fiscal year ending March 31, 2023, no changes have been made to the consolidated financial results forecast announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2022" on May 11, 2022.

**2. Quarterly consolidated financial statements and significant notes thereto**  
**(1) Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	24,114,441	23,736,014
Notes and accounts receivable - trade	9,438,508	8,071,176
Electronically recorded monetary claims - operating	2,221,023	2,675,554
Securities	3,000,000	3,000,000
Merchandise and finished goods	154,269	135,466
Work in process	950,571	893,897
Raw materials and supplies	1,887,534	2,355,730
Prepaid expenses	77,291	129,905
Other	874,083	290,151
Total current assets	42,717,723	41,287,896
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,301,681	20,872,544
Accumulated depreciation and impairment	(15,508,630)	(15,270,399)
Buildings and structures, net	5,793,051	5,602,145
Machinery, equipment and vehicles	46,354,918	45,358,659
Accumulated depreciation and impairment	(43,519,030)	(42,519,184)
Machinery, equipment and vehicles, net	2,835,887	2,839,475
Tools, furniture and fixtures	8,684,170	8,713,882
Accumulated depreciation and impairment	(8,056,393)	(8,119,318)
Tools, furniture and fixtures, net	627,776	594,564
Land	3,463,289	3,463,788
Leased assets	337,161	315,129
Accumulated depreciation and impairment	(187,874)	(190,597)
Leased assets, net	149,287	124,532
Construction in progress	700,910	1,102,407
Total property, plant and equipment	13,570,201	13,726,913
Intangible assets		
Goodwill	136,350	130,009
Other	165,254	149,081
Total intangible assets	301,605	279,090
Investments and other assets		
Investment securities	2,694,487	2,629,241
Retirement benefit asset	377,488	409,303
Deferred tax assets	1,084,140	1,046,901
Other	407,117	359,988
Total investments and other assets	4,563,233	4,445,435
Total non-current assets	18,435,041	18,451,439
Total assets	61,152,764	59,739,335

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,471,090	2,125,909
Electronically recorded obligations - operating	1,504,218	1,234,003
Short-term borrowings	190,000	190,000
Current portion of long-term borrowings	306,028	263,532
Lease liabilities	63,542	59,339
Accounts payable - other	2,441,021	1,905,262
Income taxes payable	1,128,147	438,840
Provision for bonuses	721,662	722,489
Other	660,977	710,796
<b>Total current liabilities</b>	<b>9,486,688</b>	<b>7,650,172</b>
<b>Non-current liabilities</b>		
Long-term borrowings	302,177	191,679
Lease liabilities	109,399	82,714
Deferred tax liabilities	1,377	1,387
Retirement benefit liability	216,791	173,266
Asset retirement obligations	27,595	27,669
Other	62,592	59,354
<b>Total non-current liabilities</b>	<b>719,934</b>	<b>536,070</b>
<b>Total liabilities</b>	<b>10,206,623</b>	<b>8,186,243</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	40,402,686	41,027,097
Treasury shares	(1,881)	(1,881)
<b>Total shareholders' equity</b>	<b>50,737,255</b>	<b>51,361,665</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	243,992	203,586
Remeasurements of defined benefit plans	(35,106)	(12,160)
<b>Total accumulated other comprehensive income</b>	<b>208,886</b>	<b>191,426</b>
<b>Total net assets</b>	<b>50,946,141</b>	<b>51,553,092</b>
<b>Total liabilities and net assets</b>	<b>61,152,764</b>	<b>59,739,335</b>

**(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**  
**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	21,961,180	20,657,960
Cost of sales	17,736,187	17,298,299
Gross profit	4,224,993	3,359,660
Selling, general and administrative expenses	2,235,888	2,256,878
Operating profit	1,989,104	1,102,782
Non-operating income		
Interest income	834	731
Dividend income	6,021	7,149
Foreign exchange gains	75,761	262,601
Technical support fee income	20,354	30,608
Compensation income	1,836	24,972
Rental income	17,234	17,234
Share of profit of entities accounted for using equity method	5,252	–
Other	38,879	31,881
Total non-operating income	166,175	375,178
Non-operating expenses		
Interest expenses	2,902	3,094
Compensation expenses	15,216	39,075
Depreciation of assets for rent	13,017	15,754
Share of loss of entities accounted for using equity method	–	1,020
Other	8,632	9,245
Total non-operating expenses	39,769	68,190
Ordinary profit	2,115,510	1,409,769
Extraordinary income		
Gain on sale of non-current assets	11,084	23,754
Total extraordinary income	11,084	23,754
Extraordinary losses		
Loss on retirement of non-current assets	6,896	50,541
Loss on valuation of investment securities	3,292	–
Environmental expenses	–	1,467
Total extraordinary losses	10,189	52,008
Profit before income taxes	2,116,405	1,381,515
Income taxes - current	639,749	364,877
Income taxes - deferred	29,001	44,253
Total income taxes	668,751	409,131
Profit	1,447,654	972,384
Profit attributable to owners of parent	1,447,654	972,384



**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,447,654	972,384
Other comprehensive income		
Valuation difference on available-for-sale securities	101,350	(40,406)
Remeasurements of defined benefit plans, net of tax	16,501	22,946
Total other comprehensive income	117,851	(17,459)
Comprehensive income	1,565,505	954,924
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,565,505	954,924
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**

*Application of the "Implementation Guidance on Accounting Standard for Measurement of Fair Value"*

The Company has applied "Implementation Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Implementation Guidance on Accounting Standard for Measurement of Fair Value") effective from the beginning of the first quarter of the current fiscal year, and in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Measurement of Fair Value, the new accounting policy will be applied prospectively.

There is no effect on the quarterly consolidated financial statements for the six months ended September 30, 2022.

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

Not applicable

#### **Additional information**

*Accounting estimates related to the impact of the spread of COVID-19*

An impact on the economy and corporate activities is expected due to the global spread of COVID-19. Although it is difficult to estimate the impact on our financial results for the six months ended September 30, 2022, the Group has determined the accounting estimates for impairment accounting of non-current assets, recoverability of deferred tax assets, etc. to the extent that can currently be estimated.

#### **Segment information**

Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021) and the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

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.