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February 5, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

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 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended								
December 31, 2024	26,303	3.1	761	–	865	–	781	–
December 31, 2023	25,518	(13.1)	(942)	–	(797)	–	(821)	–

Note: Comprehensive income For the nine months ended December 31, 2024: ¥723 million [–%]
 For the nine months ended December 31, 2023: ¥(792) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	69.77	–
December 31, 2023	(68.50)	–

(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
December 31, 2024	50,583	43,280	85.6	3,864.64
March 31, 2024	50,134	43,161	86.1	3,854.03

Reference: Equity As of December 31, 2024: ¥43,280 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	–	25.00	–		
Fiscal year ending March 31, 2025 (Forecast)				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
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) Application 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 December 31, 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 December 31, 2024	801,000 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)

Nine months ended December 31, 2024	11,199,010 shares
Nine months ended December 31, 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. Summary of operating results, etc.

(1) Operating results during the period under review

During the nine months ended December 31, 2024, the Japanese economy maintained its track of moderate recovery with an improved employment and personal income environment and expanded demand from inbound tourism. On the other hand, the economic outlook remains uncertain and challenging with some standstill anticipated due to factors such as soaring prices of raw materials and energy due to the unstable global situation, and weak consumer sentiment as a result of sustained high prices. Overseas, the U.S. economy has underlying strength due to strong domestic demand mainly from favorable personal consumption and corporate capital investment. In China, the economy lacked strength mainly due to a prolonged real estate recession and a worsening of the employment and personal income environment. However, we are seeing growth in the digital economy with progress in the digital revolution boosted by strengthening large-scale investments by the government in high-tech industries and China is swiftly becoming more competitive in global markets.

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, mainly due to the impact of a lack of strength in the recovery of demand for components for industrial equipment as well as the prolonged slump for automotive components against the backdrop of a slowdown in the pace of growth in demand for electric vehicles (EVs).

Amid these circumstances, for the nine months ended December 31, 2024, consolidated net sales totaled ¥26,303 million (increase of ¥785 million (+3.1%) year on year), operating profit totaled ¥761 million (compared with operating loss of ¥942 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 ¥865 million (compared with ordinary loss of ¥797 million in the same period of the previous fiscal year), and profit attributable to owners of parent totaled ¥781 million (compared with loss attributable to owners of parent of ¥821 million in the same period of the previous fiscal year).

With regard to the Group's net sales by category, integrated circuits recorded ¥22,958 million (increase of ¥396 million (+1.8%) year on year) due to an increase in orders for components for mobile information devices and consumer devices. Sales of functional components totaled ¥3,318 million (increase of ¥366 million (+12.4%) year on year) due to an increase in orders for thermal print heads accompanying the progress in inventory adjustments.

In accordance with the reorganization in December 2024, the Company newly establishes the Advanced Package Promotion Department to consolidate and strengthen resources, and swiftly accelerates our efforts to achieve efficient manufacturing processes and construct a production line on a quick timeline.

(2) Financial position during the period under review

Assets as of December 31, 2024 totaled ¥50,583 million (increase of ¥449 million from the end of the previous fiscal year) mainly due to increases in trade receivables, and property, plant and equipment, despite a decrease in cash and deposits. Liabilities totaled ¥7,303 million (increase of ¥330 million from the end of the previous fiscal year) due to increases in trade payables and short-term borrowings, despite a decrease in provision for bonuses. As a result, net assets totaled ¥43,280 million (increase of ¥118 million from the end of the previous fiscal year), and the equity-to-asset ratio was 85.6%.

(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 December 31, 2024
Assets		
Current assets		
Cash and deposits	20,056,678	18,805,539
Notes and accounts receivable - trade	6,520,586	6,855,624
Electronically recorded monetary claims - operating	1,683,421	1,983,818
Securities	3,000,000	3,000,000
Merchandise and finished goods	63,176	80,592
Work in process	905,065	1,070,439
Raw materials and supplies	1,954,610	2,163,588
Prepaid expenses	86,392	144,713
Other	678,473	288,817
Total current assets	34,948,405	34,393,133
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,578,392	23,261,369
Accumulated depreciation and impairment	(17,007,723)	(17,583,689)
Buildings and structures, net	5,570,669	5,677,679
Machinery, equipment and vehicles	45,463,641	45,904,617
Accumulated depreciation and impairment	(44,714,908)	(44,250,870)
Machinery, equipment and vehicles, net	748,732	1,653,747
Tools, furniture and fixtures	8,778,433	8,834,045
Accumulated depreciation and impairment	(8,686,858)	(8,646,728)
Tools, furniture and fixtures, net	91,575	187,316
Land	3,453,102	3,453,102
Leased assets	311,308	311,946
Accumulated depreciation and impairment	(208,047)	(196,334)
Leased assets, net	103,260	115,612
Construction in progress	541,684	437,230
Total property, plant and equipment	10,509,025	11,524,687
Intangible assets	117,174	108,710
Investments and other assets		
Investment securities	2,948,981	2,955,863
Retirement benefit asset	1,320,318	1,384,234
Deferred tax assets	47,428	38,778
Other	242,908	178,047
Total investments and other assets	4,559,637	4,556,924
Total non-current assets	15,185,837	16,190,322
Total assets	50,134,243	50,583,456

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,719,617	2,080,216
Electronically recorded obligations - operating	916,022	795,653
Short-term borrowings	190,000	475,000
Current portion of long-term borrowings	233,496	192,684
Lease liabilities	52,292	45,800
Accounts payable - other	1,694,444	1,791,380
Income taxes payable	62,151	65,649
Provision for bonuses	681,035	167,825
Other	535,235	928,373
Total current liabilities	6,084,296	6,542,582
Non-current liabilities		
Long-term borrowings	474,185	345,500
Lease liabilities	60,855	77,750
Deferred tax liabilities	230,681	239,034
Retirement benefit liability	37,430	34,266
Asset retirement obligations	27,890	28,002
Other	57,476	36,250
Total non-current liabilities	888,518	760,803
Total liabilities	6,972,815	7,303,386
Net assets		
Shareholders' equity		
Share capital	4,545,500	4,545,500
Capital surplus	5,790,950	5,790,950
Retained earnings	33,836,814	34,013,391
Treasury shares	(1,961,228)	(1,961,302)
Total shareholders' equity	42,212,036	42,388,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310,676	306,766
Remeasurements of defined benefit plans	638,714	584,763
Total accumulated other comprehensive income	949,391	891,529
Total net assets	43,161,427	43,280,069
Total liabilities and net assets	50,134,243	50,583,456

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

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	25,518,299	26,303,801
Cost of sales	23,300,614	22,070,853
Gross profit	2,217,685	4,232,947
Selling, general and administrative expenses	3,159,784	3,471,446
Operating profit (loss)	(942,099)	761,500
Non-operating income		
Interest income	1,189	6,516
Dividend income	15,912	17,906
Technical support fee income	60,279	16,347
Compensation income	14,587	9,558
Rental income	23,210	23,756
Subsidy income	24,783	-
Foreign exchange gains	59,543	6,978
Share of profit of entities accounted for using equity method	-	16,692
Other	54,340	74,694
Total non-operating income	253,847	172,451
Non-operating expenses		
Interest expenses	2,711	4,597
Compensation expenses	47,122	23,931
Depreciation of assets for rent	26,951	24,280
Share of loss of entities accounted for using equity method	20,529	-
Other	11,803	15,712
Total non-operating expenses	109,118	68,522
Ordinary profit (loss)	(797,370)	865,429
Extraordinary income		
Gain on sale of non-current assets	69,210	484
Gain on sale of investment securities	1,040	-
Total extraordinary income	70,250	484
Extraordinary losses		
Loss on sale of non-current assets	21,293	-
Loss on retirement of non-current assets	12,457	5,653
Environmental expenses	19,590	-
Total extraordinary losses	53,341	5,653
Profit (loss) before income taxes	(780,461)	860,261
Income taxes - current	7,599	36,821
Income taxes - deferred	33,884	42,116
Total income taxes	41,484	78,937
Profit (loss)	(821,946)	781,323
Profit (loss) attributable to owners of parent	(821,946)	781,323

Quarterly consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit (loss)	(821,946)	781,323
Other comprehensive income		
Valuation difference on available-for-sale securities	16,307	(3,910)
Remeasurements of defined benefit plans, net of tax	12,829	(53,951)
Total other comprehensive income	29,136	(57,861)
Comprehensive income	(792,809)	723,462
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(792,809)	723,462
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 accounting treatment specific to the preparation of quarterly consolidated financial statements

Not applicable

Changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations

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 nine months ended December 31, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024. This change in the accounting policy has no impact on the quarterly consolidated financial statements for the nine months ended December 31, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024.

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 nine months ended December 31, 2024 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and 2024 are as follows.

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	2,263,778	1,202,592
Amortization of goodwill	9,512	—

Notes to segment information, etc.

Segment information

The nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023) and the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 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.