

SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the Fiscal Year Ending March 31, 2024

May 14, 2024

Company Name: YAMAICHI ELECTRONICS CO., LTD.

Stock listing: Tokyo Stock Exchange – Prime Market

Code: 6941 URL: <https://www.yamaichi.co.jp>

President: Junichi Kameya

Managing Director: Kazuhiro Matsuda Tel: +81-3-3734-0115

Scheduled date of ordinary general meeting of shareholders: June 26, 2024

Scheduled date of securities report submission: June 26, 2024

Scheduled date of dividend payment commencement: June 27, 2024

Supplementary materials for the quarterly financial statements: Yes

Presentation to explain for the quarterly financial statement: Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2024

(1) Consolidated Operating Results (aggregated)

(Percentage figures represent changes from the same period of the previous year.)

| Year ended | Net Sales | | Operating income | | Ordinary income | | Profit Attributable to owners of parent | |
|----------------|-----------------|-------|------------------|-------|-----------------|-------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2024 | 36,423 | △22.5 | 2,933 | △67.9 | 2,914 | △69.2 | 2,060 | △71.4 |
| March 31, 2023 | 46,985 | 18.7 | 9,134 | 9.1 | 9,450 | 8.1 | 7,212 | 6.5 |

Notes: Comprehensive income Year ended March 31, 2024 ¥3,880 million (△52.5%)

Year ended March 31, 2023 ¥8,160 million (5.9%)

| Year ended | Net profit per share | Diluted net profit per share | Return on equity | Return on assets | Operating income ratio |
|----------------|----------------------|------------------------------|------------------|------------------|------------------------|
| | Yen | Yen | % | % | % |
| March 31, 2024 | 100.43 | — | 5.5 | 5.7 | 8.1 |
| March 31, 2023 | 346.08 | — | 21.1 | 19.7 | 19.4 |

(2) Consolidated Financial Positions

| Year ended | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2024 | 51,062 | 38,264 | 74.6 | 1,862.43 |
| March 31, 2023 | 50,368 | 37,013 | 72.9 | 1,770.47 |

Reference: Shareholders' equity as of March 31, 2024: ¥38,074 million; as of March 31, 2023: ¥36,713 million.

(3) Consolidated Cash Flows

| Year ended | Net cash provided by operating activities | Net cash used in investing activities | Net cash used in financing activities | Cash and cash equivalents at the end of period |
|----------------|---|---------------------------------------|---------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2024 | 3,230 | △4,221 | △3,432 | 13,072 |
| March 31, 2023 | 10,846 | △4,858 | △3,355 | 16,734 |

2. Dividends

| | Dividends per share | | | | | Total dividends | Dividend payout | Dividend on equity |
|--------------------------------------|---------------------|-------|-----|-------|--------|-----------------|-----------------|--------------------|
| | 1Q | 2Q | 3Q | 4Q | Total | | | |
| Year ended | Yen | Yen | Yen | Yen | Yen | Millions | % | % |
| March 31, 2023 | — | 35.00 | — | 69.00 | 104.00 | 2,156 | 30.1 | 6.4 |
| March 31, 2024 | — | 18.00 | — | 13.00 | 31.00 | 633 | 30.9 | 1.7 |
| Forecast; Year ending March 31, 2025 | — | 35.00 | — | 39.00 | 74.00 | | 30.3 | |

Note: The year-end dividend per share for the fiscal year ending March 2024 has been changed from 12 yen to 13 yen. For details, please see the “Notice Regarding Dividend of Surplus” announced on May 14, 2024.

3. Forecast of Consolidated Operating Results for the year ending March 31, 2025

(Percentage figures represent changes from the same period of previous year.)

| | Net Sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Net profit per share |
|-------------------------------------|-----------------|------|------------------|-------|-----------------|-------|---|-------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Half year ending September 30, 2024 | 24,300 | 30.6 | 4,700 | 199.4 | 4,500 | 170.2 | 3,100 | 158.6 | 151.64 |
| Year ending March 31, 2025 | 46,000 | 26.3 | 7,500 | 155.7 | 7,200 | 147.1 | 5,000 | 142.7 | 244.58 |

4. Other

(1) Changes in significant subsidiaries during current quarter consolidated period (changes in specified subsidiaries with change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc.: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

Note: For details, see Notes regarding consolidated financial statements (Changes in accounting policies) on page 12.

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury shares) at term end:

March 31, 2024 21,829,775 shares

March 31, 2023 23,329,775 shares

2) Number of treasury shares at term end:

March 31, 2024 1,386,398 shares

March 31, 2023 2,593,423 shares

3) Average number of outstanding shares:

March 31, 2024 20,512,628 shares

March 31, 2023 20,840,607 shares

* Summaries of financial statements are not subject to audit by certified public accountants or auditing firms.

* Explanation of the appropriate use of earnings forecasts and other special notes

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to us and certain assumptions that are judged to be reasonable. We do not commit to achieving these forecasts. Furthermore, actual results may differ significantly due to various factors. Overview of Business Results (4) Future Prospects” on page 5 of the attachment for the assumptions for the forecasts and notes on using the forecasts.

Overview of Business Results

(1) Summary of Business Results

In this consolidated cumulative period, the global economy progressed towards normalization as various countries lifted COVID-19 restrictions. However, the outlook remains uncertain due to concerns over economic slowdowns driven by monetary policies, primarily in the U.S. and Europe, amid prolonged inflation, unstable exchange rates, escalating resource costs due to the ongoing conflict in Ukraine, and rising new geopolitical risks predominantly in the Middle East.

Under these conditions, our test solutions business continued to face challenges from production adjustments and investment constraints due to sluggish demand in the semiconductor and memory markets for mobile devices, particularly smartphones, since the latter half of FY2022. Our connector solutions business was impacted by enduring inventory adjustments in the European industrial and North American telecommunications equipment markets. Despite efforts to mitigate the effects of rising raw material and energy costs, along with temporary overhead increases from new plant startups in Japan and the Philippines, our profitability was adversely affected.

As a result, our business performance in the consolidated fiscal year marked net sales of 36,423 million yen (a decrease of 22.5% year-on-year), operating profit of 2,933 million yen (a decrease of 67.9% year-on-year), ordinary profit of 2,914 million yen (a decrease of 69.2% year-on-year), and profit attributable to the owners of parent of 2,060 million yen (a decrease of 71.4% year-on-year).

Our business performance on a segment-by-segment basis is shown below.

[Test Solutions Business]

In the test socket segment, we were affected by sluggish market conditions, especially in the Chinese market, for its mainstay smartphone products. In addition, the PC market experienced a downturn due to a post-COVID-19 pandemic rebound in demand. In the burn-in socket segment, our sales of products for logic devices for automotive applications remained strong, but sales in other areas declined. As for products for memory semiconductors, there was a slight resumption of investment in DRAM in the second half of the fiscal year. However, the sales of products for NAND devices continued to be sluggish. Consequently, overall sales for memory semiconductors remained weak.

As a result, our business performance resulted in a net sales of 15,840 million yen (a decrease of 34.6% year-on-year), and the operating profit was 1,845 million yen (a decrease of 74.0% year-on-year).

[Connector Solutions Business]

Our products for on-vehicle equipment performed well due to increased production and new product launches by major customers. Our industrial equipment products were affected by inventory adjustments by customers in the European market, a major market. The demand for telecommunications equipment remained robust in Europe due to expanding requirements for high-speed, large-capacity transmissions amidst ongoing US-China economic tensions. However, it faced prolonged inventory adjustments from customers in North America.

As a result, our business performance resulted in a net sales of 19,229 million yen (a decrease of 8.8% year-on-year), and the operating profit was 929 million yen (a decrease of 43.0% year-on-year).

[Optics-related Business]

Inventory and production adjustments from some customers particularly affected our filter products for consumer electronics and high-value-added medical equipment.

As a result, our business performance resulted in 1,353 million yen (a decrease of 20.4% year-on-year), and the operating loss amounted to 21 million yen (compared to the operating profit of 181 million yen in the same period of the previous fiscal year).

(2) Overview of the Financial Condition for the Fiscal Year

(Assets)

Our current assets at the end of this consolidated cumulative period amounted to 29,715 million yen, a decrease of 2,979 million yen from the end of the previous consolidated cumulative period, mainly due to a decrease in cash and deposits of 4,126 million yen resulting from a decrease in net sales and the construction of a new building at the Company's Sakura Factory and a new production plant of our consolidated subsidiary, Pricon Microelectronics, Inc. noncurrent assets totaled 21,346 million yen, an increase of 3,672 million yen from the end of the previous consolidated cumulative period. This is mainly due to an increase of 2,796 million yen in buildings and structures resulting from the construction of a production plant.

As a result, our total assets amounted to 51,062 million yen, an increase of 693 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Our current liabilities at the end of this consolidated cumulative period amounted to 9,231 million yen, a decrease of 1,197 million yen from the end of the previous consolidated cumulative period, mainly due to a decrease of 734 million yen in the provision for bonuses and a decrease of 584 million yen in income taxes payable. Noncurrent liabilities amounted to 3,566 million yen, an increase of 639 million yen from the end of the previous consolidated cumulative period.

As a result, our total liabilities amounted to 12,797 million yen, a decrease of 557 million yen from the end of the previous consolidated fiscal year.

(Net Assets)

Our total net assets as of the end of this consolidated cumulative period amounted to 38,264 million yen, an increase of 1,250 million yen from the end of the previous consolidated cumulative period, mainly due to profit attributable to the owners of parent of 2,060 million yen and an increase in foreign currency translation adjustment of 1,703 million yen due to yen depreciation, despite dividends of surplus of 1,798 million yen and purchase of treasury shares of 699 million yen.

As a result, the equity ratio amounted to 74.6% (compared to 72.9% at the end of the previous consolidated cumulative period).

(3) Overview of Cash Flow for the Fiscal Period

During this consolidated cumulative period, our cash and cash equivalents (hereinafter referred to as "funds") decreased by 3,662 million yen from the end of the previous consolidated cumulative period. The funds resulted in 13,072 million yen at the end of the consolidated cumulative period.

The status of each cash flow and its factors during the consolidated cumulative period are explained below.

(Cash flows from operating activities)

The funds obtained from operating activities resulted in 3,230 million yen (a decrease of 70.2% year-on-year). This result was mainly due to the profit before income taxes of 3,084 million yen.

(Cash flows from investment activities)

The funds used in investment activities amounted to 4,221 million yen (a decrease of 13.1% year-on-year). This result was mainly due to the purchase of property, plant and equipment of 4,508 million yen.

(Cash flows from financing activities)

The funds used in financing activities amounted to 3,432 million yen (an increase of 2.3% year-on-year). This result was mainly due the dividends paid of 1,795 million yen and the purchase of treasury shares of 699 million yen.

(4) Future Prospects

The future of the global economy remains uncertain due to prolonged global inflation and continued monetary tightening in various countries, as well as increased geopolitical risks, particularly in Ukraine and the Middle East, and is expected to remain unpredictable.

As for the market environment surrounding the Group, although the degree of recovery in the mainstay semiconductor market varies by product type, we expect the market as a whole to continue to expand over the medium to long term.

Under these circumstances, in the test solutions business, the Group expects a business recovery in the mobile device market, including smartphones, which had been largely stagnant. In the memory semiconductor market, demand for products used for DRAM is expected to increase mainly for data centers, including generative AI, but recovery for products for NAND devices is expected to be slow. In the logic semiconductor market, we expect steady growth, mainly in products for ADAS. In the connector solutions business, we expect steady sales in the automotive equipment market and a gradual recovery in the telecommunications equipment market after inventory adjustments at customers have run their course. Still, there are concerns that inventory adjustments in the industrial equipment market will be prolonged in the mainstay European market.

Regarding the forecast for the full-year consolidated performance for the fiscal year ending in March 2025, we anticipate net sales of 46,000 million yen (an increase of 26.3% year-on-year), operating profit of 7,500 million yen (an increase of 155.7% year-on-year), ordinary profit of 7,200 million yen (an increase of 147.1% year-on-year), and profit attributable to the owners of parent of 5,000 million yen (an increase of 142.7% year-on-year).

The forecast assumption is based on exchange rates of 145.00 yen to the U.S. dollar and 155.00 yen to the euro.

Basic Concept of the Selection of Accounting Standards

For the time being, the Group's policy is to prepare its consolidated financial statements in accordance with Japanese Generally Accepted Accounting Principles (J-GAAP), considering the comparability of the consolidated financial statements from period to period and the comparability among companies.

We intend to consider the application of International Financial Reporting Standards in the future based on trends in the application of International Financial Reporting Standards by other domestic companies in the same industry.

Consolidated Balance Sheets

(Thousands of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| | Amount | Amount |
| (ASSETS) | | |
| Current assets | | |
| Cash and deposits | 17,230,607 | 13,104,279 |
| Notes | 41,854 | 31,000 |
| Electronically recorded monetary claims | 556,310 | 529,117 |
| Accounts receivable | 6,107,037 | 7,024,880 |
| Merchandise and finished goods | 3,321,857 | 2,895,435 |
| Work in process | 309,519 | 341,136 |
| Raw materials and supplies | 2,916,382 | 3,644,036 |
| Other | 2,244,823 | 2,176,346 |
| Allowance for doubtful accounts | △33,600 | △30,838 |
| Total current assets | 32,694,792 | 29,715,393 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 2,937,356 | 5,733,361 |
| Machinery, equipment and vehicles | 3,119,923 | 3,196,016 |
| Tools, furniture and fixtures | 1,766,225 | 1,860,595 |
| Land | 4,181,931 | 4,278,067 |
| Leased assets | 43,227 | 54,753 |
| Right-of-use assets | 2,827,041 | 3,281,071 |
| Construction in progress | 937,358 | 683,117 |
| Total property, plant and equipment | 15,813,063 | 19,086,984 |
| Intangible fixed assets | | |
| Software | 184,568 | 194,243 |
| Software in progress | — | 279,002 |
| Other | 44,930 | 44,062 |
| Total intangible fixed assets | 229,499 | 517,309 |
| Investments and other assets | | |
| Investment securities | 58,210 | 67,697 |
| Deferred tax assets | 313,385 | 277,662 |
| Net defined benefit asset | 766,773 | 850,179 |
| Other | 493,264 | 546,826 |
| Allowance for doubtful accounts | △0 | △0 |
| Total investments and other assets | 1,631,633 | 1,742,366 |
| Total non-current assets | 17,674,197 | 21,346,660 |
| Total assets | 50,368,989 | 51,062,054 |

(Thousands of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|---|----------------------|----------------------|
| | Amount | Amount |
| (LIABILITIES) | | |
| Current liabilities | | |
| Notes and accounts payable | 2,220,414 | 2,454,537 |
| Short-term borrowings | 3,060,860 | 2,759,870 |
| Current portion of long-term borrowings | 40,000 | 40,000 |
| Lease obligations | 337,870 | 404,659 |
| Income taxes payable | 1,493,465 | 908,989 |
| Provision for bonuses | 1,158,368 | 423,977 |
| Other | 2,117,860 | 2,239,739 |
| Total current liabilities | 10,428,839 | 9,231,773 |
| Non-current liabilities | | |
| Long-term borrowings | 450,000 | 410,000 |
| Lease obligations | 2,111,457 | 2,298,822 |
| Deferred tax liabilities | 19,957 | 254,410 |
| Provision for loss on litigation | 105,492 | 162,423 |
| Retirement benefit liability | 37,696 | 65,291 |
| Asset retirement obligations | 27,332 | 28,739 |
| Other | 174,227 | 346,373 |
| Total non-current liabilities | 2,926,165 | 3,566,062 |
| Total liabilities | 13,355,004 | 12,797,836 |
| (NET ASSETS) | | |
| Shareholders' equity | | |
| Capital stock | 10,084,103 | 10,084,103 |
| Capital surplus | 1,788,562 | 1,623,633 |
| Retained earnings | 26,782,778 | 25,297,550 |
| Treasury shares | △3,351,466 | △2,092,715 |
| Total shareholders' equity | 35,303,978 | 34,912,571 |
| Amount of other comprehensive income | | |
| Valuation difference on available-for-sale securities | 12,486 | 15,316 |
| Foreign currency translation adjustments | 1,452,885 | 3,156,806 |
| Remeasurments of defined benefit plans | △56,297 | △10,407 |
| Total amount of other comprehensive income | 1,409,074 | 3,161,715 |
| Subscription rights to shares | 178,200 | — |
| Non-controlling interests | 122,731 | 189,930 |
| Total net assets | 37,013,985 | 38,264,217 |
| Total liabilities and total net assets | 50,368,989 | 51,062,054 |

Consolidated Statements of Income

(Thousands of Yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| | Amount | Amount |
| Net sales | 46,985,438 | 36,423,844 |
| Cost of sales | 29,230,744 | 25,318,706 |
| Gross profit | 17,754,693 | 11,105,138 |
| Selling, general and administrative expenses | 8,620,245 | 8,171,657 |
| Operating profit | 9,134,448 | 2,933,480 |
| Non-operating income | | |
| Interests income | 29,644 | 64,740 |
| Dividend income | 5,634 | 11,562 |
| Foreign exchange gains | 428,152 | 184,257 |
| Gain on sales of scraps | 24,439 | 13,613 |
| Subsidy income | 28,135 | 19,287 |
| Other | 45,573 | 55,591 |
| Total non-operating income | 561,579 | 349,053 |
| Non-operating expenses | | |
| Interest expenses | 164,303 | 233,597 |
| Other | 13,101 | 50,699 |
| Factory relocation expenses | 63,060 | 58,937 |
| Other | 5,080 | 25,049 |
| Total non-operating expenses | 245,545 | 368,283 |
| Ordinary profit | 9,450,481 | 2,914,249 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 485 | 7,748 |
| Gain on sales of investment securities | — | 162,218 |
| Total extraordinary income | 485 | 169,966 |
| Profit before income taxes | 9,450,966 | 3,084,216 |
| Current income taxes | 2,336,878 | 710,043 |
| Deferred income taxes | △89,354 | 261,174 |
| Income taxes | 2,247,524 | 971,217 |
| Profit | 7,203,442 | 2,112,998 |
| Profit attributable to non-controlling interests | △9,012 | 52,817 |
| Profit attributable to owners of parent | 7,212,455 | 2,060,181 |

Consolidated Statements of Comprehensive Income

(Thousands of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| | Amount | Amount |
| Profit | 7,203,442 | 2,112,998 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 785 | 2,829 |
| Foreign currency translation adjustments | 959,125 | 1,718,302 |
| Remeasurements of defined benefit plans | △3,028 | 45,890 |
| Total other comprehensive income | 956,882 | 1,767,022 |
| Comprehensive income | 8,160,325 | 3,880,021 |
| (Attribute to) | | |
| Comprehensive income attributable to owners of parent | 8,163,824 | 3,812,822 |
| Comprehensive income attributable to non-controlling interests | △3,498 | 67,199 |

Consolidated Statements of Cash Flows

(Thousands of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| | Amount | Amount |
| Cash Flows from Operating Activities | | |
| Profit before income taxes | 9,450,966 | 3,084,216 |
| Depreciation | 2,658,418 | 2,789,582 |
| Interest and dividends income | △35,278 | △76,303 |
| Interest expenses | 164,303 | 233,597 |
| Exchange loss (△gain) | △457,968 | △288,353 |
| Loss (△gain) on retirement of noncurrent assets | 13,101 | 50,699 |
| Equipment relocation expenses | 63,060 | 58,937 |
| Loss (△gain) on sales of non-current assets | △485 | △7,748 |
| Loss (△gain) on sales of investment securities | — | △162,218 |
| Decrease (△increase) in notes and accounts receivable-trade | 2,368,207 | △236,672 |
| Decrease (△increase) in inventories | 262,264 | 237,670 |
| Increase (△decrease) in notes and accounts payable-trade | △281,102 | 29,324 |
| Increase (△decrease) in accounts payable-other | △96,871 | 9,554 |
| Increase (△decrease) in provision for bonuses | 122,014 | △752,315 |
| Decrease (△increase) in net defined benefit asset | △33,316 | △81,806 |
| Increase (△decrease) in net defined benefit liability | 15,658 | 32,707 |
| Increase (△decrease) in provision for directors' retirement benefits | △10,585 | — |
| Other, net | △715,184 | △199,724 |
| Sub total | 13,487,200 | 4,721,148 |
| Interest and dividends income received | 30,846 | 81,916 |
| Interest expenses paid | △163,777 | △233,898 |
| Income taxes paid | △2,507,349 | △1,338,167 |
| Net Cash provided by Operating Activities | 10,846,919 | 3,230,998 |

(Thousands of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| | Amount | Amount |
| Cash Flows from Investing Activities | | |
| Payments into time deposits | △476,855 | △3,523 |
| Proceeds from withdrawal of time deposits | — | 509,119 |
| Purchase of property, plant and equipment | △4,235,664 | △4,508,153 |
| Proceeds from sales of property, plant and equipment | 8,469 | 12,337 |
| Payments of loans receivable | △20,589 | △29,428 |
| Other, net | △133,634 | △201,679 |
| Net Cash used in Investing Activities | △4,858,275 | △4,221,328 |
| Cash flows from Financing Activities | | |
| Repayment of long-term borrowings | — | △540,720 |
| Redemption of bonds | 200,000 | — |
| Repayments of finance lease obligations | △20,000 | △40,000 |
| Purchase of treasury shares | △403,892 | △387,041 |
| Cash dividends paid | △698,086 | △699,928 |
| Proceeds from exercise of employee share options | △2,433,682 | △1,795,770 |
| | — | 31,147 |
| Net Cash used in Financing Activities | △3,355,662 | △3,432,313 |
| Effect of exchange rates changes on cash and cash equivalents | 553,023 | 760,169 |
| Net increase (△decrease) of cash and cash equivalents | 3,186,005 | △3,662,472 |
| Cash and Cash Equivalents at beginning of period | 13,548,863 | 16,734,869 |
| Cash and Cash Equivalents at the end of period | 16,734,869 | 13,072,396 |

Notes regarding consolidated financial statements

- Notes regarding going concern assumption

Not applicable.

- Changes in accounting policies

(Application of Handling of Accounting and Disclosure for Issuance and Possession of Rights to Display Securities by Electronic Record Transfer)

“Handling of Accounting and Disclosure for Issuance and Possession of Rights to Display Securities by Electronic Record Transfer” (Practical Response Report No. 43, August 26, 2022, Accounting Standards Board of Japan) was applied from the beginning of the current consolidated fiscal year. Please note that there is no impact on the consolidated financial statements.

Notes Regarding Significant Subsequent Events

Purchase of Treasury Shares

The Board of Directors, at a meeting held on May 14, 2024, resolved matters relating to the purchase of treasury shares pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, paragraph 3 of the said Act.

1. Reason for purchase of treasury shares

To enhance shareholder returns by implementing agile capital policies that respond to business environment changes and improve capital efficiency.

2. Details of matters relating to the purchase

(1) Type of shares to be acquired: Common shares of the Company

(2) Total number of shares to be acquired: 500,000 (maximum)

(Ratio to the total number of shares issued (excluding treasury shares): 2.44%)

(3) Purchase period: From June 1, 2024 to December 31, 2024

(4) Total purchase amount: 1,000,000,000 yen (maximum)

(5) Method of the purchase: Market purchase at the Tokyo Stock Exchange