

Financial Results for FY2023

May 14, 2024

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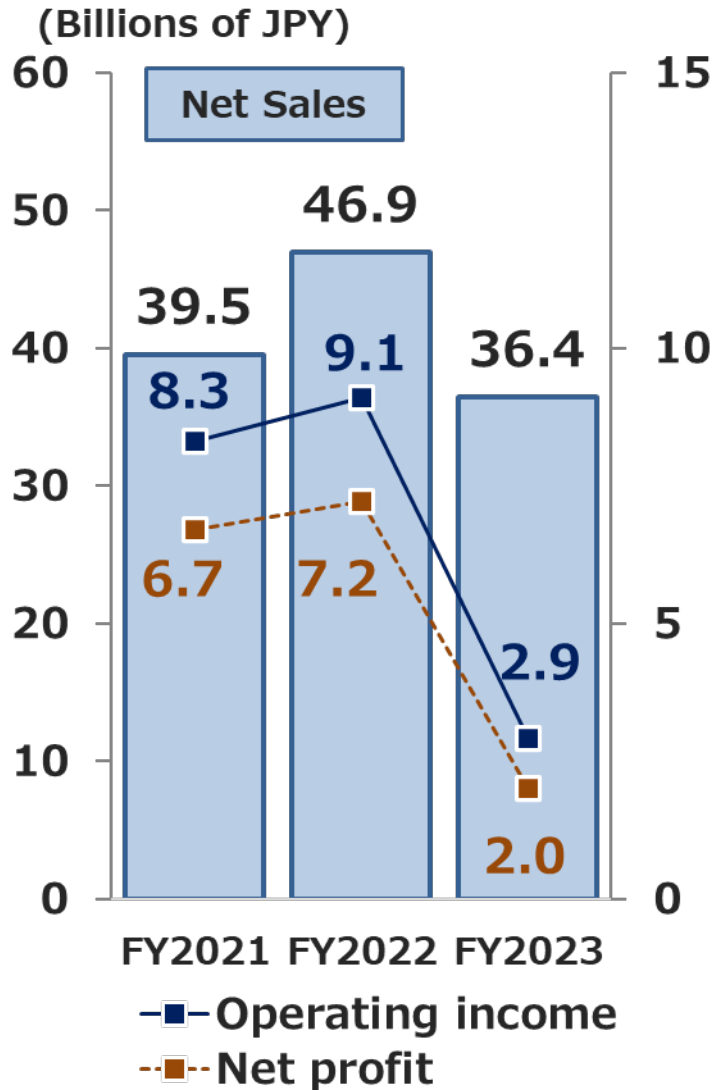
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Abbreviations Used in This Presentation

Business Segment	Abbreviation
Test Solution Business	TS Business
Connector Solution Business	CS Business
Optical-Related Business	OPT Business

Results

Profit was negatively impacted despite ongoing cost containment efforts implemented in response to cost growth caused by soaring raw material and energy prices and a temporary increase in overhead expenses related to the launching of new plants in Japan and the Philippines.



(Billions of JPY)	FY2022 Full-year results	FY2023		YoY increase (amount)	YoY increase (%)
		Forecast (as of Nov.7,2023)	Full-year results		
Net sales	46.9	38.4	36.4	(10.5)	-22.5%
Operating income	9.1	2.9	2.9	(6.2)	-67.9%
Ordinary income	9.4	2.8	2.9	(6.5)	-69.2%
Net profit	7.2	2.0	2.0	(5.1)	-71.4%
EPS (JPY)	346.08	97.50	100.43	(245.65)	----
BPS (JPY)	1770.47	----	1862.43	91.96	----

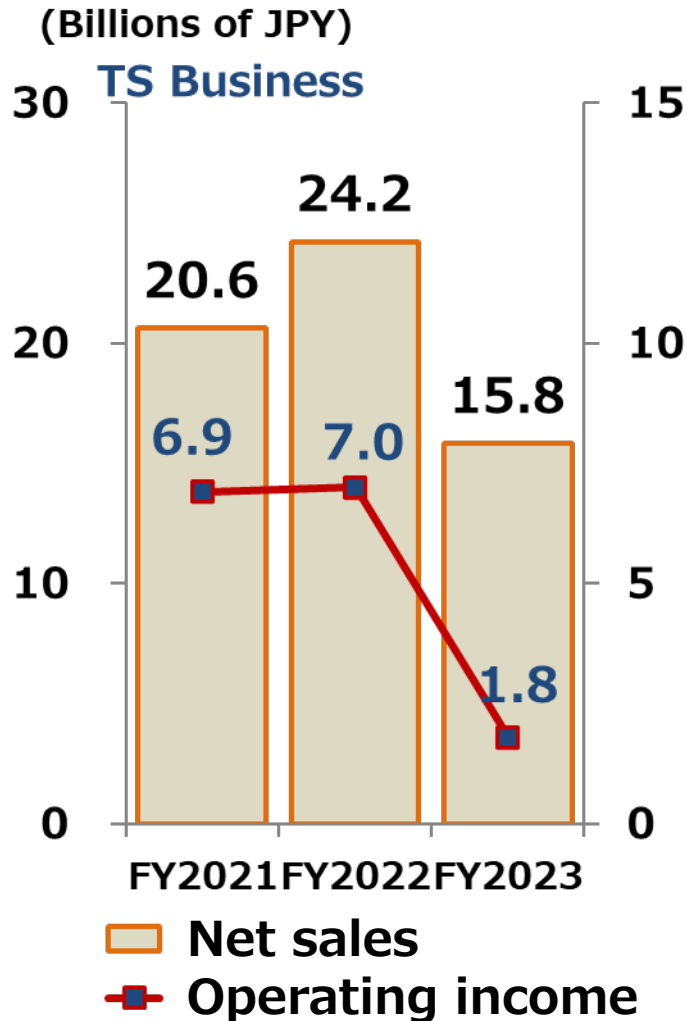
Forex rate	FY2022	FY2023	YoY change
USD (JPY)	135.47	144.64	9.17
EUR (JPY)	140.97	156.81	15.84

Results by Business

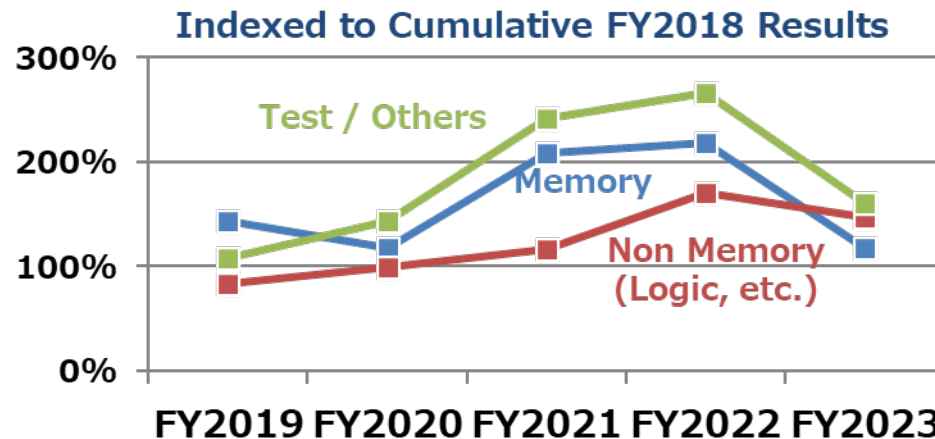
(Billions of JPY)		FY2022 Full-year results	FY2023		YoY increase (amount)	YoY increase (%)
			Forecast (as of Nov.7,2023)	Full-year results		
TS Business	Sales	24.2	17.1	15.8	(8.3)	-34.6%
	Operating income	7.0	1.7	1.8	(5.2)	-74.0%
CS Business	Sales	21.0	20.0	19.2	(1.8)	-8.8%
	Operating income	1.6	1.0	0.9	(0.7)	-43.0%
OPT Business	Sales	1.7	1.3	1.3	(0.3)	-20.4%
	Operating income	0.1	(0.0)	(0.0)	(0.2)	----
Others	Operating income (consolidated adjustment)	0.2	0.2	0.1	(0.0)	----
Total	Sales	46.9	38.4	36.4	(10.5)	-22.5%
	Operating income	9.1	2.9	2.9	(6.2)	-67.9%

TS Business Results

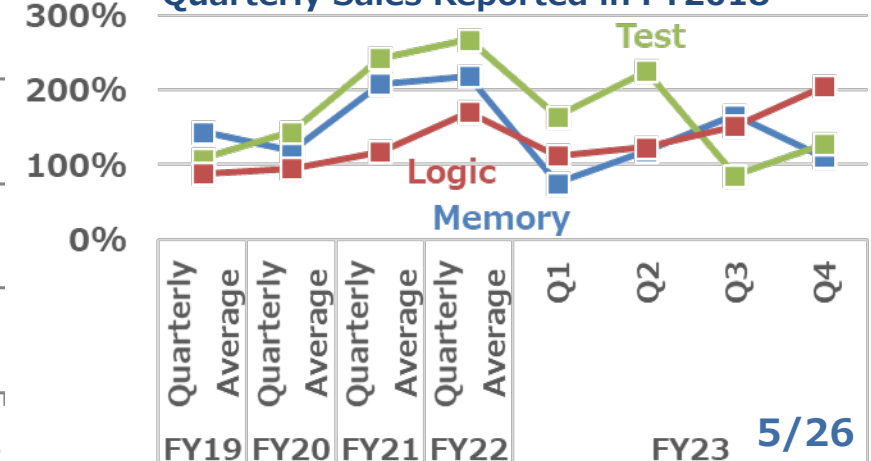
TS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	(8.3)	-34.6%
Operating income	(5.2)	-74.0%



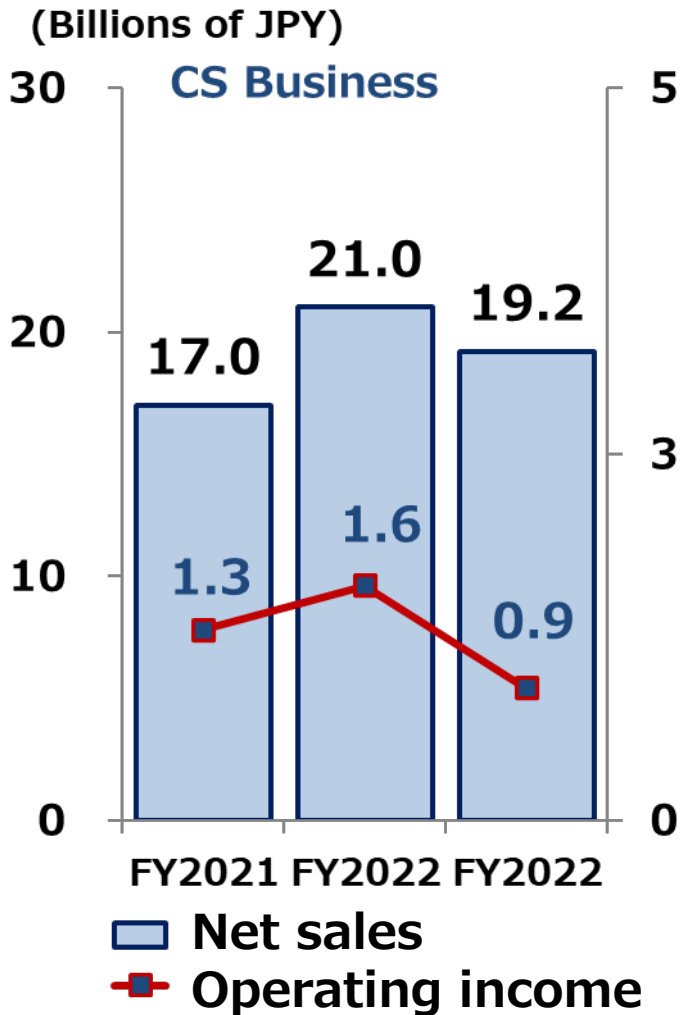
- ◆ With regard to the test socket product category, performance from our mainstay products with smartphone-related applications incurred impact from sluggish conditions, especially in the Chinese market, while results also took a hit from circumstances in the PC market, which slowed down due to the absence of previously observed COVID-19-related demand.
- ◆ In the sockets for logic semiconductors category, performance from products with automotive applications remained strong, but sales generated through products with applications in other fields declined.
- ◆ Despite a slight resumption of investment related to DRAM during 2H, performance from memory semiconductor products was lackluster overall due to ongoing sluggishness in sales generated through memory semiconductor products with NAND-related applications.
- ◆ Expenses increased due to soaring costs for raw materials and energy, as well as outlays associated with new plant startups. However, we made productivity and quality improvements to keep the impact to a minimum.



Sales by Product Type as Percentages of Average Quarterly Sales Reported in FY2018

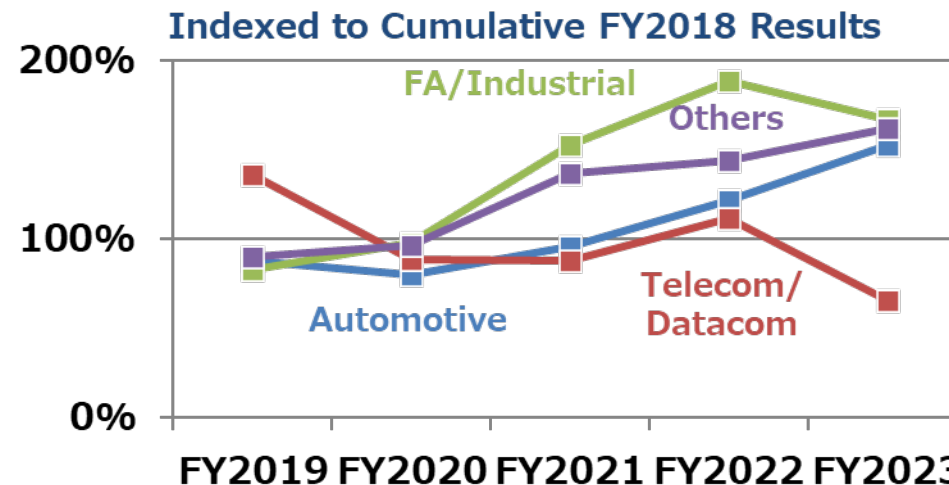


CS Business Results



CS Business	YoY increase (Billions of JPY)	YoY increase (%)
Sales	(1.8)	-8.8%
Operating income	(0.7)	-43.0%

- ◆ Products for the automotive market performed well, partly due to increased production volumes among major customers and positive impact from new product shipments.
- ◆ Products for the FA/industrial market were affected by inventory adjustments performed by customers in Europe, which is a key market.
- ◆ Products for the telecom/datacom market remained strong in Europe due to increased demand for high-speed, large-capacity transmission amid the continued impact of economic friction between the US and China, but were affected by protracted inventory adjustments among North American customers.
- ◆ Expenses increased due to soaring costs for raw materials and energy, as well as outlays associated with new plant startups. However, we made productivity and quality improvements to keep the impact to a minimum.



Forex Impact on Results

Forex rate	FY2022	FY2023	YoY change
USD (JPY)	135.47	144.64	+ 9.17
EUR (JPY)	140.97	156.81	+ 15.84

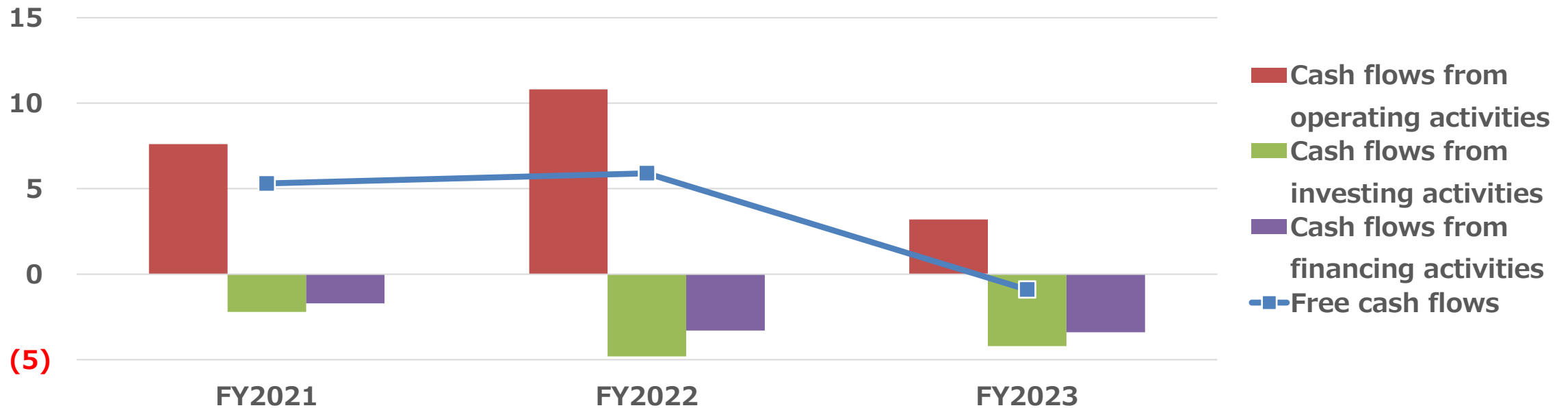


YoY Forex Impact	
Net sales	JPY 2.4 billion
Operating income	JPY 0.7 billion

Forex sensitivity (JPY1/year)	Impact on net sales	Impact on operating income
USD	JPY 0.13 billion	JPY 0.06 billion
EUR	JPY 0.07 billion	JPY 0.01 billion

Cash Flows

(Billions of JPY)	FY2021	FY2022	FY2023	YoY increase (amount)
Cash flows from operating activities	7.6	10.8	3.2	(7.6)
Cash flows from investing activities	(2.2)	(4.8)	(4.2)	0.6
Free cash flows	5.3	5.9	(0.9)	(6.9)
Cash flows from financing activities	(1.7)	(3.3)	(3.4)	(0.0)
Cash and cash equivalents at the end of period	13.5	16.7	13.0	(3.6)

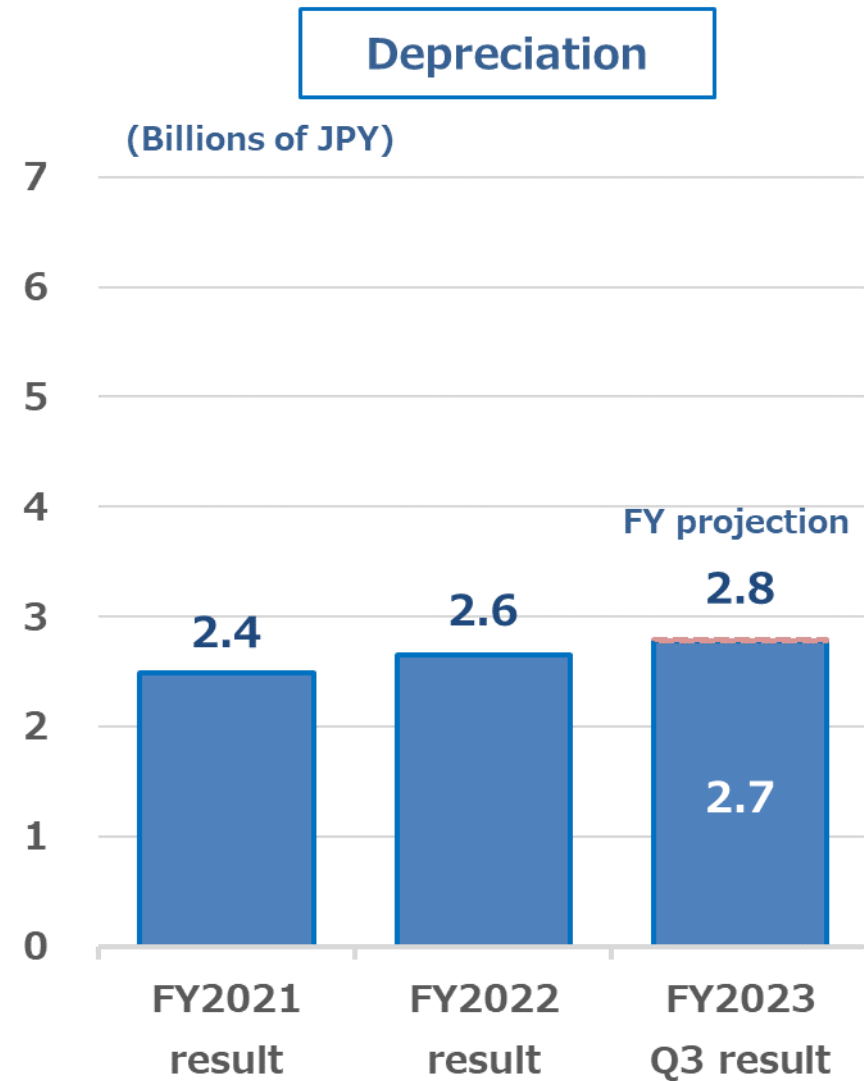
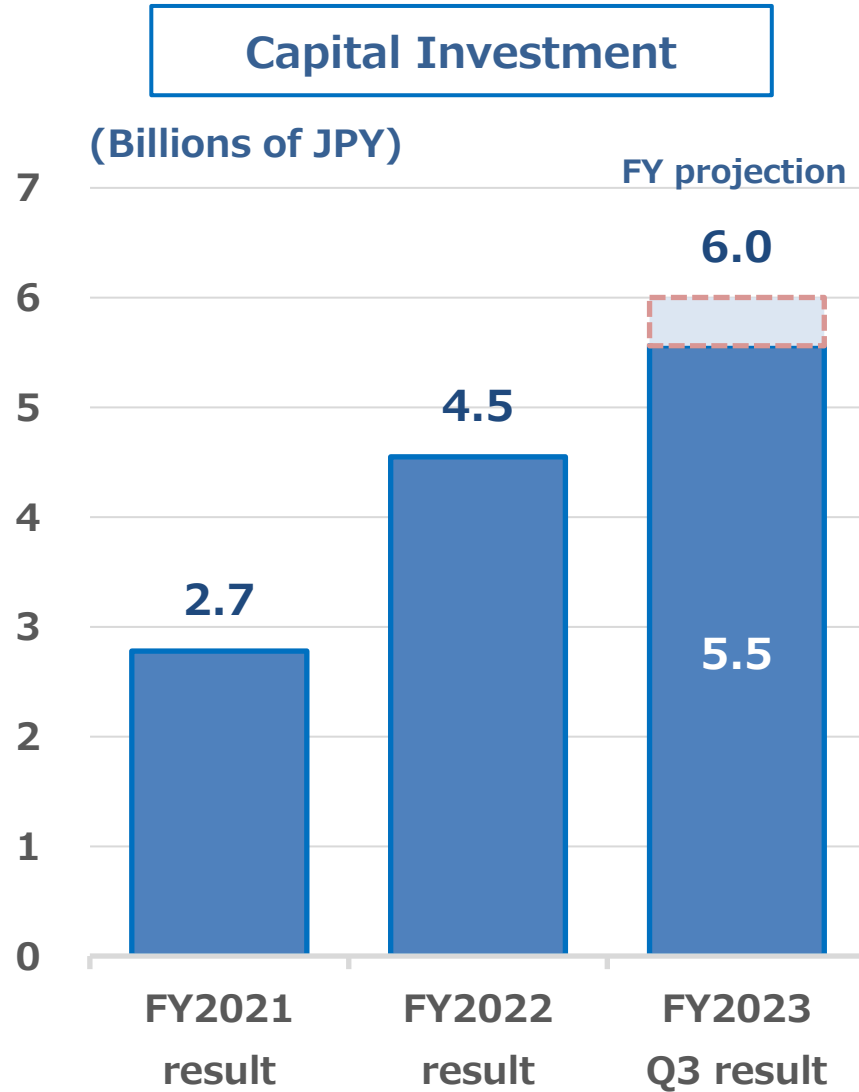


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Balance Sheet

Billions of JPY	End of Mar. 2022	End of Mar. 2024	Increase / decrease	Notes
Total current assets	32.6	29.7	(2.9)	Cash and deposits: JPY4.12bn decrease (Decrease in sales, expenditures for the construction of a new building at our Sakura Factory and a new factory in the Philippines)
Total Non-current assets	17.6	21.3	3.6	Buildings and structures: JPY2.79bn increase due to the construction of production factories
Total assets	50.3	51.0	0.6	
Total current liabilities	10.4	9.2	(1.1)	Income taxes payable: JPY580mn decrease Provision for bonuses: JPY730mn decrease
Total non-current liabilities	2.9	3.5	0.6	
Total liabilities	13.3	12.7	(0.5)	
Total net assets	37.0	38.2	1.2	
Total liabilities and net assets	50.3	51.0	0.6	

Capex and Depreciation



Shareholder Returns

◆ FY2023 Purchase of Treasury Shares

Board of Directors Resolution			Purchase of Treasury Shares		
Resolution date	Maximum number of shares to be acquired	Maximum purchase price	Number of shares acquired	Purchase price	Acquisition period (based on delivery dates)
May 12, 2023	400,000	JPY 700,000,000	307,300*1	JPY 699,783,000	June 2, 2023–July 21, 2023

***1) Percentage of outstanding shares (excluding treasury shares) : 1.50%**

◆ FY2023 Treasury Stock Cancellation Details

Board of Directors Resolution			
Date of resolution	Total number of shares to be cancelled	Projected number of shares outstanding following cancellation	Scheduled cancellation date
May 12, 2023	1,500,000 *2	21,829,775	May 26, 2023

*** 2) Percentage of shares outstanding before cancellation: 6.42%**

Reference: Treasury share holdings as of March 31, 2024

Outstanding shares (excluding treasury shares) : 20,443,377

Treasury shares : 1,386,398

Dividends in FY2023

- ◆ In its medium-term management plan, the Group announced its 30% dividend payout ratio target. We have maintained a ratio of 30% since FY2018. Based on operating results for the fiscal year under review, we revised the year-end dividend to JPY13.

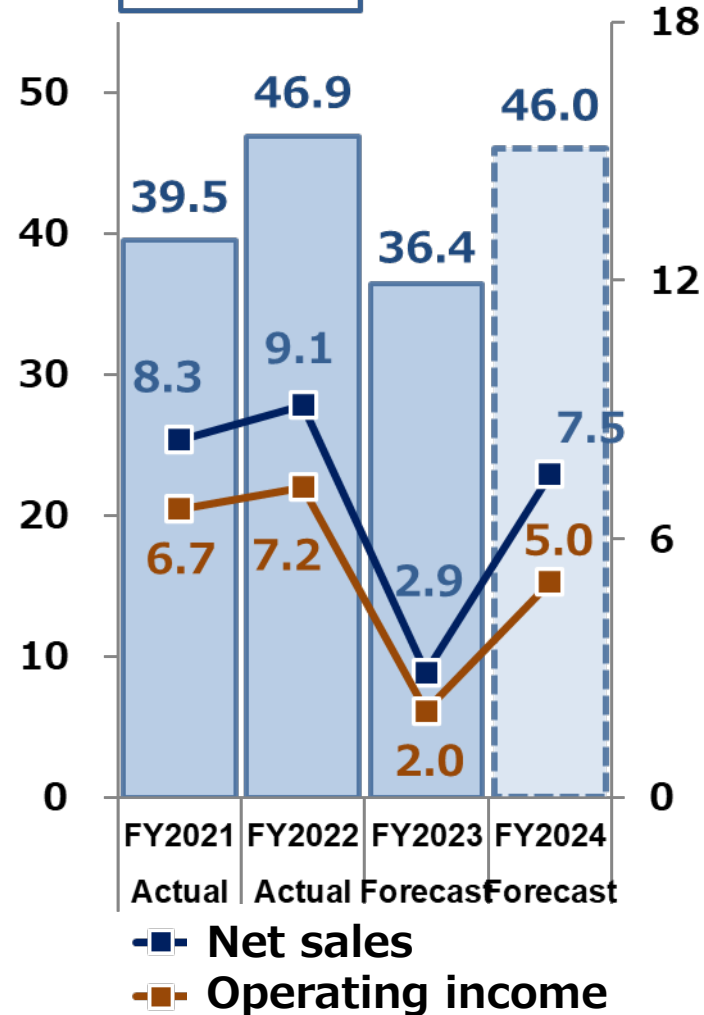
	Announced on May 12, 2023	Revised on November 7, 2023	Announced on May 14, 2024
Dividend per share	JPY66 Interim: JPY 25 Year-end: JPY 41	JPY30 Interim: JPY 18 Year-end: JPY 12	JPY31 Interim: JPY 18 Year-end: JPY 13
Total dividend	---	---	JPY 633 million
Dividend payout ratio (consolidated)	30.4%	---	30.9%
Dividends to net assets (consolidated)	---	---	1.7%

- ◆ We plan to propose the year-end dividend for the fiscal year ended March 31, 2024 during the Ordinary General Meeting of Shareholders scheduled for June 2024.

Forecast for Full-Year FY2024

(Billions of JPY)

Net Sales



(Billions of JPY)	FY2023 actual		FY2024 forecast			
	1 H	Full year	1 H	YoY increase	Full year	YoY increase
Net sales	18.6	36.4	24.3	5.6	46.0	9.5
Operating income	1.5	2.9	4.7	3.1	7.5	4.5
Ordinary income	1.6	2.9	4.5	2.8	7.2	4.2
Net profit	1.1	2.0	3.1	1.9	5.0	2.9
EPS (JPY)	58.24	100.43	151.64	93.40	244.58	144.15

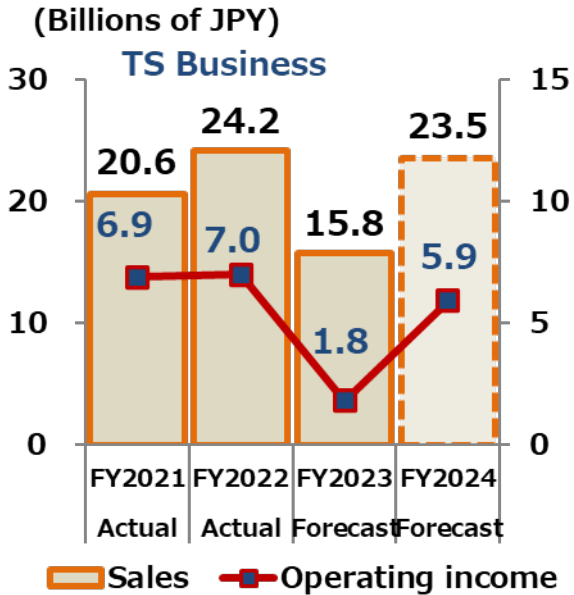
Exchange Rate Assumption

Forex rate	FY2023	FY2024	YoY change
USD (JPY)	144.64	145.00	0.36
EUR (JPY)	156.81	155.00	(1.81)

Individual Segment Forecasts for Full-Year FY2024

(Billions of JPY)		FY2023 actual		FY2024 forecast			
		1 H	Full year	1 H	YoY increase	Full year	YoY increase
TS Business	Sales	7.9	15.8	14.0	6.0	23.5	7.6
	Operating income	0.8	1.8	4.2	3.3	5.9	4.0
CS Business	Sales	9.9	19.2	9.6	(0.3)	21.0	1.7
	Operating income	0.5	0.9	0.5	(0.0)	1.5	0.6
OPT Business	Sales	0.7	1.3	0.7	(0.0)	1.5	0.1
	Operating income	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Others	Operating income (consolidated adjustment)	0.1	0.1	0.0	(0.1)	0.0	(0.1)
Total	Net sales	18.6	36.4	24.3	5.6	46.0	9.5
	Operating income	1.5	2.9	4.7	3.1	7.5	4.5

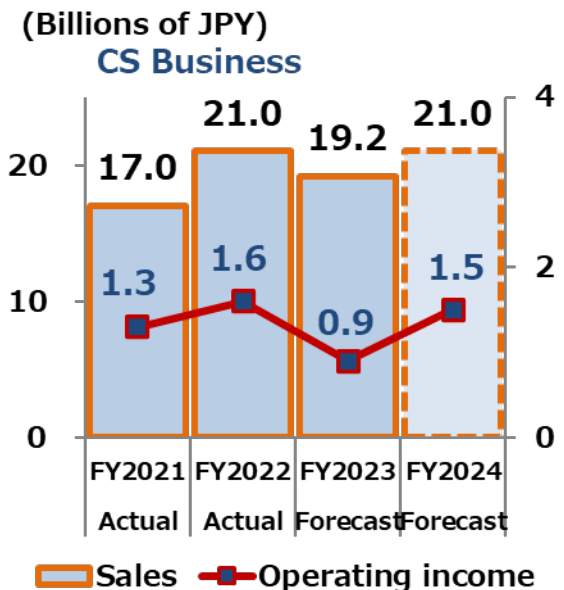
Individual Segment Forecasts for FY2024



We expect the key semiconductor market to expand over the medium- to long-term although we anticipate that degrees of recovery will vary according to product type.

TS Business:

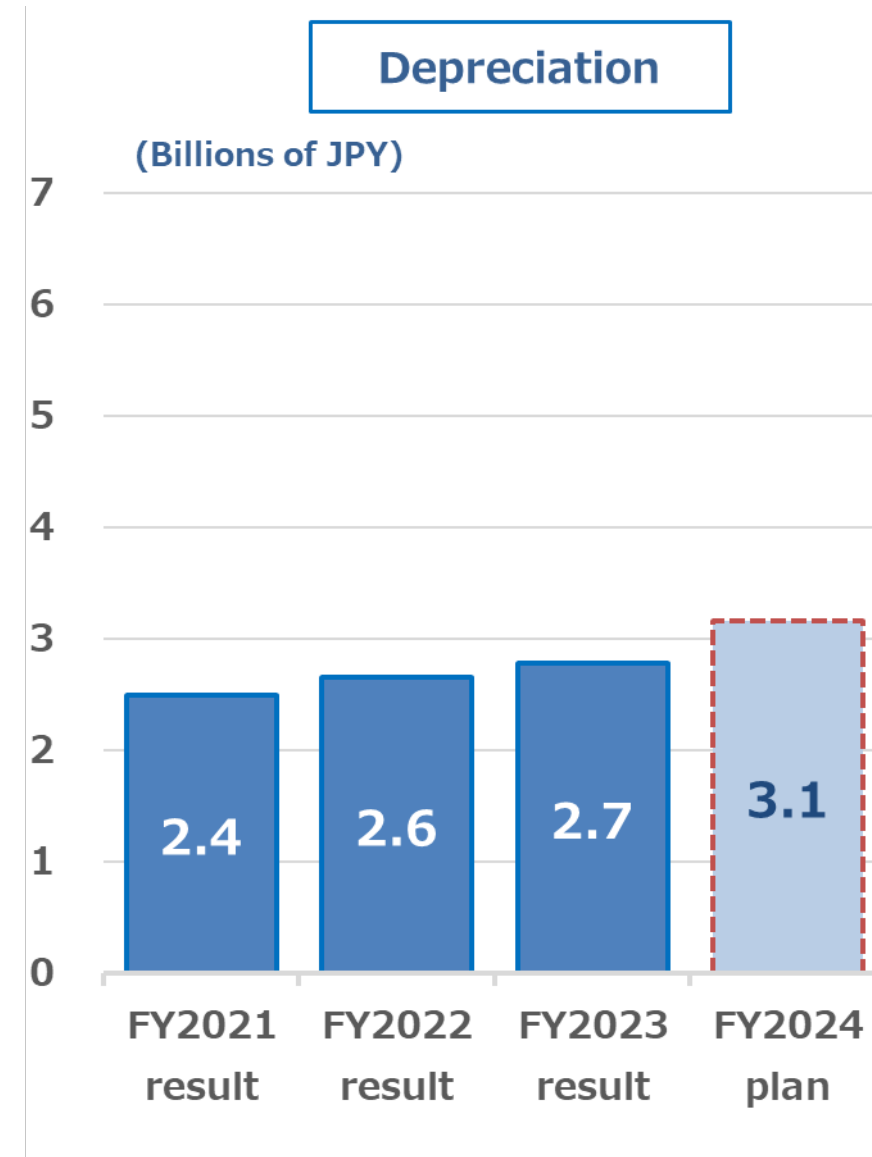
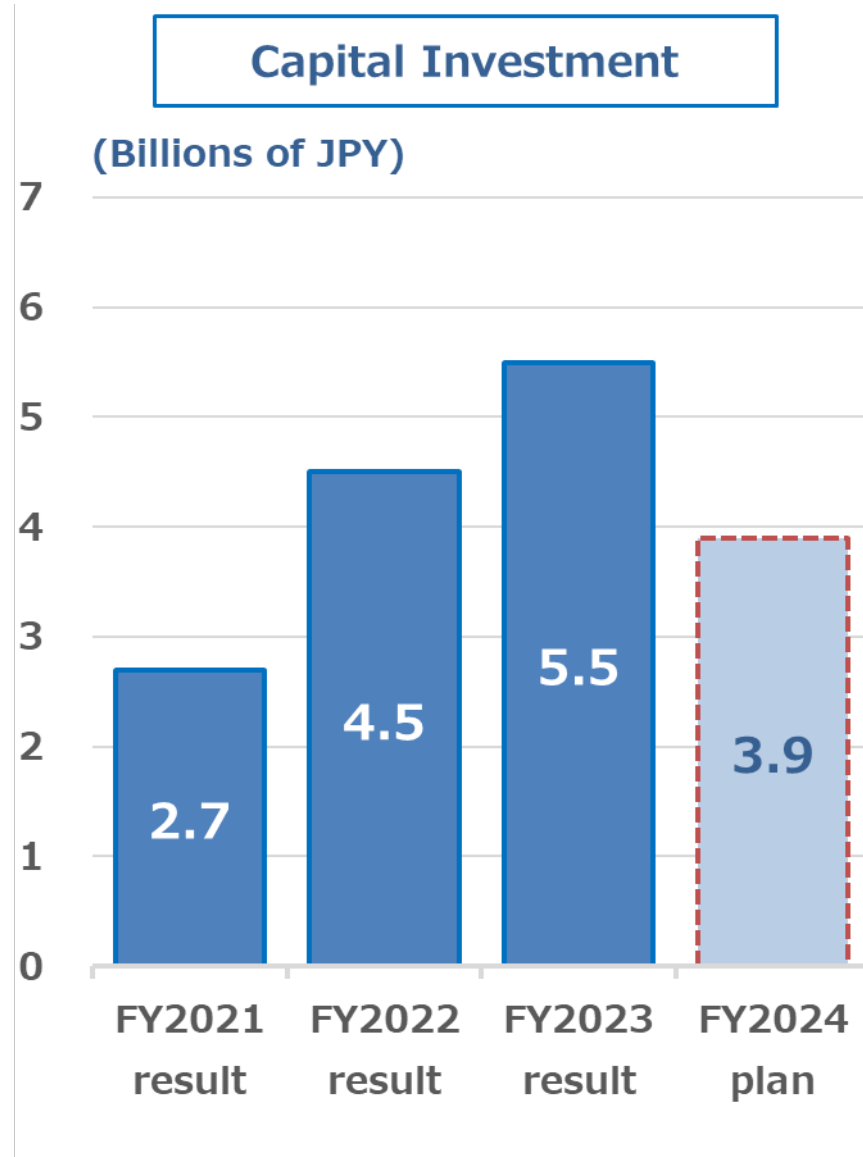
- ◆ Concerning the test socket product category, we expect business to pick up in the market for mobile devices (including business related to smartphones, which had been largely sluggish).
- ◆ In terms of the memory semiconductor sockets category, we project an increase in DRAM-related demand, especially in connection with generative AI and other technologies associated with data centers. At the same time, we anticipate delayed recovery in performance from products with NAND-related applications.
- ◆ We anticipate strong conditions in the logic semiconductor market, particularly in connection with products for ADAS.



CS Business:

- ◆ We project strong performance from products targeting the in-vehicle devices market.
- ◆ Despite impact from economic friction between the US and China, we expect moderate recovery in performance from products targeting the telecommunications equipment market as customers complete their inventory adjustments.
- ◆ We recognize the possibility that performance from products targeting the industrial equipment market could be affected by prolonged inventory adjustments in key European markets.

Capex and Depreciation

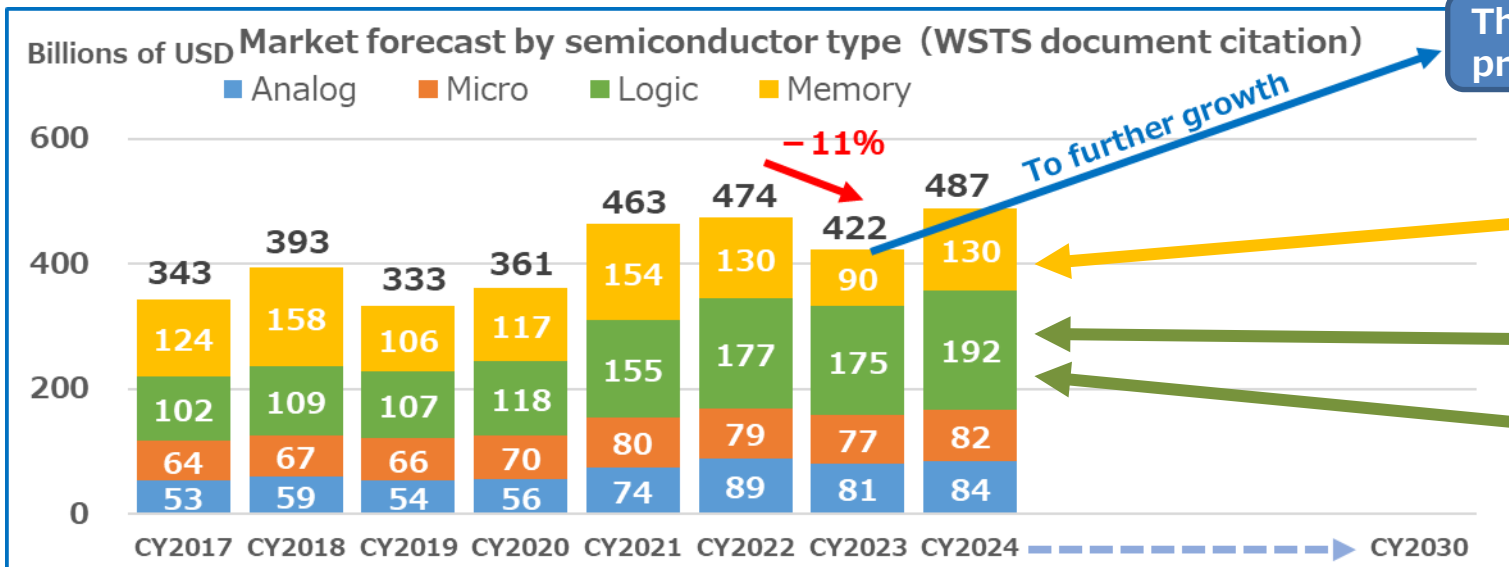


(3) Initiatives to Increase Corporate Value

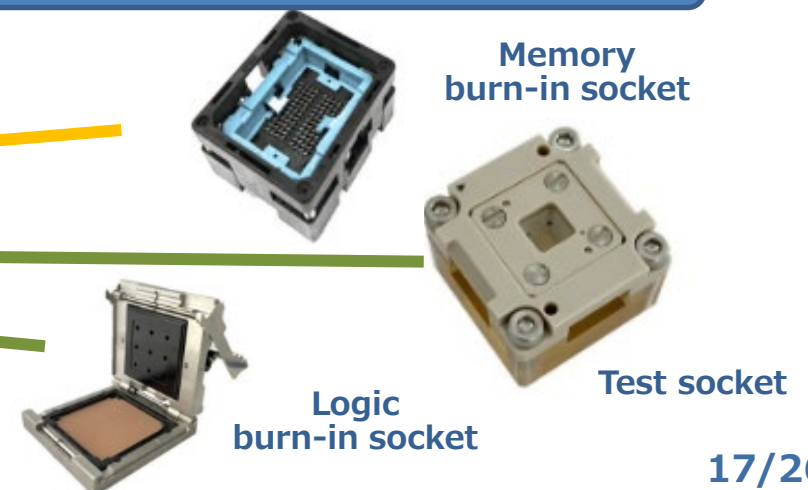
Strengthening Production Bases for Growth

Raise the sophistication of our manufacturing and improve our production capabilities and efficiency

- ◆ In response to rising global demand for semiconductors, we will continue investing to achieve improvements in production efficiency and production capacity, thereby establishing a stable supply system for semiconductor test sockets and ensuring prompt and efficient response to diversifying customer needs associated with telecom/datacom technologies, automotive devices, and industrial equipment.
 - **Test Solution Business:** The semiconductor market experienced a temporary period of demand adjustment in 2023. However, the market is expected to resume growth in FY2024 and is projected to reach a scale of USD1.0tn by 2030.
 - **Connector Solution Business:** FY2023 was a challenging fiscal year due to inventory adjustments within the markets for industrial and telecommunications equipment. However...
 - **Industrial equipment:** We anticipate a future acceleration in investment targeting the establishment of smart factories as digital transformation continues to impact manufacturing.
 - **Telecommunications equipment:** We project investment in both data centers and the acceleration of communication backbone equipment due to expansion in the market for generative AI.
 - **In-vehicle devices:** We anticipate an expansion in demand due to advancements in ADAS / autonomous driving and accelerating vehicle electrification.



The total semiconductor market size is predicted to reach USD1.0tn in 2030



Introduction of New Factories

- ◆ To keep up with the growing global demand for semiconductors, we have launched two new factories to ensure a stable supply of our semiconductor test sockets and swiftly respond to increasingly diverse customer needs for connector solutions.



Building No.2 achieved the highest rank on a 5-level evaluation performed under the Building Energy-Efficiency Labeling System (BELS*¹) and received the ZEB*² Ready certification.

◆ Sakura Factory Building No.2 Overview

Location: 1-4-1 Osaku, Sakura-shi, Chiba, Japan
Structure: Steel frame, two stories above ground
Site area: 52,327m²
Building area: 3,121m²
Total floor area: 5,550m²
Application: Parts production (pressing/plating)
Total investment: Approximately JPY1.5bn
Factory operation period : March 2024

- ◆ The first floor has been designated as the press area and the second floor as the plating area. This layout enables efficient production throughout all stages, ranging from material delivery to pressing, cleaning, heat treatment, plating, and packaging.



Adopt a foundation structure that complies with Zone 4 (seismic intensity 7) of the 2015 National Structural Code of the Philippines (NSCP)

◆ Philippines Factory 3 Overview

Location : Bulihan, Malvar, Batangas, Philippines
Structure: Steel frame, one-story building
Land area acquired: 33,696m²
Building area: 7,376m²
Total floor area: 7,065m²
Total investment: Land approx. JPY900mn / Factory
Construction approx. JPY1.1bn
Factory operation period : March 2024

- ◆ Establishing operations at this third plant will increase our production capacity in the Philippines by approximately 50% compared to when only two plants (Plants 1 and 2) were operational.

※ 1) BELS : "BELS" stands for "Building Energy-Efficiency Labeling System." This is an indication system for the energy efficiency performance of buildings, which was started in 2014 by the Association for Housing Performance Evaluation and Labeling. A BEI (Energy Saving Performance Index) value is calculated, and a 5-star rating is given based on that value.

※ 2) ZEB : "ZEB" stands for "Net Zero Energy Building." It is a building that aims to achieve zero energy balance by introducing renewable energy after reducing primary energy consumption through energy-saving measures. Among the definitions, "ZEB Ready" refers to buildings that have reduced standard primary energy consumption by 50% or more through energy conservation.

[3] Initiatives to Increase Corporate Value

Approach to Sustainability

◆ Basic Sustainability Policy

Leveraging the dynamic technological capabilities and imaginative powers developed since its founding, the Yamaichi Electronics Group has always responded to the current requirements of its customers. Moving forward, we will further broaden our commitment to sustainability as we collaborate with stakeholders to establish sustainable societies and build a better future.

In pursuit of these goals, we will apply the principles of our management philosophy (“People: Our Most Important Assets”, “Create Value”, “Commitment to Quality”, “Technology Innovation Makes a Difference” and “Contribution to Communities and the Environment”) we enhance the economic values of our products by provto create a beneficial, self-perpetuating, and social value-creating cycle through which iding technologies that facilitate the resolution of social issues.

Yamaichi Electronics Group will continue contributing to a sustainable future by ambitiously establishing strong connections between people, companies, society, and the Earth.

Key issues associated with integrated management (financial and nonfinancial strategies)

Materiality

1. Contributing to social issues through our business
2. Initiatives to reduce environmental impact
3. Human resources management
4. Strengthening governance

◆ Sustainability Promotion System



In March 2023, we established the Sustainability Committee, which is chaired by the president.

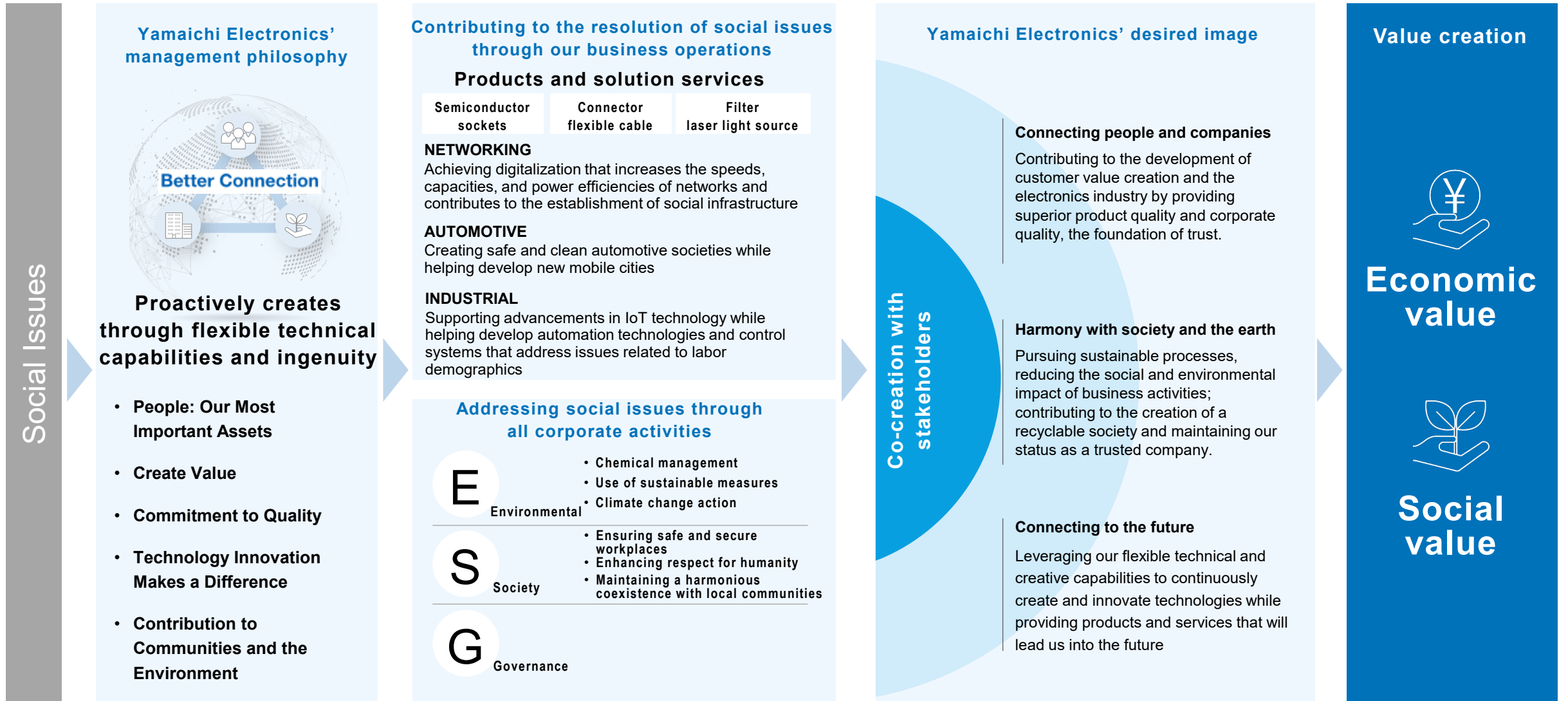
The Sustainability Committee deliberates on issues such as tackling climate change while maintaining a system for reporting its decisions to the Board of Directors.

In order to ensure that we are steadily fulfilling our targets, the Sustainability Committee will play a central role in working toward achieving these targets when there is a discrepancy between targets and actual values, or when there is room for improvement.

[3] Initiatives to Increase Corporate Value

Approach to Sustainability

◆ Framework for Value Creation



(3) Initiatives to Increase Corporate Value

Approach to Sustainability

- ◆ Through our Test Solution Business, Connector Solution Business, and Optical-Related Business, we aim to integrate financial and non-financial strategies by contributing to solving social issues and conducting corporate activities based on ESG. The Sustainability Committee will play a central role in setting targets and indicators for materiality (priority issues).

Contributing to the resolution of social issues through our business operations



■ Materiality (priority issues)

- Contributing to social issues through our business
- Initiatives to reduce environmental impact
- Human resources management
- Strengthening governance

■ Significant efforts to address social issues through our business

• Telecommunications

We will contribute to the development of high-speed, high-capacity, and energy-efficient networks and social infrastructures by promoting digitalization.

• Automotive

We will contribute to the realization of a safe and clean automotive society and the development of new mobility cities.

• Industrial equipment

We will contribute to the development of automation technology and control systems that respond to the changing demographics of the workforce and facilitate the advancement of the Internet of Things.

Addressing social issues through all corporate activities

Environmental

Chemical management
Use of sustainable resources
Climate change action

Social

Ensuring safe and secure workplaces
Enforcing respect for humanity
Maintaining a harmonious coexistence with local communities

Governance

Transitioning into a company with an Audit and Supervisory Committee
Enhancing information security
Strengthening support for business continuity planning (BCP)
Ensuring fair trade practices

Strengthening the Corporate Governance System

◆ Notice regarding the Establishment of the Nomination and Compensation Committee

Yamaichi Electronics hereby announces that during a meeting held on June 28, 2023, its Board of Directors decided to establish a voluntary Nomination and Compensation Committee (hereinafter, “the Committee”) as an advisory body to the Board of Directors. Details are as follows.

1. Purpose of the Committee’s establishment

To strengthen the supervisory functions of the Board of Directors and to further enhance our corporate governance system by ensuring the transparency and objectivity of the evaluation and decision-making processes related to director nomination, compensation, etc.

2. Roles of the Committee

The Committee shall, in response to consultation by the Board of Directors, deliberate on the following matters and report to the Board of Directors.

- Matters concerning the composition of the Board of Directors
- Matters concerning the nomination of directors
- Matters concerning policies for determining remuneration for directors
- Matters concerning remuneration for directors
- Examination of successor training policies
- Other matters deemed necessary by the Board of Directors

3. Structure of the Committee

(1) The Committee consists of three or more members selected by the Board of Directors.

(2) The Committee includes Independent Outside Directors who constitute the majority of its membership.

(3) The Chairperson shall be selected by resolution of the Committee from among its members.

4. Date of Establishment : June 28, 2023

5. Activities: After numerous sessions, the Nomination and Compensation Committee presented its findings during the Board of Directors’ meeting held on May 14, 2024.

Efforts to Implement Management Conscious of Cost of Capital and Stock Price

◆ Analysis of current situation

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
R O E	10.6%	11.8%	10.7%	23.7%	21.1%	5.5%
Dividend per share	JPY 32.00	JPY 38.00	JPY 37.00	JPY 96.00	JPY 104.00	JPY 31.00
Dividend payout ratio	30.4%	30.9%	30.6%	30.1%	30.1%	30.9%
Total return ratio	76.6%	53.3%	30.6%	37.4%	39.6%	64.7%
Capital ratio	75.2%	72.3%	71.5%	69.8%	72.9%	74.6%
P B R	1.08	1.29	1.27	1.25	1.11	1.34

Through the “Yamaichi Electronics Group Medium-Term Management Plan (FY2023–2025)” disclosed on May 12, 2023, Yamaichi Electronics announced the following three items as key aspects of its “Capital Policy for the Period Covered by the Medium-Term Management Plan.”

1. Targeting ROE of at least 10%
⇒ ROE temporarily dipped below 10% in FY2023 due to sluggish conditions in the semiconductor market but remained at or above 10% from FY2016 through FY2022. Looking ahead to FY2024, we anticipate a more favorable market environment and expect ROE to return to at least 10%.
2. We will continue targeting a consolidated dividend payout ratio of 30%. ⇒ Ratio has remained 30% or higher since FY2018
3. Through an active and flexible approach to share buybacks, we are targeting a total return ratio of at least 40%. ⇒ FY2023 ratio: 64.7%

◆ Future actions

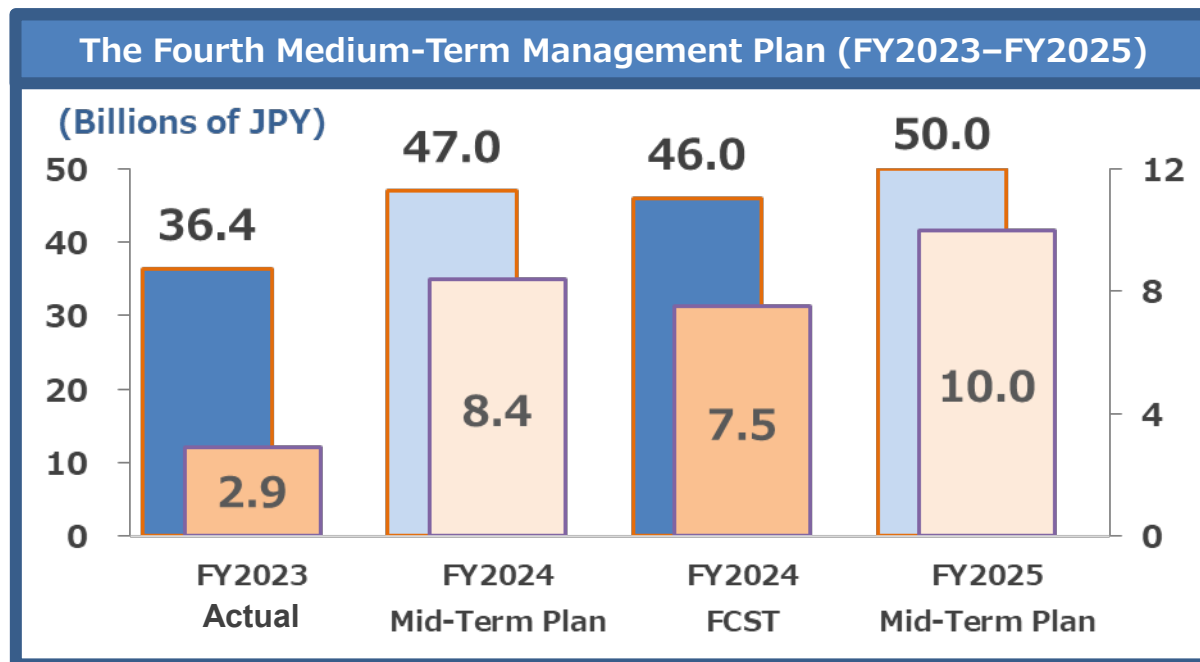
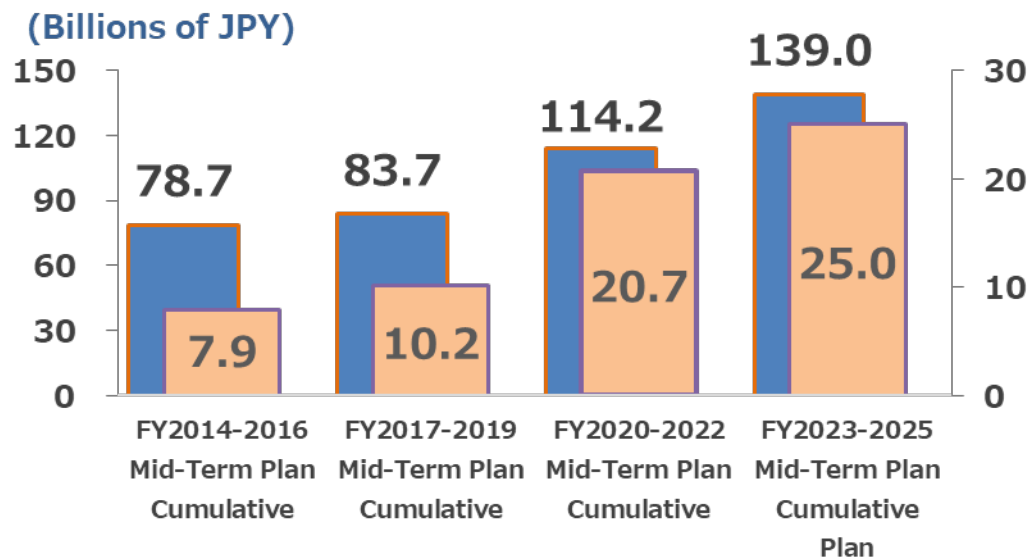
Guided by the “Yamaichi Electronics Group Medium-Term Management Plan (FY2023–2025)” disclosed on May 12, 2023, we will continue to practice management conscious of capital costs and stock prices as we aim to grow into a company that can provide satisfactory products and services to its customers. As we strive to achieve this management goal, we will drive initiatives targeting further growth in corporate value while focusing on global collaboration with our customers and the creation of products that will lead us into the future. For more details concerning our medium-term management plan, please refer to our website.

Yamaichi Electronics Group Medium-Term Management Plan: <https://www.yamaichi.co.jp/en/news/4342/>

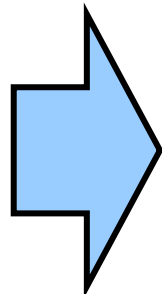
Explanatory materials concerning our medium-term management plan for FY2023–FY2025:

<https://www.yamaichi.co.jp/en/news/new-medium-term-management-plan-for-fy2023-fy2025/>

Progress Status of Medium-Term Management Plan



(Billions of JPY)	Targets for period of 4th Mgmt. Plan
Net sales	139.0
Operating income	25.0
Capital investment	14.0



	FY2023 Actual	FY2024 FCST	FY2025 Mid-Term Plan	Total for 4th Mgmt. plan FCST	Achievement FCST (%)
Net sales	36.4	46.0	50.0	132.4	95.2%
Operating income	2.9	7.5	10.0	20.4	81.7%
Capital investment	5.5	3.9	4.6	14.1	100.7%

During FY2023, the inaugural year of our fourth Medium-Term Management Plan, we encountered a temporary demand adjustment phase in the semiconductor market, and both sales and profits fell significantly short of our targets. Regardless, we remain committed to exceeding annual net sales and operating income of JPY50.0bn and JPY10.0bn, respectively, in FY2025.

Shareholder Returns (Treasury Stock Acquisition)

- ◆ At a meeting held on May 14, 2024, our Board of Directors reached decisions regarding details associated with the acquisition of treasury stock in accordance with Article 156 of the Companies Act of Japan (the “Companies Act”) as applied pursuant to Paragraph 3, Article 165 of the same act.

Details of Resolution Approved by the Board of Directors

Date of resolution	Maximum number of shares to be acquired	Maximum acquisition amount	Acquisition period
May 14, 2024	500,000 * 1	JPY 1,000,000,000	June 1, 2024–December 31, 2024

*1) Percentage of outstanding shares (excluding treasury shares) : 2.44%

Thank you for your attention.

(FY2024 Q1 results are scheduled for release at 3:00 p.m. [JST] on Tuesday, August 6, 2024.)

Notes:

These materials are intended to provide information current as of May 14, 2024 regarding the Group's business, management strategies, and performance and are not intended as a solicitation for investment in securities issued by the Company.

The opinions and forecasts contained in these materials are based on judgments formulated at the time these materials were prepared, and we do not guarantee or assure the accuracy or completeness of information included therein, which is subject to change without notice.

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