

# SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP]

## (CONSOLIDATED)

### Financial Results for the Fiscal Year Ended March 31, 2021

May 14, 2021

**Company Name: Yamaichi Electronics Co., Ltd.**

Code: 6941 Tokyo Stock Exchange 1st section URL: <http://www.yamaichi.co.jp>

President: Yoshitaka Ota

Managing Director: Kazuhiro Matsuda Tel: (03)3734-0115

Scheduled date of ordinary general meeting of shareholders: June 25, 2021

Scheduled date of securities report submission: June 25, 2021

Scheduled date of dividend payment commencement: June 28, 2021

Supplementary materials for the quarterly financial statements: Yes

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

#### 1. Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2021

(1) Consolidated Operating Results (aggregated) (Percentage figures represent changes from the same period of the previous year.)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	27,673	2.5	3,192	4.2	3,143	2.1	2,592	△2.3
Year ended March 31, 2020	27,008	2.3	3,064	5.4	3,080	8.8	2,653	13.2

Notes: Comprehensive income : Year ended March 31, 2021 ¥ 3,112 million (36.4%) : Year ended March 31, 2020 ¥ 2,281 million (15.1%)

	Net profit per share	Diluted net profit per share	Return on equity	Return on assets	Operating income ratio
	Yen	Yen	%	%	%
Year ended March 31, 2021	121.10	—	10.7	9.3	11.5
Year ended March 31, 2020	123.06	—	11.8	10.1	11.3

Notes: Share of profit (△loss) of entities accounted for using equity method: Year ended March 31, 2021: ¥12 million; Year ended March 31, 2020: ¥ △2 million.

#### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	35,463	25,655	71.5	1,183.69
As of March 31, 2020	31,893	23,354	72.3	1,076.86

Notes: Treasury Equity as of March 31, 2021: ¥ 25,343 million, as of March 31, 2020: ¥ 23,056 million.

#### (3) Consolidated Cash Flows

	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
Year ended March 31, 2021	3,724	△2,352	△1,358	9,448
Year ended March 31, 2020	4,682	△1,495	△2,086	9,259

#### 2. Dividends

	Dividends per share			Total dividends	Dividend payout	Dividend on equity
	Interim	Year-end	Total			
	Yen	Yen	Yen	Millions of Yen	%	%
Year ended March 31, 2020	10.00	28.00	38.00	813	30.9	3.7
Year ended March 31, 2021	10.00	27.00	37.00	792	30.6	3.3
Forecast; Year ending March 31, 2022	15.00	25.00	40.00		30.6	

Notes: The year-end dividend per share for the fiscal year ended March 31, 2021 has been changed from ¥ 20 to ¥ 27.

#### 3. Forecast of Consolidated Operating Results for the year ending March 31, 2022

(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, 2021	15,220	8.2	2,320	9.8	2,270	11.1	1,800	84.07
Year ending March 31, 2022	29,500	6.6	3,700	15.9	3,600	14.5	2,800	130.78

#### 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.: No

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

3) Changes in accounting estimates: No

4) Restatements: No

(3) Number of outstanding shares (common stock)

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

March 31, 2021	23,329,775 shares
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March 31, 2020	23,329,775 shares
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2) Number of treasury shares at term end:

March 31, 2021	1,919,540 shares
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March 31, 2020	1,919,449 shares
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3) Average number of outstanding shares:

March 31, 2021	21,410,307 shares
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March 31, 2020	21,563,014 shares
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\* This summary of consolidated financial results for the fiscal year falls outside the scope of fiscal year review procedures to be performed by certified public accountants or an audit firm.

\* Explanation of the appropriate use of performance forecasts and other related items

All forecasts in this presentation are based on information currently available to the management and on assumptions judged to be reasonable. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

## 1. Overview of Business Results

### (1) Summary of Business Results for the Current Period

The global economy in the latest consolidated fiscal year has slowed sharply due to the global spread of novel coronavirus (COVID-19) infection at the beginning of the fiscal period and the effect of US-China trade friction. Since the second quarter, the world's economic recovery has been seen as a result of the gradual resumption of economic activities led by the governments of each country. Although corona vaccination has started this year, an uncertain situation continues due to the spread of mutant viruses.

Under these circumstances, however, the Yamaichi Electronics Group's new three-year medium-term business plan (from the fiscal year ending March 2021 to the fiscal year ending March 2023), which began in fiscal 2020, remains the same in basic policy from the previous medium-term business plan. We will continue to grow into a corporate group that can provide products and services that satisfy our customers. From the perspective of creating products that will create the future under our global collaboration, we are working to achieve our management goal. We will continue to promote growth strategy and structural reform. While growing into a corporate group that can meet the needs of our customers, the Group is working to strengthen its financial position and management base further for the future growth of the Group.

As a result, our business performance in the consolidated fiscal year marked net sales of 27,673 million yen (an increase of 2.5% year on year), operating profit of 3,192 million yen (an increase of 4.2% year on year), ordinary profit of 3,143 million yen (an increase of 2.1% year on year), and profit attributable to owners of parent of 2,592 million yen (a decrease of 2.3% year on year).

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

#### [Test Solutions Business]

In addition to our strong sales of products for smartphones, demand for sockets for PCs gradually recovered, and demand for servers and sockets for automobiles gradually recovered from the second half of the fiscal year. However, our memory socket sales for DRAM were sluggish.

As a result, our business performance resulted in net sales of 13,175 million yen (an increase of 10.9% year on year), and the operating profit was 2,613 million yen (an increase of 72.5% year on year).

#### [Connector Solutions Business]

Our product sales for telecommunications equipment and in-vehicle equipment in the first half of the fiscal year were affected by inventory adjustments and production adjustments by major customers due to the US-China trade friction and the global expansion of the COVID-19. The industrial equipment market and other markets showed a recovery trend from the second half of the year, but product sales for telecommunications equipment remained in a difficult situation.

As a result, our business performance resulted in net sales of 12,870 million yen (a decrease of 7.5% year on year), and the operating profit was 548 million yen (a decrease of 64.1% year on year).

#### [Optics-related Business]

Our sales of filter products for medical equipment, industrial equipment, and smartphones were strong.

As a result, our business performance resulted in net sales of 1,627 million yen (an increase of 32.9% year on year), and the operating profit was 103 million yen (an increase of 320.3% year on year).

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

### **(Assets)**

At the end of the consolidated fiscal year, our current assets were 20,645 million yen, an increase of 1,690 million yen from the end of the previous consolidated fiscal year. This value was mainly due to an increase in notes and accounts receivable by 682 million yen, which resulted from an increase in net sales. Furthermore, there was an increase in merchandise and finished goods by 616 million yen as a result of the build-up of inventories in preparation for the impact on production activities. This increase resulted from the spread of the COVID-19. Our non-current assets amounted to 14,818 million yen, an increase of 1,878 million yen from the end of the previous consolidated fiscal year. This result was mainly due to an increase in right-of-use assets of 1,139 million yen due to a land and building lease agreement for the factory relocation of Yamaichi Electronics Deutschland Manufacturing GmbH, a manufacturing subsidiary.

As a result, our total assets amounted to 35,463 million yen, an increase of 3,569 million yen from the end of the previous consolidated fiscal year.

### **(Liabilities)**

At the end of the consolidated fiscal year, our current liabilities were 7,244 million yen, an increase of 547 million yen from the end of the previous consolidated fiscal year. This result was mainly due to an increase of 200 million yen in notes and accounts payable, which resulted from purchases accompanying an increase in sales. Furthermore, there was an increase of 285 million yen in short-term borrowings. Our non-current liabilities amounted to 2,563 million yen, an increase of 721 million yen from the end of the previous consolidated fiscal year, mainly due to the recording of lease obligations for the land and building lease agreement for the factory relocation of Yamaichi Electronics Deutschland Manufacturing GmbH.

As a result, our total liabilities amounted to 9,807 million yen, an increase of 1,268 million yen from the end of the previous consolidated fiscal year.

#### (Net Assets)

At the end of the consolidated fiscal year, our total net assets were 25,655 million yen, an increase of 2,301 million yen from the end of the previous consolidated fiscal year. This increment was mainly due to a recorded profit attributable to owners of parent of 2,592 million yen, regardless of dividends of surplus of 813 million yen.

As a result, the equity ratio was 71.5% (72.3% at the end of the previous fiscal year).

### **(3) Overview of Cash Flow for the current term**

Our cash and cash equivalents (hereafter referred to as “funds”) for the consolidated fiscal year increased by 189 million yen from the end of the previous consolidated fiscal year. The funds at the end of the consolidated fiscal year resulted in 9,448 million yen.

The status of each cash flow and the factors during the consolidated fiscal year are as follows.

#### (Cash flow from operating activities)

The funds provided by operating activities amounted to 3,724 million yen (a decrease of 20.5% year-on-year). This result was mainly due to the profit before income taxes by 3,058 million yen.

#### (Cash flow from investing activities)

Due to our investing activities, the funds used amounted to 2,352 million yen (an increase of 57.3% year-on-year). This result was mainly due to the purchase of property, plant and equipment of 2,277 million yen.

#### (Cash flow from financing activities)

Due to our financing activities, the funds used amounted to 1,358 million yen (a decrease of 34.9% year-on-year). This result was mainly due to the dividends paid of 812 million yen and the repayments of lease obligations of 495 million yen.

### **(4) Future Prospects**

Although there are regional differences, vaccination against COVID-19 infections is progressing. However, in some areas, the pandemic is re-spreading, and we cannot prospect the termination of the pandemic. In addition, there are US-China trade friction and various geopolitical risks. Therefore, it is expected that the unpredictable situation will continue.

As for the forecast of consolidated operating results for the fiscal year ending March 2022, we expect net sales of 29,500 million yen (an increase of 6.6% year on year), operating profit of 3,700 million yen (an increase of 15.9% year on year), and ordinary profit of 3,600 million yen (an increase of 14.5% year on year). The profit attributable to owners of parent is expected to be 2,800 million yen (an increase of 8.0% year on year).

The forecast assumption is based on exchange rates of 106.00 yen to the U.S. dollar and 127.00 yen to the euro.

#### **(5) Risk Information on the COVID-19 pandemic**

To prevent the spread of infection, the Group continues to improve the work system and environment that enable telework. However, if the infectious disease spreads further and prolongs, it may further affect the Group's business performance and financial condition. The suspension of factory operations and refraining from business activities might be considered.

## **2. Basic Concept of the Selection of Accounting Standards**

We consider the period comparability of consolidated financial statements and the comparability between companies. Therefore, the Group will prepare consolidated financial statements based on Japanese standards for the time being.

In the future, we will consider applying international accounting standards based on the trends in the application of international accounting standards of other companies in the same industry in Japan.

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
	Amount	Amount
<b>(ASSETS)</b>		
<b>Current assets</b>		
Cash and deposits	9,259,338	9,471,217
Notes and accounts receivable	4,438,009	5,120,304
Electronically recorded monetary claims	471,967	296,227
Merchandise and finished goods	1,447,299	2,063,548
Work in process	234,176	236,236
Raw materials and supplies	1,897,760	1,894,147
Other	1,223,904	1,579,539
Allowance for doubtful accounts	△18,195	△16,045
<b>Total current assets</b>	<b>18,954,261</b>	<b>20,645,175</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,699,499	2,609,061
Machinery, equipment and vehicles	1,613,276	2,069,244
Tools, furniture and fixtures	1,507,243	1,693,858
Land	3,377,943	3,412,785
Lease assets	14,178	36,993
Right-of-use assets	1,814,957	2,954,360
Construction in progress	354,992	381,060
<b>Total property, plant and equipment</b>	<b>11,382,091</b>	<b>13,157,365</b>
<b>Intangible fixed assets</b>		
Software	105,059	101,696
Other	27,272	23,846
<b>Total intangible fixed assets</b>	<b>132,331</b>	<b>125,543</b>
<b>Investments and other assets</b>		
Investment securities	219,242	247,900
Deferred tax assets	213,111	235,717
Net defined benefit asset	683,513	712,106
Other	309,038	339,668
Allowance for doubtful accounts	△0	△0
<b>Total investments and other assets</b>	<b>1,424,905</b>	<b>1,535,391</b>
<b>Total non-current assets</b>	<b>12,939,328</b>	<b>14,818,300</b>
<b>Total assets</b>	<b>31,893,590</b>	<b>35,463,476</b>

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
	Amount	Amount
<b>(LIABILITIES)</b>		
<b>Current liabilities</b>		
Notes and accounts payable	1,484,585	1,684,659
Short-term borrowings	2,423,620	2,709,540
Current portion of long-term borrowings	299,930	240,000
Lease obligations	306,732	440,736
Income taxes payable	393,549	344,539
Provision for bonuses	393,567	367,196
Other	1,394,893	1,457,713
<b>Total current liabilities</b>	<b>6,696,879</b>	<b>7,244,386</b>
<b>Non-current liabilities</b>		
Long-term borrowings	250,000	10,000
Lease obligations	1,161,792	2,101,335
Provision for director's retirement benefits	67,853	45,822
Provision for loss on litigation	—	90,860
Retirement benefit liability	33,400	27,451
Asset retirement obligations	20,988	21,470
Other	308,451	266,606
<b>Total non-current liabilities</b>	<b>1,842,486</b>	<b>2,563,547</b>
<b>Total liabilities</b>	<b>8,539,365</b>	<b>9,807,933</b>
<b>(NET ASSETS)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,084,103	10,084,103
Capital surplus	1,775,084	1,775,084
Retained earnings	14,360,379	16,139,513
Treasury shares	△2,183,721	△2,183,859
<b>Total shareholders' equity</b>	<b>24,035,845</b>	<b>25,814,841</b>
<b>Amount of other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,355	8,556
Foreign currency translation adjustments	△825,391	△394,214
Remeasurements of defined benefit plans	△160,789	△86,046
<b>Total amount of other comprehensive income</b>	<b>△979,825</b>	<b>△471,704</b>
<b>Subscription rights to shares</b>	<b>181,487</b>	<b>184,520</b>
<b>Non-controlling interests</b>	<b>116,717</b>	<b>127,884</b>
<b>Total net assets</b>	<b>23,354,225</b>	<b>25,655,542</b>
<b>Total liabilities and total net assets</b>	<b>31,893,590</b>	<b>35,463,476</b>



## Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Amount	Amount
<b>Net sales</b>	27,008,329	27,673,633
<b>Cost of sales</b>	17,648,690	18,481,911
<b>Gross profit</b>	9,359,639	9,191,721
<b>Selling, general and administrative expenses</b>	6,295,065	5,999,460
<b>Operating profit</b>	3,064,573	3,192,260
<b>Non-operating income</b>		
Interest income	11,681	12,033
Dividend income	17,967	4,529
Foreign exchange gains	—	6,062
Share of profit of entities accounted for using equity method	—	12,935
Gain on sales of scrap	16,684	18,239
Subsidy income	2,581	22,992
Insurance Claim income	49,548	1,789
Other	30,722	23,286
<b>Total non-operating income</b>	129,185	101,869
<b>Non-operating expenses</b>		
Interests expenses	70,423	73,757
Foreign exchange losses	3,615	—
Share of loss of entities accounted for using equity method	2,209	—
Factory relocation expenses	—	47,078
Other	37,494	29,769
<b>Total non-operating expenses</b>	113,743	150,606
<b>Ordinary profit</b>	3,080,015	3,143,523

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Amount	Amount
<b>Extraordinary income</b>		
Gain on sales of non-current assets	2,959	1,958
Gain on sales of investment securities	124,183	—
<b>Total extraordinary income</b>	127,142	1,958
<b>Extraordinary losses</b>		
Loss on disasters	19,918	—
Provision for loss on litigation	—	86,590
<b>Total extraordinary losses</b>	19,918	86,590
<b>Profit before income taxes</b>	3,187,239	3,058,892
<b>Corporate, inhabitant and enterprise taxes</b>	633,158	511,831
<b>Adjustment of income taxes</b>	△102,730	△48,971
<b>Income taxes</b>	530,428	462,860
<b>Profit</b>	2,656,811	2,596,032
<b>Profit attributable to non-controlling interests</b>	3,189	3,306
<b>Profit attributable to owners of parent</b>	2,653,621	2,592,726

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Amount	Amount
<b>Profit</b>	2,656,811	2,596,032
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	△105,306	2,200
Foreign currency translation adjustments	△264,851	436,549
Remeasurements of defined benefit plans	△6,240	74,743
Share of other comprehensive Income of entities accounted for using equity method	986	2,489
<b>Total other comprehensive income</b>	△375,411	515,982
<b>Comprehensive income</b>	2,281,399	3,112,014
<b>(Attribute to)</b>		
Comprehensive income attributable to owners of the parent	2,275,850	3,100,847
Comprehensive income attributable to non-controlling interests	5,549	11,167

## **Consolidated Statements of Cash Flows**

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Amount	Amount
<b>Cash Flows from Operating Activities</b>		
Profit before income taxes	3,187,239	3,058,892
Depreciation	2,058,711	2,253,185
Interest and dividends income	△29,648	△16,563
Interest expenses	70,423	73,757
Exchange loss (△gain)	56,503	△63,808
Share of loss (△profit) of entities accounted for using equity method	2,209	△12,935
Loss (△gain) on sales of non-current assets	△2,959	△1,958
Loss (△gain) on sales of investment securities	△124,183	—
Decrease (△increase) in notes and accounts receivable-trade	△544,464	△296,547
Decrease (△increase) in inventories	1,805	△473,151
Increase (△decrease) in notes and accounts payable-trade	231,679	131,237
Increase (△decrease) in accounts payable-other	146,122	△58,408
Increase (△decrease) in provision for bonuses	99,017	△31,384
Decrease (△increase) in net defined benefit asset	58,782	△28,592
Increase (△decrease) in net defined benefit liability	571	△11,823
Increase (△decrease) in provision for directors' retirement benefits	32,622	△22,031
Other, net	23,102	△157,500
<b>Sub total</b>	<b>5,267,535</b>	<b>4,342,368</b>
Interest and dividends income received	28,392	16,009
Interest expenses paid	△70,701	△73,758
Income taxes paid	△542,273	△560,083
<b>Net Cash provided by Operating Activities</b>	<b>4,682,953</b>	<b>3,724,536</b>

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Amount	Amount
<b>Cash Flows from Investing Activities</b>		
Payments into time deposits	—	△21,386
Purchase of property, plant and equipment	△1,731,276	△2,277,496
Proceeds from sales of property, plant and equipment	6,912	481
Proceeds from sales of investment securities	252,279	—
Purchase of insurance funds	△5,089	△3,544
Other, net	△18,494	△50,687
<b>Net Cash used in Investing Activities</b>	<b>△1,495,667</b>	<b>△2,352,634</b>
<b>Cash flows from Financing Activities</b>		
Net increase (△decrease) in short-term borrowings	△65,522	248,760
Repayment of long-term borrowings	△368,364	△299,930
Redemption of bonds	△ 22,500	—
Repayments of finance lease obligations	△351,856	△495,179
Purchase of treasury shares	△599,976	△138
Cash dividends paid	△695,463	△812,324
Dividends paid to non-controlling interests	△8,327	—
Proceeds from exercise of employee share options	25,368	—
Other, net	123	△24
<b>Net Cash used in Financing Activities</b>	<b>△2,086,519</b>	<b>△1,358,836</b>
<b>Effect of exchange rates changes on cash and cash equivalents</b>	<b>△160,287</b>	<b>176,248</b>
<b>Net increase (△decrease) of cash and cash equivalents</b>	<b>940,478</b>	<b>189,314</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>8,318,859</b>	<b>9,259,338</b>
<b>Cash and Cash Equivalents at the end of period</b>	<b>9,259,338</b>	<b>9,448,653</b>