

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



April 28, 2023

Company name: SMK Corporation  
 Stock exchange listing: Tokyo Stock Exchange Prime Market  
 Code number: 6798  
 URL: <https://www.smk.co.jp>  
 Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer  
 Contact: Kohei Ohgaki, Executive Vice President, Chief Financial Officer  
 Phone: +81-3-3785-1111  
 Scheduled date of annual general meeting of shareholders: June 27, 2023  
 Scheduled date of commencing dividend payments: June 28, 2023  
 Scheduled date of filing annual securities report: June 27, 2023  
 Availability of supplementary explanatory materials on financial results: Available  
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	54,842	13.7	1,128	60.3	2,503	(26.7)	1,334	(55.4)
March 31, 2022	48,243	(0.7)	703	(34.2)	3,413	31.2	2,992	56.1

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥1,815 million [(50.7)%]

Fiscal year ended March 31, 2022: ¥3,682 million [20.3%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2023	209.12	—	4.2	4.5	2.1
March 31, 2022	472.14	—	10.2	6.5	1.5

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2023: ¥71 million

Fiscal year ended March 31, 2022: ¥52 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	56,365	32,274	57.3	4,932.86
As of March 31, 2022	54,794	30,643	55.9	4,914.89

(Reference) Equity: As of March 31, 2023: ¥32,274 million

As of March 31, 2022: ¥30,643 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	3,591	(1,944)	(862)	8,915
March 31, 2022	2,433	(1,631)	(971)	8,505

### 2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout Ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	–	0.00	–	70.00	70.00	440	14.8	1.5
March 31, 2023	–	0.00	–	100.00	100.00	659	47.8	2.0
March 31, 2024 (Forecast)	–	50.00	–	50.00	100.00		59.5	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	26,500	(4.1)	0	(100.0)	200	(94.0)	100	(96.6)	15.28
Full year	55,000	0.3	1,100	(2.5)	1,600	(36.1)	1,100	(17.6)	168.13

**\* Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common stock)

1) Total number of issued and outstanding shares at the end of the period (including treasury stock):

March 31, 2023: 7,200,000 shares

March 31, 2022: 7,500,000 shares

2) Total number of treasury stock at the end of the period:

March 31, 2023: 657,252 shares

March 31, 2022: 1,265,186 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2023: 6,382,156 shares

Fiscal year ended March 31, 2022: 6,337,962 shares

(Notes) 1. The Company cancelled 300,000 shares of its treasury stock on June 30, 2022.

2. The number of treasury stock includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Board Benefit Trust (BBT).

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	24,934	8.3	(600)	—	837	(48.4)	250	(84.0)
March 31, 2022	23,033	(40.9)	(457)	—	1,623	221.0	1,560	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	39.13	—
March 31, 2022	245.70	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	45,678	26,783	58.6	4,085.50
As of March 31, 2022	45,292	26,370	58.2	4,221.30

(Reference) Equity: As of March 31, 2023: ¥26,783 million

As of March 31, 2022: ¥26,370 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

1. The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ significantly from these forecasts due to various factors.
2. The Company plans to hold a briefing session on financial results for institutional investors and analysts on May 17, 2023. The explanatory materials on financial results to be used on the day of the session will be posted on the Company's website promptly after the meeting.

## Table of Contents - Attachments

1. Overview of Operating Results, etc. ....	2
(1) Overview of Operating Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position for the Fiscal Year under Review .....	3
(3) Overview of Cash Flows for the Fiscal Year under Review .....	3
(4) Future Outlook .....	4
2. Basic Policy on Selection of Accounting Standards .....	5
3. Consolidated Financial Statements and Principal Notes .....	6
(1) Consolidated Balance Sheets .....	6
(2) Consolidated Statements of Income and Comprehensive Income .....	8
(3) Consolidated Statements of Changes in Equity .....	10
(4) Consolidated Statements of Cash Flows .....	12
(5) Notes to Consolidated Financial Statements .....	14
(Notes on going concern assumption) .....	14
(Segment information, etc.) .....	14
(Per share information) .....	17
4. Other Information .....	18
Status of Orders Received and Sales (by Market) .....	18

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2023, the global economy significantly lost steam in the pace of economic recovery as uncertainty about the outlook for the business climate increased due to the policy interest rate hikes in the U.S. and Europe aimed at curbing inflation. Although difficulties in procuring semiconductors and raw materials began to ease, price rises continued due to the increase in resource prices brought about by the Ukraine crisis and the recovery in demand, which had been restrained during the COVID-19 pandemic.

The prolonged crisis in Ukraine, the heightened tension between the U.S. and China over Taiwan, sharp fluctuations in exchange rates due to mixed expectations regarding the outlook for monetary policy in the U.S. and Japan, and financial instability caused by the failure of some financial institutions in the U.S. and Europe were among factors that exacerbated the uncertainty surrounding the outlook for the global economy. On the other hand, signs that a global economic slowdown would be averted began to emerge, such as the normalization of economic activity in China with the lifting of the zero-COVID policy since December and a solid employment environment in the United States.

In the electronic components industry, the car electronics market underwent an unavoidable reduction in automobile production in the first six months of the fiscal year caused by a shortage of semiconductors and materials as well as disruptions in the supply chain. From the latter six months of the fiscal year, all companies planned to recover production as the semiconductor shortage eased, but this did not lead to a full-fledged recovery. The ICT market developed slowly from the latter six months of the fiscal year due to the effects of the dissipation of the special demand seen during the COVID-19 pandemic, and the global inflation and economic recession, although the shortage of semiconductors and raw materials for smartphones, tablets, and other devices began to recover. In the home appliance market, sales of cooking appliances and air purifiers, which had been strong against a backdrop of growing stay-at-home demand and attention to hygiene, experienced a reactionary drop, but sales of air conditioners and other energy-saving home appliances increased. The industry market remained firm due to the recovery of capital investment in line with the resumption of economic activities under the measure of coexistence with COVID-19.

As a result of the Company's thorough countermeasures against COVID-19 and stable procurement of materials, along with maintaining a stable supply of products to enable immediate response to customer demand, as well as the aggressive introduction of new products and cost reduction efforts, in the fiscal year ended March 31, 2023, net sales amounted to ¥54,842 million (13.7% increase year on year), and operating profit was ¥1,128 million (60.3% increase year on year). Ordinary profit was ¥2,503 million (26.7% decrease year on year) with foreign exchange gains of ¥720 million recorded due to the depreciation of the yen, and profit attributable to owners of parent was ¥1,334 million (55.4% decrease year on year).

Results by segment are as follows.

#### [CS Division]

In the ICT market, sales of connectors for use in tablet devices for customers in the U.S. increased strongly in the first six months of the fiscal year, partly due to the contribution by the launch of new models, but slowed down from the third quarter due to inventory adjustments and other factors. In addition, sales of connectors for smartphones declined year on year due to a decrease in replacement demand and a contraction in demand partly due to inflation and global instability. In the car electronics market, sales of connectors exceeded those of the same period of the previous fiscal year due to firm growth of sales of mainstay connectors for cameras and steady development of connectors for electrical devices thanks to an increased market share. In the home appliance market, sales exceeded those of the same period of the previous fiscal year due to a favorable increase in sales of connectors for video game consoles. Sales in CS Division as a whole exceeded those of the same period of the previous fiscal year.

As a result, net sales of CS Division amounted to ¥19,997 million (2.3% increase year on year), and

operating profit was ¥894 million (13.7% decrease year on year).

[SCI Division]

In the car electronics market, although automobile production did not fully recover, sales of camera modules, control units, etc. increased due to market share increase, increase of installed number and other factors, exceeding those of the same period of the previous fiscal year. In the home appliance market, sales of the mainstay remote control units increased year on year due to the full-fledged contribution from new models for smart appliances, and a strong performance from units for home equipment, air conditioners, sanitation, etc. Sales of home equipment units also expanded steadily.

In the fourth quarter, signs of a slowdown were seen in the home appliance and car electronics markets due to inventory adjustments and other factors, but sales in SCI Division for the full fiscal year as a whole significantly exceeded those of the same period of the previous fiscal year.

As a result, net sales of SCI Division amounted to ¥34,482 million (21.5% increase year on year), and operating profit was ¥393 million (compared to an operating loss of ¥135 million in the previous fiscal year).

[Research & Development Center]

Regarding Bluetooth® modules, the central product of Research & Development Center's mainstay wireless communication module businesses, sales for payment terminals decreased year on year, but sales for mobile printers and medical devices expanded. In addition, sales of Sub-GHz RF modules for lighting equipment also expanded, and sales of Research & Development Center as a whole exceeded those of the previous fiscal year.

As a result, net sales of Research & Development Center amounted to ¥339 million (9.8% increase year on year), and operating loss was ¥160 million (compared to an operating loss of ¥196 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

Current assets increased 4.8% from the end of the previous fiscal year to ¥33,251 million. This was mainly due to increases of ¥414 million in cash and deposits, and ¥685 million in merchandise and finished goods. Non-current assets increased 0.2% from the end of the previous fiscal year to ¥23,113 million. This was mainly due to a decrease of ¥623 million in property, plant and equipment and an increase of ¥694 in investments and other assets.

As a result, total assets increased 2.9% from the end of the previous fiscal year to ¥56,365 million.

Current liabilities increased 6.7% from the end of the previous fiscal year to ¥16,193 million. This was mainly due to an increase of ¥1,425 million in short-term borrowings. Non-current liabilities decreased 12.0% from the end of the previous fiscal year to ¥7,897 million. This was mainly due to a decrease of ¥1,351 million in long-term borrowings.

As a result, total liabilities decreased 0.2% from the end of the previous fiscal year to ¥24,090 million.

Total net assets increased 5.3% from the end of the previous fiscal year to ¥32,274 million. This was mainly due to a decrease of ¥2,344 million in treasury shares.

(3) Overview of Cash Flows for the Fiscal Year under Review

The Company's consolidated cash and cash equivalents ("cash") as of the end of the fiscal year ended March 31, 2023 amounted to ¥8,915 million, an increase of ¥409 million from the beginning of the fiscal year.

The status of cash flows from operating, investing, and financing activities and contributing factors were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2023 increased by ¥1,158

million from the previous fiscal year to ¥3,591 million.

The increase was mainly attributable to ¥1,906 million in profit before income taxes and ¥2,884 million in depreciation, offsetting a decrease of ¥1,180 million in notes and accounts payable – trade.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year ended March 31, 2023 decreased by ¥312 million from the previous fiscal year to ¥1,944 million.

The decrease is mainly attributable to ¥1,945 million in the purchase of property, plant and equipment.

(Cash flows from financing activities)

Funds used in financing activities increased by ¥109 million from the previous fiscal year to ¥862 million yen.

The increase is mainly attributable to ¥496 in repayment of lease liabilities and ¥438 million in dividends paid.

#### (4) Future Outlook

The global economy as a whole has begun to enter a recovery path, with an increasing possibility of avoiding a significant slowdown due to the upswing in the Chinese economy in line with the lifting of the zero-COVID policy and the resilience of the U.S. economy. However, the outlook is expected to remain uncertain due to ongoing tension between the U.S. and China, the prolonged crisis in Ukraine, and financial instability in the U.S. and Europe. Although the situation has calmed down somewhat, concerns remain about continuing rising prices, particularly for wages and services, and they may have a significant impact on exchange rates depending on the monetary policies of each country.

In this environment, the Group will strive to respond appropriately to market and customer needs, aggressively introduce new products, and further reduce costs and expenses.

The business environment surrounding the Company is undergoing remarkable changes, including the development of CASE in the car electronics market, the spread of 5G in the ICT market, and the rapid evolution of IoT technology. The fields of EVs, autonomous driving, and remote IT, which contribute to the realization of carbon neutrality, are expected to grow toward 2030, and we are determined to respond appropriately to these changes in the environment and seize new business opportunities. In addition, aiming for sustainable growth and coexistence with society, we will respond to the SDGs by both developing products and services and providing solutions that will help reduce greenhouse gas emissions and solve various issues in society.

Although the shortage of semiconductors and difficulties in procuring raw materials have entered an easing trend, the Company's business performance may be affected in the event that customers' product inventories are affected for a prolonged period or if raw material prices and other prices rise, leading to higher production costs. In addition, although current exchange rates include a strong dollar/weak yen trend, a sudden reversal to appreciation in the yen accompanying a change in the monetary policies of Japan and the U.S. could affect the Company's business performance.

For the fiscal year ending March 31, 2024, the Company forecasts net sales of ¥55,000 million, operating profit of ¥1,100 million, ordinary profit of ¥1,600 million, and profit attributable to owners of parent of ¥1,100 million. The foreign exchange rate on which the results forecast is assumed is ¥130 per US dollar.

These forecasts are based on the assumptions possible at this point in time, and if the business environment changes and the business results deviate significantly from the forecasts, the Company will promptly announce such deviations.

## 2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements in accordance with accounting standards generally accepted in Japan (J-GAAP) for the meantime to ensure comparison of consolidated financial statements between different companies.

The Group will take appropriate actions upon monitoring various developments in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	8,555	8,969
Notes receivable - trade	53	64
Electronically recorded monetary claims - operating	1,460	1,606
Accounts receivable - trade	11,286	11,505
Merchandise and finished goods	3,592	4,277
Work in process	961	660
Raw materials and supplies	4,991	5,134
Other	860	1,080
Allowance for doubtful accounts	(31)	(47)
Total current assets	31,730	33,251
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,066	19,641
Accumulated depreciation and impairment	(14,897)	(15,583)
Buildings and structures, net	4,169	4,058
Machinery, equipment and vehicles	24,804	25,238
Accumulated depreciation and impairment	(21,297)	(22,170)
Machinery, equipment and vehicles, net	3,506	3,068
Tools, furniture and fixtures	20,214	19,385
Accumulated depreciation and impairment	(19,069)	(18,426)
Tools, furniture and fixtures, net	1,144	959
Land	5,869	5,869
Leased assets	29	29
Accumulated depreciation and impairment	(23)	(26)
Leased assets, net	6	3
Right of use assets	1,599	2,131
Accumulated depreciation and impairment loss	(292)	(721)
Right of use assets, net	1,307	1,409
Construction in progress	186	198
Total property, plant and equipment	16,190	15,567
Intangible assets		
Other	116	94
Total intangible assets	116	94
Investments and other assets		
Investment securities	3,639	4,041
Long-term loans receivable	99	92
Retirement benefit asset	2,245	2,344
Deferred tax assets	126	97
Other	731	963
Allowance for doubtful accounts	(86)	(88)
Total investments and other assets	6,755	7,450
Total non-current assets	23,063	23,113
Total assets	54,794	56,365

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,404	4,878
Short-term borrowings	5,066	6,491
Lease liabilities	407	434
Accounts payable - other	1,573	1,774
Income taxes payable	303	347
Provision for bonuses	745	596
Provision for bonuses for directors (and other officers)	30	26
Other	1,648	1,645
Total current liabilities	15,178	16,193
Non-current liabilities		
Long-term borrowings	6,214	4,863
Lease liabilities	920	1,028
Deferred tax liabilities	961	1,220
Provision for retirement benefits for directors (and other officers)	173	131
Retirement benefit liability	39	24
Provision for share awards for directors (and other officers)	27	29
Other	634	598
Total non-current liabilities	8,972	7,897
Total liabilities	24,150	24,090
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	15,925	14,730
Treasury shares	(4,876)	(2,531)
Total shareholders' equity	31,102	32,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	425	773
Deferred gains or losses on hedges	(2)	—
Foreign currency translation adjustment	(1,404)	(1,149)
Remeasurements of defined benefit plans	520	397
Total accumulated other comprehensive income	(459)	21
Total net assets	30,643	32,274
Total liabilities and net assets	54,794	56,365

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	48,243	54,842
Cost of sales	40,169	45,231
Gross profit	8,073	9,611
Selling, general and administrative expenses	7,369	8,483
Operating profit	703	1,128
Non-operating income		
Interest income	31	44
Dividend income	54	70
Rental income from real estate	1,057	980
Foreign exchange gains	1,426	720
Subsidies for employment adjustment	318	79
Other	672	523
Total non-operating income	3,559	2,420
Non-operating expenses		
Interest expenses	103	173
Rental costs on real estate	575	549
Loss on investments in investment partnerships	—	263
Other	171	58
Total non-operating expenses	850	1,044
Ordinary profit	3,413	2,503
Extraordinary income		
Gain on sale of non-current assets	32	18
Gain on sale of investment securities	—	2
Total extraordinary income	32	21
Extraordinary losses		
Loss on sale of non-current assets	34	0
Loss on retirement of non-current assets	38	76
Impairment losses	3	517
Loss on valuation of investment securities	115	25
Total extraordinary losses	191	618
Profit before income taxes	3,254	1,906
Income taxes - current	312	352
Income taxes - deferred	(49)	219
Total income taxes	262	571
Profit	2,992	1,334
Profit attributable to owners of parent	2,992	1,334

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	2,992	1,334
Other comprehensive income		
Valuation difference on available-for-sale securities	137	347
Deferred gains or losses on hedges	5	2
Foreign currency translation adjustment	593	254
Remeasurements of defined benefit plans, net of tax	(47)	(123)
Total other comprehensive income	689	481
Comprehensive income	3,682	1,815
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,682	1,815

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	13,241	(4,394)	28,900
Cumulative effects of changes in accounting policies			15		15
Restated balance	7,996	12,057	13,256	(4,394)	28,915
Changes during period					
Dividends of surplus			(323)		(323)
Profit attributable to owners of parent			2,992		2,992
Purchase of treasury shares				(481)	(481)
Disposal of treasury shares					—
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,668	(481)	2,187
Balance at end of period	7,996	12,057	15,925	(4,876)	31,102

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	288	(7)	(1,997)	568	(1,149)	27,751
Cumulative effects of changes in accounting policies						15
Restated balance	288	(7)	(1,997)	568	(1,149)	27,766
Changes during period						
Dividends of surplus						(323)
Profit attributable to owners of parent						2,992
Purchase of treasury shares						(481)
Disposal of treasury shares						—
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	137	5	593	(47)	689	689
Total changes during period	137	5	593	(47)	689	2,876
Balance at end of period	425	(2)	(1,404)	520	(459)	30,643

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	15,925	(4,876)	31,102
Cumulative effects of changes in accounting policies					—
Restated balance	7,996	12,057	15,925	(4,876)	31,102
Changes during period					
Dividends of surplus			(439)		(439)
Profit attributable to owners of parent			1,334		1,334
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(933)		1,191	257
Cancellation of treasury shares		(1,156)		1,156	—
Transfer from retained earnings to capital surplus		2,089	(2,089)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(1,194)	2,344	1,149
Balance at end of period	7,996	12,057	14,730	(2,531)	32,252

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	425	(2)	(1,404)	520	(459)	30,643
Cumulative effects of changes in accounting policies						—
Restated balance	425	(2)	(1,404)	520	(459)	30,643
Changes during period						
Dividends of surplus						(439)
Profit attributable to owners of parent						1,334
Purchase of treasury shares						(2)
Disposal of treasury shares						257
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	347	2	254	(123)	481	481
Total changes during period	347	2	254	(123)	481	1,630
Balance at end of period	773	—	(1,149)	397	21	32,274

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,254	1,906
Depreciation	2,696	2,884
Impairment losses	3	517
Increase (decrease) in provision for bonuses	17	(153)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	25	(41)
Increase (decrease) in provision for share awards for directors (and other officers)	12	2
Increase (decrease) in net defined benefit asset and liability	(289)	(294)
Interest and dividend income	(85)	(115)
Interest expenses	103	173
Loss (gain) on sale of investment securities	—	(2)
Loss (gain) on sale of non-current assets	1	(18)
Loss (gain) on valuation of investment securities	115	25
Loss on retirement of non-current assets	38	76
Loss (gain) on investments in investment partnerships	—	263
Decrease (increase) in trade receivables	1,142	564
Decrease (increase) in inventories	(2,351)	(160)
Increase (decrease) in trade payables	(1,084)	(1,180)
Decrease (increase) in accounts receivable - other	(152)	28
Increase (decrease) in accounts payable - other	(354)	(9)
Other, net	(551)	(442)
Subtotal	2,543	4,021
Interest and dividends received	88	116
Interest paid	(115)	(177)
Income taxes paid	(318)	(388)
Income taxes refund	234	19
Net cash provided by (used in) operating activities	2,433	3,591
Cash flows from investing activities		
Payments into time deposits	(57)	(35)
Proceeds from withdrawal of time deposits	66	31
Purchase of property, plant and equipment	(1,976)	(1,945)
Proceeds from sale of property, plant and equipment	415	22
Purchase of intangible assets	(35)	(19)
Purchase of investment securities	(37)	(20)
Proceeds from sale of investment securities	—	7
Loan advances	(26)	(11)
Proceeds from collection of loans receivable	19	28
Net cash provided by (used in) investing activities	(1,631)	(1,944)

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,000)	200
Proceeds from long-term borrowings	3,800	2,700
Repayments of long-term borrowings	(1,667)	(2,826)
Repayments of lease liabilities	(301)	(496)
Purchase of treasury shares	(479)	(1)
Proceeds from sale of treasury shares	—	0
Dividends paid	(323)	(438)
Net cash provided by (used in) financing activities	(971)	(862)
Effect of exchange rate change on cash and cash equivalents	(66)	(375)
Net increase (decrease) in cash and cash equivalents	(236)	409
Cash and cash equivalents at beginning of period	8,742	8,505
Cash and cash equivalents at end of period	8,505	8,915

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The Group's reportable segments are units composing the Company for which separate financial information is available and are the subject of regular review by managers to determine the allocation of management resources and evaluate performance.

The Group has established business divisions by product, and each division formulates comprehensive domestic and overseas strategies for the products it handles and develops business activities.

Therefore, the Group consists of segments based on the business divisions.

(CS (Connection System) Division)

Manufacture and sale of connectors (coaxial, board-to-board, FPC) and jacks

(SCI (Sensing, Communications and Interface) Division)

Manufacture and sale of remote control units, switches, camera modules, and touch sensors

(Research & Development Center)

Manufacture and sale of wireless modules and NFC antennas

2. Method of calculating amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment

Profit by reportable segment is based on operating profit.

3. Information on amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment  
For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communicati ons and Interface) Division	Research & Development Center	Total				
Net sales								
Net sales to outside customers	19,543	28,387	309	48,239	4	48,243	—	48,243
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	19,543	28,387	309	48,239	4	48,243	—	48,243
Segment profit (loss)(Operating profit)	1,036	(135)	(196)	703	0	703	—	703
Segment assets	13,112	18,401	288	31,803	6,745	38,548	16,246	54,794
Others								
Depreciation	1,579	926	4	2,509	187	2,696	—	2,696
Increase/ decrease of Property, plant and equipment, and Intangible assets	1,146	744	2	1,893	62	1,955	—	1,955

(Notes) 1. The “Others” are business segments not included in the reportable segments. It includes other parts, leasing, property rental and worker dispatch businesses.

2. Adjustment of segment assets of ¥16,246 million is corporate assets that are not allocated to each reportable segment.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communicati ons and Interface) Division	Research & Development Center	Total				
Net sales								
Net sales to outside customers	19,997	34,482	339	54,819	23	54,842	—	54,842
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	19,997	34,482	339	54,819	23	54,842	—	54,842
Segment profit (loss)(Operating profit)	894	393	(160)	1,127	1	1,128	—	1,128
Segment assets	11,805	20,007	334	32,147	6,642	38,790	17,574	56,365
Others								
Depreciation	1,648	1,059	4	2,712	171	2,884	—	2,884
Increase/ decrease of Property, plant and equipment, and Intangible assets	1,446	653	1	2,101	47	2,149	—	2,149

(Note) 1. The “Others” are business segments not included in the reportable segments. It includes other parts, leasing, property rental and worker dispatch businesses.

2. Adjustment of segment assets of ¥17,574 million is corporate assets that are not allocated to each reportable segment.

(Per share information)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net assets per share	¥4,914.89	¥4,932.86
Basic earnings per share	¥472.14	¥209.12

- Notes: 1. The company's own shares in the Board Benefit Trust (BBT) recorded as treasury shares under shareholders' equity are included in treasury stock excluded from the total number of shares issued and outstanding at the end of period used for calculating net assets per share and are also included in treasury stock excluded from the calculation of the average number of shares outstanding during the period used for calculating profit per share. The number of shares of treasury stock at the end of period excluded from the calculation of net assets per share was 43,800 shares for the fiscal year ended March 31, 2022 and 41,200 shares for the fiscal year ended March 31, 2023. The average number of shares of treasury stock during the period excluded from the calculation of profit per share was 43,800 shares for the fiscal year ended March 31, 2022 and 41,200 shares for the fiscal year ended March 31, 2023.
2. Diluted earnings per share is not provided as there were no potential shares.
3. The basis of calculation of basic earnings per share is as follows:

Item	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit attributable to owners of parent (Million yen)	2,992	1,334
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	2,992	1,334
Average number of common shares outstanding during the period (Thousand shares)	6,337	6,382

#### 4. Other Information

##### Status of Orders Received and Sales (by Market)

###### 1) Orders received

(Million yen)

Market	For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	9,624	18.1	6,915	13.5	(2,709)	(28.1)
Home appliance	18,446	34.7	20,392	40.0	1,946	10.6
Car electronics	18,928	35.6	19,561	38.3	632	3.3
Industry and other	6,172	11.6	4,172	8.2	(1,999)	(32.4)
Total	53,171	100.0	51,042	100.0	(2,128)	(4.0)

###### 2) Sales

(Million yen)

Market	For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	9,421	19.5	7,946	14.5	(1,475)	(15.7)
Home appliance	16,912	35.1	21,182	38.6	4,269	25.2
Car electronics	17,321	35.9	20,879	38.1	3,558	20.5
Industry and other	4,587	9.5	4,834	8.8	246	5.4
Total	48,243	100.0	54,842	100.0	6,599	13.7