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November 11, 2022

Consolidated Financial Results for the First Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Hosiden Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6804
 URL: <https://www.hosiden.com/index.html>
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 Scheduled date to file quarterly securities report: November 11, 2022
 Scheduled date to commence dividend payments: December 2, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2022	120,666	24.7	10,147	54.0	16,070	116.9	10,941	82.5
September 30, 2021	96,788	(18.1)	6,588	27.5	7,410	62.8	5,994	70.3

(Note) Comprehensive income For the first six months ended September 30, 2022 12,553 million yen [91.5%]
 For the first six months ended September 30, 2021 6,554 million yen [63.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	199.05	183.98
September 30, 2021	106.18	98.55

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	184,024	129,094	70.2
March 31, 2022	171,525	119,533	69.7

(Reference) Equity

As of September 30, 2022 129,094 million yen
 As of March 31, 2022 119,533 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	10.00	–	55.00	65.00
Fiscal year ending March 31, 2023	–	23.00			
Fiscal year ending March 31, 2023 (Forecast)			–	58.00	81.00

(Note) Revision of cash dividend forecast most recently announced: Yes

For the revision of the cash dividend forecast, please refer to the “Notice Regarding Revisions of Financial Results Forecasts and Cash Dividend Forecast” published today, on November 11, 2022.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	265,000	27.6	15,300	30.5	21,300	34.9	14,800	24.3	269.20

(Note) Revision of financial results forecast most recently announced: Yes

- Financial results forecasts are based on the assumption of a foreign exchange rate of 144 yen per U.S. dollar.
- For the revision of the financial results forecasts, please refer to the “Notice Regarding Revisions of Financial Results Forecasts and Cash Dividend Forecast” published today, on November 11, 2022.

Notes

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

Newly included: – companies (Company name)

Excluded: – companies (Company name)

- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	64,710,084 shares
As of March 31, 2022	64,710,084 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2022	9,731,476 shares
As of March 31, 2022	9,755,041 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	54,966,833 shares
Six months ended September 30, 2021	56,455,879 shares

Notes: 1. Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

2. Explanation on proper use of earnings forecasts, and other special matters

(1) For matters related to forecasts, please refer to the “Notice Regarding Revisions of Financial Results Forecasts and Cash Dividend Forecast” published today, on November 11, 2022.

(2) The forward-looking statements about the future financial results of this document are future forecasts based on the judgment of Hosiden Corporation (the “Company”) taking into account the information currently available, and the Company does not intend to make a warranty of their achievement. These forward-looking statements contain various potential risks and uncertainties, and actual results may be materially different from the forward-looking statements due to various material factors. Therefore, the Company asks not to depend highly on these forward-looking statements.

Quarterly consolidated financial statements and significant notes thereto**Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	49,794	64,622
Notes and accounts receivable - trade, and contract assets	25,864	29,597
Securities	13,699	15,300
Merchandise and finished goods	9,923	9,356
Work in process	3,117	4,322
Raw materials and supplies	38,526	29,721
Other	4,690	5,173
Allowance for doubtful accounts	(45)	(45)
Total current assets	145,572	158,048
Non-current assets		
Property, plant and equipment	18,559	18,986
Intangible assets	451	462
Investments and other assets		
Investment securities	4,809	4,361
Other	2,423	2,454
Allowance for doubtful accounts	(290)	(287)
Total investments and other assets	6,942	6,528
Total non-current assets	25,952	25,976
Total assets	171,525	184,024

Hosiden Corporation (6804) Consolidated Financial Results for the First Six Months Ended September 30, 2022

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,614	25,045
Short-term borrowings	2,040	2,226
Income taxes payable	3,179	5,307
Other	7,470	6,808
Total current liabilities	36,305	39,388
Non-current liabilities		
Bonds with share acquisition rights	10,051	10,041
Retirement benefit liability	3,577	3,483
Other	2,057	2,017
Total non-current liabilities	15,686	15,542
Total liabilities	51,991	54,930
Net assets		
Shareholders' equity		
Share capital	13,660	13,660
Capital surplus	19,596	19,603
Retained earnings	94,320	102,238
Treasury shares	(9,586)	(9,563)
Total shareholders' equity	117,990	125,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,495	2,179
Foreign currency translation adjustment	(1,334)	663
Remeasurements of defined benefit plans	381	312
Total accumulated other comprehensive income	1,542	3,154
Total net assets	119,533	129,094
Total liabilities and net assets	171,525	184,024

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**Quarterly consolidated statements of income**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	96,788	120,666
Cost of sales	85,207	105,490
Gross profit	11,580	15,175
Selling, general and administrative expenses	4,992	5,028
Operating profit	6,588	10,147
Non-operating income		
Interest income	39	107
Dividend income	65	73
Foreign exchange gains	568	5,565
Subsidies for employment adjustment	90	88
Other	87	110
Total non-operating income	851	5,945
Non-operating expenses		
Interest expenses	15	10
Commission for syndicated loans	8	8
Other	5	2
Total non-operating expenses	29	22
Ordinary profit	7,410	16,070
Extraordinary income		
Gain on sale of non-current assets	351	94
Gain on sale of investment securities	225	–
Other	0	–
Total extraordinary income	577	94
Extraordinary losses		
Loss on sale and retirement of non-current assets	30	5
Loss on liquidation of subsidiaries	–	220
Total extraordinary losses	30	226
Profit before income taxes	7,958	15,938
Income taxes - current	1,894	4,865
Income taxes - deferred	69	131
Total income taxes	1,964	4,997
Profit	5,994	10,941
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	5,994	10,941

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	5,994	10,941
Other comprehensive income		
Valuation difference on available-for-sale securities	19	(316)
Foreign currency translation adjustment	609	1,997
Remeasurements of defined benefit plans, net of tax	(68)	(69)
Total other comprehensive income	560	1,612
Comprehensive income	6,554	12,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,554	12,553
Comprehensive income attributable to non-controlling interests	–	–

Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	7,958	15,938
Depreciation	1,381	1,607
Decrease (increase) in trade receivables	(6,120)	(827)
Decrease (increase) in inventories	(3,979)	10,715
Decrease (increase) in operating accounts receivable	(159)	239
Increase (decrease) in trade payables	(1,917)	(3,869)
Other, net	1,324	(1,415)
Subtotal	(1,512)	22,388
Interest and dividends received	96	143
Interest paid	(14)	(12)
Subsidies for employment adjustment received	90	88
Income taxes paid	(2,152)	(3,087)
Net cash provided by (used in) operating activities	(3,493)	19,519
Cash flows from investing activities		
Decrease (increase) in time deposits	–	(515)
Purchase of property, plant and equipment	(1,762)	(1,510)
Proceeds from sale of property, plant and equipment	337	399
Proceeds from sale of investment securities	342	–
Other, net	18	72
Net cash provided by (used in) investing activities	(1,063)	(1,553)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(80)	–
Purchase of treasury shares	(0)	(0)
Dividends paid	(846)	(3,022)
Other, net	(39)	(62)
Net cash provided by (used in) financing activities	(967)	(3,085)
Effect of exchange rate change on cash and cash equivalents	112	1,040
Net increase (decrease) in cash and cash equivalents	(5,411)	15,922
Cash and cash equivalents at beginning of period	69,522	62,479
Cash and cash equivalents at end of period	64,110	78,401

Segment information, etc.

Segment information

I The first six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Net sales, and profit or loss by reportable segment

(Millions of yen)

	Reportable segments					Adjustments	Amounts in quarterly consolidated statements of income (Note)
	Electro-mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	81,460	6,653	4,454	4,218	96,788	–	96,788
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	81,460	6,653	4,454	4,218	96,788	–	96,788
Segment profit	4,796	791	116	883	6,588	–	6,588

Note: The total amount of segment profit is equal to the operating profit in the quarterly consolidated statements of income.

II The first six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Net sales, and profit or loss by reportable segment

(Millions of yen)

	Reportable segments					Adjustments	Amounts in quarterly consolidated statements of income (Note)
	Electro-mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	106,185	8,178	2,666	3,635	120,666	–	120,666
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	106,185	8,178	2,666	3,635	120,666	–	120,666
Segment profit (loss)	9,318	641	(343)	531	10,147	–	10,147

Note: The total amount of segment profit (loss) is equal to the operating profit in the quarterly consolidated statements of income.