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May 12, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Hosiden Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6804
 URL: <https://www.hosiden.com/en/>
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 Scheduled date of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file annual securities report: June 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	277,244	33.5	15,750	34.3	18,984	20.3	12,637	6.2
March 31, 2022	207,608	(11.3)	11,725	(5.3)	15,786	17.8	11,901	15.1

(Note) Comprehensive income For the fiscal year ended March 31, 2023 14,477 million yen [7.5%]
 For the fiscal year ended March 31, 2022 13,469 million yen [12.9%]

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	232.88	214.93	10.3	10.8	5.7
March 31, 2022	211.57	196.32	10.4	9.5	5.6

(Reference) Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023 – million yen
 For the fiscal year ended March 31, 2022 – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	179,993	126,753	70.4	2,379.08
March 31, 2022	171,525	119,533	69.7	2,175.11

(Reference) Equity

As of March 31, 2023	126,753 million yen
As of March 31, 2022	119,533 million yen

(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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	20,765	(9,852)	(7,437)	66,017
March 31, 2022	(1,230)	(3,059)	(3,748)	62,479

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	10.00	–	55.00	65.00	3,587	30.1	3.1
Fiscal year ended March 31, 2023	–	23.00	–	48.00	71.00	2,557	30.2	3.1
Fiscal year ending March 31, 2024 (Forecast)	–	24.00	–	24.00	48.00		30.1	

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

For the year-end dividend for the fiscal year ended March 31, 2023, please refer to the “Notice Regarding Dividends of Surplus” published today, on May 12, 2023.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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
Six months ending September 30, 2023	130,000	7.7	5,000	(50.7)	5,500	(65.8)	4,300	(60.7)	80.71
Full year	255,000	(8.0)	10,000	(36.5)	11,000	(42.1)	8,500	(32.7)	159.54

Financial results forecasts are based on the assumption of a foreign exchange rate of 134 yen per U.S. dollar.

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) 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

- (iv) Restatement: None

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

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

As of March 31, 2023	63,010,084 shares
As of March 31, 2022	64,710,084 shares

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

As of March 31, 2023	9,731,778 shares
As of March 31, 2022	9,755,041 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	54,264,292 shares
Fiscal year ended March 31, 2022	56,255,530 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	224,764	39.6	11,059	63.2	15,380	34.6	9,442	(32.9)
March 31, 2022	161,003	(18.3)	6,775	0.9	11,424	36.3	14,064	52.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	174.01	160.53
March 31, 2022	250.01	232.03

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	138,156	91,010	65.9	1,708.21
March 31, 2022	133,435	88,939	66.7	1,618.40

(Reference) Equity

As of March 31, 2023 91,010 million yen
As of March 31, 2022 88,939 million yen

Notes: 1. Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

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

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.

Consolidated financial statements and significant notes thereto**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	49,794	57,418
Notes receivable - trade	1,253	1,302
Accounts receivable - trade	24,611	33,667
Securities	13,699	13,335
Merchandise and finished goods	9,923	9,691
Work in process	3,117	5,107
Raw materials and supplies	38,526	26,469
Trade accounts receivable	2,208	1,567
Other	2,482	3,346
Allowance for doubtful accounts	(45)	(27)
Total current assets	145,572	151,878
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,577	21,462
Accumulated depreciation and impairment	(13,736)	(14,499)
Buildings and structures, net	5,840	6,962
Machinery, equipment and vehicles	25,754	26,475
Accumulated depreciation and impairment	(19,532)	(21,215)
Machinery, equipment and vehicles, net	6,221	5,259
Land	3,290	3,035
Construction in progress	777	62
Other	31,975	31,318
Accumulated depreciation and impairment	(29,546)	(29,144)
Other, net	2,429	2,174
Total property, plant and equipment	18,559	17,495
Intangible assets	451	423
Investments and other assets		
Investment securities	4,809	5,643
Retirement benefit asset	267	60
Deferred tax assets	1,025	739
Other	1,130	4,039
Allowance for doubtful accounts	(290)	(287)
Total investments and other assets	6,942	10,195
Total non-current assets	25,952	28,114
Total assets	171,525	179,993

Hosiden Corporation (6804) Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,614	25,772
Short-term borrowings	2,040	2,189
Income taxes payable	3,179	3,910
Provision for bonuses for directors (and other officers)	155	154
Other	7,315	5,893
Total current liabilities	36,305	37,919
Non-current liabilities		
Bonds with share acquisition rights	10,051	10,030
Deferred tax liabilities	1,253	1,268
Retirement benefit liability	3,577	3,170
Other	803	850
Total non-current liabilities	15,686	15,319
Total liabilities	51,991	53,239
Net assets		
Shareholders' equity		
Share capital	13,660	13,660
Capital surplus	19,596	19,596
Retained earnings	94,320	100,808
Treasury shares	(9,586)	(10,695)
Total shareholders' equity	117,990	123,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,495	2,381
Foreign currency translation adjustment	(1,334)	666
Remeasurements of defined benefit plans	381	334
Total accumulated other comprehensive income	1,542	3,382
Total net assets	119,533	126,753
Total liabilities and net assets	171,525	179,993

Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	207,608	277,244
Cost of sales	185,884	251,487
Gross profit	21,724	25,757
Selling, general and administrative expenses	9,999	10,007
Operating profit	11,725	15,750
Non-operating income		
Interest income	103	368
Dividend income	118	136
Foreign exchange gains	3,558	2,490
Subsidies for employment adjustment	192	131
Other	150	163
Total non-operating income	4,122	3,290
Non-operating expenses		
Interest expenses	35	34
Commission for syndicated loans	17	10
Other	8	10
Total non-operating expenses	61	56
Ordinary profit	15,786	18,984
Extraordinary income		
Gain on sale of non-current assets	370	142
Gain on sale of investment securities	225	–
Other	1	–
Total extraordinary income	598	142
Extraordinary losses		
Loss on sale and retirement of non-current assets	34	31
Impairment losses	43	347
Loss on liquidation of subsidiaries	–	220
Other	–	1
Total extraordinary losses	78	600
Profit before income taxes	16,306	18,527
Income taxes - current	4,391	5,493
Income taxes - deferred	12	396
Total income taxes	4,404	5,889
Profit	11,901	12,637
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	11,901	12,637

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	11,901	12,637
Other comprehensive income		
Valuation difference on available-for-sale securities	(75)	(114)
Foreign currency translation adjustment	1,616	2,000
Remeasurements of defined benefit plans, net of tax	26	(46)
Total other comprehensive income	1,567	1,840
Comprehensive income	13,469	14,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,469	14,477
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,306	18,527
Depreciation	3,185	3,385
Impairment losses	43	347
Increase (decrease) in allowance for doubtful accounts	(30)	(57)
Increase (decrease) in retirement benefit liability	(364)	(442)
Interest and dividend income	(221)	(504)
Interest expenses	35	34
Loss (gain) on sale and retirement of non-current assets	(336)	(111)
Loss (gain) on valuation of investment securities	–	1
Decrease (increase) in trade receivables	2,183	(8,286)
Decrease (increase) in inventories	(13,115)	12,017
Decrease (increase) in operating accounts receivable	(135)	640
Decrease (increase) in other assets	612	(629)
Increase (decrease) in trade payables	(7,274)	663
Increase (decrease) in other liabilities	1,687	(685)
Other, net	(230)	569
Subtotal	2,346	25,468
Interest and dividends received	199	421
Interest paid	(26)	(24)
Proceeds from subsidies for employment adjustment	192	131
Income taxes paid	(3,942)	(5,232)
Net cash provided by (used in) operating activities	(1,230)	20,765
Cash flows from investing activities		
Decrease (increase) in time deposits	275	(3,733)
Payments into long-term deposits	–	(3,000)
Purchase of property, plant and equipment	(3,823)	(2,818)
Proceeds from sale of property, plant and equipment	404	427
Purchase of investment securities	(100)	(1,002)
Proceeds from sale of investment securities	342	–
Purchase of intangible assets	(134)	(134)
Other, net	(24)	408
Net cash provided by (used in) investing activities	(3,059)	(9,852)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(456)	–
Purchase of treasury shares	(1,775)	(3,000)
Dividends paid	(1,411)	(4,287)
Other, net	(104)	(150)
Net cash provided by (used in) financing activities	(3,748)	(7,437)
Effect of exchange rate change on cash and cash equivalents	995	62
Net increase (decrease) in cash and cash equivalents	(7,042)	3,538
Cash and cash equivalents at beginning of period	69,522	62,479
Cash and cash equivalents at end of period	62,479	66,017

Net sales, profit or loss, assets and other items by reportable segment

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Adjustments or company- wide (Note 1)	Amounts in consolidated financial statements (Note 2)
	Electro- mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	177,211	13,817	8,431	8,147	207,608	–	207,608
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	177,211	13,817	8,431	8,147	207,608	–	207,608
Segment profit	9,078	1,148	213	1,284	11,725	–	11,725
Segment assets	83,314	11,310	3,520	3,478	101,623	69,901	171,525
Other items							
Depreciation	2,350	473	135	226	3,185	–	3,185
Increase in property, plant and equipment and intangible assets	2,877	658	67	270	3,873	305	4,178

Notes: 1. The adjustments are as follows:

- (1) The company-wide assets of 69,901 million yen for segment assets include cash and deposits, securities, investment securities and deferred tax assets, etc.
 - (2) Of the increase in property, plant and equipment and intangible assets, 305 million yen is company-wide assets that are not allocated to each reportable segment.
2. The total amount of segment profit is equal to the operating profit in the consolidated statements of income.

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Adjustments or company- wide (Note 1)	Amounts in consolidated financial statements (Note 2)
	Electro- mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	248,063	16,907	3,901	8,371	277,244	–	277,244
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	248,063	16,907	3,901	8,371	277,244	–	277,244
Segment profit (loss)	13,575	1,241	(623)	1,556	15,750	–	15,750
Segment assets	83,912	12,397	1,983	3,919	102,213	77,779	179,993
Other items							
Depreciation	2,530	530	132	192	3,385	–	3,385
Increase in property, plant and equipment and intangible assets	1,457	335	33	96	1,922	114	2,037

Notes: 1. The adjustments are as follows:

- (1) The company-wide assets of 77,779 million yen for segment assets include cash and deposits, securities, investment securities and deferred tax assets, etc.
 - (2) Of the increase in property, plant and equipment and intangible assets, 114 million yen is company-wide assets that are not allocated to each reportable segment.
2. The total amount of segment profit (loss) is equal to the operating profit in the consolidated statements of income.