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May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6804
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 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file annual securities report: June 26, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	218,910	(21.0)	12,925	(17.9)	18,160	(4.3)	11,632	(8.0)
March 31, 2023	277,244	33.5	15,750	34.3	18,984	20.3	12,637	6.2

(Note) Comprehensive income For the fiscal year ended March 31, 2024 14,702 million yen [1.6%]
 For the fiscal year ended March 31, 2023 14,477 million yen [7.5%]

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, 2024	224.23	205.62	8.9	10.2	5.9
March 31, 2023	232.88	214.93	10.3	10.8	5.7

(Reference) Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024 – million yen
 For the fiscal year ended March 31, 2023 – 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, 2024	175,008	134,870	77.1	2,609.20
March 31, 2023	179,993	126,753	70.4	2,379.08

(Reference) Equity

As of March 31, 2024 134,870 million yen
As of March 31, 2023 126,753 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, 2024	26,931	(8,345)	(7,940)	76,662
March 31, 2023	20,765	(9,852)	(7,437)	66,017

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, 2023	–	23.00	–	48.00	71.00	3,821	30.2	3.1
Fiscal year ended March 31, 2024	–	24.00	–	44.00	68.00	3,515	30.2	2.7
Fiscal year ending March 31, 2025 (Forecast)	–	19.00	–	19.00	38.00		30.7	

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

For the year-end dividend for the fiscal year ended March 31, 2024, please refer to the “Notice Regarding Dividends of Surplus” published today, on May 10, 2024.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	112,000	(10.3)	4,800	(25.8)	4,800	(56.4)	3,400	(53.5)	65.78
Full year	227,000	3.7	9,200	(28.8)	9,200	(49.3)	6,400	(45.0)	123.81

Financial results forecasts are based on the assumption of a foreign exchange rate of 151 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, 2024	61,410,084 shares
As of March 31, 2023	63,010,084 shares

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

As of March 31, 2024	9,719,522 shares
As of March 31, 2023	9,731,778 shares

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

Fiscal year ended March 31, 2024	51,874,411 shares
Fiscal year ended March 31, 2023	54,264,292 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	163,689	(27.2)	7,554	(31.7)	12,664	(17.7)	7,625	(19.2)
March 31, 2023	224,764	39.6	11,059	63.2	15,380	34.6	9,442	(32.9)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	147.01	134.71
March 31, 2023	174.01	160.53

(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, 2024	131,502	93,169	70.9	1,802.46
March 31, 2023	138,156	91,010	65.9	1,708.21

(Reference) Equity

As of March 31, 2024	93,169 million yen
As of March 31, 2023	91,010 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. For preconditions for earnings forecasts and other related matters, please refer to 1. Overview of operating results, etc., (4) Future outlook on page 4 of the attached document.

(Means of access to supplementary material on financial results and contents of financial results briefing)

The materials to be used in the financial result briefing will be available on the Company's website.

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1. Overview of operating results, etc.

(1) Overview of operating results during the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024 (from April 2023 to March 2024), the world economy recovered gradually. In China, the market is sluggish due to the ongoing real estate downturn and declining consumer confidence, while in the U.S., the economy is performing well, supported by strong consumer spending and employment conditions. In Japan, although consumer spending lacks strength, inbound demand is significant and the economy is on a gradual recovery path. On one hand, issues between Russia and Ukraine and the intensification of tensions in the Middle East add uncertainty to the economy.

In the electronics components industry to which the Group belongs, difficulties in semiconductor procurement in the automotive-related market have eased, but it was affected by production stoppages due to fraud issues at some manufacturers. In the mobile communications-related market, sales remained weak due to inflation and the lengthening of the replacement cycle.

Under such circumstances, although there was growth in the mobile communications-related business and the AV equipment-related business, the Group recorded a decrease in net sales as a whole given the automotive-related business remained on par with the same period of the previous fiscal year and net sales of the amusement-related business decreased significantly.

With regard to profits, due to lower sales and the fact that the depreciation of the yen had less effect on boosting profits than in the same period of the previous fiscal year, operating profit, ordinary profit, and profit attributable to owners of parent decreased.

During the fiscal year under review, as a result, consolidated net sales was 218,910 million yen (down 21.0% year on year). With regard to profits, the Group posted operating profit of 12,925 million (down 17.9% year on year), ordinary profit of 18,160 million yen (down 4.3% year on year) with foreign exchange gains of 4,214 million yen in line with foreign exchange fluctuations, and profit attributable to owners of parent of 11,632 million yen (down 8.0% year on year).

The net sales and segment profit or loss for the reportable segments are as follows:

Net sales for the electro-mechanical components segment was 184,874 million yen (down 25.5% year on year) due to a decrease in the amusement-related business, and the segment profit was 9,310 million yen (down 31.4% year on year).

Net sales for the acoustic components segment was 20,183 million yen (up 19.4% year on year) due to increases in the AV equipment-related business and the automotive-related businesses while the segment profit was 1,533 million yen (up 23.5% year on year).

Net sales for the display components segment was 2,481 million yen (down 36.4% year on year) due to a decrease in the automotive-related business, and the segment loss was 431 million yen (segment loss of 623 million yen for the same period of the previous year).

Net sales for the applied equipment and other segment was 11,371 million yen (up 35.8% year on year) due to an increase in the amusement-related business, and the segment profit was 2,513 million yen (up 61.4% year on year).

(2) Overview of financial position for the fiscal year ended March 31, 2024

At the end of the fiscal year under review, total assets decreased 4,985 million yen from the end of the previous fiscal year to 175,008 million yen mainly due to decreases in trade receivables and inventories despite an increase in cash and deposits. Total liabilities decreased 13,102 million yen from the end of the previous fiscal year to 40,137 million yen mainly due to repayments of short-term borrowings and a decrease in trade payables.

Net assets increased 8,117 million yen from the end of the previous fiscal year to 134,870 million yen mainly due to an increase in retained earnings, resulting in an equity-to-asset ratio of 77.1%.

(3) Overview of cash flows for the fiscal year ended March 31, 2024

At the end of the fiscal year under review, cash and cash equivalents (the “net cash”) increased 10,644 million yen from the end of the previous fiscal year to 76,662 million yen (an increase of 3,538 million yen in the previous fiscal year).

The status of respective cash flows during the fiscal year under review and their factors are as follows:

Cash flows from operating activities

Net cash provided by operating activities was 26,931 million yen (an increase of 20,765 million yen in the previous fiscal year). This was mainly due to profit before income taxes of 17,210 million yen (profit before income taxes of 18,527 million yen in the previous fiscal year), depreciation of 3,150 million yen (3,385 million yen in the previous fiscal year), a decrease in trade receivables of 12,963 million yen (an increase of 8,286 million yen in the previous fiscal year), a decrease in inventories of 10,073 million yen (a decrease of 12,017 million yen in the previous fiscal year), a decrease in trade payables of 11,796 million yen (an increase of 663 million yen in the previous fiscal year), and income taxes paid of 6,354 million yen (5,232 million yen in the previous fiscal year).

Cash flows from investing activities

Net cash used in investing activities was 8,345 million yen (a decrease of 9,852 million yen in the previous fiscal year). This was mainly due to payments into time deposits of 12,372 million yen (10,290 million yen in the previous fiscal year), proceeds from withdrawal of time deposits of 10,247 million yen (6,557 million yen in the previous fiscal year), payments into long-term deposits of 3,500 million yen (3,000 million yen in the previous fiscal year), and purchase of property, plant and equipment of 2,742 million yen (2,818 million yen in the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities was 7,940 million yen (a decrease of 7,437 million yen in the previous fiscal year). This was mainly due to repayments of short-term borrowings of 1,187 million yen (no payments in the previous fiscal year), purchase of treasury shares of 2,817 million yen (3,000 million yen in the previous fiscal year), and dividends paid of 3,798 million yen (4,287 million yen in the previous fiscal year).

Cash flow indicators

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024
Equity-to-asset ratio (%)	67.1	67.5	69.7	70.4	77.1
Equity-to-asset ratio based on market capitalization (%)	29.4	40.3	37.1	47.7	57.3
Cash flows/interest-bearing debt ratio (years)	5.6	0.9	–	0.6	0.4
Interest coverage ratio (times)	20.4	166.1	–	859.4	544.3

(Formula) Equity-to-asset ratio = Equity / Total assets
 Equity-to-asset ratio based on market capitalization = Market capitalization / Total assets
 Cash flows/interest-bearing debt ratio = Interest-bearing debt / Cash flows from operating activities
 Interest coverage ratio = Cash flows from operating activities / Interest payment

Notes:

1. Each indicator is calculated based on consolidated financial values.
2. Market capitalization is calculated by multiplying closing stock price at the end of the period by total number of issued shares at the end of the period (deducting treasury shares).
3. Interest-bearing debt represents all of the debt that bears interest of the entire debt recorded in the consolidated balance sheet.
4. Interest payment represents the interest paid in the consolidated statement of cash flows.

(4) Future outlook

As for the future world economy, while demand remains sluggish in Europe and in China, where the real estate downturn continues, the U.S. economy is strong and the global economy as a whole is expected to recover gradually. On the other hand, geopolitical risks occurring in the two regions are a source of economic uncertainty and may affect the world economy depending on the outcome of the U.S. presidential election.

In the electronics components industry, a recovery in production is expected for the automotive-related business. The mobile communication-related business has been sluggish, but signs of recovery are beginning to emerge.

With regard to its financial results, the Company forecasts growth in the automotive-related business due to increased production by automakers and the acceleration of advanced driver-assistance systems (ADAS) and electrification. Stable growth is also expected for the mobile communication-related business. For the amusement-related business, the Company will implement all possible measures to increase market share, mechanize, automate, and reduce costs.

Soaring prices of materials such as semiconductors, other electronic components, and raw materials, shortages of components, disruptions in logistics, and a reversal to a stronger yen are expected to give downward pressure on profits. Under such circumstances, the Company forecasts the following consolidated financial results for the fiscal year ending March 31, 2025.

Outlook for consolidated financial results

Net sales	227,000 million yen (up 3.7% year on year)
Operating profit	9,200 million yen (down 28.8% year on year)
Ordinary profit	9,200 million yen (down 49.3% year on year)
Profit attributable to owners of parent	6,400 million yen (down 45.0% year on year)

The above outlook for consolidated financial results is based on the assumption of a foreign exchange rate of 151 yen per U.S. dollar.

Notes on forecasts of financial results, etc.

The forward-looking statements about the future financial results of this document are future forecasts based on the judgment of 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 factors. Therefore, the Company asks readers not to depend highly on these forward-looking statements.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company considers the return of profits to shareholders as one of its key policies. Meanwhile, in order to enhance corporate value, the Company needs to implement research and development, investments in production facilities and other activities that keep pace with rapid technological innovations. Therefore, the Company will strive to bolster its financial position through increasing business income and ensuring internal reserves, etc., from the long-term perspective, and aim to maintain a payout ratio of approximately 30% based on consolidated financial results on the premise of a stable business environment.

Based on the basic policy on profit distribution, the Company plans to pay a fiscal year-end dividend of 44 yen per share for the fiscal year under review. As a result, the annual dividends for the fiscal year under review will be 68 yen per share, including the interim dividend (24 yen per share).

For the next year, based on the basic policy on profit distribution, the Company also plans to pay a dividend of 38 yen per share (an interim dividend of 19 yen and a year-end dividend of 19 yen).

(6) Business and other risks

The Group operates global businesses with production, sales and development bases around the world. The electronic component industry, to which the Group belongs, is significantly affected by the world's economic trends, witnesses drastic technological innovations and market price fluctuations, and has fierce competition relating to product development and customer acquisition among competitors.

Business risks surrounding the Group include economic situations of Japan and the rest of the world, development and offering of the Company's new products and demand trend in the market, concentration on major customer groups, increased sales ratio of amusement-related field and order trend thereof, decreasing sales prices, price competitions with other companies, rapid change of the electronic device-related technology, price fluctuations of semiconductors, other electronic components, and raw materials and short supply thereof, logistics disruption, inventory risks, litigation risks, changes in tax systems in various countries, transfer pricing taxation system and other tax issues, intellectual property rights, litigation risks such as product quality issues (PL, recalls and others), regulations on environmentally controlled substances, fund shortage caused by financial contraction, falling price of investment securities held, falling valuations of non-current assets caused by decreasing profitability, foreign exchange rate fluctuations, regulations and revisions of laws and regulations, etc., destruction or falsification of critical data or information leak due to cyberattacks, overseas business-related risks, labor shortage and soaring labor costs relating to the production, war, riot, terrorism, climate change, outbreak of a pandemic such as COVID-19, direct and indirect damages caused by large-scale disasters such as fire, earthquake, tidal wave, wind and flood damages and nuclear accident, events adversely affecting the markets where the Company operates business and its supply chains, increasing cost burden relating to tighter environmental regulations, the impact of stock dilution on our stock price, and the risk of acquiring personnel not going to plan due to an aging population with a low birthrate. In addition, the factors affecting financial results, etc. are not limited to these above factors.

2. Management policy

The Company and each group company share the following management policy of the Company and aim to enhance corporate value through increasing the Group's management efficiency as a whole.

(1) Basic policy on corporate management

The Company has contributed to the development of the electronics market by timely supplying high-quality and sought-after products, which are backed by advanced technology and a complete quality management system, to the market at all times as an electronic component manufacturer.

Moving forward, while the electronics market demands technologies and products that are more sophisticated and have greater functionality with the rapid evolution of AI technology and advanced driver-assistance system (ADAS) technology and the spread of the Internet of Everything (IoE: everything is connected to the Internet), the Company will support customers' corporate strategies with its unique advanced technology.

The Company will support the businesses of customers and contribute to the development of the global electronics markets by analyzing the latest global information and introducing its unique technology.

In terms of its environmental activities, the Company promotes earth-friendly activities, and will take measures to reduce the environmental burden, including acquiring ISO 14001 certification, reducing product energy consumption and size, and promoting the reduction and total abolition of environmentally controlled substances for its products. Furthermore, the Company recognizes addressing carbon neutrality as a corporate responsibility, and will proactively make efforts in this area and promote appropriate information disclosure.

(2) Medium- to long-term corporate management strategy

The electronics industry, to which the Company belongs, is rapidly changing due to a dizzying pace of technological innovations such as digitalization and networking, and even more promising products and technologies are created one after another there. The smartphone, tablet device and Internet-related devices are expected to witness the progress of high-speed communications and advanced features with an eye to 6G, and grow further while combined with traditional consumer electronics/AV and gaming markets, and are expected to come into wider use rapidly. In the automotive-related business, CASE and ADAS are entering a period of diffusion and expansion, and thus the circle (type and quantity) of electronic components and devices used is expanding as onboard electronic devices become more sophisticated. In addition, the growth of markets for medical/health/cosmetics-related devices and electronic devices for nursing care and frailty countermeasures due to the increase in the number of elderly people and the expansion of markets related to IoE for improving productivity, mainly in industrial devices, are also fully expected, and thus the Company believes that the outlook is bright for the electronic component industry as a whole.

Amid such trends, the Company will make efforts to ensure and expand net sales and profits on a consolidated basis and enhance corporate value by offering extensive product lineups, technological capabilities that cater to diverse customer needs, fine-tuned services centered on customer satisfaction, etc. as an electronic component manufacturer.

On the technology front, we are continuing to take action to achieve our medium-term (three-year) technology plan, which aims to strengthen the technology and research and development systems of the Company and group companies. We are taking stock of past technologies and reconstructing the strengths of its own products (devices), which is yielding results such as increased development speed and efficiency. The Company will seek to strongly develop its unique technological products that cater to market needs, including new module products and sensor units for IoE. Specifically, the Company will achieve this by advancing its core technologies including electro-mechanical design technology, high-frequency design technology, acoustic design technology, optical design technology, circuit design technology, metal mold design technology, simulation technology, analytical technology, software development, EMC measure design technology, sensor development, and application technology. IoE products, in particular, are becoming more widely used as factory DX tools, and needs are increasing

for these devices, which are indispensable for solving social issues such as the aging population with a low birthrate, labor shortage, and soaring labor costs. In addition, we are planning to launch a line of products that will help protect lifelines and transportation infrastructure, thereby contributing to society from the standpoint of a comprehensive electronic component manufacturer.

In terms of production, the Company will proceed with automation and labor-saving, including the utilization of industrial robots, with a sense of speed and will work to reduce costs and stabilize quality.

ESG management and contributions to the SDGs are global trends that companies and society are striving to achieve, and we will also continue to work toward these goals proactively.

(3) Issues to be addressed by the Company

The Group will consider bolstering and newly establishing production bases mainly in the ASEAN countries in terms of production. The Group will also further increase efficiency and speed of overall management, and strongly promote mechanization, automation, and labor-saving to further enhance productivity, quality, and cost competitiveness, in order to enhance financial results and bolster its profitability structure.

In addition, we will enhance and bolster compliance system, corporate social responsibility (CSR) system, internal control system, information security management system, risk management system, etc. toward the enhancement of corporate value. To this end, the Company has established the Sustainability Supervisory Committee, and will promote concrete initiatives and make efforts for appropriate information disclosure.

In terms of quality, the Group has acquired ISO 9001 certification in all its production bases. Especially in its production bases for the automotive-related business, the Group acquired IATF 16949 certification and will make efforts to enhance and stabilize its quality.

As for environmental initiatives, the Group will, as a whole, promote the following: acquiring ISO 14001 certification at all its production bases; earth-friendly product design and production activities; environmentally controlled substance measures through green procurement, the RoHS Directive, the REACH regulations, etc.; and the initiatives to reduce the environmental burden including resource conservation/power-saving activities, reduction in waste and recycling. Accordingly, the Group will pay attention to the environment across all of its business activities and continue to improve its environmental management system proactively.

Furthermore, toward the achievement of carbon neutrality, the Company will promote concrete initiatives and make efforts for appropriate information disclosure.

As for achieving management mindful of cost of capital and stock prices, the Company's priorities are to analyze and study the current situation and enhance IR in the future.

3. Basic approach to the selection of accounting standards

The Group has its policy to apply Japanese accounting standards for the time being taking into account the comparability of consolidated financial statements among companies.

With respect to the application of IFRS, the Group has its policy to take appropriate actions taking into account the circumstances both in Japan and overseas.

4. Consolidated financial statements and significant notes thereto**(1) Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	57,418	72,287
Notes receivable - trade	1,302	1,644
Accounts receivable - trade	33,667	21,110
Securities	13,335	14,624
Merchandise and finished goods	9,691	9,214
Work in process	5,107	3,730
Raw materials and supplies	26,469	19,638
Trade accounts receivable	1,567	1,188
Other	3,346	2,503
Allowance for doubtful accounts	(27)	(15)
Total current assets	151,878	145,925
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,462	21,966
Accumulated depreciation and impairment	(14,499)	(15,021)
Buildings and structures, net	6,962	6,944
Machinery, equipment and vehicles	26,475	27,160
Accumulated depreciation and impairment	(21,215)	(22,787)
Machinery, equipment and vehicles, net	5,259	4,373
Land	3,035	3,031
Construction in progress	62	311
Other	31,318	30,885
Accumulated depreciation and impairment	(29,144)	(28,905)
Other, net	2,174	1,979
Total property, plant and equipment	17,495	16,641
Intangible assets	423	405
Investments and other assets		
Investment securities	5,643	7,057
Retirement benefit asset	60	35
Deferred tax assets	739	674
Other	4,039	4,554
Allowance for doubtful accounts	(287)	(286)
Total investments and other assets	10,195	12,035
Total non-current assets	28,114	29,082
Total assets	179,993	175,008

Hosiden Corporation (6804) Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,772	14,673
Short-term borrowings	2,189	1,050
Current portion of bonds with share acquisition rights	–	10,008
Income taxes payable	3,910	3,253
Provision for bonuses for directors (and other officers)	154	140
Other	5,893	5,916
Total current liabilities	37,919	35,042
Non-current liabilities		
Bonds with share acquisition rights	10,030	–
Deferred tax liabilities	1,268	2,167
Retirement benefit liability	3,170	2,307
Other	850	620
Total non-current liabilities	15,319	5,094
Total liabilities	53,239	40,137
Net assets		
Shareholders' equity		
Share capital	13,660	13,660
Capital surplus	19,596	19,596
Retained earnings	100,808	106,744
Treasury shares	(10,695)	(11,584)
Total shareholders' equity	123,370	128,417
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,381	3,500
Foreign currency translation adjustment	666	2,272
Remeasurements of defined benefit plans	334	680
Total accumulated other comprehensive income	3,382	6,453
Total net assets	126,753	134,870
Total liabilities and net assets	179,993	175,008

(2) Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	277,244	218,910
Cost of sales	251,487	196,164
Gross profit	25,757	22,745
Selling, general and administrative expenses	10,007	9,820
Operating profit	15,750	12,925
Non-operating income		
Interest income	368	808
Dividend income	136	142
Foreign exchange gains	2,490	4,214
Other	294	129
Total non-operating income	3,290	5,294
Non-operating expenses		
Interest expenses	34	41
Commission for syndicated loans	10	–
Other	10	16
Total non-operating expenses	56	58
Ordinary profit	18,984	18,160
Extraordinary income		
Gain on sale of non-current assets	142	14
Total extraordinary income	142	14
Extraordinary losses		
Loss on sale and retirement of non-current assets	31	33
Impairment losses	347	931
Loss on liquidation of subsidiaries	220	–
Other	1	0
Total extraordinary losses	600	965
Profit before income taxes	18,527	17,210
Income taxes - current	5,493	5,181
Income taxes - deferred	396	396
Total income taxes	5,889	5,578
Profit	12,637	11,632
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	12,637	11,632

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	12,637	11,632
Other comprehensive income		
Valuation difference on available-for-sale securities	(114)	1,119
Foreign currency translation adjustment	2,000	1,605
Remeasurements of defined benefit plans, net of tax	(46)	345
Total other comprehensive income	1,840	3,070
Comprehensive income	14,477	14,702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,477	14,702
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statements of changes in equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,660	19,596	94,320	(9,586)	117,990
Changes during period					
Dividends of surplus			(4,287)		(4,287)
Profit attributable to owners of parent			12,637		12,637
Purchase of treasury shares				(3,000)	(3,000)
Disposal of treasury shares		6		23	29
Cancellation of treasury shares		(6)	(1,861)	1,868	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	6,488	(1,108)	5,379
Balance at end of period	13,660	19,596	100,808	(10,695)	123,370

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,495	(1,334)	381	1,542	119,533
Changes during period					
Dividends of surplus					(4,287)
Profit attributable to owners of parent					12,637
Purchase of treasury shares					(3,000)
Disposal of treasury shares					29
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	(114)	2,000	(46)	1,840	1,840
Total changes during period	(114)	2,000	(46)	1,840	7,219
Balance at end of period	2,381	666	334	3,382	126,753

Hosiden Corporation (6804) Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,660	19,596	100,808	(10,695)	123,370
Changes during period					
Dividends of surplus			(3,798)		(3,798)
Profit attributable to owners of parent			11,632		11,632
Purchase of treasury shares				(2,817)	(2,817)
Disposal of treasury shares		9		20	29
Cancellation of treasury shares		(9)	(1,897)	1,907	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,936	(889)	5,046
Balance at end of period	13,660	19,596	106,744	(11,584)	128,417

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,381	666	334	3,382	126,753
Changes during period					
Dividends of surplus					(3,798)
Profit attributable to owners of parent					11,632
Purchase of treasury shares					(2,817)
Disposal of treasury shares					29
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	1,119	1,605	345	3,070	3,070
Total changes during period	1,119	1,605	345	3,070	8,117
Balance at end of period	3,500	2,272	680	6,453	134,870

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,527	17,210
Depreciation	3,385	3,150
Impairment losses	347	931
Increase (decrease) in allowance for doubtful accounts	(57)	(73)
Increase (decrease) in retirement benefit liability	(442)	(436)
Interest and dividend income	(504)	(950)
Interest expenses	34	41
Loss (gain) on sale and retirement of non-current assets	(111)	19
Loss (gain) on valuation of investment securities	1	-
Decrease (increase) in trade receivables	(8,286)	12,963
Decrease (increase) in inventories	12,017	10,073
Decrease (increase) in operating accounts receivable	640	380
Decrease (increase) in other assets	(629)	1,095
Increase (decrease) in trade payables	663	(11,796)
Increase (decrease) in other liabilities	(685)	(38)
Other, net	700	(173)
Subtotal	25,600	32,394
Interest and dividends received	421	940
Interest paid	(24)	(49)
Income taxes paid	(5,232)	(6,354)
Net cash provided by (used in) operating activities	20,765	26,931
Cash flows from investing activities		
Payments into time deposits	(10,290)	(12,372)
Proceeds from withdrawal of time deposits	6,557	10,247
Payments into long-term deposits	(3,000)	(3,500)
Purchase of property, plant and equipment	(2,818)	(2,742)
Proceeds from sale of property, plant and equipment	427	97
Purchase of investment securities	(1,002)	-
Purchase of intangible assets	(134)	(179)
Other, net	408	103
Net cash provided by (used in) investing activities	(9,852)	(8,345)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(1,187)
Purchase of treasury shares	(3,000)	(2,817)
Dividends paid	(4,287)	(3,798)
Other, net	(150)	(137)
Net cash provided by (used in) financing activities	(7,437)	(7,940)
Effect of exchange rate change on cash and cash equivalents	62	(1)
Net increase (decrease) in cash and cash equivalents	3,538	10,644
Cash and cash equivalents at beginning of period	62,479	66,017
Cash and cash equivalents at end of period	66,017	76,662

(5) Notes to consolidated financial statements

Notes on going concern assumption

None applicable.

Significant matters serving as the basis for preparation of consolidated financial statements

a. Matters regarding scope of consolidation

The Company has all of its subsidiaries consolidated, and the number of consolidated subsidiaries is 21.

Domestic consolidated subsidiaries

Hosiden Seiko Corporation, Hosiden Kyushu Corporation, Hosiden F.D. Corporation, Hosiden Wakayama Corporation, Hosiden Plastics Corporation, and Hosiden Service Corporation

Overseas consolidated subsidiaries

Korea Hosiden Electronics Co., Ltd., Hong Kong Hosiden Ltd., Hosiden America Corp., Hosiden Singapore Pte. Ltd., Hosiden Electronics (Malaysia) Sdn. Bhd, Hosiden Besson Ltd., Hosiden Europe GmbH, Qingdao Hosiden Electronics Co., Ltd., Hosiden Electronics (Shanghai) Co., Ltd., Hosiden (Shenzhen) Co., Ltd., Hosiden Technology (Qingdao) Co., Ltd., Hosiden (Thailand) Co., Ltd., Hosiden Vietnam (Bac Giang) Co., Ltd., China Hosiden Co., Ltd., and Hosiden Cambodia Co., Ltd.

b. Matters regarding fiscal year of consolidated subsidiaries

Of consolidated subsidiaries, the closing date of the following six overseas consolidated subsidiaries is December 31: Qingdao Hosiden Electronics Co., Ltd., Hosiden Electronics (Shanghai) Co., Ltd., Hosiden (Shenzhen) Co., Ltd., Hosiden Technology (Qingdao) Co., Ltd., Hosiden Vietnam (Bac Giang) Co., Ltd., and China Hosiden Co., Ltd. In preparing consolidated financial statements for the fiscal year under review, the Company uses the financial statements as of December 31, but made necessary consolidation adjustments for significant transactions that occurred thereafter until the consolidated closing date.

c. Matters regarding accounting policies

1. Valuation standards and methods for significant assets

Securities

Available-for-sale securities

Non-marketable securities other than stocks, etc.

.....Market value method (Valuation difference is recognized directly into net assets in full, and the cost of securities sold is calculated based on the moving average method.)

Non-marketable securities, stocks, etc.

.....Moving average cost method

Derivatives

.....Market value method

Inventories

.....The Company and domestic consolidated subsidiaries mainly use the periodic average method (values on the balance sheet are subject to the carrying amount reduction method based on decreased profitability). Meanwhile, overseas consolidated subsidiaries use the lower of cost or market method (using the first-in, first-out

method) for merchandise, and mainly the periodic average or weighted average method for finished goods, work in process, raw materials and supplies.

2. Depreciation and amortization method for significant depreciable assets

Property, plant and equipment

.....The Company and domestic consolidated subsidiaries use the diminishing balance method. However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and also structures acquired on or after April 1, 2016. Overseas consolidated subsidiaries mainly use the straight-line method.

The useful lives of principal assets are as follows.

Buildings and structures: 31-50 years

Machinery, equipment and vehicles: 5-9 years

Intangible assets

.....Straight-line method. Software for internal use is amortized by the straight-line method based on the internal usable period (five years).

3. Standards for recognizing significant provisions

Allowance for doubtful accounts

.....To prepare for bad debt expenses, the estimated uncollectable amounts regarding normal receivables are recognized using the loan loss ratio, and the estimated uncollectable amounts regarding certain receivables, such as doubtful receivables, are recognized by separately examining their collectability.

Provision for bonuses for directors (and other officers)

.....To prepare for bonus payments to directors and other officers, the relevant provision is recognized based on the estimated payment amount.

4. Accounting method for retirement benefits

Period attribution method for the expected retirement benefits

.....For calculating retirement benefit obligations, the benefit formula standards are used regarding the method of attributing the expected retirement benefits to the periods until the fiscal year under review.

Expensing method for actuarial gains and losses and past service costs

.....Past service costs are amortized by the straight-line method over a period within the average remaining service years for employees at the time of recognition (mainly five years).

.....Actuarial gains and losses are amortized by the straight-line method over a period within the average remaining service years for employees at the time of recognition (mainly five years), and allocated proportionately from the fiscal year following the respective fiscal year of recognition.

Accounting method for unrecognized actuarial gains and losses and unrecognized past service costs

.....Unrecognized actuarial gains and losses and unrecognized past service costs are recognized at the remeasurements of defined benefit plans item of accumulated other comprehensive income in net assets after adjusting tax effects.

5. Standards for recognition of significant revenues and expenses

The Group's principal business is developing, manufacturing, and selling electronic components. Sales transactions to customers are based on the terms and conditions determined by agreement with the customer, and revenue is recognized when the performance obligation is satisfied by the transfer of control of the product to the customer. For product sales, the Company determines that the performance obligation is satisfied when the customer obtains control over the product at the time of delivery. However, for domestic product sales, the Company recognizes revenue at the time of shipment to the domestic delivery location designated by the customer.

6. Scope of net cash in the consolidated statement of cash flows

The scope of net cash (cash and cash equivalents) in the consolidated statement of cash flows includes cash on hand, deposits drawable at any time, and short-term investments that are readily convertible to cash, are exposed to insignificant risks of changes in value and are redeemable within three months.

7. Accounting treatment for non-deductible consumption taxes on assets

Non-deductible consumption taxes and local consumption taxes on assets are treated as expenses for the fiscal year under review.

Segment information, etc.

Segment information

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and which the Board of Directors regularly reviews to make decisions regarding the allocation of management resources and evaluate operating performance.

The Company develops, manufactures and sells electronic components as its main business, and sets four reportable segments taking into account the product types and similarities of their businesses: electro-mechanical components, acoustic components, display components, and applied equipment and other.

The electro-mechanical components segment primarily includes connectors, jacks and switches. The acoustic components segment primarily includes microphones, headphones, headsets, speakers and receivers. The display components segment primarily includes touch panels components. The applied equipment and other segment represents the applied devices that do not belong to the above segments.

2. Calculation of net sales, profit or loss, assets and other items by reportable segment

Accounting methods for the reportable business segments are generally consistent with those described in the section "Significant matters serving as the basis for preparation of consolidated financial statements."

Reportable segment profit is based on operating profit. Inter-segment sales and transfers are based on the actual transaction volume.

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

Previous 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.

Current fiscal year (from April 1, 2023 to March 31, 2024)

(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	184,874	20,183	2,481	11,371	218,910	–	218,910
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	184,874	20,183	2,481	11,371	218,910	–	218,910
Segment profit (loss)	9,310	1,533	(431)	2,513	12,925	–	12,925
Segment assets	61,152	12,087	1,341	5,410	79,992	95,015	175,008
Other items							
Depreciation	2,338	526	46	239	3,150	–	3,150
Increase in property, plant and equipment and intangible assets	1,556	604	248	235	2,644	188	2,833

Notes: 1. The adjustments are as follows:

- (1) The company-wide assets of 95,015 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, 188 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.

Per share information

(Yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net assets per share	2,379.08	2,609.20
Basic earnings per share	232.88	224.23
Diluted earnings per share	214.93	205.62

Note: The basis for calculation is as follows.

1. Basic earnings per share and diluted earnings per share

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
(1) Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	12,637	11,632
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	12,637	11,632
Average number of common shares outstanding during the period (Thousands of shares)	54,264	51,874
(2) Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	(14)	(14)
(Of which, amortization amount of bonds discount and expenses (after deducting the tax-equivalent amount))* (Millions of yen)	[(14)]	[(14)]
Increase in common shares (Thousands of shares)	4,463	4,624
Overview of potential shares that were not included in the calculation of diluted earnings per share due to lack of a dilutive effect	—	—

Note: This represents the amortization amount (after deducting the tax-equivalent amount) relating to the difference occurred due to the issuance of bonds at the value higher than the face value.

2. Net assets per share

	Previous fiscal year-end (March 31, 2023)	Current fiscal year-end (March 31, 2024)
Total net assets (Millions of yen)	126,753	134,870
Amount to be deducted from total net assets (Millions of yen)	–	–
Year-end net assets relating to common shares (Millions of yen)	126,753	134,870
Number of year-end common shares used for the calculation of net assets per share (Thousands of shares)	53,278	51,690

Significant subsequent events

None applicable.

5. Others

(1) Changes in the representative

None applicable.

(2) Changes in other directors and officers (scheduled for June 26, 2024)

Candidates for New Outside Directors

Director Yukari Konishi (currently Senior Advisor, Japan Electronics and Information Technology Industries Association (JEITA); Outside Audit & Supervisory Board Member, AIPHONE CO., LTD.; Member, Osaka City Citizen Activity Promotion Project Steering Committee)

(Former Senior Advisor and General Manager of Corporate Communications Division, Panasonic Corporation)