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August 9, 2024

Consolidated Financial Results for the First Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Hosiden Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6804
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the first three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended								
June 30, 2024	57,876	2.8	4,391	69.1	5,389	(1.3)	3,669	0.3
June 30, 2023	56,273	(21.0)	2,596	(61.5)	5,460	(50.5)	3,658	(50.7)

(Note) Comprehensive income For the first three months ended June 30, 2024 5,619 million yen [8.4%]
 For the first three months ended June 30, 2023 5,185 million yen [(36.5)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	70.99	64.94
June 30, 2023	69.79	64.07

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	189,547	138,215	72.9
March 31, 2024	175,008	134,870	77.1

(Reference) Equity

As of June 30, 2024	138,215 million yen
As of March 31, 2024	134,870 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, 2024	–	24.00	–	44.00	68.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		19.00	–	19.00	38.00

(Note) Revision of cash dividend forecast most recently announced: None

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)	6,800	5.1	6,100	(44.6)	4,300	(41.2)	83.19
Full year	227,000	3.7	9,200	(28.8)	9,200	(49.3)	6,400	(45.0)	123.81

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

Financial results forecasts are based on the assumption of a foreign exchange rate of 145 yen per U.S. dollar for six months ending September 30 2024. Financial results forecasts are based on the assumption of a foreign exchange rate of 151 yen per U.S. dollar from the third quarter onward, and remain unchanged.

Notes

- (1) Significant changes in the scope of consolidation during the period: 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: Yes
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: 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 June 30, 2024	61,410,084 shares
As of March 31, 2024	61,410,084 shares

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

As of June 30, 2024	9,719,894 shares
As of March 31, 2024	9,719,522 shares

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

Three months ended June 30, 2024	51,690,190 shares
Three months ended June 30, 2023	52,419,900 shares

Notes: 1. Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None.

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

- For the forecast figures, please refer to the “Notice Regarding Revisions of Financial Results Forecasts” published today, on August 9, 2024.
- 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.

2. Quarterly consolidated financial statements and significant notes thereto**(1) Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	72,287	66,429
Notes and accounts receivable - trade, and contract assets	22,754	31,741
Securities	14,624	18,358
Merchandise and finished goods	9,214	8,357
Work in process	3,730	3,356
Raw materials and supplies	19,638	26,338
Other	3,691	4,939
Allowance for doubtful accounts	(15)	(21)
Total current assets	145,925	159,499
Non-current assets		
Property, plant and equipment	16,641	16,857
Intangible assets	405	397
Investments and other assets		
Investment securities	7,057	7,775
Other	5,264	5,283
Allowance for doubtful accounts	(286)	(266)
Total investments and other assets	12,035	12,792
Total non-current assets	29,082	30,047
Total assets	175,008	189,547

Hosiden Corporation (6804) Consolidated Financial Results for the First Three Months Ended June 30, 2024

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,673	25,894
Short-term borrowings	1,050	1,050
Current portion of bonds with share acquisition rights	10,008	10,003
Income taxes payable	3,253	1,629
Other	6,057	7,157
Total current liabilities	35,042	45,733
Non-current liabilities		
Retirement benefit liability	2,307	2,222
Other	2,787	3,374
Total non-current liabilities	5,094	5,597
Total liabilities	40,137	51,331
Net assets		
Shareholders' equity		
Share capital	13,660	13,660
Capital surplus	19,596	19,596
Retained earnings	106,744	108,139
Treasury shares	(11,584)	(11,584)
Total shareholders' equity	128,417	129,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,500	4,139
Foreign currency translation adjustment	2,272	3,638
Remeasurements of defined benefit plans	680	625
Total accumulated other comprehensive income	6,453	8,403
Total net assets	134,870	138,215
Total liabilities and net assets	175,008	189,547

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**Quarterly consolidated statements of income**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	56,273	57,876
Cost of sales	51,263	51,143
Gross profit	5,010	6,732
Selling, general and administrative expenses	2,413	2,340
Operating profit	2,596	4,391
Non-operating income		
Interest income	157	230
Dividend income	59	72
Foreign exchange gains	2,626	687
Other	44	19
Total non-operating income	2,887	1,008
Non-operating expenses		
Interest expenses	17	9
Other	5	2
Total non-operating expenses	23	11
Ordinary profit	5,460	5,389
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	5,460	5,390
Income taxes - current	1,501	1,349
Income taxes - deferred	301	371
Total income taxes	1,802	1,720
Profit	3,658	3,669
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,658	3,669

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	3,658	3,669
Other comprehensive income		
Valuation difference on available-for-sale securities	511	638
Foreign currency translation adjustment	1,046	1,366
Remeasurements of defined benefit plans, net of tax	(31)	(54)
Total other comprehensive income	1,526	1,950
Comprehensive income	5,185	5,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,185	5,619
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	5,460	5,390
Depreciation	729	681
Decrease (increase) in trade receivables	6,163	(8,416)
Decrease (increase) in inventories	(7,586)	(4,601)
Decrease (increase) in operating accounts receivable	(256)	(603)
Increase (decrease) in trade payables	2,608	10,841
Other, net	(224)	(39)
Subtotal	6,894	3,252
Interest and dividends received	231	266
Interest paid	(17)	(8)
Income taxes paid	(3,553)	(3,106)
Net cash provided by (used in) operating activities	3,554	403
Cash flows from investing activities		
Payments into time deposits	(3,873)	(7,265)
Proceeds from withdrawal of time deposits	3,536	6,266
Purchase of property, plant and equipment	(396)	(604)
Other, net	47	57
Net cash provided by (used in) investing activities	(686)	(1,545)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,158)	-
Purchase of treasury shares	(2,816)	(0)
Dividends paid	(2,557)	(2,274)
Other, net	(39)	(34)
Net cash provided by (used in) financing activities	(6,571)	(2,308)
Effect of exchange rate change on cash and cash equivalents	165	41
Net increase (decrease) in cash and cash equivalents	(3,537)	(3,408)
Cash and cash equivalents at beginning of period	66,017	76,662
Cash and cash equivalents at end of period	62,480	73,253

(4) Notes to quarterly consolidated financial statements

Changes in Accounting Policies Due to Revisions of Accounting Standards

(Application of the Accounting Standard for Current Income Taxes, etc.)

We have adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter, the “Amended Accounting Standard 2022”), etc. from the beginning of the period under review.

The amendment to the classification for recording current income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Amended Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter, the “Amended Implementation Guidance 2022”).

This change in accounting policies has no impact on the quarterly financial statements.

In addition, for the amendment related to the revised accounting treatment in consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the group has adopted the Amended Implementation Guidance 2022 from the beginning of the period under review. As this change in accounting policies was applied retrospectively, the quarterly consolidated financial statements for the three months ended June 30, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024 have been restated retrospectively.

This change in accounting policies has no impact on the quarterly consolidated financial statements for the three months ended June 30, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024.

Notes on going concern assumption

None applicable.

Notes on significant changes in the amount of shareholders' equity

None applicable

Segment information, etc.

Segment information

I The first three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

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

	Reportable segments					Adjustments	Amounts in quarterly consolidated statements of income
	Electro-mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	48,559	4,470	591	2,652	56,273	–	56,273
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	48,559	4,470	591	2,652	56,273	–	56,273
Segment profit (loss)	1,875	292	(89)	518	2,596	–	2,596

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

II The first three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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

(Millions of yen)

	Reportable segments					Adjustments	Amounts in quarterly consolidated statements of income
	Electro-mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	48,955	5,382	534	3,003	57,876	–	57,876
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	48,955	5,382	534	3,003	57,876	–	57,876
Segment profit (loss)	3,452	532	(94)	501	4,391	–	4,391

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