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

April 26, 2024

Company name: Socionext Inc. Stock exchange listing: Tokyo
Code number: 6526 URL: <https://www.socionext.com/en/>
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Relations Office
Scheduled date to commence dividend payments: June 05, 2024
Scheduled date of ordinary general shareholders' meeting: June 26, 2024
Scheduled filing date of Securities Report: June 27, 2024
Supplementary material: Yes
Financial results presentation: Yes (for institutional investors and analysts)

(Monetary amounts are rounded to the nearest millions of yen)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Consolidated financial results (Percentage represents change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended								
March 31, 2024	221,246	14.8	35,510	63.6	37,122	58.4	26,134	32.2
March 31, 2023	192,767	64.7	21,711	156.5	23,440	159.0	19,763	164.2

Note:

Comprehensive income: For the fiscal year ended March 31, 2024: 27,334 million yen (34.9%)
For the fiscal year ended March 31, 2023: 20,255 million yen (151.9%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income on assets	Operating Margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	148.39	144.80	21.7	19.5	16.1
March 31, 2023	117.40	111.49	19.8	15.0	11.3

Notes:

- The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. Basic earnings per share and diluted earnings per share are computed based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.
- As the Company was listed on the Tokyo Stock Exchange Prime Market on October 12, 2022, diluted earnings per share for the fiscal year ended March 31, 2023 is computed by deeming the average stock price during the period from the listing date to March 31, 2023 as the average stock price during the fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	millions of yen	millions of yen	%	Yen
March 31, 2024	186,840	131,020	70.1	732.76
March 31, 2023	193,945	109,864	56.6	652.59

Reference: Shareholder's equity: As of March 31, 2024: 131,020 million yen As of March 31, 2023: 109,852 million yen

Note : The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. Net assets per share is computed based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the fiscal year
Fiscal year ended	millions of yen	millions of yen	millions of yen	millions of yen
March 31, 2024	52,882	(23,155)	(6,624)	69,738
March 31, 2023	18,019	(19,725)	(333)	45,136

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended/ending	yen	yen	yen	yen	yen	millions of yen	%	%
March 31, 2023	-	0.00	-	210.00	210.00	7,070	35.8	7.1
March 31, 2024	-	115.00	-	25.00	-	8,557	32.3	6.9
March 31, 2025(Forecast)	-	25.00	-	25.00	50.00		45.8	

Note: Revision of the latest dividends forecast: Yes

The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. Dividends for fiscal year ended March 31, 2023 and 2nd quarter of fiscal year ended March 31, 2024 are presented in actual value terms on a pre-split basis. The total annual dividend per share is presented as “-” considering the effect of the stock split. The total annual dividend per share for the fiscal year ended March 31, 2024 is 48.00 yen after the stock split. For further details, please refer to “Notice Regarding the Revision of the Dividend Forecast” announced today (April 26, 2024).

3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Percentage represents change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal Year ending March 31, 2025	200,000	(9.6)	27,000	(24.0)	27,000	(27.3)	19,500	(25.4)	109.13

※ Notes

(1) Changes in significant subsidiaries during the current reporting period

(Changes in specified subsidiaries resulting from changes in the scope of consolidation): No

(2) Changes in accounting policies, accounting estimates and retrospective restatements for consolidated financial statements

- ① Changes in accounting policies due to revisions of the accounting standards and other regulations: No
- ② Changes arising from factors other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatements: No

(3) Number of issued shares (Common stock)

- ① Number of shares issued at the end of the period (including treasury stock)
- ② Number of treasury stock held at the end of the period
- ③ Average number of shares during the period

Fiscal year ended March 31, 2024	178,687,405	Fiscal year ended March 31, 2023	168,333,330
Fiscal year ended March 31, 2024	788	Fiscal year ended March 31, 2023	-
Fiscal year ended March 31, 2024	176,119,044	Fiscal year ended March 31, 2023	168,333,330

Note: The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. “Number of shares issued at the end of the period” and “Average number of shares during the period” are computed based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.

(Reference) 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 financial results (Percentage represents change from the same period of the previous fiscal year)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
March 31, 2024	220,245	14.8	33,980	79.0	36,649	71.3	26,311	45.5
March 31, 2023	191,830	65.2	18,986	181.5	21,393	175.2	18,078	178.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2024	149.40	145.79
March 31, 2023	107.40	101.99

Notes:

- The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. Basic earnings per share and diluted earnings per share are computed based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.
- As the Company was listed on the Tokyo Stock Exchange Prime Market on October 12, 2022, diluted earnings per share for the fiscal year ended March 31, 2023 is computed by deeming the average stock price during the period from the listing date to March 31, 2023 as the average stock price during the fiscal year.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
March 31, 2024	173,962	123,485	71.0	690.60
March 31, 2023	184,664	103,351	56.0	613.90

Reference: Shareholder's equity: As of March 31, 2024: 123,485 million yen As of March 31, 2023: 103,339 million yen

Note: The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. Net assets per share is computed based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.

※ These fiscal consolidated financial results are not subject to the audit procedure of external audit.

※ Explanation of the proper use of earnings forecast and other special notes

These materials may contain forward-looking statements that are based on management's current information, actual results may differ materially from these forward-looking statements for various reasons. For information regarding the assumptions used to prepare the forecast and cautionary note of the forecast, please refer to "1. Overview of operating results (4) Outlook" on page 4 for more details.

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1. Overview of operating results

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

The global economy has continued to slow down during the fiscal year ended March 31, 2024, due to increased global instability, exacerbated by factors such as the prolonged Russian invasion of Ukraine and escalation in Middle East tensions. Strong inflationary pressures and persistently high interest rates primarily in Europe and the U.S., as well as stagnant domestic demand in China have resulted in a drag on economic activity. Therefore, the global economic environment remains high uncertain, and growth rates have remained low compared to the past. Furthermore, differences in monetary policies among countries and regions have resulted in a continuous depreciation of the Japanese yen.

The semiconductor market continued to experience weak demand due to inventory adjustments of end products starting in the second half of the previous fiscal year ended March 31, 2023, and bottomed out in the first half of the current fiscal year ended March 31, 2024. Although there were signs of gradual recovery in the second half of the fiscal year ended March 31, 2024 across the semiconductor market, the annual results showed a single-digit decline. In terms of products, the Logic ICs that the Group (“the Group”, “the Company”, “we” and “our” refer to Socionext Inc., and its consolidated subsidiaries, or Socionext Inc. on a non-consolidated basis, as the context may require) focused on experienced positive growth, despite a downturn in most categories especially memory chips and microprocessors, compared to the previous fiscal year. In terms of applications, although demand for end products, primarily in smartphones and PCs, has declined, we have observed growth in our focus areas, particularly in data center & networking as well as automotive. Moreover, there has been a resilient increase in demand for semiconductors using cutting-edge technologies in these areas.

The Group has been acquiring more design wins in our focus areas including automotive, data center & networking, and smart devices. This success is due to the transformation of our business model, shift of focus areas to high-growth and cutting-edge business areas where more global large-scale business is expected, as well as structural reform including bold transformation in business structure, all implemented by current CEO since his appointment in April 2018 (which we refer to as phase 1 transformation). Through the transformation, we have acquired design wins amount of roughly 200 billion yen during each of the fiscal years ended March 31, 2020, 2021 and 2022, an increase from the design win amount of roughly 100 billion yen for the fiscal year ended March 31, 2019. From the fiscal year ended March 31, 2023, we have been further achieving design wins amount of 250 billion yen. Moreover, we are also proceeding with our next stage of transformation, which we call phase 2 transformation. This phase aims to establish a competitive R&D structure and create a dynamic business culture as a multinational company. We are intensifying our efforts to transform our corporate systems, organizational structures, and employee awareness through ongoing communication with global customers, players in the semiconductor ecosystem and investors.

Additionally, we established the Global Leading Group in April 2023, aiming to create a structure tasked with large-scale advanced technology model projects, serving as a competitive R&D platform. We have been continuously improving by integrating several key activities: establishing a computer-architecture-based design and development platform as well as standard design and development processes suitable for our Solution SoC business model, enhancing both the efficiency and visibility of these processes, alongside reforms in design and development management. Moving forward, we will continue to actively enhance our development of advanced technologies. Moreover, we have opened the new branch office in Bangalore, India, under our subsidiary Socionext America Inc. in August 2023 to strengthen our global design and development capabilities.

We have integrated the related organizations of the production planning, control and supply chain management in Taiwan and Japan to enhance our global production and procurement system. Given the concentration of suppliers in Taiwan, we have allocated a production control team there to establish a direct interface and strengthen our coordination with these suppliers. As a result, we have been developing a structure that allows us to respond swiftly to any changes in manufacturing capacities of our manufacturing partners.

With acquired design wins of large-scale advanced development projects over the past few years, we have strengthened our relationships with global companies that form the ecosystem across the semiconductor industry. We have particularly made progress in joint development projects in advanced technology areas by establishing and enhancing management-level relationships with global companies headquartered in North America and Taiwan.

Our research and development costs consist of both upfront investments in advanced technologies for acquiring design wins in our focus areas and investments in product development linked to acquired design wins. For the current fiscal year ended March 31, 2024, our research and development costs increased by 8.0% to 53,279 million yen, mainly due to products development related with increasing acquired design wins. Since the ecosystem continues to grow in complexity and flexibly, and to utilize the latest advanced technologies, we regularly work with multiple partners and actively invest in advanced technologies including 2nm and finer process nodes, advanced packaging technologies such as chiplet, application of latest EDA tools as well as platformization. In October 2023, we announced a collaboration with Arm Holdings plc and Taiwan Semiconductor Manufacturing Company Limited (TSMC) on a project for 2nm multi-core CPU chiplet PoC (proof of concept). In same month, we also announced that we began development of SoCs for Advanced Driver Assistance Systems (ADAS)/ Autonomous Driving (AD) using 3nm automotive process. We have been

engaged in advanced technologies including 2nm or finer process nodes and chiplets as well as in the adoption of AI for design and development process.

[Net sales]	(millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Semiconductor products (product revenue)	156,751	182,876
Non-recurring engineering (NRE revenue)	34,867	37,609
Others	1,149	761
Total	192,767	221,246

The consolidated net sales for the fiscal year ended March 31, 2024 were 221,246 million yen, an increase of 14.8% from the fiscal year ended March 31, 2023. Our net sales consist of NRE revenue received from customers based on costs incurred in scheduled milestones during the design and development process, and product revenue from the applicable products which entered the mass production stage. NRE revenue was 37,609 million yen in the fiscal year ended March 31, 2024, an increase of 7.9% from the fiscal year ended March 31, 2023. This increase was due to increased proportion of NRE revenue from advanced technologies requiring 7nm and finer process nodes, derived from active design wins in automotive area. Product revenue increased by 16.7% from the fiscal year ended March 31, 2023, to 182,876 million yen. This is due to design wins acquired from Calendar Year 2019 have entered the mass production stage including 7nm products in automotive application market.

Besides, cost of sales for the fiscal year ended March 31, 2024 was 111,243 million yen, an increase of 7.0% from the fiscal year ended March 31, 2023. Selling, general and administrative expenses were 74,493 million yen, increased by 11.0%, and operating income was 35,510 million yen, an increase of 63.6% from the fiscal year ended March 31, 2023. Ordinary income was 37,122 million yen due mainly to foreign exchange gain, increased by 58.4% from the previous fiscal year. Profit attributable to owners of parent was 26,134 million yen, increased by 32.2% from the previous fiscal year. The increase in operating income is due mainly to the rise in gross profit and the improvement in the cost of sales ratio, both related with the increased product revenue.

The depreciation of Japanese yen has led to increases of 11.7 billion yen in net sales, 2.5 billion yen in operating income compared to the previous fiscal year ended March 31, 2023. The Japanese yen/U.S. dollar average exchange rate for the fiscal year ended March 31, 2024 was ¥144.6=U.S. \$1, a depreciation of ¥9.1 compared to the fiscal year ended March 31, 2023.

The Group has a single segment primarily of SoC developed with the solution SoC business model.

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

(Assets)

Current assets as of March 31, 2024 decreased by 17,166 million yen from the end of the previous fiscal year ended March 31, 2023 to 138,901 million yen. This is mainly due to the decrease in inventories and accounts receivable-other in accordance with increased product revenue and decreased customer-requested upfront procurement. Cash on hand and in banks increased due to the accounts receivable collection and the proceeds from the exercise of stock options.

Non-current assets as of March 31, 2024 increased by 10,061 million yen from the end of the previous fiscal year to 47,939 million yen. The main capital expenditures in the period include the acquisition of reticles, IP, etc. in connection with product development of acquired design wins, and the expansion of data centers in accordance with increasing development scale.

As a result, total assets as of March 31, 2024 decreased by 7,105 million yen from the end of the previous fiscal year to 186,840 million yen.

(Liabilities)

Current liabilities as of March 31, 2024 decreased by 29,244 million yen from the end of the previous fiscal year ended March 31, 2023 to 53,094 million yen. This is due mainly to the decrease in accounts payable-trade and accounts payable-other related to customer-requested upfront procurement.

As a result, total liabilities as of March 31, 2024 decreased by 28,261 million yen from the end of the previous fiscal year to 55,820 million yen.

(Net assets)

Net assets as of March 31, 2024 increased by 21,156 million yen from the end of the previous fiscal year ended March 31, 2023 to 131,020 million yen. This is due mainly to 26,134 million yen in profit attributable to owners of parent for the fiscal year ended March

31, 2024 and 4,766 million yen provided by the proceeds from the exercise of stock options.

As a result, the shareholders' equity ratio has been 70.1%, increased by 13.5 percent points from the end of the previous fiscal year.

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

Cash and cash equivalents as of March 31, 2024 increased by 24,602 million yen from the end of the previous fiscal year ended March 31, 2023 to 69,738 million yen.

Net cash provided by operating activities was 52,882 million yen for the fiscal year ended March 31, 2024. This is due mainly to profit before income taxes of 37,122 million yen, depreciation and amortization of 13,396 million yen, a decrease in accounts receivable of 8,379 million yen in accordance with accounts receivable collection despite the payment of income taxes of 10,739 million yen.

Net cash used in investing activities was 23,155 million yen for the fiscal year ended March 31, 2024. This is due mainly to the purchases of 11,879 million yen of property, plant and equipment including reticles and test boards for product development for the acquired design wins, and those for improving the environment of design and development, and the purchases of 11,187 million yen of intangible assets including IP.

Net cash used in financing activities was 6,624 million yen and this is due to payment of the dividends of 11,160 million yen despite the proceeds from exercise of stock options of 4,766 million yen.

Besides, in response to increasing working capital needs related to increasing product revenue, as well as to address global economic slowdown and geopolitical risks, the Company entered commitment line agreements of 20,000 million yen. As of March 31, 2024, the commitment lines of total 20,000 million yen were unused.

(4) Outlook

The Company have acquired more designs wins in focus areas including automotive, data center & networking, as well as smart devices as a result of business model transformation and shift to growth areas since 2018, and those design wins have been sequentially entering mass production stage from development. We expect consolidated net sales for the next fiscal year ending March 31, 2025 to be 200,000 million yen, a decrease of 9.6% compared to the current fiscal year ended March 31, 2024 due to net sales in data center & networking areas which increased in current fiscal year however are expected to decline. Consolidated operating income is expected to be 27,000 million yen, with a decrease of 24.0% from the current fiscal year. Profit attributable to owners of parent is expected to be 19,500 million yen, a decrease of 25.4% from the current fiscal year. The decreases in both operating income and profit attributable to owners of parent are resulted from the expected decrease in consolidated net sales. Besides, our outlook is based on foreign exchange assumption of 130 yen per U.S. dollar.

The forecast above may contain forward-looking statements that are based on management's current information, actual results may differ materially for various reasons including actual operating conditions and exchange rates fluctuation.

2. Basic policy regarding selection of accounting standards

The Group will prepare consolidated financial documents in accordance with Japanese GAAP, with consideration for comparability across multiple reporting periods and multiple entities.

We will work on the adoption of International Financial Reporting Standards (IFRS), taking various domestic and international situation into consideration.

3. Consolidated financial statements and principal notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash on hand and in banks	45,136	69,738
Accounts receivable-trade, net	40,809	35,257
Finished goods	8,187	6,090
Work in process	39,528	19,414
Accounts receivable-other	16,209	2,935
Other current assets	6,198	5,467
Total current assets	156,067	138,901
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,583	3,441
Machinery and equipment, net	8	6
Tools, furniture and fixtures, net	13,438	17,318
Land	800	800
Construction in progress	351	235
Total property, plant and equipment, net	17,180	21,800
Intangible assets		
Technology assets	11,494	16,166
Other intangible assets	1,468	2,298
Total intangible assets	12,962	18,464
Investments and other assets		
Investment securities	0	0
Deferred tax assets	6,897	6,740
Other assets	839	935
Total investments and other assets	7,736	7,675
Total non-current assets	37,878	47,939
Total assets	193,945	186,840

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	23,421	15,764
Accounts payable-other	24,551	9,334
Accrued expenses	5,755	8,859
Income taxes payable	6,942	6,817
Liabilities related to chargeable subcontracting	18,869	9,319
Other current liabilities	2,800	3,001
Total current liabilities	82,338	53,094
Long-term liabilities		
Asset retirement obligations	343	350
Other long-term liabilities	1,400	2,376
Total long-term liabilities	1,743	2,726
Total liabilities	84,081	55,820
Net assets		
Shareholders' equity		
Common stock	30,200	32,656
Deposits for subscriptions of shares	-	85
Capital surplus	30,200	32,656
Retained earnings	48,630	63,604
Treasury stock	-	(3)
Total shareholders' equity	109,030	128,998
Accumulated other comprehensive income		
Foreign currency translation adjustments	822	2,022
Total accumulated other comprehensive income	822	2,022
Share subscription rights	12	-
Total net assets	109,864	131,020
Total liabilities and net assets	193,945	186,840

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	192,767	221,246
Cost of sales	103,922	111,243
Gross profit	88,845	110,003
Selling, general and administrative expenses	67,134	74,493
Operating income	21,711	35,510
Non-operating income		
Interest income	141	384
Foreign exchange gain	1,601	1,224
Other income	24	67
Total non-operating income	1,766	1,675
Non-operating expenses		
Other expenses	37	63
Total non-operating expenses	37	63
Ordinary income	23,440	37,122
Profit before income taxes	23,440	37,122
Income taxes-current	7,382	10,694
Income taxes-deferred	(3,705)	294
Total income taxes	3,677	10,988
Profit	19,763	26,134
Profit attributable to owners of parent	19,763	26,134

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	19,763	26,134
Other comprehensive income		
Foreign currency translation adjustments	492	1,200
Total other comprehensive income	492	1,200
Comprehensive income	20,255	27,334
Comprehensive income attributable to:		
Owners of parent	20,255	27,334

(3) Consolidated statements of changes in net assets

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2022	30,200	30,200	28,867	-	89,267
Changes during the year					
Issuance of new shares					-
Profit attributable to owners of parent			19,763		19,763
Acquisition of treasury stock				(0)	(0)
Cancellation of treasury stock		(0)		0	-
Transfer from retained earnings to capital surplus		0	(0)		-
Net changes in items other than those in shareholders' equity					-
Total changes during the year	-	-	19,763	-	19,763
Balance as of March 31, 2023	30,200	30,200	48,630	-	109,030

	Accumulated other comprehensive income		Share subscription rights	Total net assets
	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance as of April 1, 2022	330	330	12	89,609
Changes during the year				
Issuance of new shares				-
Profit attributable to owners of parent				19,763
Acquisition of treasury stock				(0)
Cancellation of treasury stock				-
Transfer from retained earnings to capital surplus				-
Net changes in items other than those in shareholders' equity	492	492		492
Total changes during the year	492	492	-	20,255
Balance as of March 31, 2023	822	822	12	109,864

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					
	Common stock	Deposits for subscriptions of shares	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2023	30,200	-	30,200	48,630	-	109,030
Changes during the year						
Issuance of new shares	2,456	85	2,456			4,997
Dividends paid				(11,160)		(11,160)
Profit attributable to owners of parent				26,134		26,134
Acquisition of treasury stock					(3)	(3)
Net changes in items other than those in shareholders' equity						-
Total changes during the year	2,456	85	2,456	14,974	(3)	19,968
Balance as of March 31, 2024	32,656	85	32,656	63,604	(3)	128,998

	Accumulated other comprehensive income		Share subscription rights	Total net assets
	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance as of April 1, 2023	822	822	12	109,864
Changes during the year				
Issuance of new shares				4,997
Dividends paid				(11,160)
Profit attributable to owners of parent				26,134
Acquisition of treasury stock				(3)
Net changes in items other than those in shareholders' equity	1,200	1,200	(12)	1,188
Total changes during the year	1,200	1,200	(12)	21,156
Balance as of March 31, 2024	2,022	2,022	-	131,020

(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	23,440	37,122
Depreciation and amortization	12,075	13,396
Interest and dividend income	(141)	(384)
Loss on retirement of non-current assets	2,172	1,383
Loss (gain) on sale of non-current assets	(29)	-
Decrease (increase) in accounts receivable	(15,162)	8,379
Decrease (increase) in inventories	(31,301)	22,212
Increase (decrease) in accounts payable	5,880	(10,535)
Decrease (increase) in other assets	(19,309)	13,999
Increase (decrease) in other liabilities	43,077	(22,223)
Other	527	(112)
Subtotal	21,229	63,237
Interest and dividends received	141	384
Income taxes paid	(3,351)	(10,739)
Net cash provided by (used in) operating activities	18,019	52,882
Cash flows from investing activities		
Purchases of property, plant and equipment	(12,629)	(11,879)
Purchases of intangible assets	(7,144)	(11,187)
Proceeds from sales of non-current assets	29	-
Other	19	(89)
Net cash used in investing activities	(19,725)	(23,155)
Cash flow from financing activities		
Repayments of lease obligations	(333)	(458)
Proceeds from exercise of stock options	-	4,766
Deposits for subscriptions of shares	-	85
Proceeds from exercise of share award rights	-	146
Purchase of treasury stock	-	(3)
Dividends paid	-	(11,160)
Net cash used in financing activities	(333)	(6,624)
Effect of exchange rate changes on cash and cash equivalents	904	1,499
Increase (decrease) in cash and cash equivalents	(1,135)	24,602
Cash and cash equivalents at the beginning of the fiscal year	46,271	45,136
Cash and cash equivalents at the end of the fiscal year	45,136	69,738

(5) Notes to consolidated financial statements

Assumptions of a going concern

None.

Segment information

1. Fiscal year ended March 31, 2023

(From April 1, 2022 to March 31, 2023)

The Group has a single segment primarily of SoC developed with the solution SoC business model.

2. Fiscal year ended March 31, 2024

(From April 1, 2023 to March 31, 2024)

The Group has a single segment primarily of SoC developed with the solution SoC business model.

Per share information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	652.59	732.76
Basic earnings per share	117.40	148.39
Diluted earnings per share	111.49	144.80

Notes:

1. The Company implemented a stock split on January 1, 2024 at a ratio of 1 common stock to 5 shares. Net assets per share, basic earnings per share and diluted earnings per share are computed based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.
2. As the Company was listed on the Tokyo Stock Exchange Prime Market on October 12, 2022, diluted earnings per share for the fiscal year ended March 31, 2023 is computed by deeming the average stock price during the period from the listing date to March 31, 2023 as the average stock price during the fiscal year.
3. The bases for calculation of net assets per share:

(Millions of yen, unless otherwise stated)

	As of March 31, 2023	As of March 31, 2024
Total net assets	109,864	131,020
Deductions from total net assets	12	85
(Of which, deposits for subscriptions of shares)	(-)	(85)
(Of which, share subscription rights)	(12)	(-)
Net assets attributable to common stock at the end of the fiscal year	109,852	130,935
Number of shares issued at the end of the period	168,333,330	178,687,405
Number of treasury stock held at the end of the period	-	788
Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share	168,333,330	178,686,617

4. The bases for calculation of net income per share and diluted earnings per share:

(Millions of yen, unless otherwise stated)

	Fiscal year ended March 31,2023	Fiscal year ended March 31,2024
Basic earnings per share		
Basic profit attributable to owners of parent	19,763	26,134
Profit not attributable to common shareholders	-	-
Profit attributable to owners of the parent related to common stock	19,763	26,134
Average number of shares of common stock during the period	168,333,330	176,119,044
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	-	-
Number of shares of common stock increased	8,926,600	4,360,706
Summary of potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	-	-

Subsequent Events

None.