

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 25.00	Yen —	Yen 25.00	Yen 50.00
Fiscal year ending March 31, 2024	—	25.00			
Fiscal year ending March 31, 2024 (Forecast)			—	25.00	50.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen 225,000	% (4.6)	Million yen 14,000	% (20.3)	Million yen 15,000	% (21.5)	Million yen 11,500	% (21.4)	Yen 126.14

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

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (4) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 8 of the Attachments.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
 - 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

September 30, 2023:	92,302,608 shares
March 31, 2023:	92,302,608 shares
 - 2) Total number of treasury shares at the end of the period:

September 30, 2023:	1,114,448 shares
March 31, 2023:	1,202,097 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2023:	91,146,602 shares
Six months ended September 30, 2022:	91,029,347 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by a certified public accountant or an audit firm.

* Explanation of the proper use of performance forecast and other notes

The forward-looking statements concerning future financial results presented in this document are prepared based on the information currently available for the Company and certain preconditions which the Company believes to be reasonable at this time. Actual results may be substantially different from any projections presented herein due to various factors. Please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments for the assumptions underlying the financial results forecasts and precautions when using the forecasts.

The Company is scheduled to hold a quarterly financial results briefing session (telephone conference) for institutional investors and analysts on October 27, 2023. We will post the quarterly financial results explanatory materials to be used at the session on our website.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

The world economy during the six months ended September 30, 2023 saw a sluggish growth of the Chinese economy due to the deteriorating real estate market, along with weak capital investment and a downturn in personal consumption. However, the United States economy remained strong despite the effects of monetary tightening, and the Japanese economy as a whole experienced a gradual recovery thanks to an increase in personal consumption mainly in the service sector, while slumping demand in China affected the manufacturing and other industries. In addition, the yen depreciated further due mainly to the steady U.S. economy and expectations that its interest rate hikes would continue.

In the electronics market relevant to the Group, the automotive market performed robustly thanks to the reduction in semiconductor shortages. However, demand remained sluggish in the mobile device market, and the industrial market experienced further slowdown due to adjustments in the receipt of orders that had continued since the latter half of the precious fiscal year, as well as a decrease in capital investment in China. Furthermore, our business environment remained extremely challenging mainly due to high material and energy prices.

Under these circumstances, the Group aimed to expand orders received and sales by conducting active global marketing centered on its flagship Connector Business and speeding up new product development activities. At the same time, the Group strived to achieve higher business performance by promoting the streamlining of management as a whole, including cost reduction through further expansion of in-house production, improvement in efficiency of equipment, and the curbing of various expenses.

Nevertheless, affected by such factors as lower factory utilization that arose from stagnant demand in the mobile device and industrial markets that we focus on, for the six months ended September 30, 2023, the Group recorded net sales totaling ¥113,285 million (93% compared to the corresponding period of the previous year). On the profit side, we posted operating profit totaling ¥6,770 million (63% compared to the corresponding period of the previous year), ordinary profit totaling ¥8,607 million (60% compared to the corresponding period of the previous year) due to the recording of foreign exchange gains from the end-of-period valuation of monetary receivables and payables denominated in foreign currencies, and profit attributable to owners of parent totaling ¥6,711 million (63% compared to the corresponding period of the previous year).

(2) Explanation of Financial Position

a. Assets, Liabilities, and Net Assets

Total assets at the end of the six months ended September 30, 2023 amounted to ¥236,570 million, marking an increase of ¥9,944 million from the end of the consolidated fiscal year ended March 31, 2023. The increase was attributable mainly to an increase in cash and deposits and trade receivables as well as an increase in property, plant and equipment arising from the expansion of a factory by our subsidiary (JAE Yamagata, Ltd.) for strengthen the production system, which serves as our major domestic producer toward the manufacturing of products for electric vehicles (EV) whose market is expected to expand, in addition to investments in manufacturing equipment for new products mainly in the Connector Business.

Total liabilities amounted to ¥55,101 million, marking a decrease of ¥240 million from the end of the consolidated fiscal year ended March 31, 2023, mainly due to the scheduled payment of borrowings, despite an increase in trade payables for production materials.

Net assets amounted to ¥181,469 million, marking an increase of ¥10,185 million from the end of the consolidated fiscal year ended March 31, 2023, mainly due to the recording of profit attributable to owners of parent and foreign currency translation adjustments increased due to the effect of yen depreciation in translating non-consolidated balance sheets of overseas subsidiaries.

b. Cash Flows

Net cash provided by operating activities for the six months ended September 30, 2023 was secured ¥16,621 million (¥15,471 million provided in the corresponding period of the previous year). This was attributable

mainly to the recording of profit before income taxes and depreciation.

Net cash used in investing activities was ¥10,773 million (¥9,795 million used in the corresponding period of the previous year), mainly due to expenses for the purchase of property, plant and equipment arising from manufacturing equipment for new products and our subsidiary factory expansion.

Net cash used in financing activities was ¥6,072 million (¥5,548 million used in the corresponding period of the previous year), due to the dividends paid and the scheduled payment of borrowings.

As a result, the balance of cash and cash equivalents on September 30, 2023 increased by ¥2,135 million, including ¥2,360 million in effect of exchange rate change on cash and cash equivalents, to ¥65,161 million from the end of the consolidated fiscal year ended March 31, 2023.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

We revised the consolidated financial results forecast for the fiscal year ending March 31, 2024, which we announced on April 27, 2023, as shown in the following table, because we currently expect that a full-scale recovery in the demand in the industrial market, which has remained sluggish since the latter half of the previous fiscal year as described above, will begin in the next fiscal year, in contrast to our initial expectations that it would start to recover in the second half of the current fiscal year.

The forecast for the second half is based on the exchange rate of ¥140 per U.S. dollar.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 230,000	Million yen 18,500	Million yen 17,500	Million yen 13,500	Yen 148.19
Revised forecast (B)	225,000	14,000	15,000	11,500	126.14
Amount change (B-A)	(5,000)	(4,500)	(2,500)	(2,000)	—
Percentage change (%)	(2.2)	(24.3)	(14.3)	(14.8)	—
(Reference) Fiscal year ended March 31, 2023	235,864	17,562	19,115	14,639	160.78

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	63,025	65,161
Notes and accounts receivable - trade	43,017	46,071
Inventories	28,562	28,833
Other	6,814	7,787
Allowance for doubtful accounts	(45)	(154)
Total current assets	141,375	147,699
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,708	28,209
Machinery, equipment and vehicles, net	18,938	21,820
Tools, furniture and fixtures, net	8,947	10,209
Land	6,840	6,923
Construction in progress	12,040	6,688
Total property, plant and equipment	71,474	73,850
Intangible assets	2,656	2,753
Investments and other assets		
Deferred tax assets	3,438	3,486
Other	7,810	8,910
Allowance for doubtful accounts	(129)	(129)
Total investments and other assets	11,119	12,267
Total non-current assets	85,251	88,871
Total assets	226,626	236,570

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,842	30,319
Short-term borrowings	7,302	4,641
Income taxes payable	1,906	1,857
Provision for bonuses for directors (and other officers)	110	50
Other	12,473	14,630
Total current liabilities	50,634	51,498
Non-current liabilities		
Long-term borrowings	2,500	1,250
Retirement benefit liability	520	502
Other	1,686	1,850
Total non-current liabilities	4,707	3,602
Total liabilities	55,341	55,101
Net assets		
Shareholders' equity		
Share capital	10,690	10,690
Capital surplus	14,740	14,873
Retained earnings	136,791	141,225
Treasury shares	(916)	(850)
Total shareholders' equity	161,305	165,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,000	1,409
Foreign currency translation adjustment	8,196	13,403
Remeasurements of defined benefit plans	658	615
Total accumulated other comprehensive income	9,855	15,428
Share acquisition rights	123	101
Total net assets	171,284	181,469
Total liabilities and net assets	226,626	236,570

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	122,206	113,285
Cost of sales	98,918	93,846
Gross profit	23,288	19,438
Selling, general and administrative expenses	12,465	12,667
Operating profit	10,822	6,770
Non-operating income		
Interest income	32	151
Dividend income	89	112
Foreign exchange gains	3,582	1,697
Subsidy income	–	400
Other	121	118
Total non-operating income	3,825	2,479
Non-operating expenses		
Interest expenses	42	30
Loss on retirement of non-current assets	259	168
Loss on tax purpose reduction entry of non-current assets	–	400
Other	32	44
Total non-operating expenses	333	643
Ordinary profit	14,314	8,607
Profit before income taxes	14,314	8,607
Income taxes - current	3,547	2,001
Income taxes - deferred	42	(105)
Total income taxes	3,589	1,895
Profit	10,725	6,711
Profit attributable to owners of parent	10,725	6,711

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	10,725	6,711
Other comprehensive income		
Valuation difference on available-for-sale securities	(65)	408
Foreign currency translation adjustment	6,095	5,207
Remeasurements of defined benefit plans, net of tax	(100)	(43)
Total other comprehensive income	5,929	5,573
Comprehensive income	16,655	12,285
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,655	12,285
Comprehensive income attributable to non-controlling interests	–	–

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	14,314	8,607
Depreciation	10,109	9,716
Increase (decrease) in retirement benefit liability	(46)	(33)
Interest and dividend income	(121)	(264)
Interest expenses	42	30
Foreign exchange losses (gains)	(1,036)	(651)
Loss on retirement of non-current assets	259	168
Decrease (increase) in trade receivables	(3,586)	(1,796)
Decrease (increase) in inventories	(837)	826
Increase (decrease) in trade payables	(1,206)	949
Other, net	39	902
Subtotal	17,930	18,455
Interest and dividends received	123	267
Interest paid	(44)	(31)
Income taxes paid	(2,756)	(2,218)
Income taxes refund	217	148
Net cash provided by (used in) operating activities	15,471	16,621
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,396)	(10,299)
Proceeds from sale of property, plant and equipment	2	12
Purchase of investment securities	(0)	(0)
Other, net	(400)	(486)
Net cash provided by (used in) investing activities	(9,795)	(10,773)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,807)	(3,911)
Dividends paid	(1,819)	(2,277)
Other, net	78	116
Net cash provided by (used in) financing activities	(5,548)	(6,072)
Effect of exchange rate change on cash and cash equivalents	2,586	2,360
Net increase (decrease) in cash and cash equivalents	2,714	2,135
Cash and cash equivalents at beginning of period	65,559	63,025
Cash and cash equivalents at end of period	68,274	65,161

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

For calculation of tax expenses, we adopt a method whereby the effective tax rate for the profit before income taxes for the fiscal year ending March 31, 2024, after the application of tax effect accounting is reasonably estimated, and the quarterly profit before income taxes is multiplied by such effective tax rate.

However, in cases where calculating tax expenses using the reasonably estimated effective tax rate yields a result that is notably lacking rationality, tax expenses are calculated using the statutory effective tax rate.

(Segment information, etc.)

[Segment information]

For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment			Others (Note 2)	Total	Adjustment	Amount recorded in Quarterly Consolidated Statements of Income
	Connector Business	User Interface Solutions Business	Aerospace Business				
Net sales							
Mobile devices	49,015	–	–	–	49,015	–	49,015
Automotive	40,255	3,431	628	–	44,315	–	44,315
Industrial and infrastructure	13,971	2,647	6,038	–	22,657	–	22,657
Others	3,608	–	2,170	439	6,218	–	6,218
Revenue from contracts with customers	106,850	6,078	8,837	439	122,206	–	122,206
Total	106,850	6,078	8,837	439	122,206	–	122,206
Segment income (Note 1)	11,114	539	1,589	123	13,365	(2,543)	10,822

(Notes) 1. Segment income (loss) represents the operating profit (loss) in the quarterly consolidated statements of income. However, ¥2,543 million in general and administrative expenses such as headquarters staff expenses, which is difficult to allocate to each reportable segment, is included in the adjustment.

2. The “Others” classification is a business segment that is not included in any reportable segments and includes the sale of other goods and the service business.

For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment			Others (Note 2)	Total	Adjustment	Amount recorded in Quarterly Consolidated Statements of Income
	Connector Business	User Interface Solutions Business	Aerospace Business				
Net sales							
Mobile devices	40,161	–	–	–	40,161	–	40,161
Automotive	46,660	2,208	672	–	49,541	–	49,541
Industrial and infrastructure	8,407	3,025	7,036	–	18,468	–	18,468
Others	2,586	–	2,098	429	5,113	–	5,113
Revenue from contracts with customers	97,815	5,233	9,807	429	113,285	–	113,285
Total	97,815	5,233	9,807	429	113,285	–	113,285
Segment income (Note 1)	7,098	265	1,992	54	9,410	(2,640)	6,770

(Notes) 1. Segment income (loss) represents the operating profit (loss) in the quarterly consolidated statements of income. However, ¥2,640 million in general and administrative expenses such as headquarters staff expenses, which is difficult to allocate to each reportable segment, is included in the adjustment.

2. The “Others” classification is a business segment that is not included in any reportable segments and includes the sale of other goods and the service business.