

**Translation**

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

May 8, 2024

Company name: IRISO ELECTRONICS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6908 URL <https://www.irisoele.com/jp/>  
 Representative: President & Representative Director Hitoshi Suzuki  
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 Scheduled date of ordinary general meeting of shareholders: June 25, 2024  
 Scheduled date to file Securities Report: June 26, 2024  
 Scheduled date to commence dividend payments: June 26, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

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

#### (1) Consolidated financial results 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	%
Year ended March 31, 2024	55,271	4.5	5,936	(14.5)	7,189	(6.2)	5,593	0.9
Year ended March 31, 2023	52,903	20.6	6,940	53.5	7,661	58.3	5,541	41.6

(Note) Comprehensive income: Year ended March 31, 2024: ¥10,879 million [42.1%]  
 Year ended March 31, 2023: ¥ 7,656 million [(9.7)%]

	Earnings per share	Diluted earnings per share	Net income/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	237.75	-	7.8	8.0	10.7
Year ended March 31, 2023	235.58	-	8.6	9.8	13.1

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	96,856	77,016	78.7	3,240.40
As of March 31, 2023	82,491	68,019	81.7	2,865.97

(Reference) Equity: As of March 31, 2024: ¥76,233 million  
 As of March 31, 2023: ¥67,418 million

#### (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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	12,934	(9,089)	2,313	26,692
Year ended March 31, 2023	11,613	(8,179)	516	18,640

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	-	0.00	-	80.00	80.00	1,893	34.0	2.9
Year ended March 31, 2024	-	0.00	-	90.00	90.00	2,130	37.9	2.9
Year ending March 31, 2025 (Forecast)	-	0.00	-	100.00	100.00		44.1	

## 3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	58,000	4.9	7,000	17.9	6,800	(5.4)	5,200	(7.0)	226.82

### \* Notes:

(1) Changes in significant subsidiaries during the year ended March 31, 2024

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	24,583,698 shares	As of March 31, 2023	24,583,698 shares
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Number of treasury shares at the end of the period:

As of March 31, 2024	1,057,800 shares	As of March 31, 2023	1,059,896 shares
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Average number of shares during the period:

Year ended March 31, 2024	23,525,006 shares	Year ended March 31, 2023	23,523,360 shares
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(Note) Number of treasury shares at the end of the period is presented including the Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" (as of March 31, 2024: 147,426 shares, as of March 31, 2023: 149,576 shares). The Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" have been included in treasury shares deducted in calculation of the average number of shares during the period.

(Reference) Summary of Non-consolidated financial statements

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

(1) Non-consolidated financial results

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	%
Year ended March 31, 2024	41,129	17.2	1,234	(31.6)	2,996	24.4	2,409	33.0
Year ended March 31, 2023	35,094	7.1	1,806	8.1	2,409	(12.2)	1,811	(18.3)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Year ended March 31, 2024	102.40	-	-	-
Year ended March 31, 2023	77.00	-	-	-

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen	Yen	
As of March 31, 2024	52,360	35,092	35,092	34,529	67.0	1,491.65	1,467.84	
As of March 31, 2023	47,325	34,529	34,529	34,529	73.0	1,467.84	1,467.84	

(Reference) Equity: As of March 31, 2024: ¥35,092 million  
As of March 31, 2023: ¥34,529 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company, and actual results may vary significantly due to various factors.

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## **1. Overview of Operating Results, etc.**

### **(1) Overview of Operating Results for the Current Fiscal Year**

Looking at the world economy during the reporting year, the US economy continued to grow as a result of increased consumer spending despite the impact of monetary tightening, whereas global economic growth remained tepid due to some volatilities such as a decline in China's capital spending due to its continued property market downturn and economic slowdown in Europe.

The world demand slump dragged down the overall global manufacturing activities in major producing countries and regions, whereas global auto production and sales, a key focus area to the group business, were back on recovery track while global shortage of components such as chips were gradually easing. Nevertheless, the global economy showed signs of slowdown as a result of customers' manufacturing slowdown in China, the end of EVs subsidies in Europe, etc. during the latter half of the year.

In the given business environment, the IRISO group increased sales in the auto infotainment market through expanding its global business and sales of new high-speed transmission connectors, as well as in the powertrain market, driven by rising demand for xEVs (EVs, FCHVs, PHVs, HEVs), whereas sales in some regions showed signs of growth slump from FY2023 H2. Besides, as a result of decreasing demand in the consumer market and capital spending cuts in the industrial market, net sales remained at ¥55,271 million, up 4.5% YoY.

When it comes to profit, although the impact of exchange rate swings and soaring raw material costs were offset through executing some strategies to improve profitability, the planned targets of sales and capacity utilization rate were not met because of an increase in fixed costs, such as upfront investments for the new ERP system launch from April 2024 and Akita plant operation to start in 2025. As a result, an operating profit decreased to ¥5,936 million, down 14.5% YoY, ordinary profit to ¥7,189 million, down 6.2% YoY whereas profit attributable to owners of parent increased to ¥5,593 million, up 0.9% YoY, supported by foreign exchange gains.

### **(2) Overview of Financial Position for the Current Fiscal Year**

Total assets at the end of the current fiscal year increased ¥14,364 million from the end of the previous fiscal year (March 31, 2023) to ¥96,856 million due to an increase in cash and deposits for upfront investments, new ERP system, and construction of Akita plant. The main factors for the increase were ¥8,051 million increase in cash and deposits and ¥4,465 million increase in non-current assets.

Total liabilities increased ¥5,366 million to ¥19,839 million due to an increase in short-term and long-term borrowings to fund the construction of Akita plant.

Net assets increased ¥8,997 million to ¥77,016 million, mainly due to an increase of ¥5,593 million in profit attributable to owners of parent, a decrease of ¥1,893 million due to dividends, and an increase of ¥5,050 million in foreign currency translation adjustments.

### **(3) Overview of Cash Flows for the Current Fiscal Year**

Cash flows from operating activities for the current fiscal year increased by 11.4% from the previous fiscal year to ¥12,934 million, despite an increase in corporate tax payments due to improvements in working capital and other factors.

Cash flow from investing activities was ¥9,089 million, due to the acquisition of tangible fixed assets associated with the construction of the new Akita plant and Hanamaki plant, and the acquisition of intangible assets associated with the new ERP system.

Cash flow from financing activities increased by ¥2,313 million due to procurement through long-term borrowings and payment of shareholder dividends.

As a result, the balance of cash and cash equivalents at the end of the current consolidated fiscal year was ¥26,692 million, an increase of ¥8,051 million compared to the end of the previous consolidated fiscal year.

#### **(4) Future Outlook**

Looking at the business environment surrounding the company, economic growth continues mainly in the US whereas China and Europe are facing lower economic growth. Not only geopolitical risks in the Middle East, Ukraine and other regions but also growing political tensions due to presidential elections in some countries cause the rise of global economic uncertainty. Similarly, Japan is facing increasing uncertainties such as the risk that yen's sharp decline cannot be slowed for a long time, the risk of soaring fuel and raw material prices, and political risks resulting from the dissolution of the House of Representatives.

Although the auto (future mobility) market anticipates auto production slump and xEV market growth slowdown, rising demand for xEVs and autonomous driving are expected. During this fiscal year, global auto production remains nearly the same as the prior year level, with only a slight increase, while the percentage of xEVs including PHVs and HEVs in production is expected to rise from approximately 25% in FY2023 to around 30%. Accelerating electrification, autonomous driving and telecommunication, etc. are also expected to drive an increase in demand for the high-speed transmission connector. In the consumer and industrial markets, however, customers' manufacturing slowdown is likely to continue in FY2024, much like it did through FY2023, and the company will be forced to tackle this tough environment.

In the given business environment, the company is aiming to take the next step forward into growth through increasing net sales in the automotive (future mobility) market, mainly driven by growing sales for infotainment systems that allow high-speed transmission, etc. expanding sales of the products that meet necessary standards set by Europe and the US in the powertrain market, as well as reviewing the sales channels and approaches in the industrial market. When it comes to operating profit, although an increase in fixed costs, such as increasing depreciation expense associated with the new ERP system operation and upfront investment for the Akita plant launch, is expected, the company is aiming to reduce such fixed costs through improving productivity with the new ERP operation, etc. as well as to increase revenue through creating results of the profitability improvement project progressed since FY 2021.

Based on the above strategies, the company's projected performance in FY2024 is;  
consolidated net sales of ¥58 billion (up 4.9% YoY), consolidated operating profit of ¥7 billion (up 17.9 % YoY), consolidated ordinary profit of ¥6.8 billion (down 5.4% YoY), and profit attributable to owners of parent of ¥5.2 billion (down 7.0 % YoY). The budget rates are ¥145/\$, ¥160/€ and ¥20/CNY.

#### **(5) Mid-Term Management Plan (fiscal year ending March 31, 2025 – fiscal year ending March 31, 2027)**

The new mid-term management plan for the three years starting from FY2024 includes four focus strategies to meet the ¥100 billion sales goal by 2030 set out as a long-term vision.

- Preparing the ground for shifting from "IRISO for automotive" to "IRISO for future mobility"
- Increasing the company's global presence in the industrial market
- Developing the global production system, and improving productivity and capital efficiency through standardizing equipment and tooling
- Continuing to develop the sustainable management system (environment, human resources, and strong management foundation)

The projected key performance indicators (KPIs) for FY2026, the final year of the mid-term management plan, are ¥65 billion sales, an operating profit margin of 15% or more, and ROE and ROIC of 10% or more. (Note) For details of the mid-term management plan, see the FY2024-2026 mid-term management plan disclosed on May 8, 2024.

## **2. Basic Policy on Selection of Accounting Standards**

The Group has adopted Japanese GAAP for accounting standards, but will continue to consider the adoption of IFRS (International Financial Reporting Standards), taking into account trends in the adoption of IFRS by other domestic companies.

### 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 and deposits	18,640	26,692
Notes and accounts receivable - trade, and contract assets	13,956	15,010
Merchandise and finished goods	8,362	8,215
Work in process	92	0
Raw materials and supplies	3,612	4,400
Other	1,567	1,837
Allowance for doubtful accounts	(37)	(64)
Total current assets	46,194	56,093
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,353	5,778
Machinery, equipment and vehicles, net	15,206	16,669
Tools, furniture and fixtures, net	4,010	4,569
Land	2,153	1,890
Construction in progress	5,387	6,422
Total property, plant and equipment	32,111	35,330
Intangible assets		
Software	283	217
Software in progress	1,987	3,159
Goodwill	121	91
Other	1	5
Total intangible assets	2,393	3,473
Investments and other assets		
Investment securities	130	239
Deferred tax assets	974	1,060
Other	742	713
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	1,792	1,957
Total non-current assets	36,297	40,762
Total assets	82,491	96,856

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,364	5,466
Short-term borrowings	731	1,261
Current portion of long-term borrowings	285	841
Income taxes payable	903	732
Provision for bonuses	602	724
Other	4,405	4,397
Total current liabilities	11,292	13,423
Non-current liabilities		
Long-term borrowings	1,476	4,722
Retirement benefit liability	500	507
Provision for share awards for directors (and other officers)	126	147
Other	1,076	1,038
Total non-current liabilities	3,179	6,415
Total liabilities	14,472	19,839
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	45,582	49,281
Treasury shares	(1,179)	(1,167)
Total shareholders' equity	58,787	62,498
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36	72
Foreign currency translation adjustment	8,574	13,624
Remeasurements of defined benefit plans	20	37
Total accumulated other comprehensive income	8,630	13,734
Non-controlling interests	600	783
Total net assets	68,019	77,016
Total liabilities and net assets	82,491	96,856



**(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	52,903	55,271
Cost of sales	35,578	38,133
Gross profit	17,325	17,137
Selling, general and administrative expenses	10,384	11,200
Operating profit	6,940	5,936
Non-operating income		
Interest income	112	274
Dividend income	4	5
Foreign exchange gains	604	981
Other	129	194
Total non-operating income	849	1,455
Non-operating expenses		
Interest expenses	63	121
Loss on valuation of derivatives	41	51
Other	24	29
Total non-operating expenses	129	202
Ordinary profit	7,661	7,189
Extraordinary income		
Gain on sale of non-current assets	121	16
Gain on liquidation of subsidiaries	-	28
Total extraordinary income	121	45
Extraordinary losses		
Loss on retirement of non-current assets	173	237
Loss on sale of non-current assets	-	7
Impairment losses	209	120
Loss related COVID-19	364	-
Total extraordinary losses	748	365
Profit before income taxes	7,034	6,869
Income taxes - current	1,281	1,291
Income taxes for prior periods	-	(60)
Income taxes - deferred	80	(97)
Total income taxes	1,361	1,133
Profit	5,672	5,735
Profit attributable to non-controlling interests	131	142
Profit attributable to owners of parent	5,541	5,593

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,672	5,735
Other comprehensive income		
Valuation difference on available-for-sale securities	9	36
Foreign currency translation adjustment	1,997	5,091
Remeasurements of defined benefit plans, net of tax	(23)	16
Total other comprehensive income	1,983	5,143
Comprehensive income	7,656	10,879
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,495	10,696
Comprehensive income attributable to non-controlling interests	161	183

**(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	5,640	8,744	41,461	(1,185)	54,660
Changes during period					
Dividends of surplus			(1,420)		(1,420)
Profit attributable to owners of parent			5,541		5,541
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				6	6
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,121	6	4,127
Balance at end of period	5,640	8,744	45,582	(1,179)	58,787

	Accumulated other comprehensive income				Non-controlling interests	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	26	6,607	43	6,677	439	61,776
Changes during period						
Dividends of surplus						(1,420)
Profit attributable to owners of parent						5,541
Purchase of treasury shares						(0)
Disposal of treasury shares						6
Net changes in items other than shareholders' equity	9	1,966	(23)	1,953	161	2,115
Total changes during period	9	1,966	(23)	1,953	161	6,242
Balance at end of period	36	8,574	20	8,630	600	68,019

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	5,640	8,744	45,582	(1,179)	58,787
Changes during period					
Dividends of surplus			(1,893)		(1,893)
Profit attributable to owners of parent			5,593		5,593
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				12	12
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,699	11	3,711
Balance at end of period	5,640	8,744	49,281	(1,167)	62,498

	Accumulated other comprehensive income				Non-controlling interests	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	36	8,574	20	8,630	600	68,019
Changes during period						
Dividends of surplus						(1,893)
Profit attributable to owners of parent						5,593
Purchase of treasury shares						(0)
Disposal of treasury shares						12
Net changes in items other than shareholders' equity	36	5,050	16	5,103	183	5,286
Total changes during period	36	5,050	16	5,103	183	8,997
Balance at end of period	72	13,624	37	13,734	783	77,016

**(4) Consolidated statement 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	7,034	6,869
Depreciation	6,168	6,326
Amortization of goodwill	30	30
Increase (decrease) in allowance for doubtful accounts	0	20
Increase (decrease) in provision for bonuses	25	101
Increase (decrease) in provision for share awards for directors (and other officers)	69	20
Increase (decrease) in retirement benefit liability	(13)	13
Interest and dividend income	(116)	(279)
Interest expenses	63	113
Foreign exchange losses (gains)	(163)	(350)
Loss on retirement of non-current assets	173	237
Impairment losses	209	120
Decrease (increase) in trade receivables	(349)	622
Decrease (increase) in inventories	101	567
Increase (decrease) in trade payables	(742)	(19)
Decrease (increase) in consumption taxes refund receivable	692	(161)
Other, net	(472)	8
Subtotal	12,710	14,239
Interest and dividends received	120	279
Interest paid	(64)	(120)
Income taxes paid	(1,153)	(1,465)
Net cash provided by (used in) operating activities	11,613	12,934
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,105)	(7,827)
Purchase of intangible assets	(1,322)	(1,222)
Purchase of investment securities	(1)	(59)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(152)	-
Proceeds from redemption of investment securities	500	1
Other, net	(98)	19
Net cash provided by (used in) investing activities	(8,179)	(9,089)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	313	478
Proceeds from long-term borrowings	2,000	4,400
Repayments of long-term borrowings	(290)	(598)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,420)	(1,893)
Repayments of lease liabilities	(85)	(73)
Net cash provided by (used in) financing activities	516	2,313
Effect of exchange rate change on cash and cash equivalents	624	1,893
Net increase (decrease) in cash and cash equivalents	4,574	8,051
Cash and cash equivalents at beginning of period	14,066	18,640
Cash and cash equivalents at end of period	18,640	26,692

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

(Consolidated statements of income)

"Subsidy income" under "Non-operating income", which was presented separately in the previous consolidated fiscal year, is now included in "Other" from the second quarter of the consolidated fiscal year under review due to its decreased importance in terms of amount. To reflect this change in presentation, the consolidated statement of income for the previous consolidated fiscal year has been reclassified.

As a result, in the consolidated statement of income for the previous fiscal year, "Subsidy income" of ¥13 million and "Other" of ¥115 million, which has been reclassified as "Other" of ¥129 million.

(Additional Information)

(Transactions Related to the BIP Trust for Directors' Remuneration)

The Company has introduced the "BIP Trust for Directors' Remuneration" as a performance-linked stock compensation plan for the Company's Directors (excluding Directors who are members of the Audit and Supervisory Committee, Outside Directors and domestic non-residents) and Executive Officers (excluding domestic non-residents) from the fiscal year ending March 2019. Accounting treatment for trusts is in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Report No. 30, March 26, 2015).

Under this system, a trust (executive compensation BIP trust) established by the Company using money contributed by the Company as the source of funds acquires the Company's shares, and through the trust, the Company delivers and gives to directors and others the Company's shares equivalent to the points granted to them based on the degree of achievement of performance targets and position in the Company during each fiscal year and an amount equivalent to the cash proceeds from the conversion of the shares.

The Company's shares remaining in the trust are recorded as treasury stock under net assets at their book value (excluding incidental expenses) in the trust. The book value and number of such treasury stock were ¥851 million and 149,576 shares for the previous fiscal year and ¥839 million and 147,426 shares for the current fiscal year.

The estimated amount of the above directors' remuneration to be borne by the Company as of the end of the current fiscal year is recorded as a provision for directors' stock benefits.

(Consolidated Statement of Income)

The Group recorded impairment losses on the following asset groups.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Location	Use	Category
Yokohama, Kanagawa	Idle assets	Tools, furniture and fixtures
China	Idle assets	Tools, furniture and fixtures
Philippines	Idle assets	Machinery Tools, furniture and fixtures

In principle, the Group groups idle assets by individual asset.

The book value of the above machinery and Tools, furniture and fixtures was reduced to the recoverable amount and ¥209 million was recorded as an impairment loss in extraordinary loss because these assets are no longer expected to be used for business operations.

The recoverable amount was measured based on the net realizable value, and the net realizable value was zero because the assets were not expected to be sold.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Location	Use	Category
Yokohama, Kanagawa	Idle assets	Construction in progress
Hitachiomiya, Ibaraki	Idle assets	Machinery

In principle, the Group groups idle assets by individual asset.

The book value of the above machinery and construction in progress was reduced to the recoverable amount and ¥120 million was recorded as an impairment loss in extraordinary loss because these assets are no longer expected to be used for business operations.

The recoverable amount was measured based on the net realizable value, and the net realizable value was zero because the assets were not expected to be sold.

(Consolidated Statements of Changes in Equity)

I. For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Dividend Payments

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
Resolution at regular general shareholders meeting on June 21, 2022	Common stock	1,420	60	March 31, 2022	June 22, 2022	Retained earnings

Notes The total amount of dividends resolved at the ordinary general meeting of shareholders on June 21, 2022 includes ¥9 million in dividends on the company's shares held by the Executive Compensation BIP Trust.

II. For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Dividend Payments

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
Resolution at regular general shareholders meeting on June 27, 2023	Common stock	1,893	80	March 31, 2023	June 28, 2023	Retained earnings

Notes The total amount of dividends resolved at the ordinary general meeting of shareholders on June 27, 2023 includes ¥11 million in dividends on the company's shares held by the Executive Compensation BIP Trust.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are constituent units of the Group for which discrete financial information can be obtained, and for which the Board of Directors can decide on the allocation of management resources and evaluate operating performance. Consequently, the segments are principal categories that allow for regular consideration.

The Group produces and sells electronic components, with the company in Japan and independent subsidiaries in Asia (China, Singapore, Thailand, the Philippines, and Vietnam), Europe (Germany), and North America (the United States and Mexico). Each local subsidiary is an independent management unit that formulates comprehensive strategies for the products it handles in each region and develops business activities.

Therefore, the group is composed of geographic segments based on production and sales systems, and has four reportable segments: "Japan," "Asia," "Europe," and "North America."

2. Method of calculating net sales, income (loss), assets, and other items by reportable segment

The accounting methods used in reportable business segments are generally the same as applied in "Significant Matters Forming the Basis of Preparing the Consolidated Financial Statements." Intersegment revenues and transfers are based on prevailing market prices.

3. Information on net sales, income (loss), assets, and other items by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	10,035	28,185	8,377	6,304	52,903	—	52,903
(2) Intersegment sales and transfer	24,999	22,762	2	2	47,767	(47,767)	—
Subtotal	35,034	50,948	8,380	6,307	100,671	(47,767)	52,903
Segment income	3,706	4,302	612	37	8,659	(1,718)	6,940
Segment assets	32,340	53,636	4,517	4,089	94,583	(12,091)	82,491
Other items							
Depreciation	1,340	4,760	36	31	6,168	—	6,168
Amortization of Goodwill	30	—	—	—	30	—	30
Increase in property, plant and equipment and intangible assets	5,524	3,483	19	8	9,036	—	9,036

Notes 1. Adjustments are as follows.

- (1) The segment income adjustment of ¥(1,718) million consists of corporate expenses of ¥(1,945) million not allocated to each reportable segment and inventory adjustments, etc. of ¥227 million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.
- (2) Adjustment of segment assets of ¥(12,091) million includes corporate assets of ¥1,099 million not allocated to each reportable segment and offsetting elimination of receivables and payables, etc. of ¥(13,191) million. Corporate assets consist mainly of the parent company's investment securities and assets of the administrative division.

2. Segment income is adjusted to match operating profit in the consolidated statements of income.



For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	9,743	29,241	9,652	6,632	55,271	—	55,271
(2) Intersegment sales and transfer	31,411	25,441	0	—	56,852	(56,852)	—
Subtotal	41,155	54,682	9,652	6,632	112,123	(56,852)	55,271
Segment income (loss)	3,626	4,595	526	(69)	8,679	(2,742)	5,936
Segment assets	37,939	61,908	5,821	4,746	110,416	(13,560)	96,856
Other items							
Depreciation	1,512	4,738	45	30	6,326	—	6,326
Amortization of Goodwill	30	—	—	—	30	—	30
Increase in property, plant and equipment and intangible assets	6,092	2,583	174	0	8,850	—	8,850

Notes 1. Adjustments are as follows.

- (1) The segment income adjustment of ¥(2,742) million consists of corporate expenses of ¥(2,441) million not allocated to each reportable segment and inventory adjustments, etc. of ¥(300) million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.
  - (2) Adjustment of segment assets of ¥(13,560) million includes corporate assets of ¥702 million not allocated to each reportable segment and offsetting elimination of receivables and payables, etc. of ¥(14,262) million. Corporate assets consist mainly of the parent company's investment securities and assets of the administrative division.
2. Segment income (loss) is adjusted to match operating profit in the consolidated statements of income.

**【Reference Information】**

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information by product and service

Not applicable.

2. Information by Region

(1) Sales

(Millions of yen)

Japan	China	USA	Asia	Europe	North America	Others	Total
10,038	18,372	5,295	9,762	8,126	1,019	287	52,903

Notes 1. Sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category

- (1) Asia: Asia region excluding China
- (2) Europe: Europe region
- (3) North America: North America region excluding USA

## (2) Property, Plant and Equipment

(Millions of yen)

Japan	China	Philippines	Vietnam	Others	Total
9,962	13,045	3,047	5,563	493	32,111

## 3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

## 1. Information by product and service

Not applicable.

## 2. Information by Region

## (1) Sales

(Millions of yen)

Japan	China	USA	Asia	Europe	North America	Others	Total
9,747	18,135	5,341	11,069	9,333	1,272	370	55,271

Notes 1. Sales are based on the location of customers and are classified by country or region.

## 2. Major countries or regions included in each category

(1) Asia: Asia region excluding China

(2) Europe: Europe region

(3) North America: North America region excluding USA

## (2) Property, Plant and Equipment

(Millions of yen)

Japan	China	Philippines	Vietnam	Others	Total
12,286	14,031	3,146	5,582	283	35,330

## 3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

## 【Information related to Impairment Loss of Noncurrent Assets by Reportable Segment】

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Impairment loss	6	203	—	—	209	—	209

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Impairment loss	120	—	—	—	120	—	120

**【Information related to Amortization of Goodwill and Unamortized Balance by Reportable Segment】**

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Amortization for the year ended Mar. 31, 2023	30	—	—	—	30	—	30
Balance on Mar. 31, 2023	121	—	—	—	121	—	121

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Amortization for the year ended Mar. 31, 2024	30	—	—	—	30	—	30
Balance on Mar. 31, 2024	91	—	—	—	91	—	91

**【Information on Negative Goodwill Generated by Reportable Segment】**

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

None.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

None.

**(Per share information)**

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥2,865.97	¥3,240.40
Basic earnings per share	¥235.58	¥237.75

Notes 1. Diluted earnings per share are not shown because there were no common potential shares.

2. The Company introduced the "BIP Trust for Directors' Remuneration" and the Company shares held by the Trust are recorded as treasury stock in the consolidated financial statements. Accordingly, the Company's shares held by the trust are included in the number of treasury shares deducted in calculating the "average number of common shares during the period" when calculating net income per share. The average number of shares of treasury stock deducted from the calculation of net income per share was 150,072 shares in the previous consolidated fiscal year and 148,332 shares in the current consolidated fiscal year. The number of treasury stock deducted from the number of shares for the calculation of net assets per share at the end of the period was 149,576 shares for the previous fiscal year and 147,426 shares for the current fiscal year.

3. The basis for calculating earnings per share is as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	5,541	5,593
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	5,541	5,593
Average number of common shares outstanding during the period (Thousand shares)	23,523,360	23,525,006

(Significant subsequent events)  
(Acquisition of treasury share)

At the board of directors meeting held on May 8, 2024, the Group resolved to acquire treasury share based on the provisions of Article 156 of the Companies Act, as applied by replacing the provisions of Article 165, Paragraph 3 of the same Act.

(1) Reasons for acquiring treasury share

To improve capital efficiency, return more profits to shareholders, and increase shareholder value.

(2) Details of matters related to acquisition

- ① Type of shares to be acquired: common stock of the Company
- ② Number of shares to be acquired: 1,200,000 shares (upper limit)
- ③ Total acquisition price of shares: ¥3,600,000,000 (upper limit)
- ④ Treasury share acquisition period: From May 15, 2024 to November 29, 2024
- ⑤ Acquisition method: Market purchase on the Tokyo Stock Exchange