

# SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the First Quarter (April 1 to June 30, 2020) of the Fiscal Year Ending March 31, 2021

August 07, 2020

## Company Name: Yamaichi Electronics Co., Ltd.

Code: 6941 Tokyo Stock Exchange 1st section URL: <http://www.yamaichi.co.jp>

President: Yoshitaka Ota

Managing Director : Kazuhiro Matsuda Tel: (03)3734-0115

Scheduled date of securities report submission: August 14, 2020

Scheduled date of dividend payment commencement: —

Supplementary materials for the quarterly financial statements: Yes

Presentation to explain for the quarterly financial statement: Yes (for institutional Investors and analysts)

## 1. Consolidated Financial Results for the First Quarter (April 01 to June 30, 2020) of the Fiscal Year Ending March 31, 2021

### (1) Consolidated Operating Results (aggregated)

(Percentage figures represent changes from the same period of the previous 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	%
First Quarter ended June 30, 2020	6,503	6.1	735	44.2	665	41.8	471	△1.3
First Quarter ended June 30, 2019	6,129	△20.7	509	△62.2	469	△66.5	477	△54.5

Note: Comprehensive income First quarter ended June 30, 2020 ¥ 479 million (178.8 %)

First quarter ended June 30, 2019 ¥ 171 million (△83.8%)

	Net profit per share		Diluted net profit per share	
	Yen		Yen	
First Quarter ended June 30, 2020	22.02		—	
First Quarter ended June 30, 2019	21.78		—	

### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	32,803	23,250	69.9	1,071.16
As of March 31, 2020	31,893	23,354	72.3	1,076.86

Reference: Shareholders' equity as of June 30, 2020: ¥ 22,933 million ; as of March 31, 2020: ¥ 23,056 million.

## 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
Year ended March 31, 2020	—	10.00	—	28.00	38.00
Year ending March 31, 2021	—				
Forecast: Year ending March 31, 2021		10.00	—	—	—

**Note: Modifications in the dividend projection from the latest announcement: Yes**

For the amendment of the dividend forecast, please refer to the Notice Regarding Dividend Forecast, which was announced today (August 7, 2020). Although the Company's Articles of Incorporation stipulate that the year-end date is the record date for dividends, the dividend forecast on that record date has not yet been determined. We will promptly announce the dividend when it becomes possible.

## 3. Forecast of Consolidated Operating Results for the year ending March 31, 2021

Regarding the consolidated financial forecast for the fiscal year ending March 2021, it is difficult to predict the end of COVID-19. Furthermore, the outlook for the future is expected to remain uncertain due to the effects of the growing US-China trade friction. Therefore, the consolidated financial forecast has not been made as it is challenging to make a proper and reasonable estimation for the time being.

We will promptly announce the performance forecast when it becomes possible.

#### 4. Other

- (1) Changes in significant subsidiaries during current quarter consolidated period  
(changes in specified subsidiaries with change in scope of consolidation); No
- (2) Adoption of special accounting treatments for quarterly consolidated financial statements : No
- (3) Changes in accounting policies, changes in accounting estimates and restatements
- 1) Changes in accounting policies due to revisions of accounting standards etc.: No
- 2) Changes in accounting policies other than 1) : No
- 3) Changes in accounting estimates : No
- 4) Restatements : No
- (4) Number of outstanding shares (common stock)
- 1) Number of outstanding shares (including treasury shares) at term end:
- |                |                   |
|----------------|-------------------|
| June 30, 2020  | 23,329,775 shares |
| March 31, 2020 | 23,329,775 shares |
- 2) Number of treasury shares at term end:
- |                |                  |
|----------------|------------------|
| June 30, 2020  | 1,919,449 shares |
| March 31, 2020 | 1,919,449 shares |
- 3) Average number of outstanding shares (during the first quarter ended June 30):
- |               |                   |
|---------------|-------------------|
| June 30, 2020 | 21,410,326 shares |
| June 30, 2019 | 21,936,202 shares |

\* This summary of quarterly consolidated financial results falls outside the scope of quarterly review procedures to be performed by certified public accountants or an audit firm.

\* Explanation of the appropriate use of performance forecasts and other related items

All forecasts in this presentation are based on information currently available to the management and on assumptions judged to be reasonable. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

## 1. Qualitative Information on Quarterly Financial Results

### (1) Summary of Business Results

The economic environment of both the world economy and the Japanese economy deteriorated significantly during the first quarter of the current consolidated cumulative period. Economic activities stagnated due to urban blockage, outing restrictions, etc. that the global spread of the novel coronavirus infectious disease (COVID-19) accompanied, and personal consumption was sluggish. As for the future economic environment, the restart of economic activities has begun in stages around the world. However, there is still a situation where the end of the infectious disease cannot be predicted. Furthermore, due to the increasing US-China trade friction, the outlook is likely to remain challenging.

Under these circumstances, Pricon Microelectronics, Inc. of the Philippines, which is our subsidiary and our main plant, suspended its production activities temporarily from March 19 under a government notice due to the spread of COVID-19. The plant immediately checked and made arrangements with the government, worked on the early restart of production activities while giving top priority to ensuring the safety of its employees, and resumed and continued production activities in stages by securing the health of the employees.

As a result, our business performance in the first quarter of the current consolidated cumulative period marked net sales of 6,503 million yen (an increase of 6.1% year on year), operating income of 735 million yen (an increase of 44.2% year on year), ordinary income of 665 million yen (an increase of 41.8% year on year), and profit attributable to owners of parent of 471 million yen (a decrease of 1.3% year on year).

Our business performance on a segment-by-segment basis is shown below.

#### [Test Solutions Business]

Our sales of new products for smartphones started earlier than those in the previous year. Furthermore, there was a firm demand for memory semiconductor sockets in and after the second quarter of the previous year. However, the business was affected by a delay in demand recovery of automobiles due to the spread of COVID-19.

As a result, our business performance resulted in net sales of 3,076 million yen (an increase of 32.1% year on year), and operating income was 518 million yen (an increase of 395.9% year on year).

#### [Connector Solutions Business]

While our primary customers' inventory and production adjustments continued in the European market, our sales of products for on-vehicle equipment and industrial equipment were affected by the suspension of operations of major customers due to the spread of COVID-19. Furthermore, our sales of connector products for communications equipment were also affected by our primary customers' inventory adjustments and production adjustments due to the effects of US-China trade friction.

As a result, our business performance resulted in net sales of 2,985 million yen (a decrease of 14.2% year on year), and operating income was 229 million yen (a decrease of 50.3% year on year).

## [Optics-related Business]

Our sales of filter products for medical equipment, industrial equipment, and smartphones were firm.

As a result, our business performance resulted in net sales of 441 million yen (an increase of 37.4% year on year), and operating income was 35 million yen (an increase of 532.5% year on year).

## (2) Explanation of Financial Conditions

### (Assets)

Our current assets at the end of the first quarter of the consolidated cumulative period were 18,807 million yen, a decrease of 146 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of cash and deposits by 1,716 million yen for payments of employees' bonuses, income taxes payments, and dividends of surplus, although notes and accounts receivable increased by 936 million yen. Our non-current assets amounted to 13,995 million yen, an increase of 1,056 million yen from the end of the previous consolidated fiscal year. This was mainly due to the recording of a right-of-use asset of 955 million yen under the land and building lease agreement for the factory relocation of Yamaichi Electronics Deutschland Manufacturing GmbH, a manufacturing subsidiary.

As a result, our total assets amounted to 32,803 million yen, an increase of 909 million yen from the end of the previous consolidated fiscal year.

### (Liabilities)

Our current liabilities at the end of the first quarter of the consolidated cumulative period amounted to 7,042 million yen, an increase of 345 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 157 million yen in notes and accounts payable and an increase of 281 million yen in short-term loans payable, although the amount of income taxes payable decreased by 108 million yen, and the provision for bonuses decreased by 157 million yen. Our non-current liabilities amounted to 2,509 million yen, an increase of 667 million yen from the end of the previous consolidated fiscal year, due to the recording of lease obligations for the land and building lease agreement for the factory relocation of Yamaichi Electronics Deutschland Manufacturing GmbH, a manufacturing subsidiary.

As a result, our total liabilities amounted to 9,552 million yen, an increase of 1,013 million yen from the end of the previous consolidated fiscal year.

### (Net Assets)

Our total net assets at the end of the first quarter of the consolidated cumulative period were 23,250 million yen, a decrease of 103 million yen from the end of the previous consolidated fiscal year. This was mainly due to dividends of surplus of 599 million yen, although the recorded profit attributable to owners of parent of 471 million yen.

As a result, the equity ratio was 69.9% (72.3% at the end of the previous fiscal year).

## (3) Explanation about Future Forecast Information, including Consolidated Earnings Forecast

Regarding the consolidated financial forecast for the fiscal year ending March 2021, it is difficult to predict the end of COVID-19. Furthermore, the outlook for the future is expected to remain uncertain due to the effects of the growing US-China trade friction. Therefore, the consolidated financial forecast has not been made as it is challenging to make a proper and reasonable estimation for the time being.

We will promptly announce the performance forecast when it becomes possible.

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
	Amount	Amount
<b>(ASSETS)</b>		
<b>Current assets</b>		
Cash and deposits	9,259,338	7,542,855
Notes and accounts receivable	4,438,009	5,374,300
Electronically recorded monetary claims	471,967	332,474
Merchandise and finished goods	1,447,299	1,890,232
Work in process	234,176	246,679
Raw materials and supplies	1,897,760	2,017,695
Other	1,223,904	1,422,908
Allowance for doubtful accounts	△18,195	△19,374
<b>Total current assets</b>	<b>18,954,261</b>	<b>18,807,772</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,699,499	2,663,946
Machinery, equipment and vehicles	1,613,276	1,625,001
Tools, furniture and fixtures	1,507,243	1,581,196
Land	3,377,943	3,379,886
Lease assets	14,178	26,245
Right-of-use assets	1,814,957	2,778,702
Construction in progress	354,992	472,749
<b>Total property, plant and equipment</b>	<b>11,382,091</b>	<b>12,527,728</b>
<b>Intangible fixed assets</b>	<b>132,331</b>	<b>128,791</b>
<b>Investments and other assets</b>		
Investment securities	219,242	214,861
Deferred tax assets	213,111	147,857
Net defined benefit asset	683,513	674,016
Other	309,038	302,233
Allowance for doubtful accounts	△0	△0
<b>Total investments and other assets</b>	<b>1,424,905</b>	<b>1,338,969</b>
<b>Total non-current assets</b>	<b>12,939,328</b>	<b>13,995,488</b>
<b>Total assets</b>	<b>31,893,590</b>	<b>32,803,261</b>

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
	Amount	Amount
<b>(LIABILITIES)</b>		
<b>Current liabilities</b>		
Notes and accounts payable	1,484,585	1,641,828
Short-term loans payable	2,723,550	3,005,476
Lease obligations	306,732	374,473
Income taxes payable	393,549	284,845
Provision for bonuses	393,567	236,192
Provision for directors' bonuses	—	12,500
Other	1,394,893	1,487,514
<b>Total current liabilities</b>	<b>6,696,879</b>	<b>7,042,830</b>
<b>Non-current liabilities</b>		
Long-term loans payable	250,000	30,000
Lease obligations	1,161,792	2,059,854
Provision for director's retirement benefits	67,853	68,721
Retirement benefit liability	33,400	34,791
Asset retirement obligations	20,988	21,108
Other	308,451	295,336
<b>Total non-current liabilities</b>	<b>1,842,486</b>	<b>2,509,813</b>
<b>Total liabilities</b>	<b>8,539,365</b>	<b>9,552,644</b>
<b>(NET ASSETS)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,084,103	10,084,103
Capital surplus	1,775,084	1,775,084
Retained earnings	14,360,379	14,232,351
Treasury shares	△2,183,721	△2,183,721
<b>Total shareholders' equity</b>	<b>24,035,845</b>	<b>23,907,818</b>
<b>Amount of other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,355	6,670
Foreign currency translation adjustments	△825,391	△828,535
Remeasurements of defined benefit plans	△160,789	△152,037
<b>Total amount of other comprehensive income</b>	<b>△979,825</b>	<b>△973,902</b>
Subscription rights to shares	181,487	197,986
Non-controlling interests	116,717	118,714
<b>Total net assets</b>	<b>23,354,225</b>	<b>23,250,616</b>
<b>Total liabilities and total net assets</b>	<b>31,893,590</b>	<b>32,803,261</b>

## Consolidated Statements of Income

(Thousands of yen)

	1Q period of previous year (From April 1, 2019 to June 30, 2019)	1Q period of current year (From April 1, 2020 to June 30, 2020)
	Amount	Amount
<b>Net sales</b>	6,129,154	6,503,205
Cost of sales	4,046,488	4,220,063
<b>Gross profit</b>	2,082,666	2,283,142
<b>Selling, general and administrative expenses</b>	1,572,886	1,547,841
<b>Operating Income</b>	509,779	735,301
<b>Non-operating income</b>		
Interest income	2,311	1,194
Dividend income	2,279	4,459
Share of profit of entities accounted for using equity method	1,726	—
Gain on sales of scraps	5,271	3,876
Subsidy income	221	11,320
Other	11,917	5,655
<b>Total non-operating income</b>	23,727	26,506
<b>Non-operating expenses</b>		
Interest expenses	17,525	11,306
Foreign exchange losses	37,006	30,376
Share of loss of entities accounted for using equity method	—	2,973
Factory relocation expenses	—	50,006
Other	9,415	1,495
<b>Total non-operating expenses</b>	63,947	96,158
<b>Ordinary profit</b>	469,559	665,649
<b>Extraordinary income</b>		
Gain on sales of non-current assets	713	160
Gain on sales of investment securities	123,183	—
<b>Total extraordinary income</b>	123,896	160
<b>Profit before income taxes</b>	593,456	665,809
Current income taxes	87,293	132,596
Deferred income taxes	27,528	60,863
<b>Income taxes</b>	114,821	193,460
<b>Profit</b>	478,635	472,349
<b>Profit attributable to non-controlling interests</b>	835	887
<b>Profit attributable to owners of parent</b>	477,799	471,461

(Thousands of yen)

	1Q period of previous year (From April 1, 2019 to June 30, 2019)	1Q period of current year (From April 1, 2020 to June 30, 2020)
	Amount	Amount
<b>Profit</b>	478,635	472,349
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	△106,328	314
Foreign currency translation adjustments	△204,248	△182
Remeasurements of defined benefit plans	3,865	8,752
Share of other comprehensive income of entities accounted for using equity method	9	△1,851
<b>Total other comprehensive income</b>	△306,702	7,032
<b>Comprehensive income</b>	171,932	479,381
(Attribute to)		
Comprehensive income attributable to owners of parent	171,100	477,384
Comprehensive income attributable to non-controlling interests	831	1,997