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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 9, 2024

Company name: SMK Corporation
 Stock exchange listing: Tokyo Stock Exchange Prime Market
 Code number: 6798
 URL: <https://www.smk.co.jp>
 Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer
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 Scheduled date of annual general meeting of shareholders: June 25, 2024
 Scheduled date of commencing dividend payments: June 26, 2024
 Scheduled date of filing annual securities report: June 25, 2024
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	46,522	(15.2)	(1,243)	—	226	(91.0)	(489)	—
March 31, 2023	54,842	13.7	1,128	60.3	2,503	(26.7)	1,334	(55.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥1,355 million [(25.4)%]

Fiscal year ended March 31, 2023: ¥1,815 million [(50.7)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	(75.00)	—	(1.5)	0.4	(2.7)
March 31, 2023	209.12	—	4.2	4.5	2.1

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2024: ¥1 million

Fiscal year ended March 31, 2023: ¥71 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	58,444	32,143	55.0	5,070.15
As of March 31, 2023	56,365	32,274	57.3	4,932.86

(Reference) Equity: As of March 31, 2024: ¥32,143 million

As of March 31, 2023: ¥32,274 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	3,719	(1,617)	(478)	10,197
March 31, 2023	3,591	(1,944)	(862)	8,915

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout Ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	–	0.00	–	100.00	100.00	659	47.8	2.0
March 31, 2024	–	50.00	–	50.00	100.00	649	–	2.0
March 31, 2025 (Forecast)	–	50.00	–	50.00	100.00		–	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,500	1.8	(500)	–	(300)	–	(400)	–	(63.09)
Full year	50,000	7.5	(200)	–	200	(11.6)	0	–	0.00

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) 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
- (3) Total number of issued and outstanding shares (common stock)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury stock):

March 31, 2024:	7,200,000 shares
March 31, 2023:	7,200,000 shares
 - 2) Total number of treasury stock at the end of the period:

March 31, 2024:	860,296 shares
March 31, 2023:	657,252 shares
 - 3) Average number of shares during the period:

Fiscal year ended March 31, 2024:	6,525,280 shares
Fiscal year ended March 31, 2023:	6,382,156 shares

(Notes) The number of treasury stock includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Board Benefit Trust (BBT).

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2024	22,743	(8.8)	(1,449)	—	(630)	—	(1,196)	—
March 31, 2023	24,934	8.3	(600)	—	837	(48.4)	250	(84.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	(183.04)	—
March 31, 2023	39.13	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	45,926	24,429	53.2	3,845.03
As of March 31, 2023	45,678	26,783	58.6	4,085.50

(Reference) Equity: As of March 31, 2024: ¥24,429 million
As of March 31, 2023: ¥26,783 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

1. The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ significantly from these forecasts due to various factors.
2. The Company plans to hold a briefing session on financial results for institutional investors and analysts on May 23, 2024. The explanatory materials on financial results to be used on the day of the session will be posted on the Company's website promptly after the meeting.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2024, the global economy was relatively stable due to rebound demand in the services sector and support for the economy through firm consumer spending. However, the future business climate remains uncertain due to an increase in geopolitical risk caused by the Ukraine crisis and Israel-Hamas conflict and an economic slowdown in China due to sluggish real estate market conditions. In the manufacturing industry, semiconductor and raw material procurement difficulties trended toward resolution, but inventory adjustments in the market still continued. In addition, the yen depreciated further reflecting the difference in interest rates between Japan and the U.S.

In the electronic components industry, overall market conditions remained sluggish. The car electronics market entered a recovery path as the shortage of semiconductors eases, but a strong recovery was not seen due to inventory adjustments. In the ICT market, sales of smartphones, tablets, and other devices remained sluggish due to the prolonged replacement cycle in the U.S. and Europe and a downturn in Chinese economy. In the home appliance market, sales of housing facilities, air conditioners, and other products remained sluggish due to inventory adjustments stemming from a reactionary drop of stay-at-home demand and a shift to service consumption. In the industry market, the situation remained harsh in general as sales of FA and equipment-related products remained sluggish due to the slowdown of Chinese economy and other factors, despite an increase in demand for some of semiconductor-related products and other products.

Despite the Group's thorough stable procurement of materials, along with maintaining a stable supply of products to enable immediate response to customer demand, as well as the aggressive introduction of new products and cost reduction efforts, the inventory adjustments by major customers in the home appliance market and car electronics market continued beyond our projection, and the launch of new products by major customers in the ICT market delayed. As a result, in the fiscal year ended March 31, 2024, net sales amounted to ¥46,522 million (15.2% decrease year on year), and operating loss was ¥1,243 million (compared to operating profit of ¥1,128 million in the previous fiscal year). Ordinary profit was ¥226 million (91.0% decrease year on year), and loss attributable to owners of parent was ¥489 million (compared to profit attributable to owners of parent of ¥1,334 million in the previous fiscal year).

Results by segment are as follows.

[CS Division]

In the car electronics market, sales of connectors exceeded those of the previous fiscal year due to firm sales of camera-related products and expansion in demand for electrical components and other devices. In the ICT market, although tablet-related demand for U.S. customers decreased, sales exceeded those of the previous fiscal year as smartphone-related demand for Chinese customers remained strong throughout the year. Meanwhile, in the home appliance market, although sales of amusement-related products declined year on year due to the impact of inventory adjustments in the market, sales increased year on year in CS Division as a whole.

As a result, net sales of CS Division amounted to ¥20,586 million (2.9% increase year on year), and operating profit was ¥1,095 million (22.5% increase year on year).

[SCI Division]

In the home appliance market, in the mainstay remote control business, sales of units for sanitation expanded steadily, but sales of units for home equipment and air conditioners shrank from those in the previous fiscal year due to the impact of sluggish sales in the market. In the car electronics market, inventory adjustments by major customers continued beyond our projection and sales of control units and touch sensors shrank from those in the previous fiscal year.

In SCI Division as a whole, market conditions stagnated and inventory adjustments by major customers

prolonged longer than projected, resulting in a year-on-year decline.

As a result, net sales of SCI Division amounted to ¥25,536 million (25.9% decrease year on year), and operating loss was ¥2,145 million (compared to operating profit of ¥393 million in the previous fiscal year).

[Research & Development Center]

Regarding Bluetooth[®] modules, the central product of Research & Development Center's mainstay wireless communication module businesses, sales for payment terminals and medical devices decreased year on year, but sales for mobile printers expanded. In addition, sales of Sub-GHz RF modules for lighting equipment also expanded, and sales of Research & Development Center as a whole exceeded those of the previous fiscal year.

As a result, net sales of Research & Development Center amounted to ¥387 million (14.2% increase year on year), and operating loss was ¥184 million (compared to an operating loss of ¥160 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

Current assets increased 1.7% from the end of the previous fiscal year to ¥33,824 million. This was mainly due to an increase of ¥1,289 million in cash and deposits, and a decrease of ¥853 million in merchandise and finished goods. Non-current assets increased 6.5% from the end of the previous fiscal year to ¥24,619 million. This was mainly due to an increase of ¥1,710 million in investments and other assets.

As a result, total assets increased 3.7% from the end of the previous fiscal year to ¥58,444 million.

Current liabilities decreased 5.1% from the end of the previous fiscal year to ¥15,371 million. This was mainly due to a decrease of ¥650 million in short-term borrowings. Non-current liabilities increased 38.4% from the end of the previous fiscal year to ¥10,929 million. This was mainly due to an increase of ¥2,159 million in long-term borrowings.

As a result, total liabilities increased 9.2% from the end of the previous fiscal year to ¥26,300 million.

Total net assets decreased 0.4% from the end of the previous fiscal year to ¥32,143 million. This was mainly due to a decrease of ¥1,476 million in retained earnings and increases of ¥652 million in foreign currency translation adjustment and ¥876 million in remeasurements of defined benefit plans.

(3) Overview of Cash Flows for the Fiscal Year under Review

The Company's consolidated cash and cash equivalents ("cash") as of the end of the fiscal year ended March 31, 2024 amounted to ¥10,197 million, an increase of ¥1,282 million from the beginning of the fiscal year.

The status of cash flows from operating, investing, and financing activities and contributing factors were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2024 increased by ¥127 million from the previous fiscal year to ¥3,719 million.

The increase was mainly attributable to ¥2,451 million in depreciation, and ¥1,440 million in decrease (increase) in inventories.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year ended March 31, 2024 increased by ¥327 million from the previous fiscal year to ¥1,617 million.

The increase was mainly attributable to ¥2,379 million in the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities increased by ¥383 million from the previous fiscal year to ¥478 million yen.

The increase was mainly attributable to ¥1,508 million in net increase in borrowings, offsetting ¥498 million in purchase of treasury shares and ¥984 million in dividends paid.

(4) Future Outlook

The global economy is expected to recover gradually in 2024, with the resilience of the U.S. economy and steady growth in economies of emerging countries. However, the outlook is expected to remain uncertain due to the risk of recurrent inflation in the U.S., a downturn in the Chinese economy and geopolitical risks.

In this environment, the Group will strive to respond appropriately to customer needs, aggressively introduce new products, and further reduce costs and expenses.

The Company's business performance may be affected in the event that adjustments to product inventories by customers continue for a prolonged period, or if energy and raw material prices rise, leading to higher production costs, or if exchange rates suddenly reversed to the yen appreciation.

For the fiscal year ending March 31, 2025, the Company forecasts net sales of ¥50,000 million, operating loss of ¥200 million, ordinary profit of ¥200 million, and profit attributable to owners of parent of ¥0 million. The foreign exchange rate on which the results forecast is assumed is ¥150 per US dollar.

These forecasts are based on the assumptions possible at this point in time, and if the business environment changes and the business results deviate significantly from the forecasts, the Company will promptly announce such deviations.

The Company will commemorate the 100th anniversary of its foundation in April 2025. The business environment surrounding the Company is undergoing remarkable changes, including the development of CASE in the car electronics market, the spread of 5G in the ICT market, and the rapid evolution of IoT technology.

To respond appropriately to these changes in the environment toward the next 100 years and achieve sustainable improvement in corporate value, we defined "Contribute to the next 100 years with our manufacturing capability that meet all manner of needs" as our long-term vision, and formulated a Medium-Term Business Plan "SMK Next 100" that covers a three-year period from this fiscal year as a milestone for the vision. (Please refer to "Notice regarding the formulation of a long-term vision and a Medium-Term Business Plan" announced on May 9, 2024.)

We will steadily execute the Medium-Term Business Plan, make efforts in realizing sustainable growth of sales and profit and strengthen our operating base, while promoting sophistication of capital and financial strategies, aiming to maximize corporate value.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements in accordance with accounting standards generally accepted in Japan (J-GAAP) for the meantime to ensure comparison of consolidated financial statements between different companies.

The Group will take appropriate actions upon monitoring various developments in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,969	10,258
Notes receivable - trade	64	50
Electronically recorded monetary claims - operating	1,606	3,132
Accounts receivable - trade	11,505	10,039
Merchandise and finished goods	4,277	3,424
Work in process	660	592
Raw materials and supplies	5,134	5,240
Other	1,080	1,150
Allowance for doubtful accounts	(47)	(64)
Total current assets	33,251	33,824
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,641	20,697
Accumulated depreciation and impairment	(15,583)	(16,451)
Buildings and structures, net	4,058	4,245
Machinery, equipment and vehicles	25,238	25,851
Accumulated depreciation and impairment	(22,170)	(23,020)
Machinery, equipment and vehicles, net	3,068	2,830
Tools, furniture and fixtures	19,385	18,966
Accumulated depreciation and impairment	(18,426)	(18,011)
Tools, furniture and fixtures, net	959	954
Land	5,869	5,819
Leased assets	29	39
Accumulated depreciation and impairment	(26)	(35)
Leased assets, net	3	3
Right of use assets	2,131	2,314
Accumulated depreciation and impairment loss	(721)	(880)
Right of use assets, net	1,409	1,434
Construction in progress	198	39
Total property, plant and equipment	15,567	15,328
Intangible assets		
Other	94	130
Total intangible assets	94	130
Investments and other assets		
Investment securities	4,041	4,327
Long-term loans receivable	92	90
Retirement benefit asset	2,344	3,788
Deferred tax assets	97	149
Other	963	900
Allowance for doubtful accounts	(88)	(94)
Total investments and other assets	7,450	9,160
Total non-current assets	23,113	24,619
Total assets	56,365	58,444

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,878	4,702
Short-term borrowings	6,491	5,840
Lease liabilities	434	504
Accounts payable - other	1,774	1,801
Income taxes payable	347	270
Provision for bonuses	596	572
Provision for bonuses for directors (and other officers)	26	1
Valuation reserve for inventory purchase commitments	—	107
Other	1,645	1,571
Total current liabilities	16,193	15,371
Non-current liabilities		
Long-term borrowings	4,863	7,022
Lease liabilities	1,028	997
Deferred tax liabilities	1,220	2,005
Provision for retirement benefits for directors (and other officers)	131	132
Retirement benefit liability	24	37
Provision for share awards for directors (and other officers)	29	27
Other	598	705
Total non-current liabilities	7,897	10,929
Total liabilities	24,090	26,300
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	14,730	13,253
Treasury shares	(2,531)	(3,030)
Total shareholders' equity	32,252	30,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	773	1,159
Deferred gains or losses on hedges	—	(70)
Foreign currency translation adjustment	(1,149)	(497)
Remeasurements of defined benefit plans	397	1,274
Total accumulated other comprehensive income	21	1,866
Total net assets	32,274	32,143
Total liabilities and net assets	56,365	58,444

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	54,842	46,522
Cost of sales	45,231	39,094
Gross profit	9,611	7,427
Selling, general and administrative expenses	8,483	8,671
Operating profit (loss)	1,128	(1,243)
Non-operating income		
Interest income	44	102
Dividend income	70	64
Rental income from real estate	980	987
Foreign exchange gains	720	1,089
Other	603	201
Total non-operating income	2,420	2,445
Non-operating expenses		
Interest expenses	173	156
Rental costs on real estate	549	581
Loss on investments in investment partnerships	263	112
Other	58	125
Total non-operating expenses	1,044	975
Ordinary profit	2,503	226
Extraordinary income		
Gain on sale of non-current assets	18	183
Gain on sale of investment securities	2	273
Other	—	1
Total extraordinary income	21	459
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	76	72
Impairment losses	517	562
Loss on valuation of investment securities	25	1
Extra retirement payments	—	102
Total extraordinary losses	618	739
Profit (loss) before income taxes	1,906	(53)
Income taxes - current	352	233
Income taxes - deferred	219	201
Total income taxes	571	435
Profit (loss)	1,334	(489)
Profit (loss) attributable to owners of parent	1,334	(489)

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss)	1,334	(489)
Other comprehensive income		
Valuation difference on available-for-sale securities	347	385
Deferred gains or losses on hedges	2	(70)
Foreign currency translation adjustment	254	652
Remeasurements of defined benefit plans, net of tax	(123)	876
Total other comprehensive income	481	1,844
Comprehensive income	1,815	1,355
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,815	1,355

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	15,925	(4,876)	31,102
Changes during period					
Dividends of surplus			(439)		(439)
Profit (loss) attributable to owners of parent			1,334		1,334
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(933)		1,191	257
Cancellation of treasury shares		(1,156)		1,156	—
Transfer from retained earnings to capital surplus		2,089	(2,089)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(1,194)	2,344	1,149
Balance at end of period	7,996	12,057	14,730	(2,531)	32,252

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	425	(2)	(1,404)	520	(459)	30,643
Changes during period						
Dividends of surplus						(439)
Profit (loss) attributable to owners of parent						1,334
Purchase of treasury shares						(2)
Disposal of treasury shares						257
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	347	2	254	(123)	481	481
Total changes during period	347	2	254	(123)	481	1,630
Balance at end of period	773	—	(1,149)	397	21	32,274

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	14,730	(2,531)	32,252
Changes during period					
Dividends of surplus			(987)		(987)
Profit (loss) attributable to owners of parent			(489)		(489)
Purchase of treasury shares				(500)	(500)
Disposal of treasury shares				1	1
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(1,476)	(498)	(1,975)
Balance at end of period	7,996	12,057	13,253	(3,030)	30,276

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	773	—	(1,149)	397	21	32,274
Changes during period						
Dividends of surplus						(987)
Profit (loss) attributable to owners of parent						(489)
Purchase of treasury shares						(500)
Disposal of treasury shares						1
Net changes in items other than shareholders' equity	385	(70)	652	876	1,844	1,844
Total changes during period	385	(70)	652	876	1,844	(131)
Balance at end of period	1,159	(70)	(497)	1,274	1,866	32,143

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	1,906	(53)
Depreciation	2,884	2,451
Impairment losses	517	562
Increase (decrease) in provision for bonuses	(153)	(33)
Increase (decrease) in valuation reserve for inventory purchase commitments	—	103
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(41)	0
Increase (decrease) in provision for share awards for directors (and other officers)	2	(1)
Increase (decrease) in net defined benefit asset and liability	(294)	(187)
Interest and dividend income	(115)	(167)
Interest expenses	173	156
Loss (gain) on sale of investment securities	(2)	(273)
Loss (gain) on sale of non-current assets	(18)	(183)
Loss (gain) on valuation of investment securities	25	1
Loss on retirement of non-current assets	76	72
Loss (gain) on investments in investment partnerships	263	112
Extra retirement payments	—	102
Decrease (increase) in trade receivables	564	1,321
Decrease (increase) in inventories	(160)	1,440
Increase (decrease) in trade payables	(1,180)	(1,209)
Decrease (increase) in accounts receivable - other	28	78
Increase (decrease) in accounts payable - other	(9)	(20)
Other, net	(442)	(92)
Subtotal	4,021	4,180
Interest and dividends received	116	169
Interest paid	(177)	(169)
Income taxes paid	(388)	(387)
Income taxes refund	19	28
Extra retirement payments	—	(102)
Net cash provided by (used in) operating activities	3,591	3,719
Cash flows from investing activities		
Payments into time deposits	(35)	(52)
Proceeds from withdrawal of time deposits	31	48
Purchase of property, plant and equipment	(1,945)	(2,379)
Proceeds from sale of property, plant and equipment	22	260
Purchase of intangible assets	(19)	(58)
Purchase of investment securities	(20)	(87)
Proceeds from sale of investment securities	7	634
Loan advances	(11)	(8)
Proceeds from collection of loans receivable	28	23
Other	—	2
Net cash provided by (used in) investing activities	(1,944)	(1,617)

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	2,200
Proceeds from long-term borrowings	2,700	3,300
Repayments of long-term borrowings	(2,826)	(3,991)
Repayments of lease liabilities	(496)	(504)
Purchase of treasury shares	(1)	(498)
Proceeds from sale of treasury shares	0	—
Dividends paid	(438)	(984)
Net cash provided by (used in) financing activities	(862)	(478)
Effect of exchange rate change on cash and cash equivalents	(375)	(341)
Net increase (decrease) in cash and cash equivalents	409	1,282
Cash and cash equivalents at beginning of period	8,505	8,915
Cash and cash equivalents at end of period	8,915	10,197

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The Group's reportable segments are units composing the Company for which separate financial information is available and are the subject of regular review by managers to determine the allocation of management resources and evaluate performance.

The Group has established business divisions by product, and each division formulates comprehensive domestic and overseas strategies for the products it handles and develops business activities.

Therefore, the Group consists of segments based on the business divisions.

(CS (Connection System) Division)

Manufacture and sale of connectors (coaxial, board-to-board, FPC) and jacks

(SCI (Sensing, Communications and Interface) Division)

Manufacture and sale of remote control units, switches, camera modules, and touch sensors

(Research & Development Center)

Manufacture and sale of wireless modules and NFC antennas

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

Profit by reportable segment is based on operating profit.

3. Information on amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communicati ons and Interface) Division	Research & Development Center	Total				
Net sales								
Net sales to outside customers	19,997	34,482	339	54,819	23	54,842	—	54,842
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	19,997	34,482	339	54,819	23	54,842	—	54,842
Segment profit (loss) (Operating profit)	894	393	(160)	1,127	1	1,128	—	1,128
Segment assets	11,805	20,007	334	32,147	6,642	38,790	17,574	56,365
Others								
Depreciation	1,648	1,059	4	2,712	171	2,884	—	2,884
Increase of Property, plant and equipment, and Intangible assets	1,446	653	1	2,101	47	2,149	—	2,149

(Notes) 1. The “Others” are business segments not included in the reportable segments. It includes other parts, leasing, property rental and worker dispatch businesses.

2. Adjustment of segment assets of ¥17,574 million is corporate assets that are not allocated to each reportable segment.

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

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communicati ons and Interface) Division	Research & Development Center	Total				
Net sales								
Net sales to outside customers	20,586	25,536	387	46,510	11	46,522	—	46,522
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	20,586	25,536	387	46,510	11	46,522	—	46,522
Segment profit (loss) (Operating profit)	1,095	(2,145)	(184)	(1,234)	(9)	(1,243)	—	(1,243)
Segment assets	12,447	18,335	387	31,171	6,628	37,799	20,644	58,444
Others								
Depreciation	1,478	786	11	2,276	174	2,451	—	2,451
Increase of Property, plant and equipment, and Intangible assets	1,035	1,082	9	2,127	163	2,290	—	2,290

(Notes) 1. The “Others” are business segments not included in the reportable segments. It includes other parts, leasing, property rental and worker dispatch businesses.

2. Adjustment of segment assets of ¥20,644 million is corporate assets that are not allocated to each reportable segment.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥4,932.86	¥5,070.15
Basic earnings (loss) per share	¥209.12	¥(75.00)

Notes: 1. The company's own shares in the Board Benefit Trust (BBT) recorded as treasury shares under shareholders' equity are included in treasury stock excluded from the total number of shares issued and outstanding at the end of period used for calculating net assets per share and are also included in treasury stock excluded from the calculation of the average number of shares outstanding during the period used for calculating profit per share. The number of shares of treasury stock at the end of period excluded from the calculation of net assets per share was 41,200 shares for the fiscal year ended March 31, 2023 and 40,800 shares for the fiscal year ended March 31, 2024. The average number of shares of treasury stock during the period excluded from the calculation of profit per share was 41,958 shares for the fiscal year ended March 31, 2023 and 40,917 shares for the fiscal year ended March 31, 2024.

2. Diluted earnings per share is not provided as there were no potential shares.

3. The basis of calculation of basic earnings per share is as follows:

Item	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss) attributable to owners of parent (Million yen)	1,334	(489)
Amount not attributable to common shareholders (Million yen)	—	—
Profit (loss) attributable to owners of parent relating to common shares (Million yen)	1,334	(489)
Average number of common shares outstanding during the period (Thousand shares)	6,382	6,525

4. Other Information

(1) Status of Production, Orders Received and Sales

1) Orders received

(Million yen)

Market	For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	6,915	13.5	7,668	17.6	752	10.9
Home appliance	20,392	40.0	16,326	37.4	(4,066)	(19.9)
Car electronics	19,561	38.3	15,825	36.3	(3,735)	(19.1)
Industry and other	4,172	8.2	3,833	8.8	(339)	(8.1)
Total	51,042	100.0	43,653	100.0	(7,389)	(14.5)

2) Sales

(Million yen)

Market	For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	7,946	14.5	7,908	17.0	(38)	(0.5)
Home appliance	21,182	38.6	17,500	37.6	(3,681)	(17.4)
Car electronics	20,879	38.1	16,599	35.7	(4,279)	(20.5)
Industry and other	4,834	8.8	4,513	9.7	(320)	(6.6)
Total	54,842	100.0	46,522	100.0	(8,320)	(15.2)

(2) Changes in Officers

1) Change of representative

Not applicable.

2) Changes of other officers (Effective on June 25, 2024)

1. Candidates for new Auditor

Full-Time Auditor

Kohei Ohgaki (currently, Executive Vice President, CFO, Transnational Financial and Accounting Division, Financial Planning Department and Public Relations Office)

2. Auditor scheduled to resign

Full-Time Auditor (Outside)

Morikazu Fukui

3. Vice Presidents to be newly appointed

Vice President, Transnational SCI Business Division and SCI Business Department (General Manager)

Takashi Ito (currently General Manager of SCI Business Department)

Vice President, CFO, Transnational Financial and Accounting Division, Financial Planning Department (General Manager) and Public Relations Office

Itaru Kitahira (currently General Manager of Financial Planning Department)

4. Vice President scheduled to resign

Executive Vice President, CFO, Transnational Financial and Accounting Division, Financial Planning Department and Public Relations Office

Kohei Ohgaki (scheduled to be appointed to Full-Time Auditor)