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November 10, 2023

Consolidated Financial Results for the First Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: Hosiden Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6804
 URL: <https://www.hosiden.com/en/>
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 Scheduled date to file quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(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	%
Six months ended								
September 30, 2023	124,909	3.5	6,467	(36.3)	11,017	(31.4)	7,315	(33.1)
September 30, 2022	120,666	24.7	10,147	54.0	16,070	116.9	10,941	82.5

(Note) Comprehensive income For the first six months ended September 30, 2023 10,157 million yen [(19.1)%]
 For the first six months ended September 30, 2022 12,553 million yen [91.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	140.53	128.93
September 30, 2022	199.05	183.98

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	180,098	131,566	73.1
March 31, 2023	179,993	126,753	70.4

(Reference) Equity

As of September 30, 2023 131,566 million yen
 As of March 31, 2023 126,753 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	23.00	–	48.00	71.00
Fiscal year ending March 31, 2024	–	24.00			
Fiscal year ending March 31, 2024 (Forecast)			–	24.00	48.00

(Note) Revision of cash dividend forecast most recently announced: None

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	219,000	(21.0)	10,000	(36.5)	11,000	(42.1)	8,500	(32.7)	163.85

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

- Financial results forecasts are based on the assumption of a foreign exchange rate of 134 yen per U.S. dollar, and remain unchanged.
- For the revision of the financial results forecasts, please refer to the “Notice Regarding Differences Between Financial Results Forecasts and Actual Financial Results for the Six Months Ended September 30, 2023 and Revisions of Financial Results Forecasts for the Fiscal Year Ending March 31, 2024” published today, on November 10, 2023.

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
Newly included: – companies (Company name)
Excluded: – companies (Company name)
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2023	61,410,084 shares
As of March 31, 2023	63,010,084 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2023	9,715,178 shares
As of March 31, 2023	9,731,778 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	52,057,425 shares
Six months ended September 30, 2022	54,966,833 shares

Notes: 1. Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

2. Explanation on proper use of earnings forecasts, and other special matters

- For the revision of the financial results forecasts, please refer to the “Notice Regarding Differences Between Financial Results Forecasts and Actual Financial Results for the Six Months Ended September 30, 2023 and Revisions of Financial Results Forecasts for the Fiscal Year Ending March 31, 2024” published today, on November 10, 2023.
- The forward-looking statements about the future financial results of this document are future forecasts based on the judgment of Hosiden Corporation (the “Company”) taking into account the information currently available, and the Company does not intend to make a warranty of their achievement. These forward-looking statements contain various potential risks and uncertainties, and actual results may be materially different from the forward-looking statements due to various material factors. Therefore, the Company asks not to depend highly on these forward-looking statements.

(Means of access to supplementary material on financial results)

The supplementary material on financial results for the first six months ended September 30, 2023, will be available on the Company’s website.

Quarterly consolidated financial statements and significant notes thereto**Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	57,418	58,934
Notes and accounts receivable - trade, and contract assets	34,970	36,550
Securities	13,335	10,730
Merchandise and finished goods	9,691	9,612
Work in process	5,107	3,287
Raw materials and supplies	26,469	27,113
Other	4,913	4,860
Allowance for doubtful accounts	(27)	(26)
Total current assets	151,878	151,063
Non-current assets		
Property, plant and equipment	17,495	17,675
Intangible assets	423	456
Investments and other assets		
Investment securities	5,643	6,333
Other	4,839	4,856
Allowance for doubtful accounts	(287)	(286)
Total investments and other assets	10,195	10,902
Total non-current assets	28,114	29,034
Total assets	179,993	180,098

Hosiden Corporation (6804) Consolidated Financial Results for the First Six Months Ended September 30, 2023

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,772	21,435
Short-term borrowings	2,189	1,050
Income taxes payable	3,910	3,988
Other	6,048	6,304
Total current liabilities	37,919	32,778
Non-current liabilities		
Bonds with share acquisition rights	10,030	10,019
Retirement benefit liability	3,170	3,128
Other	2,118	2,604
Total non-current liabilities	15,319	15,752
Total liabilities	53,239	48,531
Net assets		
Shareholders' equity		
Share capital	13,660	13,660
Capital surplus	19,596	19,596
Retained earnings	100,808	103,668
Treasury shares	(10,695)	(11,584)
Total shareholders' equity	123,370	125,342
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,381	2,971
Foreign currency translation adjustment	666	2,994
Remeasurements of defined benefit plans	334	259
Total accumulated other comprehensive income	3,382	6,224
Total net assets	126,753	131,566
Total liabilities and net assets	179,993	180,098

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**Quarterly consolidated statements of income**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	120,666	124,909
Cost of sales	105,490	113,607
Gross profit	15,175	11,302
Selling, general and administrative expenses	5,028	4,835
Operating profit	10,147	6,467
Non-operating income		
Interest income	107	323
Dividend income	73	70
Foreign exchange gains	5,565	4,113
Other	198	83
Total non-operating income	5,945	4,591
Non-operating expenses		
Interest expenses	10	28
Commission for syndicated loans	8	–
Other	2	13
Total non-operating expenses	22	41
Ordinary profit	16,070	11,017
Extraordinary income		
Gain on sale of non-current assets	94	3
Total extraordinary income	94	3
Extraordinary losses		
Loss on sale and retirement of non-current assets	5	10
Loss on liquidation of subsidiaries	220	–
Total extraordinary losses	226	10
Profit before income taxes	15,938	11,010
Income taxes - current	4,865	3,481
Income taxes - deferred	131	213
Total income taxes	4,997	3,695
Profit	10,941	7,315
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	10,941	7,315

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	10,941	7,315
Other comprehensive income		
Valuation difference on available-for-sale securities	(316)	589
Foreign currency translation adjustment	1,997	2,328
Remeasurements of defined benefit plans, net of tax	(69)	(75)
Total other comprehensive income	1,612	2,842
Comprehensive income	12,553	10,157
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,553	10,157
Comprehensive income attributable to non-controlling interests	—	—

Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	15,938	11,010
Depreciation	1,607	1,482
Decrease (increase) in trade receivables	(827)	(749)
Decrease (increase) in inventories	10,715	2,554
Decrease (increase) in operating accounts receivable	239	57
Increase (decrease) in trade payables	(3,869)	(5,076)
Other, net	(1,326)	(202)
Subtotal	22,476	9,077
Interest and dividends received	143	355
Interest paid	(12)	(38)
Income taxes paid	(3,087)	(3,737)
Net cash provided by (used in) operating activities	19,519	5,657
Cash flows from investing activities		
Decrease (increase) in time deposits	(515)	(344)
Purchase of property, plant and equipment	(1,510)	(867)
Proceeds from sale of property, plant and equipment	399	70
Other, net	72	(6)
Net cash provided by (used in) investing activities	(1,553)	(1,147)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(1,164)
Purchase of treasury shares	(0)	(2,816)
Dividends paid	(3,022)	(2,557)
Other, net	(62)	(71)
Net cash provided by (used in) financing activities	(3,085)	(6,610)
Effect of exchange rate change on cash and cash equivalents	1,040	272
Net increase (decrease) in cash and cash equivalents	15,922	(1,827)
Cash and cash equivalents at beginning of period	62,479	66,017
Cash and cash equivalents at end of period	78,401	64,189

Segment information, etc.

Segment information

I The first six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Net sales, and profit or loss by reportable segment

(Millions of yen)

	Reportable segments					Adjustments	Amounts in quarterly consolidated statements of income (Note)
	Electro-mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	106,185	8,178	2,666	3,635	120,666	–	120,666
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	106,185	8,178	2,666	3,635	120,666	–	120,666
Segment profit (loss)	9,318	641	(343)	531	10,147	–	10,147

Note: The total amount of segment profit (loss) is equal to the operating profit in the quarterly consolidated statements of income.

II The first six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Net sales, and profit or loss by reportable segment

(Millions of yen)

	Reportable segments					Adjustments	Amounts in quarterly consolidated statements of income (Note)
	Electro-mechanical components	Acoustic components	Display components	Applied equipment and other	Total		
Net sales							
Sales to unaffiliated customers	108,659	9,315	1,257	5,677	124,909	–	124,909
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	108,659	9,315	1,257	5,677	124,909	–	124,909
Segment profit (loss)	4,576	700	(193)	1,383	6,467	–	6,467

Note: The total amount of segment profit (loss) is equal to the operating profit in the quarterly consolidated statements of income.