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February 9, 2024

Consolidated Financial Results for the First Nine Months Ended December 31, 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: February 13, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the first nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	177,466	(13.8)	11,227	(14.8)	15,347	(3.4)	10,600	(2.5)
December 31, 2022	205,992	32.3	13,177	34.4	15,890	35.9	10,869	23.0

(Note) Comprehensive income For the first nine months ended December 31, 2023 13,587 million yen [(2.5)%
 For the first nine months ended December 31, 2022 13,930 million yen [41.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	204.12	187.23
December 31, 2022	199.10	183.87

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	174,154	133,755	76.8
March 31, 2023	179,993	126,753	70.4

(Reference) Equity
 As of December 31, 2023 133,755 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	215,000	(22.5)	12,000	(23.8)	17,500	(7.8)	12,000	(5.0)	231.33

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

- Financial results forecasts are based on the assumption of a foreign exchange rate of 145 yen per U.S. dollar.
- For the revision of the financial results forecasts, please refer to the “Notice Regarding Revisions of Financial Results Forecasts” published today, on February 9, 2024.

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 December 31, 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 December 31, 2023	9,719,232 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)

Nine months ended December 31, 2023	51,935,681 shares
Nine months ended December 31, 2022	54,592,933 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 forecast figures, please refer to the “Notice Regarding Revisions of Financial Results Forecasts” published today, on February 9, 2024.
- 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.

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

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	57,418	61,746
Notes and accounts receivable - trade, and contract assets	34,970	24,915
Securities	13,335	20,697
Merchandise and finished goods	9,691	8,479
Work in process	5,107	4,167
Raw materials and supplies	26,469	19,979
Other	4,913	4,969
Allowance for doubtful accounts	(27)	(25)
Total current assets	151,878	144,930
Non-current assets		
Property, plant and equipment	17,495	17,659
Intangible assets	423	446
Investments and other assets		
Investment securities	5,643	6,570
Other	4,839	4,834
Allowance for doubtful accounts	(287)	(286)
Total investments and other assets	10,195	11,117
Total non-current assets	28,114	29,223
Total assets	179,993	174,154

Hosiden Corporation (6804) Consolidated Financial Results for the First Nine Months Ended December 31, 2023

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,772	15,248
Short-term borrowings	2,189	1,050
Current portion of bonds with share acquisition rights	-	10,014
Income taxes payable	3,910	2,356
Other	6,048	6,079
Total current liabilities	37,919	34,749
Non-current liabilities		
Bonds with share acquisition rights	10,030	-
Retirement benefit liability	3,170	2,990
Other	2,118	2,659
Total non-current liabilities	15,319	5,649
Total liabilities	53,239	40,398
Net assets		
Shareholders' equity		
Share capital	13,660	13,660
Capital surplus	19,596	19,596
Retained earnings	100,808	105,713
Treasury shares	(10,695)	(11,584)
Total shareholders' equity	123,370	127,386
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,381	3,026
Foreign currency translation adjustment	666	3,114
Remeasurements of defined benefit plans	334	228
Total accumulated other comprehensive income	3,382	6,368
Total net assets	126,753	133,755
Total liabilities and net assets	179,993	174,154

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	205,992	177,466
Cost of sales	185,475	159,011
Gross profit	20,517	18,455
Selling, general and administrative expenses	7,340	7,227
Operating profit	13,177	11,227
Non-operating income		
Interest income	226	541
Dividend income	126	129
Foreign exchange gains	2,149	3,394
Other	243	104
Total non-operating income	2,746	4,170
Non-operating expenses		
Interest expenses	16	34
Commission for syndicated loans	10	-
Other	5	16
Total non-operating expenses	32	50
Ordinary profit	15,890	15,347
Extraordinary income		
Gain on sale of non-current assets	136	10
Total extraordinary income	136	10
Extraordinary losses		
Loss on sale and retirement of non-current assets	10	11
Loss on liquidation of subsidiaries	220	-
Other	-	0
Total extraordinary losses	231	11
Profit before income taxes	15,795	15,345
Income taxes - current	4,448	4,258
Income taxes - deferred	477	486
Total income taxes	4,926	4,744
Profit	10,869	10,600
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	10,869	10,600

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	10,869	10,600
Other comprehensive income		
Valuation difference on available-for-sale securities	(220)	644
Foreign currency translation adjustment	3,386	2,447
Remeasurements of defined benefit plans, net of tax	(104)	(106)
Total other comprehensive income	3,061	2,986
Comprehensive income	13,930	13,587
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,930	13,587
Comprehensive income attributable to non-controlling interests	-	-

Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	15,795	15,345
Depreciation	2,472	2,290
Decrease (increase) in trade receivables	(8,291)	10,691
Decrease (increase) in inventories	4,715	9,808
Decrease (increase) in operating accounts receivable	3	250
Increase (decrease) in trade payables	8,808	(11,247)
Other, net	(894)	(1,367)
Subtotal	22,609	25,772
Interest and dividends received	309	684
Interest paid	(11)	(42)
Income taxes paid	(5,132)	(6,281)
Net cash provided by (used in) operating activities	17,775	20,133
Cash flows from investing activities		
Decrease (increase) in time deposits	(3,503)	(350)
Purchase of property, plant and equipment	(2,473)	(1,491)
Proceeds from sale of property, plant and equipment	419	53
Other, net	139	(42)
Net cash provided by (used in) investing activities	(5,418)	(1,832)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(1,174)
Purchase of treasury shares	(3,000)	(2,817)
Dividends paid	(4,287)	(3,798)
Other, net	(99)	(104)
Net cash provided by (used in) financing activities	(7,386)	(7,893)
Effect of exchange rate change on cash and cash equivalents	911	589
Net increase (decrease) in cash and cash equivalents	5,881	10,996
Cash and cash equivalents at beginning of period	62,479	66,017
Cash and cash equivalents at end of period	68,361	77,014

Segment information, etc.

Segment information

I The first nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	184,087	12,480	3,294	6,129	205,992	–	205,992
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	184,087	12,480	3,294	6,129	205,992	–	205,992
Segment profit (loss)	11,490	1,129	(466)	1,023	13,177	–	13,177

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

II The first nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	151,976	14,821	1,866	8,802	177,466	–	177,466
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	151,976	14,821	1,866	8,802	177,466	–	177,466
Segment profit (loss)	7,883	1,441	(315)	2,217	11,227	–	11,227

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