



Macnica Holdings (3132)

FY03/2023 Full-year Result
April 2022 – March 2023

GIR Earnings View

MACNICA

Summary of
the year ending
March 31, 2023

- The company announced its full-year financial results for the fiscal year ending March 31, 2023 on May 8, 2023. Sales reached the 1 trillion yen mark for the first time in the company's history, and both sales and profits increased significantly. The results also exceeded the company's forecast, which was revised upward three times in each quarter.
 - Full-year results: sales of 1,029,263 million yen (+35.1% YoY), operating profit of 61,646 million yen (+67.9% YoY), recurring profit of 56,832 million yen (+60.1% YoY), net profit of 41,030 million yen (+59.0% YoY). Non-operating expenses were inflated due to an increase in interest expenses and foreign exchange losses. Actual exchange rate was 135 yen/US dollar.
 - Percentage of achievement vs. prior forecast: 102.9% for sales, 108.2% for operating profit, 111.4% for recurring profit and 114.0% for net income. Comparison with initial forecasts: 124.0%, 158.1%, 148.0%, and 157.8%, respectively.
 - Semiconductor business: Sales increased (+36.9% YoY), Profit increased (+101.2% YoY). Network Systems: Sales increased (+20.5% YoY), Profit decreased (-30.5% YoY). The impact of the yen's depreciation made a clear difference.

- Both semiconductor and network businesses exceeded the prior forecast (sales). The weak yen had a positive impact on the semiconductor business and a negative impact on the network business (domestic, profit).
 - Percentage of achievement vs. prior forecast: Semiconductor business 103.1%, Network business 101.7%
 - Semiconductor business (sales: +36.9% YoY): Industrial equipment (+50.1%) and automotive (+66.1%), which accounted for 57.7% of the company's sales led the way. Sales from PLD (+46.6%), ASIC (+46.7%), ASSP (+48.4%), analog (+53.2%) and other standard ICs (+39.6%) increased significantly. Market share continued to increase due to expansion of business areas. Memory (-13.3%) saw a slowdown in sales to data centers in China, but this was offset by an increase in sales to domestic carriers.
 - Network Business (sales +20.5% YoY): Software (+60.5% YoY). Significant growth in endpoint security-related and global business.

Key Points of Financial
Results for
March 31, 2023

GIR Earnings View (cont.)

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Forecasts
for the year ending
March 31, 2024

- Full-year forecasts: sales of 1.1 trillion yen (+6.9% YoY), operating profit of 62.0 billion yen (+0.6% YoY), recurring profit of 59.5 billion yen (+4.7% YoY), and net profit of 41.2 billion yen (+0.4% YoY). Exchange rate assumption of 130 yen/USD (assuming a 5 yen appreciation of the yen from the previous year).
- Semiconductor Business (Sales forecast: +6.3% YoY; Operating profit forecast: -6.9% YoY)
 - Industrial equipment and automotive markets: Driven by manufacturing DX, semiconductor capex, EVs, etc.
 - China: decline in memory demand expected, especially for data centers
- Network business (Sales forecast: +12.5% YoY; Operating profit forecast: +74.2% YoY)
 - Endpoint security is driving growth area. Cloud service related applications and Big Data for data analysis are also expected to grow further.

- Semiconductor Business (Sales: +250 billion yen YoY): (Japanese) Industrial Equipment: +121.5 billion yen, Automotive: + 52 billion yen, Other markets: +50 billion yen; (Overseas local) Industrial Equipment: +25 billion yen, Automotive: +14.5 billion yen, Other markets: - 13 billion yen.
 - In Ship & Debit transactions, a sharp appreciation of the dollar against the yen resulted in a foreign exchange gain on the depreciation of the yen in yen terms when cash is paid back in dollars.
 - M&A of suppliers resulted in the expansion of business area coverage. Price revision by the suppliers filtered through in price optimization.
- Network Business (Sales: +17.0 billion yen YoY): Security: +5.3 billion yen, Big Data: +1.2 billion yen, Applications: +1.4 billion yen, Overseas: +9.3 billion yen (growth mainly in Singapore, Philippines, India, Indonesia, etc.).
 - Cost of sales in the U.S. dollar-denominated purchase and yen sales business rose due to the sharp depreciation of the yen, negatively impacting gross profit margin.

Factor Analysis
By Business Segment
for the year ending,
March 31, 2023

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Medium-Term
Management Plan
Outlook

- Medium-term targets for the fiscal year ending March 31, 2025 (sales of 1.2 trillion yen, operating profit of 67 billion yen, and net profit of 50 billion yen). Target to return the Services and Solutions business to profitability.
- Sustainable growth by compensating for the impact of market fluctuations in the semiconductor business by focusing on the network business and services & solutions business.
- Security business: growth in existing markets and steady seeding of new markets
- Evolution of the service & solution model: expansion of suppliers and partners.
- Commencement of generative AI initiatives. Improved productivity through interlocking of core systems.

- Medium-Term Management Plan Shareholder Return Policy: ROE of 15% or more, consolidated dividend on equity ratio (DOE) of 4% or more. Stable and continuous dividend payment, total return ratio of 30-50%.
- Dividend increase forecast for FY03/2024: Interim dividend of 75 yen, year-end dividend of 75 yen to be paid, total of 150 yen (10 yen increase from the previous year), payout ratio of 22.0 %.

Shareholders return
policy,
& others

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Consolidated Results

Share Price ¥4,390 (May 12, 2023)

Fiscal year	Sales (mn)	YoY (%)	Operating profit (mn)	YoY (%)	Recurring profit (mn)	YoY (%)	Net profit (mn)	YoY (%)	EPS (Yen)	PER (x)
Accounting standard	Japanese GAAP									
03/2019	524,235	4.0%	15,324	1.1%	13,101	-12.3%	8,883	-22.2%	142.0	30.9
03/2020	521,193	-0.6%	14,447	-5.7%	11,072	-15.5%	5,633	-36.6%	90.1	48.7
03/2021	553,962	6.3%	18,769	29.9%	16,399	48.1%	10,875	93.1%	175.4	25.0
03/2022	761,823	37.5%	36,707	95.6%	35,487	116.4%	25,798	137.2%	414.9	10.6
03/2023	1,029,263	35.1%	61,646	67.9%	56,832	60.1%	41,030	59.0%	664.9	6.6
1H of 03/2024 CE	528,000	7.2%	30,400	13.4%	29,200	23.2%	20,400	21.3%	336.9	-
03/2024 CE	1,100,000	6.9%	62,000	0.6%	59,500	4.7%	41,200	0.4%	680.4	6.5

Source: Prepared by Global IR, Inc. based on company data

CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 1. 1H & Full year results and forecasts

Unit: JPY mn, %

1H & Full Year CE	FY03/2023			FY03/2024			YoY		
	1H	2H	Full year	1H CE	2H CE	Full year CE	1H CE	2H CE	Full year CE
Sales	492,562	536,701	1,029,263	528,000	572,000	1,100,000	7.2%	6.6%	6.9%
Cost of sales	435,006	468,353	903,359	464,600	505,400	970,000	6.8%	7.9%	7.4%
Gross profit	57,556	68,347	125,903	63,400	66,600	130,000	10.2%	-2.6%	3.3%
Gross profit margin	11.7%	12.7%	12.2%	12.0%	11.6%	11.8%			
SG&A	30,754	33,502	64,256	33,000	35,000	68,000	7.3%	4.5%	5.8%
SG&A ratio to sales	6.2%	6.2%	6.2%	6.3%	6.1%	6.2%			
Operating profit	26,801	34,845	61,646	30,400	31,600	62,000	13.4%	-9.3%	0.6%
OP margin	5.4%	6.5%	6.0%	5.8%	5.5%	5.6%			
Recurring profit	23,707	33,125	56,832	29,200	30,300	59,500	23.2%	-8.5%	4.7%
RP margin	4.8%	6.2%	5.5%	5.5%	5.3%	5.4%			
Net profit	16,821	24,209	41,030	20,400	20,800	41,200	21.3%	-14.1%	0.4%
NP margin	3.4%	4.5%	4.0%	3.9%	3.6%	3.7%			

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Figure 2. Quarterly results

Unit: JPY mn, %

Quarterly Financial Results (Cumulative)		FY03/2022				FY03/2023				FY03/2023 (% Achievement) Full year CE
		1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	
Sales		178,064	362,343	557,145	761,823	241,320	492,562	768,004	1,029,263	102.9% 1,000,000
	YoY	42.3%	40.9%	40.4%	37.5%	35.5%	35.9%	37.8%	35.1%	31.3%
Gross profit		20,258	41,274	65,095	90,718	27,359	57,556	92,018	125,903	104.9% 120,000
	YoY	38.0%	40.0%	41.5%	39.9%	35.1%	39.4%	41.4%	38.8%	32.3%
	Gross profit margin	11.4%	11.4%	11.7%	11.9%	11.3%	11.7%	12.0%	12.2%	12.0%
SG&A		12,951	25,837	39,719	54,010	15,093	30,754	46,723	64,256	102.0% 63,000
	YoY	19.6%	18.1%	17.2%	17.2%	16.5%	19.0%	17.6%	19.0%	16.6%
	SG&A ratio to sales	7.3%	7.1%	7.1%	7.1%	6.3%	6.2%	6.1%	6.2%	6.3%
Operating profit		7,306	15,437	25,375	36,707	12,265	26,801	45,295	61,646	108.2% 57,000
	YoY	89.9%	103.2%	109.2%	95.6%	67.9%	73.6%	78.5%	67.9%	55.3%
	Operating profit margin	4.1%	4.3%	4.6%	4.8%	5.1%	5.4%	5.9%	6.0%	5.7%
Recurring profit		7,514	15,343	24,561	35,487	11,280	23,707	40,829	56,832	111.4% 51,000
	YoY	105.0%	104.1%	107.0%	116.4%	50.1%	54.5%	66.2%	60.1%	43.7%
	Recurring profit margin	4.2%	4.2%	4.4%	4.7%	4.7%	4.8%	5.3%	5.5%	5.1%
Net profit		6,255	11,988	17,822	25,798	7,857	16,821	29,289	41,030	114.0% 36,000
	YoY	151.0%	133.4%	119.0%	137.2%	25.6%	40.3%	64.3%	59.0%	39.5%
	Net profit margin	3.5%	3.3%	3.2%	3.4%	3.3%	3.4%	3.8%	4.0%	3.6%

Quarterly Financial Results		FY03/2022				FY03/2023			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales		178,064	184,279	194,802	204,678	241,320	251,242	275,442	261,259
	YoY	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%	41.4%	27.6%
Gross profit		20,258	21,016	23,821	25,623	27,359	30,197	34,462	33,885
	YoY	38.0%	42.1%	44.0%	36.1%	35.1%	43.7%	44.7%	32.2%
	Gross profit margin	11.4%	11.4%	12.2%	12.5%	11.3%	12.0%	12.5%	13.0%
SG&A		12,951	12,886	13,882	14,291	15,093	15,661	15,969	17,533
	YoY	19.6%	16.7%	15.6%	17.3%	16.5%	21.5%	15.0%	22.7%
	SG&A ratio to sales	7.3%	7.0%	7.1%	7.0%	6.3%	6.2%	5.8%	6.7%
Operating profit		7,306	8,131	9,938	11,332	12,265	14,536	18,494	16,351
	YoY	89.9%	116.8%	119.3%	70.7%	67.9%	78.8%	86.1%	44.3%
	Operating profit margin	4.1%	4.4%	5.1%	5.5%	5.1%	5.8%	6.7%	6.3%
Recurring profit		7,514	7,829	9,218	10,926	11,280	12,427	17,122	16,003
	YoY	105.0%	103.2%	111.9%	141.1%	50.1%	58.7%	85.7%	46.5%
	Recurring profit margin	4.2%	4.2%	4.7%	5.3%	4.7%	4.9%	6.2%	6.1%
Net profit		6,255	5,733	5,834	7,976	7,857	8,964	12,468	11,741
	YoY	151.0%	116.7%	94.4%	191.4%	25.6%	56.4%	113.7%	47.2%
	Net profit margin	3.5%	3.1%	3.0%	3.9%	3.3%	3.6%	4.5%	4.5%

Source: Prepared by Global IR, Inc. based on company data Note: Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 3: Quarterly business segment trends

Unit: JPY mn, %

Business Segments (Cumulative quarterly period)	FY03/2022				FY03/2023			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
Sales	178,064	362,343	557,145	761,823	241,320	492,562	768,004	1,029,263
YoY	42.3%	40.9%	40.4%	37.5%	35.5%	35.9%	37.8%	35.1%
ICs, electronic devices and others	159,465	324,768	498,120	678,602	219,303	446,305	697,323	929,020
YoY	46.9%	45.4%	44.1%	41.0%	37.5%	37.4%	40.0%	36.9%
Network Business	18,599	37,575	59,025	83,220	22,017	46,256	70,681	100,242
YoY	12.0%	10.9%	15.4%	14.3%	18.4%	23.1%	19.7%	20.5%
Operating profit	7,306	15,437	25,375	36,707	12,265	26,801	45,295	61,646
YoY	89.9%	103.2%	109.2%	95.6%	67.9%	73.6%	78.5%	67.9%
ICs, electronic devices and others	5,328	11,381	18,644	27,499	10,766	23,818	40,779	55,329
YoY	206.6%	258.0%	214.2%	184.7%	102.1%	109.3%	118.7%	101.2%
Network Business	1,915	3,930	6,605	9,082	1,498	2,982	4,514	6,316
YoY	-7.0%	-8.6%	9.7%	2.3%	-21.8%	-24.1%	-31.7%	-30.5%
Corporate and elimination	63	126	126	126	1	1	2	1
Business Segment (Quarterly)	FY03/2022				FY03/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	178,064	184,279	194,802	204,678	241,320	251,242	275,442	261,259
YoY	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%	41.4%	27.6%
ICs, electronic devices and others	159,465	165,303	173,352	180,482	219,303	227,002	251,018	231,697
YoY	46.9%	44.1%	41.7%	33.2%	37.5%	37.3%	44.8%	28.4%
Network Business	18,599	18,976	21,450	24,195	22,017	24,239	24,425	29,561
YoY	12.0%	9.8%	24.3%	11.5%	18.4%	27.7%	13.9%	22.2%
Operating profit	7,306	8,131	9,938	11,332	12,265	14,536	18,494	16,351
YoY	89.9%	116.8%	119.3%	70.7%	67.9%	78.8%	86.1%	44.3%
ICs, electronic devices and others	5,328	6,053	7,263	8,855	10,766	13,052	16,961	14,550
YoY	206.6%	320.1%	163.7%	137.7%	102.1%	115.6%	133.5%	64.3%
Network Business	1,915	2,015	2,675	2,477	1,498	1,484	1,532	1,802
YoY	-7.0%	-10.1%	55.4%	-13.3%	-21.8%	-26.4%	-42.7%	-27.3%
Corporate and elimination	63	63	-	-	1	-	1	-1

Source: Prepared by Global IR, Inc. based on company data

Note: Rounded under JPY mn. Rounded to one decimal place.



Figure 4: Quarterly trends by product and application

Unit: JPY mn, %

By item	FY03/2022				FY03/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	178,064	184,279	194,802	204,678	241,320	251,242	275,442	261,258
ICs	145,693	154,033	160,002	166,394	201,720	206,122	229,230	213,627
PLD	17,318	17,244	19,280	18,677	22,738	22,264	30,035	31,313
ASIC	2,808	4,908	4,142	3,755	6,130	5,743	5,361	5,672
ASSP	22,642	22,605	20,714	23,113	30,703	32,943	35,787	32,768
Analog	43,710	43,478	46,355	46,896	60,248	68,191	74,152	73,859
Memory	25,106	30,214	30,323	31,562	35,015	25,000	26,776	14,845
Other standard IC	34,106	35,584	39,186	42,387	46,883	51,982	57,117	55,167
Electronic device	10,382	8,414	9,430	10,686	13,559	16,327	15,708	12,870
Other	3,389	2,857	3,918	3,401	4,023	4,554	6,077	5,199
Network Related Products	18,598	18,977	21,449	24,195	22,017	24,239	24,424	29,561
Hardware	4,285	4,438	4,560	4,585	4,847	4,025	3,949	3,940
Software	8,299	8,944	10,649	13,052	12,955	15,745	16,059	20,944
Service	6,013	5,595	6,239	6,558	4,214	4,469	4,415	4,676
Gross profit	20,258	21,016	23,821	25,623	27,359	30,197	34,462	33,884
ICs	13,676	14,544	16,307	17,861	19,924	22,506	26,226	25,537
Electronic device	1,417	1,057	1,133	1,222	1,692	1,994	1,863	1,595
Other	451	493	661	673	695	624	917	1,029
Network Related Products	4,712	4,922	5,718	5,867	5,046	5,073	5,454	5,723
Sales by application	FY03/2022				FY03/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ICs, electronic devices and others	159,460	165,300	173,360	180,480	219,300	227,000	251,020	231,700
Communication	28,890	32,950	32,260	31,350	45,770	32,010	39,420	28,940
Communication terminal	5,240	5,390	6,020	5,240	6,700	6,800	6,980	6,490
Communications infrastructure	23,650	27,560	26,240	26,110	39,070	25,210	32,440	22,450
OA and Peripheral Equipment	7,180	7,440	8,090	8,080	9,460	10,000	10,830	9,620
Computer	18,840	18,090	20,860	22,860	19,860	22,490	20,160	15,160
Consumer Products	15,060	14,720	13,500	13,320	15,900	18,730	19,030	17,550
In-vehicle	23,580	23,870	25,280	27,710	35,040	41,680	47,500	42,620
Industrial Equipment	65,910	68,230	73,370	77,160	93,270	102,090	114,080	117,810
Network Business	18,600	18,980	21,450	24,190	22,020	24,240	24,420	29,560
Total amount	178,060	184,280	194,810	204,670	241,320	251,240	275,440	261,260
Composition by item	FY03/2022				FY03/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ICs	81.8%	83.6%	82.1%	81.3%	83.6%	82.0%	83.2%	81.8%
PLD	9.7%	9.4%	9.9%	9.1%	9.4%	8.9%	10.9%	12.0%
ASIC	1.6%	2.7%	2.1%	1.8%	2.5%	2.3%	1.9%	2.2%
ASSP	12.7%	12.3%	10.6%	11.3%	12.7%	13.1%	13.0%	12.5%
Analog	24.5%	23.6%	23.8%	22.9%	25.0%	27.1%	26.9%	28.3%
Memory	14.1%	16.4%	15.6%	15.4%	14.5%	10.0%	9.7%	5.7%
Other standard IC	19.2%	19.3%	20.1%	20.7%	19.4%	20.7%	20.7%	21.1%
Electronic device	5.8%	4.6%	4.8%	5.2%	5.6%	6.5%	5.7%	4.9%
Other	1.9%	1.6%	2.0%	1.7%	1.7%	1.8%	2.2%	2.0%
Network Related Products	10.4%	10.3%	11.0%	11.8%	9.1%	9.6%	8.9%	11.3%
Hardware	2.4%	2.4%	2.3%	2.2%	2.0%	1.6%	1.4%	1.5%
Software	4.7%	4.9%	5.5%	6.4%	5.4%	6.3%	5.8%	8.0%
Service	3.4%	3.0%	3.2%	3.2%	1.7%	1.8%	1.6%	1.8%
Gross profit	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ICs	67.5%	69.2%	68.5%	69.7%	72.8%	74.5%	76.1%	75.4%
Electronic device	7.0%	5.0%	4.8%	4.8%	6.2%	6.6%	5.4%	4.7%
Other	2.2%	2.3%	2.8%	2.6%	2.5%	2.1%	2.7%	3.0%
Network Related Products	23.3%	23.4%	24.0%	22.9%	18.4%	16.8%	15.8%	16.9%
Sales composition by application	FY03/2022				FY03/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ICs, electronic devices and others	89.6%	89.7%	89.0%	88.2%	90.9%	90.4%	91.1%	88.7%
Communication	16.2%	17.9%	16.6%	15.3%	19.0%	12.7%	14.3%	11.1%
Communication terminal	2.9%	2.9%	3.1%	2.6%	2.8%	2.7%	2.5%	2.5%
Communications infrastructure	13.3%	15.0%	13.5%	12.8%	16.2%	10.0%	11.8%	8.6%
OA and Peripheral Equipment	4.0%	4.0%	4.2%	3.9%	3.9%	4.0%	3.9%	3.7%
Computer	10.6%	9.8%	10.7%	11.2%	8.2%	9.0%	7.3%	5.8%
Consumer Products	8.5%	8.0%	6.9%	6.5%	6.6%	7.5%	6.9%	6.7%
In-vehicle	13.2%	13.0%	13.0%	13.5%	14.5%	16.6%	17.2%	16.3%
Industrial Equipment	37.0%	37.0%	37.7%	37.7%	38.6%	40.6%	41.4%	45.1%
Network Business	10.4%	10.3%	11.0%	11.8%	9.1%	9.6%	8.9%	11.3%
Total amount	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Prepared by Global IR, Inc. based on company data Note: Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 5. Business Segments

Unit: JPY mn, %

	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024	CAGR
	Consolidated								CE	16/3 - 23/3
Sales	405,315	398,503	504,085	524,235	521,193	553,962	761,823	1,029,263	1,100,000	14.2%
YoY	-	-1.7%	26.5%	4.0%	-0.6%	6.3%	37.5%	35.1%	6.9%	
Domestic	231,740	222,322	270,448	267,380	263,401	267,114	361,450			7.7%
Overseas	173,575	176,181	233,637	256,855	257,792	286,848	400,373			14.9%
ICs, electronic devices and others	378,069	365,602	465,120	470,338	459,971	481,125	678,601	929,020	987,200	
YoY	-	-3.3%	27.2%	1.1%	-2.2%	4.6%	41.0%	36.9%	6.3%	
Composition ratio	93.3%	91.7%	92.3%	89.7%	88.3%	86.9%	89.1%	90.3%	89.7%	
ICs	351,726	339,808	425,642	439,361	425,297	438,352	626,122	850,700		13.4%
YoY	-	-3.4%	25.3%	3.2%	-3.2%	3.1%	42.8%	35.9%	-	
Composition ratio	86.8%	85.3%	84.4%	83.8%	81.6%	79.1%	82.2%	82.7%	-	
Electronic device	22,811	20,073	29,832	24,887	25,506	32,456	38,913	58,465		14.4%
YoY	-	-12.0%	48.6%	-16.6%	2.5%	27.2%	19.9%	50.2%	-	
Composition ratio	5.6%	5.0%	5.9%	4.7%	4.9%	5.9%	5.1%	5.7%	-	
Other	3,532	5,721	9,646	6,090	9,168	10,316	13,566	19,854		28.0%
YoY	-	62.0%	68.6%	-36.9%	50.5%	12.5%	31.5%	46.4%	-	
Composition ratio	0.9%	1.4%	1.9%	1.2%	1.8%	1.9%	1.8%	1.9%	-	
Japanese (domestic + exports + local Japanese-affiliated)				-			-			
Overseas (local)				155,000			248,000			
Network business	27,244	32,899	38,965	53,896	61,220	72,836	83,220	100,242	112,800	20.5%
YoY	-	20.8%	18.4%	38.3%	13.6%	19.0%	14.3%	20.5%	12.5%	
Composition ratio	6.7%	8.3%	7.7%	10.3%	11.7%	13.1%	10.9%	9.7%	10.3%	
Security				26,100			42,200	47,500		
Big data				3,100			5,800	7,000		
Global				12,000			21,800	31,100		
Applications and others				12,696			13,420	14,642		
Japanese (domestic + exports + local Japanese-affiliated)				41,896			61,420	69,142		
Overseas (local)				12,000			21,800	31,100		
Gross profit	44,287	46,269	56,094	61,061	59,891	64,835	90,718	125,903	130,000	16.1%
YoY	-	4.5%	21.2%	8.9%	-1.9%	8.3%	39.9%	38.8%	3.3%	
Gross profit margin	10.9%	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	12.2%	11.8%	
ICs, electronic devices and others	35,869	34,808	44,338	46,533	43,125	45,160	69,497	104,604	-	16.5%
YoY	-	-3.0%	27.4%	5.0%	-7.3%	4.7%	53.9%	50.5%	-	
Gross profit margin	9.5%	9.5%	9.5%	9.9%	9.4%	9.4%	10.2%	11.3%	-	
Composition ratio	81.0%	75.2%	79.0%	76.2%	72.0%	69.7%	76.6%	83.1%	-	
ICs	33,518	32,345	41,240	43,463	38,171	39,095	62,389	94,194		15.9%
YoY	-	-3.5%	27.5%	5.4%	-12.2%	2.4%	59.6%	51.0%	-	
Gross profit margin	9.5%	9.5%	9.7%	9.9%	9.0%	8.9%	10.0%	11.1%	-	
Composition ratio	75.7%	69.9%	73.5%	71.2%	63.7%	60.3%	68.8%	74.8%	-	
Electronic device	1,821	1,681	2,103	2,148	3,461	4,163	4,830	7,145		21.6%
YoY	-	-7.7%	25.1%	2.1%	61.1%	20.3%	16.0%	47.9%	-	
Gross profit margin	8.0%	8.4%	7.0%	8.6%	13.6%	12.8%	12.4%	12.2%	-	
Composition ratio	4.1%	3.6%	3.7%	3.5%	5.8%	6.4%	5.3%	5.7%	-	
Other	530	782	995	922	1,493	1,902	2,278	3,265		29.7%
YoY	-	47.5%	27.2%	-7.3%	61.9%	27.4%	19.8%	43.3%	-	
Gross profit margin	15.0%	13.7%	10.3%	15.1%	16.3%	18.4%	16.8%	16.4%	-	
Composition ratio	1.2%	1.7%	1.8%	1.5%	2.5%	2.9%	2.5%	2.6%	-	
Network business	8,417	11,460	11,756	14,528	16,766	19,674	21,219	21,297		14.2%
YoY	-	36.2%	2.6%	23.6%	15.4%	17.3%	7.9%	8.2%	-	
Gross profit margin	30.9%	34.8%	30.2%	27.0%	27.4%	27.0%	25.5%	21.2%	-	
Composition ratio	19.0%	24.8%	21.0%	23.8%	28.0%	30.3%	23.4%	16.9%	-	
Operating profit	9,729	10,473	15,163	15,324	14,447	18,769	36,707	61,646	62,000	30.2%
YoY	-	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	67.9%	0.6%	
Operating profit margin	2.4%	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	6.0%	5.6%	
ICs, electronic devices and others	6,448	4,632	10,769	9,459	6,996	9,658	27,499	55,329	51,500	35.9%
YoY	-	-28.2%	132.5%	-12.2%	-26.0%	38.1%	184.7%	101.2%	-6.9%	
Operating profit margin	1.7%	1.3%	2.3%	2.0%	1.5%	2.0%	4.1%	6.0%	5.2%	
Composition ratio	66.3%	44.2%	71.0%	61.7%	48.4%	51.5%	74.9%	89.8%	83.1%	
Network business	3,145	5,684	4,225	5,726	7,224	8,879	9,082	6,316	11,000	10.5%
YoY	-	80.7%	-25.7%	35.5%	26.2%	22.9%	2.3%	-30.5%	74.2%	
Operating profit margin	11.5%	17.3%	10.8%	10.6%	11.8%	12.2%	10.9%	6.3%	9.8%	
Composition ratio	32.3%	54.3%	27.9%	37.4%	50.0%	47.3%	24.7%	10.2%	17.7%	
Corporate and elimination	136	157	169	139	227	232	125	0	-500	

Source: Prepared by Global IR, Inc. based on company data

Note1: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Note2: Operating profit by business segment: Services and solutions is included in semiconductors and networks; FY2024 forecast is shown separately (in red).



Figure 6. Trends by Product Category and Application

Unit: JPY mn, %

Details of Sales by Item		FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024	CAGR
		Consolidated								CE	16/3 - 23/3
ICs		351,726	339,808	425,642	439,361	425,297	438,352	626,122	850,700	-	13.4%
	PLD	59,796	53,337	56,892	51,196	52,195	53,107	72,521	106,351		8.6%
	ASIC	5,888	7,088	6,858	14,405	11,712	13,614	15,614	22,907		21.4%
	ASSP	76,555	67,791	75,444	81,785	74,076	71,177	89,075	132,201		8.1%
	Analog	104,674	103,472	117,771	112,183	114,045	121,427	180,440	276,451		14.9%
	Memory	56,962	44,642	92,117	84,025	86,418	85,226	117,206	101,638		8.6%
	Other standard IC	47,850	63,475	76,557	95,767	86,849	93,799	151,265	211,149	-	23.6%
	Electronic device	22,811	20,073	29,832	24,887	25,506	32,456	38,913	58,465	-	14.4%
	Other	3,532	5,721	9,646	6,090	9,168	10,316	13,566	19,854	-	28.0%
Network Related Products		27,244	32,899	38,965	53,896	61,220	72,836	83,220	100,242	112,800	20.5%
	Hardware	15,064	16,472	13,983	17,116	18,749	20,107	17,869	16,763		1.5%
	Software	2,090	4,203	8,562	17,031	19,824	29,252	40,945	65,704		63.7%
	Service	10,089	12,223	16,419	19,749	22,647	23,476	24,406	17,775		8.4%
Total amount		405,315	398,503	504,085	524,235	521,193	553,962	761,823	1,029,263	1,100,000	14.2%
Sales composition by product category		FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024	
ICs		86.8%	85.3%	84.4%	83.8%	81.6%	79.1%	82.2%	82.7%		
	PLD	14.8%	13.4%	11.3%	9.8%	10.0%	9.6%	9.5%	10.3%		
	ASIC	1.5%	1.8%	1.4%	2.7%	2.2%	2.5%	2.0%	2.2%		
	ASSP	18.9%	17.0%	15.0%	15.6%	14.2%	12.8%	11.7%	12.8%		
	Analog	25.8%	26.0%	23.4%	21.4%	21.9%	21.9%	23.7%	26.9%		
	Memory	14.1%	11.2%	18.3%	16.0%	16.6%	15.4%	15.4%	9.9%		
	Other standard IC	11.8%	15.9%	15.2%	18.3%	16.7%	16.9%	19.9%	20.5%		
	Electronic device	5.6%	5.0%	5.9%	4.7%	4.9%	5.9%	5.1%	5.7%		
	Other	0.9%	1.4%	1.9%	1.2%	1.8%	1.9%	1.8%	1.9%		
Network Related Products		6.7%	8.3%	7.7%	10.3%	11.7%	13.1%	10.9%	9.7%	10.3%	
	Hardware	3.7%	4.1%	2.8%	3.3%	3.6%	3.6%	2.3%	1.6%		
	Software	0.5%	1.1%	1.7%	3.2%	3.8%	5.3%	5.4%	6.4%		
	Service	2.5%	3.1%	3.3%	3.8%	4.3%	4.2%	3.2%	1.7%		
Total amount		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Details of Sales by Item		FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024	CAGR
		Consolidated								CE	16/3 - 23/3
ICs, electronic devices and others		378,070	365,600	465,130	470,340	459,970	481,120	678,600	929,020	987,200	13.7%
	Communication	88,700	77,880	76,260	76,440	94,200	98,180	125,450	146,140		7.4%
	Communication terminal	24,940	17,280	16,290	21,870	22,950	19,540	21,890	26,970		1.1%
	Communications infrastructure	63,760	60,600	59,970	54,570	71,250	78,640	103,560	119,170		9.3%
	OA and Peripheral Equipment	24,780	24,470	27,970	25,970	23,000	22,530	30,790	39,910		7.0%
	Computer	66,100	48,300	90,020	75,710	61,440	60,560	80,650	77,670		2.3%
	Consumer Products	44,170	42,470	47,020	43,210	39,560	46,320	56,600	71,210		7.1%
	In-vehicle	49,660	64,830	76,500	81,220	83,040	80,310	100,440	166,840		18.9%
	Industrial Equipment	104,660	107,650	147,360	167,790	158,730	173,220	284,670	427,250		22.3%
	Communications infrastructure	27,250	32,900	38,960	53,900	61,220	72,836	83,220	100,242	112,800	20.5%
Total amount		405,320	398,500	504,090	524,240	521,190	553,962	761,820	1,029,260	1,100,000	14.2%
Sales composition by application		FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024	
ICs, electronic devices and others		93.3%	91.7%	92.3%	89.7%	88.3%	86.9%	89.1%	90.3%	89.7%	
	Communication	21.9%	19.5%	15.1%	14.6%	18.1%	17.7%	16.5%	14.2%		
	Communication terminal	6.2%	4.3%	3.2%	4.2%	4.4%	3.5%	2.9%	2.6%		
	Communications infrastructure	15.7%	15.2%	11.9%	10.4%	13.7%	14.2%	13.6%	11.6%		
	OA and Peripheral Equipment	6.1%	6.1%	5.5%	5.0%	4.4%	4.1%	4.0%	3.9%		
	Computer	16.3%	12.1%	17.9%	14.4%	11.8%	10.9%	10.6%	7.5%		
	Consumer Products	10.9%	10.7%	9.3%	8.2%	7.6%	8.4%	7.4%	6.9%		
	In-vehicle	12.3%	16.3%	15.2%	15.5%	15.9%	14.5%	13.2%	16.2%		
	Industrial Equipment	25.8%	27.0%	29.2%	32.0%	30.5%	31.3%	37.4%	41.5%		
Network Business		6.7%	8.3%	7.7%	10.3%	11.7%	13.1%	10.9%	9.7%	10.3%	
Total amount		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Prepared by Global IR, Inc. based on company data Note: Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 7. Medium-term management plan and Long-term targets

Unit: JPY mn, %

	FY03/2022	FY03/2023	FY03/2024	FY03/2025		Changes	CAGR	FY03/2031
	Actual	Actual	CE	Mid-term target (New)	Mid-term target (Old)	FY03/2022 – FY03/2025		Long-term targets
Sales	761,823	1,029,263	1,100,000	1,200,000	970,000	438,177	16.4%	1,300,000
Semiconductor Business	678,601	929,020	978,000	1,062,000	835,000	383,399	16.1%	
Sales Composition	89.1%	90.3%	88.9%	88.5%	86.1%			
Network Business	83,220	100,242	113,000	122,000	119,000	38,780	13.6%	
Sales Composition	10.9%	9.7%	10.3%	10.2%	12.3%			
(Service and Solution Business)	4,000	5,000	9,000	16,000	16,000	12,000	58.7%	
Sales Composition	0.5%	0.5%	0.8%	1.3%	1.6%			
Domestic Sales	361,450				436,500			
Domestic sales ratio	47.4%				45.0%			
Overseas sales	400,373				533,500			
Overseas sales ratio	52.6%				55.0%			
Operating profit	36,707	61,646	62,000	67,000	48,000	30,293	22.2%	100,000
Operating profit margin	4.8%	6.0%	5.6%	5.6%	4.9%			7.7%
Semiconductor Business	27,499	55,329	51,500	54,000	33,000	26,501	25.2%	
Operating profit margin	4.1%	6.0%	5.3%	5.1%	4.0%			
Network Business	9,082	6,316	11,000	12,000	14,000	2,918	9.7%	
Operating profit margin	10.9%	6.3%	9.7%	9.8%	11.8%			
(Service and Solution Business)	-2,000	-2,000	-500	1,000	1,000	3,000	-	
Operating profit margin	-	-	-	-	6.3%			
Corporate and elimination	126	1	0	0	0			
Net profit attributable to owners of the parent	25,798	41,030	41,200	50,000	30,000	24,202	24.7%	
Net profit margin	3.4%	4.0%	3.7%	4.2%	3.1%			
ROE	16.5%	22.2%		15.0%	15.0%			15.0%
Working capital turnover	3.2	4.4		3.8	3.8			
DOE	4.0%	4.6%		4.0%	4.0%			
Total return ratio (actual is dividend payout ratio)	24.1%	21.1%	22.0%	30~50%	30~50%			

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Actual results for Services and Solutions are included in Semiconductor and Networks, respectively. Forecasts and mid-term targets are shown separately for the Services and Solutions segment.



Financial Data (Consolidated, Full year)

PL Statements		(Millions of yen)						
Fiscal year	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024 CE
Sales	398,503	504,085	524,235	521,193	553,962	761,823	1,029,263	1,100,000
YoY	-1.7%	26.5%	4.0%	-0.6%	6.3%	37.5%	35.1%	6.9%
Gross profit	46,269	56,094	61,061	59,891	64,835	90,718	125,903	130,000
YoY	4.5%	21.2%	8.9%	-1.9%	8.3%	39.9%	38.8%	3.3%
Gross profit margin	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	12.2%	11.8%
Operating profit	10,473	15,163	15,324	14,447	18,769	36,707	61,646	62,000
YoY	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	67.9%	0.6%
Operating profit margin	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	6.0%	5.6%
Recurring profit	9,635	14,937	13,101	11,072	16,399	35,487	56,832	59,500
YoY	-5.3%	55.0%	-12.3%	-15.5%	48.1%	116.4%	60.1%	4.7%
Net profit	6,534	11,412	8,883	5,633	10,875	25,798	41,030	41,200
YoY	-10.3%	74.7%	-22.2%	-36.6%	93.1%	137.2%	59.0%	0.4%
Net profit margin	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	4.0%	3.7%

Per Share Data		(Yen)						
Fiscal year	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024 CE
Total number of shares issued and outstanding (thousand shares)	58,793	62,813	62,813	63,031	63,031	63,031	60,857	-
EPS	114.3	206.1	142.0	90.1	175.4	414.9	664.89	680.35
EPS Adjusted	114.0	-	-	-	-	-	-	-
BPS	1,879	2,010	2,116	2,142	2,290	2,735	3,299	-
DPS	35.0	50.0	50.0	50.0	50.0	100.0	140.0	150.0

Balance Sheet		(Millions of yen)						
Fiscal year	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024 CE
Current assets	200,543	251,399	276,885	236,384	243,400	335,032	491,080	-
Cash, deposits, and investment securities	15,552	28,789	14,217	14,715	25,443	25,174	37,571	-
Tangible fixed assets	6,626	6,807	7,530	7,501	7,449	7,951	8,027	-
Intangible fixed assets	1,448	1,597	2,821	2,515	2,332	3,426	9,145	-
Investments and other assets	6,391	6,113	12,328	17,029	15,314	10,454	10,529	-
Total fixed assets	14,615	15,742	22,374	26,863	26,190	27,551	26,540	-
Total assets	215,158	267,142	299,259	263,247	269,590	362,584	517,620	-
Total current liabilities	99,535	125,197	149,540	116,987	108,351	161,249	298,764	-
Total noncurrent liabilities	10,854	13,731	14,319	10,707	15,229	21,570	11,094	-
Total liabilities	93,551	110,389	138,928	163,860	127,695	123,580	182,819	-
Total net assets	104,769	128,210	135,399	135,551	146,010	179,762	207,762	-
Interest-Bearing Debt	27,546	58,262	84,685	53,961	32,047	59,158	55,318	-

Cash flows from operating activities		(Millions of yen)						
Fiscal year	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024 CE
Depreciation and amortization	1,274	1,500	1,660	1,976	1,986	2,804	3,468	-
Cash flows from operating activities	3,169	-28,595	-30,173	45,770	38,076	-15,534	38,896	-
Cash flows from investing activities	-1,083	-1,804	-7,251	-8,919	-2,181	-1,653	-869	-
Cash flows from financing activities	-8,322	43,699	21,916	-35,797	-26,189	14,368	-27,100	-

Financial Data		(%)						
Fiscal year	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024 CE
Return on Assets (ROA)	4.6%	6.2%	4.6%	3.9%	6.2%	11.2%	12.9%	-
Return on Equity (ROE)	6.3%	10.0%	6.9%	4.3%	7.9%	16.5%	22.2%	-
Equity ratio	47.9%	47.0%	44.2%	50.2%	52.7%	46.9%	38.6%	-

Source: Prepared by Global IR, Inc. based on company securities reports

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Appendix

Figure 8. Income Statement

Unit: JPY mn, %

Profit and loss statement	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
	Consolidated					CE			
Sales	405,315	398,503	504,085	524,235	521,193	553,962	761,823	1,029,263	1,100,000
YoY	-	-1.7%	26.5%	4.0%	-0.6%	6.3%	37.5%	35.1%	6.9%
COGs	361,027	352,234	447,991	463,173	461,302	489,126	671,104	903,359	970,000
Gross profit	44,287	46,269	56,094	61,061	59,891	64,835	90,718	125,903	130,000
Gross profit margin ratio	10.9%	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	12.2%	11.8%
SG&A	34,558	35,796	40,931	45,737	45,444	46,066	54,010	64,256	68,000
SG&A ratio to sales	8.5%	9.0%	8.1%	8.7%	8.7%	8.3%	7.1%	6.2%	6.2%
Operating profit	9,729	10,473	15,163	15,324	14,447	18,769	36,707	61,646	62,000
YoY	-	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	67.9%	0.6%
Operating profit margin	2.4%	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	6.0%	5.6%
Non-operating income	1,150	526	990	711	605	1,257	844	1,119	1,000
Interest income	95	61	76	116	82	63	65	141	
Dividends received	251	218	401	191	151	339	155	273	
Purchase discount				100	68				
Profit on currency exchange	483		189			295			
Reversal of allowance for doubtful accounts						3	102		
Other	321	247	324	304	304	557	522	705	
Non-operating expenses	703	1,363	1,216	2,934	3,980	3,627	2,064	5,933	3,500
Interest expense	171	277	383	1,137	1,131	304	333	1,900	
Loss on transfer of a claim	283	340	619	704	699	337	432	1,525	
Equity in losses of affiliated companies					815	2,693	808	249	
Foreign exchange loss		605		1,011	670		347	1,771	
Initial expenses	73								
Product indemnity expenses	87			34	563				
Other	89	141	214	46	98	293	144	488	
Recurring profit	10,176	9,635	14,937	13,101	11,072	16,399	35,487	56,832	59,500
YoY	-	-5.3%	55.0%	-12.3%	-15.5%	48.1%	116.4%	60.1%	4.7%
Recurring profit margin	2.5%	2.4%	3.0%	2.5%	2.1%	3.0%	4.7%	5.5%	5.4%
Extraordinary income	2,024	197	125	40	128	206	1,928	2,170	-
Gain on sales of fixed assets									
Marginal gain on step acquisitions							1,918		
Gain on termination of ESOP trust						198			
Gain on sales of investment securities	337	95	121	38	118	3	8	1,574	
Gain on exchange of investment securities								503	
Reversal of allowance for doubtful accounts for affiliates		101							
Negative goodwill accrual	1,686								
Other	1	1	4	2	10	5	2	92	
Extraordinary loss	1,566	55	53	360	1,492	328	334	853	500
Loss on sales of fixed assets			8	4					
Loss on disposal of fixed assets		22	7	12	22	33	26		
Loss on sales of investment securities		28	22	1	11				
Loss on valuation of investment securities		4	12	112	1,447	123	295	800	
Loss on valuation of stocks of subsidiaries and affiliates	240					166			
Provision for doubtful accounts of subsidiaries and affiliates	214								
Loss on dissolution of employees' pension fund	993								
Other	119	1	4	231	12	6	13	53	
Income taxes	2,805	3,144	3,394	3,414	3,435	4,586	9,557	15,339	15,800
Tax rate	26.4%	32.2%	22.6%	26.7%	35.4%	28.2%	25.8%	26.4%	33.8%
Net profit attributable to noncontrolling interests	243	97	201	483	639	815	1,725	1,779	2,000
Net profit attributable to owners of the parent	7,285	6,534	11,412	8,883	5,633	10,875	25,798	41,030	41,200
YoY	-	-10.3%	74.7%	-22.2%	-36.6%	93.1%	137.2%	59.0%	0.4%
Net profit margin (margin)	1.8%	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	4.0%	3.7%



SG&A expenses	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
	Consolidated								CE
SG&A	34,558	35,796	40,931	45,737	45,444	46,066	54,010	64,256	68,000
Selling expenses	551	585	860	1,362	1,343	1,187	1,451	1,552	1,800
Personnel expenses	21,494	22,523	25,855	28,438	27,665	30,856	35,596	41,958	45,150
Depreciation and amortization	822	918	1,109	1,301	1,542	1,567	2,397	3,012	3,200
Development cost	34	157	279	407	403	281	333	326	350
Other	11,657	11,613	12,828	14,229	14,491	12,175	14,233	17,407	17,500

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Figure 9. Balance Sheet

Unit: JPY mn, %

	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023
	Consolidated							
Assets								
Cash on hand and in banks	20,847	15,552	28,789	14,217	14,715	25,443	25,174	37,571
Bills receivable						1,886	640	764
Electronically recorded Monetary claim						2,104	3,068	9,531
Accounts receivable						115,893	151,422	192,979
Notes and accounts receivable-trade	78,860	83,800	99,653	102,340	106,614	117,779	155,130	203,274
Goods	73,474	85,881	107,440	122,771	93,296	84,882	138,764	218,905
Inventories	73,474	85,881	107,440	122,771	93,296	84,882	138,764	218,905
Deferred tax asset	1,269	1,456	1,973					
Other	12,859	13,986	13,676	37,712	22,090	15,818	16,486	31,908
Allowance for doubtful accounts	-414	-132	-132	-155	-331	-522	-522	-578
Total current assets	186,895	200,543	251,399	276,885	236,384	243,400	335,032	491,080
Buildings and structures	1,826	1,767	1,751	2,130	2,072	2,210	2,128	2,040
Tools, furniture and fixtures	1,267	1,339	1,477	1,680	1,558	1,402	1,432	1,526
Machinery, equipment and vehicles	20	19	53	101	95	124	138	141
Lot	3,061	3,061	3,061	3,061	3,061	3,062	3,062	3,062
Leased assets	354	438	462	555	712	647	1,187	1,251
Construction in progress						1	2	4
Total property, plant and equipment	6,530	6,626	6,807	7,530	7,501	7,449	7,951	8,027
Goodwill	627	399	1,024	762	617	484	2,107	1,576
Other	821	1,198	1,797	1,753	1,715	2,942	7,038	6,407
Total intangible fixed assets	1,448	1,597	2,821	2,515	2,332	3,426	9,145	7,983
Investments in securities	3,578	3,583	3,492	7,557	12,264	10,169	4,872	3,909
Long-term loans	157	183	140					
Deferred tax asset	1,851	1,924	1,859	3,851	3,794	4,186	4,483	5,450
Assets related to retirement benefits	80	93	103					
Other	935	827	669	931	1,020	965	1,101	1,169
Allowance for doubtful accounts	-305	-219	-150	-11	-49	-6	-2	-
Total investments and other assets	6,296	6,391	6,113	12,328	17,029	15,314	10,454	10,529
Total fixed assets	14,275	14,615	15,742	22,374	26,863	26,190	27,551	26,540
Total assets	201,171	215,158	267,142	299,259	263,247	269,590	362,584	517,620
Liabilities								
Notes and accounts payable-trade	37,461	39,584	37,070	31,898	24,916	39,437	57,692	186,838
Short-term interest-bearing debt	16,155	23,654	51,744	77,237	49,468	23,032	44,695	46,563
Short-term debt	16,095	23,579	51,658	77,097	49,223	22,715	44,119	46,039
Lease obligations	60	75	86	140	245	317	576	524
Account payable				13,595	13,776	12,826	19,573	
Income taxes payable	1,258	2,541	1,667	1,972	1,724	2,939	7,245	13,524
Advance received	10,697	14,643	14,948	14,921	15,183			
Allowance for bonuses	2,285	2,343	3,714	3,948	3,035	5,516	7,202	7,481
Allowance for bonuses to directors and corporate auditors			22	32	60	106	108	108
Other	11,558	16,770	16,032	5,937	8,825	24,495	24,734	44,250
Total current liabilities	79,414	99,535	125,197	149,540	116,987	108,351	161,249	298,764
Long-term interest-bearing debt	7,068	3,892	6,518	7,448	4,493	9,015	14,463	8,755
Long-term debt	6,756	3,503	6,112	7,000	4,000	8,660	13,835	8,000
Lease obligations	312	389	406	448	493	355	628	755
Deferred tax liabilities	420	490	762	335	213	238	1,010	351
Allowance for retirement benefits to directors and corporate auditors	493	513	534					
Liabilities for retirement benefits	5,311	5,165	5,111	5,598	5,418	5,498	5,521	1,410
Other	844	794	806	938	583	478	576	578
Total long-term liabilities	14,136	10,854	13,731	14,319	10,707	15,229	21,570	11,094
Total liabilities	93,551	110,389	138,928	163,860	127,695	123,580	182,819	309,858



	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023
	Consolidated							
Net assets								
Capital stock	10,066	10,066	13,888	13,888	14,040	14,040	14,040	14,040
Capital surplus	42,673	42,641	47,468	47,398	47,550	46,762	45,996	37,066
Retained earnings	49,186	51,841	61,322	67,591	70,079	77,854	99,611	132,857
Treasury stock	-328	-5,643	-349	-274	-2,152	-1,586	-1,389	-872
Total shareholders' equity	101,597	98,905	122,329	128,603	129,517	137,070	158,258	183,091
Accumulated other comprehensive income	4,293	4,062	3,278	3,781	2,581	5,113	11,872	16,701
Net unrealized gains (losses) on available-for-sale securities, net of taxes	26	41	135	158	26	432	987	333
Deferred gains or losses on hedges	78	27	355	-87	-29	-282	-503	38
Foreign currency translation adjustments	4,233	4,024	2,819	3,764	2,684	4,963	11,388	16,329
Accumulated retirement benefit adjustments	-44	-30	-31	-54	-100			
Subscription rights	59	49						
Noncontrolling interest	1,669	1,749	2,603	3,013	3,452	3,826	9,632	7,969
Total net assets	107,620	104,769	128,210	135,399	135,551	146,010	179,764	207,762
Total liabilities and net assets	201,171	215,158	267,138	299,259	263,247	269,590	362,584	517,620
Working capital	114,873	130,097	170,023	193,213	174,994	163,224	236,202	235,341
Total interest-bearing debt	23,223	27,546	58,262	84,685	53,961	32,047	59,158	55,318
Net debt	2,376	11,994	29,473	70,468	39,246	6,604	33,984	17,747

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Figure 10. Profitability Analysis

Unit: JPY mn, %, days, x

	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023
	Consolidated							
Profitability								
Gross profit	44,287	46,269	56,094	61,061	59,891	64,835	90,718	125,903
Gross profit margin	10.9%	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	12.2%
Operating profit	9,729	10,473	15,163	15,324	14,447	18,769	36,707	61,646
Operating profit margin	2.4%	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	6.0%
EBITDA	10,872	11,747	16,663	16,984	16,423	20,755	39,511	65,114
EBITDA margin	2.7%	2.9%	3.3%	3.2%	3.2%	3.7%	5.2%	6.3%
Net profit margin	1.8%	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	4.0%
Financial index								
Return on Assets (ROA)	5.7%	4.6%	6.2%	4.6%	3.9%	6.2%	11.2%	12.9%
Return on Equity (ROE)	8.3%	6.5%	10.3%	7.1%	4.4%	8.2%	17.5%	22.2%
Total assets turnover	2.27	1.91	2.09	1.85	1.85	2.08	2.41	2.34
Working capital	114,873	130,097	170,023	193,213	174,994	163,224	236,487	235,341
Working capital turnover	3.5	3.1	3.0	2.7	3.0	3.4	3.2	4.4
Current ratio	235.3%	201.5%	200.8%	185.2%	202.1%	224.6%	207.8%	164.4%
Quick ratio	126.6%	101.1%	104.1%	77.8%	103.4%	131.7%	111.7%	80.4%
CF from operating activities/Current liabilities	-0.02	0.04	-0.25	-0.22	0.34	0.34	-0.12	0.17
CF from operating activities/Total liabilities	-0.01	0.03	-0.21	-0.18	0.36	0.31	-0.08	0.13
Cash Cycle(days)	93.0	117.1	113.9	133.9	136.2	116.4	99.9	86.4
Increase/decrease in working capital	31,039	15,224	39,926	23,190	-18,219	-11,770	73,263	-861
(x, days)								
Accounts receivable turnover	6.0	4.9	5.5	5.2	5.0	4.9	5.6	5.7
Accounts receivable turnover days	61.0	74.5	66.4	70.3	73.2	73.9	65.4	63.5
(x, days)								
Inventory turnover	5.4	4.4	4.6	4.0	4.3	5.5	6.0	5.1
Inventory turnover days	67.7	82.6	78.8	90.7	85.5	66.5	60.8	72.3
(x, days)								
Accounts payable turnover	10.2	9.1	11.7	13.4	16.2	15.2	13.8	7.4
Accounts payable turnover days	35.7	39.9	31.2	27.2	22.5	24.0	26.4	49.4
(x, days)								
Tangible fixed assets turnover	62.2	60.6	75.1	73.1	69.3	74.1	98.9	128.8
Tangible fixed assets turnover days	5.9	6.0	4.9	5.0	5.3	4.9	3.7	2.8

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Integrity & Sustainability

May 12, 2023

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