



# Macnica Holdings



(TSE Code: 3132 / Sector: Semiconductor Trading Company)

**Sustained growth of sales and profit, no change in full-year forecasts,  
upward revision of dividend forecast**

## GIR View

### ■ Summary of Financial Results for the 1H of the year Ending March 31, 2024

The company announced 1H FY03/2024 results on October 30, 2023. The full-year forecasts remain unchanged. At the same time, the company announced an upward revision to its interim and year-end dividend forecasts.

#### 1H Results:

Sales: 546,961 million yen (+11.0% YoY)

Operating profit: 38,000 million yen (+41.8% YoY)

Recurring profit: 36,667 million yen (+54.7% YoY)

Net profit: 25,864 million yen (+53.8% YoY)

Actual average exchange rate 138.7 yen/\$

(1Q 135 yen, 2Q 142.5 yen)

(131.6 yen/\$ for the same period of the previous year,

forecast assumption of 130 yen/\$)

#### Achievement rate: vs. 1H forecast

Sales 99.8%, Operating profit 105.6%,

Recurring profit 107.5%, Net profit 111.0%.

#### Progress rate: vs. full-year forecast

Sales 49.7%, Operating profit 57.6%,

Recurring profit 58.4%, Net profit 61.3%.

### ■ Key Points of Financial Results for the 1H FY03/2024

Both sales and profit increased in the semiconductor and network businesses.

#### Semiconductor Business:

(Sales: +10.4% YoY; Operating profit: +45.1% YoY;

Sales achievement rate: 100.1%)

Industrial equipment (+25.3% YoY) and automotive business (+26.9% YoY), which account for 69.5% of the company's sales, grew mainly for Japanese companies.

Communication infrastructure (-38.1% YoY), OA and peripheral equipment (-9.5% YoY), and Computer has stagnated. Local overseas sales were affected by the

slowdown in the Chinese market, inventory adjustments and falling memory demand, resulting in negative growth.

Sales of PLD (+42.7% YoY), ASSP (+2.5% YoY), analogue (+5.4% YoY) and other standard ICs (+42.4% YoY) increased, while ASIC (-5.7% YoY) and memory (-58.0% YoY) declined. Sales for telecom infrastructure (-38.1% YoY), office automation and peripherals (-9.5% YoY) and computers (-1.9% YoY) were sluggish.

Market share continues to increase due to expansion of trading areas (e.g. Renesas Electronics). The weak yen also had a positive effect.

Supply shortages of semiconductors have improved and



delivery times and lead times have normalized (12-18 weeks).

**Network Business:**

(Sales: +17.6% YoY; Operating profit: +15.5% YoY;

Sales achievement rate: 97.5%)

Software: +34.0% YoY, Hardware: -18.4% YoY,

Services: +0.6% YoY.

Overseas business grew substantially (+29% YoY).

Overseas business includes Singapore and other Southeast Asian countries, as well as Australia and India.

Domestic business: security +4% YoY, big data +31% YoY, applications +30% YoY. Big data sales increased substantially due to a large project in 1Q. Growth in security is in single digits due to the large projects in the previous year. Growth centered on endpoints and cloud.

In the domestic US dollar-denominated procurement and yen sales business, price pass-on progressed, absorbing the impact of the yen's depreciation.

■ **Forecast for the year ending March 31, 2024 unchanged**

**2H company forecast:**

Note) Previous forecast->New forecast

Sales 552,000->553,039 million yen (+3.0% YoY),

Operating profit 30,000->28,000 million yen (-19.6% YoY)

Recurring profit 28,700->26,133 million yen (-21.1% YoY)

Net profit 18,900->16,336 million yen (-32.5% YoY)

Exchange rate assumption: 140 yen/\$ (previous forecast assumption: 130 yen/\$)

**Semiconductor business (full-year forecast for sales: +6.0% YoY; full-year forecast for operating profit: +0.4% YoY)**

Industrial equipment and automotive markets: driven by manufacturing DX, semiconductor capex and EVs.

China: forecast decline in memory demand, mainly for data centers.

**Network business (full-year forecast for sales: +14.9% YoY; full-year forecast for operating profit: +74.6% YoY)**

Growth driven by endpoint security. Cloud service-related applications and big data for data analysis are also expected to grow further.

■ **Medium-to Long Term Management Plan Outlook**

Medium-term management numerical targets for FY03/2025: sales of at least 1.2 trillion yen, operating profit of at least 67 billion yen, operating margin of at least 5.6%, net profit for the year of at least 50 billion yen, ROE of at least 15%, working capital turnover of at least 3.8. The company aims to return the Services and Solutions business to profitability.

Long-term management numerical targets for FY03/2031: Sales of at least 2.0 trillion yen, operating profit of at least 150 billion yen, operating profit margin of at least 7.5%, ROE of at least 15.0%.

Semiconductor business: sustained performance growth by focusing on the industrial equipment and in-vehicle markets.



Security business: growth in existing markets and steady seeding of new markets.

Evolution of the service and solution model: expansion of suppliers and partners.

The company has started working on generative AI, DXing internal operations and planning and conceptualizing services for customers.

## ■ Shareholder Return policy and Others

### 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 80 yen, year-end dividend of 80 yen to be paid, total of 160 yen (20 yen increase from the previous year), payout ratio of 23.0%. Revised upward by 10 yen from the previous forecast of 150 yen.

Figure 1 Consolidated Results

Share Price ¥6,251 (Nov. 8, 2023)

Fiscal Year	Sales (mn)	YoY (%)	Operating profit (mn)	YoY (%)	Recurring profit (mn)	YoY (%)	Net Profit (mn)	YoY (%)	EPS (Yen)	PER (X)
03/2019	524,235	4.0%	15,324	1.1%	13,101	-12.3%	8,883	-22.2%	142.0	44.0
03/2020	521,193	-0.6%	14,447	-5.7%	11,072	-15.5%	5,633	-36.6%	90.1	69.3
03/2021	553,962	6.3%	18,769	29.9%	16,399	48.1%	10,875	93.1%	175.4	35.6
03/2022	761,823	37.5%	36,707	95.6%	35,487	116.4%	25,798	137.2%	414.9	15.1
03/2023	1,029,263	35.1%	61,646	67.9%	56,832	60.1%	41,030	59.0%	664.9	9.4
1Q of 03/2024	278,562	15.4%	20,653	68.4%	19,611	73.9%	13,580	72.8%	224.3	-
2Q of 03/2024	268,399	6.8%	17,347	19.3%	17,056	37.2%	12,284	37.0%	202.7	-
1H of 03/2024 CE	548,000	11.3%	36,000	34.3%	34,100	43.8%	23,300	38.5%	384.8	-
1H of 03/2024	546,961	11.0%	38,000	41.8%	36,667	54.7%	25,864	53.8%	427.0	-
2H of 03/2024 New CE	553,039	3.0%	28,000	-19.6%	26,133	-21.1%	16,336	-32.5%	269.9	-
2H of 03/2024 Previous CE	552,000	2.9%	30,000	-13.9%	28,700	-13.4%	18,900	-21.9%	312.1	-
03/2024 CE (unchanged)	1,100,000	6.9%	66,000	7.1%	62,800	10.5%	42,200	2.9%	696.9	9.0

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

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

## Main Q&A in Company Interviews

### Regarding business performance

#### Q1: Exchange rate assumptions

1H results averaged about 138.7 yen/USD, 7 yen weaker than the 131.6 yen/USD a year ago. The initial assumption of 130 yen/USD was changed to 140 yen/USD for 2H. Under the current circumstances, the rapid depreciation of the yen to 150 yen/USD has a positive impact on the semiconductor business and a negative impact on the network business.

#### Q2: Semiconductor Business Outlook

In terms of sales by application, sales in telecommunications (infrastructure and terminals) are at a low level due to a significant decline in memory demand, while sales in OA/peripheral equipment are also slowing down as demand itself has run its course. On the other hand, sales of computers were firm due to the spot sales of high-end products (generative AI), despite a decline in memory demand, and sales of automotive equipment were firm, with the transfer of commercial distribution also contributing. Industrial equipment was affected by the postponement of the period and the discontinuation of production, but the domestic market remained high. On the other hand, SPE, FA/machine tools and measuring instruments for China were affected by production adjustments. The recovery of memory, mainly for the Chinese market, is expected to be delayed in the next year compared with the previous forecast (2H of this year).

#### Q3: Network Business Outlook

In 2Q, operating profit halved QoQ due to the impact of the postponement of the period (there was a large Big Data project in 1Q) and higher procurement costs due to the weaker yen. Profitability is expected to improve in 2H and beyond as security investment expands not only to major companies but also to the entire supply chain.

### The first integrated report (published on Sept. 29th, 2023)

#### Q4: Progress of the Medium-Term Management Plan

The current medium-term management plan, which ends in FY03/2025, will need to be revised depending on how well the company performs in FY03/2024. The company's operating profit forecast for FY03/2024 is already 66 billion yen and is approaching the target of 67 billion yen for FY03/2025. The next medium-term management plan (FY03/2026-FY03/2028) will be created in the following fiscal year.

#### Q5: Long-term targets revised upwards (Sept. 25th, 2023)

Long-term targets for FY03/2031: sales of 2 trillion yen or more, operating profit of 150 billion yen or more, operating margin of 7.5% or more and ROE of 15% or more. The company aims for further growth, with the semiconductor and network businesses as the core and the CPS solutions business as the third pillar. The company plans to transform itself from a trading company specializing in semiconductors to a general trading company with three



major business pillars i.e. semiconductors/network/CPS solutions by its demand creation.

**Q6: New CFO (appointed in June 2023)**

After more than 20 years as CFO, Shigeyuki Sano retired from his role as treasurer and Makoto Ohkawara from Mitsubishi Corporation was appointed as the new CFO. Under Mr. Sano, the company introduced management control indicators ROE, business control indicator ROWC and total return ratio and has achieved success. Mr. Ohkawara is considering implementing a system to establish and monitor quantitative criteria for investment execution and withdrawal, by taking advantage of his experience in the general trading company finance field.

**Q7: Focus on non-financial indicators**

The company places the highest priority on investment in human capital and discloses non-financial indicators in addition to financial indicators (Integrated Report, p. 73). In a global marketplace that is undergoing radical change across industries, the company's strength lies in its human resources, pathfinders capable of speeding up the search, discernment, and implementation cycle. In particular, the fact that one in three employees is an engineer distinguishes the company as a technology trading company.



Figure 2 1H & Full year results and forecasts

Unit: JPY mn, %

1H & Full Year CE	FY03/2023			FY03/2024			YoY		
	1H	2H	Full year	1H	2H CE	Full year CE	1H	2H CE	Full year CE
<b>Sales</b>	<b>492,562</b>	<b>536,701</b>	<b>1,029,263</b>	<b>546,961</b>	<b>553,039</b>	<b>1,100,000</b>	11.0%	3.0%	6.9%
Cost of sales	435,006	468,353	903,359	475,995	490,005	966,000	9.4%	4.6%	6.9%
<b>Gross profit</b>	<b>57,556</b>	<b>68,347</b>	<b>125,903</b>	<b>70,966</b>	<b>63,034</b>	<b>134,000</b>	23.3%	-7.8%	6.4%
Gross profit margin	11.7%	12.7%	12.2%	13.0%	11.4%	12.2%			
SG&A	30,754	33,502	64,256	32,966	35,034	68,000	7.2%	4.6%	5.8%
SG&A ratio to sales	6.2%	6.2%	6.2%	6.0%	6.3%	6.2%			
<b>Operating profit</b>	<b>26,801</b>	<b>34,845</b>	<b>61,646</b>	<b>38,000</b>	<b>28,000</b>	<b>66,000</b>	41.8%	-19.6%	7.1%
OP margin	5.4%	6.5%	6.0%	6.9%	5.1%	6.0%			
<b>Recurring profit</b>	<b>23,707</b>	<b>33,125</b>	<b>56,832</b>	<b>36,667</b>	<b>26,133</b>	<b>62,800</b>	54.7%	-21.1%	10.5%
RP margin	4.8%	6.2%	5.5%	6.7%	4.7%	5.7%			
<b>Net profit</b>	<b>16,821</b>	<b>24,209</b>	<b>41,030</b>	<b>25,864</b>	<b>16,336</b>	<b>42,200</b>	53.8%	-32.5%	2.9%
NP margin	3.4%	4.5%	4.0%	4.7%	3.0%	3.8%			

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.

Figure 3 Quarterly Results

Unit: JPY mn, %

Quarterly Financial Results (Cumulative)	FY03/2022				FY03/2023				FY03/2024	
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
Sales	178,064	362,343	557,145	761,823	241,320	492,562	768,004	1,029,263	278,562	546,961
YoY	42.3%	40.9%	40.4%	37.5%	35.5%	35.9%	37.8%	35.1%	15.4%	11.0%
Gross profit	20,258	41,274	65,095	90,718	27,359	57,556	92,018	125,903	36,602	70,966
YoY	38.0%	40.0%	41.5%	39.9%	35.1%	39.4%	41.4%	38.8%	33.8%	23.3%
Gross profit margin	11.4%	11.4%	11.7%	11.9%	11.3%	11.7%	12.0%	12.2%	13.1%	13.0%
SG&A	12,951	25,837	39,719	54,010	15,093	30,754	46,723	64,256	15,949	32,966
YoY	19.6%	18.1%	17.2%	17.2%	16.5%	19.0%	17.6%	19.0%	5.7%	7.2%
SG&A ratio to sales	7.3%	7.1%	7.1%	7.1%	6.3%	6.2%	6.1%	6.2%	5.7%	6.0%
Operating profit	7,306	15,437	25,375	36,707	12,265	26,801	45,295	61,646	20,653	38,000
YoY	89.9%	103.2%	109.2%	95.6%	67.9%	73.6%	78.5%	67.9%	68.4%	41.8%
Operating profit margin	4.1%	4.3%	4.6%	4.8%	5.1%	5.4%	5.9%	6.0%	7.4%	6.9%
Recurring profit	7,514	15,343	24,561	35,487	11,280	23,707	40,829	56,832	19,611	36,667
YoY	105.0%	104.1%	107.0%	116.4%	50.1%	54.5%	66.2%	60.1%	73.9%	54.7%
Recurring profit margin	4.2%	4.2%	4.4%	4.7%	4.7%	4.8%	5.3%	5.5%	7.0%	6.7%
Net profit	6,255	11,988	17,822	25,798	7,857	16,821	29,289	41,030	13,580	25,864
YoY	151.0%	133.4%	119.0%	137.2%	25.6%	40.3%	64.3%	59.0%	72.8%	53.8%
Net profit margin	3.5%	3.3%	3.2%	3.4%	3.3%	3.4%	3.8%	4.0%	4.9%	4.7%

  

Quarterly Financial Results	FY03/2022				FY03/2023				FY03/2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	178,064	184,279	194,802	204,678	241,320	251,242	275,442	261,259	278,562	268,399
YoY	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%	41.4%	27.6%	15.4%	6.8%
Gross profit	20,258	21,016	23,821	25,623	27,359	30,197	34,462	33,885	36,602	34,364
YoY	38.0%	42.1%	44.0%	36.1%	35.1%	43.7%	44.7%	32.2%	33.8%	13.8%
Gross profit margin	11.4%	11.4%	12.2%	12.5%	11.3%	12.0%	12.5%	13.0%	13.1%	12.8%
SG&A	12,951	12,886	13,882	14,291	15,093	15,661	15,969	17,533	15,949	17,017
YoY	19.6%	16.7%	15.6%	17.3%	16.5%	21.5%	15.0%	22.7%	5.7%	8.7%
SG&A ratio to sales	7.3%	7.0%	7.1%	7.0%	6.3%	6.2%	5.8%	6.7%	5.7%	6.3%
Operating profit	7,306	8,131	9,938	11,332	12,265	14,536	18,494	16,351	20,653	17,347
YoY	89.9%	116.8%	119.3%	70.7%	67.9%	78.8%	86.1%	44.3%	68.4%	19.3%
Operating profit margin	4.1%	4.4%	5.1%	5.5%	5.1%	5.8%	6.7%	6.3%	7.4%	6.5%
Recurring profit	7,514	7,829	9,218	10,926	11,280	12,427	17,122	16,003	19,611	17,056
YoY	105.0%	103.2%	111.9%	141.1%	50.1%	58.7%	85.7%	46.5%	73.9%	37.2%
Recurring profit margin	4.2%	4.2%	4.7%	5.3%	4.7%	4.9%	6.2%	6.1%	7.0%	6.4%
Net profit	6,255	5,733	5,834	7,976	7,857	8,964	12,468	11,741	13,580	12,284
YoY	151.0%	116.7%	94.4%	191.4%	25.6%	56.4%	113.7%	47.2%	72.8%	37.0%
Net profit margin	3.5%	3.1%	3.0%	3.9%	3.3%	3.6%	4.5%	4.5%	4.9%	4.6%

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 4 Quarterly Business Segment Trends

Unit: JPY mn, %

Business Segments (Cumulative quarterly period)	FY03/2022				FY03/2023				FY03/2024	
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
Sales	178,064	362,343	557,145	761,823	241,320	492,562	768,004	1,029,263	278,562	546,961
YoY	42.3%	40.9%	40.4%	37.5%	35.5%	35.9%	37.8%	35.1%	15.4%	11.0%
ICs, electronic devices and others	159,465	324,768	498,120	678,602	219,303	446,305	697,323	929,020	250,127	492,544
YoY	46.9%	45.4%	44.1%	41.0%	37.5%	37.4%	40.0%	36.9%	14.1%	10.4%
Network Business	18,599	37,575	59,025	83,220	22,017	46,256	70,681	100,242	28,434	54,416
YoY	12.0%	10.9%	15.4%	14.3%	18.4%	23.1%	19.7%	20.5%	29.1%	17.6%
Operating profit	7,306	15,437	25,375	36,707	12,265	26,801	45,295	61,646	20,653	38,000
YoY	89.9%	103.2%	109.2%	95.6%	67.9%	73.6%	78.5%	67.9%	68.4%	41.8%
Operating profit margin	4.1%	4.3%	4.6%	4.8%	5.1%	5.4%	5.9%	6.0%	7.4%	6.9%
ICs, electronic devices and others	5,328	11,381	18,644	27,499	10,766	23,818	40,779	55,329	18,318	34,556
YoY	206.6%	258.0%	214.2%	184.7%	102.1%	109.3%	118.7%	101.2%	70.1%	45.1%
Operating profit margin	3.3%	3.5%	3.7%	4.1%	4.9%	5.3%	5.8%	6.0%	7.3%	7.0%
Network Business	1,915	3,930	6,605	9,082	1,498	2,982	4,514	6,316	2,335	3,443
YoY	-7.0%	-8.6%	9.7%	2.3%	-21.8%	-24.1%	-31.7%	-30.5%	55.9%	15.5%
Operating profit margin	10.3%	10.5%	11.2%	10.9%	6.8%	6.4%	6.4%	6.3%	8.2%	6.3%
Corporate and elimination	63	126	126	126	1	1	2	1	-	1

  

Business Segments (Quarterly)	FY03/2022				FY03/2023				FY03/2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	178,064	184,279	194,802	204,678	241,320	251,242	275,442	261,259	278,562	268,399
YoY	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%	41.4%	27.6%	15.4%	6.8%
ICs, electronic devices and others	159,465	165,303	173,352	180,482	219,303	227,002	251,018	231,697	250,127	242,417
YoY	46.9%	44.1%	41.7%	33.2%	37.5%	37.3%	44.8%	28.4%	14.1%	6.8%
Network Business	18,599	18,976	21,450	24,195	22,017	24,239	24,425	29,561	28,434	25,982
YoY	12.0%	9.8%	24.3%	11.5%	18.4%	27.7%	13.9%	22.2%	29.1%	7.2%
Operating profit	7,306	8,131	9,938	11,332	12,265	14,536	18,494	16,351	20,653	17,347
YoY	89.9%	116.8%	119.3%	70.7%	67.9%	78.8%	86.1%	44.3%	68.4%	19.3%
Operating profit margin	4.1%	4.4%	5.1%	5.5%	5.1%	5.8%	6.7%	6.3%	7.4%	6.5%
ICs, electronic devices and others	5,328	6,053	7,263	8,855	10,766	13,052	16,961	14,550	18,318	16,238
YoY	206.6%	320.1%	163.7%	137.7%	102.1%	115.6%	133.5%	64.3%	70.1%	24.4%
Operating profit margin	3.3%	3.7%	4.2%	4.9%	4.9%	5.7%	6.8%	6.3%	7.3%	6.7%
Network Business	1,915	2,015	2,675	2,477	1,498	1,484	1,532	1,802	2,335	1,108
YoY	-7.0%	-10.1%	55.4%	-13.3%	-21.8%	-26.4%	-42.7%	-27.3%	55.9%	-25.3%
Operating profit margin	10.3%	10.6%	12.5%	10.2%	6.8%	6.1%	6.3%	6.1%	8.2%	4.3%
Corporate and elimination	63	63	-	-	1	-	1	-1	-	1

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 Quarterly Trends by Product and Application

Unit: JPY mn, %

By item	FY03/2022				FY03/2023				FY03/2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	178,064	184,279	194,802	204,678	241,320	251,242	275,442	261,258	278,562	268,399
ICs	145,693	154,033	160,002	166,394	201,720	206,122	229,230	213,627	228,323	213,607
PLD	17,318	17,244	19,280	18,677	22,738	22,264	30,035	31,313	31,310	32,912
ASIC	2,808	4,908	4,142	3,755	6,130	5,743	5,361	5,672	7,648	3,546
ASSP	22,642	22,605	20,714	23,113	30,703	32,943	35,787	32,768	33,234	31,980
Analog	43,710	43,478	46,355	46,896	60,248	68,191	74,152	73,859	71,784	63,566
Memory	25,106	30,214	30,323	31,562	35,015	25,000	26,776	14,845	13,923	11,271
Other standard IC	34,106	35,584	39,186	42,387	46,883	51,982	57,117	55,167	70,423	70,332
Electronic device	10,382	8,414	9,430	10,686	13,559	16,327	15,708	12,870	15,092	13,092
Other	3,389	2,857	3,918	3,401	4,023	4,554	6,077	5,199	6,710	15,719
Network Related Products	18,598	18,977	21,449	24,195	22,017	24,239	24,424	29,561	28,434	25,982
Hardware	4,285	4,438	4,560	4,585	4,847	4,025	3,949	3,940	3,741	3,496
Software	8,299	8,944	10,649	13,052	12,955	15,745	16,059	20,944	20,330	18,118
Service	6,013	5,595	6,239	6,558	4,214	4,469	4,415	4,676	4,363	4,368
Gross profit	20,258	21,016	23,821	25,623	27,359	30,197	34,462	33,884	36,602	34,364
ICs	13,676	14,544	16,307	17,861	19,924	22,506	26,226	25,537	27,068	25,401
Electronic device	1,417	1,057	1,133	1,222	1,692	1,994	1,863	1,595	2,037	1,600
Other	451	493	661	673	695	624	917	1,029	1,305	2,033
Network Related Products	4,712	4,922	5,718	5,867	5,046	5,073	5,454	5,723	6,191	5,329



Sales by application (million yen)	FY03/2022				FY03/2023				FY03/2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
ICs, electronic devices and others	159,460	165,300	173,360	180,480	219,300	227,000	251,020	231,700	250,130	242,410
Communication	28,890	32,950	32,260	31,350	45,770	32,010	39,420	28,940	30,740	22,450
Communication terminal	5,240	5,390	6,020	5,240	6,700	6,800	6,980	6,490	7,510	5,860
Communication infrastructure	23,650	27,560	26,240	26,110	39,070	25,210	32,440	22,450	23,230	16,590
OA and Peripheral Equipment	7,180	7,440	8,090	8,080	9,460	10,000	10,830	9,620	9,520	8,100
Computer	18,840	18,090	20,860	22,860	19,860	22,490	20,160	15,160	17,490	24,060
Consumer Products	15,060	14,720	13,500	13,320	15,900	18,730	19,030	17,550	18,850	19,140
In-vehicle	23,580	23,870	25,280	27,710	35,040	41,680	47,500	42,620	45,720	51,600
Industrial Equipment	65,910	68,230	73,370	77,160	93,270	102,090	114,080	117,810	127,810	117,060
Network Business	18,600	18,980	21,450	24,190	22,020	24,240	24,420	29,560	28,430	25,990
Total amount	178,060	184,280	194,810	204,670	241,320	251,240	275,440	261,260	278,562	268,400
Composition by item (%)	FY03/2022				FY03/2023				FY03/2024	
Sales	100.0%	100.0%	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%	82.0%	79.6%
PLD	9.7%	9.4%	9.9%	9.1%	9.4%	8.9%	10.9%	12.0%	11.2%	12.3%
ASIC	1.6%	2.7%	2.1%	1.8%	2.5%	2.3%	1.9%	2.2%	2.7%	1.3%
ASSP	12.7%	12.3%	10.6%	11.3%	12.7%	13.1%	13.0%	12.5%	11.9%	11.9%
Analog	24.5%	23.6%	23.8%	22.9%	25.0%	27.1%	26.9%	28.3%	25.8%	23.7%
Memory	14.1%	16.4%	15.6%	15.4%	14.5%	10.0%	9.7%	5.7%	5.0%	4.2%
Other standard IC	19.2%	19.3%	20.1%	20.7%	19.4%	20.7%	20.7%	21.1%	25.3%	26.2%
Electronic device	5.8%	4.6%	4.8%	5.2%	5.6%	6.5%	5.7%	4.9%	5.4%	4.9%
Other	1.9%	1.6%	2.0%	1.7%	1.7%	1.8%	2.2%	2.0%	2.4%	5.9%
Network Related Products	10.4%	10.3%	11.0%	11.8%	9.1%	9.6%	8.9%	11.3%	10.2%	9.7%
Hardware	2.4%	2.4%	2.3%	2.2%	2.0%	1.6%	1.4%	1.5%	1.3%	1.3%
Software	4.7%	4.9%	5.5%	6.4%	5.4%	6.3%	5.8%	8.0%	7.3%	6.8%
Service	3.4%	3.0%	3.2%	3.2%	1.7%	1.8%	1.6%	1.8%	1.6%	1.6%
Gross profit	100.0%	100.0%	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%	74.0%	73.9%
Electronic device	7.0%	5.0%	4.8%	4.8%	6.2%	6.6%	5.4%	4.7%	5.6%	4.7%
Other	2.2%	2.3%	2.8%	2.6%	2.5%	2.1%	2.7%	3.0%	3.6%	5.9%
Network Related Products	23.3%	23.4%	24.0%	22.9%	18.4%	16.8%	15.8%	16.9%	16.9%	15.5%
Sales composition by application (%)	FY03/2022				FY03/2023				FY03/2024	
ICs, electronic devices and others	89.6%	89.7%	89.0%	88.2%	90.9%	90.4%	91.1%	88.7%	89.8%	90.3%
Communication	16.2%	17.9%	16.6%	15.3%	19.0%	12.7%	14.3%	11.1%	11.0%	8.4%
Communication terminal	2.9%	2.9%	3.1%	2.6%	2.8%	2.7%	2.5%	2.5%	2.7%	2.2%
Communication infrastructure	13.3%	15.0%	13.5%	12.8%	16.2%	10.0%	11.8%	8.6%	8.3%	6.2%
OA and Peripheral Equipment	4.0%	4.0%	4.2%	3.9%	3.9%	4.0%	3.9%	3.7%	3.4%	3.0%
Computer	10.6%	9.8%	10.7%	11.2%	8.2%	9.0%	7.3%	5.8%	6.3%	9.0%
Consumer Products	8.5%	8.0%	6.9%	6.5%	6.6%	7.5%	6.9%	6.7%	6.8%	7.1%
In-vehicle	13.2%	13.0%	13.0%	13.5%	14.5%	16.6%	17.2%	16.3%	16.4%	19.2%
Industrial Equipment	37.0%	37.0%	37.7%	37.7%	38.6%	40.6%	41.4%	45.1%	45.9%	43.6%
Network Business	10.4%	10.3%	11.0%	11.8%	9.1%	9.6%	8.9%	11.3%	10.2%	9.7%
Total amount	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By item YoY (YoY%)	FY03/2022				FY03/2023				FY03/2024	
Sales	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%	41.4%	27.6%	15.4%	6.8%
ICs	47.3%	44.1%	45.4%	35.8%	38.5%	33.8%	43.3%	28.4%	13.2%	3.6%
PLD	26.8%	50.1%	46.6%	26.1%	31.3%	29.1%	55.8%	67.7%	37.7%	47.8%
ASIC	-19.3%	-3.1%	84.7%	32.8%	118.3%	17.0%	29.4%	51.1%	24.8%	-38.3%
ASSP	41.0%	25.0%	18.1%	18.6%	35.6%	45.7%	72.8%	41.8%	8.2%	-2.9%
Analog	75.4%	45.5%	44.7%	35.6%	37.8%	56.8%	60.0%	57.5%	19.1%	-6.8%
Memory	21.2%	53.9%	48.8%	28.8%	39.5%	-17.3%	-11.7%	-53.0%	-60.2%	-54.9%
Other standard IC	69.7%	56.5%	58.9%	61.2%	37.5%	46.1%	45.8%	30.2%	50.2%	35.3%
Electronic device	43.0%	37.8%	0.2%	10.4%	30.6%	94.0%	66.6%	20.4%	11.3%	-19.8%
Other	44.0%	63.3%	35.7%	2.3%	18.7%	59.4%	55.1%	52.9%	66.8%	245.2%
Network Related Products	12.0%	9.8%	24.3%	11.5%	18.4%	27.7%	13.9%	22.2%	29.1%	7.2%
Hardware	0.8%	-7.5%	-13.0%	-21.2%	13.1%	-9.3%	-13.4%	-14.1%	-22.8%	-13.1%
Software	30.1%	28.0%	64.8%	38.5%	56.1%	76.0%	50.8%	60.5%	56.9%	15.1%
Service	0.7%	1.9%	12.4%	1.5%	-29.9%	-20.1%	-29.2%	-28.7%	3.5%	-2.3%
Gross profit	38.0%	42.1%	44.0%	36.1%	35.1%	43.7%	44.7%	32.2%	33.8%	13.8%
ICs	54.8%	66.3%	59.1%	58.5%	45.7%	54.7%	60.8%	43.0%	35.9%	12.9%
Electronic device	43.7%	22.6%	-5.0%	9.0%	19.4%	88.6%	64.4%	30.5%	20.4%	-19.8%
Other	10.3%	48.0%	41.5%	-2.7%	54.1%	26.6%	38.7%	52.9%	87.8%	225.8%
Network Related Products	5.9%	1.4%	23.5%	2.2%	7.1%	3.1%	-4.6%	-2.5%	22.7%	5.0%



Sales by application YoY (YoY%)	FY03/2022				FY03/2023				FY03/2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
ICs, electronic devices and others	46.9%	44.1%	41.7%	33.2%	37.5%	37.3%	44.8%	28.4%	14.1%	6.8%
Communication	15.7%	26.9%	37.0%	32.3%	58.4%	-2.9%	22.2%	-7.7%	-32.8%	-29.9%
Communication terminal	3.8%	10.2%	30.9%	4.8%	27.9%	26.2%	15.9%	23.9%	12.1%	-13.8%
Communication infrastructure	18.8%	30.7%	38.5%	39.6%	65.2%	-8.5%	23.6%	-14.0%	-40.5%	-34.2%
OA and Peripheral Equipment	29.4%	48.8%	41.7%	28.9%	31.8%	34.4%	33.9%	19.1%	0.6%	-19.0%
Computer	24.4%	36.4%	54.4%	22.6%	5.4%	24.3%	-3.4%	-33.7%	-11.9%	7.0%
Consumer Products	73.1%	19.0%	8.1%	4.4%	5.6%	27.2%	41.0%	31.8%	18.6%	2.2%
In-vehicle	56.9%	27.7%	11.4%	15.9%	48.6%	74.6%	87.9%	53.8%	30.5%	23.8%
Industrial Equipment	68.3%	73.0%	65.4%	53.6%	41.5%	49.6%	55.5%	52.7%	37.0%	14.7%
Network Business	12.0%	9.8%	24.3%	11.5%	18.4%	27.7%	13.8%	22.2%	29.1%	7.2%
Total amount	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%	41.4%	27.6%	15.4%	6.8%

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 6 Mid-term and Long-term business plan

Unit: JPY mn, %

Medium-term management plan	FY03/2022	FY03/2023	FY03/2024	FY03/2025	Changes FY03/2022-FY03/2025	CAGR	FY03/2031	
	Actual	Actual	CE	Mid-term target			Long-term targets(New)	Long-term targets(Old)
Sales	761,823	1,029,263	1,100,000	1,200,000	438,177	16.4%	2,000,000	1,300,000
Semiconductor Business	678,601	929,020	978,000	1,062,000	383,399	16.1%		
Sales Composition	89.1%	90.3%	88.9%	88.5%				
Network Business	83,220	100,242	113,000	122,000	38,780	13.6%		
Sales Composition	10.9%	9.7%	10.3%	10.2%				
CPS Solution Business	4,000	5,000	9,000	16,000	12,000	58.7%		
Sales Composition	0.5%	0.5%	0.8%	1.3%				
Domestic Sales	361,450	529,135						
Domestic Sales ratio	47.4%	51.4%						
Overseas sales	400,373	500,128						
Overseas sales ratio	52.6%	48.6%						
Operating profit	36,707	61,646	66,000	67,000	30,293	22.2%	150,000	100,000
Operating profit margin	4.8%	6.0%	6.0%	5.6%			7.5%	7.7%
Semiconductor Business	27,499	55,329	55,500	54,000	26,501	25.2%		
Operating profit margin	4.1%	6.0%	5.7%	5.1%				
Network Business	9,082	6,316	11,000	12,000	2,918	9.7%		
Operating profit margin	10.9%	6.3%	9.7%	9.8%				
CPS Solution Business	-2,000	-2,000	-500	1,000	3,000	-		
Operating profit margin	-	-	-	-				
Corporate and elimination	126	1						
Net profit attributable to owners of the parent	25,798	41,030	42,200	50,000	24,202	24.7%		
Net profit margin	3.4%	4.0%	3.8%	4.2%				
ROE	16.5%	22.2%		15.0%			15.0%	15.0%
Working capital turnover	3.2	4.4		3.8				
DOE	4.0%	4.6%		4.0%				
Total return ratio (actual is dividend payout ratio)	24.1%	21.1%	23.0%	30~50%				

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

Note 1: Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Note 2: The breakdown of operating profit is estimated by GIR based on the data disclosed on page 35 of the Integrated Report (the 66 billion yen operating profit for FY03/2024 is the latest company forecast).

Note 3: Figures of the CPS solutions business are included in the semiconductor and network businesses for actual results, but the company forecast and target figures are independent and separate figures. The former 'Services and Solutions Business' has been renamed 'CPS Solutions Business'.



## Management Indicators

### 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	134,000
YoY	4.5%	21.2%	8.9%	-1.9%	8.3%	39.9%	38.8%	6.4%
Gross profit margin	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	12.2%	12.2%
Operating profit	10,473	15,163	15,324	14,447	18,769	36,707	61,646	66,000
YoY	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	67.9%	7.1%
Operating profit margin	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	6.0%	6.0%
Recurring profit	9,635	14,937	13,101	11,072	16,399	35,487	56,832	62,800
YoY	-5.3%	55.0%	-12.3%	-15.5%	48.1%	116.4%	60.1%	10.5%
Net profit	6,534	11,412	8,883	5,633	10,875	25,798	41,030	42,200
YoY	-10.3%	74.7%	-22.2%	-36.6%	93.1%	137.2%	59.0%	2.9%
Net profit margin	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	4.0%	3.8%

### 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	114.31	206.08	142.03	90.14	175.39	414.89	664.89	696.87
EPS Adjusted	114.03	-	-	-	-	-	-	-
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	160.0

### 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	179,764	207,762	-
Interest-bearing debt	27,546	58,262	84,685	53,961	32,047	59,158	55,318	-

### Cash flows

(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.



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