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February 2, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: Aoi Electronics Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6832  
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 Scheduled date to file quarterly securities report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the 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	25,518	(13.1)	(942)	–	(797)	–	(821)	–
December 31, 2022	29,355	(9.7)	1,078	(59.9)	1,288	(56.6)	881	(56.9)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥(792) million [–%]  
 For the nine months ended December 31, 2022: ¥903 million [(59.3)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	(68.50)	–
December 31, 2022	73.47	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	56,451	49,097	87.0	4,091.76
March 31, 2023	57,368	50,537	88.1	4,211.84

Reference: Equity  
 As of December 31, 2023: ¥49,097 million  
 As of March 31, 2023: ¥50,537 million

## 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	–	27.00	–	29.00	56.00
Fiscal year ending March 31, 2024	–	25.00	–		
Fiscal year ending March 31, 2024 (Forecast)				29.00	54.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated financial results 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	35,300	(5.2)	(900)	–	(900)	–	(930)	–	(77.51)

Note: Revisions to the financial results forecast most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of 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	12,000,000 shares
As of March 31, 2023	12,000,000 shares

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

As of December 31, 2023	975 shares
As of March 31, 2023	975 shares

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

Nine months ended December 31, 2023	11,999,025 shares
Nine months ended December 31, 2022	11,999,083 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Although the financial results forecast was calculated based on information currently available as of the announcement date of these materials, a considerable number of uncertain factors are also included. Please understand that actual financial results may differ significantly from the forecasts presented in these materials due to changes to business conditions, etc.

Means of access to supplementary material on quarterly financial results

The supplementary material on quarterly financial results will be available on the Company's website.

## Attached Materials

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## 1. Qualitative information on the quarterly financial results

### (1) Operating results

During the nine months ended December 31, 2023, the Japanese economy maintained its track of recovery with increased services consumption and higher demand from inbound tourism amid the progress made in the normalization of social and economic activities following the lifting of COVID-19 related activity restrictions. On the other hand, the economic outlook remains uncertain due to persistent high prices accompanying soaring resource prices, concerns about a worsening global economy, and other factors. Overseas, although the U.S. economy has underlying strength mainly from the support of expanding personal consumption amid a strong employment environment, the economy in China lacked strength mainly due to a prolonged real estate recession, a rising youth unemployment rate, and weak consumer and business sentiments. In addition, the level of uncertainty for the global economy remains high, due to prolonged geopolitical risks in Eastern Europe and the Middle East, and other factors.

In the electronic components industry to which the Group belongs, although headway was made in inventory adjustment with inventory levels balancing with demand, sluggish demand caused by rapidly worsening market conditions has led to the continuation of extremely severe conditions for components for mobile information devices and consumer devices which have experienced a slower-than-expected pace of market recovery, thereby prolonging their inventory adjustment phase.

Amid these circumstances, for the nine months ended December 31, 2023, consolidated net sales totaled ¥25,518 million (decrease of ¥3,837 million (-13.1%) year on year), operating loss totaled ¥942 million (compared with operating profit of ¥1,078 million in the same period of the previous fiscal year) due to soaring raw material prices as well as the decrease in net sales, ordinary loss totaled ¥797 million (compared with ordinary profit of ¥1,288 million in the same period of the previous fiscal year) despite foreign exchange gains, and loss attributable to owners of parent totaled ¥821 million (compared with profit attributable to owners of parent of ¥881 million in the same period of the previous fiscal year).

With regard to the Group's net sales by category, integrated circuits recorded ¥22,561 million (decrease of ¥2,745 million (-10.8%) year on year) due to a decline in demand for components for mobile information devices. Sales of functional components totaled ¥2,951 million (decrease of ¥1,070 million (-26.6%) year on year) due to the production termination of some products and a significant slump in orders for thermal print heads for overseas markets.

### (2) Financial position

Assets as of December 31, 2023 totaled ¥56,451 million (decrease of ¥917 million from the end of the previous fiscal year) mainly due to decreases in cash and deposits, and construction in progress. Liabilities totaled ¥7,354 million (increase of ¥523 million from the end of the previous fiscal year) due to increases in long-term borrowings and short-term borrowings, despite a decrease in provision for bonuses. As a result, net assets totaled ¥49,097 million (decrease of ¥1,440 million from the end of the previous fiscal year), and the equity-to-asset ratio was 87.0%.

### (3) Explanation of consolidated financial results forecast and other forward-looking statements

Regarding the financial results forecast for the fiscal year ending March 31, 2024, no changes have been made to the consolidated financial results forecast in the "Notice Regarding Differences Between Consolidated Financial Results Forecasts and Actual Results for the Six Months Ended September 30, 2023 and Revisions to Full-Year Consolidated Financial Results Forecasts of the Fiscal Year Ending March 31, 2024" announced on October 27, 2023 in Japanese.

**2. Quarterly consolidated financial statements and significant notes thereto**  
**(1) Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	22,561,943	22,341,048
Notes and accounts receivable - trade	6,247,175	6,467,967
Electronically recorded monetary claims - operating	2,113,781	1,865,525
Securities	3,000,000	3,000,000
Merchandise and finished goods	83,755	88,438
Work in process	1,118,635	1,048,967
Raw materials and supplies	2,225,637	2,075,012
Prepaid expenses	78,967	137,922
Other	785,646	550,922
Total current assets	38,215,541	37,575,804
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,166,342	22,488,871
Accumulated depreciation and impairment	(15,690,299)	(16,287,889)
Buildings and structures, net	5,476,042	6,200,981
Machinery, equipment and vehicles	46,225,613	45,440,371
Accumulated depreciation and impairment	(43,367,398)	(42,614,841)
Machinery, equipment and vehicles, net	2,858,214	2,825,529
Tools, furniture and fixtures	8,865,107	8,665,565
Accumulated depreciation and impairment	(8,349,649)	(8,230,674)
Tools, furniture and fixtures, net	515,457	434,891
Land	3,464,288	3,457,070
Leased assets	348,453	324,422
Accumulated depreciation and impairment	(196,798)	(208,476)
Leased assets, net	151,654	115,946
Construction in progress	1,577,451	787,909
Total property, plant and equipment	14,043,109	13,822,329
Intangible assets		
Goodwill	123,667	114,154
Other	154,630	136,969
Total intangible assets	278,297	251,123
Investments and other assets		
Investment securities	2,755,349	2,850,806
Retirement benefit asset	778,130	814,369
Deferred tax assets	937,957	890,589
Other	360,432	246,372
Total investments and other assets	4,831,870	4,802,136
Total non-current assets	19,153,278	18,875,589
Total assets	57,368,820	56,451,394

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,630,025	1,905,447
Electronically recorded obligations - operating	851,717	905,720
Short-term borrowings	190,000	475,000
Current portion of long-term borrowings	160,496	233,496
Lease liabilities	63,870	54,286
Accounts payable - other	2,074,116	1,995,247
Income taxes payable	51,533	29,922
Provision for bonuses	712,970	172,876
Other	594,581	765,986
Total current liabilities	6,329,312	6,537,983
Non-current liabilities		
Long-term borrowings	141,681	530,684
Lease liabilities	95,408	64,313
Deferred tax liabilities	2,121	2,006
Retirement benefit liability	175,496	133,282
Asset retirement obligations	27,742	27,853
Other	59,121	58,091
Total non-current liabilities	501,571	816,232
Total liabilities	6,830,884	7,354,215
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,545,500	4,545,500
Capital surplus	5,790,950	5,790,950
Retained earnings	39,745,691	38,275,797
Treasury shares	(2,028)	(2,028)
Total shareholders' equity	50,080,112	48,610,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	232,553	248,860
Remeasurements of defined benefit plans	225,270	238,099
Total accumulated other comprehensive income	457,823	486,960
Total net assets	50,537,936	49,097,179
Total liabilities and net assets	57,368,820	56,451,394

**(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**  
**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	29,355,600	25,518,299
Cost of sales	24,984,623	23,300,614
Gross profit	4,370,976	2,217,685
Selling, general and administrative expenses	3,292,097	3,159,784
Operating profit (loss)	1,078,878	(942,099)
Non-operating income		
Interest income	1,027	1,189
Dividend income	14,332	15,912
Technical support fee income	58,601	60,279
Compensation income	29,038	14,587
Rental income	25,277	23,210
Subsidy income	-	24,783
Foreign exchange gains	114,258	59,543
Other	57,157	54,340
Total non-operating income	299,692	253,847
Non-operating expenses		
Interest expenses	3,912	2,711
Compensation expenses	41,653	47,122
Depreciation of assets for rent	24,773	26,951
Share of loss of entities accounted for using equity method	2,927	20,529
Other	16,426	11,803
Total non-operating expenses	89,694	109,118
Ordinary profit (loss)	1,288,877	(797,370)
Extraordinary income		
Gain on sale of non-current assets	27,834	69,210
Gain on sale of investment securities	-	1,040
Total extraordinary income	27,834	70,250
Extraordinary losses		
Loss on sale of non-current assets	-	21,293
Loss on retirement of non-current assets	52,196	12,457
Environmental expenses	1,467	19,590
Total extraordinary losses	53,663	53,341
Profit (loss) before income taxes	1,263,047	(780,461)
Income taxes - current	119,644	7,599
Income taxes - deferred	261,791	33,884
Total income taxes	381,436	41,484
Profit (loss)	881,611	(821,946)
Profit (loss) attributable to owners of parent	881,611	(821,946)



**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	881,611	(821,946)
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,636)	16,307
Remeasurements of defined benefit plans, net of tax	34,419	12,829
Total other comprehensive income	21,782	29,136
Comprehensive income	903,394	(792,809)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	903,394	(792,809)
Comprehensive income attributable to non-controlling interests	–	–

**(3) Notes to quarterly consolidated financial statements**

**Notes on premise of going concern**

Not applicable

**Notes on significant changes in the amount of shareholders' equity**

Not applicable

**Application of special accounting for preparing quarterly consolidated financial statements**

Not applicable

**Changes in accounting policies**

Not applicable

**Changes in accounting estimates**

Not applicable

**Additional information**

Not applicable

**Segment information**

The nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022) and the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

The Group consists of a single operating segment, of which business activities are manufacturing and selling electric and electronic components, and the entire Group formulates comprehensive business strategies and conducts business activities. Accordingly, segment information has been omitted.