

Summary of Financial Results (Japan GAAP) [Consolidated] For the Year Ended March 31, 2024

May 10, 2024

Company name : IDEC CORPORATION URL <http://jp.idec.com/>
 Stock exchange listing : Tokyo Stock Exchange – Prime Market
 Stock code : 6652
 Representative : Toshiyuki Funaki, Chairman and Chief Executive Officer
 Contact : Yasuyuki Ogawa, General Manager of strategic Planning (Tel. +81-06-6398-2500)
 Scheduled date for Annual General Shareholders' Meeting : June 14, 2024
 Scheduled date for filing of securities report : June 17, 2024
 Scheduled date for dividend payment : May 27, 2024
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes (for analysts)

(Amounts less than one million yen are omitted.)

1. Consolidated financial results for the Year ended March 31, 2024

(From April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (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	%
Year ended								
March 31, 2024	72,711	(13.3)	6,276	(55.4)	6,920	(51.9)	4,407	(56.6)
March 31, 2023	83,869	18.5	14,060	45.4	14,403	38.5	10,144	28.5

(Note) Comprehensive income: Year ended March 31, 2024 10,444 million yen (18.3%)
 Year ended March 31, 2023 12,776 million yen 27.8%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2024	150.10	149.52	7.1	6.5	8.6
March 31, 2023	348.37	346.49	18.9	14.5	16.8

(Reference) Equity in earnings (losses) of affiliates:
 Year ended March 31, 2024 102 million yen
 Year ended March 31, 2023 45 million yen

(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
March 31, 2024	107,138	66,006	61.2	2,226.99
March 31, 2023	104,235	58,813	56.1	1,998.30

(Reference) Shareholders' equity: As of March 31, 2024 65,551 million yen
 As of March 31, 2023 58,465 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	5,504	(1,922)	(4,462)	15,040
March 31, 2023	7,009	(3,110)	(4,403)	15,070

2. Dividends

	Dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Dividends/Shareholders' equity ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual (Total)			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	65.00	-	65.00	130.00	3,796	37.3	7.1
Fiscal year ended March 31, 2024	-	65.00	-	65.00	130.00	3,824	86.6	6.2
Fiscal year ending March 31, 2025 (Forecast)	-	65.00	-	65.00	130.00		95.4	

3. Forecast of consolidated results for the fiscal year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Percentages indicate changes from the previous year.)

	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	71,700	(1.4)	5,200	(17.1)	5,200	(24.9)	4,000	(9.2)	136.23

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in the change in scope of consolidation): None

New: - company (company name) Excluded: - company (company name)

(2) Changes in accounting policies, accounting estimates and retrospective restatements

(a) Changes in accounting policies based on revisions of accounting standards: None

(b) Changes in accounting policies other than ones based on revisions of accounting standards: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(3) Number of issued and outstanding shares (common shares)

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

As of March 31, 2024	33,224,485 shares	As of March 31, 2023	33,224,485 shares
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(b) Number of treasury shares at the end of the period

As of March 31, 2024	3,789,485 shares	As of March 31, 2023	3,966,734 shares
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(c) Average number of shares during the period

Year ended March 31, 2024	29,362,790 shares	Year ended March 31, 2023	29,120,504 shares
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(Reference) Summary of Non-consolidated Results

1. Non-consolidated financial results for Year ended March 31, 2024

(From April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	28,412	(26.3)	2,135	(65.8)	5,810	(37.4)	4,801	(34.7)
March 31, 2023	38,561	16.2	6,240	51.2	9,280	27.5	7,350	15.8

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	163.52	162.88
March 31, 2023	252.41	251.05

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	66,493	37,378	55.5	1,254.39
March 31, 2023	69,010	35,834	51.4	1,212.89

(Reference) Shareholders' equity: As of March 31, 2024 36,923million yen
As of March 31, 2023 35,486million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts included in these documents are based on the information that the Company has obtained at the time of disclosure.

Actual results may differ significantly from the forecast due to a various factor in the future.

For the assumptions for the financial results forecasts and notes on the use of the financial results forecasts, please refer to page 6 of the attached document, "1. Overview of Financial results (4)

Forecasts for the next fiscal year".

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Overview of Financial results, etc.

(1) Overview of Financial results for the current fiscal year

During the fiscal year under review, the Japanese economy gradually returned to a state of normalcy as COVID-19 was downgraded to Category 5 under the infectious diseases control law and inbound tourism recovered as border controls for people entering Japan were lifted. On the one hand, export growth has been sluggish against the backdrop of weak global demand due to downward pressure on the economy caused by monetary tightening policies and other factors, and the Japanese economy is still showing signs of weakness even as it continues to recover moderately. The global economy remained uncertain as a slowdown in global demand resulting from the end of consumer spending on stay-at-home orders as well as monetary tightening policies made the market environment more difficult in Europe and the U.S. Even in China, which had been recovering rapidly following the lifting of the zero-COVID policy, market conditions worsened.

The IDEC Group has worked to further strengthen the solutions it offers by utilizing new products, etc. and implemented reforms aimed at optimizing production activities across the globe with an eye to achieving the targets set in its medium-term management plan, which was in its second year during the fiscal year under review.

Working against this backdrop, the Group saw domestic net sales decrease by 7,612 million yen year on year to hit 26,907 million yen (down 22.1% year on year), mainly due to sluggish export demand for customers. Overseas net sales declined 3,544 million yen year on year to reach 45,804 million yen (down 7.2% year on year) as a result of a decrease in sales. This drop occurred mainly in the Industrial Relays & Components business and the Safety & Explosion Protection business due to the economic slowdown, specifically in the Chinese market. Net sales in the European market, however, increased thanks to the strong performance of the Group's mainstay HMI products, including control switches, as well as the yen's depreciation. As a result, consolidated net sales for the fiscal year under review totaled 72,711 million yen (down 13.3% year on year).

In terms of profit, operating profit decreased 7,784 million yen year on year to total 6,276 million yen (down 55.4% year on year) due to an increase in selling, general and administrative expenses resulting from the weak yen as well as a decrease in profit resulting from a drop in revenue. Ordinary profit fell 7,482 million yen year on year to 6,920 million yen (down 51.9% year on year), and profit attributable to owners of the parent decreased 5,737 million yen year on year to hit 4,407 million yen (down 56.6% year on year), due to an increase in a loss on valuation of derivatives despite an increase in foreign exchange gains as a result of the yen's depreciation.

The above results for the fiscal year under review are as shown below.

	Year ended March 31, 2023	Year ended March 31, 2024	increase/ decrease	Rate of Change
Net sales (Millions of yen)	83,869	72,711	(11,157)	(13.3%)
Gross profit (Millions of yen)	37,376	31,019	(6,356)	(17.0%)
Gross income margin(%)	44.6	42.7	(1.9)	-
Operating profit (Millions of yen)	14,060	6,276	(7,784)	(55.4%)
Operating income margin(%)	16.8	8.6	(8.1)	-
Ordinary profit (Millions of yen)	14,403	6,920	(7,482)	(51.9%)
Profit attributable to owners of parent(Millions of yen)	10,144	4,407	(5,737)	(56.6%)

(Exchange Rate)

Average exchange rate for USD	135.51	144.59	+9.08	-
Average exchange rate for EUR	138.15	156.74	+18.59	-
Average exchange rate for CNY	19.75	20.13	+0.38	-

Results by segment for the fiscal year under review are as follows.

【Japan】

In Japan, net sales decreased 7,739 million yen year on year to hit 31,305 million yen (down 19.8% year on year), and operating profit was down 4,734 million yen year on year to total 2,311 million yen (down 67.2% year on year). This was due in part to concerns about an economic downturn caused by price increases and the sluggish overseas economy, a sense of stagnation in key industries such as semiconductors and robotics, and distributors' inventory adjustments.

【Americas】

In North America, due to the sluggish demand that has continued from the beginning of the year, distributors and customers have entered into the adjustment phase for inventory, and net sales decreased 1,945 million yen year on year to reach 13,870 million yen (down 12.3% year on year). Operating profit decreased 1,379 million yen year on year to 1,594 million yen (down 46.4% year on year).

【Europe, Middle East and Africa(EMEA)】

Net sales in the European market increased 2,566 million yen year on year to total 15,871 million yen (up 19.3% year on year) thanks to an increase in sales of our mainstay HMI products, such as control switches, and an uptick in sales in yen terms due to the depreciation of the yen, despite the impact of price increases and geopolitical risks. Operating profit decreased 320 million yen year on year to 448 million yen (down 41.7% year on year).

【Asia Pacific】

In the Asia-Pacific region, net sales decreased 4,039 million yen year on year to total 11,664 million yen (down 25.7% year on year), and operating profit dropped 1,708 million yen year on year to hit 1,729 million yen (down 49.7% year on year) due to the impact of the economic slowdown in China and Southeast Asia.

Net sales by product category for the fiscal year under review are as follows.

【HMI】

Net sales decreased 1,811 million yen year on year to reach 33,948 million yen (down 5.1% year on year) as a result of distributors' inventory adjustments as well as a decrease in demand for our mainstay switches in key industries such as semiconductors and machine tools in Japan, the Americas, and the Asia-Pacific region.

*This product category includes control switches, joysticks, indicator lights, and programmable displays, which are key human-machine interfaces (HMIs).

【Industrial relays & components】

Net sales were down 3,847 million yen year on year to hit 11,629 million yen (down 24.9% year on year) as a result of a decrease in sales of control relays in the Asia-Pacific region, our key market, due to the economic slowdown particularly in the Chinese market.

*This product category includes switching power supplies, terminal blocks, control relays/sockets, and circuit protectors, which are built into control panels for controlling and operating machines and production lines and are used as the basis for control parts of machines and equipment.

【Automation & sensing】

Due to the impact of the economic slowdown in the Chinese market and a slowdown in the US programmable controller market, which had been performing steadily, net sales decreased 422 million yen year on year to reach 9,904 million yen (down 4.1% year on year).

*This product category includes products designed to contribute to the automation of equipment used in a wide range of industrial and consumer applications, programmable controllers, which act as the brains of machines and equipment, and automatic identification devices, which are used in retail, logistics, and various other areas.

【Safety & explosion protection】

Net sales fell 4,635 million yen year on year to total 11,647 million yen (down 28.5% year on year) due to a downturn in sales of safety components as demand decreased in major industries such as semiconductors and machine tools caused by the economic slowdown, particularly in the Chinese market.

*This product category includes safety components, such as emergency stop pushbutton switches, safety switches, and enabling devices, which protect the safety of industrial sites, as well as explosion-protection devices that prevent accidents at sites where explosive gases exist, such as oil and chemical plants.

【Systems】

Net sales dropped 878 million yen year on year to reach 3,969 million yen (down 18.1% year on year) due to a decrease in sales of control panels for semiconductor manufacturing facilities, logistics facilities, etc. in the Asia-Pacific region.

*This product category includes various systems custom-made with IDEC products according to customer needs as well as collaborative robot system solutions that combine safety components and safety technologies to create optimal systems.

【Others】

Net sales increased 438 million yen year on year to total 1,612 million yen (up 37.3% year on year) as a result of a increase in demand for other system-related products in Japan.

*This product category includes mega-solar and photovoltaic power generation power management systems (renewable energy business), next-generation agricultural solutions, which are total solutions for agricultural plants using solar power, and ultra fine bubble generators, which are being researched for application in a wide range of fields.

**(2) Overview of Financial position for the current fiscal year
(Assets, liabilities, and net assets)**

Total assets at the end of fiscal year under review came to 107,138 million yen, an increase of 2,903 million yen since the end of the previous fiscal year. This uptick was mainly due to an increase of 2,860 million yen in property, plant and equipment and intangible assets, and an increase of 823 million yen in inventories, despite a decrease of 780 million yen in cash and deposits.

Liabilities decreased 4,289 million yen from the end of the previous fiscal year to total 41,132 million yen. This was mainly due to a decrease of 2,535 million yen in trade payables, decrease of 1,405 million yen in income taxes payable, and a decrease of 202 million yen in borrowings.

Net assets increased 7,193 million yen from the end of the previous fiscal year to reach 66,006 million yen mainly due to an increase of 6,014 million yen in foreign currency translation adjustments, an increase of 544 million yen in retained earnings.

(3) Overview of Cash flows for the current fiscal year

Cash and cash equivalents at the end of the fiscal year under review came to 15,040 million yen, a decrease of 29 million yen since the end of the previous fiscal year.

Cash flows and main reasons for the results for the fiscal year under review are as follows.

Net cash provided by operating activities was 5,504 million yen compared with 7,009 million yen in the same period of the previous fiscal year. This was mainly due to the recording of 6,702 million yen of profit before income taxes and 3,917 million yen of depreciation, and an decrease of 1,660 million yen in trade receivables and contract assets, in spite of the payment of 4,211 million yen of income taxes, and a decrease of 3,151 million yen in trade payables.

Net cash used in investing activities was 1,922 million yen compared with 3,110 million yen in the same period of the previous fiscal year. This was mainly due to the disbursement of 2,569 million yen for acquisition of non-current assets and 438 million yen in for acquisition of shares of subsidiary involving a change in the scope of consolidation, in spite of the proceeds of 1,141 million yen from refunds of time deposits.

Net cash used in financing activities was 4,462 million yen, compared with 4,403 million yen in the same period of the previous fiscal year. This was mainly due to the disbursement of 3,802 million yen through the payment of dividends and 611 million yen through the repayment of lease liabilities.

Trends in cash flow-related indicators

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity-to-asset ratio(%)	49.1	48.7	51.2	56.1	61.2
Market-based equity ratio(%)	49.2	61.9	78.6	96.4	74.2
Interest-bearing debts to cash flow ratio(%)	420.4	393.7	265.4	364.5	459.4
Interest coverage ratio	37.2	43.6	73.0	65.3	43.2

Equity ratio: Equity capital/Total assets

Equity ratio at market value: Market capitalization/Total assets

Cash flow to interest-bearing debt ratio:

Interest-bearing debt/Net cash provided by (used in) operating activities

Interest coverage ratio: Net cash provided by (used in) operating activities/Interest payments

1. Each indicator is calculated using consolidated financial figures.
2. Market capitalization is calculated as the closing stock price at the end of the period multiplied by the number of shares outstanding at the end of the period.
3. Net cash provided by (used in) operating activities is used for cash flows.
4. Interest-bearing debt includes all debts on which interest has been paid and which are recorded in the consolidated balance sheet.

(4) Forecasts for the next fiscal year

The global economy remains uncertain for the fiscal year ending March 2025, and various factors, including economic downturns due to inflation and geopolitical risks, may affect the business environment.

Due to disruptions in the global supply chain that have continued for several years since the COVID-19 pandemic, the distribution inventory, which has been over-ordered from the market, remains at a high level. Taking into account exchange rate risks and other factors, IDEC has set its sales target for the fiscal year ending March 2025 at 71,700 million yen.

IDEC aims to transform itself into a highly profitable business structure and provide products and solutions that contribute to solving societal challenges. IDEC will further enhance the optimal solution proposals by combining various products, and increase added value by realizing HMI-X (Transformation).

For transformation into a highly profitable business structure, in order to create a global production system that emphasizes efficiency, IDEC will clarify the roles of not only in-house production, but also the Electronics Manufacturing Service (EMS) and subcontracting. This will significantly reduce costs, secure higher quality, and reduce the cost ratio.

In addition to optimizing the supply system and reorganizing the production bases, IDEC will further improve profitability by promoting global procurement and reforms in the supply chain.

Based on the above, for the fiscal year ending March 2025, IDEC expects net sales of 71,700 million yen, operating income of 5,200 million yen, ordinary income of 5,200 million yen, and net income attributable to owners of the parent of 4,000 million yen as full-year consolidated financial results. The exchange rates are assumed to be 148 yen to the U.S. dollar and 160 yen to the euro.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

At the Company, we have worked to enhance our financial position and business foundation, while recognizing the maintenance of stable dividends and the appropriate return of profits to shareholders to be one of our most important management measures, and we have endeavored to improve return on equity (ROE) and dividend on equity (DOE) from a medium- to long-term perspective. Meanwhile, taking into account business development, we are working to further strengthen our corporate structure and competitiveness by effectively utilizing internal reserves for investment in research and development, production streamlining, and information technology from a medium- to long-term perspective. In addition, Article 36 of the Company's Articles of Incorporation stipulates that the Company may pay dividends of surplus based on a resolution of the Board of Directors in order to ensure agility in returning profits.

Based on the above policy, we have decided to pay a year-end dividend of 65 yen per share for the fiscal year under review. As a result, the annual dividend per share will be 130 yen, including the interim dividend of 65 yen. With regard to the future dividend policy, the Company will continue to steadily pay interim and year-end dividends, while placing emphasis on returning profits to shareholders, and will implement an agile dividend policy in response to changes in business results and the external environment.

The dividend per share for the fiscal year ending March 2025 will be equivalent to that of the current fiscal year as follow: the interim dividend of 65 yen and the year-end dividend of 65 yen, the annual dividend of 130 yen in total.

2. Basic Approach to the Selection of Accounting Standards

Taking into account the comparability of consolidated financial statements among periods and entities, the IDEC Group intends to prepare consolidated financial statements under Japanese GAAP (Generally Accepted Accounting Principles) for the time being.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	18,408	17,628
Notes and accounts receivable - trade, and contract assets	12,987	12,716
Electronically recorded monetary claims - operating	1,022	928
Merchandise and finished goods	11,777	13,000
Work in process	2,323	1,919
Raw materials and supplies	6,555	6,559
Other	1,466	2,203
Allowance for doubtful accounts	(23)	(35)
Total current assets	<u>54,518</u>	<u>54,921</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,843	9,668
Machinery, equipment and vehicles, net	3,513	3,932
Tools, furniture and fixtures, net	1,727	1,798
Land	5,848	5,958
Leased assets, net	190	142
Right-of-use assets, net	1,754	1,749
Construction in progress	887	752
Total property, plant and equipment	<u>23,766</u>	<u>24,000</u>
Intangible assets		
Trademark right	2,411	2,534
Customer-related intangible assets	7,634	7,965
Software	1,138	1,602
Goodwill	11,636	12,284
Other	63	1,123
Total intangible assets	<u>22,885</u>	<u>25,511</u>
Investments and other assets		
Investment securities	601	489
Long-term loans receivable	49	-
Retirement benefit asset	318	399
Deferred tax assets	1,490	1,201
Other	641	646
Allowance for doubtful accounts	(36)	(31)
Total investments and other assets	<u>3,065</u>	<u>2,704</u>
Total non-current assets	<u>49,717</u>	<u>52,217</u>
Total assets	<u>104,235</u>	<u>107,138</u>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,916	3,792
Electronically recorded obligations - operating	1,948	537
Short-term borrowings	5,000	7,000
Current portion of long-term borrowings	11,935	6,073
Lease liabilities	497	566
Accounts payable - other	1,040	852
Accrued expenses	2,969	2,430
Income taxes payable	1,911	505
Contract liabilities	686	477
Deposits received	156	165
Provision for product warranties	37	40
Other	959	1,388
Total current liabilities	32,059	23,830
Non-current liabilities		
Long-term borrowings	6,525	10,183
Lease liabilities	1,530	1,418
Deferred tax liabilities	3,007	3,026
Provision for retirement benefits for directors (and other officers)	50	56
Retirement benefit liability	1,557	1,485
Asset retirement obligations	120	116
Other	571	1,014
Total non-current liabilities	13,362	17,301
Total liabilities	45,422	41,132
Net assets		
Shareholders' equity		
Share capital	10,056	10,056
Capital surplus	9,397	9,571
Retained earnings	40,532	41,077
Treasury shares	(7,299)	(6,970)
Total shareholders' equity	52,687	53,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24	(16)
Foreign currency translation adjustment	5,787	11,801
Remeasurements of defined benefit plans	(33)	30
Total accumulated other comprehensive income	5,778	11,815
Share acquisition rights	347	455
Total net assets	58,813	66,006
Total liabilities and net assets	104,235	107,138

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net sales	83,869	72,711
Cost of sales	46,492	41,692
Gross profit	37,376	31,019
Selling, general and administrative expenses	23,315	24,743
Operating profit	14,060	6,276
Non-operating income		
Interest and dividend income	100	157
Share of profit of entities accounted for using equity method	45	102
Foreign exchange gains	467	917
Other	326	336
Total non-operating income	938	1,514
Non-operating expenses		
Interest expenses	107	126
Derivative losses	170	336
Loss on valuation of derivatives	-	177
Other	318	229
Total non-operating expenses	596	869
Ordinary profit	14,403	6,920
Extraordinary income		
Gain on sale of non-current assets	32	21
Gain on sale of investment securities	119	62
Gain on reversal of share acquisition rights	31	6
Total extraordinary income	183	90
Extraordinary losses		
Loss on sale of non-current assets	5	4
Loss on abandonment of non-current assets	50	29
Loss on restructuring of subsidiaries	129	-
Loss on liquidation of business	-	142
Information security expenses	-	131
Total extraordinary losses	185	307
Profit before income taxes	14,401	6,702
Income taxes - current	4,480	2,133
Income taxes - deferred	(186)	162
Total income taxes	4,293	2,295
Profit	10,107	4,407
Loss attributable to non-controlling interests	(37)	-
Profit attributable to owners of parent	10,144	4,407

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Profit	10,107	4,407
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	(40)
Foreign currency translation adjustment	2,725	6,014
Remeasurements of defined benefit plans, net of tax	(39)	64
Total other comprehensive income	2,669	6,037
Comprehensive income	12,776	10,444
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,813	10,444
Comprehensive income attributable to non-controlling interests	(37)	-

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,056	9,231	34,022	(7,759)	45,551
Changes during period					
Dividends of surplus			(3,634)		(3,634)
Profit attributable to owners of parent			10,144		10,144
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		165		461	627
Net changes in items other than shareholders' equity					
Total changes during period	-	165	6,510	459	7,135
Balance at end of period	10,056	9,397	40,532	(7,299)	52,687

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	42	3,061	6	3,109	311	37	49,008
Changes during period							
Dividends of surplus							(3,634)
Profit attributable to owners of parent							10,144
Purchase of treasury shares							(1)
Disposal of treasury shares							627
Net changes in items other than shareholders' equity	(17)	2,725	(39)	2,669	36	(37)	2,668
Total changes during period	(17)	2,725	(39)	2,669	36	(37)	9,804
Balance at end of period	24	5,787	(33)	5,778	347	-	58,813

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,056	9,397	40,532	(7,299)	52,687
Changes during period					
Dividends of surplus			(3,813)		(3,813)
Profit attributable to owners of parent			4,407		4,407
Increase(decrease) due to changes in fiscal year-end of consolidated subsidiaries			(49)		(49)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		174		329	504
Net changes in items other than shareholders' equity					
Total changes during period	-	174	544	328	1,048
Balance at end of period	10,056	9,571	41,077	(6,970)	53,735

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	24	5,787	(33)	5,778	347	58,813
Changes during period						
Dividends of surplus						(3,813)
Profit attributable to owners of parent						4,407
Increase(decrease) due to changes in fiscal year-end of consolidated subsidiaries						(49)
Purchase of treasury shares						(0)
Disposal of treasury shares						504
Net changes in items other than shareholders' equity	(40)	6,014	64	6,037	107	6,144
Total changes during period	(40)	6,014	64	6,037	107	7,193
Balance at end of period	(16)	11,801	30	11,815	455	66,006

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	14,401	6,702
Depreciation	3,544	3,917
Loss on liquidation of business	-	142
Loss on restructuring of subsidiaries	129	-
Information security expenses	-	131
Loss (gain) on sale of investment securities	(119)	(62)
Amortization of goodwill	887	977
Increase (decrease) in allowance for doubtful accounts	2	3
Increase (decrease) in net defined benefit asset and liability	(87)	(98)
Interest and dividend income	(100)	(157)
Interest expenses	107	126
Foreign exchange losses (gains)	(403)	(802)
Share of loss (profit) of entities accounted for using equity method	(45)	(102)
Increase (decrease) in provision for product warranties	(4)	(3)
Loss (gain) of derivatives	103	476
Loss (gain) on sale of non-current assets	(26)	(16)
Loss on abandonment of non-current assets	50	29
Decrease (increase) in accounts receivable - trade, and contract assets	(1,477)	1,660
Decrease (increase) in inventories	(4,471)	927
Increase (decrease) in Contract liabilities	73	(259)
Decrease (increase) in accounts receivable - other	4	15
Increase (decrease) in trade payables	(554)	(3,151)
Increase (decrease) in accounts payable - other	22	(105)
Increase (decrease) in accrued expenses	77	(585)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	45	103
Increase (decrease) in deposits received	(50)	8
Other, net	84	(201)
Subtotal	12,191	9,677
Interest and dividends received	118	166
Interest paid	(107)	(127)
Income taxes paid	(5,193)	(4,211)
Net cash provided by (used in) operating activities	7,009	5,504

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(3,523)	(2,762)
Proceeds from withdrawal of time deposits	3,116	3,903
Purchase of property, plant and equipment	(2,586)	(1,806)
Proceeds from sale of property, plant and equipment	42	24
Purchase of intangible assets	(338)	(763)
Purchase of investment securities	(144)	(61)
Proceeds from sale of investment securities	182	85
Proceeds from collection of long-term loans receivable	63	63
Purchase of shares of subsidiaries	-	(106)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(438)
Other, net	76	(62)
Net cash provided by (used in) investing activities	(3,110)	(1,922)
Cash flows from financing activities		
Proceeds from short-term borrowings	26,100	36,000
Repayments of short-term borrowings	(24,900)	(34,000)
Proceeds from long-term borrowings	200	9,995
Repayments of long-term borrowings	(2,105)	(12,385)
Purchase of treasury shares	(1)	(0)
Dividends paid	(3,628)	(3,802)
Repayments of lease liabilities	(523)	(611)
Other, net	454	342
Net cash provided by (used in) financing activities	(4,403)	(4,462)
Effect of exchange rate change on cash and cash equivalents	369	790
Net increase (decrease) in cash and cash equivalents	(133)	(90)
Cash and cash equivalents at beginning of period	15,203	15,070
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	-	61
Cash and cash equivalents at end of period	15,070	15,040

(5) Notes on the Consolidated Financial Statements

[Notes - Uncertainties of entity's ability to continue as going concern]

No items to report

[Notes - Significant accounting policies for preparation of consolidated financial statements]

1. Disclosure of scope of consolidation

The number of consolidated subsidiaries is 32 as follows.

- (1) IDEC SYSTEMS & CONTROLS CORPORATION
- (2) IDEC LOGISTICS SERVICE CORPORATION
- (3) IDEC AUTO-ID SOLUTIONS CORPORATION
- (4) IDEC FACTORY SOLUTIONS CORPORATION
- (5) IDEC SALES SUPPORT CORPORATION
- (6) IDEC ALPS Technologies Co., Ltd.
- (7) IDEC CORPORATION
- (8) IDEC Environmental Solutions LLC
- (9) IDEC IZUMI ASIA PTE LTD.
- (10) IDEC ASIA (THAILAND) CO., LTD.
- (11) IDEC CONTROLS INDIA PRIVATE LIMITED
- (12) IDEC IZUMI TAIWAN CORPORATION
- (13) IDEC TAIWAN CORPORATION
- (14) IDEC IZUMI SUZHOU Co., Ltd.
- (15) IDEC HONG KONG CO., LTD.
- (16) IDEC IZUMI (H.K.) CO., LTD.
- (17) IDEC (SHANGHAI) CORPORATION
- (18) IDEC ELECTRONICS TECHNOLOGY (SHANGHAI) CORPORATION
- (19) TAICANG CONET ELECTRONICS CO., LTD.
- (20) MMI Technologies SAS
- (21) APEM SAS
- (22) ez-Wheel SAS
- (23) Contact Technologies UK Ltd
- (24) APEM Components Ltd
- (25) MEC ApS
- (26) APEM, Inc.
- (27) APEM AB
- (28) APEM GmbH
- (29) APEM Benelux N.V.
- (30) APEM ITALIA SRL
- (31) SACEMA SARL
- (32) SAMELEC SARL

Of the above, ez-Wheel SAS is included in the scope of consolidation because IDEC acquired its shares in the current consolidated fiscal year. In addition, APEM B.V., which was a consolidated subsidiary in the previous consolidated fiscal year, decreased due to completion of liquidation.

2. Disclosure about application of equity method

The number of affiliates to which the equity method is applied is one as follows.

Sayo IDEC Limited Liability Partnership

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, the balance sheet date of IDEC IZUMI SUZHOU Co., Ltd., IDEC (SHANGHAI) CORPORATION, IDEC ELECTRONICS TECHNOLOGY (SHANGHAI) CORPORATION, and TAICANG CONET ELECTRONICS CO., LTD. is December 31. In preparing the consolidated financial statements, the Company uses non-consolidated financial statements based on the provisional closing performed as of the consolidated balance sheet date.

From the current consolidated fiscal year, 13 APEM group companies have changed their closing date from December 31 to March 31 when preparing consolidated financial statements. Due to this change in the settlement date, the profit and loss for the three months from January 1, 2023 to March 31, 2023 are adjusted and consolidated as an decrease of 49 million yen in retained earnings.

4. Disclosure of accounting policies

(1) Evaluation standards and methods for significant assets

① Securities

Other securities:

- Securities other than shares, etc. without market price

Market value method (valuation difference is reported as a component of net assets, and the cost of securities sold is calculated by the moving-average method)

- Shares, etc. without market price Stated at cost based on the moving-average method.

② Derivative transactions

Market value method

③ Inventories

Stated at cost based mainly on the periodic average method

(calculated after book value is written down based on a decrease in profitability).

(2) Methods of depreciation and amortization for significant depreciable assets

① Property, plant and equipment (excluding leased assets and right-of-use assets)

Depreciation is calculated mainly by the straight-line method.

The useful lives are mainly as follows.

Buildings and structures 3 to 50 years

Machinery, equipment and vehicles 3 to 17 years

Tools, furniture and fixtures 2 to 20 years

② Intangible assets (excluding leased assets and right-of-use assets)

Depreciation is calculated by the straight-line method.

Trademark rights 20 years

Customer-related assets 12 to 20 years

Software for internal use 5 years

③ Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

Calculated by the straight-line method, with lease periods of such assets being useful lives, and residual values being zero.

④ Right-of-use assets

Calculated by the straight-line method, with lease periods of such assets being useful lives, and residual values being zero.

(3) Accounting standards for significant provisions

① Provision for doubtful accounts

To prepare for possible losses on accounts receivable, the Company sets aside an amount that is expected to be irrecoverable, after it considers the possibility of recoverability of (a) general accounts receivable, mainly by actual default ratio, and (b) specific accounts receivable where recoverability is in doubt, on a case-by-case basis.

② Provision for retirement benefits for officers

To prepare for the expenditure of retirement benefits for officers, the Company sets aside the amount necessary at the end of fiscal year based on the Rules for Retirement Benefits for Officers.

③ Provision for product warranties

To provide for expenses associated with product warranties, the Company sets aside the estimated amount necessary for repairs in consideration of the possibility of occurrence.

(4) Accounting procedures for retirement benefits

To prepare for the provision of retirement benefits for employees, the Company sets aside an estimated amount for retirement benefit obligations and pension assets as of the end of the consolidated fiscal year under review.

① Period attribution method for expected retirement benefit payments

In calculating retirement benefit obligations, the benefit formula basis is used for attributing the expected retirement benefit payments to the period up to the end of the consolidated fiscal year under review.

② Method of handling the cost of actuarial gains and losses

Actuarial gains and losses are recognized as expenses starting from the following consolidated fiscal year by the straight-line method over the average remaining service period of the employees on payroll in the period when such gains and losses arise (11 to 15 years).

(5) Accounting standards for revenue and expenses

The Company recognizes revenue in the amount expected to be received in exchange for the promised goods or services upon transfer of control of the said goods or services to the customer.

The Group's main performance obligation is the sale of goods, for which revenue is recognized at the time of shipment when the period from the time of shipment to the time of transfer of control of the merchandise or products to the customer is the normal period for the domestic sale of merchandise or products, applying the alternative treatment set forth in Paragraph 98 of the Guidance on Application of the Accounting Standard for Revenue Recognition. For export sales, the Company recognizes revenue when the risk is transferred to the customer based mainly on the trade terms stipulated in Incoterms, etc. At foreign subsidiaries, revenue is recognized when the risk is transferred to the customer at the time of shipment or delivery under contract. For sale of goods, the Company measures revenue by deducting discounts, etc. from the amount expected to be received in exchange for goods or services.

In normal payment terms under these agreements, payments are due within a short time and do not include material financial factors.

(6) Standards for translating significant foreign currency-denominated assets or liabilities into Japanese currency

Monetary claims and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate on the consolidated balance sheet date, and the translation differences are accounted for as profit (loss).

Assets and liabilities of foreign consolidated subsidiaries are translated into Japanese yen at the spot exchange rate on the consolidated balance sheet date. Revenues and expenses are translated into Japanese yen at the average exchange rate during the period, and translation differences are included in foreign currency translation adjustments in the net assets.

(7) Amortization method and period for goodwill

Goodwill is amortized by the straight-line method over the estimated period when its effect manifests (10 to 20 years).

(8) Scope of funds in the consolidated statement of cash flows

Funds consist of cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition that are highly liquid, readily convertible to cash and carry insignificant risk of changes in value.

[Notes - Business combinations]

Business combination through acquisition

1. Overview of the business combination

(1) Name of the acquired entity and the details of its businesses

Name of the acquired entity ez-Wheel SAS

Businesses Development, manufacture and sale of electric-assisted wheels and safety autonomous driving wheels

(2) Main reasons for the business combination

ez-Wheel SAS, a manufacturer of electric-assisted wheels and safety autonomous driving wheels, is an innovative technology company with "Developing simpler, safer ways to transport goods and people" as their mission. They developed the world's first self-propelled wheels in 2010 and the world's first safety autonomous driving wheels in 2021. Demand for robots is expanding in response to rapidly advancing automation and labor shortages and an aging workforce on a global scale, and the use of AGVs (Automated Guided Vehicle) and AMRs (Autonomous Mobile Robot) is expanding in various industries. Annual growth is expected to be 25% in the coming years. Under these circumstances, since the launch in Japan, they have received inquiries from a wide variety of customers, particularly major automobile manufacturers, and we have determined that their businesses will have a significant synergy effect for the expansion of solution sales, which we are currently promoting in the medium-term management plan.

(3) Date of the business combination

August 1, 2023

(4) Legal form of the business combination

Acquisition of shares for cash

(5) Name of the entity after the combination

No change.

(6) Percentage of voting rights acquired

80%

(7) Main rationale for determining the acquiring entity

MMI Technologies SAS, a consolidated subsidiary of the Company, acquired shares in exchange for cash.

2. Period of financial results of the acquired entity included in the consolidated financial statements
From August 1, 2023 to March 31, 2024

3. Breakdown of acquisition cost and consideration of acquired entity by type

Consideration for acquisition	Cash and deposits	2,832 thousand EUR
Acquisition cost		2,832

4. Details and amounts of major acquisition related expenses

Advisory fees, etc. 152 thousand EUR

5. Amount, cause, amortization method, and amortization period of goodwill generated

(1) Amount of goodwill generated

778 thousand EUR

(2) Cause

It has been generated from future excess revenue expected from future business development.

(3) Amortization method and amortization period

Straight-line method over 10 years

6. Amounts of assets acquired and liabilities assumed on the date of the business combination and breakdown thereof

Current assets	1,326 thousand EUR
Non-current assets	5,629
<u>Total assets</u>	<u>6,955</u>
Current liabilities	2,384
Non-current liabilities	6,335
<u>Total liabilities</u>	<u>8,719</u>

7. Amounts allocated to intangible assets other than goodwill and breakdown thereof by major type, and the weighted average amortization period for the entirety thereof and by major type

Breakdown by type	Amount	Weighted average duration
Technology assets	6,828 thousand EUR	10 years
<u>Total</u>	<u>6,828</u>	<u>10 years</u>

8. Estimated amount of influence on the consolidated statement of income for the relevant fiscal year if the business combination is assumed to have been completed on the first day of the consolidated fiscal year, and calculation method thereof

Descriptions have been omitted as they have little significance. The notes have not been subject to audit and attestation.

[Notes - Segment information, etc.]

[Segment Information]

1. Overview of reportable segments

IDEC's reportable segments are component units for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine management resource allocation and evaluate performance.

The IDEC Group is primarily engaged in the manufacture and sale of products related to control devices. Each of the overseas subsidiaries plans and develops strategies suitable for each region as an independent management unit. The IDEC Group has four reportable segments: Japan, Americas, EMEA and Asia Pacific, which are regional segments based on the manufacturing and sales structure.

2. Calculation method of net sales and income, assets, and other items by reportable segment

The method of accounting for reportable segments is generally the same as described in "Significant accounting policies for preparation of consolidated financial statements."

Intersegment transactions and transfers are based on the prevailing market prices.

3. Disclosure of sales, profit, asset, and other items for each reportable segment and revenue breakdown

Year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

1. Disclosure of sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments					Adjustments	Consolidated total
	Japan	Americas	EMEA	Asia Pacific	Total		
Net Sales							
Revenue from Contracts with Customers	39,045	15,815	13,305	15,703	83,869	-	83,869
Other income	-	-	-	-	-	-	-
Revenues from external customers	39,045	15,815	13,305	15,703	83,869	-	83,869
Transactions with other segments	11,215	649	2,438	10,323	24,626	(24,626)	-
Total	50,260	16,464	15,744	26,026	108,496	(24,626)	83,869
Operating profit (loss)	7,045	2,974	768	3,438	14,226	(165)	14,060
Assets	50,663	16,504	29,663	17,359	114,190	(9,955)	104,235
Other items							
Depreciation	1,314	464	1,167	596	3,544	-	3,544
Amortization of goodwill	150	136	600	-	887	-	887
Investments in entities accounted for using equity method	180	-	-	-	180	-	180
Increase in property, plant and equipment and intangible assets	1,614	241	1,245	1,036	4,136	(47)	4,088

(Notes) 1. Adjustments of segment profit (165) million yen represents intersegment transactions.

2. Segment profit has been adjusted to be consistent with the operating profit reported in the consolidated statements of income.

3. Segment assets adjustments of (9,955) million yen include corporate assets of 501 million yen and intersegment adjustments of (10,456) million yen. Corporate assets consist mainly of long-term investment funds (investment securities) of IDEC.

4. Adjustments of the increase in property, plant and equipment and intangible assets of (47) million yen represents the elimination of intersegment transactions.

5. These are mainly performance obligations that are satisfied at a point in time, but some performance obligations are satisfied over a period of time.

The amounts recognized as performance obligations satisfied over time are insignificant.

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Reconciling items	Per consolidated financial statements
	Japan	Americas	EMEA	Asia Pacific	Reportable segments		
Sales							
Revenue from Contracts with Customers	31,305	13,870	15,871	11,664	72,711	-	72,711
Other income	-	-	-	-	-	-	-
Revenues from external customers	31,305	13,870	15,871	11,664	72,711	-	72,711
Transactions with other segments	7,779	994	2,672	8,096	19,543	(19,543)	-
Net sales	39,085	14,864	18,544	19,760	92,254	(19,543)	72,711
Operating profit (loss)	2,311	1,594	448	1,729	6,083	192	6,276
Assets	46,308	16,152	34,284	18,702	115,447	(8,308)	107,138
Other items							
Depreciation	1,328	541	1,377	670	3,917	-	3,917
Amortization of goodwill	133	154	689	-	977	-	977
Investments in entities accounted for using equity method	306	-	-	-	306	-	306
Increase in property, plant and equipment and intangible assets	1,679	145	789	386	3,000	(40)	2,960

(Notes) 1. Adjustments of segment profit 192 million yen represents intersegment transactions.

2. Segment profit has been adjusted to be consistent with the operating profit reported in the consolidated statements of income.

3. Segment assets adjustments of (8,308) million yen include corporate assets of 262 million yen and intersegment adjustments of (8,571) million yen. Corporate assets consist mainly of long-term investment funds (investment securities).

4. Adjustments of the increase in property, plant and equipment and intangible assets of (40) million yen represents the elimination of intersegment transactions.

5. These are mainly performance obligations that are satisfied at a point in time, but some performance obligations are satisfied over a period of time.

The amounts recognized as performance obligations satisfied over time are insignificant.

[Information associated with reportable segments]

Year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

1. Information for each product or service

(Millions of yen)

	HMI	Industrial relays & components	Automation & sensing	Safety & explosion protection	Systems	Others	Total
Revenues from external customers	35,760	15,476	10,327	16,282	4,848	1,174	83,869

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	Americas	EMEA	Asia Pacific	Total
34,519	15,672	13,466	20,210	83,869

(Notes) 1. Net sales are classified by country or region based on the location of each customer.

2. Net sales to the Americas and Asia Pacific segments include net sales of 15,083 million yen in the U.S. and 10,525 million yen in China, which account for 10% or more of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Americas	EMEA	Asia Pacific	Total
14,231	2,086	3,206	4,242	23,766

3. Information for each of main customers

Sales to external customers are not disclosed as there are no customers that account for 10% of sales in the consolidated statements of income.

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

1. Information for each product or service

(Millions of yen)

	HMI	Industrial relays & components	Automation & sensing	Safety & explosion protection	Systems	Others	Total
Revenues from external customers	33,948	11,629	9,904	11,647	3,969	1,612	72,711

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	Americas	EMEA	Asia Pacific	Total
26,907	14,158	15,589	16,056	72,711

(Notes) 1. Net sales are classified by country or region based on the location of each customer.

2. Net sales to the Americas and Asia Pacific segments include net sales of 13,311 million yen in the U.S. and 8,136 million yen in China, which account for 10% or more of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Americas	EMEA	Asia Pacific	Total
13,942	2,159	3,637	4,260	24,000

3. Information by key customer

Sales to external customers are not disclosed as there are no customers that account for 10% of sales in the consolidated statements of income.

[Disclosure of impairment losses on non-current assets for each reportable segment]

Year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

No items to report

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

No items to report

[Amortization and unamortized balance of goodwill for each reportable segment]

Year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	America	EMEA	Asia Pacific	Unallocated amounts and elimination	Per consolidated financial statements
Amortization of goodwill	150	136	600	-	-	887
Goodwill	1,072	1,952	8,612	-	-	11,636

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	America	EMEA	Asia Pacific	Unallocated amounts and elimination	Per consolidated financial statements
Amortization of goodwill	133	154	689	-	-	977
Goodwill	1,058	2,052	9,173	-	-	12,284

[Information about gain on bargain purchase for each reportable segment]

Year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

No items to report

Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

No items to report

[Notes - Per share information]

		Year ended March 31, 2023	Year ended March 31, 2024
Net assets per share	(Yen)	1,998.30	2,226.99
Basic earnings per share	(Yen)	348.37	150.10
Diluted earnings per share	(Yen)	346.49	149.52

(Notes)Basis for calculation

1. Basic earnings per share and Diluted earnings per share

		Year ended March 31, 2023	Year ended March 31, 2024
Profit attributable to owners of parent	(Millions of yen)	10,144	4,407
Profit attributable to owners of parent for common shares	(Millions of yen)	10,144	4,407
Amount not attributable to common shareholders	(Millions of yen)	-	-
Average number of common shares outstanding during the period	(shares)	29,120,504	29,362,790
Adjustments to net income attributable to owners of parent	(Millions of yen)	-	-
Number of increase in common shares used in calculation of diluted net income per share	(shares)	157,575	114,124
(Of those, share acquisition rights)	(shares)	157,575	97,404
(Of those, restricted stock unit)	(shares)	-	16,720
Overview of dilutive shares not included in calculation of diluted net income per share because of lack of dilutive effect	-	-	-

2. Net assets per share

		Year ended March 31, 2023	Year ended March 31, 2024
Total net assets	(Millions of yen)	58,813	66,006
Amount to be deducted from total net assets	(Millions of yen)	347	455
(Of those, share acquisition rights)	(Millions of yen)	347	455
(Of those, non-controlling interests)	(Millions of yen)	-	-
Net assets at year end related to common shares	(Millions of yen)	58,465	65,551
Number of common shares at year end used in calculation of net assets per share	(shares)	29,257,751	29,435,000

4. Non-consolidated Financial Statements and Notes

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,438	4,266
Notes receivable - trade	0	-
Accounts receivable - trade	8,867	7,086
Electronically recorded monetary claims - operating	514	350
Merchandise	2,136	2,782
Finished goods	1,881	2,219
Raw materials	1,982	1,750
Work in process	997	735
Supplies	146	128
Prepaid expenses	263	330
Short-term loans receivable from subsidiaries and associates	2,462	2,105
Accounts receivable - other	555	390
Accounts receivable-other-materials	14	10
Income taxes refund receivable	-	418
Other	88	108
Total current assets	25,350	22,684
Non-current assets		
Property, plant and equipment		
Buildings	4,778	4,701
Structures	111	97
Machinery and equipment	937	929
Vehicles	21	46
Tools, furniture and fixtures	445	448
Land	4,090	4,314
Leased assets	144	106
Construction in progress	471	494
Total property, plant and equipment	11,001	11,139
Intangible assets		
Software	976	1,389
Goodwill	5	-
Other	0	1
Total intangible assets	983	1,390
Investments and other assets		
Investment securities	275	9
Shares of subsidiaries and associates	26,287	26,287
Investments in capital of subsidiaries and associates	1,569	1,670
Long-term loans receivable from subsidiaries and associates	2,129	2,032
Prepaid pension costs	281	327
Deferred tax assets	761	596
Other	406	388
Allowance for doubtful accounts	(36)	(31)
Total investments and other assets	31,675	31,279
Total non-current assets	43,660	43,808
Total assets	69,010	66,493

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,680	1,993
Electronically recorded obligations - operating	1,948	537
Short-term borrowings	4,000	6,000
Short-term borrowings from subsidiaries and associates	-	1,225
Current portion of long-term borrowings	11,935	6,033
Lease liabilities	69	54
Accounts payable - other	1,173	984
Accrued expenses	843	612
Income taxes payable	1,214	-
Contract liabilities	4	4
Deposits received	126	135
Total current liabilities	24,995	17,580
Non-current liabilities		
Long-term borrowings	6,325	9,714
Long-term borrowings from subsidiaries and associates	116	-
Provision for retirement benefits	1,121	1,111
Lease liabilities	90	63
Asset retirement obligations	7	-
Other	519	646
Total non-current liabilities	8,180	11,534
Total liabilities	33,176	29,115
Net assets		
Shareholders' equity		
Share capital	10,056	10,056
Capital surplus		
Legal capital surplus	5,000	5,000
Other capital surplus	4,300	4,474
Total capital surplus	9,300	9,474
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	316	316
Retained earnings brought forward	23,057	24,045
Total retained earnings	23,373	24,361
Treasury shares	(7,299)	(6,970)
Total shareholders' equity	35,431	36,923
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	55	-
Total valuation and translation adjustments	55	-
Share acquisition rights	347	455
Total net assets	35,834	37,378
Total liabilities and net assets	69,010	66,493

(2) Non-consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net sales	38,561	28,412
Cost of sales	21,156	15,958
Gross profit	17,405	12,454
Selling, general and administrative expenses	11,165	10,319
Operating profit	6,240	2,135
Non-operating income		
Interest and dividend income	2,349	2,891
Foreign exchange gains	570	936
Commission income	239	189
Other	157	236
Total non-operating income	3,317	4,255
Non-operating expenses		
Interest expenses	38	35
derivative losses	170	349
Loss on valuation of derivatives	-	176
Other	68	18
Total non-operating expenses	277	579
Ordinary profit	9,280	5,810
Extraordinary income		
Gain on sale of non-current assets	18	6
Gain on sale of investment securities	119	62
Gain on reversal of share acquisition rights	31	6
Total extraordinary income	169	75
Extraordinary losses		
Loss on abandonment of non-current assets	8	16
Loss on liquidation of business	-	142
Information security expenses	-	131
Total extraordinary losses	8	290
Profit before income taxes	9,441	5,594
Income taxes - current	2,115	609
Income taxes - deferred	(24)	184
Total income taxes	2,091	793
Profit	7,350	4,801

(3) Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	10,056	5,000	4,134	9,134	316	19,342	19,658
Changes during period							
Dividends of surplus						(3,634)	(3,634)
Profit						7,350	7,350
Purchase of treasury shares							
Disposal of treasury shares			165	165			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	165	165	-	3,715	3,715
Balance at end of period	10,056	5,000	4,300	9,300	316	23,057	23,373

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(7,759)	31,089	67	67	311	31,468
Changes during period						
Dividends of surplus		(3,634)				(3,634)
Profit		7,350				7,350
Purchase of treasury shares	(1)	(1)				(1)
Disposal of treasury shares	461	627				627
Net changes in items other than shareholders' equity			(12)	(12)	36	24
Total changes during period	459	4,341	(12)	(12)	36	4,365
Balance at end of period	(7,299)	35,431	55	55	347	35,834

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	10,056	5,000	4,300	9,300	316	23,057	23,373
Changes during period							
Dividends of surplus						(3,813)	(3,813)
Profit						4,801	4,801
Purchase of treasury shares							
Disposal of treasury shares			174	174			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	174	174	-	988	988
Balance at end of period	10,056	5,000	4,474	9,474	316	24,045	24,361

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(7,299)	35,431	55	55	347	35,834
Changes during period						
Dividends of surplus		(3,813)				(3,813)
Profit		4,801				4,801
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	329	504				504
Net changes in items other than shareholders' equity			(55)	(55)	107	52
Total changes during period	328	1,491	(55)	(55)	107	1,544
Balance at end of period	(6,970)	36,923	-	-	455	37,378

5. Supplementary Information

(1) Summary of consolidated results

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025 (Forecast)	
Net sales	83,869	(118.5)	72,711	(86.7)	71,700	(98.6)
Operating profit	14,060	(145.4)	6,276	(44.6)	5,200	(82.9)
Ordinary profit	14,403	(138.5)	6,920	(48.1)	5,200	(75.1)
Profit attributable to owners of parent	10,144	(128.5)	4,407	(43.4)	4,000	(90.8)

(2) Net sales by products / Net sales by regions

① Net sales by products

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025 (Forecast)	
HMI	35,760	(115.8)	33,948	(94.9)	34,700	(102.2)
Industrial relays & components	15,476	(113.6)	11,629	(75.1)	11,000	(94.6)
Automation & sensing	10,327	(122.0)	9,904	(95.9)	9,900	(100.0)
Safety & explosion protection	16,282	(128.1)	11,647	(71.5)	11,300	(97.0)
Systems	4,848	(129.5)	3,969	(81.9)	3,200	(80.6)
Others	1,174	(86.1)	1,612	(137.3)	1,600	(99.2)
Total	83,869	(118.5)	72,711	(86.7)	71,700	(98.6)

② Net sales by regions

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025 (Forecast)	
Japan	34,519	(111.7)	26,907	(77.9)	25,200	(93.7)
Overseas						
Americas	15,672	(135.9)	14,158	(90.3)	-	(-)
EMEA	13,466	(114.6)	15,589	(115.8)	-	(-)
Asia Pacific	20,210	(121.7)	16,056	(79.4)	-	(-)
Total Overseas	49,349	(123.7)	45,804	(92.8)	46,500	(101.5)
Total	83,869	(118.5)	72,711	(86.7)	71,700	(98.6)

(3) Capital expenditures

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025 (Forecast)	
Consolidated	4,088	(163.3)	2,960	(72.4)	4,400	(148.6)

(4) Depreciation and amortization expense

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (Forecast)
Consolidated	3,544 (108.6)	3,917 (110.5)	4,200 (107.2)

(5) R&D expense

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (Forecast)
Consolidated	2,958 (3.5)	2,796 (3.8)	2,800 (3.9)

(6) Quarterly trends of financial results (consolidated)

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2024				
	First quarter	Second quarter	Third quarter	Fourth quarter	Annual
Net sales	18,180	19,620	16,540	18,370	72,711
Operating profit	(90.2)	(85.2)	(79.0)	(93.0)	(86.7)
Ordinary profit	1,665 (52.8)	2,381 (54.1)	603 (15.6)	1,625 (61.8)	6,276 (44.6)
Net sales	2,022	2,507	532	1,858	6,920
Operating profit	(56.8)	(54.8)	(15.1)	(67.9)	(48.1)
Ordinary profit	1,467 (57.4)	1,706 (54.4)	263 (11.4)	969 (45.2)	4,407 (43.4)

(7) Quarterly trends of net sales by products (consolidated)

(Figures in parentheses are compared to the previous fiscal year) (Millions of yen, %)

	Fiscal year ended March 31, 2024				
	First quarter	Second quarter	Third quarter	Fourth quarter	Annual
HMI	8,594 (96.8)	8,839 (93.0)	7,844 (88.0)	8,669 (102.5)	33,948 (94.9)
Industrial relays & components	2,948 (73.7)	3,216 (71.2)	2,475 (67.2)	2,987 (91.4)	11,629 (75.1)
Automation & sensing	2,341 (108.4)	3,036 (98.0)	2,271 (97.9)	2,256 (82.0)	9,904 (95.9)
Safety & explosion protection	3,104 (80.8)	3,156 (73.0)	2,475 (57.3)	2,911 (76.8)	11,647 (71.5)
Systems	911 (95.8)	1,058 (87.2)	1,023 (72.4)	976 (76.8)	3,969 (81.9)
Others	280 (86.6)	313 (85.7)	449 (167.4)	570 (262.5)	1,612 (137.3)
Total	18,180 (90.2)	19,620 (85.2)	16,540 (79.0)	18,370 (93.0)	72,711 (86.7)