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# Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 24, 2024

Company name: Japan Aviation Electronics Industry, Limited
Stock exchange listing: Tokyo Stock Exchange
Code number: 6807
URL: https://www.jae.com
Representative: Masayuki Muraki, President
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Scheduled date of commencing dividend payments: –
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 - June 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| June 30, 2024 | 55,560 | 7.4 | 3,774 | 106.5 | 3,370 | 10.7 | 3,136 | 25.4 |
| June 30, 2023 | 51,734 | (8.4) | 1,828 | (65.0) | 3,046 | (60.7) | 2,500 | (57.3) |

(Note) Comprehensive income: Three months ended June 30, 2024: ¥6,475 million [(2.4)%]
Three months ended June 30, 2023: ¥6,633 million [(34.5)%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Three months ended | Yen | Yen |
| June 30, 2024 | 46.56 | 46.54 |
| June 30, 2023 | 27.44 | 27.42 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of June 30, 2024 | 239,352 | 131,293 | 54.8 |
| As of March 31, 2024 | 236,042 | 126,810 | 53.7 |

(Reference) Equity: As of June 30, 2024: ¥131,158 million
As of March 31, 2024: ¥126,686 million

**2. Dividends**

| | Annual dividends | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | – | 25.00 | – | 30.00 | 55.00 |
| Fiscal year ending March 31, 2025 | – | | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | 30.00 | – | 30.00 | 60.00 |

(Note) Revision to the forecast for dividends announced most recently: None

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)**

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 113,500 | 0.2 | 8,000 | 18.2 | 7,500 | (12.9) | 6,000 | (10.6) | 89.08 |
| Full year | 230,000 | 1.9 | 17,000 | 17.9 | 16,000 | 8.4 | 12,500 | 2.1 | 185.59 |

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)" on page 6 of the Attachments.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

| | |
|---|---|
| June 30, 2024: | 70,302,608 shares |
| March 31, 2024: | 92,302,608 shares |

2) Total number of treasury shares at the end of the period:

| | |
|---|---|
| June 30, 2024: | 2,943,848 shares |
| March 31, 2024: | 24,950,801 shares |

3) Average number of shares during the period:

| | |
|---|---|
| Three months ended June 30, 2024: | 67,356,539 shares |
| Three months ended June 30, 2023: | 91,121,664 shares |

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of performance forecast and other notes

The forward-looking statements concerning future financial results presented in this document are prepared based on the information currently available for the Company and certain preconditions which the Company believes to be reasonable at this time. Actual results may be substantially different from any projections presented herein due to various factors. Please refer to "Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 2 of the Attachments for the assumptions underlying the financial results forecasts and precautions when using the forecasts.

We will post the supplementary explanatory materials on quarterly financial results on our website.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

The world economy during the three months ended June 30, 2024 saw the United States economy remain strong mainly in personal consumption despite continued monetary tightening, while the Chinese economy continued to be stagnant due to the prolonged real estate recession in spite of robust exports. Meanwhile, the Japanese economy experienced an improvement in business sentiment among manufacturers and largely performed well, although rising prices slightly dampened consumer sentiment. Against this background, a historic yen depreciation accelerated in the foreign exchange market due mainly to the receding speculation of U.S. interest rate cuts.

In the electronics market relevant to the Group, the automotive market generally remained firm despite a slowdown in electric vehicles. Demand in the mobile device market bottomed out but remained severe, and the industrial market showed signs of bottoming out in some products or destinations but fell short of a full-fledged recovery. The aviation and space market, which has been added as a priority market, saw a growing demand on the back of an increase in the defense budget.

In the meantime, on the cost side, surging metal material and energy prices continued.

Under these circumstances, the Group aimed to expand orders received and sales by conducting active global marketing centered on its flagship Connector Business and speeding up new product development activities. At the same time, the Group strived to achieve higher business performance by promoting the streamlining of management as a whole, including optimized transaction prices in response to soaring material costs, improvement of factory utilization ratio through further expansion of in-house production, cost reduction through more efficient use of equipment, and the curbing of various expenses.

Consequently, for the three months ended June 30, 2024, the Group recorded net sales totaling ¥55,560 million (107% compared to the corresponding period of the previous year). On the profit side, we posted operating profit totaling ¥3,774 million (206% compared to the corresponding period of the previous year), ordinary profit totaling ¥3,370 million (111% compared to the corresponding period of the previous year), and profit attributable to owners of parent totaling ¥3,136 million (125% compared to the corresponding period of the previous year).

### (2) Explanation of Financial Position

Total assets at the end of the three months ended June 30, 2024 amounted to ¥239,352 million, marking an increase of ¥3,309 million from the end of the consolidated fiscal year ended March 31, 2024. The increase was attributable mainly to an increase in trade receivables and inventories in our flagship Connector Business.

Total liabilities amounted to ¥108,059 million, marking a decrease of ¥1,172 million from the end of the consolidated fiscal year ended March 31, 2024, mainly due to the scheduled payment of borrowings, despite an increase in trade payables for production materials and so forth.

Net assets amounted to ¥131,293 million, marking an increase of ¥4,482 million from the end of the consolidated fiscal year ended March 31, 2024, mainly due to the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustment due to yen depreciation, despite decreases in retained earnings and treasury shares following the cancellation of treasury shares.

### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The consolidated financial results forecast for the fiscal year ending March 31, 2025 (for the first six months and for the full year) and the dividend forecast (for the second-quarter end and for the year-end) remain unchanged from the figures announced on April 24, 2024.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 68,298 | 67,735 |
| Notes and accounts receivable - trade | 41,463 | 42,755 |
| Inventories | 28,321 | 31,184 |
| Other | 6,440 | 6,229 |
| Allowance for doubtful accounts | (71) | (76) |
| Total current assets | 144,452 | 147,827 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 27,845 | 27,915 |
| Machinery, equipment and vehicles, net | 20,599 | 21,030 |
| Tools, furniture and fixtures, net | 8,413 | 8,780 |
| Land | 6,831 | 6,860 |
| Construction in progress | 9,488 | 8,475 |
| Total property, plant and equipment | 73,179 | 73,062 |
| Intangible assets | 2,701 | 2,667 |
| Investments and other assets | | |
| Deferred tax assets | 1,846 | 2,225 |
| Other | 13,992 | 13,698 |
| Allowance for doubtful accounts | (129) | (129) |
| Total investments and other assets | 15,709 | 15,794 |
| Total non-current assets | 91,589 | 91,524 |
| Total assets | 236,042 | 239,352 |

(Million yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 26,608 | 29,102 |
| Short-term borrowings | 10,500 | 8,500 |
| Income taxes payable | 1,150 | 1,147 |
| Provision for bonuses for directors (and other officers) | 106 | 27 |
| Other | 14,804 | 14,778 |
| Total current liabilities | 53,169 | 53,556 |
| Non-current liabilities | | |
| Long-term borrowings | 54,000 | 52,500 |
| Retirement benefit liability | 191 | 179 |
| Other | 1,870 | 1,824 |
| Total non-current liabilities | 56,062 | 54,503 |
| Total liabilities | 109,232 | 108,059 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,690 | 10,690 |
| Capital surplus | 14,879 | 14,431 |
| Retained earnings | 144,479 | 90,531 |
| Treasury shares | (62,955) | (7,427) |
| Total shareholders' equity | 107,093 | 108,225 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,976 | 1,714 |
| Foreign currency translation adjustment | 14,422 | 18,101 |
| Remeasurements of defined benefit plans | 3,194 | 3,115 |
| Total accumulated other comprehensive income | 19,592 | 22,932 |
| Share acquisition rights | 124 | 134 |
| Total net assets | 126,810 | 131,293 |
| Total liabilities and net assets | 236,042 | 239,352 |

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

### Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

| | For the three months ended June 30, 2023 | For the three months ended June 30, 2024 |
|---|---|---|
| Net sales | 51,734 | 55,560 |
| Cost of sales | 43,717 | 45,143 |
| Gross profit | 8,017 | 10,416 |
| Selling, general and administrative expenses | 6,189 | 6,642 |
| Operating profit | 1,828 | 3,774 |
| Non-operating income | | |
| Interest income | 62 | 63 |
| Dividend income | 112 | 348 |
| Foreign exchange gains | 1,077 | – |
| Other | 56 | 94 |
| Total non-operating income | 1,308 | 506 |
| Non-operating expenses | | |
| Interest expenses | 15 | 166 |
| Loss on retirement of non-current assets | 44 | 147 |
| Foreign exchange losses | – | 561 |
| Other | 31 | 33 |
| Total non-operating expenses | 91 | 910 |
| Ordinary profit | 3,046 | 3,370 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 344 |
| Total extraordinary income | – | 344 |
| Profit before income taxes | 3,046 | 3,715 |
| Income taxes - current | 659 | 752 |
| Income taxes - deferred | (114) | (173) |
| Total income taxes | 545 | 579 |
| Profit | 2,500 | 3,136 |
| Profit attributable to owners of parent | 2,500 | 3,136 |

### Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

| | For the three months ended June 30, 2023 | For the three months ended June 30, 2024 |
|---|---|---|
| Profit | 2,500 | 3,136 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 348 | (261) |
| Foreign currency translation adjustment | 3,812 | 3,678 |
| Remeasurements of defined benefit plans, net of tax | (28) | (78) |
| Total other comprehensive income | 4,132 | 3,339 |
| Comprehensive income | 6,633 | 6,475 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 6,633 | 6,475 |
| Comprehensive income attributable to non-controlling interests | – | – |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

The Company resolved to cancel the treasury shares it holds based on the provisions in Article 178 of the Companies Act at a Board of Directors' meeting held on April 24, 2024, and canceled 22,000,000 shares of treasury shares as of May 17, 2024. As a result, capital surplus, retained earnings, and treasury shares decreased by ¥446 million, ¥55,063 million, and ¥55,510 million, respectively, for the three months ended June 30, 2024 and stood at ¥14,431 million, ¥90,531 million, and ¥7,427 million, respectively, as of June 30, 2024.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

For calculation of tax expenses, we adopt a method whereby the effective tax rate for the profit before income taxes for the fiscal year ended March 31, 2024, after the application of tax effect accounting is reasonably estimated, and the quarterly profit before income taxes is multiplied by such effective tax rate.

However, in cases where calculating tax expenses using the reasonably estimated effective tax rate yields a result that is notably lacking rationality, tax expenses are calculated using the statutory effective tax rate.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

We have applied the "Accounting Standard for Current Income Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") and other standards from the beginning of the three months ended June 30, 2024.

Regarding income taxes - current, etc. (hereinafter referred to as "total income taxes"), which are taxable on incomes, we had previously recorded amounts calculated according to laws and regulations as profit or loss. However, we are now to record the total income taxes on income by separating them as profit or loss, shareholders' equity, and other comprehensive income, depending on the transactions which are sources of such taxes. As for the total income taxes recorded as accumulated other comprehensive income, in particular, we are to record corresponding tax amount as profit or loss upon recording the attributable transactions, etc. which are sources of such total income taxes as profit or loss. When transactions which are sources of such taxes are related to shareholders' equity or other comprehensive income, in addition to profit or loss, and it is difficult to calculate the total income taxes imposed on shareholders' equity or other comprehensive income, we record such tax amount as profit or loss.

With regard to the revision to the recording category of total income taxes (taxation on other comprehensive income), we comply with the transitional treatment provided for in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard.

These changes in accounting policies do not affect the quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

Information on net sales and income (loss) by reportable segment

(Million yen)

| | Reportable segment | | | Others (Note 2) | Total | Adjustment | Amount recorded in Quarterly Consolidated Statements of Income |
|---|---|---|---|---|---|---|---|
| | Connector Business | User Interface Solutions Business | Aerospace Business | | | | |
| Net sales | | | | | | | |
| Mobile devices | 16,951 | – | – | – | 16,951 | – | 16,951 |
| Automotive | 21,729 | 993 | 303 | – | 23,026 | – | 23,026 |
| Industrial and infrastructure | 4,655 | 1,499 | 3,299 | – | 9,454 | – | 9,454 |
| Aviation and space | – | – | 654 | – | 654 | – | 654 |
| Others | 1,422 | – | – | 225 | 1,647 | – | 1,647 |
| Revenue from contracts with customers | 44,759 | 2,492 | 4,257 | 225 | 51,734 | – | 51,734 |
| Total | 44,759 | 2,492 | 4,257 | 225 | 51,734 | – | 51,734 |
| Segment income (Note 1) | 2,184 | 127 | 792 | 9 | 3,114 | (1,285) | 1,828 |

(Notes) 1. Segment income (loss) represents the operating profit (loss) in the quarterly consolidated statements of income. However, ¥1,285 million in general and administrative expenses such as headquarters staff expenses, which is difficult to allocate to each reportable segment, is included in the adjustment.

2. The “Others” classification is a business segment that is not included in any reportable segments and includes the sale of other goods and the service business.

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on net sales and income (loss) by reportable segment

(Million yen)

| | Reportable segment | | | Others (Note 2) | Total | Adjustment | Amount recorded in Quarterly Consolidated Statements of Income |
|---|---|---|---|---|---|---|---|
| | Connector Business | User Interface Solutions Business | Aerospace Business | | | | |
| Net sales | | | | | | | |
| Mobile devices | 17,691 | – | – | – | 17,691 | – | 17,691 |
| Automotive | 26,360 | 1,332 | 49 | – | 27,742 | – | 27,742 |
| Industrial and infrastructure | 3,395 | 938 | 2,476 | – | 6,809 | – | 6,809 |
| Aviation and space (Note 3) | – | – | 2,008 | – | 2,008 | – | 2,008 |
| Others | 1,167 | – | – | 140 | 1,308 | – | 1,308 |
| Revenue from contracts with customers | 48,614 | 2,270 | 4,534 | 140 | 55,560 | – | 55,560 |
| Total | 48,614 | 2,270 | 4,534 | 140 | 55,560 | – | 55,560 |
| Segment income (Note 1) | 4,394 | 98 | 506 | 6 | 5,006 | (1,231) | 3,774 |

(Notes) 1. Segment income (loss) represents the operating profit (loss) in the quarterly consolidated statements of income. However, ¥1,231 million in general and administrative expenses such as headquarters staff expenses, which is difficult to allocate to each reportable segment, is included in the adjustment.

2. The “Others” classification is a business segment that is not included in any reportable segments and includes the sale of other goods and the service business.
3. Starting from the three months ended June 30, 2024, the “Aviation and space,” which was previously presented in “Others” for the information on net sales and income (loss) by reportable segment, is expected to see expansion of sales on the back of the increasing defense budget and has been newly added as a priority market. Accordingly, figures for the three months ended June 30, 2023 have been recalculated to reflect the reorganization.

(Notes on Consolidated Statement of Cash Flows)

We have not prepared a Consolidated Statement of Cash Flows for the three months ended June 30, 2024.
Depreciation (including depreciation of intangible assets) for the three months ended June 30 is as follows.

| | For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023) | For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024) |
|---|---|---|
| Depreciation | ¥4,591 million | ¥5,423 million |