

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]



April 27, 2022

Company name: Japan Aviation Electronics Industry, Limited
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6807
 URL: <https://www.jae.com>
 Representative: Tsutomu Onohara, President
 Contact: Kazuhiko Aoki, Associate Senior Vice President
 General Manager Accounting and Financial Division
 Phone: +81-3-3780-2752
 Scheduled date of general shareholders' meeting: June 23, 2022
 Scheduled date of commencing dividend payments: June 8, 2022
 Scheduled date of filing securities report: June 23, 2022
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	225,079	7.3	18,049	107.3	18,594	135.9	14,325	151.7
March 31, 2021	209,711	0.8	8,706	(37.9)	7,880	(44.6)	5,692	(48.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥18,511 million [105.6%]
 Fiscal year ended March 31, 2021: ¥9,003 million [9.0%]

	Basic earnings per share	Diluted earnings per share	Net income to shareholders' equity ratio	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	157.46	157.42	9.6	8.3	8.0
March 31, 2021	62.58	–	4.1	3.8	4.2

(Reference) Share of loss (profit) of entities accounted for using equity method:

Fiscal year ended March 31, 2022: ¥– million

Fiscal year ended March 31, 2021: ¥– million

(Note) Diluted earnings per share for the fiscal year ended March 31, 2021 are not stated since there were no dilutive potential shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	225,343	157,887	70.0	1,733.71
As of March 31, 2021	220,066	142,059	64.5	1,560.08

(Reference) Equity: As of March 31, 2022: ¥157,754 million
 As of March 31, 2021: ¥141,899 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	24,432	(20,285)	(9,985)	65,559
March 31, 2021	29,114	(18,802)	15,454	70,086

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	–	10.00	–	15.00	25.00	2,273	39.9	1.6
March 31, 2022	–	15.00	–	20.00	35.00	3,184	22.2	2.1
March 31, 2023 (Forecast)	–	20.00	–	20.00	40.00		25.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
First half	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	121,000	8.0	9,500	3.0	9,000	0.6	6,700	(1.3)	73.63
	245,000	8.9	20,000	10.8	19,000	2.2	14,350	0.2	157.71

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) 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(Note) For details, please refer to “3. (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” on page 10 of the Attachments.
- (3) Total number of issued and outstanding shares (common shares)
 - 1) Total number of issued and outstanding shares at the end of the year (including treasury shares):

March 31, 2022:	92,302,608 shares
March 31, 2021:	92,302,608 shares
 - 2) Total number of treasury shares at the end of the year:

March 31, 2022:	1,309,945 shares
March 31, 2021:	1,345,707 shares

3) Average number of shares during the year:	
Fiscal year ended March 31, 2022:	90,973,614 shares
Fiscal year ended March 31, 2021:	90,957,145 shares

* These consolidated financial results are outside the scope of review by a certified public accountant or an audit firm.

* 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 “1. Overview of Operating Results, etc. (4) Future Outlook” on page 3 of the Attachments for the assumptions underlying the financial results forecasts and precautions when using the forecasts.

The Company is scheduled to hold a financial results briefing session (telephone conference) for institutional investors and analysts on April 27, 2022. We will post the financial results explanatory materials to be used at the session on our website on the same day.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	2
(3) Overview of Cash Flows for the Fiscal Year under Review	2
(4) Future Outlook	3
2. Basic Policy on Selection of Accounting Standards	3
3. Consolidated Financial Statements and Principal Notes	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Comprehensive Income	6
(3) Consolidated Statements of Changes in Equity	7
(4) Consolidated Statements of Cash Flows	9
(5) Notes to Consolidated Financial Statements	10
(Notes on going concern assumption)	10
(Changes in accounting policies)	10
(Segment information, etc.)	11
(Per share information)	13
(Significant subsequent events)	14

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The world economy during the consolidated fiscal year under review saw the expansion of economic activities compared to the previous fiscal year when it was heavily affected by the spread of COVID-19, due to such factors as the relaxation of behavioral restrictions following wide use of vaccines, and the real GDP of major countries was back on a recovery track.

However, uncertainty grew because of increasing geopolitical risks in the latter half of the fiscal year, accelerating inflation owing to rising energy and resource prices, and the yen's sharp depreciation caused by monetary policy in response to the soaring prices, in addition to supply restrictions including difficulties in procuring parts and disruptions in logistics.

In the electronics market relevant to the Company, demand continued to expand against the background of economic recovery and advancing digitalization, despite production adjustment in the Chinese mobile device market and the impact of output cuts caused by semiconductor shortages and supply chain disruptions in the automotive market. In addition, the industrial market enjoyed a greater demand on the back of a recovery in capital investment in Japan and abroad.

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 development activities for new products. At the same time, the Group strived to achieve higher business performance by streamlining management as a whole, including cost reduction through further expansion of in-house production, improvement in efficiency of equipment, and the curbing of various expenses.

As a result, for the consolidated fiscal year under review, the Group recorded net sales totaling ¥225,079 million (107% compared to the previous fiscal year). On the profit side, we posted operating profit totaling ¥18,049 million (207% compared to the previous fiscal year), ordinary profit totaling ¥18,594 million (236% compared to the previous fiscal year), and profit attributable to owners of parent totaling ¥14,325 million (252% compared to the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the consolidated fiscal year under review amounted to ¥225,343 million, marking a year-on-year increase of ¥5,277 million. The rise was attributable to wider use of shipping service to reduce distribution costs and an increase in inventories due to the recording of supply for-a-fee transactions following the application of the Accounting Standard for Revenue Recognition, etc.

Total liabilities amounted to ¥67,455 million, marking a year-on-year decrease of ¥10,550 million, due to the scheduled payment of borrowings and a decrease in trade payables, despite an increase in income taxes payable and the recording of liabilities related to supply-for-a-fee transactions.

Net assets amounted to ¥157,887 million, marking a year-on-year increase of ¥15,828 million, mainly due to the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustment due to yen depreciation, bringing the equity ratio to 70.0%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Net cash provided by operating activities for the consolidated fiscal year under review was ¥24,432 million (¥29,114 million provided in the previous consolidated fiscal year). This was attributable to the recording of profit before income taxes and depreciation, despite negative factors such as income taxes paid, in addition to an increase in inventories and a decrease in trade payables.

Net cash used in investing activities was ¥20,285 million (¥18,802 million used in the previous consolidated fiscal year), mainly due to expenses arising from the purchase of property, plant and equipment centered on equipment to manufacture new products.

Net cash used in financing activities was ¥9,985 million (¥15,454 million provided in the previous consolidated fiscal year), due to the repayment of borrowings and dividends paid.

As a result, the balance of cash and equivalents at the end of the fiscal year under review declined by

¥4,527 million to ¥65,559 million from the previous consolidated fiscal year.

(4) Future Outlook

With regard to the business environment surrounding the Company, the world economy is expected to be on a trend of gradual recovery against the backdrop of the relaxation of behavioral restrictions due to wide use of vaccines, despite remaining concerns about the economic impact of lockdowns triggered by the recent resurgence of COVID-19 variants, accelerating inflation, the yen's weakening, among others.

In the electronics market relevant to the Company, each market it focuses on is expected to grow in the time to come, considering such factors as higher demand for electric vehicles in the automotive market as well as greater demand for factory automation, robots, and semiconductor manufacturing equipment and full-fledged investments in 5G in the industrial market, despite continued risks including semiconductor shortages, difficulties in procuring parts, soaring raw material prices, and disruptions in logistics.

The Group will make efforts to capture these growth markets and expand orders received and sales, while striving to thoroughly streamline production through such measures as the promotion of investments to enhance efficiency and the trimming of various expenses, thereby improving business performance.

As a result, for the next full consolidated fiscal year, the Group forecasts net sales will amount to ¥245,000 million (109% compared to the previous fiscal year), operating profit to ¥20,000 million (111% compared to the previous fiscal year), ordinary profit to ¥19,000 million (102% compared to the previous fiscal year), and profit attributable to owners of parent to ¥14,350 million (100% compared to the previous fiscal year). The aforementioned forecast is based on the exchange rate of ¥118 per U.S. dollar.

2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group will continue to prepare its consolidated financial statements using Japanese GAAP for the time being.

With regard to the application of the International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	70,086	65,559
Notes and accounts receivable - trade	43,103	43,166
Inventories	21,135	28,971
Other	6,530	6,381
Allowance for doubtful accounts	(45)	(46)
Total current assets	140,811	144,033
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,419	25,270
Machinery, equipment and vehicles, net	21,282	20,542
Tools, furniture and fixtures, net	8,583	8,538
Land	6,598	6,737
Construction in progress	4,909	6,578
Total property, plant and equipment	66,792	67,667
Intangible assets	2,392	2,608
Investments and other assets		
Investment securities	2,481	2,344
Long-term loans receivable	1,140	1,261
Retirement benefit asset	1,444	2,284
Deferred tax assets	4,088	3,935
Other	1,052	1,348
Allowance for doubtful accounts	(139)	(139)
Total investments and other assets	10,069	11,035
Total non-current assets	79,254	81,310
Total assets	220,066	225,343

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	37,658	31,119
Short-term borrowings	9,214	9,614
Income taxes payable	1,355	2,784
Provision for bonuses for directors (and other officers)	60	110
Other	11,786	13,438
Total current liabilities	60,073	57,065
Non-current liabilities		
Long-term borrowings	15,416	7,802
Retirement benefit liability	774	950
Other	1,741	1,636
Total non-current liabilities	17,932	10,389
Total liabilities	78,006	67,455
Net assets		
Shareholders' equity		
Share capital	10,690	10,690
Capital surplus	14,558	14,604
Retained earnings	114,652	126,248
Treasury shares	(1,025)	(998)
Total shareholders' equity	138,875	150,544
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,022	925
Foreign currency translation adjustment	1,125	5,515
Remeasurements of defined benefit plans	876	768
Total accumulated other comprehensive income	3,024	7,210
Share acquisition rights	159	133
Total net assets	142,059	157,887
Total liabilities and net assets	220,066	225,343

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

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	209,711	225,079
Cost of sales	180,396	183,135
Gross profit	29,314	41,944
Selling, general and administrative expenses	20,608	23,894
Operating profit	8,706	18,049
Non-operating income		
Interest income	49	48
Dividend income	230	111
Gain on sale of investment securities	33	—
Foreign exchange gains	—	905
Subsidy income	126	1
Other	231	275
Total non-operating income	671	1,342
Non-operating expenses		
Interest expenses	94	107
Loss on retirement of non-current assets	767	581
Foreign exchange losses	530	—
Other	103	108
Total non-operating expenses	1,496	797
Ordinary profit	7,880	18,594
Profit before income taxes	7,880	18,594
Income taxes - current	2,441	4,203
Income taxes - deferred	(253)	65
Total income taxes	2,188	4,269
Profit	5,692	14,325
Profit attributable to owners of parent	5,692	14,325

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit	5,692	14,325
Other comprehensive income		
Valuation difference on available-for-sale securities	297	(96)
Foreign currency translation adjustment	1,602	4,390
Remeasurements of defined benefit plans, net of tax	1,410	(107)
Total other comprehensive income	3,311	4,186
Comprehensive income	9,003	18,511
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,003	18,511
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,690	14,558	111,688	(1,024)	135,912
Changes during period					
Dividends of surplus			(2,728)		(2,728)
Profit attributable to owners of parent			5,692		5,692
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	2,963	(0)	2,962
Balance at end of period	10,690	14,558	114,652	(1,025)	138,875

	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	725	(477)	(534)	(287)	185	135,811
Changes during period						
Dividends of surplus						(2,728)
Profit attributable to owners of parent						5,692
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	297	1,602	1,410	3,311	(25)	3,285
Total changes during period	297	1,602	1,410	3,311	(25)	6,248
Balance at end of period	1,022	1,125	876	3,024	159	142,059

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,690	14,558	114,652	(1,025)	138,875
Changes during period					
Dividends of surplus			(2,728)		(2,728)
Profit attributable to owners of parent			14,325		14,325
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		45		27	73
Net changes in items other than shareholders' equity					
Total changes during period	—	45	11,596	26	11,668
Balance at end of period	10,690	14,604	126,248	(998)	150,544

	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	1,022	1,125	876	3,024	159	142,059
Changes during period						
Dividends of surplus						(2,728)
Profit attributable to owners of parent						14,325
Purchase of treasury shares						(0)
Disposal of treasury shares						73
Net changes in items other than shareholders' equity	(96)	4,390	(107)	4,186	(26)	4,159
Total changes during period	(96)	4,390	(107)	4,186	(26)	15,828
Balance at end of period	925	5,515	768	7,210	133	157,887

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,880	18,594
Depreciation	21,241	20,420
Increase (decrease) in retirement benefit liability	(999)	134
Interest and dividend income	(279)	(160)
Interest expenses	94	107
Foreign exchange losses (gains)	574	(214)
Loss on retirement of non-current assets	767	581
Decrease (increase) in trade receivables	(3,989)	1,261
Decrease (increase) in inventories	(396)	(6,673)
Increase (decrease) in trade payables	1,839	(7,267)
Other, net	5,654	538
Subtotal	32,388	27,322
Interest and dividends received	282	160
Interest paid	(95)	(108)
Income taxes paid	(3,468)	(3,050)
Income taxes refund	7	107
Net cash provided by (used in) operating activities	29,114	24,432
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,188)	(18,959)
Proceeds from sale of property, plant and equipment	17	47
Purchase of investment securities	(1)	(1)
Other, net	(629)	(1,372)
Net cash provided by (used in) investing activities	(18,802)	(20,285)
Cash flows from financing activities		
Proceeds from long-term borrowings	20,000	—
Repayments of long-term borrowings	(1,714)	(7,214)
Dividends paid	(2,728)	(2,728)
Other, net	(102)	(42)
Net cash provided by (used in) financing activities	15,454	(9,985)
Effect of exchange rate change on cash and cash equivalents	25	1,311
Net increase (decrease) in cash and cash equivalents	25,792	(4,527)
Cash and cash equivalents at beginning of period	44,294	70,086
Cash and cash equivalents at end of period	70,086	65,559

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application for the Accounting Standard for Revenue Recognition, etc.)

We have applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard") and related standards since the beginning of the consolidated fiscal year ended March 31, 2022. Under these standards, the amounts expected to be received in exchange for goods or services are recognized as revenue at the point in time at which control of the promised goods or services are transferred to the customer.

As a result, we have changed the method in which promotion expenses had been included in selling, general and administrative expenses to the one in which they are subtracted from net sales. In addition, in supply-for-fee transactions, we used to recognize the extinguishment of inventories for charged supply materials; however, considering we are obliged to buy back the supply materials, we have changed the method to the one in which we do not recognize the extinguishment of the said supply materials.

In applying the Revenue Recognition Accounting Standard and related standards, we employ the transitional treatment as stipulated in the proviso to Paragraph 84 of the Revenue Recognition Accounting Standard. Therefore, the cumulative effects of retroactively applying the new accounting standard before the beginning of the consolidated fiscal year ended March 31, 2022 were added to or subtracted from the retained earnings at the beginning of the said consolidated fiscal year, and the new accounting policy has been applied starting with the resulting balance from the beginning of the period. However, this has no impact on the balance at the beginning of the said period.

Due to these changes, for the consolidated fiscal year ended March 31, 2022, net sales and selling, general and administrative expenses declined by ¥31 million, respectively, but it did not affect operating profit, ordinary profit, and profit before income taxes. In addition, inventories and other in current liabilities at the end of the consolidated fiscal year ended March 31, 2022 increased by ¥1,282 million, respectively.

This has no impact on per share information.

The breakdown information on the revenue from contracts with customers related to the previous consolidated fiscal year is omitted in accordance with the transitional treatment as stipulated in the proviso to Paragraph 89-3 of the Revenue Recognition Accounting Standard.

(Application of Accounting Standard for Fair Value Measurement, etc.)

We have applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as "Fair Value Measurement Accounting Standard") and related standards since the beginning of the consolidated fiscal year ended March 31, 2022. Pursuant to the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policies provided for in the Fair Value Measurement Accounting Standard and related standards will be applied going forward.

This has no impact on the consolidated financial statements.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments consist of the three categories of "Connector Business," "User Interface Solutions Business," and "Aerospace Business," based on the classification by usage of our products. The financial information of each reportable segment is available, and the Board of Directors regularly conducts a review for the purpose of making decisions about management resources to be allocated to each segment and assess the segments' performance.

The overview of each reportable segment is as follows.

(Connector Business)

The Connector Business manufactures and sells connectors used in a wide range of fields. These include: products for mobile devices, which center on smartphone components; automotive connectors in infotainment-related applications such as in-vehicle cameras, as well as in body/powertrain areas such as engine ECUs; products for industrial & infrastructure uses such as for machine tools, communications network devices and others; parts for notebook PCs; parts for flat panel televisions.

(User Interface Solutions Business)

The User Interface Solutions Business manufactures and sells products for automobiles, such as automotive capacitive touch panels, and products for industrial and infrastructure uses, such as various types of touch panel monitors and operation panels for industrial machinery and medical equipment.

(Aerospace Business)

The Aerospace Business manufactures and sells electronic equipment for defense and space, such as flight control equipment, inertial navigation systems and radar altimeters, and products for industrial machinery, infrastructure and automobiles, such as damping and drive equipment for semiconductor manufacturing equipment, sensor packages for oil drilling and automotive rotation angle sensors.

2. Method of calculating net sales, income (loss), assets, and other items by reportable segment

The accounting method for the business segments that are reported is generally the same as the method applied to prepare consolidated financial statements.

Buildings and structures which pertain to more than one segment are not distributed to reportable segments, but are included in adjustment. Meanwhile, related expenses are allocated to each segment.

As described in changes in accounting policies, we have started the application of the Revenue Recognition Accounting Standard and related standards, beginning with consolidated financial statements for the consolidated fiscal year ended March 31, 2022, and changed the accounting method regarding revenue recognition. Accordingly, we have changed the method for calculating income or loss of business segments.

Due to these changes, net sales for the consolidated fiscal year ended March 31, 2022 saw a decline of ¥30 million in the Connector Business and a decline of ¥0 million in the User Interface Solutions Business. However, they had no impact on segment income.

The breakdown information on the revenue from contracts with customers related to the previous consolidated fiscal year is omitted in accordance with the transitional treatment prescribed in the proviso to Paragraph 89-3 of the Revenue Recognition Accounting Standard.

3. Information on net sales, income (loss), assets, and other items by reportable segment
For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements
	Connector Business	User Interface Solutions Business	Aerospace Business				
Net sales	185,718	10,060	13,291	641	209,711	—	209,711
Segment income (loss)	12,164	151	290	253	12,860	(4,153)	8,706
Segment assets	107,681	4,898	12,618	734	125,933	94,132	220,066
Other items							
Depreciation	19,059	653	1,041	88	20,842	399	21,241
Increase in property, plant and equipment and intangible assets	16,550	535	853	6	17,946	856	18,802

(Notes) 1. 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.

2. Details of adjustment are as follows.

- (1) Segment income (loss) represents the operating profit (loss) in the consolidated statements of income. However, ¥4,153 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) ¥94,132 million in the adjustment for segment assets is corporate (common) assets that are not allocated to each reportable segment.
- (3) ¥856 million in the adjustment for increase in property, plant and equipment and intangible assets is corporate (common) assets that are not allocated to each reportable segment.

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements
	Connector Business	User Interface Solutions Business	Aerospace Business				
Net sales							
Mobile devices	88,907	—	—	—	88,907	—	88,907
Automotive	76,796	6,281	1,054	—	84,131	—	84,131
Industrial and infrastructure	25,673	4,474	9,148	—	39,295	—	39,295
Others	6,885	—	5,048	810	12,745	—	12,745
Revenue from contracts with customers	198,261	10,755	15,251	810	225,079	—	225,079
Total	198,261	10,755	15,251	810	225,079	—	225,079
Segment income (loss)	20,392	409	1,628	263	22,695	(4,646)	18,049
Segment assets	114,498	5,788	14,031	725	135,043	90,299	225,343
Other items							
Depreciation	18,415	633	901	84	20,034	386	20,420
Increase in property, plant and equipment and intangible assets	18,140	400	406	34	18,981	888	19,870

(Notes) 1. 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.

2. Details of adjustment are as follows.

- (1) Segment income (loss) represents the operating profit (loss) in the consolidated statements of income.

- However, ¥4,646 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) ¥90,299 million in the adjustment for segment assets is corporate (common) assets that are not allocated to each reportable segment.
- (3) ¥888 million in the adjustment for increase in property, plant and equipment and intangible assets is corporate (common) assets that are not allocated to each reportable segment.

(Per share information)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net assets per share	¥1,560.08	¥1,733.71
Basic earnings per share	¥62.58	¥157.46
Diluted earnings per share	—	¥157.42

(Notes) 1. Basis for calculating basic earnings per share and diluted earnings per share

Item	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	5,692	14,325
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	5,692	14,325
Average number of common shares outstanding during the period (Thousand shares)	90,957	90,973
Diluted earnings per share		
Increase in number of common shares (Thousand shares)	—	24
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	Type of stock acquisition rights: 18 Number of stock acquisition rights: 393	Type of stock acquisition rights: 6 Number of stock acquisition rights: 133

2. Basis for calculating net assets per share

Item	As of March 31, 2021	As of March 31, 2022
Total net assets (Million yen)	142,059	157,887
Amount deducted from total net assets (Million yen)		
Stock acquisition rights	159	133
Amounts of net assets related to common shares at the end of the fiscal year (Million yen)	141,899	157,754
Number of common shares used to calculate net assets per share at the end of the fiscal year (Thousand shares)	90,956	90,992

3. The information on diluted earnings per share for the previous consolidated fiscal year is omitted because there are no residual shares with dilutive effect.

(Significant subsequent events)

Not applicable.