

# Financial Results Presentation

for the Nine Months Ended December 31, 2021  
(April 1, 2021 to December 31, 2021)

Business performance has continued to recover and grow.  
The full-year earnings forecast and dividend forecast have been revised upward.

January 31, 2022

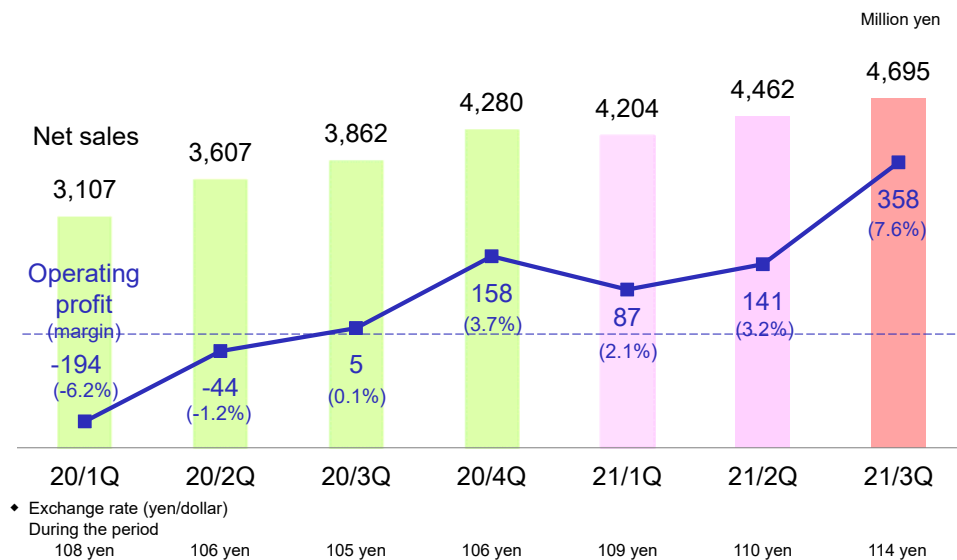
Honda Tsushin Kogyo Co., Ltd.

Kinji Kashio, President and Representative Director

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## 1-2. Quarterly performance trends

The operating profit margin for the 3rd quarter improved significantly, to 7.6%.  
Business performance has continued to recover and grow.



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## 1-1. Results for the nine months ended December 31, 2021

- Net sales increased due to the growth of the connector business, reflecting the favorable market environment.
- Operating profit recovered, mainly reflecting an increase in sales, expansion of production, and streamlining.
- Profits exceeded values in the full-year earnings forecast, resulting an upward revision of the full-year earnings forecast and dividend forecast.

Million yen (profit rate)

Exchange rate (yen/dollar) During the period/ Period-end	Nine months ended Dec. 2020 106 yen/104 yen	Nine months ended Dec. 2021 111 yen/115 yen	YoY	Full-year forecast (Announced on May 11) 107 yen/107 yen	Progress
Net sales	10,577	13,362	126%	16,500	81%
Operating profit	-232 (-2.2%)	586 (4.4%)	-	500 (3.0%)	117%
Ordinary profit	-75 (-0.7%)	624 (4.7%)	-	450 (2.7%)	139%
Profit	-46 (-0.4%)	459 (3.4%)	-	320 (1.9%)	143%

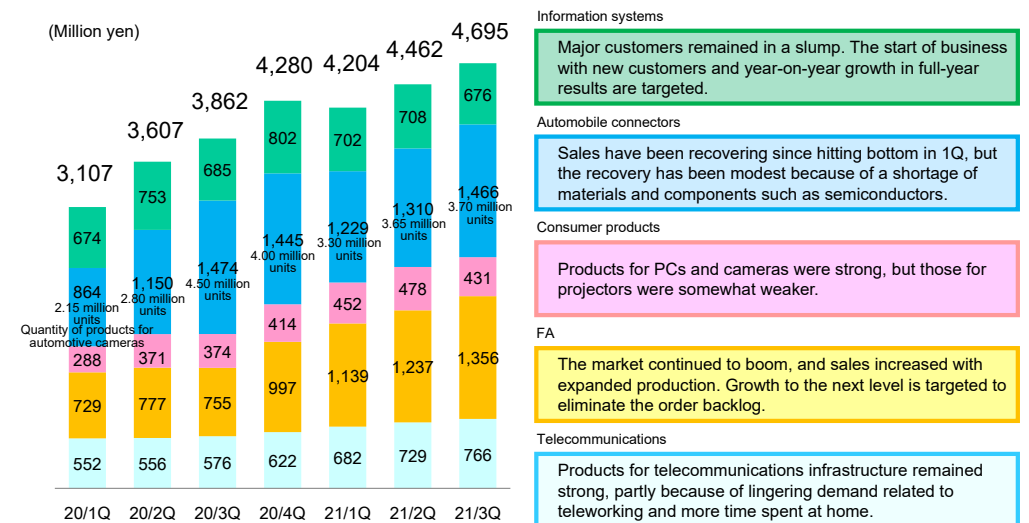
\* Values from past financial results were corrected retrospectively due to the application of the Accounting Standard for Revenue Recognition.

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## 1-3. Sales by sector

Sales in the telecommunications and factory automation sectors increased with expanded production.

The automobile connector sector continued its trend of modest recovery.

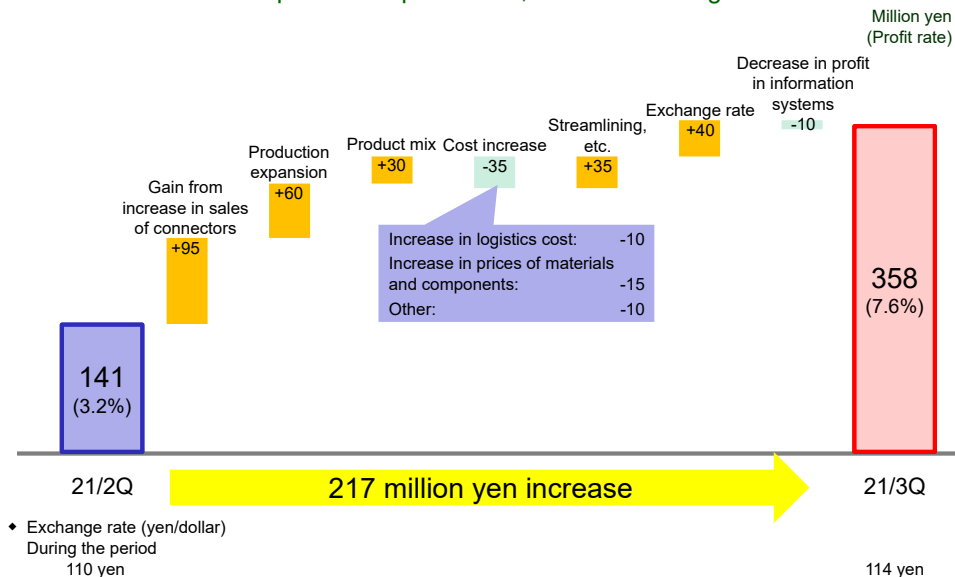


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## 2. Analysis of operating profit for 3Q of FY2021 (Compared to 2Q of FY2021)

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Profit increased due in part to an increase in sales in the connector business, expansion of production, and streamlining.



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## 3. Revision of full-year earnings forecast and increase of dividend

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Full-year earnings forecast was revised upward reflecting the continuing recovery and growth of business performance.

Dividend forecast: Revised upward from 8 yen to 12 yen

	Million yen (Profit rate)					
	Nine months ended Dec. 2021	Initial forecast for FY2021	Progress	Revised forecast for FY2021	Progress	YoY
Net sales	13,362	16,500	81%	18,000	74%	121%
Operating profit	586 (4.4%)	500 (3.0%)	118%	850 (4.7%)	69%	—
Ordinary profit	624 (4.7%)	450 (2.7%)	139%	850 (4.7%)	73%	575%
Profit	459 (3.4%)	320 (1.9%)	143%	650 (3.6%)	71%	856%
Cash dividend (Payout Ratio)	—	8 yen (58%)	—	12 yen (43%)	—	+5 yen

Exchange rate (yen/dollar) During the period/Period-end:  
 111 yen/115 yen    107 yen/107 yen    111 yen/110 yen

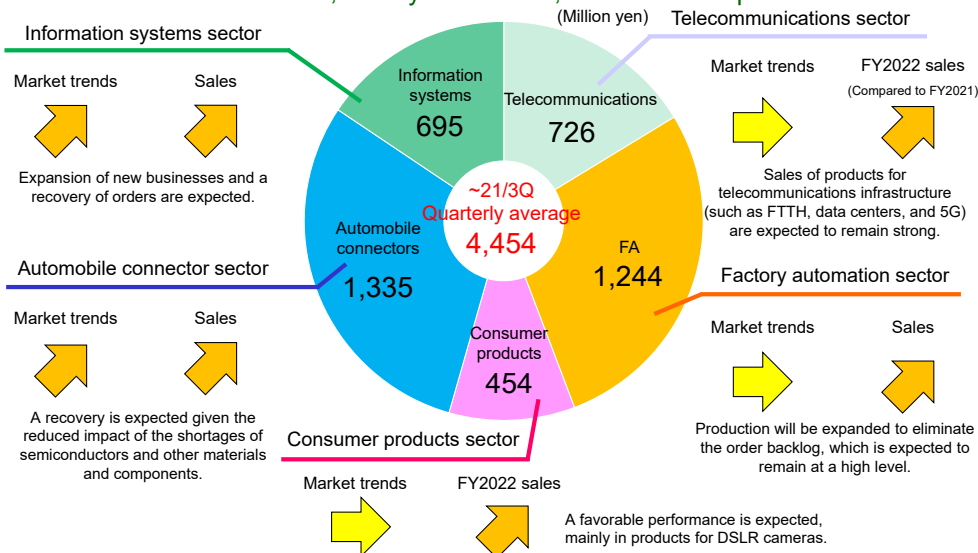
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## 4. Trends in the next fiscal year

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Demand is expected to remain at a high level.

Net sales are expected to increase, partly reflecting a record order backlog in the telecommunications, factory automation, and consumer products sectors.



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## 5. Initiatives for the next fiscal year

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Accelerating initiatives to develop new products and increase profitability

### New product development

Compact, high-speed transmission (6Gbps/12Gbps) connectors    Compact relay connector for robots



- An industry-leading level of transmission speed among automobile connectors
- The smallest size in the industry



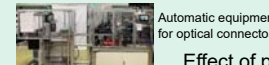
- The smallest size in the industry
- High wiring workability

These products are being exhibited at a trade show (IIFES 2022). Engineering samples will begin to be provided in the near future.

### Profitability improvement

#### Production automation

Focusing on automating the production of optical connectors (finished), compact I/O connectors (finished), SD sockets, connectors for sensing cameras, and other products



Effect of productivity improvement: Approx. 250 million yen per year

#### Price revision

Partially revising sales prices in response to the rise in logistics and procurement costs, and taking further steps to eliminate negative impacts

### Renewal of the product website

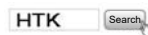
The renewed website was opened today (Jan. 31) with a completely new design, content, and system architecture.

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## Inquiries concerning IR

**Honda Tsushin Kogyo Co., Ltd.**  
**Corporate Planning Group**  
 MAIL: [ir@htk-jp.com](mailto:ir@htk-jp.com)  
 URL: <https://www.htk-jp.com/>



## Reference: Consolidated orders in the connector business

Unit: %

	1Q	2Q	3Q	4Q	Annual
FY2021 Quarter-to- quarter change	+36	-14	-4	-	-
YoY	+140	+77	+27	-	
1\$=	109 yen	110 yen	114 yen		
FY2020 Quarter-to- quarter change	-10	+11	+34	+13	+12
YoY	-18	-8	+27	+50	
1\$=	108 yen	106 yen	105 yen	106 yen	106 yen

Calculated based on real exchange rates