

# 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

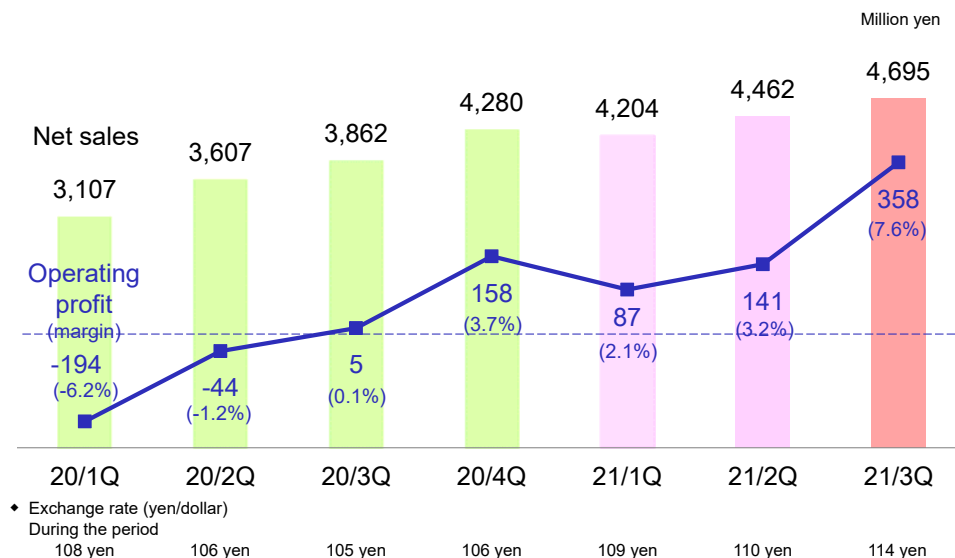
Honda Tsushin Kogyo Co., Ltd.

Kinji Kashio, President and Representative Director

Value by Connecting **HTK**

## 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%

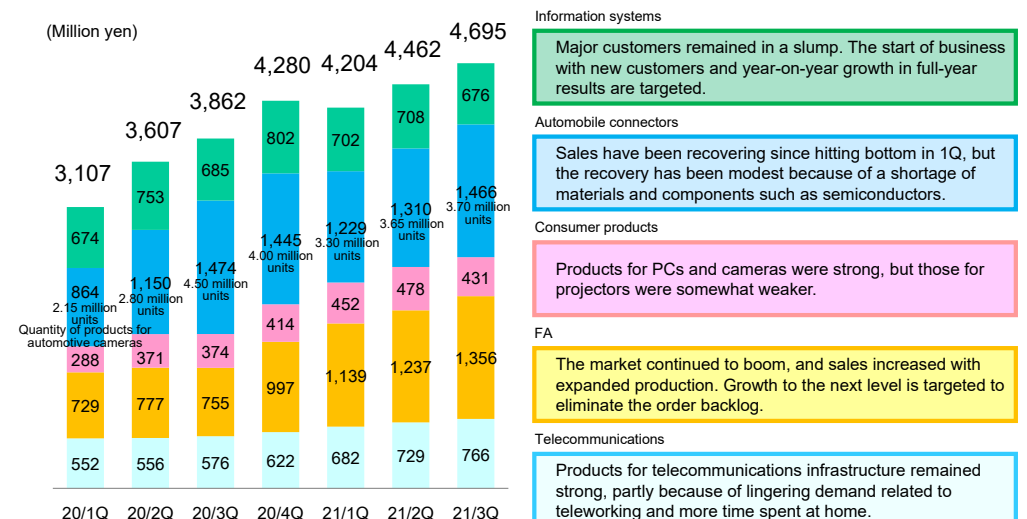
\* Values from past financial results were corrected retrospectively due to the application of the Accounting Standard for Revenue Recognition.

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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.

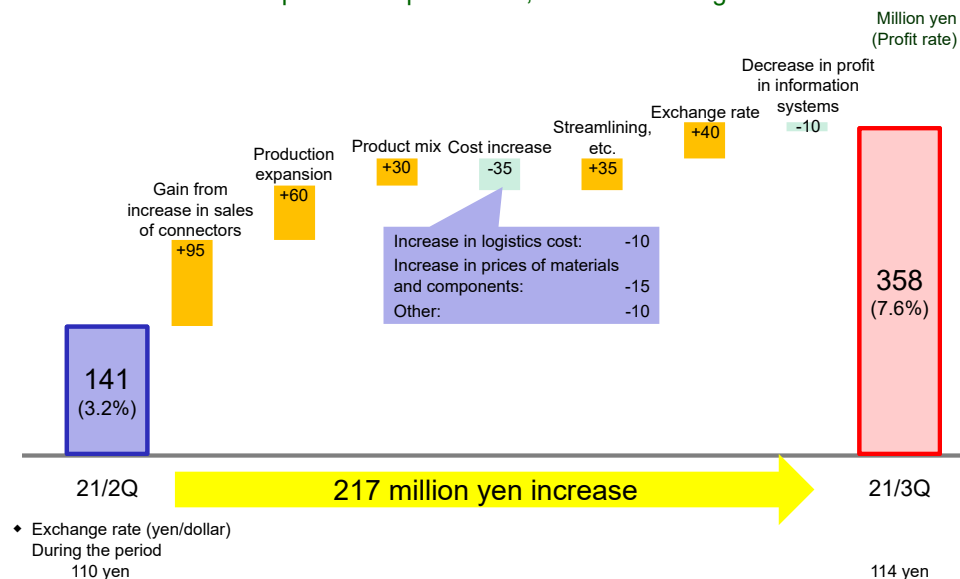


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## 2. Analysis of operating profit for 3Q of FY2021

(Compared to 2Q of FY2021)

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

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

	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

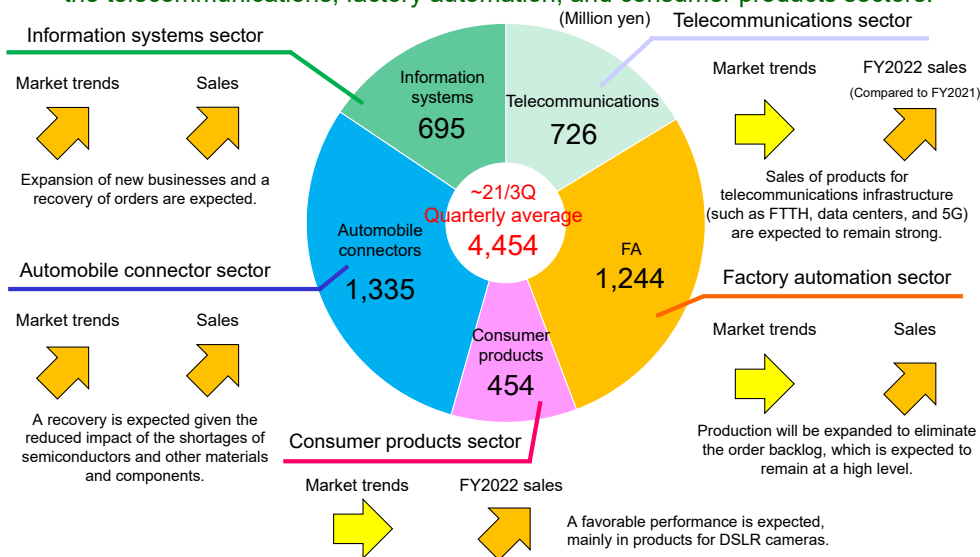
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## 4. Trends in the next fiscal year

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

Accelerating initiatives to develop new products and increase profitability

### New product development

Compact, high-speed transmission (6Gbps/12Gbps) connectors



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

Compact relay connector for robots



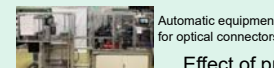
- The smallest size in the industry
- High wiring workability

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

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## 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