

November 8, 2022

Name of Company KAGA ELECTRONICS CO., LTD.
Representative Ryoichi Kado,
Representative Director, President & COO
(Stock Code: 8154 Tokyo Stock Exchange, Prime Market)
Contact Eiji Kawamura,
Director, Managing Executive Officer
Head of Administration Headquarters
Tel: +81-(0)3-5657-0111

Notice regarding upward revision to forecasts for full-year earnings, dividends of surplus, and dividends (dividend increase)

In light of recent earnings trends, KAGA ELECTRONICS CO., LTD. (hereinafter “the Company”) hereby announces that, at a Board of Directors meeting held today, a resolution was passed to upwardly revise the consolidated earnings forecasts announced on August 4, 2022, for the fiscal year ending March 31, 2023, and to upwardly revise dividends of surplus with a date of record of September 30, 2022, and the year-end dividend forecast, as shown below.

1.Revision of earnings forecast

Revision to consolidated earnings forecast for the fiscal year ending March 31, 2023
(from April 1, 2022 to March 31, 2023)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A) (Announced on August 4, 2022)	540,000	24,000	24,500	16,000	609.58
Revised forecast (B)	570,000	28,000	29,000	20,000	761.70
Difference (B) – (A)	30,000	4,000	4,500	4,000	
Percent change (%)	5.6	16.7	18.4	25.0	
(Reference) Results for the fiscal year ended March 31, 2022	495,827	20,915	21,456	15,401	576.46

< Reasons for revision >

Despite continuing shortages of certain semiconductors and electronic parts in the electronic components business, consolidated net sales, operating income, ordinary income, and profit attributable to owners of parent for the first six months of the fiscal year ending March 31, 2023, all exceeded internal forecasts. This was due to the Group leveraging its procurement competencies as an independent trading company to capture robust demand from a wide range of industries, as well as to greater-than-expected depreciation in the yen forex rate, leading to record consolidated results for the six-month period.

Because factors such as supply and demand trends in semiconductors and electronic parts, the state of COVID-19 infections, the situation in Ukraine, and forex trends indicate that caution is required going forward, we took into account only consolidated performance trends in the first six months when upwardly revising the consolidated earnings forecasts announced on August 4, 2022, for the fiscal year ending March 31, 2023, as shown in the table above. Furthermore, forecasts for the third quarter and beyond are unchanged from the previous outlook.

2. Distribution of dividends from surplus (interim dividend)

	Determined amount	Most recent dividend forecast (Announced August 4, 2022)	Dividend for previous fiscal year (FY ended March 31, 2022)
Date of record	September 30, 2022	Same as left	September 30, 2021
Dividend per share	100.00 yen (Ordinary dividend 70 yen) (Extraordinary dividend 30 yen)	70.00 yen	45.00 yen (Ordinary dividend 40 yen) (Extraordinary dividend 5 yen)
Total dividends	2,626 million yen	-	1,180 million yen
Effective date	December 2, 2022	-	December 3, 2021
Source of dividends	Retained earnings	-	Retained earnings

3. Revision of dividend forecast

	Annual dividends		
	End of 1st half	Year-end	Total
Previous forecast (Announced May 12, 2022)	70.00 yen	80.00 yen (Ordinary dividend 70 yen) (Commemorative dividend 10 yen)	150.00 yen (Ordinary dividend 140yen) (Commemorative dividend 10yen)
Revised forecast		100.00 yen (Ordinary dividend 70yen) (Commemorative dividend 10yen) (Extraordinary dividend 20yen)	200.00 yen (Ordinary dividend 140yen) (Commemorative dividend 10yen) (Extraordinary dividend 50yen)
Dividends for the current fiscal year	100.00 yen (Ordinary dividend 70yen) (Extraordinary dividend 30yen)		
(Reference) Dividends for the previous fiscal year (Fiscal year ended March 31, 2022)	45.00 yen (Ordinary dividend 40yen) (Extraordinary dividend 5yen)	75.00 yen (Ordinary dividend 40yen) (Extraordinary dividend 35yen)	120.00 yen (Ordinary dividend 80yen) (Extraordinary dividend 40yen)

< Reasons for revision >

The Company considers the return of profits to shareholders to be one of its most important management policies, and in addition to endeavoring to strengthen its financial position and management foundation from a long-term perspective, has a basic policy of maintaining stable and ongoing dividends commensurate with consolidated results.

As explained above, consolidated performance for the fiscal year ending March 31, 2023, is expected to exceed the previous forecasts. Accordingly, the interim dividend has been upwardly revised from the previously forecast 70 yen per share to 100 yen per share through the addition of an extraordinary dividend of 30 yen, while the year-end dividend has been upwardly revised through the addition of an extraordinary dividend of 20 yen, such that both interim and year-end dividend are 100 yen per share.

As a result, the annual dividend will be 200 yen per share, an increase of 80 yen from the dividend paid in the previous fiscal year.

(Note) The above forecasts are based on the information currently available to the Company on the date of the release and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.