November 10, 2026

Summary of Consolidated Financial Results for the First Half Ended September 30, 2026 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.
Stock Code: 8154 URL: https://www.taxan.co.jp/
Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
Representative: Title: Representative Director, President & COO — Name: Ryoichi Kado
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Date of filing of interim securities report (tentative): November 13, 2026
Date of commencement of dividend payment (tentative): December 4, 2026
Earnings supplementary explanatory documents: Yes
Earnings presentation: Yes (For institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the H1 of the fiscal year ending March 2027 (April 1, 2026 – September 30, 2026)

(1) Result of operations (Consolidated, year-to-date)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
H1 ended September 2026	376,921	30.4	18,980	45.5	18,959	41.0	19,515	29.8
H1 ended September 2025	288,959	11.5	13,049	13.5	13,443	19.2	15,033	89.3

Note: Comprehensive income: H1 of FY3/2027: 22,356 million yen [46.0%] H1 of FY3/2026: 15,311 million yen [43.0%]

	Earnings per share	Earnings per share (diluted)
	yen	yen
H1 ended September 2026	409.43	–
H1 ended September 2025	293.86	–

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of September 30, 2026	460,937	216,932	43.8
As of March 31, 2026	403,694	183,516	45.5

Reference: Shareholders' equity : As of September 30, 2026: 202,021 million yen As of March 31, 2026: 183,503 million yen.

2. Dividends

	Dividend per share					Dividend payout ratio (Consolidated)
	1Q	2Q	3Q	Year-end	Full year	
	yen	yen	yen	yen	yen	%
Fiscal year ended March 2026	–	60.00	–	80.00	140.00	22.3
Fiscal year ending March 2027	–	80.00				
Fiscal year ending March 2027 (Forecast)			–	100.00	180.00	26.8

Notes: 1. Change in the dividend forecast from the latest announcement: Yes
Breakdown of interim dividend for 2026/3: Ordinary dividend: 55.00 yen; Extraordinary dividend: 5.00 yen
Breakdown of year-end dividend for 2026/3: Ordinary dividend: 55.00 yen; Extraordinary dividend: 25.00 yen
Breakdown of interim dividend for 2027/3: Ordinary dividend: 70.00 yen; Extraordinary dividend: 10.00 yen
Breakdown of year-end dividend for 2027/3(Forecast): Ordinary dividend: 70.00 yen; Extraordinary dividend: 30.00 yen
2. With respect to the revision of dividend forecast, please refer to "Notice Regarding Upward Revision to Forecasts for Full-Year Earnings and Dividends (Dividend Increase)", announced today (November 10, 2026).

3. Forecast for the fiscal year ending March 2027 (Consolidated, April 1, 2026 – March 31, 2027)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	800,000	21.4	36,000	29.4	36,000	20.3	32,000	2.9	671.28

Notes: 1. Change in the forecast from the latest announcement: Yes
2. With respect to the revision of dividend forecast, please refer to “Notice Regarding Upward Revision to Forecasts for Full-Year Earnings and Dividends (Dividend Increase)”, announced today (November 10, 2026).

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
New: 17 (Company Name): Shinko Shoji Co., Ltd. and sixteen other companies

(2) Use of accounting methods specifically for the preparation of the interim consolidated financial statements : None

(3) Changes in accounting policies, estimates, and retrospective restatement
(a) Changes due to revision of accounting standards : None
(b) Changes other than (a) : None
(c) Changes in accounting estimates : None
(d) Retrospective restatement : None

(4) Number of shares outstanding (common stock)
(a) Shares outstanding (including treasury shares)
As of September 30, 2026: 52,486,836 As of March 31, 2026 52,486,836
(b) Treasury shares
As of September 30, 2026: 4,811,808 As of March 31, 2026 4,827,804
(c) Average number of shares (interim consolidated during the period)
Period ended September 30, 2026: 47,665,884 Period ended September 30, 2025: 51,160,138

Notes: As a result of the cancellation of treasury shares on August 18, 2025, the number of shares issued at the end of the fiscal year decreased by 4,917,400 shares.

* The interim audit procedures by a certified public accountant or auditing firm are not applicable to this Financial Results report.

* Cautionary statement regarding forecasts of operating results and special notes
(Caution regarding forward-looking statements)
Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For conditions as assumption for earnings forecast and cautionary statement regarding use of the forecast, please see “1. Results of Operations (3) Explanation of the consolidated earnings forecast and other forward-looking statements” on page 6.

(Supplementary materials for financial results and how to obtain details of the financial results meeting)
We plan to hold an earnings briefing for institutional investors and analysts on Thursday, November 26, 2026. Materials for the earnings presentation (Japanese and English) will be posted on TDnet and our website today (Tuesday, November 10). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on November 26.
(A video of the earnings briefing in English will be posted at a later date.)
(Japanese)https://www.taxan.co.jp/jp/ir/event/event_01.html
(English) https://www.taxan.co.jp/en/ir/event/event_01.html

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1. Results of Operations

(1) Overview of consolidated business performance

The following is an overview of consolidated business performance during the H1 of the consolidated fiscal period under review.

	FY 2026/3 H1 (April 1, 2025 – September 30, 2025)	FY 2027/3 H1 (April 1, 2026 – September 30, 2026)	YoY	
	million yen	million yen	million yen	
Net sales	288,959	376,921	87,961	30.4%
Gross profit	39,544	51,507	11,962	30.2%
(Margin)	13.7%	13.7%	(0.0pt)	–
SG&A	26,495	32,526	6,030	22.8%
(Margin)	9.2%	8.6%	(0.6pt)	–
Operating income	13,049	18,980	5,931	45.5%
(Margin)	4.5%	5.0%	0.5pt	–
Ordinary income	13,443	18,959	5,515	41.0%
Profit before income taxes	19,719	25,217	5,498	27.9%
Profit attributable to owners of parent	15,033	19,515	4,481	29.8%
Exchange Rate (Average rate during the year period) Yen / US$	146.04yen	159.37yen	13.33yen	–

Net Sales

In the electronic components business, the components sales business recorded strong sales of memory semiconductors and other device products amid continued growth in semiconductor demand, particularly for AI applications, and soaring prices. In the EMS(*) business, performance was strong for the air-conditioning and medical equipment sectors. In the information equipment business, the PC sales business performed well, as did sales of power supply products for mobile base stations and data centers. In addition, the earnings of Shinko Shoji, which became a consolidated subsidiary of the Company in August 2026, were added to the results from the second quarter under review.
As a result, net sales increased by 87,961 million yen, or 30.4%, year on year to 376,921 million yen.

Note: Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis.

Gross Profit

Gross profit increased by 11,962 million yen, or 30.2%, year on year to 51,507 million yen, driven by higher sales.

Operating income

Although selling, general and administrative expenses increased due to higher sales and corporate acquisitions, operating income increased by 5,931 million yen, or 45.5%, year on year to 18,980 million yen, reflecting efforts to manage expenses efficiently. Operating income margin increased by 0.5 percentage points year on year to 5.0%.

Ordinary income

Although dividend income increased, higher interest expenses and the recognition of foreign exchange losses weighed on ordinary income, which increased by 5,515 million yen, or 41.0%, year on year to 18,959 million yen.

Profit before income taxes	Profit before income taxes increased by 5,498 million yen, or 27.9%, year on year to 25,217 million yen, driven by the recognition of extraordinary income, including a gain on bargain purchase from a corporate acquisition (5,007 million yen) and gains on sales of investment securities (1,121 million yen) resulting from the reduction of cross-shareholdings.
Profit attributable to owners of parent	Profit attributable to owners of parent increased by 4,481 million yen, or 29.8%, year on year to 19,515 million yen, due to the recognition of income taxes – current.

As stated above, in the first half under review, consolidated net sales and income at all levels of profit, from operating income through profit attributable to owners of parent, recorded double-digit year-on-year growth and reached first-half record highs.

Business segment performance

The following is a summary of business results by segment for the H1 of the consolidated fiscal period under review.

		FY 2026/3 H1 (April 1, 2025 – September 30, 2025)	FY 2027/3 H1 (April 1, 2026 – September 30, 2026)	YoY	
		million yen	million yen	million yen	
Electronic components	Net sales	247,788	340,128	92,339	37.3%
	Segment income	8,967	16,314	7,346	81.9%
Information equipment	Net sales	21,571	23,907	2,335	10.8%
	Segment income	1,616	1,662	45	2.8%
Software	Net sales	1,679	1,405	(273)	(16.3%)
	Segment income	165	257	91	55.4%
Others	Net sales	17,919	11,479	(6,439)	(35.9%)
	Segment income	2,122	664	(1,458)	(68.7%)
Total	Net sales	288,959	376,921	87,961	30.4%
	Segment income	13,049	18,980	5,931	45.5%

Note: “Segment income” shows unadjusted figures for each business segment and adjusted figures for the total.

(a) Electronic components

(Development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service EMS, and other activities)

In the components sales business, semiconductor demand expanded, particularly for AI servers, and tight supply-demand conditions and soaring prices persisted for certain products. Against this backdrop, sales of memory products and other device products were strong. The business also actively pursued spot sales of products experiencing tight supply-demand conditions

Furthermore, from the second quarter under review, results also included the effects of the acquisition of Shinko Shoji Co., Ltd.

In the EMS business, although the impact of decreased demand from certain customers in the automotive sector persisted, sales to air-conditioning and medical equipment sectors remained robust.

As a result, net sales increased 37.3% year on year to 340,128 million yen and segment income increased 81.9% year on year to 16,314 million yen.

(b) Information equipment

(Sales of finished products such as PCs, PC peripherals, home electric appliances, photograph and imaging products, and other products)

In the PC sales business, sales to educational institutions were solid, driven by new project wins, sales growth at existing contracted schools, and other factors. However, sales of security software continued to be soft due to factors such as sluggish growth in sales of mobile devices. Meanwhile, sales of power supply products for mobile base stations and data centers began contributing to results.

As a result, net sales increased 10.8% year on year to 23,907 million yen and segment income increased 2.8% year on year to 1,662 million yen.

(c) Software

(Production of computer graphics, planning and development of amusement products, and other activities)

In computer graphics production for games and amusement equipment, net sales decreased as some projects ended, while profits increased due to progress on high-margin ongoing projects and new development projects.

As a result, net sales decreased 16.3% year on year to 1,405 million yen and segment income increased 55.4% year on year to 257 million yen.

(d) Others

(Recycling, reuse and support for electronics equipment, manufacture and sales of amusement equipment, and other activities)

The reuse and recycling business for PC products remained strong, supported by demand driven by the transition to Windows 11 and price increases in new PC products. However, sales of amusement equipment were sluggish due to the reactionary decline from the front-loaded shipments to the U.S. market in the corresponding period of the previous year.

As a result, net sales decreased 35.9% year on year to 11,479 million yen and segment income decreased 68.7% year on year to 664 million yen.

<Reference>Financial results:

(a) Financial highlights(3months)

	FY 2026/3 Q2 (July 1, 2025 – September 30, 2025)	FY 2027/3 Q2 (July 1, 2026 – September 30, 2026)	YoY	
	million yen	million yen	million yen	
Net Sales	150,872	206,470	55,597	36.9%
Gross profit (Margin)	21,104 14.0%	28,699 13.9%	7,595 (0.1pt)	36.0% –
Operating income (Margin)	6,564 4.4%	10,520 5.1%	3,955 0.7pt	60.3% –
Ordinary income	7,200	10,094	2,893	40.2%
Profit before income taxes	13,307	15,633	2,326	17.5%
Profit attributable to owners of parent	10,419	12,641	2,222	21.3%

(b) By segment

		FY 2026/3 Q2 (July 1, 2025 – September 30, 2025)	FY 2027/3 Q2 (July 1, 2026 – September 30, 2026)	YoY	
		million yen	million yen	million yen	
Electronic components	Net sales	131,332	189,152	57,820	44.0%
	Segment income	4,740	9,059	4,319	91.1%
Information equipment	Net sales	9,454	10,500	1,046	11.1%
	Segment income	795	895	99	12.5%
Software	Net sales	1,087	749	(338)	(31.1%)
	Segment income	207	194	(12)	(6.2%)
Others	Net sales	8,997	6,067	(2,929)	(32.6%)
	Segment income	760	325	(435)	(57.2%)
Total	Net sales	150,872	206,470	55,597	36.9%
	Segment income	6,564	10,520	3,955	60.3%

Note: “Segment income” shows unadjusted figures for each business segment and adjusted figures for the total.

(2) Overview of financial condition

(a) Assets, liabilities and net assets

Total assets as of September 30, 2026, increased by 57,242 million yen from March 31, 2026, to 460,937 million yen.

Current assets increased by 45,058 million yen from March 31, 2026, to 387,427 million yen. This is primarily due to increases of 20,250 million yen in merchandise and finished goods and 18,116 million yen in cash and deposits, partly reflecting the consolidation of Shinko Shoji as a Group company.

Non-current assets increased by 12,184 million yen from March 31, 2026, to 73,509 million yen. This is primarily due to increases of 9,065 million yen in investment securities and 1,687 million yen in property, plant and equipment, partly reflecting the consolidation of Shinko Shoji as a Group company.

Liabilities increased by 23,826 million yen from March 31, 2026, to 244,004 million yen. This is primarily due to increases of 14,939 million yen in short-term loans payable and 3,419 million yen in deferred tax liabilities.

Net assets increased by 33,416 million yen from March 31, 2026, to 216,932 million yen. This is primarily due to increases of 15,702 million yen in retained earnings, mainly reflecting profit attributable to owners of parent of 19,515 million yen, and 14,899 million yen in non-controlling interests due to the consolidation of Shinko Shoji as a Group company.

(b) Cash flows

Cash and cash equivalents as of September 30, 2026, increased by 16,775 million yen from March 31, 2026, to 105,067 million yen.

(Operating activities)

Net cash provided by operating activities was 17,863 million yen (9,676 million yen provided by the same period of the previous fiscal year), mainly due to the posting of profit before income taxes.

(Investing activities)

Net cash used in investing activities was 6,853 million yen (3,979 million yen provided by the same period of the previous fiscal year), mainly due to cash outflows for the purchase of shares of subsidiaries resulting in change in scope of consolidation arising from the acquisition of Shinko Shoji Co., Ltd.

(Financing activities)

Net cash provided by financing activities was 6,377 million yen (13,838 million yen used in the same period of the previous fiscal year), mainly due to proceeds from short-term borrowings.

(3) Explanation of the consolidated earnings forecast and other forward-looking statements

Regarding the consolidated earnings forecasts for the full year ending March 31, 2027, on August 13, 2026, the Company revised net sales and all profit items from operating income through profit attributable to owners of parent upward, based on solid business performance. Furthermore, on September 25, 2026, the Company announced a second upward revision for the current fiscal year, incorporating the outlook for Shinko Shoji Co., Ltd., which became a consolidated subsidiary of the Company as of August 10 of this year through a tender offer, from the second quarter onward. As the performance for the second quarter consolidated accounting period exceeded the Company's plan, the Company has reflected this in the full-year consolidated earnings forecast and has revised it upward as described below. Accordingly, the Company has also revised its dividend forecast upward.

As a result of this revision, the management targets set forth in the Medium-Term Management Plan 2027 for fiscal years 2025–2027, formulated in November 2024 (net sales of 800.0 billion yen, operating income of 36.0 billion yen, and ROE of 12% or higher), are now expected to be achieved one year ahead of the final year of the plan.

For details, please refer to "Notice Regarding Upward Revision to Forecasts for Full-Year Earnings and Dividends (Dividend Increase)", announced today (November 10, 2026).

(a)Revisions to consolidated earnings forecasts

Revisions to consolidated earnings forecasts for the fiscal year ended March 31,2027 (from April 1, 2026 to March 31, 2027)

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A) *2 (Announced on September 25, 2026)	760,000	32,000	32,000	29,000	608.35
Revised forecast (B) *2	800,000	36,000	36,000	32,000	671.28
Difference (B-A)	40,000	4,000	4,000	3,000	62.93
Percent change (%)	5.3%	12.5%	12.5%	10.3%	10.3%
(Reference) *1 Results for the fiscal year ended March 31, 2026 *	658,941	27,824	29,930	31,099	627.71

Notes: 1. Extraordinary income and loss for the fiscal year ended March 31, 2026, included a gain on bargain purchase of 7,797 million yen and related gains and losses arising from step acquisitions totaling 385 million yen, both recognized in connection with Kyoei Sangyo Co., Ltd., becoming a consolidated subsidiary of the Company through a tender offer for its common shares conducted by the Company in July 2025.

2. For extraordinary income and loss for the fiscal year ending March 31, 2027, we expect to record 7.0 billion yen as a gain on bargain purchase and related gains and losses arising from step acquisitions in connection with Shinko Shoji Co., Ltd. becoming a consolidated subsidiary of the Company through a tender offer for its common shares conducted by the Company in August 2026.

(b) Revision of dividend forecast

Revision of the dividend forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

	Dividend per share		
	Q2	Year-end	Full year
	Yen	Yen	Yen
Previous forecast (Announced on September 25, 2026)		80.00 (Ordinary dividend 70.00) (Extraordinary dividend 10.00)	160.00 (Ordinary dividend 140.00) (Extraordinary dividend 20.00)
Revised forecast		100.00 (Ordinary dividend 70.00) (Extraordinary dividend 30.00)	180.00 (Ordinary dividend 140.00) (Extraordinary dividend 40.00)
Dividends for the current fiscal year	80.00 (Ordinary dividend 70.00) (Extraordinary dividend 10.00)		
Dividends for the previous fiscal year (Fiscal year ended March 31, 2026)	60.00 (Ordinary dividend 55.00) (Extraordinary dividend 5.00)	80.00 (Ordinary dividend 55.00) (Extraordinary dividend 25.00)	140.00 (Ordinary dividend 110.00) (Extraordinary dividend 30.00)

【Reference: Revision of other related indicators】

	Capital efficiency	Shareholder Returns		
	ROE	Consolidated dividend payout ratio	Total return ratio	DOE
Previous forecast (After adjustment for the gain on bargain purchase and other items) (Announced on September 25, 2026)	14.7%	26.3% (33.2%)	–	4.6% (4.7%)
Revised forecast (After adjustment for the gain on bargain purchase and other items)	16.3%	26.8% (34.3%)	–	5.2% (5.3%)
(Reference) *3 Results for the fiscal year ended March 31,2026 (After adjustment for the gain on bargain purchase and other items)	17.8%	22.3% (30.3%)	67.9% (92.2%)	4.5% (4.6%)
"Medium-Term Management Plan 2027" Targets (Announced on November 6, 2024)	12.0% or higher	30%～40%	–	4.0%

Notes: 3. On August 8, 2025, the Company repurchased 4,917,400 of its own shares (representing 9.4% of the total number of issued shares excluding treasury shares) for a total of 14,447 million yen and canceled all of the repurchased shares on August 18, 2025.

The latest consolidated earnings forecast assumes the recognition of approximately 7.0 billion yen in gain on bargain purchase and other income associated with the integration of Shinko Shoji Co., Ltd. as a consolidated subsidiary following the tender offer for its common shares executed in August 2026. While the table above presents shareholder return indicators for reference, the consolidated dividend payout ratio would be 34.3% and DOE 5.3% if the dividend forecast after the upward dividend revision is recalculated to reflect revision to income on a real basis, excluding the gain on bargain purchase and other income that does not involve a cash-in.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim consolidated balance sheet

(million yen)

	Fiscal year ended March 2026 (As of March 31, 2026)	H1 ended September 2026 (As of September 30, 2026)
ASSETS		
Current assets		
Cash and deposits	89,706	107,822
Notes receivable – trade	306	68
Electronically recorded monetary claims - operating	9,714	14,998
Accounts receivable – trade	163,335	148,277
Securities	141	144
Merchandise and finished goods	49,503	69,754
Work in process	1,574	3,945
Raw materials and supplies	16,926	22,238
Other	11,532	20,624
Allowance for doubtful accounts	(370)	(446)
Total current assets	342,368	387,427
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,839	11,971
Machinery, equipment and vehicles, net	11,898	11,877
Tools, furniture and fixtures, net	1,282	1,428
Land	6,237	6,975
Construction in progress	366	1,059
Total property, plant and equipment	31,624	33,312
Intangible assets		
Software	1,873	1,860
Other	38	129
Total intangible assets	1,911	1,990
Investments and other assets		
Investment securities	19,403	28,469
Retirement benefit asset	3,278	3,465
Deferred tax assets	1,383	1,627
Distressed receivables	4,662	4,646
Other	3,846	4,767
Allowance for doubtful accounts	(4,785)	(4,770)
Total investments and other assets	27,789	38,206
Total non-current assets	61,325	73,509
Total assets	403,694	460,937

(million yen)

	Fiscal year ended March 2026 (As of March 31, 2026)	H1 ended September 2026 (As of September 30, 2026)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	94,373	95,748
Short-term loans payable	68,398	83,337
Current portion of bonds payable	200	5,200
Accrued expenses	10,170	11,545
Income taxes payable	6,429	5,468
Provision for directors' bonuses	499	78
Other	15,373	19,178
Total current liabilities	195,444	220,557
Non-current liabilities		
Bonds payable	5,200	100
Long-term loans payable	6,571	7,456
Deferred tax liabilities	4,833	8,253
Provision for directors' retirement benefits	79	91
Net defined benefit liability	2,788	3,775
Asset retirement obligations	922	1,132
Other	4,339	2,637
Total non-current liabilities	24,733	23,446
Total liabilities	220,177	244,004
NET ASSETS		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	14,767	14,803
Retained earnings	136,955	152,658
Treasury shares	(9,908)	(9,875)
Total shareholders' equity	153,948	169,719
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,626	7,701
Deferred gains or losses on hedges	(1)	(7)
Foreign currency translation adjustment	23,636	23,389
Remeasurements of defined benefit plans	1,293	1,218
Total accumulated other comprehensive income	29,555	32,301
Non-controlling interests	12	14,911
Total net assets	183,516	216,932
Total liabilities and net assets	403,694	460,937

(2) Interim consolidated statements of income and comprehensive income

For the H1 (April 1, 2026 – September 30, 2026)

(million yen)

	H1 ended September 2025 (April 1, 2025– September 30,2025)	H1 ended September 2026 (April 1, 2026– September 30,2026)
Net sales	288,959	376,921
Cost of sales	249,414	325,413
Gross profit	39,544	51,507
Selling, general and administrative expenses	26,495	32,526
Operating income	13,049	18,980
Non-operating income		
Interest income	569	534
Dividends income	244	486
Commission fee	56	49
Share of profit of entities accounted for using equity method	55	55
Other	388	456
Total non-operating income	1,313	1,583
Non-operating expenses		
Interest expenses	381	870
Foreign exchange losses	319	506
loss on net monetary position	131	16
Other	88	212
Total non-operating expenses	919	1,605
Ordinary income	13,443	18,959
Extraordinary income		
Gain on sales of non-current assets	21	5
Gain on sales of investment securities	1,205	1,121
Gain on step acquisitions	466	273
Gain on bargain purchase	3,800	5,007
Other	881	–
Total extraordinary income	6,376	6,408
Extraordinary loss		
Loss on sales of non-current assets	14	16
Loss on retirement of non-current assets	1	44
Loss on valuation of investment securities	79	48
Loss on sales of real estate for investment	–	31
Other	4	7
Total extraordinary loss	100	149
Profit before income taxes	19,719	25,217
Income taxes - current	4,394	5,321
Income taxes - deferred	93	277
Total income taxes	4,487	5,598
Profit	15,231	19,619
Profit attributable to owners of parent	15,033	19,515
Profit (loss) attributable to non-controlling interests	197	103

(million yen)

	H1 ended September 2025 (April 1, 2025– September 30,2025)	H1 ended September 2026 (April 1, 2026– September 30,2026)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,256	3,182
Deferred gains or losses on hedges	32	(9)
Foreign currency translation adjustment	(1,043)	(379)
Remeasurements of defined benefit plans, net of tax	(58)	(116)
Share of other comprehensive income of associates accounted for using equity method	(107)	60
Total other comprehensive income	79	2,737
Comprehensive income	15,311	22,356
Comprehensive income attributable to owners of parent	14,908	22,294
Comprehensive income attributable to non-controlling interests	402	61

(3) Interim consolidated statement of cash flows

(million yen)

	H1 ended September 2025 (April 1, 2025– September 30,2025)	H1 ended September 2026 (April 1, 2026– September 30,2026)
Cash flows from operating activities		
Profit before income taxes	19,719	25,217
Depreciation	2,485	2,906
Amortization of goodwill	–	18
Increase (decrease) in allowance for doubtful accounts	(33)	30
Interest and dividend income	(813)	(1,021)
Interest expenses	381	870
Share of (profit) loss of entities accounted for using equity method	(55)	(55)
Loss (gain) on sales of investment securities	(1,205)	(1,113)
Loss (gain) on valuation of investment securities	79	48
Loss (gain) on step acquisitions	(466)	(273)
Gain on bargain purchase	(3,800)	(5,007)
Decrease (increase) in notes and accounts receivable - trade	10,983	33,816
Decrease (increase) in inventories	(7,305)	(10,591)
Decrease (increase) in accounts receivable - other	132	874
Decrease (increase) in advance payments	119	(3,859)
Increase (decrease) in notes and accounts payable - trade	(6,225)	(13,437)
Increase (decrease) in accrued expenses	337	494
Decrease (increase) in consumption taxes refund receivable	1,275	(869)
Decrease (increase) in other current assets	49	(91)
Increase (decrease) in other current liabilities	(491)	(940)
Other, net	(1,586)	(2,708)
Subtotal	13,580	24,305
Interest and dividend income received	832	1,018
Interest expenses paid	(391)	(873)
Income taxes paid	(4,344)	(6,586)
Net cash provided by (used in) operating activities	9,676	17,863
Cash flows from investing activities		
Payments into time deposits	(5,833)	(191)
Proceeds from withdrawal of time deposits	11,942	159
Purchase of property, plant and equipment	(2,034)	(2,779)
Proceeds from sales of property, plant and equipment	112	5
Purchase of intangible assets	(187)	(410)
Proceeds from purchase of shares of Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,218)	(5,775)
Purchase of investment securities	(838)	(161)

(million yen)

	H1 ended September 2025 (April 1, 2025 – September 30, 2025)	H1ended September 2026 (April 1, 2026 – September 30, 2026)
Proceeds from sales of investment securities	2,989	2,012
Short-term loan advances	(0)	(5)
Other payments	(80)	(144)
Other proceeds	127	437
Net cash provided by (used in) investing activities	3,979	(6,853)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	9,171	12,787
Proceeds from long-term borrowings	149	–
Repayments of long-term loans payable	(504)	(1,814)
Redemption of bonds	(5,100)	(100)
Purchase of treasury shares	(14,447)	(1)
Cash dividends paid	(2,886)	(3,806)
Other, net	(221)	(688)
Net cash provided by (used in) financing activities	(13,838)	6,377
Effect of exchange rate change on cash and cash equivalents	(1,539)	(611)
Net increase (decrease) in cash and cash equivalents	(1,722)	16,775
Cash and cash equivalents at beginning of period	72,681	88,292
Cash and cash equivalents at end of period	70,958	105,067

(4) Notes to the interim consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Notes to significant change in shareholders' equity)

Not applicable

(Notes to segment information)

Ⅰ For the H1 ended September 2025 (April 1, 2025 – September 30, 2025)

1. Information about net sales and income (loss) by reportable segments

(million yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	247,788	21,571	1,679	17,919	288,959	–	288,959
Inter-segment sales or transfers	2,121	7,016	435	2,542	12,115	(12,115)	–
Total	249,910	28,588	2,114	20,461	301,074	(12,115)	288,959
Segment income (loss)	8,967	1,616	165	2,122	12,873	176	13,049

Notes: 1. The adjustment of 176 million yen in segment income consists of the elimination of inter-segment trade.
2. Segment income is adjusted for operating income on the interim consolidated statements of income and comprehensive income.

2. Information on assets by reportable segment

During the first half under review, the Company acquired shares in Kyoei Sangyo Co., Ltd., and added it to the scope of consolidation.

As a result, during the first half under review, assets of the electronic components reportable segment increased by 39,369 million yen compared with the previous fiscal year-end.

3. Information regarding impairment loss on non-current assets or on goodwill and other matters by reportable segment

(Material impairment loss pertaining to non-current assets)

Not applicable

(Material change in goodwill amount)

Not applicable

(Material gain on bargain purchase)

A 3,800 million yen gain on bargain purchase was recorded in the electronic components business. This gain arose from the Company's acquisition of shares in Kyoei Sangyo on July 18, 2025.

Ⅱ For the H1 ended September 2026 (April 1, 2026 – September 30, 2026)

1. Information about net sales and income (loss) by reportable segments

(million yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	340,128	23,907	1,405	11,479	376,921	–	376,921
Inter-segment sales or transfers	2,259	6,987	1,053	2,583	12,885	(12,885)	–
Total	342,388	30,895	2,459	14,063	389,806	(12,885)	376,921
Segment income	16,314	1,662	257	664	18,898	82	18,980

Notes: 1. The adjustment of 82 million yen in segment income consists of the elimination of inter-segment trade.
2. Segment income is adjusted for operating income on the interim consolidated statements of income and comprehensive income.

2. Information on assets by reportable segment

During the first half under review, the Company acquired shares in Shinko Shoji Co., Ltd., and added it to the scope of consolidation.

As a result, during the first half under review, assets of the electronic components reportable segment increased by 84,379 million yen compared with the previous fiscal year-end.

3. Information regarding impairment loss on non-current assets or on goodwill and other matters by reportable segment

(Material impairment loss pertaining to non-current assets)

Not applicable

(Material change in goodwill amount)

Omitted due to immateriality.

(Material gain on bargain purchase)

A 5,007 million yen gain on bargain purchase was recorded in the electronic components business. This gain arose from the Company’s acquisition of shares in Shinko Shoji on August 10, 2026.

(Subsequent events)

Not applicable