November 10, 2026

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

Notice Regarding Upward Revision to Forecasts for Full-Year Earnings and Dividends (Dividend Increase)

KAGA ELECTRONICS CO., LTD. (the "Company") hereby announces that, at today's Board of Directors meeting, it has resolved to upwardly revise the consolidated earnings forecasts announced on September 25, 2026, for the full year ending March 31, 2027.
The Company also has resolved to increase the year-end dividend forecasts.
Details are described as below.

1. Revisions to consolidated earnings forecasts

Revisions to consolidated earnings forecasts for the fiscal year ending 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) Results for the fiscal year ended March 31,2026 *1	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.

<Reasons for revision>

In the first half of the current fiscal year, the Group's performance continued to exceed initial expectations, mainly in the electronic components business, amid continued growth in semiconductor demand centered on AI applications and surging prices. In addition to increased sales and rising selling prices of memory semiconductors and other device products, the focus on spot sales of some semiconductor products experiencing tight supply-demand conditions also contributed to the improvement in performance.

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 above.

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.

2. Revision of dividend forecast

	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)		
(Reference) 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)

<Reasons for revision>

The Medium-Term Management Plan 2027 sets out a cash allocation approach under which the Company will actively allocate cash generated during the plan period to growth investments and shareholder returns while maintaining financial discipline. Consistent with this approach to cash allocation, the plan establishes a basic shareholder return policy under which the Company will proactively and consistently pay dividends, targeting a consolidated dividend payout ratio of 30%–40% and a DOE of 4.0%, and flexibly repurchase its own shares in line with profit levels and capital efficiency.

In line with this policy, the Company's dividend forecasts reflect the change in profit under the current earnings forecast revision resulting from Shinko Shoji Co., Ltd., becoming a consolidated subsidiary, on an adjusted basis that excludes the non-cash gain on bargain purchase and related items of 7.0 billion yen expected to be recorded as extraordinary income. Accordingly, the Company has revised its year-end dividend forecast upward to 100 yen per share by adding an extraordinary dividend of 20 yen to the previously forecast dividend of 80 yen.

As a result, the annual dividend, including the interim dividend, will be 180 yen per share, an increase of 40 yen from the previous fiscal year. The consolidated dividend payout ratio on an adjusted basis excluding the gain on bargain purchase is expected to be 34.3%, while DOE is expected to be 5.3%.

【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) Results for the fiscal year ended March 31,2026[*3] (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%以上	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.

(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.