

December 24, 2025

Dear all stakeholders,

2025 Kaga Electronics Group: Eight Key IR Topics

KAGA ELECTRONICS CO., LTD. (Representative Director, President & COO: Ryoichi Kado; Head Office: Chiyoda-ku, Tokyo; hereinafter “the Company”) has reviewed 2025—the first year of its Medium-Term Management Plan 2027—from an investor relations perspective and has identified eight key IR topics for the year, which are presented below.

■『The Medium-Term Management Plan 2027』 Has Begun : April

The Medium-Term Management Plan 2027 for fiscal years 2025–2027 (MTP 2027) has begun. The Plan identifies two growth drivers—the trading company business for the sale of electronic equipment and components, and the EMS (Electronics Manufacturing Service) business for circuit board mounting and manufacturing—driven by organic growth and new M&As. For fiscal year 2027, ending March 2028, which is the final year of the MTP 2027, we have set minimum management targets of 800 billion yen in net sales, 36 billion yen in operating income, and 12% ROE.

URL) https://www.taxan.co.jp/news-information/wp-content/uploads/2024/11/20241106_E_release-1.pdf

■Kaga Electronics Group to Fully Internalize the Production of Small Wireless Modules : April

KAGA FEI Co., Ltd., a consolidated subsidiary of the Company, will fully internalize the production of small wireless module products starting in April, in cooperation with KAGA ELECTRONICS (THAILAND) CO., LTD. and KAGA EMS TOWADA CO., LTD., which are EMS business companies of the Company.

Wireless modules are growing markets with demand that can be expected to expand further in the future. By taking a one-stop approach to development, production, and sales, we will strengthen our business competitiveness and increase added value, with the aim of achieving sales of 10 billion yen in three years, including related businesses.

URL) https://www.taxan.co.jp/news-information/wp-content/uploads/2025/05/E_release_20250522.pdf

■Transition to a Company with an Audit & Supervisory Committee : June

Over the years, the Company has been working to strengthen its corporate governance structure, including establishment of Nomination and Compensation Committee and introduction of a delegation-based executive officer system.

The purpose of this transition to a Company with an Audit & Supervisory Committee is to strengthen the function of the Board of Directors and business execution by further expediting decision-making through delegation of authority, promoting separation of the functions of “management decision making and supervision” and “business execution,” and clarifying respective roles. This initiative also led to the appointment of the company's first female director.

URL) https://www.taxan.co.jp/jp/ir/upload_file/tdnrelease/8154_20250327501571_P01_.pdf

■Making Kyoei Sangyo a Consolidated Subsidiary : July

The Company has formulated the MTP 2027, which positions increasing sales of electronic devices to major customers, the expansion of the EMS business focusing on overseas markets; and the generation of new business revenue through M&As as drivers of growth.

The Tender Offer for shares of Kyoei Sangyo is to be made as part of the growth strategy described in the MTP.

As part of the growth strategy outlined in the MTP, we acquired 54.48% of Kyoei Sangyo's shares through a tender offer, making it a consolidated subsidiary of our company. Finally, acquiring all shares held by Mitsubishi Electric as of November.

URL) https://www.taxan.co.jp/jp/ir/upload_file/tdnrelease/8154_20250711513087_P01_.pdf

■ The largest in the Company's history Acquisition of Treasury Shares and Cancellation of the Treasury Shares : August

The capital policy set out in the MTP 2027, outlines a basic cash allocation policy to actively allocate cash to growth investments and shareholder returns, and to apply surplus funds to shareholder returns. The plan also establishes a basic shareholder return policy, setting a consolidated dividend payout ratio and DOE as targets for proactively and sustainably paying dividends and flexibly acquiring treasury shares according to profit levels and capital efficiency.

In line with the request under the corporate governance code to reduce cross-shareholdings, the Company acquired all shares held by its four main transaction banks, which had expressed an intention to sell, for a total amount of ¥14.4 billion. In addition, all 4.92 million shares acquired, equivalent to 9.4% of the total number of shares issued, have been canceled.

URL) https://www.taxan.co.jp/jp/ir/upload_file/tdnrelease/8154_20250808537136_P01_.pdf

■ Publication of Integrated Report 2025 : October

The Kaga Electronics Group has been publishing integrated reports since 2018 as a means of clearly conveying its value-creation approach over the medium and long term to a wide range of stakeholders, including shareholders and investors. This report is the eighth to be published.

This report centers on the MTP 2027. In addition to detailed explanations of each initiative provided by top management and the officers responsible for formulating the MTP, we also present, in a dialogue format, on-the-ground perspectives from the heads of the business companies overseeing our EMS business, a key growth driver of the Company, regarding its future outlook. The report also includes discussions with our outside directors and members of the Audit and Supervisory Committee, which transitioned to its current structure this fiscal year, and it newly provides disclosures based on the TCFD recommendations.

URL) https://www.taxan.co.jp/en/ir/ir_library/library_05.html

■ Construction of New EMS Factory in Thailand : November

The Company has completed the construction of a new factory (Amatanakorn Factory 3) by KAGA THAILAND, its consolidated subsidiary, to respond to increasing EMS demand in the ASEAN region which is expected to be operational by the end of this year.

The construction of the new factory is aimed at establishing a highly effective production system based on the two concepts of automation and labor-saving, to respond flexibly to shorter cycle time and fluctuations in production volume that would result from the introduction of automated installation line equipped with such devices as surface mounting equipment and soldering bath that were developed internally in the Group's bases in China, and thereby address the expected increase in demand from existing customers for circuit board mounting over the medium to long term.

In addition, a new line for the assembly of finished products will be established to respond flexibly and promptly to the diversifying needs of customers, including demand targeting the U.S. market. Through the three factories, KAGA THAILAND's EMS business will aim to achieve a combined total of 50 billion yen in net sales in five years.

URL) https://www.taxan.co.jp/news-information/wp-content/uploads/2025/11/E_release_20251104.pdf

■ **The Company and Toshiba Tec Reach a Basic Agreement to Collaborate on Product Development and Manufacturing for the Retail Industry : December**

The Company and Toshiba Tec have signed a Memorandum of Understanding (hereinafter "MOU") to collaborate on product development and manufacturing for the retail industry. Under the MOU, Toshiba Tec and Kaga Electronics intend to establish a comprehensive collaboration framework spanning product planning, manufacturing, component procurement, and installation, with the aim of delivering high-quality products to the retail industry.

URL) https://www.taxan.co.jp/news-information/wp-content/uploads/2025/12/E_Release_20251218.pdf

In 2025, underpinned by these proactive corporate initiatives, and coupled with solid progress in business performance, our share price continued to set new year-to-date and all-time highs from the second half of the year. Our market capitalization has exceeded the 200 billion yen mark and remains at that level as of today.

Looking ahead to 2026, we will remain steadfast in its commitment to proactively and strategically communicating IR information to further enhance corporate value.

We extend our sincere wishes to all stakeholders a Merry Christmas and a Happy New Year.

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General Manager

Investor Relations & Public Relations Division

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