

**Financial Results Briefing Material**  
for the First Half of the  
Fiscal Year Ending March 2025

**KAGA ELECTRONICS CO., LTD.**

TSE Prime Market 8154

November 28, 2024

**KAGA ELECTRONICS CO., LTD.**

## **Consolidated Financial Results**

for the First Half of the  
Fiscal Year Ending March 2025


Senior Executive Officer  
Head of Administration Headquarters

**Yasuhiro Ishihara**

I am Ishihara of Kaga Electronics.

Thank you very much for your continued support and thank you for watching our financial results briefing today.

I would like to present an overview of our financial results for the first half of the fiscal year ending March 31, 2025.

Summary of Financial Results for FY2025/3 2Q														
<div>FY2025/3 2Q results</div> <div>FY2025/3 earnings forecast</div>	<ul style="list-style-type: none"> <li><u>Net sales: decreased by 15.9 billion yen or 5.8% YoY to 259.0 billion yen.</u> The electronic components business was still affected by the impact of prolonged inventory adjustments at key customers and diminution of transactions with a certain major customer.</li> <li><u>Operating income: decreased by 2.3 billion yen or 17.1% YoY to 11.5 billion yen.</u> While improved product mix kept gross profit decline to 2.9% year on year, SG&amp;A expenses increased due partly to increase in personnel expenses resulting from implementation of wage increases and rising logistics costs.</li> <li><u>Ordinary income: decreased by 2.6 billion yen or 19.1% YoY to 11.2 billion yen.</u> The decrease was due primarily to recording of foreign exchange losses (net negative impact of 0.7 billion yen YoY).</li> <li><u>Net profit: decreased by 3.4 billion yen or 30.4% YoY to 7.9 billion yen.</u> The decrease reflected absence of 1.07 billion yen in gain on sale of investment securities and 0.48 billion yen in gain on bargain purchase associated with a corporate acquisition recorded a year ago.</li> <li><u>First-half results comparison with internal plan: net sales +4.0 billion yen, operating income +1.5 billion yen.</u> Upward momentum in 1Q was maintained.</li> </ul>													
	<ul style="list-style-type: none"> <li>Maintaining full-year earnings forecasts announced on May 9, 2024. While prolonged inventory adjustment is a concern, the outlook is for this trend to gradually ease in the second half and demand to start recovering.</li> </ul> <table> <tr> <th></th><th>Net Sales</th><th>Operating income</th><th>Net income</th></tr> <tr> <td>FY2025/3 Forecasts</td><td>JPY 550.0 bn</td><td>JPY 26.0 bn</td><td>JPY 18.0 bn</td></tr> <tr> <td>2Q Progress rate</td><td>46.7%</td><td>44.2%</td><td>44.1%</td></tr> </table>				Net Sales	Operating income	Net income	FY2025/3 Forecasts	JPY 550.0 bn	JPY 26.0 bn	JPY 18.0 bn	2Q Progress rate	46.7%	44.2%
	Net Sales	Operating income	Net income											
FY2025/3 Forecasts	JPY 550.0 bn	JPY 26.0 bn	JPY 18.0 bn											
2Q Progress rate	46.7%	44.2%	44.1%											
 <div>1</div>														

These are the results for the first half of the fiscal year ending March 31, 2025.

Net sales decreased by 15.9 billion yen from the previous year to 259.0 billion yen.

The primary reasons for the decrease in net sales were the prolonged inventory adjustments carried out by major customers in the mainstay electronic components business and the impact of a diminution of transactions with certain major customers, among other factors.

Operating income decreased by 2.3 billion yen from the previous year to 11.5 billion yen.

The gross profit margin improved to 13.2% due to an improved product mix, and although gross profit decreased by only 2.9% year on year, SG&A expenses increased due to factors such as an increase in personnel expenses attributable to pay rises, as well as an increase in logistics costs. Ordinary income decreased by 2.6 billion yen from the previous year to 11.2 billion yen due to factors such as the recording of foreign exchange losses due to the impact of the weaker yen.

Net profit decreased by 3.4 billion yen from the previous year to 7.9

billion yen due to the absence of gain on sales of investment securities and gain on bargain purchase associated with a corporate acquisition, which were posted as extraordinary income in the previous year.

Compared to our internal plan figures, which took into account the impact of customer inventory adjustments, net sales were 4 billion yen higher and operating income was 1.5 billion yen higher than forecast, both of which were higher than expected.

Following from the first quarter, the upward trend in performance compared to our internal plan figures continued in the second quarter.

Next, I will explain the full-year earnings forecast for the fiscal year ending March 31, 2025.

In the second quarter, net sales reached 46.7%, operating income achieved 44.2% and net profit reached 44.1% of the full-year earnings forecast announced on May 9. Progress is generally in line with forecasts in all cases.

Although results came in above the internal plan in the first half of the year, and we are concerned that customer inventory adjustments may be prolonged, at this point we have decided to leave the full-year earnings forecast unchanged based on the expectation that inventory will decline and demand will gradually recover from the second half of the year.



## Financial Highlights for FY2025/3 2Q

(million yen)

	FY2024/3 2Q Results	FY2025/3 2Q Results	YoY	FY2025/3 Forecasts (Announced on May 9, 2024)	Progress rate
Net sales	275,044	<b>259,064</b>	-5.8%	555,000	46.7%
Gross Profit	35,160 <i>12.8%</i>	<b>34,133</b> <i>13.2%</i>	-2.9%	—	—
SG&A	21,284 <i>7.7%</i>	<b>22,631</b> <i>8.7%</i>	6.3%	—	—
Operating income	13,876 <i>5.0%</i>	<b>11,501</b> <i>4.4%</i>	-17.1%	26,000 <i>4.7%</i>	44.2%
Ordinary income	13,945 <i>5.1%</i>	<b>11,278</b> <i>4.4%</i>	-19.1%	26,000 <i>4.7%</i>	43.4%
Profit attributable to owners of parent	11,404 <i>4.1%</i>	<b>7,941</b> <i>3.1%</i>	-30.4%	18,000 <i>3.2%</i>	44.1%
EPS (yen) *2	217.11	<b>151.15</b>	—	342.63	—
Exchange Rate    yen / USD	141.00	<b>152.63</b>	—	145.00	—

Note: 1. The effect of exchange rates on the conversion into yen is approximately 7,992 million yen on net sales and 253 million yen on operating income.

2. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. EPS is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

3. "x. x%" represents the ratio to net sales.

The financial highlights on the next page are as I have just explained. Earnings per share (EPS) for the first half of this fiscal year was 151.15 yen.

Please note that the Company carried out a 2-for-1 stock split for its common stock, effective October 1, 2024. In this material, EPS is calculated based on the standards after the stock split for both the current and previous fiscal years.

The average exchange rate during the first half was 152.63 yen against the U.S. dollar, which represents a depreciation of 11.63 yen from the previous year and is also 7.63 yen weaker than the assumed exchange rate of 145 yen in the full-year earnings forecast.

The year-on-year impact of exchange rate fluctuations was an increase in net sales of approximately 8.0 billion yen, and an increase in operating income of approximately 250 million yen.


# Results by Business Segment for FY2025/3 2Q

(million yen)

		FY2024/3 2Q Results		FY2025/3 2Q Results		YoY	FY2025/3 Forecasts <small>(Announced on May 9, 2024)</small>		Progress rate
Electronic Component	Net sales	242,564		225,866		-6.9%	482,500		46.8%
	Segment income	11,785	4.9%	8,679	3.8%	-26.4%	20,900	4.3%	41.5%
Information Equipment	Net sales	20,715		18,633		-10.1%	45,000		41.4%
	Segment income	1,280	6.2%	1,392	7.5%	8.7%	3,000	6.7%	46.4%
Software	Net sales	1,225		1,471		20.1%	3,000		49.1%
	Segment income	112	9.2%	256	17.4%	127.2%	400	13.3%	64.2%
Others	Net sales	10,539		13,093		24.2%	24,500		53.4%
	Segment income	623	5.9%	1,094	8.4%	75.6%	1,700	6.9%	64.4%
Total	Net sales	275,044		259,064		-5.8%	555,000		46.7%
	Segment income	13,876	5.0%	11,501	4.4%	-17.1%	26,000	4.7%	44.2%

Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).

2. "x. x%" represents the profit margin.



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These are the results by business segment.

In the mainstay electronic components business, in component sales, SoC and other products at Kaga FEI brought in strong sales, but net sales and income declined due to the impact of inventory adjustments by major customers and a diminution of transactions with certain major customers of Excel, among other factors. In the EMS business, net sales and income increased due to continued strong sales in the automotive sector, a recovery in sales of applications related to industrial equipment, and the start of a recovery in sales of products for air-conditioning equipment from the second quarter, despite the impact of inventory adjustments by major customers. Both net sales and segment income exceeded the internal plan figures (for the first half of the year, which had factored in the impact of inventory adjustments by major customers. In the information equipment business, sales of PCs for educational institutions remained strong, but sales to mass retailers were low due to the impact of the major PC supplier's reduced product lineups. In addition, in the LED installation business, net sales decreased as a large-scale project that had been in full swing since two fiscal years earlier wrapped up. On the other hand, the income margin improved and income increased as sales of security software, which has relatively high profitability, continued to be strong. The segment income margin improved from 6.2% to 7.5%.


In the software business, orders for computer graphics production were strong, leading to an increase for net sales and income.

In the others business, the PC product and PC peripheral recycling business, as well as sales of amusement equipment and sporting goods, were also steady, leading to higher net sales and income.

Please also refer to pages 7 and 8, which contain information by business segment.

Results by Company for FY2025/3 2Q					
(million yen)					
		FY2024/3 2Q Results		FY2025/3 2Q Results	YoY
Kaga Electronics	Net sales	156,408		148,154	-5.3%
	Gross Profit	23,651	15.1%	23,685	16.0%
	Operating income	10,568	6.8%	9,689	6.5%
Kaga FEI	Net sales	98,766		96,783	-2.0%
	Gross Profit	9,632	9.8%	8,678	9.0%
	Operating income	2,422	2.5%	991	1.0%
Excel	Net sales	19,869		14,127	-28.9%
	Gross Profit	1,925	9.7%	1,735	12.3%
	Operating income	865	4.4%	693	4.9%
Total	Net sales	275,044		259,064	-5.8%
	Gross Profit	35,160	12.8%	34,133	13.2%
	Operating income	13,876	5.0%	11,501	4.4%

Note: 1. With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.  
2. "x.x%" represents the profit margin.

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Next, I will explain our performance by company.

In the Kaga Electronics Group's traditional business, net sales have decreased due to the impact of inventory adjustments by major customers, but the gross profit margin has improved by 0.9 points to 16% due to an improvement in the sales mix and a steady recovery in the EMS business. In addition, gross profit also increased slightly, so we are maintaining a high level of profitability.

In the Kaga FEI Group, despite being affected by inventory adjustments by major customers, the decline in net sales and gross profit was limited due to steady sales of SoC and other products.

In the Excel Group, despite a decrease in sales to certain major customers, we increased profitability by improving the sales mix and also worked to reduce SG&A expenses. As a result, we were able to continue to improve the operating income margin to 4.9% (2.7% the year before last, 4.4% the year before, 4.9% this year).

The gross profit margin for the entire company also improved by 0.4 points year on year to 13.2%, due to factors such as the recovery of the EMS business and an improvement in the sales mix. In addition, SG&A expenses increased because of the rise in personnel expenses caused by the pay increases implemented across the Group during the current period, and the rise in logistics costs, and the operating income margin

fell by 0.6 points to 4.4%. We will continue to work to build a lean operating structure that can withstand adversity by improving profitability and reducing SG&A expenses.

## Analysis of Changes in Net Sales through Operating Income by Corporate Group for FY2025/3 2Q

(million yen)

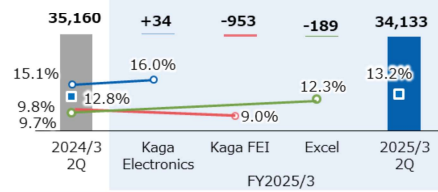
### Net Sales

Kaga Electronics and Kaga FEI posted sales decrease due partly to impact of inventory adjustments. Excel saw a decrease in sales to a major customer.



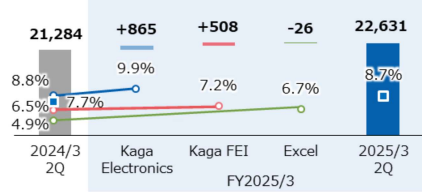
### Gross profit / Gross profit margin

Kaga Electronics' gross profit remained flat. Kaga FEI and Excel recorded gross profit decrease due to lower sales. Kaga Electronics and Excel improved profit margin due to better sales mix.



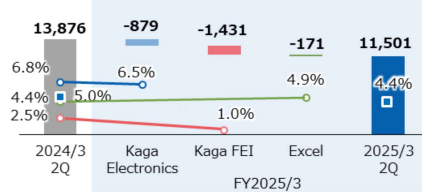
### SG&A / SG&A ratio

Personnel expenses increased in all three companies due to implementation of wage increases. Despite the impact of wage increases, Excel's SG&A expenses decreased only slightly due to lower sales.



### Operating income / Operating income margin

Kaga Electronics' operating income decrease was due primarily to increase in SG&A expenses. At Kaga FEI and Excel, gross profit decline was an additional factor that led to income decrease.



Note :With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the two companies. For reference, after consolidation adjustments, gross profit stood at 33 million yen, and operating income came to 126 million yen.

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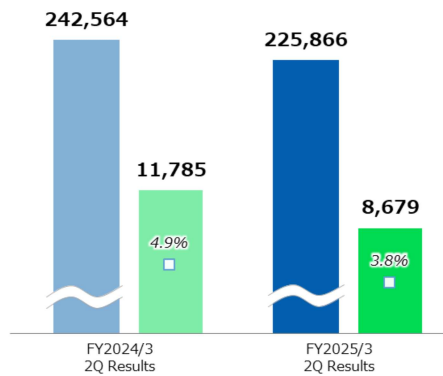
Please also refer to the graphs on page 6.

## Financial Highlights: Electronic Component Segment

### Net sales/Segment income

(million yen)

■ Net Sales  
■ Segment income



### YoY

• Net Sales ▶ **-16,698**million yen **6.9%Down**  
• Segment income ▶ **-3,105**million yen **26.4%Down**

• Both net sales and income decreased in the component sales business due largely to the impact of inventory adjustments at key customers and diminution of transactions with a certain major customer of Excel.

• Kaga FEI's SoC (System on Chip) products continued to enjoy solid sales.

• EMS business increased sales and profit, due to strong sales in automotive sector and recovery in industrial equipment sector. Even sales to air conditioning equipment sector starts to show positive sign of recovery since the second quarter while being affected by inventory adjustments at major customers.

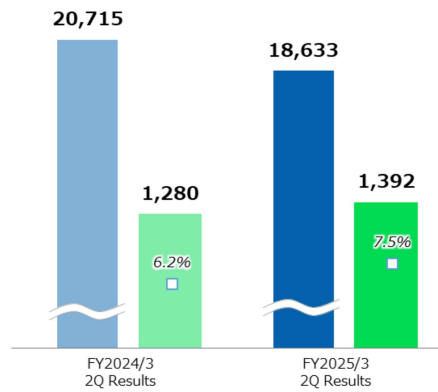


## Financial Highlights: Information Equipment Segment

### Net sales/Segment income

(million yen)

■ Net Sales  
■ Segment income



### YoY

- Net Sales ▶ **-2,082 million yen 10.1% Down**
- Segment income ▶ **+111 million yen 8.7% Up**

- Sales of PCs for educational institutions remained strong, in contrast to sluggish sales of PCs for mass retailers due to a reduction in product lines by a major PC supplier.
- Segment income increased due notably to robust sales of security software.
- The LED installation business enjoyed contribution from sales of large-scale projects that the Group has been pushing forward on a full scale since the previous fiscal year.





Financial Highlights for FY2025/3 2Q (3 months)


Reference

	(million yen)							
	FY2024/3 2Q Results		FY2025/3 1Q Results		FY2025/3 2Q Results		YoY	QoQ
Net sales	137,350		128,638		130,426		-5.0%	1.4%
Gross Profit	17,607	12.8%	16,980	13.2%	17,152	13.2%	-2.6%	1.0%
SG&A	10,725	7.8%	11,430	8.9%	11,200	8.6%	4.4%	-2.0%
Operating income	6,882	5.0%	5,550	4.3%	5,951	4.6%	-13.5%	7.2%
Ordinary income	7,035	5.1%	6,045	4.7%	5,232	4.0%	-25.6%	-13.5%
Profit attributable to owners of parent	5,636	4.1%	4,127	3.2%	3,814	2.9%	-32.3%	-7.6%
EPS (yen) *2	107.30	—	78.56	—	72.59	—	—	—

Note: 1. The effect of exchange rates on the conversion into yen is approximately 3,898 million yen on net sales and 117 million yen on operating income.

2. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. EPS is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

3. "x. x%" represents the ratio to net sales.



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Looking at overall performance for the past three months, compared to the first quarter, net sales and gross profit increased, the gross profit margin remained high, SG&A expenses decreased, and operating income improved by 0.3 points to 4.6% in the first half. Operating income was on the rise from the first quarter through the second quarter.

Please also refer to pages 10 to 14 for information by segment and company for the most recent three months.

## Results by Business Segment for FY2025/3 2Q (3 months) Reference

		(million yen)							
		FY2024/3 2Q Results		FY2025/3 1Q Results		FY2025/3 2Q Results		YoY	QoQ
Electronic Component	Net sales	122,549		111,320		114,545		-6.5%	2.9%
	Segment income	5,862	4.8%	4,331	3.9%	4,348	3.8%	-25.8%	0.4%
Information Equipment	Net sales	8,664		10,606		8,026		-7.4%	-24.3%
	Segment income	533	6.2%	639	6.0%	753	9.4%	41.1%	17.8%
Software	Net sales	647		631		840		29.7%	33.1%
	Segment income	117	18.1%	35	5.6%	221	26.3%	88.4%	527.9%
Others	Net sales	5,488		6,079		7,013		27.8%	15.4%
	Segment income	331	6.0%	461	7.6%	633	9.0%	90.8%	37.2%
Total	Net sales	137,350		128,638		130,426		-5.0%	1.4%
	Segment income	6,882	5.0%	5,550	4.3%	5,951	4.6%	-13.5%	7.2%

Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).  
2. "x. x%" represents the profit margin.

## Results by Company for FY2025/3 2Q (3 months)

Reference

		(million yen)						
		FY2024/3 2Q Results		FY2025/3 1Q Results		FY2025/3 2Q Results	YoY	QoQ
Kaga Electronics	Net sales	77,792		73,621		<b>74,532</b>	-4.2%	1.2%
	Gross Profit	11,504	14.8%	11,595	15.8%	<b>12,089</b>	5.1%	4.3%
	Operating income	4,905	6.3%	4,423	6.0%	<b>5,266</b>	7.4%	19.1%
Kaga FEI	Net sales	50,631		48,663		<b>48,119</b>	-5.0%	-1.1%
	Gross Profit	5,252	10.4%	4,616	9.5%	<b>4,062</b>	-22.7%	-12.0%
	Operating income	1,625	3.2%	831	1.7%	<b>160</b>	-90.2%	-80.7%
Excel	Net sales	8,925		6,352		<b>7,774</b>	-12.9%	22.4%
	Gross Profit	910	10.2%	785	12.4%	<b>949</b>	4.3%	20.9%
	Operating income	379	4.3%	268	4.2%	<b>424</b>	11.9%	58.2%
Total	Net sales	137,350		128,638		<b>130,426</b>	-5.0%	1.4%
	Gross Profit	17,607	12.8%	16,980	13.2%	<b>17,152</b>	-2.6%	1.0%
	Operating income	6,882	5.0%	5,550	4.3%	<b>5,951</b>	-13.5%	7.2%

Note: 1. With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.

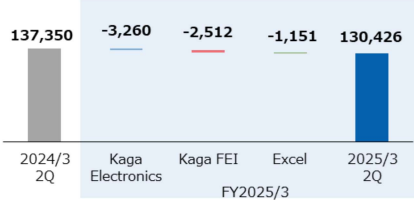
2. "x. x%" represents the profit margin.

## Analysis of Changes in Net Sales through Operating Income by Corporate Group for FY2025/3 2Q (3 months)

Reference

### Net Sales

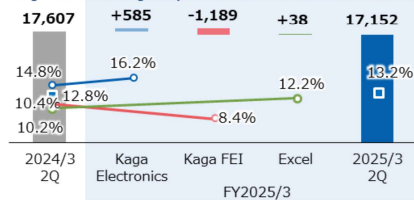
All three companies recorded a decrease in net sales due to a sales decrease in the electronic components business.



### Gross profit / Gross profit margin

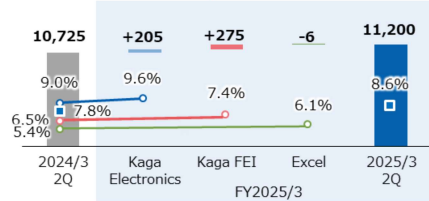
(million yen)

Both Kaga Electronics and Excel increased gross profit due to sales increase in EMS business and better sales mix, despite lower net sales. Kaga FEI recorded gross profit decrease due to sales decrease.



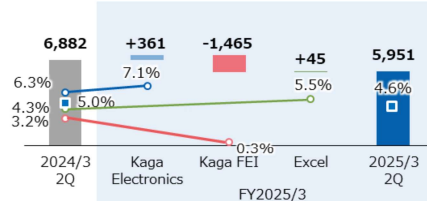
### SG&A / SG&A ratio

Increase in personnel expenses had an impact on all three companies, but Excel maintained its SG&A expenses at roughly last year's level.



### Operating income / Operating income margin

Kaga Electronics and Excel secured increase in operating income. Kaga FEI recorded income decrease due to gross profit decline.



Note :With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the two companies. For reference, after consolidation adjustments, gross profit stood at 50 million yen, and operating income came to 99 million yen.

## Financial Highlights: Electronic Component Segment (3 months)

Reference

### Net sales/Segment income

(million yen)

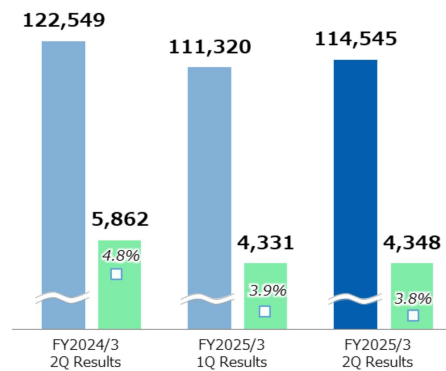
■ / ■ Net Sales  
■ / ■ Segment income

### YoY

● Net Sales ▶ **-8,003million yen 6.5%Down**  
● Segment income ▶ **-1,514million yen 25.8%Down**

### QoQ

● Net Sales ▶ **+3,225million yen 2.9%Up**  
● Segment income ▶ **+16million yen 0.4%Up**



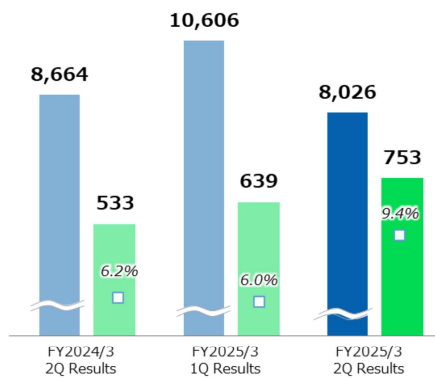
## Financial Highlights: Information Equipment Segment (3 months)

Reference

### Net sales/Segment income

(million yen)

■ Net Sales  
■ Segment income

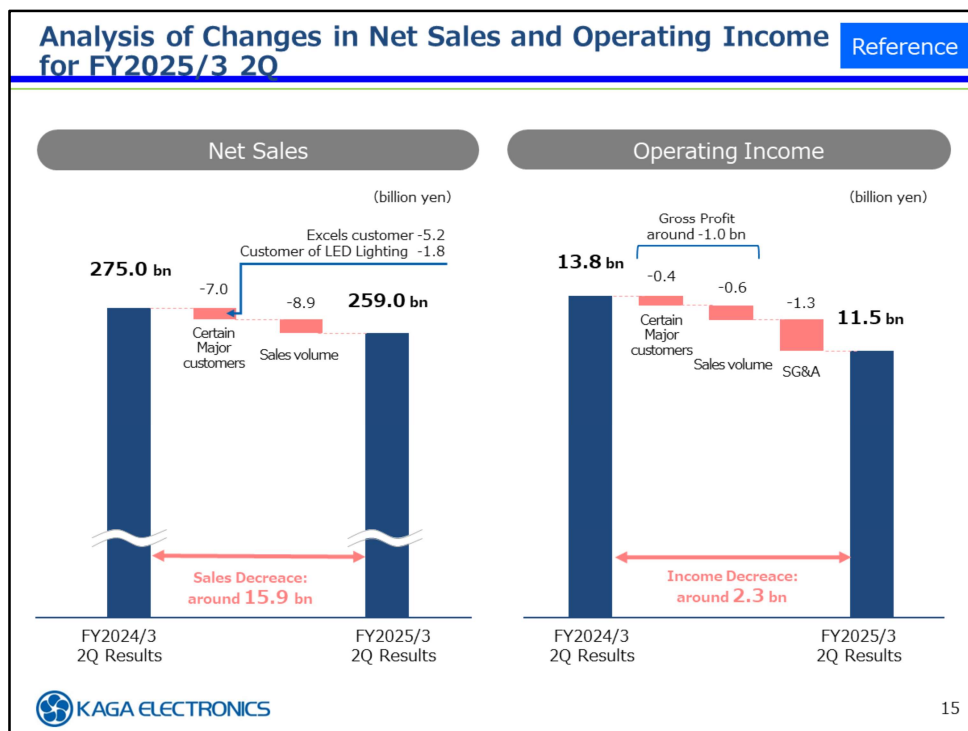


### YoY

● Net Sales ▶ **-638**million yen **7.4%Down**  
● Segment income ▶ **+219**million yen **41.1%Up**

### QoQ

● Net Sales ▶ **-2,579**million yen **24.3%Down**  
● Segment income ▶ **+113**million yen **17.8%Up**



I will now explain the factors behind the changes in net sales and operating income.

In terms of net sales, there was a decrease of 5.2 billion yen due to a diminution of transactions with certain major customers of Excel, a decrease of 1.8 billion yen due to the completion of a large-scale LED installation project that had continued since two fiscal years ago, and a decrease of 8.9 billion yen due to the impact of inventory adjustments by major customers.

Operating income decreased by 2.3 billion yen compared to the previous year, primarily because of a 400 million yen decrease due to a diminution of transactions with certain major customers, a 600 million yen decrease due to the impact of inventory adjustments by major customers, and a 1.3 billion yen decrease due to an increase in SG&A expenses attributable to an increase in personnel expenses from pay increases implemented across the Group and higher logistics costs.

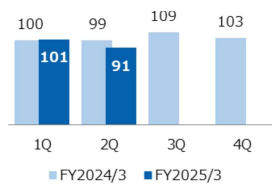
On the other hand, compared to the internal plan for the first half of the year, which had factored in the impact of inventory adjustments by major customers, net sales ended up 4 billion yen higher than expected, and operating income was 1.5 billion yen higher than expected, due to factors such as an increase in sales volume, an improvement in the sales mix, and reductions in SG&A expenses.

## Trends in Sales to Key Customers

Reference

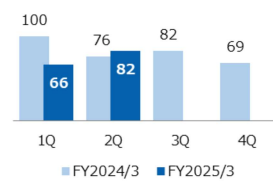
### ■ Company A in automotive sector

YoY: -8.4% QoQ: -9.5%



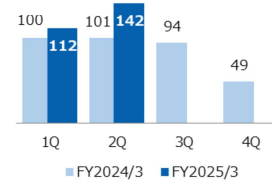
### ■ Company B in air-conditioner sector

YoY: +8.3% QoQ: +23.7%



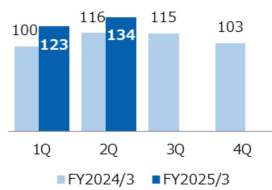
### ■ Company C in office-equipment sector

YoY: +42.1% QoQ: +26.4%



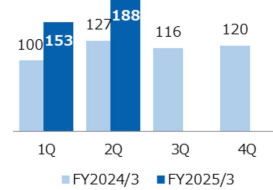
### ■ Company D in automotive sector

YoY: +15.3% QoQ: +8.5%



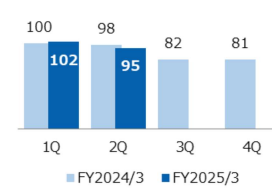
### ■ Company E in industrial-equipment sector

YoY: +47.7% QoQ: +23.0%

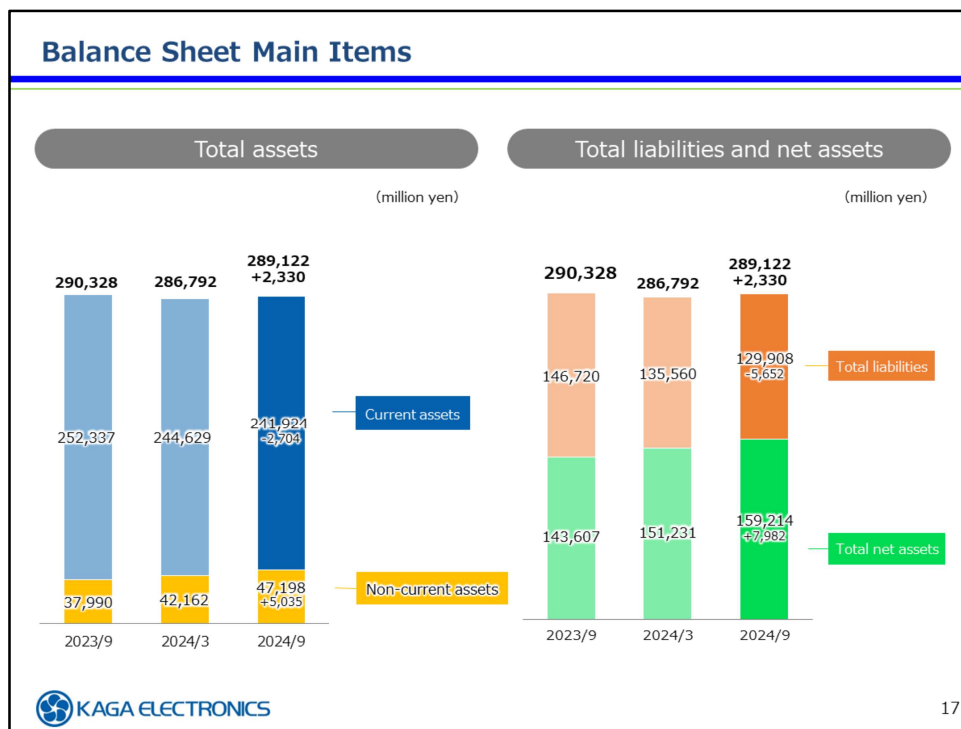


### ■ Company F in medical-equipment sector

YoY: -3.2% QoQ: -6.6%





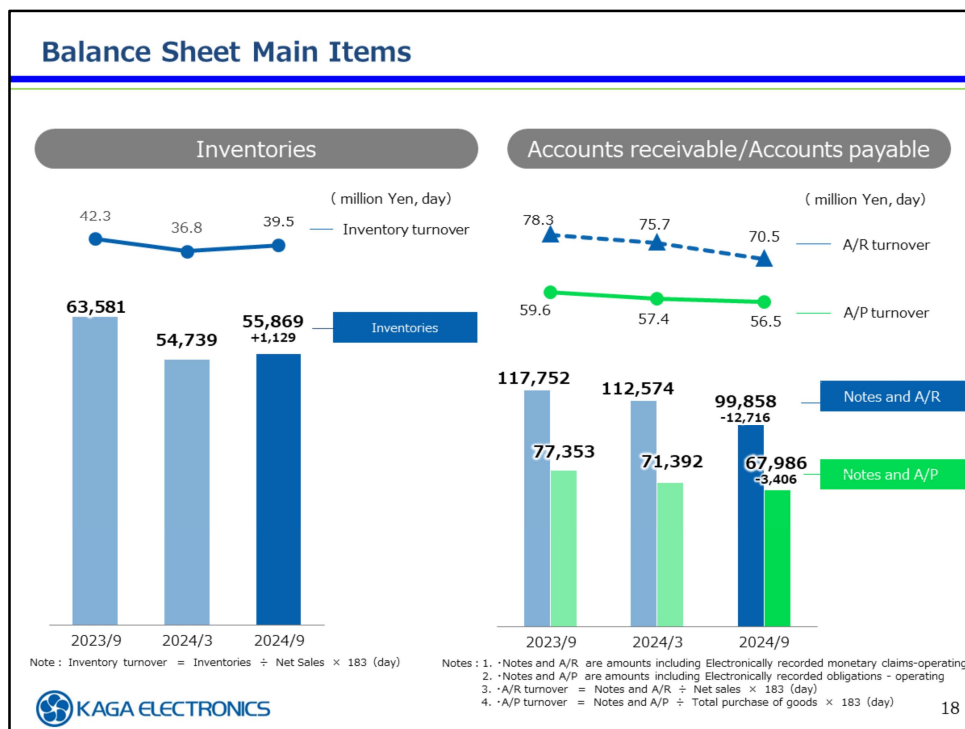


I will now move on to the balance sheet, starting with assets. Current assets decreased by 2.7 billion yen from the end of the previous fiscal year to 241.9 billion yen, due in part to a decrease in accounts receivable – trade.

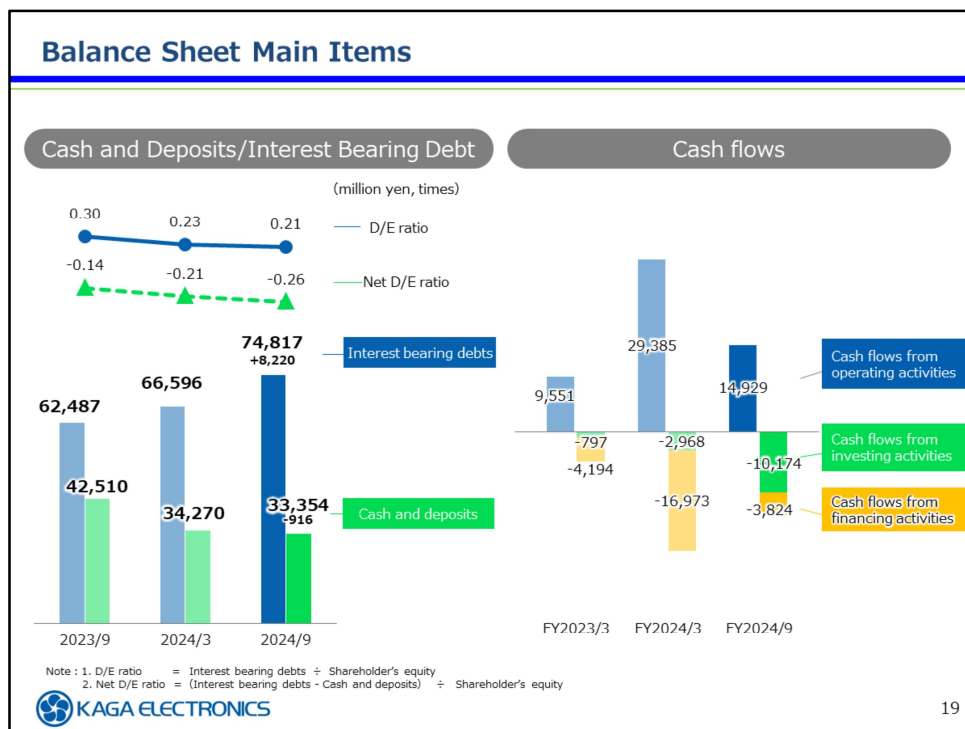
Non-current assets increased by 5.0 billion yen from the end of the previous fiscal year to 47.2 billion yen due to factors such as an increase in property, plant and equipment due to the reinforcement of EMS production facilities and an increase in investment securities, and total assets increased by 2.3 billion yen from the end of the previous fiscal year to 289.1 billion yen.

Liabilities decreased by 5.6 billion yen from the end of the previous fiscal year to 129.9 billion yen due to factors such as a decrease in notes and accounts payable – trade, while net assets increased by 7.9 billion yen from the end of the previous fiscal year to 159.2 billion yen due to factors such as an increase in retained earnings.

The equity ratio improved by 2.4 percentage points from 52.6% at the end of the previous fiscal year to 55.0%, and the Company’s financial soundness remained stable.



Inventories increased by about 1.1 billion yen from the end of the previous fiscal year to 55.8 billion yen. This represents a reduction of 7.7 billion yen compared to the end of the same period last year. During the first half of the current fiscal year, there was almost no increase in inventories during the period, and inventory levels are being properly controlled. We will work to further reduce inventories toward the end of the fiscal year.



Interest-bearing debt decreased by 900 million yen from the end of the previous fiscal year to 33.3 billion yen, and the debt-to-equity ratio (D/E ratio) was at the low level of 0.21% due to an increase in equity achieved through profit generation.

The balance of cash and deposits increased by 8.2 billion yen from the end of the previous fiscal year to 74.8 billion yen, and the net D/E ratio was -0.26%, remaining negative as it was at the end of the previous fiscal year, as a result of the increase in cash and deposits. We are working to shore up the soundness and stability of our financial foundation and are preparing for future growth investments.

## Forecasts for FY2025/3

## Forecasts for FY2025/3

(million yen)						
		FY2024/3 Results		FY2025/3 Forecasts		YoY
Net sales		542,697		555,000		2.3%
Operating income		25,845    4.8%		26,000    4.7%		0.6%
Ordinary income		25,976    4.8%		26,000    4.7%		0.1%
Profit attributable to owners of parent		20,345    3.7%		18,000    3.2%		-11.5%
EPS (yen)    *1		387.30    —		342.63    —		—
ROE		14.5%    —		11.5%    —		-3.0pt
Annual Dividends (yen)*2	Interim	110.00		110.00		—
	Full year	110.00		55.00		—

Note: 1. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. EPS is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.  
 2. The amount of the year-end dividend per share presented above for the fiscal year ending March 2025 (forecast) takes into account the effect of the stock split. If the stock split is not taken into account, the year-end dividend per share for the fiscal year ending March 2025 (forecast) would be 110.00 yen.  
 3. "x. x%" represents the profit margin.



I will now explain our full-year earnings forecast for the fiscal year ending March 31, 2025.

Based on the earnings results in the first half and progress relative to our internal plan, we have not changed our full-year earnings forecast of net sales of 555 billion yen, operating income and ordinary income of 26 billion yen, and profit of 18 billion yen because, although there are concerns that customer inventory adjustments may be protracted, we expect inventory to gradually decline from the second half of the year and demand to recover.

We will also maintain the annual dividend payment as initially planned. In addition, based on the full-year earnings forecast, we expect ROE at the end of the current fiscal year to be 11.5%.

## Forecasts by Business Segment for FY2025/3

(million yen)

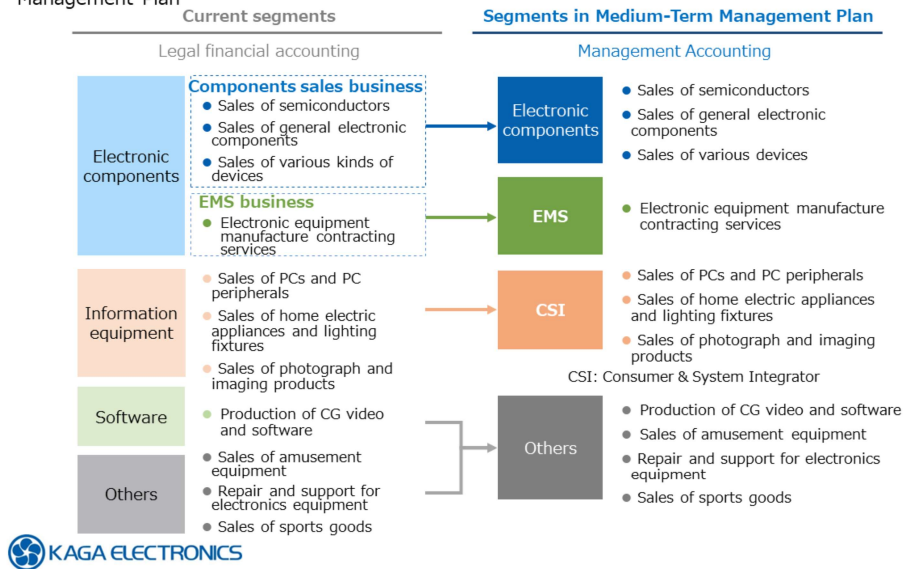
		FY2024/3 Results	FY2025/3 Forecasts	YoY
Electronic Component	Net sales	472,583	<b>482,500</b>	2.1%
	Segment income	20,887 <i>4.4%</i>	<b>20,900</b> <i>4.3%</i>	0.1%
Information Equipment	Net sales	44,305	<b>45,000</b>	1.6%
	Segment income	2,924 <i>6.6%</i>	<b>3,000</b> <i>6.7%</i>	2.6%
Software	Net sales	2,567	<b>3,000</b>	16.8%
	Segment income	370 <i>14.4%</i>	<b>400</b> <i>13.3%</i>	8.1%
Others	Net sales	23,241	<b>24,500</b>	5.4%
	Segment income	1,555 <i>6.7%</i>	<b>1,700</b> <i>6.9%</i>	9.3%
Total	Net sales	542,697	<b>555,000</b>	2.3%
	Segment income	25,845 <i>4.8%</i>	<b>26,000</b> <i>4.7%</i>	0.6%

Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).  
2. "x. x%" represents the profit margin.

## Reference

## Segment disclosure associated with the Medium-Term Management Plan

Continuous disclosure based on current segmentation according to legal financial accounting, along with voluntary disclosure based on segmentation in line with the new Medium-Term Management Plan



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Please also refer to the reference materials from page 24, which include voluntary disclosures of information by segment in line with the Medium-Term Management Plan, trends in net sales and profits by segment and region for each quarter, performance trends for the past five years, and information on exchange rates and exchange rate sensitivity.



## Financial Highlights by Business Segment of the Medium-Term Management Plan

(million yen)

		FY2024/3 2Q Results	FY2025/3 2Q Results	YoY
Electronic Component	Net sales	184,368	166,185	-9.9%
	Segment income	8,002 4.3%	5,019 3.0%	-37.3%
EMS	Net sales	62,122	64,981	4.6%
	Segment income	4,143 6.7%	4,164 6.4%	0.5%
CSI	Net sales	20,715	18,633	-10.1%
	Segment income	1,280 6.2%	1,392 7.5%	8.7%
Others	Net sales	7,837	9,264	18.2%
	Segment income	375 4.8%	847 9.1%	125.6%
Total	Net sales	275,044	259,064	-5.8%
	Segment income	13,876 5.0%	11,501 4.4%	-17.1%

Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).  
2. "x. x%" represents the profit margin.

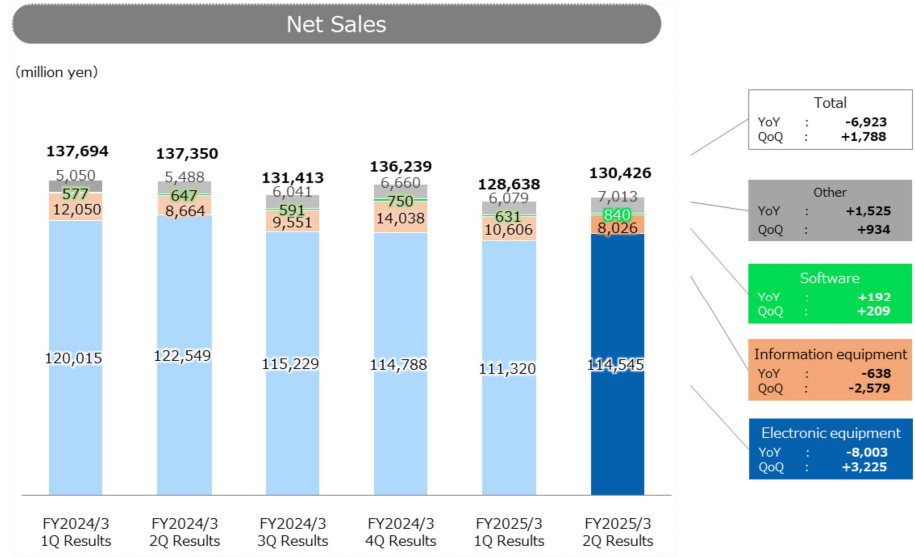
## Financial Highlights by Business Segment of the Medium-Term Management Plan (3months)

(million yen)

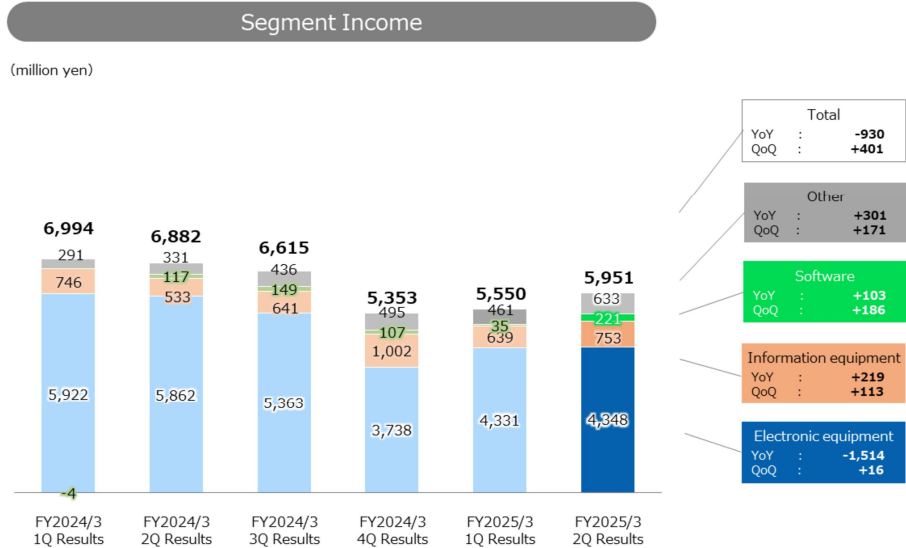
		FY2024/3 2Q Results		FY2025/3 1Q Results		FY2025/3 2Q Results		YoY	QoQ
Electronic Component	Net sales	94,253		80,696		85,489		-9.3%	5.9%
	Segment income	4,307	4.6%	2,497	3.1%	2,521	2.9%	-41.5%	0.9%
EMS	Net sales	30,348		32,930		32,050		5.6%	△2.7%
	Segment income	1,709	5.6%	2,069	6.3%	2,094	6.5%	22.6%	1.2%
CSI	Net sales	8,664		10,606		8,026		-7.4%	△24.3%
	Segment income	533	6.2%	639	6.0%	753	9.4%	41.1%	17.8%
Others	Net sales	4,083		4,404		4,860		19.0%	10.3%
	Segment income	294	7.2%	260	5.9%	586	12.1%	99.3%	125.1%
Total	Net sales	137,350		128,638		130,426		-5.0%	1.4%
	Segment income	6,882	5.0%	5,550	4.3%	5,951	4.6%	-13.5%	7.2%

Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).  
2. "x. x%" represents the profit margin.

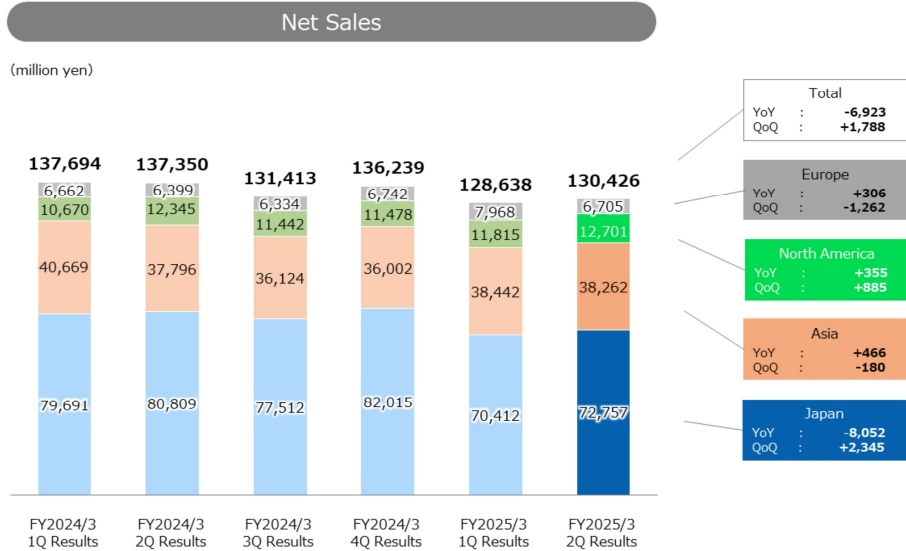
Quarterly Net Sales Trends (3months)



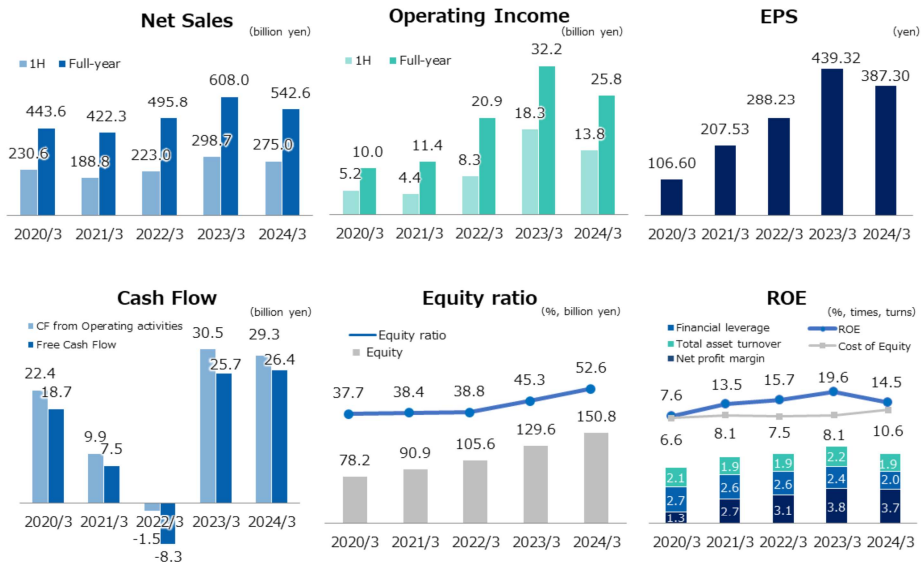
## Quarterly Segment Income Trends (3months)



## Net Sales by Region (3months)



## Latest 5 years Financial Trends



Note: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. The amounts indicated above related to EPS for the periods prior to October 1, 2024, are adjusted for the said stock split.

## Exchange Rate/FOREX Sensitivity

	FY2024/3 2Q Results (Yen)	FY2025/3 2Q Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2025/3(yen)
			Net sales	Operating income	
USD	141.00	152.63	984	14	145.00
RMB	19.45	21.05	122	7	19.50
THB	4.05	4.27	159	9	4.00
HKD	18.00	19.55	104	3	18.50
EUR	153.39	165.95	3	0	155.00

# **“Everything we do is for our customers**



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- 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.
- Display method in this material
  - Number : Truncated less than the display unit.
  - Ratio : After calculation in yen units, Round down one digit of Display unit.

This concludes my overview of the financial results for the first half of the fiscal year.

Thank you very much for your attention.