

FY2026/March H1 (April-September) Financial Results Briefing Material

KAGA ELECTRONICS CO., LTD.

TSE Prime Market 8154

November 27, 2025

- FY2026/March H1 Consolidated Financial Results

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FY2026/3 H1

Summary/Financial Highlights/Results by Segment・Company

Balance Sheet/Cash flows

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Shareholder Returns

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Key Message for FY2026 H1 Results

EMS Business - Construction of Third Factory in Thailand

Production Equipment Developed In-House

Progress of Making Kyoei Sangyo a Consolidated Subsidiary

Kyoei Sangyo's Strengths and Uniqueness

- Reference

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Summary of Financial Results for FY2026/3 H1

Results for FY2026/3 H1 (April - September)

(billion yen)	Net Sales	Operating income	Net income
H1 Results	288.9	13.0	15.0
YoY	+29.9	+1.5	+7.0
<ul style="list-style-type: none"> • All items, from net sales to net income, increased year on year. The upward momentum continues. • Net sales : Electronic components (EMS business), information equipment (PC and software product sales), and others (amusement equipment sales) business all maintained robust performance, contributing to a year-on-year increase in net sales. In addition, Kyoei Sangyo was consolidated from Q2 (Jul.-Sep.). • Operating income : The increase in gross profit, attributable to higher net sales and improved income margin, exceeded the increase in SG&A expenses that resulted from increased sales and corporate acquisition, leading to a year-on-year increase in operating income • While corporate acquisition contributed to revenue growth, increase in both net sales and income were achieved even excluding the impact of the acquisition. 			

FY2026/3 earnings forecast

(billion yen)	Net Sales	Operating income	Net income
Revised forecasts	595.0	25.5	26.0
vs. previous forecasts	+21.0	+1.5	+1.8
YoY	+47.2	+1.8	+8.9
<ul style="list-style-type: none"> • In light of solid performance progress made through H1, an upward forecast revision was made for the second time this fiscal year, across all levels from net sales to net income. • Net income incorporates 7.2 billion yen in gain on bargain purchase associated with the acquisition. 			

Shareholder Return

- **Maintaining the previous forecast of 120 yen per share in annual dividend, consisting of an interim and year-end dividend of 60 yen each (a 10 yen increase from the previous fiscal year)**
 *A two-for-one stock split was executed in October 2024. Up 10 yen from the previous fiscal year is calculated after adjustment for the stock split.

Financial Highlights for FY2026/3 H1

(million yen)	H1 Results (April - September)					Forecasts (Announced on August 7, 2025)		
	FY2025/3	Composition Ratio	FY2026/3	Composition Ratio	YoY	FY2026/3	Composition Ratio	Progress rate
Net Sales	259,064	100.0%	288,959	100.0%	11.5%	574,000	100.0%	50.3%
Gross Profit	34,133	13.2%	39,544	13.7%	15.9%	—	—	—
SG&A	22,631	8.7%	26,495	9.2%	17.1%	—	—	—
Operating income	11,501	4.4%	13,049	4.5%	13.5%	24,000	4.2%	54.4%
Ordinary income	11,278	4.4%	13,443	4.7%	19.2%	23,800	4.1%	56.5%
Profit attributable to owners of parent	7,941	3.1%	15,033	5.2%	89.3%	24,200	4.2%	62.1%
EPS (yen)	151.15	—	293.86	—	94.4%	488.45	—	—
Exchange rate	yen / US\$	152.63	146.04	—	—	140.00	—	—

- Note: 1. The effect of exchange rates on the conversion into yen is approximately -4,606 million yen on net sales and -102 million yen on operating income.
2. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. EPS for the previous fiscal year is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Results for FY2026/3 H1 by Business Segment

(million yen)		H1 Results (April - September)			YoY	Forecasts (Announced on August 7, 2025)		
		FY2025/3	profit margin	FY2026/3	profit margin	FY2026/3	profit margin	Progress rate
Electronic Component	Net sales	225,866		247,788	9.7%	501,000		49.5%
	Segment income	8,679	3.8%	8,967	3.6%	17,500	3.5%	51.2%
Information Equipment	Net sales	18,633		21,571	15.8%	45,000		47.9%
	Segment income	1,392	7.5%	1,616	7.5%	3,500	7.8%	46.2%
Software	Net sales	1,471		1,679	14.1%	3,000		56.0%
	Segment income	256	17.4%	165	9.8%	500	16.7%	33.1%
Others	Net sales	13,093		17,919	36.9%	25,000		71.7%
	Segment income	1,094	8.4%	2,122	11.8%	2,500	10.0%	84.9%
Total	Net sales	259,064		288,959	11.5%	574,000		50.3%
	Segment income	11,501	4.4%	13,049	4.5%	24,000	4.2%	54.4%

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

Results for FY2026/3 H1 by Company

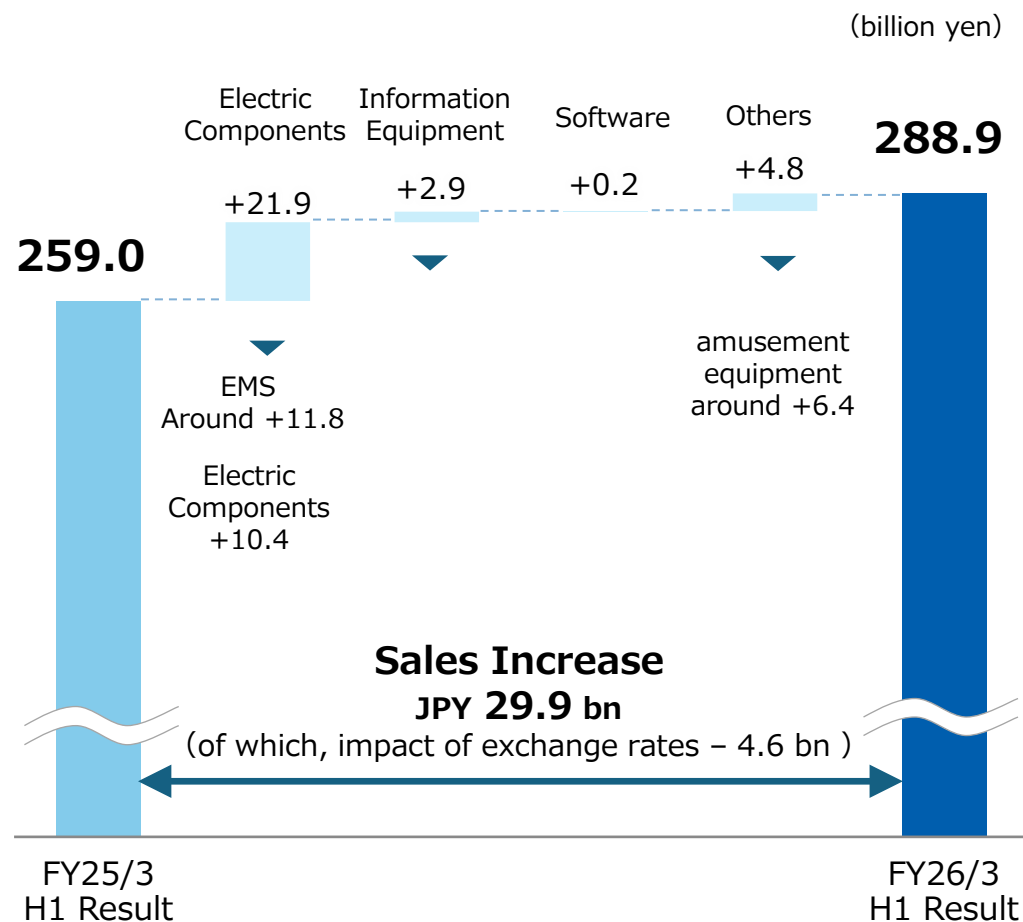
		H1 Results (April - September)				
(million yen)		FY2025/3	Composition Ratio	FY2026/3	Composition Ratio	YoY
Kaga Electronics	Net sales	148,154	100.0%	164,858	100.0%	11.3%
	Gross Profit	23,685	16.0%	26,947	16.3%	13.8%
	Operating income	9,689	6.5%	11,121	6.7%	14.8%
Kaga FEI	Net sales	96,783	100.0%	97,943	100.0%	1.2%
	Gross Profit	8,678	9.0%	8,873	9.1%	2.2%
	Operating income	991	1.0%	1,022	1.0%	3.1%
Excel	Net sales	14,127	100.0%	13,028	100.0%	-7.8%
	Gross Profit	1,735	12.3%	1,670	12.8%	-3.7%
	Operating income	693	4.9%	647	5.0%	-6.7%
Kyoei Sangyo	Net sales	—	—	13,128	100.0%	—
	Gross Profit	—	—	2,058	15.7%	—
	Operating income	—	—	187	1.4%	—
Total	Net sales	259,064	100.0%	288,959	100.0%	11.5%
	Gross Profit	34,133	13.2%	39,544	13.7%	15.9%
	Operating income	11,501	4.4%	13,049	4.5%	13.5%

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

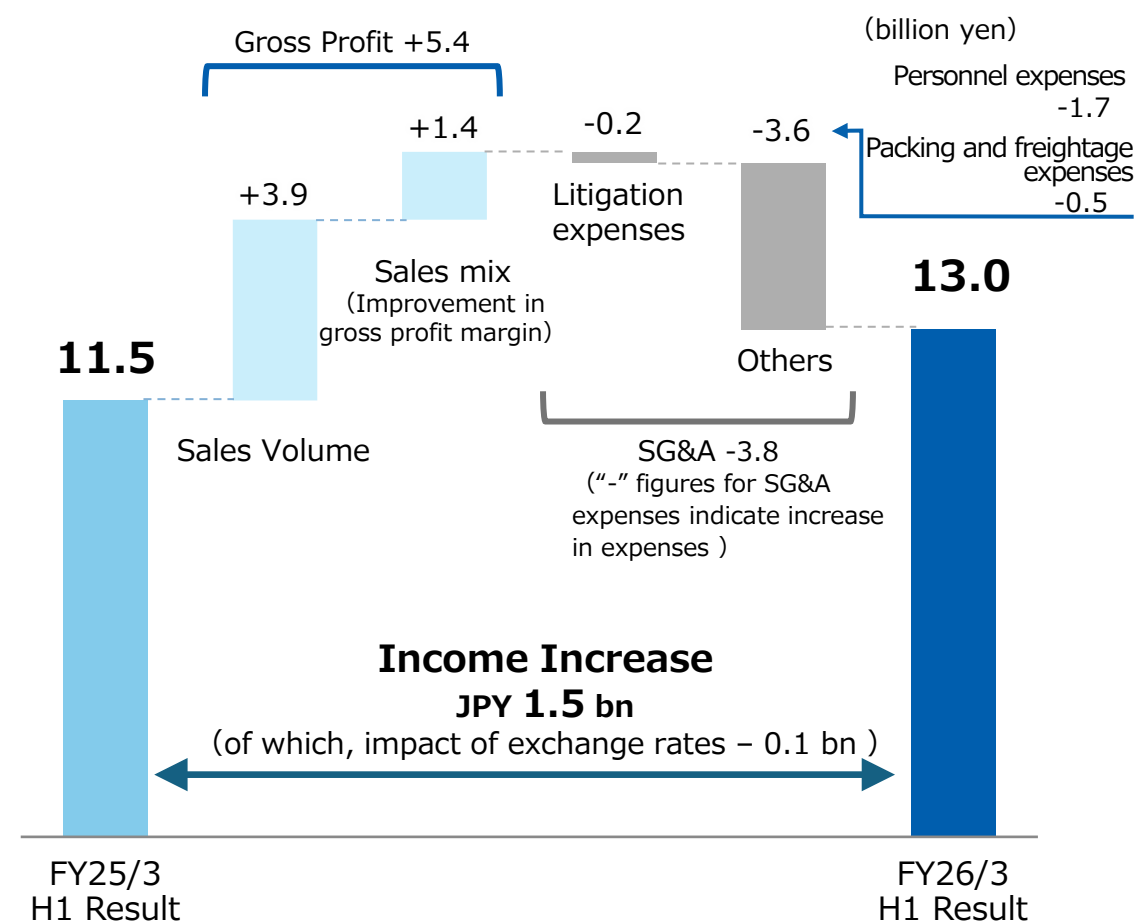
2. Kyoei Sangyo became a consolidated subsidiary effective July 18, 2025.

Analysis of Net Sales/Operating Income Changes by Item

Net sales

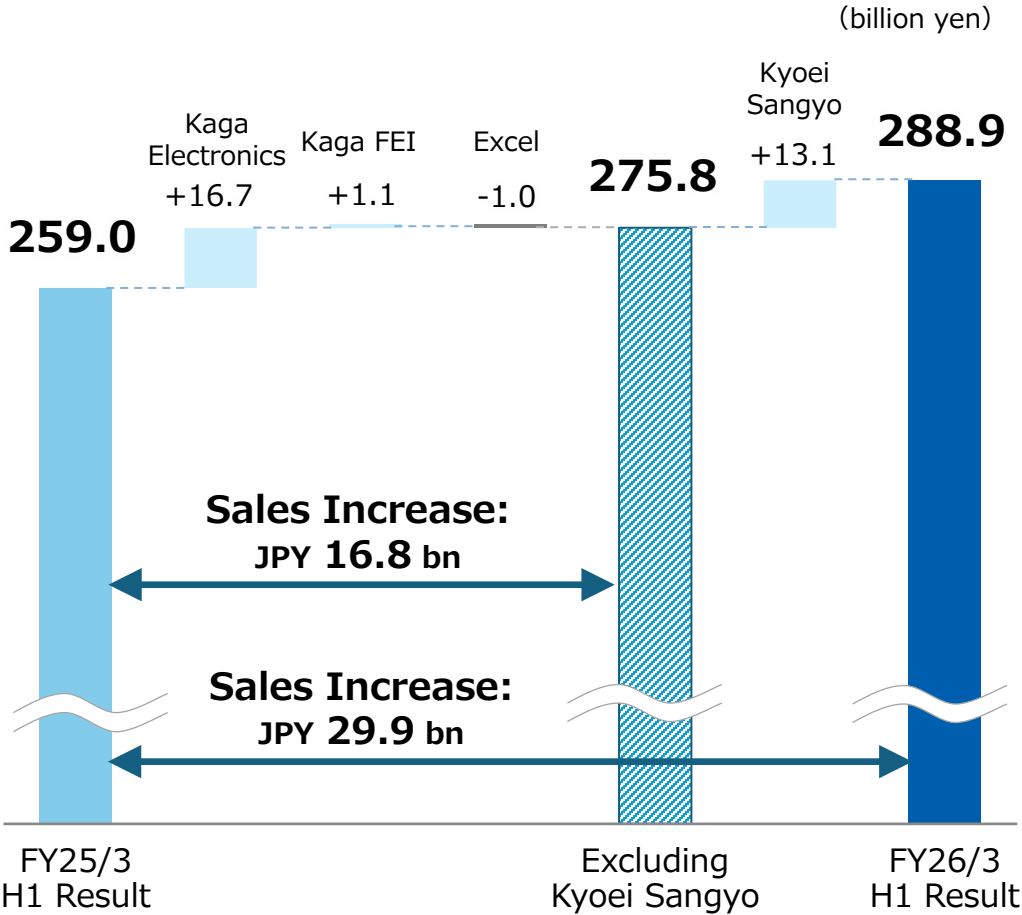


Operating income

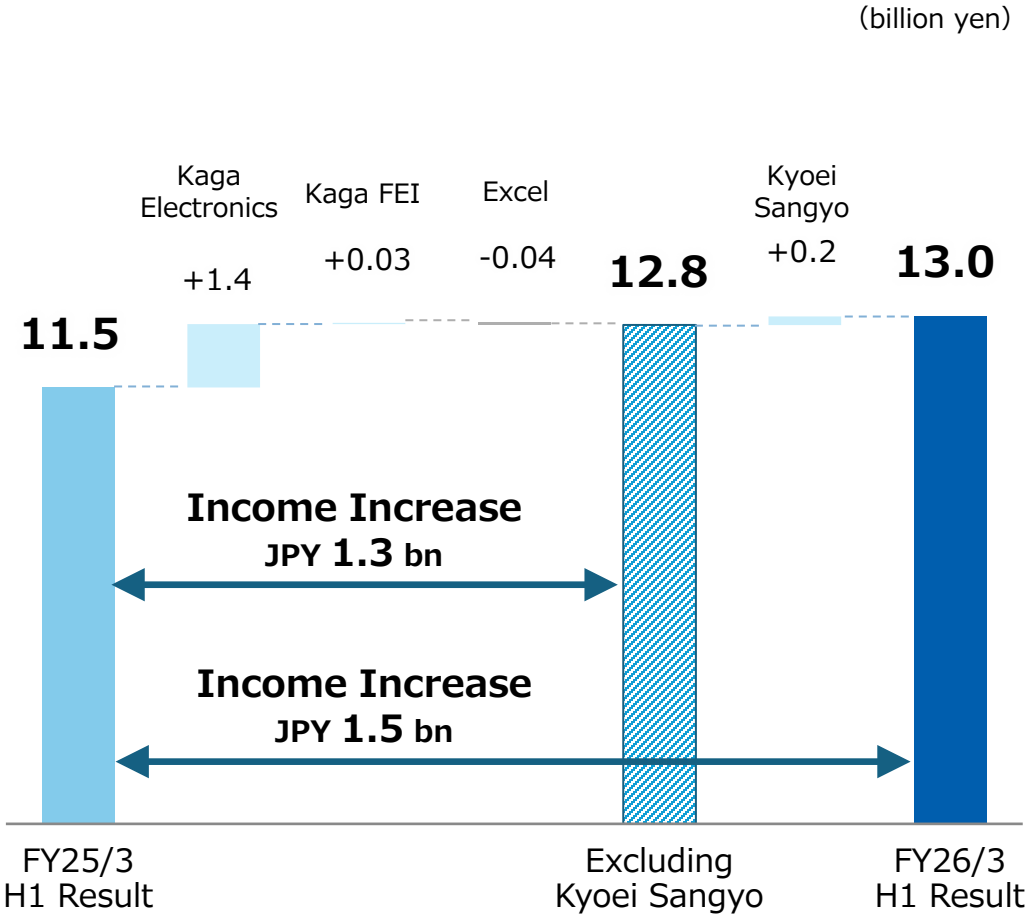


Analysis of Net Sales/Operating Income Changes by Company

Net sales



Operating income



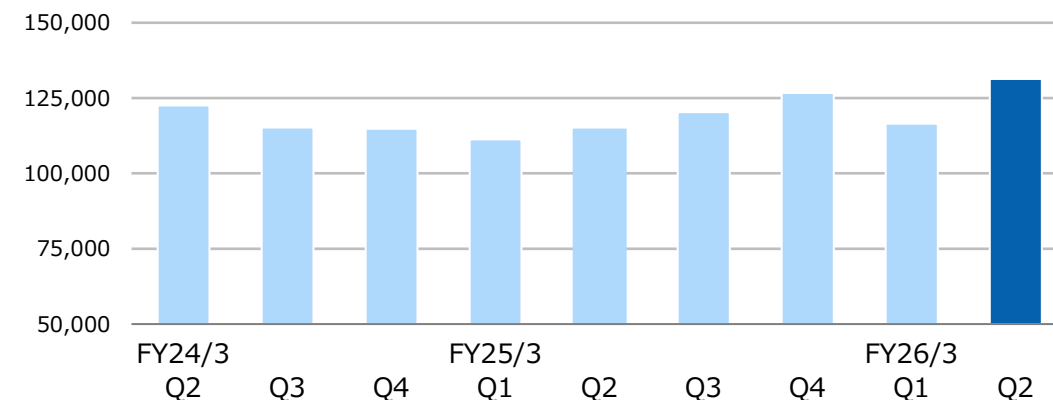
Note : With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the four companies.

FY2026/3 H1: Electronic Component Segment

H1 Results (April - September)

(million yen)	FY2025/3	FY2026/3	YoY	
Net Sales	225,866	247,788	21,922	9.7%
Segment income	8,679	8,967	288	3.3%
Profit margin	3.8%	3.6%	-0.2pt	

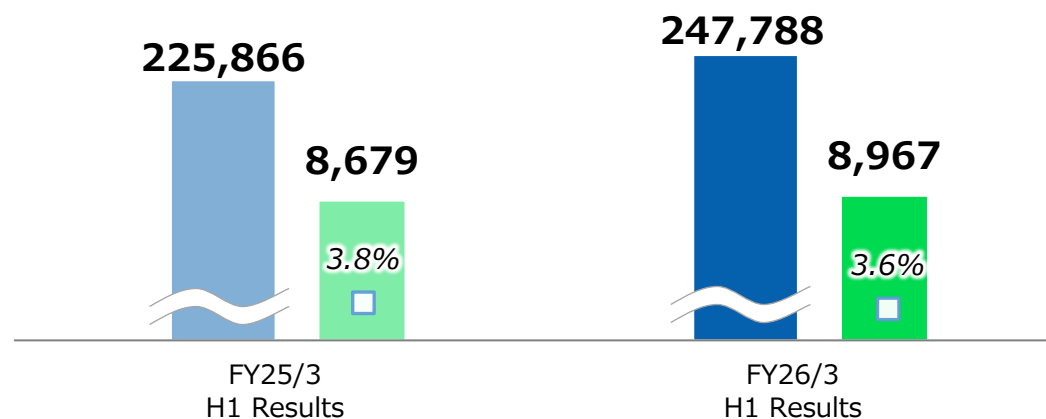
Quarterly Net Sales Trends (3months)



Net sales/Segment income

(million yen)

■ Net Sales ■ Segment income
■ Profit margin



Main factors behind increase/decrease

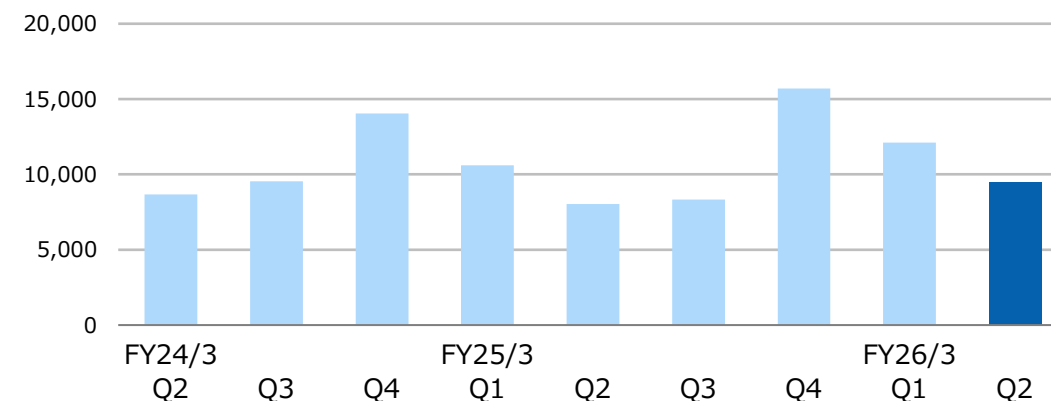
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|---------------------------|--|
| | (+) Kyoei Sangyo was consolidated from Q2 (Jul.-Sep.) |
| Components sales business | (+) Expand sales of new products
(-) Prolonged inventory adjustment at some customers
As a result, net sales and income both increased year-on-year |
| EMS Business | (+) Robust sales to medical and industrial equipment sectors
(+) Continued recovery trend in sales to air-conditioning equipment sector
(-) Demand decrease at some customers of the automotive sector and office equipment
As a result, net sales and income both increased year-on-year |

FY2026/3 H1: Information Equipment Segment

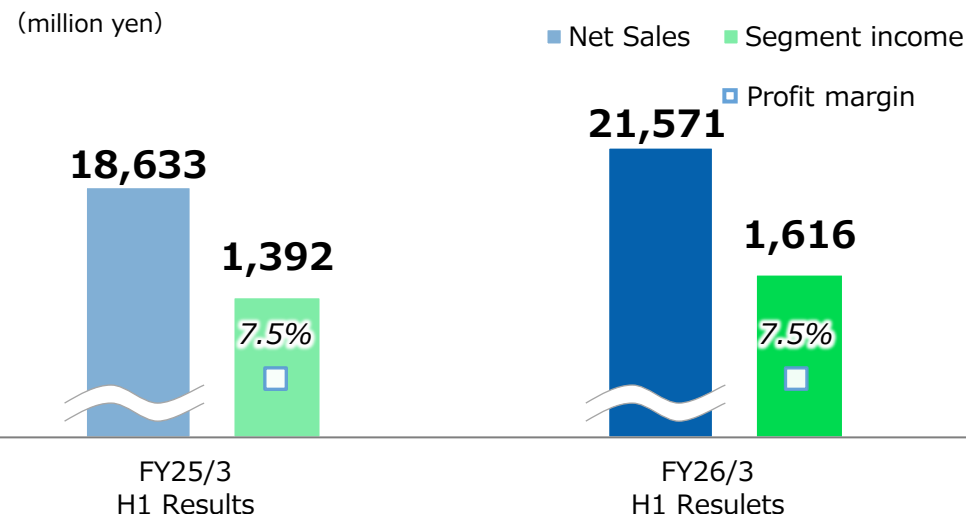
H1 Results (April - September)

(million yen)	FY2025/3	FY2026/3	YoY	
Net Sales	18,633	21,571	2,938	15.8%
Segment income	1,392	1,616	224	16.1%
Profit margin	7.5%	7.5%	+0.0pt	

Quarterly Net Sales Trends (3months)



Net sales/Segment income



Main factors behind increase/decrease

PC sales business

- (+) Strong sales of PCs for educational institutions amid the season of high demand for newly enrolled students
 - (+) Recovery of sales of PCs for mass retailers due to expansion of product lines by a major PC supplier
 - (+) Strong sales of the comparatively high-margin security software products
- As a result, net sales and income both increased year-on-year

Electrical and telecommunication equipment installation business

- (+) Strong performance of LED installation for major convenience store chain
 - (+) Increased orders received for electric facility (electricity substations, solar panels) work
 - (-) Increase in SG&A expenses due to bolstering of construction personnel as an advance investment
- As a result, net sales and income both increased year-on-year

Financial Highlights for FY2026/3 Q2 (3 months)

(million yen)	Q2 Results (July - September)		Q1 Results (April - June)		Q2 Results (July - September)		YoY	QoQ
	FY2025/3	Composition Ratio	FY2026/3	Composition Ratio	FY2026/3	Composition Ratio		
Net Sales	130,426	100.0%	138,086	100.0%	150,872	100.0%	15.7%	9.3%
Gross Profit	17,152	13.2%	18,440	13.4%	21,104	14.0%	23.0%	14.4%
SG&A	11,200	8.6%	11,956	8.7%	14,539	9.6%	29.8%	21.6%
Operating income	5,951	4.6%	6,484	4.7%	6,564	4.4%	10.3%	1.2%
Ordinary income	5,232	4.0%	6,242	4.5%	7,200	4.8%	37.6%	15.3%
Profit attributable to owners of parent	3,814	2.9%	4,614	3.3%	10,419	6.9%	173.1%	125.8%
EPS (yen)	72.59	—	87.80	—	207.91	—	—	—
Exchange rate	yen / US\$	152.63	—	144.59	—	146.04	—	—

- Note: 1. The effect of exchange rates on the conversion into yen is approximately -2,411 million yen on net sales and -73 million yen on operating income.
 2. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. EPS for the previous fiscal year is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Results for FY2026/3 Q2 by Business Segment

(million yen)		Q2 Results (July - September)		Q1 Results (April - June)		Q2 Results (July - September)		YoY	QoQ
		FY2025/3	profit margin	FY2026/3	profit margin	FY2026/3	profit margin		
Electronic Component	Net sales	114,545		116,456		131,332		14.7%	12.8%
	Segment income	4,348	3.8%	4,227	3.6%	4,740	3.6%	9.0%	12.1%
Information Equipment	Net sales	8,026		12,116		9,454		17.8%	-22.0%
	Segment income	753	9.4%	821	6.8%	795	8.4%	5.7%	-3.1%
Software	Net sales	840		591		1,087		29.4%	84.0%
	Segment income	221	26.3%	-42	-7.2%	207	19.1%	-6.1%	—
Others	Net sales	7,013		8,921		8,997		28.3%	0.8%
	Segment income	633	9.0%	1,362	15.3%	760	8.5%	20.1%	-44.2%
Total	Net sales	130,426		138,086		150,872		15.7%	9.3%
	Segment income	5,951	4.6%	6,484	4.7%	6,564	4.4%	10.3%	1.2%

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

Results for FY2026/3 Q2 by Company

(million yen)		Q2 Results (July - September)		Q1 Results (April - June)		Q2 Results (July - September)		YoY	QoQ
		FY2025/3	Composition Ratio	FY2026/3	Composition Ratio	FY2026/3	Composition Ratio		
Kaga Electronics	Net sales	74,532	100.0%	82,631	100.0%	82,227	100.0%	10.3%	-0.5%
	Gross Profit	12,089	16.2%	13,294	16.1%	13,652	16.6%	12.9%	2.7%
	Operating income	5,266	7.1%	5,799	7.0%	5,322	6.5%	1.1%	-8.2%
Kaga FEI	Net sales	48,119	100.0%	48,835	100.0%	49,108	100.0%	2.1%	0.6%
	Gross Profit	4,062	8.4%	4,327	8.9%	4,546	9.3%	11.9%	5.1%
	Operating income	160	0.3%	366	0.8%	655	1.3%	309.5%	78.7%
Excel	Net sales	7,774	100.0%	6,620	100.0%	6,408	100.0%	-17.6%	-3.2%
	Gross Profit	949	12.2%	813	12.3%	857	13.4%	-9.7%	5.3%
	Operating income	424	5.5%	278	4.2%	369	5.8%	-13.1%	32.8%
Kyoei Sangyo	Net sales	—	—	—	—	13,128	100.0%	—	—
	Gross Profit	—	—	—	—	2,058	15.7%	—	—
	Operating income	—	—	—	—	187	1.4%	—	—
Total	Net sales	130,426	100.0%	138,086	100.0%	150,872	100.0%	15.7%	9.3%
	Gross Profit	17,152	13.2%	18,440	13.4%	21,104	14.0%	23.0%	14.4%
	Operating income	5,951	4.6%	6,484	4.7%	6,564	4.4%	10.3%	1.2%

Note: 1. With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the four companies.
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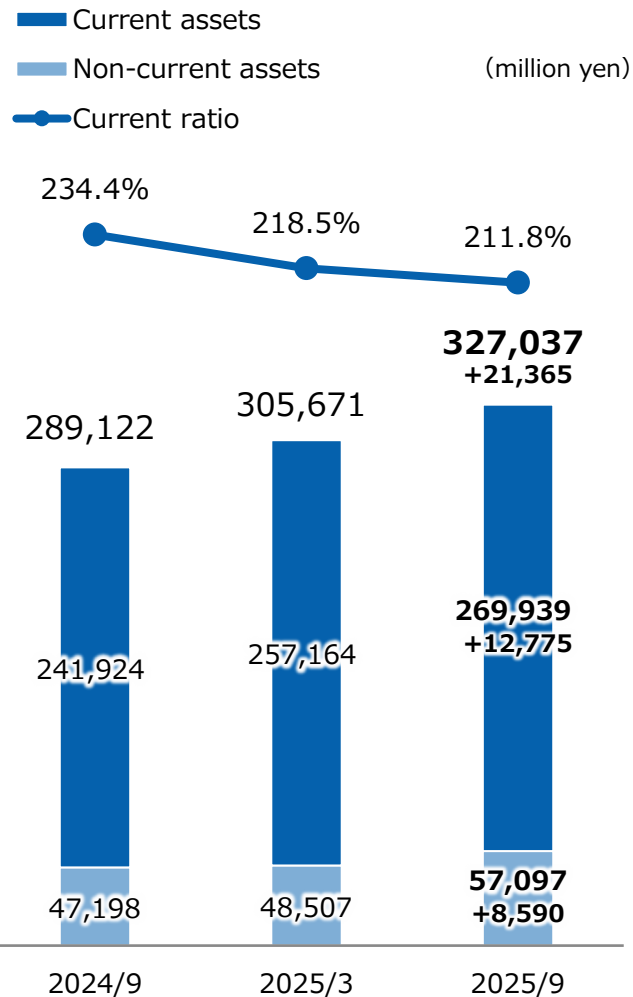
Summary of Balance Sheet

(million yen)	2025/3	2025/9	Change from end of FY2025/3
ASSETS			
Current assets	257,164	269,939	+12,775
Cash and deposits	80,188	73,217	-6,971
Notes and accounts receivable -trade	114,139	119,421	+5,282
Inventories	51,774	66,468	+14,694
Other	11,061	10,832	-229
Non-current assets	48,507	57,097	+8,590
Property, plant and equipment	28,445	30,087	+1,641
Buildings and structures	9,839	10,896	+1,057
Machinery, equipment and vehicles	11,034	10,965	-68
Tools, furniture and fixtures	1,217	1,266	+48
Land	5,940	6,120	+179
Construction in progress	413	837	+424
Intangible assets	1,738	1,879	+141
Software	1,694	1,839	+145
Other	44	40	-3
Investments and other assets	18,323	25,130	+6,807
Total assets	305,671	327,037	+21,365

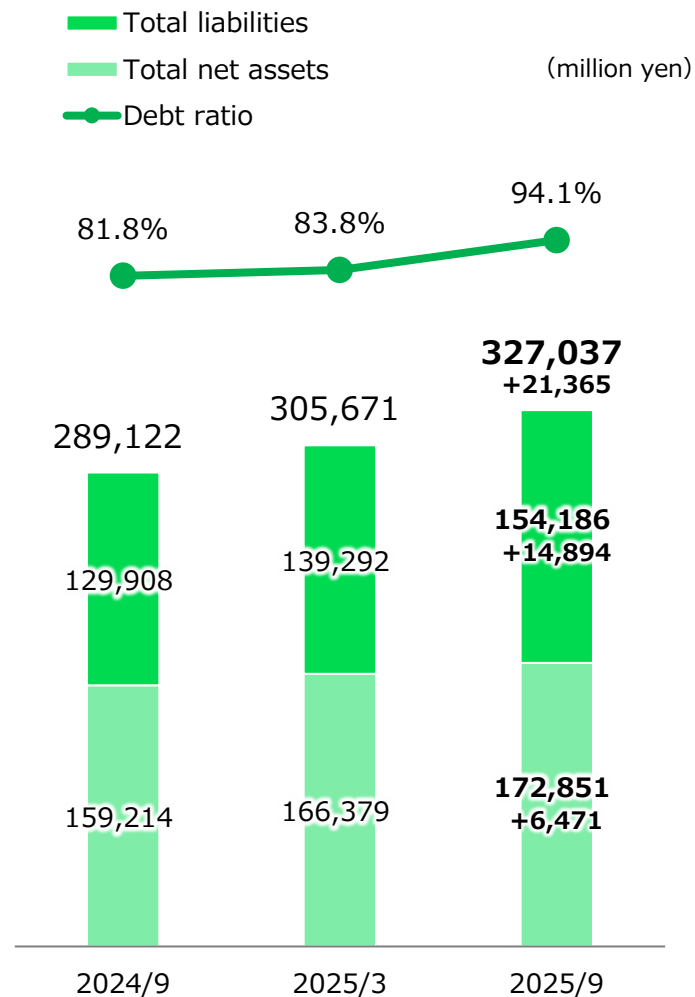
(million yen)	2025/3	2025/9	Change from end of FY2025/3
LIABILITIES			
Current liabilities	117,704	127,457	+9,752
Notes and accounts payable -trade	73,340	74,584	+1,244
Short-term loans payable	14,890	27,235	+12,344
Current portion of bonds payable	5,000	200	-4,800
Other	24,473	25,437	+963
Non-current liabilities	21,587	26,729	+5,141
Bonds payable	5,000	5,300	+300
Long-term loans payable	5,500	8,508	+3,008
Other	11,087	12,921	+1,833
Total liabilities	139,292	154,186	+14,894
NET ASSETS			
Shareholders' equity	142,993	140,743	-2,250
Capital stock	12,133	12,133	—
Capital surplus	14,885	14,767	-118
Retained earnings	121,553	123,749	+2,196
Treasury shares	-5,579	-9,907	-4,327
Total accumulated other comprehensive income	23,225	23,100	-125
Non-controlling interests	160	9,007	+8,847
Total net assets	166,379	172,851	+6,471
Total liabilities and net assets	305,671	327,037	+21,365

Balance Sheet Main Items

Total assets



Total liabilities and net assets



Main balance sheet changes

- Current assets
(+) 13,392 million yen increase in merchandise and finished goods
- Non-current assets
(+) 5,056 million yen increase in Investment securities
(+) 1,641 million yen increase in Property, plant and equipment
- Liabilities
(+) 12,344 million yen increase in Short-term loans payable
- Net assets
(+) 8,847 million yen increase in Non-controlling interests

Note: Current ratio = Current asset ÷ current liabilities

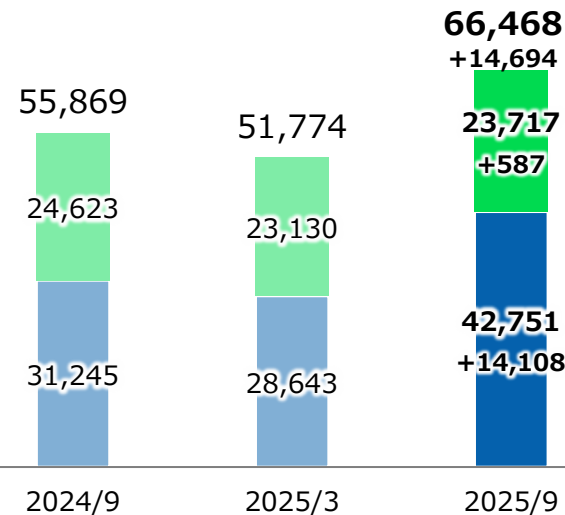
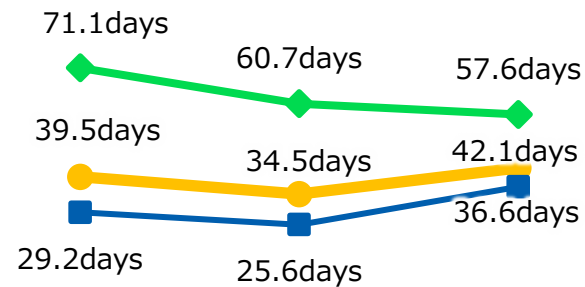
Note: Debt ratio = Total liabilities ÷ Equity capital × 100

Balance Sheet Main Items

Inventories

■ Inventories (manufacturing biz)
■ Inventories (trading biz)
● Inventory turnover (Consolidated)
◆ Inventory turnover (manufacturing biz)
■ Inventory turnover (trading biz)

(million yen)

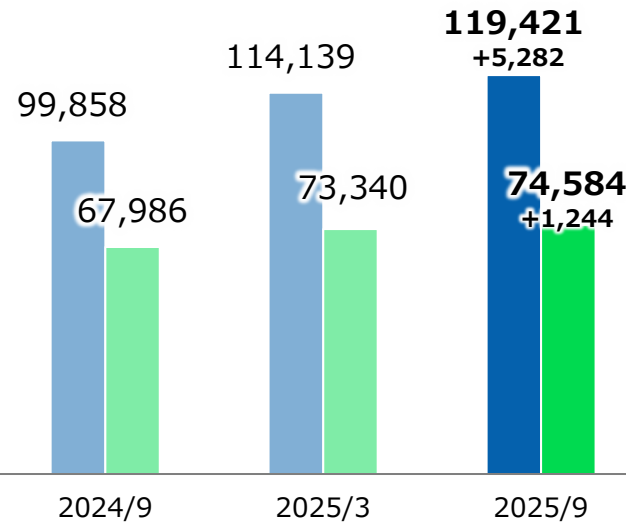


Note : Inventory turnover = Inventories ÷ Net Sales × 183

Accounts receivable/Accounts payable

■ Notes and A/R
■ Notes and A/P
▲ A/P turnover
● A/R turnover

(million yen)



Notes: 1. A/R turnover = Notes and A/R ÷ Net sales × 183
 2. A/P turnover = Notes and A/P ÷ Total purchase of goods × 183
 3. Notes and A/Rare amounts including Electronically recorded monetary claims-operating
 4. Notes and A/Pare amounts including Electronically recorded obligations -operating

Inventories

■ consolidated

- vs end of FY2025/3 :
+ 14.6bn, + 7.6days

■ trading company business

- vs end of FY2025/3 :
+ 14.1bn, +11.0days
Mainly due to the consolidation of Kyoei Sangyo as a Group company

■ manufacturing business

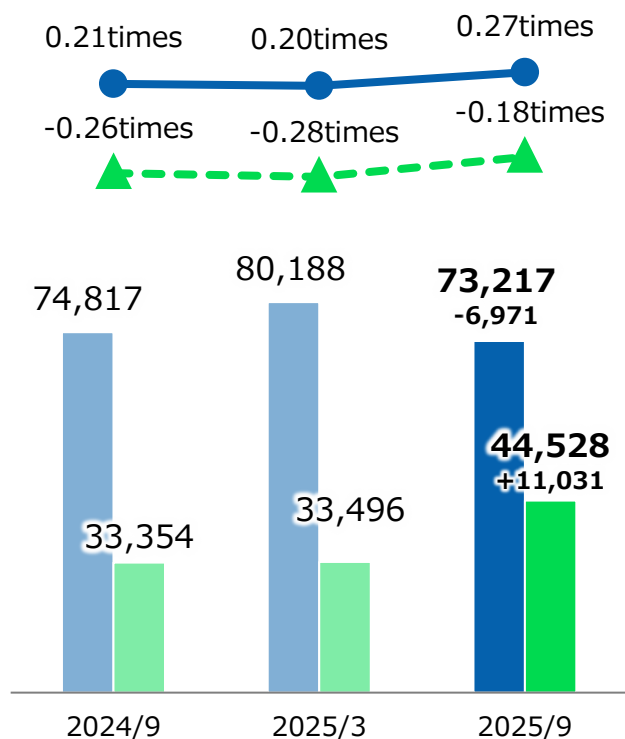
- vs end of FY2025/3 :
+ 0.5bn, -3.1days
Although inventory value increased slightly along with higher net sales in the EMS business, improved inventory efficiency led to a reduction in turnover days

Balance Sheet Main Items/Cash flows

Cash and Deposits/Interest Bearing Debt

■ Cash and deposits
■ Interest bearing debts
● D/E ratio
▲ Net D/E ratio

(million yen)

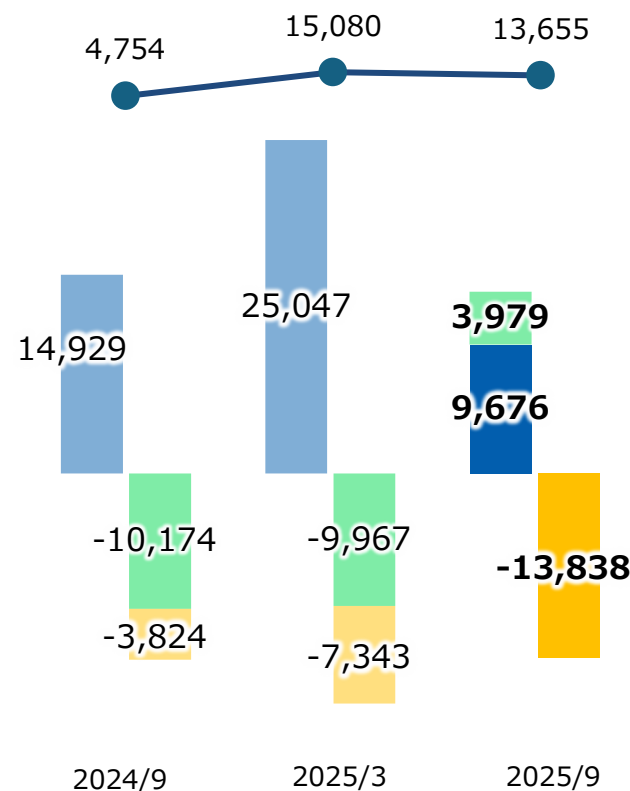


Note: 1. D/E ratio = Interest bearing debts ÷ Shareholder's equity
 2. Net D/E ratio = (Interest bearing debts - Cash and deposits) ÷ Shareholder's equity

Cash flows

■ Cash flows from financing activities
■ Cash flows from investing activities
■ Cash flows from operating activities
● Free Cash Flow

(million yen)



Cash flows

■ Operating activities
 9,676 million yen provided.
 Mainly due to the posting of profit before income taxes.

■ Investing activities
 3,979 million yen provided.
 Mainly due to proceeds from the withdrawal of time deposits.

■ Financing activities
 13,838 million yen used.
 Mainly due to expenses for the purchase of treasury shares.

Forecasts for FY2026/3

Forecasts for FY2026/3

(million yen)	FY2025/3		Previous Forecasts (Announced on August 7, 2025)	FY2026/3		vs. previous forecasts	YoY
	Results	Composition Ratio		Revised Forecasts (Announced on November 6, 2025)	Composition Ratio		
Net Sales	547,779	100.0%	574,000	595,000	100.0%	3.7%	8.6%
Operating income	23,601	4.3%	24,000	25,500	4.3%	6.3%	8.0%
Ordinary income	22,593	4.1%	23,800	25,500	4.3%	7.1%	12.9%
Profit attributable to owners of parent	17,083	3.1%	24,200	26,000	4.4%	7.4%	52.2%
EPS (yen) ^(*)	325.08	—	488.45	524.78	—	36.33	199.70
ROE	10.8%	—	14.6%	15.0%	—	0.4pt	4.2pt
Annual dividend ^(*) (yen)	Total	110	120	120	—	0	10
	interim	55	60	60	—	0	5
	year-end	55	60	60	—	0	5
Exchange rate	yen / US\$	152.58	140.00	140.00	—	—	—

Note: While a two-for-one stock split of the Company's common stock is planned effective October 1, 2024,
The amounts indicated for EPS and annual dividend take account of the impact of the said stock split even prior to the split date.

Forecasts for FY2026/3 by Business Segment

(million yen)		FY2025/3		Previous Forecasts <small>(Announced on August 7, 2025)</small>	FY2026/3		vs. previous forecasts	YoY
		Results	Profit margin		Revised Forecasts <small>(Announced on November 6, 2025)</small>	Profit margin		
Electronic Component	Net sales	472,910		501,000	516,500		3.1%	9.2%
	Segment income	16,927	3.6%	17,500	18,500	3.6%	5.7%	9.3%
Information Equipment	Net sales	42,652		45,000	45,000		0.0%	5.5%
	Segment income	3,307	7.8%	3,500	3,500	7.8%	0.0%	5.8%
Software	Net sales	3,387		3,000	3,500		16.7%	3.3%
	Segment income	509	15.1%	500	500	14.3%	0.0%	-1.9%
Others	Net sales	28,829		25,000	30,000		20.0%	4.1%
	Segment income	2,707	9.4%	2,500	3,000	10.0%	20.0%	10.8%
Total	Net sales	547,779		574,000	595,000		3.7%	8.6%
	Segment income	23,601	4.3%	24,000	25,500	4.3%	6.3%	8.0%

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

Policy on Shareholder Returns in the New Medium-Term Management Plan

(Announced on November 6, 2024)

- Medium- to long-term dividend growth guideline: increased **the consolidated dividend payout ratio to 30% - 40%** (from 25% - 35% in the past)
- Guideline for stable dividends: introduced **“DOE (consolidated dividend on equity ratio) of 4%”** as a new guideline
- Flexible return policies: flexibly implement **extraordinary dividends** and **acquisition of treasury shares** in line with profit levels and capital efficiency

Repurchase and cancellation of treasury shares

Repurchase : 2025/8/8
cancellation : 2025/8/18

- **Repurchased all of the Company's shares held by our four primary banks** which had indicated their intention to sell such shares from the point of view of reducing strategic shareholdings pursuant to the requirements of the corporate governance code, through the Tokyo Stock Exchange Trading Network Off Auction Own Share Repurchase Trading System (ToSTNET-3) for a **total value of 14.4 billion yen**.
- **All 4,920,000 repurchased shares (9.4% of the total number of issued shares) have been cancelled.**

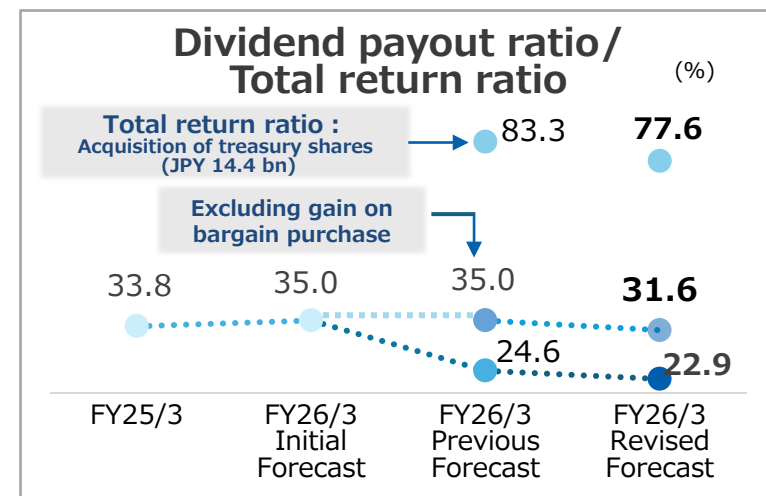
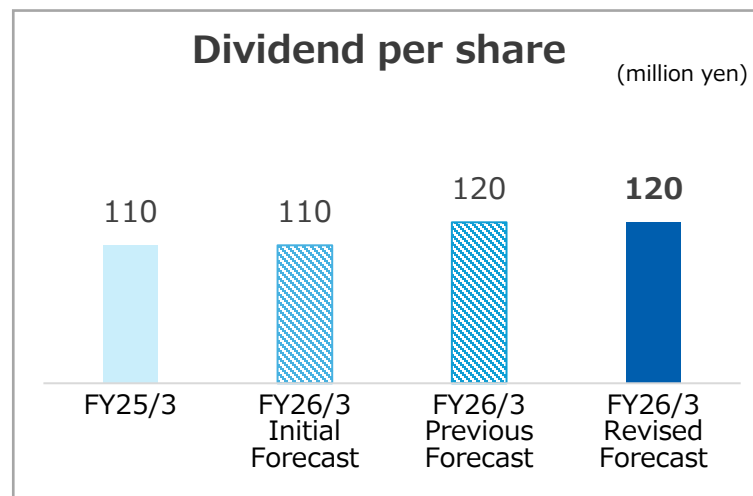
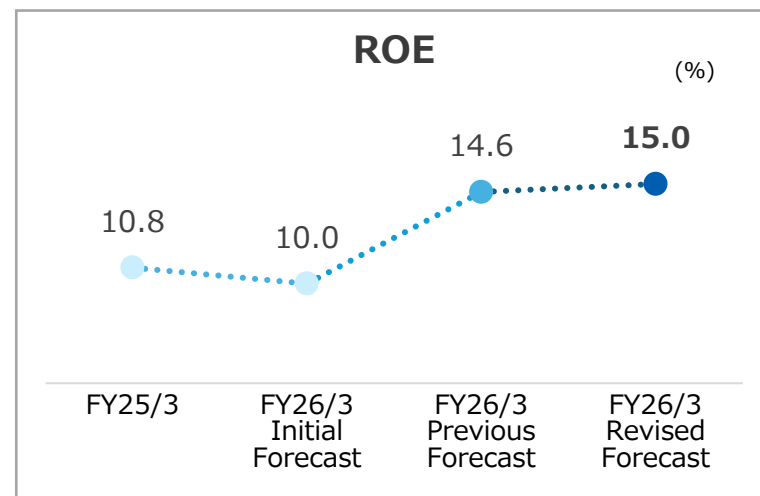
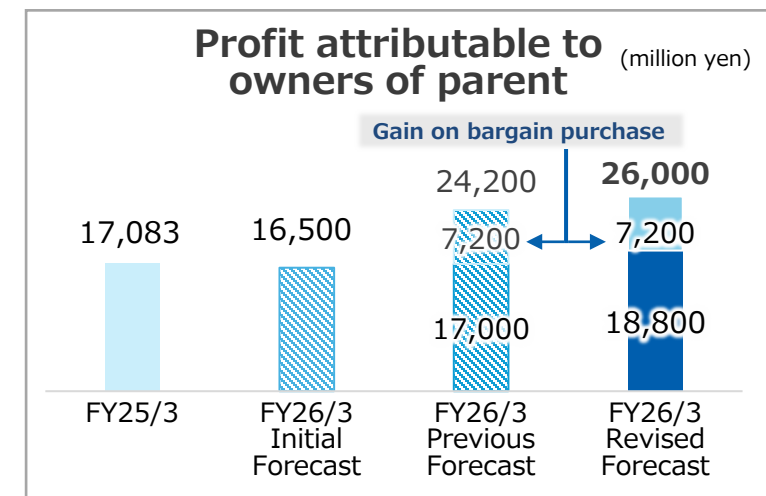
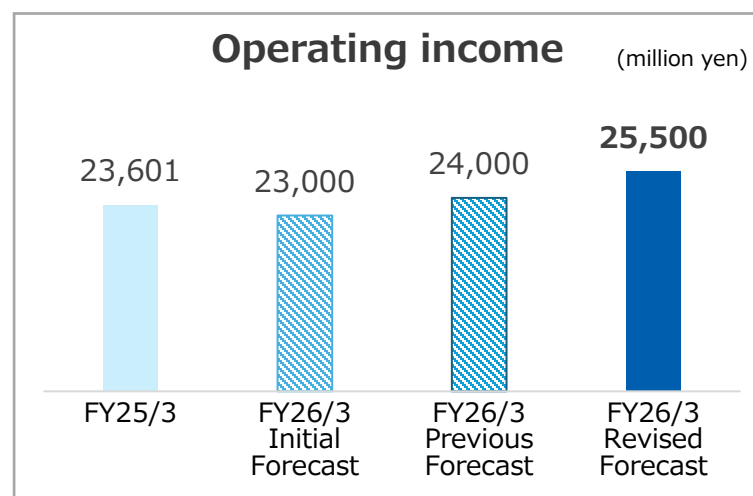
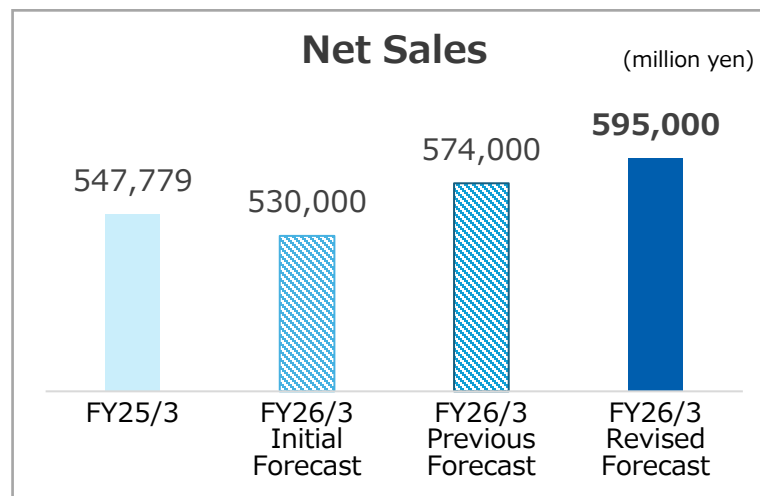
Dividend forecast

Maintaining previous forecast:2025/8/7

	Initial Forecast Announced on May 7, 2025	Previous Forecast Announced on August 7, 2025	Revised Forecast Announced on November 6, 2025
Profit attributable to owners of parent (million yen)	16,500	24,200	26,000
EPS (yen)	313.95	488.45	524.78
Dividend per share(Full year, yen)	110.00	120.00	120.00
of which, Extraordinary dividend	—	10.00	10.00
Consolidated dividend payout ratio	35.0%	24.6%	22.9%
※Consolidated dividend payout ratio excluding 7.2 billion yen in gain on bargain purchase	—	35.0%	31.6%
DOE	3.9%	4.2%	3.9%
※DOE excluding 7.2 billion yen in gain on bargain purchase	3.9%	4.3%	4.0%

Changes in Forecast and Financial Indicators for FY2026/3

In light of solid performance progress made through H1,
the full-year earnings forecast has been revised upward for the second time in the current fiscal year.



Note: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024.
The amounts indicated for dividend per share take account of the impact of the said stock split even prior to the split date.

Management Topics

Key Message for FY2026 H1 Results

H1 Results (April – September)

- Net sales and income increased year on year
- Net sales and income increased, even excluding the impact of the acquisition

Q2 Results (July – September)

- Net sales and income increased year on year
- Net sales and income increased, even excluding the impact of the acquisition

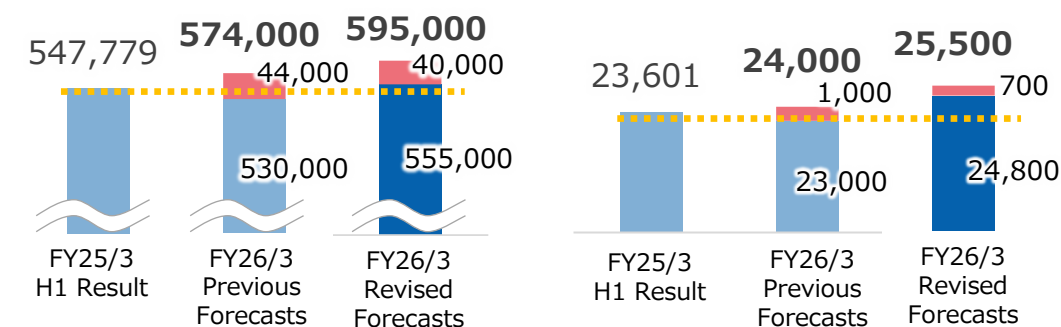
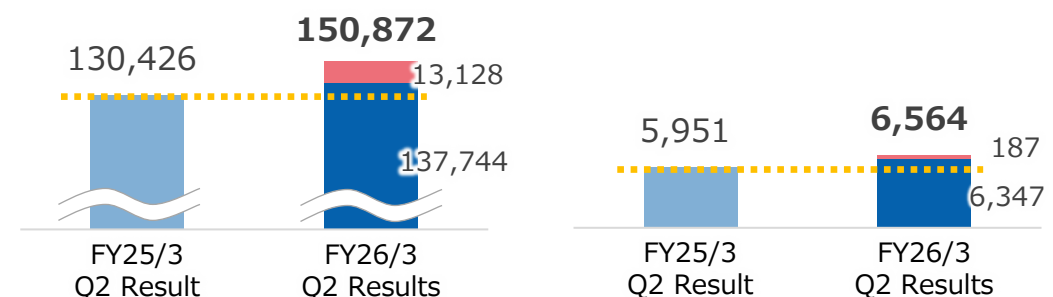
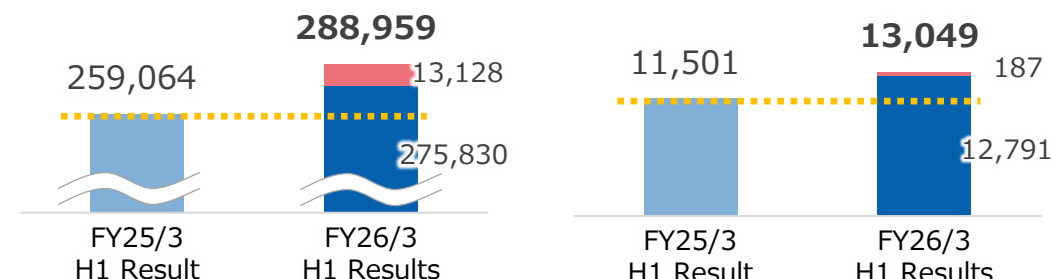
Earnings Forecasts

- Second upward revision of forecast this fiscal year
- Net sales and income increased, even excluding the impact of the acquisition

■ Excluding Kyoei Sangyo ■ Kyoei Sangyo (million yen)

Net sales

Operating income



Note: The figures for operating income are before consolidation adjustments among Group companies.

Aims of the New Factory Construction

- Establish a highly efficient production system through the introduction production equipment developed in-house featuring thorough automation and labor-saving capabilities
- Meet the demands of customers through the newly constructed assembly line for finished products for the U.S. and other markets
- Achieve a total of 50 billion yen in sales in five years at the three factories in Thailand

<Amatanakorn Factory I>



<Amatanakorn Factory II>



Amatanakorn Factory III



Amatanakorn Factory I

Amatanakorn Industrial Estate, Chonburi, Thailand

5,250m²

Mounting and assembly of substrates for air-conditioning and automotive equipment

April 2012

Approx. 4.6 billion (Total)

Amatanakorn Factory II

Same as on the left

5,300m²

Mounting of substrates for office equipment

December 2019

Approx. 2.0 billion (Total)

Amatanakorn Factory III

Same as on the left

4,400m²

Mounting and assembly of substrates for air-conditioning and automotive equipment / Assembly of finished products and unit products for the US market

By the end of 2025

Approx. 1.3 billion yen
(initial investment)



Through a joint venture with a major Chinese equipment manufacturer, we develop, design, and manufacture production equipment, and achieve overwhelming cost competitiveness alongside a total solution for high-quality, highly reliable circuit board mounting

Modular soldering baths



Product lineup

- ①1-head unit ISF-300
- ②2-head unit ISF-450-II
- ③4-head unit ISF-450D
- ④4-head unit ISF-450-4H
- Modular high-speed soldering bath
- ⑤Modular flux applicator

Surface Mounting Equipment



Product lineup

- ①CPM H2:
Chip component mounting
- ②CPM F2:
Non-standard component mounting
- ③CPM/FH:
Miniature chip component mounting

Testing Equipment



Product lineup

- ①3D SPI: Cream solder testing
- ②Post-SMT AOI equipment:
Visual inspection of mounted components
- ③Pre-soldering bath S-AOI:
Inspection of hand-inserted components
- ④Post-soldering bath AOI:
Solder-lifting inspection Component float inspection

Vertical High-temperature Furnaces



Product lineup

- ①Coating hardening furnace
After coating final hardening
- ②Potting hardening furnace
After potting final hardening
- ③High temperature deterioration testing furnace
Product deterioration testing

Progress of Making Kyoei Sangyo a Consolidated Subsidiary

Acquisition scheme

- (1) Tender offer: Acquired 45.16% of Kyoei Sangyo's common stock through a tender offer on July 18, 2025. **Combined with shares already held, ownership reached 54.48%, making it a consolidated subsidiary.**
- (2) Share consolidation: Approved at the extraordinary general meeting of shareholders held on September 29, 2025. **Delisted from the Tokyo Stock Exchange on October 16, 2025**
- (3) Becoming a wholly-owned subsidiary: Acquired all shares held by Mitsubishi Electric (558,958 shares) on November 17, 2025, **making it a wholly-owned subsidiary**
 - Acquisition price: 10.7 billion yen in total, including (1) through (3)

Description of business

Sales of semiconductor and device products, metal materials, industrial equipment, printed circuit boards, etc., and software development

Objectives of the acquisition

- Semiconductor devices: complement each other in products that do not overlap and create added value leveraging the Company's EMS network
- Industrial equipment systems: expand sales in India and other overseas markets using the Company's global adaptability
- Systems development: expand solution proposals by combining the assets (both hardware and software) that Kaga Electronics possesses with those of Kyoei Sangyo

Kyoei Sangyo's Strengths and Uniqueness

Industrial equipment systems business

Sales of factory automation (equipment, processing machines, robots), automation systems, air conditioning and refrigeration equipment, and 3D printers

Machine tool and robot solutions



Wire electrical discharge machines



Fiber laser processing machines



Industrial robots

Conveyor robot solutions



Geek's Moving System



Automated guided vehicle, Thouzer

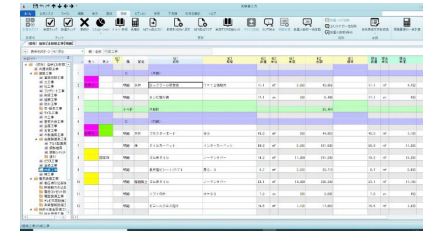


FEXA's Autonomous Mobile Transport Robot

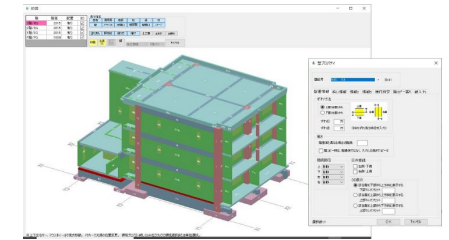
System development business

System development, system integration, and contract development specializing in the construction, taxi, and distribution industries

High-performance, high-quality package software that promotes construction DX



Quotation creation system, KYOEI COMPASS 2.0



RC Quantity estimation system, FKS RC 2.0

Tailor-made software proposed by engineers who deeply understand the industry

Development example



Taisei SETSUBI Co., Ltd.

Administrative document creation support tool

Implementation examples



SHINNIHON CORPORATION

Estimating and cost estimating software that combines high-precision, speed, and versatility



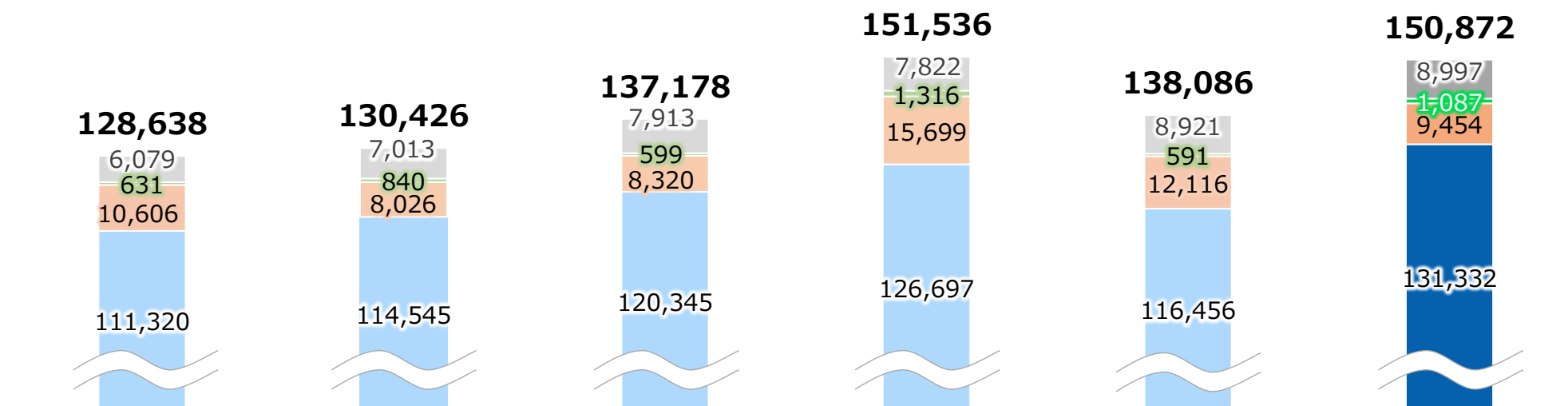
DAISUE CONSTRUCTION CO., LTD.

Construction site cost management Establishment of an integrated system

Reference

Quarterly Net Sales Trends by Business Segment

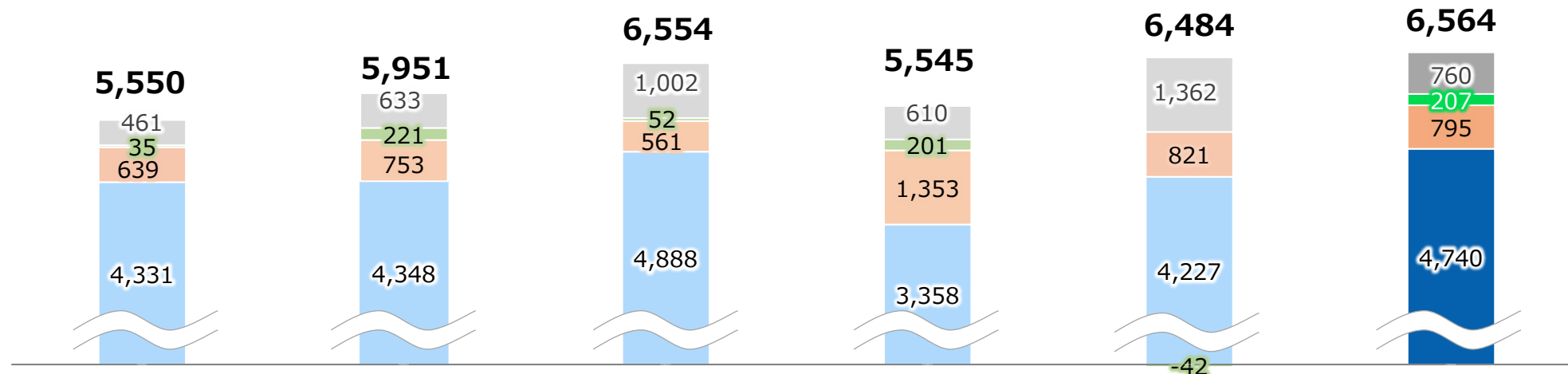
(million yen)



Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2
Others	4.7%	5.4%	5.8%	5.2%	6.5%	6.0%
Software	0.5%	0.6%	0.4%	0.9%	0.4%	0.7%
Information Equipment	8.2%	6.2%	6.1%	10.4%	8.8%	6.3%
Electric Component	86.5%	87.8%	87.7%	83.6%	84.3%	87.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Quarterly Income Trends by Business Segment

(million yen)

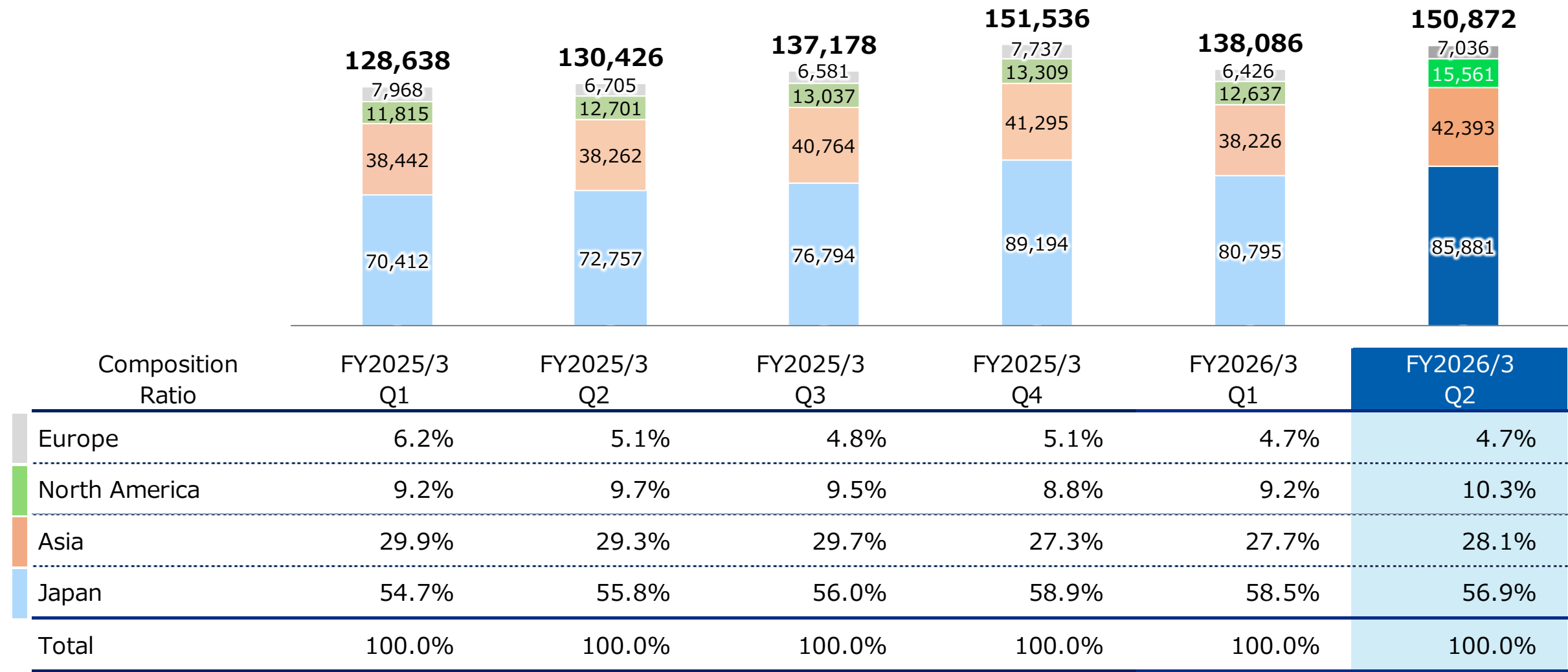


Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2
Others	8.4%	10.6%	15.4%	11.0%	21.4%	11.7%
Software	0.6%	3.7%	0.8%	3.6%	-0.7%	3.2%
Information Equipment	11.7%	12.6%	8.6%	24.5%	12.9%	12.2%
Electric Component	79.2%	73.0%	75.2%	60.8%	66.4%	72.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

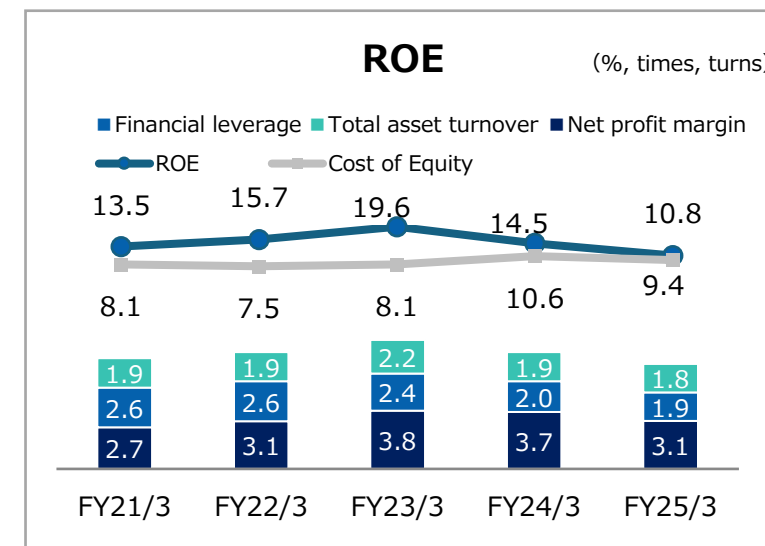
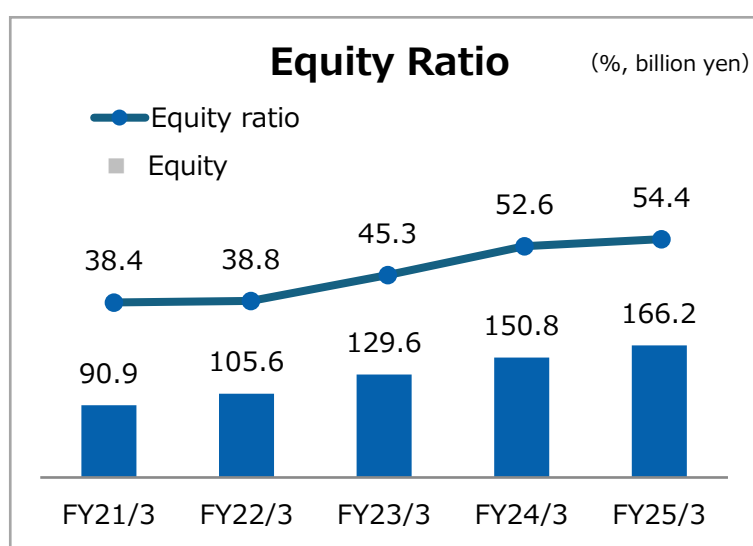
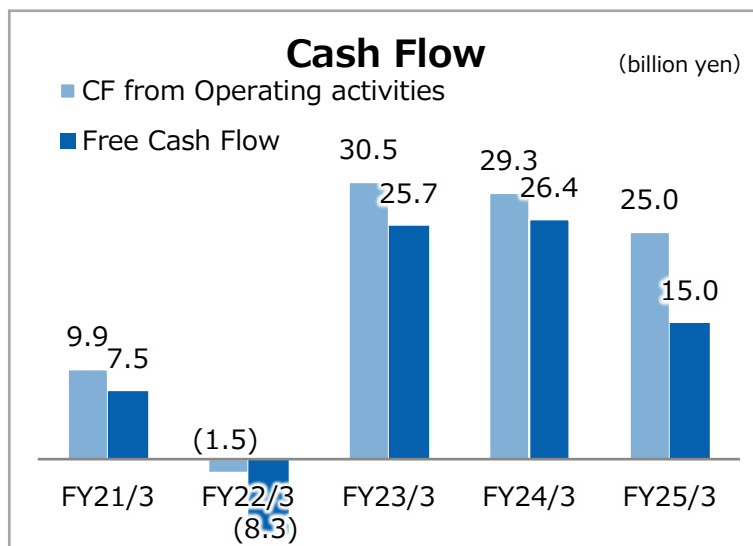
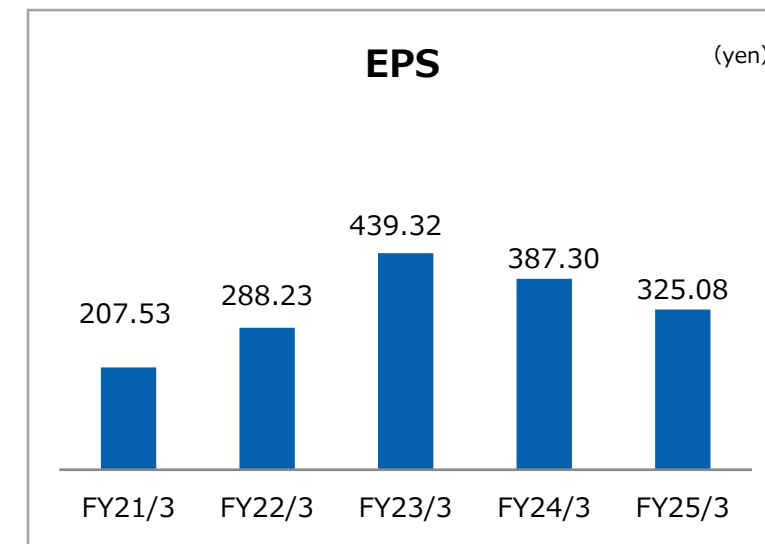
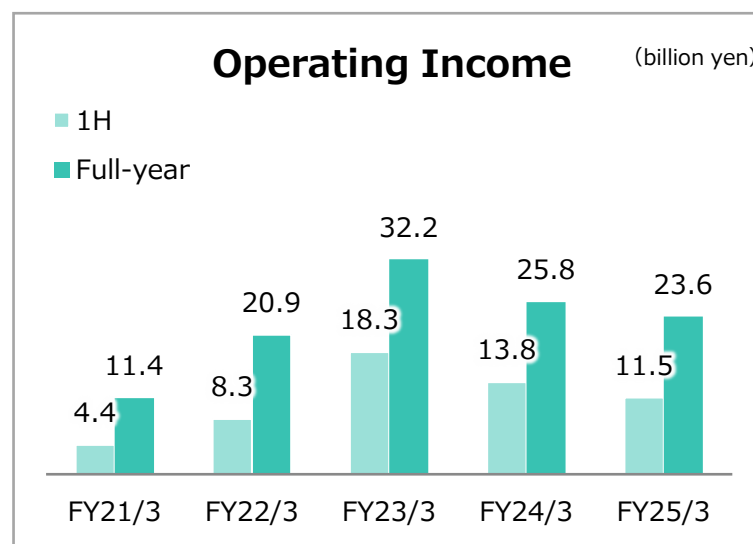
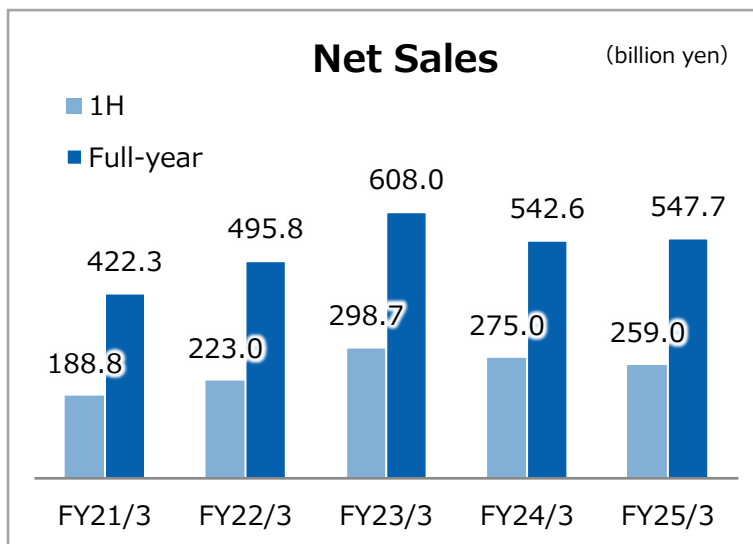
Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

Quarterly Net Sales Trends by Region

(million yen)



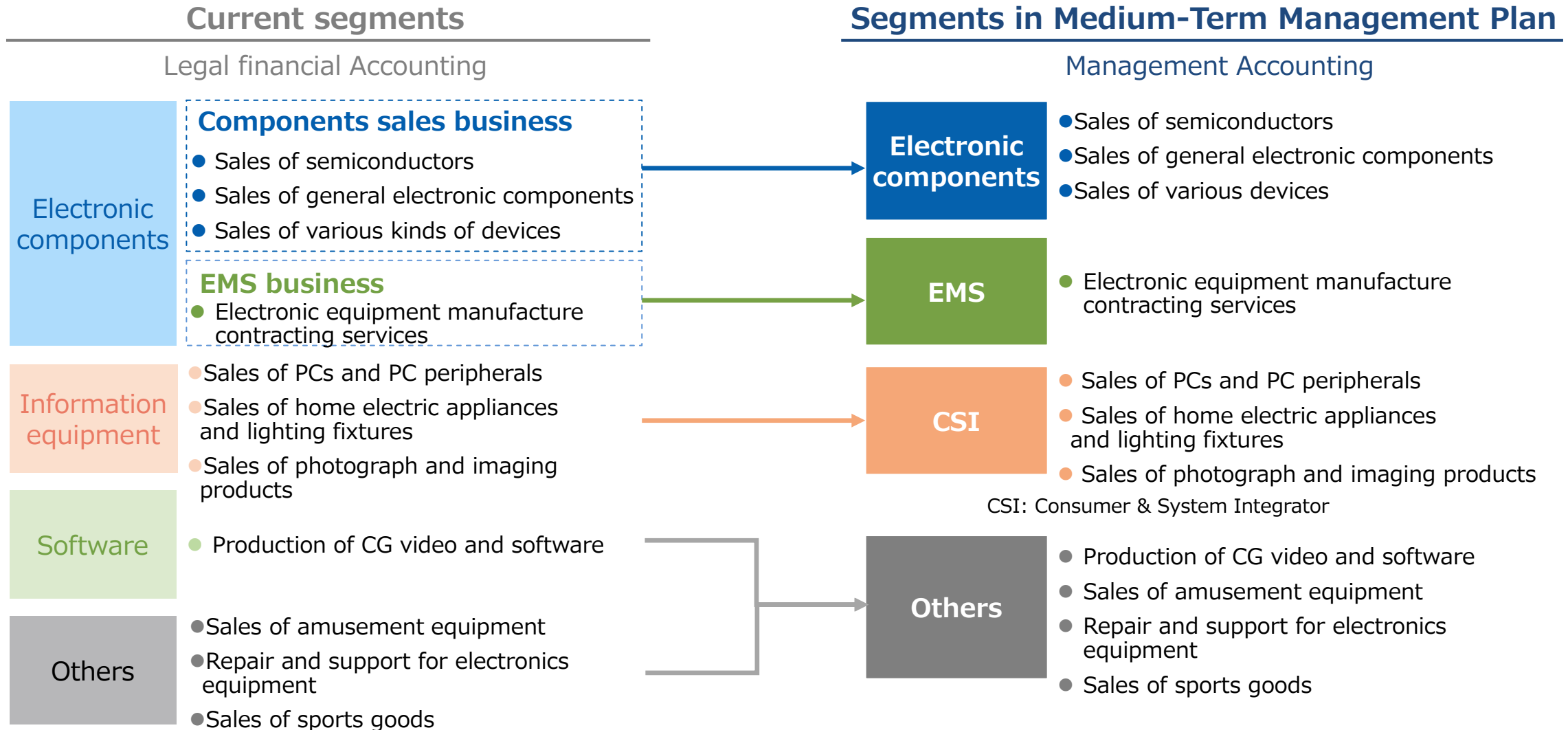
Latest 5 years Financial Trends



Note: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024.
The amounts indicated for EPS take account of the impact of the said stock split even prior to the split date.

Segment disclosure in the Medium-Term Management Plan Reference

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



Results for FY2026/3 H1 by MTMP* Segment

Reference



MTMP:Medium-Term Management Plan

H1 Results
(April - September)

(million yen)		FY2025/3	Profit margin	FY2026/3	Profit margin	YoY
Electronic Component	Net sales	166,185		176,601		6.3%
	Segment income	5,019	3.0%	4,963	2.8%	-1.1%
EMS	Net sales	64,981		76,791		18.2%
	Segment income	4,164	6.4%	4,513	5.9%	8.4%
CSI	Net sales	18,633		21,571		15.8%
	Segment income	1,392	7.5%	1,616	7.5%	16.1%
Others	Net sales	9,264		13,994		51.1%
	Segment income	847	9.1%	1,845	13.2%	117.8%
Total	Net sales	259,064		288,959		11.5%
	Segment income	11,501	4.4%	13,049	4.5%	13.5%

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

Results for FY2026/3 Q2 by MTMP* Segment

MTMP:Medium-Term Management Plan

(million yen)		Q2 Results (July - September)		Q1 Results (April - June)		Q2 Results (July - September)		YoY	QoQ
		FY2025/3	Profit margin	FY2026/3	Profit margin	FY2026/3	Profit margin		
Electronic Component	Net sales	85,489		81,847		94,753		10.8%	15.8%
	Segment income	2,521	2.9%	2,267	2.8%	2,695	2.8%	6.9%	18.9%
EMS	Net sales	32,050		37,198		39,593		23.5%	6.4%
	Segment income	2,094	6.5%	2,235	6.0%	2,278	5.8%	8.8%	1.9%
CSI	Net sales	8,026		12,116		9,454		17.8%	-22.0%
	Segment income	753	9.4%	821	6.8%	795	8.4%	5.7%	-3.1%
Others	Net sales	4,860		6,923		7,071		45.5%	2.1%
	Segment income	586	12.1%	1,132	16.4%	712	10.1%	21.5%	-37.1%
Total	Net sales	130,426		138,086		150,872		15.7%	9.3%
	Segment income	5,951	4.6%	6,484	4.7%	6,564	4.4%	10.3%	1.2%

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

Exchange Rate / FOREX Sensitivity

	H1 Results (April - September)		(Reference) Effect of 1% change		Forex Assumption for 2026/3 (yen)
	FY2025/3	FY2026/3 (yen)	Net sales	Operating income (million yen)	
USD	152.63	146.04	1,125	23	140.00
RMB	21.05	20.47	141	8	20.00
THB	4.27	4.46	164	10	4.50
HKD	19.55	18.69	106	2	19.00
EUR	165.95	168.06	76	0	160.00

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“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.