

# Financial Results Briefing Material for the Fiscal Year ended March 2026

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**KAGA ELECTRONICS CO., LTD.**

**TSE Prime Market 8154**

**May 28, 2026**



**JPX-NIKKEI 400**  
2023 - 2025



**JPX-NIKKEI Mid Small**  
2021 - 2025

- FY2026/March Consolidated Financial Results

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P- 3~

FY2026/3 (Full-Year)

Summary | Financial Highlights | Results by Segment | Company

Balance Sheet | Cash flows

Forecasts for FY2027/3 | Shareholder Returns

- Management Topics

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P- 25~

Medium-Term Management Plan 2027

Basic Policy and Priority Measures

<Achievements in Year 1>

Acquisition of Kyoei Sangyo | New EMS Factory

Shareholder Returns | Governance Reform

<Initiatives in Year 2>

Shinko Shoji Tender Offer

- Reference

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P- 35~

# **FY2026/March Consolidated Financial Results**

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**Director, Senior Executive Officer,  
Head of Administration Headquarters**

**Yasuhiro Ishihara**

# Summary of Financial Results for FY2026/3

Results for FY2026/3	(billion yen)	Net Sales	Operating income	Net income
	Results	<b>658.9</b>	<b>27.8</b>	<b>31.0</b>
	YoY	+111.1 [+20.3%]	+4.2 [+17.9%]	+14.0 [+82.0%]
<p><b>Both net sales and income at all levels of profit achieved double-digit year-on-year growth. Net sales and net income achieved record highs for the first time in three fiscal years, marking a solid start in the first year of our Medium-Term Management Plan 2027.</b></p> <ul style="list-style-type: none"> <li>Net sales : Electronic components, information equipment, and others business all maintained robust performance. The consolidation of Kyoei Sangyo commenced from Q2. In Q4, spot sales (approximately 41.1 billion yen) in response to supply shortages of certain semiconductor products made a significant contribution to the increase in net sales.</li> <li>Operating income : The increase in gross profit driven by higher net sales more than offset the rise in SG&amp;A expenses, leading to year-on-year growth.</li> <li>Net income : In addition to higher net income from core operations, the following items were recorded as extraordinary income: "Gain on bargain purchase from a corporate acquisition (approximately 7.7 billion yen)", and "Gain on sale of investment securities (approximately 1.6 billion yen)" resulting from the reduction of cross-shareholdings.</li> </ul>				
FY2027/3 earnings forecasts	(billion yen)	Net Sales	Operating income	Net income
	Forecasts	<b>645.0</b>	<b>28.5</b>	<b>20.0</b>
	YoY	-13.9 [-2.1%]	+0.7 [+2.4%]	-11.0 [-35.7%]
<ul style="list-style-type: none"> <li>Net sales : Net sales are expected to decline due to the absence of one-off items recorded in the fiscal year ended March 2026. However, on an underlying basis, the upward trend is expected to continue.</li> <li>Operating income : Income growth is expected to be sustained, supported by improvements in gross profit margin and efforts to maintain strict cost control.</li> <li>Net income : Net income is expected to decline due to the absence of extraordinary income (approximately 10 billion yen) recorded in the fiscal year ended March 2026.</li> </ul>				
Shareholder Return	<ul style="list-style-type: none"> <li>FY2026/3 : Compared to the previous forecast, the year-end dividend has been increased by 10 yen to 80 yen, bringing the annual dividend to 140 yen per share, a year-on-year increase of 30 yen.</li> <li>FY2027/3 : Notwithstanding the projected decrease in profit, the previous fiscal year's dividend payment (140 yen per share) will be maintained.</li> </ul>			

# Financial Highlights for FY2026/3

(million yen)	Full-Year Results (Apr. - Mar.)					Forecasts (Announced on Feb. 12, 2026)		
	FY2025/3	Composition Ratio	FY2026/3	Composition Ratio	YoY	FY2026/3	Composition Ratio	Achivement vs. forecast
Net Sales	547,779	100.0%	<b>658,941</b>	100.0%	20.3%	620,000	100.0%	106.3%
Gross Profit	71,665	13.1%	<b>85,350</b>	13.0%	19.1%	—	—	—
SG&A	48,064	8.8%	<b>57,525</b>	8.7%	19.7%	—	—	—
Operating income	23,601	4.3%	<b>27,824</b>	4.2%	17.9%	27,000	4.4%	103.1%
Ordinary income	22,593	4.1%	<b>29,930</b>	4.5%	32.5%	28,000	4.5%	106.9%
Profit attributable to owners of parent	17,083	3.1%	<b>31,099</b>	4.7%	82.0%	28,500	4.6%	109.1%
EPS (yen)	325.08	—	<b>627.71</b>	—	93.1%	575.24	—	—
ROE	10.8%	—	<b>17.8%</b>	—	7.0pt	16.5%	—	—
Annual dividend	110	—	<b>140</b>	—	30	—	—	—
(yen)	interim	55	<b>60</b>	—	5	—	—	—
	year-end	55	<b>80</b>	—	25	—	—	—
Exchange rate	yen / US\$	152.58	<b>150.77</b>	—	—	140.00	—	—

Note: 1. The effect of exchange rates on the conversion into yen is approximately -1,200 million yen on net sales and +32 million yen on operating income.

2. The Company conducted a two-for-one stock split of its common stock effective Oct. 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 by Business Segment

(million yen)		Full-Year Results (Apr. - Mar.)				Forecasts (Announced on Feb. 12, 2026)			
		FY2025/3	profit margin	<b>FY2026/3</b>	profit margin	YoY	FY2026/3	profit margin	Achivement vs. forecast
Electronic Component	Net sales	472,910		<b>568,834</b>		20.3%	541,500		105.0%
	Segment income	16,927	3.6%	<b>19,304</b>	3.4%	14.0%	20,000	3.7%	96.5%
Information Equipment	Net sales	42,652		<b>54,182</b>		27.0%	45,000		120.4%
	Segment income	3,307	7.8%	<b>4,444</b>	8.2%	34.4%	3,500	7.8%	127.0%
Software	Net sales	3,387		<b>3,307</b>		-2.4%	3,500		94.5%
	Segment income	509	15.1%	<b>365</b>	11.1%	-28.2%	500	14.3%	73.2%
Others	Net sales	28,829		<b>32,617</b>		13.1%	30,000		108.7%
	Segment income	2,707	9.4%	<b>3,487</b>	10.7%	28.8%	3,000	10.0%	116.3%
Total	Net sales	547,779		<b>658,941</b>		20.3%	620,000		106.3%
	Segment income	23,601	4.3%	<b>27,824</b>	4.2%	17.9%	27,000	4.4%	103.1%

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

# Results for FY2026/3 by Company

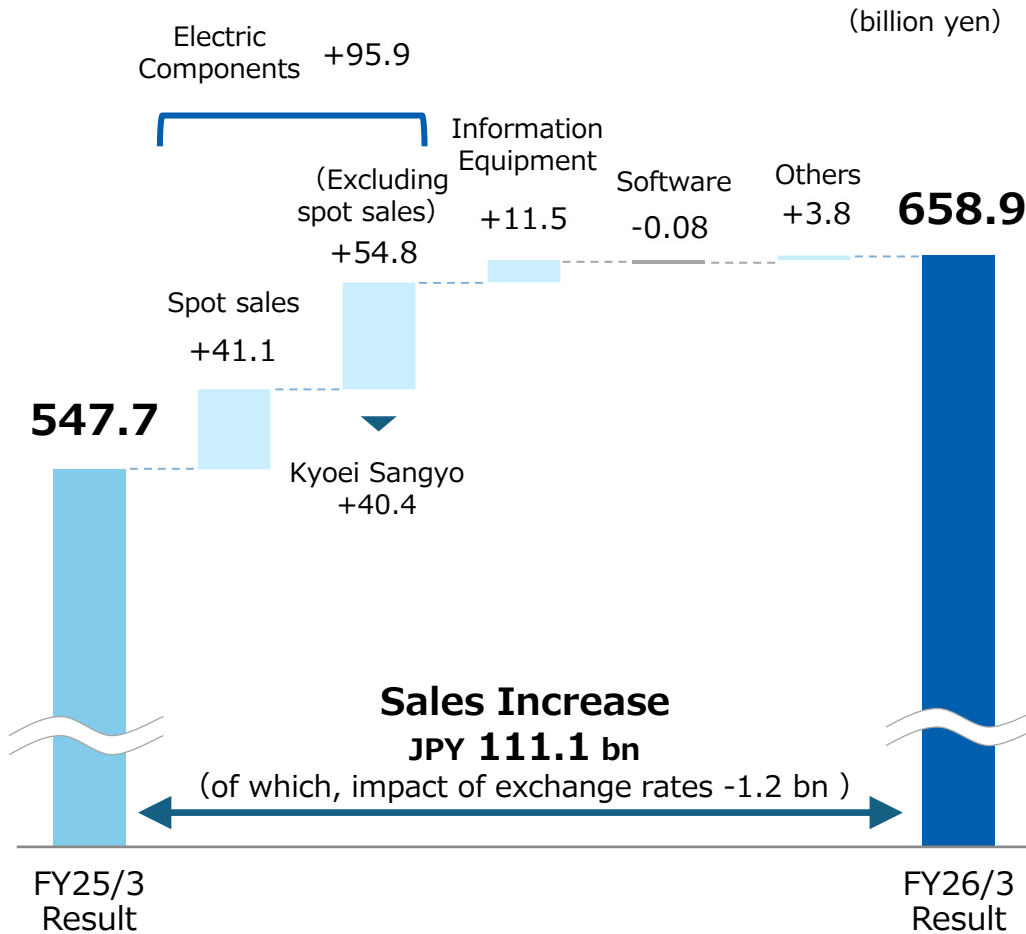
(million yen)		Full-Year Results (Apr. - Mar.)				YoY
		FY2025/3	profit margin	<b>FY2026/3</b>	profit margin	
Kaga Electronics	Net sales	319,527		<b>348,693</b>		9.1%
	Gross Profit	49,919	15.6%	<b>55,070</b>	15.8%	10.3%
	Operating income	19,855	6.2%	<b>21,740</b>	6.2%	9.5%
Kaga FEI	Net sales	197,868		<b>242,241</b>		22.4%
	Gross Profit	17,901	9.0%	<b>19,955</b>	8.2%	11.5%
	Operating income	1,860	0.9%	<b>3,346</b>	1.4%	79.9%
Excel	Net sales	30,383		<b>27,646</b>		-9.0%
	Gross Profit	3,782	12.4%	<b>3,659</b>	13.2%	-3.2%
	Operating income	1,645	5.4%	<b>1,517</b>	5.5%	-7.8%
Kyohei Sangyo	Net sales	—		<b>40,360</b>		—
	Gross Profit	—	—	<b>6,722</b>	16.7%	—
	Operating income	—	—	<b>1,128</b>	2.8%	—
Total	Net sales	547,779		<b>658,941</b>		20.3%
	Gross Profit	71,665	13.1%	<b>85,350</b>	13.0%	19.1%
	Operating income	23,601	4.3%	<b>27,824</b>	4.2%	17.9%

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

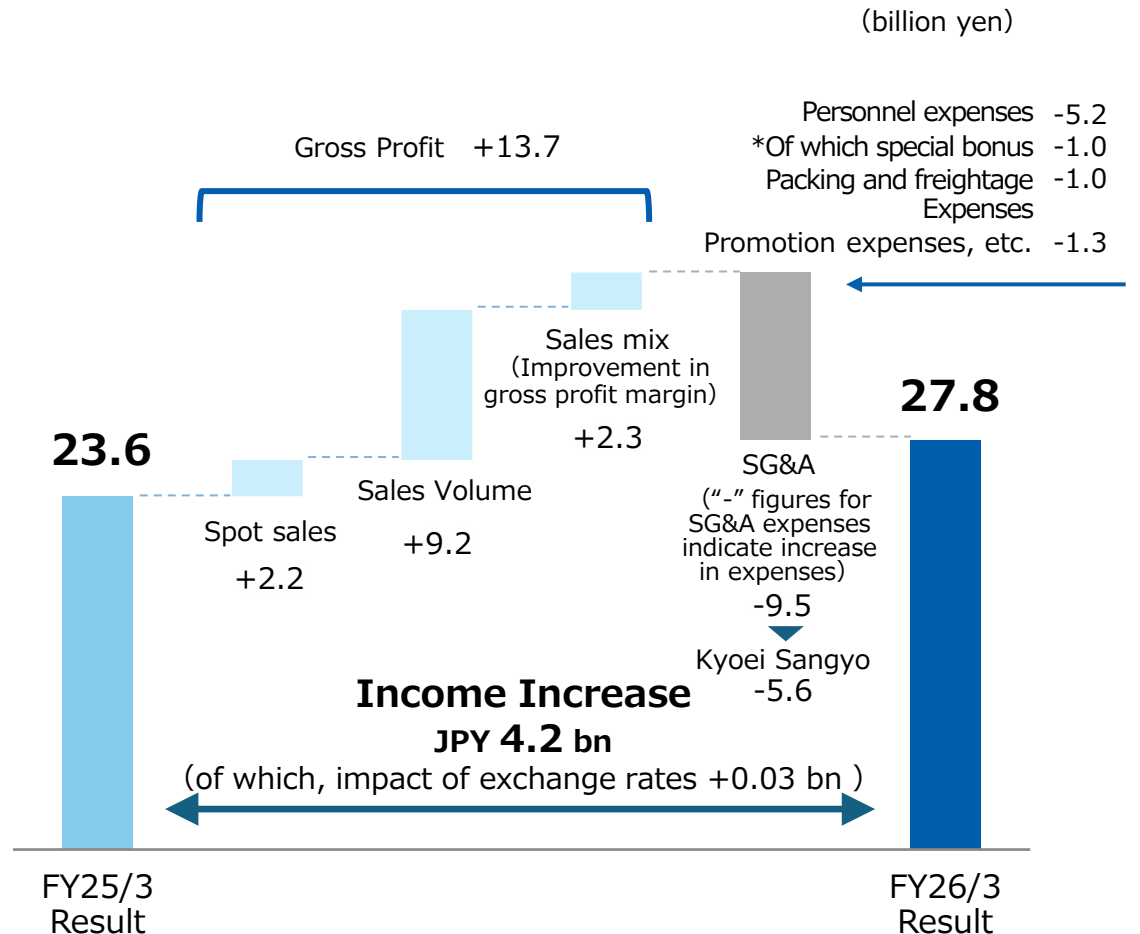
2. Kyohei Sangyo became a consolidated subsidiary effective Jul. 18, 2025.

# Analysis of Net Sales/Operating Income Changes by Item

## Net sales



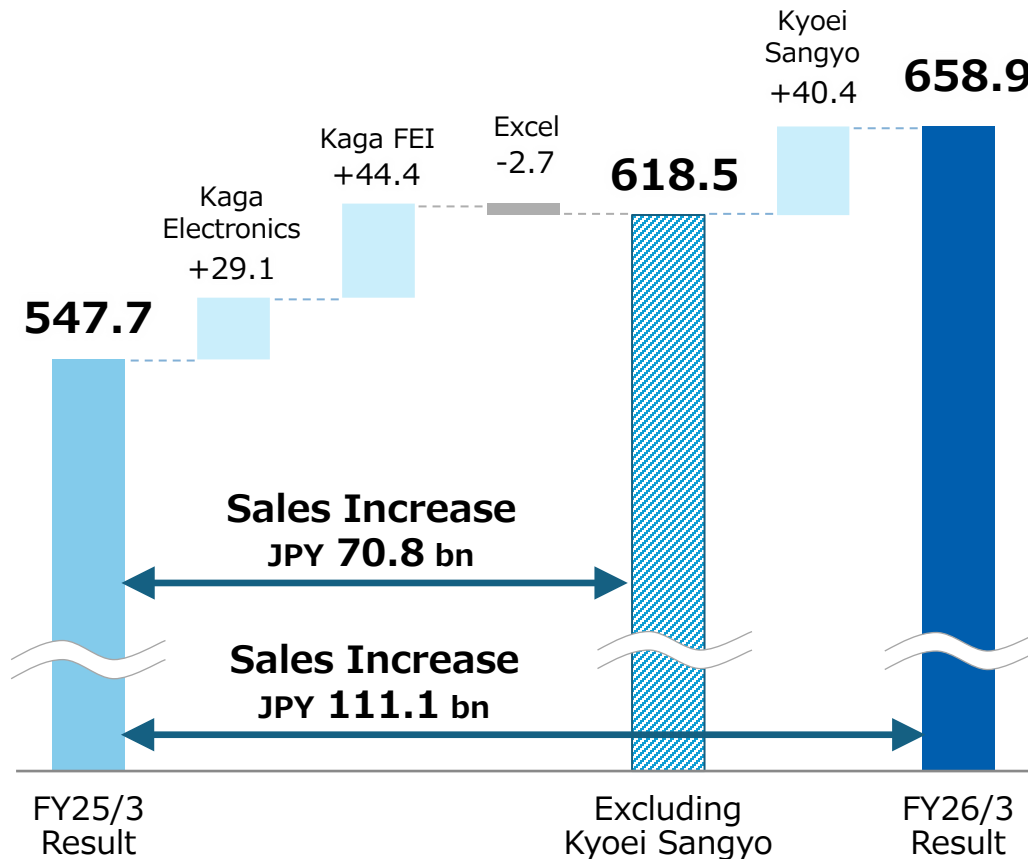
## Operating income



# Analysis of Net Sales/Operating Income Changes by Company

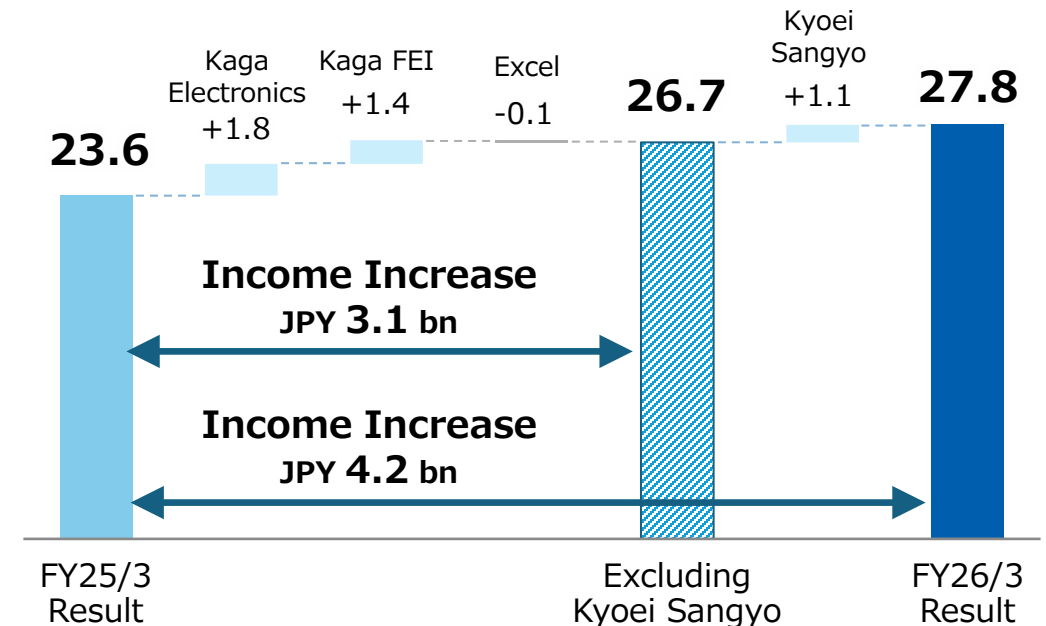
## Net sales

(billion yen)



## Operating income

(billion yen)



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

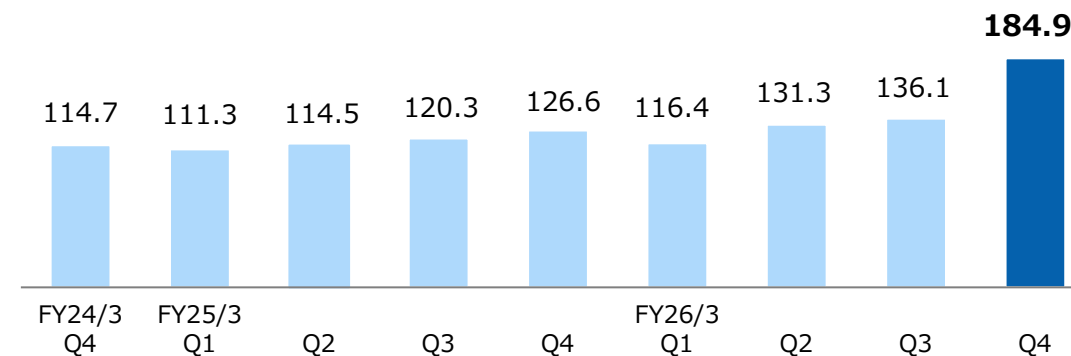
# FY2026/3 : Electronic Component Segment

## Full-Year Results (Apr. - Mar.)

(million yen)	FY2025/3	FY2026/3	YoY	
Net Sales	472,910	<b>568,834</b>	+95,924	20.3%
Segment income	16,927	<b>19,304</b>	+2,377	14.0%
Profit margin	3.6%	<b>3.4%</b>	-0.2pt	

## Quarterly Net Sales Trends

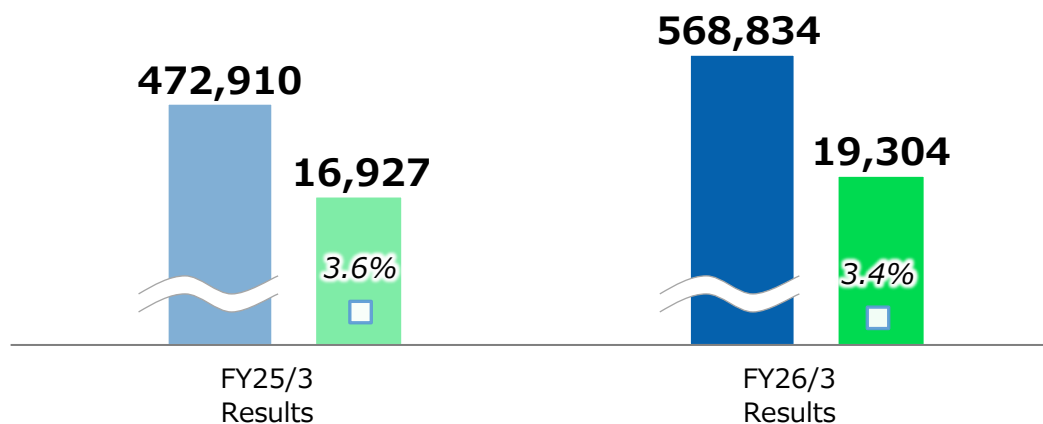
(billion yen)



## Net sales/Segment income

(million yen)

■ Net Sales ■ Segment income  
■ Profit margin



## Main factors behind increase/decrease

Components sales business

- (+) Easing inventory adjustments in the supply chain
  - (+) Kyoei Sangyo was consolidated from Q2.
  - (+) Spot sales in response to the tight supply-demand conditions for commodity memory products contributed to increased sales
- As a result, net sales and income both increased year-on-year

EMS Business

- (+) Capacity expansion at overseas production sites contributed to increased sales
  - (+) Robust sales to medical and air-conditioning equipment sectors
  - (-) Demand decrease at some customers in the automotive sector
- As a result, net sales and income both increased year-on-year

# FY2026/3 : Information Equipment Segment

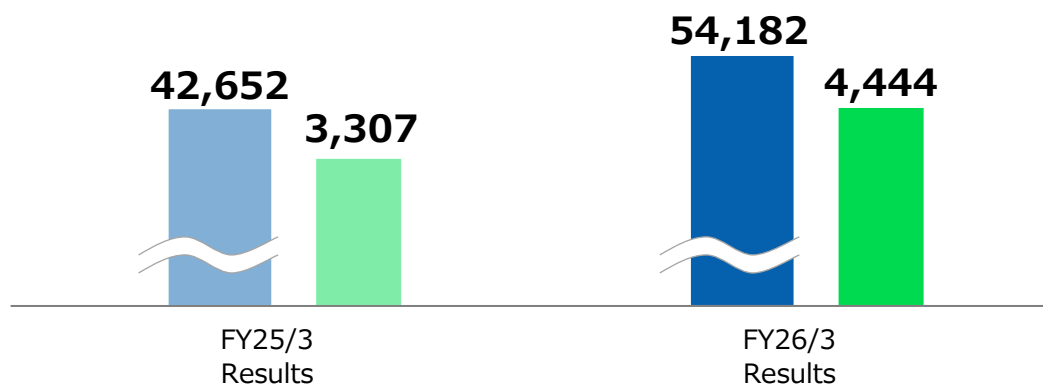
## Full-Year Results (Apr. - Mar.)

(million yen)	FY2025/3	FY2026/3	YoY	
Net Sales	42,652	<b>54,182</b>	+11,529	27.0%
Segment income	3,307	<b>4,444</b>	+1,137	34.4%
Profit margin	7.8%	<b>8.2%</b>	+0.4pt	

### Net sales/Segment income

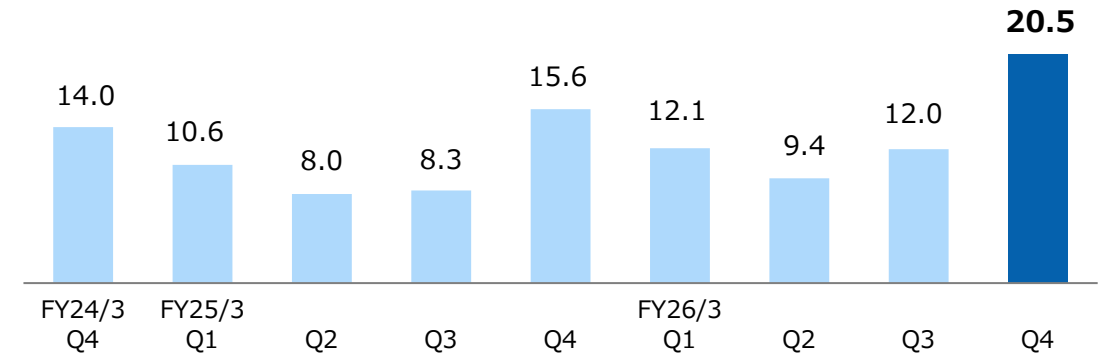
(million yen)

■ Net Sales ■ Segment income  
■ Profit margin



### Quarterly Net Sales Trends

(billion yen)



### Main factors behind increase/decrease

- PC sales business
  - (+) Robust sales to educational institutions, driven by initiatives undertaken to increase the number of partner schools
  - (+) Robust sales to mass retailers, driven by new product launches, including AI PCs
  - (+) Sales of security software for mobile devices contributed to the increase in net sales

As a result, net sales and income both increased year-on-year
- Electrical and telecommunication equipment installation business
  - (+) Strong LED installation to major convenience stores and financial institutions
  - (+) Steady growth in orders received for construction works for solar panels and electrical substations

As a result, net sales and income both increased year-on-year

# Financial Highlights for FY2026/3 Q4 (3 months)

(million yen)	Q4 Results (Jan. - Mar.)		Q3 Results (Oct. - Dec.)		Q4 Results (Jan. - Mar.)		YoY	QoQ
	FY2025/3	Composition Ratio	FY2026/3	Composition Ratio	<b>FY2026/3</b>	Composition Ratio		
Net Sales	151,536	100.0%	156,516	100.0%	<b>213,466</b>	100.0%	40.9%	36.4%
Gross Profit	19,475	12.9%	20,416	13.0%	<b>25,388</b>	11.9%	30.4%	24.4%
SG&A	13,930	9.2%	14,016	9.0%	<b>17,013</b>	8.0%	22.1%	21.4%
Operating income	5,545	3.7%	6,400	4.1%	<b>8,374</b>	3.9%	51.0%	30.8%
Ordinary income	4,214	2.8%	7,323	4.7%	<b>9,164</b>	4.3%	117.5%	25.1%
Profit attributable to owners of parent	4,368	2.9%	9,275	5.9%	<b>6,790</b>	3.2%	55.5%	-26.8%
EPS (yen)	83.11	—	194.61	—	<b>142.48</b>	—	—	—
Exchange rate	yen / US\$	152.58	—	148.74	—	<b>150.77</b>	—	—

- Note: 1. The effect of exchange rates on the conversion into yen is approximately -218 million yen on net sales and +5 million yen on operating income.  
 2. The Company conducted a two-for-one stock split of its common stock effective Oct. 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 Q4 by Business Segment (3 months)

Reference



(million yen)		Q4 Results (Jan. - Mar.)		Q3 Results (Oct. - Dec.)		Q4 Results (Jan. - Mar.)		YoY	QoQ
		FY2025/3	profit margin	FY2026/3	profit margin	<b>FY2026/3</b>	profit margin		
Electronic Component	Net sales	126,697		136,103		<b>184,942</b>		46.0%	35.9%
	Segment income	3,358	2.7%	4,800	3.5%	<b>5,536</b>	3.0%	64.8%	15.3%
Information Equipment	Net sales	15,699		12,080		<b>20,530</b>		30.8%	69.9%
	Segment income	1,353	8.6%	883	7.3%	<b>1,944</b>	9.5%	43.6%	120.2%
Software	Net sales	1,316		846		<b>781</b>		-40.7%	-7.8%
	Segment income	201	15.3%	68	8.1%	<b>131</b>	16.9%	-34.5%	92.2%
Others	Net sales	7,822		7,485		<b>7,212</b>		-7.8%	-3.6%
	Segment income	610	7.8%	624	8.3%	<b>740</b>	10.3%	21.3%	18.7%
Total	Net sales	151,536		156,516		<b>213,466</b>		40.9%	36.4%
	Segment income	5,545	3.7%	6,400	4.1%	<b>8,374</b>	3.9%	51.0%	30.8%

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

# Results for FY2026/3 Q4 by Company (3 months)

(million yen)		Q4 Results (Jan. - Mar.)		Q3 Results (Oct. - Dec.)		Q4 Results (Jan. - Mar.)		YoY	QoQ
		FY2025/3	profit margin	FY2026/3	profit margin	<b>FY2026/3</b>	profit margin		
Kaga Electronics	Net sales	90,546		89,259		<b>94,576</b>		4.4%	6.0%
	Gross Profit	13,557	15.0%	13,247	14.8%	<b>14,875</b>	15.7%	9.7%	12.3%
	Operating income	4,560	5.0%	5,396	6.0%	<b>5,223</b>	5.5%	14.5%	-3.2%
Kaga FEI	Net sales	52,305		48,779		<b>95,518</b>		82.6%	95.8%
	Gross Profit	4,783	9.1%	4,658	9.5%	<b>6,423</b>	6.7%	34.3%	37.9%
	Operating income	386	0.7%	857	1.8%	<b>1,465</b>	1.5%	279.1%	70.9%
Excel	Net sales	8,683		6,079		<b>8,538</b>		-1.7%	40.4%
	Gross Profit	1,105	12.7%	812	13.4%	<b>1,176</b>	13.8%	6.5%	44.9%
	Operating income	525	6.0%	330	5.4%	<b>539</b>	6.3%	2.7%	63.1%
Kyoei Sangyo	Net sales	—	—	12,398		<b>14,833</b>		—	19.6%
	Gross Profit	—	—	1,753	14.1%	<b>2,910</b>	19.6%	—	66.0%
	Operating income	—	—	-169	—	<b>1,109</b>	7.5%	—	—
Total	Net sales	151,536		156,516		<b>213,466</b>		40.9%	36.4%
	Gross Profit	19,475	12.9%	20,416	13.0%	<b>25,388</b>	11.9%	30.4%	24.4%
	Operating income	5,545	3.7%	6,400	4.1%	<b>8,374</b>	3.9%	51.0%	30.8%

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 Jul. 18, 2025.

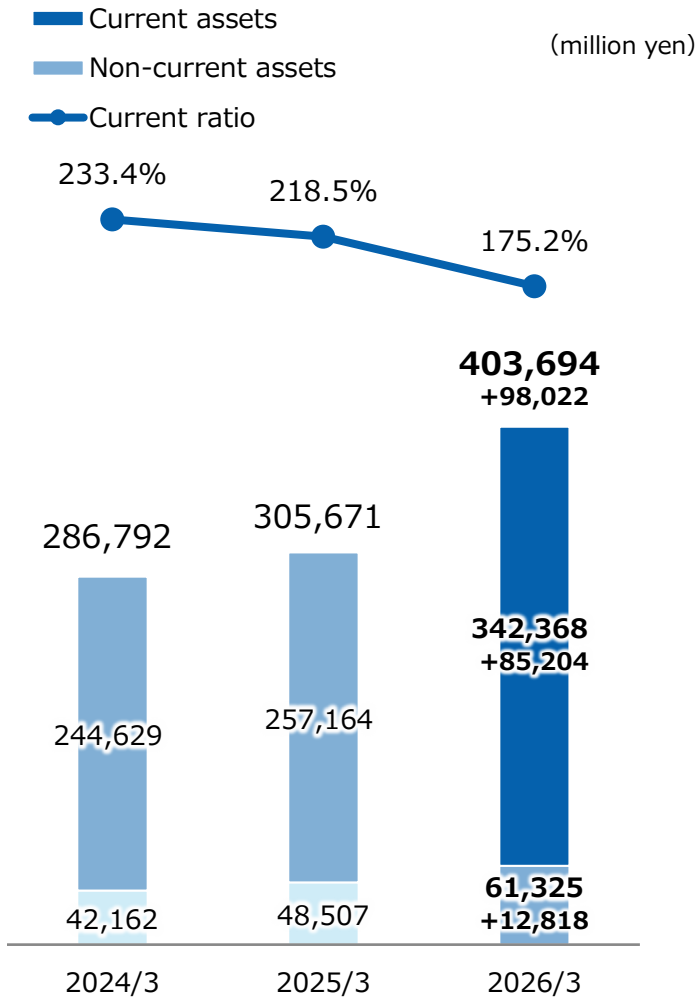
# Summary of Balance Sheet

(million yen)	2025/3	2026/3	Change from end of FY2025/3
<b>ASSETS</b>			
<b>Current assets</b>	<b>257,164</b>	<b>342,368</b>	<b>+85,204</b>
Cash and deposits	80,188	89,706	+9,517
Notes and accounts receivable -trade	114,139	173,355	+59,216
Inventories	51,774	68,004	+16,230
Other	11,061	11,302	+240
<b>Non-current assets</b>	<b>48,507</b>	<b>61,325</b>	<b>+12,818</b>
Property, plant and equipment	28,445	31,624	+3,179
Buildings and structures	9,839	11,839	+1,999
Machinery, equipment and vehicles	11,034	11,898	+864
Tools, furniture and fixtures	1,217	1,282	+64
Land	5,940	6,237	+296
Construction in progress	413	366	-46
Intangible assets	1,738	1,911	+173
Software	1,694	1,873	+179
Other	44	38	-5
Total investments and other assets	18,323	27,789	+9,465
Investment securities	12,556	19,403	+6,846
Distressed receivables	4,815	4,662	-152
Allowance for doubtful accounts	-4,873	-4,785	+88
Other	5,825	8,508	+2,682
<b>Total assets</b>	<b>305,671</b>	<b>403,694</b>	<b>+98,022</b>

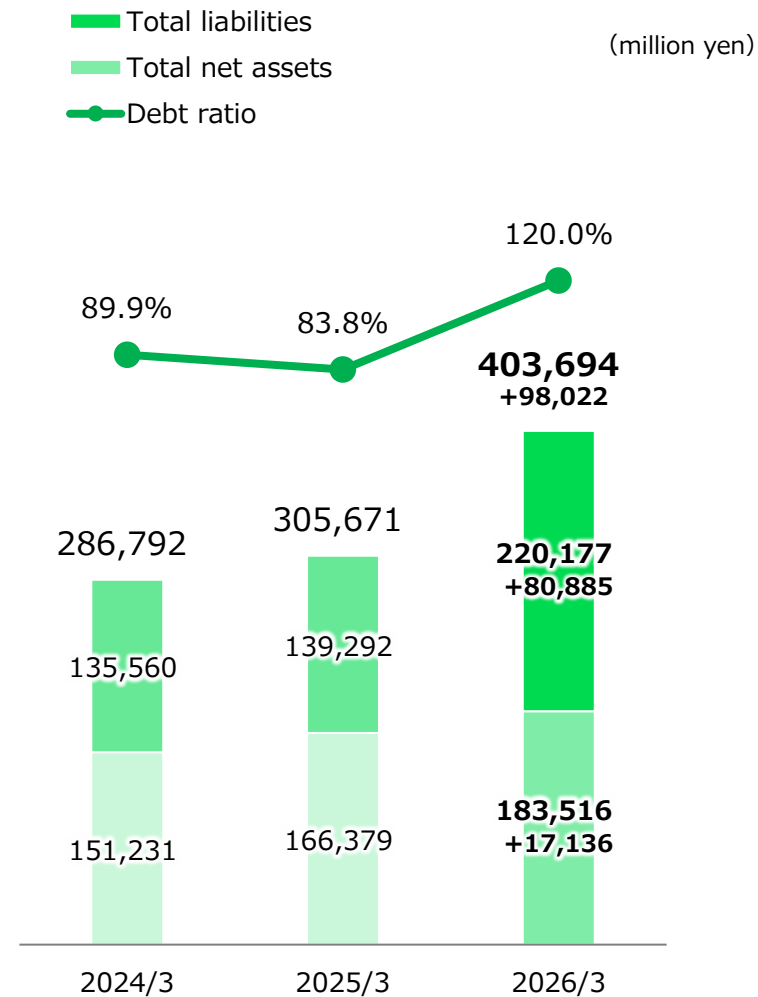
(million yen)	2025/3	2026/3	Change from end of FY2025/3
<b>LIABILITIES</b>			
<b>Current liabilities</b>	<b>117,704</b>	<b>195,444</b>	<b>+77,739</b>
Notes and accounts payable -trade	73,340	94,373	+21,033
Short-term loans payable	14,890	68,398	+53,507
Current portion of bonds payable	5,000	200	-4,800
Other	24,473	32,472	+7,998
<b>Non-current liabilities</b>	<b>21,587</b>	<b>24,733</b>	<b>+3,145</b>
Bonds payable	5,000	5,200	+200
Long-term loans payable	5,500	6,571	+1,071
Other	11,087	12,962	+1,874
<b>Total liabilities</b>	<b>139,292</b>	<b>220,177</b>	<b>+80,885</b>
<b>NET ASSETS</b>			
Shareholders' equity	142,993	153,948	+10,955
Capital stock	12,133	12,133	-
Capital surplus	14,885	14,767	-118
Retained earnings	121,553	136,955	+15,402
Treasury shares	-5,579	-9,908	-4,328
Non-controlling interests	23,225	29,555	+6,329
Non-controlling interests	160	12	-148
<b>Total net assets</b>	<b>166,379</b>	<b>183,516</b>	<b>+17,136</b>
<b>Total liabilities and net assets</b>	<b>305,671</b>	<b>403,694</b>	<b>+98,022</b>

# Balance Sheet Main Items

## Total assets



## Total liabilities and net assets



## Main balance sheet changes

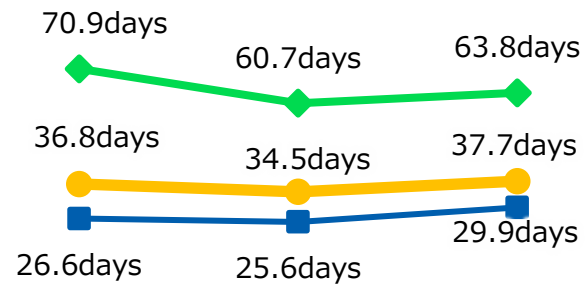
- Current assets
  - (+) 57,243 million yen increase in accounts receivable – trade
  - (+) 13,596 million yen increase in merchandise and finished goods
- Non-current assets
  - (+) 3,179 million yen increase in property, plant and equipment
  - (+) 6,846 million yen increase in investment securities
- Liabilities
  - (+) 53,507 million yen increase in short-term loans payable
  - (+) 21,033 million yen increase in notes and accounts payable -trade
- Net assets
  - (+) 15,402 million yen increase in retained earnings

Note: Current ratio = Current asset ÷ current liabilities × 100

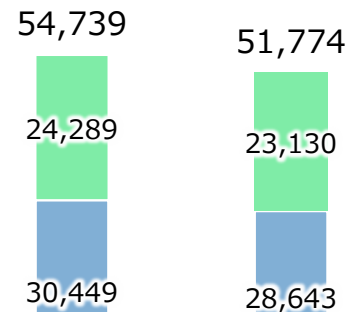
Note: Debt ratio = Total liabilities ÷ Equity capital × 100

## Inventories

- Inventories (manufacturing biz) (million yen)
- Inventories (trading biz)
- Inventory turnover (Consolidated)
- Inventory turnover (manufacturing biz)
- Inventory turnover (trading biz)



**68,004**  
+16,230



**41,594**  
+12,951

2024/3

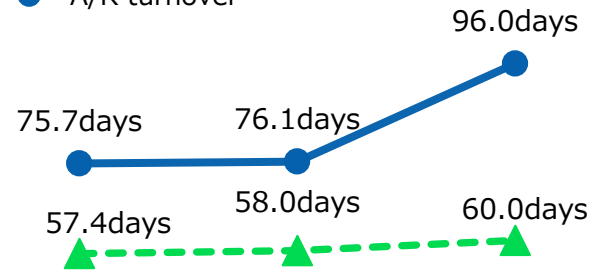
2025/3

2026/3

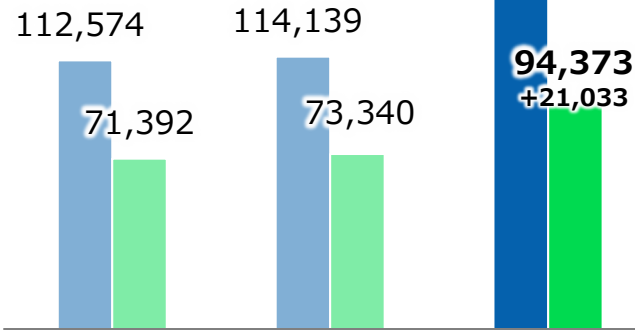
Note : Inventory turnover = Inventories ÷ Net Sales × 365

## Accounts receivable/Accounts payable

- Notes and A/R (million yen)
- Notes and A/P
- A/P turnover
- A/R turnover



**173,355**  
+59,216



**94,373**  
+21,033

2024/3

2025/3

2026/3

Notes: 1. A/R turnover = Notes and A/R ÷ Net sales × 365  
 2. A/P turnover = Notes and A/P ÷ Total purchase of goods × 365  
 3. Notes and A/R amounts including Electronically recorded monetary claims-operating  
 4. Notes and A/P amounts including Electronically recorded obligations -operating

## Inventories

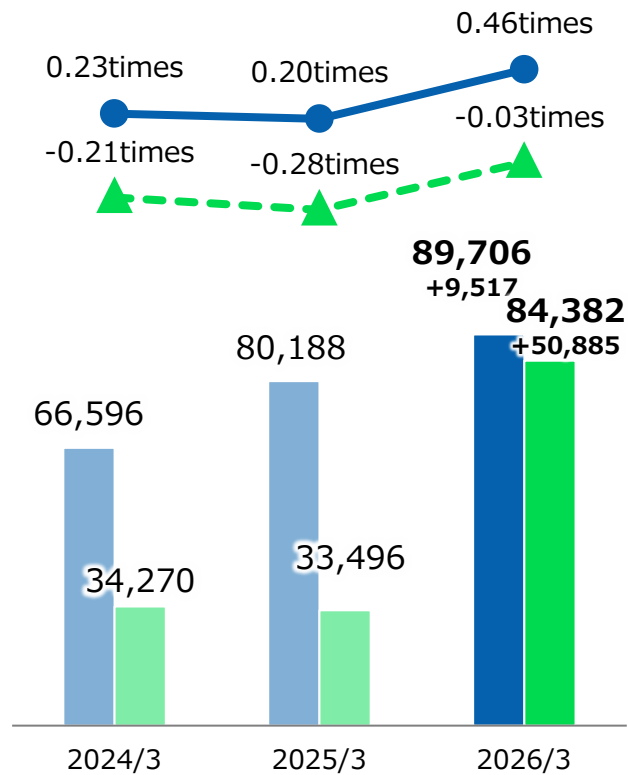
- Consolidated
    - vs end of FY2025/3 : +16.2bn, +3.2days
  - Trading business
    - vs end of FY2025/3 : +12.9bn, +4.3days
    - of which, Kyoei Sangyo +7.2bn
  - Manufacturing business
    - vs end of FY2025/3 : +3.2bn, +3.1days
- Inventory value increased along with higher net sales in the EMS business

## Accounts receivable

- Accounts receivable
  - vs end of FY2025/3 : +59.2bn, +19.9days
- Increase in total assets
  - Due to increase in accounts receivable resulting from large-scale spot sales and the consolidation of Kyoei Sangyo.

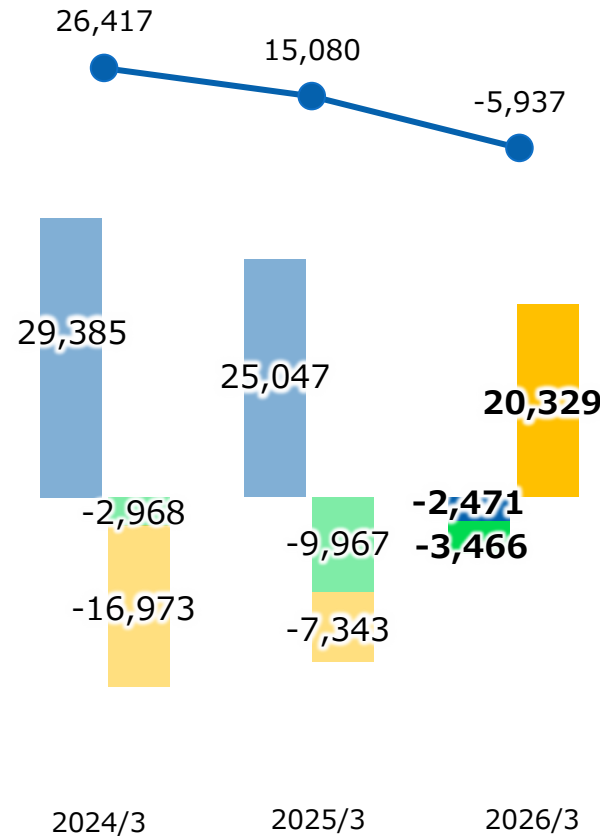
## Cash and Deposits/Interest Bearing Debt

■ Cash and deposits  
■ Interest bearing debts  
● D/E ratio  
▲ Net D/E ratio  
 (million yen)



## Cash flows

■ Cash flows from financing activities  
■ Cash flows from investing activities  
■ Cash flows from operating activities  
● Free Cash Flow  
 (million yen)



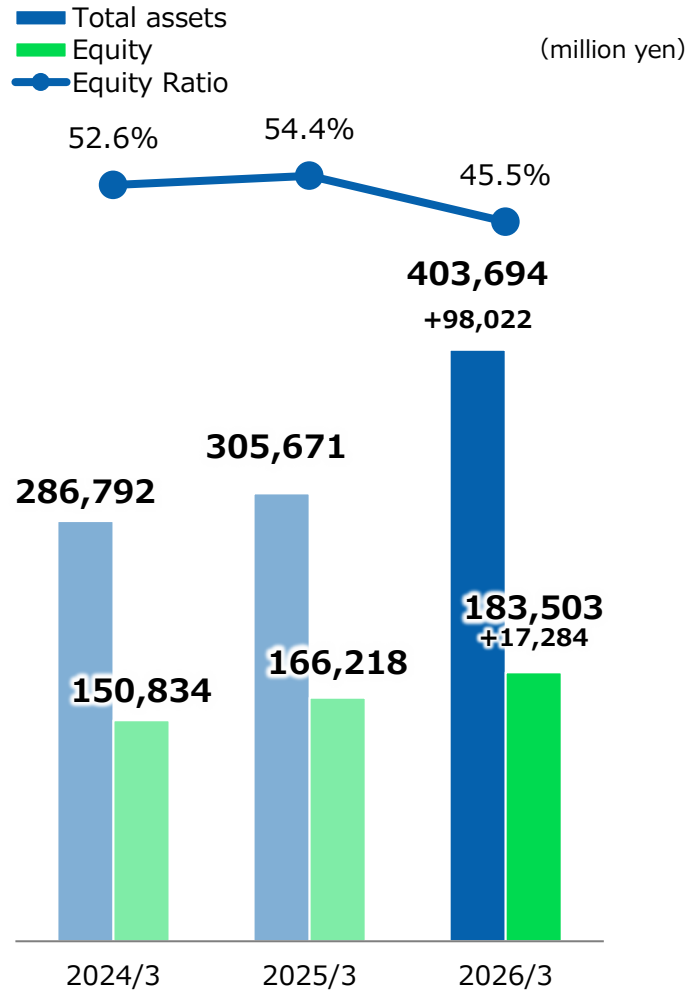
## Cash flows

- Operating activities**  
 2,471 million yen used.  
 Mainly due to an increase in accounts receivable from large-scale spot sales.
- Investing activities**  
 3,466 million yen used.  
 Mainly due to purchase of shares of subsidiaries resulting in change in scope of consolidation.
- Financing activities**  
 20,329 million yen provided.  
 Mainly due to an increase in short-term loans payable.

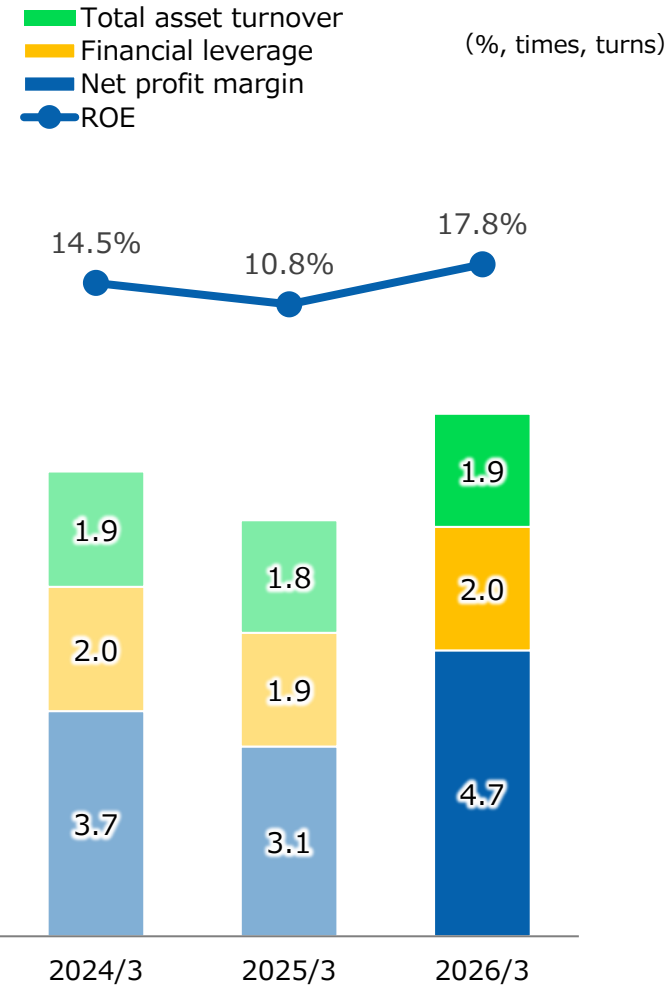
Note: 1. D/E ratio = Interest bearing debts ÷ Shareholder's equity  
 2. Net D/E ratio = (Interest bearing debts - Cash and deposits) ÷ Shareholder's equity

# Balance Sheet Main Items

## Equity ratio



## ROE



## Equity ratio

■ Equity ratio  
-8.9pt

- Increase in total assets  
→Due to an increase in notes and accounts receivable resulting from large-scale spot sales and the consolidation of Kyohei Sangyo.

## ROE

■ ROE  
+7.0pt

- Enhancement of profitability (net profit margin)

# Forecasts for FY2027/3

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# Forecasts for FY2027/3

(million yen)	FY2026/3		FY2027/3		YoY
	Results	Composition Ratio	Forecasts	Composition Ratio	
Net Sales	658,941	100.0%	<b>645,000</b>	100.0%	-2.1%
Operating income	27,824	4.2%	<b>28,500</b>	4.4%	2.4%
Ordinary income	29,930	4.5%	<b>28,000</b>	4.3%	-6.5%
Profit attributable to owners of parent	31,099	4.7%	<b>20,000</b>	3.1%	-35.7%
EPS (yen)	627.71	—	<b>419.65</b>	—	-208.06
ROE	17.8%	—	<b>10.5%</b>	—	-7.3pt
Annual dividend	Total	140	—	<b>140</b>	—
(yen)	interim	60	—	<b>70</b>	10
	year-end	80	—	<b>70</b>	-10
Exchange rate	yen / US\$	150.77	—	<b>150.00</b>	—

# Forecasts for FY2027/3 by Business Segment

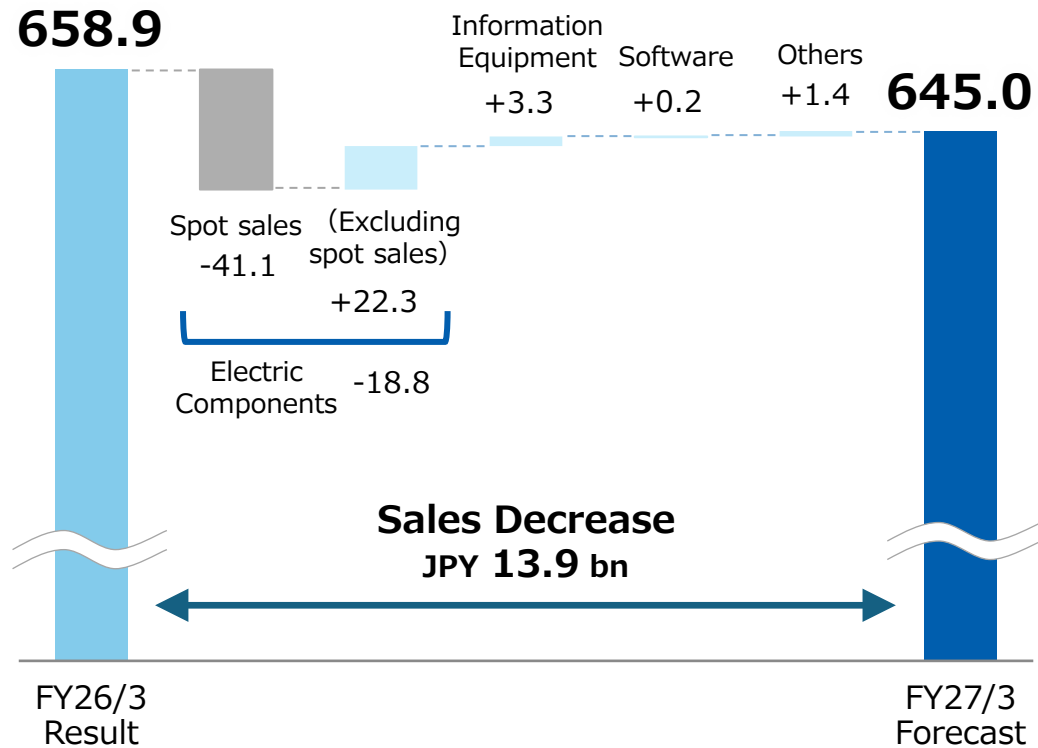
(million yen)		FY2026/3		FY2027/3		YoY
		Results	profit margin	Forecasts	profit margin	
Electronic Component	Net sales	568,834		<b>550,000</b>		-3.3%
	Segment income	19,304	3.4%	<b>20,000</b>	3.6%	3.6%
Information Equipment	Net sales	54,182		<b>57,500</b>		6.1%
	Segment income	4,444	8.2%	<b>5,000</b>	8.7%	12.5%
Software	Net sales	3,307		<b>3,500</b>		5.8%
	Segment income	365	11.1%	<b>500</b>	14.3%	36.7%
Others	Net sales	32,617		<b>34,000</b>		4.2%
	Segment income	3,487	10.7%	<b>3,000</b>	8.8%	-14.0%
Total	Net sales	658,941		<b>645,000</b>		-2.1%
	Segment income	27,824	4.2%	<b>28,500</b>	4.4%	2.4%

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

# Assumptions for FY2027/3 Earnings Forecast

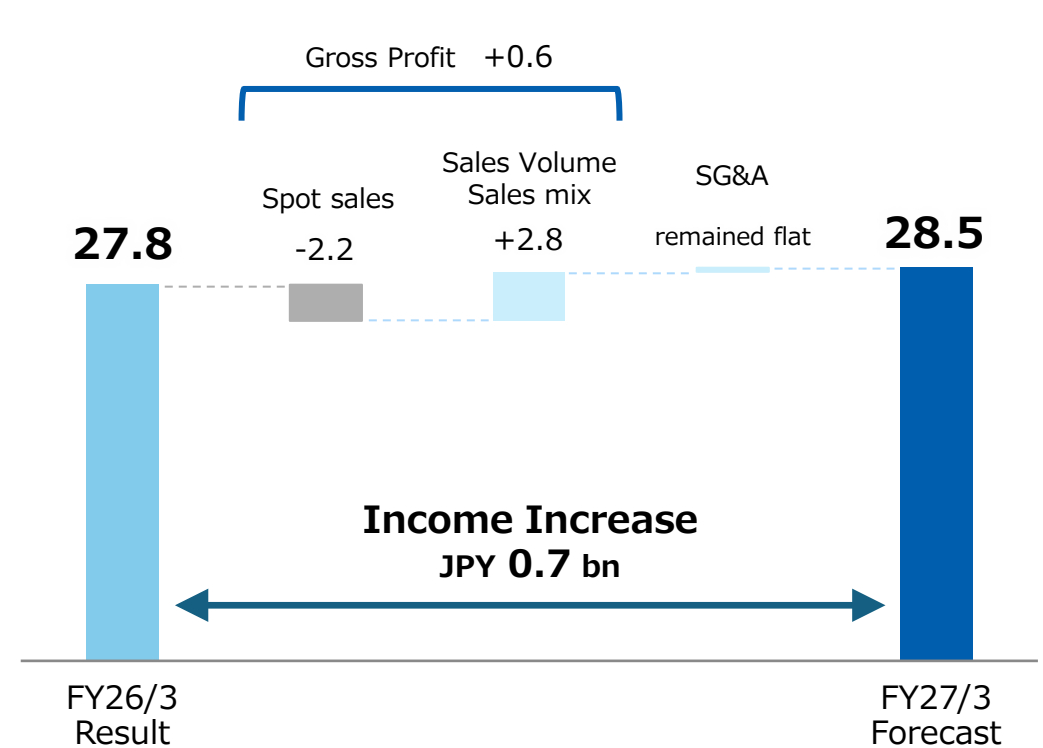
## Net sales

(billion yen)



## Operating income

(billion yen)



<b>Policy on Shareholder Returns</b> (Announced on Nov. 6, 2024)	<b>Dividend growth guideline</b>	■ increased the consolidated dividend payout ratio to 30% - 40% (from 25% - 35% in the past)
	<b>Guideline for stable dividends</b>	■ introduced “DOE (consolidated dividend on equity ratio) of 4%” as a new guideline
	<b>Flexible return policies</b>	■ flexibly implement extraordinary dividends and acquisition of treasury shares in line with profit levels and capital efficiency

<b>Repurchase and cancellation of treasury shares</b> Repurchase Aug. 8, 2025 Cancellation Aug. 18, 2025	■ 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.
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	FY2025/3	FY2026/3		FY2027/3
	Results	Initial Forecasts	Previous Forecasts	Forecasts
	Announced on May. 14, 2025	Announced on May. 14, 2025	Announced on Feb. 12, 2026	Announced on May. 14, 2026
Profit attributable to owners of parent (million yen)	17,083	16,500	28,500	20,000
gain on bargain purchase (million yen) (*)	—	—	7,600	—
Dividend per share (Full year, yen)	110.00	110.00	130.00	140.00
of which, Extraordinary dividend	—	—	20.00	—
Consolidated dividend payout ratio	33.8%	35.0%	22.6%	33.4%
※excluding around gain on bargain purchase	—	—	30.8%	—
DOE	4.2%	3.9%	4.2%	4.2%
※excluding around gain on bargain purchase	—	—	4.3%	—

(\*) Including Gain (Loss) on step acquisitions (385 million yen)

# Management Topics

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**Representative Director,  
President & COO**

**Ryoichi Kado**

## 『Medium-Term Management Plan 2027』 (FY2025 - 2027)

Enhancing corporate value through management focused on profitability and capital efficiency

ROE 12%

60th anniversary of Company's founding (FY2029)

“World class company”

“Japan's No. 1 corporate group in the industry”

Net sales  
JPY **1**tn

Grow earnings through M&As and creating/acquiring new businesses

Net Sales JPY **800** bn or higher    Operating income JPY **36** bn or higher

Expand earnings in core businesses

Net Sales JPY **700** bn or higher    Operating income JPY **35** bn or higher

Expansion of trading company business will lead to growth of the EMS business



Quantitative expansion of trading company business



Qualitative improvement through EMS business

## Basic policy

**Enhance corporate value through management focused on profitability and capital efficiency**

Priority measures		Main action plan
<b>Further Reinforcement of Profitability</b>	<b>Expansion of core businesses</b>	<ul style="list-style-type: none"> <li>■ Put business portfolio management into practice</li> <li>■ Generate more than 100 billion yen in new business revenue in order to achieve the 1 trillion-yen target in FY2028</li> <li>■ Explore new businesses with energy, infrastructure, transportation, and the environment as the priority themes</li> </ul>
	<b>M&amp;A challenges</b>	
	Creation of new businesses	
<b>Advanced Management Base</b>	<b>Implementation of capital strategies</b>	<ul style="list-style-type: none"> <li>■ Strategic cash allocation and proactive shareholder returns</li> <li>■ Reform HR system (overseas Human Resource Development, promote diversification of human resources, etc.)</li> </ul>
	Investment in human capital	
<b>Promotion of SDGs Management</b>	<b>Accelerated response to ESG management issues</b>	<ul style="list-style-type: none"> <li>■ Environmental: Promote 100% renewable energy to become carbon neutral</li> <li>■ Social: Promotion of women’s full participation in the workplace, work-style reform, employee engagement</li> <li>■ Governance : Achievement of goals of appointing female directors and becoming a company with an audit and supervisory committee structure</li> </ul>

<b>Acquisition scheme</b>	(1) <b>Tender offer</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
	(2) <b>Share consolidation</b>	<ul style="list-style-type: none"> <li>After approval at the Extraordinary General Meeting on Sept. 29, 2025, delisted from the Tokyo Stock Exchange on October 16, 2025/</li> </ul>
	(3) <b>Becoming a wholly-owned subsidiary</b>	<ul style="list-style-type: none"> <li>On Nov. 7, 2025, acquired all shares held by Mitsubishi Electric, making the company a wholly-owned subsidiary.</li> </ul>
	<b>&lt;Acquisition price&gt;</b>	<ul style="list-style-type: none"> <li>10.7 billion yen in total, including (1) through (3)</li> </ul>
<b>Description of business</b>	<b>Sales</b>	<ul style="list-style-type: none"> <li>semiconductor, device products, industrial equipment, Information and telecommunication equipment, printed circuit boards, etc.</li> </ul>
	<b>Development</b>	<ul style="list-style-type: none"> <li>software, application, system solutions, IC design, etc.</li> </ul>
	<b>Manufacturing</b>	<ul style="list-style-type: none"> <li>Information and telecommunication equipment, etc.</li> </ul>
<b>Objectives of the acquisition</b>	<b>Semiconductor devices</b>	<ul style="list-style-type: none"> <li>Complementing each other's product portfolios and creating added value by leveraging our EMS network</li> </ul>
	<b>Industrial equipment systems</b>	<ul style="list-style-type: none"> <li>Leveraging our global business infrastructure to expand sales in India and other overseas markets</li> </ul>
	<b>Systems development</b>	<ul style="list-style-type: none"> <li>Expanding solution proposals by combining the assets (both hardware and software) that Kaga Electronics possesses with those of Kyoei Sangyo</li> </ul>

## Thailand · Amatanakorn Factory 3

### Outline

Total floor area	4,400m <sup>2</sup>
Items produced	Installation of substrates/assembly, Assembly of finished products and unit products
Start of operation	December 2025
Initial investment	Approx. 1.3 billion yen

### Purpose and Aim

Establish a highly efficient production system through the introduction of 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



## Singapore Factory

800m<sup>2</sup>

Small-lot substrate/assembly production, mass-production prototyping

April 2026

Approx. 100 million yen

Introduce production equipment developed in-house and specialized in small-lot production

Hub connecting local customers in China to mass-production factories in ASEAN

Facilities include a showroom for showcasing in-house developed production equipment for sale, and an operator training center

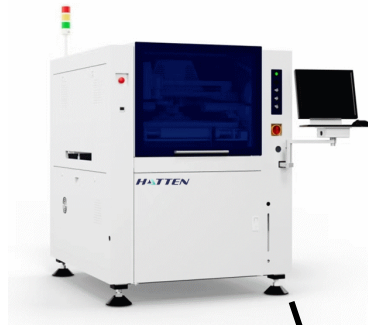


Photo credit: Capitaland

# <Reference> Production Equipment Developed In-House

Through a joint venture with a major Chinese equipment manufacturer, developing, designing, and manufacturing production equipment tailored for high-mix, low-volume production; combining overwhelming cost competitiveness with high quality and reliability, delivering comprehensive solutions for substrates/assembly

## (1) Solder paste printer



A machine for printing solder paste on printed circuit boards

## (2) Insertion machine



A machine for wave soldering components such as through-hole components that cannot be mounted with surface mounting technology

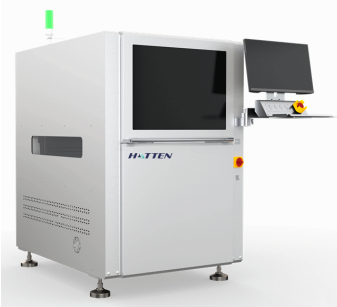
## (3) Reflow oven



A device that transports printed circuit boards on a horizontal conveyor and uses hot air to melt and solidify solder paste



## (4) Solder paste inspection machine



A 3D solder inspection machine that measures solder volume and position deviation to prevent defects

## (5) Surface mounting equipment



An automated high-speed, high-precision machine that mounts tiny electronic components onto printed circuit boards

## (6) Automated optical inspection



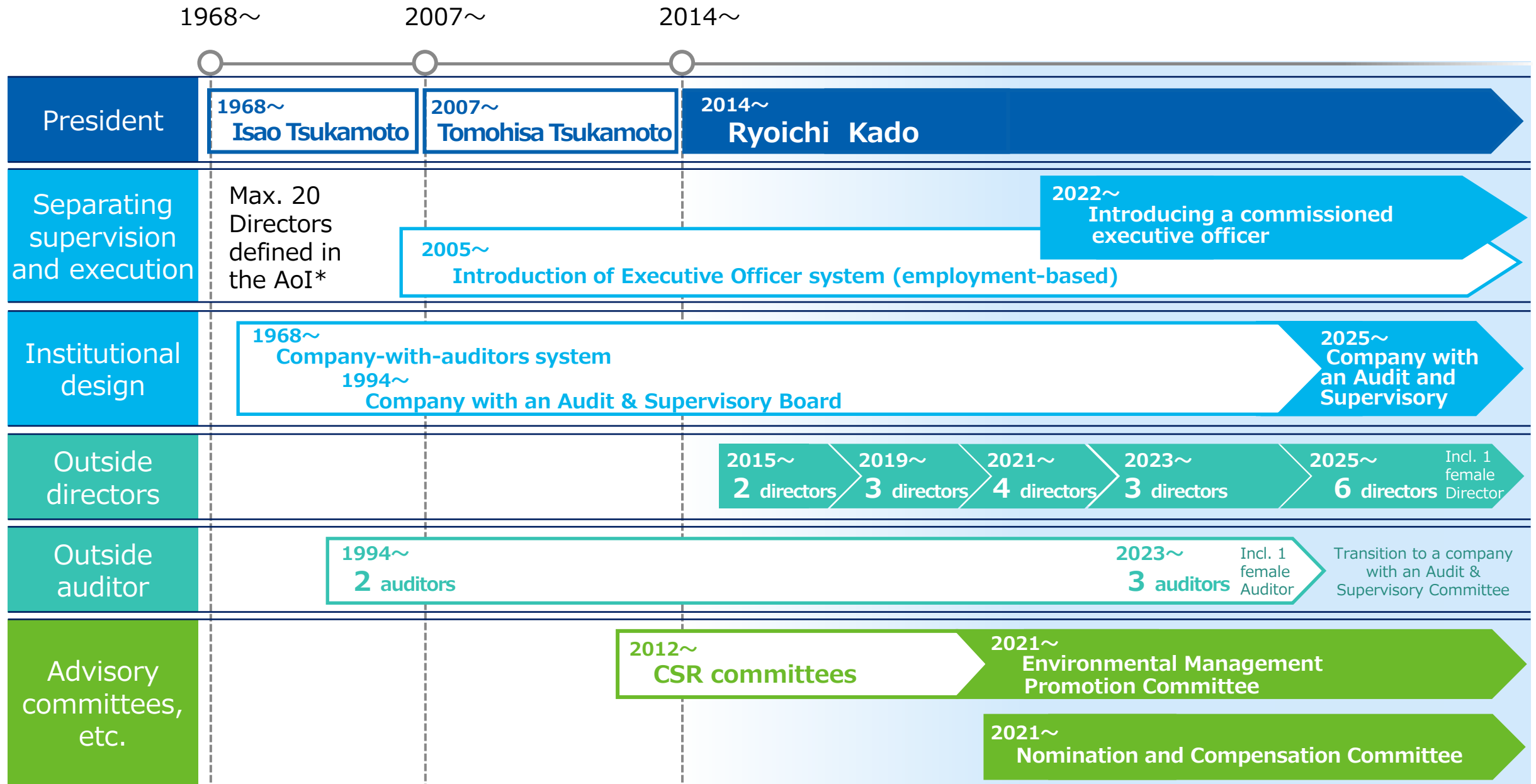
An automated optical inspection machine that detects soldering defects such as bridging and insufficient solder

<b>Policy on Shareholder Returns</b> (Announced on November 6, 2024)	<b>Dividend growth guideline</b>	<ul style="list-style-type: none"> <li>increased <b>the consolidated dividend payout ratio to 30% - 40%</b> (from 25% - 35% in the past)</li> </ul>
	<b>Guideline for stable dividends</b>	<ul style="list-style-type: none"> <li>introduced <b>“DOE (consolidated dividend on equity ratio) of 4%”</b> as a new guideline</li> </ul>
	<b>Flexible return policies</b>	<ul style="list-style-type: none"> <li>flexibly implement <b>extraordinary dividends</b> and <b>acquisition of treasury shares</b> in line with profit levels and capital efficiency</li> </ul>

<b>Repurchase and cancellation of treasury shares</b> Repurchase : 2025/8/8 cancellation : 2025/8/18	<ul style="list-style-type: none"> <li><b>Repurchased all of the Company's shares held by our four primary banks</b> 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 <b>total value of 14.4 billion yen.</b></li> <li><b>All 4,920,000</b> repurchased shares (<b>9.4% of the total number of issued shares</b>) have been canceled.</li> </ul>
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<b>Extraordinary dividend (Revised dividends)</b>	<ul style="list-style-type: none"> <li><b>Added 30 yen extraordinary dividend</b> to initially-planned 110 yen, <b>for an annual dividend of 140 yen.</b></li> </ul>							
		<b>FY2025/3 Results</b> Announced on May. 14, 2025	<b>FY2026/3</b>				<b>Results</b> Announced on May. 14, 2026	<b>FY2027/3 Forecasts</b> Announced on May. 14, 2026
	(million yen)		Initial Announced on May. 14, 2025	Q1 Revision Announced on Aug. 7, 2025	Q2 Revision Announced on Nov. 6, 2025	Q3 Revision Announced on Feb. 12, 2026		
	Profit attributable to owners of parent	17,083	16,500	24,200	26,000	28,500	31,099	20,000
	gain on bargain purchase	—	—	7,200	7,600	7,600	8,183	—
	Dividend per share (Full year, yen)	110.00	110.00	120.00	120.00	130.00	140.00	140.00
	of which, Extraordinary dividend	—	—	10.00	10.00	20.00	30.00	—
	Consolidated dividend payout ratio	33.8%	35.0%	24.6%	22.9%	22.6%	22.3%	33.4%
	※excluding around gain on bargain purchase	—	—	35.0%	31.6%	30.8%	30.3%	—
DOE	4.2%	3.9%	4.2%	3.9%	4.2%	4.5%	4.2%	
※excluding around gain on bargain purchase	—	—	4.3%	4.0%	4.3%	4.6%	—	

# <Results in Year 1> Accelerating Action on ESG Issues: Governance Reform



\*Articles of Incorporation

# <Initiatives in Year 2> Shinko Shoji Tender Offer (Announced May 15, 2026)

## Basic information for target company

■ Trade name	Shinko Shoji Co., Ltd.
■ Head Office	1-2-2 Osaki, Shinagawa-ku, Tokyo
■ Representative	President and CEO Tatsuya Ogawa
■ Established	November 1953
■ Capital	9,519,300,000 yen
■ Main Business	Sales of electronic components such as integrated circuits and semiconductor elements, assembly products and electronic equipment.

## Objectives of the acquisition

- (1) Accelerate M&A initiatives to achieve the goals of the Medium-Term Management Plan and realize net sales of 1 trillion yen in FY2028
- (2) Share the target company's LSI Design Centers and engineering resources of over 300 personnel to significantly strengthen our Group's design and development capabilities at the very upstream of the value chain
- (3) Share our EMS production infrastructure to further enhance added value in the target company's assembly business, which is expanding through outsourcing in sectors such as industrial equipment

## Latest Business Results

	(million yen)	<b>FY2023/3 Results</b> Announced on May. 15, 2023	<b>FY2024/3 Results</b> Announced on May. 15, 2024	<b>FY2025/3 Results</b> Announced on May. 15, 2025	<b>FY2026/3 Results</b> Announced on May. 15, 2026	<b>FY2027/3 Forecasts</b> Announced on May. 15, 2026
Net sales		179,076	175,847	116,008	99,113	<b>126,000</b>
Operating income		7,128	4,878	637	1,201	<b>1,800</b>
Ordinary income		6,841	4,768	578	1,555	<b>2,100</b>
Profit attributable to owners of parent		4,706	3,194	505	1,127	<b>1,400</b>
Dividend Per Share (yen)		69.00	48.50	15.50	18.50	<b>24.50</b>

# Overview of the Shinko Shoji Tender Offer

<b>Outline of the Target Company</b>	Shinko Shoji Co., Ltd. (Securities Code: 8141 TSE PRIME)		
<b>Number of shares to be purchased</b>	Number of shares to be purchased (Maximum number : –, Minimum number : 19,226,700 shares)		
<b>Purchase Price</b>	1,580 yen/share	<b>Premiums</b>	<ul style="list-style-type: none"> <li>■ Closing price on May 14, 2026 : 6.40%</li> <li>■ One-month average closing price : 0.25%</li> <li>■ Three-month average closing price : 21.91%</li> <li>■ Six-month average closing price : 34.81%</li> </ul>
<b>Total Purchase Price</b>	Approximately 46 billion yen		
<b>Schedule</b>	<ul style="list-style-type: none"> <li>■ Date of resolution by board of directors : May 15, 2026</li> <li>■ Tender offer period : May 18, 2026 to June 26, 2026 (30 business days)</li> <li>■ Tender offer results announcement date : June 27, 2026</li> <li>■ Settlement start date : July 3, 2026</li> </ul>		

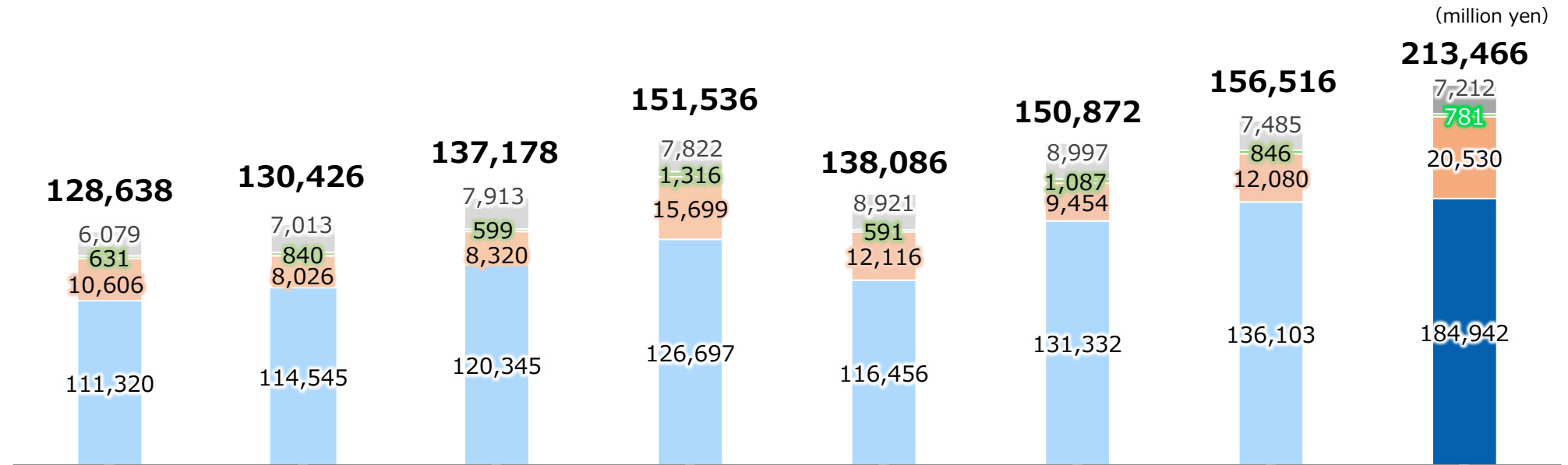
\* This tender offer will be conducted using bank borrowings and the Company's own funds.

\* If the minimum number of shares to be purchased is achieved but not all shares are acquired, the company is expected to be made a wholly-owned subsidiary through a "squeeze-out" procedure.

# Reference

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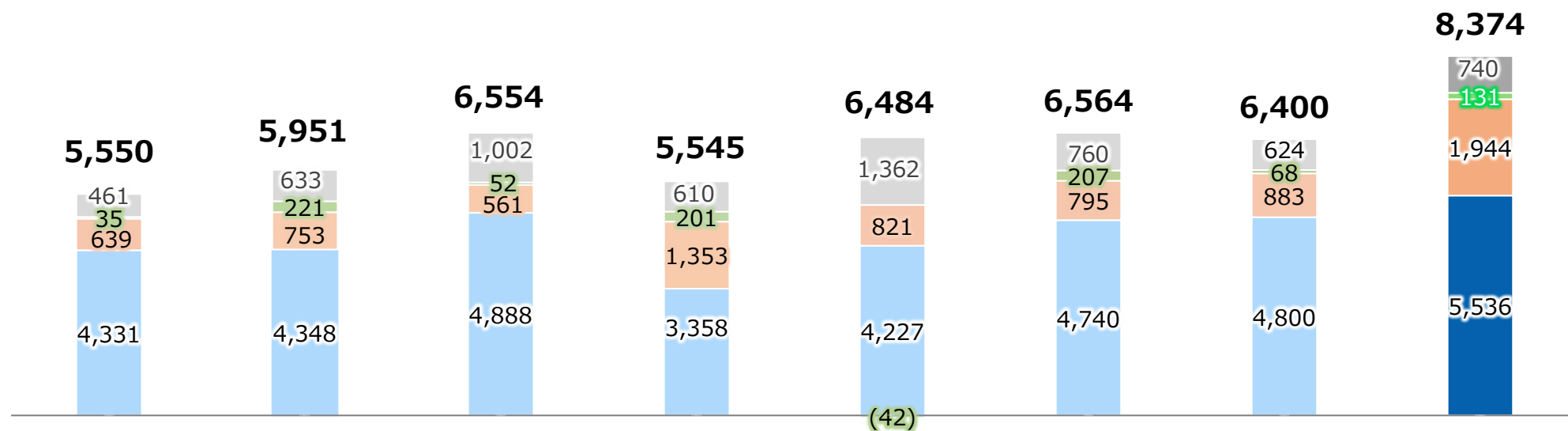
# Quarterly Net Sales Trends by Business Segment



Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4
Others	4.7%	5.4%	5.8%	5.2%	6.5%	6.0%	4.8%	3.4%
Software	0.5%	0.6%	0.4%	0.9%	0.4%	0.7%	0.5%	0.4%
Information Equipment	8.2%	6.2%	6.1%	10.4%	8.8%	6.3%	7.7%	9.6%
Electric Component	86.5%	87.8%	87.7%	83.6%	84.3%	87.0%	87.0%	86.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Quarterly Income Trends by Business Segment

(million yen)

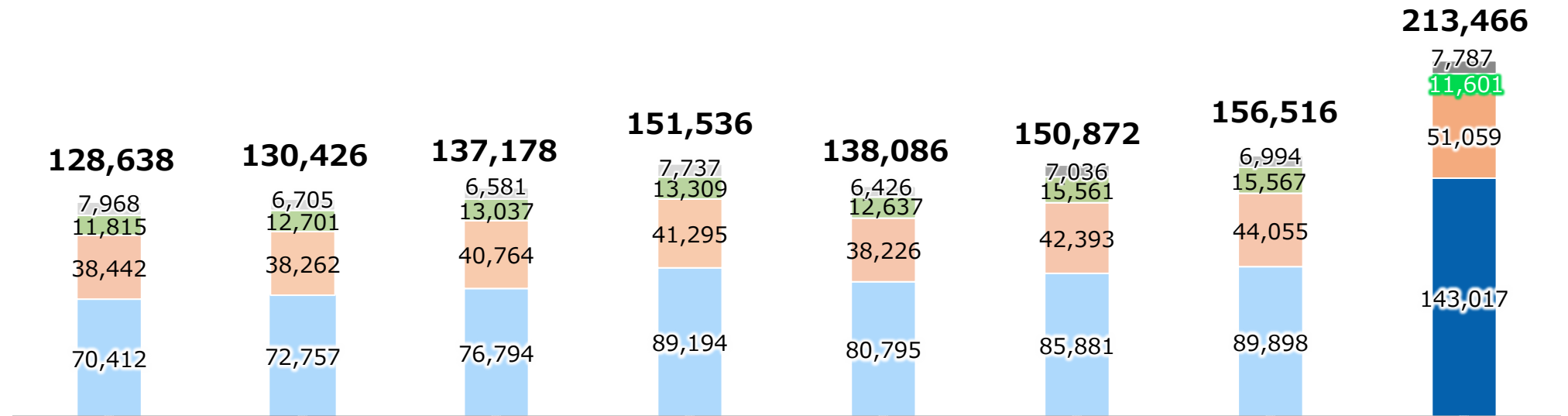


Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4
Others	8.4%	10.6%	15.4%	11.0%	21.4%	11.7%	9.8%	8.9%
Software	0.6%	3.7%	0.8%	3.6%	-0.7%	3.2%	1.1%	1.6%
Information Equipment	11.7%	12.6%	8.6%	24.5%	12.9%	12.2%	13.9%	23.3%
Electric Component	79.2%	73.0%	75.2%	60.8%	66.4%	72.9%	75.3%	66.3%
Total	100.0%	100.0%	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)

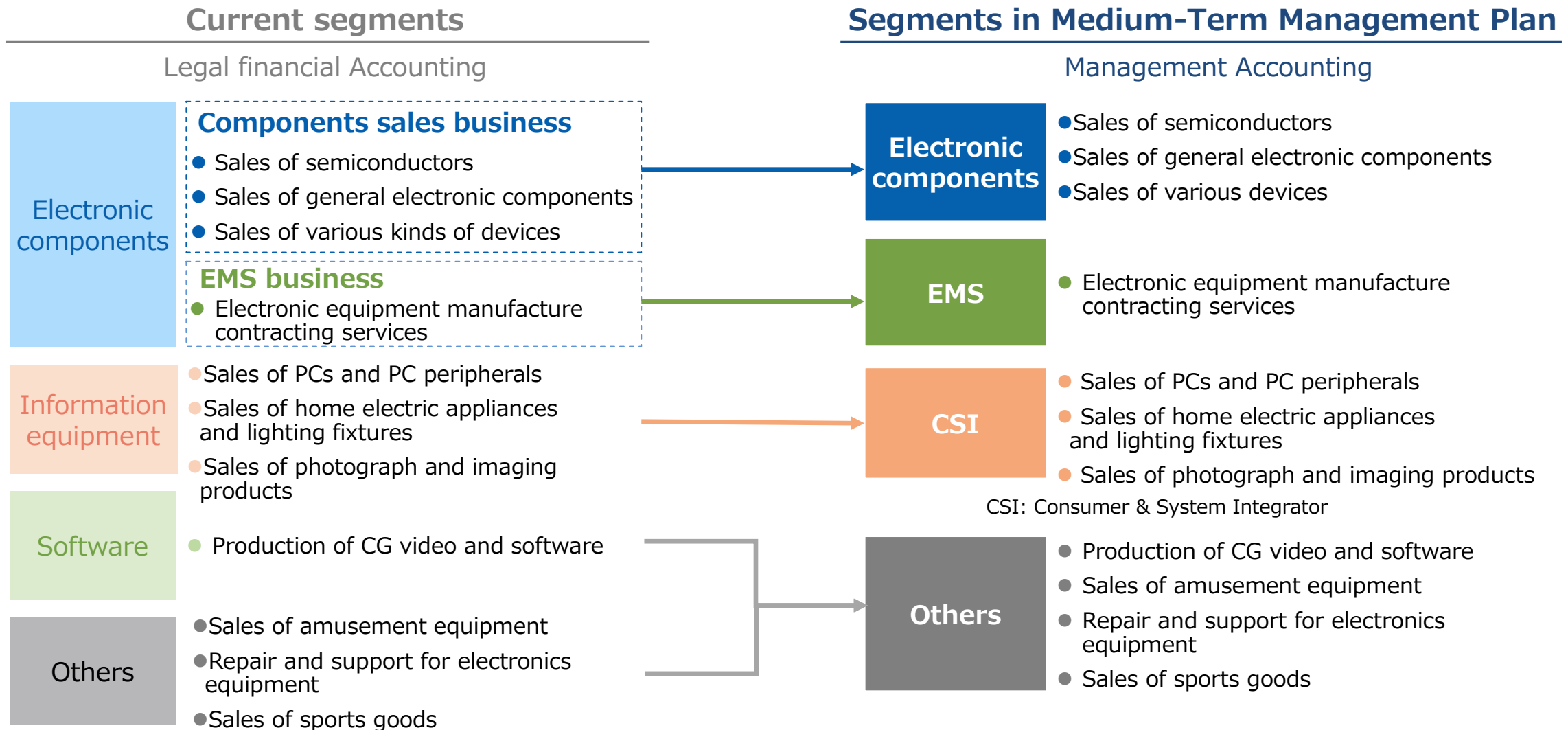


Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4
Europe	6.2%	5.1%	4.8%	5.1%	4.7%	4.7%	4.5%	3.6%
North America	9.2%	9.7%	9.5%	8.8%	9.2%	10.3%	9.9%	5.4%
Asia	29.9%	29.3%	29.7%	27.3%	27.7%	28.1%	28.1%	23.9%
Japan	54.7%	55.8%	56.0%	58.9%	58.5%	56.9%	57.4%	67.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Segment disclosure in the MTMP\*

MTMP: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 Medium-Term Management Plan.



# Results for FY2026/3 by MTMP\* Segment

MTMP:Medium-Term Management Plan

Full-Year Results  
(Apr. - Mar.)

(million yen)		FY2025/3	Profit margin	<b>FY2026/3</b>	Profit margin	YoY
Electronic Component	Net sales	347,740		<b>425,532</b>		22.4%
	Segment income	10,234	2.9%	<b>12,542</b>	2.9%	22.6%
EMS	Net sales	134,544		<b>154,876</b>		15.1%
	Segment income	7,372	5.5%	<b>7,941</b>	5.1%	7.7%
CSI	Net sales	42,652		<b>54,182</b>		27.0%
	Segment income	3,307	7.8%	<b>4,444</b>	8.2%	34.4%
Others	Net sales	22,841		<b>24,349</b>		6.6%
	Segment income	2,537	11.1%	<b>2,771</b>	11.4%	9.2%
Total	Net sales	547,779		<b>658,941</b>		20.3%
	Segment income	23,601	4.3%	<b>27,824</b>	4.2%	17.9%

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

# Results for FY2026/3 Q4 by MTMP\* Segment (3 months)

Reference

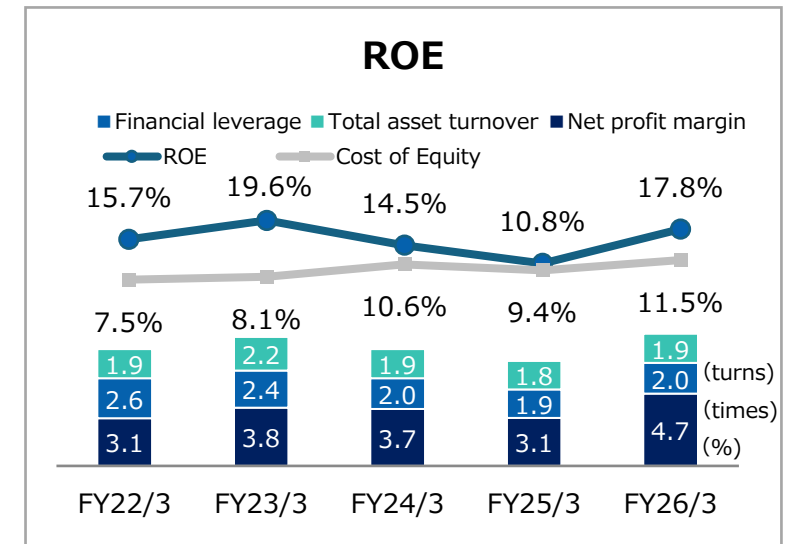
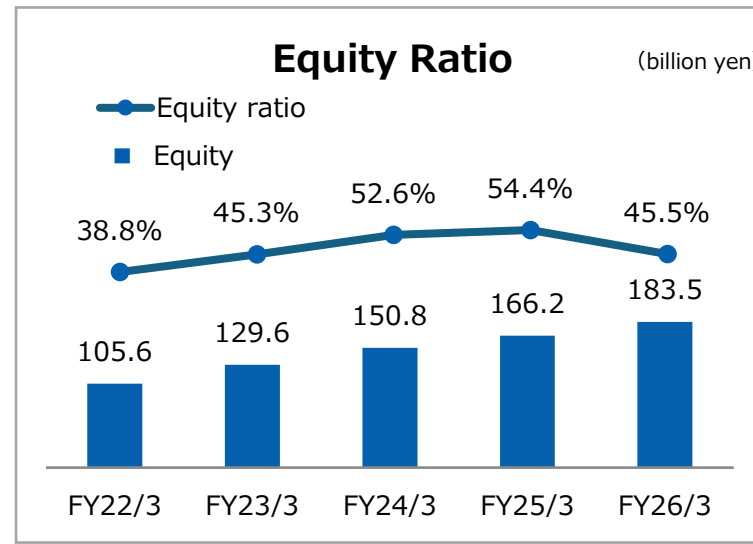
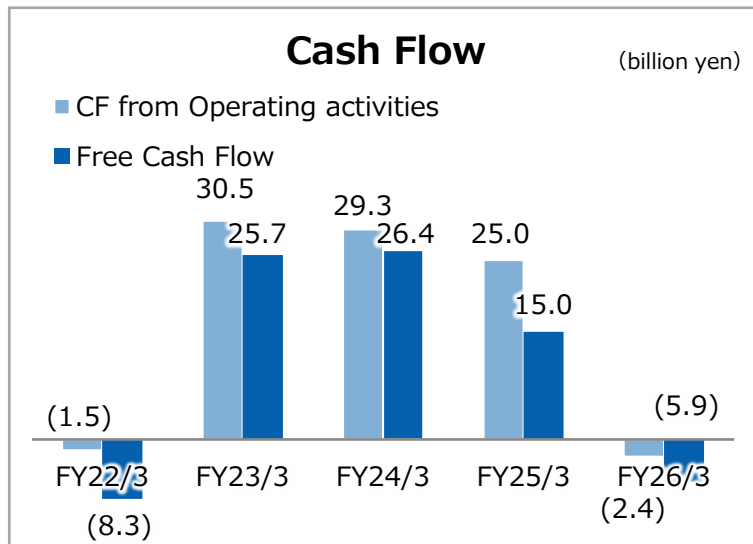
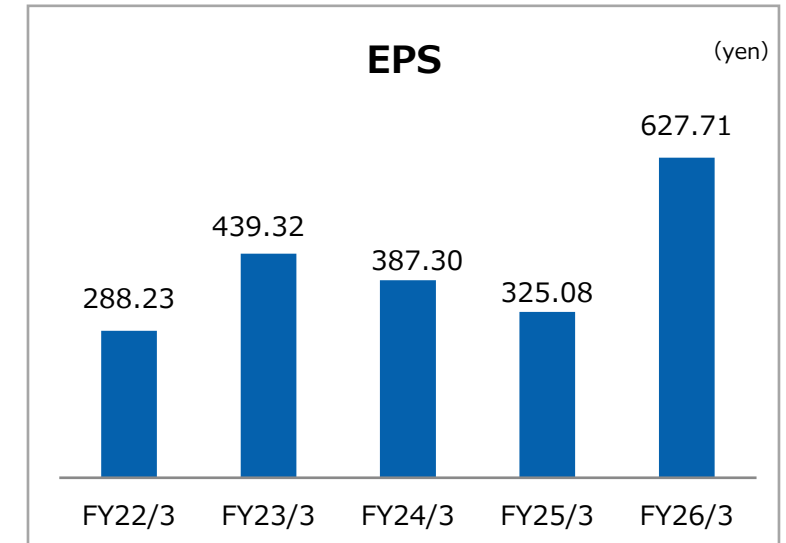
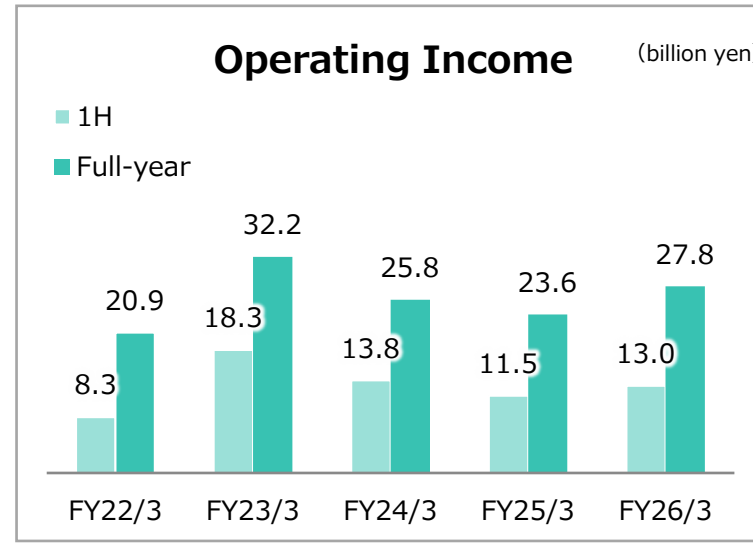
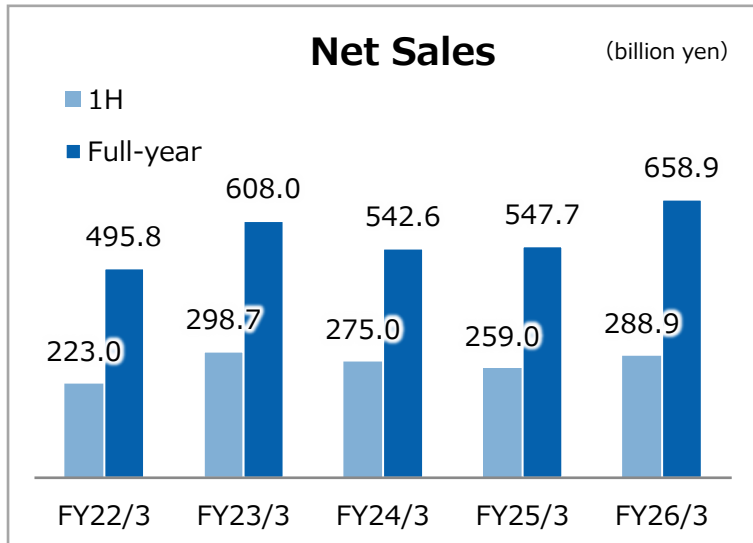


MTMP: Medium-Term Management Plan

(million yen)		Q4 Results (Jan. - Mar.)		Q3 Results (Oct. - Dec.)		Q4 Results (Jan. - Mar.)		YoY	QoQ
		FY2025/3	Profit margin	FY2026/3	Profit margin	<b>FY2026/3</b>	Profit margin		
Electronic Component	Net sales	93,751		97,626		<b>151,305</b>		61.4%	55.0%
	Segment income	2,175	2.3%	3,009	3.1%	<b>4,569</b>	3.0%	110.0%	51.8%
EMS	Net sales	34,965		41,364		<b>36,720</b>		5.0%	-11.2%
	Segment income	1,276	3.6%	2,089	5.1%	<b>1,338</b>	3.6%	4.9%	-35.9%
CSI	Net sales	15,699		12,080		<b>20,530</b>		30.8%	69.9%
	Segment income	1,353	8.6%	883	7.3%	<b>1,944</b>	9.5%	43.6%	120.2%
Others	Net sales	7,119		5,445		<b>4,909</b>		-31.0%	-9.8%
	Segment income	718	10.1%	403	7.4%	<b>522</b>	10.6%	-27.3%	29.4%
Total	Net sales	151,536		156,516		<b>213,466</b>		40.9%	36.4%
	Segment income	5,545	3.7%	6,400	4.1%	<b>8,374</b>	3.9%	51.0%	30.8%

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

# Latest 5 years Financial Trends



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

# Exchange Rate / FOREX Sensitivity

	Full-Year Results (4-3月)		(Reference) Effect of 1% change		Forex Assumption for 2027/3 (yen)
	FY2025/3	FY2026/3	Net sales	Operating income	
		(yen)		(million yen)	
USD	152.58	150.77	2,843	46	150.00
RMB	21.02	20.82	217	9	21.00
THB	4.38	4.67	317	19	4.80
HKD	19.58	19.32	234	6	20.00
EUR	163.75	174.79	150	4	175.00

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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.