

# 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

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## **FY2026/March Consolidated Financial Results**

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**Director, 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 joining our financial results briefing today.

I would like to present an overview of our financial results for the fiscal year ending March 31, 2026.

## Summary of Financial 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%]
Results for FY2026/3	<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>			
	• 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.		
	• Operating income	: The increase in gross profit driven by higher net sales more than offset the rise in SG&A expenses, leading to year-on-year growth.		
	• 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.		
	(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%]
FY2027/3 earnings forecasts	• 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.		
	• Operating income	:Income growth is expected to be sustained, supported by improvements in gross profit margin and efforts to maintain strict cost control.		
	• 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.		
Shareholder Return	• 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.		
	• FY2027/3	:Notwithstanding the projected decrease in profit, the previous fiscal year's dividend payment (140 yen per share) will be maintained.		

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These are the results for the fiscal year ended March 31, 2026. Net sales increased by 111.1 billion yen year on year to 658.9 billion yen. The significant increase in net sales reflects the continued strong performance of the mainstay electronic components business, as well as the information equipment business and the others business, combined with the merger effect of Kyoei Sangyo integration, which became a consolidated subsidiary from the 2nd quarter, and additional contribution from spot sales which were conducted in the 4th quarter in response to the tight supply-demand conditions for certain semiconductor products including memory devices. Gross profit margin was maintained at 13%, roughly the same level as the previous year, while operating income increased by 4.2 billion yen year on year to 27.8 billion yen as the increase in gross profit driven by higher sales outpaced the increase in SG&A expenses resulting partly from the consolidation of Kyoei Sangyo. Due to an improvement in non-operating income and expenses that reflected the impact of exchange rate fluctuations in the second half of the fiscal year as the yen weakened, ordinary income increased by 7.3 billion yen year on year to 29.9 billion yen. Net income increased significantly, by 14.0 billion yen year on year to 31.0 billion yen. This is attributable to the strong performance of our core businesses, along with posting of extraordinary income that includes

8.1 billion yen associated with corporate acquisition, such as gain on bargain purchase and gain on step acquisitions, and 1.6 billion yen as gain on sale of investment securities resulting from the reduction of cross-shareholdings.

As you can see, we achieved double-digit growth in net sales and income at all income levels.

Furthermore, both net sales and net income reached record highs for the first time in three fiscal years, marking a solid start in the first year of the Medium-Term Management Plan 2027.

Next, I will explain the full-year earnings forecast for the fiscal year ending March 31, 2027.

In the electronics-related market to which we belong, the expanding demand for AI servers for data centers continues to drive the semiconductor market. However, given the resulting tight supply-demand conditions and rising prices for memory devices, as well as such other developments such as concerns over the supply of various raw materials due to the situation in the Middle East, the outlook remains uncertain.

Under these business circumstances, our earnings forecast for the fiscal year ending March 31, 2027, is set at net sales of 645.0 billion yen, operating income of 28.5 billion yen, and net income of 20.0 billion yen.

With respect to net sales, while the underlying growth trend will remain intact, a decrease of 13.9 billion yen is projected after factoring in the absence of one-off factors recorded in the previous fiscal year, notably spot sales conducted in response to tight supply-demand conditions for certain semiconductors products, including memory devices.

For operating income, an increase of 0.7 billion yen is projected, supported by improvements in gross profit margin resulting from a better sales mix and efforts to maintain strict cost control.

Net income forecast incorporates the absence of approximately 10.0 billion yen in extraordinary income recorded in the previous fiscal year.

I would like to explain our shareholder returns.

In the Medium-Term Management Plan 2027, which started in the fiscal year ended March 31, 2026, we have set forth the shareholder return policy with a “consolidated dividend payout ratio of 30% to 40%” and “DOE of 4%” as management targets.

With respect to the year-end dividend for the fiscal year ended March 31, 2026, we added an extraordinary dividend of 10 yen per share on top of the dividend increase forecast announced in February this

year, bringing the total to 80 yen per share. Combined with the interim dividend, the annual dividend will be 140 yen per share, an increase of 30 yen from the previous fiscal year. For the fiscal year ending March 31, 2027, we maintain the annual dividend at 140 yen per share, although net income is projected to decline.

Please note that the tender offer for Shinko Shoji announced on May 15 has not been factored into the earnings forecast for the fiscal year ending March 31, 2027.

We are currently examining the impact that the share acquisition will have on our consolidated results, and should any matters requiring disclosure arise following the successful completion of the tender offer, we will make the necessary disclosure without delay.

## Financial Highlights for FY2026/3



(million yen)	Full-Year Results (Apr. - Mar.)				YoY	Forecasts (Announced on Feb. 12, 2026)		
	FY2025/3	Composition Ratio	FY2026/3	Composition Ratio		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 (yen)	110	—	<b>140</b>	—	30	—	—	—
	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.

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The financial highlights on the next page are as I have just explained. Reflecting the significant increase in net income, earnings per share (EPS) rose to 627.71 yen, and ROE to 17.8%, both showing substantial improvements.

The average exchange rate during the current fiscal year was 150.77 yen against the U.S. dollar, reflecting the yen's depreciation toward the second half of the year. This represents an appreciation of roughly 2 yen compared with the previous fiscal year, but a depreciation of about 10 yen against the assumed rate of 140 yen used in our full-year earnings forecast, which incorporated a certain degree of the risk of yen appreciation.

The year-on-year impact of exchange fluctuations was a decrease in net sales of about 1.2 billion yen and an increase in operating income of about 30 million yen that was due to currency movements other than the U.S. dollar against the yen.

## Results for FY2026/3 by Business Segment



(million yen)		Full-Year Results (Apr. - Mar.)				Forecasts (Announced on Feb. 12, 2026)			
		FY2025/3	profit margin	FY2026/3	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).

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These are the results by business segment.

In the electronic components business, and specifically in the mainstay components sales business, the prolonged inventory adjustments within the supply chain were easing, in the midst of which spot sales were actively pursued, leveraging our procurement strengths as an independent trading company. This was in response to tightening supply-demand conditions for certain semiconductor products that reflected growing memory devices demand for AI server applications which became evident from the second half of the previous fiscal year. Combined with the addition of Kyoei Sangyo's financial results following its consolidation from the 2nd quarter, net sales and income both recorded substantial year-on-year increases. The EMS business also recorded increases in both net sales and income, despite a slowdown in demand among certain customers in the automotive sector, as aggressive capital expenditures focused on overseas production sites proved effective in supporting robust sales to medical and air-conditioning equipment sectors.

As a result, in the electronic components business as a whole, net sales increased by 95.9 billion yen, or up 20.3% year on year, and segment income increased by 2.3 billion yen, or up 14.0% year on year.

In the information equipment business, sales of PCs for educational

institutions remained robust, driven by initiatives to increase the number of partner schools, as well as successful intake of demand arising from the second phase of the GIGA School program. Sales to mass retailers performed well, driven by the launch of new products such as AI PCs, replacement demand following the end of Windows 10 support, and front-loaded demand in anticipation of rising memory devices prices. In the LED installation business, construction projects for major convenience stores and financial institutions performed strongly, and construction work orders received for solar panels and electrical substations also showed solid growth. Sales of security software for mobile devices also contributed to the sales growth in this business segment, driven by replacement demand generated by the launch of new products.

As a result, for the whole of the information equipment business, net sales increased by 11.5 billion yen, or up 27.0% year on year, while segment income increased by 1.1 billion yen, or up 34.4% year on year, with a 0.4-point improvement in profit margin.

In the software business, despite proactive initiatives to secure new orders, net sales decreased due to a reactionary effect from large-scale orders recorded in the second half of the previous fiscal year. Although profitability stabilized from the 2nd quarter, the operating loss incurred in the 1st quarter continued to weigh on performance, resulting in a year-on-year decrease in segment income on a full-year basis.

In the others business, the recycling and reuse business for PC products and PC peripherals performed well, on the back of migration demand from Windows 10 to Windows 11, as well as price increases of new PC products due to rising memory devices prices. The amusement equipment business, which had benefited from robust front-loaded shipments for the U.S. market since the second half of the previous fiscal year, began to level off in the second half of the current fiscal year. However, on a full-year basis, net sales maintained year-on-year growth.

As a result, in the others business as a whole, net sales increased by 3.7 billion yen, or up 13.1% year on year, and segment income increased by 0.7 billion yen, or up 28.8% year on year, with a 1.3-point improvement in profit margin.

Please also refer to pages 9 and 10, which contain an overview of the electronics components and information equipment businesses, with graphs.

## Results for FY2026/3 by Company



(million yen)		Full-Year Results (Apr. - Mar.)				YoY
		FY2025/3	profit margin	FY2026/3	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%
Kyoei 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. Kyoei Sangyo became a consolidated subsidiary effective Jul. 18, 2025.

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Next, I will explain our performance by company.

In the Kaga Electronics Group's traditional business, we worked on increasing sales volume and improving the sales mix as the prolonged inventory adjustments within the supply chain continued to ease. These efforts resulted in a net sales increase of 9.1% year on year, or 29.1 billion yen, to 348.6 billion yen, and an improvement of 0.2 points in gross profit margin to 15.8%. Operating income also increased, by 9.5% year on year, or 1.8 billion yen, to 21.7 billion yen, despite an increase in SG&A expenses attributable to higher personnel and logistics costs, as income growth more than offset the increase in expenses.

At Kaga FEI, spot sales were actively pursued in response to the tight supply-demand conditions for certain semiconductor products including memory devices, resulting in a net sales increase of 22.4% year on year, or 44.3 billion yen, to 242.2 billion yen, and an operating income increase of 79.9% year on year, or 1.4 billion yen, to 3.3 billion yen.

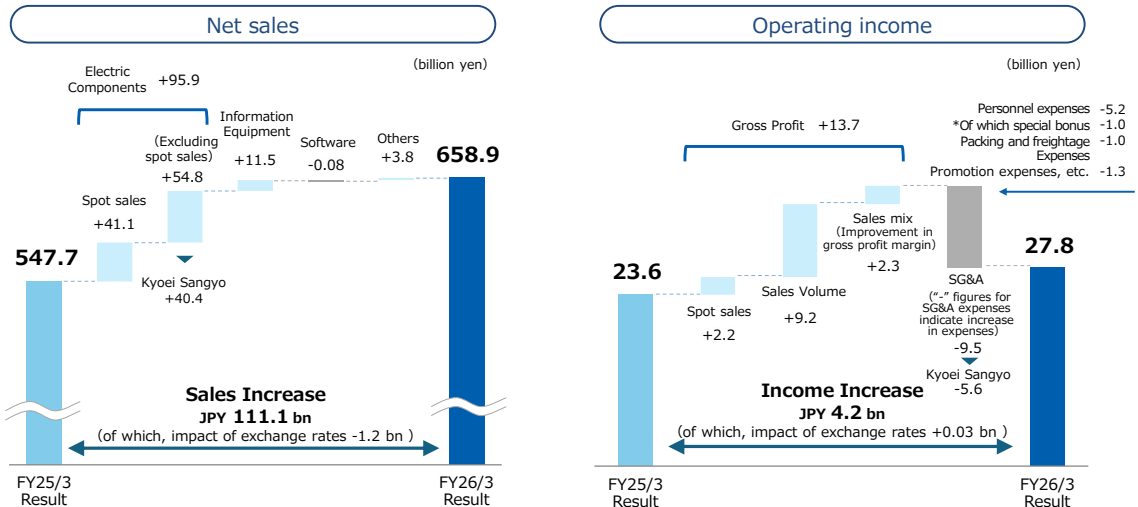
In the Excel Group, net sales and income both decreased year on year, due to a weaker demand stemming from sluggish customer market conditions and the impact of changes in distribution flows. Nonetheless, profit margin improved significantly due to the streamlining and downsizing of low-margin businesses and a better sales mix. With PMI (post-merger integration) progressing to a satisfactory stage, it was decided to merge Excel with Kaga Devices, another Group company,

effective April 1, 2026. Going forward, we will work to generate synergies between the two companies and reallocate their respective management resources to further enhance operational efficiency. This will be the final period that Excel's results are disclosed separately.

Kyoei Sangyo, which was consolidated from the 2nd quarter, contributed to boosting the consolidated results with net sales of 40.3 billion yen and operating income of 1.1 billion yen, although these figures are only for nine months.

Please also see the quarterly information for the last three months on pages 11 to 13.

## Analysis of Net Sales/Operating Income Changes by Item

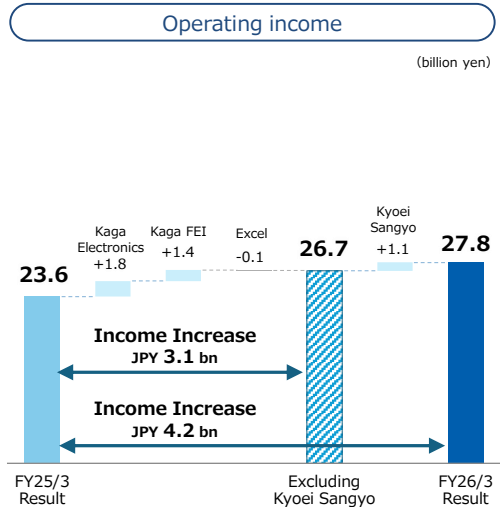
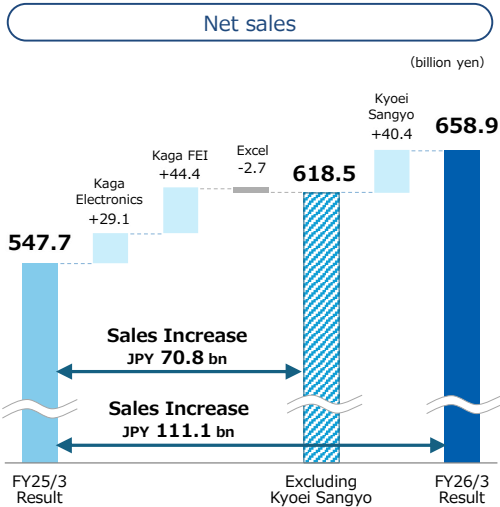


I will now explain the factors behind the year-on-year changes in net sales and operating income.

Net sales increased significantly, by 111.1 billion yen year on year. The majority of this increase is the 95.9 billion yen net sales growth in the mainstay electronic components business, which is primarily attributable to 41.1 billion yen from spot sales, a large part of which was posted by Kaga FEI, in response to the tight supply-demand conditions for certain semiconductor products including memory devices, as well as 40.4 billion yen representing the addition of Kyoei Sangyo due to its consolidation, and 14.4 billion yen in increase of sales from other businesses. Outside the electronic components business, net sales increased by 11.5 billion yen in the information equipment business and by 3.8 billion yen in the others business.

Operating income increased by 4.2 billion yen year on year, with the increase of 13.7 billion yen in gross profit more than offsetting the increase of 9.5 billion yen in SG&A expenses. The increase of 13.7 billion yen in gross profit consists of 2.2 billion yen from spot sales, 9.2 billion yen from an increase in sales volume, and 2.3 billion yen from an improved sales mix. The increase of 9.5 billion yen in SG&A expenses is largely attributable to increases in personnel and logistics costs, including an increase of 5.6 billion yen from the consolidation of Kyoei Sangyo.

# Analysis of Net Sales/Operating Income Changes by Company



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

Page 8 provides graphs of year-on-year changes in net sales and operating income by company. We invite you to review this page as well.

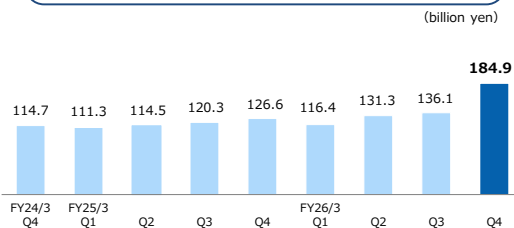
# FY2026/3 : Electronic Component Segment



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	

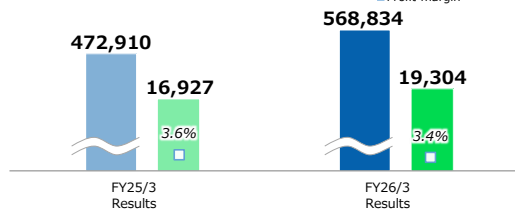
## Quarterly Net Sales Trends



## Net sales/Segment income

(million yen)

■ Net Sales ■ Segment income  
□ Profit margin



## Main factors behind increase/decrease

- (+) Easing inventory adjustments in the supply chain
  - (+) Kyoei Sangyo was consolidated from Q2.
- Components sales business**
- (+) 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
- 
- (+) Capacity expansion at overseas production sites contributed to increased sales
  - (+) Robust sales to medical and air-conditioning equipment sectors
- EMS Business**
- (-) Demand decrease at some customers in the automotive sector
- As a result, net sales and income both increased year-on-year

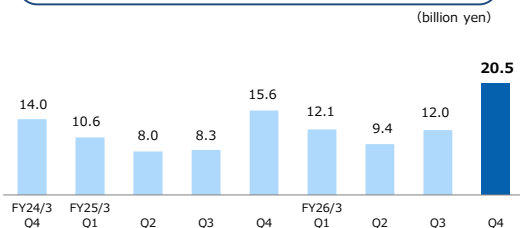
# FY2026/3 : Information Equipment Segment



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	

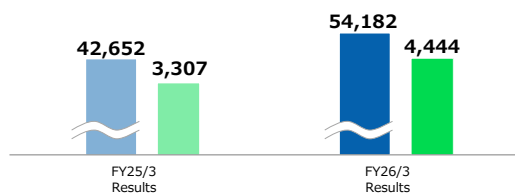
## Quarterly Net Sales Trends



## Net sales/Segment income

(million yen)

■ Net Sales ■ Segment income  
■ Profit margin



## Main factors behind increase/decrease

- (+) 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
- PC sales 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
- Electrical and telecommunication equipment installation business

## 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>	<b>Composition Ratio</b>		
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%
Kyohei 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. Kyohei 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	(million yen)	2025/3	2026/3	Change from end of FY2025/3
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current assets</b>	<b>257,164</b>	<b>342,368</b>	<b>+85,204</b>	<b>Current liabilities</b>	<b>117,704</b>	<b>195,444</b>	<b>+77,739</b>
Cash and deposits	80,188	89,706	+9,517	Notes and accounts payable -trade	73,340	94,373	+21,033
Notes and accounts receivable -trade	114,139	173,355	+59,216	Short-term loans payable	14,890	68,398	+53,507
Inventories	51,774	68,004	+16,230	Current portion of bonds payable	5,000	200	-4,800
Other	11,061	11,302	+240	Other	24,473	32,472	+7,998
<b>Non-current assets</b>	<b>48,507</b>	<b>61,325</b>	<b>+12,818</b>	<b>Non-current liabilities</b>	<b>21,587</b>	<b>24,733</b>	<b>+3,145</b>
Property, plant and equipment	28,445	31,624	+3,179	Bonds payable	5,000	5,200	+200
Buildings and structures	9,839	11,839	+1,999	Long-term loans payable	5,500	6,571	+1,071
Machinery, equipment and vehicles	11,034	11,898	+864	Other	11,087	12,962	+1,874
Tools, furniture and fixtures	1,217	1,282	+64	<b>Total liabilities</b>	<b>139,292</b>	<b>220,177</b>	<b>+80,885</b>
Land	5,940	6,237	+296				
Construction in progress	413	366	-46	<b>NET ASSETS</b>			
Intangible assets	1,738	1,911	+173	Shareholders' equity	142,993	153,948	+10,955
Software	1,694	1,873	+179	Capital stock	12,133	12,133	-
Other	44	38	-5	Capital surplus	14,885	14,767	-118
Total investments and other assets	18,323	27,789	+9,465	Retained earnings	121,553	136,955	+15,402
Investment securities	12,556	19,403	+6,846	Treasury shares	-5,579	-9,908	-4,328
Distressed receivables	4,815	4,662	-152		23,225	29,555	+6,329
Allowance for doubtful accounts	-4,873	-4,785	+88	Non-controlling interests		160	12
Other	5,825	8,508	+2,682	<b>Total net assets</b>	<b>166,379</b>	<b>183,516</b>	<b>+17,136</b>
<b>Total assets</b>	<b>305,671</b>	<b>403,694</b>	<b>+98,022</b>	<b>Total liabilities and net assets</b>	<b>305,671</b>	<b>403,694</b>	<b>+98,022</b>

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I will now move on to the balance sheet, starting with assets.

Current assets increased by 85.2 billion yen year on year to 342.3 billion yen, due to increases in notes and accounts receivable – trade and in inventories at the end of the fiscal year, reflecting large-sized spot sales that were concentrated in the 4th quarter in response to the tight supply-demand conditions for certain semiconductor products including memory devices as well as the impact of the consolidation of Kyoei Sangyo during the fiscal year.

Non-current assets increased by 12.8 billion yen year on year to 61.3 billion yen, mainly due to capital investment in the factories of overseas bases, acquisition of investment securities, and the consolidation of Kyoei Sangyo.

Total assets amounted to 403.6 billion yen, up 98.0 billion yen year on year, with about 30% of the increase attributable to the consolidation of Kyoei Sangyo.

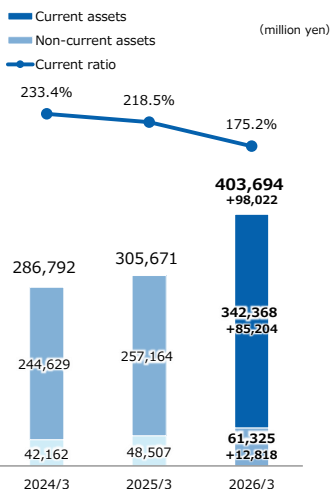
Liabilities increased by 80.8 billion yen year on year to 220.1 billion yen, due to increases of 53.5 billion yen in short-term loans payable and 21.0 billion yen in notes and accounts payable – trade that resulted primarily from payments for purchases associated with large-sized spot sales and the consolidation of Kyoei Sangyo.

Total net assets amounted to 183.5 billion yen, up 17.1 billion yen year on year, mainly due to an increase of 15.4 billion yen in retained

earnings.

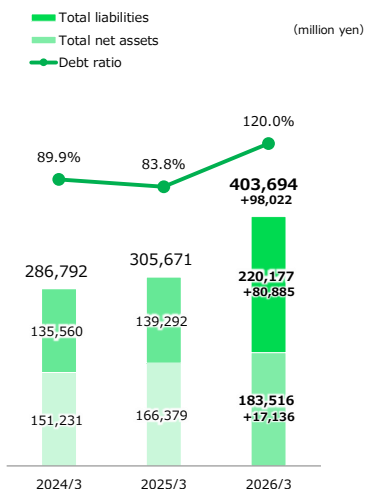
# Balance Sheet Main Items

## Total assets



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

## Total liabilities and net assets



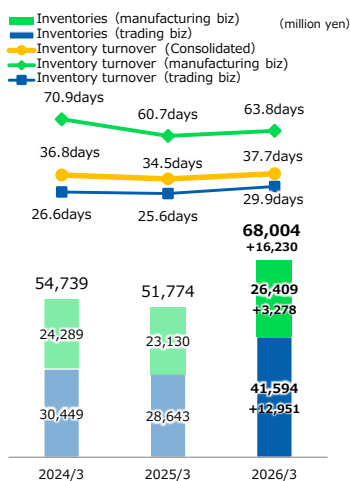
Note: Debt ratio = Total liabilities ÷ Equity capital × 100

## 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

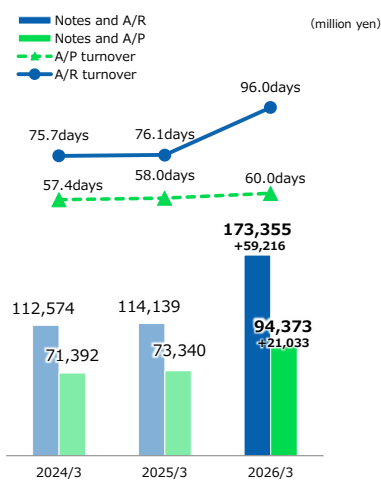
## Balance Sheet Main Items

### Inventories



Note : Inventory turnover = Inventories ÷ Net Sales × 365

### Accounts receivable/Accounts payable



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 are amounts including Electronically recorded monetary claims-operating  
 4. Notes and A/P are 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, Kyoiei 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

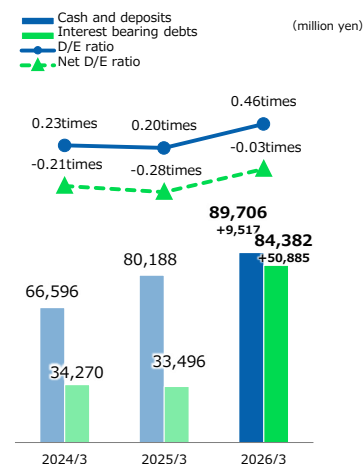
### Accounts receivable

- 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 Kyoiei Sangyo.

Inventories amounted to 68.0 billion yen, up 16.2 billion yen year on year, partly as a result of the consolidation of Kyoiei Sangyo and inventory increase accompanying sales growth in the EMS business. Inventory turnover came to 37.7 days, an increase of approximately three days compared with the previous fiscal year. Accounts receivable increased by 59.2 billion yen year on year to 173.3 billion yen, largely attributable to the consolidation of Kyoiei Sangyo and spot sales that were concentrated in the 4th quarter. With the increase in accounts receivable, accounts receivable turnover increased to 96.0 days, indicating a temporary deterioration. We will continue our efforts to ensure that inventories, inventory turnover, and accounts receivable turnover are kept at appropriate levels.

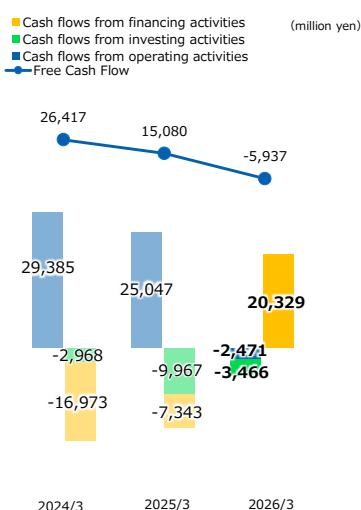
## Balance Sheet Main Items

### Cash and Deposits/Interest Bearing Debt



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

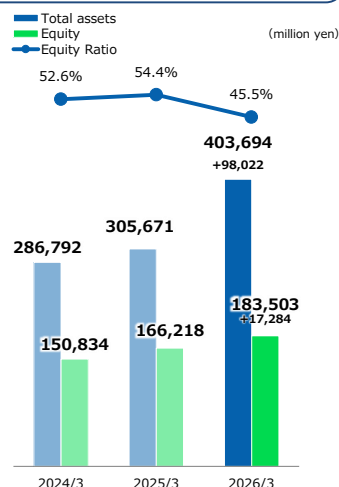
- Operating activities  
2,471 million yen used.  
Mainly due to an increase in accounts receivable from large-scale spot sales.
- Investing activities  
3,466 million yen used.  
Mainly due to purchase of shares of subsidiaries resulting in change in scope of consolidation.
- Financing activities  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

This slide shows the status of cash and deposits, interest-bearing debt, and cash flows.

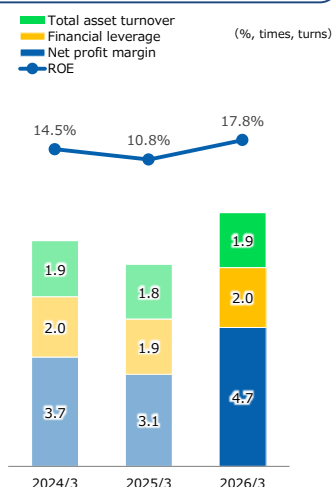
Interest-bearing debt increased by 50.8 billion yen year on year and stood at 84.3 billion yen as of the fiscal year-end, due to financing for growth and strategic investments such as for proactive M&A transactions and production capacity expansion, and an increase in short-term loans payable to finance purchases for spot sales that were concentrated in the 4th quarter. Nonetheless, our financial soundness remains firmly intact with the Debt-to-Equity ratio (D/E ratio) at 0.46x, while cash and deposits increased by 9.5 billion yen year on year to 89.7 billion yen, thereby exceeding interest-bearing debt and bringing the net D/E ratio to -0.03x. We continue to maintain a stable and sound financial base that is fully capable of supporting aggressive and sustained growth investments for further business expansion going forward.

## 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 Kyoiei Sangyo.

### ROE

- ROE +7.0pt
- Enhancement of profitability (net profit margin)

By steadily implementing strategic cash allocation set forth in the Medium-Term Management Plan 2027, with a focus on the allocation of generated cash to growth investments and shareholder returns, capital efficiency improved substantially, with equity ratio at 45.5% and ROE at 17.8%.

In line with the basic policy of the Medium-Term Management Plan 2027, we will continue to work on further enhancing profitability and proceed with strategic cash allocation focusing on growth investments and shareholder returns. We will strive to actively invest and utilize the cash we generate, and aim to sustainably maintain and improve capital efficiency.

## **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 (yen)	Total	140	-	<b>140</b>	-
	interim	60	-	<b>70</b>	10
	year-end	80	-	<b>70</b>	-10
Exchange rate	yen / US\$	150.77	-	<b>150.00</b>	-

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I would now like to explain our earnings forecast for the fiscal year ending March 31, 2027, and the assumptions on which it is based. With respect to net sales, while the underlying growth trend will remain intact, we forecast a decrease of 13.9 billion yen to 645.0 billion yen, which factors in the absence of one-off factors, notably spot sales in the electronics components business which were conducted in response to the tight supply-demand conditions for certain semiconductor products including memory devices and which were recorded in the second half of the previous fiscal year.

As for operating income, although Kyoei Sangyo's SG&A expenses, which were recorded for nine months in the previous fiscal year, will increase due to recognition of a full 12-month period, an increase of 0.7 billion yen in operating income is projected, supported by improvement in gross profit margin and continued efforts to strengthen cost control.

The forecast for net income incorporates the absence of approximately 10.0 billion yen in extraordinary income recorded in the previous fiscal year.

Based on the above forecasts, earnings per share (EPS) for the fiscal year ending March 31, 2027, is expected to be 419.65 yen, while ROE at the end of the fiscal year is expected to be 10.5%.

In line with the basic policy of the Medium-Term Management Plan 2027, we will continue to work on further enhancing profitability, and proceed with strategic cash allocation focusing on growth investments and shareholder returns. We will strive to actively invest and utilize the cash we generate as we continue our efforts to achieve the management target of stable 12% or higher ROE while sustainably maintaining and improving capital efficiency.

## Forecasts for FY2027/3 by Business Segment

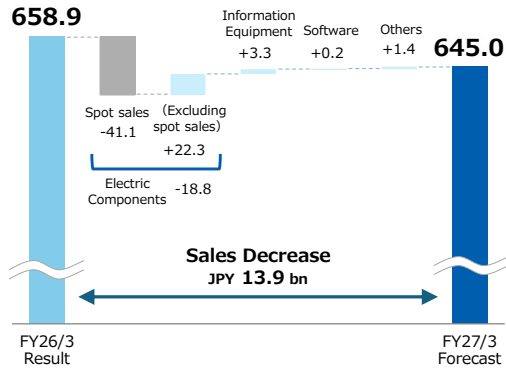


(million yen)		FY2026/3		FY2027/3		YoY
		Results	profit margin	Forecasts	profit margin	
Electronic Component	Net sales	568,834		<b>550,000</b>		-3.3%
	Segment income	19,304	3.4%	<b>20,000</b>	3.6%	3.6%
Information Equipment	Net sales	54,182		<b>57,500</b>		6.1%
	Segment income	4,444	8.2%	<b>5,000</b>	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%

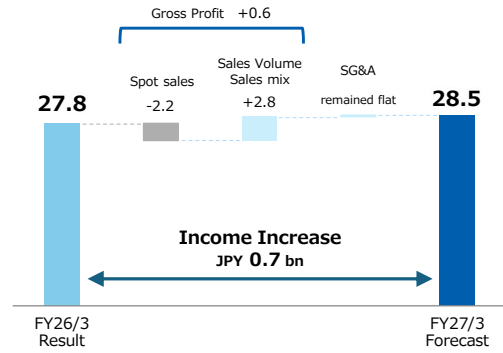
Note: Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).

# Assumptions for FY2027/3 Earnings Forecast

## Net sales (billion yen)



## Operating income (billion yen)



## Shareholder Returns



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

Repurchase and cancellation of treasury shares Repurchase Aug. 8, 2025 Cancellation Aug. 18, 2025	<p>■ <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>.</p> <p>■ <b>All 4,920,000 repurchased shares (9.4% of the total number of issued shares) have been cancelled.</b></p>
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	FY2025/3	FY2026/3		FY2027/3
	Results Announced on May. 14, 2025	Initial Forecasts Announced on May. 14, 2025	Previous Forecasts Announced on Feb. 12, 2026	Results Announced on May. 14, 2026
Profit attributable to owners of parent (million yen)	17,083	16,500	28,500	31,099
gain on bargain purchase (million yen) <sup>(*)</sup>	—	—	7,600	8,183
Dividend per share (Full year, yen)	110.00	110.00	130.00	140.00
of which, Extraordinary dividend	—	—	20.00	30.00
Consolidated dividend payout ratio	33.8%	35.0%	22.6%	22.3%
※excluding around gain on bargain purchase	—	—	30.8%	30.3%
DOE	4.2%	3.9%	4.2%	4.5%
※excluding around gain on bargain purchase	—	—	4.3%	4.6%

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

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In our Medium-Term Management Plan 2027, we have established the three main principles for our policy on shareholder returns: “a consolidated dividend payout ratio of 30% to 40%” as a guideline for dividend growth; “DOE (consolidated dividend on equity ratio) of 4.0%” as a guideline for stable and continuous dividends; and “flexible implementation of extraordinary dividends and acquisition of own shares aligned with profit levels and capital efficiency.”

As for share repurchases in the fiscal year ended March 31, 2026, we repurchased shares held by our four primary banks, which had indicated their intention to reduce or sell their cross-shareholdings, for a total of 14.4 billion yen, and subsequently cancelled all 4,920,000 repurchased shares.

As for extraordinary dividends in the fiscal year ended March 31, 2026, in addition to two upward revisions made to the dividend forecast during the fiscal year, we will pay an extraordinary dividend of 30 yen per share.

For the fiscal year ending March 31, 2027, in line with the basic policy, we plan to maintain the annual dividend of 140 yen, unchanged from the previous fiscal year, although net income is projected to decrease partly due to the absence of the extraordinary income recorded in the previous fiscal year. As a result, the consolidated dividend payout ratio and DOE

are expected to be 33.4% and 4.2%, respectively.

## **Management Topics**

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**Representative Director,  
President & COO**

**Ryoichi Kado**

I am Kado, President of KAGA ELECTRONICS.  
Thank you very much for your continued support and cooperation in our IR activities.

Now, regarding the Management Topics for the fiscal year ended March 31, 2026, I will report primarily on the achievements of the first year of the Medium-Term Management Plan 2027 announced in November 2024.



This page visually illustrates the concepts of the new Medium-Term Management Plan.

Regarding the new Medium-Term Plan, since we have presented this multiple times so far, we will skip the details. The overall aim is to become a “1 trillion yen company” by fiscal 2028, which marks our 60th anniversary. By the final year of the plan, fiscal 2027, we target organic growth to achieve 700 billion yen in net sales and 35 billion yen in operating income through our existing trading company business in semiconductor and electronic components and EMS manufacturing business. Additionally, we aim for 800 billion yen in net sales and 36 billion yen in operating income as minimum targets when incorporating inorganic growth through new M&A and business creation.


Furthermore, as part of our management strategy that emphasizes capital efficiency, we aim to achieve an ROE of 12% or higher.

**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> </ul>
	<b>M&amp;A challenges</b>	<ul style="list-style-type: none"> <li>Generate more than 100 billion yen in new business revenue in order to achieve the 1 trillion-yen target in FY2028</li> </ul>
	Creation of new businesses	<ul style="list-style-type: none"> <li>Explore new businesses with energy, infrastructure, transportation, and the environment as the priority themes</li> </ul>
<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> </ul>
	Investment in human capital	<ul style="list-style-type: none"> <li>Reform HR system (overseas Human Resource Development, promote diversification of human resources, etc.)</li> </ul>
<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>

The new Medium-Term Management Plan's basic policy is to “enhance corporate value through management focused on profitability and capital efficiency,” and based on this policy, we are implementing multiple priority measures.

This page summarizes three major topics, categorized into six sub-items. Today, we will focus on four key points: “expansion of core businesses,” “M&A challenges,” “implementation of capital strategies,” and “accelerated response to ESG management issues.” The following pages report on the first year's achievements in these areas.

<Achievements in Year 1> M&A challenges : Acquisition of Kyoei Sangyo 

<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>
	<Acquisition price>	<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>

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We begin with "M&A challenges."

As you are likely aware, we made Kyoei Sangyo a consolidated subsidiary last year. The acquisition plan consisted of three steps: first, making the company a consolidated subsidiary through a tender offer in July of 2025; second, a share consolidation and delisting; and finally, on November 7th, 2025, acquiring all shares held by Mitsubishi Electric, thereby making the company a wholly-owned subsidiary. While we invested a total of 10.7 billion yen in this acquisition, we also recorded a gain on negative goodwill of 7.7 billion yen as extraordinary income.

We have identified three primary objectives of the acquisition. Notably, the second objective, "industrial equipment systems," represents a new business area for the Group. The third objective, "systems development," involves a team of approximately 400 IT engineers. Both areas are anticipated to create significant synergies for the Group moving forward.

<Results in Year 1> Expand Core Businesses : New EMS Factory 

**Thailand-Amatanakorn Factory 3**

**Singapore Factory**

<b>Outline</b>	Total floor area	4,400m <sup>2</sup>	800m <sup>2</sup>
	Items produced	Installation of substrates/assembly, Assembly of finished products and unit products	Small-lot substrate/assembly production, mass-production prototyping
	Start of operation	December 2025	April 2026
	Initial investment	Approx. 1.3 billion yen	Approx. 100 million yen
<b>Purpose and Aim</b>	Establish a highly efficient production system through the introduction of production equipment developed in-house featuring thorough automation and labor-saving capabilities		Introduce production equipment developed in-house and specialized in small-lot production
	Meet the demands of customers through the newly constructed assembly line for finished products for the U.S. and other markets		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



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Next, regarding “expansion of core businesses,” we will discuss the capital expenditures made in the EMS business during the fiscal year under review.

On the left side of the screen is our third new factory in Thailand, which began operations last December. This measure is designed to address the trend among many of our manufacturing clients—who previously produced in China—to shift their production bases to the ASEAN region, particularly Thailand, as part of their efforts to reduce reliance on China. At this new factory, we have installed production equipment developed in-house and have made a concerted effort to prioritize automation and labor-saving measures. In addition to our substrate and assembly operations, we have also established a new assembly line for finished products. Including this new factory, we aim to achieve net sales of 50 billion yen across our three factories in Thailand within five years.

On the right is our new factory in Singapore, which began operations this April. A key role of this factory is to serve as a hub that connects the production needs of our customers in China with our mass-production facilities in the ASEAN region. Therefore, we have installed our own in-house production equipment here as well, specializing in mass-production prototyping and small-lot production. At the same time, it is a

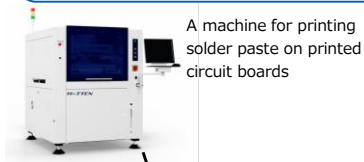
multipurpose factory that combines a showroom for showcasing our in-house production equipment to external customers with a training center for educating and training their operators.

## <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

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Related to the previous point, I would like to explain our production equipment developed in-house.

In 2019, we established a joint venture with a major Chinese equipment manufacturer. We have been independently developing production equipment—such as solder baths, surface mounting equipment, and various inspection machines, as shown in these photos—with specifications tailored to our production lines for high-mix, low-volume substrates and assembly, which is a specialty area of ours.

A substrate and assembly production line, such as the one shown in the center of the screen, typically consists of around 25 different types of equipment. However, I believe we are likely the only company in the industry that manufactures all of its production equipment in-house to reduce labor requirements and automate labor-intensive processes.

In the past, even for high-mix, small-lot production, we had to use commercially available large-scale production equipment, which exceeded our specification requirements. However, by introducing production equipment developed in-house, we now have a powerful asset that further enhances our competitive advantage in terms of both quality and cost.

<Results in Year 1> Capital Strategy: Proactive Shareholder Returns 

<b>Policy on Shareholder Returns</b> (Announced on November 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 : 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 canceled.	

<b>Extraordinary dividend (Revised dividends)</b>	■ Added 30 yen extraordinary dividend to initially-planned 110 yen, for an annual dividend of 140 yen.							
		FY2025/3	FY2026/3				FY2027/3	
		Results Announced on May. 14, 2025	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	Results Announced on May. 14, 2026	Forecasts Announced on May. 14, 2026
	(million yen)							
	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%	-	

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Regarding the second point, “implementation of capital strategies,” I would like to explain the shareholder returns we implemented in the first year of the plan.

In the new Medium-Term Management Plan, we have refined our previous policy on shareholder returns. Broadly speaking, there are three main points.

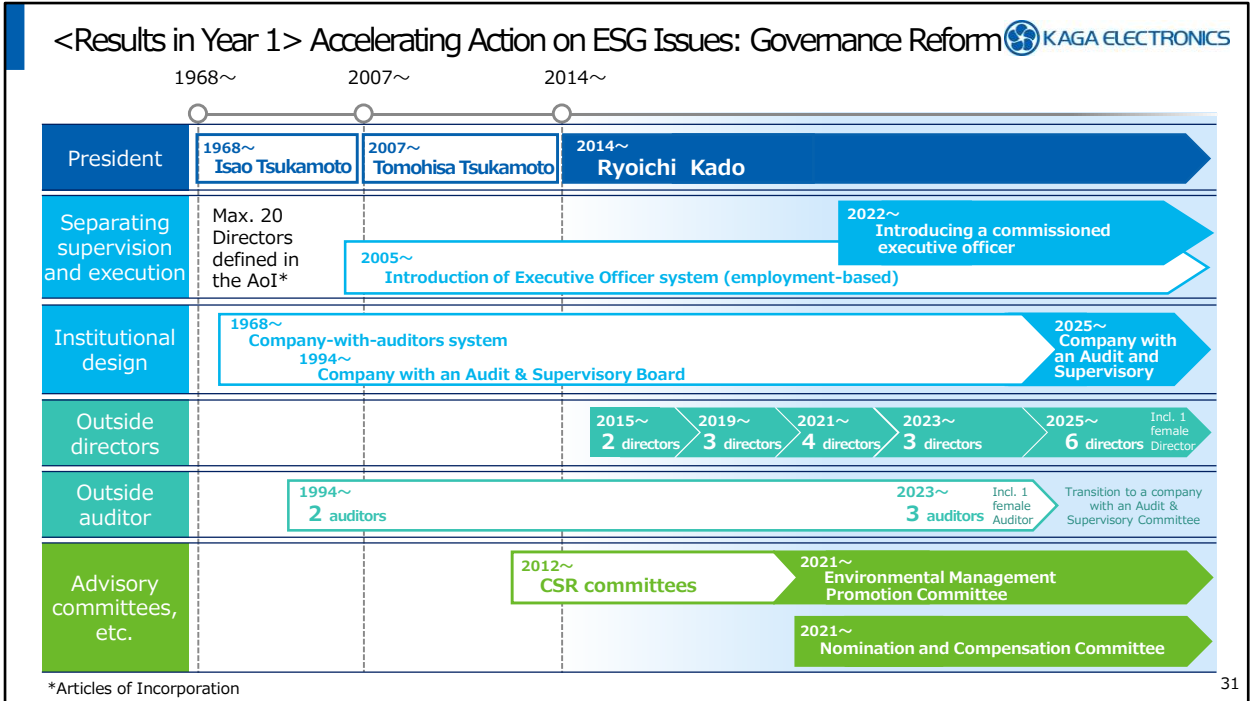
The first is a dividend payout ratio of 30% to 40% as a benchmark for dividend growth linked to business performance. Since the previous range was 25% to 35%, this represents an increase of both the upper and lower limits by 5%.

Second, we have newly introduced a DOE (dividend on equity ratio) of 4% as a benchmark for stable dividends. And finally, as flexible shareholder return policies, we have extraordinary dividends and the acquisition of treasury shares.

With regard to the acquisition of treasury shares, in August of 2025, we acquired all 4,920,000 shares held by our four primary banks for 14.4 billion yen and simultaneously canceled all of them. This represents 9.4% of the total number of issued shares.

Regarding extraordinary dividends, we revised dividends twice, in August 2025 and February 2026, in line with upward revisions to our earnings forecasts. Ultimately, we decided to pay an extraordinary dividend of 30

yen, bringing the dividend per share for the fiscal year under review to 140 yen. This represents 30-yen increase from both the previous fiscal year's actual dividend and the initial forecast for the fiscal year under review. Excluding the impact of the gain on negative goodwill, the payout ratio is 30% and the DOE is 4.5%.



This is the final page regarding the achievements from the first year of our Medium-Term Plan. Here, we have summarized the governance reforms we have undertaken to date under the category of “accelerated response to ESG management issues.”

Our Company was founded in 1968 by Isao Tsukamoto. Tomohisa Tsukamoto took over as the second President in 2007, and I, Ryoichi Kado, have served as the third President since 2014.

I believe the most significant governance reform during my tenure has been our transition last year from a company with a Board of Auditors—a structure we had maintained since our founding—to a company with an Audit and Supervisory Committee. Consequently, the number of outside directors increased to six, including three directors who are Audit and Supervisory Committee members, one of whom is a female director.

In this way, by further strengthening our corporate governance framework, we will continue to strive to enhance the corporate value of the Group amid the accelerating changes in the business environment.

The proportion of outside directors is 50%, which does not constitute a majority. In addition, there is still only one female director. I believe

these are the challenges we should address during the Medium-Term Plan period.

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

<b>Basic information for target company</b>	■ 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.

<b>Objectives of the acquisition</b>	(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

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

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Finally, as part of our challenges for the second year of our Medium-Term Plan, I would like to explain the tender offer for Shinko Shoji that we announced on May 15th.

First, regarding the basic information on the target company, as stated here, it was established in 1953 and has been in business for 15 years longer than our Company. I am told that the company started off as a distributor for NEC. Since then, it has expanded its product portfolio to include semiconductors and electronic components from companies such as TDK, Fujikura, Kyocera, and ROHM. Its main business activities include the sale of these electronic devices, as well as assembly services, which we refer to as the EMS business at Kaga Electronics.

We have summarized the objectives of the acquisition into three points. The first point is to accelerate our M&A initiatives to realize our vision of 1 trillion yen in net sales by our 60th anniversary, as explained at the beginning of my presentation. Second, we will share the target company's LSI Design Centers and the more than 300 engineers working there, thereby significantly strengthening our design and development capabilities at the very upstream end of the Group's value chain. Third, we aim to further enhance the value of the company's assembly business—which it currently outsources in sectors such as industrial

equipment—by sharing and leveraging our EMS production infrastructure.

In particular, we acquired 400 software engineers through the acquisition of Kyoei Sangyo, and if this new tender offer is successful, another 300 will join our ranks. If we include the original Kaga Electronics and FEI, the Group as a whole will likely have a workforce of nearly 1,000 engineers. Building on our industry-leading engineer capital, we plan to shift toward high-value-added monetization and maximize the profitability of the entire Group.

## 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.

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This screen provides an overview of the current tender offer.

The details of how we arrived at this point are provided in the disclosure documents we filed with the Tokyo Stock Exchange today; however, to summarize, we acquired shares of Shinko Shoji for purely investment purposes around March 2024, and held a meeting in mid-September 2025 for the purpose of exchanging general information. Following several meetings and discussions, we submitted a letter of intent regarding a tender offer to Shinko Shoji on December 18th, 2025, and proposed conducting due diligence. Due diligence was conducted from late January to late March 2026. Based on the results, we determined that, in order to enhance the medium- to long-term corporate value of both Kaga Electronics and Shinko Shoji, it is essential to make Shinko Shoji a wholly-owned subsidiary through a tender offer and thereby maximize synergies and benefits.

The tender offer price is 1,580 yen per share. Compared to the closing price of 1,485 yen on the 14th of May, the day before the announcement, this represents a 6.40% premium. While this is not a significant premium, it is 21.91% and 34.81% higher than the average share prices over the past three and six months, respectively. While semiconductor-related stocks across the industry have generally been on

a rising trend of late, in the case of Shinko Shoji, the stock had been rising at an above average rate—largely on speculative momentum—since a certain fund filed a large shareholding report at the end of March. Therefore, this purchase price reflects a reasonable valuation that takes that factor into account. There is no upper limit on the number of shares to be purchased; therefore, if all shares are acquired, the total purchase price will be approximately 46 billion yen. As with the Kyohei Sangyo transaction, negative goodwill will also be recorded in this case. The figure is expected to be approximately 6 billion yen. We plan to finance this acquisition through bank borrowings and our own funds.

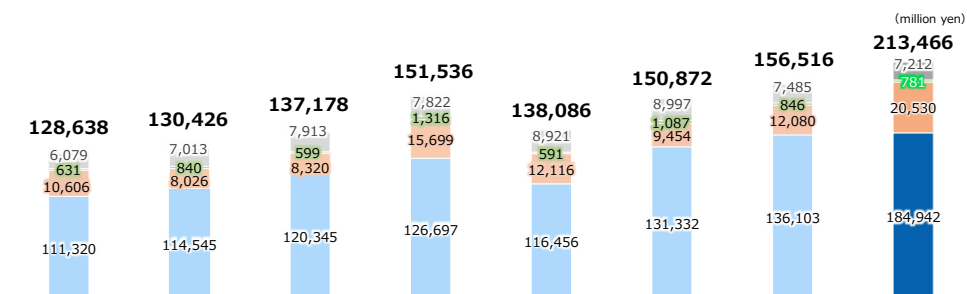
The tender offer period began on May 18th, and the deadline for purchases is June 26th. The results will be announced on the day following the deadline, the 27th. If the tender offer is successful, the company will become a consolidated subsidiary of Kaga Electronics starting in July.

This concludes my report. Thank you for your kind attention.

## Reference

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## Quarterly Net Sales Trends by Business Segment



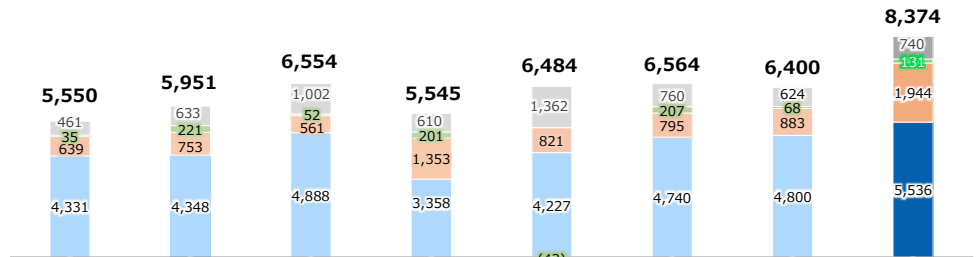
Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4
Others	4.7%	5.4%	5.8%	5.2%	6.5%	6.0%	4.8%	3.4%
Software	0.5%	0.6%	0.4%	0.9%	0.4%	0.7%	0.5%	0.4%
Information Equipment	8.2%	6.2%	6.1%	10.4%	8.8%	6.3%	7.7%	9.6%
Electric Component	86.5%	87.8%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

The materials presented from page 35 onward are provided for your reference. We have included information such as graphs showing quarterly performance trends by business segment and region, voluntary disclosure information by segment based on the Medium-Term Management Plan, performance trends over the past five years, and information on exchange rates and exchange rate sensitivity. We hope you will take a look at these as well.

This concludes my overview of the financial results for the fiscal year ending March 31, 2026. Thank you very much for your attention.

# Quarterly Income Trends by Business Segment

(million yen)

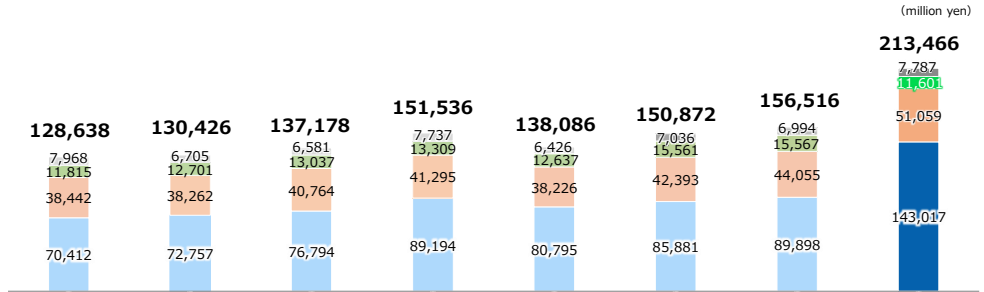


Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4
Others	8.4%	10.6%	15.4%	11.0%	21.4%	11.7%	9.8%	8.9%
Software	0.6%	3.7%	0.8%	3.6%	-0.7%	3.2%	1.1%	1.6%
Information Equipment	11.7%	12.6%	8.6%	24.5%	12.9%	12.2%	13.9%	23.3%
Electric Component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

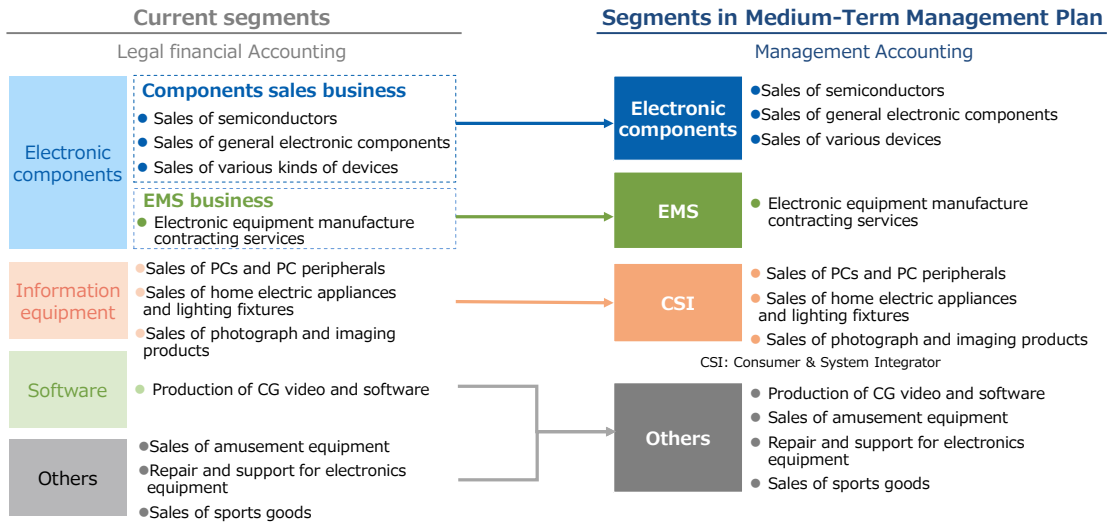


Composition Ratio	FY2025/3 Q1	FY2025/3 Q2	FY2025/3 Q3	FY2025/3 Q4	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4
Europe	6.2%	5.1%	4.8%	5.1%	4.7%	4.7%	4.5%	3.6%
North America	9.2%	9.7%	9.5%	8.8%	9.2%	10.3%	9.9%	5.4%
Asia	29.9%	29.3%	29.7%	27.3%	27.7%	28.1%	28.1%	23.9%
Japan	54.7%	55.8%	56.0%	58.9%	58.5%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

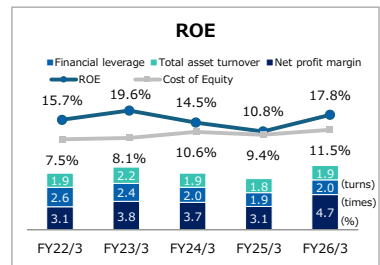
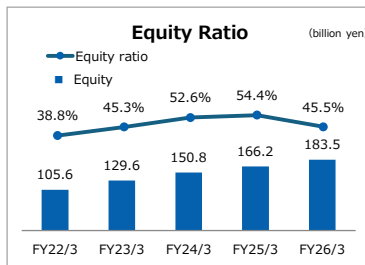
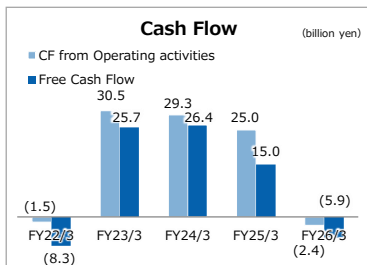
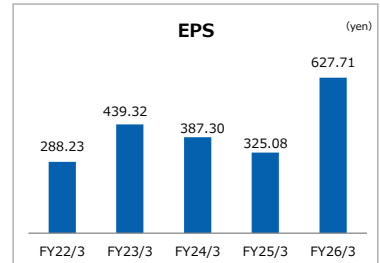
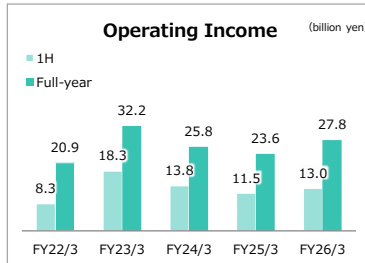
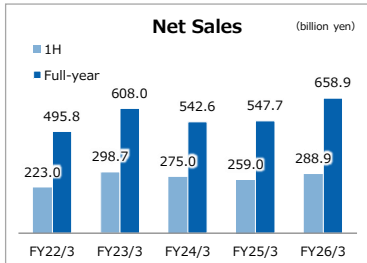
## Results for FY2026/3 Q4 by MTMP\* Segment (3 months) Reference

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 (yen)	Net sales	Operating income (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

Memo



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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.