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Securities Code: 8154

Date of sending by postal mail: June 9, 2026

Start date of measures for electronic provision: June 4, 2026

To all of our shareholders

Ryoichi Kado
Representative Director, President & COO
KAGA ELECTRONICS CO., LTD.
20 Kandamatsunagacho, Chiyoda-ku, Tokyo, Japan

Notice of the 58th Ordinary General Meeting of Shareholders

We hereby inform you of the 58th ordinary general meeting of shareholders of KAGA ELECTRONICS CO., LTD. (the “Company”) to be held as follows.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the following websites. Please access one of the websites by using the Internet address shown below to review the information.

The Company’s website:

https://www.taxan.co.jp/jp/ir/event/event_03.html (in Japanese)

Website for posted informational materials for the general meeting of shareholders

<https://d.sokai.jp/8154/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the Internet address shown above, enter “KAGA ELECTRONICS” in “Issue name (company name)” or the Company’s securities code “8154” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on June 24, 2026 (Wednesday) (Japan Time).

1. Date and Time 10:00 a.m. on June 25, 2026 (Thursday) (Japan Time)

2. Place Akihabara Business Center 4F, AP Akihabara
1-1 Akihabara, Taito-ku, Tokyo

3. Agenda of the Meeting

Matters to be reported

1. The Business Report and Consolidated Financial Statements for the 58th fiscal year (from April 1, 2025 to March 31, 2026), and results of the Audit Reports by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 58th fiscal year (from April 1, 2025 to March 31, 2026)

Matter to be resolved

Proposal: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

4. Other Matters Concerning the Meeting (Instructions on Exercise of Voting Rights)

- (1) If you exercise your voting rights in writing (by post), but indicate neither approval nor disapproval for a proposal on the Exercise Voting Rights Form, it will be treated as an indication of approval.
- (2) If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.
- (3) If you exercise your voting rights both via the Internet and in writing (by post), regardless of the date of arrival, the vote via the Internet shall be deemed effective.

If you attend the meeting in person, please present the Exercise Voting Rights Form that was sent together with this notice at the reception on arrival at the meeting. If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each website provided on the previous page. For shareholders who have not made a request for delivery of paper-based documents, we have delivered the Reference Documents for the General Meeting of Shareholders, along with selected sections of the Business Report. For shareholders who have made a request for delivery of paper-based documents, we have delivered such documents stating the matters subject to measures for electronic provision. However, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders.

- (i) Principal lines of business, Operating results by business segment, Employees, Major Creditors, Other Significant Information Concerning the Current State of the Corporate Group, Accounting Auditor, and Company Structure and Policies in the Business Report
- (ii) Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements
- (iii) Statement of Changes in Equity and Notes to Non-consolidated Financial Statements

Accordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included in the paper-based documents constitute a part of the documents audited by the Accounting Auditor in preparing the accounting audit report and the Audit and Supervisory Committee in preparing the audit report.

Instructions on Exercise of Voting Rights

Exercise of voting rights at the Company's General Meeting of Shareholders is shareholders' important right. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

You may exercise your voting rights by one of the following three methods.

Attending the General Meeting of Shareholders

Please present the Exercise Voting Rights Form at the reception desk.

Date and Time 10:00 a.m. on June 25, 2026 (Thursday) (Japan Time) (Reception desk will open at 9:00 a.m.)

Exercising voting rights by postal mail

Please indicate your approval or disapproval of each proposal on the Exercise Voting Rights Form and return it without affixing a stamp.

Deadline To be received no later than 5:30 p.m. on June 24, 2026 (Wednesday) (Japan Time)

Exercising Voting Rights via the Internet, etc.

Please indicate whether you approve or disapprove of each proposal following the instructions on the next page.

Deadline All data entry to be completed no later than 5:30 p.m. on June 24, 2026 (Wednesday) (Japan Time)

How to Fill Out Your Exercise Voting Rights Form

Please indicate whether you approve or disapprove of each proposal.

Proposal:

- To mark your approval for all candidates
- To mark your disapproval for all candidates
- To mark your disapproval for certain candidates

Circle “**Approve (賛)**”

Circle “**Disapprove (否)**”

Circle “**Approve (賛)**” and write the number of the candidate(s) you wish to disapprove.

Please note that your online vote will prevail should you exercise your voting rights both in writing (by post) and via the Internet. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.

Guidance for Exercising Voting Rights via the Internet, Etc.

Scanning the QR Code

You can log in to the website for the exercise of voting rights without entering the login ID or temporary password printed on the Exercise Voting Rights Form.

- 1 Please scan the QR Code provided on the Exercise Voting Rights Form.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

- 2 Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

Entering login ID and temporary password

- 1 Access the website for exercise of voting rights.

Website for exercise of voting rights: <https://evote.tr.mufg.jp/> (in Japanese)

- 2 Log in by entering your “login ID” and “temporary password” presented on the Exercise Voting Rights Form.
Enter your “login ID” and “temporary password.”
Click “Login.”

- 3 Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

In case you need instructions for how to operate your personal computer or smartphone in order to exercise your voting rights via the Internet, please contact:

Corporate Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Phone: 0120-173-027 (9:00 a.m. to 9:00 p.m. (Japan Time); toll free (Japan only))

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of eight (8) current directors (excluding directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this general meeting.

Therefore, we request the election of eight (8) directors (of which, three (3) are outside directors).

With respect to this proposal, the Company's Audit and Supervisory Committee confirmed the nomination procedures of the Company, including deliberations by the Nomination and Compensation Committee, whose principal members are independent outside officers, and, after considering each candidate's experience, knowledge, and abilities, determined that all candidates are suitable for appointment as directors.

The candidates for directors are the following.

Candidate No.	Name/Candidate attributes		Position in the Company	Attendance at Board of Directors meetings	Committee the candidate is scheduled to join after the meeting	
					Nomination and Compensation Committee	Sustainability Committee
1	Isao Tsukamoto	Reelection	Representative Director, Founder & CEO	18/18 (100%)	○	
2	Ryoichi Kado	Reelection	Representative Director, President & COO	18/18 (100%)	○	★
3	Takeshi Tsukamoto	Reelection	Director, Senior Executive Officer	11/11 (100%)		○
4	Yasuhiro Ishihara	Reelection	Director, Senior Executive Officer	11/11 (100%)		○
5	Hitoshi Koujitani	Reelection	Director, Senior Executive Officer	11/11 (100%)		○
6	Susumu Miyoshi	Reelection Outside Independent	Outside Director	18/18 (100%)	○	
7	Noritomo Hashimoto	Reelection Outside Independent	Outside Director	18/18 (100%)	★	
8	Mamoru Yoshida	Reelection Outside Independent	Outside Director	18/18 (100%)	○	

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by Tokyo Stock Exchange, Inc.

★: Chairperson

○: Member

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares held
1	Isao Tsukamoto (September 1, 1943) Reelection Term of office 58 years Attendance at Board of Directors meetings 18/18 (100%)	Sept. 1968	Established Kaga Electronics Co., Ltd. President & CEO	1,447,090
		Apr. 2007 June 2021	Founder & CEO Outside Director, ITbook Holdings Co., Ltd. (currently SAAF Holdings Co., Ltd.) (to present)	
		Apr. 2022 June 2023	Representative Director, Founder & CEO Representative Director, Founder & CEO (to present)	
		June 2024	Outside Board Director, Solekia Limited (to present)	
		Significant positions concurrently held Outside Director, SAAF Holdings Co., Ltd. Outside Board Director, Solekia Limited		
Reasons for proposing the candidate for director Isao Tsukamoto is the founder of the Company and served as President & CEO until 2007. Since taking office as Founder & CEO, he has given direction to management group-wide. He has an extensive knowledge and human network, which goes beyond the industry. Based on our judgment that this wealth of knowledge and professional abilities related to management is indispensable for the Group management and improvement of corporate value, we have made him a candidate for director.				
2	Ryoichi Kado (December 1, 1957) Reelection Term of office 31 years Attendance at Board of Directors meetings 18/18 (100%)	Mar. 1980 Apr. 1991	Joined Kaga Electronics Co., Ltd. Division Manager of Sales Department No. 3, Sales Headquarters	148,795
		Apr. 1992 Apr. 1995	Division Manager of Amusement Products Sales Department, Sales Headquarters Division Manager of East Japan Sales Department, High Tech Business Division	
		June 1995 Apr. 2002 Apr. 2005	Director Managing Director Senior Managing Director, General Manager of Specific Industry Business Headquarters	
		Apr. 2011 Apr. 2012	Senior Managing Director, Head of Entertainment Business Unit Vice President, Head of Components Business Unit	
		Apr. 2014 Apr. 2022 June 2023	President & COO Representative Director, President & COO Representative Director, President & COO (to present)	
		Significant positions concurrently held —		
Reasons for proposing the candidate for director Since joining the Company, Ryoichi Kado has been engaged in its core businesses, and since being elected President & COO in 2014, he has devoted himself to advancing Group management. Through his outstanding management capabilities and leadership, he has contributed to the enhancement of corporate value. Based on our judgment that his broad-ranging experience and capabilities are indispensable to the promotion of the Medium-Term Management Plan and central to the Group's management, we have made him a candidate for director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares held
3	Takeshi Tsukamoto (August 6, 1964) Reelection Term of office 1 year Attendance at Board of Directors meetings 11/11 (100%)	Apr. 1987 Sept. 2001 Apr. 2005 Apr. 2010 May 2012 Oct. 2015 Apr. 2016 Jan. 2019 Apr. 2023 Apr. 2025 June 2025	Joined Kaga Electronics Co., Ltd. Vice General Manager of Kaga (H.K.) Electronics Limited Representative Director of Kaga (H.K.) Electronics Limited General Manager of EMS Sales Department, Overseas Business Division Managing Director of KAGA HIGHTECH Co., Ltd. General Manager of Corporate Strategy Office Executive Officer, General Manager of Corporate Strategy Office Executive Officer, Director and Senior Managing Executive Officer of Fujitsu Electronics Inc. (currently KAGA FEI Co., Ltd.) Senior Executive Officer, Representative Director and President of KAGA FEI Co., Ltd. Senior Executive Officer, Representative Director and President of KAGA FEI Co., Ltd. Director, Senior Executive Officer, Representative Director and President of KAGA FEI Co., Ltd. (to present) Significant positions concurrently held —	65,043
Reasons for proposing the candidate for director Since joining the Company, Takeshi Tsukamoto has been involved in the electronic component business, and contributed to overseas business expansion as president of a Hong Kong subsidiary. Subsequently, as Head of the Corporate Planning Department, he has taken a leading role in the Company's business management and business strategies, and currently serves as president of a subsidiary in Japan. We believe that his extensive experience and broad range of knowledge are essential to improving the business value of the Company, and have made him a candidate for director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
4	Yasuhiro Ishihara (February 19, 1965) Reelection Term of office 1 year Attendance at Board of Directors meetings 11/11 (100%)	Apr. 1987 Joined Kaga Electronics Co., Ltd. Apr. 2012 General Manager of Finance Department, Administration Headquarters May 2012 Director of KAGA HIGHTECH Co., Ltd. Apr. 2015 General Manager of Finance Department, Administration Headquarters Apr. 2018 Executive Officer, General Manager of Finance Department, Administration Headquarters Jan. 2019 Executive Officer, Director and Managing Executive Officer of Fujitsu Electronics Inc. (currently KAGA FEI Co., Ltd.) Apr. 2021 Executive Officer, General Manager of Finance Department, Deputy Head of Administration Headquarters Apr. 2022 Executive Officer, Deputy Head of Administration Headquarters Apr. 2023 Senior Executive Officer and Head of Administration Headquarters June 2025 Director, Senior Executive Officer and Head of Administration Headquarters (to present) Significant positions concurrently held —	18,737
Reasons for proposing the candidate for director After joining the Company, Yasuhiro Ishihara worked in the sales divisions before subsequently serving in the administration department for many years. He has a particularly high level of knowledge in the fields of accounting and finance, and also served as an officer at a subsidiary in Japan. We believe that his extensive experience and wide range of knowledge are indispensable in strengthening business management and corporate governance of the Company, and have made him a candidate for director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares held
5	Hitoshi Koujitani (November 30, 1969) Reelection Term of office 1 year Attendance at Board of Directors meetings 11/11 (100%)	Apr. 1992	Joined Kaga Electronics Co., Ltd.	19,121
		Apr. 2012	General Manager of Special Sales Department No.4, Special Sales Division	
Apr. 2013	General Manager of Special Sales Department No.2, Special Sales Division			
Apr. 2019	Head of Corporate Planning Department			
Apr. 2020	Executive Officer, Head of Corporate Planning Department			
July 2024	Executive Officer, Head of Corporate Planning Department and General Manager of Sales Strategy Office			
Apr. 2025	Executive Officer, Head of Corporate Planning Department			
June 2025	Director, Senior Executive Officer, Head of Corporate Planning Department (to present)			
Significant positions concurrently held				
—				
Reasons for proposing the candidate for director Since joining the Company, Hitoshi Koujitani worked in the electronic components business, and has extensive experience and broad-ranging knowledge, including involvement in the management strategies and business strategies of the Company as the Head of the Corporate Planning Department. We believe that he is essential for improving the corporate value of the Company, and have made him a candidate for director.				
6	Susumu Miyoshi (September 20, 1940) Reelection Outside Independent Term of office 11 years Attendance at Board of Directors meetings 18/18 (100%)	Apr. 1963	Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)	6,700
		Sept. 1994	Director	
June 2001	Executive Vice President and Representative Director			
June 2002	Consultant			
June 2002	President & COO of Osaka Toyopet Co., Ltd. (currently Osaka Toyota Motor Co., Ltd.)			
June 2005	Advisor to Toyota Motor Corporation Chairman of Osaka Toyopet Co., Ltd. (currently Osaka Toyota Motor Co., Ltd.)			
June 2009	Executive Advisor to Hitachi Maxell, Ltd. (currently Maxell Holdings, Ltd.)			
June 2015	Outside Director of the Company (to present)			
Significant positions concurrently held				
—				
Reasons for proposing the candidate for outside director and overview of expected role Susumu Miyoshi has experience being the Executive Vice President at Toyota Motor Corporation, and has rich experience and broad-ranging knowledge as a member of management at various companies. We believe that he will leverage this knowledge to supervise and provide advice on the Company's overall management, and will strengthen the function of our Board of Directors, so we have made him a candidate for outside director. If he is elected, he will be involved in the election of candidates for directors and the determination of remuneration for directors (and other officers) of the Company, objectively and from a neutral position as a Nomination and Compensation Committee member.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
7	Noritomo Hashimoto (July 30, 1954) Reelection Outside Independent Term of office 7 years Attendance at Board of Directors meetings 18/18 (100%)	Apr. 1977 Joined Mitsubishi Electric Corporation Apr. 2009 Executive Officer in charge of General Affairs, Human Resources and Public Relations June 2009 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, and in charge of General Affairs, Human Resources and Public Relations Apr. 2012 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Senior Vice President, and in charge of Corporate Strategic Planning and Operations of Associated Companies June 2012 Director, Member of the Nomination Committee, Senior Vice President, and in charge of Corporate Strategic Planning and Operations of Associated Companies Apr. 2016 Director July 2016 Advisor June 2019 Outside Director of the Company (to present) Mar. 2021 Outside Director, Ibokin Corp. (to present) June 2024 Outside Director, Susumu Holdings Corporation (to present) June 2024 Outside Director, Susumu Co., Ltd. (to present) Significant positions concurrently held Outside Director, Ibokin Corp. Outside Director, Susumu Holdings Corporation Outside Director, Susumu Co., Ltd.	3,800
Reasons for proposing the candidate for outside director and overview of expected role Noritomo Hashimoto has served as Director and Executive Officer at Mitsubishi Electric Corporation, and has rich experience and deep knowledge serving as the Chairman of the Nomination and Compensation Committees as well as being in charge of departments such as General Affairs, Human Resources and Corporate Strategic Planning. We believe that he will leverage this knowledge to supervise and provide advice on the Company's overall management, particularly in the areas of management strategy and human resources, and will strengthen the function of our Board of Directors, so we have made him a candidate for outside director. If he is elected, he will be involved in the election of candidates for directors and the determination of remuneration for directors (and other officers) of the Company, objectively and from a neutral position as a Nomination and Compensation Committee member.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
8	Mamoru Yoshida (May 21, 1956) Reelection Outside Independent Term of office 2 years Attendance at Board of Directors meetings 18/18 (100%)	Apr. 1979 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation) Apr. 2009 Executive Officer, and Senior Vice President of AVC Networks Company Apr. 2012 Managing Executive Officer, and President of AVC Networks Company June 2012 Managing Director, and President of AVC Networks Company Apr. 2013 Managing Director in charge of Technology, Intellectual Property and Information Systems Apr. 2015 Managing Director, Senior Vice President of Appliances Company, President of Air-Conditioner Company, and in charge of TV Business June 2015 Managing Executive Officer, Senior Vice President of Appliances Company, President of Air-Conditioner Company, and in charge of TV Business June 2016 Senior Audit & Supervisory Board Member June 2020 Outside Director, NEC Networks & System Integration Corporation Oct. 2022 Outside Director, Nuvoton Technology Corporation Japan (to present) June 2024 Outside Director of the Company (to present) Significant positions concurrently held Outside Director, Nuvoton Technology Corporation Japan	—
Reasons for proposing the candidate for outside director and overview of expected role Mamoru Yoshida has served in top management roles in multiple fields, including overseas business, at Panasonic Holdings Corporation, and has high-level management and strategy formulation skills and broad-ranging knowledge in manufacturing, marketing, governance and other aspects. We believe that he will leverage this knowledge to supervise and provide advice on the Company's management objectively, and will strengthen the function of our Board of Directors, so we have made him a candidate for outside director. If he is elected, he will be involved in the election of candidates for directors and the determination of remuneration for directors (and other officers) of the Company, objectively and from a neutral position as a Nomination and Compensation Committee member.			

- (Notes)
1. No conflict of interest exists between any of the candidates and the Company.
 2. Mr. Miyoshi, Mr. Hashimoto, and Mr. Yoshida are candidates for outside directors.
 3. Mr. Miyoshi, Mr. Hashimoto, and Mr. Yoshida are currently outside directors of the Company, and their tenure as outside directors will come to eleven (11) years for Mr. Miyoshi, seven (7) years for Mr. Hashimoto, and two (2) years for Mr. Yoshida at the conclusion of this meeting.
 4. The Company has entered into contracts with Mr. Miyoshi, Mr. Hashimoto, and Mr. Yoshida based on the provisions of the Companies Act, Article 427, paragraph (1) to limit their liability for damages under Article 423, paragraph (1) of the said Act to within the minimum liability amount stipulated in Article 425, paragraph (1) of the said Act. If the reelection of the three candidates is approved, the Company plans to renew the aforementioned contracts with them.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company for the officers, etc., stipulated in Article 430-3, paragraph (1) of the Companies Act. This insurance policy will cover any damages that may arise due to the insured officers, etc. assuming responsibility for the execution of their duties, or from claims received in relation to the pursuit of such responsibility. If the election of the candidates for directors is approved, all of them will be included in the insured persons of this insurance policy. Furthermore, in the next renewal period, the Company will renew this insurance policy with the same contents.
 6. Mr. Miyoshi, Mr. Hashimoto, and Mr. Yoshida satisfy the requirements for independent officers based on the provisions of the Tokyo Stock Exchange; so the Company has registered them as independent officers. If the reelection of the three candidates is approved, the Company plans for their appointment as independent officers to continue.
 7. Mr. Tsukamoto, Mr. Ishihara, and Mr. Koujitani participated in all 11 meetings of the Board of Directors held during the fiscal year under review since June 26, 2025.
 8. Mr. Tsukamoto is scheduled to resign as Outside Board Director of Solekia Limited on June 26, 2026.

<Reference> Regarding Dividends

Pursuant to the provisions of each item of Article 459, paragraph (1) of the Companies Act, Article 36 of the Articles of Incorporation stipulates that dividends of surplus and other matters may be determined by resolution of the Board of Directors. The Company hereby announces that, at the Board of Directors held on May 14, 2026, it resolved the year-end dividend for the 58th fiscal year as follows.

As a result, combined with the interim dividend of 60 yen per share, the annual dividend will be 140 yen per share and the total amount of the annual dividends will be 6,672,891,580 yen.

1. Type of dividend property
Cash
2. Allotment of dividend property to shareholders and the total amount
80 yen per share of common stock of the Company
(Ordinary dividend: 55 yen)
(Extraordinary dividend: 25 yen)
Total amount: 3,813,075,520 yen
3. Effective date of distribution of dividends of surplus
June 10, 2026

(Note) Enclosed are the “Year-End Dividend Receipt” and “Year-End Dividend Statement” (or, for shareholders who have designated dividend receipt by bank transfer, the “Year-End Dividend Statement” and the notice “Confirmation of Dividend Transfer Destination”).

<Reference> Table of Officer Structure After Approval of the Proposal and Area of Directors and Directors who are Audit and Supervisory Committee Members

Driven by our corporate philosophy of “Everything we do is for our customers,” we establish skill criteria aligned with the functions required of the Board of Directors and the Audit and Supervisory Committee, as well as with our management strategy and business domains. Our aim is to maintain a well-balanced composition of directors and directors who are Audit and Supervisory Committee Members, each possessing the requisite skills.

	Name	Expertise of directors and directors who are Audit and Supervisory Committee Members							
		Corporate Management	Global	Sales and Marketing	Legal Affairs, Risk Management, and Compliance	Finance and Accounting	Personnel and Human Resources Development	Technology and Manufacturing	IT and Digital
Directors	Isao Tsukamoto	○	○	○		○			
	Ryoichi Kado	○	○	○			○		
	Takeshi Tsukamoto	○	○	○				○	
	Yasuhiro Ishihara				○	○	○		○
	Hitoshi Koujitani	○		○					○
	Susumu Miyoshi Outside Independent	○		○	○	○			
	Noritomo Hashimoto Outside Independent	○			○		○	○	
	Mamoru Yoshida Outside Independent	○	○					○	○
Directors (Audit and Supervisory Committee Members)	Eiji Kawamura		○			○	○		○
	Susumu Kitsunai Outside Independent	○	○			○			
	Yoichi Sato Outside Independent				○		○		
	Kyoko Oyanagi Outside Independent	○			○		○		

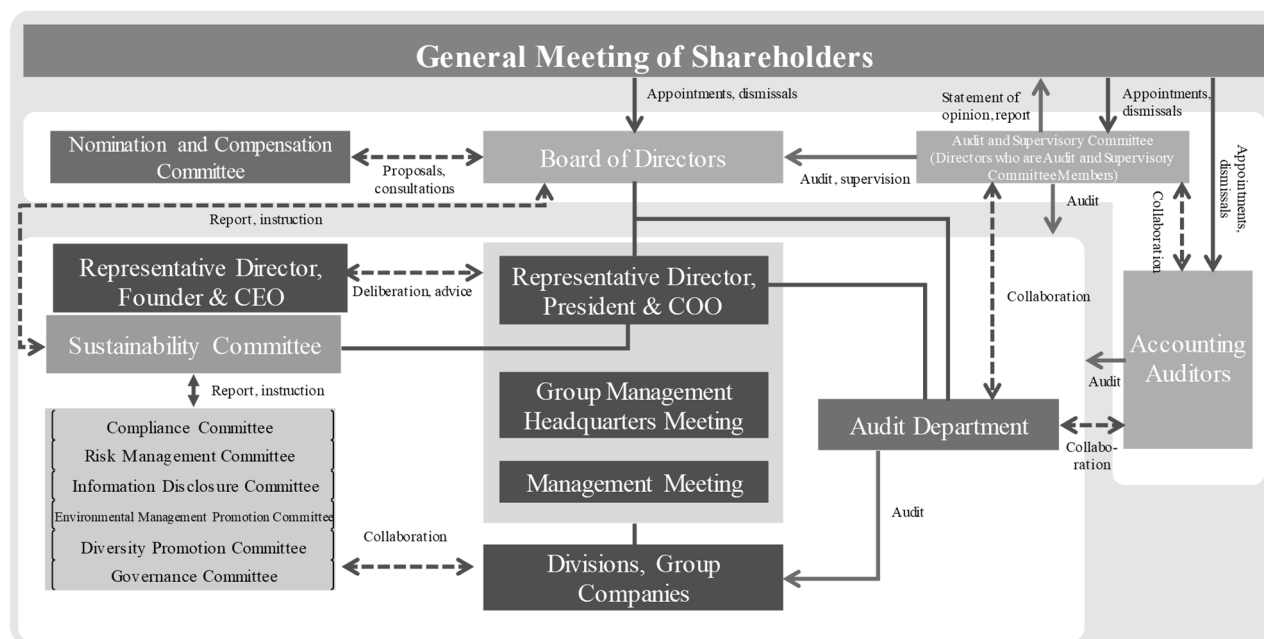
* A maximum of four particular areas expected of each person are presented. The above table does not represent all of the knowledge possessed by the candidates.

<Reference> Basic Policies and Structure of Corporate Governance (after the 58th Ordinary General Meeting of Shareholders)

The Company recognizes that the fulfillment of corporate governance is an important management issue and has established a corporate governance system with the basic policy and objective to ensure sound, efficient and transparent management and to enhance corporate value while promoting thorough compliance with corporate ethics and laws and regulations and strengthening internal control systems. In light of the importance of corporate governance, the Company has established the Sustainability Committee and the Nomination and Compensation Committee to strengthen its structure.

The Company has adopted a corporate governance system based on cooperation among the Board of Directors, the Nomination and Compensation Committee, the Audit and Supervisory Committee, and the accounting auditors, and the Company is building a system capable of providing swift response to external environmental changes while strengthening the Board of Directors' function and the business execution function through promoting separation of the decision-making and supervisory functions related to management from the business execution function and clarifying the respective roles. In addition to regular monthly meetings, the Board of Directors holds extraordinary meetings as needed to make decisions on issues stipulated by law and important management issues as well as to monitor the execution of duties of each director. The number of directors is twelve (12) (including six (6) outside directors), and the Company has established a system that allows for sufficient discussion and accurate and prompt decision-making. In addition, the Company has introduced an employment-type executive officer system and a delegation-based executive officer structure. To further improve corporate governance, the Company transitioned from a company with a Board of Auditors to a company with an Audit and Supervisory Committee following the conclusion of the 57th Ordinary General Meeting of Shareholders. The Audit and Supervisory Committee consists of four (4) directors who are Audit and Supervisory Committee Members (of which, three (3) are outside directors), and the directors who are Audit and Supervisory Committee Members are actively participating in important internal meetings to perform their duties.

The structure of corporate governance by the Company is described below.



Nomination and Compensation Committee

The Company has established the Nomination and Compensation Committee to ensure transparency and objectivity in the evaluation and decision-making processes related to the nomination and remuneration of directors, directors who are Audit and Supervisory Committee Members, and engagement-type executive officers, thereby strengthening the supervisory function of the Board of Directors and enhancing the corporate governance system.

Audit Department

The Company has established the Audit Department, which conducts internal audits in cooperation with the directors who are Audit and Supervisory Committee Members. In addition to prior discussions between the directors who are Audit and Supervisory Committee Members and the Audit Department regarding audit plans, a system has been established in which the Audit Department reports audit results to the directors who are Audit and Supervisory Committee Members on a regular basis. Additionally, the directors who are Audit and Supervisory Committee Members collaborate with the Audit Department, requesting reports from the Audit Department when necessary.

Sustainability Committee

The Company has established a system to promote CSR and sustainability across the Group, having established the Sustainability Committee, chaired by the Representative Director, President & COO, directly under which exists specialized committees for compliance, risk management, information disclosure, environmental management promotion, diversity promotion, and governance. Additionally, we formulate policies, measures, and goals related to ESG issues and monitor their progress.

Outside Officers

The Company has elected six (6) outside directors (of which, three (3) are directors who are Audit and Supervisory Committee Members). With respect to the election of outside directors, the Company refers to the independence standards of the Tokyo Stock Exchange and requires candidates to have no special interest in the Company and to possess a wide range of experience and insight in corporate management. In addition, the Company requires directors who are Audit and Supervisory Committee Members to have a high level of expertise as well as independence from those who execute the business.

The Company has established the Board of Directors Administrative Office and distributed materials on issues to be discussed by the Board of Directors to all officers, including outside directors, prior to the Board of Directors meetings. The Company provides outside officers with sufficient advance information, including supplementary explanations as necessary, to encourage lively discussions at Board of Directors meetings. The Company sets the schedule of regular meetings of the Board of Directors for the following fiscal year by the end of each fiscal year and informs all officers, including outside officers, of the schedule in an effort to improve the attendance rate.

[The Company's Rationale Regarding Independence of Outside Officers]

- As the Company elects outside officers in accordance with "Qualifications Required of Outside Officers" (Notes), which is based on requirements in the Companies Act in addition to the criteria for determining independence as set forth by the Tokyo Stock Exchange, the Company has judged that the independence of outside officers is sufficiently maintained, and submitted notification to the Tokyo Stock Exchange concerning the designation of all outside officers as independent officers.
- The Board of Directors resolved that all outside officers will become independent officers as it was confirmed that there are no issues with "Qualifications Required of Outside Officers" as a standard for determining the independence of outside officers.

(Notes) Qualifications Required of Outside Officers

- The following qualification requirements have been established between new candidates for outside officer and the companies and organizations to which they belong and the Company.
1. Has not been a representative officer or employee of the accounting auditor of the Group in the five years prior to being nominated as a candidate for director
 2. Is not a major shareholder of the Group (person who holds shares with 10% or more of total voting rights) and, where a major shareholder of the Group is a corporation, not a director, auditor, officer, executive officer or employee of such major shareholder
 3. Is not a director, auditor, officer, executive officer or employee of a major business partner (*) of the Group
(*) A major business partner is a company that has transactions with the Group where the amount paid or received amounts to 3% or more of the consolidated net sales of the Group or the business partner
 4. Has not received remuneration of 10 million yen or more from the Group other than remuneration as an outside officer
 5. Does not have a familial relationship (within the second degree of kinship) with any of the Group's directors, auditors or executive officers
 6. Is not involved in the mutual dispatch of directors, auditors, officers or executive officers to and from the Group
 7. Has any other interest in the Group, and independence is not called into question when carrying out duties as an outside officer

Business Report

(From April 1, 2025 to March 31, 2026)

I. Business Progress and Achievement of the Corporate Group

Overview of Business

(i) Business activities and results

[Business Environment Surrounding the Group]

During the consolidated fiscal year under review, the global economy faced heightened uncertainty due to factors such as the impact of U.S. tariff policies, the prolonged situation in Ukraine, and elevated resource prices and supply chain disruptions driven by tensions in the Middle East.

In the electronics industry to which the Group belongs, while inventory adjustments in the supply chain were easing, automotive applications maintained a solid performance, supported by a recovery in demand driven by the continued advancement of vehicle electrification and technological sophistication.

Meanwhile, against the backdrop of expanding demand for AI servers, the tight supply-demand conditions for memory products have led to rising procurement costs and difficulties in sourcing across a broad range of industries.

[Net Sales]

In the electronic components business, while as inventory adjustments in the supply chain gradually eased, spot sales were actively conducted in response to the tight supply-demand conditions for memory products. In the EMS(*) business, capacity expansion at overseas production sites contributed to increased sales. In the information equipment business, sales of PCs to educational institutions and mass retailers performed well. In the others business, the amusement equipment business for the U.S. market sustained sales growth throughout the year. Furthermore, as a result of the tender offer conducted in July 2025, Kyoei Sangyo Co., Ltd. became a consolidated subsidiary of the Company from the 2nd quarter.

As a result, net sales increased by 111,162 million yen year on year to 658,941 million yen.

Note: Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis.

[Gross Profit]

Gross profit increased by 13,684 million yen year on year to 85,350 million yen, driven by higher sales.

[Operating Income]

Selling, general and administrative expenses increased, driven by higher sales-related costs associated with overall sales growth, and increased fixed costs arising from a corporate acquisition, among other factors. Nevertheless, higher gross profit more than offset these increases, resulting in operating income rising by 4,223 million yen year on year to 27,824 million yen.

[Ordinary Income]

Non-operating income and expenses improved as foreign exchange losses recorded in the previous fiscal year turned into gains, partly due to exchange rate fluctuations in the second half of the fiscal year under review. As a result, ordinary income increased by 7,336 million yen year on year to 29,930 million yen.

[Profit Before Income Taxes]

Profit before income taxes increased by 16,666 million yen year on year to 40,376 million yen, driven by the recognition of extraordinary income, including a gain on bargain purchase from a corporate acquisition (7,797 million yen) and gains on sales of investment securities resulting from the reduction of cross-shareholdings (1,663 million yen).

[Profit Attributable to Owners of Parent]

Profit attributable to owners of parent increased by 14,016 million yen year on year to 31,099 million yen, due to the recognition of income taxes - current.

As stated above, all levels of profit, from net sales and gross profit to profit attributable to owners of parent increased compared to the previous fiscal year. Additionally, both net sales and profit attributable

to owners of parent reached record highs for the first time in three fiscal years since the fiscal year ended March 31, 2023.

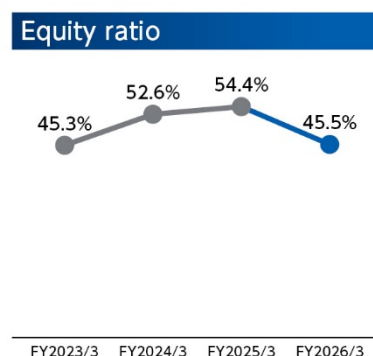
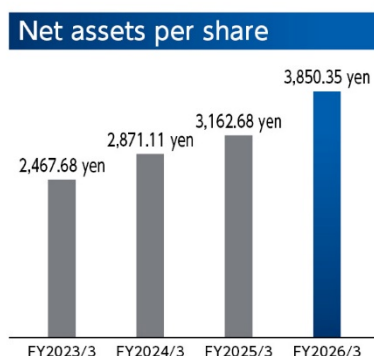
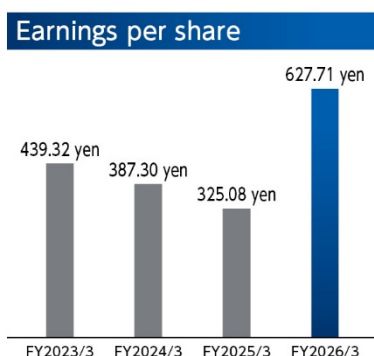
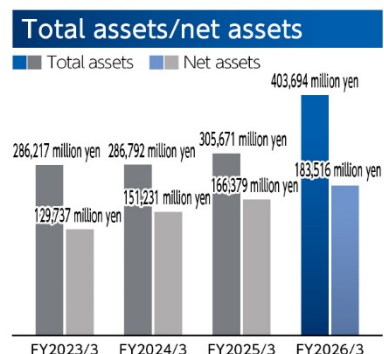
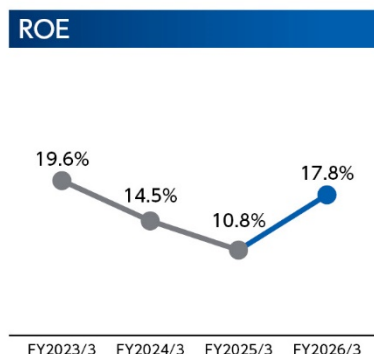
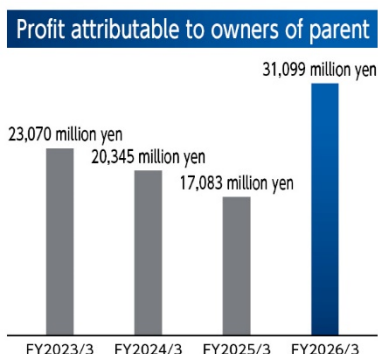
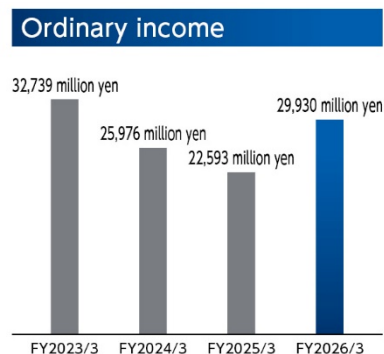
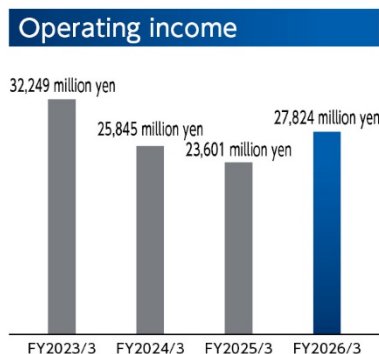
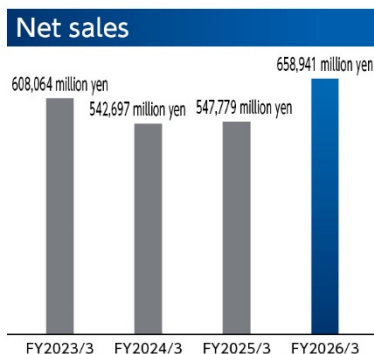
(Consolidated results)

Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
658,941 million yen	27,824 million yen	29,930 million yen	31,099 million yen
YoY change 20.3% up ↗	YoY change 17.9% up ↗	YoY change 32.5% up ↗	YoY change 82.0% up ↗

(ii) Status of assets and profit/loss in the last three fiscal years preceding the fiscal year under review

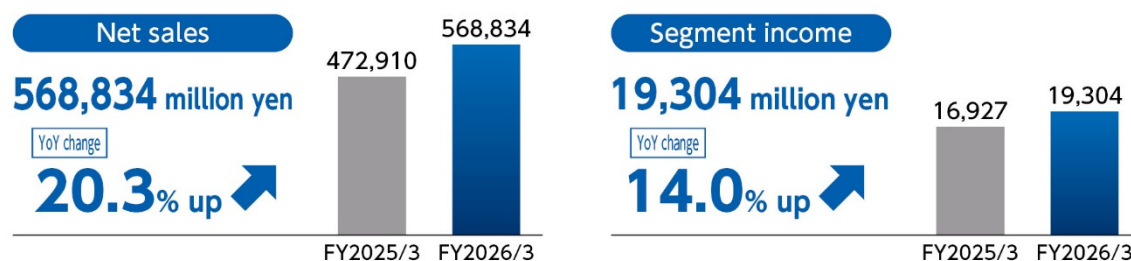
Item	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025	Fiscal year ended March 2026
Net sales (million yen)	608,064	542,697	547,779	658,941
Operating income (million yen)	32,249	25,845	23,601	27,824
Ordinary income (million yen)	32,739	25,976	22,593	29,930
Profit attributable to owners of parent (million yen)	23,070	20,345	17,083	31,099
ROE (%)	19.6	14.5	10.8	17.8
Total assets (million yen)	286,217	286,792	305,671	403,694
Net assets (million yen)	129,737	151,231	166,379	183,516
Earnings per share (yen)	439.32	387.30	325.08	627.71
Net assets per share (yen)	2,467.68	2,871.11	3,162.68	3,850.35
Equity ratio (%)	45.3	52.6	54.4	45.5

(Note) The Company carried out a stock split at the rate of two shares for each common share with an effective date of October 1, 2024. Profit per share and net assets per share were calculated assuming that this stock split took place at the beginning of the fiscal year ended March 2023.



(Note) The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Earnings per share and net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2023.

Electronic Components

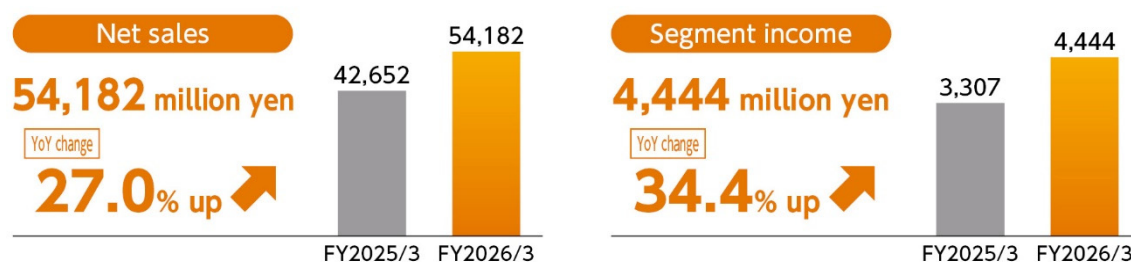


Description of business Development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service EMS, and other activities

In the components sales business, while supply chain inventory adjustments were easing, spot sales were actively pursued, leveraging procurement strengths as an independent trading company (approximately 41,100 million yen). This was in response to tightening supply-demand conditions for certain semiconductor products, primarily including commodity memory, driven by growing memory demand for AI server applications, which became evident in the second half of the previous fiscal year. In addition, the sales of Kyoei Sangyo Co., Ltd., which became a consolidated subsidiary, have been included in the results from the 2nd quarter onward. In the EMS business, a slowdown in demand was observed among certain customers in the automotive sector. However, aggressive capital expenditures focused on overseas production sites proved effective, and sales to medical and air-conditioning equipment sectors remained robust.

As a result, net sales increased 20.3% year on year to 568,834 million yen and segment income increased 14.0% year on year to 19,304 million yen.

Information Equipment

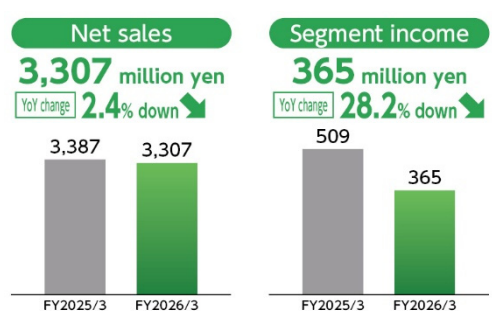


Description of business Sales of finished products such as PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products

In the PC sales business, initiatives were undertaken to increase the number of partner schools in sales to educational institutions. As a result, sales remained strong, supported in part by demand from the second phase of the GIGA School program. Sales to mass retailers performed well throughout the year, driven by launches of new products, such as AI PCs, from major PC manufacturers, replacement demand following the end of Windows 10 support, and front-loaded demand in anticipation of rising memory prices. In addition, sales of security software for mobile devices also contributed to the growth in this business segment, supported by factors such as replacement demand driven by the introduction of new products.

As a result, net sales increased 27.0% year on year to 54,182 million yen and segment income increased 34.4% year on year to 4,444 million yen.

Software

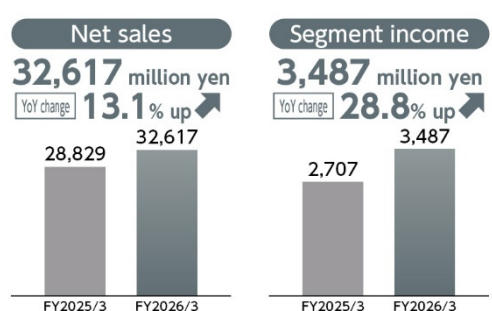


Description of business Production of computer graphics, planning and development of amusement products, and other activities

In computer graphics production for games and amusement equipment, proactive initiatives were undertaken to secure new orders. However, net sales decreased due to a reactionary effect from large-scale orders recognized in the second half of the previous fiscal year. Although profitability stabilized from Q2 onward, the operating loss incurred in Q1 continued to weigh on performance, resulting in a year-on-year decline in full-year profits.

As a result, net sales decreased 2.4% year on year to 3,307 million yen and segment income decreased 28.2% year on year to 365 million yen.

Others



Description of business Repair and supports for electronics equipment, manufacture and sales of amusement equipment, and sales of sports goods, and other activities

The recycling and reuse business for PC products and PC peripherals performed well, supported by demand driven by the transition from Windows 10 to Windows 11, as well as price increases in new PC products due to rising memory prices. Furthermore, 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 fiscal year. However, net sales maintained year-on-year growth on a full-year basis.

As a result, net sales increased 13.1% year on year to 32,617 million yen and segment income increased 28.8% year on year to 3,487 million yen.

(iii) Capital investments

Capital investment made in the fiscal year under review was 3,789 million yen (based on acquisition cost of property, plant, and equipment), and this was mainly due to expansion of facilities at overseas manufacturing bases.

(iv) Financing activities

During the fiscal year under review, the Company secured short-term borrowings of 8.5 billion yen from MUFG Bank, Ltd. to fund the acquisition of shares of Kyoei Sangyo Co., Ltd.

The Company has entered into a loan commitment line agreement with financial institutions totaling 15 billion yen, while borrowings drawn and outstanding amount to 10 billion yen as of the end of the fiscal year under review.

(v) Status of transfers of business, absorption-type company split or incorporation-type company split

Not applicable.

(vi) Status of acquisition of business of other companies

Not applicable.

(vii) Status of assumption of rights and duties relating to the business of other companies through absorption-type merger or company split

Not applicable.

(viii) Status of acquisition or disposal of shares, other equity interests, or share acquisition rights and the like of other companies

· Status of acquisition of shares

Date	Acquiree	Acquirer	Percentage	Status
July 18, 2025	Kyoei Sangyo Co., Ltd.	KAGA ELECTRONICS CO., LTD.	54.48%	Now a consolidated subsidiary
November 7, 2025	Kyoei Sangyo Co., Ltd.	KAGA ELECTRONICS CO., LTD.	100.0%	Now a wholly owned subsidiary

Significant Parent Companies and Subsidiaries

- (i) Parent companies
Not applicable.
- (ii) Significant subsidiaries
Directly owned subsidiaries

Name of Company	Capital	Percentage of voting rights held by the Company	Principal lines of business
KAGA TECH CO., LTD.	60,000 thousand yen	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA DEVICES CO., LTD.	395,200 thousand yen	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA SOLUTION NETWORK CO., LTD.	310,000 thousand yen	100.0%	Development, design, installation, and maintenance of computer network systems, and sale of information equipment, software, photosensitive material, and optical equipment, etc.
AD DEVICE CO., LTD.	301,200 thousand yen	96.7%	Sale of electronic components, electronic equipment, etc.
KAGA MICRO SOLUTION CO., LTD.	300,050 thousand yen	100.0%	Development, manufacture, sale, and recycling of computers, computer peripheral equipment, and electric equipment, etc.
Digital Media Lab., Inc.	106,000 thousand yen	100.0%	Planning, development, and sale of computer graphics
KAGA SPORTS CO., LTD.	50,000 thousand yen	100.0%	Manufacture, wholesale, and sale of sports goods, etc.
KAGA AMUSEMENT CO., LTD.	50,000 thousand yen	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA TECHNO SERVICE CO., LTD.	42,000 thousand yen	100.0%	Electrical and telecommunications equipment business, and interior construction business
KAGA FEI Co., Ltd.	4,877,683 thousand yen	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA EMS TOWADA CO., LTD.	30,000 thousand yen	100.0%	Board mounting and assembly of on-board automotive electronic equipment and medical devices
EXCEL CO., LTD.	400,000 thousand yen	100.0%	Sale of electronic components, electronic equipment, etc.
Kyokuto Electric Co., Ltd.	99,000 thousand yen	100.0%	Manufacture and sale of electronic equipment, electric equipment, etc.
KAGA AEROSYSTEMS CO., LTD.	99,000 thousand yen	100.0%	Import and export, sale, and leasing of aircraft and related parts
Kyoei Sangyo Co., Ltd.	400,000 thousand yen	100.0%	Sale of electronic components and electronic equipment, and software development
KAGA (H.K.) ELECTRONICS LIMITED	2,580 thousand U.S. dollars	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA (SINGAPORE) ELECTRONICS PTE LTD	943 thousand U.S. dollars	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA (TAIWAN) ELECTRONICS CO., LTD.	50,000 thousand TW dollars	100.0%	Sale of electronic components, electronic equipment, etc.
KAGA (SHANGHAI) ELECTRONICS CO., LTD.	15,017 thousand RMB	100.0%	Manufacture and sale of electronic equipment, electronic components, etc.
KAGA ELECTRONICS (THAILAND) COMPANY LIMITED	102,000 thousand Thai baht	100.0%	Manufacture and sale of electronic equipment, electronic components, etc.
KAGA (EUROPE) ELECTRONICS LTD.	600 thousand British pounds	100.0%	Sale of electronic components, electronic equipment, etc.
KD TEC s.r.o.	12,000 thousand Czech koruna	100.0%	Assembly of electric and electronic units, sale of electronic components, etc.

Name of Company	Capital	Percentage of voting rights held by the Company	Principal lines of business
TAXAN MEXICO, S.A. DE C.V.	1,224,771 thousand Mexican pesos	100.0%	Manufacture and sale of electronic equipment, electronic components, etc.
KD TEC TURKEY ELECTRONIK SANAYI VE TICARET LIMITED Sirketi	308,209 thousand Turkish lira	100.0%	Assembly of electric and electronic units, sale of electronic components, etc.
KAGA ELECTRONICS INDIA PRIVATE LIMITED	239,000 thousand Indian rupees	100.0%	Manufacture and sale of electronic equipment, electronic components, etc.
KAGA COMPONENTS (MALAYSIA) SDN.BHD.	15,500 thousand Malaysian ringgit	100.0%	Manufacture and sale of electric equipment, etc.
KAGA ELECTRONICS (VIETNAM) CO., LTD.	253,632 million Vietnamese dong	100.0%	Manufacture and sale of electronic equipment, electronic components, etc.

- (Notes) 1. As of March 31, 2026, the Group has 66 subsidiaries subject to consolidation (20 domestic and 46 overseas); of these, 27 are directly owned subsidiaries and 39 are indirectly owned subsidiaries.
2. In addition to the above, 2 investment cooperatives are considered directly owned subsidiaries.
3. Effective July 18, 2025, the Company acquired 54.48% of the shares of Kyoei Sangyo Co., Ltd., making it a consolidated subsidiary as part of the Group's growth strategy. Effective November 7, 2025, the Company made it a wholly owned subsidiary.
4. Effective April 1, 2026, Kaga Device Co., Ltd. and EXCEL CO., LTD. merged, with Kaga Device Co., Ltd. as the surviving company.

Principal Business Locations (as of April 1, 2026)

Domestic Networks

●: Electronic Components ■: Information Equipment ◆: Software ▲: Others

Hokkaido	● Kyoei Sangyo Co., Ltd., Hokkaido Branch ● Kyoei Marine Technology Co., Ltd., Hakodate Sales Office ■ KAGA TECHNO SERVICE CO., LTD., Sapporo Office
Aomori	● KAGA EMS TOWADA CO., LTD., Headquarters/The Second Plant
Miyagi	● KAGA ELECTRONICS CO., LTD., Sendai Business Office ● Kyoei Sangyo Co., Ltd., Tohoku Branch ■ KAGA TECHNO SERVICE CO., LTD., Sendai Office
Yamagata	▲ KAGA MICRO SOLUTION CO., LTD., Yamagata Office
Fukushima	▲ KAGA MICRO SOLUTION CO., LTD., Fukushima Office
Niigata	● KAGA ELECTRONICS CO., LTD., Niigata Business Office ● KAGA FEI Co., Ltd., Nagaoka Sales Office ● Kyoei Sangyo Co., Ltd., Niigata Sales Office
Gunma	● KAGA FEI Co., Ltd., Takasaki Development Center ● Kyoei Sangyo Co., Ltd., Gunma Sales Office
Tochigi	● Kyoei Sangyo Co., Ltd., Utsunomiya Development Office
Ibaraki	● KAGA FEI Co., Ltd., Toride Sales Office ● Kaga Device Co., Ltd., Mito Sales Office ● Kyoei Sangyo Co., Ltd., Hitachi Sales Office
Saitama	● KAGA ELECTRONICS CO., LTD., Kita-Kanto Business Office ● KAGA FEI Co., Ltd., Omiya Office ▲ KAGA MICRO SOLUTION CO., LTD., Tokyo Office

Tokyo	● KAGA ELECTRONICS CO., LTD., Head Office, Chiyoda-ku, Tokyo ● KAGA TECH CO., LTD., Head Office ● KAGA DEVICES CO., LTD., Head Office ● AD DEVICE CO., LTD., Head Office ● Kyokuto Electric Co., Ltd., Tokyo Sales Office (Chiyoda-ku) ● Kyoei Sangyo Co., Ltd., Head Office (Shinagawa-ku) ● Kyoei System Co., Ltd., Head Office (Shinagawa-ku) ● Kyoei Marine Technology Co., Ltd., Head Office (Shinagawa-ku) ■ KAGA TECHNO SERVICE CO., LTD., Head Office (Sumida-ku) ◆ DREAMS CORPORATION, Head Office, (Shinagawa-ku) ▲ KAGA MICRO SOLUTION CO., LTD., Head Office ▲ KAGA SPORTS CO., LTD., Head Office ▲ Kaga Aero Systems Co., Ltd., Tokyo Sales Office ● KAGA ELECTRONICS CO., LTD., Head office annex, Chuo-ku, Tokyo ■ KAGA SOLUTION NETWORK CO., LTD., Head Office ◆ Digital Media Lab., Inc., Head Office ◆ ACCESS GAMES INC., Head Office ▲ KAGA AMUSEMENT CO., LTD., Head Office
Kanagawa	● KAGA ELECTRONICS CO., LTD., Shin-Yokohama Business Office ● KAGA FEI Co., Ltd., Headquarters ● NV DEVICES Co., Ltd., Head Office ● Kyoei Sangyo Co., Ltd., Atsugi Annex/3DP Technical Center
Nagano	● Kaga Device Co., Ltd., Matsumoto Sales Office ● KAGA FEI Co., Ltd., Matsumoto Sales Office/Suzaka Sales Office
Ishikawa	● KAGA ELECTRONICS CO., LTD., Hokuriku Business Office ● AD DEVICE CO., LTD., Hokuriku Sales Office ● KAGA FEI Co., Ltd., Kanazawa Sales Office ▲ Digital Media Lab., Inc., Kanazawa Office
Shizuoka	● KAGA ELECTRONICS CO., LTD., Hamamatsu Business Office / KAGA ELECTRONICS CO., LTD., Shizuoka Office ● Kaga Device Co., Ltd., Numazu Sales Office ● KAGA FEI Co., Ltd., Shizuoka Sales Office
Aichi	● KAGA ELECTRONICS CO., LTD., Nagoya Business Office ● KAGA TECH CO., LTD., Nagoya Office ● Kaga Device Co., Ltd., Nagoya Sales Office ● AD DEVICE CO., LTD., Chubu Sales Division ● KAGA FEI Co., Ltd., Nagoya Office/Mikawa Office ● Kyoei Sangyo Co., Ltd., Nagoya Branch
Osaka	● KAGA ELECTRONICS CO., LTD., Kansai Business Office ● KAGA DEVICES CO., LTD., Osaka Office/Osaka Sales Division ● AD DEVICE CO., LTD., Osaka Sales Division ● KAGA FEI Co., Ltd., Osaka Office ● Kyokuto Electric Co., Ltd., Head Office ● Kyoei Sangyo Co., Ltd., Osaka Office ■ KAGA SOLUTION NETWORK CO., LTD., Osaka Office ■ KAGA TECHNO SERVICE CO., LTD., Kansai Sales Division ◆ Digital Media Lab., Inc., Osaka Office ◆ ACCESS GAMES INC., Development Division ▲ KAGA SPORTS CO., LTD., Retail Sales Division
Hyogo	● Kyoei Sangyo Co., Ltd., Kita-Itami Development Center

Wakayama	▲ KAGA AEROSYSTEMS CO., LTD. Head Office
Tottori	● Kyokuto Electric Co., Ltd., Yatsushashi/Urayasu/Nakayama Plants
Hiroshima	● KAGA ELECTRONICS CO., LTD., Fukuyama Business Office ● Kyoei Marine Technology Co., Ltd., Fukuyama Sales Office ■ KAGA TECHNO SERVICE CO., LTD., Fukuyama Office
Fukuoka	● KAGA ELECTRONICS CO., LTD., Fukuoka Business Office ● KAGA FEI Co., Ltd., Fukuoka Sales Office ● Kyoei Sangyo Co., Ltd., Fukuoka First Annex/Fukuoka Second Annex ■ KAGA TECHNO SERVICE CO., LTD., Fukuoka Office
Kumamoto	● KAGA ELECTRONICS CO., LTD., Kumamoto Business Office

Overseas Networks

●: Electronic Components ■: Information Equipment ◆: Software ▲: Others

Europe	● KD TEC s.r.o. ● KD TEC TURKEY ELEKTRONIK SANAYI VE TICARET LIMITED SIRKETI ● KAGA FEI EUROPE GmbH ● Canderla GmbH.
ASEAN/Asia	● KAGA ELECTRONICS (THAILAND) COMPANY LIMITED ● AD DEVICE (Thailand) CO.,LTD. ● EXCEL ELECTRONICS TRADING (THAILAND) CO., LTD. ● KYOEI ELECTRONICS (THAILAND) CO.,LTD. ● KAGA COMPONENTS (MALAYSIA) SDN,BHD. ▲ KAGA AMUSEMENT (MALAYSIA) SDN.BHD. ● PT. KAGA ELECTRONICS INDONESIA ● KAGA ELECTRONICS (VIETNAM) CO., LTD. ● KAGA ELECTRONICS INDIA PRIVATE LIMITED ● KAGA DEVICES INDIA PRIVATE LIMITED ● KAGA (SINGAPORE) ELECTRONICS PTE.LTD. ● KYOEI ELECTRONICS SINGAPORE PTE.LTD. ● KAGA FEI KOREA Ltd.
Americas	● KAGA FEI AMERICA, Inc. ● KAGA FEI AMERICA, Inc. Mid-West Office ● Canderla America Inc. ● TAXAN MEXICO S.A.de C.V. ● TAXAN-SWE MEXICO MANUFACTURING, S. DE R.L. DE C.V. ▲ KAGA AMUSEMENT AMERICA, INC.
China/Hong Kong/Taiwan	● KAGA (SHENZHEN) ELECTRONICS LTD. ● KAGA (SHENZHEN) TRADING LTD. ● EXCEL ELECTRONICS TRADING (SHEN ZHEN) LTD. ● KAGA (H.K.) ELECTRONICS LIMITED ● KAGA DEVICES (H.K.) LIMITED ● AD DEVICE (H.K.) LIMITED ● KAGA FEI ELECTRONICS PACIFIC ASIA LIMITED ● EXCEL ELECTRONICS (HONG KONG) LTD. ● KYOEI ELECTRONICS HONG KONG LIMITED ● KAGA (SHANGHAI) ELECTRONICS CO., LTD. ● KAGA TAXAN (SUZHOU) ELECTRONICS CO., LTD. ● SUZHOU TAXAN KAGA TRADING CO., LTD

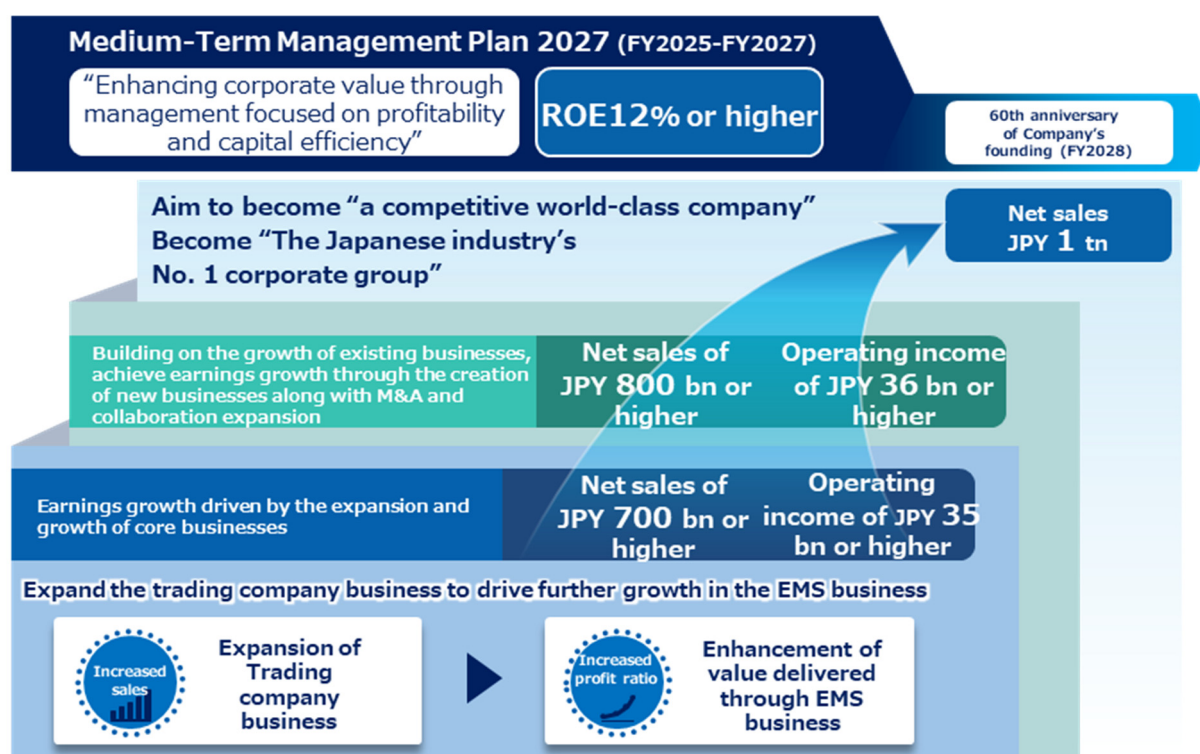
- KAGA TECHNOLOGY (SUZHOU) ELECTRONICS CO., LTD
 - SUZHOU KAGA SMART EQUIPMENT CO., LTD.
 - AD DEVICE (SHANGHAI) CO., LTD.
 - KAGA FEI ELECTRONICS (Shanghai) Co., Ltd.
 - EXCEL INTERNATIONAL TRADING (SHANGHAI) CO., LTD.
 - KYOEI ELECTRONICS SHANGHAI CO.,LTD.
 - HUBEI KAGA ELECTRONICS LIMITED
 - KAGA FEI ELECTRONICS (Dalian) Software Limited
 - KAGA (TAIWAN) ELECTRONICS CO., LTD.
 - EXCEL ASIAN TAIWAN CO., LTD.
-

Issues to be Addressed

1. Medium-Term Management Plan 2027

The Company formulated the “Medium-Term Management Plan 2027,” a three-year management plan running from fiscal 2025 (the fiscal year ended March 31, 2026) to fiscal 2027 (the fiscal year ending March 31, 2028) as a guideline for sustained growth of the Group toward the next generation. The management targets for the final fiscal year of the plan are set at net sales of 700 billion yen or more and operating income of 35 billion yen or more through organic growth from existing core businesses. On top of that, inorganic growth from new businesses, M&A, and other initiatives have been added to achieve combined targets amounting to net sales of 800 billion yen or more and operating income of 36 billion yen or more. The target ROE, a characteristic indicator of capital efficiency, has been set at 12.0% or more thereby exceeding the current shareholders’ equity cost of 10%.

We will work to increase the Group’s corporate value by achieving the aims inherited from the previous medium-term plan of becoming “a competitive world-class company” and “the Japanese industry’s No. 1 corporate group,” underpinned by our long-term concept focused on achieving net sales of 1 trillion yen in fiscal 2028 (the fiscal year ending March 31, 2029), the 60th anniversary of the Company’s founding.



(i) Basic policy and priority measures

Under the “Medium-Term Management Plan 2027,” we have established three priority measures based on the basic policy of “enhance corporate value through management focused on profitability and capital efficiency.” Under the first priority measure of “further enhance our earnings power,” we seek to expand our core businesses while enhancing our earnings power through M&A and creating new businesses. We will rigorously manage our business portfolio and aim to generate new business revenue of over 100 billion yen in growth sectors. Under the second priority measure of “strengthen management foundations,” we will focus on carrying out active growth investment and shareholder returns aligned with our cash allocation strategy, as well as undertaking investment in human capital. Under the third priority measure of “promote SDG-oriented management,” we aim to play an active role in achieving a sustainable society and increase corporate value by taking an accelerated response to various ESG issues facing the Company based on our Medium- to Long-Term Sustainability Management Plan.

Basic Policy		
Enhance corporate value through management focused on profitability and capital efficiency		
Priority Measures		Main Action Plan
Further enhance our earnings power	Expansion of core businesses	■ Implement business portfolio management
	Taking on the challenge of M&A	■ Generate more than ¥100 billion to achieve our target of “¥1 trillion in net sales by the end of FY2028”
	Creation of new businesses	■ Establish the Sales Strategy Office and explore new businesses centered around energy, infrastructure, transportation, and the environment
Strengthen management foundations	Implementation of capital strategies	■ Strategic cash allocation and proactive shareholder returns
	Investment in human capital	■ Reform human resource system (develop human resources overseas, promote workforce diversity, etc.)
Promote SDG-oriented management	Accelerated response to ESG management issues	■ Environment: Promote 100% renewable energy ■ Society: Promote women’s full participation in the workplace, work style reforms, and employee engagement ■ Governance: Achieve the goals of the appointment of female directors and the transition to a Company with an Audit and Supervisory Committee

(ii) Cash allocation

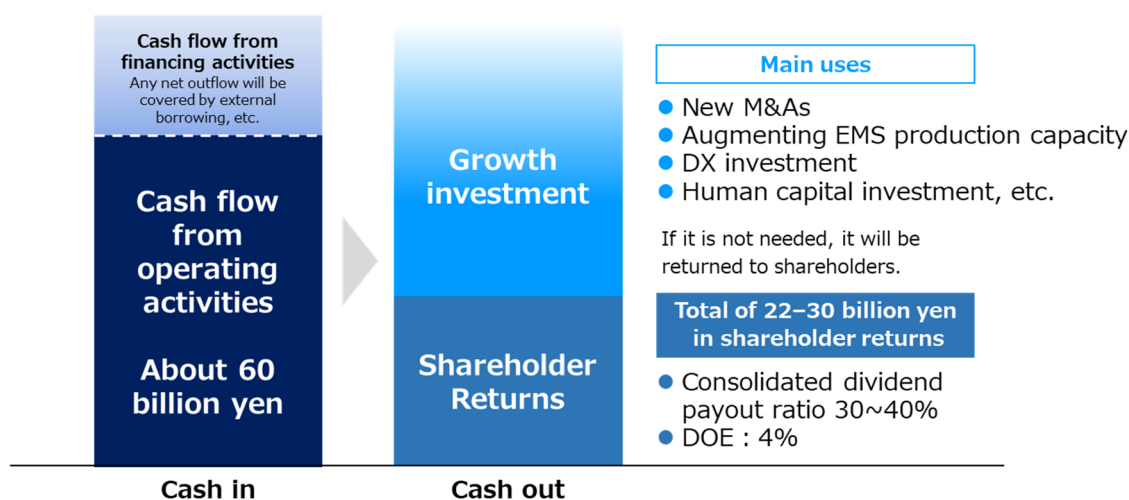
The basic policy for increasing corporate value is to focus the allocation of cash generated during the plan period on growth investment and shareholder returns while maintaining financial discipline.

Based on this policy, we expect operating cash flow over the three years from fiscal 2025 to fiscal 2027 of around 60 billion yen, with targets of around 22 billion yen to 30 billion yen allocated to returns to shareholders and more than 30 billion yen allocated to growth investment including new M&A and increasing production capacity in the EMS business.

For M&A, because the required amount of capital may vary significantly depending on the project, any overrun will be covered by outside borrowings, while any unneeded funds will be allocated to shareholder returns.

Basic approach	We will actively allocate the cash we generate to growth investments and shareholder returns in order to improve corporate value while maintaining financial discipline.
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FY2025–FY2027 (cumulative total for three years)

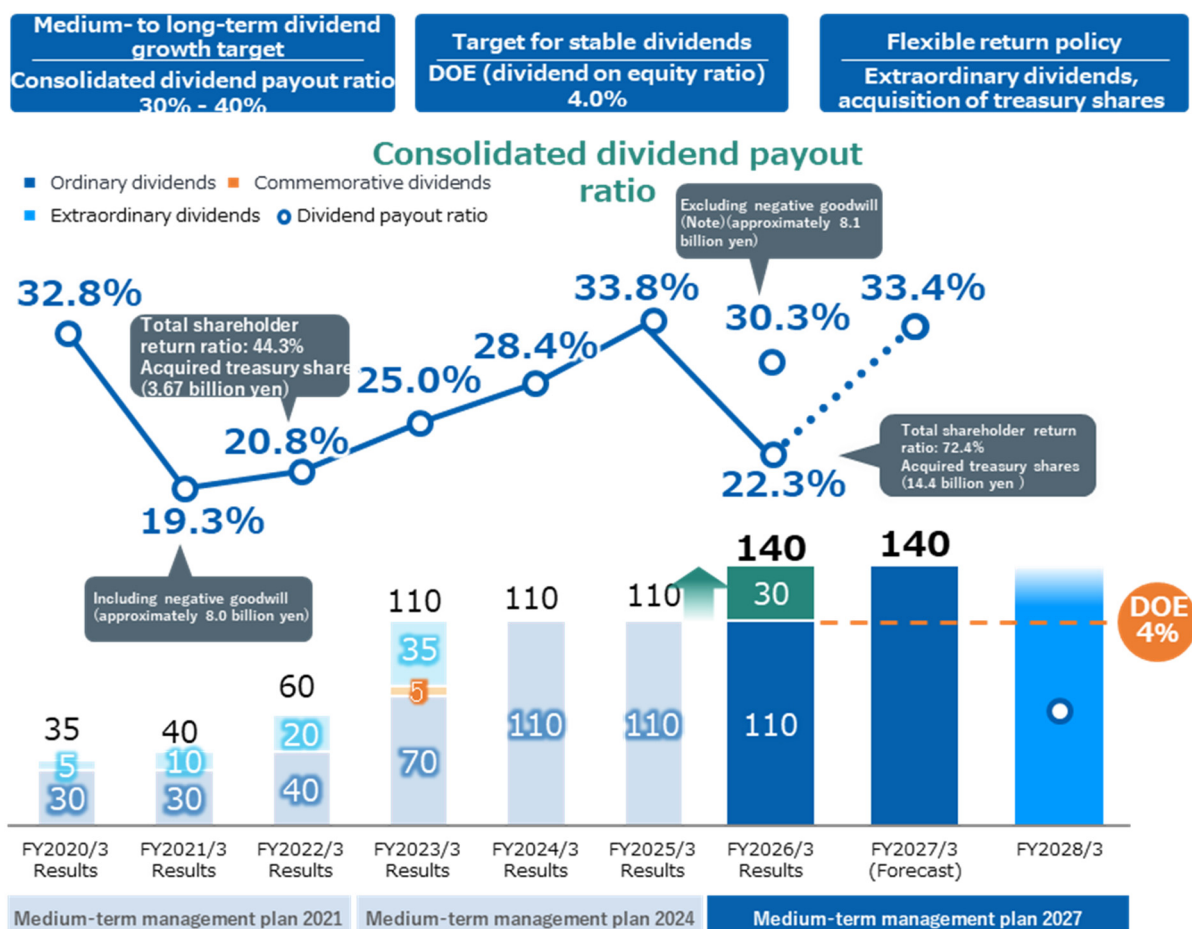


(iii) Policy for returns to shareholders

Having revised our shareholder returns policy under the “Medium-Term Management Plan 2027” from the perspective of actively providing dividends to shareholders, we have raised the dividend growth target during the plan period to a consolidated dividend payout ratio of 30% - 40% (previously 25% - 35%). We will accordingly endeavor to increase dividends in line with medium- to long-term profit growth.

Regarding ordinary dividends, we have introduced a “DOE (dividend on equity ratio) of 4.0%” as a new benchmark indicator to serve as a target for stable and continuous dividends. Furthermore, we will flexibly implement extraordinary dividends and the acquisition of treasury shares as shareholder return measures based on profit levels and capital efficiency.

The year-end dividend for the fiscal year ended March 31, 2026 has been set at 80 yen per share for an increase of 25 yen from the previous fiscal year reflecting the aforementioned policy and solid performance. Consequently, the annual dividend including the interim dividend will be 140 yen per share, a 30 yen increase from the previous fiscal year’s actual amount.



2. Results of the First Year of the Medium-Term Management Plan

In the fiscal year ended March 2026, which marked the first year of our medium-term management plan, we focused our efforts on building a foundation for growth and improving capital efficiency, successfully achieving steady results.

Taking on New M&A Opportunities

In July 2025, we welcomed Kyoei Sangyo Co., Ltd. into our group through a TOB (takeover bid) as part of our commitment to “Taking on the challenge of M&A.” We believe Kyoei Sangyo will contribute to expanding our business domains and strengthening our earnings base going forward. Specifically, we will expand the component sales business with respect to semiconductor devices by drawing on complementary strengths of product lines handled by both companies, while also creating further added value by extending the Company’s EMS business to customers of Kyoei Sangyo. In industrial machinery systems, we will leverage the Company’s global sales network to expand sales, particularly in overseas markets. In system development, we aim to achieve sales growth by leveraging synergies with the Company’s assets, including its hardware, software, and customer base.

Consolidation of Kyoei Sangyo Co., Ltd.



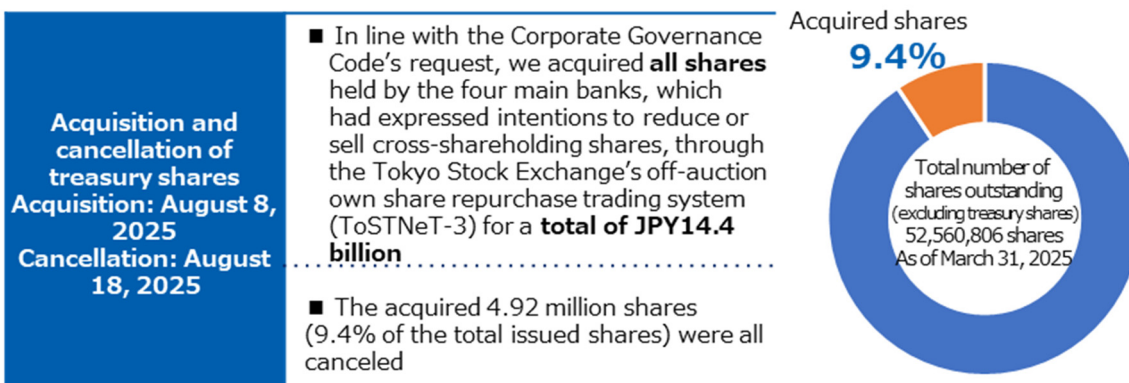
Expansion of Core Businesses: Increasing Production Capacity in the EMS Business
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The Company has been working to increase production capacity in order to address burgeoning EMS demand in the ASEAN region. The Amatanakorn Factory 3 commenced operation in December 2025 and has established highly efficient substrate installation and finished product assembly lines through the introduction of proprietary production equipment, thereby addressing diversifying customer needs, including those for the U.S. market. With the facility serving as an overseas mother factory, we aim to deploy its technologies to other sites and achieve sustainable growth of the EMS business. The Singapore Factory commenced operation in April 2026 and specializes in high-mix, small-lot production. It performs substrate installation centered on automation and labor savings, while also serving as a multi-functional facility that combines showroom capabilities for marketing proprietary production equipment to external customers with training center capabilities.

Amatanakorn Factory 3, Thailand			Singapore Factory
Overview	Total floor area	4,400m ²	800m ²
	Items produced	Substrate installation/assembly, finished product and unit assembly	Small-lot production of substrate installation, mass production prototyping
	Start of operation	December 2025	April 2026
	Initial investment	Approx. 1.3 billion yen	Approx. 1.0 billion yen
Purpose and aim	Build a highly efficient production system that fully incorporates automation and labor savings through the introduction of proprietary production equipment		Specialize in small-lot production through the introduction of proprietary production equipment
	Address customer needs, including those for the U.S. market, through the establishment of finished product assembly lines		Serve as a hub connecting local Chinese customers to ASEAN mass production factories
			Set up showroom capabilities for marketing proprietary production equipment to external customers combined with operator training center capabilities

Implementation of capital strategies

Regarding the “Implementation of Capital Strategy,” based on our basic policy of cash allocation and shareholder returns, in August 2025, we acquired 4.92 million shares of the Company held by our four main banks for a total of JPY 14.4 billion and subsequently canceled all of them. This action was taken as part of our capital policy aimed at capital efficiency and proactive shareholder returns. It represents the largest scale of share buyback in our history, and the cancellation of treasury shares is a first for the Company.



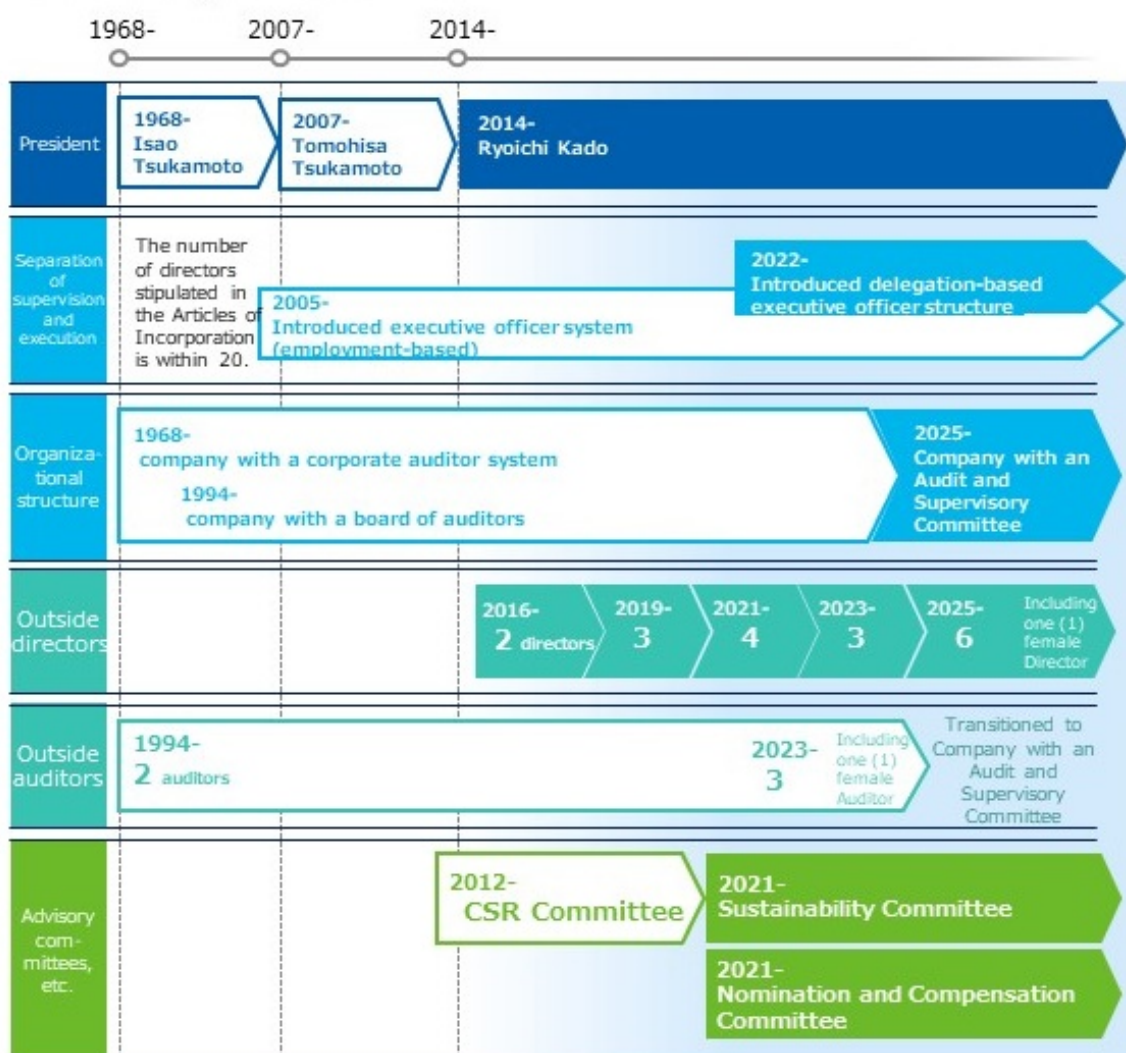
Accelerated response to ESG management issues : Governance reform

The Company positions corporate governance as a critical management issue, with a basic policy to enhance the soundness, efficiency, and transparency of management through strict compliance with laws and corporate ethics and strengthening internal controls to improve corporate value.

Under this policy, in June 2025, we transitioned from a company with a corporate auditor system to a Company with an Audit and Supervisory Committee and appointed our first female director. This aims to further strengthen the supervisory function of the Board of Directors, improve the quality of discussions from diverse perspectives, and promote the efficiency and speed of the decision-making process.

The Company will continue to engage in corporate governance reforms to achieve sustainable growth and enhance corporate value.

Evolution of governance structure



3. Medium- to Long-Term Sustainability Management Plan

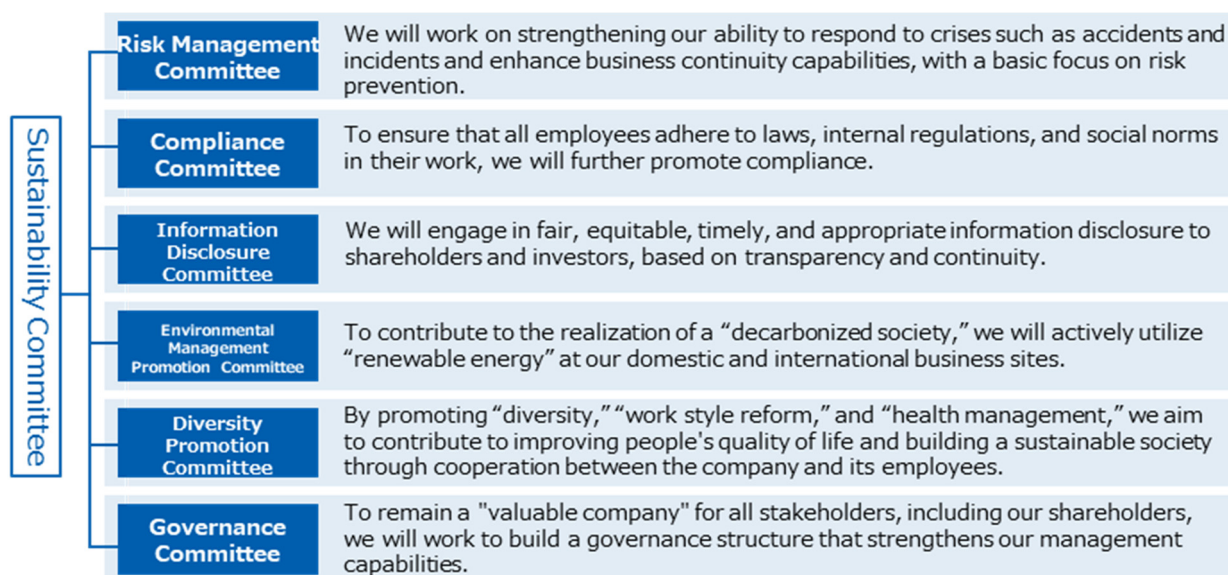
(i) Sustainability Policy

Based on our corporate philosophy of “Everything we do is for our customers,” the Company promotes sustainability management with the aim of “achieving a sustainable society” and “sustainable Group growth.” We value dialogue with all stakeholders and strive to enhance corporate value while playing an active role in achieving a sustainable society.

- a. We will tackle environmental issues through our business activities
- b. We will respect human rights and develop human resources
- c. We will work to build mutual trust with society

(ii) Sustainability promotion structure

In viewing the promotion of CSR and sustainability as a crucial management priority, the Company has accordingly established the “Sustainability Committee,” chaired by its President, with the following specialized subcommittees positioned directly under it. Underpinned by commitment of top management and collaboration among business divisions, we act through these committees to formulate policies, measures, and goals that address ESG issues, to manage progress, and to otherwise promote sustainability within the Group as a whole.



Identifying materiality (key issues)

The Group is committed to seriously addressing a variety of issues relevant not only to itself but also communities around the world and thereby living up to the expectations of society. In line with this commitment, the Group has employed four perspectives— Environmental (E), Social (S), Governance (G) and Business (B)—to identify priority issues that are deemed to exert significant impact on its business operations, as listed below. Through its efforts to tackle the materiality of these issues, the Group will practice corporate activities aimed at contributing to the realization of a sustainable society, with the aim of further improving its corporate value.

	Materiality	Related SDGs	Changes in the socio-economic environment	Our initiatives
E	Create a clean global environment	 	● Growing seriousness of global warming and other environmental problems ● Urgent call for carbon neutrality	● Provide products and services designed to help resolve environmental and energy issues ● Continue initiatives to reduce the environmental burden
S	Create an inclusive company as well as an affluent society	  	● Changes in social structure as we move toward the popularization of the new normal ● Human resource shortages attributable to a low birthrate and an aging population	● Promote workforce diversity and innovative work styles to better adapt to the new normal ● Develop human resources by passing down and updating KAGAism
G	Create a sustainable management base	 	● Public calls for more robust corporate governance ● Growing need for business resilience against changes in the operating environment	● Further strengthening governance and compliance ● Thoroughly practice a profit-focused management approach
B	Realize sustainable business growth	  	● Progress in digital transformation ● Coming of a “super-smart” society due to the popularization of ICT, such as IoT and AI ● Intensification of global competition	● Provide products and services that contribute to the transition to a digital-driven society ● Create new businesses aimed at helping resolve social issues ● Further promotion of global expansion

Medium- to Long-Term Sustainability Management Plan: Key KPIs and Progress Results

	Key themes	Issues to address/examine	Medium-term targets	Long-term targets	FY2025 Actual Results
E	Achievement of shift to 100% renewable energy	Adoption of renewable energy at domestic sales offices	2024: 40%	2030: 100%	At present, renewable energy-derived electricity accounts for 13.2% of consumption. Purchased “non-fossil certificates” and achieved the target of 40% renewable energy.
		Adoption of renewable energy at domestic manufacturing sites	By 2024: Information gathering/analysis and determination of policy - In-house power generation/external procurement - Solar panel/biomass power generation/renewable energy businesses	2030: 50% 2050: 100%	The introduction rate of solar power generation at the Towada Plant is 8.4%, and at the Fukushima Office, it is 26.5%, with the renewable energy introduction rate transitioning to 18.4%.
		Adoption of renewable energy at overseas manufacturing sites		2030: 30% 2050: 100%	The plant in Mexico received approval for solar power generation and started operation in January 2025, with the renewable energy introduction rate transitioning to 21.2%. The purchase of an I-REC (International Renewable Energy Certificate) for the leased manufacturing facility is under consideration.
	Shift to electricity for company-owned vehicles	Switch to electric vehicles for domestic sales vehicles (EV, HV, PHV, FCV)	2024: 85%	2030: 100%	Electric vehicle conversion rate: 90.0% (83.2% when including Kyoei Sangyo, which became a Group company in July 2025)
S	Diversity and human resource management	- Ensuring diversity in core human resources (Women, foreign nationals, mid-career hires) - Initiatives to employ elderly workers and persons with disabilities	Percentage of female new graduates in general positions 2023: 30% Percentage of women in management positions 2024: 15%	Percentage of female new graduates in general positions 2028: 40% Percentage of women in management positions 2029: 17%	Percentage of female new graduates in general positions: 14.8% Percentage of women in management positions: 15.2%
	“Work-life management” and “enhancement of productivity”	Acquisition of certification as a Health & Productivity Management Outstanding Organization	2023: Certification	2025: Obtained external certification 2024-onward: Maintained status as an outstanding organization	Maintained certification as a Health & Productivity Management Outstanding Organization. Health & Productivity Management policies and initiatives were published on the Company website.

	Key themes	Issues to address/examine	Medium-term targets	Long-term targets	FY2025 Actual Results
G	Restructuring the governance structure in response to the revision of the Corporate Governance Code and the reorganization of Tokyo Stock Exchange	● Increasing the number of independent outside directors so that they account for one third or more of the Board membership ● Establishing a Nomination and Compensation Committee	June 2021: Performed	Set targets in conjunction with the next round of revisions to the CG Code	Outside directors were elected at the June 2025 General Meeting of Shareholders, transitioning to six internal and six outside directors (a total of 12 directors).
		● Diversification of the Board of Directors	By June 2022: Determination of policy		At the June 2025 General Meeting of Shareholders, the Company transitioned to a Company with an Audit and Supervisory Committee, and a female director was appointed.
		● Full compliance with Corporate Governance Code for Prime Market	November 2021: Performed		The Corporate Governance Code report, updated with the content for the Audit and Supervisory Committee as of the end of June 2025, has been submitted.
	Further strengthening the supervisory and oversight functions of top management over business execution	● Adoption of delegation-based executive officer structure	April 2022: Enactment		Operation is ongoing.
		● Transition to structure of company with committees	By March 2023: Determination of policy		Transitioned to a “Company with an Audit and Supervisory Committee” after the General Meeting of Shareholders in June 2025.

II. Current Status of the Company

Status of Shares (as of March 31, 2026)

- (i) Total number of authorized shares 160,000,000
- (ii) Total number of issued shares 52,486,836
- (iii) Number of shareholders 11,164
- (iv) Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,608	11.77
OKOZE CO., LTD	3,680	7.72
KAGA ELECTRONICS Employee Shareowners Association	3,108	6.52
Custody Bank of Japan, Ltd. (Trust Account)	2,949	6.19
Isao Tsukamoto	1,447	3.04
THE BANK OF NEW YORK MELLON 140044	1,116	2.34
STATE STREET BANK AND TRUST COMPANY 505223	1,116	2.34
STATE STREET BANK AND TRUST COMPANY 505103	1,019	2.14
Nippon Life Insurance Company	918	1.93
STATE STREET BANK AND TRUST COMPANY 505001	858	1.80

- (Notes) 1. The Company holds 4,823,392 shares of treasury stock, but the Company is not included in the major shareholders listed above.
2. The shareholding ratio is calculated after deducting treasury shares.

- (v) Status of shares granted to company officers as consideration of execution of duties during the fiscal year under review

		Number of shares	Number of persons eligible for the grant
Directors (Excluding Audit and Supervisory Committee Members)	Directors (Excluding the Chairman & CEO and Outside Directors)	10,156	4
	Outside Directors	—	—
Directors (Audit and Supervisory Committee Members)		—	—
Auditors		—	—

- (Note) The Company has introduced a restricted share-based remuneration plan based on a resolution of the 50th Ordinary General Meeting of Shareholders held on June 28, 2018. In light of this, the meeting of the Board of Directors held on June 26, 2025 resolved to dispose of treasury shares as restricted share remuneration, and disposal of 10,156 treasury shares to 4 directors (not including Chairman & CEO and outside directors) was carried out on July 25 of that year. Details regarding share-based remuneration for directors can be found in “III. Corporate Officers, Overview of Details of Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Directors Who Are Audit and Supervisory Committee Members for the Fiscal Year Under Review” of the Business Report.

- (vi) Other matters related to shares

Based on a resolution of the Board of Directors held on August 7, 2025, the Company conducted a retirement of treasury shares on August 18, 2025. As a result, the total number of issued shares has decreased by 4,917,400.

Share Acquisition Rights

Not applicable.

III. Corporate Officers

Status of Directors and Directors Who Are Audit and Supervisory Committee Members (As of March 31, 2026)

Position in the Company	Name	Responsibilities and significant positions concurrently held
Representative Director, Founder & CEO	Isao Tsukamoto	Outside Director, SAAF Holdings Co., Ltd. Outside Board Director, Solekia Limited
Representative Director, President & COO	Ryoichi Kado	
Director, Senior Executive Officer	Takeshi Tsukamoto	Representative Director and President of KAGA FEI Co., Ltd.
Director, Senior Executive Officer	Yasuhiro Ishihara	Head of Administration Headquarters
Director, Senior Executive Officer	Hitoshi Koujitani	General Manager of Corporate Strategy Office
Director	Susumu Miyoshi	
Director	Noritomo Hashimoto	Outside Director, Ibokin Corp. Outside Director, Susumu Holdings Corporation Outside Director, Susumu Co., Ltd.
Director	Mamoru Yoshida	Outside Director, Nuvoton Technology Corporation Japan
Director (Full-time Audit and Supervisory Committee Member)	Eiji Kawamura	
Director (Audit and Supervisory Committee Member)	Susumu Kitsunai	Representative, Kitsunai Certified Public Accountant Office Representative Director, Asia Alliance Partner Co., Ltd. Outside Director, Agent Insurance Group, Inc.
Director (Audit and Supervisory Committee Member)	Yoichi Sato	Lawyer (of counsel), Alpha Partners Law Offices Auditor, Bouygues Asia K.K.
Director (Audit and Supervisory Committee Member)	Kyoko Oyanagi	Representative of Social Insurance and Labor Advisors Corporation, Sakura Management Office Chairman, Tokyo Labor Improvement Promotion Association (Labor insurance affairs association certified by the Minister of Health, Labour and Welfare)

- (Notes)
1. Directors Susumu Miyoshi, Noritomo Hashimoto, and Mamoru Yoshida are outside directors.
 2. Directors (Audit and Supervisory Committee Members) Susumu Kitsunai, Yoichi Sato, and Kyoko Oyanagi are outside directors.
 3. Director (Full-time Audit and Supervisory Committee Member) Eiji Kawamura has many years of experience as an employee and director of the Company in sales and administration departments, and has a broad range of knowledge in areas such as corporate management, finance, and accounting.
 4. Director (Audit and Supervisory Committee Member) Susumu Kitsunai is a credentialed certified public accountant and has substantial knowledge of finance and accounting.
 5. Director (Audit and Supervisory Committee Member) Yoichi Sato is a credentialed attorney and has substantial knowledge of corporate legal affairs.
 6. Director (Audit and Supervisory Committee Member) Kyoko Oyanagi is a credentialed labor and social security attorney and has substantial knowledge of social insurance, labor, and related matters.
 7. Eiji Kawamura has been appointed as a full-time Audit and Supervisory Committee Member in order to enhance information gathering, improve the effectiveness of audits through close collaboration with the internal audit department and other units, and strengthen the audit and supervisory functions.
 8. The Company has submitted notification to the Tokyo Stock Exchange that Directors Susumu Miyoshi, Noritomo Hashimoto, and Mamoru Yoshida, and Directors (Audit and Supervisory Committee Members) Susumu Kitsunai, Yoichi Sato, and Kyoko Oyanagi, have been designated as independent officers.

Overview of Details of Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Directors Who are Audit and Supervisory Committee Members for the Fiscal Year Under Review

Remuneration for directors (excluding directors who are Audit and Supervisory Committee Members) and directors who are Audit and Supervisory Committee Members

a. Policy for determining the details of remuneration for officers

At its Board of Directors meeting held on June 26, 2025, the Company has resolved its policy for determining details of remuneration for individual directors.

The Board of Directors has determined with regards to the amount of fixed remuneration for each director (excluding directors who are Audit and Supervisory Committee Members) for the fiscal year under review that the method for decision of the details of remuneration and the details of remuneration decided on are consistent with the policy for determination approved by the Board of Directors and has judged that it is in keeping with that policy for determination.

The policy for determining the details of remuneration for individual directors is as follows:

- Basic policy

The Company's basic policy is to set the remuneration of directors at an appropriate level based on their respective responsibilities in determining the remuneration of individual directors as a remuneration system that is linked to shareholders' profits so that it can fully function as an incentive to secure and retain excellent human resources who will implement the realization of the Company's management philosophy and continuously improve corporate value. Specifically, remuneration for executive directors consists of fixed remuneration, which is paid at a fixed amount, performance-linked remuneration, and share-based remuneration, while remuneration for outside directors and directors who are Audit and Supervisory Committee Members, who are responsible for supervisory functions, consists of fixed remuneration only in consideration of their responsibilities. Furthermore, the content of remuneration for directors is designed to be reasonable, objective, and transparent in terms of both the content of remuneration and decision-making procedures.

- Policy regarding the determination of the amount of remuneration, etc. for each individual in fixed remuneration

The fixed remuneration for directors of the Company shall be fixed monthly remuneration in cash, which shall be determined in accordance with the position and responsibilities, etc., while taking into consideration the levels of other companies, the business performance of the Company, and the level of employee salaries, and reviewing the remuneration as appropriate in a comprehensive manner.

- Policy for determining the details of performance-linked remuneration, etc. and non-monetary remuneration, etc. and the method for calculating the amount or number of such remuneration

Performance-linked remuneration, etc. is monetary remuneration reflecting performance indicators in order to raise awareness of the need to improve performance for each fiscal year, and an amount calculated in accordance with the degree of achievement of the target values for operating income, ordinary income, and profit attributable to owners of parent for each fiscal year is paid as a bonus at a specified time. The target performance indicators and their values are based on the profit-oriented management set forth in the Medium-Term Management Plan, and will be reviewed in accordance with changes in the business environment, respecting the report of the Nomination and Compensation Committee. The amount of performance-linked remuneration is based on the consolidated business results. Non-monetary remuneration, etc. is granted at a set time after the end of the fiscal year as restricted share remuneration with a transfer restriction period of up to 20 years, which is designed to provide incentives for the sustainable enhancement of the Company's corporate value and to promote further value-sharing with shareholders through the holding of the Company's shares. The number of shares to be granted is determined in consideration of the position, responsibilities, share price, etc., and with respect to the report of the Nomination and Compensation Committee.

- Policy on determination of the ratio of the amount of monetary remuneration, the amount of performance-linked remuneration, etc., or the amount of non-monetary remuneration, etc., to the amount of individual remuneration, etc., of directors
The ratio of type of remuneration for directors (excluding outside directors and directors who are Audit and Supervisory Committee Members) is determined based on the report of the Nomination and Compensation Committee, taking into consideration the position, responsibilities, and trends in the remuneration levels of other companies with similar business scale as the Company.
- Matters related to the decision policy concerning the details of remuneration, etc. for individual directors
Based on the delegated resolution of the Board of Directors, the Representative Director, Founder & CEO and Representative Director, President & COO are delegated the authority to determine the amount of fixed remuneration for each director, the allocation of performance-linked remuneration (bonuses, etc.) based on the performance of the business for which each director is in charge, and the number of shares to be allotted to each individual in the form of restricted share remuneration. The Board of Directors consults the Nomination and Compensation Committee on the draft and obtains its report to ensure that such authority is properly exercised by the Representative Director, Founder & CEO and Representative Director, President & COO, and the Representative Director, Founder & CEO and Representative Director, President & COO, who have received the above delegation, make decisions with respect to the content of this report.
- Matters concerning the method of decision when the decision on the details of remuneration, etc. is delegated to a director or other third party
The Representative Director, Founder & CEO and Representative Director, President & COO determine the specific details of the amount of remuneration, etc. and the number of shares to be allotted to each individual based on the delegated resolution of the Board of Directors. The Board of Directors shall take measures to make decisions after consultation and reporting by the Nomination and Compensation Committee to ensure that such authority is properly exercised by the Representative Director, Founder & CEO and Representative Director, President & COO. The Representative Director, Founder & CEO and Representative Director, President & COO determine the details of individual remuneration for each director by fully respecting the advice and report of the Nomination and Compensation Committee, while taking into consideration the Company's overall performance, share price, the role of each director, the impact of each director on the Company's performance, and other circumstances.

b. Amount of remuneration for directors and auditors

Item	Total amount of remuneration (Million yen)	Total amount of remuneration by type (Million yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (Excluding Audit and Supervisory Committee Members) (Of which, outside directors)	853 (30)	280 (30)	546 (-)	25 (-)	9 (3)
Directors (Audit and Supervisory Committee Members) (Of which, outside directors)	33 (17)	33 (17)	- (-)	- (-)	4 (3)
Auditors (Of which outside auditors)	9 (3)	9 (3)	- (-)	- (-)	4 (3)
Total (Of which outside officers)	895 (51)	322 (51)	546 (-)	25 (-)	17 (9)

(Notes) 1. The table above includes one director (excluding Audit and Supervisory Committee Members) who retired upon the conclusion of the 57th Ordinary General Meeting of Shareholders held on June 26, 2025. Furthermore, the Company transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee on June 26, 2025.

2. The amount paid to directors does not include the employee's salary for directors who concurrently serve as employees.
3. The performance indicators for performance-linked remuneration, etc. are operating income, ordinary income, and profit attributable to owners of parent, and are calculated in accordance with the degree of achievement of the target values. These indicators are selected based on profit-oriented management. The actual performance indicators for the fiscal year under review can be found in "I. Business Progress and Achievement of the Corporate Group, Overview of Business (i) Business activities and results."
4. Non-monetary remuneration is provided as share-based remuneration, and the conditions for its provision can be found in "III. Corporate Officers, Overview of Details of Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Directors Who Are Audit and Supervisory Committee Members for the Fiscal Year Under Review." The status of granting during the fiscal year under review can be found in "II. Current Status of the Company, Status of Shares (v) Status of shares granted to company officers as consideration of execution of duties during the fiscal year under review."
5. The maximum amount of remuneration for directors (excluding Audit and Supervisory Committee Members) was resolved at the 57th Ordinary General Meeting of Shareholders held on June 26, 2025 to be no more than 1,200 million yen per year (of this amount, up to 200 million yen is for outside directors; salaries for services as employees are not included). The number of directors (excluding Audit and Supervisory Committee Members) as of the conclusion of the said General Meeting of Shareholders was eight (including three outside directors). In addition, at the 57th Ordinary General Meeting of Shareholders held on June 26, 2025, it was resolved that the annual amount of monetary remuneration claims to be paid to directors (excluding outside directors and Audit and Supervisory Committee Members) for the granting of restricted shares shall be 300 million yen or less, separately from the above maximum amount of remuneration. The number of directors (excluding outside directors and Audit and Supervisory Committee Members) as of the close of this General Meeting of Shareholders was five.
6. At the 57th Ordinary General Meeting of Shareholders held on June 26, 2025, it was resolved that the maximum amount of remuneration to be paid to directors who are Audit and Supervisory Committee Members shall be 100 million yen per year. The number of directors who are Audit and Supervisory Committee Members as of the close of this General Meeting of Shareholders was four.
7. At the 27th Ordinary General Meeting of Shareholders held on June 29, 1995, it was resolved that the maximum amount of remuneration to be paid to auditors shall be 60 million yen per year. The number of auditors as of the close of this General Meeting of Shareholders was four.
8. The Board of Directors has delegated to the Representative Director, Founder & CEO Isao Tsukamoto and the Representative Director, President & COO Ryoichi Kado the authority to determine the amount of fixed remuneration for each director, the performance-linked remuneration (bonuses, etc.) based on the performance of the business for which each director other than outside directors is in charge, and the number of shares to be allotted to each individual in the form of restricted shares. This authority is delegated because it has been judged appropriate for the Representative Director to evaluate the business segments that individual directors are responsible for while taking into account the Company's overall performance. Please note that the Nomination and Compensation Committee has confirmed in advance that the details of this delegation are appropriate.

Outside Officers

- (i) Status of concurrent positions at other organizations (for executives at other organizations) and relationships between the Company and such other organizations
 - Outside Director (Audit and Supervisory Committee Member) Susumu Kitsunai is a representative of Kitsunai Certified Public Accountant Office and a representative director of Asia Alliance Partner Co., Ltd. There is no particular relationship between either of these concurrent employers and the Company.
 - Outside Director (Audit and Supervisory Committee Member) Yoichi Sato serves as a lawyer (of counsel) at Alpha Partners Law Offices and as an auditor at Bouygues Asia K.K. The Company has signed a legal advisor agreement with Alpha Partners Law Offices. However, as he is not a partner at Alpha Partners Law Offices, he does not contribute to their management and operations. There is no particular relationship between Bouygues Asia K.K. and the Company.
 - Outside Director (Audit and Supervisory Committee Member) Kyoko Oyanagi concurrently serves as Representative of Social Insurance and Labor Advisors Corporation, Sakura Management Office, and as Chairperson of the Tokyo Labor Improvement Promotion Association (Labor insurance affairs association certified by the Minister of Health, Labour and Welfare). The Company has concluded an advisor agreement with Social Insurance and Labor Advisors Corporation, Sakura Management Office, however the amount of the transaction is negligible. There is no particular relationship between the Company and the Tokyo Labor Improvement Promotion Association (Labor insurance affairs association certified by the Minister of Health, Labour and Welfare).

- (ii) Concurrent positions as outside officers at other organizations and relationships between the Company and such other organizations
- Outside Director Noritomo Hashimoto is an outside director of Ibokin Corp., and an outside director of Susumu Holdings Corporation and Susumu Co., Ltd. There is no particular relationship between any of these concurrent employers and the Company.
 - Outside Director Mamoru Yoshida is an outside director of Nuvoton Technology Corporation Japan. There is no particular relationship between any of these concurrent employers and the Company.
 - Outside Director (Audit and Supervisory Committee Member) Susumu Kitsunai serves concurrently as an outside director of Agent Insurance Group, Inc. There is no particular relationship between any of these concurrent employers and the Company.

(iii) Major activities during the fiscal year under review

Name	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of outside officers
Outside Director Susumu Miyoshi	Participated in all 18 of 18 meetings of the Board of Directors during the fiscal year under review. He provides his opinions on the Company's overall management as a director from an objective viewpoint and independent perspective, based on his abundant experience as a member of corporate management and his wide-ranging knowledge, and successfully discharges the roles and responsibilities required of an outside director.
Outside Director Noritomo Hashimoto	Participated in all 18 of 18 meetings of the Board of Directors during the fiscal year under review. He provides his opinions as a director from an objective viewpoint and independent perspective, particularly concerning matters such as management strategy and human resources, based on his abundant experience as a member of corporate management and his wide-ranging knowledge, and successfully discharges the roles and responsibilities required of an outside director.
Outside Director Mamoru Yoshida	Participated in all 18 of 18 meetings of the Board of Directors during the fiscal year under review. He provides his opinions as a director from an objective viewpoint and independent perspective, particularly concerning matters such as business management and business strategies, based on his abundant experience as a member of corporate management and his wide-ranging knowledge, and successfully discharges the roles and responsibilities required of an outside director.
Outside Director (Audit and Supervisory Committee Member) Susumu Kitsunai	Participated in all 11 of 11 meetings of the Board of Directors during the fiscal year under review following his appointment on June 26, 2025. Furthermore, he participated in all 12 of 12 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He provides opinions from the professional point of view of a certified public accountant and otherwise provides assistance and advice in ensuring that decisions by the Board of Directors and the Audit and Supervisory Committee are made adequately and appropriately.
Outside Director (Audit and Supervisory Committee Member) Yoichi Sato	Participated in all 11 of 11 meetings of the Board of Directors during the fiscal year under review following his appointment on June 26, 2025. Furthermore, he participated in all 12 of 12 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He provides opinions from the professional point of view of a lawyer and otherwise provides assistance and advice in ensuring that decisions by the Board of Directors and the Audit and Supervisory Committee are made adequately and appropriately.
Outside Director (Audit and Supervisory Committee Member) Kyoko Oyanagi	Participated in all 11 of 11 meetings of the Board of Directors during the fiscal year under review following her appointment on June 26, 2025. Furthermore, she participated in all 12 of 12 meetings of the Audit and Supervisory Committee held during the fiscal year under review. She provides opinions from the professional point of view of a labor and social security attorney and otherwise provides assistance and advice in ensuring that decisions by the Board of Directors and the Audit and Supervisory Committee are made adequately and appropriately.

- (Notes) 1. Prior to the transition to a Company with an Audit and Supervisory Committee, Mr. Susumu Kitsunai, Mr. Yoichi Sato, and Ms. Kyoko Oyanagi served as Outside Company Auditors. During this period, all three individuals attended all seven meetings of the Board of Directors held. Furthermore, Mr. Susumu Kitsunai, Mr. Yoichi Sato, and Ms. Kyoko Oyanagi attended all seven meetings of the Audit & Supervisory Board held during the said period. Each provided necessary advice and recommendations as appropriate from their respective professional standpoints.

2. In addition to the number of Board of Directors meetings held as stated above, there were four written resolutions in which a board resolution was deemed to have been made, pursuant to the provisions of Article 370 of the Companies Act and the Company's Articles of Incorporation.

Overview of Limited Liability Agreement

The Company and its directors (excluding those who are executive directors, etc.) have entered into agreements to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the said Act.

The maximum amount of liability for damages under the agreement is the minimum liability amount as set out in Article 425, paragraph (1) of the Companies Act.

Overview of Details of Directors and Officers Liability Insurance Policy

The Company has concluded with an insurance company a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act that insures the directors and auditors of the Company and its subsidiaries (including persons in office during the fiscal year under review), and the Company is responsible for the entire amount of the premiums.

In summary, this insurance policy states that as a result of the conclusion of the policy, the insurance company will cover any damages that may arise due to the insured persons assuming responsibility for the execution of their duties, or from claims received in relation to the pursuit of such responsibility, and it will be renewed annually. Please note that this insurance policy establishes a limit on the amount of coverage in order to ensure that these officers do not fail to execute their duties in an appropriate manner.

In the next renewal period, the Company will renew this insurance agreement with the same contents.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2026)

(Million yen)

Account title	Amount	Account title	Amount
ASSETS		LIABILITIES	
Current assets	342,368	Current liabilities	195,444
Cash and deposits	89,706	Notes and accounts payable - trade	94,373
Notes receivable - trade	306	Short-term loans payable	68,398
Electronically recorded monetary claims - operating	9,714	Current portion of bonds payable	200
Accounts receivable - trade	163,335	Accrued expenses	10,170
Securities	141	Income taxes payable	6,429
Merchandise and finished goods	49,503	Provision for directors' bonuses	499
Work in process	1,574	Other	15,373
Raw materials and supplies	16,926	Non-current liabilities	24,733
Other	11,532	Bonds payable	5,200
Allowance for doubtful accounts	(370)	Long-term loans payable	6,571
Non-current assets	61,325	Deferred tax liabilities	4,833
Property, plant and equipment	31,624	Provision for directors' retirement benefits	79
Buildings and structures	11,839	Net defined benefit liability	2,788
Machinery, equipment and vehicles	11,898	Asset retirement obligations	922
Tools, furniture and fixtures	1,282	Other	4,339
Land	6,237	Total liabilities	220,177
Construction in progress	366	NET ASSETS	
Intangible assets	1,911	Shareholders' equity	153,948
Software	1,873	Capital stock	12,133
Other	38	Capital surplus	14,767
Investments and other assets	27,789	Retained earnings	136,955
Investment securities	19,403	Treasury shares	(9,908)
Net defined benefit asset	3,278	Accumulated other comprehensive income	29,555
Deferred tax assets	1,383	Valuation difference on available-for-sale securities	4,626
Claims provable in bankruptcy, claims provable in rehabilitation and other	4,662	Deferred gains or losses on hedges	(1)
Other	3,846	Foreign currency translation adjustment	23,636
Allowance for doubtful accounts	(4,785)	Remeasurements of defined benefit plans	1,293
		Non-controlling interests	12
		Total net assets	183,516
Total assets	403,694	Total liabilities and net assets	403,694

(Note) Figures are rounded down to the nearest million yen.

Consolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

(Million yen)

Account title	Amount	
Net sales		658,941
Cost of sales		573,591
Gross profit		85,350
Selling, general and administrative expenses		57,525
Operating income		27,824
Non-operating income		
Interest income	1,060	
Dividend income	399	
Commission fee	148	
Share of profit of entities accounted for using equity method	39	
Foreign exchange gains	180	
House rent income	136	
Gain on net monetary position	569	
Other	850	3,384
Non-operating expenses		
Interest expenses	910	
Other	368	1,278
Ordinary income		29,930
Extraordinary income		
Gain on sales of non-current assets	27	
Gain on sales of investment securities	1,663	
Gain on bargain purchase	7,797	
Gain on step acquisitions	466	
Other	962	10,918
Extraordinary loss		
Impairment loss	2	
Loss on retirement of non-current assets	7	
Loss on sales of investment securities	12	
Loss on valuation of investment securities	109	
Loss on step acquisitions	80	
Extra retirement payments	235	
Other	25	472
Profit before income taxes		40,376
Income taxes - current	10,096	
Income taxes - deferred	(884)	9,212
Profit		31,163
Profit attributable to non-controlling interests		64
Profit attributable to owners of parent		31,099

(Note) Figures are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Balance Sheet (As of March 31, 2026)

(Million yen)

Account title	Amount	Account title	Amount
ASSETS		LIABILITIES	
Current assets	79,243	Current liabilities	74,310
Cash and deposits	11,438	Notes payable - trade	16
Notes receivable - trade	3	Accounts payable - trade	15,274
Electronically recorded monetary claims - operating	2,209	Short-term loans payable	32,429
Accounts receivable - trade	25,137	Short-term loans payable to subsidiaries and associates	17,039
Securities	141	Current portion of long-term loans payable	1,000
Merchandise	8,401	Lease obligations	7
Work in process	16	Accounts payable - other	1,474
Supplies	4	Accrued expenses	3,348
Advance payments - trade	44	Income taxes payable	1,564
Prepaid expenses	391	Advances received	1,188
Short-term loans receivable from subsidiaries and associates	27,059	Deposits received	74
Accounts receivable - other	5,857	Provision for directors' bonuses	460
Other	63	Other	432
Allowance for doubtful accounts	(1,527)	Non-current liabilities	11,260
Non-current assets	73,791	Bonds payable	5,000
Property, plant and equipment	5,593	Long-term loans payable	4,500
Buildings	1,699	Deferred tax liabilities	473
Structures	11	Lease obligations	5
Machinery and equipment	18	Asset retirement obligations	114
Vehicles	464	Other	1,166
Tools, furniture and fixtures	94	Total liabilities	85,570
Land	3,292	NET ASSETS	
Lease assets	12	Shareholders' equity	64,263
Intangible assets	1,034	Capital stock	12,133
Trademark right	2	Capital surplus	13,912
Software	1,025	Legal capital surplus	13,912
Other	5	Retained earnings	48,121
Investments and other assets	67,164	Legal retained earnings	618
Investment securities	14,941	Other retained earnings	47,502
Shares of subsidiaries and associates	49,703	General reserve	7,000
Investments in capital	5	Retained earnings brought forward	40,502
Investments in capital of subsidiaries and associates	13	Treasury shares	(9,903)
Long-term loans receivable from subsidiaries and associates	800	Valuation and translation adjustments	3,200
Claims provable in bankruptcy, claims provable in rehabilitation and other	4,378	Valuation difference on available-for-sale securities	3,208
Long-term prepaid expenses	200	Deferred gains or losses on hedges	(7)
Prepaid pension costs	247	Total net assets	67,464
Other	1,415		
Allowance for doubtful accounts	(4,412)		
Allowance for investment loss	(128)		
Total assets	153,035	Total liabilities and net assets	153,035

(Note) Figures are rounded down to the nearest million yen.

Statement of Income
(From April 1, 2025 to March 31, 2026)

(Million yen)

Account title	Amount	
Net sales		128,164
Cost of sales		112,538
Gross profit		15,626
Selling, general and administrative expenses		9,833
Operating income		5,793
Non-operating income		
Interest income	476	
Dividend income	15,741	
Other	777	
		16,995
Non-operating expenses		
Interest expenses	667	
Loss on investments in investment partnerships	85	
Depreciation of assets for rent	324	
Foreign exchange losses	81	
Other	108	
		1,267
Ordinary income		21,521
Extraordinary income		
Gain on sales of investment securities	976	
Reversal of allowance for doubtful accounts	44	
Reversal of allowance for investment loss	411	
Other	0	
		1,432
Extraordinary loss		
Loss on sales of investment securities	12	
Loss on valuation of investment securities	83	
Other	1	
		97
Profit before income taxes		22,857
Income taxes - current	2,974	
Income taxes - deferred	(12)	
		2,962
Profit		19,894

(Note) Figures are rounded down to the nearest million yen.

Audit Report
Independent Auditor's Audit Report on the Consolidated Financial Statements

Independent Auditor's Report

May 22, 2026

To the Board of Directors
KAGA ELECTRONICS CO., LTD.

PricewaterhouseCoopers Japan LLC
Tokyo office

Haruyasu Tanabe, CPA
Engagement Partner

Masaki Nitta, CPA
Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 444, paragraph (4) of the Companies Act, the consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of KAGA ELECTRONICS CO., LTD. (hereinafter referred to as the "Company") for the fiscal year from April 1, 2025 to March 31, 2026. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2026 and the consolidated result of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Grounds for Auditor's Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is stated in "Auditor's Responsibility in Auditing of Consolidated Financial Statements." We are independent from the Company and its consolidated subsidiaries in accordance with the regulations relating to professional ethics in Japan (including the regulations applicable to audits of financial statements of public interest entities), and have fulfilled other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As stated in the Significant Subsequent Events, the Company, at a Board of Directors meeting held on May 15, 2026, resolved to acquire through a tender offer, in order to make Shinko Shoji Co., Ltd. a wholly-owned subsidiary.

This matter does not affect the Auditor's opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay

attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparation of consolidated financial statements, management is responsible for reviewing whether it is proper for consolidated financial statements to be prepared based on the going concern assumption, and if it is necessary to disclose the relevant matters in accordance with accounting standards generally accepted in Japan, management is responsible for disclosure thereof.

The Audit and Supervisory Committee is responsible for monitoring execution of duties by directors in preparation and operation of the financial reporting process.

Auditor's Responsibility in Auditing of Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error based on the audit we performed, and to express an opinion on the consolidated financial statements from an independent standpoint in the audit report. A misstatement may occur due to fraud or error, and if, individually or in the aggregate, it is reasonably expected to affect the decision-making of users of consolidated financial statements, it is judged to be material.

We make a professional judgment in the course of the audit in accordance with the auditing standards generally accepted in Japan, and carry out the following maintaining professional skepticism.

- Identify and evaluate the risk of material misstatement due to fraud or error. In addition, plan and implement auditing procedures that address the risk of material misstatement. The selection and application of audit procedures is at our discretion. Moreover, obtain sufficient and appropriate audit evidence to form the basis of the opinion.
- Although the purpose of auditing the consolidated financial statements is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, we consider internal controls in relation to audits in order to design audit procedures that are appropriate for the circumstances.
- Evaluate the adequacy of the accounting policy adopted by management and its application method, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Reach conclusions on whether it is appropriate for management to prepare consolidated financial statements on the premise of going concern, and whether there is material uncertainty about events or situations that create significant doubts about the premise of going concern based on the audit evidence obtained. If material uncertainties regarding the going concern assumption are observed, it is expected to alert on the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements regarding material uncertainties are not appropriate, it is required to express a qualified opinion with exceptive items on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report, but future events and circumstances may prevent a company from continuing as a going concern.
- Assess whether the presentation of and notes to the consolidated financial statements comply with corporate accounting standards generally accepted in Japan, as well as assess the presentation, composition and contents of the consolidated financial statements including related notes, and whether the consolidated financial statements properly represent the underlying transactions or accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis to express opinions on the consolidated financial statements. We are responsible for directing, supervising, and inspecting audits of consolidated financial statements. We are solely responsible for the audit opinion.

We give reports to the Audit and Supervisory Committee on the scope and timing of planned audits, important audit findings including important deficiencies in internal controls identified during the audit process, and on other matters required by the auditing standard.

We give reports to the Audit and Supervisory Committee that we are in compliance with the regulations relating to professional ethics in Japan regarding independence, as well as matters that are reasonably considered to affect our independence as the Auditor, and where applicable, any measures taken to remove hindrances to independence or any safeguards applied to mitigate hindrances to a tolerable level.

Relationship of Interest

We have no interests in or relationships with the Company and its consolidated subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Audit Report on the Non-consolidated Financial Statements

Independent Auditor's Report

May 22, 2026

To the Board of Directors
KAGA ELECTRONICS CO., LTD.

PricewaterhouseCoopers Japan LLC
Tokyo office
Haruyasu Tanabe, CPA
Engagement Partner

Masaki Nitta, CPA
Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 436, paragraph (2), item (i) of the Companies Act, the non-consolidated financial statements, which consist of the balance sheet, the statement of income, the statement of changes in equity, the notes to the non-consolidated financial statements and the related supplementary schedules (collectively, "non-consolidated financial statements, etc.") of KAGA ELECTRONICS CO., LTD. (hereinafter referred to as the "Company") for the 58th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and the result of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Grounds for Auditor's Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is stated in "Auditor's Responsibility in Auditing of the Non-consolidated Financial Statements, Etc." We are independent from the Company in accordance with the regulations relating to professional ethics in Japan (including the regulations applicable to audits of financial statements of public interest entities), and have fulfilled other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As stated in the Significant Subsequent Events, the Company, at a Board of Directors meeting held on May 15, 2026, resolved to acquire through a tender offer, in order to make Shinko Shoji Co., Ltd. a wholly-owned subsidiary.

This matter does not affect the Auditor's opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, auditors and the board of auditors are responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of non-consolidated financial statements, etc. in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatements, whether due to fraud or error.

In preparation of non-consolidated financial statements, etc., management is responsible for reviewing whether it is proper for non-consolidated financial statements, etc. to be prepared based on the going concern assumption, and if it is necessary to disclose the relevant matters in accordance with accounting standards generally accepted in Japan, management is responsible for disclosure thereof.

The Audit and Supervisory Committee is responsible for monitoring execution of duties by directors in preparation and operation of the financial reporting process.

Auditor's Responsibility in Auditing of the Non-consolidated Financial Statements, Etc.

Our responsibility is to obtain reasonable assurance as to whether the non-consolidated financial statements, etc. as a whole are free from material misstatement due to fraud or error based on the audit we performed, and to express an opinion on the non-consolidated financial statements, etc. from an independent standpoint in the audit report. A misstatement may occur due to fraud or error, and if, individually or in the aggregate, it is reasonably expected to affect the decision-making of users of the non-consolidated financial statements, etc., it is judged to be material.

We make a professional judgment in the course of the audit in accordance with the auditing standards generally accepted in Japan, and carry out the following maintaining professional skepticism.

- Identify and evaluate the risk of material misstatement due to fraud or error. In addition, plan and implement auditing procedures that address the risk of material misstatement. The selection and application of audit procedures is at our discretion. Moreover, obtain sufficient and appropriate audit evidence to form the basis of the opinion.
- Although the purpose of auditing the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, we consider internal controls in relation to audits in order to design audit procedures that are appropriate for the circumstances.
- Evaluate the adequacy of the accounting policy adopted by management and its application method, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Reach conclusions on whether it is appropriate for management to prepare non-consolidated financial statements, etc. on the premise of going concern, and whether there is material uncertainty about events or situations that create significant doubts about the premise of going concern based on the audit evidence obtained. If material uncertainties regarding the going concern assumption are observed, it is expected to alert on the notes to the non-consolidated financial statements, etc. in the audit report, or if the notes to the non-consolidated financial statements, etc. regarding material uncertainties are not appropriate, it is required to express a qualified opinion with exceptive items on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of the audit report, but future events and circumstances may prevent a company from continuing as a going concern.
- Assess whether the presentation of and notes to the non-consolidated financial statements, etc. comply with corporate accounting standards generally accepted in Japan, as well as assess the presentation, composition, and contents of the non-consolidated financial statements, etc. including related notes, and whether the non-consolidated financial statements, etc. properly represent the underlying transactions or accounting events.

We give reports to the Audit and Supervisory Committee on the scope and timing of planned audits, important audit findings including important deficiencies in internal controls identified during the audit process, and on other matters required by the auditing standard.

We give reports to the Audit and Supervisory Committee that we are in compliance with the regulations relating to professional ethics in Japan regarding independence, as well as matters that are reasonably considered to affect our independence as the Auditor, and where applicable, any measures taken to remove hindrances to independence or any safeguards applied to mitigate hindrances to a tolerable level.

Relationship of Interest

We have no interests in or relationships with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee has audited the execution of duties by Directors during the 58th fiscal year from April 1, 2025, to March 31, 2026. We hereby report the methods and results of the audit as follows.

1. Audit Methods and Details

The Audit and Supervisory Committee received regular reports from Directors, employees, and other relevant personnel regarding the content of Board of Directors' resolutions on matters set forth in Article 399-13, paragraph (1), item (i) (b) and (c) of the Companies Act, as well as the structure and operational status of the system established based on such resolutions (internal control system). We requested explanations and expressed opinions as necessary, and conducted the audit using the following methods.

- (i) In accordance with the audit policies, division of duties, and other guidelines established by the Audit and Supervisory Committee, and in collaboration with the company's internal control department, we attended important meetings, received reports from Directors, employees, and other relevant personnel regarding the execution of their duties, requested explanations as necessary, inspected important internally approved documents, and investigated the status of business operations and assets at the head office and major business locations. Additionally, regarding subsidiaries, we communicated and exchanged information with the directors, audit & supervisory board members, and other relevant officers of the subsidiaries, and received business reports from them as necessary.
- (ii) We monitored and examined whether the independent auditor maintained an independent position and performed auditing appropriately, and we also received reports from the independent auditor on the execution of their duties and requested explanations when necessary. The Independent Auditor notified us, and we requested explanations when necessary, concerning its establishment of a "System for Ensuring the Appropriate Execution of Duties" (the Regulations on Corporate Accounting Article 131) in accordance with the "Quality Control Standard for Auditing" (issued by the Business Accounting Council).

Through these methods, we reviewed the business report and its accompanying supplementary schedules, the non-consolidated financial statements (balance sheet, statement of income, statement of changes in equity, and notes to the non-consolidated financial statements) and related supplementary schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to the consolidated financial statements) for the fiscal year under review.

2. Results of the Audit

(1) Results of the audit for the business report

- (i) We have found that the business report and the accompanying supplementary schedules present fairly the current financial position of KAGA ELECTRONICS CO., LTD. in conformity with applicable laws and regulations and the Articles of Incorporation.
- (ii) With respect to the execution of duties of the Directors, we have found neither improper conduct nor any material breach of applicable laws and regulations and the Articles of Incorporation.
- (iii) We have found that the resolutions of the Board of Directors regarding the internal control system are proper and correct. Furthermore, there are no matters that need to be pointed out regarding the description in the Business Report or the Directors' execution of duties concerning the said internal control system.

(2) Results of the audit of the non-consolidated financial statements and the accompanying supplementary schedules

We have found that the auditing methods employed by PricewaterhouseCoopers Japan LLC, Accounting Auditor, and the results thereof are appropriate and sufficient.

(3) Results of the audit of the consolidated financial statements

We have found that the auditing methods employed by PricewaterhouseCoopers Japan LLC, Accounting Auditor, and the results thereof are appropriate and sufficient.

May 22, 2026

Kaga Electronics Co., Ltd., Audit and Supervisory Committee

Full-time Audit and Supervisory Committee Member	Eiji Kawamura	(Seal)
Audit and Supervisory Committee Member	Susumu Kitsunai	(Seal)
Audit and Supervisory Committee Member	Yoichi Sato	(Seal)
Audit and Supervisory Committee Member	Kyoko Oyanagi	(Seal)

- (Notes)
1. Audit and Supervisory Committee Members Susumu Kitsunai, Yoichi Sato, and Kyoko Oyanagi are outside directors as stipulated in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.
 2. Pursuant to a resolution approved at the 57th Annual General Meeting of Shareholders held on June 26, 2025, the Company transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee as of the same date. The status from April 1, 2025, to June 26, 2025, is based on the information handed over by the former Audit & Supervisory Board.