

# Financial Results Briefing Material

**KAGA ELECTRONICS CO., LTD.**

TSE Prime Market 8154

March, 2023

**KAGA ELECTRONICS CO., LTD.**

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(Announced February 7, 2023)
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# **Financial Results Briefing Material**

for the Third Quarter of the  
Fiscal Year ended March 2023

(Announced February 7, 2023)

# Summary of Financial Results for FY2023/3 3Q

## FY2023/3 3Q results

- **Net sales increased by 99.5 billion yen or 28.2%, year on year to 452.2 billion yen. The electronic components business achieved significant growth. Sales to a wide range of industries were high** thanks to the easing of supply/demand conditions for semiconductors and electronic components.
- **Operating income increased by 11.3 billion yen or 77.4%, year on year to 26.0 billion yen. Operating income increased significantly** due to improved gross profit margin resulting from higher sales and improved sales mix.
- **All metrics, from net sales to profit attributable to owners of parent for the quarter achieved record highs for a third quarter.**
- **Net sales and operating income both exceeded internal plans, by approximately 18.2 billion yen and 1.5 billion yen, respectively.**

## FY2023/3 earnings forecast

- Though **continued upward momentum is expected in 4Q, upward revisions only take into account the upside in Q3**, considering the business environment carefully.
- **In 3Q, 1.7 billion yen is allocated** including **inflation subsidies and special bonuses.**

(billion yen)	Net Sales	Operating income	Ordinary income	Net income
Previous forecasts	570.0	28.0	29.0	20.0
Revised forecasts	<b>585.0</b>	<b>29.5</b>	<b>30.0</b>	<b>21.0</b>

## Dividend forecast

- **An extraordinary 20-yen dividend was added**, bringing the year-end dividend up from the previous forecast of 100 yen **to 120 yen per share (up 45 yen** from 75 yen per share in the previous fiscal year).
- **This brings annual dividends to 220 yen per share, an increase of 100 yen** from the previous fiscal year's 120 yen per share.

# Financial Highlights for FY2023/3 3Q

(million yen)

	FY2022/3 3Q Results		FY2023/3 3Q Results		YoY	FY2023/3 Forecasts <small>(Revised on November 8, 2022)</small>		Progress rate
Net sales	352,684		<b>452,221</b>		28.2%	570,000		79.3%
Gross Profit	42,761	12.1%	<b>59,884</b>	13.2%	40.0%	–	–	–
SG&A	28,102	8.0%	<b>33,877</b>	7.5%	20.5%	–	–	–
Operating income	14,658	4.2%	<b>26,006</b>	5.8%	77.4%	28,000	4.9%	92.9%
Ordinary income	14,886	4.2%	<b>26,618</b>	5.9%	78.8%	29,000	5.1%	91.8%
Profit attributable to owners of parent	10,414	3.0%	<b>19,053</b>	4.2%	82.9%	20,000	3.5%	95.3%
EPS (yen)	387.76	–	<b>725.67</b>	–	–	761.70	–	–
Exchange Rate    yen / USD	111.10	–	<b>136.51</b>	–	–	130.00	–	–

Note: 1. The effect of exchange rates on the conversion into yen is approximately 31.0 billion yen on net sales and 1.4 billion yen on operating income.  
2. "x. x%" represents the profit margin.

# Results by Business Segment for FY2023/3 3Q

(million yen)

		FY2022/3 3Q Results	FY2023/3 3Q Results	YoY	FY2023/3 Forecasts <small>(Revised on November 8, 2022)</small>	Progress rate
Electronic Component	Net sales	311,412	<b>405,608</b>	30.2%	507,000	80.0%
	Segment income	13,002 <i>4.2%</i>	<b>23,341</b> <i>5.8%</i>	79.5%	24,800 <i>4.9%</i>	94.1%
Information Equipment	Net sales	26,301	<b>29,139</b>	10.8%	39,000	74.7%
	Segment income	1,216 <i>4.6%</i>	<b>1,499</b> <i>5.1%</i>	23.3%	2,000 <i>5.1%</i>	75.0%
Software	Net sales	1,841	<b>2,076</b>	12.8%	4,000	51.9%
	Segment income	-109 <i>-6.0%</i>	<b>135</b> <i>6.5%</i>	–	200 <i>5.0%</i>	67.7%
Others	Net sales	13,129	<b>15,397</b>	17.3%	20,000	77.0%
	Segment income	473 <i>3.6%</i>	<b>971</b> <i>6.3%</i>	105.3%	1,000 <i>5.0%</i>	97.2%
Total	Net sales	352,684	<b>452,221</b>	28.2%	570,000	79.3%
	Segment income	14,658 <i>4.2%</i>	<b>26,006</b> <i>5.8%</i>	77.4%	28,000 <i>4.9%</i>	92.9%

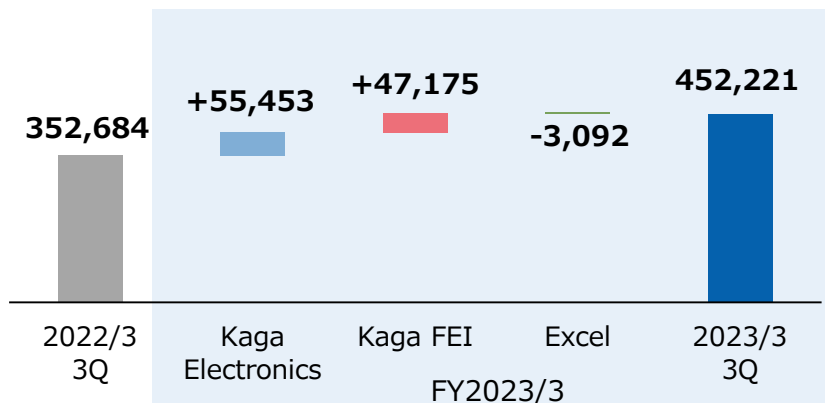
- Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).  
2. "x. x%" represents the profit margin.

# Effect of M&A for FY2023/3 3Q

(million yen)

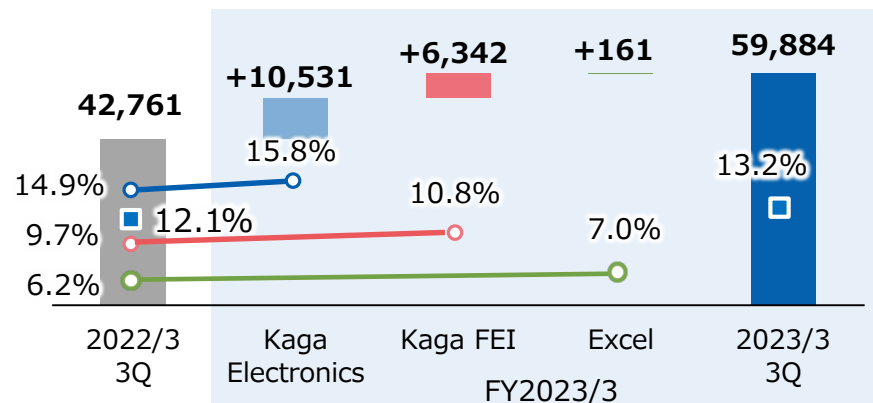
## Net Sales

Kaga Electronics and Kaga FEI achieved significant increases in net sales, driven by the electronic components business.



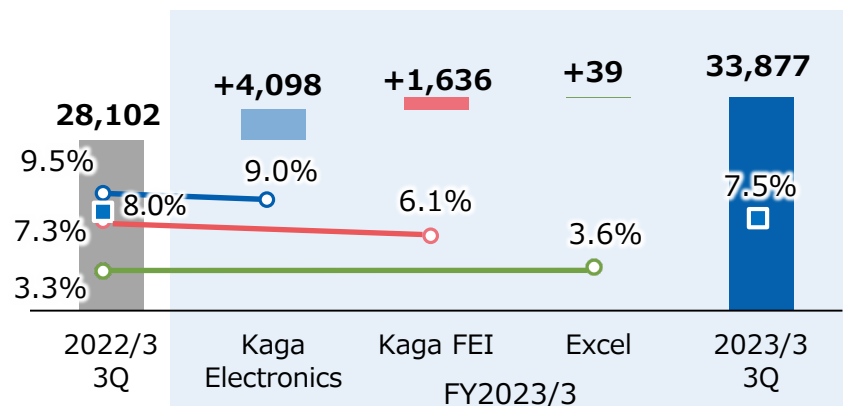
## Gross profit / Gross profit margin

Kaga Electronics and Kaga FEI posted substantial increases in gross profit. The gross profit margin rose for all three companies.



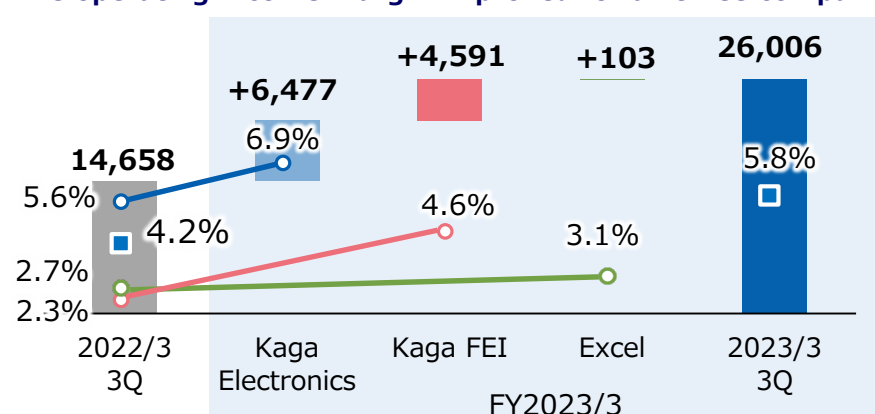
## SG&A / SG&A ratio

The SG&A ratio fell, although SG&A expenses rose due to higher sales.



## Operating income / Operating income margin

Higher gross profit absorbed an increase in operating expenses and resulted in a significant increase in operating income. The operating income margin improved for all three companies.



# Results by Company for FY2023/3 3Q

(million yen)

		FY2022/3 3Q Results	FY2023/3 3Q Results	YoY
Kaga Electronics	Net sales	199,021	<b>254,474</b>	27.9%
	Gross Profit	29,689 <i>14.9%</i>	<b>40,221</b> <i>15.8%</i>	35.5%
	Operating income	11,100 <i>5.6%</i>	<b>17,578</b> <i>6.9%</i>	58.3%
Kaga FEI	Net sales	106,117	<b>153,293</b>	44.5%
	Gross Profit	10,270 <i>9.7%</i>	<b>16,612</b> <i>10.8%</i>	61.7%
	Operating income	2,419 <i>2.3%</i>	<b>7,010</b> <i>4.6%</i>	189.8%
Excel	Net sales	47,546	<b>44,453</b>	-6.5%
	Gross Profit	2,953 <i>6.2%</i>	<b>3,115</b> <i>7.0%</i>	5.5%
	Operating income	1,274 <i>2.7%</i>	<b>1,377</b> <i>3.1%</i>	8.1%
Total	Net sales	352,684	<b>452,221</b>	28.2%
	Gross Profit	42,761 <i>12.1%</i>	<b>59,884</b> <i>13.2%</i>	40.0%
	Operating income	14,658 <i>4.2%</i>	<b>26,006</b> <i>5.8%</i>	77.4%

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

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



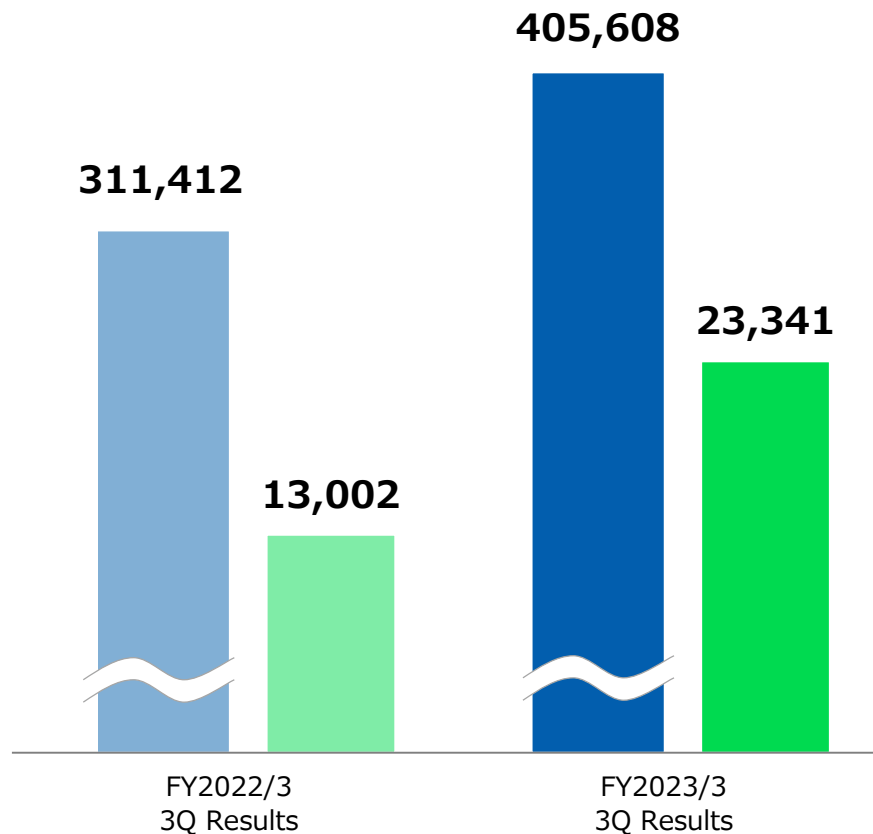
# Financial Highlights: Electronic Component Segment

## Net sales/Segment income

(million yen)

■/■ Net Sales

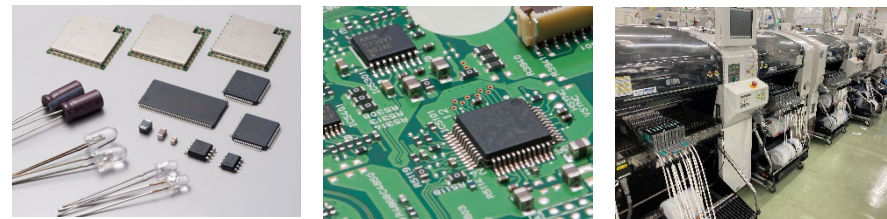
■/■ Segment income



## YoY

- Net Sales ▶ **+94,196**million yen **30.2%Up**
- Segment income ▶ **+10,339**million yen **79.5%Up**

- In the component sales business, supply/demand conditions eased and sales were high from a broad range of industries, resulting in significant sales growth.
- In automotive equipment-related applications, which still face supply shortages, the Company used its strength in procurement capabilities as an independent trading company to secure sales volume. In parallel with these efforts, the Company proactively proposed alternative products.
- The EMS business continued to perform well, especially in automotive and medical equipment applications.

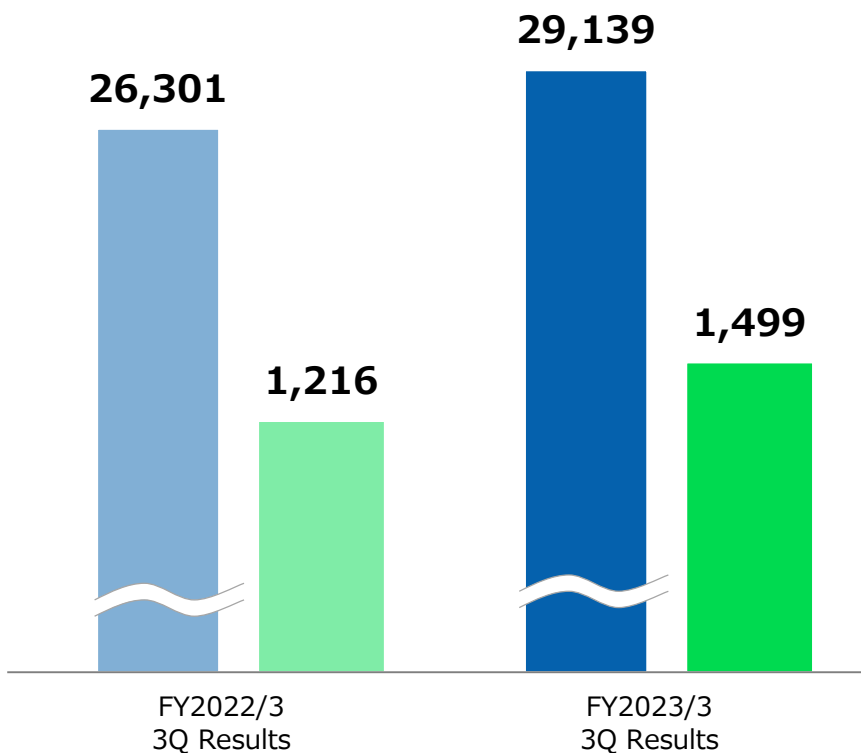


# Financial Highlights: Information Equipment Segment

## Net sales/Segment income

(million yen)

■ Net Sales  
■ Segment income



## YoY

● Net Sales ▶ **+2,838**million yen **10.8%Up**  
● Segment income ▶ **+283**million yen **23.3%Up**

- Sales of PCs to corporations and educational institutions were solid, particularly high-end products.
- Sales of PC peripherals such as security software also remained strong.
- In the LED installation business, a large scale projects that had been delayed due to shortages of materials progressed steadily, contributing significantly to earnings.



# Financial Highlights for FY2023/3 3Q (3 months)

Reference

(million yen)

	FY2022/3 3Q Results	FY2023/3 2Q Results	FY2023/3 3Q Results	YoY	QoQ
Net sales	129,675	149,458	<b>153,460</b>	18.3%	2.7%
Gross Profit	15,628 <i>12.1%</i>	20,163 <i>13.5%</i>	<b>19,882</b> <i>13.0%</i>	27.2%	-1.4%
SG&A	9,270 <i>7.1%</i>	11,621 <i>7.8%</i>	<b>12,237</b> <i>8.0%</i>	32.0%	5.3%
Operating income	6,357 <i>4.9%</i>	8,541 <i>5.7%</i>	<b>7,645</b> <i>5.0%</i>	20.3%	-10.5%
Ordinary income	6,434 <i>5.0%</i>	9,073 <i>6.1%</i>	<b>7,685</b> <i>5.0%</i>	19.5%	-15.3%
Profit attributable to owners of parent	4,790 <i>3.7%</i>	6,427 <i>4.3%</i>	<b>5,640</b> <i>3.7%</i>	17.8%	-12.2%
EPS (yen)	182.51 –	244.79 –	<b>214.80</b> –	–	–

Note: "x. x%" represents the profit margin.

# Results by Business Segment for FY2023/3 3Q (3 months)

Reference

(million yen)

		FY2022/3 3Q Results	FY2023/3 2Q Results	FY2023/3 3Q Results	YoY	QoQ
Electronic Component	Net sales	117,005	134,986	<b>137,144</b>	17.2%	1.6%
	Segment income	5,878 <i>5.0%</i>	7,599 <i>5.6%</i>	<b>6,724</b> <i>4.9%</i>	14.4%	-11.5%
Information Equipment	Net sales	7,587	8,449	<b>9,542</b>	25.8%	12.9%
	Segment income	305 <i>4.0%</i>	400 <i>4.7%</i>	<b>534</b> <i>5.6%</i>	74.9%	33.6%
Software	Net sales	603	808	<b>768</b>	27.3%	-4.9%
	Segment income	-0 <i>-0.1%</i>	129 <i>16.0%</i>	<b>39</b> <i>5.2%</i>	—	-69.2%
Others	Net sales	4,478	5,213	<b>6,004</b>	34.1%	15.2%
	Segment income	152 <i>3.4%</i>	408 <i>7.8%</i>	<b>313</b> <i>5.2%</i>	105.6%	-23.2%
Total	Net sales	129,675	149,458	<b>153,460</b>	18.3%	2.7%
	Segment income	6,357 <i>4.9%</i>	8,541 <i>5.7%</i>	<b>7,645</b> <i>5.0%</i>	20.3%	-10.5%

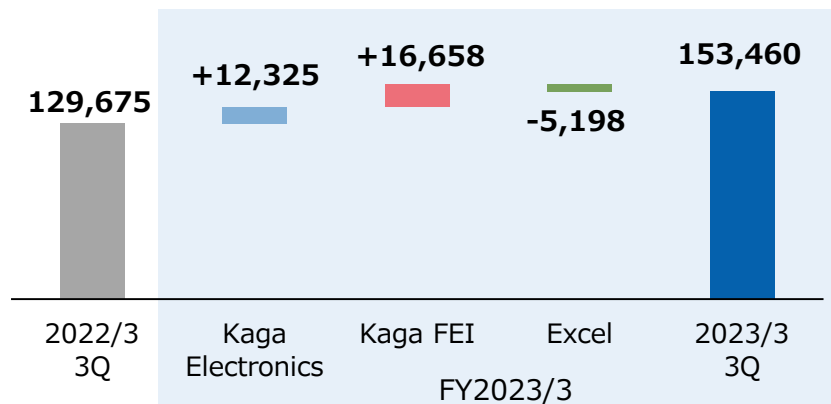
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# Effect of M&A for FY2023/3 3Q (3 months)

(million yen)

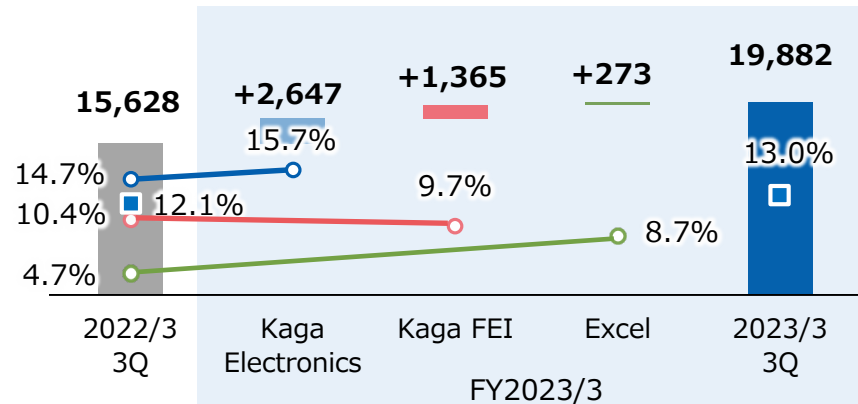
## Net Sales

Kaga Electronics and Kaga FEI achieved significant increases in net sales, driven by the electronic components business.



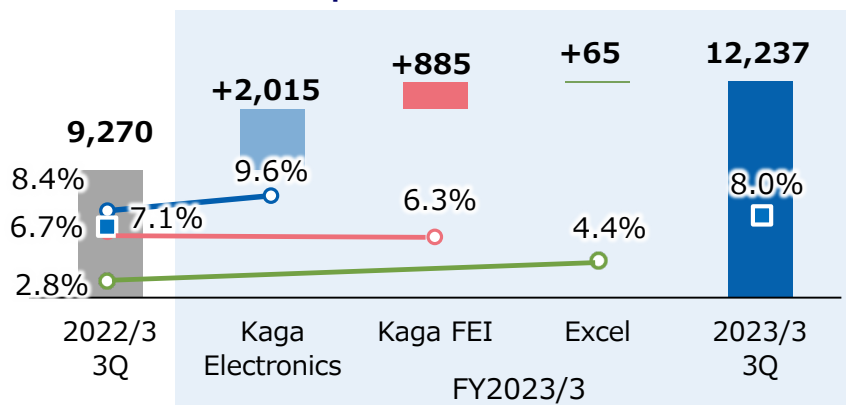
## Gross profit / Gross profit margin

Gross profit increased for all three companies. EXCEL's gross profit margin improved significantly.



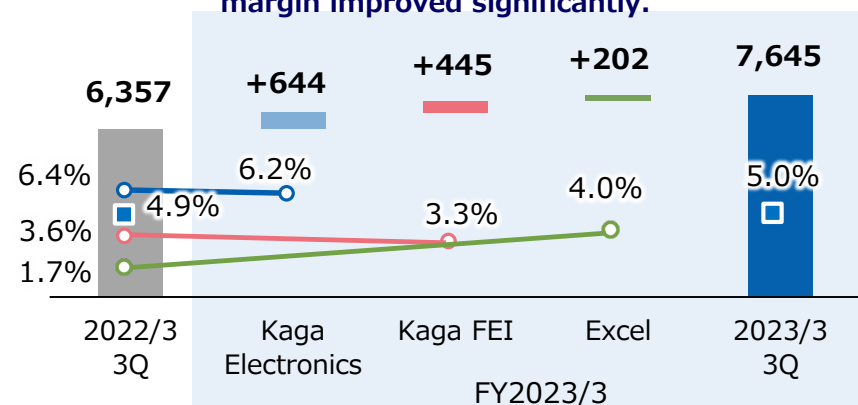
## SG&A / SG&A ratio

SG&A includes 1.7 billion yen in inflation subsidies and special bonuses.



## Operating income / Operating income margin

Kaga Electronics and Kaga FEI contributed significantly to increases in operating income. EXCEL's operating income margin improved significantly.



# Results by Company for FY2023/3 3Q (3 months)

Reference

(million yen)

		FY2022/3 3Q Results	FY2023/3 2Q Results	FY2023/3 3Q Results	YoY	QoQ
Kaga Electronics	Net sales	73,748	84,061	<b>86,074</b>	16.7%	2.4%
	Gross Profit	10,839 <i>14.7%</i>	13,693 <i>16.3%</i>	<b>13,486</b> <i>15.7%</i>	24.4%	-1.5%
	Operating income	4,698 <i>6.4%</i>	5,983 <i>7.1%</i>	<b>5,342</b> <i>6.2%</i>	13.7%	-10.7%
Kaga FEI	Net sales	37,876	51,005	<b>54,535</b>	44.0%	6.9%
	Gross Profit	3,945 <i>10.4%</i>	5,516 <i>10.8%</i>	<b>5,310</b> <i>9.7%</i>	34.6%	-3.7%
	Operating income	1,351 <i>3.6%</i>	2,173 <i>4.3%</i>	<b>1,796</b> <i>3.3%</i>	32.9%	-17.4%
Excel	Net sales	18,050	14,392	<b>12,851</b>	-28.8%	-10.7%
	Gross Profit	850 <i>4.7%</i>	1,004 <i>7.0%</i>	<b>1,124</b> <i>8.7%</i>	32.2%	11.9%
	Operating income	308 <i>1.7%</i>	403 <i>2.8%</i>	<b>511</b> <i>4.0%</i>	65.7%	26.6%
Total	Net sales	129,675	149,458	<b>153,460</b>	18.3%	2.7%
	Gross Profit	15,628 <i>12.1%</i>	20,163 <i>13.5%</i>	<b>19,882</b> <i>13.0%</i>	27.2%	-1.4%
	Operating income	6,357 <i>4.9%</i>	8,541 <i>5.7%</i>	<b>7,645</b> <i>5.0%</i>	20.3%	-10.5%

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

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

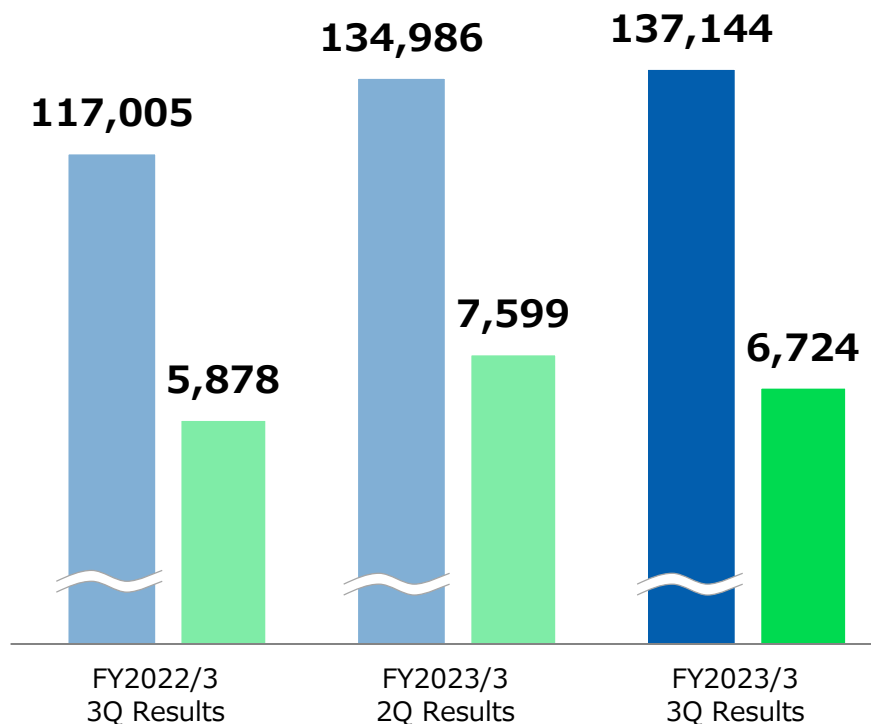
# Financial Highlights: Electronic Component Segment (3 months)

Reference

## Net sales/Segment income

(million yen)

- / ■ Net Sales
- / ■ Segment income



## YoY

- Net Sales ▶ **+20,139**million yen **17.2% Up**
- Segment income ▶ **+845**million yen **14.4% Up**

## QoQ

- Net Sales ▶ **+2,157**million yen **1.6% Up**
- Segment income ▶ **-874**million yen **11.5% Down**

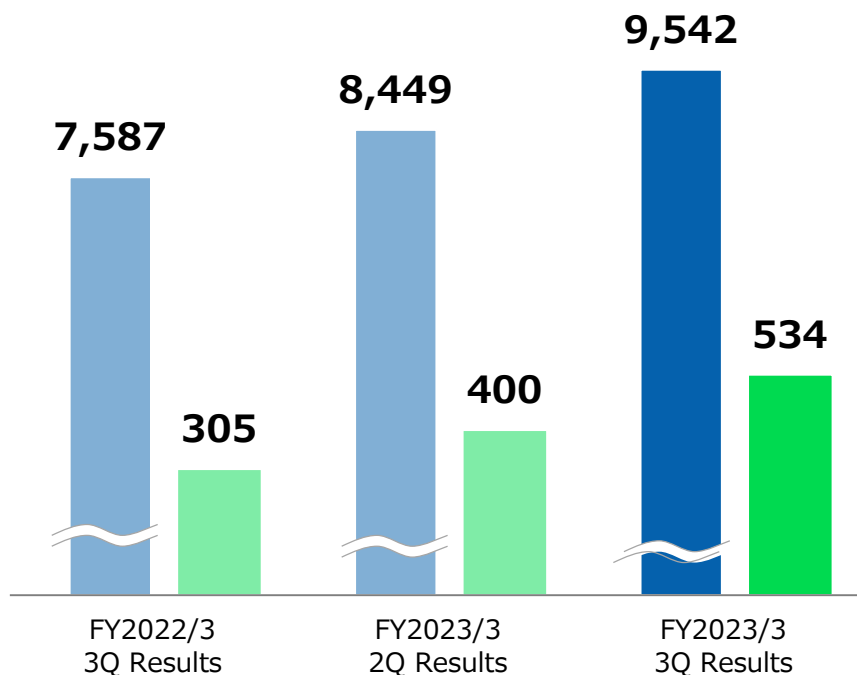
# Financial Highlights: Information Equipment Segment (3 months)

Reference

## Net sales/Segment income

(million yen)

- / ■ Net Sales
- / ■ Segment income



## YoY

- Net Sales ▶ **+1,954**million yen **25.8%Up**
- Segment income ▶ **+229**million yen **74.9%Up**

## QoQ

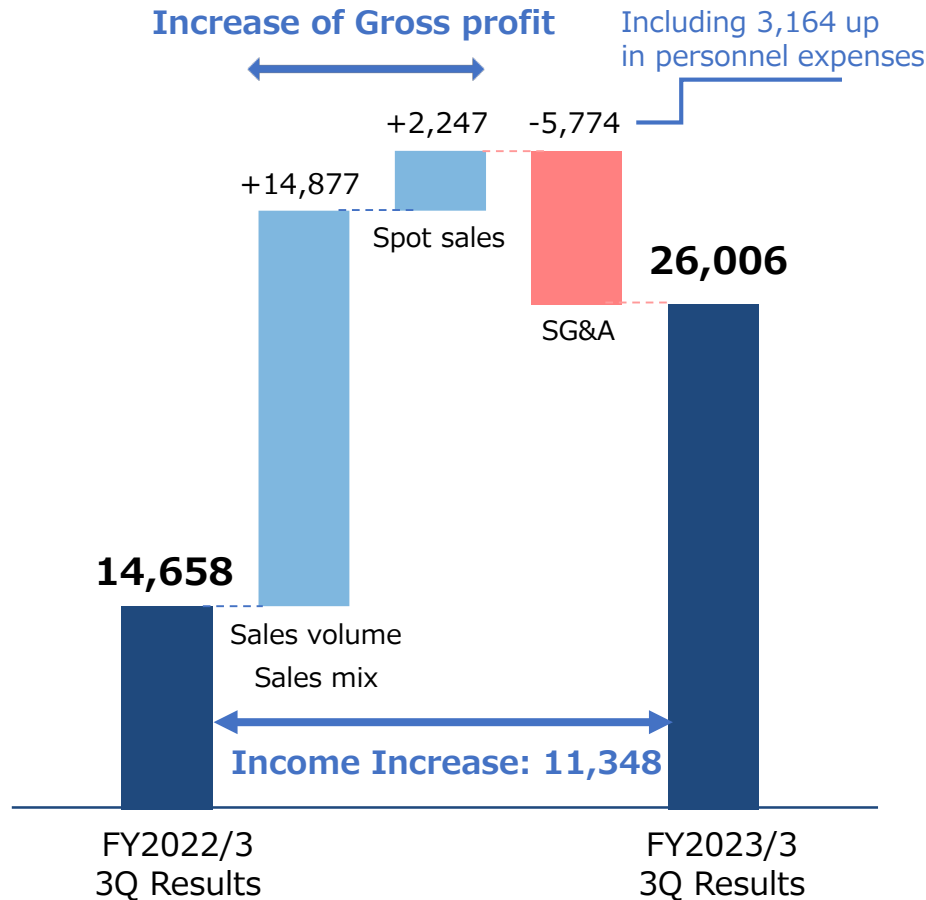
- Net Sales ▶ **+1,093**million yen **12.9%Up**
- Segment income ▶ **+134**million yen **33.6%Up**



# Factors of Increase / Decrease in Operating Income

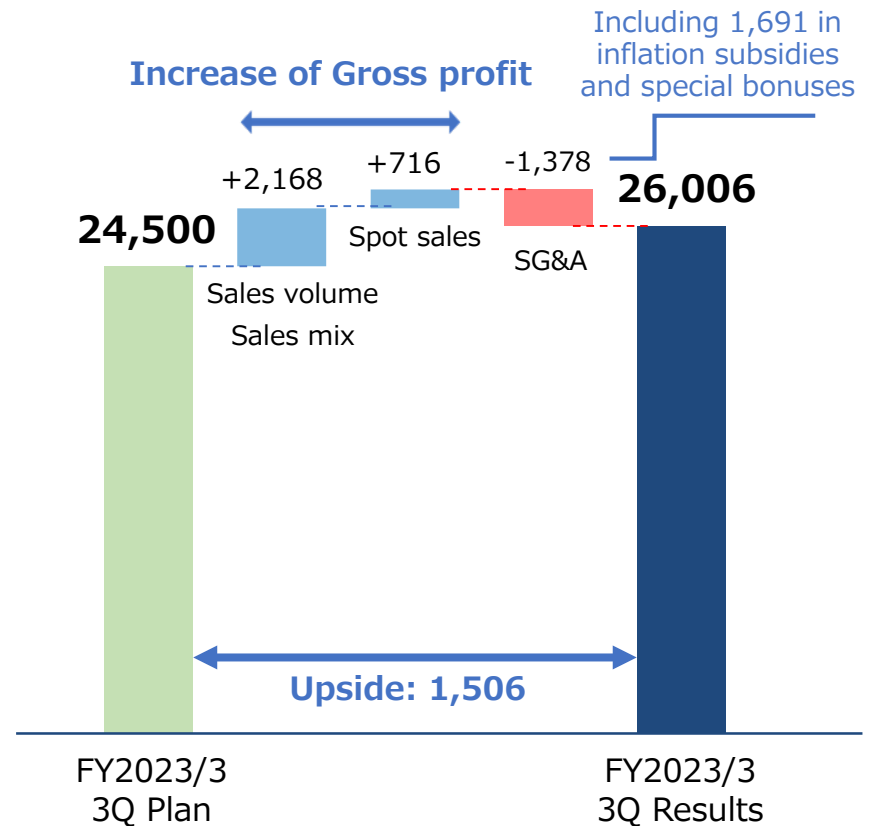
## YoY

(million yen)



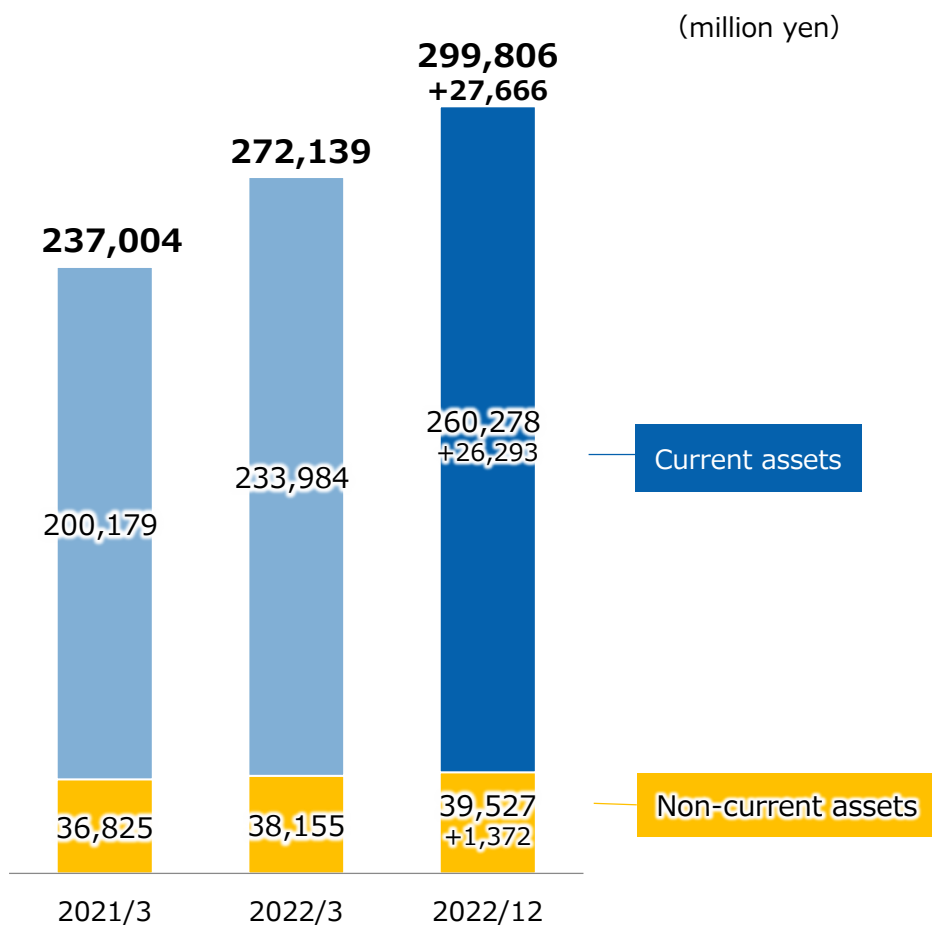
## vs Internal Plan

(million yen)

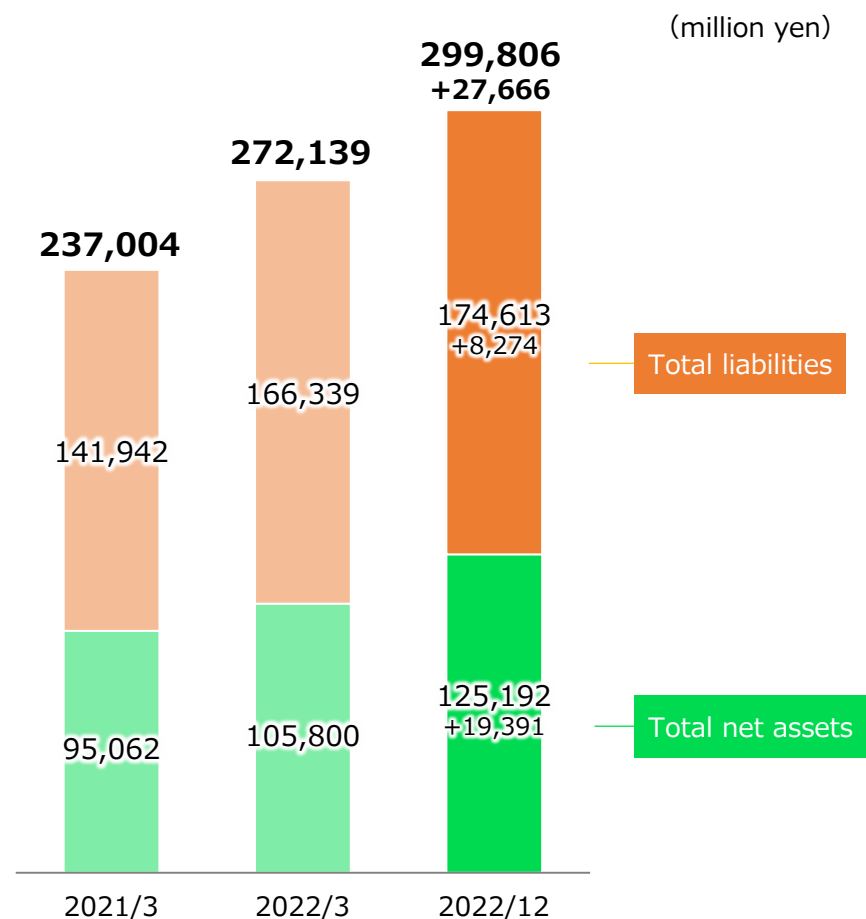


# Balance Sheet Main Items

## Total assets



## Total liabilities and net assets

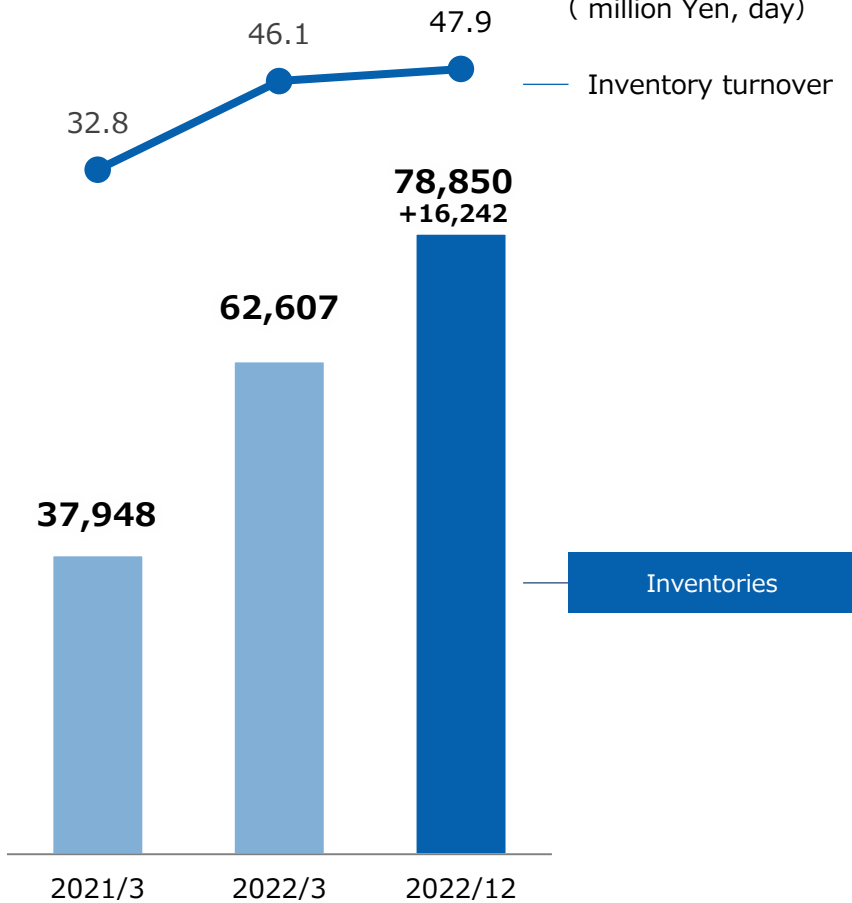


# Balance Sheet Main Items

## Inventories

( million Yen, day)

— Inventory turnover

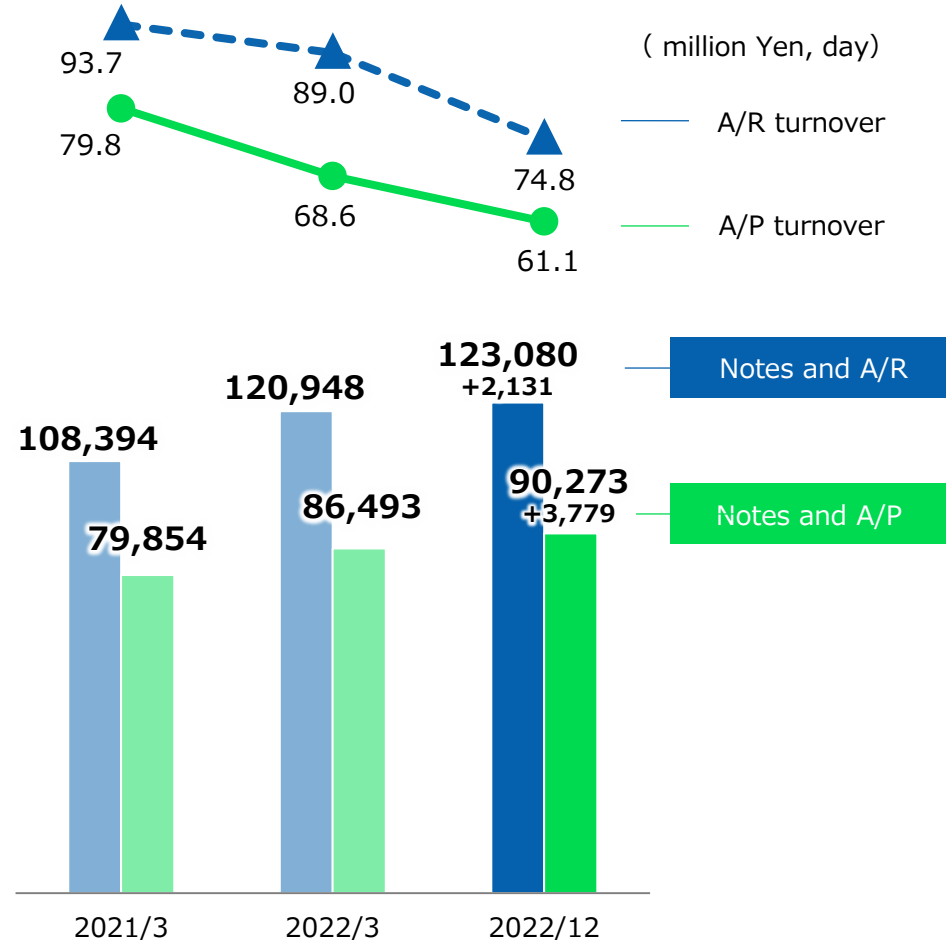


## Accounts receivable/Accounts payable

( million Yen, day)

— A/R turnover

— A/P turnover

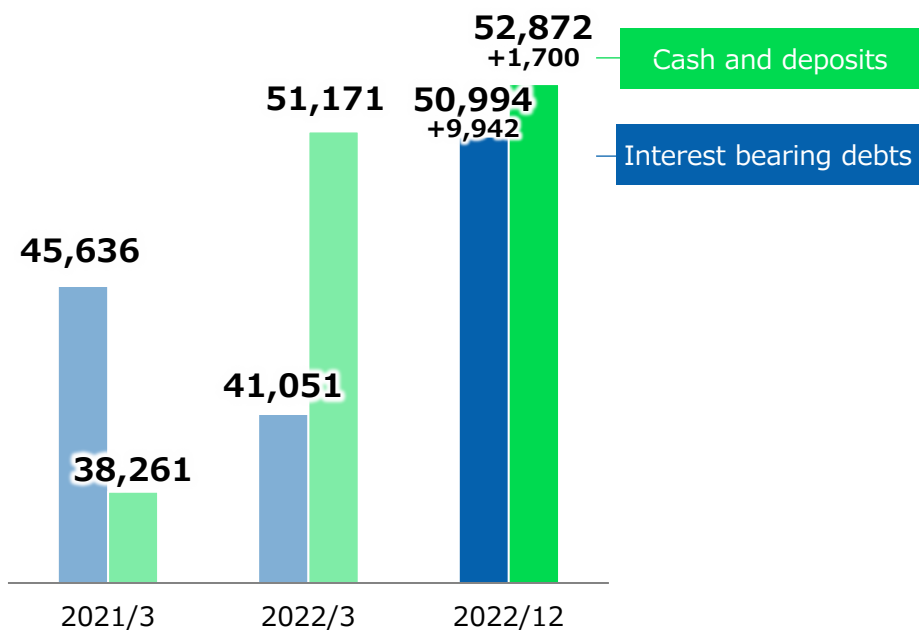
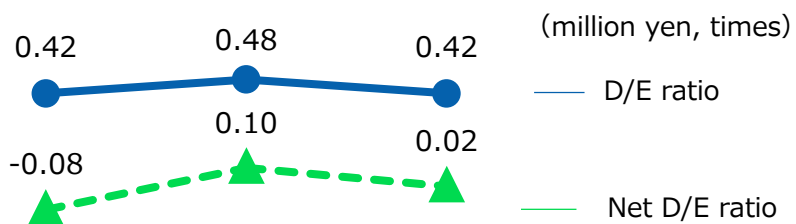


Note : Inventory turnover = Inventories ÷ Net Sales × 275 (day)

Notes : 1. •Notes and A/R are amounts including Electronically recorded monetary claims-operating  
 2. •Notes and A/P are amounts including Electronically recorded obligations - operating  
 3. •A/R turnover = Notes and A/R ÷ Net sales × 275 (day)  
 4. •A/P turnover = Notes and A/P ÷ Total purchase of goods × 275 (day)

# Balance Sheet Main Items

## Cash and Deposits/Interest Bearing Debt



Note : 1. D/E ratio = Interest bearing debts ÷ Shareholder's equity

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

# Forecasts for FY2023/3

# Forecasts for FY2023/3

(announced on November 8, 2022)

(million yen)

	FY2022/3 Results		FY2023/3 Previous Forecasts		FY2023/3 Current Forecasts		Diff. from previous forecasts	YoY
Net sales	495,827		570,000		<b>585,000</b>		2.6%	18.0%
Operating income	20,915	4.2%	28,000	4.9%	<b>29,500</b>	5.0%	5.4%	41.0%
Ordinary income	21,456	4.3%	29,000	5.1%	<b>30,000</b>	5.1%	3.4%	39.8%
Profit attributable to owners of parent	15,401	3.1%	20,000	3.5%	<b>21,000</b>	3.6%	5.0%	36.3%
EPS (yen)	576.46	—	761.70	—	<b>799.78</b>	—	—	—
ROE	15.7%	—	17.0%	—	<b>18.0%</b>	—	—	—
Annual dividend (yen)	120.00 Ordinary dividend 80.00 Extraordinary dividend 40.00		200.00 Ordinary dividend 140.00 Commemorative dividend 10.00 Extraordinary dividend 50.00		<b>220.00</b> Ordinary dividend 140.00 Commemorative dividend 10.00 Extraordinary dividend 70.00			

Note: "x. x%" represents the profit margin.

# Forecasts by Business Segment for FY2023/3

(announced on November 8, 2022)

(million yen)

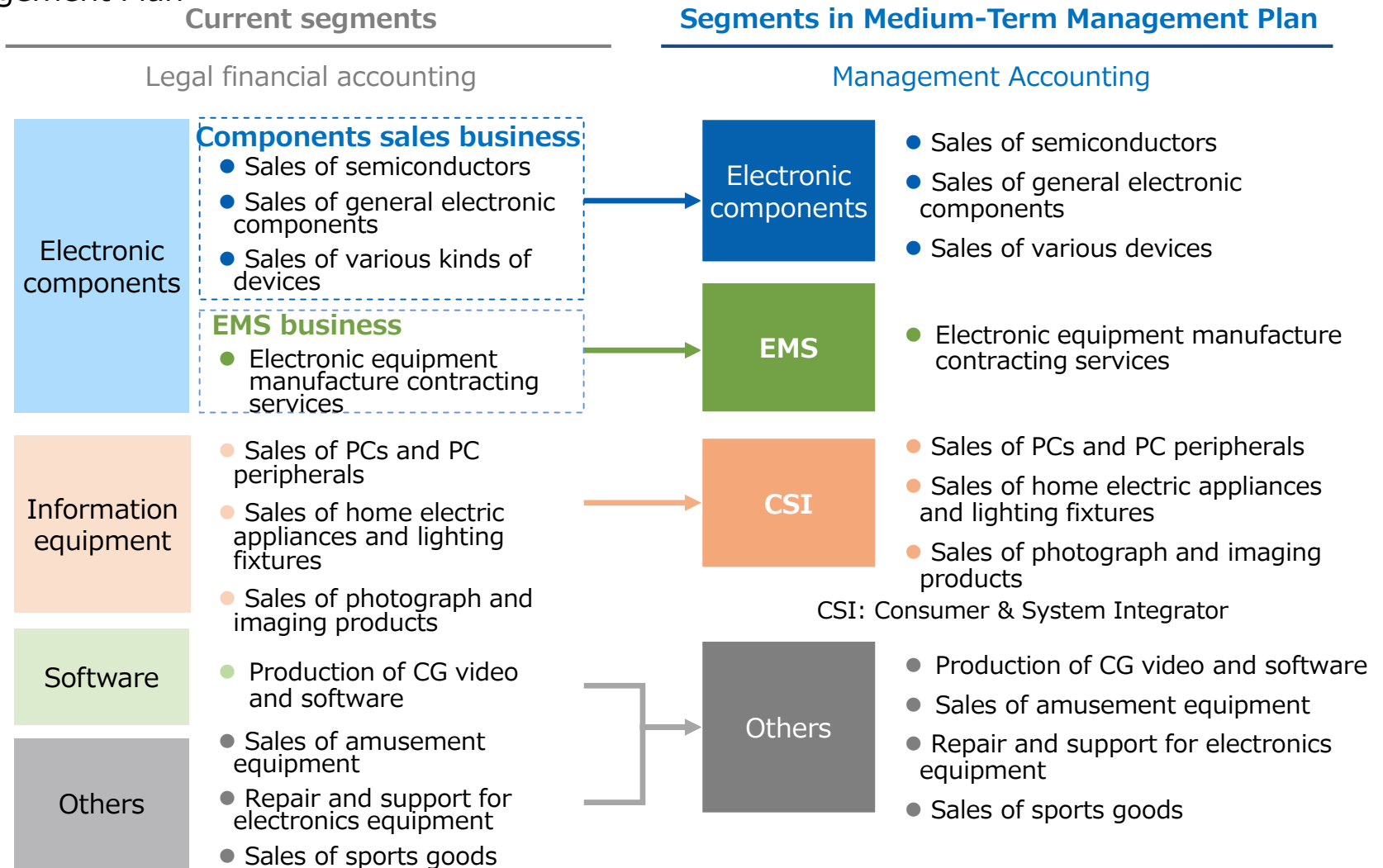
		FY2022/3 Results	FY2023/3 Previous Forecasts	FY2023/3 Current Forecasts	Diff. from previous forecasts	YoY
Electronic Component	Net sales	433,852	507,000	<b>523,000</b>	3.2%	20.5%
	Segment income	18,107 4.2%	24,800 4.9%	<b>25,800 4.9%</b>	4.0%	42.5%
Information Equipment	Net sales	39,616	39,000	<b>39,000</b>	—	-1.6%
	Segment income	2,085 5.3%	2,000 5.1%	<b>2,000 5.1%</b>	—	-4.1%
Software	Net sales	2,767	4,000	<b>3,000</b>	-25.0%	8.4%
	Segment income	-26 -1.0%	200 5.0%	<b>200 6.7%</b>	—	—
Others	Net sales	19,590	20,000	<b>20,000</b>	—	2.1%
	Segment income	626 3.2%	1,000 5.0%	<b>1,500 7.5%</b>	50.0%	139.6%
Total	Net sales	495,827	570,000	<b>585,000</b>	2.6%	18.0%
	Segment income	20,915 4.2%	28,000 4.9%	<b>29,500 5.0%</b>	5.4%	41.0%

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

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

# Segment disclosure associated with the Medium-Term Management Plan

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





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

Reference

(million yen)

		FY2021/3 3Q Results	FY2022/3 3Q Results	FY2023/3 3Q Results	YOY
Electronic Component	Net sales	181,913	232,869	<b>303,213</b>	30.2%
	Segment income	1,657 <i>0.9%</i>	7,772 <i>3.3%</i>	<b>15,901</b> <i>5.2%</i>	104.6%
EMS	Net sales	70,216	84,595	<b>108,610</b>	28.4%
	Segment income	3,890 <i>5.5%</i>	5,463 <i>6.5%</i>	<b>7,926</b> <i>7.3%</i>	45.1%
CSI	Net sales	33,937	26,301	<b>29,139</b>	10.8%
	Segment income	1,753 <i>5.2%</i>	1,216 <i>4.6%</i>	<b>1,499</b> <i>5.1%</i>	23.3%
Others	Net sales	8,199	8,918	<b>11,258</b>	26.2%
	Segment income	126 <i>1.5%</i>	129 <i>1.5%</i>	<b>620</b> <i>5.5%</i>	380.2%
Total	Net sales	294,266	352,684	<b>452,221</b>	28.2%
	Segment income	7,517 <i>2.6%</i>	14,658 <i>4.2%</i>	<b>26,006</b> <i>5.8%</i>	77.4%

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

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

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

Reference

(million yen)

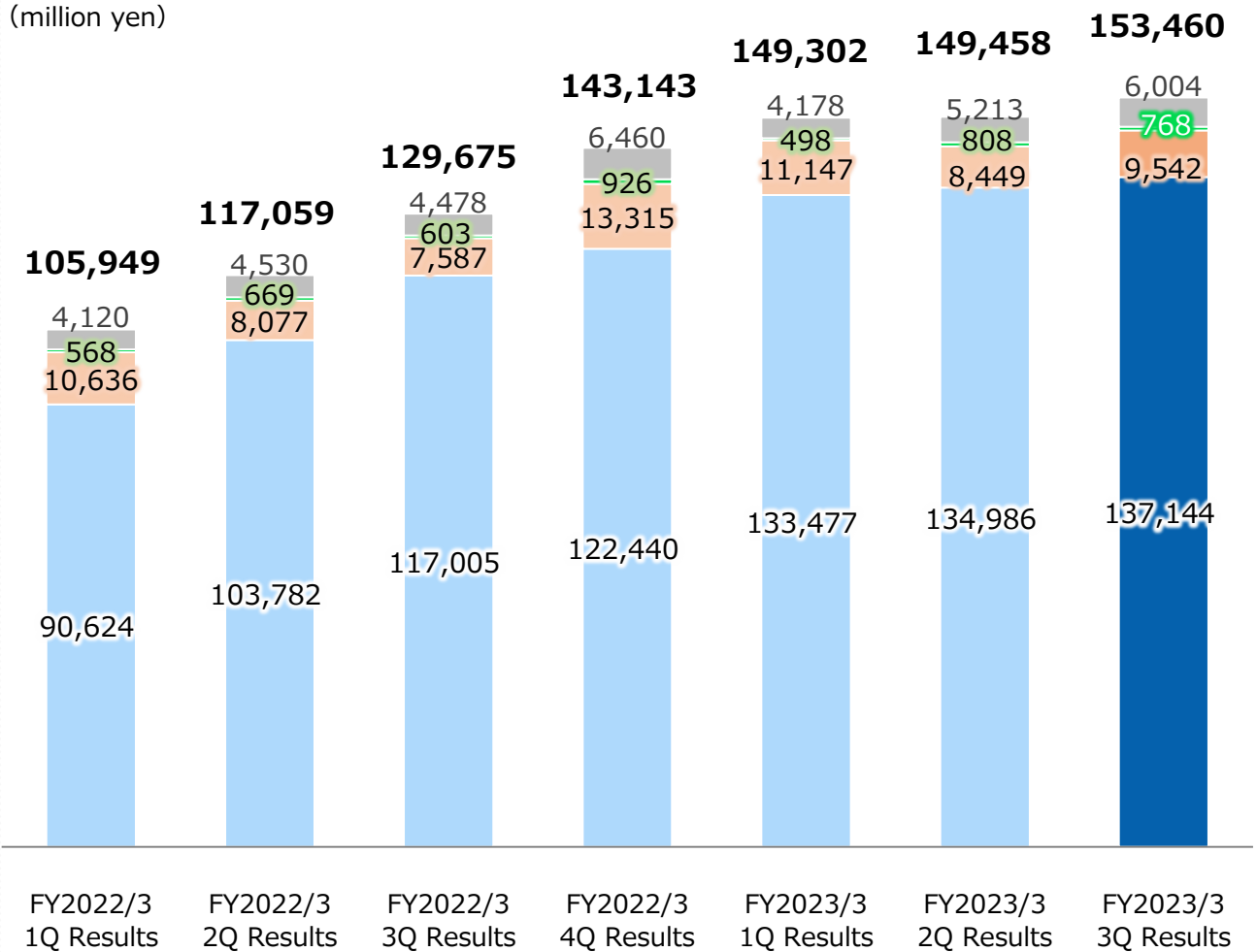
		FY2022/3 3Q Results	FY2023/3 2Q Results	FY2023/3 3Q Results	YoY	QoQ
Electronic Component	Net sales	88,079	101,422	<b>100,346</b>	13.9%	-1.1%
	Segment income	3,824 <i>4.3%</i>	5,148 <i>5.1%</i>	<b>4,211</b> <i>4.2%</i>	10.1%	-18.2%
EMS	Net sales	31,142	35,619	<b>39,123</b>	25.6%	9.8%
	Segment income	2,140 <i>6.9%</i>	2,698 <i>7.6%</i>	<b>2,614</b> <i>6.7%</i>	22.1%	-3.1%
CSI	Net sales	7,587	8,449	<b>9,542</b>	25.8%	12.9%
	Segment income	305 <i>4.0%</i>	400 <i>4.7%</i>	<b>534</b> <i>5.6%</i>	74.9%	33.6%
Others	Net sales	2,865	3,967	<b>4,448</b>	55.2%	12.1%
	Segment income	64 <i>2.3%</i>	289 <i>7.3%</i>	<b>251</b> <i>5.7%</i>	287.7%	-13.2%
Total	Net sales	129,675	149,458	<b>153,460</b>	18.3%	2.7%
	Segment income	6,357 <i>4.9%</i>	8,541 <i>5.7%</i>	<b>7,645</b> <i>5.0%</i>	20.3%	-10.5%

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

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

## Net Sales

(million yen)



Total	
YoY	: +23,785
QoQ	: +4,002

Other	
YoY	: +1,526
QoQ	: +791

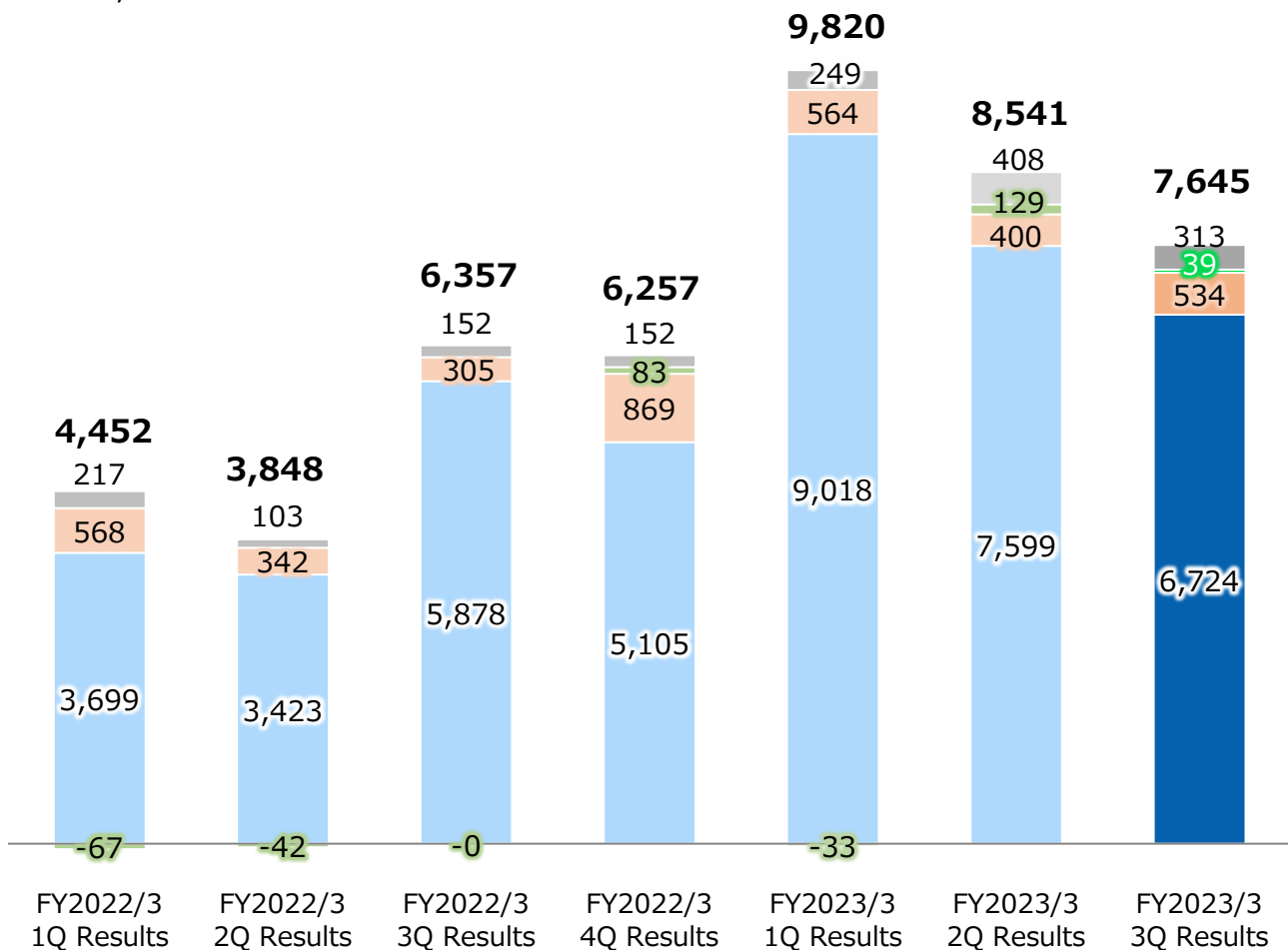
Software	
YoY	: +165
QoQ	: -39

Information equipment	
YoY	: +1,954
QoQ	: +1,093

Electronic equipment	
YoY	: +20,139
QoQ	: +2,157

## Segment Income

(million yen)



Total	
YoY	: +1,287
QoQ	: -896

Other	
YoY	: +161
QoQ	: -94

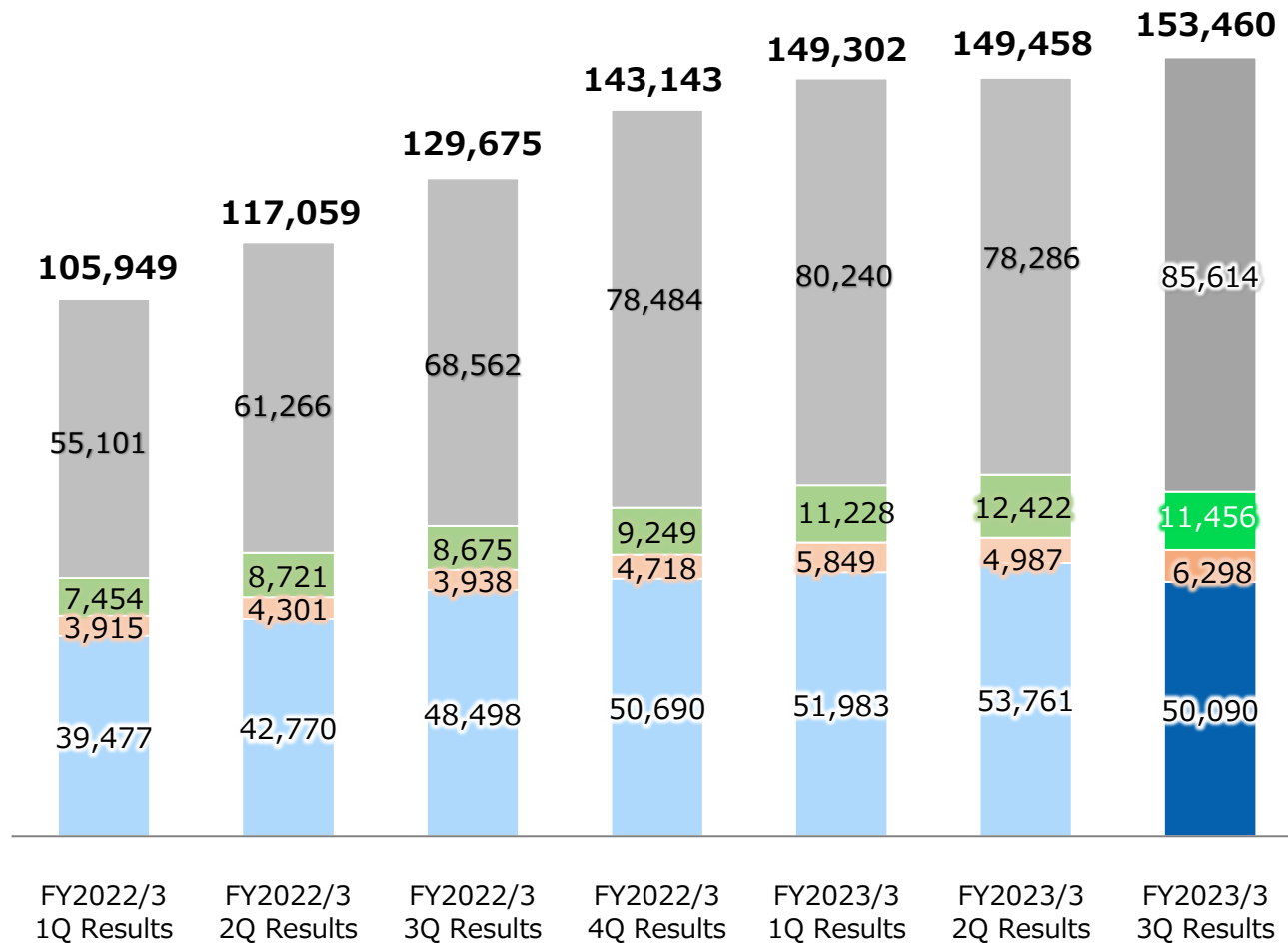
Software	
YoY	: +40
QoQ	: -89

Information equipment	
YoY	: +229
QoQ	: +134

Electronic equipment	
YoY	: +845
QoQ	: -874

## Net Sales

(million yen)



**Total**  
 YoY : +23,785  
 QoQ : +4,002

**Japan**  
 YoY : +17,051  
 QoQ : +7,328

**North America**  
 YoY : +2,781  
 QoQ : -966

**Europe**  
 YoY : +2,360  
 QoQ : +1,311

**Asia**  
 YoY : +1,592  
 QoQ : -3,671

# Exchange Rate/FOREX Sensitivity

Reference

	FY2022/3 3Q Results (Yen)	FY2023/3 3Q Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2023/3(yen)
			Net sales	Operating income	
USD	111.10	136.51	1,242	39	130.00
RMB	16.78	19.35	213	8	20.00
THB	3.42	3.82	227	16	3.50
HKD	14.28	17.41	138	5	16.50
EUR	130.62	140.59	8	0	135.00

# **Financial Results Briefing Material**

for the First Half of the

Fiscal Year ended March 2023

(Announced November 8, 2022)

# Summary of Financial Results for FY2023/3 2Q

## FY2023/3 1H results

- **Net sales increased by 75.7 billion yen or 34.0%, year on year to 298.7 billion yen.** In the core electronic components business, demand remained robust in a wide range of areas, particularly automotive and industrial equipment-related applications.
- **Operating income increased by 10.0 billion yen or 121.3%, year on year to 18.3 billion yen.** Improved gross profit margin attributable to higher sales and sales mix resulted in a substantial increase in gross profit.
- **All metrics from net sales to ordinary income for the quarter achieved record highs for a second quarter.**
- **Net sales and operating income both exceeded internal plans, by approximately 23.7 billion yen and 4.8 billion yen, respectively.**

## FY2023/3 earnings forecast

- As the conditions in the semiconductor market, COVID-19, the conflict in Ukraine, and exchange rate volatility make it difficult to predict the outlook, **upward revisions only take into account the upward deviations in Q2. The initial forecasts for the period from Q3 have not been changed.**

(billion yen)	Net Sales	Operating income	Net income
Previous forecasts	540.0	24.0	16.0
Revised forecasts	<b>570.0</b>	<b>28.0</b>	<b>20.0</b>

## Shareholder return

- The annual dividend was **revised to 200 yen per share, up 50 yen from the previous forecast of 150 yen** (100-yen interim dividend/100-yen year-end dividend).
- This amounts to **an increase of 80 yen in the annual dividend from the previous fiscal year's 120 yen per share.**



# Financial Highlights for FY2023/3 2Q

(million yen)

	FY2022/3 2Q Results		FY2023/3 2Q Results		YoY	FY2023/3 Forecasts (Revised on August. 4, 2022)		Progress rate
Net sales	223,009		<b>298,760</b>		34.0%	540,000		55.3%
Gross Profit	27,133	12.2%	<b>40,001</b>	13.4%	47.4%	—	—	—
SG&A	18,832	8.4%	<b>21,639</b>	7.2%	14.9%	—	—	—
Operating income	8,300	3.7%	<b>18,361</b>	6.1%	121.2%	24,000	4.4%	76.5%
Ordinary income	8,452	3.8%	<b>18,932</b>	6.3%	124.0%	24,500	4.5%	77.3%
Profit attributable to owners of parent	5,624	2.5%	<b>13,412</b>	4.5%	138.5%	16,000	3.0%	83.8%
EPS (yen)	207.39		<b>510.88</b>		—	609.58		—
Exchange Rate    yen / USD	109.80		<b>133.97</b>		—	116.00		—

Note: 1. The effect of exchange rates on the conversion into yen is approximately 19.4 billion yen on net sales and 0.9 billion yen on operating income.  
 2. "x. x%" represents the profit margin.

# Results by Business Segment for FY2023/3 2Q

(million yen)

		FY2022/3 2Q Results	FY2023/3 2Q Results	YoY	FY2023/3 Forecasts <small>(Revised on August. 4, 2022)</small>	Progress rate
Electronic Component	Net sales	194,406	<b>268,464</b>	38.1%	477,000	56.3%
	Segment income	7,123 <i>3.7%</i>	<b>16,617</b> <i>6.2%</i>	133.3%	21,300 <i>4.5%</i>	78.0%
Information Equipment	Net sales	18,713	<b>19,597</b>	4.7%	39,000	50.2%
	Segment income	910 <i>4.9%</i>	<b>965</b> <i>4.9%</i>	6.0%	2,000 <i>5.1%</i>	48.3%
Software	Net sales	1,237	<b>1,307</b>	5.6%	4,000	32.7%
	Segment income	-109 <i>—</i>	<b>95</b> <i>7.3%</i>	—	100 <i>2.5%</i>	95.6%
Others	Net sales	8,651	<b>9,392</b>	8.6%	20,000	47.0%
	Segment income	320 <i>3.7%</i>	<b>658</b> <i>7.0%</i>	105.2%	600 <i>3.0%</i>	109.7%
Total	Net sales	223,009	<b>298,760</b>	34.0%	540,000	55.3%
	Segment income	8,300 <i>3.7%</i>	<b>18,361</b> <i>6.1%</i>	121.2%	24,000 <i>4.4%</i>	76.5%

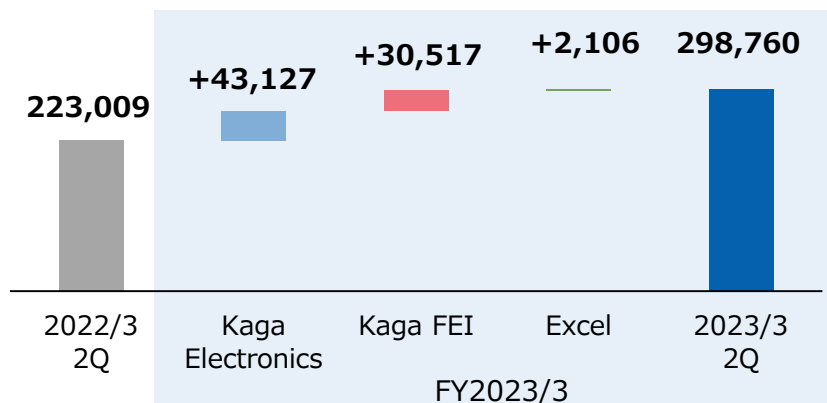
Note: 1. Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).  
2. "x. x%" represents the profit margin.

# Effect of M&A for FY2023/3 2Q

(million yen)

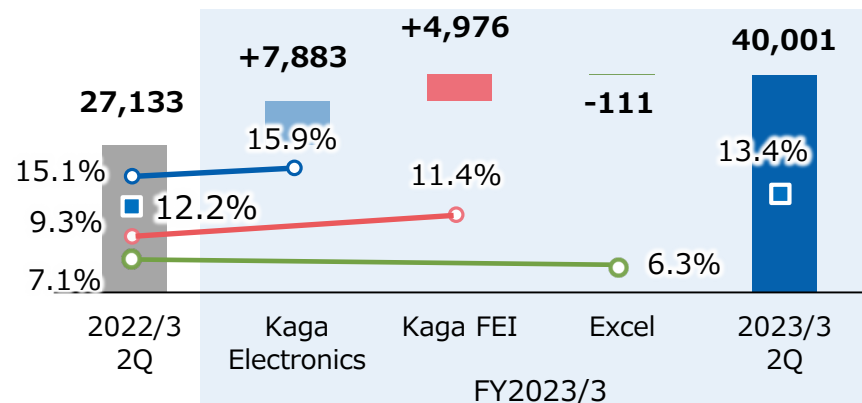
## Net Sales

All three companies achieved significant increases in net sales, driven by the electronic components business.



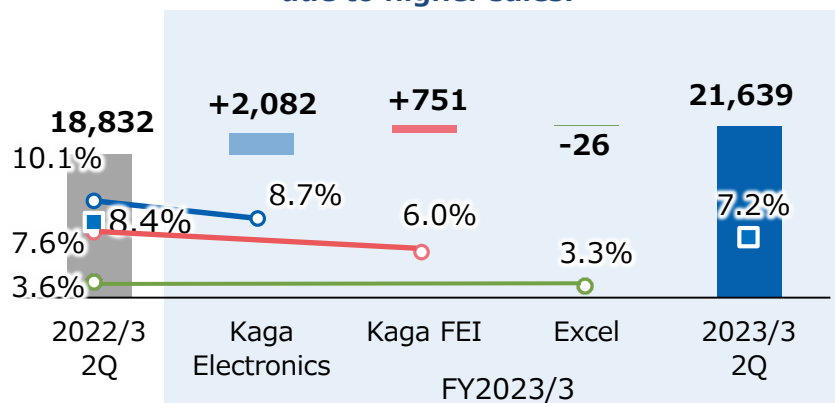
## Gross profit / Gross profit margin

Kaga Electronics and Kaga FEI posted substantial increases in gross profit



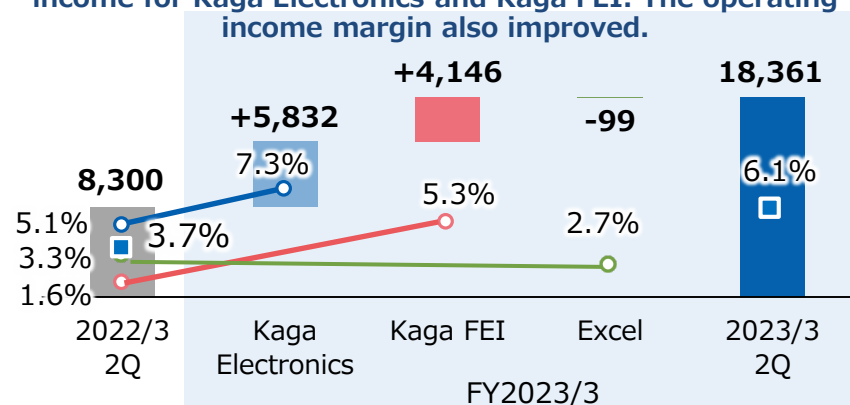
## SG&A / SG&A ratio

The SG&A ratio fell, although SG&A expenses rose due to higher sales.



## Operating income / Operating income margin

Higher gross profit absorbed an increase in operating expenses and resulted in a significant increase in operating income for Kaga Electronics and Kaga FEI. The operating income margin also improved.



# Results by Company for FY2023/3 2Q

(million yen)

		FY2022/3 2Q Results	FY2023/3 2Q Results	YoY
Kaga Electronics	Net sales	125,272	<b>168,400</b>	34.4%
	Gross Profit	18,850 <i>15.1%</i>	<b>26,734</b> <i>15.9%</i>	41.8%
	Operating income	6,402 <i>5.1%</i>	<b>12,235</b> <i>7.3%</i>	91.1%
Kaga FEI	Net sales	68,240	<b>98,757</b>	44.7%
	Gross Profit	6,325 <i>9.3%</i>	<b>11,301</b> <i>11.4%</i>	78.7%
	Operating income	1,067 <i>1.6%</i>	<b>5,214</b> <i>5.3%</i>	388.3%
Excel	Net sales	29,495	<b>31,602</b>	7.1%
	Gross Profit	2,103 <i>7.1%</i>	<b>1,991</b> <i>6.3%</i>	-5.3%
	Operating income	966 <i>3.3%</i>	<b>866</b> <i>2.7%</i>	-10.3%
Total	Net sales	223,009	<b>298,760</b>	34.0%
	Gross Profit	27,133 <i>12.2%</i>	<b>40,001</b> <i>13.4%</i>	47.4%
	Operating income	8,300 <i>3.7%</i>	<b>18,361</b> <i>6.1%</i>	121.2%

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

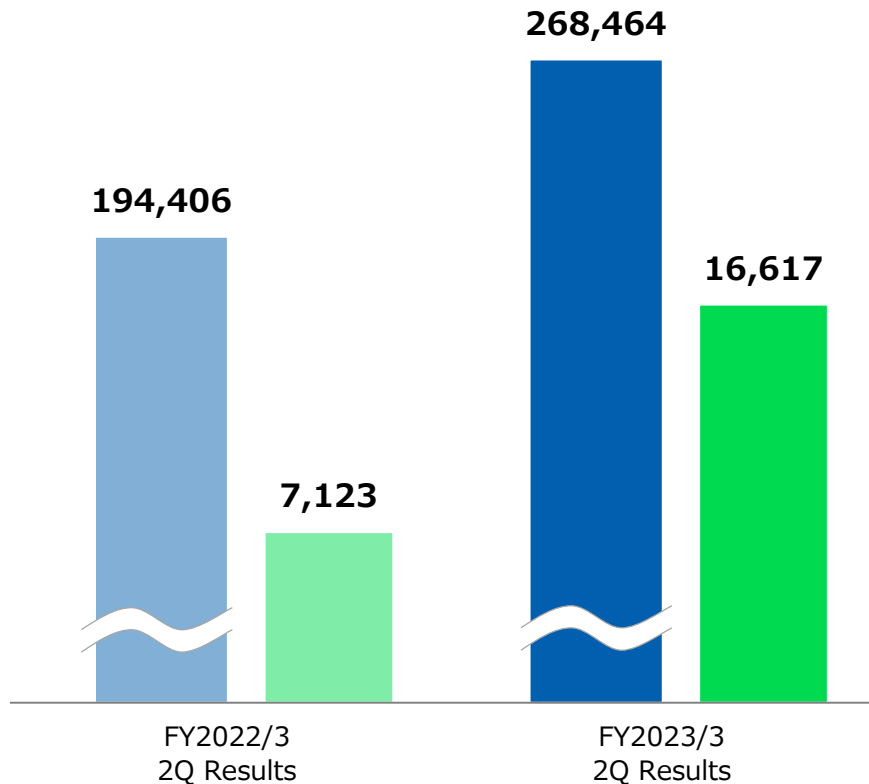
2. "x. x%" represents the profit margin.

# Financial Highlights: Electronic Component Segment

## Net sales/Segment income

(million yen)

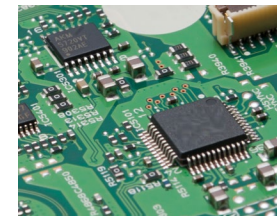
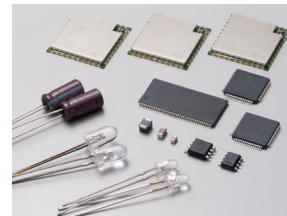
■/■ Net Sales  
■/■ Segment income



## YoY

- Net Sales ▶ **+74,057** million yen **38.1%Up**
- Segment income ▶ **+9,493** million yen **133.3%Up**

- In the component sales business, supply/demand conditions began to ease for some materials, and the Company was able to achieve significant growth in sales through early efforts to capture demand from customers in a broad range of industries.
  - Both Kaga Electronics and Kaga FEI worked on spot sales with automotive and industrial equipment-related customers still facing supply shortages, which also contributed to growth in sales/profit.
  - In parallel with these efforts, the Company proactively proposed alternative products.
- 
- The EMS business was a strong performer, especially in automotive and medical equipment applications.

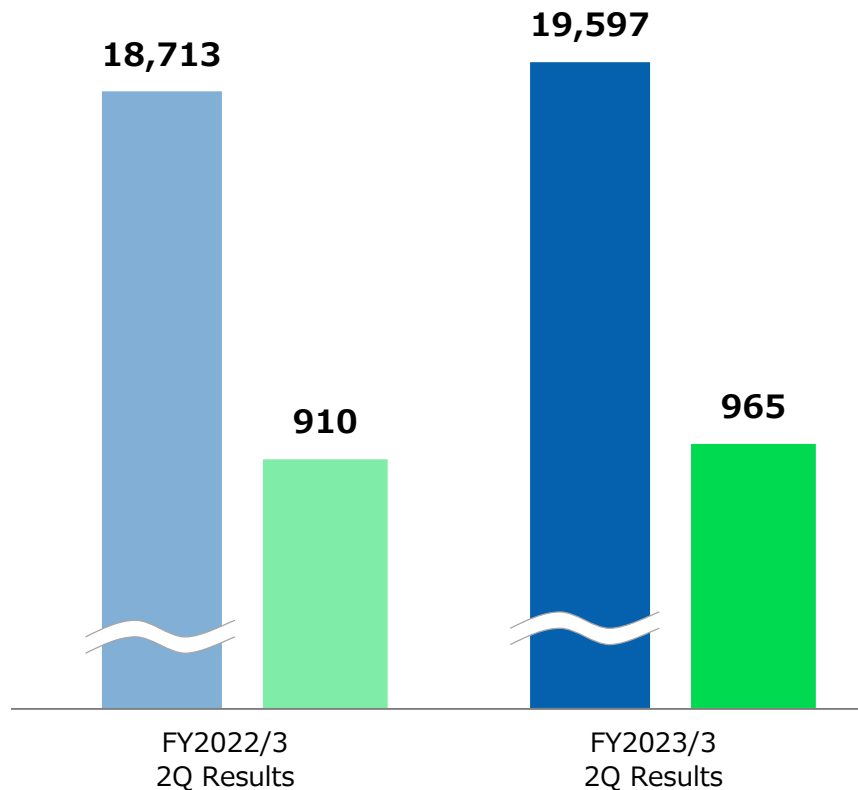


# Financial Highlights: Information Equipment Segment

## Net sales/Segment income

(million yen)

■/■ Net Sales  
■/■ Segment income



## YoY

● Net Sales ▶ **+883**million yen **4.7%Up**  
● Segment income ▶ **+54**million yen **6.0%Up**

- Sales of PCs to corporations and educational institutions were solid, particularly high-priced products.
- Sales of PC peripherals such as security software remained strong.
- In the LED installation business, large projects that had been delayed due to shortages of materials resumed, which contributed to earnings.



# Financial Highlights for FY2023/3 2Q (3 months)

Reference

(million yen)

	FY2022/3 2Q Results		FY2023/3 1Q Results		FY2023/3 2Q Results		YoY	QoQ
Net sales	117,059		149,302		<b>149,458</b>		27.7%	0.1%
Gross Profit	13,582	11.6%	19,838	13.3%	<b>20,163</b>	13.5%	48.5%	1.6%
SG&A	9,733	8.3%	10,018	6.7%	<b>11,621</b>	7.8%	19.4%	16.0%
Operating income	3,848	3.3%	9,820	6.6%	<b>8,541</b>	5.7%	121.9%	-13.0%
Ordinary income	3,885	3.3%	9,858	6.6%	<b>9,073</b>	6.1%	133.5%	-8.0%
Profit attributable to owners of parent	2,752	2.4%	6,984	4.7%	<b>6,427</b>	4.3%	133.5%	-8.0%
EPS (yen)	102.48	—	266.10	—	<b>244.79</b>	—	—	—

Note: "x. x%" represents the profit margin.

# Results by Business Segment for FY2023/3 2Q (3 months)

Reference

(million yen)

		FY2022/3 2Q Results	FY2023/3 1Q Results	FY2023/3 2Q Results	YoY	QoQ
Electronic Component	Net sales	103,782	133,477	<b>134,986</b>	30.1%	1.1%
	Segment income	3,423 <i>3.3%</i>	9,018 <i>6.8%</i>	<b>7,599</b> <i>5.6%</i>	122.0%	-15.7%
Information Equipment	Net sales	8,077	11,147	<b>8,449</b>	4.6%	-24.2%
	Segment income	342 <i>4.2%</i>	564 <i>5.1%</i>	<b>400</b> <i>4.7%</i>	17.0%	-29.1%
Software	Net sales	669	498	<b>808</b>	20.8%	62.3%
	Segment income	-42 <i>-6.3%</i>	-33 <i>-6.7%</i>	<b>129</b> <i>16.0%</i>	-	-
Others	Net sales	4,530	4,178	<b>5,213</b>	15.1%	24.8%
	Segment income	103 <i>2.3%</i>	249 <i>6.0%</i>	<b>408</b> <i>7.8%</i>	295.6%	64.1%
Total	Net sales	117,059	149,302	<b>149,458</b>	27.7%	0.1%
	Segment income	3,848 <i>3.3%</i>	9,820 <i>6.6%</i>	<b>8,541</b> <i>5.7%</i>	121.9%	-13.0%

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

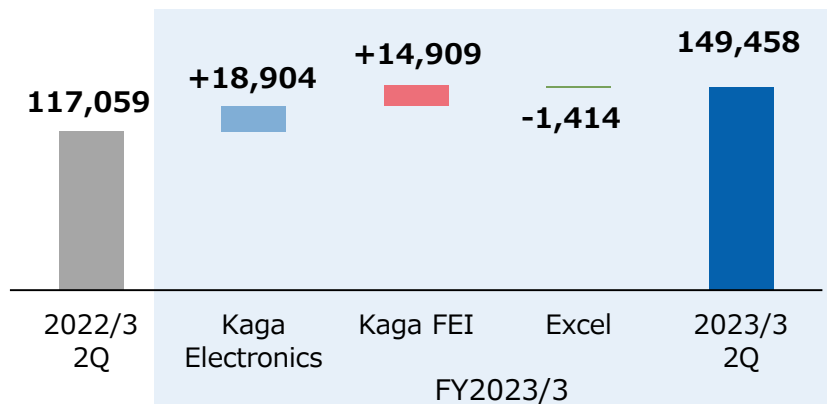


# Effect of M&A for FY2023/3 2Q (3 months)

(million yen)

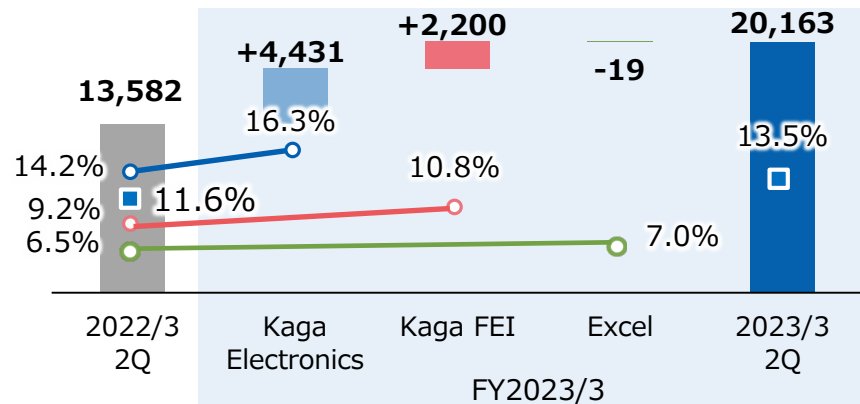
## Net Sales

Kaga Electronics and Kaga FEI achieved significant increases in net sales, driven by the electronic components business.



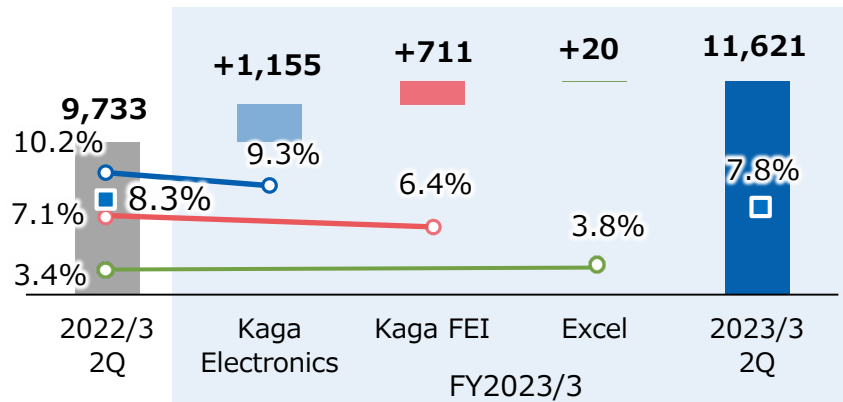
## Gross profit / Gross profit margin

Gross profit increased significantly for Kaga Electronics and Kaga FEI. Profit margins also improved.



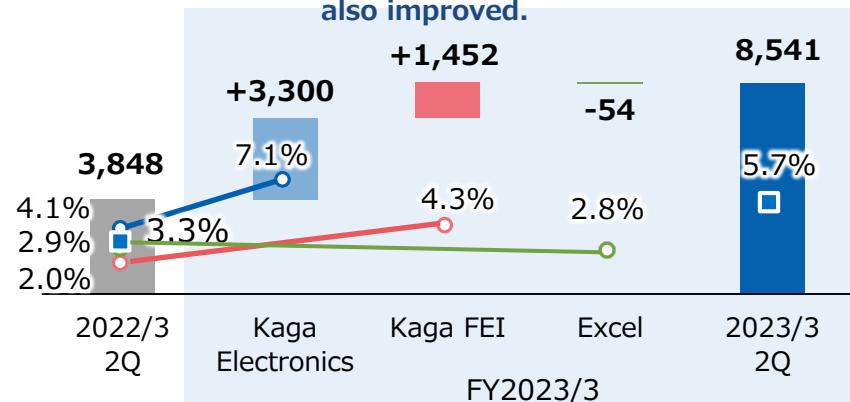
## SG&A / SG&A ratio

Although SG&A expenses increased due to higher sales, the SG&A ratio fell.



## Operating income / Operating income margin

Kaga Electronics and Kaga FEI contributed significantly to increases in operating income. The operating income margin also improved.



# Results by Company for FY2023/3 2Q (3 months)

Reference

(million yen)

		FY2022/3 2Q Results	FY2023/3 1Q Results	FY2022/3 2Q Results	YoY	QoQ
Kaga Electronics	Net sales	65,157	84,339	<b>84,061</b>	29.0%	-0.3%
	Gross Profit	9,261 <i>14.2%</i>	13,040 <i>15.5%</i>	<b>13,693</b> <i>16.3%</i>	47.9%	5.0%
	Operating income	2,683 <i>4.1%</i>	6,251 <i>7.4%</i>	<b>5,983</b> <i>7.1%</i>	123.0%	-4.3%
Kaga FEI	Net sales	36,095	47,752	<b>51,005</b>	41.3%	6.8%
	Gross Profit	3,316 <i>9.2%</i>	5,784 <i>12.1%</i>	<b>5,516</b> <i>10.8%</i>	66.4%	-4.6%
	Operating income	721 <i>2.0%</i>	3,040 <i>6.4%</i>	<b>2,173</b> <i>4.3%</i>	201.4%	-28.5%
Excel	Net sales	15,807	17,209	<b>14,392</b>	-9.0%	-16.4%
	Gross Profit	1,024 <i>6.5%</i>	986 <i>5.7%</i>	<b>1,004</b> <i>7.0%</i>	-1.9%	1.9%
	Operating income	458 <i>2.9%</i>	462 <i>2.7%</i>	<b>403</b> <i>2.8%</i>	-11.9%	-12.7%
Total	Net sales	117,059	149,302	<b>149,458</b>	27.7%	0.1%
	Gross Profit	13,582 <i>11.6%</i>	19,838 <i>13.3%</i>	<b>20,163</b> <i>13.5%</i>	48.5%	1.6%
	Operating income	3,848 <i>3.3%</i>	9,820 <i>6.6%</i>	<b>8,541</b> <i>5.7%</i>	121.9%	-13.0%

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

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

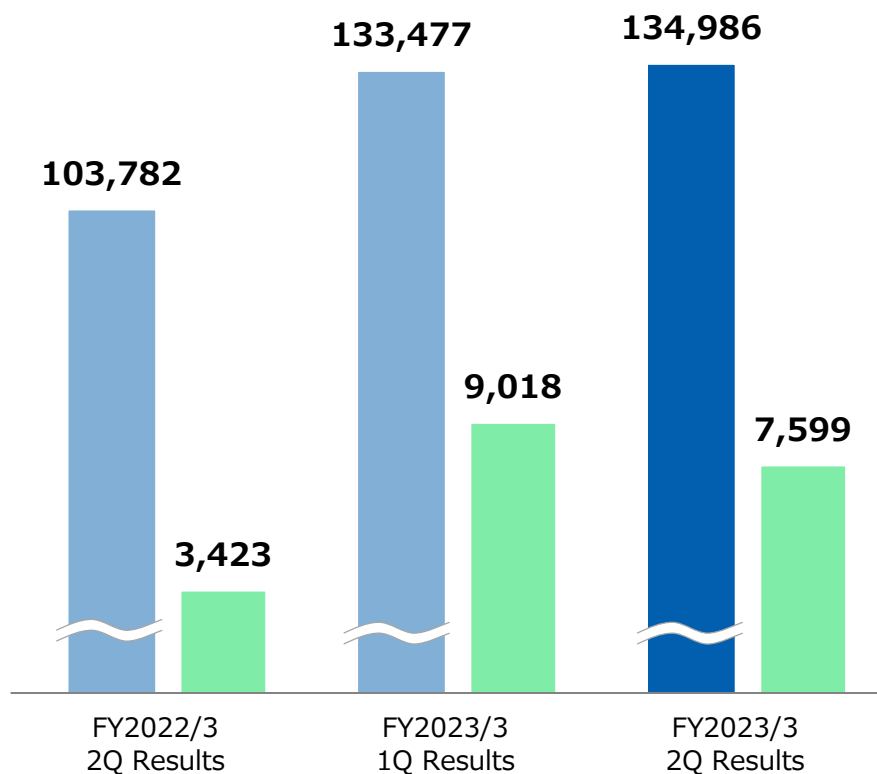
# Financial Highlights: Electronic Component Segment (3 months)

Reference

## Net sales/Segment income

(million yen)

- / ■ Net Sales
- / ■ Segment income



## YoY

- Net Sales ▶ **+31,203** million yen **30.1%Up**
- Segment income ▶ **+4,175** million yen **122.0%Up**

## QoQ

- Net Sales ▶ **+1,508** million yen **1.1%Up**
- Segment income ▶ **-1,418** million yen **15.7%Down**

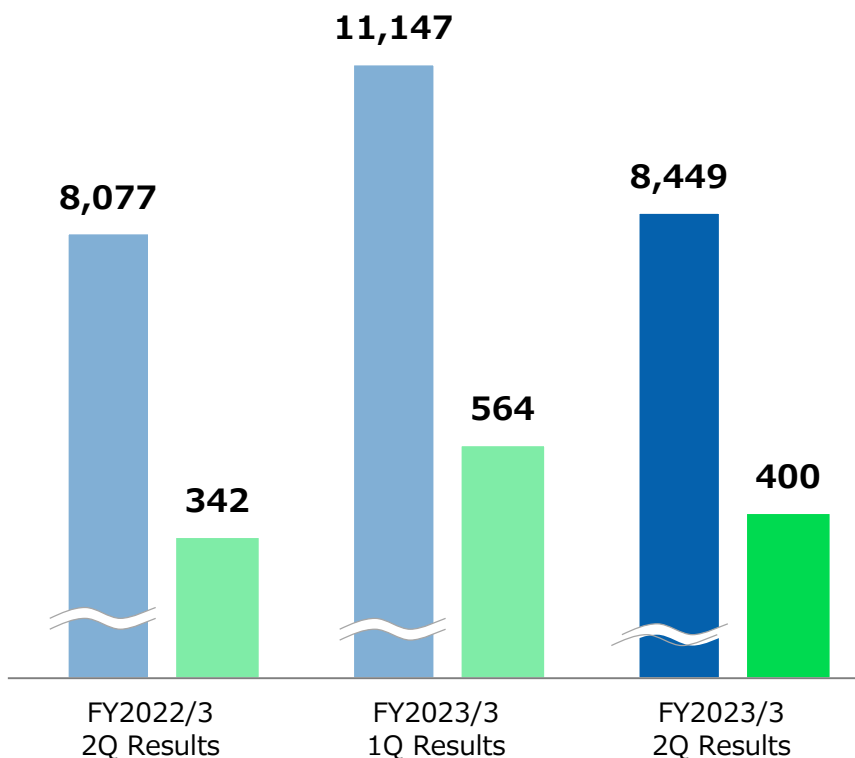
# Financial Highlights: Information Equipment Segment (3 months)

Reference

## Net sales/Segment income

(million yen)

- / ■ Net Sales
- / ■ Segment income



## YoY

- Net Sales ▶ **+372**million yen **4.6%Up**
- Segment income ▶ **+58**million yen **17.0%Up**

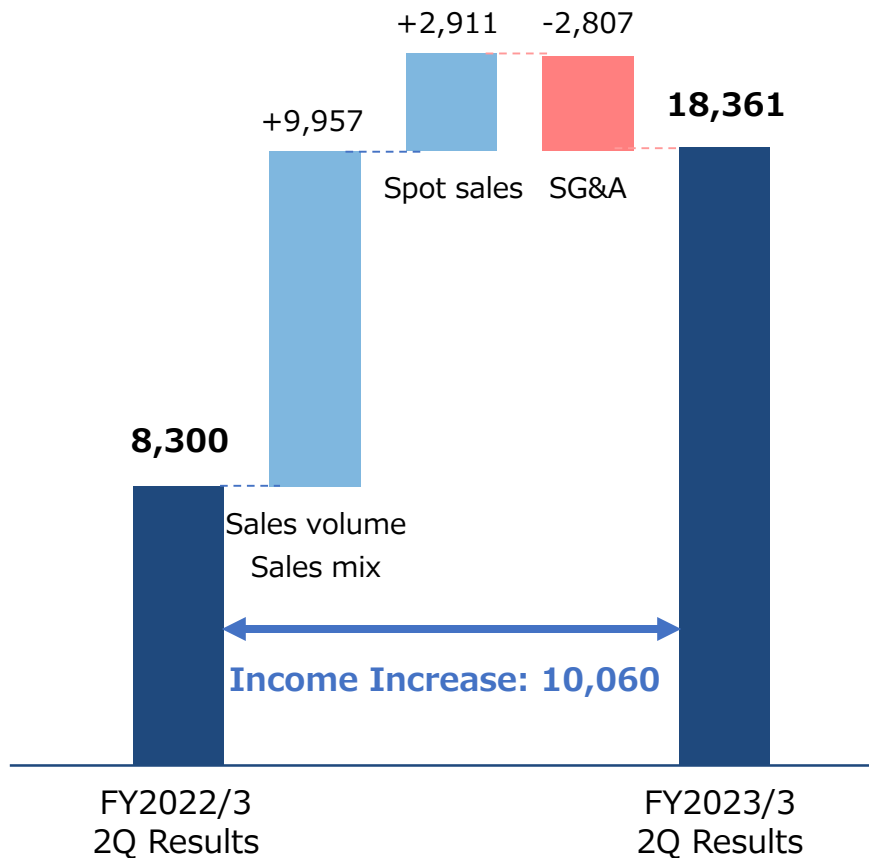
## QoQ

- Net Sales ▶ **-2,697**million yen **24.2%Down**
- Segment income ▶ **-164**million yen **29.1%Down**

# Factors of Increase / Decrease in Operating Income

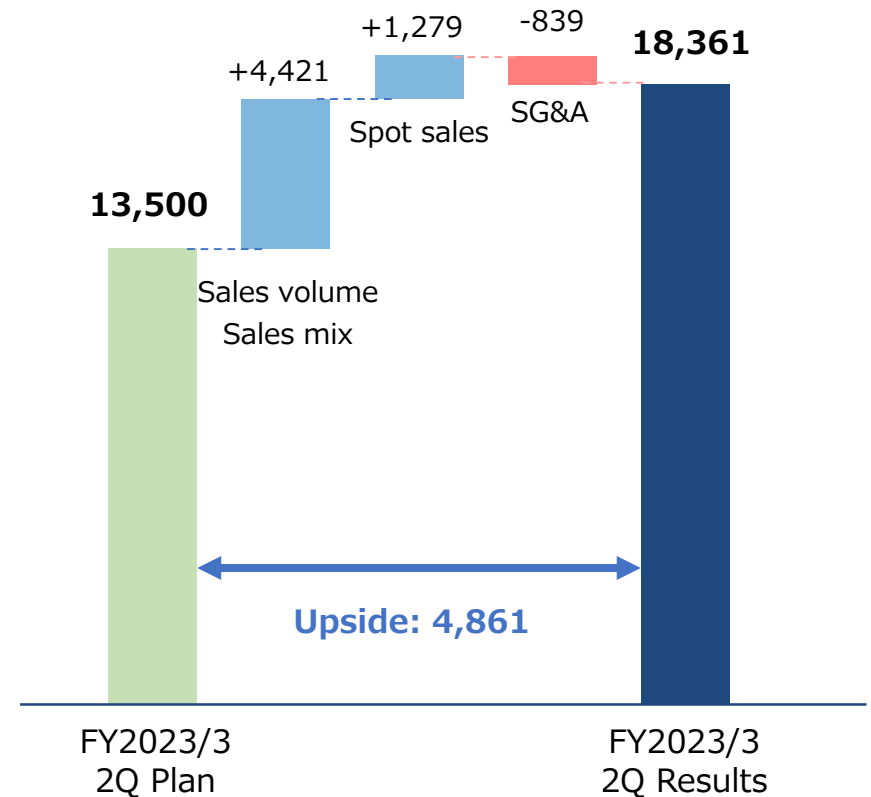
YoY

(million yen)



vs Internal Plan

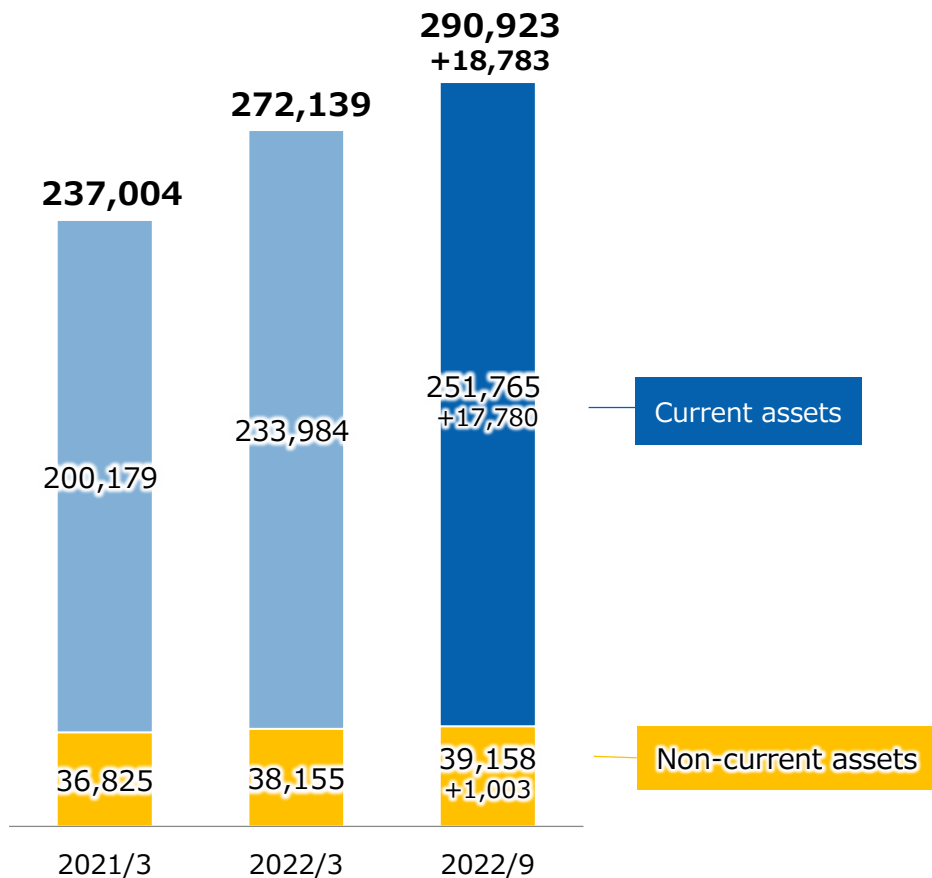
(million yen)



# Balance Sheet Main Items

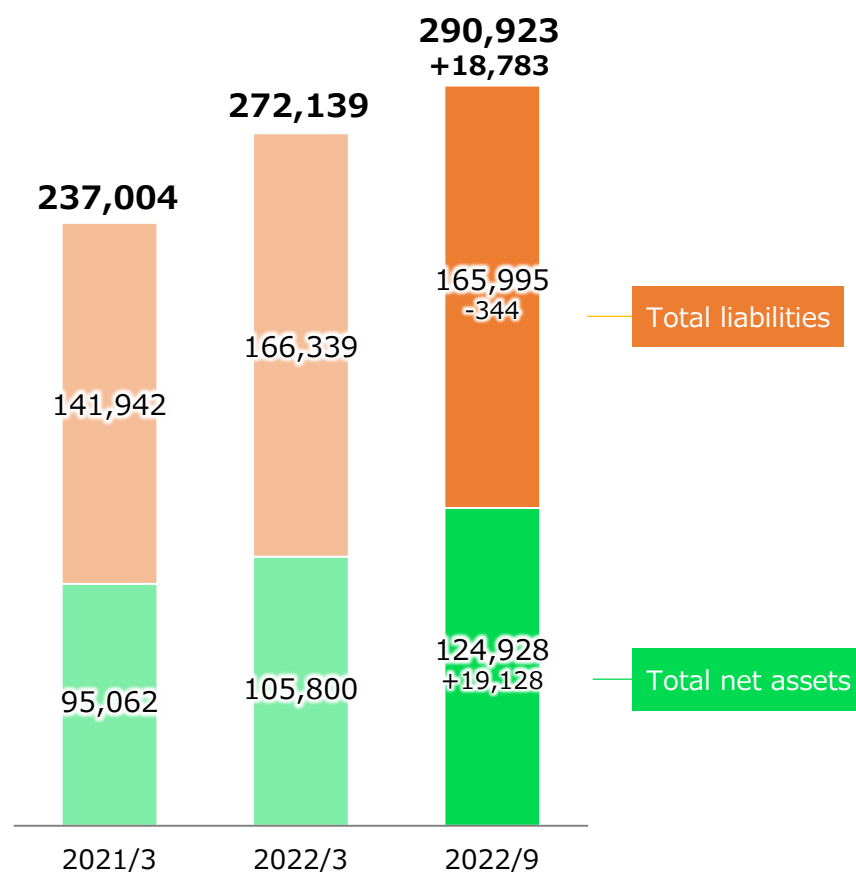
## Total assets

(million yen)



## Total liabilities and net assets

(million yen)

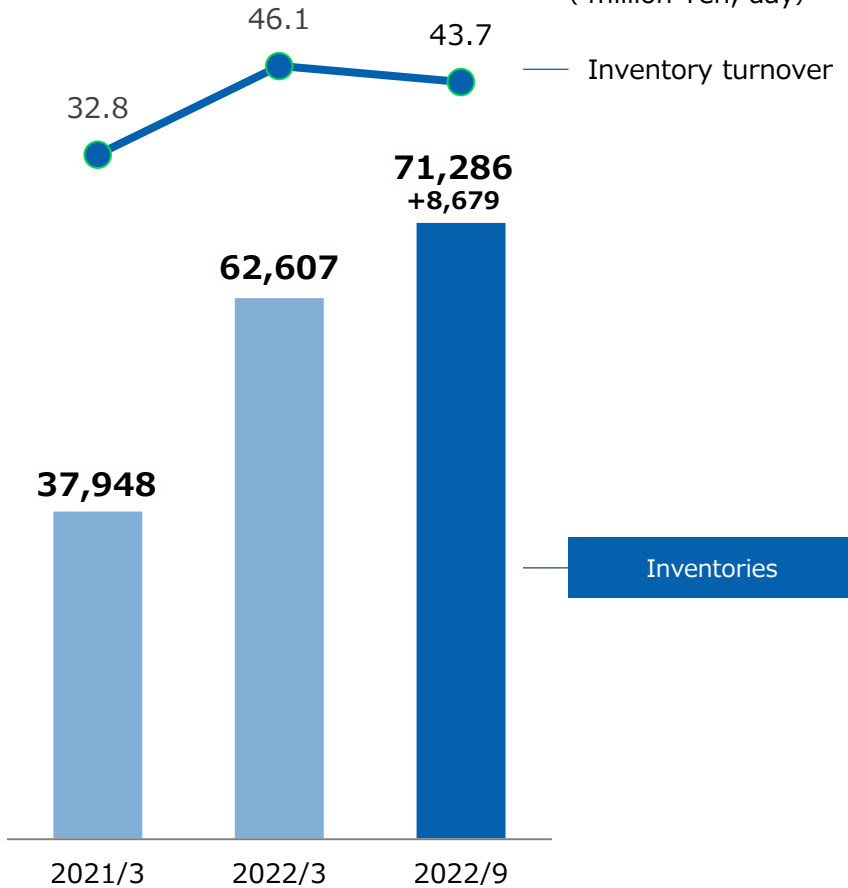


# Balance Sheet Main Items

## Inventories

( million Yen, day)

— Inventory turnover

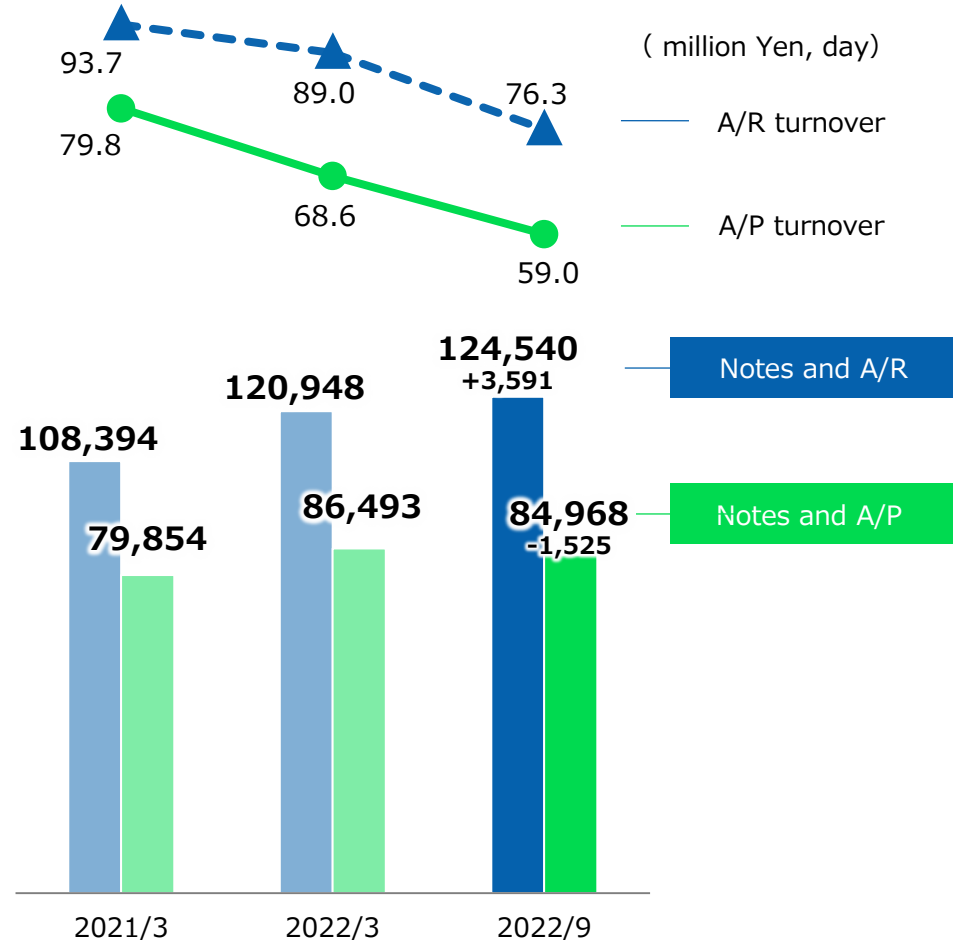


## Accounts receivable/Accounts payable

( million Yen, day)

— A/R turnover

— A/P turnover

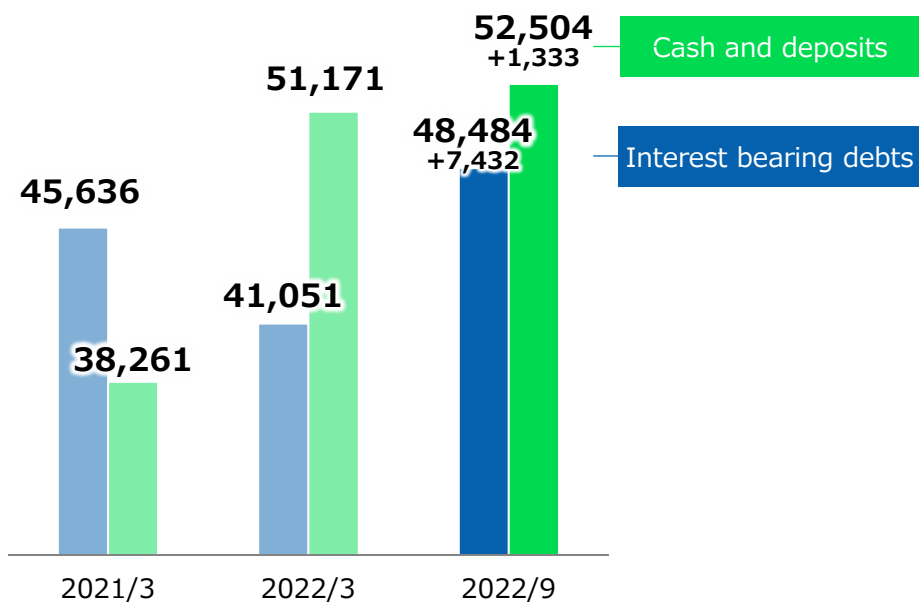
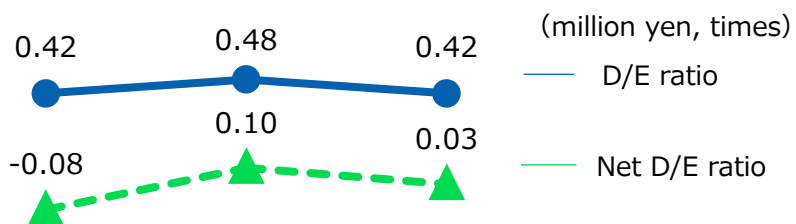


Note : Inventory turnover = Inventories ÷ Net Sales × 183 (day)

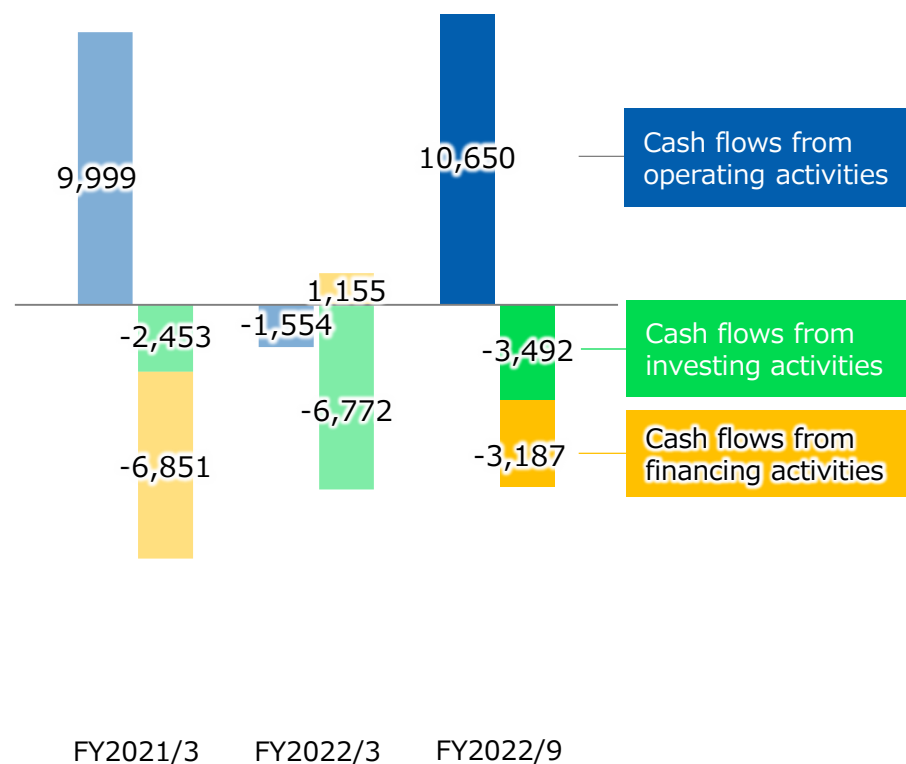
Notes : 1. ·Notes and A/R are amounts including Electronically recorded monetary claims-operating  
 2. ·Notes and A/P are amounts including Electronically recorded obligations - operating  
 3. ·A/R turnover = Notes and A/R ÷ Net sales × 183 (day)  
 4. ·A/P turnover = Notes and A/P ÷ Total purchase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

# Balance Sheet Main Items

## Cash and Deposits/Interest Bearing Debt



## Cash flows



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



# Forecasts for FY2023/3

(announced on August 4, 2022)

(million yen)

	FY2022/3 Results	FY2023/3 Previous forecasts	FY2023/3 Current forecasts	Diff. from previous forecasts	YoY
Net sales	495,827	540,000	<b>570,000</b>	5.6%	15.0%
Operating income	20,915 <i>4.2%</i>	24,000 <i>4.4%</i>	<b>28,000</b> <i>4.9%</i>	16.7%	33.9%
Ordinary income	21,456 <i>4.3%</i>	24,500 <i>4.5%</i>	<b>29,000</b> <i>5.1%</i>	18.4%	35.2%
Profit attributable to owners of parent	15,401 <i>3.1%</i>	16,000 <i>3.0%</i>	<b>20,000</b> <i>3.5%</i>	25.0%	29.9%
EPS (yen)	576.46	609.58	<b>761.70</b>	—	185.24
ROE	15.7%	14.0%	<b>17.0%</b>	—	1.3pt
Annual dividend (yen)	<b>120.00</b> Ordinary dividend 80.00 Extraordinary dividend 40.00	<b>150.00</b> Ordinary dividend 140.00 Commemorative dividend 10.00	<b>200.00</b> Ordinary dividend 140.00 Commemorative dividend 10.00 Extraordinary dividend 50.00	50.00	80.00

Note: "x. x%" represents the profit margin.

# Forecasts by Business Segment for FY2023/3

(announced on August 4, 2022)

(million yen)

		FY2022/3 Results	FY2023/3 Previous Forecasts	FY2023/3 Current forecasts	Diff. from previous forecasts	YoY
Electronic Component	Net sales	433,852	477,000	<b>507,000</b>	6.3%	16.9%
	Segment income	18,107 <i>4.2%</i>	21,300 <i>4.5%</i>	<b>24,800</b> <i>4.9%</i>	18.8%	37.0%
Information Equipment	Net sales	39,616	39,000	<b>39,000</b>	—	-1.6%
	Segment income	2,085 <i>5.3%</i>	2,000 <i>5.1%</i>	<b>2,000</b> <i>5.1%</i>	—	-4.1%
Software	Net sales	2,767	4,000	<b>4,000</b>	—	44.5%
	Segment income	-26 <i>-1.0%</i>	100 <i>2.5%</i>	<b>200</b> <i>5.0%</i>	—	—
Others	Net sales	19,590	20,000	<b>20,000</b>	—	2.1%
	Segment income	626 <i>3.2%</i>	600 <i>3.0%</i>	<b>1,000</b> <i>5.0%</i>	—	59.7%
Total	Net sales	495,827	540,000	<b>570,000</b>	5.6%	15.0%
	Segment income	20,915 <i>4.2%</i>	24,000 <i>4.4%</i>	<b>28,000</b> <i>4.9%</i>	16.7%	33.9%

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

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

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

Reference

(million yen)

		FY2021/3 2Q Results	FY2022/3 2Q Results	FY2023/3 2Q Results	YOY
Electronic Component	Net sales	117,287	144,790	<b>202,867</b>	40.1%
	Segment income	851 <i>0.7%</i>	3,948 <i>2.7%</i>	<b>11,689</b> <i>5.8%</i>	196.1%
EMS	Net sales	42,940	53,453	<b>69,486</b>	30.0%
	Segment income	2,265 <i>5.3%</i>	3,322 <i>6.2%</i>	<b>5,311</b> <i>7.6%</i>	59.9%
CSI	Net sales	23,192	18,713	<b>19,597</b>	4.7%
	Segment income	1,160 <i>5.0%</i>	910 <i>4.9%</i>	<b>965</b> <i>4.9%</i>	6.0%
Others	Net sales	5,438	6,052	<b>6,809</b>	12.5%
	Segment income	88 <i>1.6%</i>	64 <i>1.1%</i>	<b>369</b> <i>5.4%</i>	473.2%
Total	Net sales	188,859	223,009	<b>298,760</b>	34.0%
	Segment income	4,434 <i>2.3%</i>	8,300 <i>3.7%</i>	<b>18,361</b> <i>6.1%</i>	121.2%

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

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

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

Reference

(million yen)

		FY2022/3 2Q Results	FY2023/3 1Q Results	FY2023/3 2Q Results	YoY	QoQ
Electronic Component	Net sales	78,665	101,444	<b>101,422</b>	28.9%	-0.0%
	Segment income	2,172 <i>2.8%</i>	6,541 <i>6.4%</i>	<b>5,148</b> <i>5.1%</i>	137.0%	-21.3%
EMS	Net sales	27,118	33,867	<b>35,619</b>	31.3%	5.2%
	Segment income	1,262 <i>4.7%</i>	2,612 <i>7.7%</i>	<b>2,698</b> <i>7.6%</i>	113.8%	3.3%
CSI	Net sales	8,077	11,147	<b>8,449</b>	4.6%	-24.2%
	Segment income	342 <i>4.2%</i>	564 <i>5.1%</i>	<b>400</b> <i>4.7%</i>	17.0%	-29.2%
Others	Net sales	3,198	2,842	<b>3,967</b>	24.1%	39.6%
	Segment income	49 <i>1.6%</i>	79 <i>2.8%</i>	<b>289</b> <i>7.3%</i>	479.4%	262.4%
Total	Net sales	117,059	149,302	<b>149,458</b>	27.7%	0.1%
	Segment income	3,848 <i>3.3%</i>	9,820 <i>6.6%</i>	<b>8,541</b> <i>5.7%</i>	121.9%	-13.0%

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

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

# Management Topics

Representative Director,  
President & COO

**Ryoichi Kado**

# Review of the new medium-term management plan

## IR schedule for revision announcement

- At the announcement of financial results for the fiscal year ending March 31, 2023, in May 2023, revised management targets for the final fiscal year (ending March 31, 2025) of the medium-term management plan will be disclosed together with earnings forecasts for the fiscal year ending March 31, 2024.
- In revising management targets, a comprehensive review of KPIs encompassing not only operating income but also net sales and ROE will be conducted.

## Reasons for change of schedule

- To assess the final income level in the fiscal year ending March 31, 2023, as the upward momentum is expected to be maintained to exceed the targets.
- To improve the accuracy of income forecast for the fiscal year ending March 31, 2024, given concerns about downward pressure on earnings from the absence of spot sales, customers' inventory adjustment, and other factors.

# EMS Business growth investment: new factory in Malaysia

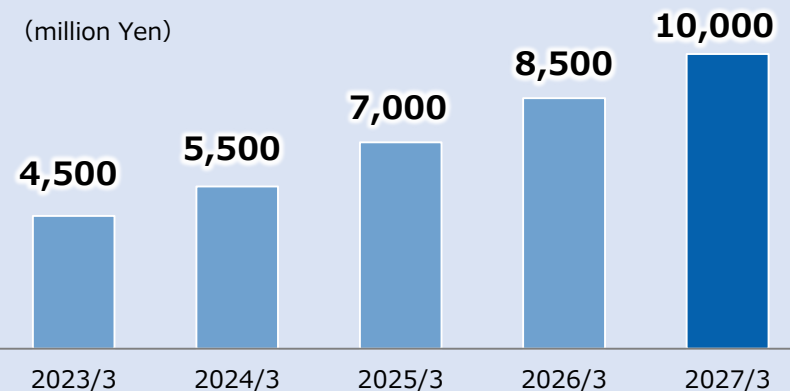


## 【Outline of the new factory in Malaysia】

Site area	11,300m <sup>2</sup>
Floor area	11,150m <sup>2</sup>
Number of employee	900 (max. 950)
Scheduled commencement of operations	October, 2022
Items produced	<ul style="list-style-type: none"> <li>• Various power supply products</li> <li>• Sanitary equipment, Industrial equipment, and electrical equipment substrates for consumer electronics</li> </ul>

## Sales Plan for FY22 to FY26

(million Yen)



# EMS Business growth investment: new factory in Turkey

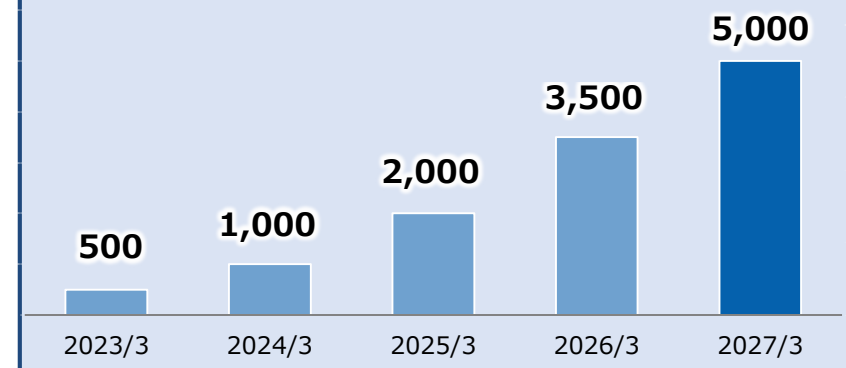


## 【Outline of the new factory in Turkey】

Site area	15,000m <sup>2</sup>
Floor area	11,600m <sup>2</sup>
Number of employee	330
Scheduled commencement of operations	June, 2023
Items produced	<ul style="list-style-type: none"><li>•Electrical units for air conditioners</li><li>•Substrates for electric tools</li><li>•Automotive equipment substrates</li></ul>

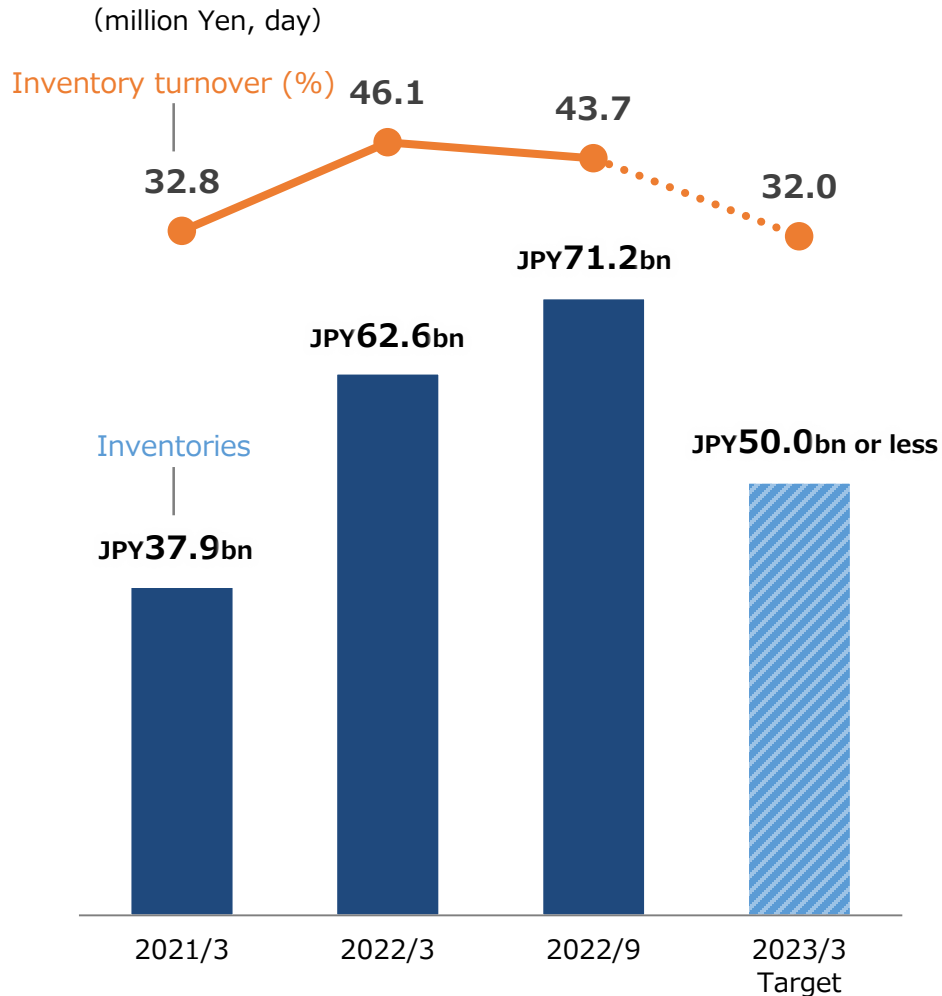
## Sales Plan for FY22 to FY26

(million Yen)





# Inventory reduction



Note : Inventory turnover = Inventories ÷ Net Sales × 365 (day)

## Background to inventory buildup

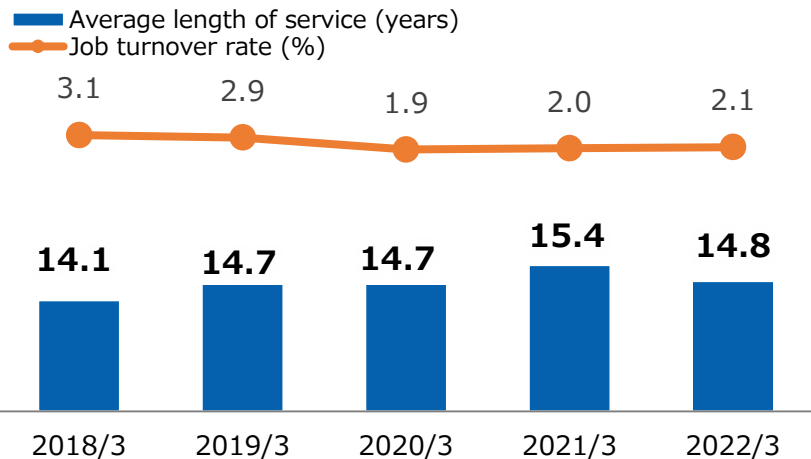
- ▶ Prolonged global supply shortages of semiconductors and electronic components, and extended lead time
- ▶ Components sales business: secured sales volume to respond to advanced and duplicate orders from customers
- ▶ EMS business: increase in work in progress and secured safety stock as part of BCP

## Policy and target for the reduction

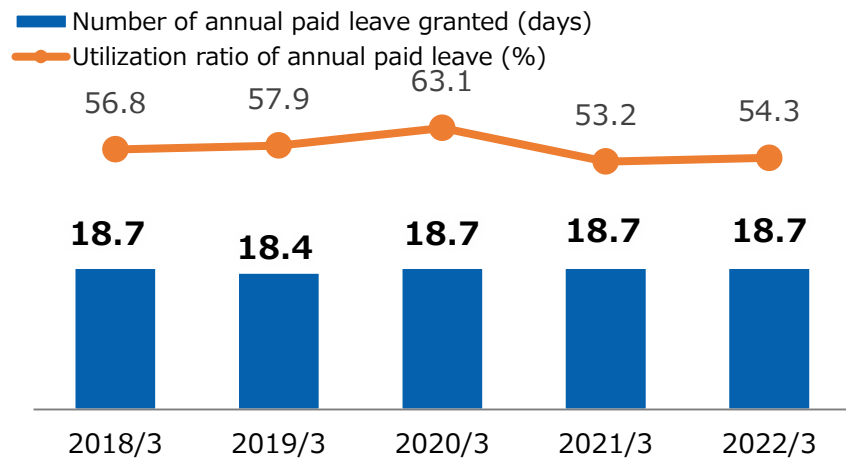
- ▶ Components sales business: targeting 15 days in inventory
- ▶ EMS business: targeting 45 days in inventory
- ▶ By achieving the above, targeting inventory level of ¥50 billion or less and 30 days in inventory at March 31, 2023

# Human capital investment: from the Integrated Report 2022

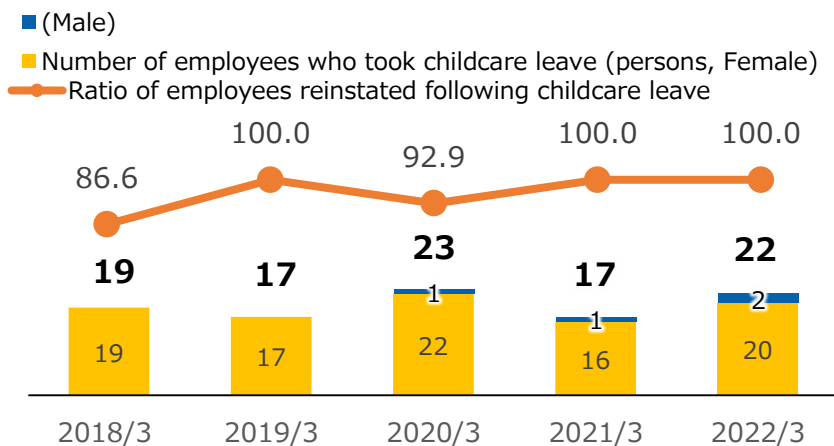
## Average length of service / Job turnover rate



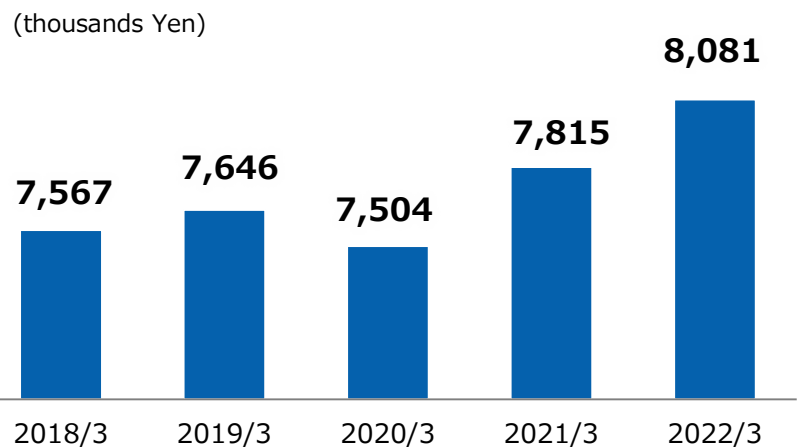
## Number of annual paid leave granted / Utilization ratio of annual paid leave



## Number of employees who took childcare leave / Ratio of employees reinstated following childcare leave

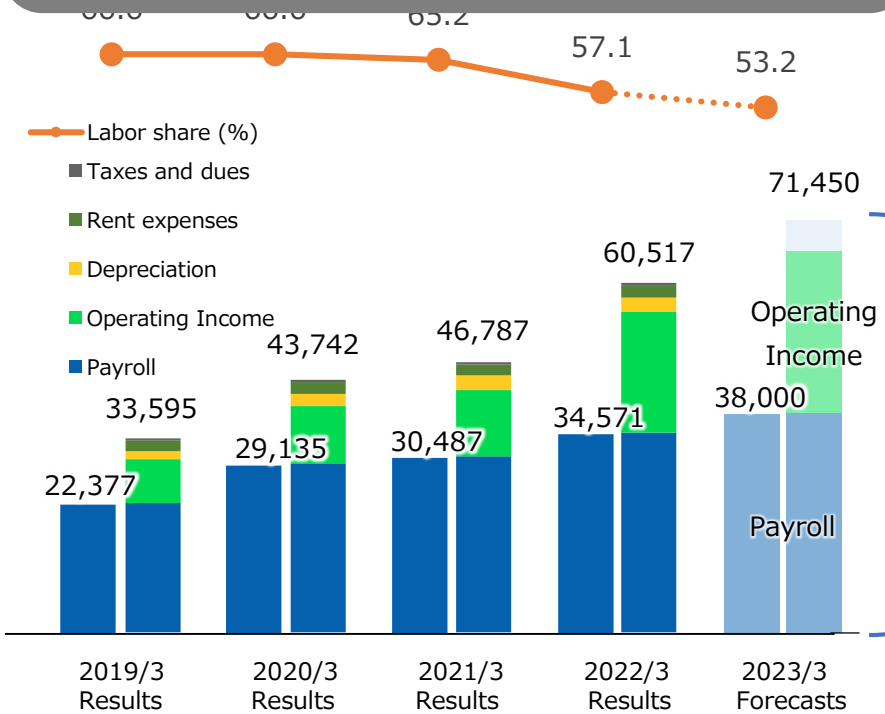


## Average annual wage (including bonus)



# Distribution and return of profits to stakeholders

## Labor share



Monthly salary: aiming for industry's top level

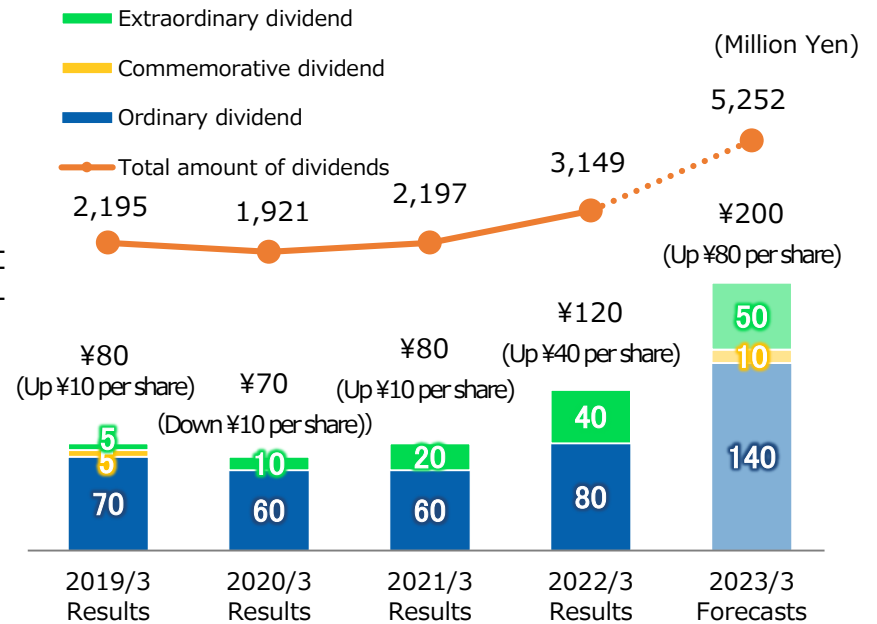


Periodic bonus (summer/winter): focus on stability



Fiscal year-end bonus: focus on performance linkage

## Dividend per share & Total dividends



Ordinary dividend: focus on stability and continuity



Extraordinary dividend: focus on performance linkage



Commemorative dividend: focus on event elements such as anniversaries

# Exchange Rate/FOREX Sensitivity

Reference

	FY2022/3 2Q Results (Yen)	FY2023/3 2Q Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2023/3(yen)
			Net sales	Operating income	
USD	109.80	133.97	584	27	130.00
RMB	16.66	18.94	147	4	20.00
THB	3.42	3.79	145	8	3.50
HKD	14.13	17.07	98	3	16.50
EUR	130.90	138.73	5	0	135.00

# **Financial Results Briefing Material**

for the First Quarter of the  
Fiscal Year ended March 2023

(Announced August 4, 2022)

# Summary of Financial Results for FY2023/3 1Q

## FY2023/3 1Q Results

- **Net sales increased by 43.3 billion yen or 40.9% year on year to 149.3 billion yen, driven by the core electronic components business.** Sales expanded in a wide range of areas, led by automotive and industrial equipment related applications.
- **Operating income increased by 5.3 billion yen or 120.6% year on year to 9.8 billion yen. Improved gross profit margin attributable to higher sales and sales mix resulted in substantial rise in gross profit.**
- **All objectives from net sales to ordinary income for the quarter achieved record highs for a first quarter.**
- **Net sales and operating income both exceeded the internal plan, by approx. 27.0 billion yen and 4.6 billion yen respectively.**

## FY2023/3 earnings Forecasts

- Given uncertainties in the outlook due to factors including COVID-19, the situation in Ukraine and exchange fluctuations, **upward revision was made factoring in the 1Q upside only. Forecasts for 2Q and beyond are unchanged from the initial forecasts.**

(billion yen)	Net Sales	Operating income	Net income
Previous forecasts	510.0	21.2	14.5
Revised forecasts	540.0	24.0	16.0

## Effect of exchange rates

- Relative to the US dollar and other major currencies, the yen generally trended downward, weakening to below compared to the same period the previous year earlier levels and plan assumptions. The effect of exchange rates on the conversion into yen of the P&L of the Group's overseas companies is as follows.

(billion yen)	Net Sales	Operating income
YoY	approx 9.4	approx 0.4
vs Plan	approx 5.6	approx 0.3

# Financial Highlights for FY2023/3 1Q

(million yen)

	FY2022/3 1Q Results		FY2023/3 1Q Results		YoY	FY2023/3 Forecasts <small>(announced on May. 12, 2022)</small>		Progress rate
Net sales	105,949		<b>149,302</b>		40.9%	510,000		29.3%
Gross Profit	13,550	12.8%	<b>19,838</b>	13.3%	46.4%	—	—	—
SG&A	9,098	8.6%	<b>10,018</b>	6.7%	10.1%	—	—	—
Operating income	4,452	4.2%	<b>9,820</b>	6.6%	120.6%	21,200	4.2%	46.3%
Ordinary income	4,566	4.3%	<b>9,858</b>	6.6%	115.9%	21,200	4.2%	46.5%
Profit attributable to owners of parent	2,872	2.7%	<b>6,984</b>	4.7%	143.2%	14,500	2.8%	48.2%
EPS (yen)	104.55	—	<b>266.10</b>	—	—	552.42	—	—
Exchange Rate    yen / USD	109.49	—	<b>129.57</b>	—	—	116.00	—	—

Note: "x. x%" represents the profit margin.

# Results by Business Segment for FY2023/3 1Q

(million yen)

		FY2022/3 1Q Results	FY2023/3 1Q Results	YoY	FY2023/3 Forecasts <small>(announced on May. 12, 2022)</small>	Progress rate
Electronic Component	Net sales	90,624	<b>133,477</b>	47.3%	447,000	29.9%
	Segment income	3,699 <i>4.1%</i>	<b>9,018</b> <i>6.8%</i>	143.7%	18,500 <i>4.1%</i>	48.7%
Information Equipment	Net sales	10,636	<b>11,147</b>	4.8%	39,000	28.6%
	Segment income	568 <i>5.3%</i>	<b>564</b> <i>5.1%</i>	-0.6%	2,000 <i>5.1%</i>	28.2%
Software	Net sales	568	<b>498</b>	-12.3%	4,000	12.5%
	Segment income	-67 <i>-11.8%</i>	<b>-33</b> <i>-6.7%</i>	—	100 <i>2.5%</i>	—
Others	Net sales	4,120	<b>4,178</b>	1.4%	20,000	20.9%
	Segment income	217 <i>5.3%</i>	<b>249</b> <i>6.0%</i>	14.7%	600 <i>3.0%</i>	41.5%
Total	Net sales	105,949	<b>149,302</b>	40.9%	510,000	29.3%
	Segment income	4,452 <i>4.2%</i>	<b>9,820</b> <i>6.6%</i>	120.6%	21,200 <i>4.2%</i>	46.3%

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

"x. x%" represents the profit margin.

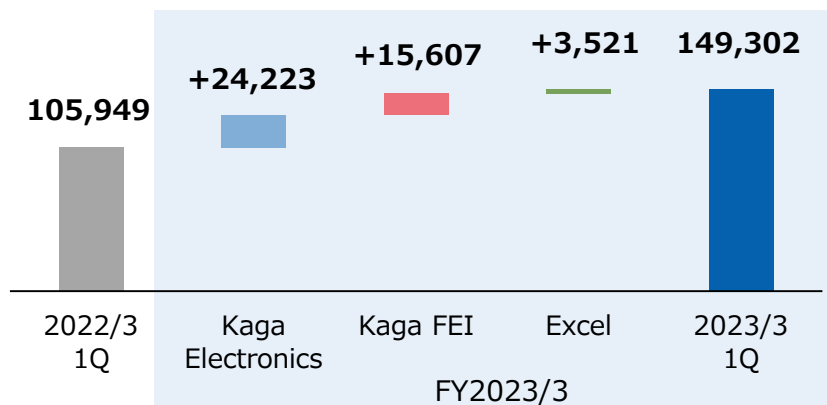


# Effect of M&A for FY2023/3 1Q

(million yen)

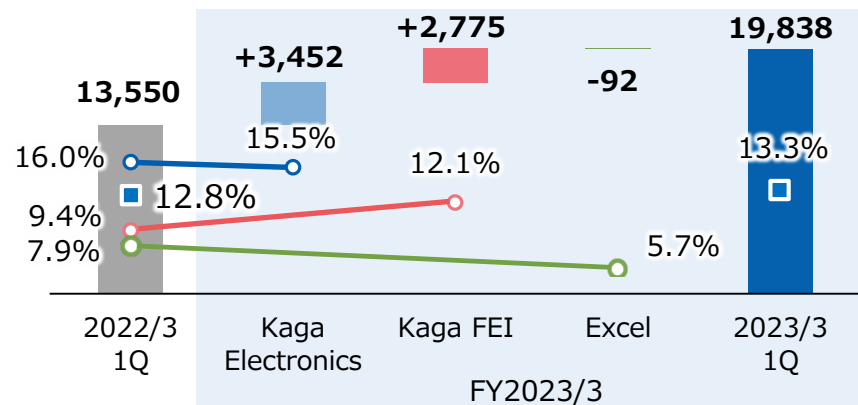
## Net Sales

All three companies achieved significant increases in net sales driven by the electronic components business.



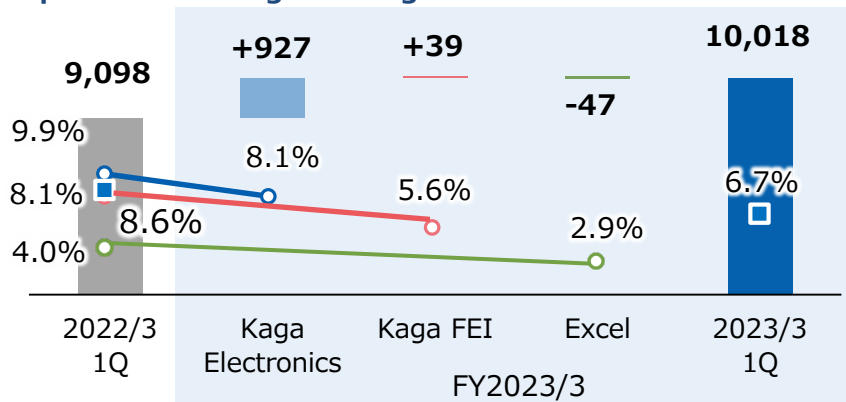
## Gross profit / Gross profit margin

Kaga FEI achieved a significant increase in gross profit, reflecting higher sales and improved profit margin.



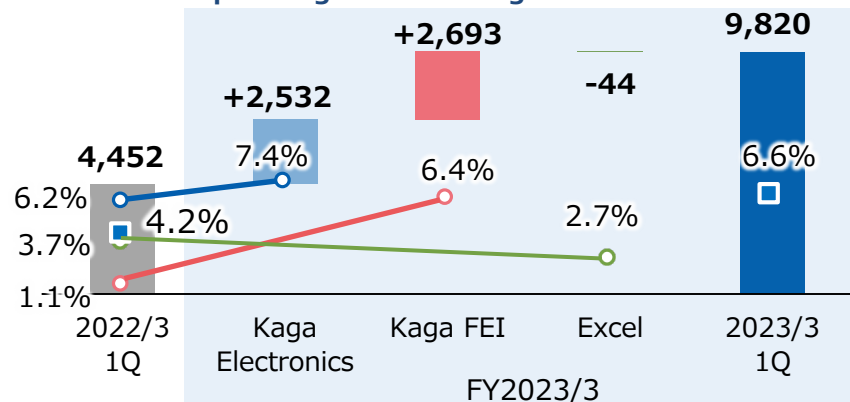
## SG&A / SG&A ratio

SG&A ratio was kept down despite an increase in SG&A expenses resulting from a growth in sales.



## Operating income / Operating income margin

Kaga Electronics and Kaga FEI contributed significantly to achieve 6.6% operating income margin.



# Results by Company for FY2023/3 1Q

(million yen)

		FY2022/3 1Q Results	FY2023/3 1Q Results	YoY
Kaga Electronics	Net sales	60,115	<b>84,339</b>	40.3%
	Gross Profit	9,588 <i>16.0%</i>	<b>13,040</b> <i>15.5%</i>	36.0%
	Operating income	3,719 <i>6.2%</i>	<b>6,251</b> <i>7.4%</i>	68.1%
Kaga FEI	Net sales	32,145	<b>47,752</b>	48.6%
	Gross Profit	3,009 <i>9.4%</i>	<b>5,784</b> <i>12.1%</i>	92.2%
	Operating income	346 <i>1.1%</i>	<b>3,040</b> <i>6.4%</i>	777.0%
Excel	Net sales	13,688	<b>17,209</b>	25.7%
	Gross Profit	1,079 <i>7.9%</i>	<b>986</b> <i>5.7%</i>	-8.6%
	Operating income	507 <i>3.7%</i>	<b>462</b> <i>2.7%</i>	-8.9%
Total	Net sales	105,949	<b>149,302</b>	40.9%
	Gross Profit	13,550 <i>12.8%</i>	<b>19,838</b> <i>13.3%</i>	46.4%
	Operating income	4,452 <i>4.2%</i>	<b>9,820</b> <i>6.6%</i>	120.6%

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

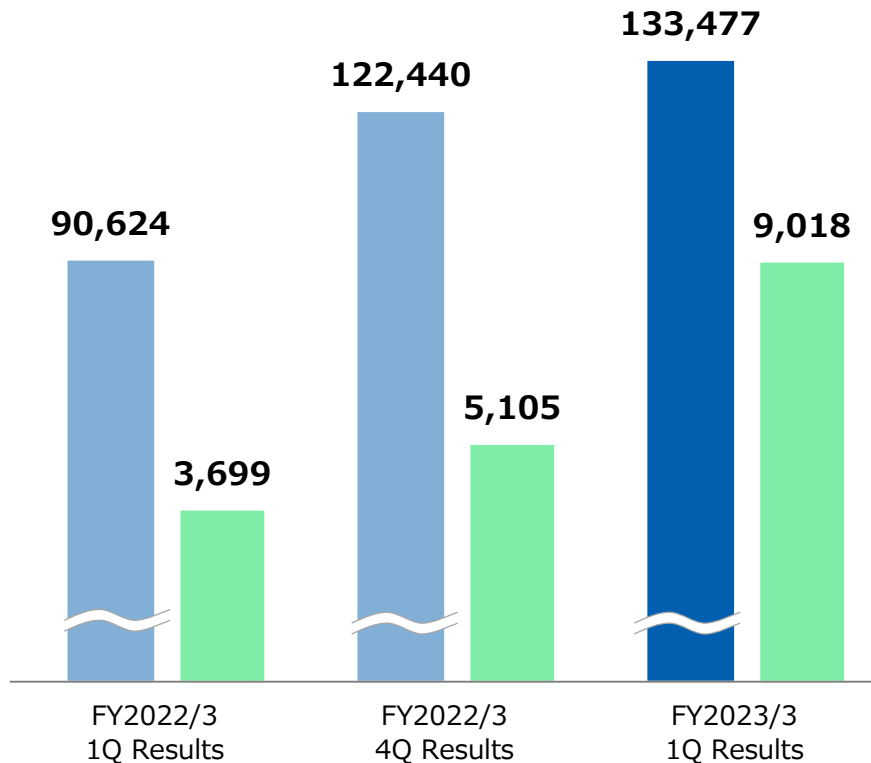
"x. x%" represents the profit margin.

# Financial Highlights: Electronic Component Segment

## Net sales/Segment income

(million yen)

■/■ Net Sales  
■/■ Segment income



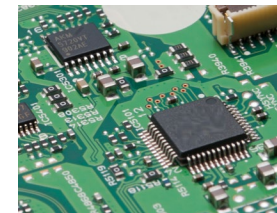
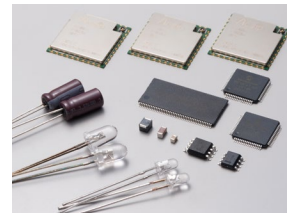
## YoY

- Net Sales ▶ **+42,853**million yen **47.3%Up**
- Segment income ▶ **+5,318**million yen **143.7%Up**

- Despite protracted supply constraints of some materials, the components sales business was able to secure sales volume using the Company's strengths as an independent trading company, and achieved substantial growth in profit.
- Both Kaga Electronics and Kaga FEI saw spot sales making a larger than expected contribution to profit.
- Sales in the EMS business were solid, especially of in automotive and medical applications.
- To minimize the impact of lockdown in Shanghai, collaboration among Group companies in China and thorough process control were implemented to keep operations running.

## QoQ

- Net Sales ▶ **+11,037**million yen **9.0%Up**
- Segment income ▶ **+3,912**million yen **76.6%Up**

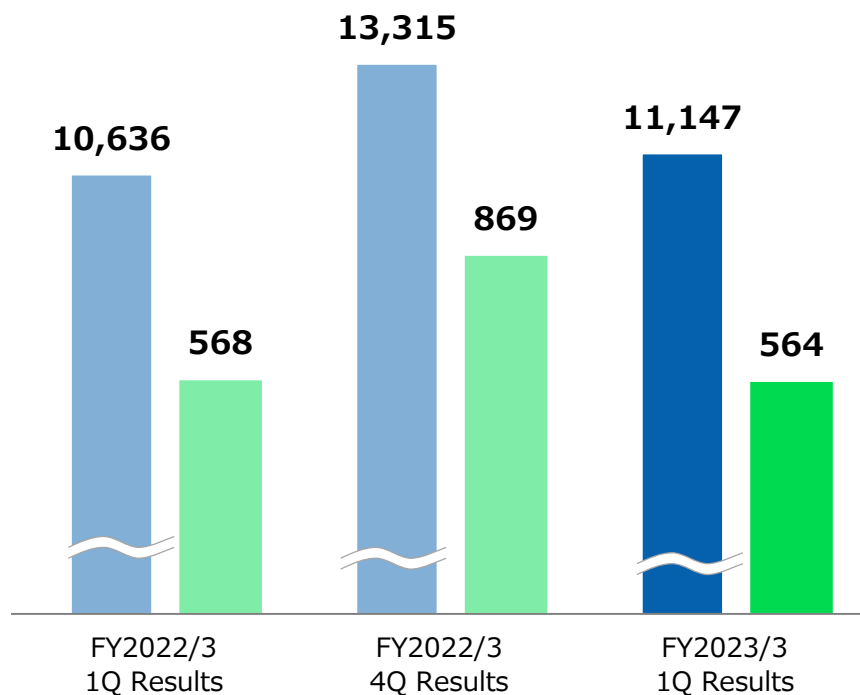


# Financial Highlights: Information Equipment Segment

## Net sales/Segment income

(million yen)

■/■ Net Sales  
■/■ Segment income



## YoY

- Net Sales ▶ **+511**million yen **4.8%Up**
- Segment income ▶ **-3**million yen **0.6%Down**

•Despite a downturn in sales of PCs for remote working, sales of PCs to educational institutions and sales of PC peripheral equipment such as security software remained solid.

•In the LED installation business, large projects that had been delayed due to shortages of materials resumed, contributing to earnings.

## QoQ

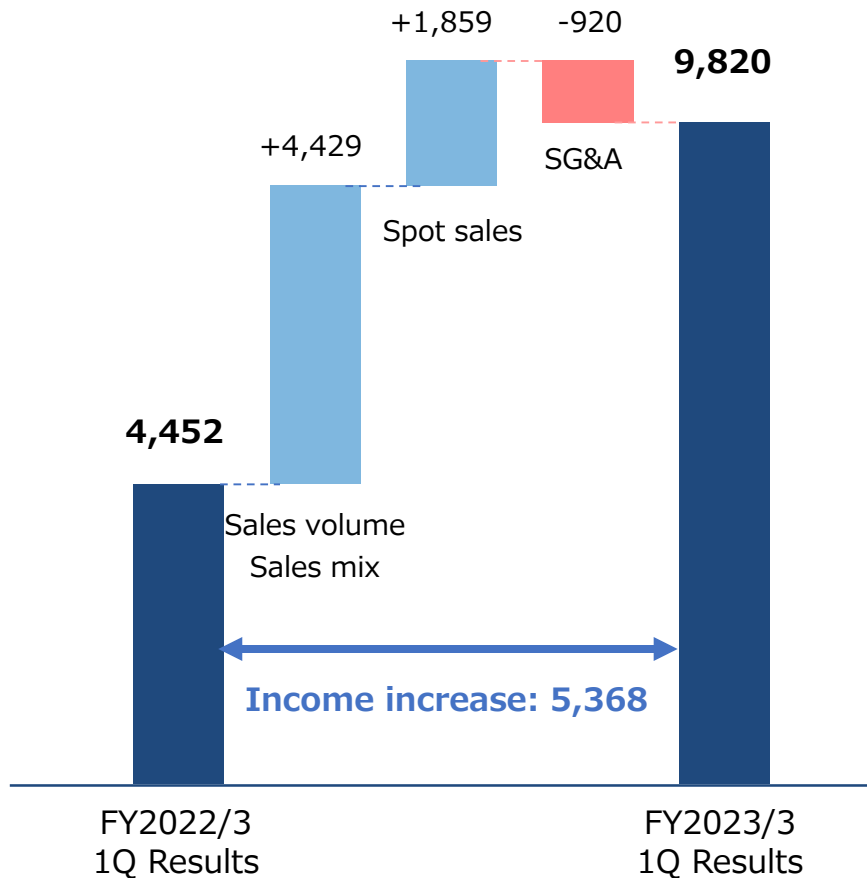
- Net Sales ▶ **-2,168**million yen **16.3%Down**
- Segment income ▶ **-304**million yen **35.0%Down**



# Factors of Increase / Decrease in Operating Income

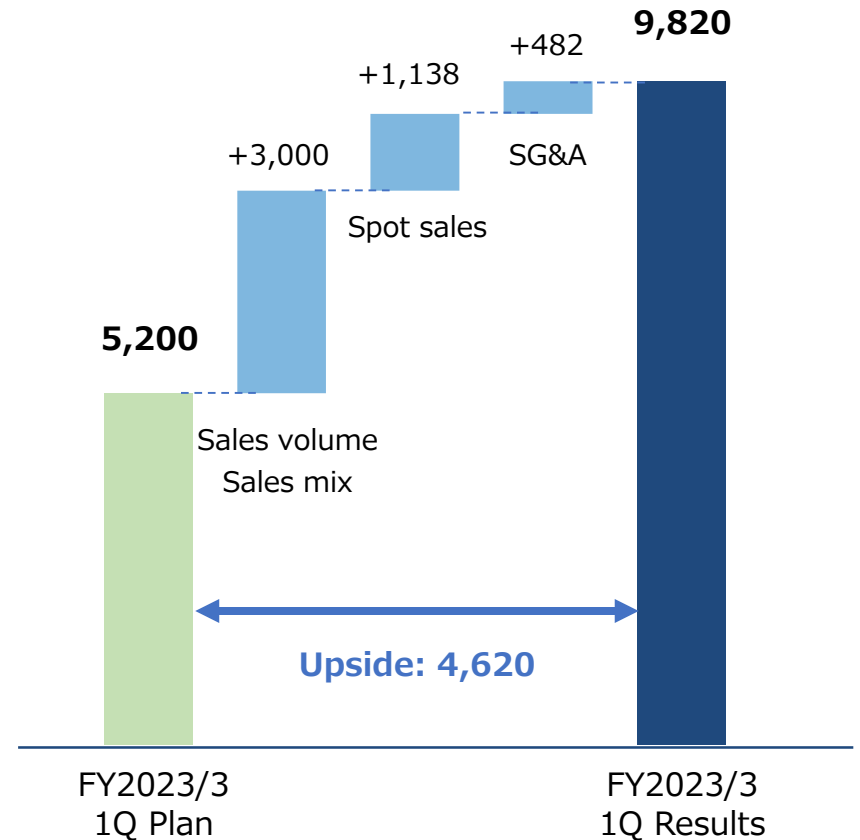
## YoY

(million yen)



## vs Internal Plan

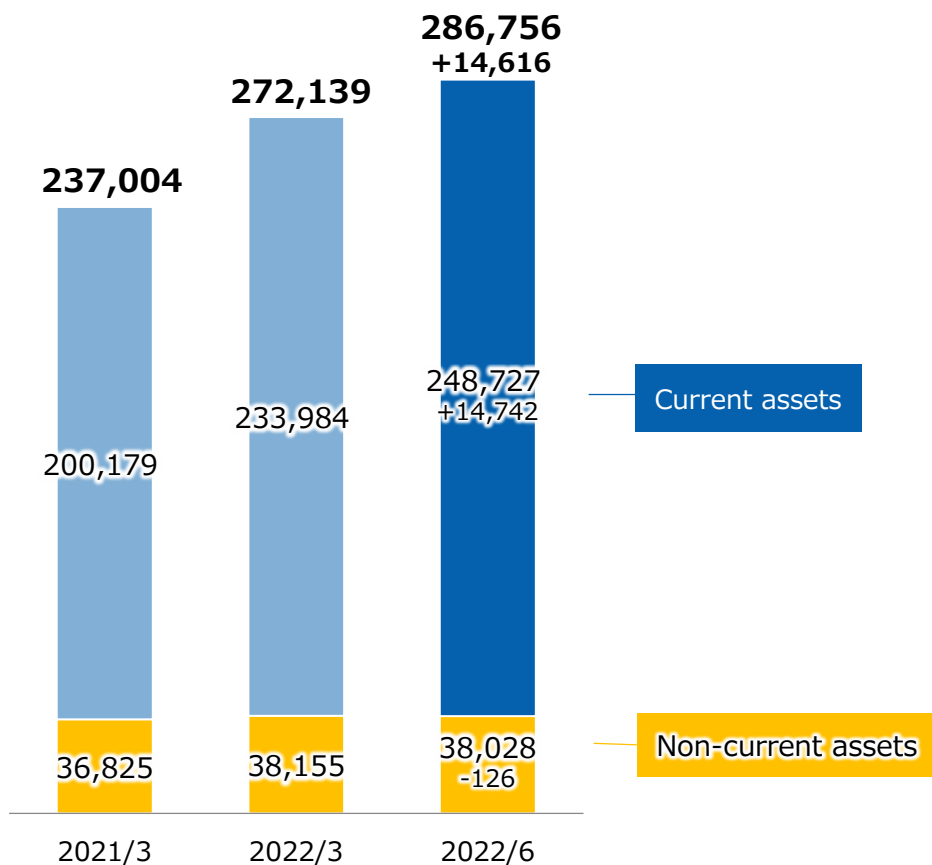
(million yen)



# Balance Sheet Main Items

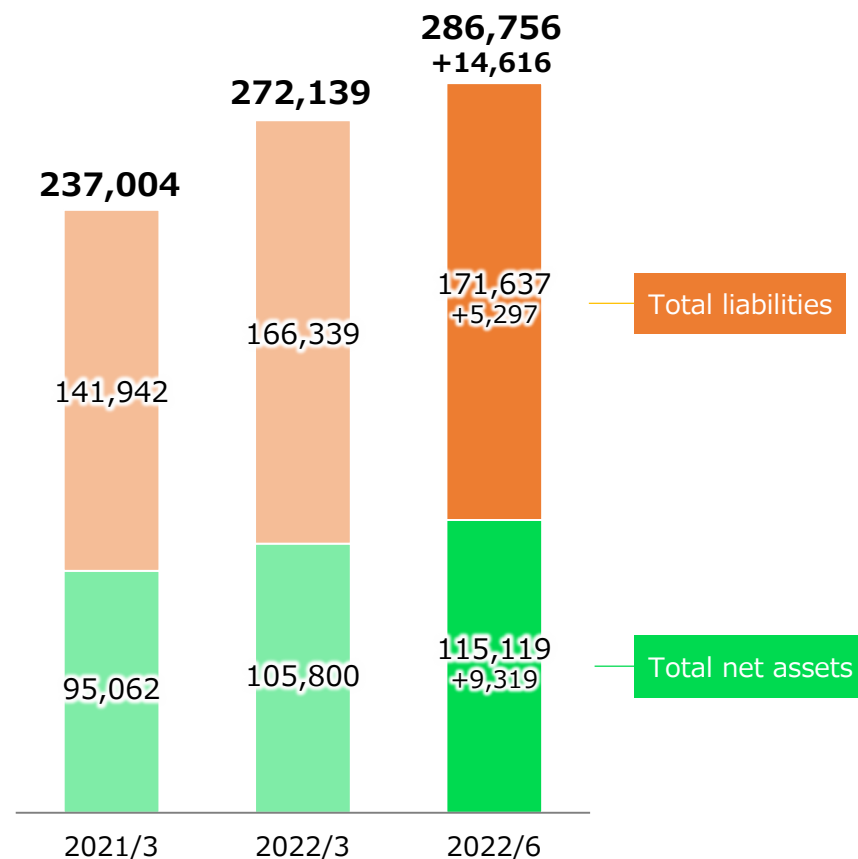
## Total assets

(million yen)



## Total liabilities and net assets

(million yen)

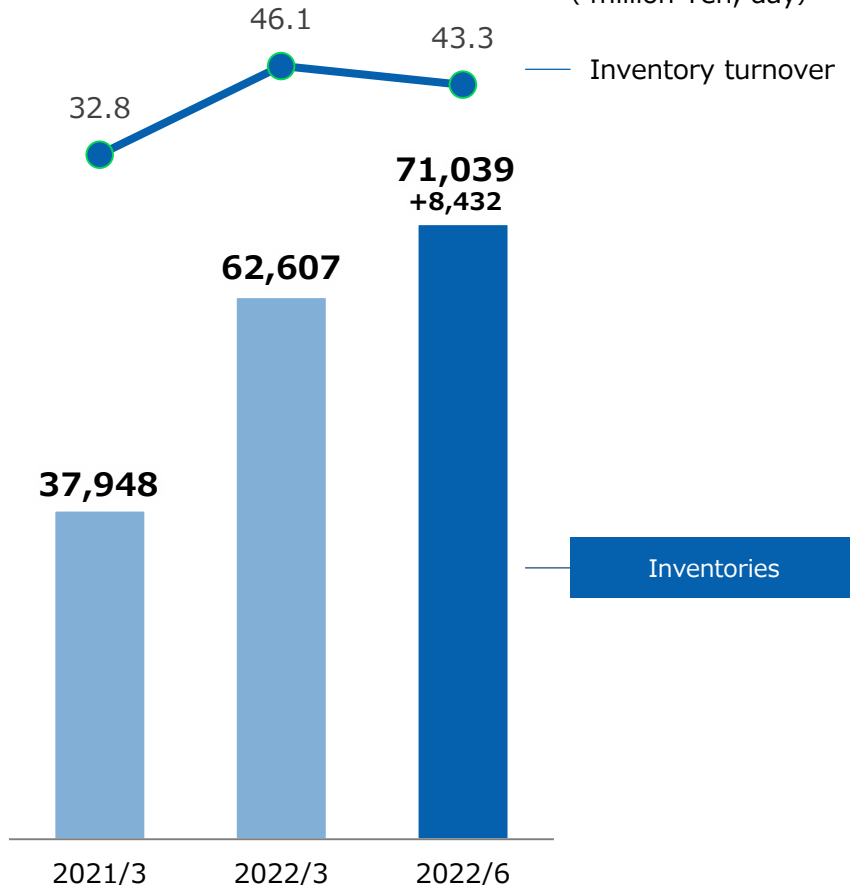


# Balance Sheet Main Items

## Inventories

( million Yen, day)

— Inventory turnover

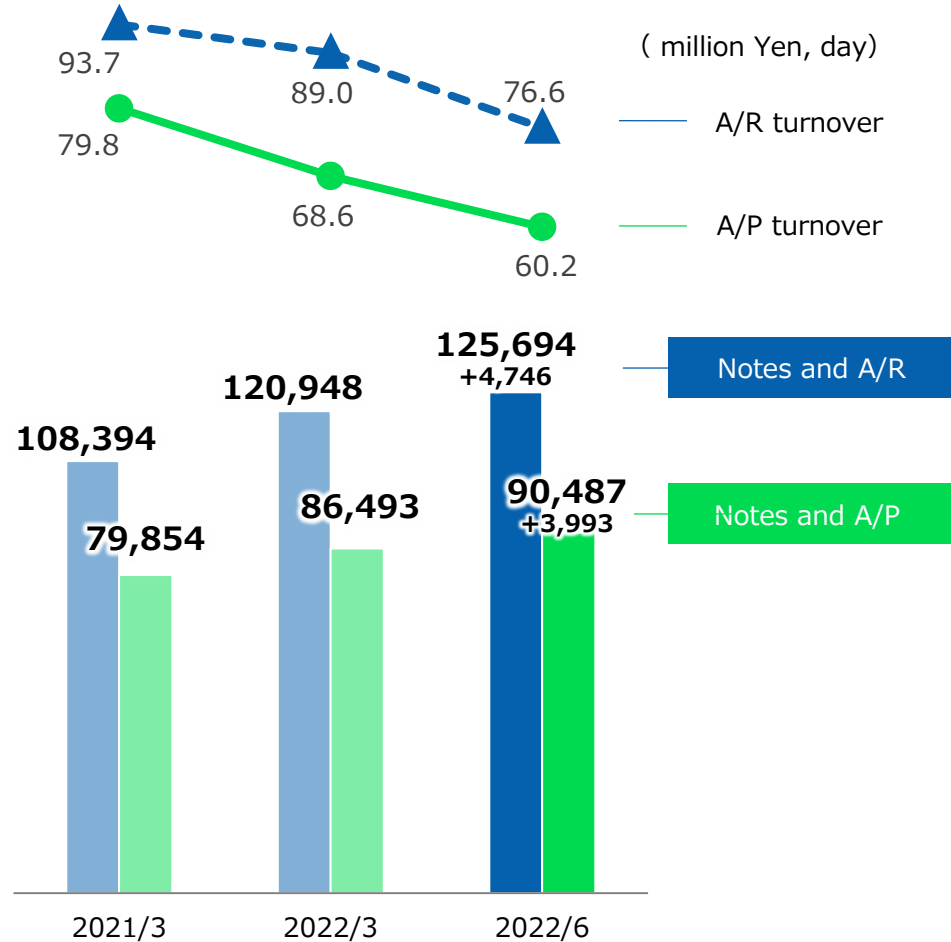


## Accounts receivable/Accounts payable

( million Yen, day)

— A/R turnover

— A/P turnover

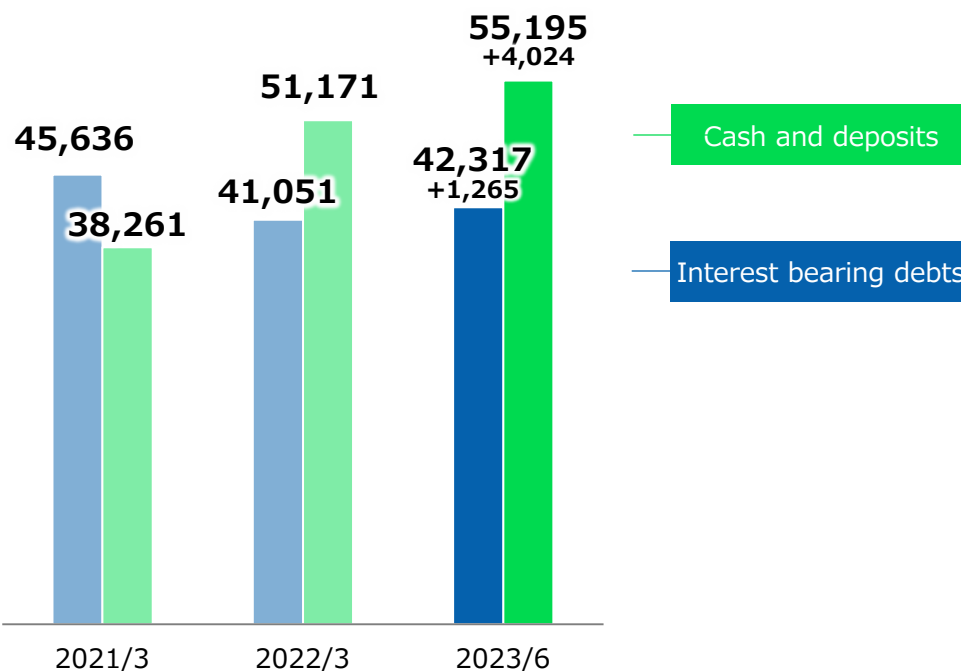
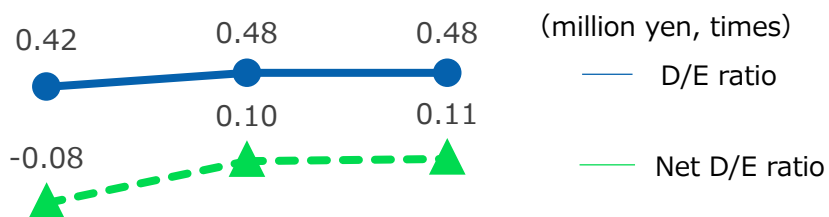


Note : Inventory turnover = Inventories ÷ Net Sales × 91 (day)

Notes :  
 •Notes and A/R are amounts including Electronically recorded monetary claims-operating  
 •Notes and A/P are amounts including Electronically recorded obligations - operating  
 •A/R turnover = Notes and A/R ÷ Net sales × 91 (day)  
 •A/P turnover = Notes and A/P ÷ Total purchase of goods × 91 (day)

# Balance Sheet Main Items

## Cash and Deposits/Interest Bearing Debt



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



# Forecasts for FY2023/3

(Announced on May 12, 2022)

(million yen)

	FY2022/3 Results		FY2023/3 Previous forecasts		FY2023/3 Current forecasts		Diff. from previous forecasts	YoY	
Net sales	495,827		510,000		<b>540,000</b>		5.9%	8.9%	
Operating income	20,915	4.2%	21,200	4.2%	<b>24,000</b>	4.4%	13.2%	14.7%	
Ordinary income	21,456	4.3%	21,200	4.2%	<b>24,500</b>	4.5%	15.6%	14.2%	
Profit attributable to owners of parent	15,401	3.1%	14,500	2.8%	<b>16,000</b>	3.0%	10.3%	3.9%	
EPS (yen)	576.46		552.42		<b>609.58</b>		—	57.16	33.12
ROE	15.7%		13.0%		<b>14.0%</b>		—	1.0pt	-1.7pt
Annual dividend (yen)	120.00		150.00		<b>150.00</b>		—	30.00	
	Ordinary dividend 80.00 Special dividend 40.00		Ordinary dividend 140.00 Commemorative dividend 10.00		Ordinary dividend 140.00 Commemorative dividend 10.00				

Note: "x. x%" represents the profit margin.

# Forecasts by Business Segment for FY2023/3

(million yen)

		FY2022/3 Results	FY2023/3 Forecasts	YoY
Electronic Component	Net sales	433,852	<b>477,000</b>	9.9%
	Segment income	18,107 <i>4.2%</i>	<b>21,300</b> <i>4.5%</i>	17.6%
Information Equipment	Net sales	39,616	<b>39,000</b>	-1.6%
	Segment income	2,085 <i>5.3%</i>	<b>2,000</b> <i>5.1%</i>	-4.1%
Software	Net sales	2,767	<b>4,000</b>	44.5%
	Segment income	-26 <i>-1.0%</i>	<b>100</b> <i>2.5%</i>	-
Others	Net sales	19,590	<b>20,000</b>	2.1%
	Segment income	626 <i>3.2%</i>	<b>600</b> <i>3.0%</i>	-4.2%
Total	Net sales	495,827	<b>540,000</b>	8.9%
	Segment income	20,915 <i>4.2%</i>	<b>24,000</b> <i>4.4%</i>	14.7%

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

"x. x%" represents the profit margin.

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

Reference

(million yen)

		FY2021/3 1Q Results	FY2022/3 1Q Results	FY2023/3 1Q Results	YOY
Electronic Component	Net sales	49,740	66,124	<b>101,444</b>	53.4%
	Segment income	44	1,775	<b>6,541</b>	268.4%
EMS	Net sales	19,820	26,334	<b>33,867</b>	28.6%
	Segment income	1,083	2,060	<b>2,612</b>	26.8%
CSI	Net sales	12,537	10,636	<b>11,147</b>	4.8%
	Segment income	583	568	<b>564</b>	-0.6%
Others	Net sales	2,031	2,854	<b>2,842</b>	-0.4%
	Segment income	-89	14	<b>79</b>	451.6%
Total	Net sales	84,130	105,949	<b>149,302</b>	40.9%
	Segment income	1,656	4,452	<b>9,820</b>	120.6%

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

# Exchange Rate/FOREX Sensitivity

Reference

	FY2022/3 1Q Results (Yen)	FY2023/3 1Q Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2023/3(yen)
			Net sales	Operating income	
USD	109.49	129.57	289	16	116.00
RMB	16.36	18.29	81	3	18.00
THB	3.50	3.77	64	3	3.50
HKD	14.10	16.51	49	2	14.50
EUR	131.96	138.12	3	0	130.00

# **Financial Results Briefing Material**

for the Fiscal Year ended March 2022

(Announced May 12, 2022)

# Summary

## Results for FY2022/3

- **Net sales:** Driven by the core electronic components business, robust demand continued as production activities recovered in manufacturing industries both in Japan and overseas. **Net sales grew significantly, achieving a record high for the first time in two years.**
- **Operating income:** Increased significantly as a result of increased gross profit due to higher sales and an improved profit margin, as well as continued efforts toward workstyle reforms and cost reductions amid the COVID-19 pandemic, **achieving a record high for the third consecutive fiscal year.**
- **Net income:** Despite the absence of the 7.96 billion yen “gain on bargain purchase” posted as extraordinary income in the previous fiscal year, **net income increased significantly thanks to expanded revenue in core businesses, achieving a record high for the second consecutive fiscal year.**

## FY2023/3 earnings forecasts

- **Economic situation:** The business outlook remains cloudy both in Japan and overseas due to factors such as the renewed spread of COVID-19 due to variant strains, the future situation in Ukraine, and rising prices of crude oil and other resources.
- **Industry trends:** Although the supply of semiconductors and electronic parts remains tight for the foreseeable future, **demand for automobiles, communication equipment, and home appliances is expected to continue to grow.**
- **Company’s outlook:** Maintain the momentum of growth in net sales and operating income by focusing on expanding revenue in key areas such as the automotive, industrial equipment, and medical fields.

## Shareholder Return

- **FY2022/3:** The year-end dividend was revised upward to 75 yen per share due to the addition of a 10-yen “extraordinary dividend” to the previous forecast of 65 yen (40 yen in ordinary dividends + 25-yen extraordinary dividend).  
\*The full-year dividend is 120 yen per share, a 40-yen increase from the previous fiscal year.
- **FY2023/3:** Ordinary dividends were increased by 20 yen to 140 yen per share (70 yen for both the interim and year-end dividends). In addition, a 10-yen “55th anniversary commemorative dividend” will be paid as a year-end dividend. Accordingly, the full-year dividend is planned to be 150 yen per share, an increase of 30 yen.

# Financial Highlights for FY2022/3

(million yen)

	FY2021/3 Results	FY2022/3 Results	YoY	FY2022/3 Previous Forecasts (announced on Feb. 3, 2022)	vs Forecasts
Net sales	422,365	<b>495,827</b>	17.4%	475,000	4.4%
Gross profit	47,936 11.3%	<b>60,547</b> 12.2%	26.3%	—	—
SG&A	36,469 8.6%	<b>39,632</b> 8.0%	8.7%	—	—
Operating income	11,467 2.7%	<b>20,915</b> 4.2%	82.4%	17,500 3.7%	19.5%
Ordinary income	11,241 2.7%	<b>21,456</b> 4.3%	90.9%	18,000 3.8%	19.2%
Profit attributable to owners of parent	11,399 2.7%	<b>15,401</b> 3.1%	35.1%	12,000 2.5%	28.4%
EPS (Yen)	415.07	<b>576.46</b> —	—	449.13 —	—

# Financial Results by Business Segment for FY2022/3

(million yen)

		FY2021/3 Results	FY2022/3 Results		YoY	FY2022/3 Previous Forecasts		vs Forecasts
		(announced on Feb. 3, 2022)						
Electronics Component	Net sales	353,454	<b>433,852</b>		22.7%	<b>414,000</b>		4.8%
	Segment income	8,151 2.3%	<b>18,107</b> 4.2%		122.1%	<b>14,800</b> 3.6%		22.4%
Information Equipment	Net sales	48,389	<b>39,616</b>		-18.1%	<b>40,000</b>		-1.0%
	Segment income	2,482 5.1%	<b>2,085</b> 5.3%		-16.0%	<b>2,000</b> 5.0%		4.3%
Software	Net sales	2,932	<b>2,767</b>		-5.6%	<b>3,000</b>		-7.8%
	Segment income	263 9.0%	<b>-26</b> -1.0%		—	<b>200</b> 6.7%		—
Others	Net sales	17,589	<b>19,590</b>		11.4%	<b>18,000</b>		8.8%
	Segment income	474 2.7%	<b>626</b> 3.2%		32.0%	<b>500</b> 2.8%		25.2%
Total	Net sales	422,365	<b>495,827</b>		17.4%	<b>475,000</b>		4.4%
	Segment income	11,467 2.7%	<b>20,915</b> 4.2%		82.4%	<b>17,500</b> 3.7%		19.5%

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



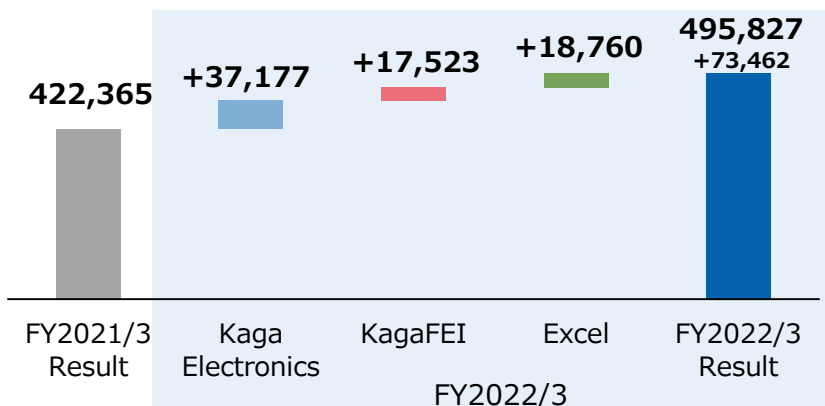
# Effect of M&A for FY2022/3

\* EXCEL's actual results for FY2021/3 do not include results of overseas subsidiaries' FY2021/Jan-Mar period.

(million yen)

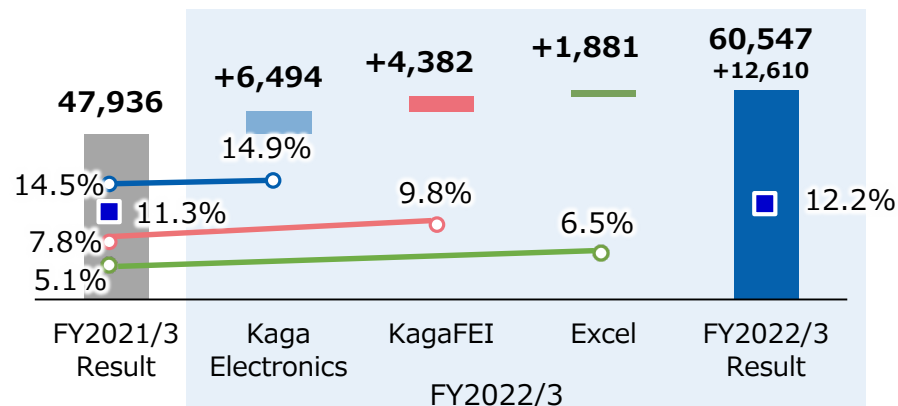
## Net Sales

There was a significant increase in net sales in all three companies, driven by the electronic components business.



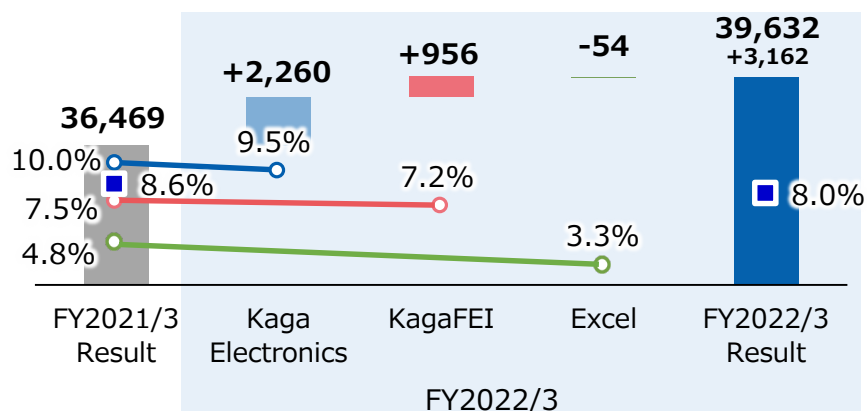
## Gross profit / Gross profit margin

Profit grew for all three companies thanks to improved profit margins and increased gross profit in line with higher sales.



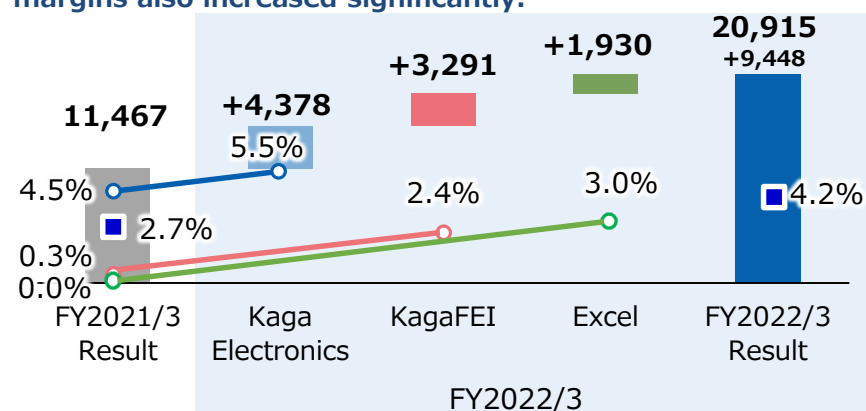
## SG&A / SG&A ratio

Although expenses increased with growth in sales, SG&A ratios fell.



## Operating income / Operating income margin

Higher expenses were absorbed by the increase in gross profit, maintaining increased income. Operating income margins also increased significantly.



# Financial Results by Company for FY2022/3

(million yen)

		FY2021/3 Results		FY2022/3 Results		YoY	FY2022/3 Previous Forecasts		vs Forecasts
		(announced on Feb. 3, 2022)							
Kaga Electronics	Net sales	243,897		<b>281,075</b>		15.2%	<b>265,000</b>		6.1%
	Gross Profit	35,273	14.5%	<b>41,767</b>	14.9%	18.4%	<b>38,300</b>	14.5%	9.1%
	Operating income	11,083	4.5%	<b>15,461</b>	5.5%	39.5%	<b>13,000</b>	4.9%	18.9%
Kaga FEI	Net sales	131,932		<b>149,455</b>		13.3%	<b>145,000</b>		3.1%
	Gross Profit	10,307	7.8%	<b>14,690</b>	9.8%	42.5%	<b>13,500</b>	9.3%	8.8%
	Operating income	362	0.3%	<b>3,654</b>	2.4%	907.2%	<b>2,600</b>	1.8%	40.5%
Excel	Net sales	46,535		<b>65,296</b>		40.3%	<b>65,000</b>		0.5%
	Gross Profit	2,365	5.1%	<b>4,247</b>	6.5%	79.5%	<b>4,200</b>	6.5%	1.1%
	Operating income	6	0.0%	<b>1,937</b>	3.0%	—	<b>1,900</b>	2.9%	2.0%
Total	Net sales	422,365		<b>495,827</b>		17.4%	<b>475,000</b>		4.4%
	Gross Profit	47,936	11.3%	<b>60,547</b>	12.2%	26.3%	<b>56,000</b>	11.8%	8.1%
	Operating income	11,467	2.7%	<b>20,915</b>	4.2%	82.4%	<b>17,500</b>	3.7%	19.5%

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

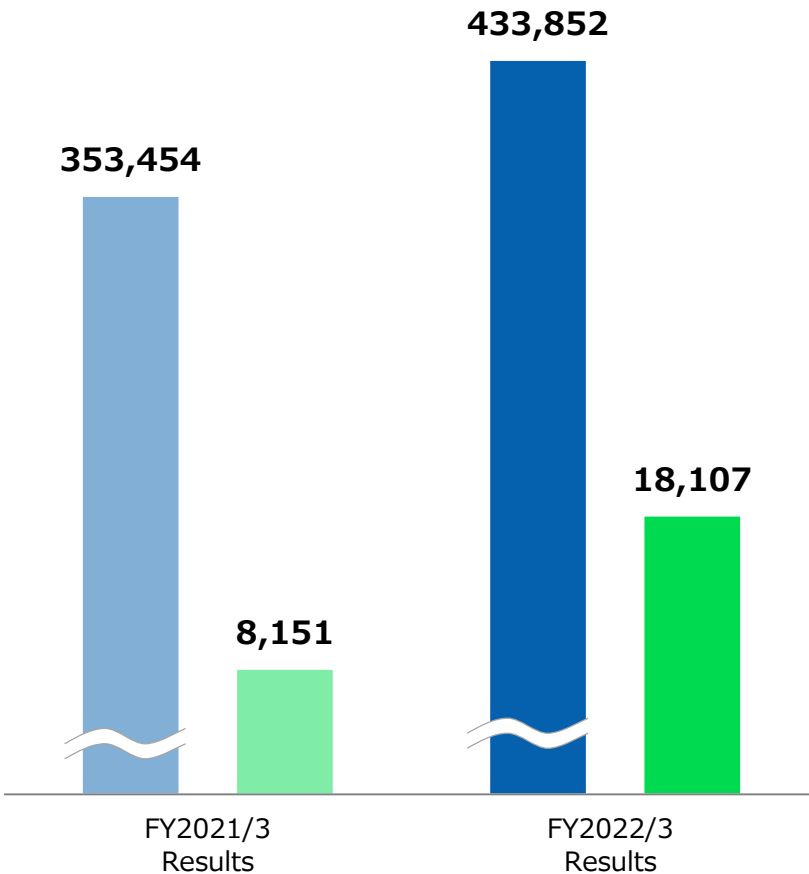
# Financial Highlights: Electronic Component

(Million Yen)

Net sales/Segment income

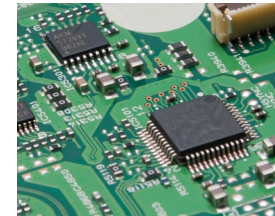
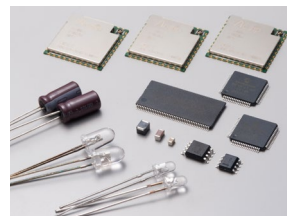
YoY

■ / ■ Net sales  
■ / ■ Segment income



- Net sales ▶ **+80,398** million Yen **22.7% Up**
- Segment Income ▶ **+9,956** million Yen **122.1% Up**

- Strong sales continued in the components sales business throughout the period as a result of previously capturing demand from customers in a wide range of industries.
  - Despite supply shortages of some parts, the Company utilized the strengths of its procurement network as an independent trading company to maintain widespread sales quantities, which also boosted performance.
  - Steady progress in PMI at acquired companies including Kaga FEI and EXCEL contributed to profit growth.
- 
- Sales in the EMS business were solid, especially of automotive/medical products and industrial equipment.
  - Despite prolonged lockdowns to combat the renewed spread of COVID-19 and part shortages, efforts were made to minimize their impact by implementing thorough process control under close cooperation with customers.



# Financial Highlights: Information Equipment

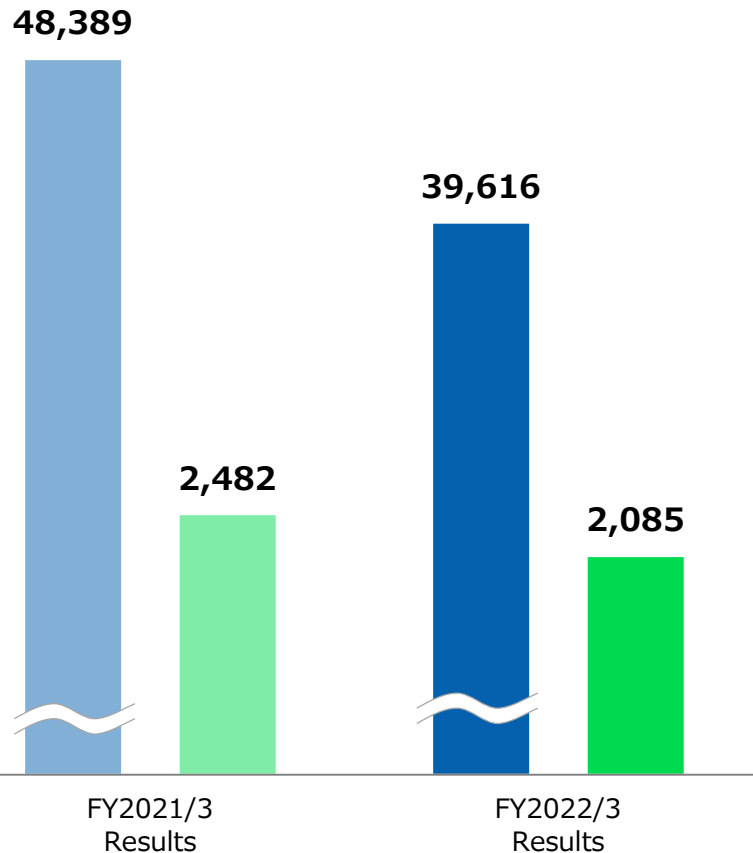
(Million Yen)

Net sales/Segment income

YoY

■ / ■ Net sales  
■ / ■ Segment income

- Net sales ▶ **-8,772**million Yen **18.1%Down**
- Segment Income ▶ **-396**million Yen **16.0%Down**



• Although sales of PCs to educational institutions and PC peripherals such as security software were robust, sales of PCs to corporations were subdued as a result of the abatement of remote working and product supply difficulties.

• The LED installation business struggled due to extensions of construction periods caused by difficulty procuring materials/equipment and delivery delays.



# Financial Highlights (3 months)

Reference

(million yen)

	FY2021/3 4Q Results		FY2022/3 3Q Results		FY2022/3 4Q Results		YoY	QoQ
Net sales	128,099		129,675		<b>143,143</b>		11.7%	10.4%
Gross profit	14,289	11.2%	15,628	12.1%	<b>17,786</b>	12.4%	24.5%	13.8%
SG&A	10,339	8.1%	9,270	7.1%	<b>11,529</b>	8.1%	11.5%	24.4%
Operating income	3,950	3.1%	6,357	4.9%	<b>6,257</b>	4.4%	58.4%	-1.6%
Ordinary income	4,010	3.1%	6,434	5.0%	<b>6,569</b>	4.6%	63.8%	2.1%
Profit attributable to owners of parent	-1,329	-1.0%	4,790	3.7%	<b>4,986</b>	3.5%	—	4.1%
EPS	-48.38		182.57		<b>189.99</b>		—	—

# Financial Results by Business Segment (3 months)

Reference

(million yen)

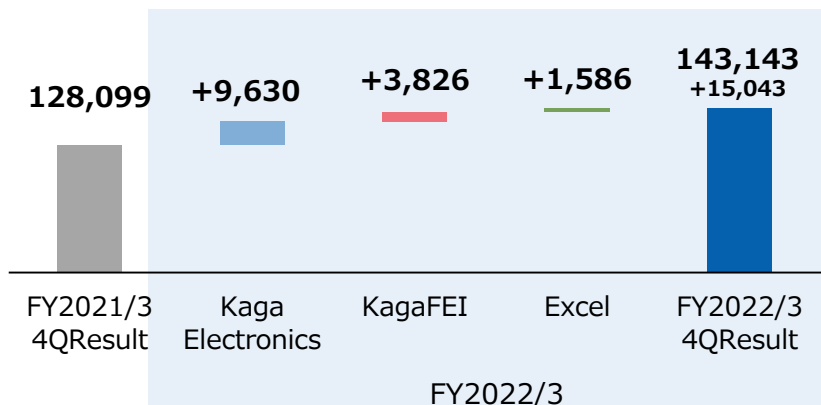
		FY2021/3 4Q Results		FY2022/3 3Q Results		FY2022/3 4Q Results		YoY	QoQ
Electronic Components	Net sales	106,750		117,005		<b>122,440</b>		14.7%	4.6%
	Segment income	2,732	2.6%	5,878	5.0%	<b>5,105</b>	4.2%	86.8%	-13.1%
Information Equipment	Net sales	14,451		7,587		<b>13,315</b>		-7.9%	75.5%
	Segment income	728	5.0%	305	4.0%	<b>869</b>	6.5%	19.2%	184.2%
Software	Net sales	927		603		<b>926</b>		-0.1%	53.5%
	Segment income	156	16.9%	-0	-0.1%	<b>83</b>	9.0%	-46.9%	—
Others	Net sales	5,969		4,478		<b>6,460</b>		8.2%	44.2%
	Segment income	325	5.5%	152	3.4%	<b>152</b>	2.4%	-53.0%	0.1%
Total	Net sales	128,099		129,675		<b>143,143</b>		11.7%	10.4%
	Segment income	3,950	3.1%	6,357	4.9%	<b>6,257</b>	4.4%	58.4%	-1.6%

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

(million yen)

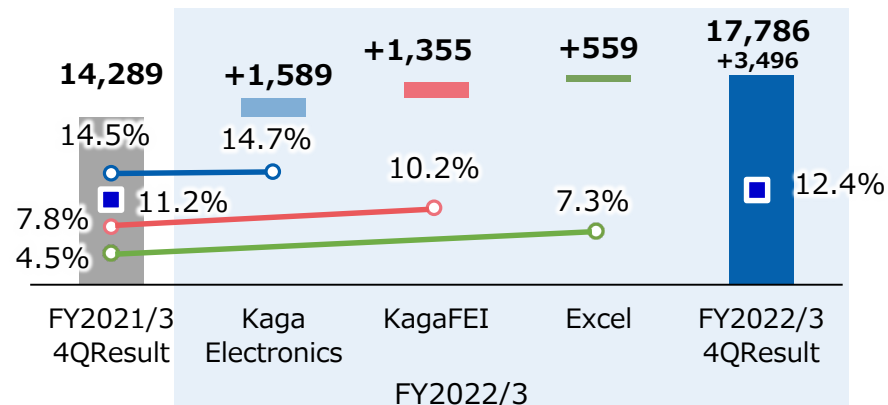
## Net Sales

There was a significant increase in net sales in all three companies, driven by the electronic components business.



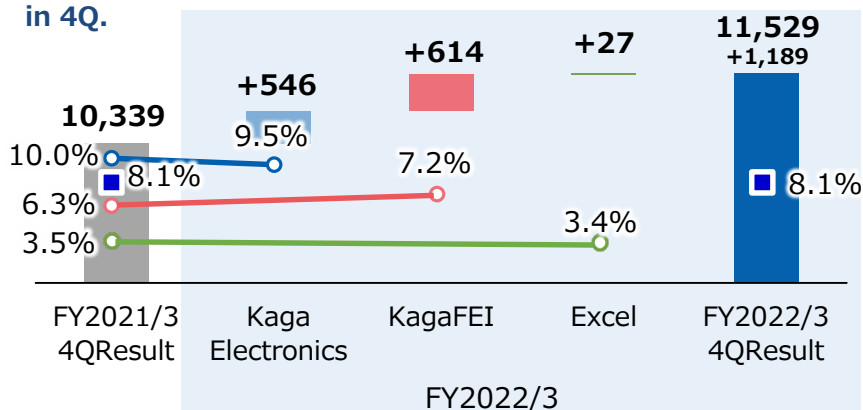
## Gross profit / Gross profit margin

Profit grew for all three companies thanks to improved profit margins and increased gross profit in line with higher sales.



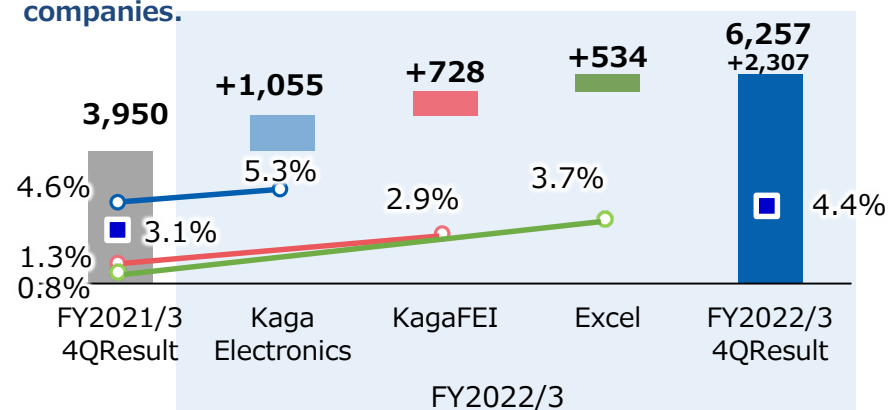
## SG&A / SG&A ratio

Expenses increased with growth in sales, in addition to seasonal factors such as bonus reserves in 4Q.



## Operating income / Operating income margin

Higher expenses were absorbed by the increase in gross profit. Income increased significantly for all three companies.



# Financial Results by Company (3 months)

Reference

(million yen)

		FY2021/3 4QResults		FY2022/3 3QResults		FY2022/3 4QResults		YoY	QoQ
Kaga Electronics	Net sales	72,423		73,748		<b>82,054</b>		+13.3%	+11.3%
	Gross Profit	10,488	14.5%	10,839	14.7%	<b>12,077</b>	14.7%	+15.3%	+11.4%
	Operating income	3,304	4.6%	4,698	6.4%	<b>4,360</b>	5.3%	+32.0%	-7.2%
Kaga FEI	Net sales	39,511		37,876		<b>43,338</b>		+9.7%	+14.4%
	Gross Profit	3,064	7.8%	3,945	10.4%	<b>4,419</b>	10.2%	+44.2%	+12.0%
	Operating income	506	1.3%	1,351	3.6%	<b>1,235</b>	2.9%	+143.8%	-8.6%
Excel	Net sales	16,163		18,050		<b>17,750</b>		+9.8%	-1.7%
	Gross Profit	733	4.5%	850	4.7%	<b>1,293</b>	7.3%	+76.3%	+52.1%
	Operating income	128	0.8%	308	1.7%	<b>662</b>	3.7%	+417.1%	114.6%
Total	Net sales	128,099		129,675		<b>143,143</b>		+11.7%	+10.4%
	Gross Profit	14,289	11.2%	15,628	12.1%	<b>17,786</b>	12.4%	+24.5%	+13.8%
	Operating income	3,950	3.1%	6,357	4.9%	<b>6,257</b>	4.4%	+58.4%	-1.6%

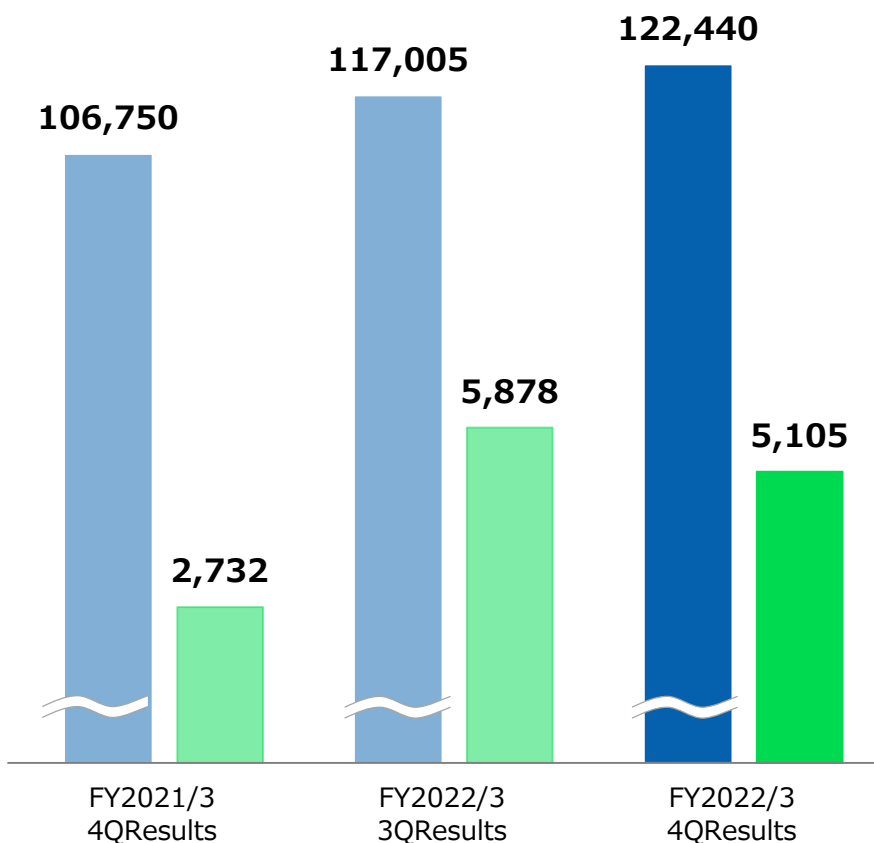
Note: With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.



(Million Yen)

Net sales/Segment income

■ / ■ Net Sales  
■ / ■ Segment Income



YoY

- Net sales ▶ **+ 15,690**million Yen **14.7%Up**
- Segment Income ▶ **+ 2,372**million Yen **86.8%Up**

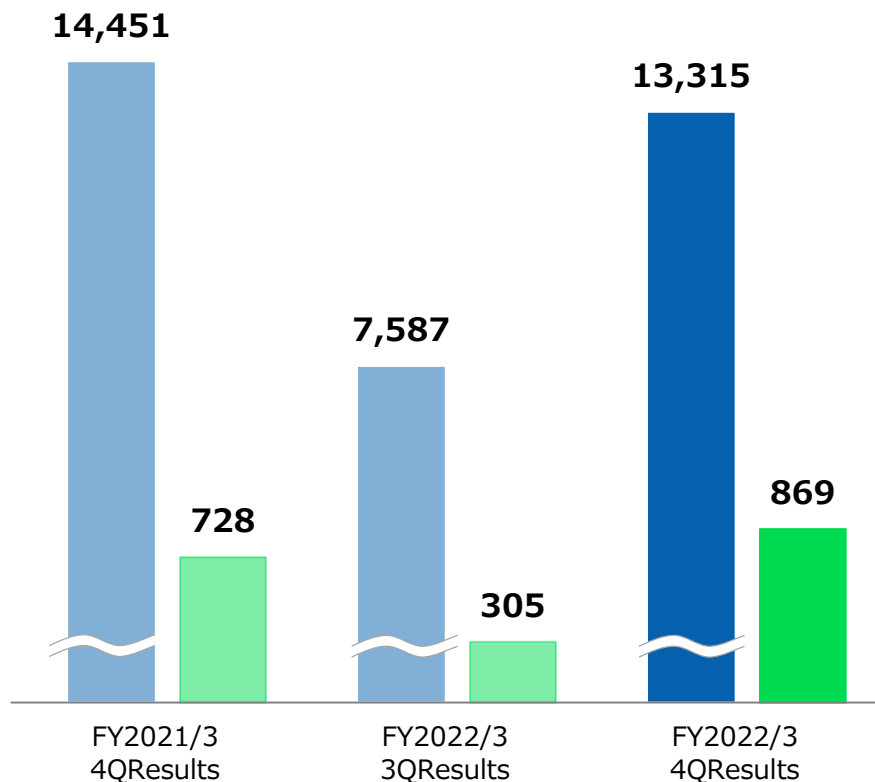
QoQ

- Net sales ▶ **+ 5,435**million Yen **4.6%Up**
- Segment Income ▶ **-772**million Yen **13.1%Down**

(Million Yen)

Net sales/Segment income

■ / ■ Net Sales  
■ / ■ Segment Income



YoY

- Net sales ▶ **-1,135**million Yen **7.9%Down**
- Segment Income ▶ **+140**million Yen **19.2%Up**

QoQ

- Net sales ▶ **+5,728**million Yen **75.5%Up**
- Segment Income ▶ **+563**million Yen **184.2%Up**

# Changes from Previous forecast (announced on February 3, 2022)

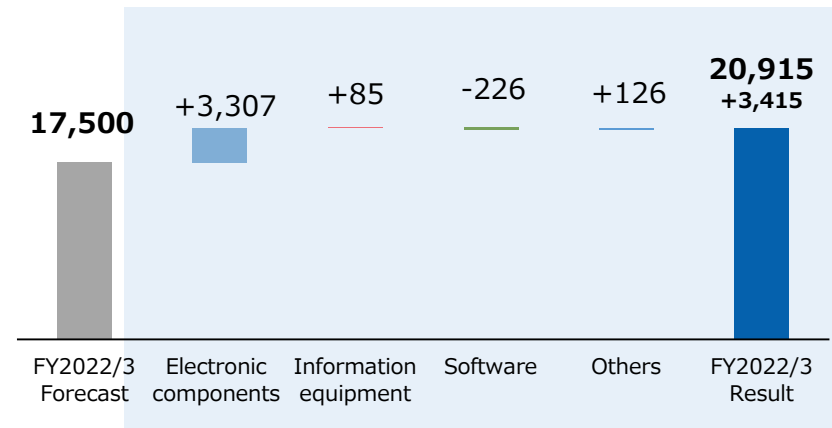
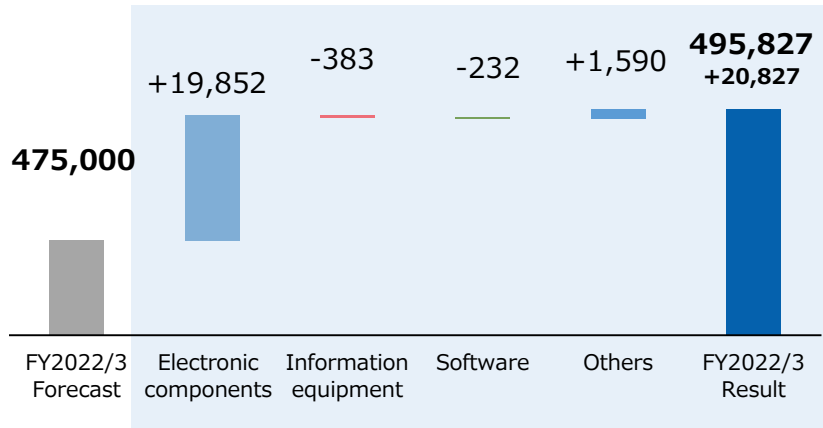
Reference

(million yen)

## Net sales

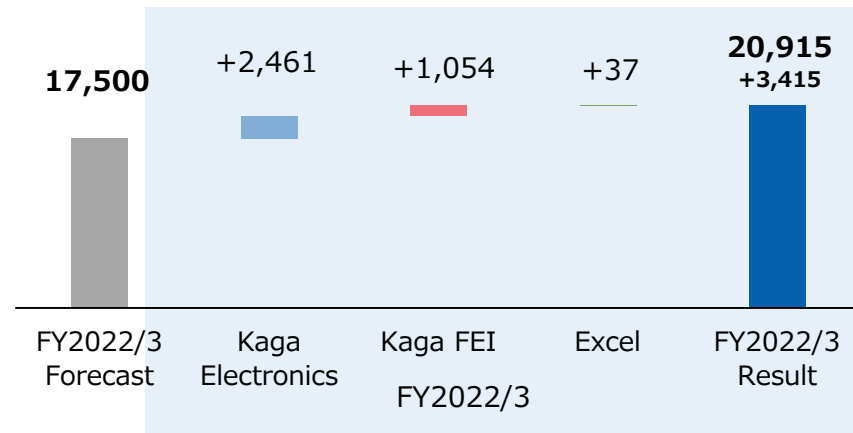
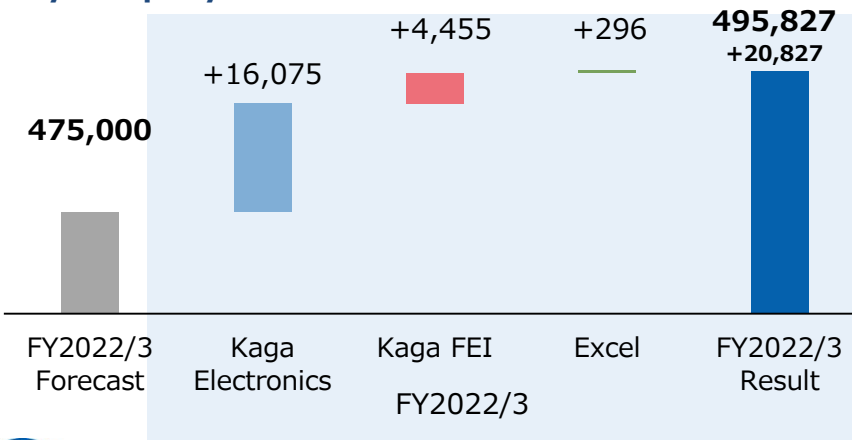
## Operating income

### < by Business Segment >

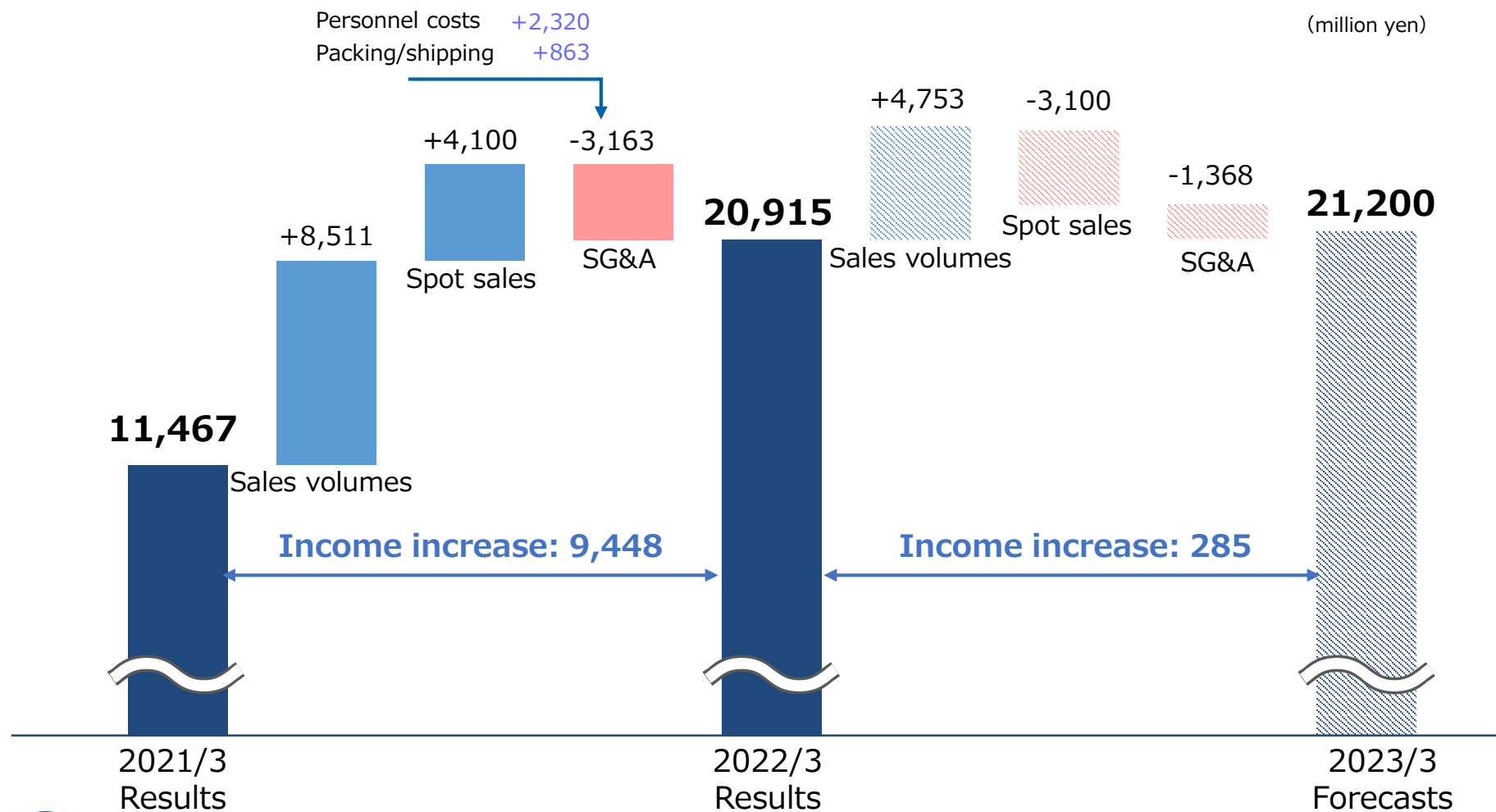


### < by company >

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



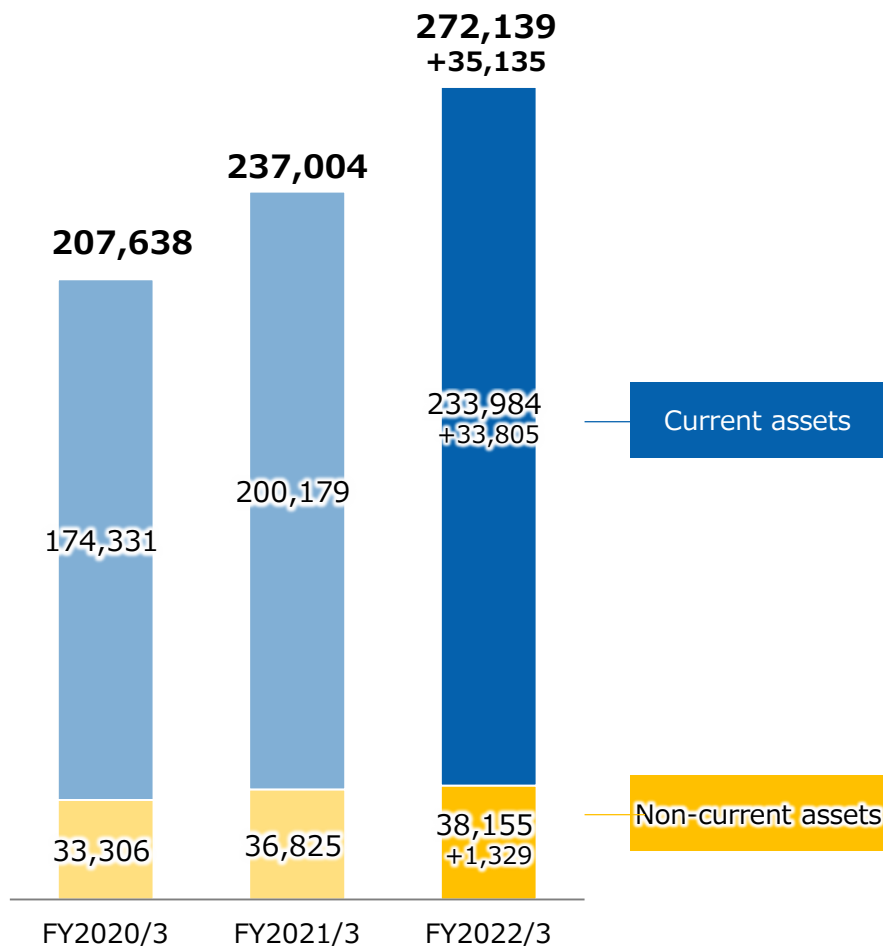
# FY2022/3 vs FY2023/3 Factors of Increase/Decrease in Operating Income



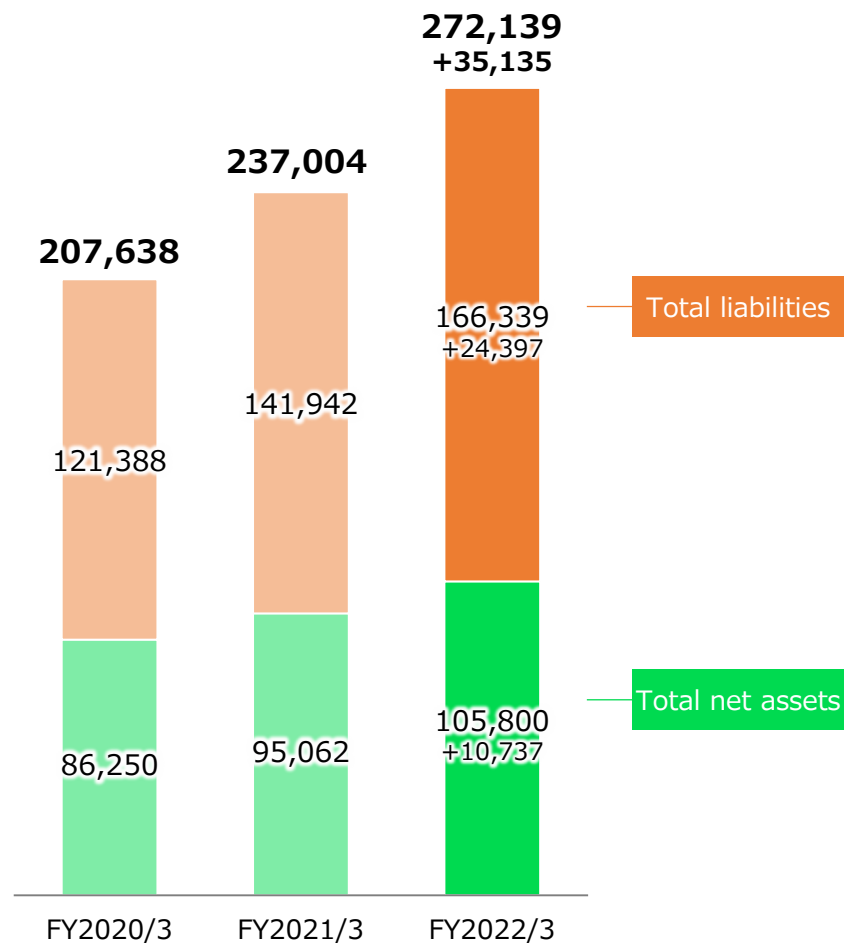
# Balance Sheet Main Items

(million yen)

## Total assets



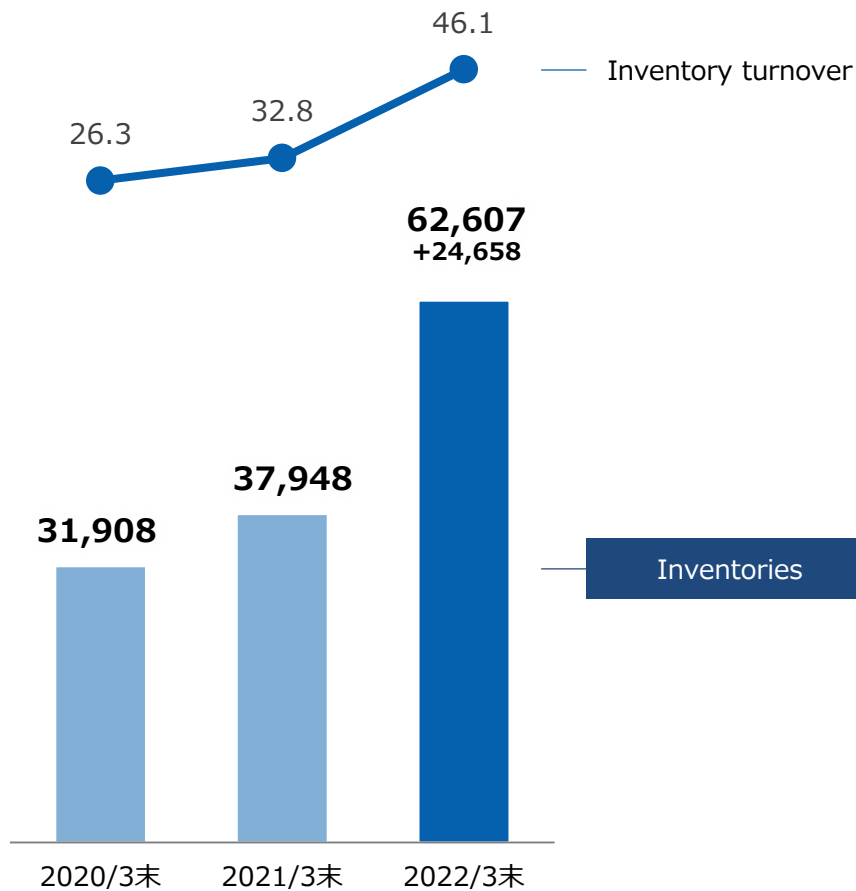
## Total liabilities and net assets



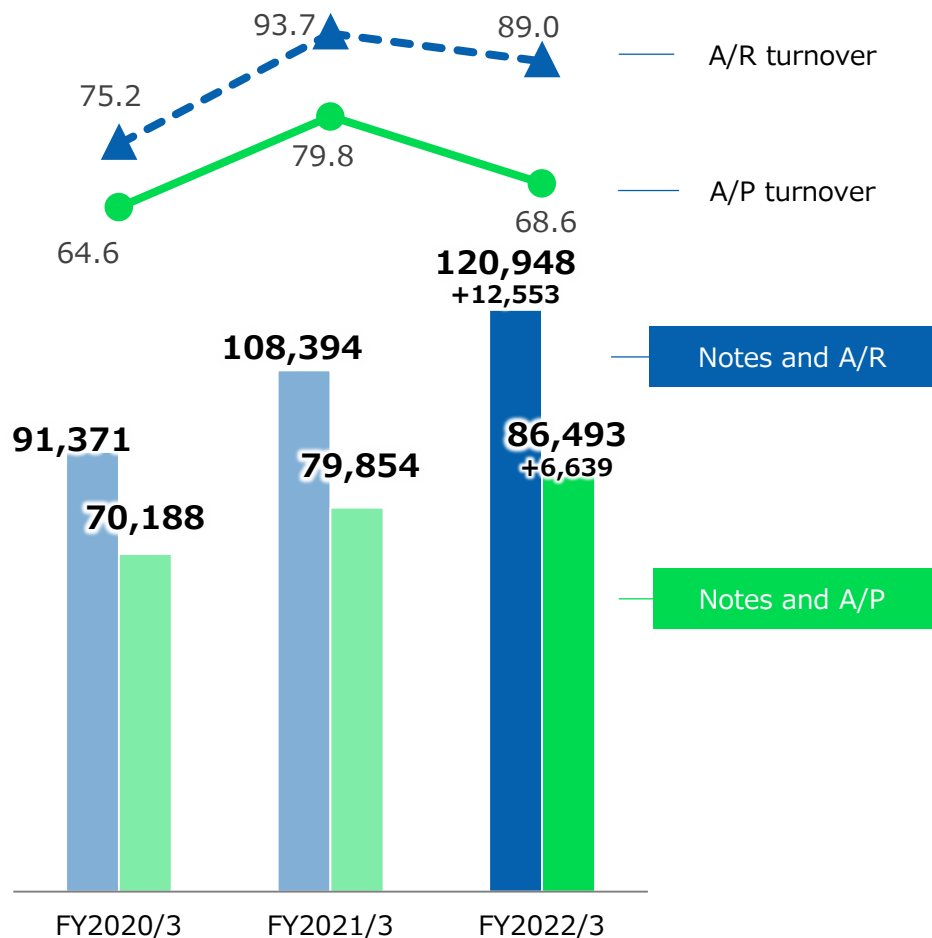
# Balance Sheet Main Items

(million yen, day)

## Inventories



## Accounts receivable/Accounts payable



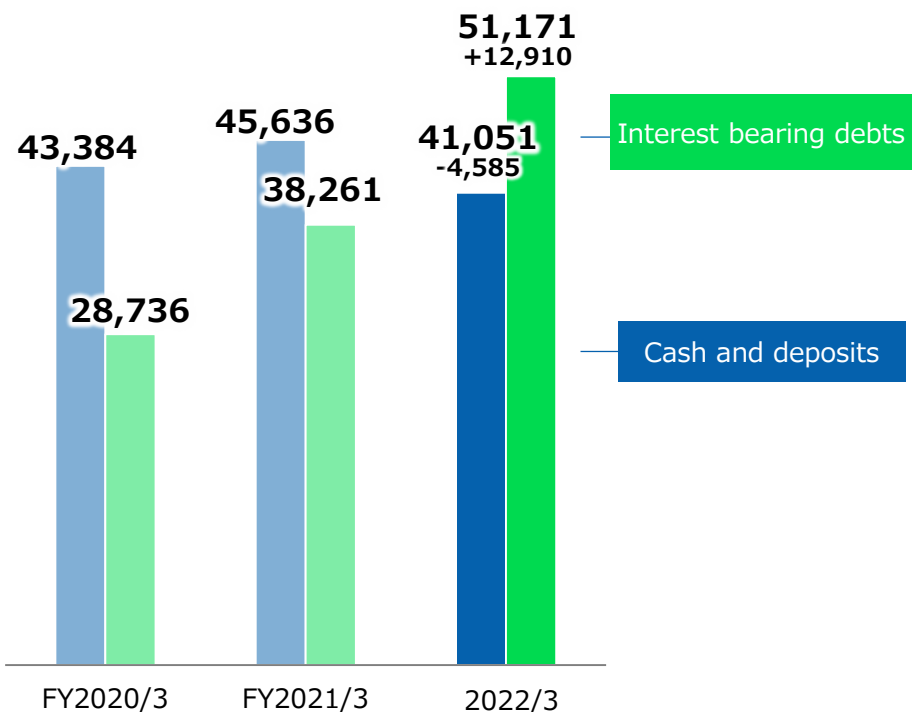
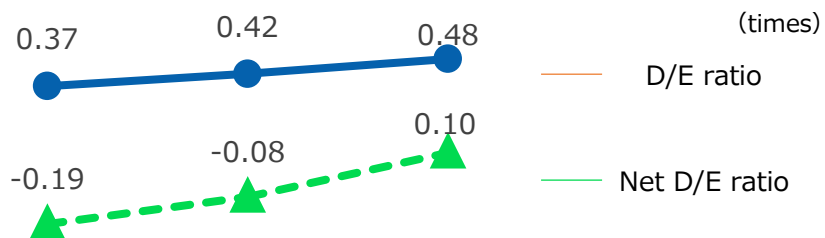
notes : Inventory turnover = Inventories ÷ Net Sales × 365 (day)

notes :  
 • Notes and A/R are amounts including Electronically recorded monetary claims-operating  
 • Notes and A/P are amounts including Electronically recorded obligations - operating  
 • A/R turnover = Notes and A/R ÷ Net sales × 365 (day)  
 • A/P turnover = Notes and A/P ÷ Total purchase of goods × 365 (day)

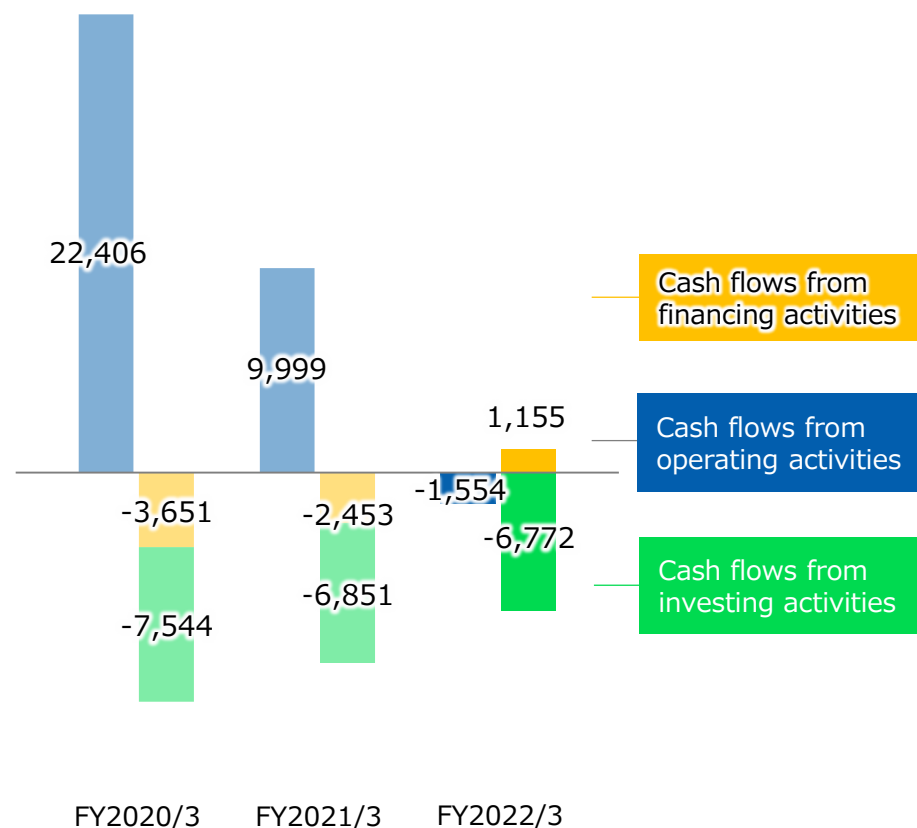
# Cash and Deposits/Interest Bearing Debts/Cash Flows

(million yen)

## Cash and deposits / Interest bearing debts



## Cash flows



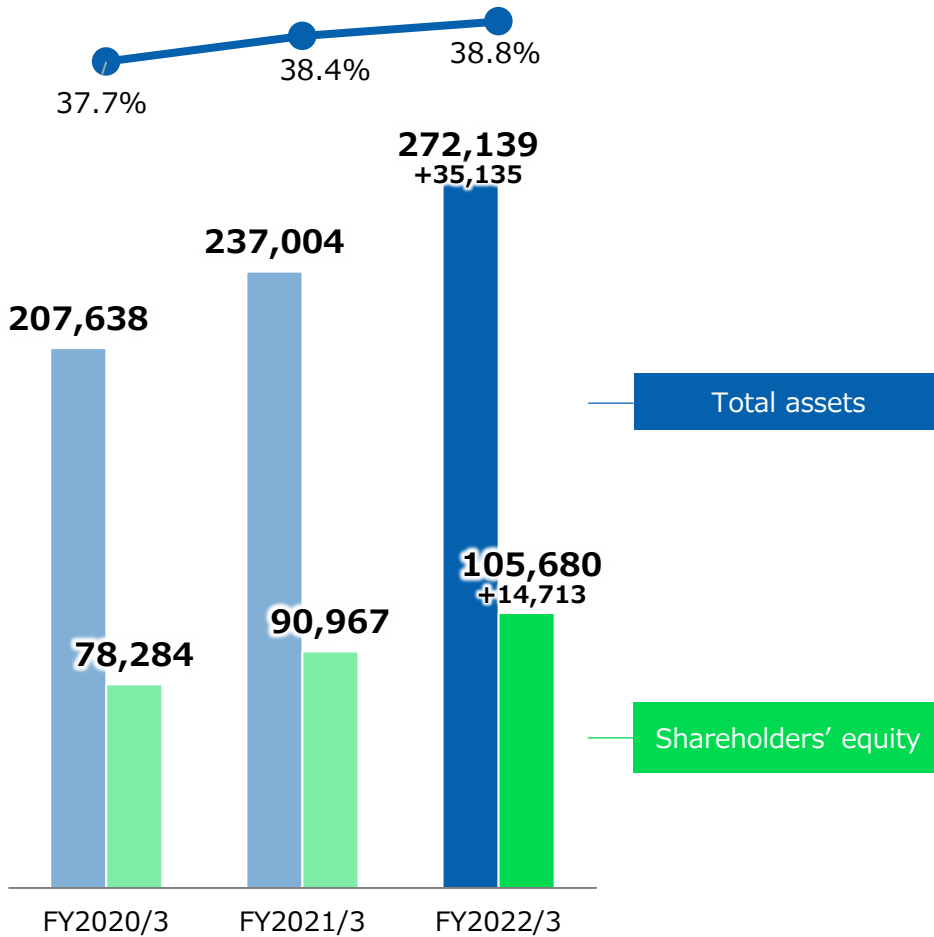
note : D/E ratio = Interest bearing debts ÷ Shareholder's equity

Net D/E ratio = Interest bearing debts - Cash and deposits) ÷ Shareholder's equity

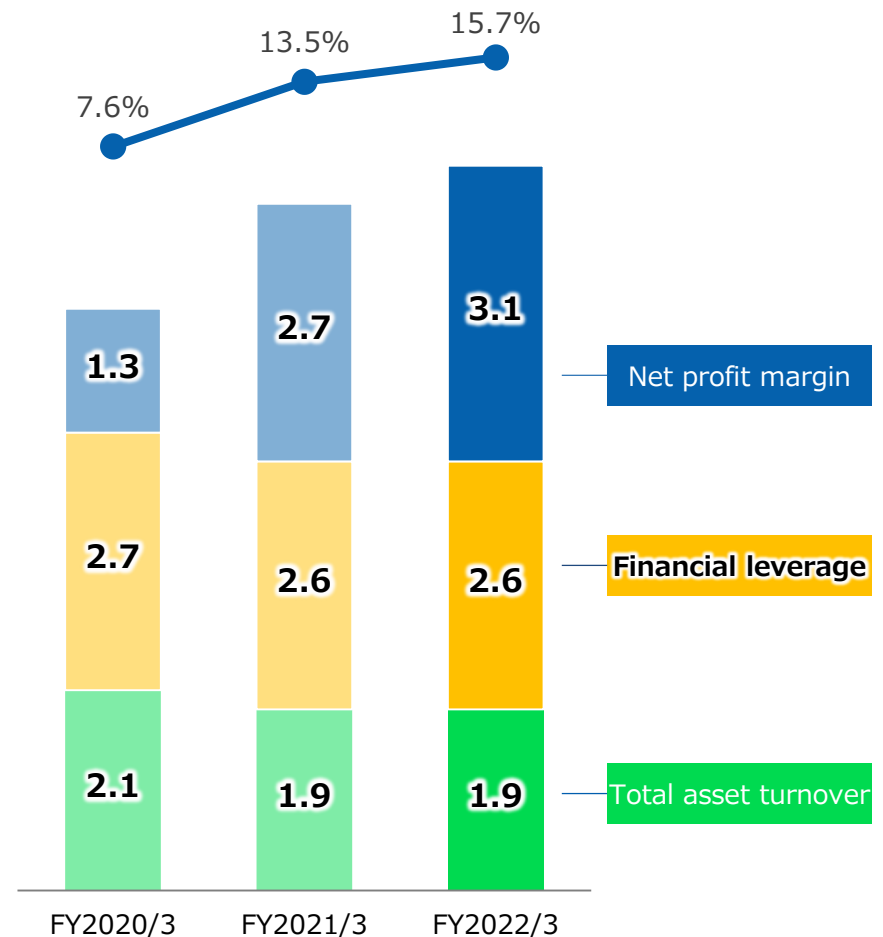
# Major Business Indicators

(million yen)

## Equity ratio



## ROE





# Forecasts for FY2023/3

(million yen)

	FY2022/3 Results		FY2023/3 Forecasts		YoY
Net sales	495,827		<b>510,000</b>		2.9%
Operating income	20,915	4.2%	<b>21,200</b>	4.2%	1.4%
Ordinary income	21,456	4.3%	<b>21,200</b>	4.2%	-1.2%
Profit attributable to owners of parent	15,401	3.1%	<b>14,500</b>	2.8%	-5.9%
EPS (Yen)	576.45		<b>552.42</b>		-
ROE	15.7%		<b>13.0%</b>		

# Forecasts for FY2023/3 by Segment

(million yen)

		FY2022/3 Results	FY2023/3 Forecasts		YoY
Electronic components	Net sales	433,852	<b>447,000</b>		3.0%
	Segment income	18,127	4.2%	<b>18,500</b>	4.1%
Information equipment	Net sales	39,616	<b>39,000</b>		-1.6%
	Segment income	2,085	5.3%	<b>2,000</b>	5.1%
Software	Net sales	2,767	<b>4,000</b>		44.5%
	Segment income	-26	0.1%	<b>100</b>	2.5%
Others	Net sales	19,590	<b>20,000</b>		2.1%
	Segment income	626	3.2%	<b>600</b>	3.0%
Total	Net sales	495,827	<b>510,000</b>		2.9%
	Segment income	20,934	4.2%	<b>21,200</b>	4.2%

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

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

Reference

(million yen)

		FY2021/3 Results	FY2022/3 Previous Forecasts(*)		FY2022/3 Results	YoY	vs Forecasts	
		(announced on Feb. 3, 2022)						
Electronic Components	Net sales	262,318	313,000		<b>325,830</b>	+24.2%	+4.1%	
	Segment income	2,961	1.1%	8,700	2.8%	<b>11,094</b>	3.4%	+274.6%
EMS	Net sales	99,599	110,000		<b>117,828</b>	+18.3%	+7.1%	
	Segment income	5,539	5.6%	6,400	5.8%	<b>7,356</b>	6.2%	+32.8%
CSI	Net sales	48,389	40,000		<b>39,616</b>	-18.1%	-1.0%	
	Segment income	2,482	5.1%	2,000	5.0%	<b>2,085</b>	5.3%	-16.0%
Others	Net sales	12,057	12,000		<b>12,552</b>	+4.1%	+4.6%	
	Segment income	387	3.2%	400	3.3%	<b>255</b>	2.0%	-34.0%
Total	Net sales	422,365	475,000		<b>495,827</b>	+17.4%	+4.4%	
	Segment income	11,467	2.7%	17,500	3.7%	<b>20,915</b>	4.2%	+82.4%

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

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

Reference

(million yen)

		FY2021/3 4QResults		FY2022/3 3QResults		FY2022/3 4QResults		YoY	vs Forecasts
Electronic Components	Net sales	80,405		88,079		<b>92,960</b>		+15.6%	+5.5%
	Segment income	1,304	1.6%	3,824	4.3%	<b>3,321</b>	3.6%	+154.6%	-13.1%
EMS	Net sales	29,383		31,142		<b>33,232</b>		+13.1%	+6.7%
	Segment income	1,649	5.6%	2,140	6.9%	<b>1,893</b>	5.7%	+14.8%	-11.6%
CSI	Net sales	14,451		7,587		<b>13,315</b>		-7.9%	+75.5%
	Segment income	728	5.0%	305	4.0%	<b>869</b>	6.5%	+19.2%	+184.2%
Others	Net sales	3,858		2,865		<b>3,634</b>		-5.8%	+26.8%
	Segment income	261	6.8%	64	2.3%	<b>126</b>	3.5%	-51.5%	+95.1%
Total	Net sales	128,099		129,675		<b>143,143</b>		+11.7%	+10.4%
	Segment income	3,950	3.1%	6,357	4.9%	<b>6,257</b>	4.4%	+58.4%	-1.6%

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

# Exchange Rate/FOREX Sensitivity

Reference

	FY2021/3 Results (Yen)	FY2022/3 Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2023/3(yen)
			Net sales	Operating income	
USD	106.06	112.38	1,573	46	116.00
RMB	15.48	17.03	242	9	18.00
THB	3.42	3.44	251	14	3.50
HKD	13.68	14.44	208	6	14.50
EUR	123.70	130.50	10	0	130.00



# Note

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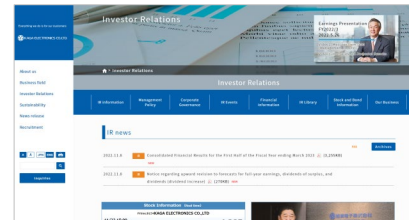
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# Other IR Information

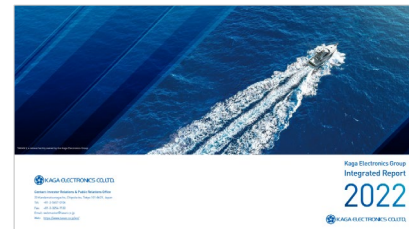
- Investor Relations Website

<https://www.taxan.co.jp/en/ir/>



- Integrated Report 2022

[https://www.taxan.co.jp/en/ir/library/library\\_05.html](https://www.taxan.co.jp/en/ir/library/library_05.html)



- IR Information Services

<https://www.taxan.co.jp/en/ir/irmail/index.html>



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  - Ratio : After calculation in yen units, Round down one digit of Display unit.