

May 14, 2025

Summary of Consolidated Financial Results for the Year Ended March 2025 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.
 Stock Code: 8154 URL: <https://www.taxan.co.jp/>
 Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
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 Date of regular general meeting of shareholders: June 26, 2025 (tentative)
 Date of commencement of dividend payment: June 27, 2025 (tentative)
 Date of filing of securities report: June 26, 2025 (tentative)
 Supplementary explanatory documents: Yes
 Earnings presentation: Yes (For institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the current fiscal year (April 1, 2024 - March 31, 2025)

(1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2025	547,779	0.9	23,601	(8.7)	22,593	(13.0)	17,083	(16.0)
Fiscal year ended March 2024	542,697	(10.8)	25,845	(19.9)	25,976	(20.7)	20,345	(11.8)

Note: Comprehensive income: FY ended March 31, 2025: 20,744 million yen [(23.8)%] FY ended March 31, 2024: 27,213 million yen [(4.4)%]

	Earnings per share	Earnings per share (diluted)	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2025	325.08	—	10.8	7.6	4.3
Fiscal year ended March 2024	387.30	—	14.5	9.1	4.8

Ref.: Share of profit/loss of entities accounted for using equity method: FY ended March 2025: (90) million yen FY ended March 2024: (80) million yen

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024. Note that diluted earnings per share is indicated as "—" because there are no diluted shares.

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	305,671	166,379	54.4	3,162.68
As of March 31, 2024	286,792	151,231	52.6	2,871.11

Ref.: Shareholders' equity : FY ended March 2025: 166,218 million yen FY ended March 2024: 150,834 million yen

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2025	25,047	(9,967)	(7,343)	72,681
Fiscal year ended March 2024	29,385	(2,968)	(16,973)	62,417

2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	1Q	2Q	3Q	Year- end	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2024	—	110.00	—	110.00	220.00	5,779	28.4	4.1
Fiscal year ended March 2025	—	110.00	—	55.00	—	5,781	33.8	3.7
Fiscal year ending March 2026 (Forecast)	—	55.00	—	55.00	110.00		35.0	

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. The amount of the year-end dividend per share presented above for the fiscal year ended March 2025 takes into account the effect of the stock split, and the full-year dividend amount is indicated as "—". If the stock split is not taken into account, the year-end dividend per share and the full-year dividend per share for the fiscal year ended March 2025 would be 110.00 yen and 220.00 yen, the interim dividend per share, the year-end dividend per share and the full-year dividend per share for the fiscal year ending March 2026 (Forecast) would be 110.00 yen, 110.00yen and 220.00 yen.

3. Forecast for the fiscal year ending March 2026 (Consolidated, April 1, 2025 - March 31, 2026)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	530,000	(3.2)	23,000	(2.5)	23,000	1.8	16,500	(3.4)	313.95

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies, estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

Note: For details, please refer to "(5) Notes to consolidated financial statements (Notes to changes in Accounting Policies) under 3. Consolidated Financial Statements and Major Notes" on page 15 of the attached Supplementary Information.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	As of March 31, 2025:	57,404,236	As of March 31, 2024:	57,404,236
(b) Treasury shares	As of March 31, 2025:	4,847,842	As of March 31, 2024:	4,869,088
(c) Average number of shares outstanding during the year	As of March 31, 2025:	52,549,881	As of March 31, 2024	52,531,560

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Number of shares outstanding (common stock) is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

(Reference) Non-consolidated Financial Results

Financial results for the fiscal year ended March 2025 (April 1, 2024 - March 31, 2025)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2025	117,513	0.5	5,306	(11.4)	14,782	(10.7)	12,713	(17.8)
Fiscal year ended March 2024	116,889	(15.0)	5,991	(0.3)	16,546	44.3	15,463	22.7

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Fiscal year ended March 2025	241.92	—
Fiscal year ended March 2024	249.34	—

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024. Note that diluted earnings per share is indicated as "—" because there are no diluted shares.

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	137,381	67,372	49.0	1,281.80
As of March 31, 2024	126,697	60,300	47.6	1,147.71

Ref.: Shareholders' equity Fiscal year ended March 2025: 67,372 million yen Fiscal year ended March 2024: 60,300 million yen

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

*The audit procedures by certified public accountant or auditing firm are not applicable to this Financial Results report.

*Cautionary statement regarding forecasts of operating results and special notes

(Caution regarding forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see "1. Results of Operations (4) Future outlook" on page 5 of Supplementary Information.

(Supplementary materials for financial results and how to obtain details of the financial results meeting)
We plan to hold an earnings briefing for institutional investors and analysts on Thursday, May 22, 2025. Supplementary materials for the earnings briefing will be posted on TDnet and our website today (Wednesday, May 14th). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on May 22th.

(Japanese) https://www.taxan.co.jp/jp/ir/event/event_01.html

(English) https://www.taxan.co.jp/en/ir/event/event_01.html

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1. Results of Operations

(1) Overview of consolidated business performance

Looking at the global economy during the consolidated fiscal year under review, the U.S. economy remained solid on the back notably of improvement in personal consumption, but overall, uncertainties continued to prevail given the economic slowdown in China, geopolitical risks in Europe and the Middle East, and other situations. Meanwhile, in Japan, despite an improvement in the employment and income environment, and positive corporate activities including capital investment, the economy recovered only moderately due to such factors as sluggish personal consumption that was attributable mainly to increases in energy, food, and other prices.

In the electronics industry to which the Group belongs, demand related to automotive applications remained robust against the backdrop of vehicle electrification. Inventory adjustment showed signs of moderation in applications related to industrial equipment and office equipment, but in some other areas including applications related to air-conditioning equipment, the inventory adjustment phase was prolonged.

Under such circumstances, during the consolidated fiscal year under review, although net sales in the electronic components business decreased as a result of prolonged inventory adjustment and termination of transactions with a certain major customer of an overseas subsidiary, and sales in the information equipment business were also sluggish due to completion of a certain large-scale project, a small increase in net sales was recorded, up 0.9% year on year to 547,779 million yen, reflecting robust performance of the software business and the others business.

Despite slow growth in net sales, gross profit recorded a small increase of 1.7% year on year to 71,665 million yen, with an increase in sales of relatively high-margin products as well as an improved sales mix resulting partly from termination of large-scale transactions that had been low-profit. Gross profit margin improved by 0.1 percentage points year on year.

Operating income decreased by 8.7% year on year to 23,601 million yen, reflecting an increase in selling, general and administrative expenses attributable in part to an increase in personnel expenses resulting from wage increases implemented during the fiscal year under review and rising logistics costs.

Ordinary income decreased by 13.0% year on year to 22,593 million yen, due partly to an increase in foreign exchange losses attributable to exchange rate fluctuations.

Profit attributable to owners of parent decreased by 16.0% year on year to 17,083 million yen, partly reflecting the absence of 1,420 million yen in gain on sale of investment securities and 481 million yen in gain on bargain purchase both recorded in the previous fiscal year.

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	542,697	547,779	5,082	0.9%
Gross profit (Margin)	70,452 13.0%	71,665 13.1%	1,213 0.1pt	1.7% –
SG&A	44,607	48,064	3,457	7.8%
Operating income	25,845	23,601	(2,243)	(8.7%)
Ordinary income	25,976	22,593	(3,382)	(13.0%)
Profit before income taxes	28,099	23,709	(4,390)	(15.6%)
Profit attributable to owners of parent	20,345	17,083	(3,262)	(16.0%)
EPS (yen)	387.30	325.08	(62.22)	–
ROE	14.5%	10.8%	(3.7pt)	–
Exchange Rate (Average rate during the year) USD (yen)	144.62	152.58	7.96	–

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

Business segment performance was as follows.

- (a) Electronic components (Development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS*¹), and other activities)

In this business, the components sales business, which continued to face the impact of inventory adjustment at key customers, recorded a decline in net sales due partly to sluggish sales of SoC*² products by Kaga FEI Co., Ltd. and termination of transactions with a certain major customer of an overseas subsidiary of Excel Co., Ltd. The EMS business recorded an increase in net sales due to strong sales in the automotive and medical sectors, a recovery in the industrial equipment sector, and a moderate recovery trend in the air-conditioning equipment sector, which had been in an inventory adjustment phase, that continued from the second quarter.

As a result, net sales increased 0.1% year on year to 472,910 million yen and segment income decreased 19.0% year on year to 16,927 million yen.

Notes: 1. Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis.
2. Abbreviation for System on a Chip. A design technique of integrating all the functions necessary for operation of a device or system on a single semiconductor chip.

- (b) Information equipment (Sales of finished products such as PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products)

In this business, the PC sales business saw continued strong sales of PCs for educational institutions, in contrast to sluggish sales of PCs for mass retailers due to a reduction in product lines by a major PC supplier. In addition, the LED installation business faced a decline in net sales given completion of the large-scale project that the Group had been pushing forward on a full scale since the fiscal year ended March 2023. Income margin improved due to robust sales of security software with its comparatively high profit margin, and the business was able to secure an increase in income even in the face of slow net sales growth.

As a result, net sales decreased 3.7% year on year to 42,652 million yen and segment income increased 13.1% year on year to 3,307 million yen.

- (c) Software (Production of computer graphics, planning and development of amusement products, and other activities)

In this business, computer graphics production enjoyed a steady flow of orders. Net sales increased by 31.9% year on year to 3,387 million yen, and segment income increased by 37.8% year on year to 509 million yen.

- (d) Others (Repair and supports for electronics equipment, manufacture and sales of amusement equipment, and sales of sports goods, and other activities)

In this business, the PC product and PC peripheral recycling business remained strong. In the amusement equipment business, which provides equipment and services to large-scale amusement facilities, sales to the United States were robust.

As a result, net sales increased 24.0% year on year to 28,829 million yen and segment income increased 74.0% year on year to 2,707 million yen.

< Financial Results by Business Segment >

		FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic components	Net sales	472,583	472,910	327	0.1%
	Segment income	20,887	16,927	(3,959)	(19.0%)
Information equipment	Net sales	44,305	42,652	(1,652)	(3.7%)
	Segment income	2,924	3,307	383	13.1%
Software	Net sales	2,567	3,387	819	31.9%
	Segment income	370	509	139	37.8%
Others	Net sales	23,241	28,829	5,588	24.0%
	Segment income	1,555	2,707	1,151	74.0%
Total	Net sales	542,697	547,779	5,082	0.9%
	Segment income	25,845	23,601	(2,243)	(8.7%)

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

<Reference>Financial results

① Financial highlights(3months)

	FY 2024/3 4Q (3months) (January 1, 2024 – March 31, 2024)	FY 2025/3 4Q (3months) (January 1, 2025 – March 31, 2025)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	136,239	151,536	15,297	11.2%
Gross profit (Margin)	18,200 13.4%	19,475 12.9%	1,275 (0.5pt)	7.0% –
SG&A	12,846	13,930	1,083	8.4%
Operating income	5,353	5,545	191	3.6%
Ordinary income	5,664	4,214	(1,450)	(25.6%)
Profit before income taxes	5,713	5,247	(466)	(8.2%)
Profit attributable to owners of parent	4,353	4,368	14	0.3%

② By segment

		FY 2024/3 4Q (3months) (January 1, 2024 – March 31, 2024)	FY 2025/3 4Q (3months) (January 1, 2025 – March 31, 2025)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic Components	Net sales	114,788	126,697	11,908	10.4%
	Segment income	3,738	3,358	(379)	(10.2%)
Information Equipment	Net sales	14,038	15,699	1,660	11.8%
	Segment income	1,002	1,353	351	35.1%
Software	Net sales	750	1,316	565	75.3%
	Segment income	107	201	93	87.3%
Others	Net sales	6,660	7,822	1,162	17.5%
	Segment income	495	610	114	23.1%
Total	Net sales	136,239	151,536	15,297	11.2%
	Segment income	5,353	5,545	191	3.6%

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

(2) Overview of financial condition

Assets, liabilities and net assets

Total assets as of March 31, 2025 increased by 18,879 million yen from the previous fiscal year-end to 305,671 million yen.

Current assets increased by 12,535 million yen compared to the end of the previous fiscal year, to 257,164 million yen. This was primarily due to a 13,592 million yen increase in cash and deposits.

Non-current assets increased by 6,344 million yen compared to the end of the previous fiscal year, to 48,507 million yen. This was primarily due to a 339 million yen increase in property, plant and equipment, and a 2,083 million yen increase in Investment securities.

Liabilities increased by 3,731 million yen compared to the end of the previous fiscal year, to 139,292 million yen. This was primarily due to a 1,947 million yen increase in notes and accounts payable - trade, and a 1,780 million yen increase in income taxes payable.

Net assets increased by 15,148 million yen from March 31, 2024, to 166,379 million yen. This was primarily due to a 11,302 million yen increase in retained earnings and a 3,155 million yen increase in foreign currency translation adjustment due to 17,083 million yen in profit attributable to owners of parent.

(3) Cash flows

Cash and cash equivalents as of March 31, 2025 increase 10,263 million yen from March 31, 2024 to 72,681 million yen.

(Operating activities)

Net cash provided by operating activities was 25,047 million yen (29,385 million yen provided by the previous fiscal year) mainly due to the posting of profit before income taxes.

(Investing activities)

Net cash used in investing activities was 9,967 million yen (2,968 million yen used in the previous fiscal year) mainly due to purchase of property, plant and equipment, and purchase of investment securities.

(Financing activities)

Net cash used in financing activities was 7,343 million yen (16,973 million yen used in the previous fiscal year) mainly due to payment of cash dividends and repayments of loans payable.

(4) Future outlook

In the fiscal year ending March 2026, the global economic conditions surrounding the Group are likely to remain uncertain in view of such factors as concerns of an economic slowdown resulting from changes in fiscal, tariff, and other policies, exchange rate fluctuation risks, and geopolitical risks in Europe, the Middle East, and other regions.

In the electronics industry to which the Group belongs, demand in the medium to long term is projected to increase steadily amid drastic changes in the technology sector against the backdrop of advancement in ICT and digital technologies, including electrification of automobiles, evolution of autonomous driving, environmental actions on global warming, and labor-saving efforts to address the manpower shortage. In the short term, however, with inventory adjustment continuing at some customers, a full-scale demand recovery will not likely happen until the latter half of the fiscal year ending March 2026.

Based on these assumptions and in accordance with the basic policy of Medium-Term Management Plan 2027, which starts in the fiscal year ending March 2026, the Group will continue to work on new M&As and the creation of new businesses while pursuing expansion of the core businesses by reinforcing business portfolio management, with the aim of becoming a company with net sales of 1 trillion yen by the fiscal year ending March 2029, which marks the 60th anniversary of its founding. The Group will implement strategic cash allocation that focuses on growth investments and returning profits to shareholders, and will also maintain and strengthen investment in human capital. Additionally, the Group will accelerate actions to address the management issues of environmental, social, and governance factors, and aim for sustainable growth by achieving a balance between corporate value improvement and social value.

With respect to consolidated earnings for the fiscal year ending March 2026, the Company expects net sales to total 530.0 billion yen, operating income to amount to 23.0 billion yen, ordinary income to amount to 23.0 billion yen, and profit attributable to owners of parent to be 16.5 billion yen in the consolidated fiscal year ending March 2026, which incorporate risk factors including foreign currency translation difference resulting from revision of the assumed exchange rate against the US dollar to 140 yen, or approximately 12 yen stronger than the rate assumed in the previous fiscal year.

Note that while it is difficult to reasonably calculate the impact of the U.S. tariff policy on the Company's performance, the earnings forecast reflects the impact that has been calculated under certain assumptions with respect to direct transactions with customers in the U.S. to the extent the Company is aware of at this time.

(5) Basic policy for earnings allocations and dividends in the current and next fiscal years

The year-end dividend for the fiscal year under review will be 55.00 yen per share.

On May 9, 2024, the Company announced its dividend forecast for the fiscal year under review, indicating 110.00 yen per share for both the interim and the year-end dividends, bringing the annual dividend to 220.00 yen per share. Because the Company subsequently executed a two-for-one stock split of its common stock effective October 1, 2024, the year-end dividend for the fiscal year ended March 2025 is calculated to be 110.00 yen per share if the stock split is not taken into account. In substance, therefore, there is no change to the initial dividend forecast in regard to the year-end dividend and annual dividend, as well as the interim dividend of 110.00 yen paid in November 2024.

In the Medium-Term Management Plan 2027 published on November 6, 2024, a revision was made to the policy on shareholder returns for the plan period, as follows.

- With the aim of more actively paying dividends to shareholders, we will increase the consolidated dividend payout ratio to 30–40% (from 25–35% in the past) and strive for dividend growth through medium- to long-term profit growth;
- For ordinary dividend, “DOE of 4.0%” will be used as the new target for stable and continuous dividend payments;
- Additional measures aligned with profit levels and capital efficiency will be flexibly implemented through special dividends and acquisition of treasury shares.

In line with the policy, dividends for the next fiscal year are planned to be 110.00 yen per share (55.00 yen per share for both interim and year-end dividends).

2. Basic Approach to the Selection of Accounting Standards

The KAGA ELECTRONICS Group prepares consolidated financial statements based on Japanese accounting standards. Going forward, we will consider adopting IFRS standards with due consideration to financial market trends, share of foreign investors, and the organizational costs resulting from the adoption of IFRS standards.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheet

	(Million yen)	
	FY 2024/3 (As of March 31, 2024)	FY 2025/3 (As of March 31, 2025)
ASSETS		
Current assets		
Cash and deposits	66,596	80,188
Notes receivable – trade	900	892
Electronically recorded monetary claims - operating	10,146	7,155
Accounts receivable – trade	101,528	106,091
Securities	171	150
Merchandise and finished goods	37,999	35,906
Work in process	1,878	1,973
Raw materials and supplies	14,861	13,893
Other	10,770	11,148
Allowance for doubtful accounts	(223)	(236)
Total current assets	244,629	257,164
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,045	20,588
Accumulated depreciation	(9,778)	(10,748)
Buildings and structures, net	7,266	9,839
Machinery, equipment and vehicles	19,458	24,933
Accumulated depreciation	(11,811)	(13,898)
Machinery, equipment and vehicles, net	7,647	11,034
Tools, furniture and fixtures	6,588	5,998
Accumulated depreciation	(5,226)	(4,780)
Tools, furniture and fixtures, net	1,362	1,217
Land	6,036	5,940
Construction in progress	2,824	413
Total property, plant and equipment	25,135	28,445
Intangible assets		
Goodwill	16	–
Software	2,021	1,694
Other	54	44
Total intangible assets	2,092	1,738
Investments and other assets		
Investment securities	10,472	12,556
Deferred tax assets	1,179	1,344
Distressed receivables	5,015	4,815
Other	3,340	4,481
Allowance for doubtful accounts	(5,073)	(4,873)
Total investments and other assets	14,934	18,323
Total non-current assets	42,162	48,507
Total assets	286,792	305,671

(Million yen)

	FY 2024/3 (As of March 31, 2024)	FY 2025/3 (As of March 31, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	71,392	73,340
Short-term loans payable	10,604	14,890
Current portion of bonds payable	—	5,000
Accrued expenses	8,419	8,145
Income taxes payable	2,238	4,018
Provision for directors' bonuses	437	428
Other	11,709	11,881
Total current liabilities	104,803	117,704
Non-current liabilities		
Bonds payable	10,000	5,000
Long-term loans payable	10,500	5,500
Deferred tax liabilities	3,241	4,115
Provision for directors' retirement benefits	94	99
Net defined benefit liability	2,342	2,572
Asset retirement obligations	660	698
Other	3,918	3,601
Total non-current liabilities	30,757	21,587
Total liabilities	135,560	139,292
NET ASSETS		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	14,849	14,885
Retained earnings	110,250	121,553
Treasury shares	(5,603)	(5,579)
Total shareholders' equity	131,629	142,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,075	3,263
Deferred gains or losses on hedges	21	(28)
Foreign currency translation adjustment	15,803	18,959
Remeasurements of defined benefit plans	303	1,031
Total accumulated other comprehensive income	19,204	23,225
Non-controlling interests	396	160
Total net assets	151,231	166,379
Total liabilities and net assets	286,792	305,671

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)
Net sales	542,697	547,779
Cost of sales	472,244	476,113
Gross profit	70,452	71,665
Selling, general, and administrative expenses	44,607	48,064
Operating income	25,845	23,601
Non-operating income		
Interest income	891	1,300
Dividends income	253	249
Commission fee	136	120
House rent income	135	131
Other	992	768
Total non-operating income	2,409	2,569
Non-operating expenses		
Interest expenses	890	769
Loss from equity method investments	80	90
Foreign exchange losses	741	2,336
Other	565	379
Total non-operating expenses	2,278	3,576
Ordinary income	25,976	22,593
Extraordinary income		
Gain on sales of non-current assets	18	42
Gain on sales of investment securities	1,420	754
Gain on bargain purchase	481	–
Gain on liquidation of subsidiaries and associates	480	–
Gain on reversal of impairment loss	–	642
Other	8	–
Total extraordinary income	2,408	1,439
Extraordinary loss		
Impairment loss	16	–
Loss on retirement of non-current assets	14	42
Loss on sales of investment securities	0	4
Loss on valuation of investment securities	238	241
Other	13	35
Total extraordinary loss	284	324
Profit before income taxes	28,099	23,709
Income taxes - current	6,292	6,778
Income taxes - deferred	1,483	209
Total income taxes	7,776	6,988
Profit	20,323	16,721
Profit attributable to owners of parent	20,345	17,083
Loss attributable to non-controlling interests	(21)	(361)

(Million yen)

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)
Other comprehensive income		
Valuation difference on available-for-sale securities	537	183
Deferred gains or losses on hedges	40	(50)
Foreign currency translation adjustment	6,329	3,034
Remeasurements of defined benefit plans, net of tax	64	727
Share of other comprehensive income of entities accounted for using equity method	(82)	127
Total other comprehensive income	6,889	4,023
Comprehensive income	27,213	20,744
Comprehensive income attributable to owners of parent	27,227	21,104
Comprehensive income attributable to non-controlling interests	(13)	(359)

(3) Consolidated statement of changes in equity

For the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	14,820	95,945	(5,614)	117,285
Changes of items during period					
Dividends of surplus			(6,040)		(6,040)
Profit attributable to owners of parent			20,345		20,345
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		28		17	45
Net changes of items other than shareholders' equity					
Total changes of items during period	–	28	14,304	10	14,344
Balance at the end of current period	12,133	14,849	110,250	(5,603)	131,629

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,534	(18)	9,568	239	12,322	129	129,737
Changes of items during period							
Dividends of surplus							(6,040)
Profit attributable to owners of parent							20,345
Purchase of treasury shares							(6)
Disposal of treasury shares							45
Net changes of items other than shareholders' equity	541	40	6,235	64	6,881	267	7,149
Total changes of items during period	541	40	6,235	64	6,881	267	21,493
Balance at the end of current period	3,075	21	15,803	303	19,204	396	151,231

For the fiscal year ended March 2025 (April 1, 2024 – March 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	14,849	110,250	(5,603)	131,629
Changes of items during period					
Dividends of surplus			(5,780)		(5,780)
Profit attributable to owners of parent			17,083		17,083
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		36		25	62
Net changes of items other than shareholders' equity					
Total changes of items during period	–	36	11,302	23	11,363
Balance at the end of current period	12,133	14,885	121,553	(5,579)	142,993

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,075	21	15,803	303	19,204	396	151,231
Changes of items during period							
Dividends of surplus							(5,780)
Profit attributable to owners of parent							17,083
Purchase of treasury shares							(1)
Disposal of treasury shares							62
Net changes of items other than shareholders' equity	187	(49)	3,155	727	4,021	(236)	3,784
Total changes of items during period	187	(49)	3,155	727	4,021	(236)	15,148
Balance at the end of current period	3,263	(28)	18,959	1,031	23,225	160	166,379

(4) Consolidated statement of cash flows

(Million yen)

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	28,099	23,709
Depreciation	4,252	4,464
Impairment loss	16	–
Amortization of goodwill	32	16
Increase (decrease) in provision for directors' bonuses	(27)	(8)
Increase (decrease) in allowance for doubtful accounts	254	(183)
Interest and dividend income	(1,145)	(1,549)
Interest expenses	890	769
Share of (profit) loss of entities accounted for using equity method	80	90
Loss (gain) on sales of investment securities	(1,420)	(750)
Loss (gain) on valuation of investment securities	238	241
Gain on bargain purchase	(481)	–
Loss (gain) on liquidation of subsidiaries and associates	(480)	–
Gain on reversal of impairment loss	–	(642)
Decrease (increase) in notes and accounts receivable - trade	21,260	(1,036)
Decrease (increase) in inventories	4,545	2,356
Increase (decrease) in notes and accounts payable - trade	(12,257)	2,040
Decrease (increase) in accounts receivable - other	(1,223)	(283)
Increase (decrease) in accrued expenses	(475)	(270)
Decrease (increase) in advance payments	612	(128)
Decrease (increase) in consumption taxes refund receivable	(1,257)	(1,354)
Decrease (increase) in other current assets	354	241
Increase (decrease) in other current liabilities	(2,385)	61
Other, net	1,373	17
Subtotal	40,857	27,800
Interest and dividend income received	1,143	1,555
Interest expenses paid	(879)	(784)
Income taxes paid	(11,736)	(3,523)
Net cash provided by (used in) operating activities	29,385	25,047

(Million yen)

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,697)	(3,232)
Purchase of property, plant and equipment	(5,417)	(5,245)
Proceeds from sales of property, plant and equipment	31	105
Purchase of intangible assets	(336)	(425)
Purchase of investment securities	(547)	(2,553)
Proceeds from sales of investment securities	4,120	1,445
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	564	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(9)	–
Payments of short-term loans receivable	(30)	(30)
Long-term loan advances	(12)	(10)
Other payments	(217)	(359)
Other proceeds	582	338
Net cash provided by (used in) investing activities	(2,968)	(9,967)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(5,230)	(629)
Repayments of long-term loans payable	(5,040)	(100)
Purchase of treasury shares	(6)	(1)
Cash dividends paid	(6,033)	(5,773)
Proceeds from share issuance to non-controlling shareholders	220	113
Other, net	(883)	(953)
Net cash provided by (used in) financing activities	(16,973)	(7,343)
Effect of exchange rate change on cash and cash equivalents	2,667	2,527
Net increase (decrease) in cash and cash equivalents	12,110	10,263
Cash and cash equivalents at beginning of period	50,307	62,417
Cash and cash equivalents at end of period	62,417	72,681

(5) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Notes to changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes” and related implementation guidance)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard of 2022”) and related implementation guidance are applied since the beginning of the first quarter under review.

With respect to the revision concerning accounting classification of income taxes (taxes on other comprehensive income), the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment stipulated in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28 2022; hereinafter, “Revised Guidance of 2022”) are followed. The foregoing has no impact on the full-year consolidated financial statements under review.

With respect to the revision concerning change in the accounting treatment in consolidated financial statements of tax deferral of gains/losses on sale of subsidiaries’ shares, etc. between consolidated subsidiaries, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter under review. As this change in the accounting policies is to be applied retrospectively, the full-year consolidated financial statements for the fiscal year ended March 31, 2024, reflect retrospective application of the said change in the accounting policies. The said change has no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

(Notes to Segment information, etc.)

a. Segment information

1. Description of reportable segments

The Group’s reportable segments are those for which separate financial information is available and regular evaluation by the Company’s management is being performed in order to decide how resources are allocated among the Group. The Company classifies subsidiaries and associates according to their products and services, and implements comprehensive strategies in Japan and overseas. Consequently, the Group has four reportable segments that are made of different categories of products and services: electronic components, information equipment, software and others. The electronic components segment includes the development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS), and other activities. The information equipment segment includes sales of finished products such as PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products. The software segment includes the production of computer graphics, planning and development of amusement products, and other activities. The others segment includes the repair and supports for electronics equipment, and sales of amusement equipment and sports goods, and others.

2. Information about net sales, profit (loss), assets, and other items is as follows:

For the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	472,583	44,305	2,567	23,241	542,697	–	542,697
Inter-segment sales or transfers	4,101	9,874	1,567	5,796	21,340	(21,340)	–
Total	476,684	54,179	4,135	29,038	564,037	(21,340)	542,697
Segment income	20,887	2,924	370	1,555	25,737	108	25,845
Segment assets	264,058	24,116	2,061	14,853	305,089	(18,297)	286,792
Others							
Depreciation	3,689	112	77	388	4,268	(16)	4,252
Increase in property, plant and equipment and intangible assets	5,441	33	67	256	5,799	(45)	5,753

For the fiscal year ended March 2025 (April 1, 2024 – March 31, 2025)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	472,910	42,652	3,387	28,829	547,779	–	547,779
Inter-segment sales or transfers	3,717	11,050	1,271	5,876	21,915	(21,915)	–
Total	476,627	53,703	4,658	34,706	569,695	(21,915)	547,779
Segment income	16,927	3,307	509	2,707	23,451	149	23,601
Segment assets	281,610	26,091	2,310	16,522	326,534	(20,862)	305,671
Others							
Depreciation	3,831	81	87	482	4,482	(18)	4,464
Increase in property, plant and equipment and intangible assets	5,044	35	71	547	5,698	(27)	5,671

Notes: 1. The adjustment is as follows:

(1) Segment income

(Million yen)

	Fiscal year ended March 2024	Fiscal year ended March 2025
Elimination of inter-segment	108	149
Total	108	149

(2) Segment assets

(Million yen)

	Fiscal year ended March 2024	Fiscal year ended March 2025
Elimination of inter-segment	(20,637)	(23,268)
Corporate *	2,340	2,406
Total	(18,297)	(20,862)

* Total corporate assets principally consist of surplus funds of the Company under management (cash and securities, etc.).

(3) Depreciation

(Million yen)

	Fiscal year ended March 2024	Fiscal year ended March 2025
Elimination of inter-segment	(16)	(18)
Total	(16)	(18)

(4) Increase in property, plant and equipment and intangible assets

(Million yen)

	Fiscal year ended March 2024	Fiscal year ended March 2025
Elimination of inter-segment	(45)	(27)
Total	(45)	(27)

2. Segment income is adjusted with operating income on the consolidated statements of income and comprehensive income.

(Per-share information)

(Yen)

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)
Net assets per share	2,871.11	3,162.68
Earnings per share	387.30	325.08

Notes: 1. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Net assets per share and Earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024. Earnings per share (diluted) have not been disclosed because there were no potentially dilutive shares.

2. The basis of calculation of earnings per share is as follows.

	FY 2024/3 (April 1, 2023 – March 31, 2024)	FY 2025/3 (April 1, 2024 – March 31, 2025)
Earnings per share		
Profit attributable to owners of parent (million yen)	20,345	17,083
Profit not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent allocated to common stock (million yen)	20,345	17,083
Average number of common stock outstanding during the fiscal year	52,531,560	52,549,881

(Subsequent events)

Not applicable