

November 6, 2025

Summary of Consolidated Financial Results for the First Half Ended September 30, 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 filing of interim securities report (tentative): November 13, 2025
 Date of commencement of dividend payment (tentative): December 5, 2025
 Earnings explanatory documents: Yes
 Earnings presentation: Yes (For institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the H1 of the fiscal year ending March 2026 (April 1, 2025 – September 30, 2025)

(1) Result of operations (Consolidated, year-to-date)

(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	%
H1 ended September 2025	288,959	11.5	13,049	13.5	13,443	19.2	15,033	89.3
H1 ended September 2024	259,064	(5.8)	11,501	(17.1)	11,278	(19.1)	7,941	(30.4)

Note: Comprehensive income: H1 of FY3/2026: 15,311 million yen [43.0%]

H1 of FY3/2025: 10,709 million yen [(36.9%)]

	Earnings per share	Earnings per share (diluted)
	yen	yen
H1 ended September 2025	293.86	—
H1 ended September 2024	151.15	—

Note: 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
	million yen	million yen	%
As of September 30, 2025	327,037	172,851	50.1
As of March 31, 2025	305,671	166,379	54.4

Reference: Shareholders' equity : As of September 30, 2025: 163,843 million yen As of March 31, 2025: 166,218 million yen.

2. Dividends

	Dividend per share					Dividend payout ratio (Consolidated)
	1Q	2Q	3Q	Year-end	Full year	
	yen	yen	yen	yen	yen	%
Fiscal year ended March 2025	—	110.00	—	55.00	—	33.8
Fiscal year ending March 2026	—	60.00				
Fiscal year ending March 2026 (Forecast)			—	60.00	120.00	22.9

Notes: 1. Change in the dividend forecast from the latest announcement: None

Breakdown of interim dividend for 2026/3: Ordinary dividend: 55.00 yen; Extraordinary dividend: 5.00 yen

Breakdown of year-end dividend for 2026/3(Forecast): Ordinary dividend: 55.00 yen; Extraordinary dividend: 5.00 yen

2. 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 “-”. Assuming that the stock split was conducted at the beginning of the previous fiscal year, the interim dividend would be 55.00 yen, and the full year dividend per share would be 110.00 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	595,000	8.6	25,500	8.0	25,500	12.9	26,000	52.2	524.78

Note: Change in the forecast from the latest announcement: Yes

With respect to the revision of consolidated performance forecast, please refer to “Notice Regarding Upward Revision to Forecasts for Full-Year Earnings”, announced today (November 6, 2025).

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes

New: 7 (Company Name): Kyoei Sangyo Co., Ltd. and six other companies

- (2) Use of accounting methods specifically for the preparation

of the interim consolidated financial statements : None

- (3) Changes in accounting policies, estimates, and retrospective restatement

(a) Changes due to revision of accounting standards : None

(b) Changes other than (a) : None

(c) Changes in accounting estimates : None

(d) Retrospective restatement : None

- (4) Number of shares outstanding (common stock)

- (a) Shares outstanding (including treasury shares)

As of September 30, 2025: 52,486,836 As of March 31, 2025 57,404,236

- (b) Treasury shares

As of September 30, 2025: 4,827,647 As of March 31, 2025 4,847,842

- (c) Average number of shares (interim consolidated during the period)

Period ended September 30, 2025: 51,160,138 Period ended September 30, 2024: 52,544,267

Notes: 1. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. The average number of shares interim consolidated during the period was calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. As a result of the cancellation of treasury shares on August 18, 2025, the number of shares issued at the end of the fiscal year decreased by 4,917,400 shares.

* The interim audit procedures by a 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 conditions as assumption for earnings forecast and cautionary statement regarding use of the forecast, please see “1. Results of Operations (3) Qualitative information on consolidated earnings forecast” on page 6.

(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, November 27, 2025. Materials for the earnings presentation (Japanese and English) will be posted on TDnet and our website today (Thursday, November 6). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on November 27.

(A video of the earnings briefing in English will be posted at a later date.)

(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

The following is an overview of consolidated business performance during the H1 of the consolidated fiscal period under review.

	FY 2025/3 H1 (April 1, 2024 – September 30, 2024)	FY 2026/3 H1 (April 1, 2025 – September 30, 2025)	YoY	
	million yen	million yen	million yen	
Net sales	259,064	288,959	29,894	11.5%
Gross profit (Margin)	34,133 13.2%	39,544 13.7%	5,411 0.5pt	15.9% –
SG&A	22,631	26,495	3,863	17.1%
Operating income (Margin)	11,501 4.4%	13,049 4.5%	1,547 0.1pt	13.5% –
Ordinary income	11,278	13,443	2,164	19.2%
Profit before income taxes	11,244	19,719	8,475	75.4%
Profit attributable to owners of parent	7,941	15,033	7,091	89.3%
Exchange Rate (Average rate during the year period) Yen / US\$	152.63yen	146.04yen	(6.59)yen	–

Net Sales

In the electronic components business, net sales increased, driven by the EMS* business, with inventory adjustments showing signs of recovery in some supply chains. In the information equipment business, sales of PCs and security software performed well. In the others business, sales of amusement equipment were strong. Furthermore, Q2 saw the addition of Kyoei Sangyo Co., Ltd. as a consolidated subsidiary.

As a result, net sales increased by 29,894 million yen year on year to 288,959 million yen.

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

Gross Profit

Strong sales of relatively high-margin products, in addition to increased sales overall, resulted in an increase in gross profit by 5,411 million yen year on year to 39,544 million yen.

Gross profit margin increased by 0.5 percentage points year on year to 13.7%.

Operating income

Although selling, general and administrative expenses increased due to increased sales and corporate acquisition, the increase in gross profit exceeded the increase in these expenses, resulting in operating income increasing by 1,547 million yen year on year to 13,049 million yen.

Operating income margin increased by 0.1 percentage points year on year to 4.5%.

Ordinary income

With an improvement in non-operating income and expenses due partly to a decrease in foreign exchange losses, ordinary income increased by 2,164 million yen year on year to 13,443 million yen.

Profit before income taxes	Due to the recognition of extraordinary income including a gain on bargain purchase associated with a corporate acquisition and a gain on sales of investment securities, profit before income taxes increased by 8,475 million yen year on year to 19,719 million yen.
Profit attributable to owners of parent	Profit attributable to owners of parent increased by 7,091 million yen year on year to 15,033 million yen, mainly due to the recognition of income taxes – current.

Thus, net sales and all types of income, from gross profit to profit attributable to owners of parent, recorded a year on year increase.

Business segment performance

The following is a summary of business results by segment for the H1 of the consolidated fiscal period under review.

		FY 2025/3 H1 (April 1, 2024 – September 30, 2024)	FY 2026/3 H1 (April 1, 2025 – September 30, 2025)	YoY	
		million yen	million yen	million yen	
Electronic components	Net sales	225,866	247,788	21,922	9.7%
	Segment income	8,679	8,967	288	3.3%
Information equipment	Net sales	18,633	21,571	2,938	15.8%
	Segment income	1,392	1,616	224	16.1%
Software	Net sales	1,471	1,679	207	14.1%
	Segment income	256	165	(91)	(35.6%)
Others	Net sales	13,093	17,919	4,825	36.9%
	Segment income	1,094	2,122	1,028	94.0%
Total	Net sales	259,064	288,959	29,894	11.5%
	Segment income	11,501	13,049	1,547	13.5%

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

- (a) Electronic components In the components sales business, there were signs of recovery in the supply chains' inventory adjustments, which had been a concern due to their potential prolonged process. Combined with the synergy effect of the acquisition of Kyoei Sangyo, the business recorded an increase in both net sales and income.
In the EMS business, although demand from some customers declined, sales for medical equipment, air-conditioning equipment, and industrial equipment continued to be strong, resulting in increased net sales and income.
As a result, net sales increased 9.7% year on year to 247,788 million yen and segment income increased 3.3% year on year to 8,967 million yen.
- (b) Information equipment In the PC sales business, sales to educational institutions were strong due partly to an increase in sales volume. Sales to mass retailers were solid due to the expansion of product lines by major PC suppliers, as well as replacement demand triggered by the end of Windows 10 support.
As a result, net sales increased 15.8% year on year to 21,571 million yen and segment income increased 16.1% year on year to 1,616 million yen.

(c) Software

Sales recovered as a result of efforts to increase orders for computer graphics production for games and amusement equipment. However, profits were below the same period of the previous fiscal year, despite the elimination of the operating loss incurred in the first quarter. As a result, net sales increased 14.1% year on year to 1,679 million yen and segment income decreased 35.6% year on year to 165 million yen.

(d) Others

Sales of amusement equipment, which has been enjoying robust demand since the latter half of the previous consolidated fiscal year, maintained its strong performance both for the Japanese and U.S. markets. As a result, net sales increased 36.9% year on year to 17,919 million yen and segment income increased 94.0% year on year to 2,122 million yen.

<Reference>Financial results:

(a) Financial highlights(3months)

	FY 2025/3 Q2 (July 1, 2024 – September 30, 2024)	FY 2026/3 Q2 (July 1, 2025 – September 30, 2025)	YoY	
	million yen	million yen	million yen	
Net Sales	130,426	150,872	20,446	15.7%
Gross profit (Margin)	17,152 13.2%	21,104 14.0%	3,951 0.8pt	23.0% –
Operating income (Margin)	5,951 4.6%	6,564 4.4%	613 (0.2pt)	10.3% –
Ordinary income	5,232	7,200	1,968	37.6%
Profit before income taxes	5,198	13,307	8,108	156.0%
Profit attributable to owners of parent	3,814	10,419	6,604	173.1%

(b) By segment

		FY 2025/3 Q2 (July 1, 2024 – September 30, 2024)	FY 2026/3 Q2 (July 1, 2025 – September 30, 2025)	YoY	
		million yen	million yen	million yen	
Electronic components	Net sales	114,545	131,332	16,786	14.7%
	Segment income	4,348	4,740	391	9.0%
Information equipment	Net sales	8,026	9,454	1,428	17.8%
	Segment income	753	795	42	5.7%
Software	Net sales	840	1,087	247	29.4%
	Segment income	221	207	(13)	(6.1%)
Others	Net sales	7,013	8,997	1,983	28.3%
	Segment income	633	760	127	20.1%
Total	Net sales	130,426	150,872	20,446	15.7%
	Segment income	5,951	6,564	613	10.3%

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

(2) Overview of financial condition

(a) Assets, liabilities and net assets

Total assets as of September 30, 2025 increased by 21,365 million yen from March 31, 2025, to 327,037 million yen.

Current assets increased by 12,775 million yen from March 31, 2025, to 269,939 million yen. This is primarily due to an increase of 13,392 million yen in merchandise and finished goods that partly reflected the consolidation of Kyoei Sangyo as a Group company.

Non-current assets increased by 8,590 million yen from March 31, 2025, to 57,097 million yen. This is primarily due to an increase of 5,056 million yen in investment securities, and 1,641 million yen in Property, plant and equipment that partly reflected the consolidation of Kyoei Sangyo as a Group company.

Liabilities increased by 14,894 million yen from March 31, 2025, to 154,186 million yen. This is primarily due to a 12,344 million yen increase in short-term loans payable.

Net assets increased by 6,471 million yen from March 31, 2025, to 172,851 million yen. This is primarily due to an increase of 8,847 million yen in non-controlling interests partly as a result of the consolidation of Kyoei Sangyo as a Group company.

(b) Cash flows

Cash and cash equivalents as of September 30, 2025, decreased by 1,722 million yen from March 31, 2025, to 70,958 million yen.

(Operating activities)

Net cash provided by operating activities was 9,676 million yen (14,929 million yen provided by the same period of the previous fiscal year), mainly due to the posting of profit before income taxes.

(Investing activities)

Net cash provided by investing activities was 3,979 million yen (10,174 million yen used in the same period of the previous fiscal year), mainly due to proceeds from the withdrawal of time deposits.

(Financing activities)

Net cash used in financing activities was 13,838 million yen (3,824 million yen used in the same period of the previous fiscal year), mainly due to expenses for the purchase of treasury shares.

(3) Explanation of the consolidated earnings forecast and other forward-looking statements

As announced today in the “Notice Regarding Upward Revision to Forecasts for Full-Year Earnings”, we have upwardly revised the consolidated earnings forecast for the fiscal year ending March 31, 2026, as follows.

For details, please refer to this document.

Revisions to consolidated earnings forecasts

Revisions to consolidated earnings forecasts for the fiscal year ended March 31, 2026

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

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A) (Announced on August 7, 2025)	574,000	24,000	23,800	24,200	488.45
Revised forecast (B)	595,000	25,500	25,500	26,000	524.78
Difference (B-A)	21,000	1,500	1,700	1,800	36.33
Percent change (%)	3.7%	6.3%	7.1%	7.4%	7.4%
(Reference) Results for the fiscal year ended March 31, 2025 *	547,779	23,601	22,593	17,083	325.08

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

[Reference: Revision of other related indicators]

	Capital efficiency	Shareholder Returns		
	ROE	Consolidated dividend payout ratio	Total return ratio	DOE
Previous forecast (Announced on August 7, 2025)	14.6%	24.6%	83.3%	4.2%
Revised forecast	15.0%	22.9%	77.6%	3.9%
(Reference) Results for the fiscal year ended March 31, 2025	10.8%	33.8%	33.8%	4.2%
“Medium-Term Management Plan 2027” Targets (Announced on November 6, 2024)	12.0% or higher	30%~40%	—	4.0%

The consolidated dividend payout ratio should read 31.6% and the DOE 4.0% in real terms excluding 7.2 billion yen in non-cash gain on bargain purchase.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim consolidated balance sheet

(million yen)

	Fiscal year ended March 2025 (As of March 31, 2025)	H1 ended September 2025 (As of September 30, 2025)
ASSETS		
Current assets		
Cash and deposits	80,188	73,217
Notes receivable – trade	892	1,017
Electronically recorded monetary claims - operating	7,155	10,288
Accounts receivable – trade	106,091	108,116
Securities	150	160
Merchandise and finished goods	35,906	49,298
Work in process	1,973	2,595
Raw materials and supplies	13,893	14,573
Other	11,148	10,880
Allowance for doubtful accounts	(236)	(209)
Total current assets	257,164	269,939
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,839	10,896
Machinery, equipment and vehicles, net	11,034	10,965
Tools, furniture and fixtures, net	1,217	1,266
Land	5,940	6,120
Construction in progress	413	837
Total property, plant and equipment	28,445	30,087
Intangible assets		
Software	1,694	1,839
Other	44	40
Total intangible assets	1,738	1,879
Investments and other assets		
Investment securities	12,556	17,612
Deferred tax assets	1,344	1,220
Distressed receivables	4,815	4,841
Other	4,481	6,420
Allowance for doubtful accounts	(4,873)	(4,963)
Total investments and other assets	18,323	25,130
Total non-current assets	48,507	57,097
Total assets	305,671	327,037

(million yen)

	Fiscal year ended March 2025 (As of March 31, 2025)	H1 ended September 2025 (As of September 30, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	73,340	74,584
Short-term loans payable	14,890	27,235
Current portion of bonds payable	5,000	200
Accrued expenses	8,145	9,207
Income taxes payable	4,018	3,812
Provision for directors' bonuses	428	69
Other	11,881	12,348
Total current liabilities	117,704	127,457
Non-current liabilities		
Bonds payable	5,000	5,300
Long-term loans payable	5,500	8,508
Deferred tax liabilities	4,115	5,414
Provision for directors' retirement benefits	99	99
Net defined benefit liability	2,572	2,620
Asset retirement obligations	698	849
Other	3,601	3,937
Total non-current liabilities	21,587	26,729
Total liabilities	139,292	154,186
NET ASSETS		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	14,885	14,767
Retained earnings	121,553	123,749
Treasury shares	(5,579)	(9,907)
Total shareholders' equity	142,993	140,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,263	4,308
Deferred gains or losses on hedges	(28)	4
Foreign currency translation adjustment	18,959	17,814
Remeasurements of defined benefit plans	1,031	973
Total accumulated other comprehensive income	23,225	23,100
Non-controlling interests	160	9,007
Total net assets	166,379	172,851
Total liabilities and net assets	305,671	327,037

(2) Interim consolidated statements of income and comprehensive income

For the H1 (April 1, 2025 – September 30, 2025)

(million yen)

	H1 ended September 2024 (April 1, 2024– September 30,2024)	H1 ended September 2025 (April 1, 2025– September 30,2025)
Net sales	259,064	288,959
Cost of sales	224,931	249,414
Gross profit	34,133	39,544
Selling, general and administrative expenses	22,631	26,495
Operating income	11,501	13,049
Non-operating income		
Interest income	648	569
Dividends income	139	244
Commission fee	66	56
Share of profit of entities accounted for using equity method	–	55
Other	583	388
Total non-operating income	1,437	1,313
Non-operating expenses		
Interest expenses	403	381
Share of loss of entities accounted for using equity method	58	–
Foreign exchange losses	995	319
loss on net monetary position	138	131
Other	64	88
Total non-operating expenses	1,660	919
Ordinary income	11,278	13,443
Extraordinary income		
Gain on sales of non-current assets	2	21
Gain on sales of investment securities	76	1,205
Gain on step acquisitions	–	466
Gain on bargain purchase	–	3,800
Other	3	881
Total extraordinary income	82	6,376
Extraordinary loss		
Loss on retirement of non-current assets	7	1
Loss on valuation of investment securities	101	79
Other	8	18
Total extraordinary loss	116	100
Profit before income taxes	11,244	19,719
Income taxes - current	2,615	4,394
Income taxes - deferred	879	93
Total income taxes	3,495	4,487
Profit	7,749	15,231
Profit attributable to owners of parent	7,941	15,033
Profit (loss) attributable to non-controlling interests	(192)	197

Other comprehensive income

Valuation difference on available-for-sale securities	579	1,256
Deferred gains or losses on hedges	(62)	32
Foreign currency translation adjustment	1,689	(1,043)
Remeasurements of defined benefit plans, net of tax	621	(58)
Share of other comprehensive income of associates accounted for using equity method	131	(107)
Total other comprehensive income	2,960	79
Comprehensive income	10,709	15,311
Comprehensive income attributable to owners of parent	10,901	14,908
Comprehensive income attributable to non-controlling interests	(192)	402

(3) Interim consolidated statement of cash flows

	(million yen)	
	H1 ended September 2024 (April 1, 2024– September 30, 2024)	H1 ended September 2025 (April 1, 2025– September 30, 2025)
Cash flows from operating activities		
Profit before income taxes	11,244	19,719
Depreciation	2,094	2,485
Amortization of goodwill	16	–
Increase (decrease) in allowance for doubtful accounts	(26)	(33)
Interest and dividend income	(787)	(813)
Interest expenses	403	381
Share of (profit) loss of entities accounted for using equity method	58	(55)
Loss (gain) on sales of investment securities	(72)	(1,205)
Loss (gain) on valuation of investment securities	101	79
Gain on bargain purchase	–	(466)
Loss (gain) on step acquisitions	–	(3,800)
Loss (gain) on liquidation of subsidiaries and associates	–	–
Decrease (increase) in notes and accounts receivable - trade	12,295	10,983
Decrease (increase) in inventories	(1,952)	(7,305)
Decrease (increase) in accounts receivable - other	(931)	132
Decrease (increase) in advance payments	(71)	119
Increase (decrease) in notes and accounts payable - trade	(2,626)	(6,225)
Increase (decrease) in accrued expenses	(683)	337
Decrease (increase) in consumption taxes refund receivable	(902)	1,275
Decrease (increase) in other current assets	(472)	49
Increase (decrease) in other current liabilities	(1,702)	(491)
Other, net	(833)	(1,586)
Subtotal	15,151	13,580
Interest and dividend income received	788	832
Interest expenses paid	(419)	(391)
Income taxes paid	(590)	(4,344)
Net cash provided by (used in) operating activities	14,929	9,676
Cash flows from investing activities		
Payments into time deposits	(6,525)	(5,833)
Proceeds from withdrawal of time deposits	–	11,942
Purchase of property, plant and equipment	(2,500)	(2,034)
Proceeds from sales of property, plant and equipment	2	112
Purchase of intangible assets	(195)	(187)
Proceeds from purchase of shares of		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,218)
Purchase of investment securities	(1,140)	(838)

	(million yen)	
	H1 ended September 2024 (April 1, 2024 – September 30, 2024)	H1ended September 2025 (April 1, 2025 – September 30, 2025)
Proceeds from sales of investment securities	103	2,989
Short-term loan advances	(0)	(0)
Other payments	(152)	(80)
Other proceeds	233	127
Net cash provided by (used in) investing activities	(10,174)	3,979
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(510)	9,171
Proceeds from long-term borrowings	–	149
Repayments of long-term loans payable	–	(504)
Redemption of bonds	–	(5,100)
Purchase of treasury shares	(1)	(14,447)
Cash dividends paid	(2,885)	(2,886)
Other, net	(426)	(221)
Net cash provided by (used in) financing activities	(3,824)	(13,838)
Effect of exchange rate change on cash and cash equivalents	641	(1,539)
Net increase (decrease) in cash and cash equivalents	1,571	(1,722)
Cash and cash equivalents at beginning of period	62,417	72,681
Cash and cash equivalents at end of period	63,989	70,958

(4) Notes to the interim consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Notes to significant change in shareholders' equity)

(Acquisition of own shares)

The Company acquired 4,917,400 treasury shares based on the resolutions at the Board of Directors meeting held on August 7, 2025. Treasury shares increased by 14,447 million yen during this period due to the acquisition of treasury shares mentioned above.

(Cancellation of treasury shares)

The Company cancelled 4,917,400 shares on August 18, 2025, based on the resolution at the Board of Directors meeting held on August 7, 2025. This resulted in a decrease of 149 million yen in capital surplus, 9,947 million yen in retained earnings, and 10,096 million yen in treasury shares as of September 30, 2025.

As a result of the foregoing factors, as of September 30, 2025, capital surplus stood at 14,767 million yen, retained earnings at 123,749 million yen, and treasury shares at 9,907 million yen.

(Notes to segment information)

I For the H1 ended September 2024 (April 1, 2024 – September 30, 2024)

1. Information about net sales and income (loss) by reportable segments

(million yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	225,866	18,633	1,471	13,093	259,064	–	259,064
Inter-segment sales or transfers	1,777	4,947	682	2,848	10,255	(10,255)	–
Total	227,644	23,580	2,154	15,941	269,320	(10,255)	259,064
Segment income (loss)	8,679	1,392	256	1,094	11,422	78	11,501

Notes: 1. Adjustment in segment income of 78 million yen includes 78 million yen for elimination of inter-segment trade.

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

2. Information regarding impairment loss on non-current assets or on goodwill and other matters by reportable segment

(Material impairment loss pertaining to non-current assets)

Not applicable

(Material change in goodwill amount)

Not applicable

(Material gain on bargain purchase)

Not applicable

II For the H1 ended September 2025 (April 1, 2025 – September 30, 2025)

1. Information about net sales and income (loss) by reportable segments

(million yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	247,788	21,571	1,679	17,919	288,959	–	288,959
Inter-segment sales or transfers	2,121	7,016	435	2,542	12,115	(12,115)	–
Total	249,910	28,588	2,114	20,461	301,074	(12,115)	288,959
Segment income	8,967	1,616	165	2,122	12,873	176	13,049

Notes: 1. Adjustment in segment income of 176 million yen includes 176 million yen for elimination of inter-segment trade.
2. Segment income is adjusted for operating income on the interim consolidated statements of income and comprehensive income.

2. Information regarding impairment loss on non-current assets or on goodwill and other matters by reportable segment

(Material impairment loss pertaining to non-current assets)

Not applicable

(Material change in goodwill amount)

Not applicable

(Material gain on bargain purchase)

A 3,800 million yen gain on bargain purchase was recorded in the electronic components business.
This gain arose from the Company's acquisition of shares in Kyoei Sangyo on July 18, 2025.

(Subsequent events)

Not applicable