

May 9, 2022

Name of Company KAGA ELECTRONICS CO., LTD.
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Notice regarding upward revision to full-year earnings and dividends forecasts

In light of recent earnings trends, Kaga Electronics Co., Ltd. (hereinafter, "the Company") has revised its forecasts announced on February 3, 2022, with respect to consolidated full-year earnings and dividends for the fiscal year ended March 31, 2022. Details are as follows.

1. Revision of earnings forecast

Revision to consolidated earnings forecast for the fiscal year ending March 31, 2022
(from April 1, 2021 to March 31, 2022)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A) (Announced on February 3, 2022)	475,000	17,500	18,000	12,000	449.13
Revised forecast (B)	495,000	20,900	21,400	15,300	572.65
Difference (B) – (A)	20,000	3,400	3,400	3,300	
Percent change (%)	4.2	19.4	18.9	27.5	
(Reference) Results for the fiscal year ended March 31, 2021	422,365	11,467	11,241	11,399	415.07

< Reasons for revision >

In the consolidated fiscal year ended March 31, 2022, despite facing various issues, including the resurgence of the spread of COVID-19 as a result of variants, stagnation in international distribution networks, and rising raw materials prices, there was a notable recovery in production activities in the electronics industry, to which the Company belongs. Amid these trends, strong demand continued for semiconductors and electronic components in various product fields, although there were supply chain disruptions caused by supply shortages of some materials.

In the electronic components business, which is the Group's core business, strong sales

continued throughout the year, particularly for automotive, medical, and industrial equipment applications, as a result of the Company's early efforts to capture the requests of customers from a broad range of industries. Furthermore, the Company utilized the strengths of its procurement network as an independent trading company to enable it to maintain widespread sales quantities, which supported performance in the consolidated fiscal year under review. In addition, performance was also positively affected by the fact that foreign exchange rates trended more toward a weaker yen than was initially expected, and accordingly, the Company now expects net sales as well as all profit items, including operating income, ordinary income, and profit attributable to owners of parent, to exceed the previous forecasts and reach new record highs.

Taking into consideration the aforementioned circumstances, the earnings forecasts announced on February 3, 2022, have been revised upward as presented above.

2. Revision of dividend forecast

	Annual dividends		
	End of 1st half	Year-end	Total
Previous forecast (Announced on February 3, 2022)		65 yen (Ordinary dividend 40 yen) (Extraordinary dividend 25 yen)	110 yen (Ordinary dividend 80 yen) (Extraordinary dividend 30 yen)
Revised forecast		75 yen (Ordinary dividend 40 yen) (Extraordinary dividend 35 yen)	120 yen (Ordinary dividend 80 yen) (Extraordinary dividend 40 yen)
Dividends for the current fiscal year	45 yen (Ordinary dividend 40 yen) (Extraordinary dividend 5 yen)		
(Reference) Dividends for the previous fiscal year (Fiscal year ended March 31, 2021)	30 yen (Ordinary dividend 30 yen)	50 yen (Ordinary dividend 30 yen) (Extraordinary dividend 20 yen)	80 yen (Ordinary dividend 60 yen) (Extraordinary dividend 20 yen)

<Reasons for revision>

The Company positions the return of profits to shareholders as one of its most important management policies, and in addition to endeavoring to strengthen its financial position and management foundation with a long-term perspective, has a basic policy of maintaining stable and ongoing dividends commensurate with the consolidated results.

To date, the Company has twice made upward revisions to consolidated earnings forecasts and increased the year-end dividend for the fiscal year ended March 31, 2022, but based on the new revisions to earnings forecasts, as described above, the Company will increase the forecast for the year-end dividend to 75 yen per share (40 yen of ordinary dividend and 35 yen of extraordinary dividend), an increase of 10 yen to the extraordinary dividend, from the previous forecast of 65 yen per share.

As a result, the annual dividend will be 120 yen per share, an increase of 40 yen from the dividend paid in the previous fiscal year.

(Note) The above forecasts are based on the information currently available to the Company on the date of the release and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.