FY2027/March Q1 (April-June) Earnings Presentation

KAGA ELECTRONICS CO., LTD.

TSE Prime Market 8154

August 13, 2026

JPX-NIKKEI 400
2023 - 2025

JPX-NIKKEI Mid Small
2021 - 2025

INDEX

Summary of Financial Results for FY2027/3 Q1

Results for FY2027/3 Q1

(billion yen)	Net sales	Operating income	Net income
Results	**170.4**	**8.4**	**6.8**
YoY	+32.3 [+23.4%]	+1.9 [+30.5%]	+2.2 [+49.0%]

Achieved double-digit year-on-year growth in both net sales and all levels of profit. Net sales reached a record high for Q1.

- Net sales :The electronic components business performed strongly, driven by increased sales and rising prices of memory products, as well as contributions from spot sales. Kyoei Sangyo, which was consolidated from Q2 of the previous fiscal year, contributed from the beginning of Q1. In information equipment, PC sales were strong.
- Operating income :Profit increased year on year due to higher gross profit and efforts to efficiently manage and operate SG&A expenses.
- Net income :In addition to higher net income from core operations, extraordinary income was recorded, including gain on sale of investment securities (approximately 0.7 billion yen) resulting from the reduction of cross-shareholdings, leading to a year-on-year increase.

FY2027/3 earnings forecasts

(billion yen)	Net sales	Operating income	Net income
Forecasts	**660.0**	**30.0**	**22.0**
YoY vs. previous forecasts	+1.0 [+0.2%] +15.0 [+2.3%]	+2.1 [+7.8%] +1.5 [+5.3%]	−9.0 [−29.3%] +2.0 [+10.0%]

- Based on Q1 progress that exceeded expectations, the forecasts for net sales and all levels of profit have been revised upward.
- The impact on earnings from making Shinko Shoji a consolidated subsidiary through the tender offer is currently under review and has therefore not been incorporated into this revision.
  A further revision will be promptly announced once the impact can be reasonably estimated.

Shareholder Return

- At present, the previous dividend forecast remains unchanged. However, as noted above, the interim and year-end dividend forecasts are expected to be revised in conjunction with any future revision of the earnings forecast.

Financial Highlights for FY2027/3 Q1

(million yen)		Q1 Results (Apr. - Jun.)					Forecasts (Announced on May 14, 2026)		
		FY2026/3	Composition Ratio	**FY2027/3**	Composition Ratio	YoY	FY2027/3	Composition Ratio	Achivement vs. forecast
Net Sales		138,086	100.0%	**170,450**	100.0%	23.4%	645,000	100.0%	26.4%
Gross Profit		18,440	13.4%	**22,807**	13.4%	23.7%	ー	ー	ー
SG&A		11,956	8.7%	**14,347**	8.4%	20.0%	ー	ー	ー
Operating income		6,484	4.7%	**8,460**	5.0%	30.5%	28,500	4.4%	29.7%
Ordinary income		6,242	4.5%	**8,864**	5.2%	42.0%	28,000	4.3%	31.7%
Profit attibutable to owners of parent		4,614	3.3%	**6,874**	4.0%	49.0%	20,000	3.1%	34.4%
EPS（yen）		87.80	ー	**144.24**	ー	64.3%	419.65	ー	ー
Exchange rate	yen / US$	144.59	ー	**159.49**	ー	ー	150.00	ー	ー

Note: The effect of exchange rates on the conversion into yen is approximately 6,127 million yen on net sales and 249 million yen on operating income.

Results for FY2027/3 Q1 by Business Segment

(million yen)		Q1 Results (Apr. - Jun.) FY2026/3	profit margin	FY2027/3	profit margin	YoY	Forecasts (Announced on May 14, 2026) FY2027/3	profit margin	Achivement vs. forecast
Electronic Component	Net sales	116,456		**150,975**		29.6%	550,000		27.5%
	Segment income	4,227	3.6%	**7,254**	4.8%	71.6%	20,000	3.6%	36.3%
Information Equipment	Net sales	12,116		**13,406**		10.6%	57,500		23.3%
	Segment income	821	6.8%	**766**	5.7%	-6.6%	5,000	8.7%	15.3%
Software	Net sales	591		**656**		11.1%	3,500		18.8%
	Segment income	-42	-7.2%	**62**	9.5%	–	500	14.3%	12.4%
Others	Net sales	8,921		**5,411**		-39.3%	34,000		15.9%
	Segment income	1,362	15.3%	**338**	6.3%	-75.1%	3,000	8.8%	11.3%
Total	Net sales	138,086		**170,450**		23.4%	645,000		26.4%
	Segment income	6,484	4.7%	**8,460**	5.0%	30.5%	28,500	4.4%	29.7%

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

Results for FY2027/3 Q1 by Company

(million yen)		Q1 Results (Apr. - Jun.) FY2026/3	profit margin	**FY2027/3**	profit margin	YoY
Kaga Electronics	Net sales	82,631		**93,976**		13.7%
	Gross Profit	13,294	16.1%	**14,524**	15.5%	9.3%
	Operating income	5,799	7.0%	**6,126**	6.5%	5.6%
Kaga FEI	Net sales	48,835		**59,333**		21.5%
	Gross Profit	4,327	8.9%	**5,630**	9.5%	30.1%
	Operating income	366	0.8%	**1,683**	2.8%	358.8%
Excel	Net sales	6,620		**－**		－
	Gross Profit	813	12.3%	**－**	－	－
	Operating income	278	4.2%	**－**	－	－
Kyoei Sangyo	Net sales	－		**17,140**		－
	Gross Profit	－	－	**2,646**	15.4%	－
	Operating income	－	－	**617**	3.6%	－
Total	Net sales	138,086		**170,450**		23.4%
	Gross Profit	18,440	13.4%	**22,807**	13.4%	23.7%
	Operating income	6,484	4.7%	**8,460**	5.0%	30.5%

Note：1.With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the four companies.
2.Kyoei Sangyo became a consolidated subsidiary effective Jul. 18, 2025.
3.As Excel was absorbed by Kaga Device effective April 1, 2026, its results are included in those of Kaga Electronics from FY2027/3 onward.

Analysis of Changes in Net sales and Operating Income by Item

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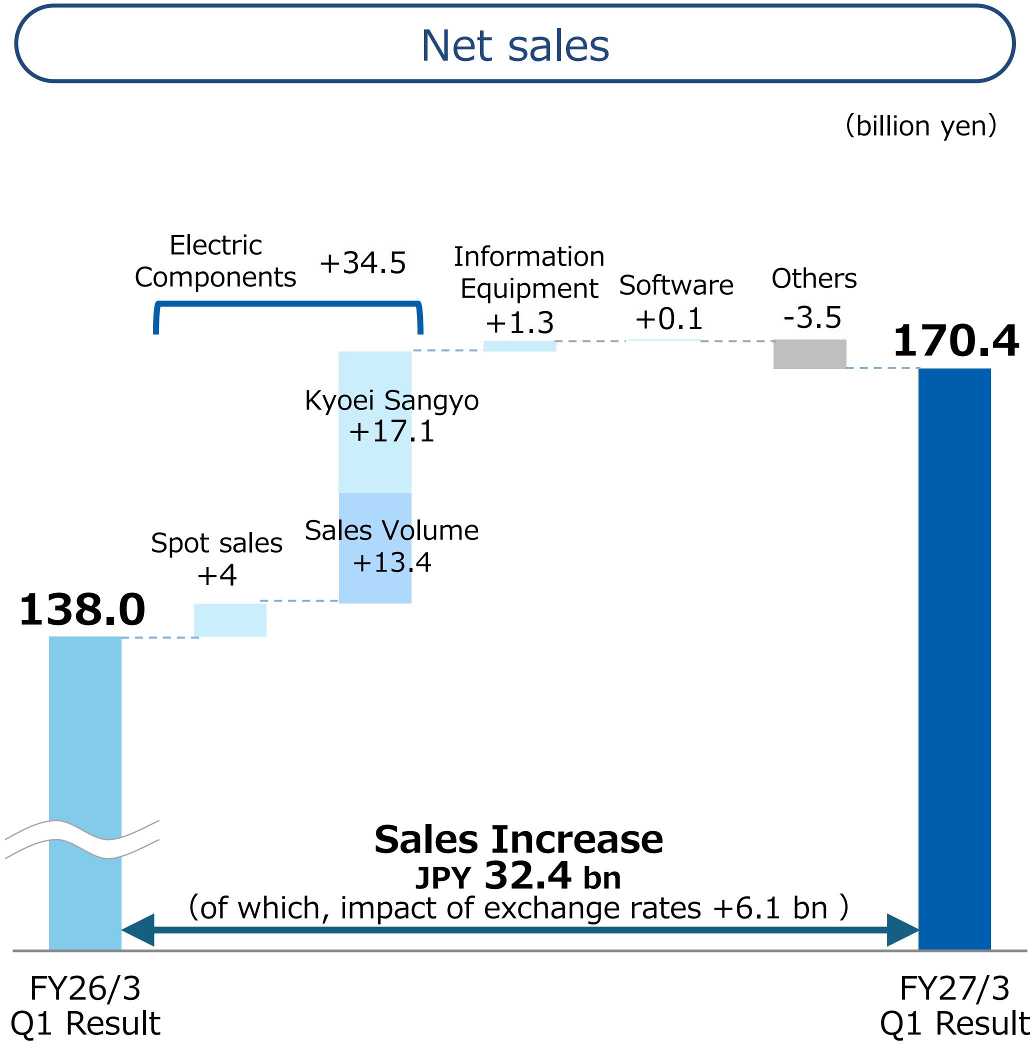
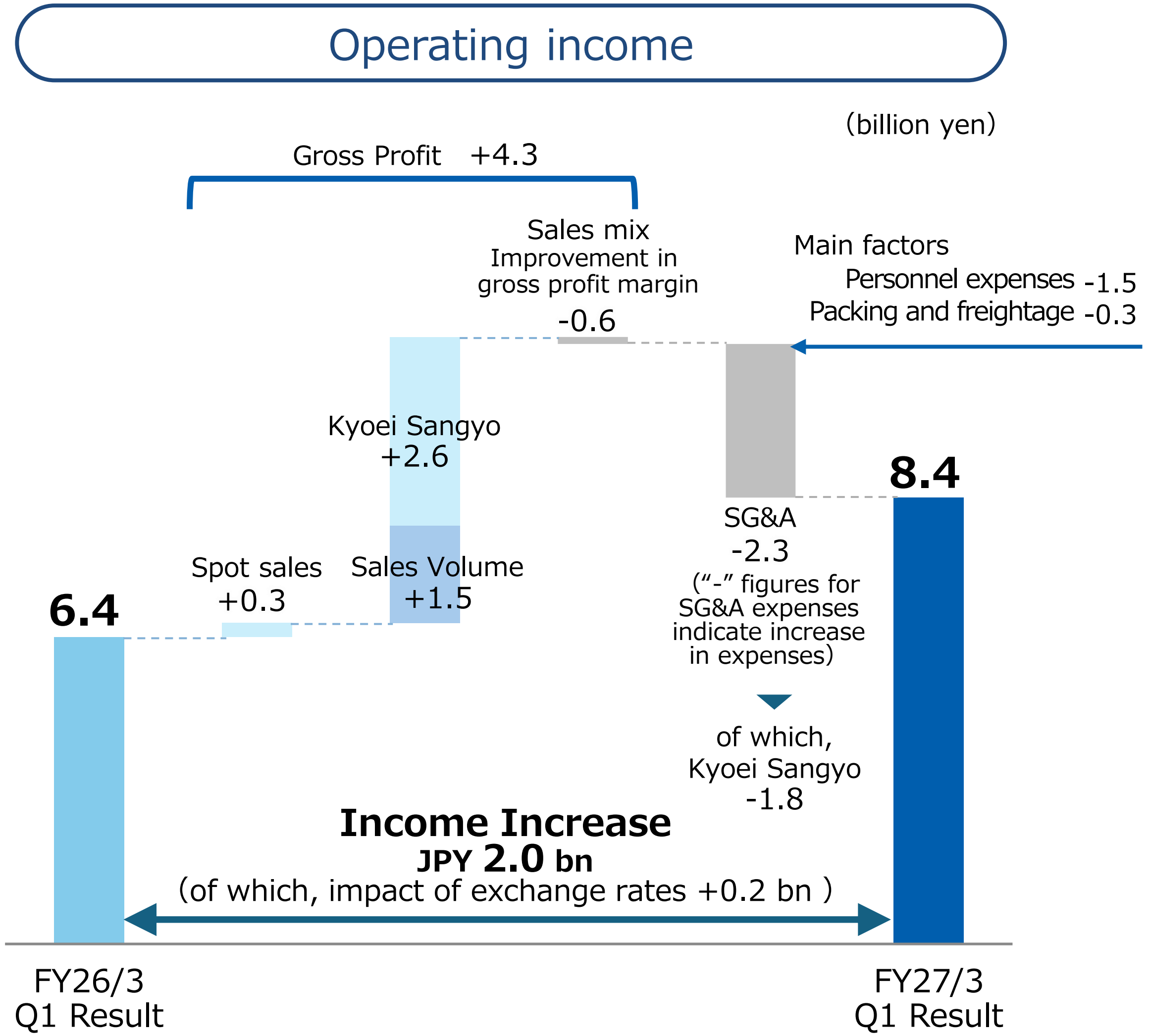
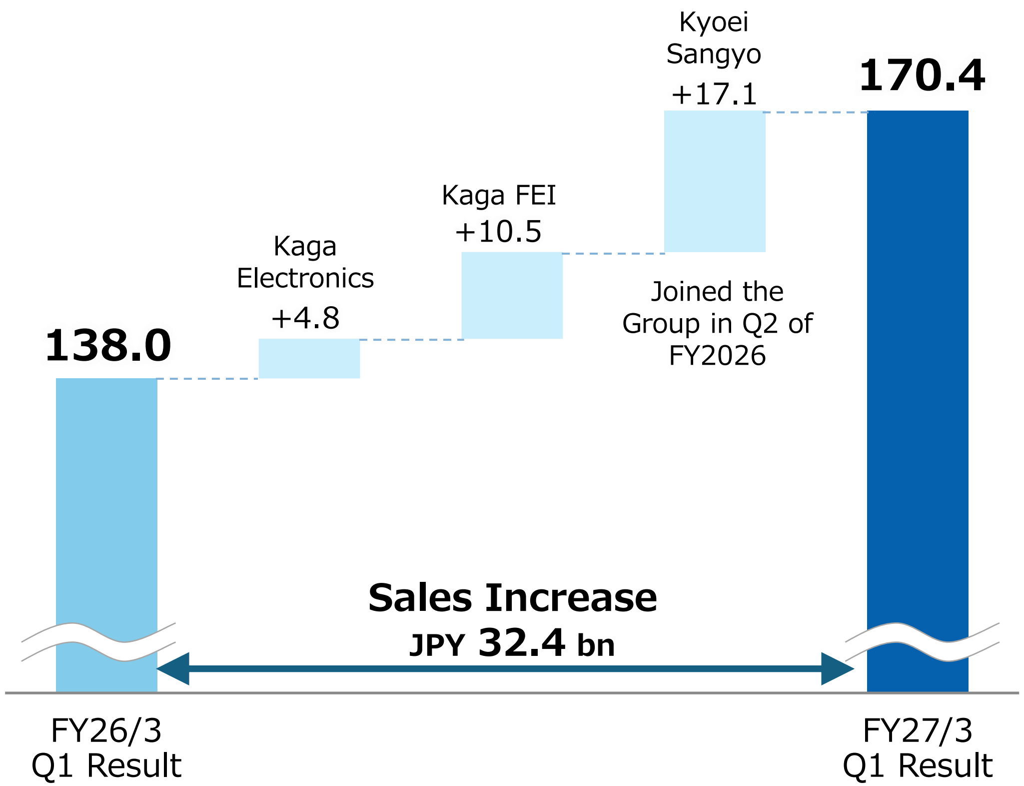




Analysis of Changes in Net sales and Operating Income by Company

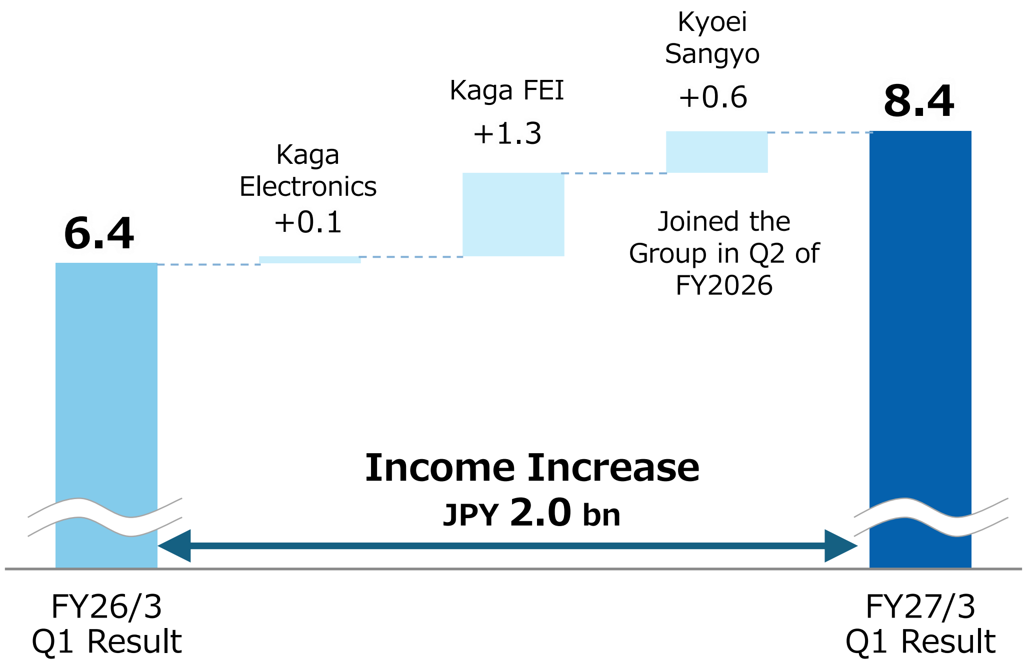
Net sales

(billion yen)



Operating income

(billion yen)



FY2027/3 Q1 : Electronic Component Segment

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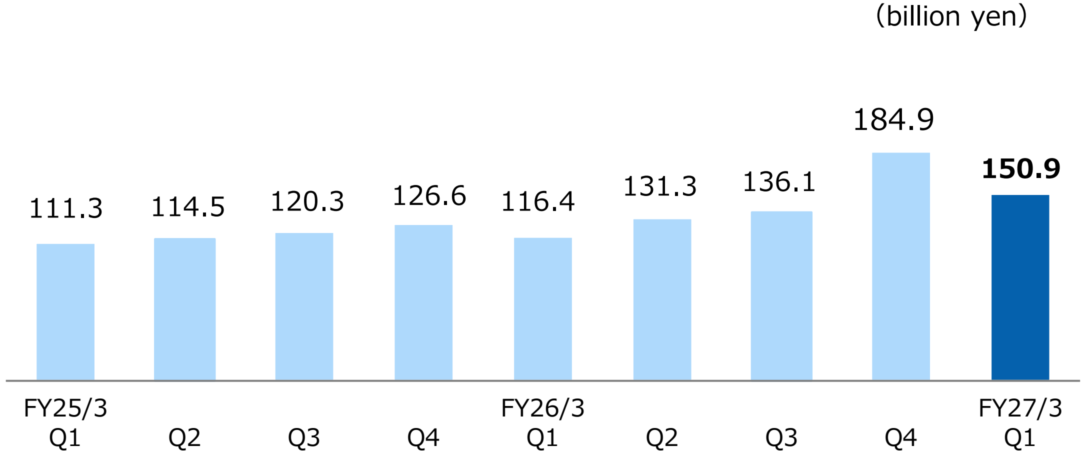
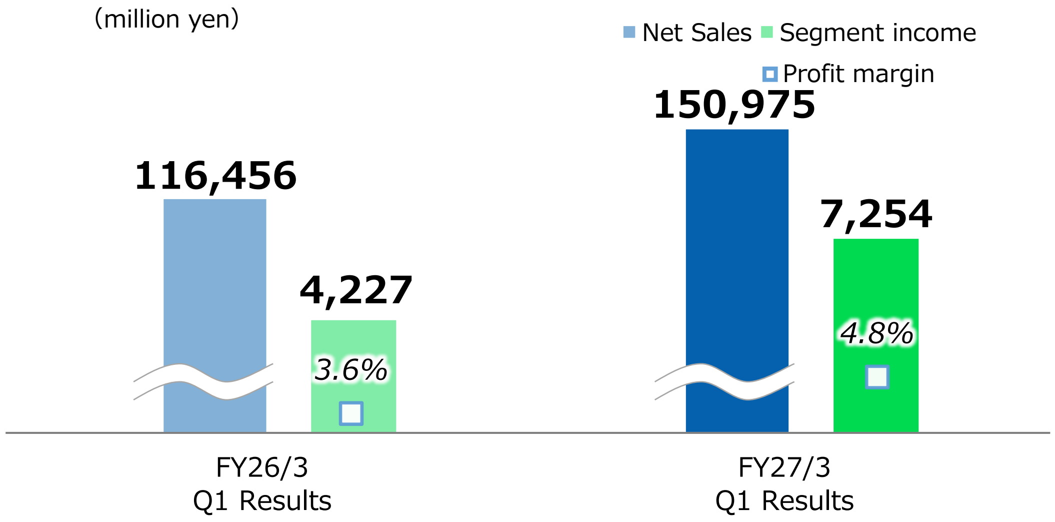
(million yen)	Q1 Results (Apr. - Jun.) FY2026/3	FY2027/3	YoY	
Net Sales	116,456	**150,975**	+34,519	29.6%
Segment income	4,227	**7,254**	+3,026	71.6%
Profit margin	3.6%	**4.8%**	+1.2pt	

Quarterly Net sales Trends



Net sales/Segment income



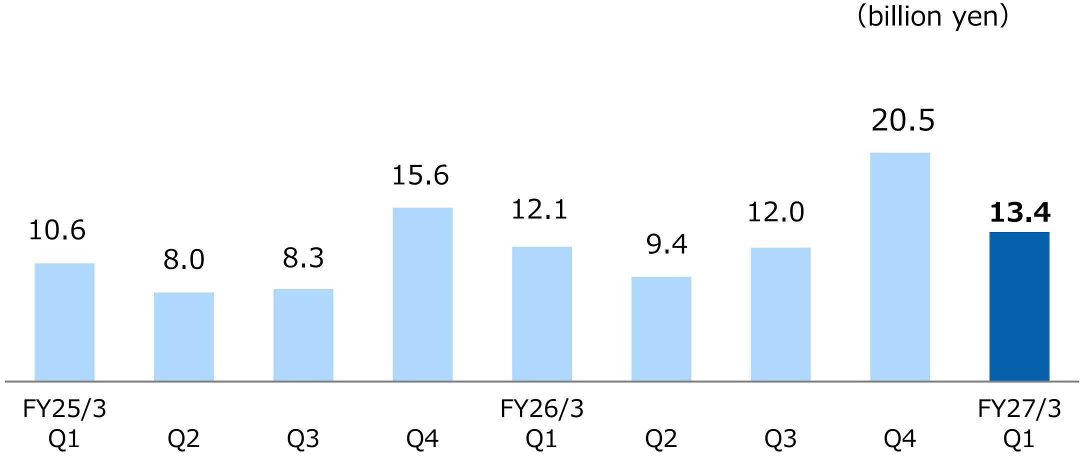
Main factors behind increase/decrease

Components sales business	(+) Increased sales and rising prices of memory products, driven by growing semiconductor demand, contributed (+) Spot sales of some products facing tight supply and demand contributed (+) Kyoei Sangyo, which became a consolidated subsidiary from Q2 of the previous fiscal year, recorded a net increase in Q1 of the current fiscal year due to the effect of new consolidation As a result, net sales and income both increased year on year
EMS Business	(+) Strong sales to air-conditioning, medical, and industrial equipment sectors (−) Decline in demand from some customers in the automotive sector As a result, net sales and income both increased year on year

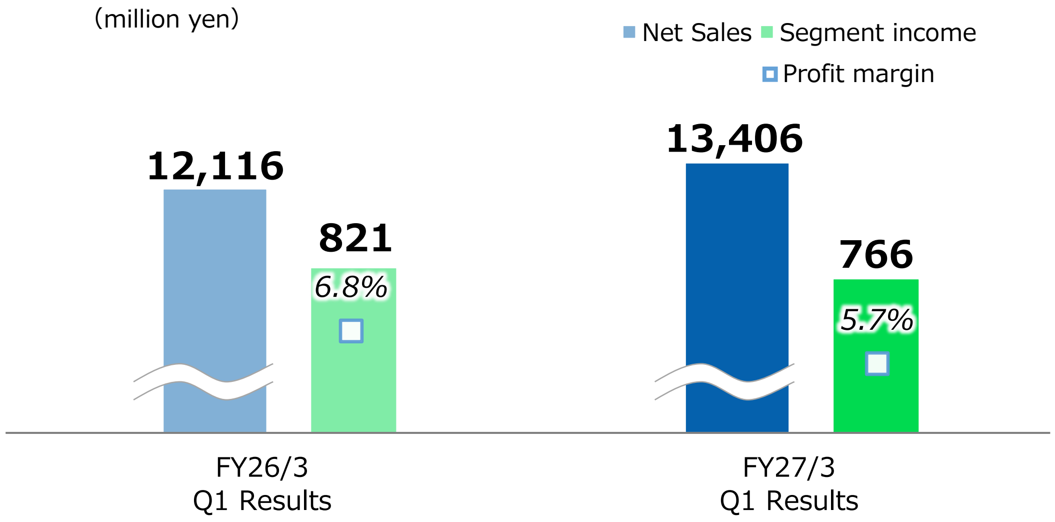
FY2027/3 Q1 : Information Equipment Segment

(million yen)	Q1 Results (Apr. - Jun.) FY2026/3	FY2027/3	YoY	
Net Sales	12,116	**13,406**	+1,289	10.6%
Segment income	821	**766**	-54	-6.6%
Profit margin	6.8%	**5.7%**	-1.1pt	

Quarterly Net sales Trends



Net sales/Segment income



Main factors behind increase/decrease

PC sales business	(+) Robust sales to educational institutions due to an increase in the number of contracted schools and the peak demand period for new students (+) Strong sales to mass retailers driven by rush demand ahead of PC product price increases (−) Soft sales of security software for mobile devices due to sluggish growth in device sales As a result, net sales increased while income decreased year on year
Electrical and telecommunication equipment installation business	(−) Soft performance in construction work for solar panels (+) Strong performance in LED installation work for major convenience stores and financial institutions (+) Strong performance in construction work for electrical substations As a result, net sales and income both decreased year on year

Shinko Shoji Becoming a Group Company

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Outline of Shinko Shoji	Trade name	Shinko Shoji Co., Ltd.
	Representative	President and CEO Tatsuya Ogawa
	Main Business	Sales of electronic components such as integrated circuits and semiconductor devices, assembly products and electronic equipment.

Objectives of the acquisition

(1) Accelerate M&A initiatives to achieve the goals of the Medium-Term Management Plan and realize net sales of 1 trillion yen in FY2028

(2) Share the target company's LSI Design Centers and engineering resources of over 300 personnel to significantly strengthen our Group's design and development capabilities at the very upstream of the value chain

(3) Share our EMS production infrastructure to further enhance added value in the target company's assembly business, which is expanding through outsourcing in sectors such as industrial equipment

Acquisition scheme

STEP 1 **Implementation and completion of tender offer**

STEP 2 **Conversion into a consolidated subsidiary**

STEP 3 **Extraordinary general meeting of shareholders and stock consolidation**

STEP 4 **Conversion into a wholly owned subsidiary and delisting**

May 18, 2026 – Aug. 3, 2026	Tender offer period
Aug. 4, 2026	Announcement of tender offer results
Aug. 10, 2026	Conversion into a consolidated subsidiary
Early October (planned)	Extraordinary general meeting of shareholders
Late October (planned)	Effective date of the stock consolidation Conversion into a wholly owned subsidiary and delisting

Total Purchase Price

Approximately 46.0 billion yen in total (planned)

Impact on Financial Performance From Making Shinko Shoji a Group Company

- The tender offer was just completed on August 10 after three extensions of the offer period, and a review of the company's earnings outlook for Q2 and beyond is currently underway.
- Based on the information disclosed by Shinko Shoji, the impact on financial performance for Q2 and beyond is estimated at approximately 100 billion yen in net sales, approximately 1.5 billion yen in operating income, and approximately 1.0 billion yen in net income.
- In addition, a gain on bargain purchase is expected in connection with the acquisition.

	Kaga Electronics			Shinko Shoji			
(million yen)	Previous Forecasts (Announced on May 14, 2026)	**Revised Forecasts (Announced on August 13, 2026)**	Profit margin	Current Forecasts (Announced on July 31, 2026) (1)	Q1 Results (Announced on July 31, 2026) (2)	**Q2-Q4 (1)-(2)**	Profit margin
Net sales	6,450	**6,600**		1,260	271	**989**	
Operating income	285	**300**	4.5%	18	3	**15**	1.5%
Ordinary income	280	**300**	4.5%	21	6	**15**	1.5%
Profit attributable to owners of parent	200	**220**	3.3%	14	4	**10**	1.0%

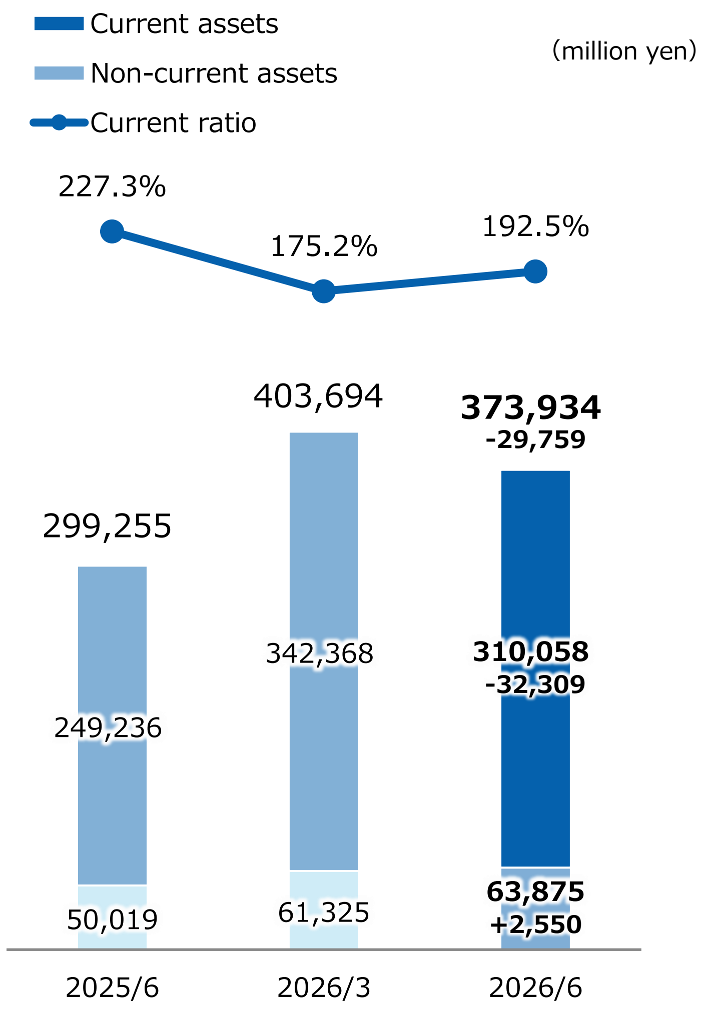
Summary of Balance Sheet

(million yen)	2026/3	2026/6	Change from end of FY2026/3
ASSETS			
Current assets	**342,368**	**310,058**	**-32,309**
Cash and deposits	89,706	83,597	-6,108
Notes and accounts receivable -trade	173,355	128,440	-44,914
Inventories	68,004	83,117	+15,112
Other	11,302	14,903	+3,601
Non-current assets	**61,325**	**63,875**	**+2,550**
Property, plant and equipment	31,624	31,685	+60
Buildings and structures	11,839	11,839	+0
Machinery, equipment and vehicles	11,898	11,885	-13
Tools, furniture and fixtures	1,282	1,333	+51
Land	6,237	6,250	+13
Construction in progress	366	375	+9
Intangible assets	1,911	1,831	-80
Software	1,873	1,794	-79
Other	38	36	-1
Total investments and other assets	27,789	30,358	+2,569
Investment securities	19,403	22,022	+2,618
Distressed receivables	4,662	4,663	+0
Allowance for doubtful accounts	-4,785	-4,785	-0
Other	8,508	8,459	-49
Total assets	**403,694**	**373,934**	**-29,759**

(million yen)	2026/3	2026/6	Change from end of FY2026/3
LIABILITIES			
Current liabilities	**195,444**	**161,055**	**-34,388**
Notes and accounts payable -trade	94,373	87,793	-6,580
Short-term loans payable	68,398	44,482	-23,916
Current portion of bonds payable	200	5,200	+5,000
Other	32,472	23,580	-8,891
Non-current liabilities	**24,733**	**21,835**	**-2,897**
Bonds payable	5,200	200	-5,000
Long-term loans payable	6,571	6,263	-307
Other	12,962	15,371	+2,409
Total liabilities	**220,177**	**182,891**	**-37,286**
NET ASSETS			
Shareholders' equity	153,948	157,009	+3,061
Capital stock	12,133	12,133	-
Capital surplus	14,767	14,767	-
Retained earnings	136,955	140,017	+3,061
Treasury shares	-9,908	-9,908	-0
	29,555	34,066	+4,511
Non-controlling interests	12	-33	-45
Total net assets	**183,516**	**191,043**	**+7,527**
Total liabilities and net assets	**403,694**	**373,934**	**-29,759**

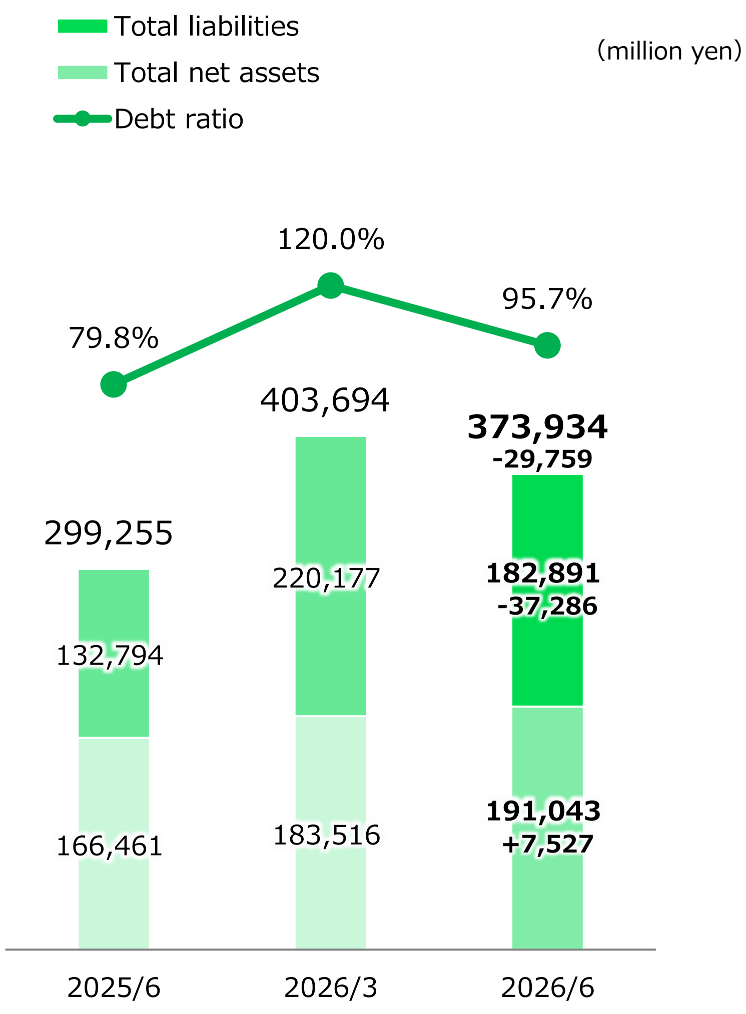
Balance Sheet Main Items

Total assets



Note: Current ratio ＝ Current asset ÷ current liabilities × 100

Total liabilities and net assets



Note: Debt ratio ＝ Total liabilities ÷ Equity capital × 100

Main balance sheet changes

■Current assets
(－) 45,652 million yen decrease in accounts receivable – trade
(－) 6,108 million yen decrease in cash and deposits
(＋) 10,762 million yen increase in merchandise and finished goods
(＋) 3,847 million yen increase in raw materials and supplies

■Non-current assets
(＋) 2,618 million yen increase in investment securities

■Liabilities
(－) 23,916 million yen decrease in short-term loans payable
(－) 6,580 million yen decrease in notes and accounts payable –trade

■Net assets
(＋) 3,061 million yen increase in retained earnings
(＋) 2,619 million yen increase in foreign currency translation adjustment

Balance Sheet Main Items

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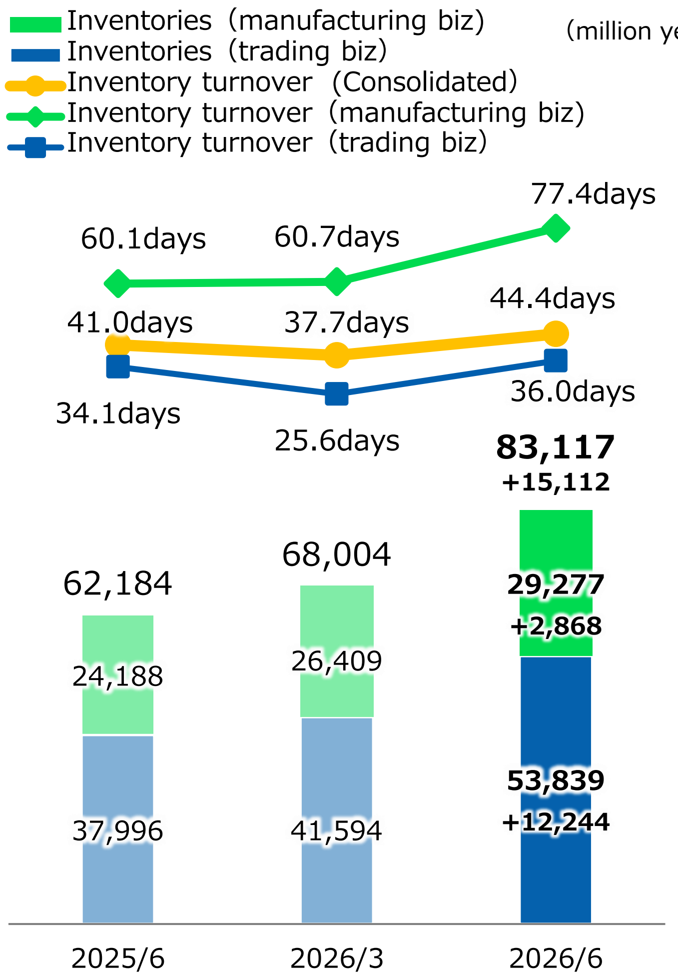
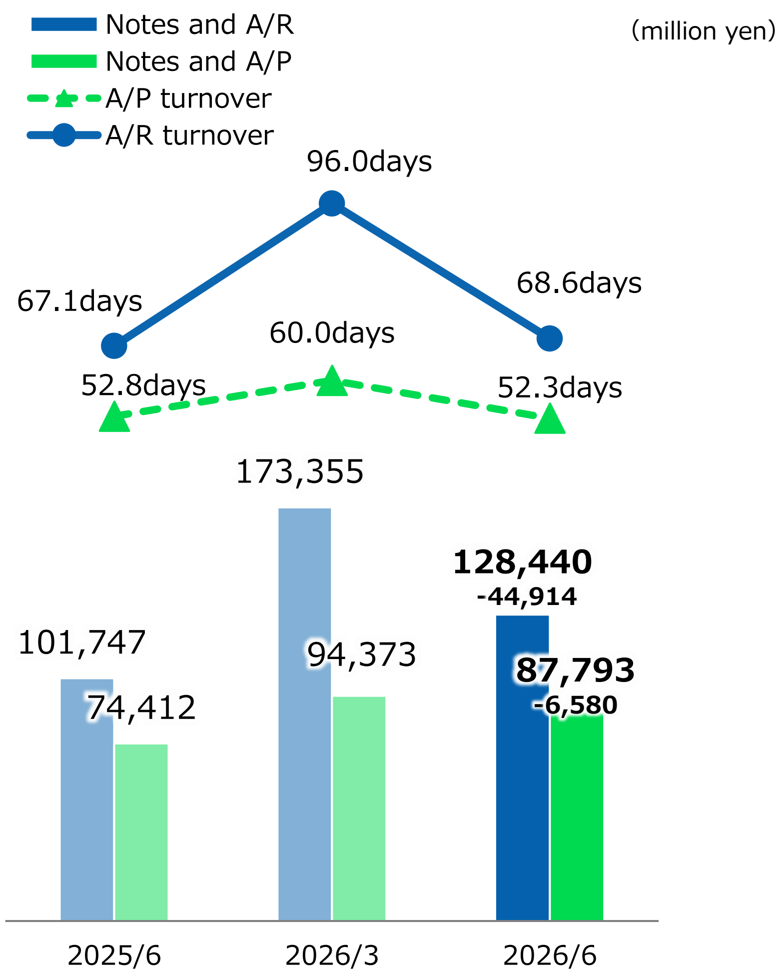
Inventories



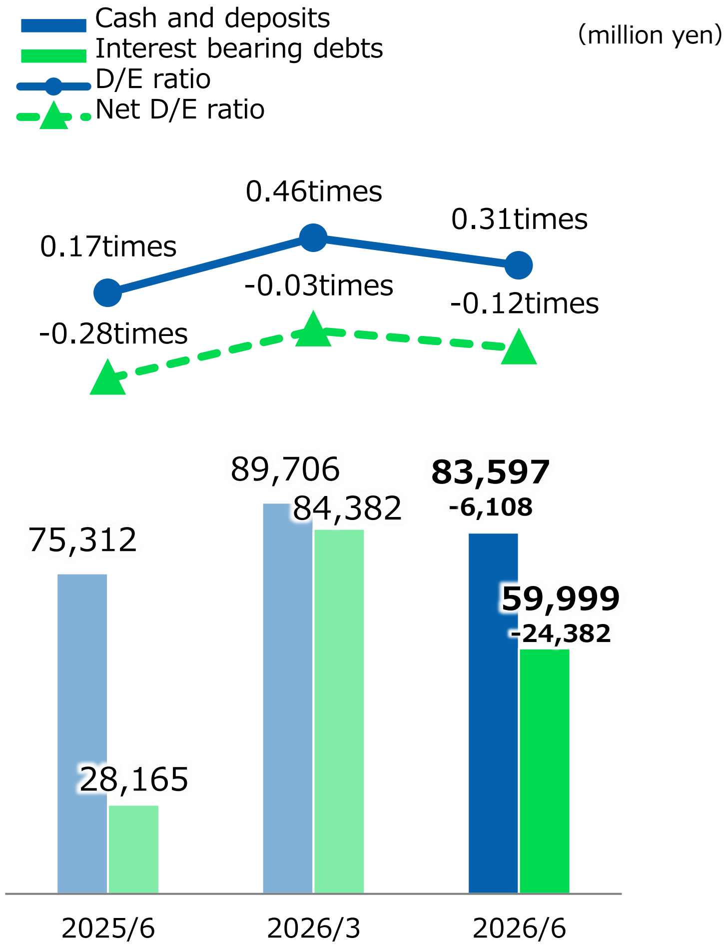
Note : Inventory turnover＝Inventories ÷ Net sales × 91

Accounts receivable/Accounts payable



Notes:1. A/R turnover＝Notes and A/R ÷ Net sales × 91
2. A/P turnover＝Notes and A/P ÷ Total purchase of goods × 91
3. Notes and A/Rare amounts including Electronically recorded monetary claims-operating
4. Notes and A/Pare amounts including Electronically recorded obligations -operating

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 FY2027/3

Forecasts for FY2027/3

(million yen)		FY2026/3 Results	FY2026/3 Composition Ratio	FY2027/3 Previous Forecasts (Announced on May 14, 2026)	FY2027/3 **Revised Forecasts (Announced on August 13, 2026)**	FY2027/3 Composition Ratio	vs. previous forecasts	YoY
Net Sales		658,941	100.0%	645,000	**660,000**	100.0%	2.3%	0.2%
Operating income		27,824	4.2%	28,500	**30,000**	4.5%	5.3%	7.8%
Ordinary income		29,930	4.5%	28,000	**30,000**	4.5%	7.1%	0.2%
Profit attibutable to owners of parent		31,099	4.7%	20,000	**22,000**	3.3%	10.0%	-29.3%
EPS（yen)		627.71	–	419.65	**461.61**	–	41.96	-166.10
ROE		17.8%	–	10.5%	**11.4%**	–	0.9pt	-6.4pt
Annual dividend	Total	140	–	140	140	–	–	–
(yen)	interim	60	–	70	70	–	–	10
	year-end	80	–	70	70	–	–	-10
Exchange rate	yen / US$	150.77	–	150.00	150.00	–	–	–

Forecasts for FY2027/3 by Business Segment

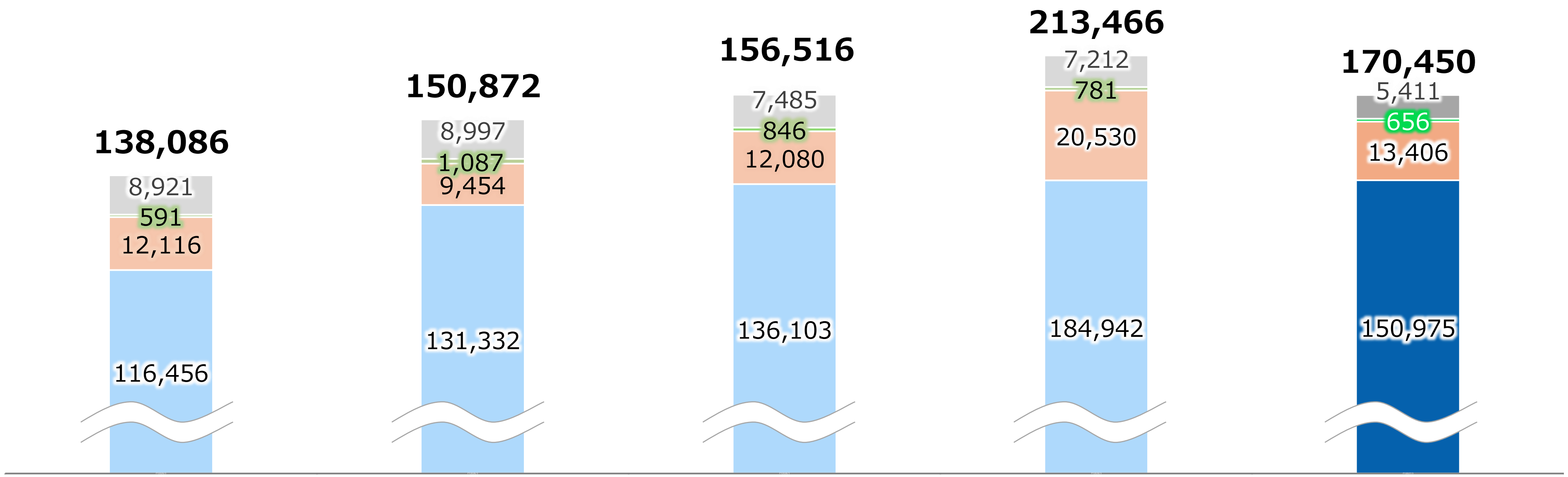
(million yen)		FY2026/3 Results	FY2026/3 Profit margin	FY2027/3 Previous Forecasts (Announced on May 14, 2026)	FY2027/3 **Revised Forecasts (Announced on August 13, 2026)**	FY2027/3 Profit margin	vs. previous forecasts	YoY
Electronic Component	Net sales	568,834		550,000	**565,000**		2.7%	-0.7%
	Segment income	19,304	3.4%	20,000	**21,500**	3.8%	7.5%	11.4%
Information Equipment	Net sales	54,182		57,500	57,500		–	6.1%
	Segment income	4,444	8.2%	5,000	5,000	8.7%	–	12.5%
Software	Net sales	3,307		3,500	3,500		–	5.8%
	Segment income	365	11.1%	500	500	14.3%	–	36.7%
Others	Net sales	32,617		34,000	34,000		–	4.2%
	Segment income	3,487	10.7%	3,000	3,000	8.8%	–	-14.0%
Total	Net sales	658,941		645,000	**660,000**		2.3%	0.2%
	Segment income	27,824	4.2%	28,500	**30,000**	4.5%	5.3%	7.8%

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

Quarterly Net sales Trends by Business Segment

Reference

(million yen)

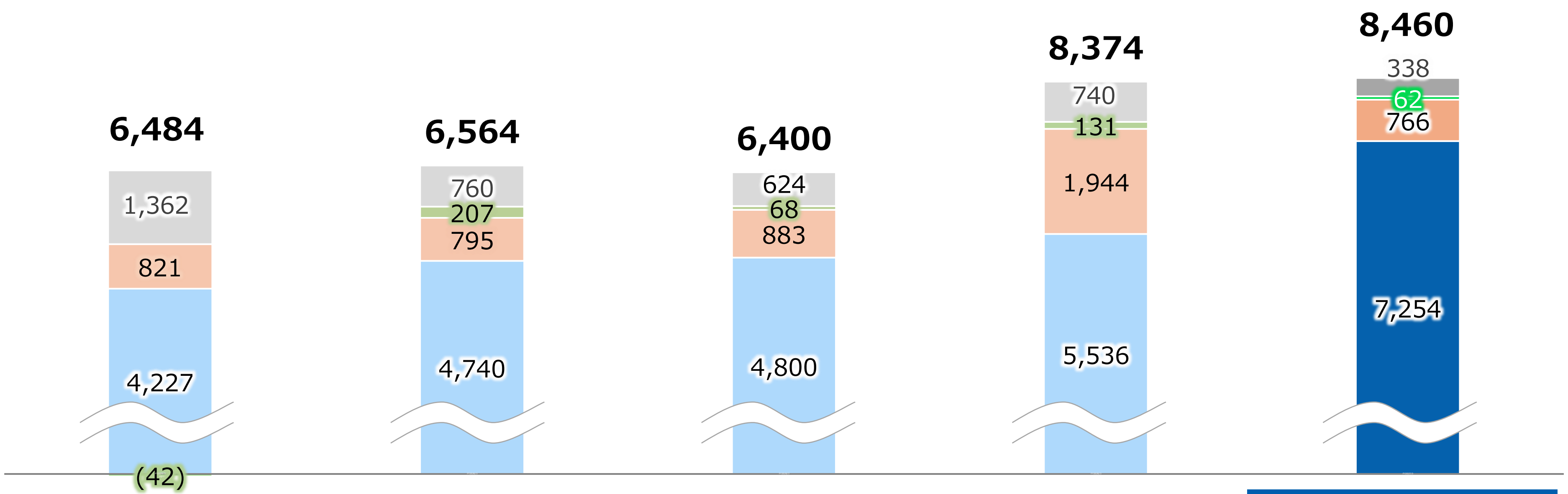


Composition Ratio	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4	FY2027/3 Q1
Others	6.5%	6.0%	4.8%	3.4%	3.2%
Software	0.4%	0.7%	0.5%	0.4%	0.4%
Information Equipment	8.8%	6.3%	7.7%	9.6%	7.9%
Electric Component	84.3%	87.0%	87.0%	86.6%	88.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Quarterly Income Trends by Business Segment

Reference

(million yen)



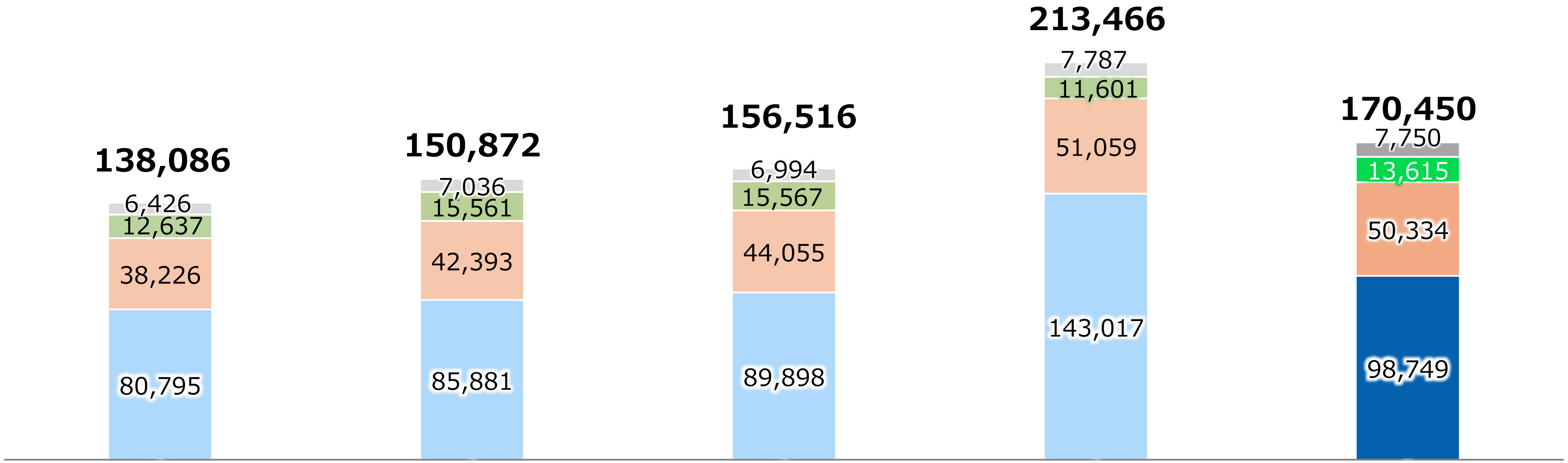
Composition Ratio	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4	FY2027/3 Q1
Others	21.4%	11.7%	9.8%	8.9%	4.0%
Software	-0.7%	3.2%	1.1%	1.6%	0.7%
Information Equipment	12.9%	12.2%	13.9%	23.3%	9.1%
Electric Component	66.4%	72.9%	75.2%	66.2%	86.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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

Quarterly Net Sales Trends by Region

Reference

(million yen)



Composition Ratio	FY2026/3 Q1	FY2026/3 Q2	FY2026/3 Q3	FY2026/3 Q4	FY2027/3 Q1
Europe	4.7%	4.7%	4.5%	3.6%	4.5%
North America	9.2%	10.3%	9.9%	5.4%	8.0%
Asia	27.7%	28.1%	28.1%	23.9%	29.5%
Japan	58.4%	56.9%	57.5%	67.1%	58.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Segment disclosure in the MTMP*

Reference

MTMP: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 Medium-Term Management Plan.

Current segments

Legal financial Accounting

Electronic components

Components sales business
- Sales of semiconductors
- Sales of general electronic components
- Sales of various kinds of devices

EMS business
- Electronic equipment manufacture contracting services

Information equipment
- Sales of PCs and PC peripherals
- Sales of home electric appliances and lighting fixtures
- Sales of photograph and imaging products

Software
- Production of CG video and software

Others
- Sales of amusement equipment
- Repair and support for electronics equipment
- Sales of sports goods

Segments in Medium-Term Management Plan

Management Accounting

Electronic components
- Sales of semiconductors
- Sales of general electronic components
- Sales of various devices

EMS
- Electronic equipment manufacture contracting services

CSI
- Sales of PCs and PC peripherals
- Sales of home electric appliances and lighting fixtures
- Sales of photograph and imaging products

CSI: Consumer & System Integrator

Others
- Production of CG video and software
- Sales of amusement equipment
- Repair and support for electronics equipment
- Sales of sports goods

Results for FY2027/3 Q1 by MTMP* Segment

Reference

KAGA ELECTRONICS

MTMP:Medium-Term Management Plan

(million yen)		FY2026/3 Q1 Results (Apr. - Jun.)	Profit margin	**FY2027/3** Q1 Results (Apr. - Jun.)	Profit margin	YoY
Electronic Component	Net sales	81,847		**115,370**		41.0%
	Segment income	2,267	2.8%	**5,358**	4.6%	136.3%
EMS	Net sales	37,198		**38,528**		3.6%
	Segment income	2,235	6.0%	**2,311**	6.0%	3.4%
CSI	Net sales	12,116		**13,406**		10.6%
	Segment income	821	6.8%	**766**	5.7%	-6.6%
Others	Net sales	6,923		**3,145**		-54.6%
	Segment income	1,132	16.4%	**54**	1.7%	-95.2%
Total	Net sales	138,086		**170,450**		23.4%
	Segment income	6,484	4.7%	**8,460**	5.0%	30.5%

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

Forecasts for FY2027/3 by MTMP* Segment

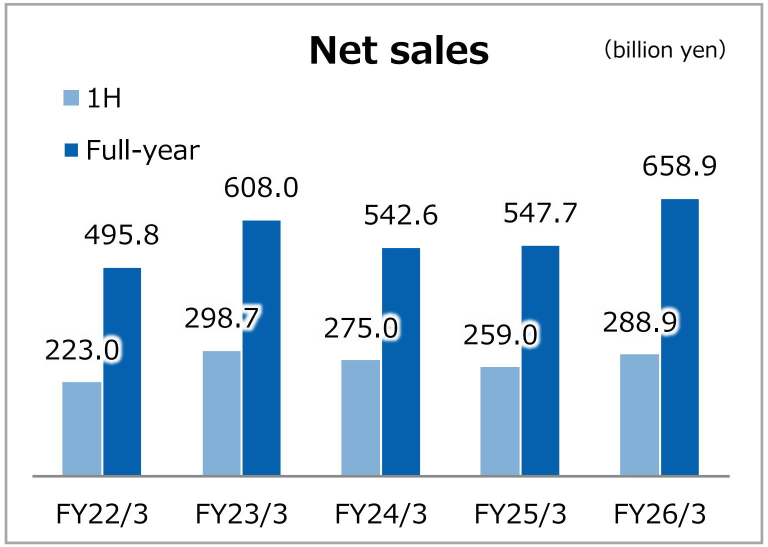
Reference

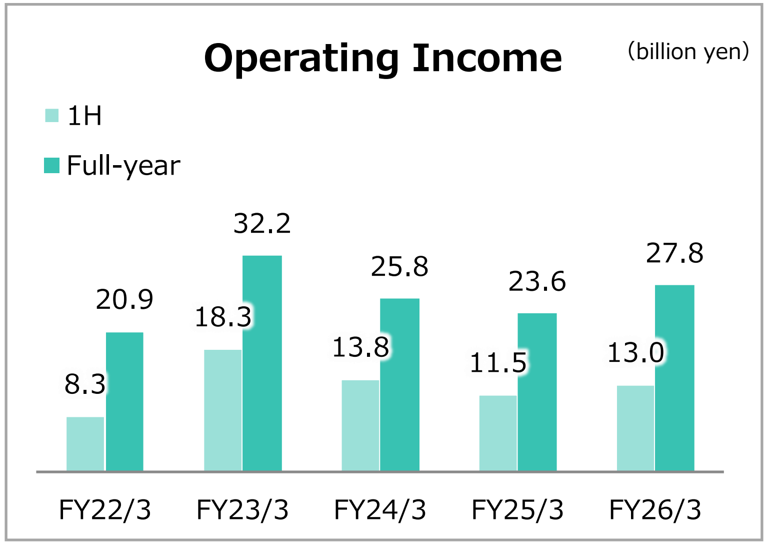
MTMP:Medium-Term Management Plan

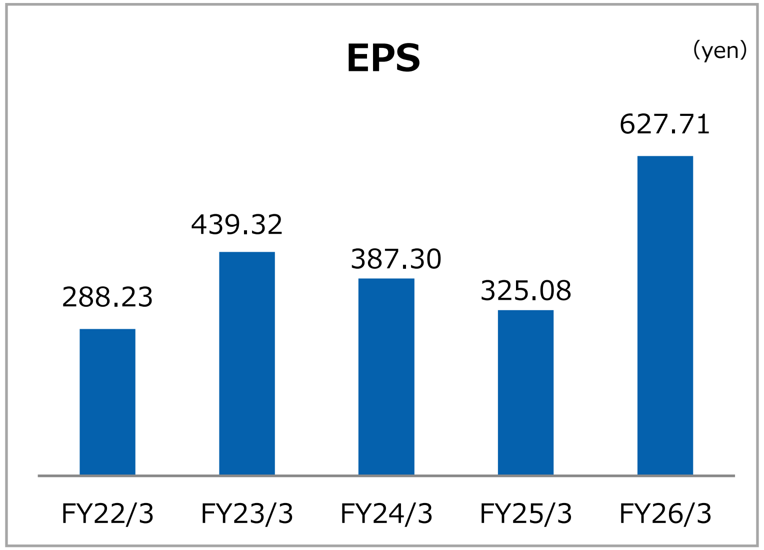
(million yen)		FY2026/3 Results	FY2026/3 Profit margin	FY2027/3 Previous Forecasts (Announced on May 14, 2026)	FY2027/3 **Revised Forecasts (Announced on August 13, 2026)**	FY2027/3 Profit margin	vs. previous forecasts	YoY
Electronic Component	Net sales	425,532		407,500	**417,500**		2.5%	-1.9%
	Segment income	12,542	2.9%	12,000	**13,000**	3.1%	8.3%	3.6%
EMS	Net sales	154,876		160,000	**165,000**		3.1%	6.5%
	Segment income	7,941	5.1%	8,500	**9,000**	5.5%	5.9%	13.3%
CSI	Net sales	54,182		57,500	57,500		–	6.1%
	Segment income	4,444	8.2%	5,000	5,000	8.7%	–	12.5%
Others	Net sales	24,349		20,000	20,000		–	-17.9%
	Segment income	2,771	11.4%	3,000	3,000	15.0%	–	8.2%
Total	Net sales	658,941		645,000	**660,000**		2.3%	0.2%
	Segment income	27,824	4.2%	28,500	**30,000**	4.5%	5.3%	7.8%

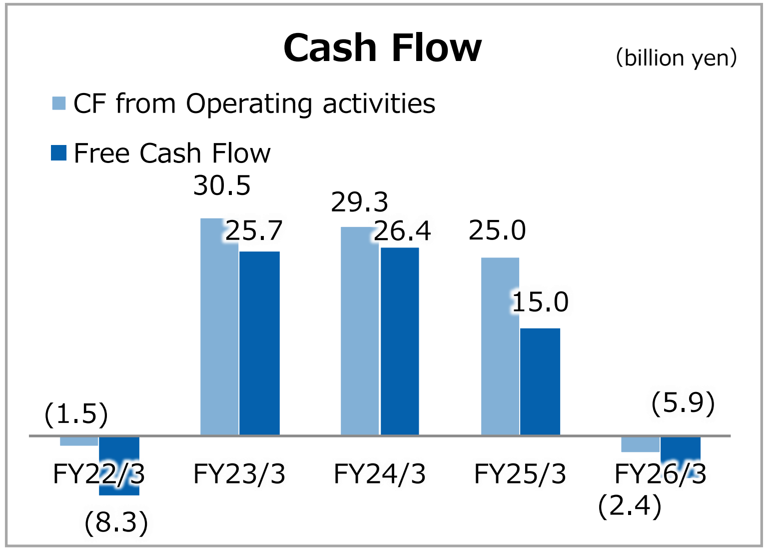
Latest 5 years Financial Trends

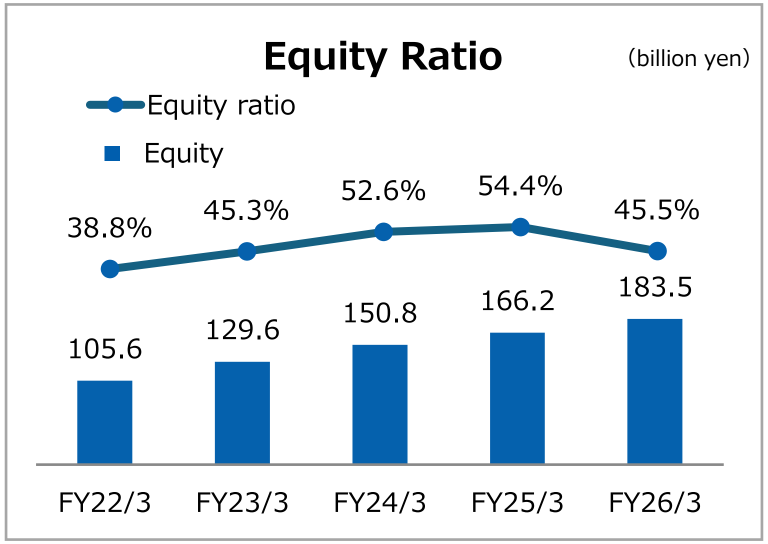
Reference

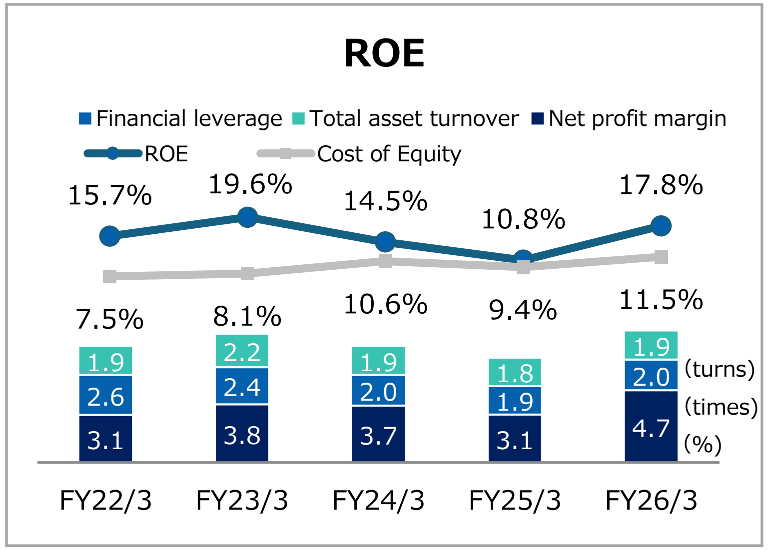












Note: The Company conducted a two-for-one stock split of its common stock effective Oct. 1, 2024.
The amounts indicated for EPS take account of the impact of the said stock split even prior to the split date.

Exchange Rate / FOREX Sensitivity

	Results Q1 (4-6月)		(Reference) Effect of 1% change		Forex Assumption for 2027/3
	FY2026/3	FY2027/3	Net sales	Operating income	
		(yen)		(million yen)	(yen)
USD	144.59	159.49	602	11	150.00
RMB	20.95	22.66	72	2	21.00
THB	4.36	4.90	71	2	4.80
HKD	18.52	20.36	63	2	20.00
EUR	163.80	185.39	40	1	175.00

“Everything we do is for our customers

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- 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.

- Display method in this material
  Number : Truncated less than the display unit.
  Ratio : After calculation in yen units, Round down one digit of Display unit.