

For Institutional Investors/Analysts



**KAGA ELECTRONICS
CO., LTD.**

Financial Results Briefing Material
for the First Half of the
Fiscal Year ending March 2022

KAGA ELECTRONICS CO., LTD.
November 25, 2021
TSE 1st section 8154

I am Kawamura from KAGA ELECTRONICS CO., LTD. Thank you very much for your continued support.

I will now provide an overview of our financial results for the second quarter of the fiscal year ending March 2022.

Summary of Financial Results for FY2022/3 2Q

FY2022/3 1H results	<ul style="list-style-type: none"> ● Net sales increased, driven by the electronic components business that benefited from recovery in demand. ● Operating income increased significantly, achieving a record high for the first half, a result of higher gross profit reflecting higher sales, as well as facilitation of remote working, online conferencing and other tools, and efforts to curb expenses. ● Net income for the quarter decreased due to the absence of the 7.96 billion yen "gain on bargain purchase" resulting from the acquisition of EXCEL, which was posted as extraordinary income. 	
Overview of the main segments	Electronic Components	<ul style="list-style-type: none"> • In the components sales business, the tight supply/demand balance of electronic components continued but volume could be secured by leveraging strength in procurement capabilities. Net sales increased, driven by robust demand. • In the EMS business, sales in the automotive, industrial equipment, and medical product areas were solid.
	Information Equipment	<ul style="list-style-type: none"> • PCs to educational institutions and PC peripheral equipment such as security software maintained the strong 1Q sales trend. • Net sales declined due to the impact of a reactionary drop in the sale of PCs for remote work as well as extensions of construction periods in the LED and network device installation business caused by delayed delivery of products and materials.
FY2022/3 earnings forecast	<ul style="list-style-type: none"> ● While taking note of the steady progress in the first half that exceeded initial plans, forecasts for the 3Q and beyond carefully incorporate the effects of risks such as opportunity loss arising from tight supply/demand balance of electronic components and soaring distribution costs. ● Forecast for net sales remains unchanged. Forecast for operating income is raised by 2 billion yen, targeting another record high for the third consecutive fiscal year. 	
Shareholder return	<ul style="list-style-type: none"> ● Interim and year-end dividends will both be increased by 5 yen from the initial forecast, to 45 yen per share. ● Full-year dividend will be 90 yen per share, an increase of 10 yen from 80 yen paid in the previous fiscal year. 	



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First of all, net sales increased, driven by the Electronic Components business on the back of recovering demand.

Operating income increased substantially due to an increase in gross profit resulting from higher sales, as well as efforts to promote the use of telework and online meetings, and to control expenses. This is a record high for the second quarter.

Profit attributable to owners of parent decreased because the gain on negative goodwill of JPY7.96 billion, which was recorded as extraordinary income in the previous fiscal year due to the acquisition of a company, has been eliminated.

The following is an overview of the main segments.

In the Electronic Components business, the components sales business took advantage of its strength in procurement to secure product volume amid the continued tightening of demand for electronic components, and sales increased on the back of strong demand. In the EMS business, sales for automotive, industrial equipment and medical products were strong.

Next is the Information Equipment business. Sales of PCs to educational institutions and sales of PC peripheral equipment such as security software continued to be strong from the first quarter. However, a reactionary decline in sales of PCs for remote work and delays in the delivery of product materials in the LED and network device installation business caused the construction period to be extended, resulting in a decrease in net sales.

This is the forecast for the fiscal year ending March 2022.


Based on the steady progress up to 2Q, which exceeded the initial plan, we have cautiously factored in the risk of opportunity loss due to tight supply and demand for electronic components and the impact of soaring logistics costs from 3Q onward. As a result, net sales will remain unchanged, while operating income will increase by JPY2 billion, aiming for a third consecutive year of highest profits.

Regarding shareholder returns, we have revised the interim and year-end dividends to JPY45 per share, an increase of JPY5 from the beginning of the fiscal year. The annual dividend of JPY90 per share represents an increase of JPY10 from the previous year's actual dividend of JPY80 per share.

FY2022/3 2Q Financial Highlights

(million yen)									
	FY2021/3 2Q Results		FY2022/3 2Q Results		YoY	FY2022/3 Forecast <small>(announced on May 13, 2021)</small>		Progress rate	
Net Sales	188,859		223,009		18.1%	470,000			47.4%
Gross Profit	21,641	11.5%	27,133	12.2%	25.4%	–	–		–
SG&A	17,206	9.1%	18,832	8.4%	9.4%	–	–		–
Operating income	4,434	2.3%	8,300	3.7%	87.2%	13,000	2.8%		63.9%
Ordinary income	4,338	2.3%	8,452	3.8%	94.8%	12,000	2.6%		70.4%
Profit attributable to owners of parent	10,772	5.7%	5,624	2.5%	-47.8%	8,000	1.7%		70.3%
EPS (yen)	392.30	–	207.39	–	–	291.20	–		–
Exchange Rate USD	106.92	–	109.80	–	–	110.50	–		–

Note: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. was applied from the beginning of FY2022/3 1Q.
As a result, compared to the previous method, in this 2Q, net sales decreased by 2,358million yen.
Operating income, ordinary income, and profit before income taxes also decreased by 15million yen each.

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Actual net sales for the second quarter of the fiscal year ending March 2022 were JPY223.009 billion, up 18.1% YoY.

Gross profit was JPY27.133 billion, up 25.4% YoY. Gross profit margin was 12.2%, an improvement of 0.7 percentage point from the previous year. Selling, general and administrative expenses totaled 18.832 billion, an increase of 9.4% from the previous year.

Operating income increased by 87.2% YoY to JPY8.3 billion. Ordinary income totaled JPY8.452 billion, up 94.8% YoY. Profit attributable to owners of parent was JPY5.624 billion, a decrease of 47.8% from the previous year. This resulted in an EPS of 207.39.


In comparison with the earnings forecast for the fiscal year ending March 2022, which was announced on May 13, the progress rate is 47.4% since we had announced net sales of JPY470 billion. As for operating income, we had announced JPY13 billion, so the progress rate is 63.9%.

We had announced ordinary income of JPY12 billion, so the progress rate is 70.4%. We had announced profit of JPY8 billion for the quarter, so the progress rate is 70.3%.

FY2022/3 2Q Results by Business Segment

		(million yen)						
		FY2021/3 2Q Results	FY2022/3 2Q Results		YoY	FY2022/3 Forecast	Progress rate	
Electronic Component	Net sales	156,887	194,406		23.9%	404,000	48.1%	
	Segment income	3,083 2.0%	7,123 3.7%		131.1%	9,900 2.5%	72.0%	
Information Equipment	Net sales	23,192	18,713		-19.3%	45,000	41.6%	
	Segment income	1,160 5.0%	910 4.9%		-21.6%	2,300 5.1%	39.6%	
Software	Net sales	1,274	1,237		-2.9%	3,000	41.3%	
	Segment income	86 6.8%	-109 -		-	300 10.0%	-	
Others	Net sales	7,505	8,651		15.3%	18,000	48.1%	
	Segment income	36 0.5%	320 3.7%		787.3%	500 2.8%	64.1%	
Total	Net sales	188,859	223,009		18.1%	470,000	47.4%	
	Segment income	4,434 2.3%	8,300 3.7%		87.2%	13,000 2.8%	63.9%	

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


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I will now explain the results by segment.

In the Electronic Components business, net sales totaled JPY194.406 billion, up 23.9% YoY. Segment income was JPY7.123 billion, an increase of 131.1%.

Sales of Information Equipment decreased by 19.3% to JPY18.713 billion. Segment income was JPY910 million, a decrease of 21.6%.

In Software, net sales were JPY1.2 billion, down 2.9% YoY to JPY37 million. Segment income was a loss of JPY109 million.

In Others, net sales totaled JPY8.651 billion, up 15.3% YoY. Profit was JPY320 million, up 787%.

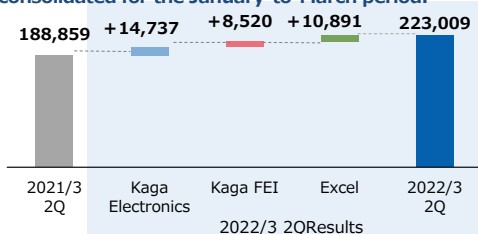
The Electronic Components business accounts for 87% of the total sales, and the Information Equipment business accounts for 8.4%, accounting for 95% of the total sales.

Effect of M&A (FY2022/3 2Q Results)

* EXCEL's actual results for FY2021/3 2Q do not include results of overseas subsidiaries' FY2021/Jan-Mar period. (million yen)

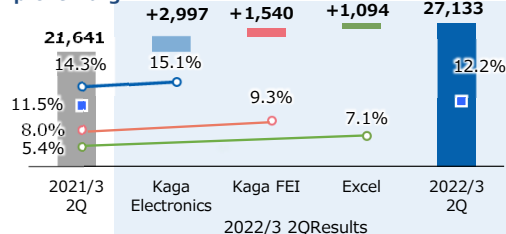
Net Sales

Sales increased for all three companies. In FY 2021/3, EXCEL's overseas subsidiaries were not consolidated for the January-to-March period.*



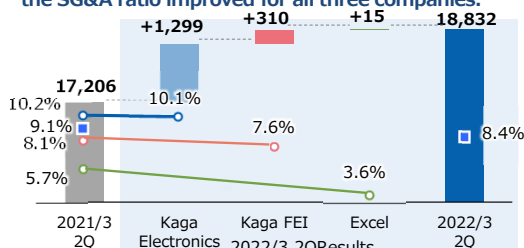
Gross profit / Gross profit margin

Income increased for all three companies, owing to higher sales that led to higher income and improved profit margin.



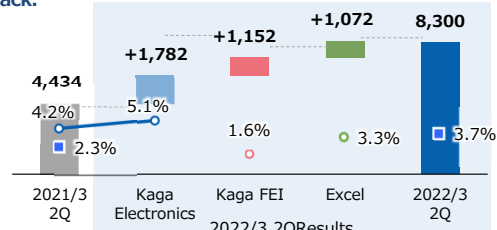
SG&A / SG&A ratio

Although expenses increased with growth in sales, the SG&A ratio improved for all three companies.



Operating income / Operating income margin

Significant improvement in profit margin at Kaga Electronics. Both Kaga FEI and EXCEL returned to the black.



note : With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the two companies. For reference, after consolidation adjustments, gross profit stood at -146million yen, and operating income came to -135 million yen.

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I would like to explain the impact of our M&A activities with respect to the results for the second quarter.

Net sales totaled JPY34.15 billion, a YoY increase, of which JPY14.737 billion generated by the original Kaga Electronics Group companies, JPY8.52 billion by Kaga FEI, and JPY10.891 billion by Excel.

Profits increased by JPY5.492 billion, of which JPY2.997 billion came from the original Kaga Electronics Group, JPY1.54 billion from Kaga FEI, and JPY1.094 billion from Excel.

As for the profit margin, the overall gross profit margin was 12.2% for the Group, an improvement of 0.7 percentage points compared to the same period last year. Of this total, the original Kaga Electronics Group accounted for 15.1%, an increase of 0.8 percentage points from the same period last year. The Kaga FEI was 9.3%, an increase of 1.3 percentage points. Excel was 7.1%, an increase of 1.7 percentage points. Therefore, the profit margin improved for all of them.

As a result, operating income increased by JPY3.866 billion, which consisted of an increase of JPY1.782 billion for the original Kaga Electronics Group, an increase of JPY1.152 billion for Kaga FEI, and an increase of JPY1.072 billion for Excel.

FY2022/3 2Q Results by Company

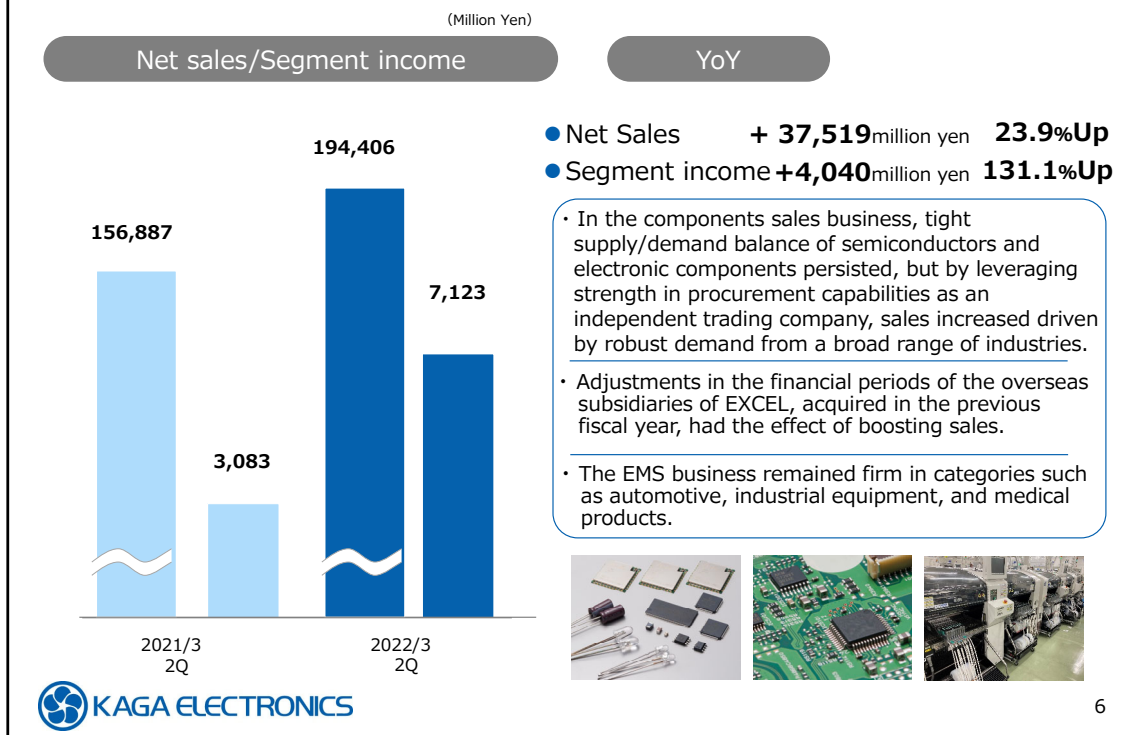
(million yen)

		2021/3 2Q Results		2022/3 2Q Results		YoY
Kaga Electronics	Net sales	110,535		125,272		13.3%
	Gross Profit	15,853	14.3%	18,850	15.1%	18.9%
	operating income	4,619	4.2%	6,402	5.1%	38.6%
Kaga FEI	Net sales	59,720		68,240		14.3%
	Gross Profit	4,784	8.0%	6,325	9.3%	32.2%
	operating income	-84	-0.1%	1,067	1.6%	-
Excel	Net sales	18,604		29,495		58.5%
	Gross Profit	1,009	5.4%	2,103	7.1%	108.4%
	operating income	-106	-0.6%	966	3.3%	-
Total	Net sales	188,859		223,009		18.1%
	Gross Profit	21,641	11.5%	27,133	12.2%	25.4%
	operating income	4,434	2.3%	8,300	3.7%	87.2%

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

On the next page, page 5, you can see a comparison of gross profit and operating income of the 3 companies, Kaga Electronics, Kaga FEI, and Excel.

Financial Highlights: Electronic Component Segment



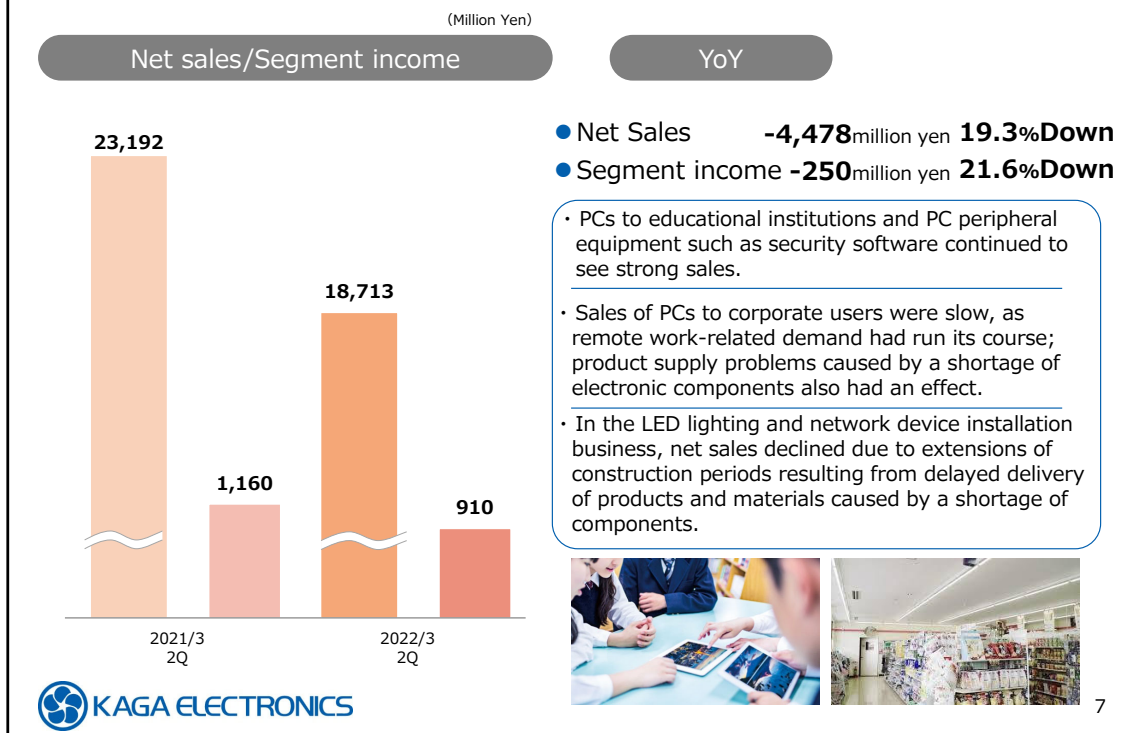
I will continue with an overview of the Electronic Components business.

In the Electronic Components business, net sales increased by JPY37.519 billion and income increased by JPY4.040 billion.

This is due to the fact that while the supply and demand for semiconductors and electronic components continues to be tight, we have been able to take advantage of our procurement capabilities as an independent trading company to increase sales, driven by strong demand from a wide range of industries. There was also an increase in sales related to the adjustment of the fiscal year end of the overseas subsidiary of Excel, which was acquired in the previous fiscal year.

In the EMS business, sales of products for in-vehicle applications, industrial equipment, and medical products continued to be strong.

Financial Highlights: Information Equipment Segment



Next is the Information Equipment.

Net sales decreased by JPY4.478 billion and segment income decreased by JPY250 million.

The reason for this is that sales of PC peripheral equipment, including PCs and security software for educational institutions, remained strong. Sales of PCs to corporate customers were sluggish, affected by a lull in demand for remote work and difficulties in supplying products due to a shortage of electronic components.

Sales in the LED lighting equipment and network device installation business declined due to extended construction periods caused by delays in the delivery of products and materials due to parts shortages.

Reference

FY2022/3 2Q Financial Highlights (3months)

(million yen)

	FY2021/3 2QResults		FY2022/3 1QResults		FY2022/3 2QResults		YoY	QoQ
Net Sales	104,729		105,949		117,059		11.8%	10.5%
Gross Profit	11,643	11.1%	13,550	12.8%	13,582	11.6%	16.7%	0.2%
SG&A	8,864	8.5%	9,098	8.6%	9,733	8.3%	9.8%	7.0%
Operating income	2,778	2.7%	4,452	4.2%	3,848	3.3%	38.5%	-13.6%
Ordinary income	2,804	2.7%	4,566	4.3%	3,885	3.3%	38.5%	-14.9%
Profit attributable to owners of parent	2,128	2.0%	2,872	2.7%	2,752	2.4%	29.3%	-4.2%
EPS (yen)	77.53	—	104.55	—	102.48	—	—	—

(million yen)

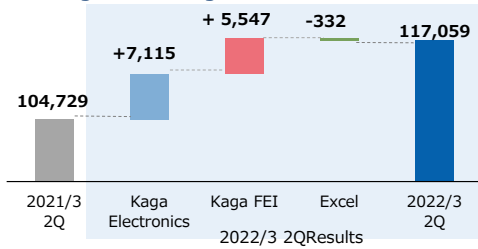
		FY2021/3 2QResults		FY2022/3 1QResults		FY2022/3 2QResults		YoY	QoQ
Electronic Component	Net sales	88,690		90,624		103,782		17.0%	14.5%
	Segment income	1,897	2.1%	3,699	4.1%	3,423	3.3%	80.5%	-7.5%
Information Equipment	Net sales	10,654		10,636		8,077		-24.2%	-24.1%
	Segment income	577	5.4%	568	5.3%	342	4.2%	-40.8%	-39.8%
Software	Net sales	783		568		669		-14.5%	17.8%
	Segment income	131	16.8%	-67	-11.8%	-42	-6.3%	-	-
Others	Net sales	4,600		4,120		4,530		-1.5%	9.9%
	Segment income	137	3.0%	217	5.3%	103	2.3%	-25.0%	-52.4%
Total	Net sales	104,729		105,949		117,059		11.8%	10.5%
	Segment income	2,778	2.7%	4,452	4.2%	3,848	3.3%	38.5%	-13.6%

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

(million yen)

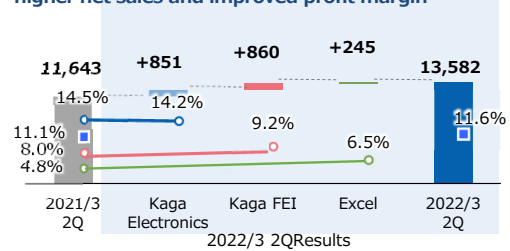
Net Sales

EXCEL was flat year on year but Kaga Electronics and Kaga FEI drove growth in net sales



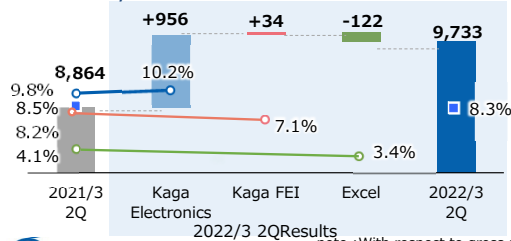
Gross profit / Gross profit margin

Income increased for all three companies, owing to higher net sales and improved profit margin



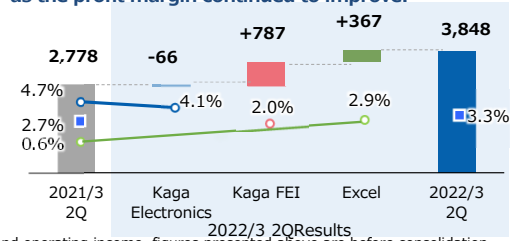
SG&A / SG&A ratio

Despite cost increases due to higher sales at Kaga Electronics, the consolidated SG&A ratio declined



Operating income / Operating income margin

Kaga FEI returned to the black. Income increased, as the profit margin continued to improve.



note :With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the two companies. For reference, after consolidation adjustments, gross profit stood at -20million yen, and operating income came to -14 million yen.

(million yen)

		2021/3		2022/3		2022/3		YoY	QoQ
		2QResults		1QResults		2QResults			
Kaga Electronics	Net sales	58,041		60,115		65,157		12.3%	8.4%
	Gross Profit	8,410	14.5%	9,588	16.0%	9,261	14.2%	10.1%	-3.4%
	operating income	2,749	4.7%	3,719	6.2%	2,683	4.1%	-2.4%	-27.9%
Kaga FEI	Net sales	30,548		32,145		36,095		18.2%	12.3%
	Gross Profit	2,455	8.0%	3,009	9.4%	3,316	9.2%	35.0%	10.2%
	operating income	-65	-0.2%	346	1.1%	721	2.0%	-	108.0%
Excel	Net sales	16,139		13,688		15,807		-2.1%	15.5%
	Gross Profit	779	4.8%	1,079	7.9%	1,024	6.5%	31.5%	-5.1%
	operating income	91	0.6%	507	3.7%	458	2.9%	401.6%	-9.6%
Total	Net sales	104,729		105,949		117,059		11.8%	10.5%
	Gross Profit	11,643	11.1%	13,550	12.8%	13,582	11.6%	16.7%	0.2%
	operating income	2,778	2.7%	4,452	4.2%	3,848	3.3%	38.5%	-13.6%

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

Reference

Financial Highlights: Electronic Component Segment (3months)

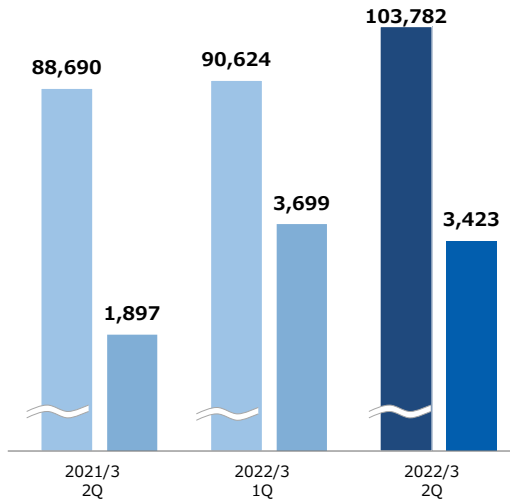
(million Yen)

Net sales/Segment income

YoY

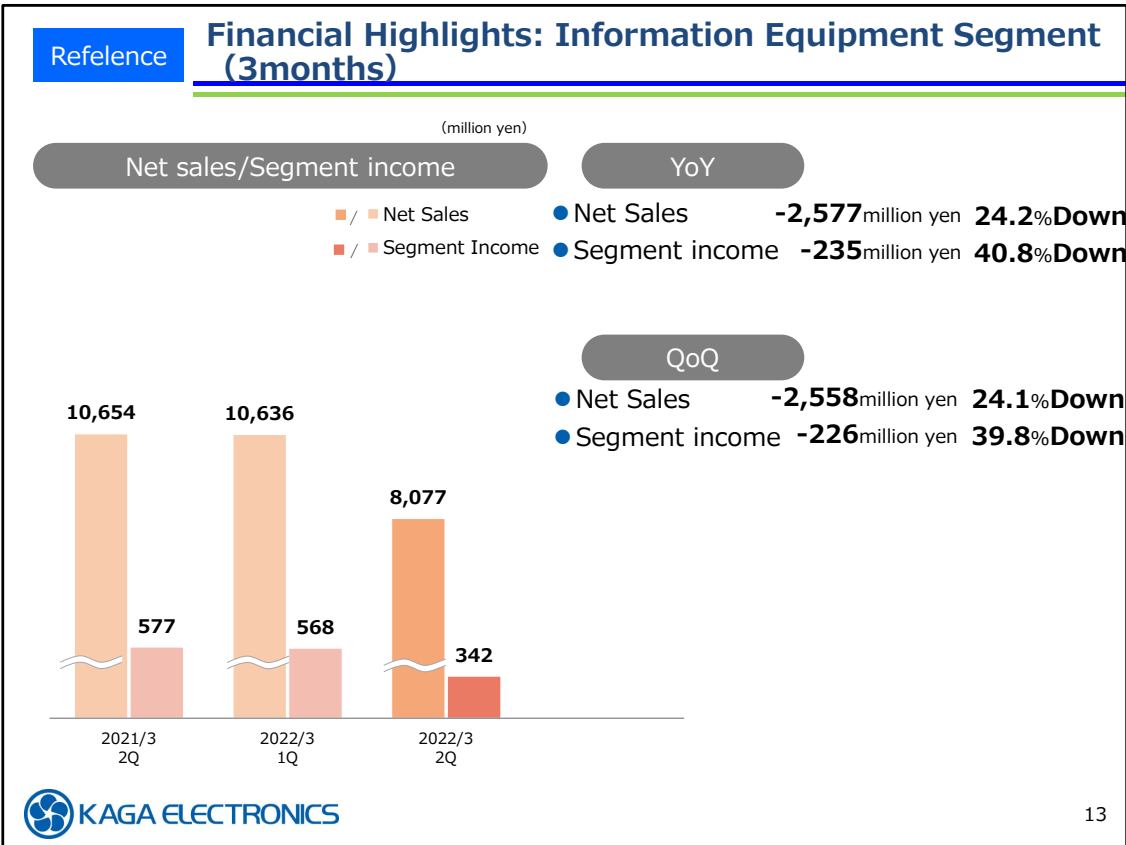
■ / ■ Net Sales
■ / ■ Segment income

● Net Sales **+15,091**million yen **17.0%Up**
● Segment income **+1,526**million yen **80.5%UP**

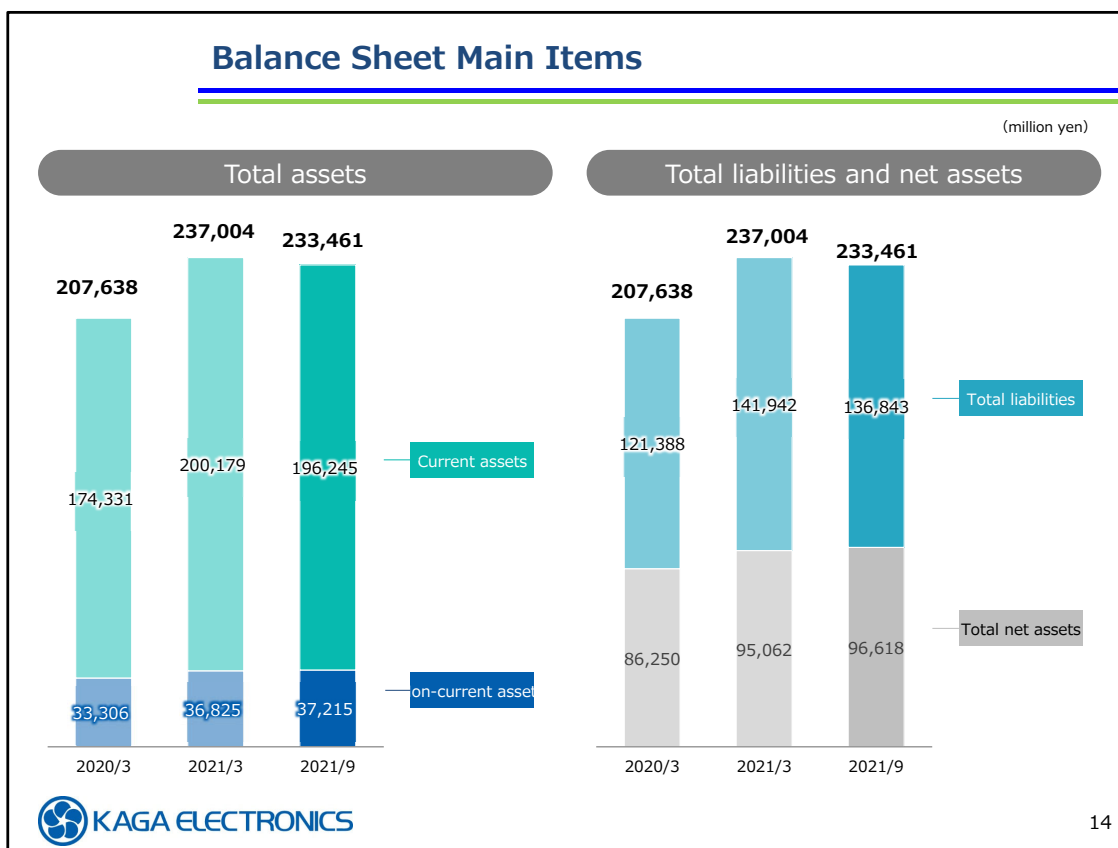


QoQ

● Net Sales **+13,158**million yen **14.5%Up**
● Segment income **-276**million Yen **7.5%Down**



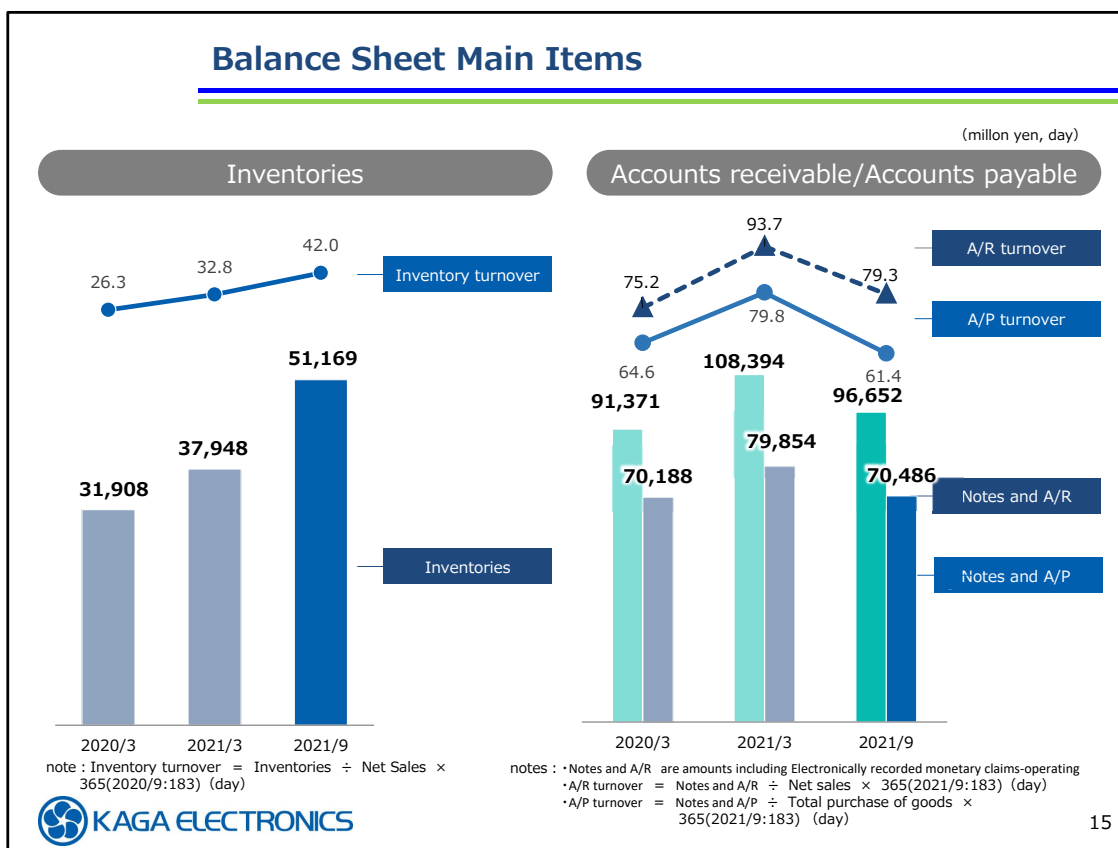
Pages 8 to 13 show a side-by-side comparison of the actual results for the second quarter and the first quarter on a 3-month basis. The leftmost figure is for the same period of the previous year.



Please go to page 14 and I will explain the balance sheet.

Total assets amounted to JPY233.461 billion, a decrease of JPY3.543 billion compared to the previous fiscal year ended March. Current assets totaled JPY196.245 billion, a decrease of JPY3.924 billion. Fixed assets totaled JPY37.215 billion, an increase of JPY390 million.

Liabilities and net assets. Total liabilities amounted to JPY136.843 billion, a decrease of JPY5.099 billion. Net assets were JPY96.618 billion, an increase of JPY1.556 billion.



The next item is inventories.

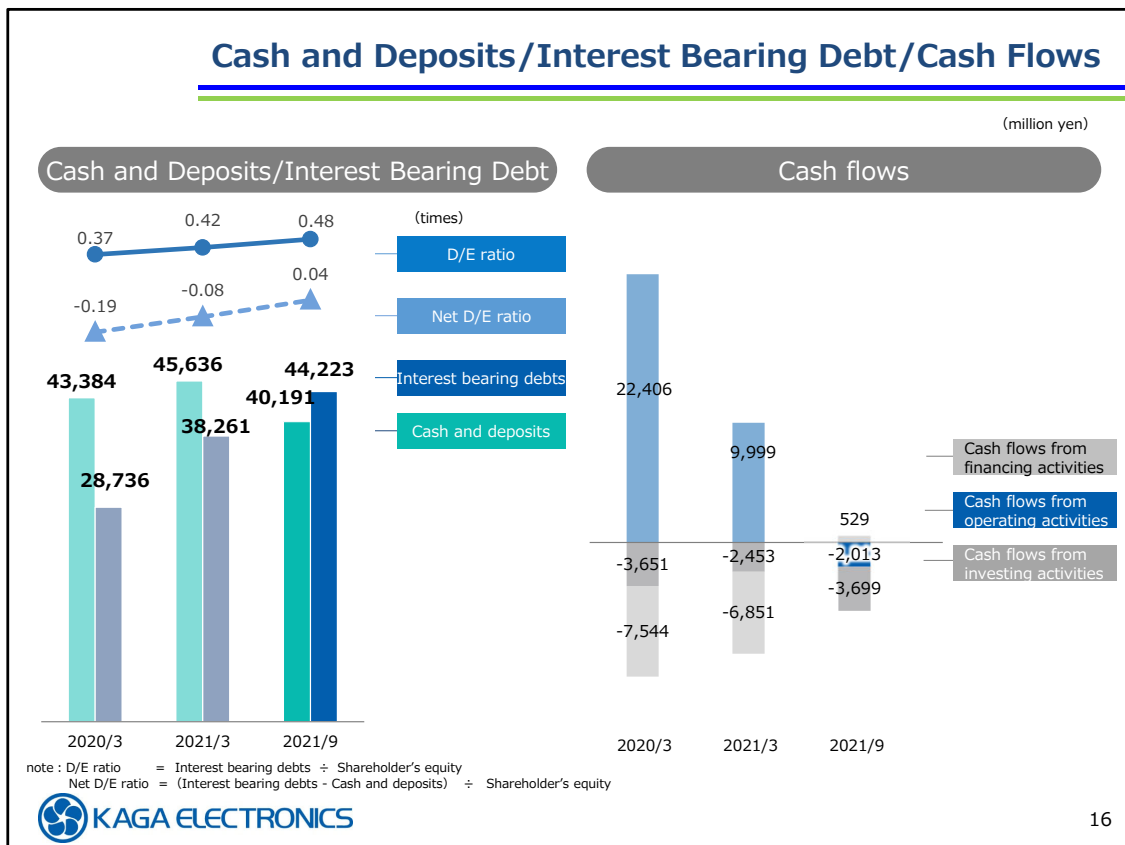
The balance at the end of September was JPY51.169 billion, a significant increase of JPY13.221 billion in inventories compared to the previous fiscal year ended March.

The main reason for this was the buildup of inventory at EMS's overseas factories, mainly due to the shortage of electronic components. As a result, the inventory turnover time has been extended by about 10 days to 42 days.

Next, accounts receivable and accounts payable. The balance of notes and accounts receivable-trade at the end of September was JPY96.652 billion, a decrease of JPY11.742 billion compared to the previous fiscal year ended March.

Notes and accounts payable-trade totaled JPY70.486 billion, a decrease of JPY9.368 billion from the previous fiscal year ended March.

As you can see in the line graph above, the turnover period for accounts receivable was 79.3 days and that for accounts payable was 61.4 days, both of which decreased significantly compared to the previous fiscal year ended March and have returned to normal.



Next, I will explain about cash and deposits and interest-bearing liabilities.

The balance of cash and deposits at the end of September was JPY40.191 billion. The total amount of interest-bearing debt was JPY44.223 billion.

As a result, the net D/E ratio turned positive at the end of September. However, the number is almost 0. Interest-bearing debt and the debt-to-equity ratio were 0.48.

Next is the statement of cash flows.

Operating cash flow was JPY2.013 billion. In the explanation of the financial results, it is stated that corporate tax burden, but in reality, the profit has turned into an expenditure due to the increase in inventory that I mentioned earlier.

As for investment cash flow, JPY3.699 billion was used for the purchase of tangible and intangible fixed assets.

As for financial cash flow, we earned JPY529 million. This is due to an increase in loans payable, repurchase of treasury stock, and payment of dividends.

Forecast for the Fiscal Year ending March 2022

Forecast for FY2022/3

(million yen)

	FY2021/3 Results	FY2022/3 Initial Forecast	FY2022/3 Current Forecast	Changes	YoY	Management Targets FY2022/3
	(announced on May 13, 2021)					
Net sales	422,365	470,000	470,000	–	11.3%	500,000
Operating income	11,467 2.7%	13,000 2.8%	15,000 3.2%	15.4%	30.8%	13,000 2.6%
Ordinary income	11,241 2.7%	12,000 2.6%	14,500 3.1%	20.8%	29.0%	– –
Profit attributable to owners of parent	11,399 2.7%	8,000 1.7%	9,000 1.9%	12.5%	-21.1%	– –
EPS	415.07	291.20	336.84	–	-18.8%	– –
ROE	13.5%	8.5%	9.7%	–	1.2pt -3.8pt	8.0% or higher

Note: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. is applied from the beginning of FY2022/3 1Q, and thus the above consolidated earnings forecasts are figures after this accounting standard, etc. has been applied.



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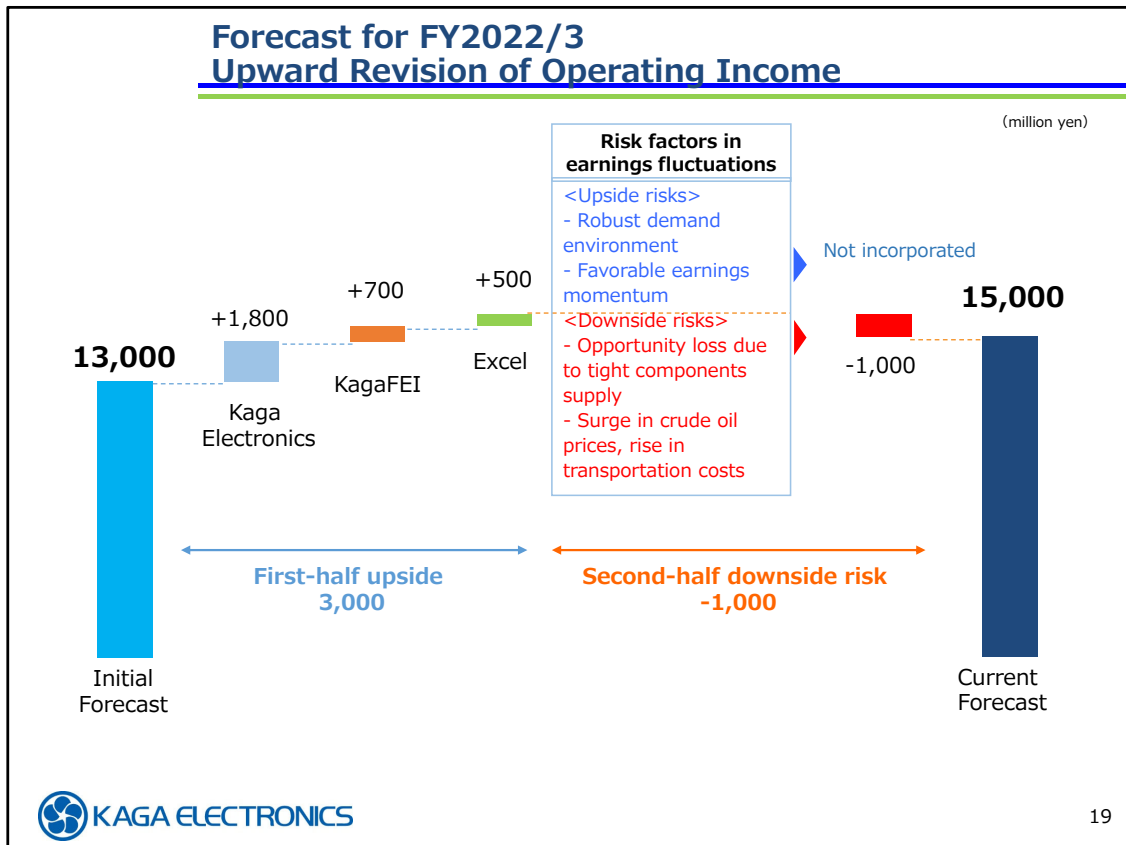
Next, I would like to explain our earnings forecasts for the fiscal year ending March 2022.

Based on the results for this second quarter, we have revised our year-end earnings forecast.

Net sales will remain unchanged at JPY470 billion. Operating income has been revised upward by about JPY2 billion to JPY15 billion.

Ordinary income has been revised upward by JPY2.5 billion to JPY14.5 billion. We have also revised upward our profit attributable to owners of parent by about JPY1 billion to JPY9 billion.

As a result, EPS was JPY336.84, and we also announced a dividend increase of JPY5 each for the second quarter and year-end. Based on this forecast, ROE is expected to be 9.7%.



As for the breakdown of the upward revision of the operating income forecast, the upward revision for the first half includes JPY1.8 billion for Kaga Electronics Group, JPY700 million for Kaga FEI, and JPY500 million for Excel, for a total upward revision of JPY3 billion for the first half.

However, due to the severe shortage of components, we have factored in about JPY1 billion in downside risks in the second half of the fiscal year, such as opportunity losses, soaring crude oil prices, and rising transportation costs, resulting in an upward revision of JPY2 billion in operating income.

Forecast for FY2022/3 by Business Segment

		(million yen)							
		FY2021/3 Results		FY2022/3 Initial Forecast		FY2022/3 Current Forecast		Changes	YoY
Electronic components	Net sales	353,454		(announced on May 13, 2021) 404,000		409,000		1.2%	15.7%
	Segment income	8,151	2.3%	9,900	2.5%	12,300	3.0%	24.2%	50.9%
Information equipment	Net sales	48,389		45,000		40,000		-11.1%	-17.3%
	Segment income	2,482	5.1%	2,300	5.1%	2,000	5.0%	-13.0%	-19.4%
Software	Net sales	2,932		3,000		3,000		–	2.3%
	Segment income	263	9.0%	300	10.0%	200	6.7%	-33.3%	-24.0%
Others	Net sales	17,589		18,000		18,000		–	2.3%
	Segment income	474	2.7%	500	2.8%	500	2.8%	–	5.5%
Total	Net sales	422,365		470,000		470,000		–	11.3%
	Segment income	11,467	2.7%	13,000	2.8%	15,000	3.2%	15.4%	30.8%

Note: 1. Figures of each segment income are not inter-segment adjusted. Total amount is inter-segment adjusted (operating income).
 2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. is applied from the beginning of FY2022/3 1Q, and thus the above consolidated earnings forecasts are figures after this accounting standard, etc. has been applied.

Finally, here is a breakdown of the forecast by segment.

In the Electronic Components business, we had previously announced that sales would be JPY404 billion, but we have revised this upward by JPY5 billion to JPY409 billion. As for segment income, we have revised it upward by JPY2.4 billion from JPY9.9 billion to JPY12.3 billion.

As for the Information Equipment, we have revised sales downward by JPY5 billion to JPY40 billion based on the results of the first half of the fiscal year. Segment income is expected to be JPY2 billion, down JPY300 million.

As for the Software, sales are expected to remain unchanged, but the profit forecast has been revised downward by JPY100 million to JPY200 million. As for the Others, there will be no changes.

As a result of the above, net sales are expected to remain unchanged at JPY470 billion, and income is expected to increase by JPY2 billion to JPY15 billion.

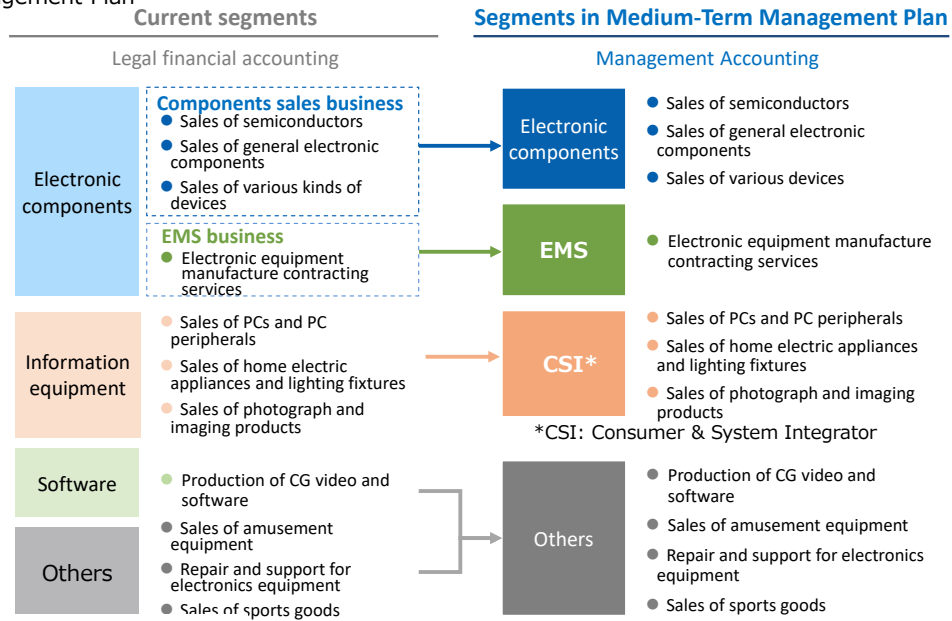
With this, we will conclude the presentation on the financial results for the second quarter of the fiscal year. Thank you very much.

Appendix

Reference

Segment disclosure associated of the Medium-Term Management Plan

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



*CSI: Consumer & System Integrator

Business segments of Parent company and Group companies

	Electronic Components	EMS	CSI	Others
KAGA ELECTRONICS CO., LTD.				
Electronics Business Division	●	●	(●)	●
EMS Business Division		●		
Communication Network Sales Division	●	●	●	(●)
Specific Industry Business Division	●	●	(●)	●
Sales Promotion Division	●			
Major Affiliates in Japan				
KAGA TECH CO., LTD.	●	(●)	(●)	(●)
KAGA DEVICES CO., LTD.	●	●	●	●
KAGA SOLUTION NETWORK CO., LTD.			●	
AD DEVICE CO., LTD.	●			
KAGA MICRO SOLUTIONCO., LTD.		●	(●)	●
DIGITAL MEDIA LAB., INC.				●
KAGA SPORTS CO., LTD.				●
KAGA AMUSEMENT CO., LTD.				●
KAGA TECHNOSERVICE CO., LTD.			●	
KAGA FEI CO., LTD.(former:FUJITSU ELECTRONICS INC.)	●			
KAGA EMS TOWADA CO., LTD.		●		
EXCEL CO., LTD.	●			
KYOKUTO ELECTRIC CO.,LTD.		●		
Major Affiliates Overseas				
KAGA TAXAN (SUZHOU) ELECTRONICS CO., LTD.		●		
KAGA (SHANGHAI) ELECTRONICS CO., LTD.	(●)	●		
KAGA (SHENZHEN) ELECTRONICS CO., LTD.		●		
KAGA (H.K.) ELECTRONICS LIMITED		●		
KAGA DEVICES (H.K.) LIMITED	●			
KAGA (TAIWAN) ELECTRONICS CO., LTD	●	(●)		
KAGA ELECTRONICS (THAILAND) COMPANY LIMITED	(●)	●		
KAGA COMPONENTS (MALAYSIA) SDN.BHD.		●		
KAGA ELECTRONICS INDONESIA, PT	●	●		
KAGA ELECTRONICS (VIETNAM) CO., LTD.		●		
KAGA (SINGAPORE) ELECTRONICS PTE LTD	●	(●)		(●)
KAGA ELECTRONICS (USA) INC.	●	●		
TAXAN MEXICO S.A. de C.V.		●		
KD TEC s.r.o.	●	●		

Reference

FY2022/3 2Q Results by Business Segment of
the Medium-Term Management Plan

(million yen)

		FY2021/3 2Q Results		FY2022/3 2Q Results		YoY
Electronic Components	Net sales	117,287		144,790		23.4%
	Segment income	851	0.7%	3,948	2.7%	363.4%
EMS	Net sales	42,940		53,453		24.5%
	Segment income	2,265	5.3%	3,322	6.2%	46.6%
CSI	Net sales	23,192		18,713		-19.3%
	Segment income	1,160	5.0%	910	4.9%	-21.6%
Others	Net sales	5,438		6,052		11.3%
	Segment income	88	1.6%	64	1.1%	-26.8%
Total	Net sales	188,859		223,009		18.1%
	Segment income	4,434	2.3%	8,300	3.7%	87.2%

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

Reference

FY2022/3 2Q Results by Business Segment of the Medium-Term Management Plan (3months)

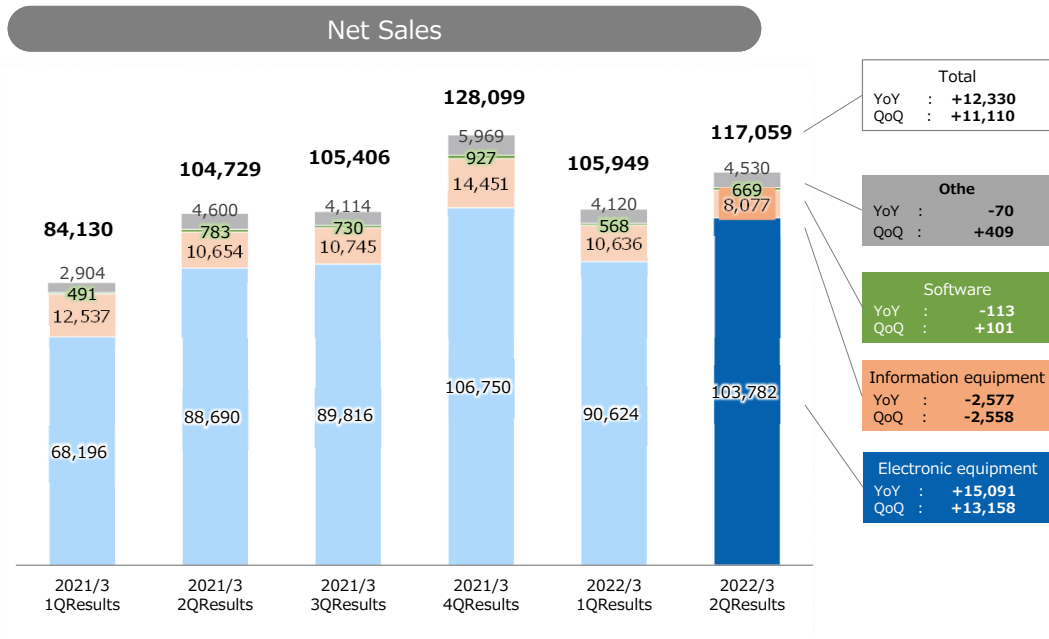
(million yen)

		FY2021/3 2Q Results		FY2022/3 1Q Results		FY2022/3 2Q Results		YoY	QoQ
Electronic Components	Net sales	67,547		66,124		78,665		16.5%	19.0%
	Segment income	807	1.2%	1,775	2.7%	2,172	2.8%	169.2%	22.4%
EMS	Net sales	23,120		26,334		27,118		17.3%	3.0%
	Segment income	1,181	5.1%	2,060	7.8%	1,262	4.7%	6.8%	-38.7%
CSI	Net sales	10,654		10,636		8,077		-24.2%	-24.1%
	Segment income	577	5.4%	568	5.3%	342	4.2%	-40.8%	-39.8%
Others	Net sales	3,406		2,854		3,198		-6.1%	12.0%
	Segment income	177	5.2%	14	0.5%	49	1.6%	-71.8%	245.0%
Total	Net sales	104,729		105,949		117,059		11.8%	10.5%
	Segment income	2,778	2.7%	4,452	4.2%	3,848	3.3%	38.5%	-13.6%

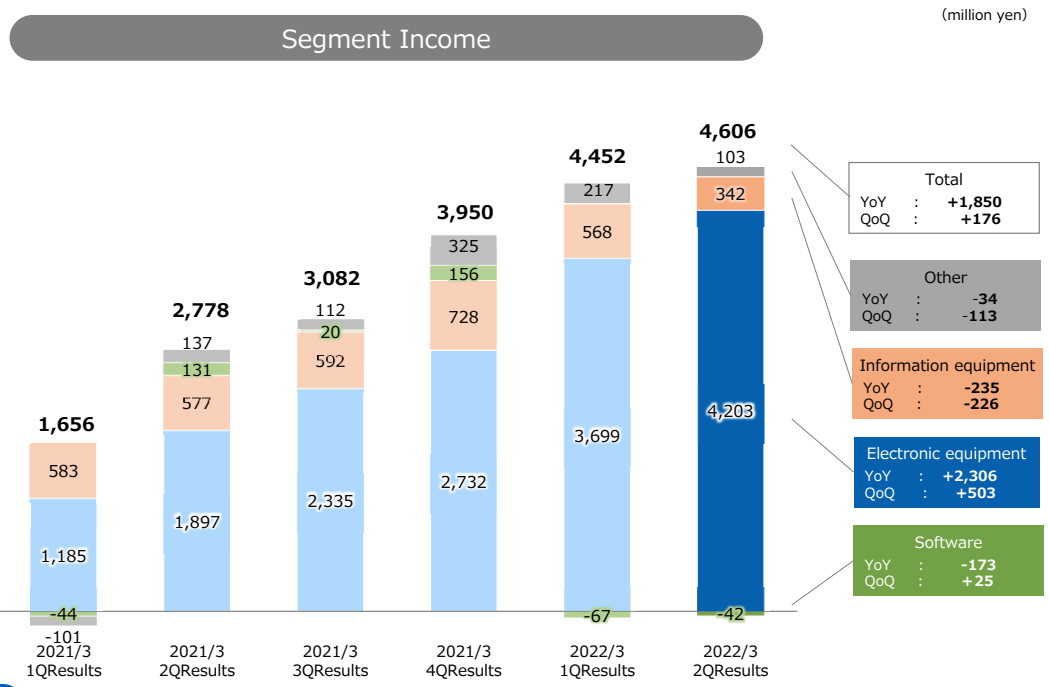
Note : Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

Quarterly Net Sales Trends by Business Segment

(million yen)



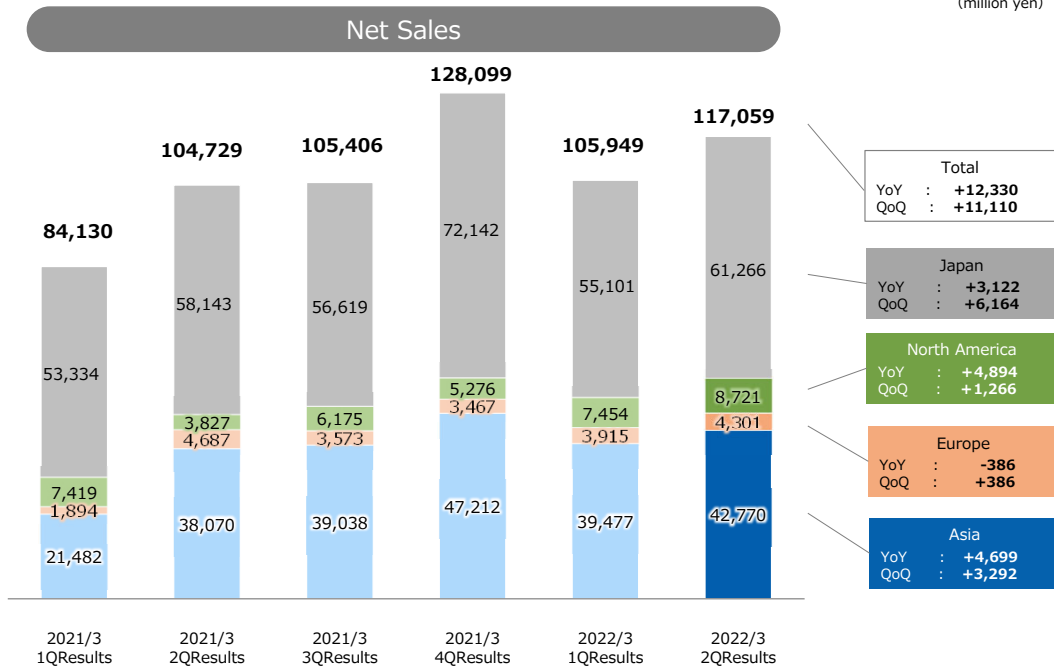
Quarterly Segment income Trends by Business Segment



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

(million yen)



Exchange Rate/FOREX Sensitivity

	FY2021/3 2Q Results (yen)	FY2022/3 2Q Results (yen)	(Reference) Effect of 1% change (million yen)		Forex assumption for FY2022/3 (yen)
			Net Sales	Ordinary income	
USD	106.92	109.80	588	18	110.50
THB	3.38	3.42	115	7	3.50
RMB	15.39	16.66	112	4	17.00
HKD	13.80	14.13	107	3	14.00

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