



Financial Results Briefing Material
for the First Half of the
Fiscal Year ending March 2024

KAGA ELECTRONICS CO., LTD.

TSE Prime Market 8154

November 24, 2023

KAGA ELECTRONICS CO., LTD.

I am Ishihara from Kaga Electronics.

Thank you very much for your continued support and thank you for watching our financial results briefing today.

Consolidated Financial Results

for the First Half of the
Fiscal Year ended March 2024

Senior Executive Officer
Head of Administration Headquarters
Yasuhiro Ishihara

I would like to present an overview of our financial results for the first half of the fiscal year ending March 31, 2024.

Summary of Financial Results for FY2024/3 2Q

FY2024/3 2Q results

- Net sales decreased by 23.7 billion yen or 7.9% year on year to 275.0 billion yen. The decrease, despite sales growth in the information equipment business and the others business, **reflected disappearance of spot demand and emergence of some impact of inventory adjustments by customers in the electronic components business**, the Group's core business.
- Operating income decreased by 4.4 billion yen or 24.4% year on year to 13.8 billion yen. Lower income is attributable partly to provision of allowance for doubtful accounts recorded in 1Q associated with a business partner's filing for insolvency, in addition to decline in gross profit due to lower sales. **Excluding disappearance of spot demand and the one-off factor related to allowance for doubtful accounts, "earning power" in real terms maintained the previous year's level.**
- Net income decreased by 2.0 billion yen or 15.0% year on year to 11.4 billion yen. **Gain on sales of investment securities and gain on bargain purchase associated with a corporate acquisition** were posted as **extraordinary income**.
- Upward momentum in 1Q was maintained in 2Q. **Net sales and operating income exceeded the internal plan, by 15.0 billion and 3.8 billion yen, respectively.**

FY2024/3 earnings forecast

- **While an upward revision is in mind as better-than-expected performance continues, supporting first-half earnings momentum, earnings forecast revision is held off at this time** to carefully assess the future demand trend, in light of a management environment **that poses growing uncertainty about the outlook.**

	Net Sales	Operating income	Net income
FY2024/3 Forecasts (Announced on May 11, 2023)	JPY 550.0 bn	JPY 25.0 bn	JPY 18.0 bn
2Q Progress rate	50.0%	55.5%	63.4%



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Results for the first half of the current fiscal year

Net sales decreased by 23.7 billion yen from the previous year to 275.0 billion yen.

Operating income decreased by 4.4 billion yen from the previous year to 13.8 billion yen.

The primary cause of decreases in net sales and income is disappearance of spot demand in our mainstay electronic components business.

Other factors that pushed down sales and income include emergence of some impact of customers' inventory adjustments, and provision of allowance for doubtful accounts recorded in 1Q in connection with filing of a petition for civil rehabilitation proceedings by a certain business partner.

Profit decreased by 2.0 billion yen from the previous year to 11.4 billion yen, reflecting in part posting of gain on sales of investment securities and gain on bargain purchase associated with a corporate acquisition.

In comparison with the internal plan that factors in disappearance of spot demand and impact of customers' inventory adjustments, net sales were in excess by 15.0 billion yen and operating income by 3.8 billion yen.

Excluding disappearance of spot demand and one-off factors including allowance for doubtful accounts, our "earning power" in real terms maintained the previous year's level. The better-than-expected performance vis-a-vis the internal plan observed in 1Q continued in 2Q.

Full-year earnings forecasts

With respect to progress in 2Q against the full-year earnings forecasts announced on May 11, a good progress was made in general, with net sales at 50%, operating income at 55.5%, and profit at 63.4%.

In view of such progress achieved in business performance and the results that tend to exceed the internal plans, we discussed and considered whether or not to revise upward our full-year earnings forecasts. Given that the outlook was becoming increasingly uncertain, more so than at the start of the fiscal year, and as we wanted to carefully assess the future demand trend, we decided to leave the earnings forecasts unchanged at this time.

Financial Highlights for FY2024/3 2Q

	(million yen)					
	FY2023/3 2Q Results	FY2024/3 2Q Results	YoY	FY2024/3 Forecasts <small>(Announced on May 11, 2023)</small>	Progress rate	
Net sales	298,760	275,044	-7.9%	550,000	50.0%	
Gross Profit	40,001 <i>13.4%</i>	35,160 <i>12.8%</i>	-12.1%	—	—	—
SG&A	21,639 <i>7.2%</i>	21,284 <i>7.7%</i>	-1.6%	—	—	—
Operating income	18,361 <i>6.1%</i>	13,876 <i>5.0%</i>	-24.4%	25,000 <i>4.5%</i>	55.5%	
Ordinary income	18,932 <i>6.3%</i>	13,945 <i>5.1%</i>	-26.3%	25,000 <i>4.5%</i>	55.8%	
Profit attributable to owners of parent	13,412 <i>4.5%</i>	11,404 <i>4.1%</i>	-15.0%	18,000 <i>3.3%</i>	63.4%	
EPS (yen)	510.88	434.23	—	685.42	—	—
Exchange Rate yen / USD	133.97	141.00	—	135.00	—	—

Note: 1. The effect of exchange rates on the conversion into yen is approximately 6,072 million yen on net sales and 194 million yen on operating income.
2. "x. x%" represents the ratio to net sales.

The financial highlights on the next page are as I have just explained.


Earnings per share (EPS) in the first half was 434.23 yen.

The average exchange rate during the first half was 141 yen against the U.S. dollar, which represents a depreciation of about 7 yen from the previous year and a depreciation of 6 yen from the assumed exchange rate of 135 yen used for the full-year earnings forecasts.

The year-on-year impact of foreign exchange fluctuations was an increase of approximately 6 billion yen in net sales and an increase of approximately 190 million yen in operating income. In comparison with the internal plan, the impact was an increase of approximately 70 million yen in operating income.

		Results by Business Segment for FY2024/3 2Q					(million yen)
		FY2023/3 2Q Results	FY2024/3 2Q Results	YoY	FY2024/3 Forecasts (Announced on May 11, 2023)	Progress rate	
Electronic Component	Net sales	268,464	242,564	-9.6%	471,500	51.4%	
	Segment income	16,617 6.2%	11,785 4.9%	-29.1%	20,700 4.4%	56.9%	
Information Equipment	Net sales	19,597	20,715	5.7%	45,000	46.0%	
	Segment income	965 4.9%	1,280 6.2%	32.7%	2,500 5.6%	51.2%	
Software	Net sales	1,307	1,225	-6.3%	4,500	27.2%	
	Segment income	95 7.3%	112 9.2%	18.2%	300 6.7%	37.7%	
Others	Net sales	9,392	10,539	12.2%	29,000	36.3%	
	Segment income	658 7.0%	623 5.9%	-5.3%	1,500 5.2%	41.5%	
Total	Net sales	298,760	275,044	-7.9%	550,000	50.0%	
	Segment income	18,361 6.1%	13,876 5.0%	-24.4%	25,000 4.5%	55.5%	

Note: 1. Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).
2. "x. x%" represents the profit margin.

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These are results by business segment.

In the mainstay electronic components business, net sales and income in the component sales business both recorded decreases from the previous fiscal year. This is attributable to disappearance of spot demand, which had contributed to earnings until the previous fiscal year, given easing of supply shortages of semiconductors and electronic components, combined with emergence of some impact of inventory adjustments by customers. The EMS business also recorded decreases in net sales and income year on year, for although sales in the automotive sector increased due to improved supply and demand balance of semiconductors and electronic components, inventory adjustments by key customers had an impact on sales in applications related to medical and industrial equipment. Against the full-year earnings forecasts, the electronic components business is progressing at over 50% in terms of both net sales and segment income.

In the information equipment business, both net sales and income increased from the previous fiscal year due to robust sales of PCs to educational institutions, security software and PC peripheral products, combined with contribution from large-scale projects in the LED installation business that we started pushing forward on a full scale in the previous fiscal year. Segment income progressed to over 50% of the full-year earnings forecasts, and income margin also exceeded the result of the previous fiscal year as well as the internal plan figures.

In the software business, net sales were almost at the same level as the previous fiscal year, while segment income increased and, as with the information equipment business, income margin exceeded the result of the previous fiscal year and the internal plan figures.

In the others business, net sales increased year on year, and segment income was almost at the same level as the previous fiscal year.

Particularly with respect to segment income margin, all business segments exceeded full-year internal plan figures. Overall, operating income margin stood at 5% for the first half, against full-year target of 4.5%.

Please also refer to pages 7 and 8, which contain information by business segment.

Results by Company for FY2024/3 2Q

(million yen)

		FY2022/3 2Q Results	FY2023/3 2Q Results	FY2024/3 2Q Results	YoY
Kaga Electronics	Net sales	125,272	168,400	156,408	-7.1%
	Gross Profit	18,850 <i>15.1%</i>	26,734 <i>15.9%</i>	23,651 <i>15.1%</i>	-11.5%
	Operating income	6,402 <i>5.1%</i>	12,235 <i>7.3%</i>	10,568 <i>6.8%</i>	-13.6%
Kaga FEI	Net sales	68,240	98,757	98,766	0.0%
	Gross Profit	6,325 <i>9.3%</i>	11,301 <i>11.4%</i>	9,632 <i>9.8%</i>	-14.8%
	Operating income	1,067 <i>1.6%</i>	5,214 <i>5.3%</i>	2,422 <i>2.5%</i>	-53.5%
Excel	Net sales	29,495	31,602	19,869	-37.1%
	Gross Profit	2,103 <i>7.1%</i>	1,991 <i>6.3%</i>	1,925 <i>9.7%</i>	-3.3%
	Operating income	966 <i>3.3%</i>	866 <i>2.7%</i>	865 <i>4.4%</i>	-0.1%
Total	Net sales	223,009	298,760	275,044	-7.9%
	Gross Profit	27,133 <i>12.2%</i>	40,001 <i>13.4%</i>	35,160 <i>12.8%</i>	-12.1%
	Operating income	8,300 <i>3.7%</i>	18,361 <i>6.1%</i>	13,876 <i>5.0%</i>	-24.4%

Note: 1. With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.
2. "x. x%" represents the profit margin.



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Moving on to performance by company, I would like to explain the points that I wish to draw your attention to.

In Kaga Electronics proper, net sales and income decreased from the previous fiscal year, largely reflecting disappearance of spot demand. However, compared with the year prior to the previous fiscal year when the benefits of spot demand were still small, we can see that net sales, operating income, and operating income margin all increased significantly.

In the Kaga FEI Group, despite disappearance of spot demand, net sales maintained the previous fiscal year's level. Comparison with the year prior to the previous fiscal year shows significant improvement in its sales power. Although income was pushed down notably by posting of allowance for doubtful accounts associated with a certain customer, we can see that, as with Kaga Electronics, both operating income and operating income margin increased significantly when compared with the year prior to the previous fiscal year.

In Excel Group, despite a decrease in sales to a major customer, profit-generating ability was enhanced with improved sales mix, enabling the company to maintain gross profit and operating income at almost the same levels as the previous fiscal year, and improve operating income margin significantly, to 4.4%.

Thus although in a year-on-year comparison, net sales and income both recorded decreases, if you look at our performance by taking into account such things as one-off factors in the context of the trend to date, I believe you can recognize that post-merger integration is progressing steadily particularly at the Kaga FEI Group and Excel Group, with dramatic changes and growth in their sales power and profit-generating ability, and that the "earning power" of the whole Group, including Kaga Electronics proper, is steadily increasing.

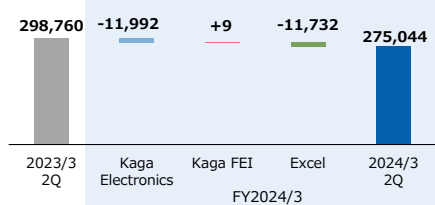
Please also refer to the graphs on page 6.

Effect of M&A for FY2024/3 2Q

(million yen)

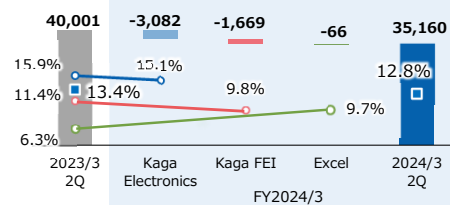
Net Sales

Kaga Electronics posted a sales decrease due partly to disappearance of spot demand. Excel saw a decrease in sales to a major customer.



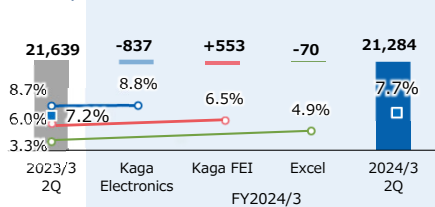
Gross profit / Gross profit margin

Kaga Electronics and Kaga FEI both recorded a gross profit decrease due partly to disappearance of spot demand. Improved sales mix helped Excel to maintain profit at nearly the same level as last year.



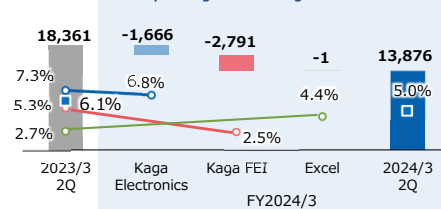
SG&A / SG&A ratio

SG&A expenses declined in both Kaga Electronics and Excel due to lower sales. Kaga FEI's expenses increased due partly to the provision of allowance for doubtful accounts.



Operating income / Operating income margin

Kaga Electronics and Kaga FEI recorded a decrease in operating income. Excel secured last year's income level with improved operating income margin.



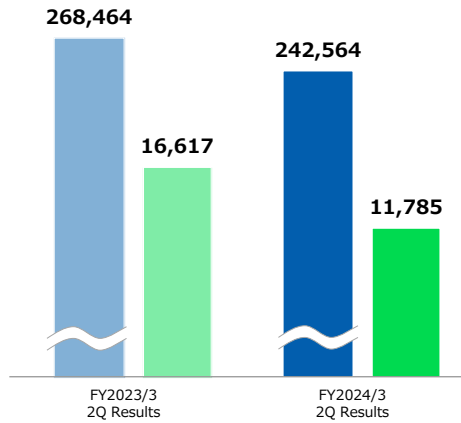
Note : With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the two companies. For reference, after consolidation adjustments, gross profit stood at -47million yen, and operating income came to 19million yen.

Financial Highlights: Electronic Component Segment

Net sales/Segment income

(million yen)

■ Net Sales
■ Segment income

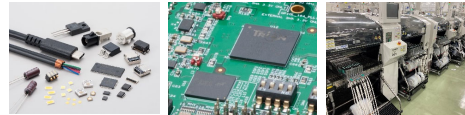


YoY

● Net Sales ▶ **-25,899** million yen **9.6% Down**
● Segment income ▶ **-4,831** million yen **29.1% Down**

Both net sales and income decreased in the component sales business due to partial emergence of the impact of customers' inventory adjustments, in addition to disappearance of spot demand that had contributed to earnings until the previous fiscal year, given easing of supply shortages of semiconductors and electronic components.

In the EMS business, net sales and income declined due partly to the impact of inventory adjustments at key customers in applications related to medical and industrial equipment, despite sales growth in the automotive sector resulting from improved supply and demand balance of semiconductors and electronic components.

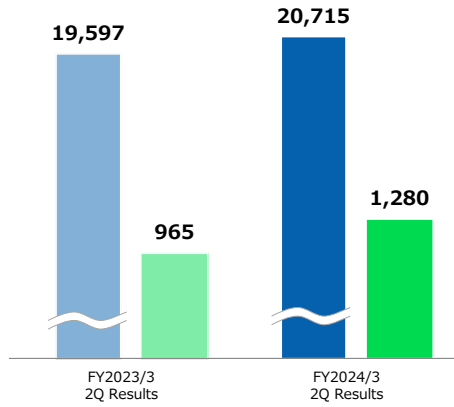


Financial Highlights: Information Equipment Segment

Net sales/Segment income

(million yen)

■ Net Sales
■ Segment income



YoY

- Net Sales ▶ **+1,118**million yen **5.7%Up**
- Segment income ▶ **+315**million yen **32.7%Up**

- Sales of PCs to educational institutions remained firm, with an increase in the number of accounts.
- Sales of security software and PC peripheral products were also solid.
- The LED installation business enjoyed contribution from sales of large-scale projects that the Group has been pushing forward on a full scale since the previous fiscal year.



Financial Highlights for FY2024/3 2Q (3 months)

Reference

(million yen)

	FY2023/3 2Q Results	FY2024/3 1Q Results	FY2024/3 2Q Results	YoY	QoQ
Net sales	149,458	137,694	137,350	-8.1%	-0.3%
Gross Profit	20,163 <i>13.5%</i>	17,553 <i>12.7%</i>	17,607 <i>12.8%</i>	-12.7%	0.3%
SG&A	11,621 <i>7.8%</i>	10,559 <i>7.7%</i>	10,725 <i>7.8%</i>	-7.7%	1.6%
Operating income	8,541 <i>5.7%</i>	6,994 <i>5.1%</i>	6,882 <i>5.0%</i>	-19.4%	-1.6%
Ordinary income	9,073 <i>6.1%</i>	6,909 <i>5.0%</i>	7,035 <i>5.1%</i>	-22.5%	1.8%
Profit attributable to owners of parent	6,427 <i>4.3%</i>	5,767 <i>4.2%</i>	5,636 <i>4.1%</i>	-12.3%	-2.3%
EPS (yen)	244.79	219.63	214.60	-	-

Note: "x. x%" represents the ratio to net sales.

In the past three months, net sales, operating income, and income margin were all almost at the same levels as in the first quarter and exceeded the internal plan, maintaining the upward momentum of 1Q.

Please also refer to pages 10 to 14 for information by quarter.

Results by Business Segment for FY2024/3 2Q (3 months) Reference

(million yen)

		FY2023/3 2Q Results	FY2024/3 1Q Results	FY2024/3 2Q Results	YoY	QoQ
Electronic Component	Net sales	134,986	120,015	122,549	-9.2%	2.1%
	Segment income	7,599 <i>5.6%</i>	5,922 <i>4.9%</i>	5,862 <i>4.8%</i>	-22.9%	-1.0%
Information Equipment	Net sales	8,449	12,050	8,664	2.5%	-28.1%
	Segment income	400 <i>4.7%</i>	746 <i>6.2%</i>	533 <i>6.2%</i>	33.4%	-28.5%
Software	Net sales	808	577	647	-19.9%	12.3%
	Segment income	129 <i>16.0%</i>	-4 <i>-0.8%</i>	117 <i>18.1%</i>	-9.0%	-
Others	Net sales	5,213	5,050	5,488	5.3%	8.7%
	Segment income	408 <i>7.8%</i>	291 <i>5.8%</i>	331 <i>6.0%</i>	-18.9%	13.8%
Total	Net sales	149,458	137,694	137,350	-8.1%	-0.3%
	Segment income	8,541 <i>5.7%</i>	6,994 <i>5.1%</i>	6,882 <i>5.0%</i>	-19.4%	-1.6%

Note: 1. Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).
2. "x. x%" represents the profit margin.

Results by Company for FY2024/3 2Q (3 months)

Reference

(million yen)

		FY2023/3 2Q Results	FY2024/3 1Q Results	FY2024/3 2Q Results	YoY	QoQ
Kaga Electronics	Net sales	84,061	78,615	77,792	-7.5%	-1.0%
	Gross Profit	13,693 <i>16.3%</i>	12,146 <i>15.5%</i>	11,504 <i>14.8%</i>	-16.0%	-5.3%
	Operating income	5,983 <i>7.1%</i>	5,663 <i>7.2%</i>	4,905 <i>6.3%</i>	-18.0%	-13.4%
Kaga FEI	Net sales	51,005	48,135	50,631	-0.7%	5.2%
	Gross Profit	5,516 <i>10.8%</i>	4,379 <i>9.1%</i>	5,252 <i>10.4%</i>	-4.8%	19.9%
	Operating income	2,173 <i>4.3%</i>	797 <i>1.7%</i>	1,625 <i>3.2%</i>	-25.2%	103.9%
Excel	Net sales	14,392	10,943	8,925	-38.0%	-18.4%
	Gross Profit	1,004 <i>7.0%</i>	1,014 <i>9.3%</i>	910 <i>10.2%</i>	-9.3%	-10.2%
	Operating income	403 <i>2.8%</i>	485 <i>4.4%</i>	379 <i>4.3%</i>	-6.0%	-21.8%
Total	Net sales	149,458	137,694	137,350	-8.1%	-0.3%
	Gross Profit	20,163 <i>13.5%</i>	17,553 <i>12.7%</i>	17,607 <i>12.8%</i>	-12.7%	0.3%
	Operating income	8,541 <i>5.7%</i>	6,994 <i>5.1%</i>	6,882 <i>5.0%</i>	-19.4%	-1.6%

Note: 1. With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.

2. "x. x%" represents the profit margin.

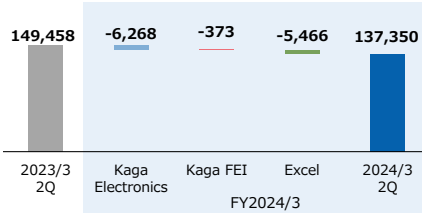
Effect of M&A for FY2024/3 2Q (3 months)

Reference

(million yen)

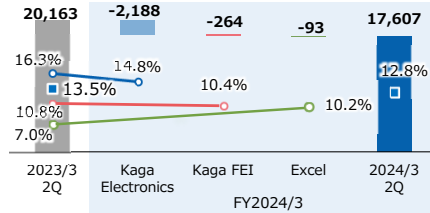
Net Sales

All three companies recorded a decrease in net sales due to a sales decrease in the electronic components business.



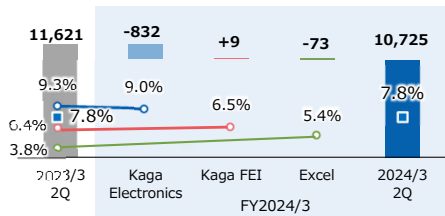
Gross profit / Gross profit margin

Gross profit decreased in all three companies due to a sales decrease.



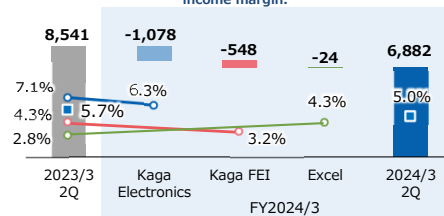
SG&A / SG&A ratio

SG&A expenses decreased in Kaga Electronics and Excel due to a sales decrease.



Operating income / Operating income margin

Operating income decreased in both Kaga Electronics and Kaga FEI. Excel secured last year's income level with improved operating income margin.



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 -60million yen, and operating income came to -28million yen.

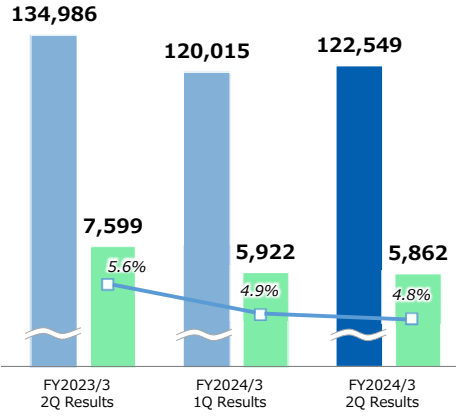
Financial Highlights: Electronic Component Segment (3 months)

Reference

Net sales/Segment income

(million yen)

■ / ■ Net Sales
■ / ■ Segment income



YoY

● Net Sales ▶ **-12,437** million yen **9.2%Down**
● Segment income ▶ **-1,736** million yen **22.9%Down**

QoQ

● Net Sales ▶ **+2,533** million yen **2.1%Up**
● Segment income ▶ **-60** million yen **1.0%Down**

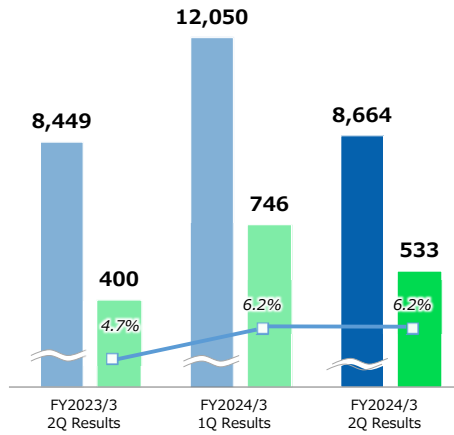
Financial Highlights: Information Equipment Segment (3 months)

Reference

Net sales/Segment income

(million yen)

■ Net Sales
■ Segment income

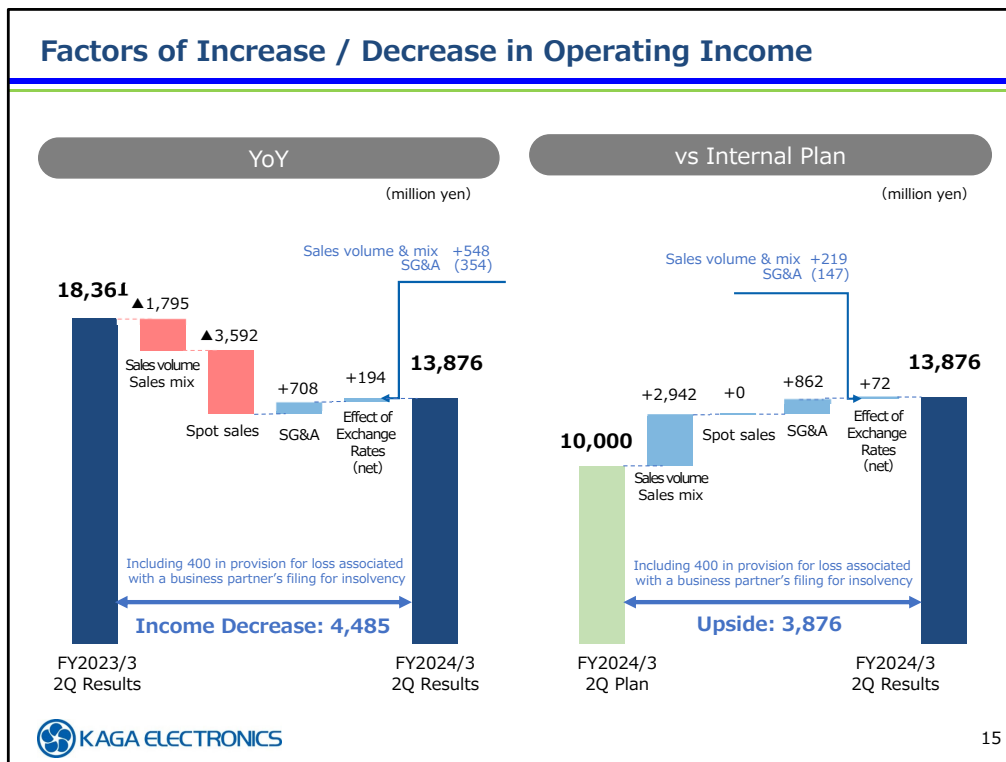


YoY

● Net Sales ▶ **+215million yen 2.5%Up**
● Segment income ▶ **+133million yen 33.4%Up**

QoQ

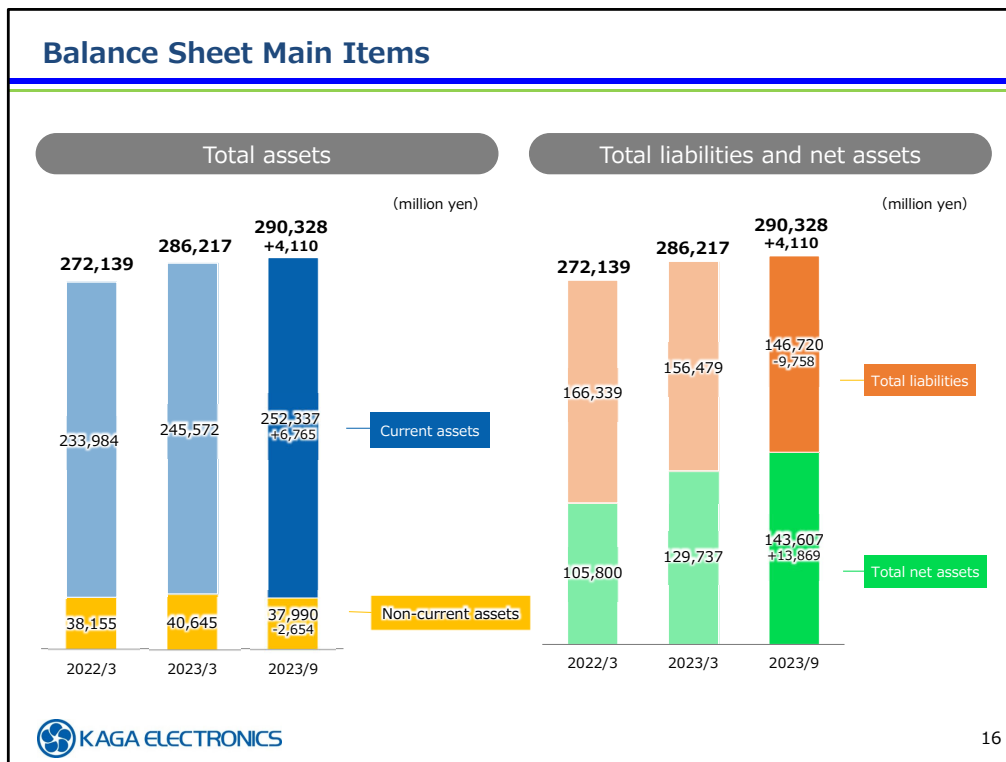
● Net Sales ▶ **-3,385million yen 28.1%Down**
● Segment income ▶ **-212million yen 28.5%Down**



I will now explain the causes of fluctuation in operating income.

In a year-on-year comparison, operating income decreased by 4.4 billion yen, a large part of which was accounted for by disappearance of spot sales, which resulted in an income decrease of 3.6 billion yen. Other causes of the fluctuation were an income decrease of 1.2 billion yen due to a decrease in sales volume and changes in sales mix, and an income increase of 0.4 billion yen due to reduced SG&A expenses.

Vis-a-vis the internal plan, the result was 3.8 billion yen higher. This largely consisted of 3.1 billion yen attributable to an increase in sales volume and changes in sales mix, and 0.7 billion yen due to reduction in SG&A expenses.



I will now move on to the balance sheet, starting with assets.

Current assets increased by 6.7 billion yen from the end of the previous fiscal year to 252.3 billion yen, due in part to an increase in cash and deposits. Non-current assets decreased by 2.6 billion yen from the end of the previous fiscal year to 38.0 billion yen, due notably to amortization and sale of investment securities. Total assets increased by 4.1 billion yen from the end of the previous fiscal year to 290.3 billion yen.

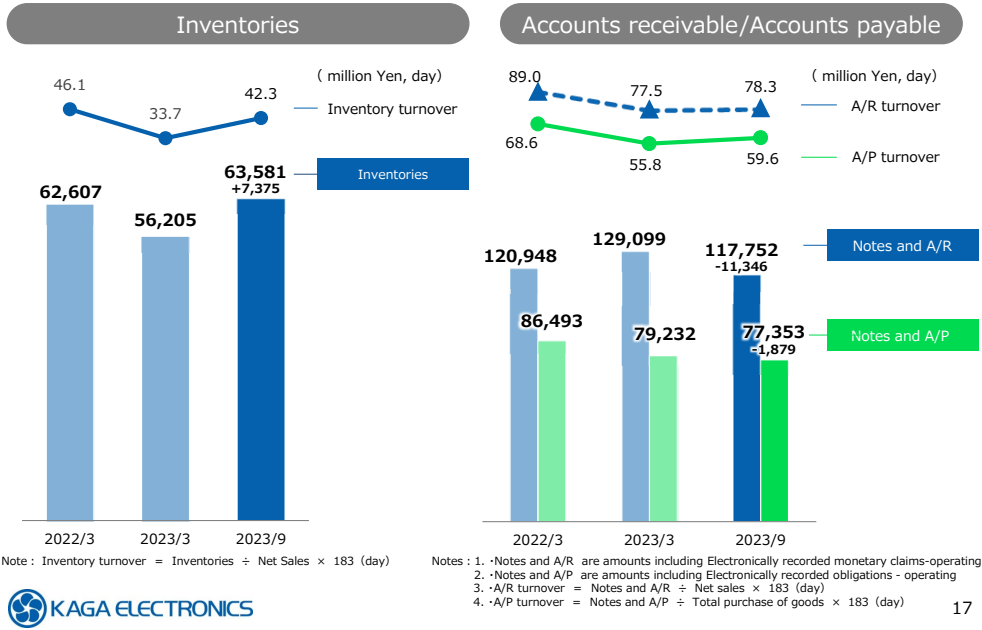
Liabilities decreased by 9.7 billion yen from the end of the previous fiscal year to 146.7 billion yen, due primarily to payments of income taxes payable and accounts payable.

Net assets increased by 13.8 billion yen from the end of the previous fiscal year to 143.6 billion, due partly to an increase in retained earnings.

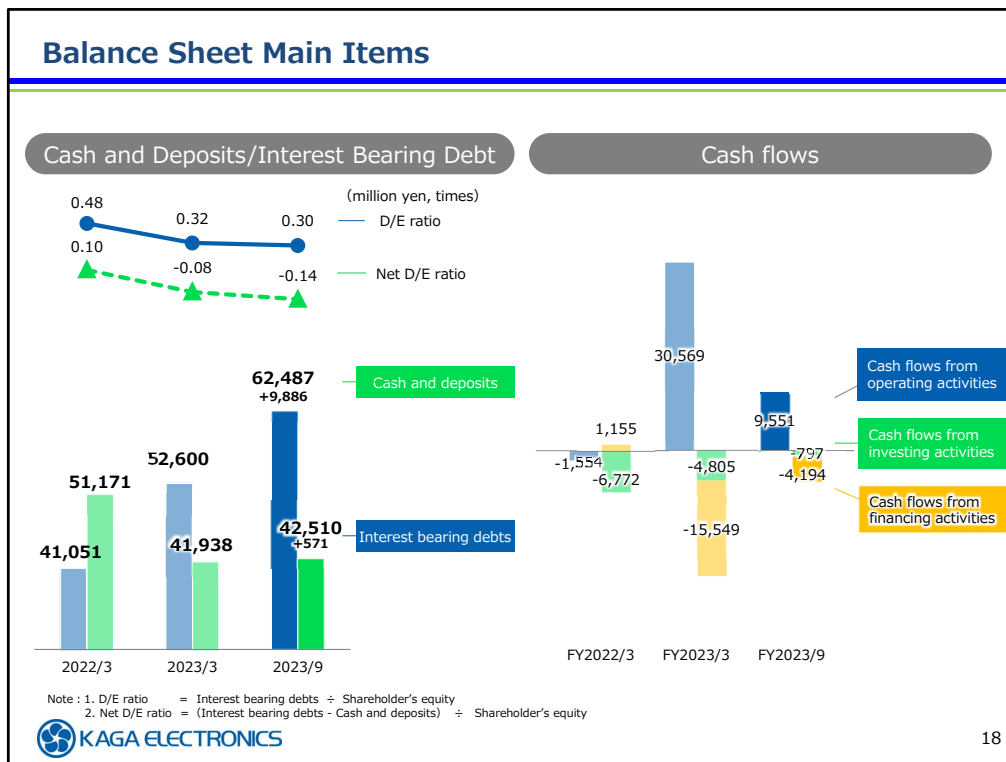
As a result of the increase in current assets and decrease in current liabilities, the current ratio improved to 215.6%.

The equity ratio improved by 4.1 percentage points from 45.3% at the end of the previous fiscal year to 49.4%, recovering to the level before the M&A deal to create the Kaga FEI Group.

Balance Sheet Main Items



Inventories increased by 7.3 billion yen from the end of the previous fiscal year to 63.5 billion yen, partly due to inventory adjustments by key customers. Inventory turnover was 42 days, and is on a rising trend. We are strengthening our efforts to reduce inventories by the end of the fiscal year.



Interest-bearing debt stood at 42.5 billion yen, showing no significant change from the end of the previous fiscal year, and the debt-to-equity ratio (D/E ratio) was kept low at 0.3% due to an increase in equity through profit generation. The balance of cash and deposits increased by 9.8 billion yen from the end of the previous fiscal year to 62.4 billion yen. As a result of the increase in cash and deposits, the net D/E ratio stood at negative 0.14%, remaining in the negative as it did at the end of the previous fiscal year. We are working on strengthening our financial foundation in preparation for the next stage, to build a sound and stronger financial structure.

Forecasts for FY2024/3

Forecasts for FY2024/3

(million yen)

	FY2023/3 Results	FY2024/3 Forecasts (Announced on May11, 2023)	YoY
Net sales	608,064	550,000	-9.5%
Operating income	32,249 5.3%	25,000 4.5%	-22.5%
Ordinary income	32,739 5.4%	25,000 4.5%	-23.6%
Profit attributable to owners of parent	23,070 3.8%	18,000 3.3%	-22.0%
EPS (yen)	878.65	685.42	-
ROE	19.6%	13.3%	-6.3pt
Annual dividend (yen)	220.00 Ordinary dividend 140.00 Commemorative dividend 10.00 Extraordinary dividend 70.00	220.00 Ordinary dividend 220.00	-

Note: "x. x%" represents the profit margin.

Full-year earnings forecasts for the fiscal year ending March 2024

As I mentioned at the opening of this session, in light of the progress made in the first half and the upward trend against the internal plan, we discussed and considered internally whether or not to revise the full-year earnings forecasts that we presented at the beginning of the current fiscal year, namely net sales of 550 billion yen, operating income and ordinary income of 25 billion yen, and profit of 18 billion yen, and decided to leave the earnings forecasts, as well as annual dividend of 220 yen, unchanged at this time in view of the ever-increasing uncertainty about the outlook and also as we would like to carefully assess the future demand trend.

Based on the full-year earnings forecasts, we anticipate ROE at the end of the current fiscal year to be 13.3%.

Page 24 and onwards are reference materials containing voluntary disclosure information by segment in line with the Medium-Term Management Plan, as well as graphs showing quarterly net sales by segment and by region, and such other information as exchange rates and exchange rate sensitivity. Please do have a look.

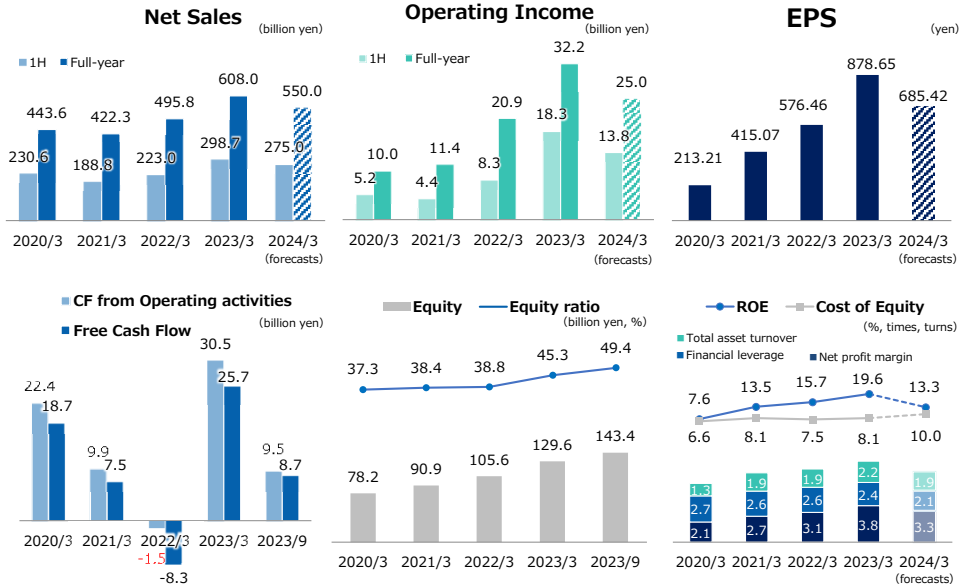
Forecasts by Business Segment for FY2024/3

(million yen)

		FY2023/3 Results	FY2024/3 Forecasts (Announced on May11, 2023)	YoY
Electronic Component	Net sales	539,342	471,500	-12.6%
	Segment income	28,314 5.2%	20,700 4.4%	-26.9%
Information Equipment	Net sales	43,680	45,000	3.0%
	Segment income	2,449 5.6%	2,500 5.6%	2.1%
Software	Net sales	2,998	4,500	50.1%
	Segment income	286 9.6%	300 6.7%	4.6%
Others	Net sales	22,044	29,000	31.6%
	Segment income	1,101 5.0%	1,500 5.2%	36.1%
Total	Net sales	608,064	550,000	-9.5%
	Segment income	32,249 5.3%	25,000 4.5%	-22.5%

Note: 1. Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).
2. "x. x%" represents the profit margin.

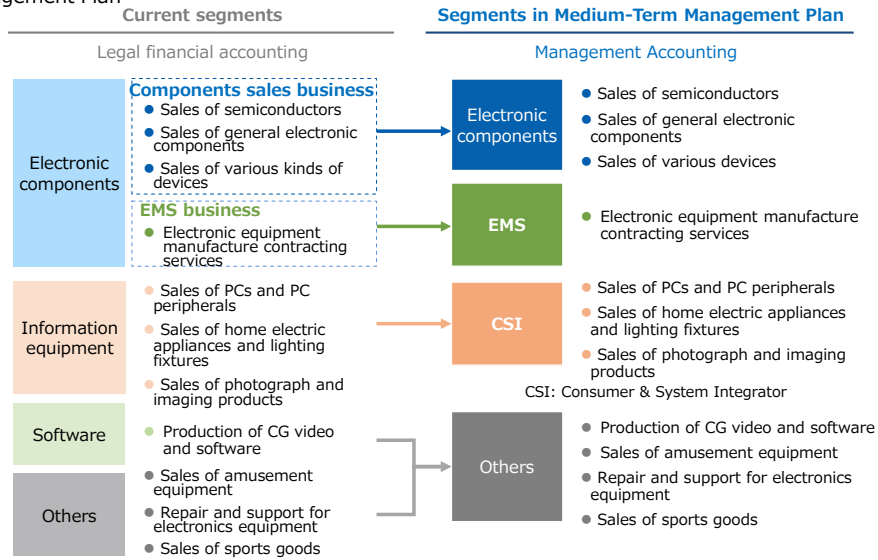
Latest 5 years Financial Trends



Reference

Segment disclosure associated with 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



Financial Highlights by Business Segment of the Medium-Term Management Plan

Reference

(million yen)

		FY2022/3 2Q Results	FY2023/3 2Q Results	FY2024/3 2Q Results	YoY
Electronic Component	Net sales	144,790	202,867	184,368	-9.1%
	Segment income	3,948 <i>2.7%</i>	11,689 <i>5.8%</i>	8,002 <i>4.3%</i>	-31.5%
EMS	Net sales	53,453	69,486	62,122	-10.6%
	Segment income	3,322 <i>6.2%</i>	5,311 <i>7.6%</i>	4,143 <i>6.7%</i>	-22.0%
CSI	Net sales	18,713	19,597	20,715	5.7%
	Segment income	910 <i>4.9%</i>	965 <i>4.9%</i>	1,280 <i>6.2%</i>	32.7%
Others	Net sales	6,052	6,809	7,837	15.1%
	Segment income	64 <i>1.1%</i>	369 <i>5.4%</i>	375 <i>4.8%</i>	1.6%
Total	Net sales	223,009	298,760	275,044	-7.9%
	Segment income	8,300 <i>3.7%</i>	18,361 <i>6.1%</i>	13,876 <i>5.0%</i>	-24.4%

Note: 1. Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).
2. "x. x%" represents the profit margin.

Financial Highlights by Business Segment of the Medium-Term Management Plan (3months)

Reference

(million yen)

		FY2022/3 2Q Results	FY2024/3 1Q Results	FY2024/3 2Q Results	YoY	QoQ
Electronic Component	Net sales	101,422	90,115	94,253	-7.1%	4.6%
	Segment income	5,148 <i>5.1%</i>	3,695 <i>4.1%</i>	4,307 <i>4.6%</i>	-16.3%	16.6%
EMS	Net sales	35,619	31,773	30,348	-14.8%	-4.5%
	Segment income	2,698 <i>7.6%</i>	2,433 <i>7.7%</i>	1,709 <i>5.6%</i>	-36.7%	-29.8%
CSI	Net sales	8,449	12,050	8,664	2.5%	-28.1%
	Segment income	400 <i>4.7%</i>	746 <i>6.2%</i>	533 <i>6.2%</i>	33.4%	-28.5%
Others	Net sales	3,967	3,754	4,083	2.9%	8.8%
	Segment income	289 <i>7.3%</i>	81 <i>2.2%</i>	294 <i>7.2%</i>	1.6%	262.7%
Total	Net sales	149,458	137,694	137,350	-8.1%	-0.3%
	Segment income	8,541 <i>5.7%</i>	6,994 <i>5.1%</i>	6,882 <i>5.0%</i>	-19.4%	-1.6%

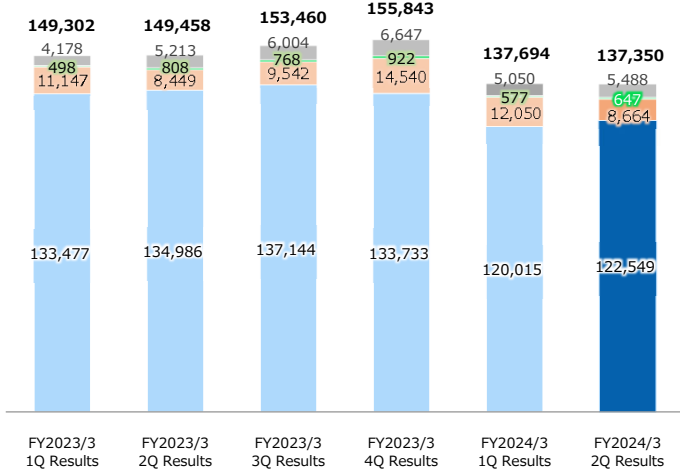
Note: 1. Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).
2. "x. x%" represents the profit margin.

Quarterly Net Sales Trends (3months)

Reference

Net Sales

(million yen)



Total	
YoY	: -12,108
QoQ	: -343

Other	
YoY	: +274
QoQ	: +437

Software	
YoY	: -160
QoQ	: +70

Information equipment	
YoY	: +215
QoQ	: -3,385

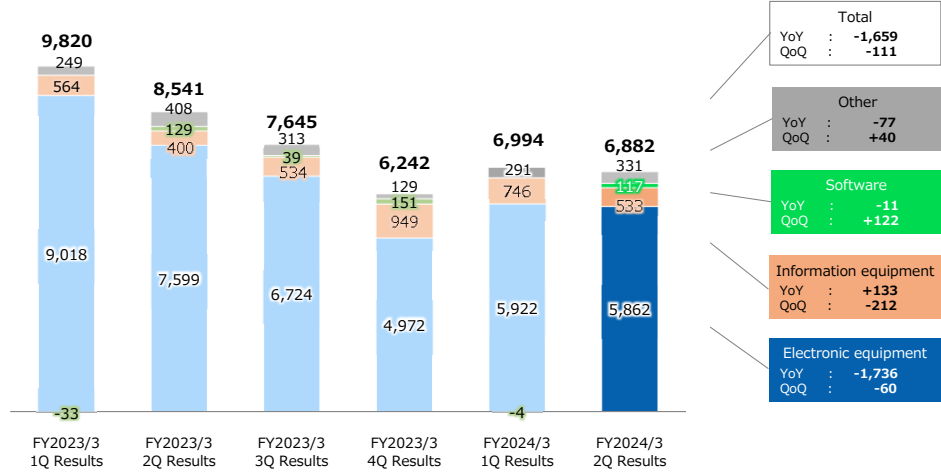
Electronic equipment	
YoY	: -12,437
QoQ	: +2,533

Quarterly Segment Income Trends (3months)

Reference

Segment Income

(million yen)

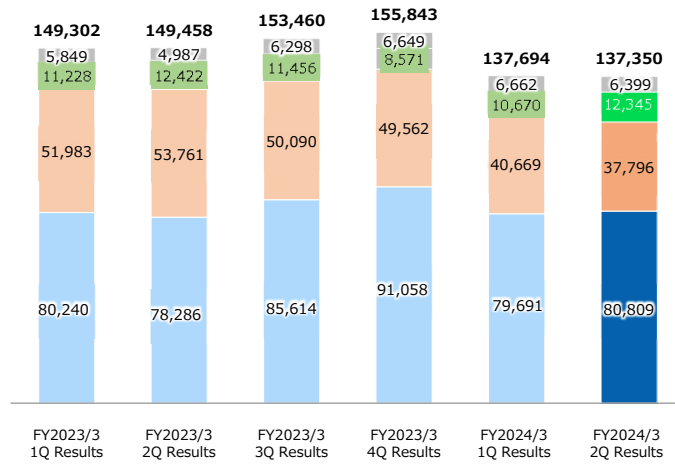


Net Sales by Region (3months)

Reference

Net Sales

(million yen)



Total
YoY : -12,108
QoQ : -343

Europe
YoY : +1,411
QoQ : -263

North America
YoY : -77
QoQ : +1,674

Asia
YoY : -15,965
QoQ : -2,873

Japan
YoY : +2,523
QoQ : +1,117

Exchange Rate/FOREX Sensitivity

	FY2023/3 2Q Results (Yen)	FY2024/3 2Q Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2024/3(yen)
			Net sales	Operating income	
USD	133.97	141.00	1,088	17	135.00
RMB	18.94	19.45	151	12	19.50
THB	3.79	4.05	140	9	3.80
HKD	17.07	18.00	92	2	17.00
EUR	138.73	153.39	4	0.1	140.00

**“Everything we do is
for our customers**



20 Kandamatsunagacho, Chiyoda-ku, Tokyo 101-8629
Contact: Investor Relations & Public Relations Department
TEL: +81-3-5657-0106
FAX: +81-3-3254-7133
E-mail : webmaster@taxan.co.jp
<https://www.taxan.co.jp/en/>

This concludes my presentation of our financial results for the first half.
Thank you very much for listening.

- 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
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