

FY2026/March H1 (April-September) Financial Results Briefing Material

KAGA ELECTRONICS CO., LTD.

TSE Prime Market 8154

November 27, 2025



JPX-NIKKEI 400

2023 - 2025



JPX-NIKKEI Mid Small

2021 - 2025

Management Topics

**Representative Director,
President & COO**

Ryoichi Kado

Key Message for FY2026 H1 Results

H1 Results (April – September)

- Net sales and income increased year on year
- Net sales and income increased, even excluding the impact of the acquisition

Q2 Results (July – September)

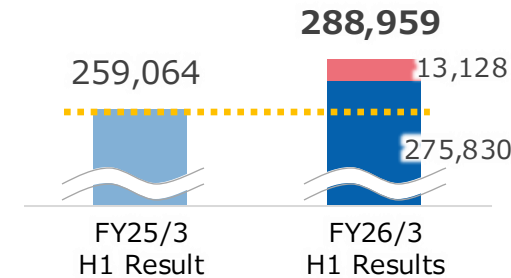
- Net sales and income increased year on year
- Net sales and income increased, even excluding the impact of the acquisition

Earnings Forecasts

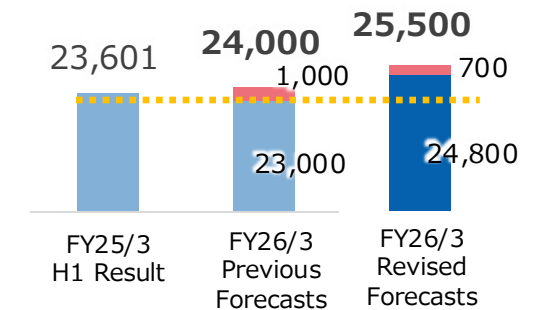
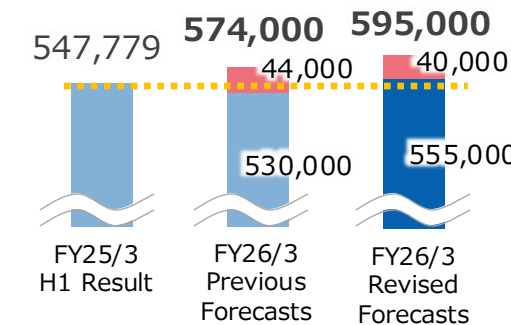
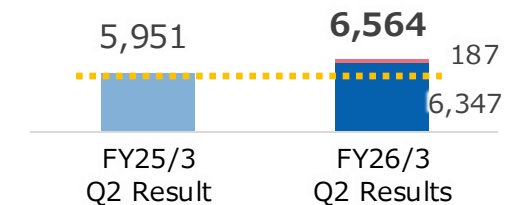
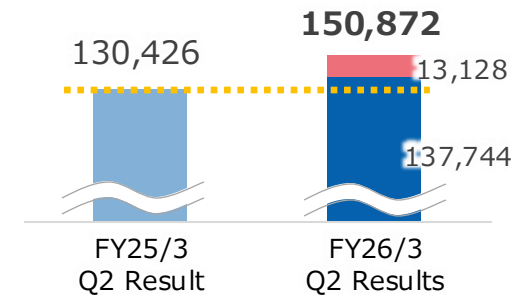
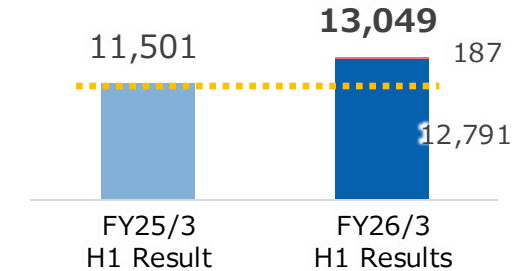
- Second upward revision of forecast this fiscal year
- Net sales and income increased, even excluding the impact of the acquisition

■ Excluding Kyoei Sangyo ■ Kyoei Sangyo (million yen)

Net sales



Operating income



Note: The figures for operating income are before consolidation adjustments among Group companies.

Aims of the New Factory Construction

- Establish a highly efficient production system through the introduction production equipment developed in-house featuring thorough automation and labor-saving capabilities
- Meet the demands of customers through the newly constructed assembly line for finished products for the U.S. and other markets
- Achieve a total of 50 billion yen in sales in five years at the three factories in Thailand

<Amatanakorn Factory I>



<Amatanakorn Factory II>



Amatanakorn Factory III



Amatanakorn Factory I

Amatanakorn Industrial Estate, Chonburi, Thailand

Total floor area

5,250m²

Items produced

Mounting and assembly of substrates for air-conditioning and automotive equipment

Start of operation

April 2012

Investment amount

Approx. 4.6 billion (Total)

Amatanakorn Factory II

Same as on the left

5,300m²

Mounting of substrates for office equipment

December 2019

Approx. 2.0 billion (Total)

Amatanakorn Factory III

Same as on the left

4,400m²

Mounting and assembly of substrates for air-conditioning and automotive equipment / Assembly of finished products and unit products for the US market

By the end of 2025

Approx. 1.3 billion yen
(initial investment)



Through a joint venture with a major Chinese equipment manufacturer, we develop, design, and manufacture production equipment, and achieve overwhelming cost competitiveness alongside a total solution for high-quality, highly reliable circuit board mounting

Modular soldering baths



Product lineup

- ①1-head unit ISF-300
- ②2-head unit ISF-450-II
- ③4-head unit ISF-450D
- ④4-head unit ISF-450-4H
- Modular high-speed soldering bath
- ⑤Modular flux applicator

Surface Mounting Equipment



Product lineup

- ①CPM H2:
Chip component mounting
- ②CPM F2:
Non-standard component mounting
- ③CPM/FH:
Miniature chip component mounting

Testing Equipment



Product lineup

- ①3D SPI: Cream solder testing
- ②Post-SMT AOI equipment:
Visual inspection of mounted components
- ③Pre-soldering bath S-AOI:
Inspection of hand-inserted components
- ④Post-soldering bath AOI:
Solder-lifting inspection Component float inspection

Vertical High-temperature Furnaces



Product lineup

- ①Coating hardening furnace
After coating final hardening
- ②Potting hardening furnace
After potting final hardening
- ③High temperature deterioration testing furnace
Product deterioration testing

Progress of Making Kyoei Sangyo a Consolidated Subsidiary



Acquisition scheme

- (1) Tender offer: Acquired 45.16% of Kyoei Sangyo's common stock through a tender offer on July 18, 2025. **Combined with shares already held, ownership reached 54.48%, making it a consolidated subsidiary.**
- (2) Share consolidation: Approved at the extraordinary general meeting of shareholders held on September 29, 2025. **Delisted from the Tokyo Stock Exchange on October 16, 2025**
- (3) Becoming a wholly-owned subsidiary: Acquired all shares held by Mitsubishi Electric (558,958 shares) on November 17, 2025, **making it a wholly-owned subsidiary**
 - Acquisition price: 10.7 billion yen in total, including (1) through (3)

Description of business

Sales of semiconductor and device products, metal materials, industrial equipment, printed circuit boards, etc., and software development

Objectives of the acquisition

- Semiconductor devices: complement each other in products that do not overlap and create added value leveraging the Company's EMS network
- Industrial equipment systems: expand sales in India and other overseas markets using the Company's global adaptability
- Systems development: expand solution proposals by combining the assets (both hardware and software) that Kaga Electronics possesses with those of Kyoei Sangyo

Industrial equipment systems business

Sales of factory automation (equipment, processing machines, robots), automation systems, air conditioning and refrigeration equipment, and 3D printers

Machine tool and robot solutions



Wire electrical discharge machines



Fiber laser processing machines



Industrial robots

Conveyor robot solutions



Geek's Moving System



Automated guided vehicle, Thouzer

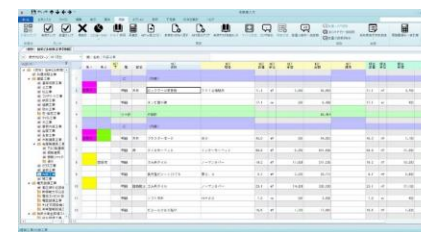


FEXA's Autonomous Mobile Transport Robot

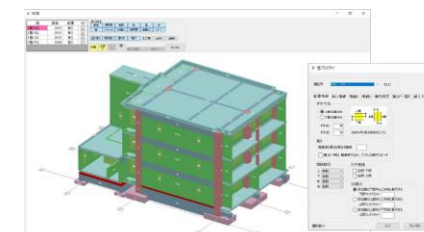
System development business

System development, system integration, and contract development specializing in the construction, taxi, and distribution industries

High-performance, high-quality package software that promotes construction DX



Quotation creation system, KYOEI COMPASS 2.0



RC Quantity estimation system, FKS RC 2.0

Tailor-made software proposed by engineers who deeply understand the industry

Development example



Taisei SETSUBI Co., Ltd.

Administrative document creation support tool

Implementation examples



SHINNIHON CORPORATION

Estimating and cost estimating software that combines high-precision, speed, and versatility



DAISUE CONSTRUCTION CO., LTD.

Construction site cost management Establishment of an integrated system

Shareholder Returns

Policy on Shareholder Returns in the New Medium-Term Management Plan
(Announced: 2024/11/6)

- Medium- to long-term dividend growth guideline: increased **the consolidated dividend payout ratio to 30% - 40%** (from 25% - 35% in the past)
- Guideline for stable dividends: introduced **“DOE (consolidated dividend on equity ratio) of 4%”** as a new guideline
- Flexible return policies: flexibly implement **extraordinary dividends** and **acquisition of treasury shares** in line with profit levels and capital efficiency

Repurchase and cancellation of treasury shares

Repurchase : 2025/8/8
Cancellation : 2025/8/18

- **Repurchased all of the Company's shares held by our four primary banks** which had indicated their intention to sell such shares from the point of view of reducing strategic shareholdings pursuant to the requirements of the corporate governance code, through the Tokyo Stock Exchange Trading Network Off Auction Own Share Repurchase Trading System (ToSTNET-3) for a **total value of 14.4 billion yen.**
- **All 4,920,000 repurchased shares (9.4% of the total number of issued shares) have been cancelled.**

Dividend forecast
Maintaining previous forecast:2025/8/7

	(Announcement)	Initial Forecast May 7, 2025	Previous Forecast August 7, 2025	Revised Forecast November 6, 2025
Profit attributable to owners of parent (million yen)		16,500	24,200	26,000
EPS (yen)		313.95	488.45	524.78
Dividend per share(Full year, yen)		110.00	120.00	120.00
of which, Extraordinary dividend		—	10.00	10.00
Consolidated dividend payout ratio		35.0%	24.6%	22.9%
※Consolidated dividend payout ratio excluding 7.2 billion yen in gain on bargain purchase		—	35.0%	31.6%
DOE		3.9%	4.2%	3.9%
※DOE excluding 7.2 billion yen in gain on bargain purchase		3.9%	4.3%	4.0%

“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/>

- 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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