

Financial Results Briefing Material
for the Fiscal Year ended March 2023

KAGA ELECTRONICS CO., LTD.

TSE Prime Market 8154

May 25, 2023

KAGA ELECTRONICS CO., LTD.

My name is Kawamura with KAGA ELECTRONICS. Thank you very much for your continued patronage.

**Consolidated Financial Results
for the Fiscal Year ended March 2023**

Director,
Managing Executive Officer
Eiji Kawamura

I would like to provide an overview of the financial results for the fiscal year ending March 2023.

Summary of Financial Results for FY2023/3

Results for FY2023/3

- Net sales increased by 112.2 billion yen or 22.6%, year on year to 608.0 billion yen. The electronic components business achieved significant growth both in the component sales business and the EMS business. Supply shortages and extended lead times were generally resolved, and sales to a wide range of industries were high.
- Operating income increased by 11.3 billion yen or 54.2%, year on year to 32.2 billion yen. Operating income increased significantly due to improved gross profit margin resulting from higher sales and improved sales mix.
- All metrics, from net sales to net income for the fiscal year, achieved record highs.

FY2024/3 earnings forecast

- **Forecast assumptions:** <Economic situation> Although a gradual recovery is expected, the outlook is uncertain partly due to rising commodity prices and financial system instability. <Industry trends> While supply shortages and extended lead times were generally resolved, demand is expected to temporarily decline due to a backlash from increased demand amid the COVID-19 pandemic and inventory adjustments by customers.
- The electronic components business is expected to post decreases in net sales and profit, considering the business environment and market conditions carefully.
- Net sales of 545.0 billion yen (down 10.3%) and operating income of 25.0 billion yen (down 22.3%) are expected.

Shareholder Return

- FY2023/3: The year-end dividend will be 120 yen per share (70 yen ordinary dividend + 10 yen commemorative dividend + 40 yen extraordinary dividend) as previously announced. The annual dividend including the interim dividend amounts to 220 yen per share (140 yen ordinary dividend + 10 yen commemorative dividend + 50 yen extraordinary dividend), an increase of 100 yen from the previous fiscal year.
- FY2024/3: Although a temporary decrease in profit is expected, the dividend forecast for the next fiscal year will remain unchanged from the previous year, with priority on stable dividend payouts (220 yen per share, consisting of 110 yen for both interim and year-end).



First, here is a summary.

Net sales were JPY608 billion, up JPY112.2 billion from the previous year. This was due to significant growth in both component sales and EMS in the electronic components business. Operating income increased JPY11.3 billion from the previous year to JPY32.2 billion.

All items, from net sales to net profit, have reached record highs.

I will continue with our forecast for the fiscal year ending March 2024.

As a premise for the outlook, although the economic situation is expected to show a gradual recovery, the future is uncertain due to the soaring prices of various commodities and financial system instability. As for industry trends, although shortages and long delivery times for semiconductors and electronic components have been largely resolved, we expect a temporary decline in demand due to the impact of inventory adjustments by customers and a rebound from the increase in demand for coronavirus disasters.

Based on a cautious view of the domestic and overseas business environment and market conditions, we are forecasting lower sales and profits in the electronic components business, with net sales of JPY550 billion and operating income of JPY25 billion.

For the fiscal year ended March 2023, we have decided to pay a full-year dividend of JPY220 per share by adding a special dividend of JPY70 to the initial dividend of JPY150, consisting of an ordinary dividend of JPY140 and a commemorative dividend of JPY10, due to our robust performance.

Although we expect a decrease in profit for the fiscal year ending March 2024, we have decided to pay a dividend of JPY220, the same as in the previous fiscal year. The Company plans to pay interim and year-end dividends of JPY110 per share.

Financial Highlights for FY2023/3

(million yen)

	FY2022/3 Results	FY2023/3 Results	YoY	FY2023/3 Previous Forecasts (Revised on February 7, 2023)	vs Forecasts
Net sales	495,827	608,064	22.6%	585,000	3.9%
Gross Profit	60,547 <i>12.2%</i>	78,514 <i>12.9%</i>	29.7%	—	—
SG&A	39,632 <i>8.0%</i>	46,265 <i>7.6%</i>	16.7%	—	—
Operating income	20,915 <i>4.2%</i>	32,249 <i>5.3%</i>	54.2%	29,500 <i>5.0%</i>	9.3%
Ordinary income	21,456 <i>4.3%</i>	32,739 <i>5.4%</i>	52.6%	30,000 <i>5.1%</i>	9.1%
Profit attributable to owners of parent	15,401 <i>3.1%</i>	23,070 <i>3.8%</i>	49.8%	21,000 <i>3.6%</i>	9.9%
EPS (yen)	576.46	878.65	—	799.78	—
ROE	15.7%	19.6%	3.9pt	18.0%	1.6%

Note: 1. The effect of exchange rates on the conversion into yen is approximately 38,483 million yen on net sales and 1,782 million yen on operating income.
2. "x. x%" represents the profit margin.

Next, the key highlights of our financial results.

Net sales totaled JPY608.064 billion, up 22.6% from the previous year. Gross profit totaled JPY78.514 billion, up 29.7% from the previous year. Gross profit margin improved significantly to 12.9%.

SG&A and other general administrative expenses totaled JPY46.265 billion, up 16.7% from the previous year. Operating income was JPY32.249 billion, up 54.2% from the previous year. Ordinary income was JPY32.739 billion, up 52.6% from the previous year. Net profit attributable to owners of the parent was JPY23.07 billion, up 49.8% from the previous year. EPS was JPY878.65 and ROE was 19.6%.

Compared to the figures announced on February 7, 2023, as shown on the far right side of this table, there is an upward revision in all items.

Results by Business Segment for FY2023/3

(million yen)

		FY2022/3 Results	FY2023/3 Results	YoY	FY2023/3 Previous Forecasts (Revised on February 7, 2023)	vs Forecasts
Electronic Component	Net sales	433,852	539,342	24.3%	523,000	3.1%
	Segment income	18,107 <i>4.2%</i>	28,314 <i>5.2%</i>	56.4%	25,800 <i>4.9%</i>	9.7%
Information Equipment	Net sales	39,616	43,680	10.3%	39,000	12.0%
	Segment income	2,085 <i>5.3%</i>	2,449 <i>5.6%</i>	17.4%	2,000 <i>5.1%</i>	22.5%
Software	Net sales	2,767	2,998	8.3%	3,000	-0.1%
	Segment income	-26 <i>-1.0%</i>	286 <i>9.6%</i>	-	200 <i>6.7%</i>	43.4%
Others	Net sales	19,590	22,044	12.5%	20,000	10.2%
	Segment income	626 <i>3.2%</i>	1,101 <i>5.0%</i>	76.0%	1,500 <i>7.5%</i>	-26.5%
Total	Net sales	495,827	608,064	22.6%	585,000	3.9%
	Segment income	20,915 <i>4.2%</i>	32,249 <i>5.3%</i>	54.2%	29,500 <i>5.0%</i>	9.3%

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.

Here is a summary of each business segment.

The electronic components business recorded JPY539.342 billion, up 24.3% from the previous year. Segment income was JPY28.314 billion, up 56.4% YoY.

Next is information equipment. Sales of JPY43.68 billion, up 10.3% from the previous year. Segment income was JPY2.449 billion, up 17.4%.

Software sales were JPY2.998 billion, up 8.3% from the previous year. Segment income was JPY286 million.


Sales of other products totaled JPY22.044 billion, up 12.5% from the previous year. Segment income was JPY1.101 billion, up 76% from the previous year.

Results by Company for FY2023/3

(million yen)

		FY2022/3 Results	FY2023/3 Results	YoY	FY2023/3 Previous Forecasts (Revised on February 7, 2023)	vs Forecasts
Kaga Electronics	Net sales	281,075	348,034	23.8%	330,000	5.5%
	Gross Profit	41,767 <i>14.9%</i>	53,123 <i>15.3%</i>	27.2%	51,000 <i>15.5%</i>	4.2%
	Operating income	15,461 <i>5.5%</i>	21,899 <i>6.3%</i>	41.6%	19,500 <i>5.9%</i>	12.3%
Kaga FEI	Net sales	149,455	199,548	33.5%	195,000	2.3%
	Gross Profit	14,690 <i>9.8%</i>	20,913 <i>10.5%</i>	42.4%	20,500 <i>10.5%</i>	2.0%
	Operating income	3,654 <i>2.4%</i>	8,103 <i>4.1%</i>	121.8%	8,000 <i>4.1%</i>	1.3%
Excel	Net sales	65,296	60,481	-7.4%	60,000	0.8%
	Gross Profit	4,247 <i>6.5%</i>	4,443 <i>7.3%</i>	4.6%	4,500 <i>7.5%</i>	-1.3%
	Operating income	1,937 <i>3.0%</i>	2,072 <i>3.4%</i>	7.0%	2,000 <i>3.3%</i>	3.6%
Total	Net sales	495,827	608,064	22.6%	585,000	3.9%
	Gross Profit	60,547 <i>12.2%</i>	78,514 <i>12.9%</i>	29.7%	76,000 <i>13.0%</i>	3.3%
	Operating income	20,915 <i>4.2%</i>	32,249 <i>5.3%</i>	54.2%	29,500 <i>5.0%</i>	9.3%

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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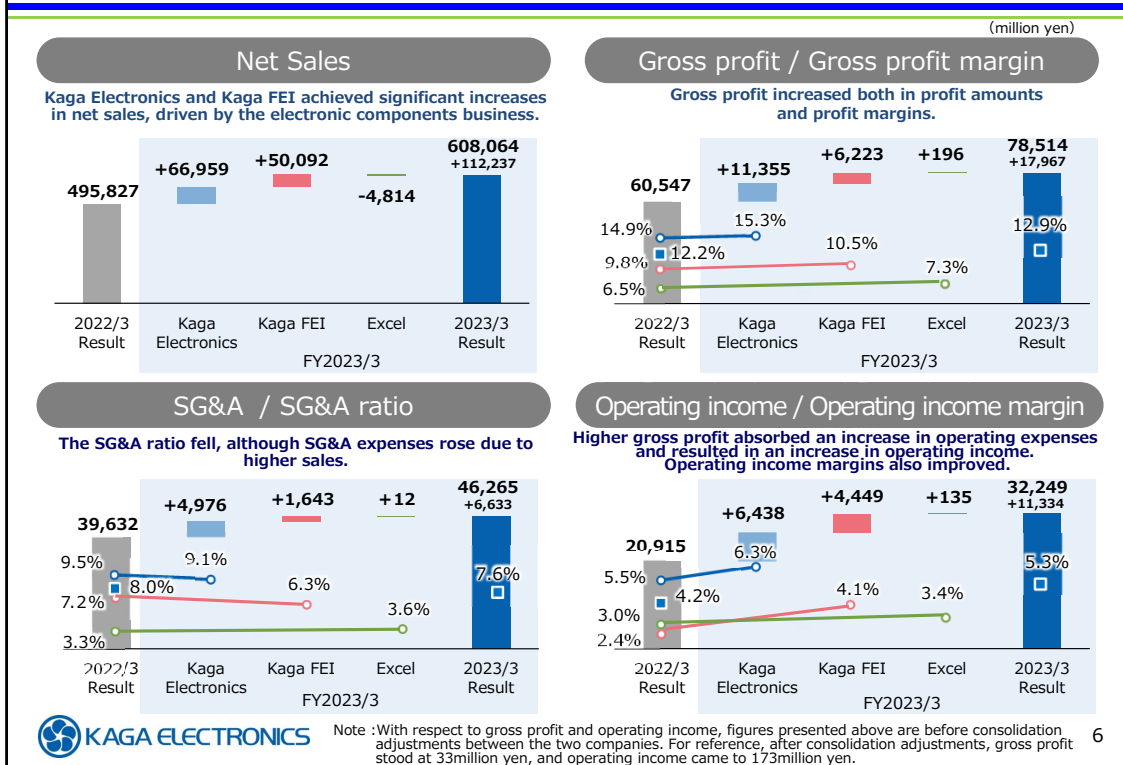
This is followed by the performance by company.

KAGA ELECTRONICS posted sales of JPY348.034 billion, up 23.8% from the previous year. Operating income was JPY21.899 billion, up 41.6%.

Kaga FEI posted sales of JPY199.548 billion, up 33.5% from the previous year. Operating income totaled JPY8.103 billion, up 121.8% from the previous year.

Excel posted sales of JPY60.481 billion, down 7.4% from the previous year. Operating income was JPY2.072 billion, up 7% from the previous year.

Effect of M&A for FY2023/3



Here is a graphic presentation of the impact of M&A.

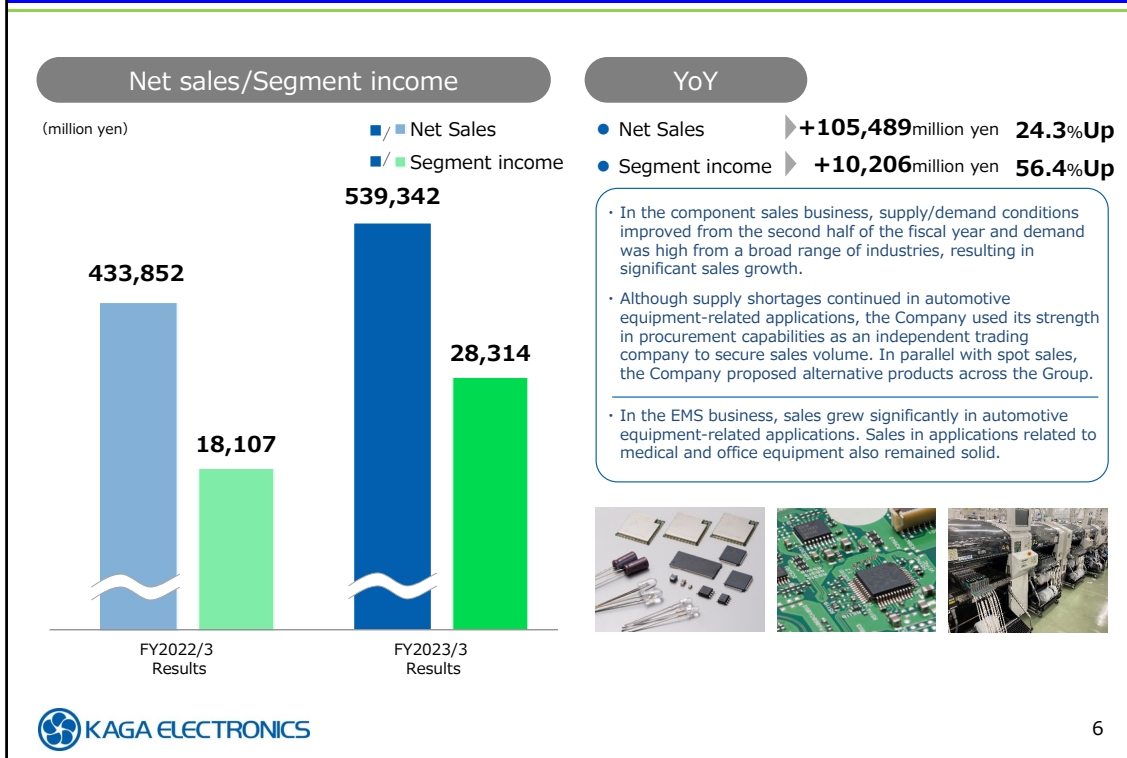
As explained earlier, sales of KAGA ELECTRONICS and Kaga FEI increased significantly, but this was mainly driven by the electronic components business.

Gross profit increased both in terms of profit amount and profit margin. In particular, gross profit margin increased 0.7% YoY to 12.9%, of which KAGA ELECTRONICS increased 0.4% to 15.3%, FEI increased 0.7% to 10.5%, and Excel increased 0.8% to 7.3%.

As for the SG&A ratio, SG&A expenses increased in line with sales growth, but the SG&A ratio decreased

As for the operating income/operating income margin, the increase in gross profit absorbed the increase in expenses, resulting in an increase in profit and an improvement in the profit margin.

Financial Highlights: Electronic Component Segment



These are the results of the electronic components business.

Compared to the previous year, net sales increased by JPY105.489 billion, or 24.3%. Segment income increased by JPY10.206 billion, or 56.4%.

This was due to the component sales business, which enjoyed an elevated level of demand from a wide range of industries given improved supply and demand conditions from H2, resulting in a significant increase in sales.

Although supply shortages continued in the automotive-related market, we were able to secure sales volume by taking advantage of our procurement capabilities as an independent trading company. In parallel with spot sales, the Group was also active in proposing alternative parts.

In the EMS business, sales to the automotive industry grew significantly, while sales to the medical equipment and office equipment industries remained strong.

Financial Highlights: Information Equipment Segment



Next is the information equipment business.

Net sales increased by 10.3%, or JPY4.063 billion. Segment income increased by JPY363 million, or 17.4%.

Factors contributing to this result included solid sales of personal computers to corporate and educational institutions, especially for high-priced products.

PC peripherals, such as security software, also remained strong.

In the LED installation business, the installation of large-scale nationwide projects, which had been delayed due to material shortages, progressed smoothly, and contributed significantly to business earnings.

Financial Highlights for FY2023/3 (3months)

Reference

(million yen)

	FY2022/3 4Q Results		FY2023/3 3Q Results		FY2023/3 4Q Results		YoY	QoQ
Net sales	143,143		153,460		155,843		8.9%	1.6%
Gross Profit	17,786	12.4%	19,882	13.0%	18,630	12.0%	4.7%	-6.3%
SG&A	11,529	8.1%	12,237	8.0%	12,387	7.9%	7.4%	1.2%
Operating income	6,257	4.4%	7,645	5.0%	6,242	4.0%	-0.2%	-18.3%
Ordinary income	6,569	4.6%	7,685	5.0%	6,121	3.9%	-6.8%	-20.4%
Profit attributable to owners of parent	4,986	3.5%	5,640	3.7%	4,017	2.6%	-19.4%	-28.8%
EPS (yen)	189.99	-	214.80	-	152.99	-	-	-

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

Results by Business Segment for FY2023/3 (3 months)

Reference

(million yen)

		FY2022/3 4Q Results	FY2023/3 3Q Results	FY2023/3 4Q Results	YoY	QoQ
Electronic Component	Net sales	122,440	137,144	133,733	9.2%	-2.5%
	Segment income	5,105 <i>4.2%</i>	6,724 <i>4.9%</i>	4,972 <i>3.7%</i>	-2.6%	-26.1%
Information Equipment	Net sales	13,315	9,542	14,540	9.2%	52.4%
	Segment income	869 <i>6.5%</i>	534 <i>5.6%</i>	949 <i>6.5%</i>	9.2%	77.5%
Software	Net sales	926	768	922	-0.5%	20.0%
	Segment income	83 <i>9.0%</i>	39 <i>5.2%</i>	151 <i>16.4%</i>	82.1%	281.1%
Others	Net sales	6,460	6,004	6,647	2.9%	10.7%
	Segment income	152 <i>2.4%</i>	313 <i>5.2%</i>	129 <i>2.0%</i>	-15.0%	-58.6%
Total	Net sales	143,143	153,460	155,843	8.9%	1.6%
	Segment income	6,257 <i>4.4%</i>	7,645 <i>5.0%</i>	6,242 <i>4.0%</i>	-0.2%	-18.3%

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 FY2023/3 (3 months)

Reference

(million yen)

		FY2022/3 4Q Results	FY2023/3 3Q Results	FY2023/3 4Q Results	YoY	QoQ
Kaga Electronics	Net sales	82,054	86,074	93,560	14.0%	8.7%
	Gross Profit	12,077 <i>14.7%</i>	13,486 <i>15.7%</i>	12,901 <i>13.8%</i>	6.8%	-4.3%
	Operating income	4,360 <i>5.3%</i>	5,342 <i>6.2%</i>	4,320 <i>4.6%</i>	-0.9%	-19.1%
Kaga FEI	Net sales	43,338	54,535	46,255	6.7%	-15.2%
	Gross Profit	4,419 <i>10.2%</i>	5,310 <i>9.7%</i>	4,300 <i>9.3%</i>	-2.7%	-19.0%
	Operating income	1,235 <i>2.9%</i>	1,796 <i>3.3%</i>	1,093 <i>2.4%</i>	-11.5%	-39.2%
Excel	Net sales	17,750	12,851	16,027	-9.7%	24.7%
	Gross Profit	1,293 <i>7.3%</i>	1,124 <i>8.7%</i>	1,328 <i>8.3%</i>	2.7%	18.2%
	Operating income	662 <i>3.7%</i>	511 <i>4.0%</i>	695 <i>4.3%</i>	4.9%	35.9%
Total	Net sales	143,143	153,460	155,843	8.9%	1.6%
	Gross Profit	17,786 <i>12.4%</i>	19,882 <i>13.0%</i>	18,630 <i>12.0%</i>	4.7%	-6.3%
	Operating income	6,257 <i>4.4%</i>	7,645 <i>5.0%</i>	6,242 <i>4.0%</i>	-0.2%	-18.3%

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.

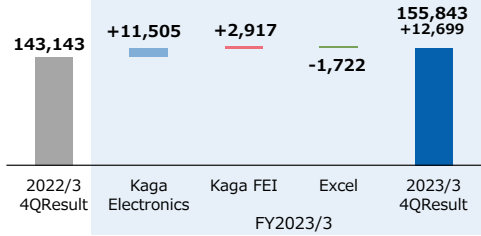
Effect of M&A for FY2023/3 (3 months)

Reference

(million yen)

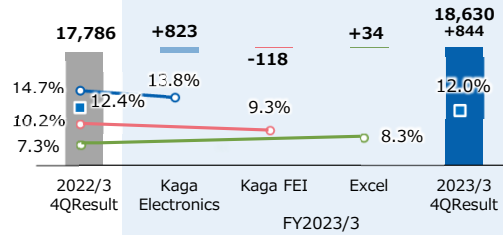
Net Sales

Kaga Electronics and Kaga FEI achieved significant increases in net sales, driven by the electronic components business.



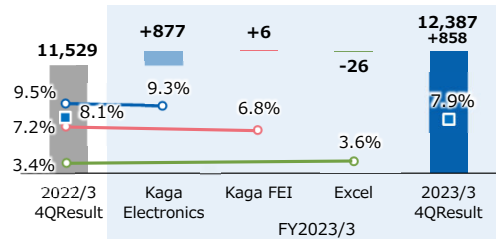
Gross profit / Gross profit margin

Profit margins declined except for Excel and profit increases slowed down slightly.



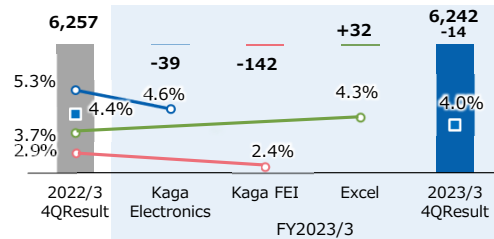
SG&A / SG&A ratio

Selling expenses increased with growth in sales. Expenses rose with year-end bonus reserves and other factors.



Operating income / Operating income margin

All three companies secured profit amounts at about the same level as the previous year.



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 99million yen, and operating income came to 133million yen.

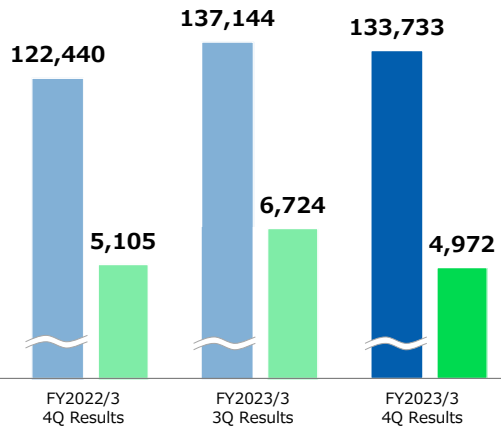
Financial Highlights: Electronic Component Segment (3 months)

Reference

Net sales/Segment income

(million yen)

■ / ■ Net Sales
■ / ■ Segment income



YoY

● Net Sales ▶ **+11,292million yen 9.2%Up**
● Segment income ▶ **-133million yen 2.6%Down**

QoQ

● Net Sales ▶ **-3,411million yen 2.5%Down**
● Segment income ▶ **-1,751million yen 26.1%Down**

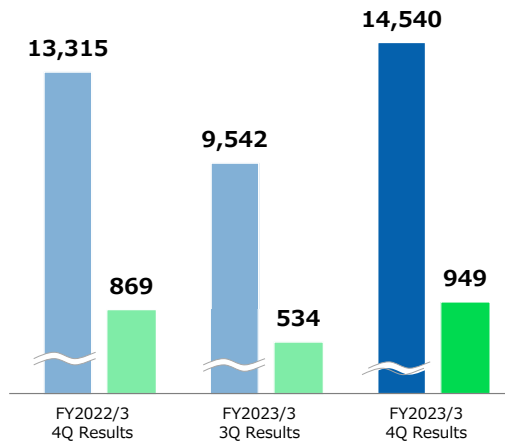
Financial Highlights: Information Equipment Segment (3 months)

Reference

Net sales/Segment income

(million yen)

- / ■ Net Sales
- / ■ Segment income



YoY

- Net Sales ▶ **+1,224**million yen **9.2%Up**
- Segment income ▶ **+80**million yen **9.2%Up**

QoQ

- Net Sales ▶ **+4,997**million yen **52.4%Up**
- Segment income ▶ **+414**million yen **77.5%Up**

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

Reference

(million yen)

		FY2022/3 Results	FY2023/3 Results	YoY	FY2022/3 Previous Forecasts <small>announced on February 7, 2023</small>	vs Forecasts
Electronic Component	Net sales	325,830	398,783	22.4%	391,000	2.0%
	Segment income	11,094 <i>3.4%</i>	19,475 <i>4.9%</i>	75.5%	17,200 <i>4.4%</i>	13.2%
EMS	Net sales	117,828	149,862	27.2%	140,000	7.0%
	Segment income	7,356 <i>6.2%</i>	9,563 <i>6.4%</i>	30.0%	9,500 <i>6.8%</i>	0.7%
CSI	Net sales	39,616	43,680	10.3%	39,000	12.0%
	Segment income	2,085 <i>5.3%</i>	2,449 <i>5.6%</i>	17.4%	2,000 <i>5.1%</i>	22.5%
Others	Net sales	12,552	15,739	25.4%	15,000	4.9%
	Segment income	255 <i>2.0%</i>	663 <i>4.2%</i>	159.4%	800 <i>5.3%</i>	-17.1%
Total	Net sales	495,827	608,064	22.6%	585,000	3.9%
	Segment income	20,915 <i>4.2%</i>	32,249 <i>5.3%</i>	54.2%	29,500 <i>5.0%</i>	9.3%

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.

The table shows the results of the previous year by segment of the mid-term management plan.

In the electronic components business, net sales were JPY398.783 billion, up 22.4% from the previous year. Segment income was JPY19.475 billion, up 75.5%.

EMS sales were JPY149.862 billion, up 27.2% from the previous year. Segment income was JPY9.563 billion, up 30%.

For CSI, net sales were JPY43.68 billion, up 10.3% from the previous year. Segment income was JPY2.449 billion, up 17.4%.

Others posted sales of JPY15.739 billion, up 25.4% from the previous year. Segment income was JPY663 million, up 159.4%.

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

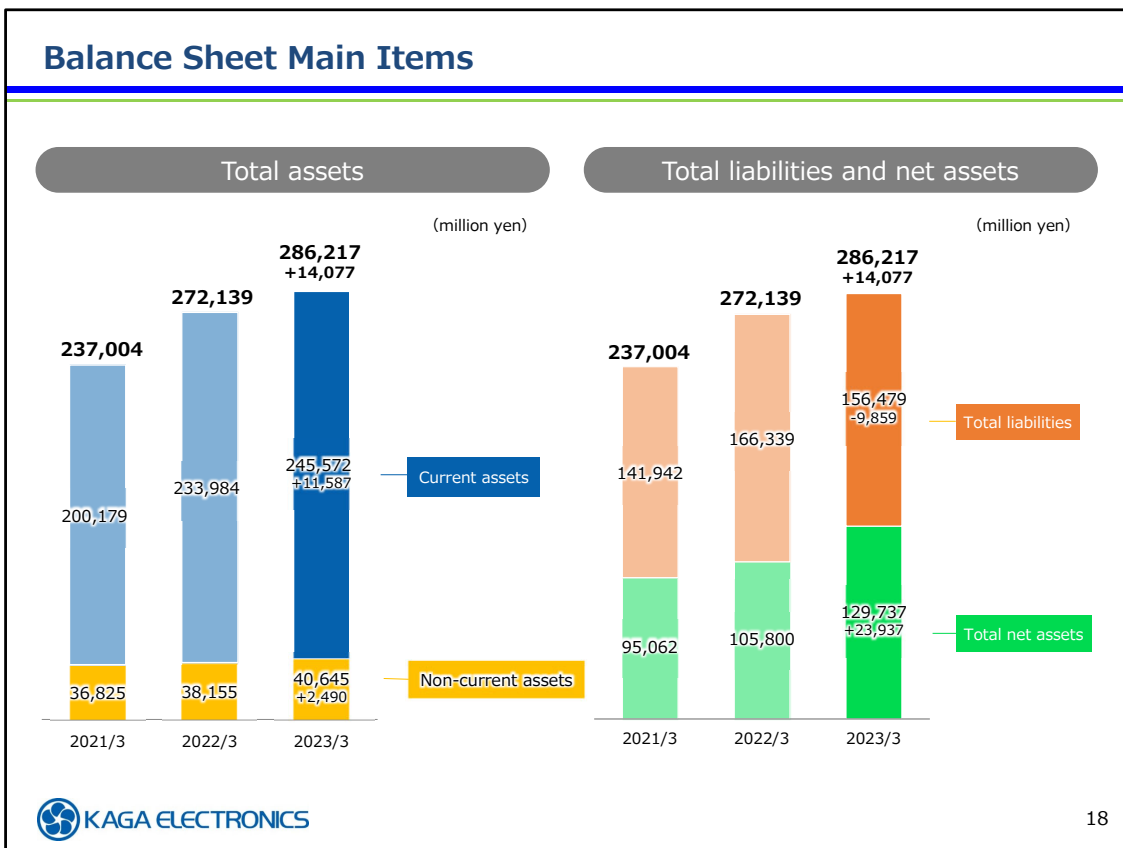
Reference

(million yen)

		FY2021/3 4Q Results	FY2022/3 3Q Results	FY2023/3 4Q Results	YoY	QoQ
Electronic Component	Net sales	92,960	100,346	95,569	2.8%	-4.8%
	Segment income	3,321 <i>3.6%</i>	4,211 <i>4.2%</i>	3,573 <i>3.7%</i>	7.6%	-15.1%
EMS	Net sales	33,232	39,123	41,251	24.1%	5.4%
	Segment income	1,893 <i>5.7%</i>	2,614 <i>6.7%</i>	1,637 <i>4.0%</i>	-13.5%	-37.4%
CSI	Net sales	13,315	9,542	14,540	9.2%	52.4%
	Segment income	869 <i>6.5%</i>	534 <i>5.6%</i>	949 <i>6.5%</i>	9.2%	77.5%
Others	Net sales	3,634	4,448	4,480	23.3%	0.7%
	Segment income	126 <i>3.5%</i>	251 <i>5.7%</i>	42 <i>1.0%</i>	-66.3%	-83.1%
Total	Net sales	143,143	153,460	155,843	8.9%	1.6%
	Segment income	6,257 <i>4.4%</i>	7,645 <i>5.0%</i>	6,242 <i>4.0%</i>	-0.2%	-18.3%

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.



Next, I will explain the balance sheet.

Total assets amounted to JPY286.217 billion, an increase of JPY14.077 billion from the same period last year.

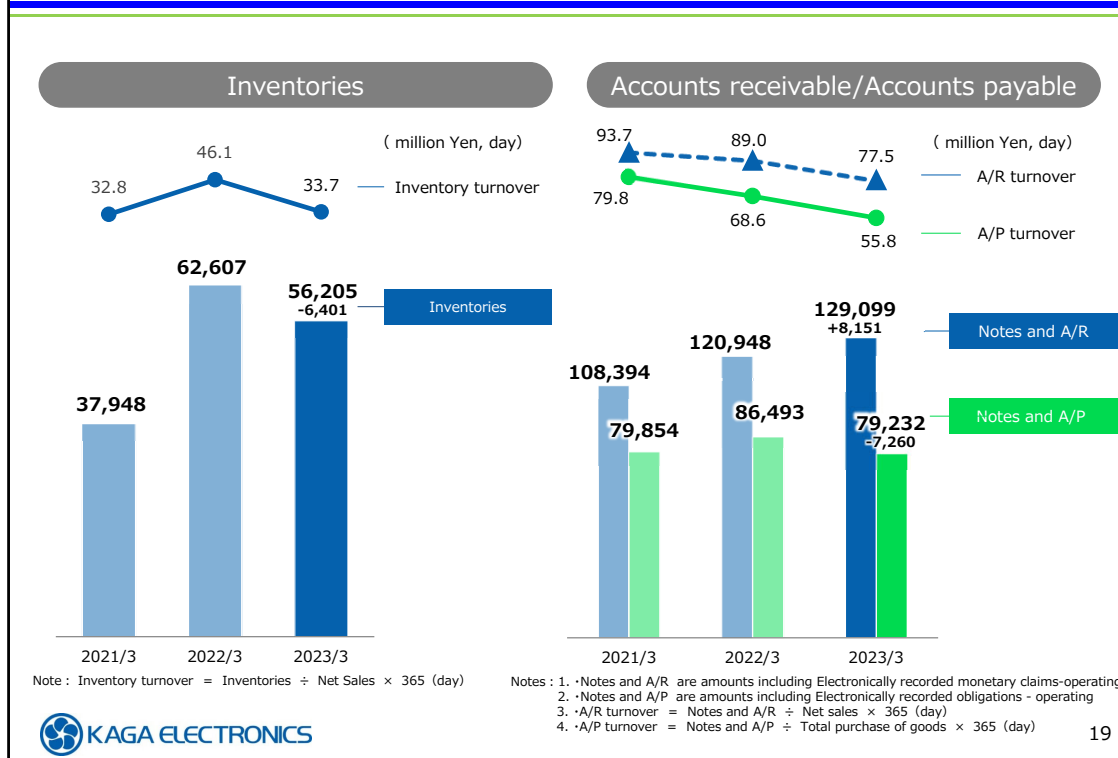
Current assets totaled JPY245.572 billion, an increase of JPY11.587 billion.

Non-current assets totaled JPY40.645 billion, an increase of JPY2.490 billion.

As for liabilities and net assets, total liabilities amounted to JPY156.479 billion, a decrease of JPY9.859 billion.

Net assets totaled JPY129.737 billion, an increase of JPY23.937 billion.

Balance Sheet Main Items



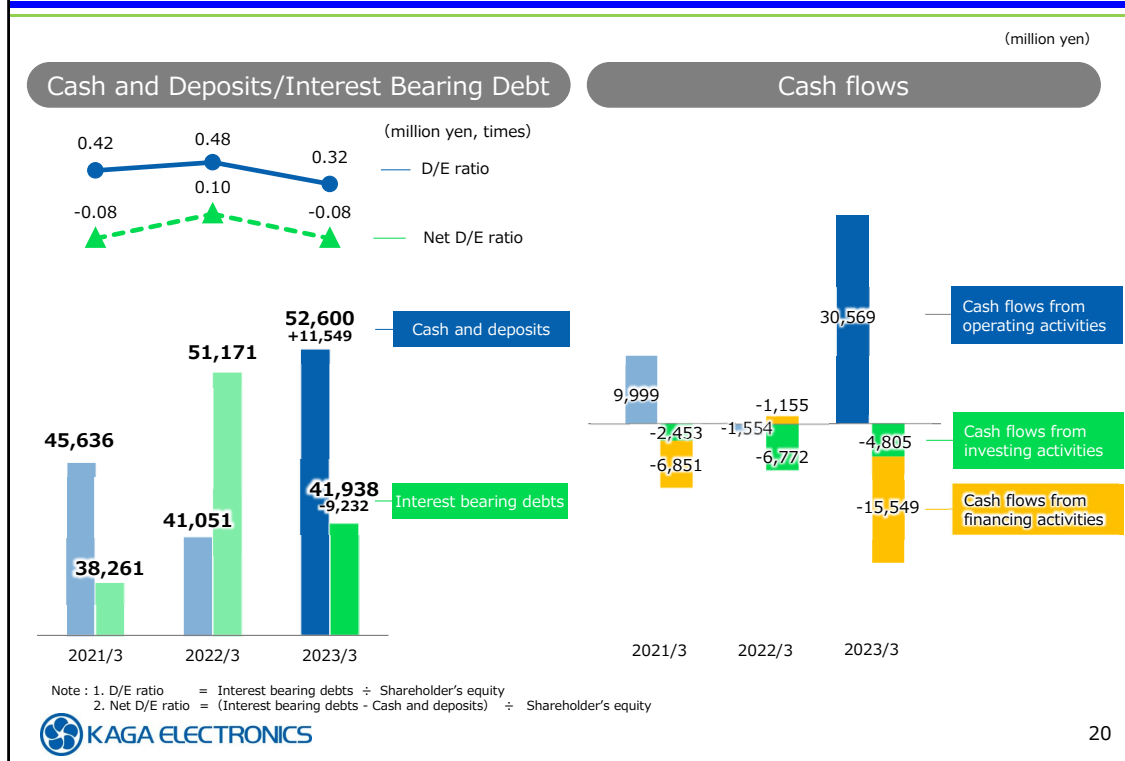
Next, I would like to review inventories.

Inventories totaled JPY56.205 billion, a decrease of JPY6.401 billion. Inventory turnover was 33.7 days.

The balance of trade receivables was JPY129.099 billion, an increase of JPY8.151 billion. The balance of trade payables was JPY79.232 billion, a decrease of JPY7.260 billion.

Both the accounts receivable turnover and accounts payable turnover decreased to 77.5 days and 55.8 days, respectively.

Balance Sheet Main Items

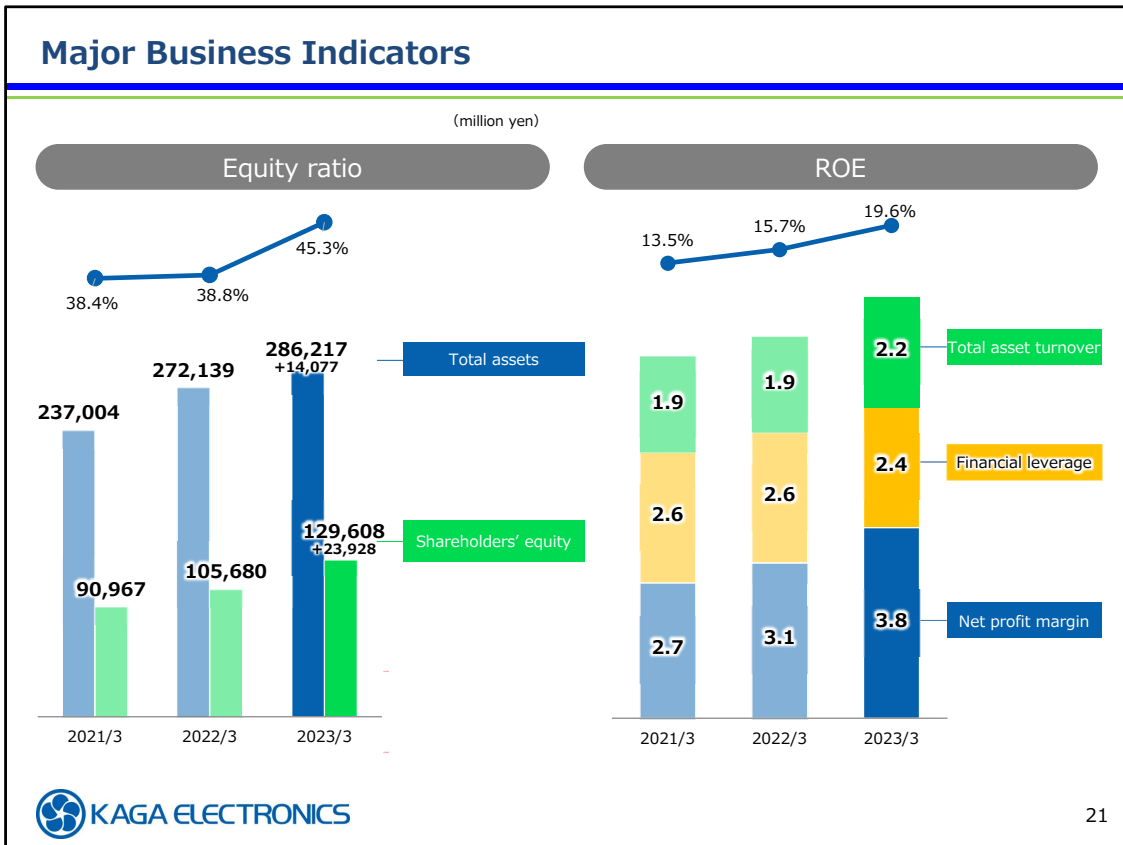


Next, I will review cash and cash equivalents and interest-bearing debt.

Cash and deposits totaled JPY52.6 billion, an increase of JPY11.549 billion. Interest-bearing debt totaled JPY41.938 billion, a decrease of JPY9.232 billion.

As a result, both the D/E ratio and net D/E ratio decreased to 0.32 and negative 0.08, respectively.

As for cash flow, operating cash flow provided JPY30.569 billion, investing cash flow used JPY4.805 billion, and financing cash flow used JPY15.549 billion.



I would like to explain about stability and efficiency.

Total assets stood at JPY286.217 billion, an increase of JPY14.077 billion.

Shareholders' equity totaled JPY129.608 billion, an increase of JPY23.928 billion.

As a result, the equity ratio improved significantly to 45.3%.

Next is ROE. We are at 19.6%.

The breakdown is as follows: total asset turnover of 2.2, financial leverage of 2.4, and net profit margin of 3.8.

Forecasts for FY2024/3

Forecasts for FY2024/3

(million yen)

	FY2023/3 Results		FY2024/3 Forecasts		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

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

I would like to continue by explaining our earnings forecast for the fiscal year ending March 2024.

We have decreased net sales to JPY550 billion, operating income to JPY25 billion, ordinary income also to JPY25 billion, and net profit attributable to owners of the parent company to JPY18 billion.

As a result, EPS and ROE are JPY685.42 and 13.3%, respectively.

Forecasts by Business Segment for FY2024/3

(million yen)

		FY2023/3 Results		FY2024/3 Forecasts		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.

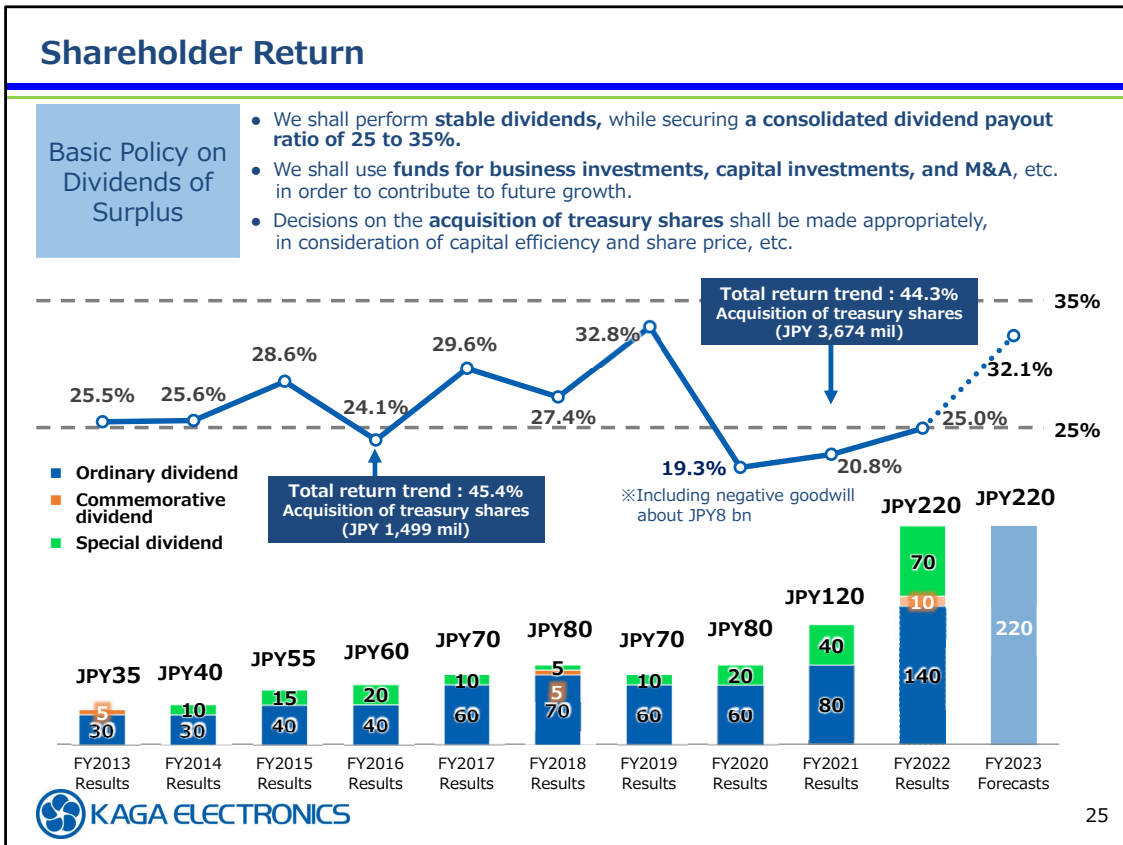
We have broken down this forecast by segment.

In the electronic components business, net sales were JPY471.5 billion, down 12.6% from the previous year. Segment income was JPY20.7 billion, down 26.9% from the previous year.

Information equipment posted sales of JPY45 billion, up 3%. Segment income increased by JPY2.5 billion, or 2.1%.

Software sales were JPY4.5 billion, up 50.1%. Segment income increased by JPY0.3 billion, or 4.6%.

Others posted sales of JPY29 billion, up 31.6%. Segment income increased by JPY1.5 billion, or 36.1%.



Next, I will discuss dividends.

The Company's basic policy regarding profit distribution is to pay stable dividends while maintaining a consolidated dividend payout ratio of 25% to 35%, to be used for business investments, capital expenditures, M&A, etc. that contribute to future growth.

Our policy is to make appropriate decisions on share buybacks, taking into consideration capital efficiency, stock price, and other factors.

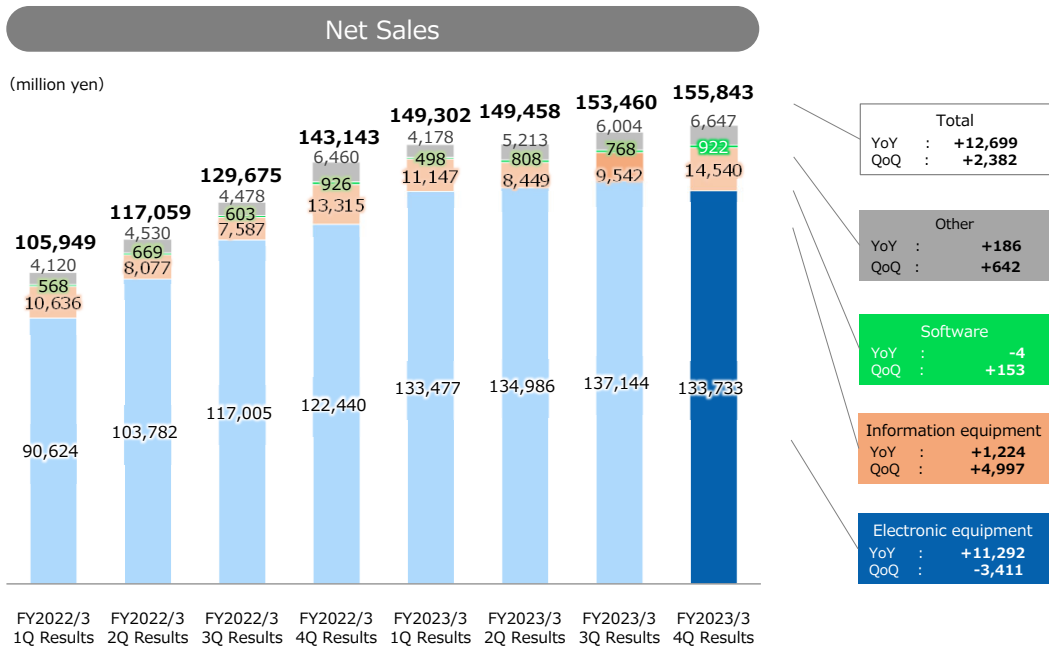
In the previous fiscal term, we offered JPY140 for the base, plus an additional JPY10 for commemorative dividends, totaling JPY150.

This term our performance was exceptional, accordingly, we are going to pay out JPY70 in special dividends, bringing the total to JPY220 per annual, the same as in the previous fiscal year.

For the fiscal year ending March 2024, although profits are expected to decrease, we plan to maintain the dividend of JPY220. The payout is going to be JPY110 at the interm and year-end.

Reference

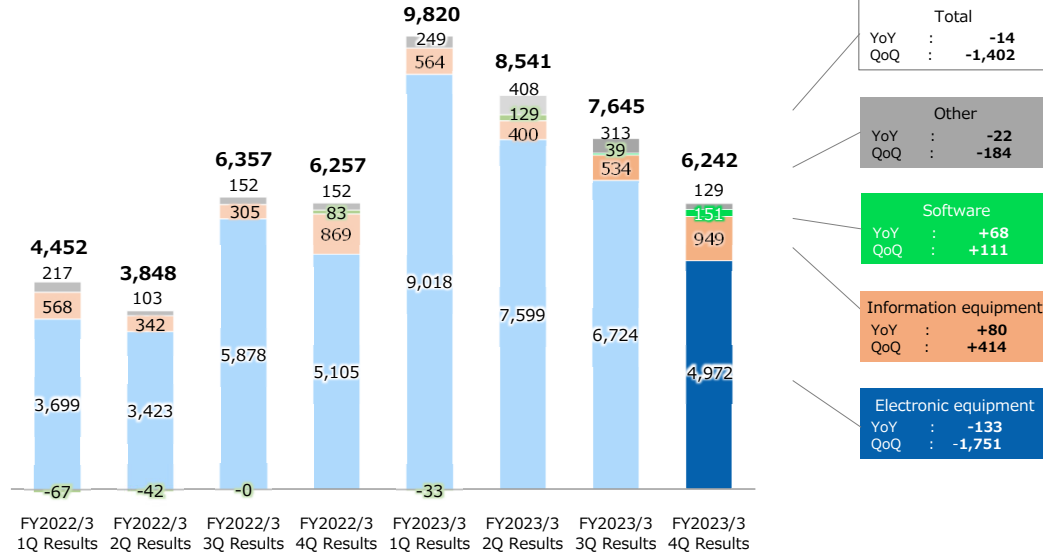
Quarterly Net Sales Trends



Quarterly Segment Income Trends

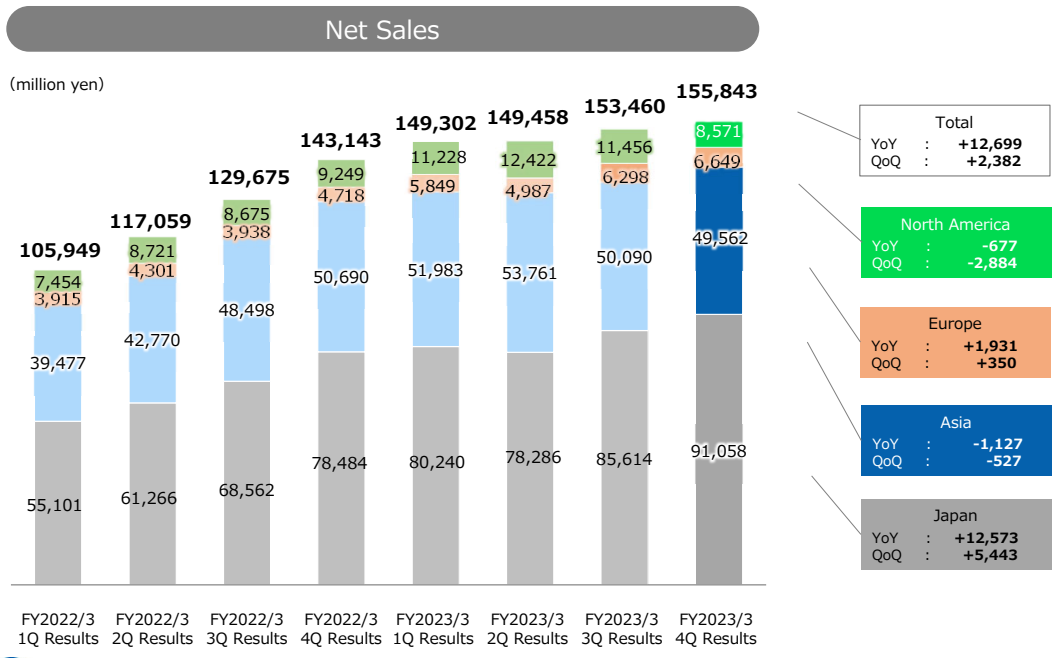
Segment Income

(million yen)




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

Net Sales by Region



Exchange Rate/FOREX Sensitivity					
	FY2022/3 Results (Yen)	FY2023/3 Results (Yen)	(Reference) Effect of 1% change (Million Yen)		Forex Assumption for 2024/3(yen)
			Net sales	Operating income	
USD	112.38	135.47	1,218	50	135.00
RMB	17.03	19.48	278	11	19.50
THB	3.44	3.84	319	21	3.80
HKD	14.44	17.28	187	6	17.00
EUR	130.56	140.97	10	0	140.00

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Finally, we have prepared a list of exchange rates for your reference.

Regarding the foreign currency exchange rate for the previous fiscal year, the US dollar is the main currency used in our financial figures, and the annual exchange rate for the US dollar was JPY135.47, which you can see is a depreciation of about JPY23 compared to the previous fiscal year.

We estimate that a 1% change in the US dollar will have an impact of JPY1.218 billion on net sales and JPY50 million on operating income.

I have now presented an overview of the Company's financial results for the fiscal year ending March 2023.

Thank you very much for your attention.

**“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.
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