

May 9, 2024

## Summary of Consolidated Financial Results for the Year Ended March 2024 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.  
 Stock Code: 8154 URL: <https://www.taxan.co.jp/>  
 Stock Exchange Listing: Tokyo Stock Exchange, Prime Market  
 Representative: Title: Representative Director, President & COO Name: Ryoichi Kado  
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 Head of Administration Headquarters  
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 Date of regular general meeting of shareholders: June 26, 2024 (tentative)  
 Date of commencement of dividend payment: June 27, 2024 (tentative)  
 Date of filing of securities report: June 26, 2024 (tentative)  
 Supplementary explanatory documents: Yes  
 Earnings presentation: Yes (For institutional investors and analysts)

(Yen in millions, rounded down)

### 1. Financial results for the current fiscal year (April 1, 2023 - March 31, 2024)

#### (1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2024	542,697	(10.8)	25,845	(19.9)	25,976	(20.7)	20,345	(11.8)
Fiscal year ended March 2023	608,064	22.6	32,249	54.2	32,739	52.6	23,070	49.8

Note: Comprehensive income: FY ended March 31, 2024: 27,213 million yen [(4.4)%] FY ended March 31, 2023: 28,472 million yen [37.2%]

	Earnings per share	Earnings per share (diluted)	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2024	774.61	—	14.5	9.1	4.8
Fiscal year ended March 2023	878.65	—	19.6	11.7	5.3

Ref.: Share of profit/loss of entities accounted for using equity method: FY ended March 2024: (80) million yen FY ended March 2023: 97 million yen

#### (2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	286,792	151,231	52.6	5,742.22
As of March 31, 2023	286,217	129,737	45.3	4,935.36

Ref.: Shareholders' equity : FY ended March 2024: 150,834 million yen FY ended March 2023: 129,608 million yen

#### (3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2024	29,385	(2,968)	(16,973)	62,417
Fiscal year ended March 2023	30,569	(4,805)	(15,549)	50,307

### 2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	1Q	2Q	3Q	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 2023	—	100.00	—	120.00	220.00	5,777	25.0	4.9
Fiscal year ended March 2024	—	110.00	—	110.00	220.00	5,779	28.4	4.1
Fiscal year ending March 2025 (Forecast)	—	110.00	—	110.00	220.00		32.1	

Notes: Breakdown of interim dividend for FY3/2023: Ordinary dividend: 70.00 yen; Extraordinary dividend: 30.00 yen  
 Breakdown of year-end dividend for FY3/2023: Ordinary dividend: 70.00 yen; 55th anniversary commemorative dividend: 10.00 yen; Extraordinary dividend: 40.00 yen

### 3. Forecast for the fiscal year ending March 2025 (Consolidated, April 1, 2024 - March 31, 2025)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	555,000	2.3	26,000	0.6	26,000	0.1	18,000	(11.5)	685.26

**\* Notes**

(1) Changes in significant subsidiaries (Changes in specified subsidiaries accompanied by changes in the scope of consolidation): None

(2) Changes in accounting policies, estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	As of March 31, 2024:	28,702,118	As of March 31, 2023:	28,702,118
(b) Treasury shares	As of March 31, 2024:	2,434,544	As of March 31, 2023:	2,440,983
(c) Average number of shares outstanding during the year	As of March 31, 2024:	26,265,780	As of March 31, 2023:	26,257,182

**(Reference) Non-consolidated Financial Results**

**Financial results for the fiscal year ended March 2024 (April 1, 2023 - March 31, 2024)**

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2024	116,889	(15.0)	5,991	(0.3)	16,546	44.3	15,463	22.7
Fiscal year ended March 2023	137,522	33.4	6,007	62.7	11,466	21.3	12,604	74.9

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Fiscal year ended March 2024	588.68	—
Fiscal year ended March 2023	479.99	—

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	126,697	60,300	47.6	2,295.42
As of March 31, 2023	127,208	50,431	39.6	1,920.21

Ref.: Shareholders' equity Fiscal year ended March 2024: 60,300 million yen Fiscal year ended March 2023: 50,431 million yen

\*The audit procedures by certified public accountant or auditing firm are not applicable to this Financial Results report.

\*Cautionary statement regarding forecasts of operating results and special notes

(Caution regarding forward-looking statements)

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. For information about the forecasts, please see "1. Results of Operations (4) Future outlook" on page 6 of Supplementary Information.

(Supplementary materials for financial results and how to obtain details of the financial results meeting)

We plan to hold an earnings briefing for institutional investors and analysts on Thursday, May 23, 2024. Supplementary materials for the earnings briefing will be posted on TDnet and our website today (Thursday, May 9th). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on May 23th.

(Japanese) [https://www.taxan.co.jp/jp/ir/event/event\\_01.html](https://www.taxan.co.jp/jp/ir/event/event_01.html)

(English) [https://www.taxan.co.jp/en/ir/event/event\\_01.html](https://www.taxan.co.jp/en/ir/event/event_01.html)

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## 1. Results of Operations

### (1) Overview of consolidated business performance

Looking at the global economy during the consolidated fiscal year under review, the outlook remained uncertain due to the impact of monetary tightening in the U.S. and Europe, economic stagnation in China, heightening geopolitical risks notably in Ukraine and the Middle East, and other factors. Meanwhile, in Japan, amid price increases and ongoing depreciation of the yen, the economy continued to follow a gradual recovery trend, supported largely by a rebound in personal consumption and an increase in inbound tourist demand.

In the electronics industry to which the Group belongs, the automotive market continued to enjoy demand growth along with easing of supply shortages of semiconductors and electronic components, on the back of vehicle electrification and other trends, but demand in the industrial equipment and other markets remained in an adjustment phase.

Under such circumstances, during the consolidated fiscal year under review, the electronic components business was affected by such factors as disappearance of spot demand given easing of supply shortages of semiconductors and electronic components, diminution of transactions with a certain client of an overseas subsidiary of Excel Co., Ltd., and inventory adjustment taking place on a full-scale from the third quarter of the consolidated fiscal year under review. As a result, net sales decreased by 10.8% year on year to 542,697 million yen.

Operating income decreased by 19.9% year on year to 25,845 million yen, with efforts made to reduce selling, general and administrative expenses in the face of a decline in gross profit due to lower net sales, while ordinary income decreased by 20.7% year on year to 25,976 million yen.

Profit attributable to owners of parent decreased by 11.8% year on year to 20,345 million yen, reflecting in part posting of extraordinary income that included 1,420 million yen in gain on sale of investment securities and 481 million yen in gain on bargain purchase associated with a corporate acquisition.

	FY 2023/3	FY 2024/3	YoY	
	(April 1, 2022 – March 31, 2023)	(April 1, 2023 – March 31, 2024)	(Million yen)	
Net sales	(Million yen) 608,064	(Million yen) 542,697	(65,367)	(10.8%)
Gross profit (Margin)	78,514 12.9%	70,452 13.0%	(8,062) 0.1pt	(10.3%) –
SG&A	46,265	44,607	(1,657)	(3.6%)
Operating income	32,249	25,845	(6,404)	(19.9%)
Ordinary income	32,739	25,976	(6,763)	(20.7%)
Profit before income taxes	32,460	28,099	(4,360)	(13.4%)
Profit attributable to owners of parent	23,070	20,345	(2,725)	(11.8%)
EPS (yen)	878.65	774.61	(104.04)	–
ROE	19.6%	14.5%	(5.1pt)	–
Exchange Rate (Average rate during the year) USD (yen)	135.47	144.62	9.15	–

Business segment performance was as follows.

- (a) Electronic components (Development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS\*), and other activities)

In this business, the components sales business enjoyed robust sales of SoC\*2 products by Kaga FEI Co., Ltd., but sales of semiconductors and electronic components in general were sluggish, affected by disappearance of spot demand given easing of supply shortages of semiconductors and electronic components that had continued for two consecutive years until the previous fiscal year, diminution of transactions with a certain client of an overseas subsidiary of Excel Co., Ltd., and inventory adjustment taking place on a full-scale from the third quarter.

In the EMS business, sales in the automotive sector increased due to improved supply and demand balance of semiconductors and electronic components, whereas sales in applications related to medical and industrial equipment decreased due partly to investment adjustment at key customers.

As a result, net sales decreased 12.4% year on year to 472,583 million yen and segment income decreased 26.2% year on year to 20,887 million yen.

Note: 1. Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis.

2. Abbreviation for System on a Chip. A design technique of integrating all the functions necessary for operation of a device or system on a single semiconductor chip.

- (b) Information equipment (Sales of PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products)

In this business, net sales remained robust with continued strong sales of PCs for educational institutions and security software, although sales of PCs for mass retailers struggled due to weak demand. In the LED installation business, sales of a large-scale project that the Group started pushing forward on a full scale in the previous fiscal year contributed.

As a result, net sales increased 1.4% year on year to 44,305 million yen and segment income increased 19.4% year on year to 2,924 million yen.

- (c) Software (Production of computer graphics, planning and development of amusement products, and other activities)

In this business, orders for computer graphics production remained generally steady. Net sales decreased by 14.4% year on year to 2,567 million yen while segment income increased by 29.0% year on year to 370 million yen, attributable partly to the effect of containing cost of sales through operational efficiency improvement and other efforts.

- (d) Others (Repair and supports for electronics equipment, manufacture and sales of amusement equipment, and sales of sports goods, and other activities)

In this business, the PC and PC peripheral recycling business remained strong, and so did sales of amusement equipment and sporting goods. Net sales increased by 5.4% year on year to 23,241 million yen, and segment income increased by 41.2% year on year to 1,555 million yen.

< Financial Results by Business Segment >

		FY 2023/3 (April 1, 2022 – March 31, 2023)	FY 2024/3 (April 1, 2023 – March 31, 2024)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic components	Net sales	539,342	472,583	(66,759)	(12.4%)
	Segment income	28,314	20,887	(7,427)	(26.2%)
Information equipment	Net sales	43,680	44,305	625	1.4%
	Segment income	2,449	2,924	474	19.4%
Software	Net sales	2,998	2,567	(430)	(14.4%)
	Segment income	286	370	83	29.0%
Others	Net sales	22,044	23,241	1,196	5.4%
	Segment income	1,101	1,555	453	41.2%
Total	Net sales	608,064	542,697	(65,367)	(10.8%)
	Segment income	32,249	25,845	(6,404)	(19.9%)

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

<Reference>Financial results

① Financial highlights(3months)

	FY 2023/3 4Q (3months) (January 1, 2023 – March 31, 2023)	FY 2023/4 4Q (3months) (January 1, 2024 – March 31, 2024)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	155,843	136,239	(19,604)	(12.6%)
Gross profit (Margin)	18,630 12.0%	18,200 13.4%	(430) 1.4pt	(2.3%) –
SG&A	12,387	12,846	459	3.7%
Operating income	6,242	5,353	(889)	(14.2%)
Ordinary income	6,121	5,664	(456)	(7.5%)
Profit before income taxes	5,325	5,713	388	7.3%
Profit attributable to owners of parent	4,017	4,353	335	8.4%

② By segment

		FY 2023/3 4Q (3months) (January 1, 2023 – March 31, 2023)	FY 2024/3 4Q (3months) (January 1, 2024 – March 31, 2024)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic Components	Net sales	133,733	114,788	(18,944)	(14.2%)
	Segment income	4,972	3,738	(1,233)	(24.8%)
Information Equipment	Net sales	14,540	14,038	(501)	(3.4%)
	Segment income	949	1,002	52	5.6%
Software	Net sales	922	750	(171)	(18.6%)
	Segment income	151	107	(44)	(29.1%)
Others	Net sales	6,647	6,660	12	0.2%
	Segment income	129	495	366	281.9%
Total	Net sales	155,843	136,239	(19,604)	(12.6%)
	Segment income	6,242	5,353	(889)	(14.2%)

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

## (2) Overview of financial condition

### Assets, liabilities and net assets

Total assets as of March 31, 2024 increased by 574 million yen from the previous fiscal year-end to 286,792 million yen.

Current assets decreased by 943 million yen compared to the end of the previous fiscal year, to 244,629 million yen.

Non-current assets increased by 1,517 million yen compared to the end of the previous fiscal year, to 42,162 million yen. This was primarily due to a 2,784 million yen increase in construction in progress.

Liabilities decreased by 20,919 million yen compared to the end of the previous fiscal year, to 135,560 million yen. This was primarily due to a 7,840 million yen decrease in Notes and accounts payable - trade and a 8,980 million yen decrease in Short-term loans payable.

Net assets increased by 21,493 million yen from March 31, 2023, to 151,231 million yen. This was primarily due to a 1,434 million yen increase in retained earnings and a 6,235 million yen increase in foreign currency translation adjustment due to 20,345 million yen in profit attributable to owners of parent.

## (3) Cash flows

Cash and cash equivalents as of March 31, 2024 increase 12,110 million yen from March 31, 2023 to 62,417 million yen.

### (Operating activities)

Net cash provided by operating activities was 29,385 million yen (30,569 million yen provided by the previous fiscal year) mainly due to the posting of profit before income taxes.

### (Investing activities)

Net cash used in investing activities was 2,968 million yen (4,805 million yen used in the previous fiscal year) mainly due to purchase of property, plant and equipment, and sale of investment securities.

### (Financing activities)

Net cash used in financing activities was 16,973 million yen (15,549 million yen used in the previous fiscal year) mainly due to repayments of loans payable and payment of cash dividends.

#### (4) Future outlook

In the fiscal year ending in March 2025, the Japanese and overseas economic conditions surrounding the Group are likely to remain unpredictable, in view of such factors as the prolonged geopolitical risks notably in Ukraine and the Middle East, and the impact of countries' monetary policy and associated exchange rate fluctuations, although a moderate economic recovery is expected to continue.

In the electronics industry to which the Group belongs, the market scale is expected to expand over the medium to long term along with rapid technological innovation (widespread use of generative AI and other technologies, progress in electrification of automobiles, etc.). However, customers' inventory adjustment, which has been conducted on a full-scale since the latter half of the fiscal year ended March 2024, is likely to continue for some time to come, suggesting that a full-fledged demand recovery will be from the latter half of the fiscal year ending in March 2025.

As a result of these factors, we expect net sales to total 555 billion yen, operating and ordinary income to amount to 26 billion yen, and profit attributable to owners of parent to be 18 billion yen in the fiscal year ending in March 2025.

The fiscal year ending in March 2025 being the final year of the Medium-Term Management Plan 2024, we will work on reinforcing profitability by focusing on markets in which high growth and profitability are expected, in line with the basic policies of the Plan. While pursuing further efficiency and soundness, we will strive to strengthen the Group's management foundation. We will also continue to pursue SDGs management, aiming for a balance between solutions to social issues and sustainable growth as a company.

#### (5) Basic policy for earnings allocations and dividends in the current and next fiscal years

The Company views the return of profits to shareholders as one of its most important management policies, and in addition to endeavoring to strengthen its financial position and management foundation from a long-term perspective, it has the basic policy of maintaining stable and ongoing dividends to all shareholders with due consideration to consolidated earnings.

For the fiscal year ended March 31, 2024, the Company plans to pay 110 yen per share as a year-end dividend, as announced on May 11, 2023. As a result, combined with the interim dividend of 110 yen paid in November 2023, the annual dividend will be 220 yen per share.

For the fiscal year ending March 31, 2025, a dividend of 220 yen per share (110 yen for both the interim and year-end dividend) is planned.

## **2. Basic Approach to the Selection of Accounting Standards**

The KAGA ELECTRONICS Group prepares consolidated financial statements based on Japanese accounting standards. Going forward, we will consider adopting IFRS standards with due consideration to financial market trends, share of foreign investors, and the organizational costs resulting from the adoption of IFRS standards.



### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated balance sheet

(Million yen)

	FY 2023/3 (As of March 31, 2023)	FY 2024/3 (As of March 31, 2024)
<b>ASSETS</b>		
Current assets		
Cash and deposits	52,600	66,596
Notes receivable – trade	1,534	900
Electronically recorded monetary claims - operating	9,683	10,146
Accounts receivable – trade	117,881	101,528
Securities	195	171
Merchandise and finished goods	41,375	37,999
Work in process	2,277	1,878
Raw materials and supplies	12,552	14,861
Other	7,624	10,770
Allowance for doubtful accounts	(153)	(223)
Total current assets	245,572	244,629
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,680	17,045
Accumulated depreciation	(8,990)	(9,778)
Buildings and structures, net	6,690	7,266
Machinery, equipment and vehicles	16,187	19,458
Accumulated depreciation	(9,721)	(11,811)
Machinery, equipment and vehicles, net	6,466	7,647
Tools, furniture and fixtures	5,880	6,588
Accumulated depreciation	(4,777)	(5,226)
Tools, furniture and fixtures, net	1,103	1,362
Land	5,859	6,036
Construction in progress	39	2,824
Total property, plant and equipment	20,158	25,135
Intangible assets		
Goodwill	48	16
Software	2,617	2,021
Other	36	54
Total intangible assets	2,702	2,092
Investments and other assets		
Investment securities	12,144	10,472
Deferred tax assets	2,162	1,179
Distressed receivables	4,842	5,015
Other	3,499	3,340
Allowance for doubtful accounts	(4,864)	(5,073)
Total investments and other assets	17,784	14,934
Total non-current assets	40,645	42,162
Total assets	286,217	286,792

(Million yen)

	FY 2023/3 (As of March 31, 2023)	FY 2024/3 (As of March 31, 2024)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable - trade	79,232	71,392
Short-term loans payable	19,585	10,604
Accrued expenses	8,400	8,419
Income taxes payable	6,011	2,238
Provision for directors' bonuses	465	437
Other	13,852	11,709
Total current liabilities	127,547	104,803
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	10,600	10,500
Deferred tax liabilities	2,634	3,241
Provision for directors' retirement benefits	143	94
Net defined benefit liability	2,148	2,342
Asset retirement obligations	627	660
Other	2,778	3,918
Total non-current liabilities	28,932	30,757
Total liabilities	156,479	135,560
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	14,820	14,849
Retained earnings	95,945	110,250
Treasury shares	(5,614)	(5,603)
Total shareholders' equity	117,285	131,629
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,534	3,075
Deferred gains or losses on hedges	(18)	21
Foreign currency translation adjustment	9,568	15,803
Remeasurements of defined benefit plans	239	303
Total accumulated other comprehensive income	12,322	19,204
Non-controlling interests	129	396
Total net assets	129,737	151,231
Total liabilities and net assets	286,217	286,792

## (2) Consolidated statements of income and comprehensive income

(Million yen)

	FY 2023/3 (April 1, 2022 – March 31, 2023)	FY 2024/3 (April 1, 2023 – March 31, 2024)
Net sales	608,064	542,697
Cost of sales	529,550	472,244
Gross profit	78,514	70,452
Selling, general, and administrative expenses	46,265	44,607
Operating income	32,249	25,845
Non-operating income		
Interest income	211	891
Dividends income	279	253
Commission fee Share of profit of entities accounted for using equity method	97	–
Foreign exchange gain	107	–
Commission fee	227	136
House rent income	126	135
Other	412	992
Total non-operating income	1,461	2,409
Non-operating expenses		
Interest expenses	748	890
Loss from equity method investments	–	80
Foreign exchange losses	–	741
Other	223	565
Total non-operating expenses	971	2,278
Ordinary income	32,739	25,976
Extraordinary income		
Gain on sales of non-current assets	20	18
Gain on sales of investment securities	626	1,420
Gain on bargain purchase	–	481
Gain on liquidation of subsidiaries and associates	–	480
Gain on revision of retirement benefit plan	126	–
Other	1	8
Total extraordinary income	774	2,408
Extraordinary loss		
Impairment loss	644	16
Loss on retirement of non-current assets	37	14
Loss on sales of investment securities	12	0
Loss on valuation of investment securities	348	238
Other	11	13
Total extraordinary loss	1,054	284
Profit before income taxes	32,460	28,099
Income taxes - current	9,197	6,292
Income taxes - deferred	167	1,483
Total income taxes	9,365	7,776
Profit	23,094	20,323
Profit attributable to owners of parent	23,070	20,345
Profit (loss) attributable to non-controlling interests	23	(21)

(Million yen)

	FY 2023/3 (April 1, 2022 – March 31, 2023)	FY 2024/3 (April 1, 2023 – March 31, 2024)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,235	537
Deferred gains or losses on hedges	(16)	40
Foreign currency translation adjustment	4,033	6,329
Remeasurements of defined benefit plans, net of tax	28	64
Share of other comprehensive income of entities accounted for using equity method	97	(82)
Total other comprehensive income	5,378	6,889
Comprehensive income	28,472	27,213
Comprehensive income attributable to owners of parent	28,445	27,227
Comprehensive income attributable to non-controlling interests	26	(13)

## (3) Consolidated statement of changes in equity

For the fiscal year ended March 2023 (April 1, 2022 – March 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	14,818	77,423	(5,643)	98,732
Adjustment of hyperinflation			45		45
Balance at the beginning of current period reflecting the adjustment of hyperinflation	12,133	14,818	77,469	(5,643)	98,778
Changes of items during period					
Dividends of surplus			(4,594)		(4,594)
Profit attributable to owners of parent			23,070		23,070
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		10		32	43
Change in ownership interest of parent due to transactions with non-controlling interests		(8)			(8)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	2	18,476	29	18,507
Balance at the end of current period	12,133	14,820	95,945	(5,614)	117,285

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,299	(2)	5,439	210	6,948	120	105,800
Adjustment of hyperinflation							45
Balance at the beginning of current period reflecting the adjustment of hyperinflation	1,299	(2)	5,439	210	6,948	120	105,846
Changes of items during period							
Dividends of surplus							(4,594)
Profit attributable to owners of parent							23,070
Purchase of treasury shares							(3)
Disposal of treasury shares							43
Change in ownership interest of parent due to transactions with non-controlling interests							(8)
Net changes of items other than shareholders' equity	1,234	(16)	4,128	28	5,374	9	5,383
Total changes of items during period	1,234	(16)	4,128	28	5,374	9	23,891
Balance at the end of current period	2,534	(18)	9,568	239	12,322	129	129,737

For the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	14,820	95,945	(5,614)	117,285
Changes of items during period					
Dividends of surplus			(6,040)		(6,040)
Profit attributable to owners of parent			20,345		20,345
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		28		17	45
Net changes of items other than shareholders' equity					
Total changes of items during period	–	28	14,304	10	14,344
Balance at the end of current period	12,133	14,849	110,250	(5,603)	131,629

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,534	(18)	9,568	239	12,322	129	129,737
Changes of items during period							
Dividends of surplus							(6,040)
Profit attributable to owners of parent							20,345
Purchase of treasury shares							(6)
Disposal of treasury shares							45
Net changes of items other than shareholders' equity	541	40	6,235	64	6,881	267	7,149
Total changes of items during period	541	40	6,235	64	6,881	267	21,493
Balance at the end of current period	3,075	21	15,803	303	19,204	396	151,231

## (4) Consolidated statement of cash flows

(Million yen)

	FY 2023/3 (April 1, 2022 – March 31, 2023)	FY 2024/3 (April 1, 2023 – March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	32,460	28,099
Depreciation	4,000	4,252
Impairment loss	644	16
Amortization of goodwill	54	32
Increase (decrease) in provision for directors' bonuses	163	(27)
Increase (decrease) in allowance for doubtful accounts	2,358	254
Interest and dividend income	(490)	(1,145)
Interest expenses	748	890
Share of (profit) loss of entities accounted for using equity method	(97)	80
Loss (gain) on sales of investment securities	(614)	(1,420)
Loss (gain) on valuation of investment securities	348	238
Gain on bargain purchase	–	(481)
Loss (gain) on liquidation of subsidiaries and associates	–	(480)
Decrease (increase) in notes and accounts receivable - trade	(5,952)	21,260
Decrease (increase) in inventories	9,316	4,545
Increase (decrease) in notes and accounts payable - trade	(11,503)	(12,257)
Decrease (increase) in accounts receivable - other	2,239	(1,223)
Increase (decrease) in accrued expenses	994	(475)
Decrease (increase) in advance payments	(417)	612
Decrease (increase) in consumption taxes refund receivable	2,340	(1,257)
Decrease (increase) in other current assets	(741)	354
Increase (decrease) in other current liabilities	393	(2,385)
Other, net	937	1,373
Subtotal	37,183	40,857
Interest and dividend income received	491	1,143
Interest expenses paid	(732)	(879)
Income taxes paid	(6,372)	(11,736)
Net cash provided by (used in) operating activities	30,569	29,385

(Million yen)

	FY 2023/3 (April 1, 2022 – March 31, 2023)	FY 2024/3 (April 1, 2023 – March 31, 2024)
Cash flows from investing activities		
Payments into time deposits	(397)	(6,215)
Proceeds from withdrawal of time deposits	–	4,517
Purchase of property, plant and equipment	(3,691)	(5,417)
Proceeds from sales of property, plant and equipment	34	31
Purchase of intangible assets	(467)	(336)
Purchase of investment securities	(750)	(547)
Proceeds from sales of investment securities	1,102	4,120
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	564
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(9)
Payments of short-term loans receivable	(421)	(30)
Long-term loan advances	(7)	(12)
Other payments	(278)	(217)
Other proceeds	71	582
Net cash provided by (used in) investing activities	(4,805)	(2,968)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(5,555)	(5,230)
Proceeds from long-term borrowings	500	–
Repayments of long-term loans payable	(15,040)	(5,040)
Proceeds from issuance of bonds	9,945	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(21)	–
Purchase of treasury shares	(2)	(6)
Cash dividends paid	(4,590)	(6,033)
Proceeds from share issuance to non-controlling shareholders	–	220
Other, net	(784)	(883)
Net cash provided by (used in) financing activities	(15,549)	(16,973)
Effect of exchange rate change on cash and cash equivalents	852	2,667
Net increase (decrease) in cash and cash equivalents	11,066	12,110
Cash and cash equivalents at beginning of period	39,240	50,307
Cash and cash equivalents at end of period	50,307	62,417



(5) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Segment information, etc.)

a. Segment information

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. The Company classifies subsidiaries and associates according to their products and services, and implements comprehensive strategies in Japan and overseas. Consequently, the Group has four reportable segments that are made of different categories of products and services: electronic components, information equipment, software and others. The electronic components segment includes the development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS), and other activities. The information equipment segment includes sales of PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products. The software segment includes the production of computer graphics, planning and development of amusement products, and other activities. The others segment includes the repair and supports for electronics equipment, and sales of amusement equipment and sports goods, and others.

2. Information about net sales, profit (loss), assets, and other items is as follows:

For the fiscal year ended March 2023 (April 1, 2022 – March 31, 2023)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	539,342	43,680	2,998	22,044	608,064	–	608,064
Inter-segment sales or transfers	3,508	7,255	968	7,957	19,689	(19,689)	–
Total	542,850	50,935	3,966	30,001	627,754	(19,689)	608,064
Segment income	28,314	2,449	286	1,101	32,152	97	32,249
Segment assets	265,302	22,765	2,033	13,876	303,978	(17,761)	286,217
Others							
Depreciation	3,529	105	41	337	4,014	(14)	4,000
Increase in property, plant and equipment and intangible assets	3,728	60	62	310	4,162	(2)	4,159

For the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	472,583	44,305	2,567	23,241	542,697	–	542,697
Inter-segment sales or transfers	4,101	9,874	1,567	5,796	21,340	(21,340)	–
Total	476,684	54,179	4,135	29,038	564,037	(21,340)	542,697
Segment income	20,887	2,924	370	1,555	25,737	108	25,845
Segment assets	264,058	24,116	2,061	14,853	305,089	(18,297)	286,792
Others							
Depreciation	3,689	112	77	388	4,268	(16)	4,252
Increase in property, plant and equipment and intangible assets	5,441	33	67	256	5,799	(45)	5,753

Note: 1. The adjustment is as follows:

(1) Segment income

(Million yen)

	Fiscal year ended March 2023	Fiscal year ended March 2024
Elimination of inter-segment	97	108
Total	97	108

## (2) Segment assets

(Million yen)

	Fiscal year ended March 2023	Fiscal year ended March 2024
Elimination of inter-segment Corporate *	(19,823)	(20,637)
Total	(17,761)	(18,297)

\* Total corporate assets principally consist of surplus funds of the Company under management (cash and securities, etc.).

## (3) Depreciation

(Million yen)

	Fiscal year ended March 2023	Fiscal year ended March 2024
Elimination of inter-segment	(14)	(16)
Total	(14)	(16)

## (4) Increase in property, plant and equipment and intangible assets

(Million yen)

	Fiscal year ended March 2023	Fiscal year ended March 2024
Elimination of inter-segment	(2)	(45)
Total	(2)	(45)

2. Segment income is adjusted with operating income on the consolidated statements of income and comprehensive income.

(Per-share information)

(Yen)

	FY 2023/3 (April 1, 2022 - March 31, 2023)	FY 2024/3 (April 1, 2023 - March 31, 2024)
Net assets per share	4,935.36	5,742.22
Earnings per share	878.65	774.61

Notes: 1. Earnings per share (diluted) have not been disclosed because there were no potentially dilutive shares.

2. The basis of calculation of earnings per share is as follows.

	FY 2023/3 (April 1, 2022 - March 31, 2023)	FY 2024/3 (April 1, 2023 - March 31, 2024)
Earnings per share		
Profit attributable to owners of parent (million yen)	23,070	20,345
Profit not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent allocated to common stock (million yen)	23,070	20,345
Average number of common stock outstanding during the fiscal year	26,257,182	26,265,780

(Subsequent events)

Not applicable