KAGA ELECTRONICS

JPX-NIKKEI Mid Small 2021 - 2022

Financial Results Briefing Material
for the Fiscal Year ended March 2023

KAGA ELECTRONICS CO., LTD.

TSE Prime Market 8154

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Consolidated Financial Results
for the Fiscal Year ended March 2023

Director,
Managing Executive Officer
Eiji Kawamura

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).

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	*12.2%*	**78,514**	*12.9%*	29.7%	–	–	–
SG&A	39,632	*8.0%*	**46,265**	*7.6%*	16.7%	–	–	–
Operating income	20,915	*4.2%*	**32,249**	*5.3%*	54.2%	29,500	*5.0%*	9.3%
Ordinary income	21,456	*4.3%*	**32,739**	*5.4%*	52.6%	30,000	*5.1%*	9.1%
Profit attributable to owners of parent	15,401	*3.1%*	**23,070**	*3.8%*	49.8%	21,000	*3.6%*	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.

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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	*4.2%*	**28,314**	*5.2%*	56.4%	25,800	*4.9%*	9.7%
Information Equipment	Net sales	39,616		**43,680**		10.3%	39,000		12.0%
	Segment income	2,085	*5.3%*	**2,449**	*5.6%*	17.4%	2,000	*5.1%*	22.5%
Software	Net sales	2,767		**2,998**		8.3%	3,000		-0.1%
	Segment income	-26	*-1.0%*	**286**	*9.6%*	–	200	*6.7%*	43.4%
Others	Net sales	19,590		**22,044**		12.5%	20,000		10.2%
	Segment income	626	*3.2%*	**1,101**	*5.0%*	76.0%	1,500	*7.5%*	-26.5%
Total	Net sales	495,827		**608,064**		22.6%	585,000		3.9%
	Segment income	20,915	*4.2%*	**32,249**	*5.3%*	54.2%	29,500	*5.0%*	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.

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