

HAGIWARA ELECTRIC HOLDINGS (7467)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2023		186,001	6,725	6,417	4,912	554.71	155.00	4,672.91
FY03/2024		225,150	7,711	7,221	4,421	458.80	185.00	4,839.87
FY03/2025CoE		269,000	7,900	7,100	4,600	461.73	185.00	-
FY03/2024	YoY	21.0%	14.7%	12.5%	(10.0%)	-	-	-
FY03/2025CoE	YoY	19.5%	2.4%	(1.7%)	4.0%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (31 July 2024)


A Business Model Shift

HAGIWARA ELECTRIC HOLDINGS, running its operations as a technology-oriented trading house of auto electronics, is in the process of a business model shift, while revealing its intention to make it a driver to enhance its business valuation from a long-term perspective. For example, the Company is working to create new business models, e.g., data platform business to materialize technology valorization of data with a profitability. During the period of its midterm management plan (FY03/2025 to FY03/2027), the Company is to push forward with structural changes to make the leap for next stage of growth and actions to erect business foundations as An Engineering Solution Partner That Is Connecting Human, Society and Technology, Through Advanced Electronics. During the relevant period, the Company is calling for CAGR of 10.0% in sales and 12.6% in operating profit as well as ROE of 11.0% or higher (versus 9.9% for FY03/2024) for FY03/2027, the final year of the plan. Meanwhile, FY03/2025 Company forecasts are going for an on-going high growth in sales but operating profit margin under pressure. This is attributable to that sales are to be driven by those of being associated with operations to distribute semiconductors, electronic components and so on, i.e., those of carrying gross profit margin relatively lower out of the Company's business portfolio. On top of this, the Company is to see an increase in expenses to ensure projected earnings assumed in the midterm management plan as well as implementing upfront investments to promote a business model shift. It appears that the Company is to see a bottom in operating profit margin for FY03/2025, which is to be followed by a V-shaped recovery for FY03/2026 and thereafter.

IR Representative: Kyoko Kitagawa, Corporate Planning Department (ir@hagihwara.co.jp)

2.0 Company Profile

A Company Valued by Society

Company Name	HAGIWARA ELECTRIC HOLDINGS CO., LTD. Company HP IR Information Share Price (Japanese)	
Established	31 March 1948	
Listing	(ticker: 7467) 4 April 2022: TSE Prime Market / NSE Premier Market 27 November 2014: Tokyo / Nagoya Stock Exchange 1st section 11 March 2014: Tokyo / Nagoya Stock Exchange 2nd section 24 October 1995: IPO (OTC registration)	
Capital	¥6,099m (as of the end of March 2024)	
No. of Shares	10,118,000 shares, including 155,505 treasury shares (as of the end of Mar. 2024)	
Main Features	<ul style="list-style-type: none"> ● Technology-oriented trading house of auto electronics, based in Nagoya ● The key operations: sale of semiconductors to be adopted in ECUs to tier one automotive suppliers ● Management vision: An Engineering Solution Partner That Is Connecting Human, Society and Technology, Through Advanced Electronics 	
Segments	I . Electronic Devices (mainly sale of semiconductors, electronic components and so on to tier one automotive suppliers) II . Technology Solutions (embedded business / system solutions / FA solutions)	
Representative	President and Representative Director: Moritaka Kimura	
Shareholders	Master Trust Bank of Japan, T. 12.93%, Custody Bank of Japan, T. 8.31%, STANY Co., Ltd. 5.05%, Tomoaki Hagiwara 3.42% (as of the end of March 2024, but for treasury shares)	
Head Office	Higashi-ku, Nagoya-city, Aichi-prefecture, JAPAN	
No. of Personnel	Consolidated: 736, Parent: 109 (as of the end of March 2024)	

Source: Company Data

3.0 Company Mission Statement

Creativity and Ambition

The Company sets Creativity and Ambition as its management philosophy, while advocating that all employees adjust themselves to changes and continue generating new value with their Creativity as well as that they are always insatiate with the actual status and take on challenge for further growth with Ambition. For management vision, the Company goes that we play the role of An Engineering Solution Partner That Is Connecting Human, Society and Technology, Through Advanced Electronics. As well, the Company also advocates its business policy as follows:

Enhance proposal value through business model reform

- Expanding added value associated with peripheral development and services in the existing operations with solution-oriented approach
- Creating new business models by leveraging our knowledge on technology to utilize devices and/or structure IoT systems
- Promoting innovation for added value by pursuing synergy on a group basis and/or business collaborations with other companies

Reform management with an awareness of capital productivity

- Setting up a management looking at return on invested capital in light of cost of shareholder's equity
- Setting up a structure for us to operate in order to enable strategic approach to business portfolio

Maximize employee power by leveraging human capital

- Realizing human capital management that leverages the unique strengths of the Hagiwara Electric Group
- Energizing people and organizations by utilization of personnel system, renovated at the beginning of FY03/2025

The Company suggests that many of *all employees*, adjusting themselves to changes, belong to the technology division. The Company, based in Nagoya, is a technology-oriented trading house of auto electronics, running its operations of stocking and selling for merchandises as well as services of peripheral development with high added value literally based on own technology.

In the technology division, the Company suggests that there is an aspect of a synergy in technology being generated by enhancement of framework in line with absorption of employees from OSAKI ENGINEERING CO., LTD., which was consolidated as a subsidiary in September 2022 (currently, HAGIWARA ENGINEERING CO., LTD.). At the same time, the Company also suggests that employees in the technology division include those of being in charge of system solutions as well. Further, the Company suggests that many of employees in the manufacturing division are those of being in charge of development and manufacture of industrial computer systems and control boards.

The Company sees automotive electrification making a steady progress as well as adoptions of electrical automotive components, which is raised as a key driver for own growth in the future. With respect to automotive electrification, there is an aspect of creating new demand for ECUs (Electronic Control Units, i.e., equipment to control systems with an electronic circuit, mounted principally in autos) to control the motors to drive vehicles, while there is another aspect of accelerating adoptions of electrical automotive components, according to the Company. With respect to electrical automotive components, the Company is looking to a surge in demand, when ADAS (Advanced Driver-Assistance Systems) become commercially viable. Meanwhile, the Company is heavily involved with stocking and selling for the mainstay composition elements of ECUs, i.e., semiconductors. The sale destinations are so-called tier one automotive suppliers to deliver ECUs, which they assemble based on semiconductors procured from the Company, directly to auto manufacturers or their own direct customers. At the same time, the Company is involved with operations of stocking and selling for diverse semiconductors, electronic components and so on, including LCD panels, on top of those of being associated with ECUs, to see an increase in demand in line with an increase in adoptions of electrical automotive components, across the board.

There is an aspect that the process of sale for the above-mentioned merchandises goes through the intervention by the Company's superior technological capabilities, which is the source of its strengths amongst sector peer companies. At the moment, the Company is promoting the enhancement of engineering services to further increase sales of all those merchandises. In response to growing complexity of development environment in the surrounding area of semiconductors, electronic components and so on, as well as increasing needs for quick turnaround times for delivery, the Company is now actively working on development of software, that of coming along with hardware, that of new services and so on, for the sake of creating added value even higher and features more distinguished.

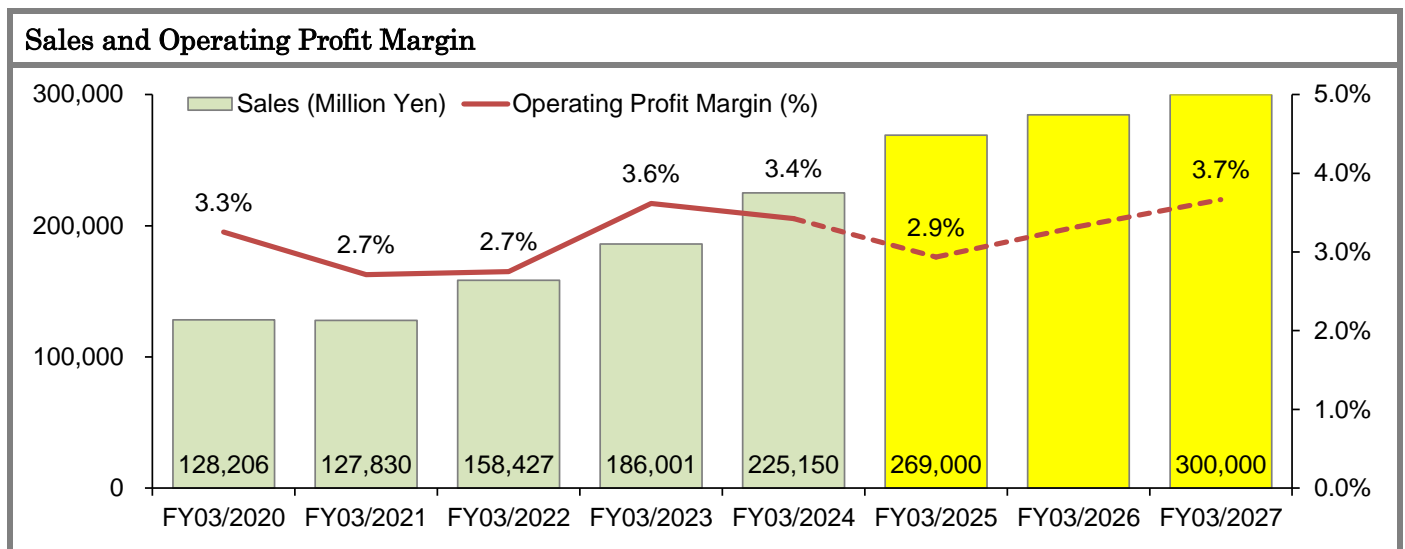
Company History (extract)

Date	Events
March 1948	Hagiwara Denki Kogyo, founded
August 1956	Exclusive dealer contract with NEC Corporation, concluded: distribution division to sell electronic components, set up
December 1958	Hagiwara Denki Kogyo Co., Ltd., set up
February 1965	Company name, changed to HAGIWARA ELECTRIC CO., LTD.
July 1966	Local office, set up in Tokyo (currently, Tokyo Branch)
August 1981	Nagoya Factory (currently, Nisshin Office), relocated to Nisshin-cho, Aichi-gun, Aichi-prefecture (currently, Nisshin-city, Aichi-prefecture)
April 1993	Kyushu Business Office (currently, Kyushu Resident Office), set up
October 1995	IPO (OTC registration)
April 1996	Company incorporated abroad, set up in Singapore
August 1998	Miyoshi Business Facility (currently, Miyoshi Distribution Center), set up
October 2006	Company incorporated abroad, set up in the United States of America
October 2006	Company incorporated abroad, set up in China (Shanghai)
June 2011	Company incorporated abroad, set up in Korea
June 2011	Company incorporated abroad, set up in China (free trade zone area in Shanghai)
May 2012	Data Center, launched
October 2012	Company incorporated abroad, set up in Germany
September 2014	Company incorporated abroad, set up in Thailand
November 2014	Listing on Tokyo Stock Exchange 1st section
November 2014	Listing on Nagoya Stock Exchange 1st section
January 2016	Kansai Branch, set up
April 2018	Company name, changed to HAGIWARA ELECTRIC HOLDINGS CO., LTD.: a holding company structure, adopted
April 2018	HAGIWARA HOKUTO TECHNO CO., LTD., set up
November 2019	Company incorporated abroad, set up in India
April 2022	Listing on Tokyo Stock Exchange Prime Market
April 2022	Listing on Nagoya Stock Exchange Premier Market
September 2022	OSAKI ENGINEERING CO., LTD., consolidated as a subsidiary (currently, HAGIWARA ENGINEERING CO., LTD.
December 2023	Company incorporated abroad, set up in China (Hong Kong)

4.0 Recent Trading and Prospects

FY03/2024

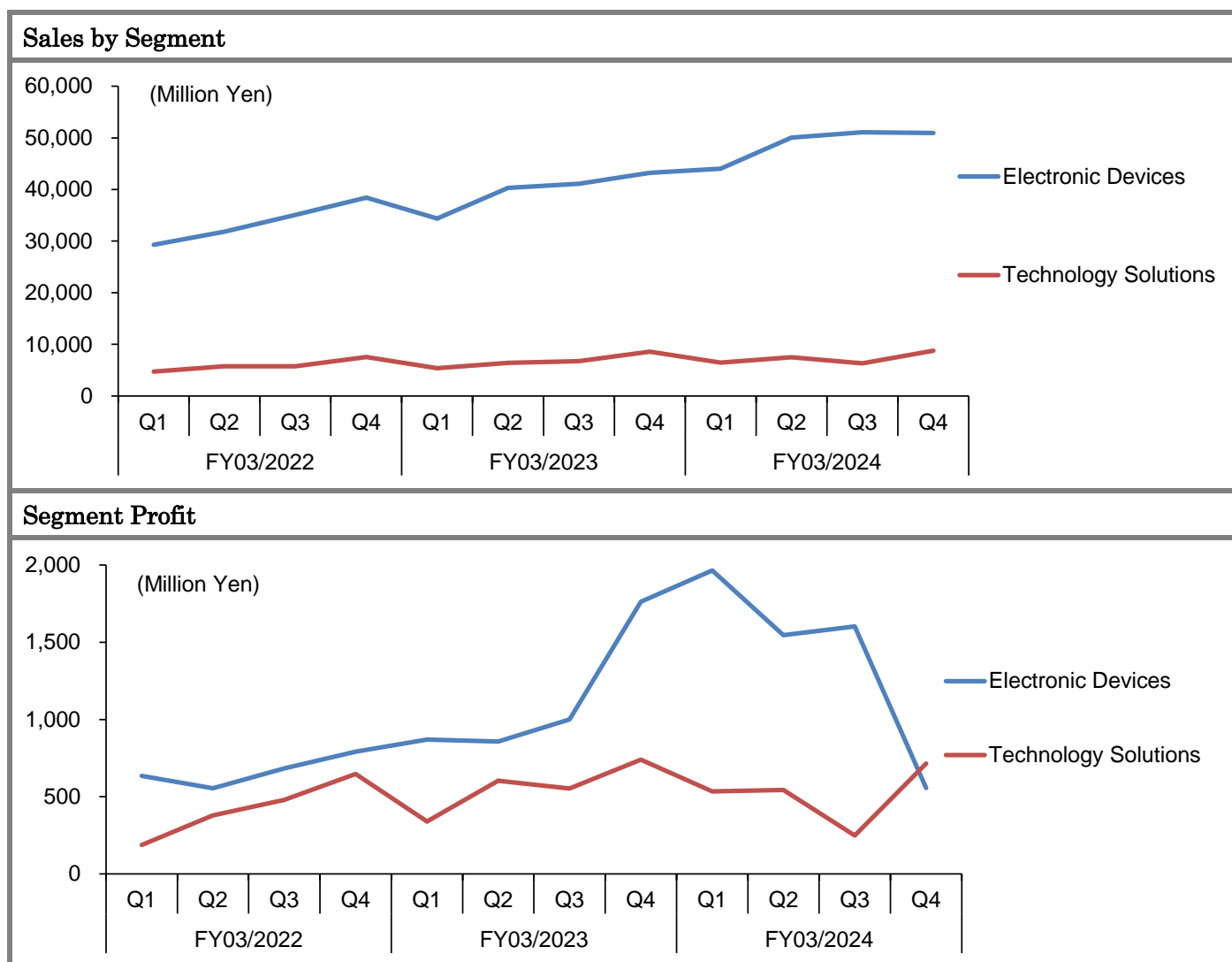
For FY03/2024, sales came in at ¥225,150m (up 21.0% YoY), operating profit ¥7,711m (up 14.7%), recurring profit ¥7,221m (up 12.5%) and profit attributable to owners of parent ¥4,421m (down 10.0%), while operating profit margin 3.4% (down 0.2% points). As a result, the Company has seen record highs for three consecutive years in terms of sales, operating profit and recurring profit. At the level of profit attributable to owners of parent, the Company has suffered from a deterioration in extraordinary balance. That is to say, the Company saw an impact having run its course with respect to gain of ¥670m on negative goodwill posted for FY03/2023, which stemmed from consolidation of OSAKI ENGINEERING CO., LTD. (currently, HAGIWARA ENGINEERING CO., LTD.) as a subsidiary.



Source: Company Data, WRJ Calculation

Meanwhile, FY03/2025 Company forecasts are going for prospective sales of ¥269,000m (up 19.5% YoY), operating profit of ¥7,900m (up 2.4%) and operating profit margin of 2.9% (down 0.5% points). As well, the Company's midterm management plan (FY03/2025 to FY03/2027) is calling for prospective sales of ¥300,000m, operating profit of ¥11,000m and operating profit margin of 3.7% for FY03/2027, the final year of the plan, implying CAGR of 5.6% in sales and 18.0% in operating profit, when setting FY03/2025 Company forecasts as the point of origin, while operating profit margin is to improve by 0.7% points during the relevant period.

The Company's sales have risen sharply for FY03/2024 due to strengths on the Electronic Devices side. With respect to sales on the Electronic Devices side, where the Company is running operations of selling semiconductors, represented by system LSIs for autos which are increasingly controlled electronically, as well as electronic components and so on, the Company has benefited from an increase in auto production volume during the relevant period, a progress made for automotive electrification and an increase in the number of types of vehicles to supply with. The Company has been seeing an easing in semiconductor shortage for some time, which has been encouraging auto production volume at major customers (auto manufacturers) of tier one automotive suppliers (to directly supply to auto manufacturers) which are the Company's direct sale destinations. In fact, the Company sees the recent development of automotive electrification has an impact of incrementally enhance adoptions of merchandises for it to purchase and sell and increasingly adoptions of them in new types of vehicles.



Source: Company Data, WRJ Calculation

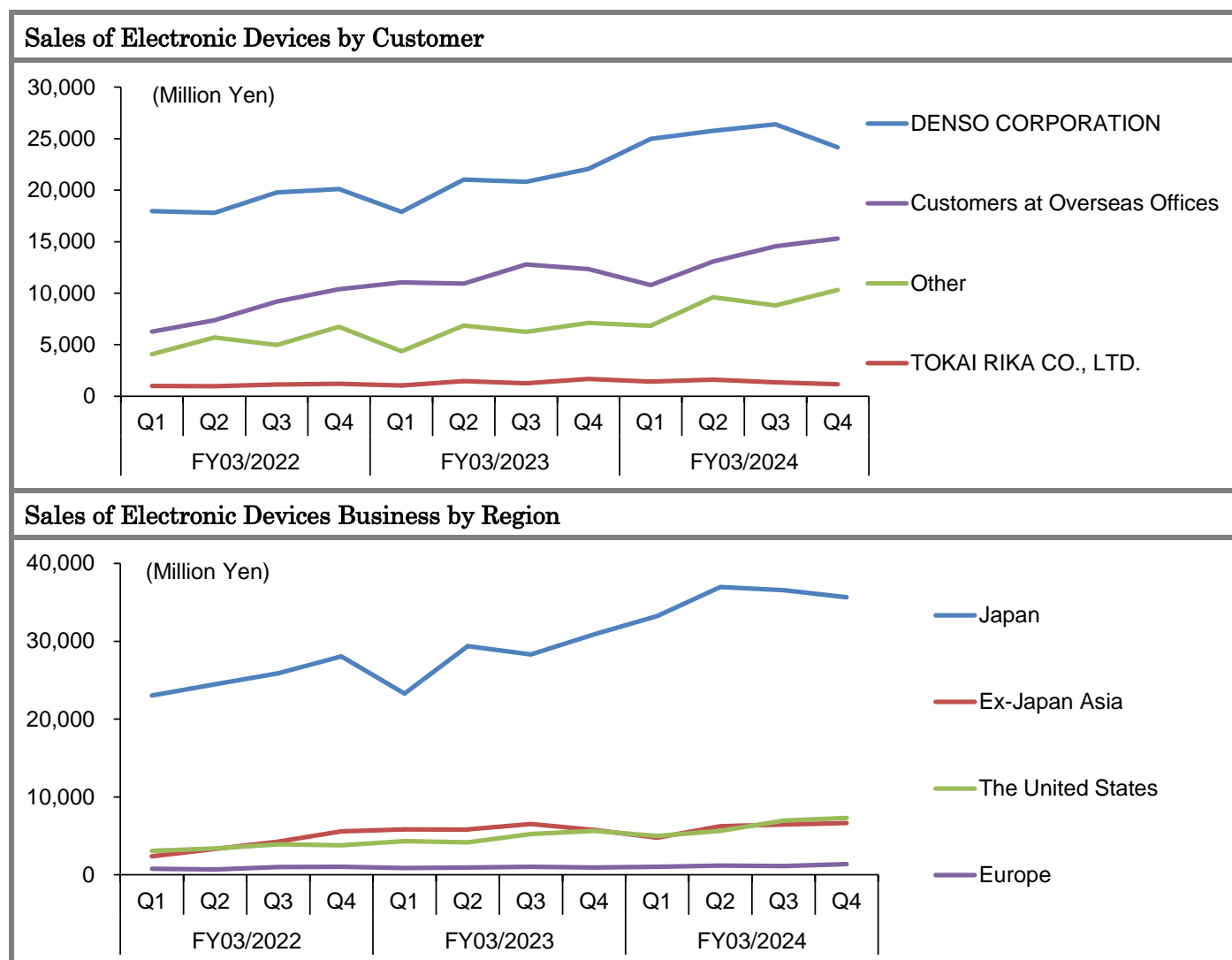
For the actual results of FY03/2024, gross profit came in at ¥20,003m (up 9.8%) and SG&A expenses ¥12,292m (up 7.0%), implying gross profit margin of 8.9% (down 0.9% points) and SG&A ratio of 5.5% (down 0.7% points). As a result, operating profit margin came in at 3.4% (down 0.2% points). SG&A expenses have risen due to higher personnel costs and an increase in expenses in line with enhanced investments in systems, but have declined in terms of the ratio to sales, having pushed up operating profit margin to a corresponding extent. However, gross profit margin has declined to a greater degree, which ended up with operating profit margin being under pressure, albeit not much.

On the Electronic Devices side, the Company suggests that gross profit margin has declined. During the period of FY03/2023, which is that of being compared with, the Company saw deals with customers to provide temporary benefits, while such deals have run their course a little more than a little. On top of this, the Company has seen loss on valuation of inventory increased for FY03/2024 over FY03/2023. For FY03/2023, the Company was rather frequently facing phases of posting sales of so-called spot projects with a one-time nature for FY03/2023, while having seen an impact from such lucrative projects being subdued for FY03/2024.

It appears that the Company posted loss on valuation of inventory, intensively for Q4, due to changes in basis for the said loss being posted. As well, the Company has disclosed that it saw loss on valuation of inventory equating to ¥597m for FY03/2023, which was followed by ¥1,541m for FY03/2024. Meanwhile, according to the Company's estimates, the collective impact for FY03/2024, combined with a decrease in sales of spot projects equated to a decrease of some ¥1,300m in gross profit or some 0.6% in terms of the ratio to sales.

Electronic Devices (87.1% of sales / 73.5% of segment profit)

For FY03/2024, on the Electronic Devices side, sales came in at ¥196,126m (up 23.4%), segment profit ¥5,670m (up 26.3%) and segment profit margin 2.9% (up 0.1% point). As above-mentioned, the Electronic Devices side has an aspect to have lowered the Company's gross profit margin, but its segment profit margin has rather risen, albeit not much. According to the Company, there is an aspect of cutting back on expenses, as found in a decrease of some ¥130m in cost of logistics and some ¥130m, as well, in amount of payment to compensate for transfer of commercial distribution, collectively equating to some 0.13% of sales on the Electronic Devices side. Meanwhile, for FY03/2025, the Company suggests that it will see an increase in amount of payment to compensate for transfer of commercial distribution in the past.



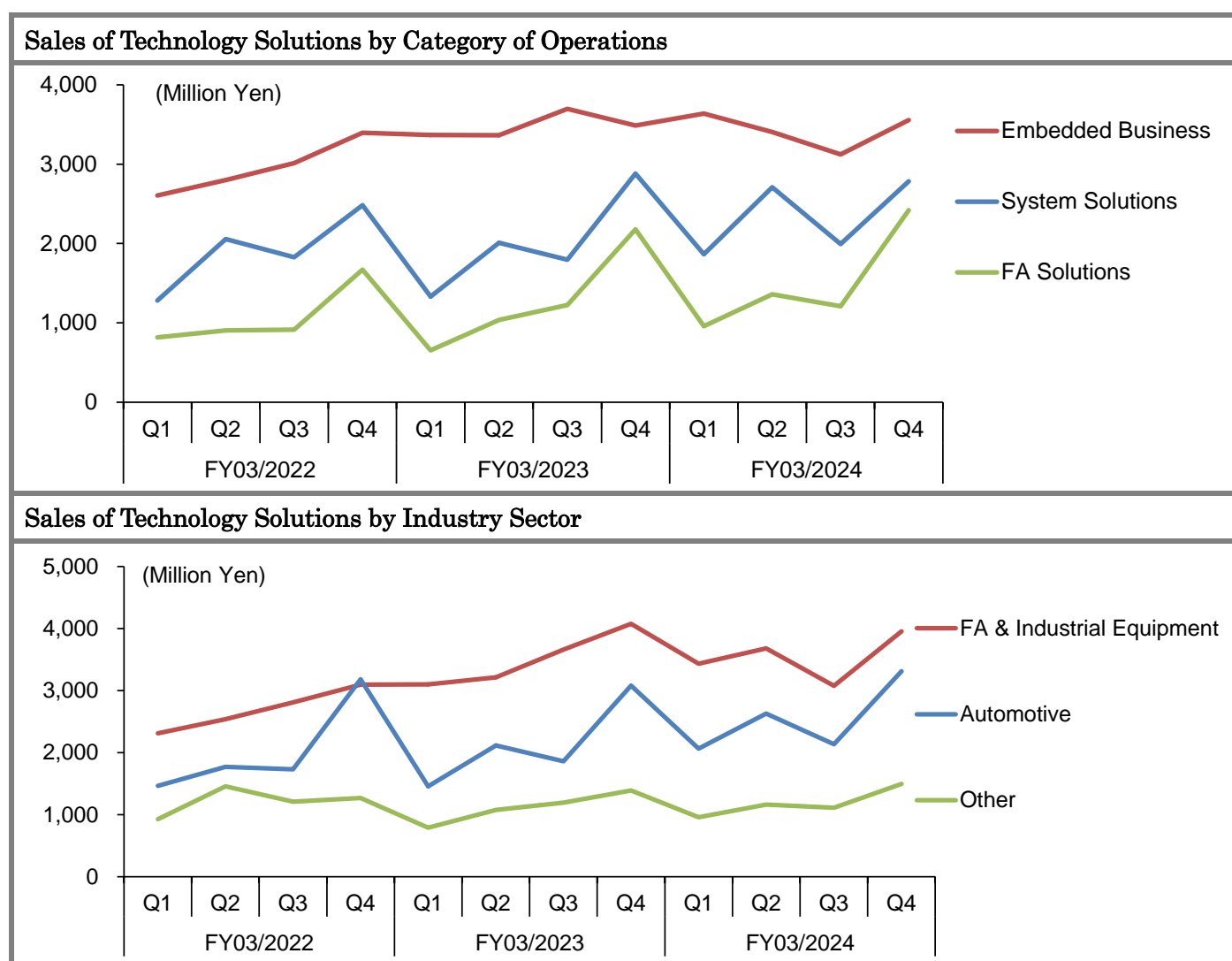
Source: Company Data, WRJ Calculation

Across the board, sales by customer have been on the rise, including those of customers at overseas offices. The Company suggests that this is attributable to an increase in demand for in-car LCD panels, for example. In other words, the Company suggests that in-car LCD panels are the key contributor by category of merchandises in that they are incrementally adopted in existing types of vehicles to which the Company has been supplying and often adopted in new types of vehicles to which the Company has begun supplying.

Meanwhile, as for sales by region, the Company suggests that sales in Japan have driven sales on the Electronic Devices side. In ex-Japan Asia, sales were sluggish due mainly to slowing sales in China, but there was a recovery in sales in China for Q4. Meanwhile, on top of sales in ex-Japan Asia, sales are all rather insignificant in the United States and Europe, when compared with those of the mainstay Japan. Thus, sales on the Electronic Devices side hinge on sales in Japan as an underlying trend.

Technology Solutions (12.9% of sales / 26.5% of segment profit)

For FY03/2024, on the Technology Solutions side, sales came in at ¥29,023m (up 7.4%), segment profit ¥2,040m (down 8.7%) and segment profit margin 7.0% (down 1.2% points). Sales have risen, but segment profit has declined, which is attributable to a factor that the Company has promoted contribution of expenses to strengthen R&D and marketing for future growth. Meanwhile, sales of embedded business came in at ¥13,724m (down 1.4%), sales of system solutions ¥9,352m (up 16.7%) and sales of FA solutions ¥5,946m (up 16.8%).



Source: Company Data, WRJ Calculation

Embedded business, the mainstay in terms of sales by category of operations, has an aspect of addend value being relatively higher, which leads to a situation that performance on the Technology Solutions side hinges on that of embedded business. For the actual results of FY03/2024, sales of the said embedded business have failed to increase, which is considered to have resulted in a worsening for sales mix. According to the Company, sales were sluggish due mainly to unfavorable market conditions in China, which caused inventory adjustments in some part of customers, having negatively affected to sales. However, sales on the Technology Solutions side as a whole were buoyant as the Company has succeeded in steadily capturing increased demand associated with renewals of systems and formation of production lines by customers in the auto world.

Embedded Business

Embedded business refers to development, manufacture and sale of industrial computer systems and control boards. The Company has personnel and capabilities to develop such operations within itself. The sale destinations are manufacturers of industrial equipment and machine tools, i.e., customers belonging to FA & industrial equipment in terms of sales by industry sector and they purchase the above-mentioned products from the Company and embed them into their own equipment developed and manufactured for sale. For example, the Company suggests a high exposure to equipment associated with “material handling”. All those material handling equipment is used to streamline and automate operations of logistics, being in charge of saving workforce and labor in a variety of domains, comprising storage, transportation, sorting, packaging and so on in the diverse fields.

The above-mentioned fact creates a distinguish feature for embedded business as a comprising element of the Company’s operations in that it is heavily involved with operations not related to the auto world on a direct manner. Conversely, the Electronic Devices side looks a pure play of the auto world in light of customers raised by name in sales by customer, while it appears that the bulk of sales in system solutions and FA solutions, belonging to the Technology Solutions side, is accounted for by those of customers developed on the Electronic Devices side.

System Solutions

System solutions refer to operations to offer such services. The Company has personnel and capabilities to develop such operations within itself. The Company sets target domains of DX, security, smart factory and IT platform, while running operations as system integrator to set up systems being tailored to each project of each customer, taking advantage of business-use IT devices externally procured.

FA Solutions

FA Solutions refer to operations to offer such services to tier one automotive suppliers, raised as customers on the Electronic Devices side and so on. The Company has personnel and capabilities to develop such operations within itself. All those customers procure semiconductors from the Company as the key comprising elements to assemble their ECUs to be delivered to auto manufacturers, while the Company leverages own ECU inspection systems for their formation of production lines as well as delivering a proposal for them to form their production lines.

FY03/2024 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2024CoE	15-May-23	Q4 Results	213,000	6,300	6,000	3,900
FY03/2024CoE	10-Aug-23	Q1 Results	213,000	6,300	6,000	3,900
FY03/2024CoE	10-Nov-23	Q2 Results	227,500	8,350	8,200	5,300
		Amount of Gap	14,500	2,050	2,200	1,400
		Rate of Gap	6.8%	32.5%	36.7%	35.9%
FY03/2024CoE	09-Feb-24	Q3 Results	227,500	8,350	8,200	5,300
FY03/2024Act	14-May-24	Q4 Results	225,150	7,711	7,221	4,421
		Amount of Gap	(2,350)	(639)	(979)	(879)
		Rate of Gap	(1.0%)	(7.7%)	(11.9%)	(16.6%)
FY03/2024CoE	15-May-23	Q4 Results	213,000	6,300	6,000	3,900
FY03/2024Act	14-May-24	Q4 Results	225,150	7,711	7,221	4,421
		Amount of Gap	12,150	1,411	1,221	521
		Rate of Gap	5.7%	22.4%	20.4%	13.4%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2024CoE	15-May-23	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2024Act	10-Nov-23	Q2 Results	108,013	4,589	4,623	3,036
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY03/2024CoE	10-Nov-23	Q2 Results	119,487	3,761	3,577	2,264
Q3 to Q4 FY03/2024CoE	09-Feb-24	Q3 Results	119,487	3,761	3,577	2,264
Q3 to Q4 FY03/2024Act	14-May-24	Q4 Results	117,137	3,122	2,598	1,385
		Amount of Gap	(2,350)	(639)	(979)	(879)
		Rate of Gap	(2.0%)	(17.0%)	(27.4%)	(38.8%)
Q3 to Q4 FY03/2024CoE	10-Nov-23	Q2 Results	119,487	3,761	3,577	2,264
Q3 to Q4 FY03/2024Act	14-May-24	Q4 Results	117,137	3,122	2,598	1,385
		Amount of Gap	(2,350)	(639)	(979)	(879)
		Rate of Gap	(2.0%)	(17.0%)	(27.4%)	(38.8%)

Source: Company Data, WRJ Calculation

Income Statement (Cumulative / Quarterly)

Income Statement	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024		
Sales	39,704	86,412	134,233	186,001	50,504	108,013	165,437	225,150		+39,149
Cost of Sales	35,852	78,325	121,688	167,786	45,151	97,561	150,103	205,146		+37,360
Gross Profit	3,851	8,087	12,545	18,214	5,352	10,452	15,334	20,003		+1,789
SG&A Expenses	2,640	5,416	8,320	11,489	2,852	5,863	8,893	12,292		+803
Operating Profit	1,210	2,671	4,224	6,725	2,500	4,589	6,441	7,711		+986
Non Operating Balance	259	238	(61)	(308)	29	34	(295)	(490)		(182)
Recurring Profit	1,469	2,909	4,163	6,417	2,529	4,623	6,146	7,221		+804
Extraordinary Balance	-	686	700	694	2	6	18	13		(681)
Profit before Income Taxes	1,469	3,595	4,863	7,111	2,531	4,629	6,164	7,234		+123
Total Income Taxes	474	967	1,459	2,155	811	1,570	2,193	2,766		+611
NP Belonging to Non-Controlling SHs	9	21	30	42	12	22	32	46		+4
Profit Attributable to Owners of Parent	985	2,606	3,372	4,912	1,706	3,036	3,939	4,421		(491)
Sales YoY	+16.8%	+20.7%	+19.4%	+17.4%	+27.2%	+25.0%	+23.2%	+21.0%		-
Operating Profit YoY	+47.0%	+52.2%	+44.8%	+54.4%	+106.6%	+71.8%	+52.5%	+14.7%		-
Recurring Profit YoY	+85.1%	+68.9%	+45.5%	+48.0%	+72.1%	+58.9%	+47.6%	+12.5%		-
Profit Attributable to Owners of Parent YoY	+86.6%	+127.5%	+78.1%	+70.8%	+73.2%	+16.5%	+16.8%	(10.0%)		-
Gross Profit Margin	9.7%	9.4%	9.3%	9.8%	10.6%	9.7%	9.3%	8.9%		(0.9%)
SG&A Ratio	6.6%	6.3%	6.2%	6.2%	5.6%	5.4%	5.4%	5.5%		(0.7%)
Operating Profit Margin	3.0%	3.1%	3.1%	3.6%	5.0%	4.2%	3.9%	3.4%		(0.2%)
Recurring Profit Margin	3.7%	3.4%	3.1%	3.4%	5.0%	4.3%	3.7%	3.2%		(0.2%)
Profit Attributable to Owners of Parent Margin	2.5%	3.0%	2.5%	2.6%	3.4%	2.8%	2.4%	2.0%		(0.7%)
Total Income Taxes / Profit before Income Taxes	32.3%	26.9%	30.0%	30.3%	32.0%	33.9%	35.6%	38.2%		+7.9%

Income Statement	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024		
Sales	39,704	46,708	47,821	51,768	50,504	57,509	57,424	59,713		+7,945
Cost of Sales	35,852	42,473	43,363	46,098	45,151	52,410	52,542	55,043		+8,945
Gross Profit	3,851	4,236	4,458	5,669	5,352	5,100	4,882	4,669		(1,000)
SG&A Expenses	2,640	2,776	2,904	3,169	2,852	3,011	3,030	3,399		+230
Operating Profit	1,210	1,461	1,553	2,501	2,500	2,089	1,852	1,270		(1,231)
Non Operating Balance	259	(21)	(299)	(247)	29	5	(329)	(195)		+52
Recurring Profit	1,469	1,440	1,254	2,254	2,529	2,094	1,523	1,075		(1,179)
Extraordinary Balance	-	686	14	(6)	2	4	12	(5)		+1
Profit before Income Taxes	1,469	2,126	1,268	2,248	2,531	2,098	1,535	1,070		(1,178)
Total Income Taxes	474	493	492	696	811	759	623	573		(123)
NP Belonging to Non-Controlling SHs	9	12	9	12	12	10	10	14		+2
Profit Attributable to Owners of Parent	985	1,621	766	1,540	1,706	1,330	903	482		(1,058)
Sales YoY	+16.8%	+24.2%	+17.1%	+12.6%	+27.2%	+23.1%	+20.1%	+15.3%		-
Operating Profit YoY	+47.0%	+56.9%	+33.5%	+73.8%	+106.6%	+43.0%	+19.3%	(49.2%)		-
Recurring Profit YoY	+85.1%	-	+10.1%	+53.0%	+72.1%	-	+21.5%	(52.3%)		-
Profit Attributable to Owners of Parent YoY	+86.6%	+162.7%	+2.3%	+56.8%	+73.2%	(18.0%)	+17.9%	(68.7%)		-
Gross Profit Margin	9.7%	9.1%	9.3%	11.0%	10.6%	8.9%	8.5%	7.8%		(3.1%)
SG&A Ratio	6.6%	5.9%	6.1%	6.1%	5.6%	5.2%	5.3%	5.7%		(0.4%)
Operating Profit Margin	3.0%	3.1%	3.2%	4.8%	5.0%	3.6%	3.2%	2.1%		(2.7%)
Recurring Profit Margin	3.7%	3.1%	2.6%	4.4%	5.0%	3.6%	2.7%	1.8%		(2.6%)
Profit Attributable to Owners of Parent Margin	2.5%	3.5%	1.6%	3.0%	3.4%	2.3%	1.6%	0.8%		(2.2%)
Total Income Taxes / Profit before Income Taxes	32.3%	23.2%	38.8%	31.0%	32.0%	36.2%	40.6%	53.6%		+22.6%

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative/Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2023	Q1 to Q2 03/2023	Q1 to Q3 03/2023	Q1 to Q4 03/2023	Q1 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024		
Electronic Devices	34,352	74,651	115,756	158,974	44,041	94,078	145,178	196,126		+37,152
Technology Solutions	5,351	11,760	18,477	27,026	6,463	13,935	20,259	29,023		+1,997
Sales	39,704	86,412	134,233	186,001	50,504	108,013	165,437	225,150		+39,149
Electronic Devices	+17.3%	+22.1%	+20.3%	+18.1%	+28.2%	+26.0%	+25.4%	+23.4%		-
Technology Solutions	+13.8%	+12.4%	+13.9%	+13.7%	+20.8%	+18.5%	+9.6%	+7.4%		-
Sales (YoY)	+16.8%	+20.7%	+19.4%	+17.4%	+27.2%	+25.0%	+23.2%	+21.0%		-
Electronic Devices	86.5%	86.4%	86.2%	85.5%	87.2%	87.1%	87.8%	87.1%		-
Technology Solutions	13.5%	13.6%	13.8%	14.5%	12.8%	12.9%	12.2%	12.9%		-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Electronic Devices	870	1,728	2,728	4,491	1,965	3,511	5,114	5,670		+1,179
Technology Solutions	339	942	1,495	2,234	534	1,077	1,326	2,040		(194)
Segment Profit	1,210	2,671	4,224	6,725	2,500	4,589	6,441	7,711		+986
Elimination	-	-	-	-	-	-	-	-		-
Operating Profit	1,210	2,671	4,224	6,725	2,500	4,589	6,441	7,711		+986
Electronic Devices	+37.1%	+45.5%	+45.8%	+68.6%	+125.8%	+103.1%	+87.4%	+26.3%		-
Technology Solutions	+80.2%	+66.5%	+43.0%	+32.0%	+57.3%	+14.3%	(11.3%)	(8.7%)		-
Segment Profit (YoY)	+47.0%	+52.3%	+44.8%	+54.4%	+106.6%	+71.8%	+52.5%	+14.7%		-
Electronic Devices	71.9%	64.7%	64.6%	66.8%	78.6%	76.5%	79.4%	73.5%		-
Technology Solutions	28.0%	35.3%	35.4%	33.2%	21.4%	23.5%	20.6%	26.5%		-
Segment Profit (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Electronic Devices	2.5%	2.3%	2.4%	2.8%	4.5%	3.7%	3.5%	2.9%		+0.1%
Technology Solutions	6.3%	8.0%	8.1%	8.3%	8.3%	7.7%	6.5%	7.0%		(1.2%)
Elimination	-	-	-	-	-	-	-	-		-
Operating Profit Margin	3.0%	3.1%	3.1%	3.6%	5.0%	4.2%	3.9%	3.4%		(0.2%)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2023	Q2 03/2023	Q3 03/2023	Q4 03/2023	Q1 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024		
Electronic Devices	34,352	40,299	41,105	43,218	44,041	50,037	51,100	50,948		+7,730
Technology Solutions	5,351	6,409	6,717	8,549	6,463	7,472	6,324	8,764		+215
Sales	39,704	46,708	47,821	51,768	50,504	57,509	57,424	59,713		+7,945
Electronic Devices	+17.3%	+26.5%	+17.2%	+12.4%	+28.2%	+24.2%	+24.3%	+17.9%		-
Technology Solutions	+13.8%	+11.2%	+16.8%	+13.2%	+20.8%	+16.6%	(5.9%)	+2.5%		-
Sales (YoY)	+16.8%	+24.2%	+17.1%	+12.6%	+27.2%	+23.1%	+20.1%	+15.3%		-
Electronic Devices	86.5%	86.3%	86.0%	83.5%	87.2%	87.0%	89.0%	85.3%		-
Technology Solutions	13.5%	13.7%	14.0%	16.5%	12.8%	13.0%	11.0%	14.7%		-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Electronic Devices	870	858	1,000	1,763	1,965	1,546	1,603	556		(1,207)
Technology Solutions	339	603	553	739	534	543	249	714		(25)
Segment Profit	1,210	1,461	1,553	2,501	2,500	2,089	1,852	1,270		(1,231)
Elimination	-	-	-	-	-	-	-	-		-
Operating Profit	1,210	1,461	1,553	2,501	2,500	2,089	1,852	1,270		(1,231)
Electronic Devices	+37.1%	+54.9%	+46.4%	+122.6%	+125.8%	+80.2%	+60.3%	(68.5%)		-
Technology Solutions	+80.2%	+59.5%	+15.4%	+14.2%	+57.3%	(10.0%)	(55.0%)	(3.4%)		-
Segment Profit (YoY)	+47.0%	+56.9%	+33.5%	+73.8%	+106.6%	+43.0%	+19.3%	(49.2%)		-
Electronic Devices	71.9%	58.7%	64.4%	70.5%	78.6%	74.0%	86.6%	43.8%		-
Technology Solutions	28.0%	41.3%	35.6%	29.5%	21.4%	26.0%	13.4%	56.2%		-
Segment Profit (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Electronic Devices	2.5%	2.1%	2.4%	4.1%	4.5%	3.1%	3.1%	1.1%		(3.0%)
Technology Solutions	6.3%	9.4%	8.2%	8.6%	8.3%	7.3%	3.9%	8.1%		(0.5%)
Elimination	-	-	-	-	-	-	-	-		-
Operating Profit Margin	3.0%	3.1%	3.2%	4.8%	5.0%	3.6%	3.2%	2.1%		(2.7%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024		
Cash and Deposit	7,584	10,332	10,801	10,920	12,541	14,357	14,537	14,522	+3,602	
Accounts Receivables and Contract Assets	23,501	29,925	26,540	32,734	32,427	32,961	33,279	36,743	+4,009	
Electronically Recorded Monetary Claim	4,623	4,410	7,136	15,537	14,045	17,347	20,851	11,939	(3,598)	
Goods and Products	35,144	38,135	36,786	34,411	38,427	36,634	36,951	41,446	+7,035	
Work in Process	682	1,203	1,343	1,191	1,412	1,404	1,396	1,200	+9	
Raw Materials and Supplies	1,072	1,105	1,501	1,813	2,061	2,119	2,156	2,028	+215	
Other	4,143	2,756	2,864	2,691	3,628	2,941	3,458	3,694	+1,003	
Current Assets	76,749	87,866	86,971	99,297	104,541	107,763	112,628	111,572	+12,275	
Tangible Assets	2,693	4,410	4,507	4,297	4,351	4,424	4,538	4,521	+224	
Intangible Assets	221	220	226	222	228	216	265	276	+54	
Investments and Other Assets	2,698	2,855	2,699	2,760	2,685	2,923	2,847	3,336	+576	
Fixed Assets	5,613	7,486	7,433	7,280	7,265	7,564	7,651	8,134	+854	
Total Assets	82,362	95,352	94,405	106,577	111,806	115,328	120,279	119,706	+13,129	
Accounts Payables	15,428	17,631	15,011	17,408	20,018	19,196	21,122	24,696	+7,288	
Electronically Recorded Obligations	3,312	3,269	4,651	3,823	4,276	5,311	5,034	4,630	+807	
Short-Term Debt	10,920	16,427	15,740	6,084	7,573	6,930	9,056	4,879	(1,205)	
Corporate Bond (Less Than 1 Year)	2,525	2,352	2,577	4,152	2,902	3,602	3,902	3,902	(250)	
Other	4,146	5,148	4,736	6,307	5,780	6,659	6,224	7,004	+697	
Current Liabilities	36,331	44,827	42,715	37,774	40,549	41,698	45,338	45,111	+7,337	
Corporate Bond	-	-	-	10,000	10,000	10,000	10,000	10,000	-	
Long Term Debt	5,650	8,033	8,620	14,844	14,769	13,593	14,568	13,592	(1,252)	
Other	368	359	540	427	530	526	571	642	+215	
Fixed Liabilities	6,018	8,392	9,160	25,271	25,299	24,119	25,139	24,234	(1,037)	
Total Liabilities	42,350	53,219	51,876	63,046	65,849	65,817	70,477	69,345	+6,299	
Shareholders' Equity	37,061	38,911	39,146	40,474	42,729	45,969	46,116	46,598	+6,124	
Other	2,951	3,222	3,382	3,057	3,228	3,542	3,686	3,763	+706	
Net Assets	40,012	42,133	42,528	43,531	45,957	49,511	49,802	50,361	+6,830	
Total Liabilities and Net Assets	82,362	95,352	94,405	106,577	111,806	115,328	120,279	119,706	+13,129	
Equity Capital	37,914	40,023	40,408	41,399	43,841	47,391	47,672	48,217	+6,818	
Interest-Bearing Debt	19,095	26,812	26,937	35,080	35,244	34,125	37,526	32,373	(2,707)	
Net Debt	11,511	16,480	16,136	24,160	22,703	19,768	22,989	17,851	(6,309)	
Equity Ratio	46.0%	42.0%	42.8%	38.8%	39.2%	41.1%	39.6%	40.3%	-	
Net Debt-to-Equity Ratio	30.4%	41.2%	39.9%	58.4%	51.8%	41.7%	48.2%	37.0%	-	
ROE (12 months)	9.1%	11.4%	11.4%	12.5%	13.8%	12.2%	12.4%	9.9%	-	
ROA (12 months)	6.5%	6.5%	6.6%	6.8%	7.7%	7.7%	7.8%	6.4%	-	
Days for Inventory Turnover	94	87	83	74	85	70	70	74	-	
Quick Ratio	98%	100%	104%	157%	146%	155%	151%	140%	-	
Current Ratio	211%	196%	204%	263%	258%	258%	248%	247%	-	

Source: Company Data, WRJ Calculation

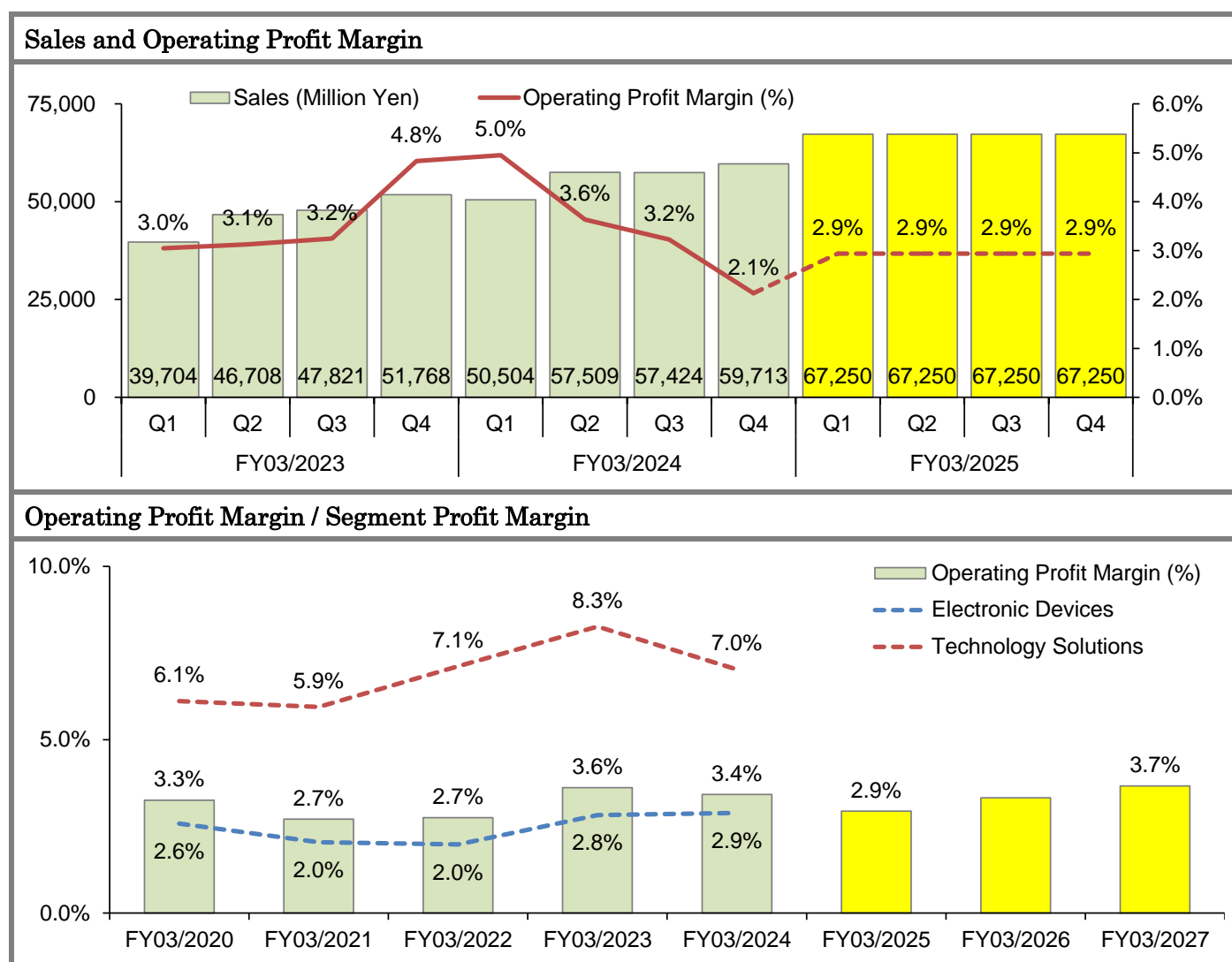
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024	
Operating Cash Flow	-	(6,180)	-	(13,020)	-	1,869	-	5,134	+18,154
Investing Cash Flow	-	(1,280)	-	(1,327)	-	(206)	-	(679)	+648
Operating CF and Investing CF	-	(7,460)	-	(14,347)	-	1,663	-	4,455	+18,802
Financing Cash Flow	-	8,807	-	16,421	-	1,395	-	(1,185)	(17,606)

Source: Company Data, WRJ Calculation

FY03/2025 Company Forecasts

FY03/2025 Company forecasts, announced on 14 May 2024, are going for prospective sales of ¥269,000m (up 19.5% YoY), operating profit of ¥7,900m (up 2.4%), recurring profit of ¥7,100m (down 1.7%) and profit attributable to owners of parent of ¥4,600m (up 4.0%), while operating profit margin of 2.9% (down 0.5% points). Company forecasts assume a marginal deterioration at the non-operating level, in light of a possible impact of risks associated with currency exchange fluctuation and a rise in interest rates.

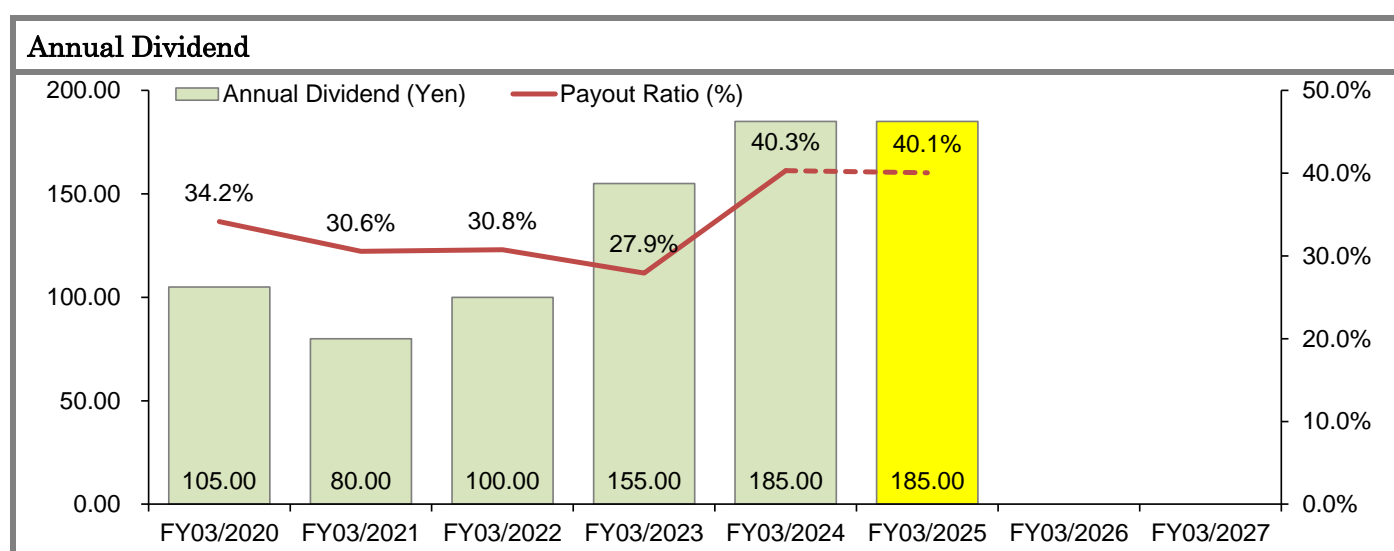


Source: Company Data, WRJ Calculation (quarters of FY03/2025: full-year Company forecasts, pro rata)

As above-mentioned, Company forecasts are going for sales of ¥269,000m (up 19.5% YoY) and operating profit margin of 2.9% (down 0.5 %points). Company forecasts assume sales to be driven by those of the mainstay Electronic Devices side by segment. In light of the level of gross profit margin and segment profit margin relatively lower on the Electronic Devices side, it is just unavoidable for the Company to suffer from operating profit margin being under pressure, albeit not much. In other words, Company forecasts assume impact of a worsening in sales mix.

At the level of SG&A expenses, the Company is to contribute expenses to improve its sales growth potential in the future as well as doing so in order to actively invest in systems to make a move for structural changes of business and human resources. All the more, there are reasons why the Company's short-term operating profit is under pressure. In the increase in all those expenses, the Company suggests that there is an aspect of upfront investments to ensure projected earnings assumed in the midterm management plan for FY03/2027, the final year of the plan.

On the Electronic Devices side, Company forecasts assume a favorable increase in auto production volume to persist, while mass production of products that have been designed-in as well as further expansion in the number of types of vehicles to newly adopt merchandises from the Company, looking to a strength in sales as a whole for this side. Meanwhile, Company forecasts are going for an increase in sales on the Technology Solutions side as well. Although there are undeniable risk factors regarding the situations in China, the Company expects an increase in demand due to expansion of development budgets and increased capital investments for automotive electrification.



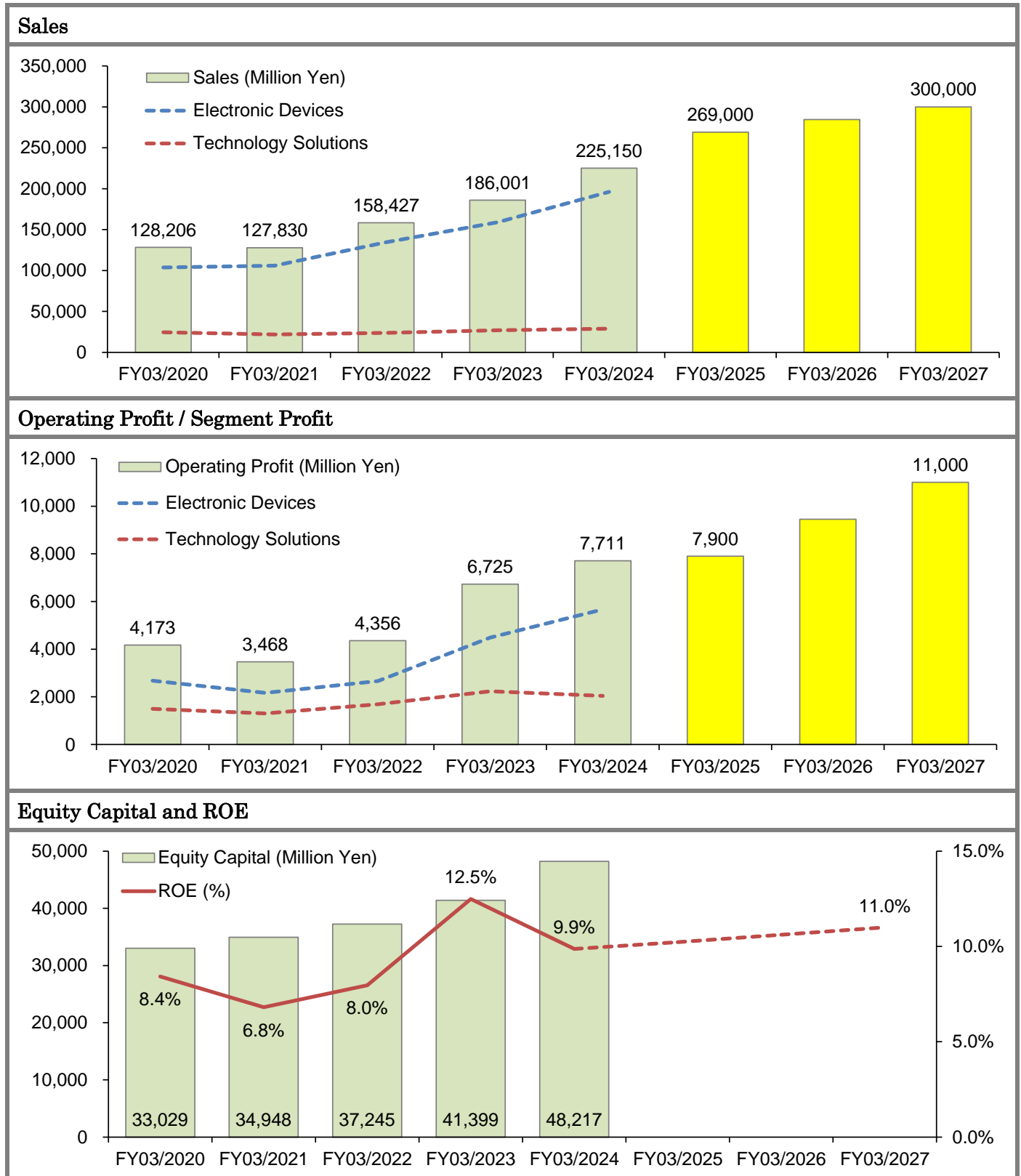
Source: Company Data, WRJ Calculation

Meanwhile, FY03/2025 Company forecasts are going for planned annual dividend of ¥185.00 (ordinary dividend of ¥90.00 as of the end of Q2 : ordinary dividend of ¥95.00 as of the end of year), implying payout ratio 40.1%. Compared to the actual results of FY03/2024, i.e., ¥185.00 (ordinary dividend of ¥95.00 as of the end of Q2: ordinary dividend of ¥80.00 and commemorative dividend of ¥10.00 as of the end of year), implying payout ratio of 40.3%, the Company is to increase ordinary dividend on a full-year basis to a corresponding extent to cover loss of the commemorative dividend, which is to result in annual dividend unchanged from the previous year.

From FY03/2025, the Company has raised its target payout ratio. The Company was paying dividend based on target of 30% in terms of payout ratio until then, while having made an upside for the target. That is to say, the Company is now going for target of 30% to 40% in terms of payout ratio. The above-mentioned annual dividend is based on the upper end of this target, as far as we could see. As well, annual dividend for FY03/2024 has an impact of the commemorative dividend, resulting in payout ratio higher to a corresponding extent, according to the Company.

Long-Term Prospects

On 26 April 2024, the Company announced Make New Value 2026, the midterm management plan (FY03/2025 to FY03/2027), calling for prospective sales of ¥300,000m, operating profit of ¥11,000m and ROE of 11.0% or higher (versus 9.9% for FY03/2024) for FY03/2027, the final year of the plan. When based on the actual results of FY03/2024, the plan suggests CAGR of 10.0% in sales and 12.6% in operating profit, while an increase by 1.1% points or higher in ROE during the relevant period.



Source: Company Data, WRJ Calculation

Future-Oriented Manufacturing

On 29 June 2021, Moritaka Kimura was appointed as the Company's president and representative director and has been aiming at enhancement of business valuation via future-oriented manufacturing and contribution to a sustainable society. Since its inception in March 1948, the Company has contributed to manufacturing, principally of automaking industry by leveraging its knowledge and technological capabilities in the electronics field and has continued to grow together with its customers and business partners. Meanwhile, in the current environment surrounding the Company, there are noticeable changes in technological needs, as digital transformation is accelerating to solve issues in manufacturing, while electrification and software are becoming increasingly important in the domain of mobility.

According to Kimura, in order to further increase business valuation and achieve business growth in the future, it is essential to promote organizational management and development of human resources to support the above-mentioned technological development on top of business strategy shift. Further, as a public organ of society, the Company is keen on actively responding to sustainability and environmental considerations in its operations.

For the period of Make New Value 2026, the midterm management plan (FY03/2025 to FY03/2027), the Company is to push forward with structural changes to make the leap for next stage of growth and actions to erect business foundations. The Company's efforts for structural changes include Enhance proposal value through business model reform, Reform management with an awareness of capital productivity and Maximize employee power by leveraging human capital. In addition to its areas of expertise such as mobility and manufacturing, the Company will expand into new industry segments such as the robot industry and the semiconductor industry as well as new domains such as energy and smart city through the use of digital technology, with an objective of achieving growth through solution-oriented approach and activities for innovation.

Meanwhile, the Company has set a CO2 emission reduction target (Scope 1 and 2) for FY2027 of at least 25% below the FY2020 level, with an emphasis on sustainability and environmental considerations. The Company is to promote steady decarbonization activities at each of its business sites, actively providing environmentally compatible products and promoting initiatives throughout its entire supply chain. In other words, the Company intends to enhance its business valuation and contribute to a sustainable society through future-oriented manufacturing that utilizes cutting-edge technology.

In Make New Value 2023, the former midterm management plan (FY03/2022 to FY03/2024), the Company set management vision of A Solution Design Company to Create Future with Advanced Electronics and aimed to become the company of choice for its customers and partners by adding new value to its business. Now, on the other hand, in the current midterm management plan, the Company has set An Engineering Solution Partner That Is Connecting Human, Society and Technology, Through Advanced Electronics as new management vision, which is an advanced form of equivalent in the former midterm management plan. At the same time, it appears that the above-mentioned "next stage of growth" is to be encouraged by enhancement of the Company's presence as An Engineering Solution Partner.

The period of the current midterm management plan is positioned as that of preparation for the said "next stage of growth". With respect to directional property, the Company basically pays respect to that of the former midterm management plan, while implementing qualitative changes in operations and administrations from the perspective of sustainable management in light of the current business environment. Meanwhile, the Company has consistently aimed to enhance its business valuation since the previous midterm management plan. With respect to the above-mentioned efforts for structural changes, the Company suggests that it is to focus on "speedy shift", "execution capability or that of increasing the number of actions taken" and "thorough efficiency".

Initiatives in Structural Changes: Enhance proposal value through business model reform

The Company's goal in a business model shift is to enhance its "earning power". Specifically, the Company intends to strengthen its earning power by enhancing value proposal by means of proposing and providing solutions to society and customer issues. The Company advocates that it is now working to create new business models, e.g., data platform business to materialize technology valorization of data with a profitability, which is to establish a presence for the Company in the marketplace. At the same time, as is taken for granted, the Company pays respect to solution-oriented approach and intends to expand its operations of peripheral development and/or services to enhance added value in the existing business models, comprising that of distribution on the Electric Devices side as well as that of embedded business, system solutions and FA solutions on the Technology Solutions side, i.e., that of manufacturing, system integration and formation & proposal of production lines. For the actual results of FY03/2024, the Company suggests that all those solution-oriented business models have created some 20% to 30% of the Company's gross profit, which equated to that of the Technology Solutions side with an add-on. Meanwhile, the midterm management plan is calling for some 30% to 40% (up some 10% points) in this ratio for FY03/2027, the final year of the plan.

Initiatives in Structural Changes: Reform management with an awareness of capital productivity

The Company estimates that its cost of shareholder's equity equates to some 7% to 8%, while currently setting up a scheme of inhouse management to pay respect to return on invested capital (ROIC) with the said levels of cost of shareholder's equity in mind. This is to enable the Company to ensure an appropriate management of its business portfolio. Furthermore, the Company is keen on the pursuit of business administration at higher levels and formation of an appropriate environment to do so, by means of renewing its IT systems as well as realizing timely management with an awareness of capital productivity.

Initiatives in Structural Changes: Maximize employee power by leveraging human capital

The Company aims to increase its business valuation toward next stage of growth by means of fostering a sense of participation in management amongst all employees. For the sake of promotion of a business model shift based on solution-oriented approach, it is essential for the Company to develop human resources who embody its management philosophy of Creativity and Ambition and to have such human resources play an active role in the Company. In order to build a foundation for creating all those "human assets", the Company has renovated its personnel system in April 2024. While encouraging each employee to maximize his or her potential, the Company also promotes employee activities aimed at achieving management goals. For example, the Company plans to introduce a variety of mechanisms for treating employees in accordance with their expertise, increasing their experiences through transfers, while strengthening the management system to better link the goals of each employee with those of management at the same time.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	YoY Net Chg.
Sales	128,206	127,830	158,427	186,001	225,150	269,000	+43,850
Cost of Sales	115,491	115,941	143,814	167,786	205,146	-	-
Gross Profit	12,714	11,888	14,612	18,214	20,003	-	-
SG&A Expenses	8,541	8,420	10,255	11,489	12,292	-	-
Operating Profit	4,173	3,468	4,356	6,725	7,711	7,900	+189
Non Operating Balance	(80)	88	(21)	(308)	(490)	(800)	(310)
Recurring Profit	4,093	3,556	4,335	6,417	7,221	7,100	(121)
Extraordinary Balance	(6)	37	68	694	13	-	-
Profit before Income Taxes	4,087	3,593	4,403	7,111	7,234	-	-
Total Income Taxes	1,311	1,225	1,473	2,155	2,766	-	-
NP Belonging to Non-Controlling SHs	59	53	54	42	46	-	-
Profit Attributable to Owners of Parent	2,716	2,314	2,876	4,912	4,421	4,600	+179
Sales YoY	+7.7%	(0.3%)	+23.9%	+17.4%	+21.0%	+19.5%	-
Operating Profit YoY	(3.4%)	(16.9%)	+25.6%	+54.4%	+14.7%	+2.4%	-
Recurring Profit YoY	(4.3%)	(13.1%)	+21.9%	+48.0%	+12.5%	(1.7%)	-
Profit Attributable to Owners of Parent YoY	(3.2%)	(14.8%)	+24.3%	+70.8%	(10.0%)	+4.0%	-
Gross Profit Margin	9.9%	9.3%	9.2%	9.8%	8.9%	-	-
SG&A Ratio	6.7%	6.6%	6.5%	6.2%	5.5%	-	-
Operating Profit Margin	3.3%	2.7%	2.7%	3.6%	3.4%	2.9%	(0.5%)
Recurring Profit Margin	3.2%	2.8%	2.7%	3.4%	3.2%	2.6%	(0.6%)
Profit Attributable to Owners of Parent Margin	2.1%	1.8%	1.8%	2.6%	2.0%	1.7%	(0.3%)
Total Income Taxes / Profit before Income Taxes	32.1%	34.1%	33.5%	30.3%	38.2%	-	-

Source: Company Data, WRJ Calculation

Segmented Information

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Electronic Devices	103,700	105,905	134,661	158,974	196,126	-	-
Technology Solutions	24,505	21,924	23,766	27,026	29,023	-	-
Sales	128,206	127,830	158,427	186,001	225,150	269,000	+43,850
Electronic Devices	+8.4%	+2.1%	+27.2%	+18.1%	+23.4%	-	-
Technology Solutions	+5.0%	(10.5%)	+8.4%	+13.7%	+7.4%	-	-
Sales (YoY)	+7.7%	(0.3%)	+23.9%	+17.4%	+21.0%	+19.5%	-
Electronic Devices	80.9%	82.8%	85.0%	85.5%	87.1%	-	-
Technology Solutions	19.1%	17.2%	15.0%	14.5%	12.9%	-	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Electronic Devices	2,674	2,164	2,663	4,491	5,670	-	-
Technology Solutions	1,498	1,303	1,692	2,234	2,040	-	-
Segment Profit	4,173	3,468	4,356	6,725	7,711	-	-
Elimination	-	-	-	-	-	-	-
Operating Profit	4,173	3,468	4,356	6,725	7,711	7,900	+189
Electronic Devices	(6.8%)	(19.1%)	+23.1%	+68.6%	+26.3%	-	-
Technology Solutions	+3.4%	(13.0%)	+29.8%	+32.0%	(8.7%)	-	-
Segment Profit (YoY)	(3.4%)	(16.9%)	+25.6%	+54.4%	+14.7%	-	-
Electronic Devices	64.1%	62.4%	61.1%	66.8%	73.5%	-	-
Technology Solutions	35.9%	37.6%	38.8%	33.2%	26.5%	-	-
Segment Profit (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-
Electronic Devices	2.6%	2.0%	2.0%	2.8%	2.9%	-	-
Technology Solutions	6.1%	5.9%	7.1%	8.3%	7.0%	-	-
Elimination	-	-	-	-	-	-	-
Operating Profit Margin	3.3%	2.7%	2.7%	3.6%	3.4%	2.9%	(0.5%)

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	YoY Net Chg.
Cash and Deposit	7,753	9,713	8,506	10,920	14,522	-	-
Accounts Receivables and Contract Assets	32,623	38,478	26,571	32,734	36,743	-	-
Electronically Recorded Monetary Claim	1,629	1,688	9,471	15,537	11,939	-	-
Goods and Products	16,866	16,389	27,641	34,411	41,446	-	-
Work in Process	349	408	603	1,191	1,200	-	-
Raw Materials and Supplies	247	240	861	1,813	2,028	-	-
Other	3,504	837	3,076	2,691	3,694	-	-
Current Assets	62,971	67,753	76,729	99,297	111,572	-	-
Tangible Assets	2,772	2,750	2,713	4,297	4,521	-	-
Intangible Assets	199	186	243	222	276	-	-
Investments and Other Assets	2,349	2,651	2,796	2,760	3,336	-	-
Fixed Assets	5,321	5,588	5,753	7,280	8,134	-	-
Total Assets	68,293	73,342	82,482	106,577	119,706	-	-
Accounts Payables	13,738	17,295	17,376	17,408	24,696	-	-
Electronically Recorded Obligations	2,252	2,663	3,126	3,823	4,630	-	-
Short-Term Debt	5,148	5,348	10,129	6,084	4,879	-	-
Corporate Bond (Less Than 1 Year)	600	2,700	1,025	4,152	3,902	-	-
Other	5,724	3,089	4,875	6,307	7,004	-	-
Current Liabilities	27,462	31,095	36,531	37,774	45,111	-	-
Corporate Bond	-	-	-	10,000	10,000	-	-
Long Term Debt	5,175	4,875	6,250	14,844	13,592	-	-
Other	540	319	332	427	642	-	-
Fixed Liabilities	5,715	5,194	6,582	25,271	24,234	-	-
Total Liabilities	33,178	36,289	43,113	63,046	69,345	-	-
Shareholders' Equity	32,959	34,537	36,607	40,474	46,598	-	-
Other	2,155	2,515	2,762	3,057	3,763	-	-
Net Assets	35,114	37,052	39,369	43,531	50,361	-	-
Total Liabilities and Net Assets	68,293	73,342	82,482	106,577	119,706	-	-
Equity Capital	33,029	34,948	37,245	41,399	48,217	-	-
Interest-Bearing Debt	10,923	12,923	17,404	35,080	32,373	-	-
Net Debt	3,170	3,210	8,898	24,160	17,851	-	-
Equity Ratio	48.4%	47.7%	45.2%	38.8%	40.3%	-	-
Net Debt-to-Equity Ratio	9.6%	9.2%	23.9%	58.4%	37.0%	-	-
ROE (12 months)	8.4%	6.8%	8.0%	12.5%	9.9%	-	-
ROA (12 months)	6.2%	5.0%	5.6%	6.8%	6.4%	-	-
Days for Inventory Turnover	55	54	74	81	79	-	-
Quick Ratio	153%	160%	122%	157%	140%	-	-
Current Ratio	229%	218%	210%	263%	247%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	YoY Net Chg.
Operating Cash Flow	1,092	887	(4,905)	(13,020)	5,134	-	-
Investing Cash Flow	(274)	(69)	(171)	(1,327)	(679)	-	-
Operating CF and Investing CF	818	818	(5,076)	(14,347)	4,455	-	-
Financing Cash Flow	(519)	1,165	3,564	16,421	(1,185)	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
No. of Shares FY End (thousand shares)	9,018	9,018	9,018	9,018	10,118	-	-
Earnings / EPS (thousand shares)	8,834	8,838	8,847	8,855	9,636	-	-
Treasury Shares FY End (thousand shares)	182	174	167	158	156	-	-
Earnings per Share	307.45	261.82	325.07	554.71	458.80	461.73	-
Earnings per Share (fully diluted)	-	-	-	-	-	-	-
Book Value per Share	3,737.88	3,951.86	4,208.13	4,672.91	4,839.87	-	-
Dividend per Share	105.00	80.00	100.00	155.00	185.00	185.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
FY	FY	FY	FY	FY	FY	FY	YoY
03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.	
Share Split Factor	1	1	1	1	1	1	-
Earnings per Share	307.45	261.82	325.07	554.71	458.80	461.73	-
Book Value per Share	3,737.88	3,951.86	4,208.13	4,672.91	4,839.87	-	-
Dividend per Share	105.00	80.00	100.00	155.00	185.00	185.00	-
Payout Ratio	34.2%	30.6%	30.8%	27.9%	40.3%	40.1%	-

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: info@walden.co.jp

Tel: 81-(0)3-3553-3769