

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		255,000	7,000	6,200	3,850	386.38	185.00	-
FY03/2024	YoY	21.0%	14.7%	12.5%	(10.0%)	-	-	-
FY03/2025CoE	YoY	13.3%	(9.2%)	(14.1%)	(12.9%)	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY03/2024		108,013	4,589	4,623	3,036	-	-	-
Q3 to Q4 FY03/2024		117,137	3,122	2,598	1,385	-	-	-
Q1 to Q2 FY03/2025		131,780	3,728	3,209	2,066	-	-	-
Q3 to Q4 FY03/2025CoE		123,220	3,272	2,991	1,784	-	-	-
Q1 to Q2 FY03/2025	YoY	22.0%	(18.8%)	(30.6%)	(31.9%)	-	-	-
Q3 to Q4 FY03/2025CoE	YoY	5.2%	4.8%	15.1%	28.8%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (7 January 2025)


New Transaction Flows

HAGIWARA ELECTRIC HOLDINGS, based in Nagoya, develops its operations as a technology-oriented trading house of auto electronics and aims to achieve long-term growth by means of pursuing its role of being “an engineering partner that is connecting human, society and technology, through advanced electronics”, which the Company has set out as its management vision. For Q1 to Q2 FY03/2025, sales have expanded to a record high due to acquisition of new transaction flows. In terms of earnings, however, the Company has seen gross profit margin being under pressure due to absence of windfall profit posted during the same period of the previous year, changes in sales mix and so on. Furthermore, the Company is stepping up its investment in human resources and systems with a view to achieving long-term growth, which has resulted in an increase in SG&A expenses and thus inevitably a decline at the operating level. During the period of the existing midterm management plan (FY03/2025 to FY03/2027), the Company aims to achieve structural reforms and establish a business foundation for a new stage of growth, implying it is currently essential to spend expenses to propel both of the policies to achieve the goal. In the short term, there have been unexpected production adjustments by auto-related customers and stagnant market conditions in China, having forced FY03/2025 Company forecasts revised down to a corresponding extent. From a long-term perspective, the Company is now looking to a major contribution to “improvement of earning power”, stemming from Data Platform realm recently launched.

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

2.0 Company Profile

A Company That Is 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 September 2024)	
No. of Shares	10,118,000 shares, including 153,044 treasury shares (as of the end of Sep. 2024)	
Main Features	<ul style="list-style-type: none"> ● Technology-oriented trading house of auto electronics, based in Nagoya ● Sale of semiconductors, etc. to be adopted in ECUs to Tier 1 automotive suppliers ● Going for “an engineering solution partner that is connecting human, society and technology, through advanced electronics” as management vision 	
Segments	I . Electronic Devices (mainly sale of semiconductors to be adopted in ECUs to Tier 1 automotive suppliers) II . Technology Solutions (IT Solutions / Data Platform, Embedded Solutions and FA Engineering)	
Representative	President and Representative Director: Moritaka Kimura	
Shareholders	Master Trust Bank of Japan, T. 14.67%, Custody Bank of Japan, T. 8.53%, STANY Co., Ltd. 5.05%, Tomoaki Hagiwara 3.43% (as of the end of September 2024, but for treasury shares)	
Head Office	Higashi-ku, Nagoya-city, Aichi-prefecture, JAPAN	
No. of Personnel	Consolidated: 781, Subsidiaries: 556 (as of the end of September 2024)	

Source: Company Data

3.0 Management Philosophy

Creativity and Ambition

Moritaka Kimura, who currently leads the Company, was appointed President and Representative Director in June 2021, while advocating “we aim to improve corporate value and contribute to a sustainable society through future-oriented manufacturing”, as Message from the President. More specifically, he also reveals the details as follows:

Ever since our founding in 1948, the Hagiwara Electric Group has grown alongside its customers and partners with a focus on the manufacturing industry, the auto industry in particular, utilizing our knowledge and technical capabilities in the electronics field in accordance with our management philosophy of Creativity and Ambition. The recent surrounded conditions for us are marked by changing technological needs, which include the rapid pace of digital transformation in order to solve manufacturing challenges and the growing importance of electrification and software in the mobility domain. In order to further increase corporate value and achieve business growth going forward, we need not only to reform our business strategy but also promote organizational development and human resources development that will enable the advancement of all those technologies. Moreover, as a public organ within society, we are obligated to operate in a sustainable and environmentally-friendly manner. In the midst of this business environment, we have formulated a new midterm management plan, Make New Value 2026, that covers the three-year period from FY03/2025 to FY03/2027.

We are positioning this period as a time for implementing structural reforms and establishing a business foundation that will let us make the leap to the next stage of growth. We are implementing the following three structural reform initiatives: a) enhancing proposal value through business model reform, b) implementing management reform with an awareness of capital productivity and c) maximizing employee power by leveraging human capital. In addition to our specialty areas, such as mobility and manufacturing, we are expanding into new industries, such as robotics and semiconductors. We are also using digital technology to expand into the domains of energy and smart cities, as we aim for growth through a solution-oriented mindset and innovation actions.

Furthermore, with our emphasis on sustainability and the environment, we have set out a target of reducing our CO2 emissions (Scopes 1 and 2) for FY03/2028 by at least 25% from the FY03/2021 levels. We are promoting secure efforts at each of our locations to proactively reduce carbon emissions and providing environmentally-friendly products throughout our supply chain as a whole. In the future, the Hagiwara Electric Group will remain aiming to improve corporate value and contribute to a sustainable society through future-oriented manufacturing to leverage advanced technology.

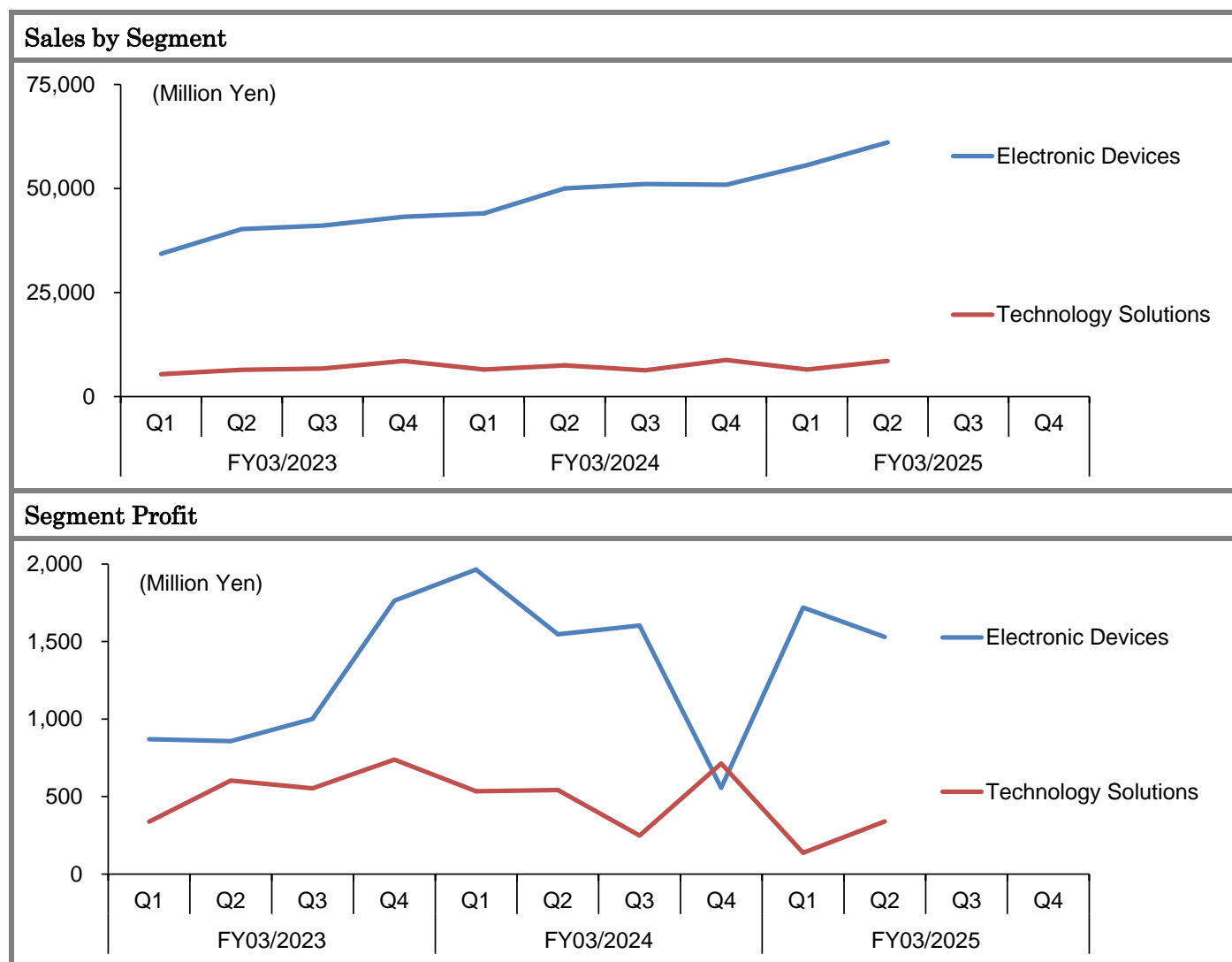
Company History

Date	Events
March 1948	Hagiwara Denki Kogyo was founded.
August 1956	Partnership with NEC Corporation initiated and wholesale division selling electronic components established.
December 1958	Hagiwara Denki Kogyo Co., Ltd. was founded.
February 1965	Company name changed to HAGIWARA ELECTRIC CO., LTD.
July 1966	The Tokyo Branch Office was established.
August 1981	The Nisshin Office (production factory) was established.
April 1993	The Kyushu Office was established.
October 1995	Initial public offering of shares.
April 1996	The Singapore local subsidiary was established.
August 1998	The Miyoshi Distribution Center was established.
October 2006	The U.S. local subsidiary was established.
October 2006	The China (Shanghai) local subsidiary was established.
June 2011	The Korea local subsidiary was established.
June 2011	The China (Free Trade Zone, Shanghai) local subsidiary was established.
May 2012	The Data Center was opened.
October 2012	The Germany local subsidiary was established.
September 2014	The Thailand local subsidiary was established.
November 2014	Listed on the 1st Section of Tokyo Stock Exchange.
November 2014	Listed on the 1st Section of Nagoya Stock Exchange.
January 2016	The Kansai Branch was established.
April 2018	Company name changed to HAGIWARA ELECTRIC HOLDINGS CO., LTD. and status changed to holding company.
April 2018	HAGIWARA HOKUTO TECHNO CO., LTD. was established.
November 2019	The India local subsidiary was established.
April 2022	Listed on Tokyo Stock Exchange Prime Market.
April 2022	Listing on Nagoya Stock Exchange Premier Market
September 2022	OSAKI ENGINEERING CO., LTD. was consolidated as subsidiary and renamed to HAGIWARA ENGINEERING CO., LTD.
December 2023	The China (Hong Kong) local subsidiary was established.
December 2023	Hagiwara innovation center TOKYO was established.
September 2024	BELLADATI PTE.LTD. became a subsidiary of HAGIWARA TECHNO SOLUTIONS CO., LTD.

4.0 Recent Trading and Prospects

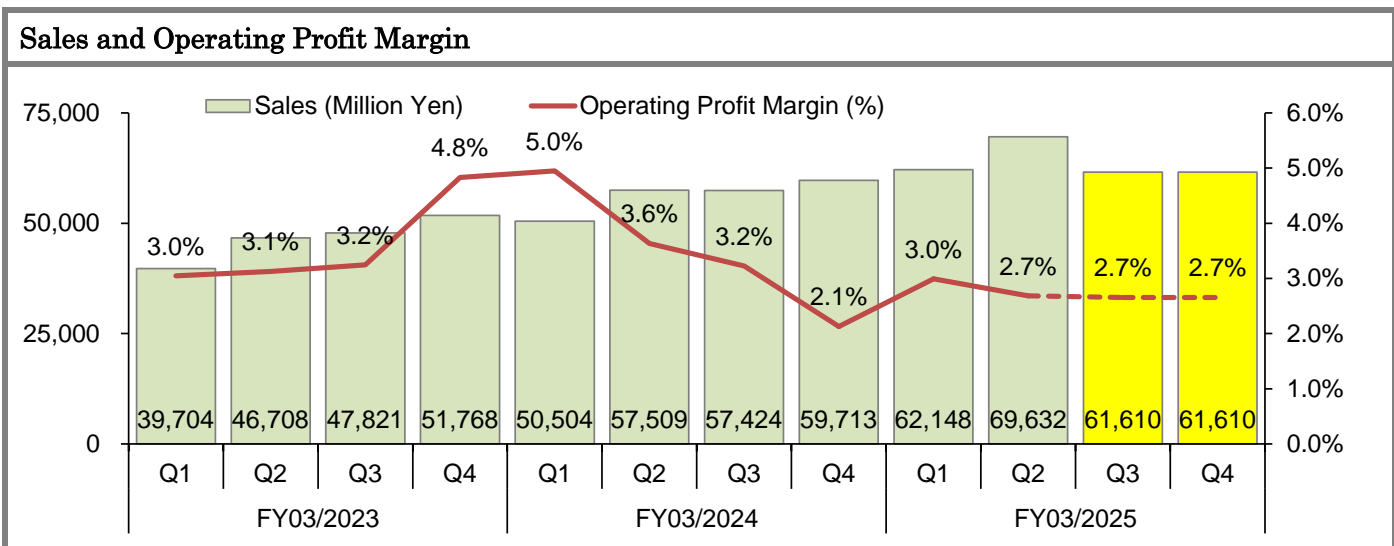
Q1 to Q2 FY03/2025

For Q1 to Q2 FY03/2025, sales came in at ¥131,780m (up 22.0% YoY), operating profit ¥3,728m (down 18.8%), recurring profit ¥3,209m (down 30.6%) and profit attributable to owners of parent ¥2,066m (down 31.9%). Meanwhile, gross profit came in at ¥10,513m (up 0.6%) and SG&A expenses ¥6,784m (up 15.7%), implying gross profit margin of 8.0% (down 1.7% points) and SG&A ratio of 5.1% (down 0.3% points), having resulted in operating profit margin of 2.8% (down 1.4% points). At the non-operating level, there was a worsening in exchange gain and loss by ¥521m (from gain of ¥127m to loss of ¥394m).



Source: Company Data, WRJ Calculation

On the mainstay Electronics Devices (mainly sale of semiconductors to be adopted in ECUs to Tier 1 automotive suppliers) side, sales have increased and earnings have declined, while the same on the Technology Solutions (IT Solutions & Data Platform / Embedded Solutions / FA Engineering) side as well. At the same time, the Company's sales have increased by ¥23,767m and ¥22,654m on the Electronic Devices side, while the Company's earnings have declined by ¥861m and ¥599m on the Technology Solutions side. Thus, it is the case that the Company's sales were driven by those of the Electronic Devices side, while the Company's earnings were under pressure due mainly to the decline on the Technology Solutions side.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2025: H2 Company forecasts, pro rata)

On the Electronic Devices side, sales have increased significantly in spite of the impact of production adjustment by auto-related customers, driven by acquisition of new transaction flows, progress made in horizontal expansion into additional vehicle models and yen's depreciation. Consequently, the Company has renewed its record-high sales for the period of Q1 to Q2 (April to September). Meanwhile, the Company suggests that windfall profit posted during the same period of the previous year did not reappear and that there were changes in sales mix in line with the acquisition of new transaction flows. Meanwhile, sales have also increased on the Technology Solutions side as well, due to the fact that the Company has steadily captured demand associated with investment in production facilities from auto-related customers and so on. Nevertheless, sales were sluggish for Embedded Solutions realm, carrying high gross profit margin, due to stagnant market conditions in China.

In the first place, the Company sees gross profit margin relatively lower on the Electronic Devices side, where the operations are basically of wholesaling, when compared to the Technology Solutions side, where the operations basically comprise those of being associated with manufacturing as represented by Embedded Solutions realm. Given the trend that sales are slowing for Embedded Solutions realm, implied to carry gross profit margin high in particular, the Company was seeing changes in sales mix between the segments and in the segments at the same time, which appears to be a key reason for the Company's gross profit margin having declined. Meanwhile, the Company is stepping up its investment in human resources and systems with a view to achieving long-term growth, which has resulted in an increase in expenses at the SG&A level.

The Company suggests that the above-mentioned actual results for Q1 to Q2 were marginally below assumptions (not disclosed) of initial Company forecasts, which is attributable to the production adjustment by auto-related customers and stagnant market conditions in China, both not assumed in initial Company forecasts.

In light of this, FY03/2025 Company forecasts have been revised down, on 8 November 2024, in line with the release of the Q1 to Q2 results, by ¥14,000m (5.2%) in sales and ¥900m (11.4%) in operating profit. Still, the Company is going for sales and earnings for H2 to rise over the same period of the previous year. When based on full-year Company forecasts after the revision and the Q1 to Q2 results, it is the case that Company forecasts are going for prospective sales of ¥123,220m (up 5.2% YoY), operating profit of ¥3,272m (up 4.8%) and operating profit margin of 2.7% (down 0.0 % points) for H2.

Meanwhile, the latest Company forecasts do not assume any impact from production of autos to be potentially redeemed, while simply reflecting a downward revision for auto production volume at sale destinations of own auto-related customers. In other words, it is pointed out for Company forecasts to be exceeded to a corresponding extent, if the above-mentioned impact takes place.

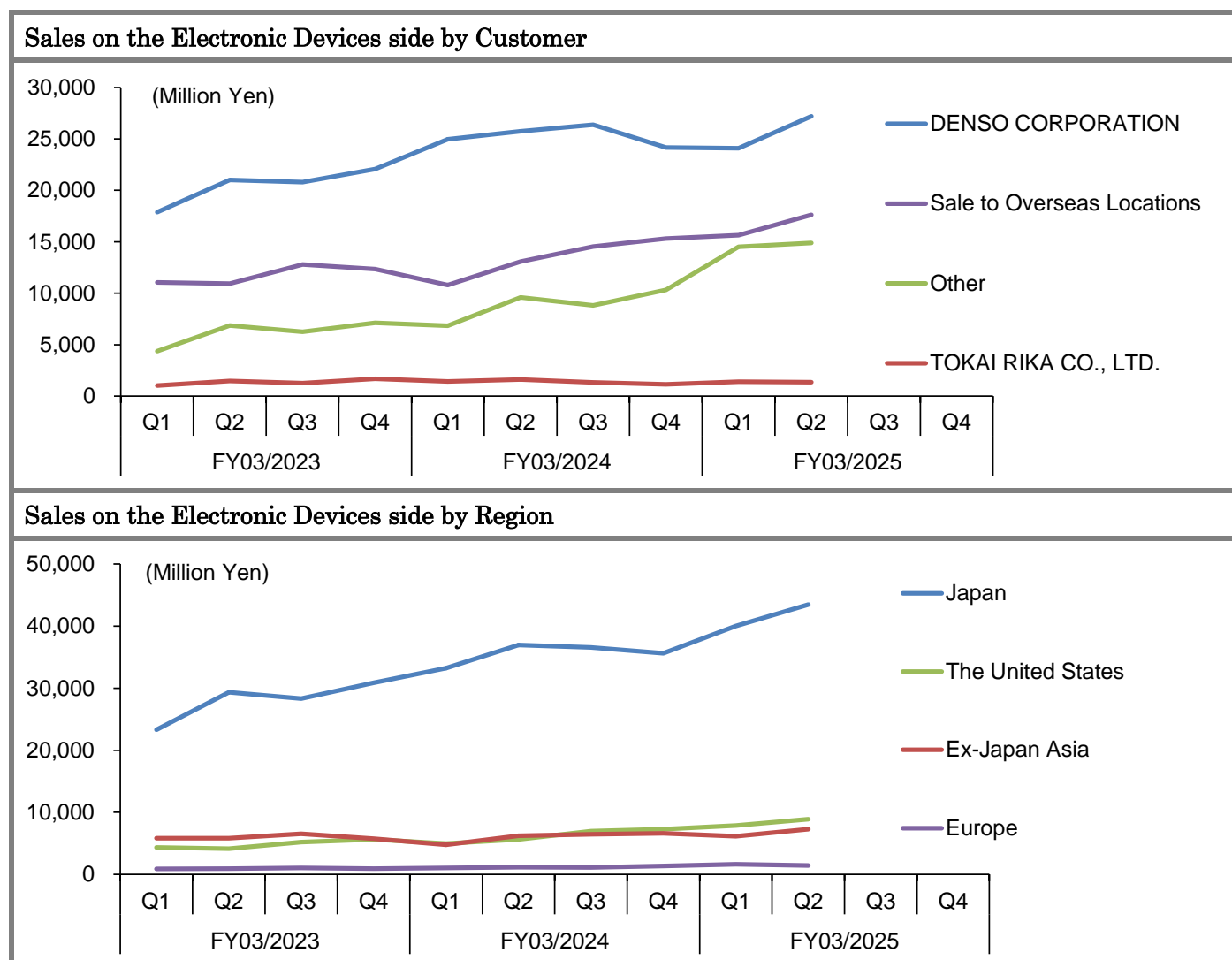
FY03/2025 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2025CoE	14-May-24	Q4 Results	269,000	7,900	7,100	4,600
FY03/2025CoE	9-Aug-24	Q1 Results	269,000	7,900	7,100	4,600
FY03/2025CoE	8-Nov-24	Q2 Results	255,000	7,000	6,200	3,850
		Amount of Gap	(14,000)	(900)	(900)	(750)
		Rate of Gap	(5.2%)	(11.4%)	(12.7%)	(16.3%)
FY03/2025CoE	14-May-24	Q4 Results	269,000	7,900	7,100	4,600
FY03/2025CoE	8-Nov-24	Q2 Results	255,000	7,000	6,200	3,850
		Amount of Gap	(14,000)	(900)	(900)	(750)
		Rate of Gap	(5.2%)	(11.4%)	(12.7%)	(16.3%)
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2025CoE	14-May-24	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2025CoE	9-Aug-24	Q1 Results	-	-	-	-
Q1 to Q2 FY03/2025Act	8-Nov-24	Q2 Results	131,780	3,728	3,209	2,066
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY03/2025CoE	14-May-24	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2025Act	8-Nov-24	Q2 Results	131,780	3,728	3,209	2,066
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY03/2025CoE	14-May-24	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2025CoE	9-Aug-24	Q1 Results	-	-	-	-
Q3 to Q4 FY03/2025CoE	8-Nov-24	Q2 Results	123,220	3,272	2,991	1,784
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q3 to Q4 FY03/2025CoE	14-May-24	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2025CoE	8-Nov-24	Q2 Results	123,220	3,272	2,991	1,784
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company Data, WRJ Calculation

Electronic Devices (88.6% of sales and 87.2% of segment profit)

On the Electronic Devices (mainly sale of semiconductors to be adopted in ECUs to Tier 1 automotive suppliers) side, sales came in at ¥116,732m (up 24.1%), segment profit ¥3,249m (down 7.5%) and segment profit margin 2.8% (down 0.9% points). Due to intermittent halts in auto production that have occurred since the beginning of the term, there is an aspect that sale destinations on the Electronic Devices side, i.e., the Company's auto-related customers, were inevitably obliged to adjust production, but this was far more than compensated for by acquisition of new transaction flows, progress made in horizontal expansion into additional vehicle models and yen's depreciation by ¥17.4 per U.S. dollar from ¥134.8 to ¥152.2, having resulted in the significant increase in sales.



Source: Company Data, WRJ Calculation

Meanwhile, the Company suggests that gross profit was stagnating due to absence of windfall profit of some ¥200m, which was posted during the same period of the previous year. Further, the Company also suggests that changes in sales mix are another factor in the stagnation of gross profit. In light of the fact that the new transaction flows drove sales on this side as a whole, it appears that those of new transaction flows carry gross profit margin rather lower. At the SG&A levels, the Company suggests there was an increase in expenses in that it has invested in human resources and systems with a view to achieving long-term growth, as planned, while having seen an increase in distribution costs and transfer compensation payments in line with the increase in sales at the same time.

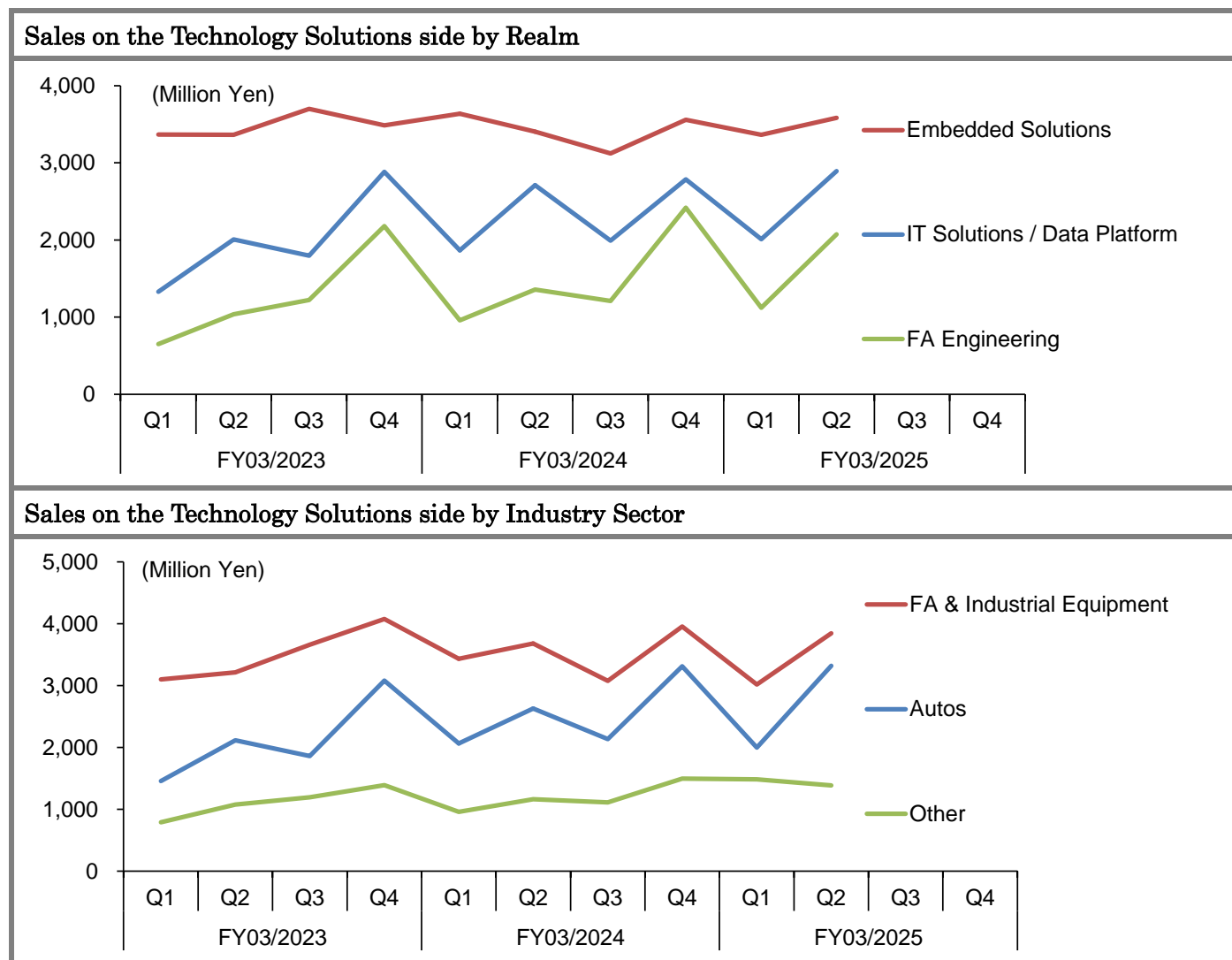
By customer, sales associated with Denso came in at ¥51,308m (up 1.1%), sales of sale to overseas locations, including sale to those of the mainstay customers, represented by Denso, came in at ¥33,264m (up 39.4%), sales associated with other customers came in at ¥29,406m (up 78.8%) and sales associated with TOKAI RIKA came in at ¥2,754m (down 9.2%). At the same time, sales on the Electronic Devices side saw the increase of ¥22,654m (assuming 100%) as a whole, while the new transaction flows some ¥12,600m (56%), comprising ¥11,100m (49%) in Japan and ¥1,500m (7%) overseas, implying some ¥10,054m (44%) for the collective increase in sales of existing customers in Japan and overseas. According to the Company, sales of existing customers have risen in spite of a stagnation in auto production volume, because of progress made in horizontal expansion into additional vehicle models with respect to vehicle-mounted SoC and/or LDC panels. SoC stands for System on a chip, which represents technology-intensive semiconductor to integrate a system comprising devices with a variety of functionalities on a chip.

The Company, based in Nagoya, develops its operations as a technology-oriented trading house of auto electronics, while mentioning Tier 1 automotive suppliers that are deeply involved with the planetary auto manufacturer based in the region as customers. Although details have not been disclosed, the Company suggests that this is not an exception for the above-mentioned “other customers” in sales by customer, whose sales have almost doubled over the same period of the previous year and that a majority of new transaction flows were generated in this category.

By region, meanwhile, sales in Japan came in at ¥83,468m (up 18.9%) and sales overseas, comprising those of ex-Japan Asia, the United States and Europe, came in at ¥33,264m (up 39.4%). Yen’s depreciation is estimated to have driven sales overseas by some ¥3,300m, while sales overseas are estimated to have risen some 20% on a local currencies basis.

Technology Solutions (11.4% of sales and 12.8% of segment profit)

On the Technology Solutions (IT Solutions / Data Platform, Embedded Solutions and FA Engineering) side, sales came in at ¥15,048m (up 8.0%), segment profit ¥478m (down 55.6%) and segment profit margin 3.2% (down 4.6% points). For the Q1 to Q2 FY03/2025 results, the Company saw a decline in earnings of ¥861m, while the Technology Solutions side saw a decline in earnings of ¥599m, which had a significant impact on the Company's decline in earnings as a whole. However, the Company is now looking to a major contribution to “improvement of earning power”, stemming from this side, from a long-term perspective.



Source: Company Data, WRJ Calculation

For Q1 to Q2, sales have increased as the Company has successfully captured demand associated with capital investment by auto-related customers, but the Company suggests that gross profit margin was under pressure. The main reason for this is that sales of Embedded Solutions realm, which create high added value and thus high gross profit margin, have been sluggish due to stagnant market conditions in China. At the same time, expenses were on the rise at the SG&A levels, as there has been an increase in R&D expenses associated with the development of next-generation devices, as well as an increase in expenses in line with outsourcing of logistics functions, in addition to the impact of investment in human resources and systems.

IT Solutions / Data Platform (32.6% of sales)

Sales came in at ¥4,905m (up 7.2%). Sales of IT Solutions realm mainly comprise those of sale of IT equipment, development of application software, development of IoT systems and provision to retain security. Meanwhile, sales of Data Platform realm mainly comprise those of sale of IoT platform and servicing. At the moment, sales of the existing IT Solution realm are almost everything in this category, but sales of Data Platform realm are expected to surge from a long-term perspective, while this realm is expected to carry gross profit margin fairly high in the future and drive the Company's earnings as a whole from a long-term perspective.

Sales for Q1 to Q2 were driven by sale of IT equipment. The impact of large-sized project posted sales during the same period of the previous year did not reappear, but it was more than compensated for by the impact of having steady captured replacement demand for PCs in line with the termination of Windows 10 support. However, it cannot be denied that the increased sale of IT equipment has brought in a worsening in terms of changes of sales mix, having lowered gross profit margin in this realm.

Embedded Solutions (46.2% of sales)

Sales came in at ¥6,948m (down 1.4%). Sales of Embedded Solutions realm mainly comprise those of development & manufacturing of industrial computers and sale of industrial embedded computers for machinery & equipment. In other words, the operations of this realm carry gross profit margin highest out of the realms on the Technology Solutions side as a whole, with the most outstanding features as the operations of manufacturing, while the operations on the Electronic Devices side carry gross profit margin rather lower than the Technology Solutions side because of the basic operations of wholesaling. On top of this, the Company is mainly exposed to Embedded Solutions real in terms of sales on this side, resulting in the trend the performance on the Technology Solutions side basically hinges on Embedded Solutions realm.

The sale destinations are manufacturers of industrial equipment and/or machine tools, principally belonging to FA & Industrial Equipment by industry sector and all those customers 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". So-called material handling equipment is used to streamline and automate operations of logistics, being in charge of saving workforce and/or labor in a variety of domains, comprising storage, transportation, sorting, packaging and so on in diverse fields. Sales for Q1 to Q2 have failed in increase due to stagnant market conditions in China, which has extended the period of inventory adjustment amongst the above-mentioned customers and thus led to limited creations of new demand.

FA Engineering (21.2% of sales)

Sales came in at ¥3,194m (up 37.9%). Sales of FA Engineering realm mainly comprise those of sale of measurement instruments / inspection equipment / FA equipment and development / manufacturing / sale of various automated & labor-saving manufacturing equipment. Sales for Q1 to Q2, have surged, attributable to placement of large-sized order to construct a production line from an auto-related customer developed on the Electronic Devices side, while demand was picking up for model-based development tools. However, the Company suggests that earnings were adjusted. In some respects of the operations to construct the above-mentioned production line, the Company had difficulties to easily overcome, which forced add-on charges of expenses to do overcome in some related projects. Meanwhile, the Company takes this as a challenge in a new area, trying to horizontally apply the acquired knowhow to enhance sales and earnings in the future.

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.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Sales	50,504	108,013	165,437	225,150	62,148	131,780	-	-	-	+23,767
Cost of Sales	45,151	97,561	150,103	205,146	56,928	121,266	-	-	-	+23,705
Gross Profit	5,352	10,452	15,334	20,003	5,219	10,513	-	-	-	+61
SG&A Expenses	2,852	5,863	8,893	12,292	3,359	6,784	-	-	-	+921
Operating Profit	2,500	4,589	6,441	7,711	1,859	3,728	-	-	-	(861)
Non Operating Balance	29	34	(295)	(490)	13	(519)	-	-	-	(553)
Recurring Profit	2,529	4,623	6,146	7,221	1,872	3,209	-	-	-	(1,414)
Extraordinary Balance	2	6	18	13	24	11	-	-	-	+5
Profit before Income Taxes	2,531	4,629	6,164	7,234	1,896	3,220	-	-	-	(1,409)
Total Income Taxes	811	1,570	2,193	2,766	666	1,125	-	-	-	(445)
NP Belonging to Non-Controlling SHs	12	22	32	46	13	27	-	-	-	+5
Profit Attributable to Owners of Parent	1,706	3,036	3,939	4,421	1,215	2,066	-	-	-	(970)
Sales YoY	+27.2%	+25.0%	+23.2%	+21.0%	+23.1%	+22.0%	-	-	-	-
Operating Profit YoY	+106.6%	+71.8%	+52.5%	+14.7%	(25.6%)	(18.8%)	-	-	-	-
Recurring Profit YoY	+72.1%	+58.9%	+47.6%	+12.5%	(26.0%)	(30.6%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	+73.2%	+16.5%	+16.8%	(10.0%)	(28.7%)	(31.9%)	-	-	-	-
Gross Profit Margin	10.6%	9.7%	9.3%	8.9%	8.4%	8.0%	-	-	-	(1.7%)
SG&A Ratio	5.6%	5.4%	5.4%	5.5%	5.4%	5.1%	-	-	-	(0.3%)
Operating Profit Margin	5.0%	4.2%	3.9%	3.4%	3.0%	2.8%	-	-	-	(1.4%)
Recurring Profit Margin	5.0%	4.3%	3.7%	3.2%	3.0%	2.4%	-	-	-	(1.8%)
Profit Attributable to Owners of Parent Margin	3.4%	2.8%	2.4%	2.0%	2.0%	1.6%	-	-	-	(1.2%)
Total Income Taxes / Profit before Income Taxes	32.0%	33.9%	35.6%	38.2%	35.1%	34.9%	-	-	-	+1.0%

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.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Sales	50,504	57,509	57,424	59,713	62,148	69,632	-	-	-	+12,123
Cost of Sales	45,151	52,410	52,542	55,043	56,928	64,338	-	-	-	+11,928
Gross Profit	5,352	5,100	4,882	4,669	5,219	5,294	-	-	-	+194
SG&A Expenses	2,852	3,011	3,030	3,399	3,359	3,425	-	-	-	+414
Operating Profit	2,500	2,089	1,852	1,270	1,859	1,869	-	-	-	(220)
Non Operating Balance	29	5	(329)	(195)	13	(532)	-	-	-	(537)
Recurring Profit	2,529	2,094	1,523	1,075	1,872	1,337	-	-	-	(757)
Extraordinary Balance	2	4	12	(5)	24	(13)	-	-	-	(17)
Profit before Income Taxes	2,531	2,098	1,535	1,070	1,896	1,324	-	-	-	(774)
Total Income Taxes	811	759	623	573	666	459	-	-	-	(300)
NP Belonging to Non-Controlling SHs	12	10	10	14	13	14	-	-	-	+4
Profit Attributable to Owners of Parent	1,706	1,330	903	482	1,215	851	-	-	-	(479)
Sales YoY	+27.2%	+23.1%	+20.1%	+15.3%	+23.1%	+21.1%	-	-	-	-
Operating Profit YoY	+106.6%	+43.0%	+19.3%	(49.2%)	(25.6%)	(10.5%)	-	-	-	-
Recurring Profit YoY	+72.1%	+45.4%	+21.5%	(52.3%)	(26.0%)	(36.2%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	+73.2%	(18.0%)	+17.9%	(68.7%)	(28.7%)	(36.0%)	-	-	-	-
Gross Profit Margin	10.6%	8.9%	8.5%	7.8%	8.4%	7.6%	-	-	-	(1.3%)
SG&A Ratio	5.6%	5.2%	5.3%	5.7%	5.4%	4.9%	-	-	-	(0.3%)
Operating Profit Margin	5.0%	3.6%	3.2%	2.1%	3.0%	2.7%	-	-	-	(0.9%)
Recurring Profit Margin	5.0%	3.6%	2.7%	1.8%	3.0%	1.9%	-	-	-	(1.7%)
Profit Attributable to Owners of Parent Margin	3.4%	2.3%	1.6%	0.8%	2.0%	1.2%	-	-	-	(1.1%)
Total Income Taxes / Profit before Income Taxes	32.0%	36.2%	40.6%	53.6%	35.1%	34.7%	-	-	-	(1.5%)

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 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024	Q1 03/2025	Q1 to Q2 03/2025	Q1 to Q3 03/2025	Q1 to Q4 03/2025		
Electronic Devices	44,041	94,078	145,178	196,126	55,649	116,732	-	-	+22,654	
Technology Solutions	6,463	13,935	20,259	29,023	6,498	15,048	-	-	+1,113	
Sales	50,504	108,013	165,437	225,150	62,148	131,780	-	-	+23,767	
Electronic Devices	+28.2%	+26.0%	+25.4%	+23.4%	+26.4%	+24.1%	-	-	-	
Technology Solutions	+20.8%	+18.5%	+9.6%	+7.4%	+0.5%	+8.0%	-	-	-	
Sales (YoY)	+27.2%	+25.0%	+23.2%	+21.0%	+23.1%	+22.0%	-	-	-	
Electronic Devices	87.2%	87.1%	87.8%	87.1%	89.5%	88.6%	-	-	-	
Technology Solutions	12.8%	12.9%	12.2%	12.9%	10.5%	11.4%	-	-	-	
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	
Electronic Devices	1,965	3,511	5,114	5,670	1,720	3,249	-	-	(262)	
Technology Solutions	534	1,077	1,326	2,040	138	478	-	-	(599)	
Segment Profit	2,500	4,589	6,441	7,711	1,859	3,728	-	-	(861)	
Elimination	-	-	-	-	-	-	-	-	-	
Operating Profit	2,500	4,589	6,441	7,711	1,859	3,728	-	-	(861)	
Electronic Devices	+125.8%	+103.1%	+87.4%	+26.3%	(12.4%)	(7.5%)	-	-	-	
Technology Solutions	+57.3%	+14.3%	(11.3%)	(8.7%)	(74.1%)	(55.6%)	-	-	-	
Segment Profit (YoY)	+106.6%	+71.8%	+52.5%	+14.7%	(25.6%)	(18.8%)	-	-	-	
Electronic Devices	78.6%	76.5%	79.4%	73.5%	92.5%	87.2%	-	-	-	
Technology Solutions	21.4%	23.5%	20.6%	26.5%	7.4%	12.8%	-	-	-	
Segment Profit (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	
Electronic Devices	4.5%	3.7%	3.5%	2.9%	3.1%	2.8%	-	-	(0.9%)	
Technology Solutions	8.3%	7.7%	6.5%	7.0%	2.1%	3.2%	-	-	(4.6%)	
Elimination	-	-	-	-	-	-	-	-	-	
Operating Profit Margin	5.0%	4.2%	3.9%	3.4%	3.0%	2.8%	-	-	(1.4%)	

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 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024	Q1 03/2025	Q2 03/2025	Q3 03/2025	Q4 03/2025		
Electronic Devices	44,041	50,037	51,100	50,948	55,649	61,083	-	-	+11,046	
Technology Solutions	6,463	7,472	6,324	8,764	6,498	8,550	-	-	+1,078	
Sales	50,504	57,509	57,424	59,713	62,148	69,632	-	-	+12,123	
Electronic Devices	+28.2%	+24.2%	+24.3%	+17.9%	+26.4%	+22.1%	-	-	-	
Technology Solutions	+20.8%	+16.6%	(5.9%)	+2.5%	+0.5%	+14.4%	-	-	-	
Sales (YoY)	+27.2%	+23.1%	+20.1%	+15.3%	+23.1%	+21.1%	-	-	-	
Electronic Devices	87.2%	87.0%	89.0%	85.3%	89.5%	87.7%	-	-	-	
Technology Solutions	12.8%	13.0%	11.0%	14.7%	10.5%	12.3%	-	-	-	
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	
Electronic Devices	1,965	1,546	1,603	556	1,720	1,529	-	-	(17)	
Technology Solutions	534	543	249	714	138	340	-	-	(203)	
Segment Profit	2,500	2,089	1,852	1,270	1,859	1,869	-	-	(220)	
Elimination	-	-	-	-	-	-	-	-	-	
Operating Profit	2,500	2,089	1,852	1,270	1,859	1,869	-	-	(220)	
Electronic Devices	+125.8%	+80.2%	+60.3%	(68.5%)	(12.4%)	(1.1%)	-	-	-	
Technology Solutions	+57.3%	(10.0%)	(55.0%)	(3.4%)	(74.1%)	(37.4%)	-	-	-	
Segment Profit (YoY)	+106.6%	+43.0%	+19.3%	(49.2%)	(25.6%)	(10.5%)	-	-	-	
Electronic Devices	78.6%	74.0%	86.6%	43.8%	92.5%	81.8%	-	-	-	
Technology Solutions	21.4%	26.0%	13.4%	56.2%	7.4%	18.2%	-	-	-	
Segment Profit (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	
Electronic Devices	4.5%	3.1%	3.1%	1.1%	3.1%	2.5%	-	-	(0.6%)	
Technology Solutions	8.3%	7.3%	3.9%	8.1%	2.1%	4.0%	-	-	(3.3%)	
Elimination	-	-	-	-	-	-	-	-	-	
Operating Profit Margin	5.0%	3.6%	3.2%	2.1%	3.0%	2.7%	-	-	(0.9%)	

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		
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Cash and Deposit	12,541	14,357	14,537	14,522	15,309	13,530	-	-	-	(827)
Accounts Receivables and Contract Assets	32,427	32,961	33,279	36,743	38,602	41,850	-	-	-	+8,889
Electronically Recorded Monetary Claim	14,045	17,347	20,851	11,939	7,805	7,106	-	-	-	(10,241)
Goods and Products	38,427	36,634	36,951	41,446	48,782	53,327	-	-	-	+16,693
Work in Process	1,412	1,404	1,396	1,200	1,384	1,478	-	-	-	+74
Raw Materials and Supplies	2,061	2,119	2,156	2,028	1,892	1,625	-	-	-	(494)
Other	3,628	2,941	3,458	3,694	4,738	4,440	-	-	-	+1,499
Current Assets	104,541	107,763	112,628	111,572	118,512	123,356	-	-	-	+15,593
Tangible Assets	4,351	4,424	4,538	4,521	4,480	4,618	-	-	-	+194
Intangible Assets	228	216	265	276	331	3,279	-	-	-	+3,063
Investments and Other Assets	2,685	2,923	2,847	3,336	3,273	3,487	-	-	-	+564
Fixed Assets	7,265	7,564	7,651	8,134	8,085	11,385	-	-	-	+3,821
Total Assets	111,806	115,328	120,279	119,706	126,597	134,741	-	-	-	+19,413
Accounts Payables	20,018	19,196	21,122	24,696	24,666	28,074	-	-	-	+8,878
Electronically Recorded Obligations	4,276	5,311	5,034	4,630	4,991	3,266	-	-	-	(2,045)
Short-Term Debt	7,573	6,930	9,056	4,879	12,230	17,996	-	-	-	+11,066
Corporate Bond (Less Than 1 Year)	2,902	3,602	3,902	3,902	4,052	3,852	-	-	-	+250
Other	5,780	6,659	6,224	7,004	5,954	6,615	-	-	-	(44)
Current Liabilities	40,549	41,698	45,338	45,111	51,893	59,803	-	-	-	+18,105
Corporate Bond	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-	0
Long-Term Debt	14,769	13,593	14,568	13,592	13,067	12,291	-	-	-	(1,302)
Other	530	526	571	642	667	678	-	-	-	+152
Fixed Liabilities	25,299	24,119	25,139	24,234	23,734	22,969	-	-	-	(1,150)
Total Liabilities	65,849	65,817	70,477	69,345	75,627	82,772	-	-	-	+16,955
Shareholders' Equity	42,729	45,969	46,116	46,598	46,918	47,778	-	-	-	+1,809
Other	3,228	3,542	3,686	3,763	4,052	4,190	-	-	-	+648
Net Assets	45,957	49,511	49,802	50,361	50,970	51,968	-	-	-	+2,457
Total Liabilities and Net Assets	111,806	115,328	120,279	119,706	126,597	134,741	-	-	-	+19,413
Equity Capital	43,841	47,391	47,672	48,217	48,847	49,831	-	-	-	+2,440
Interest-Bearing Debt	35,244	34,125	37,526	32,373	39,349	44,139	-	-	-	+10,014
Net Debt	22,703	19,768	22,989	17,851	24,040	30,609	-	-	-	+10,841
Equity Ratio	39.2%	41.1%	39.6%	40.3%	38.6%	37.0%	-	-	-	-
Net Debt-to-Equity Ratio	51.8%	41.7%	48.2%	37.0%	49.2%	61.4%	-	-	-	-
ROE (12 months)	13.8%	12.2%	12.4%	9.9%	8.5%	7.1%	-	-	-	-
ROA (12 months)	7.7%	7.7%	7.8%	6.4%	5.5%	4.6%	-	-	-	-
Days for Inventory Turnover	85	70	70	74	83	80	-	-	-	-
Quick Ratio	146%	155%	151%	140%	119%	104%	-	-	-	-
Current Ratio	258%	258%	248%	247%	228%	206%	-	-	-	-

Source: Company Data, WRJ Calculation

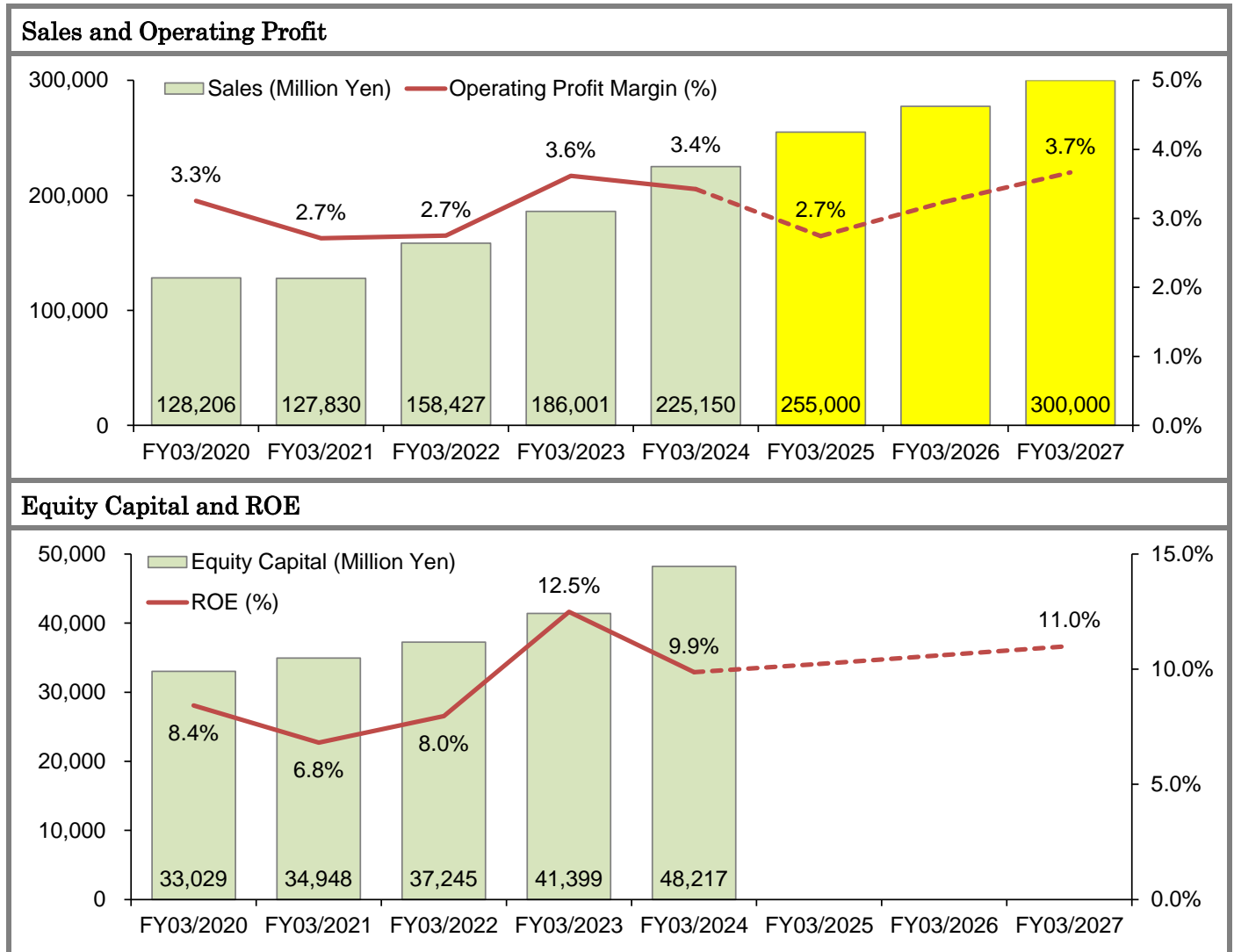
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	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		
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Operating Cash Flow	-	1,869	-	5,134	-	(8,761)	-	-	-	(10,630)
Investing Cash Flow	-	(206)	-	(679)	-	(3,408)	-	-	-	(3,202)
Operating CF and Investing CF	-	1,663	-	4,455	-	(12,169)	-	-	-	(13,832)
Financing Cash Flow	-	1,395	-	(1,185)	-	10,763	-	-	-	+9,368

Source: Company Data, WRJ Calculation

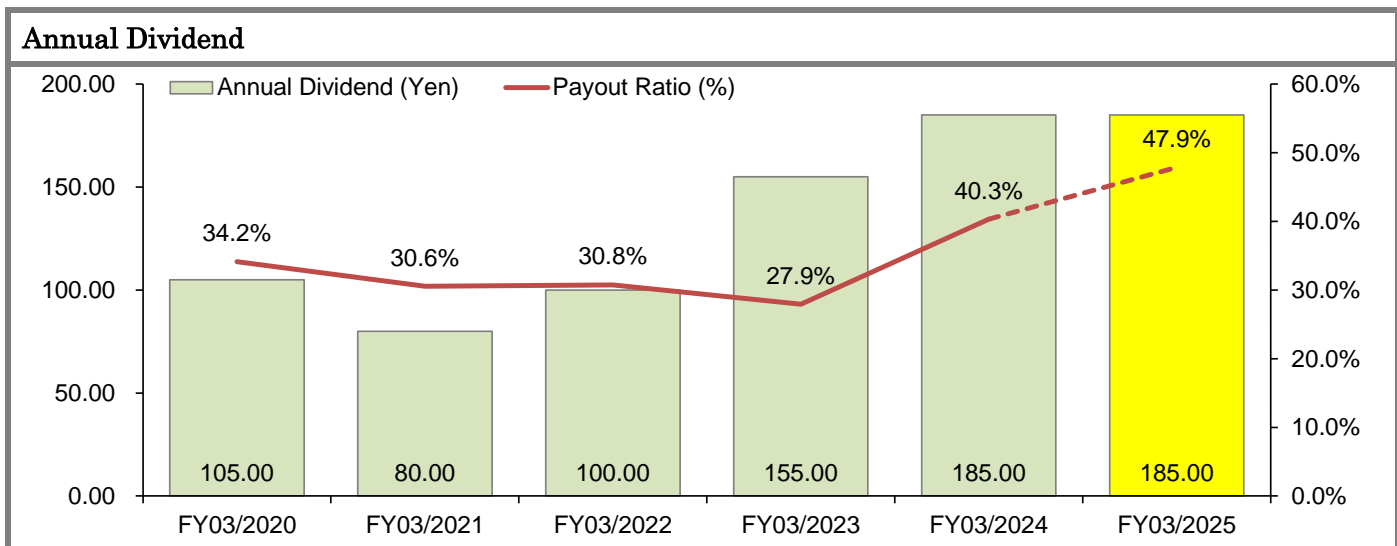
Long-Term Prospects

On 26 April 2024, the Company announced its midterm management plan, Make New Value 2026 (FY03/2025 to FY03/2027), setting out a management benchmark to achieve 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 setting the actual results of FY03/2024 as the point of origin, the plan suggests CAGR of 10.0% in sales and 12.6% in operating profit, while the increase of 1.1% points or higher in ROE, during the relevant period.



Source: Company Data, WRJ Calculation

Meanwhile, as mentioned earlier, FY03/2025 initial Company forecasts, announced on 14 May 2024, have been revised down and the current FY03/2025 Company forecast, announced on 8 November 2024, are going for prospective sales of ¥255,000m (up 13.3% YoY), operating profit of ¥7,000m (down 9.2%), recurring profit of ¥6,200m (down 14.1%) and profit attributable to owners of parent of ¥3,850m (down 12.9%), while operating profit margin of 2.7% (down 0.7% points). Initial Company forecasts, announced on 14 May 2024, have been revised down by ¥14,000m (5.2%) in sales, ¥900m (11.4%) in operating profit, ¥900m (12.7%) in recurring profit and ¥750m (16.3%) in profit attributable to owners of parent.



Source: Company Data, WRJ Calculation

Meanwhile, FY03/2025 Company forecasts have remained unchanged for planned annual dividend in spite of downward revision made as above-mentioned, including profit attributable to owners of parent, i.e., the source of dividend. The reason given for this is that the Company is actively working to return earnings to its shareholders. As was assumed in initial Company forecasts, the Company is currently going for planned annual dividend of ¥185.00 (¥90.00 as of the end of Q2 and ¥95.00 as of the end of the year) for FY03/2025, implying payout ratio of 47.9%. At the stage of initial Company forecasts, the Company advocated basic dividend policy to realize a stability in the amount of payment, paying dividend equivalent of 30% to 40% in terms of payout ratio, while planned annual dividend of ¥185.00 implied payout ratio of 40.1% or the upper limit of the basic policy. The midterm management plan is to apply the said basic dividend policy during the relevant period, setting it out as another management benchmark.

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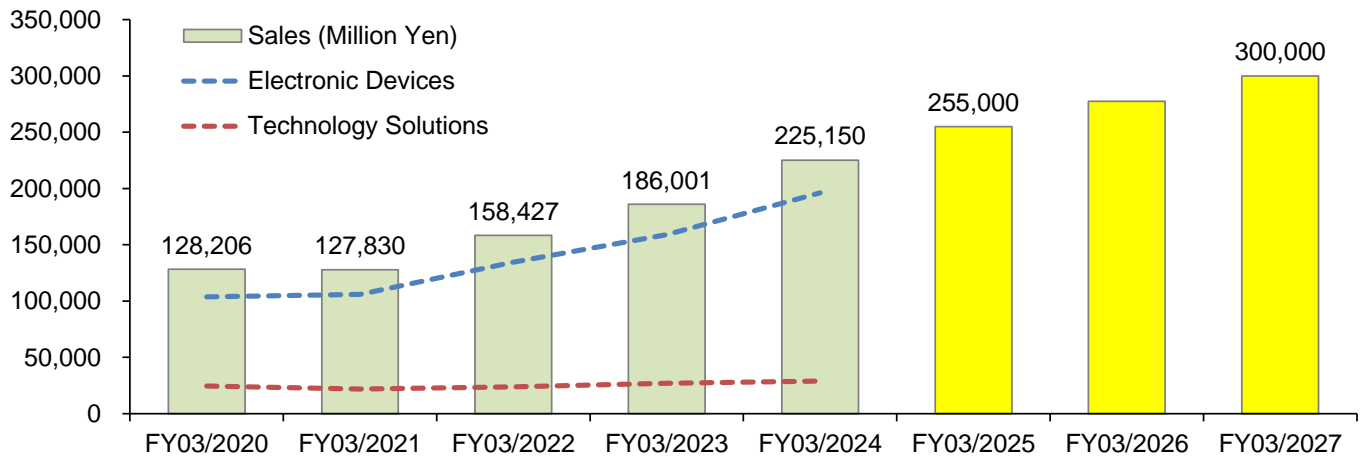
Improvement of Corporate Value

The midterm management plan, Make New Value 2026 (FY03/2025 to FY03/2027), advocates achievement of structural reforms and establishment of a business foundation for a new stage of growth, setting out “improvement of earning power” as the key policy. The Company is to promote improvement of corporate value with this. As initiatives for structural reforms, the Company advocates “enhancing proposal value through business model reform” with respect to business structure, “implementing management reform with an awareness of capital productivity” with respect to capital productivity and “maximizing employee power by leveraging human capital” with respect to human capital.

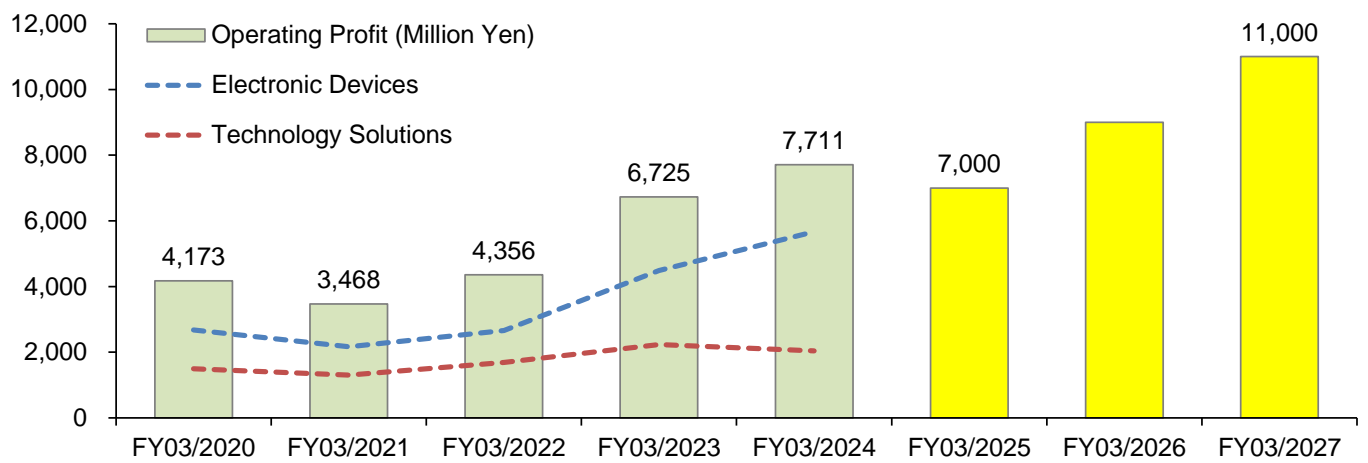
Enhancing Proposal Value through Business Model Reform

The business model reform that the Company is aiming for is directly linked to “improvement of earning power” set out as the key policy of the midterm management plan. According to the Company, it promotes “improvement of earning power” by means of enhancing proposal value with proposals and provisions of solutions to social and customer issues. That is to say, the Company is to expand supplemental development and servicing based on a solution-oriented mindset on both the Electronic Devices side and the Technology Solutions side. As the key policy for FY03/2025, the Company goes for “expanding domain via customer development” on the Electronic Devices side and “establishing Data Platform realm” on the Technology Solutions side.

Sales and Sales by Segment



Operating Profit and Segment Profit



Source: Company Data, WRJ Calculation

With respect to “expanding domain via customer development” advocated on the Electronic Devices side, the Company is in the process of focusing on acquisition of new transaction flows. The stated objective is to promote opportunities to turn up value-added merchandises to deal with. According to the Company, it is keen on deepening its understanding of a wider range of electrical components than before by means of leveraging business model expansion as the operator of wholesaling, which is the foundation on the Electronic Devices side. The Company claims that this is the strategy to make it possible to promote the above-mentioned opportunities as well as further enlarging areas to make proposals.

The Company, based in Nagoya, develops its operations as a technology-oriented trading house of auto electronics, while setting out Tier 1 automotive suppliers that are deeply involved with the planetary auto manufacturer based in the region as its mainstay targets to acquire new transaction flows. For example, in India, where the market for autos is growing rapidly, the Company has constructed a framework that can cover the northern, western and southern areas of the nation for marketing vehicle-mounted system solutions by means of increasing the number of business locations of HAGIWARA India by two. In September 2024, the Company participated in the local exhibition, Electronica India 2024, for the sake of pursuing opportunities to supply local companies represented by Tata Motors on top of doing so for local corporations of Japanese companies.

With respect to “establishing Data Platform realm” advocated on the Technology Solutions side, the Company intends to accelerate reform of its earnings structure by means of leveraging consolidation of BellaDati as subsidiary. According to the Company, it has newly launched Data Platform realm from the beginning of FY03/2025, with the aim of providing total solutions such as lifecycle management that utilizes data, i.e., data collection, data monetization and so on. The Company has traditionally developed pay-per produce model in the existing operations, while the event in question has made it possible for the Company to develop recurring revenue model. In other words, the Company will make efforts to integrate the operations of Data Platform realm with each of the existing operations on the Electronic Devices side and the Technology Solutions side, which is expected to contribute to reform of the Company’s earnings structure.

On 16 July 2024, the Company acquired all shares of BellaDati (Singapore), which develops its own IoT data platform “BellaDati”. The Company's amount expensed equated to ¥2,947m, while the provisional amount of goodwill generated ¥2,914m and the planned amortization period for goodwill less than 10 years. As of the end of Q2 (July to September) FY03/2025, the Company has consolidated it on the balance sheet, while planning to do so on the income statement from Q4 (January to March), in which the performance of BellaDati (Singapore) for Q4 (October to December) FY12/2024 will be reflected. According to the Company, this deal has made it possible to conduct self-manufacture of data bedrock, the nexus of Data Platform realm. The Company is now looking to generation of synergy, such as speeding up of customer facing in line with the said self-manufacture, impact of sharing resources of customer base and/or brand power, etc. Since September 2022, the Company has built a strong cooperative relationship with BellaDati (Singapore), having had concluded a strategic partnership then. Meanwhile, the recent M&A has been implemented due to the increased possibility of the above-mentioned synergy.

With the aim of promoting “improvement of earning power”, the Company is implementing all those measures as above-mentioned on the Electronic Devices side and the Technology Solutions side, as well as also being in the process of constructing IT infrastructure which supports monitoring of formulation and execution of such measures, having begun operations of management control system for the Company’s management team as a whole to help executing appropriate business portfolio management since the stage of Q1 to Q2 FY03/2025.

Implementing Management Reform 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 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.

Maximizing Employee Power by Leveraging Human Capital

The Company aims to increase its corporate value 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 reform based on solution-oriented mindset, 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 since the beginning of FY03/2025. While encouraging each employee to maximize his or her potential, the Company also promotes employee activities aimed at achieving the management benchmark. For example, the Company is introducing 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 the management benchmark 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	255,000	+29,850
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	7,000	(711)
Non Operating Balance	(80)	88	(21)	(308)	(490)	(800)	(310)
Recurring Profit	4,093	3,556	4,335	6,417	7,221	6,200	(1,021)
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	3,850	(571)
Sales YoY	+7.7%	(0.3%)	+23.9%	+17.4%	+21.0%	+13.3%	-
Operating Profit YoY	(3.4%)	(16.9%)	+25.6%	+54.4%	+14.7%	(9.2%)	-
Recurring Profit YoY	(4.3%)	(13.1%)	+21.9%	+48.0%	+12.5%	(14.1%)	-
Profit Attributable to Owners of Parent YoY	(3.2%)	(14.8%)	+24.3%	+70.8%	(10.0%)	(12.9%)	-
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%	2.7%	(0.7%)
Recurring Profit Margin	3.2%	2.8%	2.7%	3.4%	3.2%	2.4%	(0.8%)
Profit Attributable to Owners of Parent Margin	2.1%	1.8%	1.8%	2.6%	2.0%	1.5%	(0.5%)
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 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	YoY 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	255,000	+29,850
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%	+13.3%	-
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	7,000	(711)
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%	2.7%	(0.7%)

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	386.38	-
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	386.38	-
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%	47.9%	-

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.

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