

# KAGA ELECTRONICS (8154)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2021		422,365	11,467	11,241	11,399	415.07	80.00	3,311.24
FY03/2022		495,827	20,915	21,456	15,401	576.46	120.00	4,026.22
FY03/2023CoE		570,000	28,000	29,000	20,000	761.70	200.00	-
FY03/2022	YoY	17.4%	82.4%	90.9%	35.1%	-	-	-
FY03/2023CoE	YoY	15.0%	33.9%	35.2%	29.9%	-	-	-
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 FY03/2022		223,009	8,300	8,452	5,624	-	-	-
Q3 to Q4 FY03/2022		272,818	12,615	13,004	9,777	-	-	-
Q1 to Q2 FY03/2023		298,760	18,361	18,932	13,412	-	-	-
Q3 to Q4 FY03/2023CoE		271,240	9,639	10,068	6,588	-	-	-
Q1 to Q2 FY03/2023	YoY	34.0%	121.2%	124.0%	138.5%	-	-	-
Q3 to Q4 FY03/2023CoE	YoY	(0.6%)	(23.6%)	(22.6%)	(32.6%)	-	-	-

Source: Company Data, WRJ Calculation

## 1.0 Executive Summary (28 November 2022)

### Putting off Revision until Next May for Management Target, Crushing It for FY03/2023


On 24 November 2022, KAGA ELECTRONICS, a major electronic components trading company, held its financial results briefing for H1 FY03/2023. It has been revealed that the Company is to announce revision for management target for FY03/2025 in addition to FY03/2024 Company forecasts, when releasing the FY03/2023 full-year actual results. For FY03/2023, the Company saw the actual results for Q1 better than assumptions of Company forecasts, which was followed by another overshoot for Q2, while the Company suggests that the momentum better than expected will continue into H2. Meanwhile, the Company is rather concerned about a possibility for earnings to be under pressure due to non-reappearance of spot sales and customers' inventory adjustment for FY03/2024. Thus, the Company would like to first assess how the FY03/2023 actual results will turn out so that it will be able to announce revision of management target for FY03/2025 with an improved precision. It used to be the case that this was to be announced after having assessed the actual results of Q1 to Q2 FY03/2023. Meanwhile, the Company held its EMS Business Briefing on 30 March 2022. For Q1 to Q2 FY03/2023, the Company saw substantially increased sales and a high level of segment profit margin (7.6% / up 1.4% points YoY) for "EMS" by segment of midterm management plan, while suggesting a direction for the current level of segment profit margin to be able to persist. Thus, the Company is seeing strengths here as expected in the briefing material at that time.

For reference : [Financial Results Briefing Material for H1 FY03/2023](#)  
 : [KAGA ELECTRONICS EMS Business Briefing Material \(30 March 2022\)](#)

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## 2.0 Company Profile

### Everything We Do Is for Our Customers

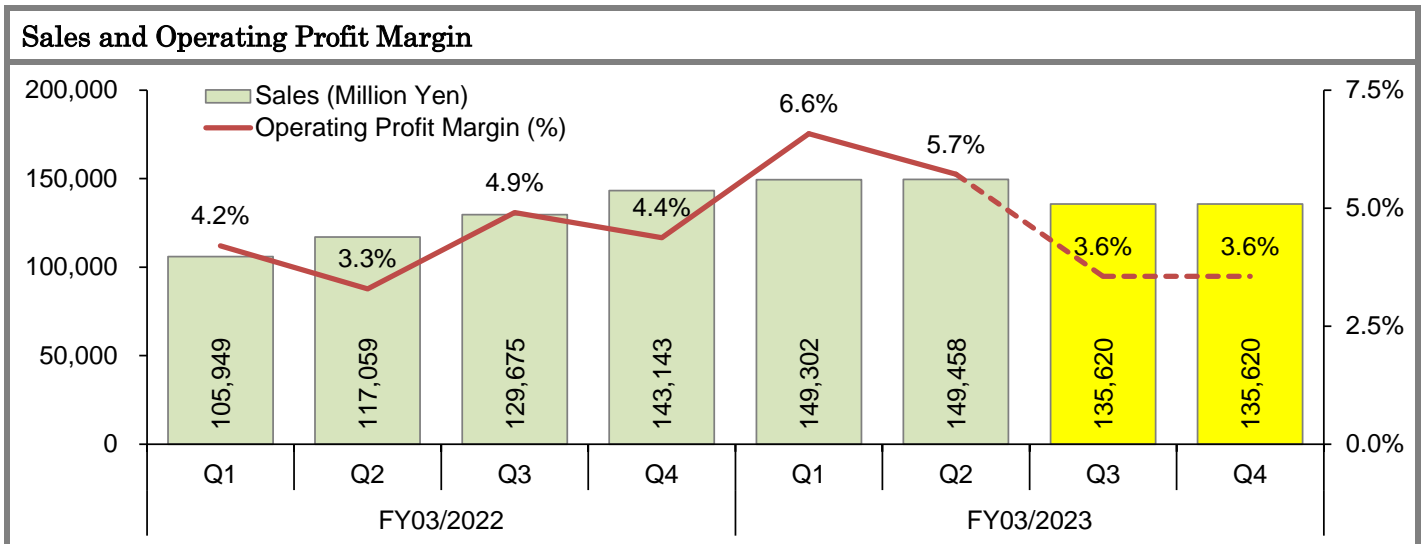
<b>Company Name</b>	<p>KAGA ELECTRONICS CO.,LTD.</p> <p><a href="#">Company Website</a></p> <p><a href="#">IR Information</a></p> <p><a href="#">Share price (Japanese)</a></p>	
<b>Established</b>	12 September 1968	
<b>Listing</b>	<p>4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 8154)</p> <p>1 September 1997: Tokyo Stock Exchange 1st section</p> <p>23 December 1986: Tokyo Stock Exchange 2nd section</p>	
<b>Capital</b>	¥12,133m (as of the end of September 2022)	
<b>No. of Shares</b>	28,702,118 shares, including 2,440,773 treasury shares (as of the end of Sep. 2022)	
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Enlargement of added value creations with a long-term growth of “EMS”</li> <li>● Focus on industrial equipment, healthcare equipment on top of the mainstay automobiles by domain</li> <li>● Pursuit of the scale of business and PMI with consistent M&amp;As</li> </ul>	
<b>Segments</b>	<p>I . Electronic Components (components sales business and EMS business)</p> <p>II . Information Equipment (sale of PCs, PC peripherals, home appliances, lighting fixtures, etc.)</p> <p>III . Software (production of CG video and software)</p> <p>IV . Other (sale of amusement equipment, repair and support for electronic equipment, etc.)</p>	
<b>Representatives</b>	<p>Representative Director, Founder &amp; CEO : Isao Tsukamoto</p> <p>Representative Director, President &amp; COO: Ryoichi Kado</p>	
<b>Shareholders</b>	The Master Trust Bank of Japan, T. 11.50%, OKOZE Co. 7.01%, Custody Bank of Japan, T. 6.78%, ESOP 5.73%, SANKYO Co. 4.95% (as of the end of September 2022, but for treasury shares)	
<b>Head Office</b>	Chiyoda-ku, Tokyo, JAPAN	
<b>No. of Personnel</b>	Consolidated: 8,439, Parent: 545 (as of the end of September 2022)	

Source: Company Data

## 3.0 Recent Trading and Prospects

### Q1 to Q2 FY03/2023

For Q1 to Q2 FY03/2023, sales came in at ¥298,760m (up 34.0% YoY), operating profit ¥18,361m (up 121.2%), recurring profit ¥18,932m (up 124.0%) and profit attributable to owners of parent ¥13,412m (up 138.5%), while operating profit margin 6.1% (up 2.4% points). By the way, as for the Q1 to Q2 results, sales and earnings at all the levels have reached all-time highs.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2023: H2 Company forecasts, pro rata)

It has been revealed that the Company saw the actual results for Q1 better than assumptions of Company forecasts, which was followed by another overshoot for Q2. For the Q2 actual results, the in-house target, i.e., undisclosed assumptions of full-year Company forecasts after the Q1 actual results, were exceeded by no less than ¥4,861m (36.0%) in terms of operating profit, according to the Company. It appears that a factor accounts for some 90% of the overshoot that sales volume was increasing faster than expected on the mainstay Electronic Components side driven by strengths in some domains represented by automobiles and industrial equipment combined with the impacts larger than expected for improvement of sales mix. On top of this, spot sales were also performing better than expected, while the Company was seeing SG&A expenses running ahead at the same time, rather offsetting the impact of trends firmer than expected with spot sales. Thus, it appears that the remaining 10% of the overshoot, just roughly speaking, is accounted for by a net impact stemming from all those two issues. The Company saw SG&A expenses increased by ¥1,603m (equating 1.1% of sales for Q2) through Q1 to Q2, having cut back on operating profit to a corresponding extent and thus operating profit margin at the same time. According to the Company, SG&A expenses were running ahead due mainly to the implementation of its policy to share earnings better than expected with own personnel by means of increasing a bonus payout as of the end of the year, which led to an unexpected increase in provision for bonus.

By segment, the mainstay Electronic Components side saw sales of ¥268,464m (up 38.1%), segment profit of ¥16,617m (up 133.3%) and segment profit margin of 6.2% (up 2.5% points), having accounted for 89.9% of sales for the Company as a whole and 90.5% of segment profit. Meanwhile, by segment of midterm management plan, which is of management accounting, “EMS (contract manufacturing services for electronic equipment, comprising a part of the Electronic Components side by segment)” saw sales of ¥69,486m (up 30.0%), segment profit of ¥5,311m (up 59.9%) and segment profit margin of 7.6% (up 1.4% points). The Company says that it is increasingly involved with contract manufacturing services for healthcare equipment carrying high profit margin, which is the key driver for the strengths.

### **FY03/2023 Company Forecasts**

FY03/2023 Company forecasts (announced on 8 November 2022) are going for prospective sales of ¥570,000m (up 15.0% YoY), operating profit of ¥28,000m (up 33.9%), recurring profit of ¥29,000m (up 35.2%) and profit attributable to owners of parent of ¥20,000m (up 29.9%), while operating profit margin of 4.9% (up 0.7% points).

By the way, compared with the latest Company forecasts (announced on 4 August 2022), prospective sales have been revised up by ¥30,000m (5.6%), operating profit by ¥4,000m (16.7%), recurring profit by ¥4,500m (18.4%) and profit attributable to owners of parent by ¥4,000m (25.0%). Meanwhile, planned annual dividend has been revised up by ¥50 from ¥150 to ¥200, implying payout ratio of 26.3%, representing an increase of no less than ¥80 and an improvement of payout ratio from the actual results of the previous year, i.e., ¥120, implying payout ratio of 20.8%, for FY03/2022. More importantly, there is a strong aspect that the revised Company forecasts have incorporated only the overshoot in Q1 to Q2 into full-year performance and thus assumptions for H2 have basically remained unchanged.

Meanwhile, [Midterm Management Plan 2024 \(25 November 2021\)](#) assumes prospective operating profit of ¥15,000m for FY03/2022 and ¥20,000m as management target for the final year of the midterm management plan (FY03/2023 to FY03/2025), i.e., for FY03/2025. Still, the Company saw operating profit of ¥20,915m for the FY03/2022 actual results, having had far exceeded the expectations and already achieved the management target for the final year of the plan at this stage.

## "EMS"

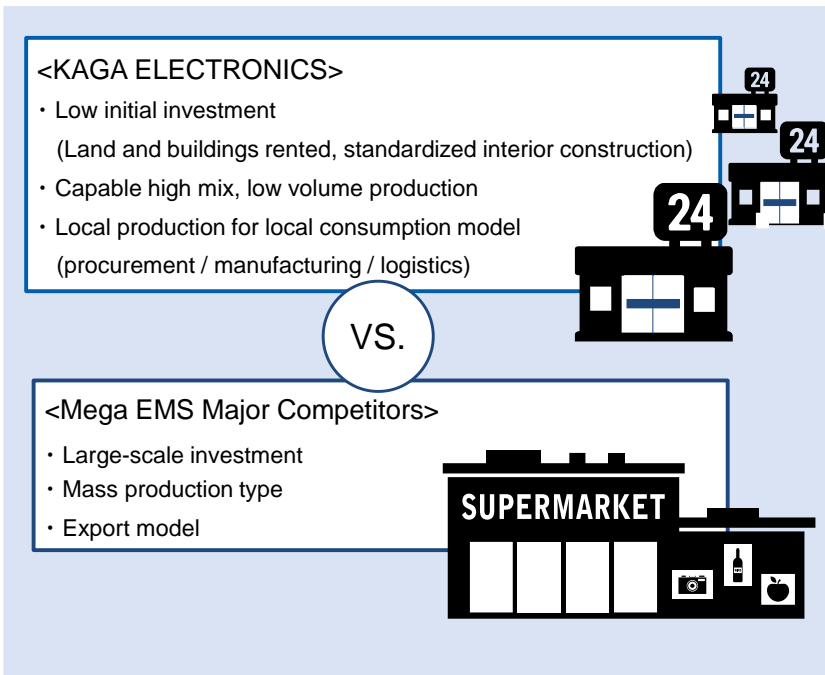
On 30 March 2022, the Company held its EMS Business Briefing. It has been revealed that the Company is looking to progress in creation of added value in line with the growth in operations of “EMS” for the sake of meeting with the above-mentioned management target of the midterm management plan. As the priority strategies of “EMS,” the Company runs up “reinforcement and expansion of customer base,” “shift in value chain to high value-added areas” and “reinforcement of business base.”

With respect to “reinforcement and expansion of customer base,” the Company has a policy to expand business with high quality requirements and stable long-term demand. With respect to “shift in value chain to high value-added areas,” the Company has a policy to enlarge the domains of operations by means of getting increasingly involved with development / design / validation and analysis / maintenance on top of the existing procurement, manufacture and inspection. At the same time, it has been also revealed that the Company has a policy to actively utilize self-developed manufacturing facilities and/or IT systems. With respect to “reinforcement of business base,” the Company has a policy to make progress in standardization of *monozukuri* (manufacture) by means of strengthening cooperation amongst all the manufacturing bases in Japan and overseas with Towada Factory (the mother factory of “EMS”) as the core of the operations, while promoting a scheme for development of human resources at the same time.

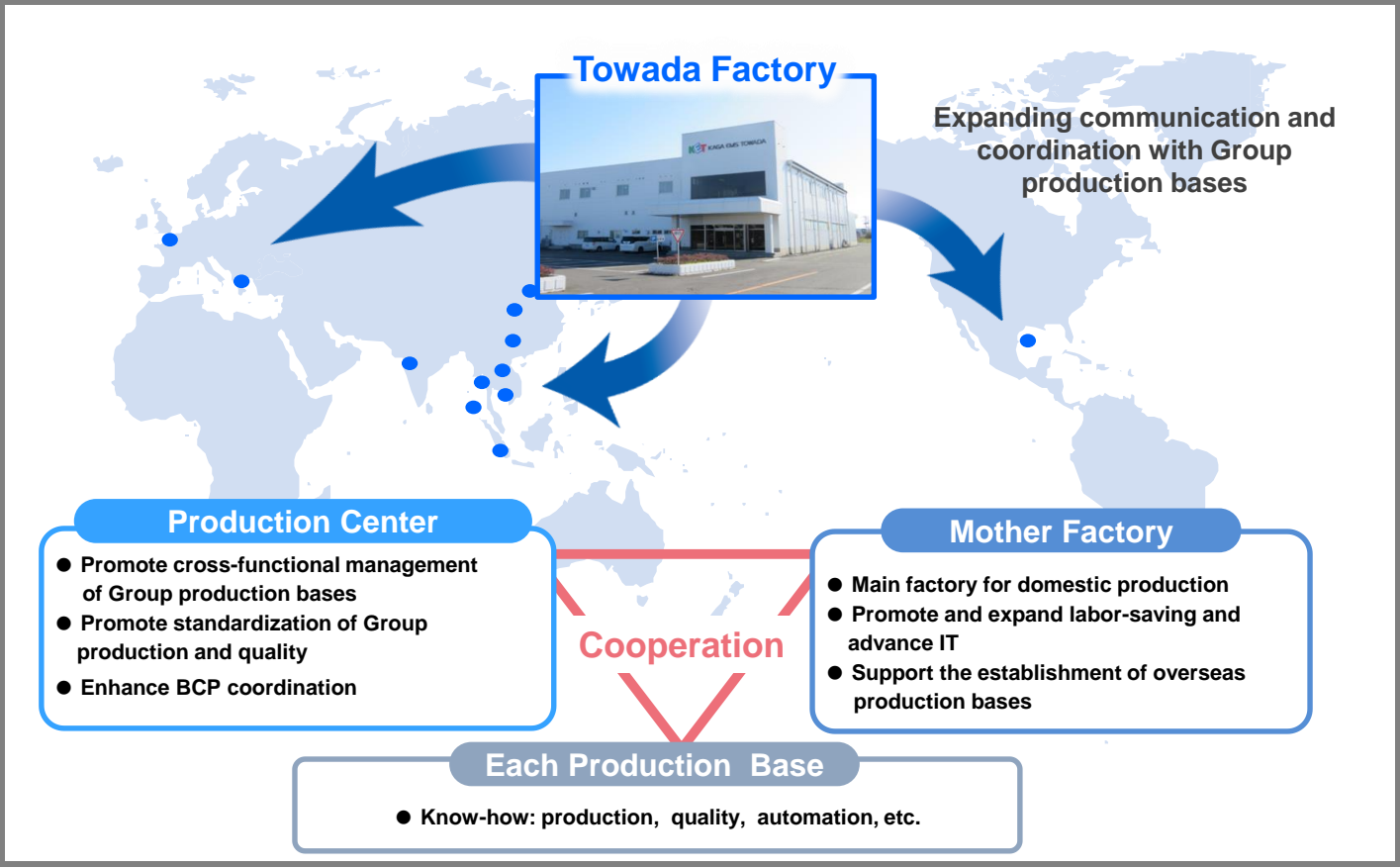
Further, the Company claims that it makes it a principle to launch new factories with a concept of “convenience store-type EMS” which is characterized by swiftness, flexibility and low initial investment. Subsequent to the presentation by the Company, "virtual tour of Towada Factory" was held through video viewing, which introduced electronic substrate mounting and/or assembly & inspection of finished products represented by those of being related to automobiles and healthcare equipment:

- [video① Laser marking → Board cleaner → Solder printing → 3D printing inspection](#)
- [video② Component mounting](#)
- [video③ Reflow \(joining by melting and cooling solder\) → 3D optical solder appearance inspection](#)
- [video④ Dual in-line package lines \(flow solder\)](#)
- [video⑤ Flow production assembly line](#)
- [video⑥ Assembly-Developed in-house \(automatic pressure feeding screw fastener + automatic horizontal screw fastener\)](#)
- [video⑦ Assembly - Developed in-house by KAGA \(automatic picking machine for instruction manual and other accessories\)](#)

## Convenience Store-type EMS versus GMS EMS



## Cooperation Amongst Manufacturing Bases with Towada Factory as the Core of the Operations



Source: Company Data

## Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		Net Chg.
<b>Sales</b>	<b>105,949</b>	<b>223,009</b>	<b>352,684</b>	<b>495,827</b>	<b>149,302</b>	<b>298,760</b>	-	-		<b>+75,751</b>
Cost of Sales	92,398	195,875	309,923	435,280	129,464	258,759	-	-		+62,884
Gross Profit	13,550	27,133	42,761	60,547	19,838	40,001	-	-		+12,868
SG&A Expenses	9,098	18,832	28,102	39,632	10,018	21,639	-	-		+2,807
<b>Operating Profit</b>	<b>4,452</b>	<b>8,300</b>	<b>14,658</b>	<b>20,915</b>	<b>9,820</b>	<b>18,361</b>	-	-		<b>+10,061</b>
Non Operating Balance	114	152	228	541	38	571	-	-		+419
<b>Recurring Profit</b>	<b>4,566</b>	<b>8,452</b>	<b>14,886</b>	<b>21,456</b>	<b>9,858</b>	<b>18,932</b>	-	-		<b>+10,480</b>
Extraordinary Balance	(437)	(223)	(180)	(108)	124	19	-	-		+242
Profit before Income Taxes	4,129	8,229	14,706	21,348	9,982	18,951	-	-		+10,722
Total Income Taxes	1,220	2,469	4,039	5,678	2,993	5,529	-	-		+3,060
NP Belonging to Non-Controlling SHs	36	135	252	268	4	9	-	-		(126)
<b>Profit Attributable to Owners of Parent</b>	<b>2,872</b>	<b>5,624</b>	<b>10,414</b>	<b>15,401</b>	<b>6,984</b>	<b>13,412</b>	-	-		<b>+7,788</b>
Sales YoY	+25.9%	+18.1%	+19.9%	+17.4%	+40.9%	+34.0%	-	-		-
Operating Profit YoY	+168.8%	+87.2%	+95.0%	+82.4%	+120.6%	+121.2%	-	-		-
Recurring Profit YoY	+197.8%	+94.8%	+105.9%	+90.9%	+115.9%	+124.0%	-	-		-
Profit Attributable to Owners of Parent YoY	(66.6%)	(47.8%)	(18.2%)	+35.1%	+143.2%	+138.5%	-	-		-
Gross Profit Margin	12.8%	12.2%	12.1%	12.2%	13.3%	13.4%	-	-		+1.2%
Ratio of Sales to SG&A Expenses	8.6%	8.4%	8.0%	8.0%	6.7%	7.2%	-	-		(1.2%)
Operating Profit Margin	4.2%	3.7%	4.2%	4.2%	6.6%	6.1%	-	-		+2.4%
Recurring Profit Margin	4.3%	3.8%	4.2%	4.3%	6.6%	6.3%	-	-		+2.5%
Profit Attributable to Owners of Parent Margin	2.7%	2.5%	3.0%	3.1%	4.7%	4.5%	-	-		+2.0%
Total Income Taxes / Profit before Income Taxes	29.5%	30.0%	27.5%	26.6%	30.0%	29.2%	-	-		(0.8%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		YoY
(Million Yen)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		Net Chg.
<b>Sales</b>	<b>105,949</b>	<b>117,059</b>	<b>129,675</b>	<b>143,143</b>	<b>149,302</b>	<b>149,458</b>	-	-		<b>+32,399</b>
Cost of Sales	92,398	103,477	114,048	125,357	129,464	129,295	-	-		+25,818
Gross Profit	13,550	13,583	15,628	17,786	19,838	20,163	-	-		+6,580
SG&A Expenses	9,098	9,734	9,270	11,530	10,018	11,621	-	-		+1,887
<b>Operating Profit</b>	<b>4,452</b>	<b>3,848</b>	<b>6,358</b>	<b>6,257</b>	<b>9,820</b>	<b>8,541</b>	-	-		<b>+4,693</b>
Non Operating Balance	114	38	76	313	38	533	-	-		+495
<b>Recurring Profit</b>	<b>4,566</b>	<b>3,886</b>	<b>6,434</b>	<b>6,570</b>	<b>9,858</b>	<b>9,074</b>	-	-		<b>+5,188</b>
Extraordinary Balance	(437)	214	43	72	124	(105)	-	-		(319)
Profit before Income Taxes	4,129	4,100	6,477	6,642	9,982	8,969	-	-		+4,869
Total Income Taxes	1,220	1,249	1,570	1,639	2,993	2,536	-	-		+1,287
NP Belonging to Non-Controlling SHs	36	99	117	16	4	5	-	-		(94)
<b>Profit Attributable to Owners of Parent</b>	<b>2,872</b>	<b>2,752</b>	<b>4,790</b>	<b>4,987</b>	<b>6,984</b>	<b>6,428</b>	-	-		<b>+3,676</b>
Sales YoY	+25.9%	+11.8%	+23.0%	+11.7%	+40.9%	+27.7%	-	-		-
Operating Profit YoY	+168.8%	+38.5%	+106.2%	+58.4%	+120.6%	+122.0%	-	-		-
Recurring Profit YoY	+197.8%	+38.5%	+122.5%	+63.8%	+115.9%	+133.5%	-	-		-
Profit Attributable to Owners of Parent YoY	(66.6%)	+29.3%	+144.9%	-	+143.2%	+133.6%	-	-		-
Gross Profit Margin	12.8%	11.6%	12.1%	12.4%	13.3%	13.5%	-	-		+1.9%
Ratio of Sales to SG&A Expenses	8.6%	8.3%	7.1%	8.1%	6.7%	7.8%	-	-		(0.5%)
Operating Profit Margin	4.2%	3.3%	4.9%	4.4%	6.6%	5.7%	-	-		+2.4%
Recurring Profit Margin	4.3%	3.3%	5.0%	4.6%	6.6%	6.1%	-	-		+2.8%
Profit Attributable to Owners of Parent Margin	2.7%	2.4%	3.7%	3.5%	4.7%	4.3%	-	-		+1.9%
Total Income Taxes / Profit before Income Taxes	29.5%	30.5%	24.2%	24.7%	30.0%	28.3%	-	-		(2.2%)

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	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Electronic Components	90,624	194,406	311,412	433,852	133,477	268,464	-	-	-	+74,058
Information Equipment	10,636	18,713	26,301	39,616	11,147	19,597	-	-	-	+884
Software	568	1,237	1,841	2,767	498	1,307	-	-	-	+70
Other	4,120	8,651	13,129	19,590	4,178	9,392	-	-	-	+741
<b>Sales</b>	<b>105,949</b>	<b>223,009</b>	<b>352,684</b>	<b>495,827</b>	<b>149,302</b>	<b>298,760</b>	-	-	-	<b>+75,751</b>
Electronic Components	3,699	7,123	13,002	18,107	9,018	16,617	-	-	-	+9,494
Information Equipment	568	910	1,216	2,085	564	965	-	-	-	+55
Software	(67)	(109)	(109)	(26)	(33)	95	-	-	-	+204
Other	217	320	473	626	249	658	-	-	-	+338
<b>Segment Profit</b>	<b>4,418</b>	<b>8,245</b>	<b>14,581</b>	<b>20,792</b>	<b>9,798</b>	<b>18,335</b>	-	-	-	<b>+10,090</b>
Elimination	33	55	76	122	21	25	-	-	-	(30)
<b>Operating Profit</b>	<b>4,452</b>	<b>8,300</b>	<b>14,658</b>	<b>20,915</b>	<b>9,820</b>	<b>18,361</b>	-	-	-	<b>+10,061</b>
Electronic Components	4.1%	3.7%	4.2%	4.2%	6.8%	6.2%	-	-	-	+2.5%
Information Equipment	5.3%	4.9%	4.6%	5.3%	5.1%	4.9%	-	-	-	+0.1%
Software	(11.8%)	(8.8%)	(5.9%)	(0.9%)	(6.6%)	7.3%	-	-	-	+16.1%
Other	5.3%	3.7%	3.6%	3.2%	6.0%	7.0%	-	-	-	+3.3%
<b>Segment Profit Margin</b>	<b>4.2%</b>	<b>3.7%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>6.6%</b>	<b>6.1%</b>	-	-	-	<b>+2.4%</b>
Elimination	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	(0.0%)
<b>Operating Profit Margin</b>	<b>4.2%</b>	<b>3.7%</b>	<b>4.2%</b>	<b>4.2%</b>	<b>6.6%</b>	<b>6.1%</b>	-	-	-	<b>+2.4%</b>

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	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Electronic Components	90,624	103,782	117,006	122,440	133,477	134,987	-	-	-	+31,205
Information Equipment	10,636	8,077	7,588	13,315	11,147	8,450	-	-	-	+373
Software	568	669	604	926	498	809	-	-	-	+140
Other	4,120	4,531	4,478	6,461	4,178	5,214	-	-	-	+683
<b>Sales</b>	<b>105,949</b>	<b>117,059</b>	<b>129,675</b>	<b>143,143</b>	<b>149,302</b>	<b>149,458</b>	-	-	-	<b>+32,399</b>
Electronic Components	3,699	3,424	5,879	5,105	9,018	7,599	-	-	-	+4,175
Information Equipment	568	342	306	869	564	401	-	-	-	+59
Software	(67)	(42)	0	83	(33)	128	-	-	-	+170
Other	217	103	153	153	249	409	-	-	-	+306
<b>Segment Profit</b>	<b>4,418</b>	<b>3,827</b>	<b>6,336</b>	<b>6,211</b>	<b>9,798</b>	<b>8,537</b>	-	-	-	<b>+4,710</b>
Elimination	33	22	21	46	21	4	-	-	-	(18)
<b>Operating Profit</b>	<b>4,452</b>	<b>3,848</b>	<b>6,358</b>	<b>6,257</b>	<b>9,820</b>	<b>8,541</b>	-	-	-	<b>+4,693</b>
Electronic Components	4.1%	3.3%	5.0%	4.2%	6.8%	5.6%	-	-	-	+2.3%
Information Equipment	5.3%	4.2%	4.0%	6.5%	5.1%	4.7%	-	-	-	+0.5%
Software	(11.8%)	(6.3%)	0.0%	9.0%	(6.6%)	15.8%	-	-	-	+22.1%
Other	5.3%	2.3%	3.4%	2.4%	6.0%	7.8%	-	-	-	+5.6%
<b>Segment Profit Margin</b>	<b>4.2%</b>	<b>3.3%</b>	<b>4.9%</b>	<b>4.3%</b>	<b>6.6%</b>	<b>5.7%</b>	-	-	-	<b>+2.4%</b>
Elimination	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	(0.0%)
<b>Operating Profit Margin</b>	<b>4.2%</b>	<b>3.3%</b>	<b>4.9%</b>	<b>4.4%</b>	<b>6.6%</b>	<b>5.7%</b>	-	-	-	<b>+2.4%</b>

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		
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Operating Cash Flow	-	(2,013)	-	(1,554)	-	10,650	-	-	-	+12,663
Investing Cash Flow	-	(3,699)	-	(6,772)	-	(3,492)	-	-	-	+207
<b>Operating CF and Investing CF</b>	<b>-</b>	<b>(5,712)</b>	<b>-</b>	<b>(8,326)</b>	<b>-</b>	<b>7,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+12,870</b>
Financing Cash Flow	-	529	-	1,155	-	(3,187)	-	-	-	(3,716)

Source: Company Data, WRJ Calculation



## Balance Sheet (Quarterly)

Balance Sheet	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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Cash & Deposit	40,239	40,191	40,914	41,051	42,317	48,484	-	-		+8,293
Accounts Receivables	92,012	96,651	108,531	120,947	125,693	124,539	-	-		+27,888
Inventory	49,985	51,168	61,395	62,606	71,037	71,285	-	-		+20,117
Other	9,598	8,235	12,735	9,380	9,680	7,457	-	-		(778)
<b>Current Assets</b>	<b>191,834</b>	<b>196,245</b>	<b>223,575</b>	<b>233,984</b>	<b>248,727</b>	<b>251,765</b>	-	-		<b>+55,520</b>
Tangible Assets	18,229	17,927	18,199	19,393	20,148	20,532	-	-		+2,605
Intangible Assets	3,053	3,048	2,949	3,163	3,075	2,930	-	-		(118)
Investments & Other Assets	15,701	16,239	16,477	15,598	14,804	15,694	-	-		(545)
<b>Fixed Assets</b>	<b>36,984</b>	<b>37,215</b>	<b>37,626</b>	<b>38,155</b>	<b>38,028</b>	<b>39,158</b>	-	-		<b>+1,943</b>
<b>Total Assets</b>	<b>228,819</b>	<b>233,461</b>	<b>261,202</b>	<b>272,139</b>	<b>286,756</b>	<b>290,923</b>	-	-		<b>+57,462</b>
Accounts Payables	70,874	70,486	83,311	86,493	90,487	84,968	-	-		+14,482
Short Term Debt	12,760	17,001	25,143	23,858	27,885	25,313	-	-		+8,312
Other	14,705	16,153	17,628	22,567	19,311	21,900	-	-		+5,747
<b>Current Liabilities</b>	<b>98,339</b>	<b>103,640</b>	<b>126,082</b>	<b>132,918</b>	<b>137,683</b>	<b>132,181</b>	-	-		<b>+28,541</b>
Corporate Bond	-	-	-	-	10,000	10,000	-	-		+10,000
Long Term Debt	25,158	25,150	25,143	25,136	15,130	15,121	-	-		(10,029)
Other	8,240	8,052	8,258	8,285	8,824	8,692	-	-		+640
<b>Fixed Liabilities</b>	<b>33,398</b>	<b>33,202</b>	<b>33,401</b>	<b>33,421</b>	<b>33,954</b>	<b>33,813</b>	-	-		<b>+611</b>
<b>Total Liabilities</b>	<b>131,738</b>	<b>136,843</b>	<b>159,483</b>	<b>166,339</b>	<b>171,637</b>	<b>165,995</b>	-	-		<b>+29,152</b>
<b>Shareholders' Equity</b>	<b>90,551</b>	<b>89,629</b>	<b>93,249</b>	<b>98,732</b>	<b>103,738</b>	<b>110,254</b>	-	-		<b>+20,625</b>
Other	6,530	6,989	8,470	7,068	11,381	14,674	-	-		+7,685
<b>Net Assets</b>	<b>97,081</b>	<b>96,618</b>	<b>101,719</b>	<b>105,800</b>	<b>115,119</b>	<b>124,928</b>	-	-		<b>+28,310</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>228,819</b>	<b>233,461</b>	<b>261,202</b>	<b>272,139</b>	<b>286,756</b>	<b>290,923</b>	-	-		<b>+57,462</b>
Equity Capital	92,942	92,379	97,323	105,680	115,008	124,808	-	-		+32,429
Interest Bearing Debt	37,918	42,151	50,286	48,994	53,015	50,434	-	-		+8,283
Net Debt	(2,321)	1,960	9,372	7,943	10,698	1,950	-	-		(10)
Equity Ratio	40.6%	39.6%	37.3%	38.8%	40.1%	42.9%	-	-		-
Net Debt Equity Ratio	(2.5%)	2.1%	9.6%	7.5%	9.3%	1.6%	-	-		-
ROE (12 months)	6.3%	6.9%	9.7%	15.7%	18.8%	21.4%	-	-		-
ROA (12 months)	6.4%	6.9%	7.8%	8.4%	10.4%	12.2%	-	-		-
Days for Inventory Turnover	49	45	49	46	50	50	-	-		-
Quick Ratio	134%	132%	119%	122%	122%	131%	-	-		-
Current Ratio	195%	189%	177%	176%	181%	190%	-	-		-

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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