

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)
FY03/2025		547,779	23,601	22,593	17,083	325.08	110.00	3,162.68
FY03/2026		658,941	27,824	29,930	31,099	627.71	140.00	3,850.35
FY03/2027CoE		760,000	32,000	32,000	29,000	608.35	160.00	-
FY03/2026	YoY	20.3%	17.9%	32.5%	82.0%	-	-	-
FY03/2027CoE	YoY	15.3%	15.0%	6.9%	(6.7%)	-	-	-
Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2026		138,086	6,484	6,242	4,614	-	-	-
Q2 FY03/2026		150,872	6,564	7,200	10,419	-	-	-
Q3 FY03/2026		156,516	6,400	7,323	9,275	-	-	-
Q4 FY03/2026		213,466	8,374	9,164	6,790	-	-	-
Q1 FY03/2027		170,450	8,460	8,864	6,874	-	-	-
Q1 FY03/2027	YoY	23.4%	30.5%	42.0%	49.0%	-	-	-

Source: Company data; calculations by WRJ

1.0 NEWS RELEASE (25 September 2026)

Upward Revision and Synergies

On 25 September 2026, KAGA ELECTRONICS, a leading independent electronics trading company, announced an upward revision to its Company forecast for FY03/2027 as well as an increase in its planned annual dividend from ¥140 per share to ¥160 per share. The revision reflects progress in the review of the earnings outlook and accounting treatment associated with the acquisition of Shinko Shoji, which became a subsidiary on 10 August 2026, enabling the Company to reasonably estimate the impact on its earnings and the amount of gain on negative goodwill. To the previous Company forecast, which the Company revised upward on 13 August 2026, the outlook for Shinko Shoji from Q2 onward (July–March) has been added, comprising sales of ¥100,000m, operating profit of ¥2,000m, recurring profit of ¥2,000m and profit attributable to owners of parent of ¥1,000m. In addition, a gain on negative goodwill of ¥6,000m associated with the acquisition has newly been factored in as extraordinary income. As for synergies arising from making Shinko Shoji a subsidiary, the Company expects to significantly strengthen its design and development capabilities at the most upstream stage of its value chain. It has also set out a policy of further enhancing the added value of Shinko Shoji's assembly business (EMS business), including in the industrial equipment field.

IR Representatives: IRs & PRs Department: General Manager, Ichiro Shirai /

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2.0 Company Profile

Everything We Do Is for Our Customers.

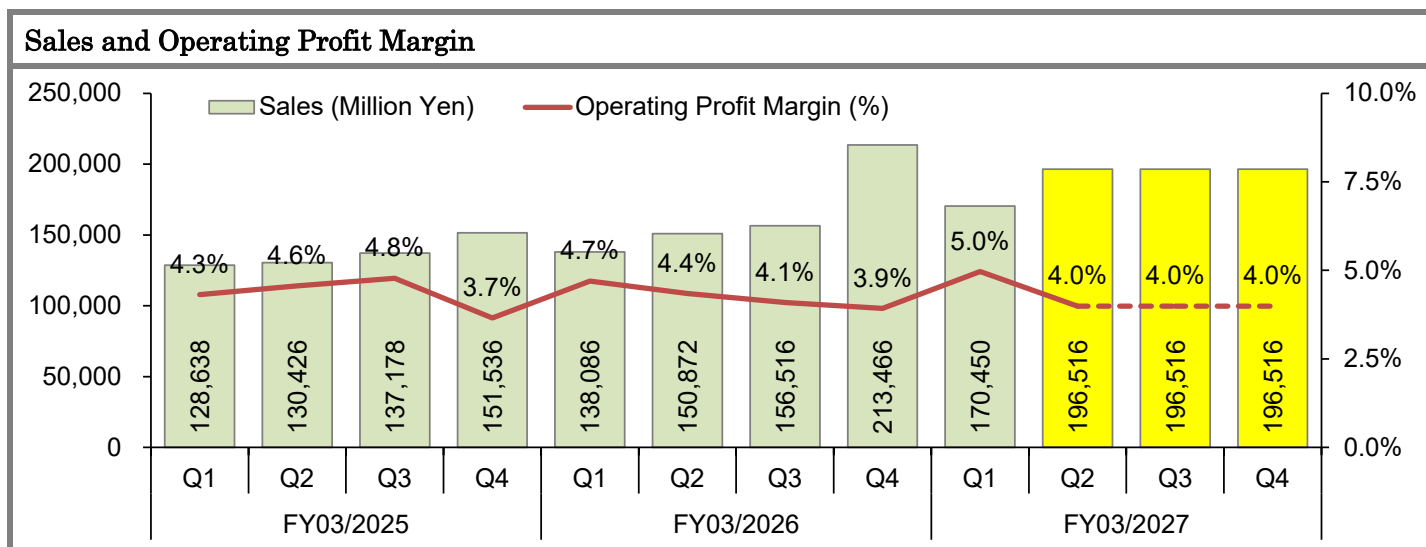
Company Name	KAGA ELECTRONICS CO.,LTD. Company Website Investor Relations Share price (Japanese) 
Established	12 September 1968
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 8154) 1 September 1997: Tokyo Stock Exchange 1st section 23 December 1986: Tokyo Stock Exchange 2nd section
Capital	¥12,133m (as of the end of June 2026)
No. of Shares	52,486,836 shares, including 4,827,888 treasury shares (June 2026)
Main Features	● Operates electronic components sales and an EMS business as a leading independent electronics trading company ● Positions M&A at the core of its growth strategy ● Promotes business expansion in high value-added fields such as semiconductors, automotive, FA and industrial equipment applications
Segments	I . Electronic Components (sales of electronic components and EMS business) II . Information Equipment (sales of PCs, PC peripherals, home appliances, lighting fixtures, etc.) III. Software (production of CG video and software) IV. Other (sales of amusement equipment / repair, support, etc. for electronic equipment)
Representatives	Representative Director, Chairman and Executive Officer: Isao Tsukamoto Representative Director, President and Executive Officer: Ryoichi Kado
Major Shareholders	The Master Trust Bank of Japan, T. 11.77%, OKOZE Co. 7.72%, Employees' Shareholding Association 6.52%, Custody Bank of Japan, T. 6.19% (as of the end of March 2026, excluding treasury shares)
Head Office	Chiyoda-ku, Tokyo, JAPAN
No. of Personnel	Consolidated: 9,374, Parent: 583 (as of the end of March 2026)

Source: Company data

3.0 Recent Trading and Prospects

Company Forecast for FY03/2027

Under the Company forecast for FY03/2027 (disclosed on 25 September 2026), sales are expected to be ¥760,000m (up 15.3% YoY), operating profit ¥32,000m (up 15.0%), recurring profit ¥32,000m (up 6.9%) and profit attributable to owners of parent ¥29,000m (down 6.7%). Operating profit margin is forecast at 4.2% (down 0.0% point). Compared with the previous Company forecast (disclosed on 13 August 2026), the upward revisions amount to ¥100,000m (15.2%) for sales, ¥2,000m (6.7%) for operating profit, ¥2,000m (6.7%) for recurring profit and ¥7,000m (31.8%) for profit attributable to owners of parent.



Source: Company data; calculations by WRJ (FY03/2027 Q2-Q4: allocated from full-year forecast less Q1 actuals)

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Shinko Shoji, which has newly become a subsidiary, is an electronics trading company engaged in the sale of electronic components such as integrated circuits and semiconductor devices, assembly products and electronic equipment. The Company positions the acquisition of Shinko Shoji as part of its M&A initiatives aimed at achieving the performance targets under its Medium-Term Management Plan 2027 (FY03/2026-FY03/2028) and realizing its sales target of ¥1 trillion for FY03/2029. Expected synergies from making Shinko Shoji a subsidiary include significantly strengthening the Company's design and development capabilities at the most upstream stage of its value chain through the sharing of Shinko Shoji's LSI Design Center and engineering resources of more than 300 personnel. The Company has also set out a policy of further enhancing the added value of Shinko Shoji's assembly business (EMS business), including in the industrial equipment field, by sharing the Company's EMS production infrastructure with Shinko Shoji.

Meanwhile, the planned annual dividend for FY03/2027 has also been revised upward. Compared with the previous Company forecast (disclosed on 13 August 2026), the planned dividend has been increased from ¥140 per share (¥70 as of the end of Q2 and ¥70 at yearend) to ¥160 per share (¥80 as of the end of Q2 and ¥80 at yearend), representing an increase of ¥10 per share for each half and ¥20 per share for the full year. Compared with the actual annual dividend of ¥140 per share for FY03/2026, this represents an increase of ¥20 per share. Under its shareholder return policy in the Medium-Term Management Plan 2027 (FY03/2026-FY03/2028), the Company intends to actively allocate cash generated during the plan period to both growth investment and shareholder returns while maintaining financial discipline. With regard to dividends, the Company plans to provide proactive and stable dividends, with a payout ratio of 30%-40% and DOE of 4.0% as guidelines, while also flexibly implementing share buybacks in consideration of factors such as its share price level and financial position.

For the dividend increase for FY03/2027, the Company has reflected the revision to underlying profit excluding the ¥6,000m gain on negative goodwill to be recorded in connection with making Shinko Shoji a subsidiary, as this represents a one-off gain that does not involve cash generation. As a result, the payout ratio based on the planned annual dividend of ¥160 per share for FY03/2027 is 26.3%, while on an underlying basis excluding the gain on negative goodwill, it is 33.2%, falling within the 30%-40% guideline set out in the Medium-Term Management Plan 2027 (FY03/2026-FY03/2028). The annual dividend of ¥160 per share comprises an ordinary dividend of ¥140 and a special dividend of ¥20, with both the Q2-end and yearend dividends consisting of an ordinary dividend of ¥70 plus a special dividend of ¥10, for a total of ¥80 per share. The dividend increase does not reflect the gain on negative goodwill itself as a source of dividend payments, but rather has been implemented in light of the increase in the Company's underlying level of profit resulting from making Shinko Shoji a subsidiary.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	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.
	03/2026	03/2026	03/2026	03/2026	03/2027	03/2027	03/2027	03/2027	
Sales	138,086	288,959	445,475	658,941	170,450	-	-	-	+32,364
Cost of Sales	119,645	249,414	385,513	573,591	147,642	-	-	-	+27,997
Gross Profit	18,440	39,544	59,961	85,350	22,807	-	-	-	+4,367
SG&A Expenses	11,956	26,495	40,511	57,525	14,347	-	-	-	+2,391
Operating Profit	6,484	13,049	19,449	27,824	8,460	-	-	-	+1,976
Non Operating Balance	(242)	394	1,317	2,106	404	-	-	-	+646
Recurring Profit	6,242	13,443	20,766	29,930	8,864	-	-	-	+2,622
Extraordinary Balance	170	6,276	10,551	10,446	720	-	-	-	+550
Profit before Income Taxes	6,412	19,719	31,317	40,376	9,584	-	-	-	+3,171
Total Income Taxes	1,835	4,487	6,875	9,212	2,754	-	-	-	+919
NP Belonging to Non-Controlling SHs	(38)	197	133	64	(44)	-	-	-	(6)
Profit Attributable to Owners of Parent	4,614	15,033	24,308	31,099	6,874	-	-	-	+2,259
Sales YoY	+7.3%	+11.5%	+12.4%	+20.3%	+23.4%	-	-	-	-
Operating Profit YoY	+16.8%	+13.5%	+7.7%	+17.9%	+30.5%	-	-	-	-
Recurring Profit YoY	+3.3%	+19.2%	+13.0%	+32.5%	+42.0%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+11.8%	+89.3%	+91.2%	+82.0%	+49.0%	-	-	-	-
Gross Profit Margin	13.4%	13.7%	13.5%	13.0%	13.4%	-	-	-	+0.0%
SG&A Ratio	8.7%	9.2%	9.1%	8.7%	8.4%	-	-	-	(0.2%)
Operating Profit Margin	4.7%	4.5%	4.4%	4.2%	5.0%	-	-	-	+0.3%
Recurring Profit Margin	4.5%	4.7%	4.7%	4.5%	5.2%	-	-	-	+0.7%
Profit Attributable to Owners of Parent Margin	3.3%	5.2%	5.5%	4.7%	4.0%	-	-	-	+0.7%
Corporate Tax Rate	28.6%	22.8%	22.0%	22.8%	28.7%	-	-	-	+0.1%

Income Statement	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.
	03/2027	03/2027	03/2027	03/2027	03/2027	03/2027	03/2027	03/2027	
Sales	138,086	150,872	156,516	213,466	170,450	-	-	-	+32,364
Cost of Sales	119,645	129,769	136,099	188,078	147,642	-	-	-	+27,997
Gross Profit	18,440	21,104	20,416	25,388	22,807	-	-	-	+4,367
SG&A Expenses	11,956	14,539	14,016	17,013	14,347	-	-	-	+2,391
Operating Profit	6,484	6,564	6,400	8,374	8,460	-	-	-	+1,976
Non Operating Balance	(242)	636	923	789	404	-	-	-	+646
Recurring Profit	6,242	7,200	7,323	9,164	8,864	-	-	-	+2,622
Extraordinary Balance	170	6,106	4,275	(105)	720	-	-	-	+550
Profit before Income Taxes	6,412	13,307	11,598	9,059	9,584	-	-	-	+3,171
Total Income Taxes	1,835	2,652	2,388	2,337	2,754	-	-	-	+919
NP Belonging to Non-Controlling SHs	(38)	235	(64)	(69)	(44)	-	-	-	(6)
Profit Attributable to Owners of Parent	4,614	10,419	9,275	6,790	6,874	-	-	-	+2,259
Sales YoY	+7.3%	+15.7%	+14.1%	+40.9%	+23.4%	-	-	-	-
Operating Profit YoY	+16.8%	+10.3%	(2.4%)	+51.0%	+30.5%	-	-	-	-
Recurring Profit YoY	+3.3%	+37.6%	+3.1%	+117.5%	+42.0%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+11.8%	+173.1%	+94.3%	+55.5%	+49.0%	-	-	-	-
Gross Profit Margin	13.4%	14.0%	13.0%	11.9%	13.4%	-	-	-	+0.0%
SG&A Ratio	8.7%	9.6%	9.0%	8.0%	8.4%	-	-	-	(0.2%)
Operating Profit Margin	4.7%	4.4%	4.1%	3.9%	5.0%	-	-	-	+0.3%
Recurring Profit Margin	4.5%	4.8%	4.7%	4.3%	5.2%	-	-	-	+0.7%
Profit Attributable to Owners of Parent Margin	3.3%	6.9%	5.9%	3.2%	4.0%	-	-	-	+0.7%
Corporate Tax Rate	28.6%	19.9%	20.6%	25.8%	28.7%	-	-	-	+0.1%

Source: Company data; calculations by WRJ

Segment Information (Cumulative / Quarterly)

Segment Information	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY Net Chg.
(Million Yen)	03/2026	03/2026	03/2026	03/2026	03/2027	03/2027	03/2027	03/2027	
Electronic Components	116,456	247,788	383,892	568,834	150,975	-	-	-	+34,519
Information Equipment	12,116	21,571	33,652	54,182	13,406	-	-	-	+1,289
Software	591	1,679	2,525	3,307	656	-	-	-	+65
Other	8,921	17,919	25,404	32,617	5,411	-	-	-	(3,510)
Sales	138,086	288,959	445,475	658,941	170,450	-	-	-	+32,364
Electronic Components	4,227	8,967	13,768	19,304	7,254	-	-	-	+3,026
Information Equipment	821	1,616	2,499	4,444	766	-	-	-	(54)
Software	(42)	165	233	365	62	-	-	-	+104
Other	1,362	2,122	2,747	3,487	338	-	-	-	(1,023)
Segment Profit	6,368	12,873	19,249	27,603	8,422	-	-	-	+2,054
Adjustments	115	176	200	221	38	-	-	-	(77)
Operating Profit	6,484	13,049	19,449	27,824	8,460	-	-	-	+1,976
Electronic Components	3.6%	3.6%	3.6%	3.4%	4.8%	-	-	-	+1.2%
Information Equipment	6.8%	7.5%	7.4%	8.2%	5.7%	-	-	-	(1.1%)
Software	(7.2%)	9.8%	9.2%	11.1%	9.5%	-	-	-	+16.7%
Other	15.3%	11.8%	10.8%	10.7%	6.3%	-	-	-	(9.0%)
Segment Profit Margin	4.6%	4.5%	4.3%	4.2%	4.9%	-	-	-	+0.3%
Adjustments	0.1%	0.1%	0.0%	0.0%	0.0%	-	-	-	(0.1%)
Operating Profit Margin	4.7%	4.5%	4.4%	4.2%	5.0%	-	-	-	+0.3%

Segment Information	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY Net Chg.
(Million Yen)	03/2026	03/2026	03/2026	03/2026	03/2027	03/2027	03/2027	03/2027	
Electronic Components	116,456	131,332	136,103	184,942	150,975	-	-	-	+34,519
Information Equipment	12,116	9,454	12,080	20,530	13,406	-	-	-	+1,289
Software	591	1,087	846	781	656	-	-	-	+65
Other	8,921	8,997	7,485	7,212	5,411	-	-	-	(3,510)
Sales	138,086	150,872	156,516	213,466	170,450	-	-	-	+32,364
Electronic Components	4,227	4,740	4,800	5,536	7,254	-	-	-	+3,026
Information Equipment	821	795	883	1,944	766	-	-	-	(54)
Software	(42)	207	68	131	62	-	-	-	+104
Other	1,362	760	625	740	338	-	-	-	(1,023)
Segment Profit	6,368	6,505	6,376	8,354	8,422	-	-	-	+2,054
Adjustments	115	61	24	21	38	-	-	-	(77)
Operating Profit	6,484	6,564	6,400	8,374	8,460	-	-	-	+1,976
Electronic Components	3.6%	3.6%	3.5%	3.0%	4.8%	-	-	-	+1.2%
Information Equipment	6.8%	8.4%	7.3%	9.5%	5.7%	-	-	-	(1.1%)
Software	(7.2%)	19.1%	8.0%	16.9%	9.5%	-	-	-	+16.7%
Other	15.3%	8.5%	8.4%	10.3%	6.3%	-	-	-	(9.0%)
Segment Profit Margin	4.6%	4.3%	4.1%	3.9%	4.9%	-	-	-	+0.3%
Adjustments	0.1%	0.0%	0.0%	0.0%	0.0%	-	-	-	(0.1%)
Operating Profit Margin	4.7%	4.4%	4.1%	3.9%	5.0%	-	-	-	+0.3%

Source: Company data; calculations by WRJ

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY Net Chg.
(Million Yen)	03/2026	03/2026	03/2026	03/2026	03/2027	03/2027	03/2027	03/2027	
Operating Cash Flow	-	9,676	-	(2,471)	-	-	-	-	-
Investing Cash Flow	-	3,979	-	(3,466)	-	-	-	-	-
Operating CF + Investing CF	-	13,655	-	(5,937)	-	-	-	-	-
Financing Cash Flow	-	(13,838)	-	20,329	-	-	-	-	-

Source: Company data; calculations by WRJ

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY Net Chg.
(Million Yen)	03/2026	03/2026	03/2026	03/2026	03/2027	03/2027	03/2027	03/2027	
Cash & Deposit	75,312	73,217	82,068	89,706	83,597	-	-	-	+8,285
Notes and Accounts Receivable	101,747	119,421	118,416	173,355	128,440	-	-	-	+26,693
Inventory	62,183	66,466	74,851	68,003	83,117	-	-	-	+20,934
Other	9,994	10,835	11,628	11,304	14,903	-	-	-	+4,909
Current Assets	249,236	269,939	286,963	342,368	310,058	-	-	-	+60,822
Tangible Assets	28,552	30,087	31,082	31,624	31,685	-	-	-	+3,133
Intangible Assets	1,636	1,879	1,956	1,911	1,831	-	-	-	+195
Investments & Other Assets	19,831	25,130	23,169	27,789	30,358	-	-	-	+10,527
Fixed Assets	50,019	57,097	56,208	61,325	63,875	-	-	-	+13,856
Total Assets	299,255	327,037	343,171	403,694	373,934	-	-	-	+74,679
Notes and Accounts Payable	74,412	74,584	84,313	94,373	87,793	-	-	-	+13,381
Short-Term Borrowings	14,356	27,235	29,583	68,398	44,482	-	-	-	+30,126
Current Portion of Corporate Bond	-	200	200	200	5,200	-	-	-	+5,200
Other	20,872	25,438	28,332	32,473	23,580	-	-	-	+2,708
Current Liabilities	109,640	127,457	142,428	195,444	161,055	-	-	-	+51,415
Bonds	5,000	5,300	5,300	5,200	200	-	-	-	(4,800)
Long-Term Borrowings	5,500	8,508	6,887	6,571	6,263	-	-	-	+763
Other	12,653	12,921	13,856	12,962	15,371	-	-	-	+2,718
Fixed Liabilities	23,153	26,729	26,043	24,733	21,835	-	-	-	(1,318)
Total Liabilities	132,794	154,186	168,472	220,177	182,891	-	-	-	+50,097
Shareholders' Equity	144,717	140,743	147,158	153,948	157,009	-	-	-	+12,292
Other	21,744	32,108	27,541	29,568	34,034	-	-	-	+12,290
Net Assets	166,461	172,851	174,699	183,516	191,043	-	-	-	+24,582
Total Liabilities & Net Assets	299,255	327,037	343,171	403,694	373,934	-	-	-	+74,679
Equity Capital	166,348	163,843	174,703	183,503	191,076	-	-	-	+24,728
Interest Bearing Debt	24,856	41,243	41,970	80,369	56,145	-	-	-	+31,289
Net Debt	(50,456)	(31,974)	(40,098)	(9,337)	(27,452)	-	-	-	+23,004
Equity Ratio	55.6%	50.1%	50.9%	45.5%	51.1%	-	-	-	-
Net Debt-to-Equity Ratio	(30.3%)	(19.5%)	(23.0%)	(5.1%)	(14.4%)	-	-	-	-
ROE (12 months)	10.8%	15.0%	17.0%	17.8%	18.7%	-	-	-	-
ROA (12 months)	7.6%	8.0%	7.7%	8.4%	9.7%	-	-	-	-
Inventory Turnover Days	47	47	50	33	51	-	-	-	-
Quick Ratio	161%	151%	141%	135%	132%	-	-	-	-
Current Ratio	227%	212%	201%	175%	193%	-	-	-	-

Source: Company data; calculations by WRJ

Disclaimer

The information presented herein has been compiled in report format by Walden Research Japan, which has summarized the “IR information” disclosed by the subject company from a neutral and professional standpoint. “IR information” refers specifically to: (1) the content of one-on-one interviews conducted with the Company by us, (2) briefings for institutional investors, (3) timely disclosure materials and (4) information published on the Company’s website.

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