



August 8, 2025

Holding of financial results briefing: None

(Percentages indicate year-on-year changes.)

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	60.00	-	60.00	120.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		60.00	-	65.00	125.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	600,000	7.0	16,000	12.9	12,500	30.8	7,500	0.4	266.73

(Note) Revision to the financial results forecast announced most recently: None

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name: )  
Excluded: - (Company name: )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025: 30,072,643 shares

March 31, 2025: 30,072,643 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 1,954,690 shares

March 31, 2025: 1,954,690 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 28,117,953 shares

Three months ended June 30, 2024: 30,067,963 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

\* Proper use of earnings forecasts, and other special matters

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

Forward-looking statements in the text are based on judgments made as of the end of the first quarter of the current consolidated fiscal year.

During the first three months of the fiscal year under review, the Japanese economy experienced a moderate recovery with signs of a pickup in capital investment as the employment and income environment improved and inbound demand expanded. Meanwhile, there are growing downside risks to capital investment and personal consumption due to the ongoing price hikes, as well as to the economy due to trade policy developments in the United States. The outlook remained uncertain due to geopolitical risks and exchange rate fluctuations caused by interest rate trends in Japan and overseas.

In the semiconductor market, demand for products showed mixed trends. The AI-related business performed well, but demand for electric vehicles (EVs) and industrial equipment applications remained sluggish and did not lead to a recovery in overall market demand.

Under these circumstances, the Company has established a management structure in which Kunihiro Konno, who served as Representative Director Chairman and President, has assumed responsibility as Representative Director Chairman, CEO since June 2025, and leads the entire Group, while Shinichi Hayashi, who serves as Representative Director President, COO, promotes the further growth and deepening of existing businesses. Under this new management structure, we will establish a structure with four business units (BU) based on the Medium-Term Management Plan revised in May 2025 and work to further expand our business and improve profitability by promoting various measures.

The Company will continue to pursue M&A and capital alliances in Japan and overseas in addition to Group synergies aiming to be “The Electronics Value Platformer” that accommodates all manner of stakeholder needs in order to realize the sustainable development of the world and society leveraging information and technology and to enhance its corporate value.

#### (Overview of Consolidated Operating Results)

(Million yen)	Three months ended June 30, 2024	Three months ended June 30, 2025	Change (%)
Net sales	135,425	133,529	(1.4%)
Operating profit	4,624	1,641	(64.5%)
Ordinary profit	3,530	490	(86.1%)
Profit attributable to owners of parent	3,013	348	(88.4%)

#### - Performance Highlights

During the first quarter of the fiscal year under review, net sales fell due to sluggish demand for automotive and industrial equipment, despite strong sales for consumer products, mainly of high-performance cameras and mobile devices in the devices business, as well as consolidation through M&As and the establishment of joint ventures. There was an increase in profit due to stronger sales associated with the consolidation of subsidiaries. However, operating profit dropped due to the deterioration in gross profit caused by changes in the sales mix and a deterioration in gross profit due to impact of exchange rate fluctuations in the devices business, as well as intensifying competition in the new power supply demand adjustment market in the eco-solution business. Ordinary profit and profit attributable to owners of parent also decreased due to the decrease in operating profit.

As a result, net sales for the first quarter of the fiscal year under review were ¥133,529 million, down 1.4% year on year, operating profit was ¥1,641 million, down 64.5% year on year, ordinary profit was ¥490 million, down 86.1% year on year, and profit attributable to owners of parent was ¥348 million, down 88.4% year on year.

(Operating Results by Reportable Segment)

The Group has three reportable segments: the Devices Business Unit and the System Business Unit, as well as the IT&Sler Business Unit, which was added when PCI Holdings, INC. (hereinafter referred to as “PCI Group”) became a consolidated subsidiary of the Company in September 2024.

Effective from the second quarter of the previous fiscal year, the IT&Sler Business Unit has been added as a reportable segment, and comparisons and analysis for the first quarter of the fiscal year under review are based on the segments after the change.

(1) Devices Business Unit

Reportable Segment	Business	Business Description
Devices Business Unit	Devices	<ul style="list-style-type: none"><li>• Sales of semiconductors, electronic components, and related products in Japan and overseas; system proposals with a variety of line card combinations; provision of high-value-added solutions and technical support specializing in liquid crystal systems and overseas suppliers; design and manufacturing; LSI design development and support; and reliability test service</li><li>• Operation and proposal of optimal supply chain management through global procurement/trading for electronics and entrustment service for related operations</li></ul>
	EMS	Electronics manufacturing service for electronic components, modules, etc., with cutting-edge technology, procurement, production management and quality assurance at our factories

(Million yen)	Three months ended June 30, 2024	Three months ended June 30, 2025	Change (%)
Net sales	126,645	119,303	(5.8%)
Devices	119,668	114,175	(4.6%)
EMS	6,976	5,128	(26.5%)
Segment profit	3,540	1,309	(63.0%)

- Performance Overview

In the devices business, Contributions to sales from the consolidation of subsidiaries (Restar Dexerials Hong Kong Limited in July 2024, Restar Dexerials Korea Corporation in January 2025, and Restar Dexerials Taiwan Corporation in February 2025) and consumer sales centered on high-performance cameras and mobile devices grew. However, revenue decreased due to the impact of discontinuing production of certain models in the automotive sector and weak actual demand in the industrial equipment sector. In the EMS business, sales fell due to the loss of the effects of our products being installed in new smartphone models in the same period of the previous year. Segment profit decreased due to the deterioration in gross profit caused by the impact of exchange rate fluctuations and the decline in gross profit margin caused by the change in the sales mix in the devices business.

As a result, the devices business recorded net sales of ¥119,303 million, down 5.8% year on year, and segment profit of ¥1,309 million, down 63.0% year on year.

## (2) System Business Unit

Reportable Segment	Business	Business Description
System Business Unit	System Solution	<ul style="list-style-type: none"> <li>• Proposal, design, construction, and maintenance of solutions for video, audio, and communications in various fields such as broadcasting, business, education, medical care/life sciences, and public facilities</li> <li>• Development and manufacture of cashless payment terminals that combine its basic digital and communications technologies with near-field communication (NFC) technologies and sales of overseas-made payment terminals; application development; development, manufacture, and sales of Individual Number authentication-related devices</li> </ul>
	Eco-solution	<ul style="list-style-type: none"> <li>• Community coexistence-based operation and management services for the introduction and popularization of renewable energy from our own solar power stations (in Japan and overseas) and wind power stations, etc.</li> <li>• Electric power supply to public facilities and private-sector companies primarily using renewable energy, and electric power consulting including local production and consumption of the power for community revitalization</li> <li>• Production and sales, as well as system consulting, of vegetables made in completely closed vegetable factories to commercial and retail markets including convenience stores, supermarkets, and food service chains</li> </ul>

(Million yen)	Three months ended June 30, 2024	Three months ended June 30, 2025	Change (%)
Net sales	8,780	7,743	(11.8%)
System Solution	3,402	3,203	(5.8%)
Eco-solution	5,378	4,539	(15.6%)
Segment profit	1,404	499	(64.5%)

### - Performance Overview

In the system solution business, although the defense-related field remained strong due to the acquisition of new bids, sales of system equipment such as overseas-made payment terminals remained sluggish, resulting in a slight decrease in revenue. In the eco-solution business, although there was an increase in revenue due to the start of operations at new solar power plants and enhanced maintenance such as repowering, revenue decreased due to intensifying competition in the supply and demand adjustment market in the new power sector. Segment profit declined mainly due to intensified competition in the market for electricity supply and demand adjustment in the eco-solution business.

As a result, the eco-solution business recorded net sales of ¥7,743 million, down 11.8% year on year, and segment profit of ¥499 million, down 64.5% year on year.

## (3) IT&SIer Business Unit

Reportable Segment	Business Description
IT&SIer BU	<ul style="list-style-type: none"> <li>• Software development, industrial PC design and manufacturing, inhouse solution development and maintenance</li> <li>• Semiconductor design/testing, and other information service businesses</li> </ul>

(Million yen)	Three months ended June 30, 2024	Three months ended June 30, 2025	Change (%)
Net sales	-	6,481	-%
Segment profit	-	209	-%

- Performance Overview

The PCI Group became a consolidated subsidiary of the Company on September 27, 2024, recording net sales of ¥6,481 million and segment profit of ¥209 million for the first quarter of the fiscal year under review.

By leveraging the technological capabilities of the PCI Group and utilizing the Group's customer base, while promoting proposal activities aimed at winning business opportunities, we are also winning new business opportunities for manufacturers such as precision equipment manufacturers and industrial equipment manufacturers. The Company will continue its efforts to generate synergies with the Devices Business Unit and the System Business Unit.

(2) Explanation of Financial Position

(Assets, Liabilities and Net Assets)

Total assets at the end of the first quarter of the fiscal year under review decreased by ¥4,223 million from the end of the previous fiscal year to ¥305,799 million. This was mainly due to decreases in accounts receivable - trade of ¥7,225 million, and electronically recorded monetary claims - operating of ¥4,285 million, despite increases in other current assets of ¥3,090 million and merchandise and finished goods of ¥1,962 million.

Liabilities decreased by ¥2,630 million from the end of the previous fiscal year to ¥207,330 million. This was mainly due to decreases in short-term borrowings of ¥5,311 million and provision for bonuses of ¥873 million, despite an increase in notes and accounts payable - trade of ¥2,985 million.

Net assets decreased by ¥1,592 million from the end of the previous fiscal year to ¥98,468 million. This was mainly due to decreases in retained earnings of ¥1,338 million due to payment of dividends, and decreases in foreign currency translation adjustments of ¥225 million, despite an increase in valuation difference on available-for-sale securities of ¥142 million.

As a result, interest-bearing debt excluding lease liabilities, etc. at the end of the first quarter under review was ¥100,858 million, and the net debt-to-equity ratio<sup>(\*1, \*2)</sup> after considering the equity of hybrid finance was 0.6 times, maintaining a stable level below 1.2 times. The capital adequacy ratio<sup>(\*2)</sup> was 29.2% at the end of the first quarter under review, down 0.1% from 29.3% at the end of the previous fiscal year.

(\*1) Net DE Ratio = (Interest-bearing Debt excluding Lease Liabilities – Cash and Deposits)/Shareholders' Equity

(\*2) Regarding the ¥10 billion hybrid loan (subordinated loan) borrowed in August 2024, the Company takes into account a 50% equity rating.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There is no change to the consolidated earnings forecast for the current fiscal year.

Quarterly Consolidated Financial Statements and Primary Notes  
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	44,417	44,461
Notes receivable - trade	308	272
Accounts receivable - trade	113,713	106,487
Electronically recorded monetary claims - operating	13,430	9,145
Contract assets	586	834
Merchandise and finished goods	53,647	55,609
Work in process	1,108	1,500
Raw materials and supplies	1,800	2,111
Other	11,692	14,783
Allowance for doubtful accounts	(136)	(96)
Total current assets	240,568	235,108
Non-current assets		
Property, plant and equipment		
Leased assets	17,228	16,946
Accumulated depreciation	(8,598)	(8,637)
Leased assets, net	8,629	8,308
Other	21,754	23,270
Total property, plant and equipment	30,384	31,579
Intangible assets		
Goodwill	5,907	5,725
Other	8,101	8,283
Total intangible assets	14,009	14,008
Investments and other assets		
Investment securities	3,477	3,494
Deferred tax assets	8,185	8,232
Bad debts	4,558	4,415
Long-term prepaid expenses	8,211	7,906
Other	5,318	5,613
Allowance for doubtful accounts	(4,736)	(4,601)
Total investments and other assets	25,013	25,060
Total non-current assets	69,407	70,648
Deferred assets		
Bond issuance costs	46	42
Total deferred assets	46	42
Total assets	310,022	305,799

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	71,724	74,710
Short-term borrowings	52,539	47,227
Current portion of long-term borrowings	3,668	3,562
Lease liabilities	2,465	2,274
Income taxes payable	1,080	500
Contract liabilities	1,799	2,562
Provision for bonuses	1,803	929
Provision for bonuses for directors (and other officers)	8	2
Other	10,061	10,922
Total current liabilities	145,150	142,693
Non-current liabilities		
Bonds payable	10,040	10,025
Long-term borrowings	40,343	39,983
Lease liabilities	6,255	6,101
Deferred tax liabilities	3,161	3,143
Retirement benefit liability	1,245	1,599
Other	3,764	3,785
Total non-current liabilities	64,810	64,637
Total liabilities	209,961	207,330
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	30,470	30,470
Retained earnings	49,921	48,582
Treasury shares	(5,397)	(5,397)
Total shareholders' equity	79,377	78,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(124)	17
Deferred gains or losses on hedges	(4)	(2)
Foreign currency translation adjustment	6,291	6,066
Remeasurements of defined benefit plans	253	190
Total accumulated other comprehensive income	6,415	6,272
Share acquisition rights	151	151
Non-controlling interests	14,117	14,006
Total net assets	100,061	98,468
Total liabilities and net assets	310,022	305,799



Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	135,425	133,529
Cost of sales	123,161	122,883
Gross profit	12,264	10,646
Selling, general and administrative expenses	7,640	9,004
Operating profit	4,624	1,641
Non-operating income		
Interest income	61	69
Dividend income	35	21
Insurance claim income	45	0
Share of profit of entities accounted for using equity method	26	-
Gain on investments in silent partnerships	95	40
Other	64	151
Total non-operating income	329	283
Non-operating expenses		
Interest expenses	862	702
Loss on sale of receivables	371	83
Foreign exchange losses	6	563
Share of loss of entities accounted for using equity method	-	7
Other	182	78
Total non-operating expenses	1,423	1,435
Ordinary profit	3,530	490
Extraordinary income		
Gain on sale of non-current assets	12	-
Gain on sale of investment securities	-	59
Total extraordinary income	12	59
Extraordinary losses		
Extra retirement payments	-	110
Total extraordinary losses	-	110
Profit before income taxes	3,542	438
Income taxes	246	111
Profit	3,296	327
Profit (loss) attributable to non-controlling interests	282	(21)
Profit attributable to owners of parent	3,013	348

Quarterly Consolidated Statement of Comprehensive Income  
For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	3,296	327
Other comprehensive income		
Valuation difference on available-for-sale securities	(253)	146
Deferred gains or losses on hedges	7	3
Foreign currency translation adjustment	915	(151)
Remeasurements of defined benefit plans, net of tax	10	(103)
Total other comprehensive income	680	(104)
Comprehensive income	3,976	222
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,454	205
Comprehensive income attributable to non-controlling interests	522	17