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April 30, 2025

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Hakuto Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 7433
URL: https://www.hakuto.co.jp
Representative: Tamaki Miyashita, President and Chief Executive Officer
Inquiries: Ken Ebihara, V.P. & Managing Officer
Telephone: +81-3-3225-8931
Scheduled date of annual general meeting of shareholders: June 25, 2025
Scheduled date to commence dividend payments: June 4, 2025
Scheduled date to file annual securities report: June 24, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

## 1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 183,133 | 0.6 | 7,913 | 3.6 | 7,321 | 5.9 | 5,131 | (0.9) |
| March 31, 2024 | 182,046 | (22.1) | 7,636 | (39.9) | 6,912 | (42.6) | 5,175 | (42.0) |

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥4,633 million [(36.3)%]
For the fiscal year ended March 31, 2024: ¥7,277 million [(24.0)%]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|---|---|---|---|---|---|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2025 | 272.76 | - | 7.8 | 5.5 | 4.3 |
| March 31, 2024 | 276.20 | - | 8.0 | 4.9 | 4.2 |

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2025: ¥13 million
For the fiscal year ended March 31, 2024: ¥(5) million

### (2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 130,376 | 65,546 | 50.3 | 3,483.44 |
| March 31, 2024 | 137,759 | 65,933 | 47.9 | 3,506.81 |

Reference: Equity
As of March 31, 2025: ¥65,546 million
As of March 31, 2024: ¥65,933 million

### (3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---|---|---|---|---|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 10,589 | (4,568) | (6,507) | 14,929 |
| March 31, 2024 | 8,712 | 876 | (11,451) | 15,568 |

## 2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---|---|---|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2024 | - | 140.00 | - | 140.00 | 280.00 | 5,259 | 101.4 | 8.1 |
| Fiscal year ended March 31, 2025 | - | 130.00 | - | 130.00 | 260.00 | 4,892 | 95.3 | 7.4 |
| Fiscal year ending March 31, 2026 (Forecast) | | 100.00 | | 100.00 | 200.00 | | 76.8 | |

Note: The total amount of dividends includes dividends on the Company's shares owned by the Employee Ownership ESOP Trust (5 million yen in the fiscal year ending March 31, 2024).

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from 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 |
| Six months ending September 30, 2025 | 86,000 | (4.2) | 2,000 | (50.2) | 1,800 | (52.9) | 1,700 | (34.1) | 90.35 |
| Fiscal year ending March 31, 2026 | 186,000 | 1.6 | 6,000 | (24.2) | 5,700 | (22.2) | 4,900 | (4.5) | 260.41 |

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (CLEARIZE Co., Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

| | |
|---|---|
| As of March 31, 2025 | 21,137,213 shares |
| As of March 31, 2024 | 23,137,213 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of March 31, 2025 | 2,320,518 shares |
| As of March 31, 2024 | 4,335,504 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| Fiscal year ended March 31, 2025 | 18,814,802 shares |
| Fiscal year ended March 31, 2024 | 18,740,164 shares |

Note: For the number of shares on which the calculation of net income per share (consolidated) is calculated, please refer to the "Per Share Information" section on page 25 of the Appendix.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 4 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

# 1. Overview of operating results and others

## (1) Overview of operating results for the fiscal year under review

The global economy for the fiscal year under review maintained solid growth, supported by a recovery in real incomes due to settled inflation. However, there are also downside risks such as the "America First" policies promoted by the Trump administration, the unclear recovery trends of the Chinese economy, and the political instability in major European countries like Germany and France. These factors also raise concerns about their potential adverse effects on the global economy in the future.

Turning to the Japanese economy, the real GDP growth rate for the calendar year 2024 barely maintained a positive level with a year-on-year increase of 0.1%. However, there remains a sense of uncertainty about the future due to factors such as rising food prices, stagnation in personal consumption primarily caused by sluggish real wage growth, and the impact on trade from tariff measures implemented by the Trump administration.

With regard to the electronics industry, the mainstay area of the business of the Group, demand for data centers related to generative AI continued to be strong. On the other hand, there was a continued downturn in final demand, primarily for automotive and industrial equipment, resulting in prolonged inventory adjustments. This has led to a continued polarization between the robust performance of AI-related sectors and the poor performance of others.

Under these circumstances, in our group's electronic components business, there was a temporary increase in sales to major customers in the automotive-related field. However, due to ongoing inventory adjustments by customers in the industrial equipment sector and other factors, revenue decreased compared to the same period of the previous year.

In the electronics and electrical machinery business, sales increased due to shipments of orders from the previous fiscal year for equipment related to power devices, resulting in an increase in revenue compared to the same period last year.

In the industrial chemicals business, revenue slightly increased compared to the same period last year, partly due to passing on the surge in raw material costs to the selling prices in the paper and pulp sector.

As a result, consolidated net sales for the fiscal year under review amounted to ¥183,133 million, a 0.6% year-on-year increase.

Regarding profit and loss, consolidated gross profit increased 3.9% to ¥27,878 million, and consolidated selling, general and administrative expenses increased 4.0% to ¥19,965 million. As a result, consolidated operating profit increased 3.6% to ¥7,913 million and consolidated ordinary profit increased 5.9% to ¥7,321 million, profit attributable to owners of parent decreased 0.9% to ¥5,131 million.

Furthermore, EPS amounted to ¥272.76, a decrease of ¥3.44 from the previous fiscal year.

The overview of operating results by reportable segment is as follows:

Electronic Components Business

In the electronic components business, there was a temporary increase in sales to major customers for automotive applications. However, sales for smartphones and PCs remained weak, and while there were some orders from customers who had finished depleting their inventories in the industrial equipment sector, overall sales declined due to prolonged inventory adjustments by customers.

As a result, net sales in this segment for the fiscal year under review decreased 0.9% year on year to ¥142,961 million, and segment profit decreased 11.6% to ¥5,239 million, mainly due to the decline in the amount of profit because of lower sales and impact of exchange rate fluctuations.

Electronic and Electric Equipment Business

In the electrical and electronic equipment business, sales of PCB-related equipment continued to be sluggish as capital investment by package board manufacturers did not recover. On the other hand, the vacuum physicochemical-related sector maintained solid performance, and although there was a slowdown in capital investment in semiconductor plants for power devices, sales significantly increased due to shipments of orders received in the previous fiscal year.

As a result, net sales in this segment for the fiscal year under review increased 2.6% year on year to ¥27,241 million, and segment profit increased 40.6% to ¥2,498 million.

Industrial Chemicals Business

In the industrial chemicals business, sales decreased in the oil and petrochemical sector due to reduced operations at overseas plants and continued production adjustments at domestic plants. However, in the paper and pulp sector, profits improved due to the pass-through of rising raw material costs to selling prices. Additionally, demand in the cosmetics sector began to improve and some inventory of major customers was cleared, but a full recovery remains uncertain.

As a result, net sales in this segment for the fiscal year under review increased 0.0% year on year to ¥10,789 million, and there was a segment loss of ¥9 million (segment profit of ¥35 million in the same period of the previous year), mainly due to the decline in the amount of profit caused by increased costs.

Other Business

In other businesses, in addition to our entrusted general business and logistics management and solar power generation operations, we have also been conducting entrusted analysis and testing evaluation businesses, such as material investigation, from this consolidated fiscal year.

Net sales in this segment for the fiscal year under review increased 134.8% year on year to ¥2,560 million, and segment profit increased 272.1% to ¥131 million, due to the addition of the entrusted analysis and testing evaluation business from this fiscal year.

## (2) Overview of financial position for the fiscal year under review

Assets, liabilities and net assets

Current assets at the end of the fiscal year under review decreased ¥11,320 million to ¥109,532 million, a year-on-year decrease of 9.4%. This was mainly attributed to an ¥12,009 million decrease in inventories, as a result of the progress of inventory shipments.

Non-current assets increased ¥3,937 million to ¥20,843 million, a year-on-year increase of 23.3%. This was primarily due to a ¥3,028 million increase in goodwill due to the purchase of shares of subsidiaries.

As a result of the above, total assets at the end of the fiscal year under review decreased ¥7,383 million to ¥130,376 million, a year-on-year decrease of 5.4%.

As for liabilities, current liabilities decreased ¥11,509 million to ¥47,196 million, a year-on-year decrease of 19.6%. This was primarily due to a ¥5,485 million decrease in notes and accounts payable - trade and a ¥5,071 million decrease in short-term borrowings associated with the decrease in operating capital.

Non-current liabilities increased ¥4,512 million to ¥17,632 million, a year-on-year decrease of 34.4%. This was primarily due to a ¥4,043 million increase in long-term borrowings.

As a result of the above, total liabilities at the end of the fiscal year under review decreased ¥6,996 million to ¥64,829 million, a year-on-year decrease of 9.7%.

Net assets decreased ¥387 million to ¥65,546 million, a year-on-year decrease of 0.6%. This was primarily due to a ¥295 million decrease in net unrealized gains on available-for-sale securities due to the sale of investment securities.

## (3) Overview of cash flows for the fiscal year under review

In regard to consolidated cash flows in the fiscal year under review, net cash provided by operating activities amounted to ¥10,589 million, net cash used in investing activities amounted to ¥4,568 million, and net cash used in financing activities amounted to ¥6,507 million. The effect of an exchange rate change on cash and cash equivalents decreased ¥152 million. As a result, cash and cash equivalents at the end of the fiscal year under review decreased ¥639 million year on year to ¥14,929 million.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥10,589 million. The principal sources of cash were ¥7,561 million in profit before income taxes and a ¥11,733 million decrease in inventories, while uses of cash included a ¥6,715 million decrease in trade payables. In the previous fiscal year, net cash provided by operating activities amounted to ¥8,712 million due primarily to a ¥15,682 million decrease in trade receivables.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥4,568 million due primarily to ¥3,714 million in purchase of shares of subsidiaries resulting in change in scope of consolidation. In the previous fiscal year, net cash provided by investing activities totaled ¥876 million, primarily as a result of ¥2,040 million in proceeds from sale of investment securities.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥6,507 million due primarily to ¥2,900 million of repayments of short-term borrowings (net) and ¥5,079 million of dividends paid. In the previous fiscal year, net cash used in financing activities totaled ¥11,451 million, primarily as a ¥5,612 million of dividends paid.

Trends in the cash flow indicators are shown below.

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|---|---|---|
| Equity-to-asset ratio | 49.8% | 46.9% | 43.8% | 47.9% | 50.3% |
| Equity-to-asset ratio on a market value basis | 22.6% | 36.6% | 63.0% | 77.0% | 59.4% |
| Interest-bearing debt to cash flow ratio | 395.7% | 3,796.7% | – | 418.8% | 333.2% |
| Interest coverage ratio | 46.4 times | 5.8 times | – | 47.0 times | 33.8 times |

Equity-to-asset ratio: Equity/Total assets
Equity-to-asset ratio on a market value basis: Market capitalization/Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flow
Interest coverage ratio: Cash flow/Interest payment

(Notes) 1. Each indicator is calculated based on consolidated financial figures.
2. Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.
3. Cash flow and interest payment refer to the “cash flows from operating activities” and “interest paid” recorded on the consolidated statements of cash flows.
4. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which interest is paid.
5. The information is omitted because interest-bearing debt to cash flow ratio and interest coverage ratio were negative in the operating cash flows for the fiscal year ended March 31, 2023.

### (4) Future outlook

Regarding the global economy, the US trade and tariff policies are expected to affect not only the US but also the Eurozone, Japan, and Asian countries. This is compounded by global price and resource increases and the strategic materialization of semiconductors, resulting in increased uncertainty.

In the electronics industry, while demand for data centers related to generative AI continues to be robust, there has been a continued slump in final demand primarily for automotive and industrial equipment, and inventory adjustments are expected to be prolonged, delaying recovery in other sectors.

Our group, in the electronic components business, will capture customer issues while providing products, expand the product portfolio through new product development, and offer comprehensive solutions to resolve customer issues.

In the electrical and electronic equipment business, despite the ongoing slump in customer capital investment, we are preparing for recovery by developing a system for training engineers to provide engineering services utilizing digital technology.

In the industrial chemicals business, while expanding existing business solutions, we will create new businesses in areas such as environment, energy, and life sciences.

In consideration of the above, the Group forecasts consolidated results of operations for the fiscal year ending March 31, 2026, as follows: net sales to increase 1.6% year on year to ¥186,000 million, operating profit to decrease 24.2% to ¥6,000 million, ordinary profit to decrease 22.2% to ¥5,700 million, and profit attributable to owners of parent to decrease 4.5% to ¥4,900 million.

Additionally, our group has formulated a new medium-term management plan targeting 2028 as the final year, aiming for medium to long-term growth expansion and the creation of new corporate value. For more details, please refer to the announcement made today about the "2030 Vision" and the new medium-term management plan "Hakuto 2028".

### (5) Basic policy on profit distribution and information on dividends for the fiscal year under review and next fiscal year

In our medium-term management plan “Change & Co-Create 2024” released in April 2021, the Company positioned improving capital efficiency as an important issue for management and finances. The basic policy during the term of this medium-term management plan (from FY2021 to FY2024) is for shareholder returns targeting a total return ratio of 100% through dividends and treasury share buybacks. In addition, it has been decided to prioritize implementation if there are investment projects likely to be growth investments and that would produce high investment efficiency (strategic investments including M&A, investment in business efficiency).

In consideration of these policies and earnings for the fiscal year under review, the Board of Directors decided at its meeting held on April 30, 2025 to declare a year-end dividend of ¥130 per share. Therefore, since a dividend of ¥130 per share was paid as a second quarter-end dividend in December 2024, the annual dividend was the same as the previous year at ¥260, with a consolidated dividend payout ratio and a total return ratio of 95.3%.

Additionally, our company has formulated and announced today a new medium-term management plan, "Hakuto 2028," which targets the fiscal year ending in 2028 as the final year, aiming for medium to long-term growth expansion and the creation of new corporate value. We aim to balance growth investment and enhanced shareholder returns. As for our shareholder return policy, we aim for stable dividend growth, setting a dividend payout ratio of approximately 70%, and establishing a minimum dividend on equity (DOE) of 5%.

In relation to the dividend for the next fiscal year, the Company plans to declare a second quarter-end dividend per share of ¥100 and a year-end dividend of ¥100, resulting in an annual ordinary dividend of ¥200.

Note that the Company has prescribed in our Articles of Incorporation that “Dividend of surplus, etc. shall be determined by resolution of the Board of Directors based on the provisions of Article 459, paragraph (1) of the Companies Act,” and the basic policy is to pay dividends twice each year with a second quarter-end dividend and a year-end dividend.

## 2. Basic policy regarding selection of accounting standards

Hakuto Group applies the Japanese GAAP.

Note that the plan is to progress unified accounting procedures within the group in preparation for the future application of IFRS.

## Consolidated balance sheet

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 15,568 | 14,929 |
| Notes and accounts receivable - trade, and contract assets | 38,101 | 39,696 |
| Electronically recorded monetary claims - operating | 6,277 | 6,098 |
| Merchandise and finished goods | 54,863 | 42,854 |
| Work in process | 35 | 83 |
| Raw materials and supplies | 1,250 | 1,546 |
| Other | 6,012 | 4,391 |
| Allowance for doubtful accounts | (1,254) | (67) |
| Total current assets | 120,853 | 109,532 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 5,510 | 6,112 |
| Accumulated depreciation | (4,588) | (4,933) |
| Buildings and structures, net | 921 | 1,179 |
| Machinery and equipment | 5,259 | 5,726 |
| Accumulated depreciation | (4,058) | (4,415) |
| Machinery and equipment, net | 1,200 | 1,310 |
| Land | 3,053 | 3,053 |
| Other | 5,436 | 5,950 |
| Accumulated depreciation | (3,990) | (4,505) |
| Other, net | 1,445 | 1,444 |
| Total property, plant and equipment | 6,621 | 6,988 |
| Intangible assets | | |
| Goodwill | - | 3,028 |
| Other | 778 | 1,596 |
| Total intangible assets | 778 | 4,625 |
| Investments and other assets | | |
| Investment securities | 8,670 | 8,333 |
| Deferred tax assets | 400 | 447 |
| Other | 457 | 472 |
| Allowance for doubtful accounts | (23) | (23) |
| Total investments and other assets | 9,505 | 9,229 |
| Total non-current assets | 16,905 | 20,843 |
| Total assets | 137,759 | 130,376 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 21,348 | 15,863 |
| Electronically recorded obligations - operating | 2,919 | 1,708 |
| Short-term borrowings | 24,670 | 19,598 |
| Lease liabilities | 350 | 313 |
| Income taxes payable | 613 | 1,292 |
| Provision for bonuses | 2,567 | 2,538 |
| Provision for bonuses for directors (and other officers) | 76 | 75 |
| Provision for product warranties | 16 | 12 |
| Other | 6,144 | 5,795 |
| Total current liabilities | 58,706 | 47,196 |
| Non-current liabilities | | |
| Long-term borrowings | 11,175 | 15,218 |
| Lease liabilities | 288 | 152 |
| Deferred tax liabilities | 1,363 | 1,541 |
| Provision for retirement benefits for directors (and other officers) | 18 | 59 |
| Retirement benefit liability | 244 | 279 |
| Other | 29 | 380 |
| Total non-current liabilities | 13,119 | 17,632 |
| Total liabilities | 71,825 | 64,829 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 8,100 | 8,100 |
| Capital surplus | 5,863 | 2,532 |
| Retained earnings | 50,059 | 49,375 |
| Treasury shares | (8,872) | (4,746) |
| Total shareholders' equity | 55,150 | 55,261 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,865 | 4,569 |
| Deferred gains or losses on hedges | 175 | (13) |
| Foreign currency translation adjustment | 5,725 | 5,557 |
| Remeasurements of defined benefit plans | 17 | 171 |
| Total accumulated other comprehensive income | 10,783 | 10,285 |
| Total net assets | 65,933 | 65,546 |
| Total liabilities and net assets | 137,759 | 130,376 |

## Consolidated statement of income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Net sales | 182,046 | 183,133 |
| Cost of sales | 155,213 | 155,254 |
| Gross profit | 26,833 | 27,878 |
| Selling, general and administrative expenses | | |
| Salaries and allowances | 6,078 | 6,394 |
| Provision for bonuses | 2,217 | 2,169 |
| Retirement benefit expenses | 775 | 593 |
| Other | 10,125 | 10,808 |
| Total selling, general and administrative expenses | 19,196 | 19,965 |
| Operating profit | 7,636 | 7,913 |
| Non-operating income | | |
| Interest income | 19 | 40 |
| Dividend income | 58 | 330 |
| Rental income from buildings | 46 | 46 |
| Share of profit of entities accounted for using equity method | - | 13 |
| Other | 136 | 222 |
| Total non-operating income | 261 | 653 |
| Non-operating expenses | | |
| Interest expenses | 186 | 315 |
| Loss on sale of trade receivables | 19 | 9 |
| Foreign exchange losses | 753 | 897 |
| Share of loss of entities accounted for using equity method | 5 | - |
| Other | 20 | 23 |
| Total non-operating expenses | 985 | 1,244 |
| Ordinary profit | 6,912 | 7,321 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 20 | 3 |
| Gain on sale of investment securities | 1,672 | 290 |
| Total extraordinary income | 1,693 | 294 |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 9 | 4 |
| Loss on valuation of investment securities | - | 49 |
| Provision of allowance for doubtful accounts | 1,156 | - |
| Total extraordinary losses | 1,166 | 54 |
| Profit before income taxes | 7,439 | 7,561 |
| Income taxes - current | 2,041 | 2,315 |
| Income taxes - deferred | 221 | 114 |
| Total income taxes | 2,263 | 2,429 |
| Profit | 5,175 | 5,131 |
| Profit attributable to owners of parent | 5,175 | 5,131 |

## Consolidated statement of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Profit | 5,175 | 5,131 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (173) | (296) |
| Deferred gains or losses on hedges | 111 | (188) |
| Foreign currency translation adjustment | 1,910 | (168) |
| Remeasurements of defined benefit plans, net of tax | 252 | 154 |
| Share of other comprehensive income of entities accounted for using equity method | 0 | 0 |
| Total other comprehensive income | 2,101 | (498) |
| Comprehensive income | 7,277 | 4,633 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 7,277 | 4,633 |
| Comprehensive income attributable to non-controlling interests | - | - |

## Consolidated statement of changes in equity

### Fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 8,100 | 5,679 | 50,509 | (9,108) | 55,181 |
| Dividends of surplus | | | (5,625) | | (5,625) |
| Profit attributable to owners of parent | | | 5,175 | | 5,175 |
| Disposal of treasury shares | | 183 | | 237 | 420 |
| Cancellation of treasury shares | | - | | - | - |
| Purchase of treasury shares | | | | (1) | (1) |
| Transfer of the negative balance of other capital surplus | | | | | |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 183 | (449) | 235 | (30) |
| Balance at end of period | 8,100 | 5,863 | 50,059 | (8,872) | 55,150 |

| | Accumulated other comprehensive income | | | | | Total net assets |
|---|---|---|---|---|---|---|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 5,038 | 63 | 3,814 | (235) | 8,681 | 63,863 |
| Dividends of surplus | | | | | | (5,625) |
| Profit attributable to owners of parent | | | | | | 5,175 |
| Disposal of treasury shares | | | | | | 420 |
| Cancellation of treasury shares | | | | | | - |
| Purchase of treasury shares | | | | | | (1) |
| Transfer of the negative balance of other capital surplus | | | | | | |
| Net changes in items other than shareholders' equity | (173) | 111 | 1,910 | 252 | 2,101 | 2,101 |
| Total changes during period | (173) | 111 | 1,910 | 252 | 2,101 | 2,070 |
| Balance at end of period | 4,865 | 175 | 5,725 | 17 | 10,783 | 65,933 |

## Consolidated statement of changes in equity

### Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 8,100 | 5,863 | 50,059 | (8,872) | 55,150 |
| Dividends of surplus | | | (5,079) | | (5,079) |
| Profit attributable to owners of parent | | | 5,131 | | 5,131 |
| Disposal of treasury shares | | 23 | | 35 | 58 |
| Cancellation of treasury shares | | (4,091) | | 4,091 | - |
| Purchase of treasury shares | | | | (0) | (0) |
| Transfer of the negative balance of other capital surplus | | 736 | (736) | | - |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (3,330) | (684) | 4,126 | 110 |
| Balance at end of period | 8,100 | 2,532 | 49,375 | (4,746) | 55,261 |

| | Accumulated other comprehensive income | Total net assets |
|---|---|---|

| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
|---|---|---|---|---|---|---|
| Balance at beginning of period | 4,865 | 175 | 5,725 | 17 | 10,783 | 65,933 |
| Dividends of surplus | | | | | | (5,079) |
| Profit attributable to owners of parent | | | | | | 5,131 |
| Disposal of treasury shares | | | | | | 58 |
| Cancellation of treasury shares | | | | | | - |
| Purchase of treasury shares | | | | | | (0) |
| Transfer of the negative balance of other capital surplus | | | | | | - |
| Net changes in items other than shareholders' equity | (295) | (188) | (168) | 154 | (498) | (498) |
| Total changes during period | (295) | (188) | (168) | 154 | (498) | (387) |
| Balance at end of period | 4,569 | (13) | 5,557 | 171 | 10,285 | 65,546 |

## Consolidated statement of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 7,439 | 7,561 |
| Depreciation | 1,007 | 1,235 |
| Amortization of goodwill | - | 159 |
| Increase (decrease) in provision for bonuses | (600) | (25) |
| Increase (decrease) in allowance for doubtful accounts | 1,181 | (1,197) |
| Interest and dividend income | (78) | (371) |
| Interest expenses | 186 | 315 |
| Share of loss (profit) of entities accounted for using equity method | 5 | (13) |
| Loss (gain) on sale of investment securities | (1,672) | (290) |
| Loss (gain) on valuation of investment securities | - | 49 |
| Loss (gain) on sale and retirement of non-current assets | (10) | 0 |
| Increase (decrease) in accrued consumption taxes | 0 | 72 |
| Decrease (increase) in trade receivables | 15,682 | (1,231) |
| Decrease (increase) in inventories | (7,040) | 11,733 |
| Increase (decrease) in trade payables | (2,662) | (6,715) |
| Other, net | (1,042) | 952 |
| Subtotal | 12,396 | 12,237 |
| Interest and dividends received | 94 | 387 |
| Interest paid | (185) | (313) |
| Income taxes refund | 55 | - |
| Income taxes paid | (3,649) | (1,721) |
| Net cash provided by (used in) operating activities | 8,712 | 10,589 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (564) | (808) |
| Proceeds from sale of property, plant and equipment | 19 | 4 |
| Purchase of intangible assets | (568) | (248) |
| Purchase of investment securities | (9) | (72) |
| Proceeds from sale of investment securities | 2,040 | 305 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | (3,714) |
| Other, net | (42) | (34) |
| Net cash provided by (used in) investing activities | 876 | (4,568) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 212,600 | 259,000 |
| Repayments of short-term borrowings | (219,500) | (261,900) |
| Repayments of lease liabilities | (310) | (266) |
| Proceeds from long-term borrowings | 7,600 | 12,000 |
| Repayments of long-term borrowings | (6,464) | (10,296) |
| Purchase of treasury shares | (1) | (0) |
| Proceeds from disposal of treasury shares | 237 | 35 |
| Dividends paid | (5,612) | (5,079) |
| Net cash provided by (used in) financing activities | (11,451) | (6,507) |
| Effect of exchange rate change on cash and cash equivalents | 680 | (152) |
| Net increase (decrease) in cash and cash equivalents | (1,182) | (639) |
| Cash and cash equivalents at beginning of period | 16,751 | 15,568 |
| Cash and cash equivalents at end of period | 15,568 | 14,929 |

## (5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Significant matters forming the basis for preparing consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries 12

Our consolidated subsidiaries are Hakuto A&L Co., Ltd., Hakuto Enterprises Ltd., Hakuto Singapore Pte.Ltd., Hakuto Taiwan Ltd., Hakuto (Thailand) Ltd., Hakuto Engineering (Thailand) Ltd., Hakuto Enterprises (Shanghai) Ltd., Hakuto Trading (Shenzhen) Ltd., Hakuto America, Inc., Hakuto Czech s.r.o., , MOLDEC Co., Ltd. and CLEARIZE Co., Ltd.

CLEARIZE Co., Ltd. was included in the scope of consolidation due to the acquisition of all shares in September 2024.

(2) Names, etc. of major non-consolidated subsidiaries

Non-consolidated subsidiaries Microtek Hongkong Ltd., Microtek Shanghai Ltd., and Hakuto Malaysia Sdn.Bhd. are excluded from the scope of consolidation because they have an immaterial effect on total assets, net sales, consolidated profit or loss, and retained earnings and are not significant.

2. Application of the equity method

(1) Number of associates accounted for using equity method 1

Our associate accounted for using equity method is San-Ei Giken Inc.

(2) Non-consolidated subsidiaries not accounted for using equity method

Microtek Hongkong Ltd., Microtek Shanghai Ltd., and Hakuto Malaysia Sdn.Bhd. are excluded from the scope of application of the equity method because they have an immaterial effect on profit or loss and retained earnings and others and are not material.

3. Fiscal year, etc. of consolidated subsidiaries

The closing dates for Hakuto Enterprises (Shanghai) Ltd. and Hakuto Trading (Shenzhen) Ltd. are the last day of December. When preparing the consolidated financial statements, they are based on the financial statements provisionally prepared as of the consolidated closing date.

The last day of the fiscal year for other consolidated subsidiaries is the same as the consolidated closing date.

4. Accounting policies

(1) Standards and methods for valuation of important assets

(i) Securities

Available-for-sale securities

Securities other than shares, etc. without market value
Stated at fair value (valuation differences are directly recorded in net assets, and the cost of sales is computed based on the moving average method).

Shares, etc. without market prices
Stated at cost using the moving average method.

(ii) Derivatives

Stated at fair value.

(iii) Inventories

Merchandise, finished goods, raw materials and work in process are primarily stated at costs based on the moving average method (balance sheet values are calculated by writing down the book value based on the decline in profitability), while supplies are primarily stated at costs based on the first-in first-out (FIFO) method (balance sheet values are calculated by writing down the book value based on the decline in profitability).

(2) Depreciation or amortization method for important depreciable or amortizable assets

(i) Property, plant and equipment (excluding leased assets)

The straight-line method is adopted as the method of amortization and depreciation for property, plant and equipment of the Company and its domestic consolidated subsidiaries. Useful life(ves) and residual values are computed in the same way as the method stipulated in the Corporation Tax Act of Japan. In addition, for overseas consolidated subsidiaries, useful life(ves) is determined by individual estimation, with the straight-line method primarily adopted for buildings, and the declining-balance method adopted for other property, plant and equipment.

(ii) Intangible assets (excluding leased assets)

(a) Software for internal use

Adopts the straight-line method based on the in-house usable period (5 years).

(b) Other intangible assets

The straight-line method is used. Useful life(ves) is computed in the same way as the method stipulated in the Corporation Tax Act of Japan.

(iii) Leased assets

The same method of amortization and depreciation applied to non-current assets owned by the Company is adopted as the method of amortization and depreciation for leased assets related to finance lease transactions that transfer ownership.

The straight-line method, taking the lease period as the useful life(ves) and the residual value as zero, is adopted as the method of amortization and depreciation for leased assets related to finance lease transactions that do not transfer ownership.

(iv)Customer-related intangible assets

Customer-related intangible assets is amortized by using the straight-line method over the period during which the effect is expected to manifest (10 years).

(3) Standards for recording significant provisions and allowances

(i) Allowance for doubtful accounts

To prepare for credit losses on receivables such as accounts receivable - trade, an estimated uncollectable amount is recorded based on the historical rate of credit losses for general receivables with individual consideration of collectability given to specific receivables such as highly doubtful receivables.

(ii) Provision for bonuses

To prepare for payment of bonuses to employees of the Company and some consolidated subsidiaries, an amount based on the estimated payment amount is recorded.

(iii) Provision for bonuses for directors (and other officers)

To prepare for payment of bonuses for directors (and other officers), an amount based on the estimated payment amount at the end of the fiscal year under review is recorded.

(iv) Provision for product warranties

To prepare for the expenses that arise such as from free repairs for a certain period of time on sold merchandise and products, an amount according to the Company’s prescribed standards based on the historical rate is recorded.

(v) Provision for retirement benefits for directors (and other officers)
To prepare for payments of retirement benefits of some directors (and other officers) of the Company and consolidated subsidiaries, the figure is primarily set in accordance with the payment required at the end of the period based on the internal regulations regarding retirement benefits for directors (and other officers). The Company revised its compensation system for directors (and other officers) in June 2004, and no provisions have been recorded for the amounts since July 2004.

(4) Accounting methods for retirement benefits

(i) Method of attributing expected retirement benefits to periods
In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year under review on a benefit formula basis.

(ii) Method used to amortize actuarial gains and losses
Actuarial gains and losses are amortized using the straight-line method over a certain period within the average remaining service years (ten years) of employees when incurred in each fiscal year, from the fiscal year following the accrual of each gain or loss.

(iii) Adoption of simplified method for small-scale businesses, etc.
In calculating retirement benefit liabilities and retirement benefit expenses, some consolidated subsidiaries adopt the simplified method which assumes the retirement benefit obligations to be equal to the benefits payable, if all eligible employees voluntarily terminated their employment at the end of the fiscal year.

(5) Significant hedge accounting methods

(i) Hedge accounting method
Deferred hedge accounting is applied. A specific treatment is used for interest rate swaps that satisfy requirements for the specific treatment of interest rate swaps in hedge accounting.

(ii) Hedging instruments and hedged items

| | | |
|---|---|---|
| (a) | Hedging instruments: | Forward exchange contracts |
| | Hedged items: | Anticipated transactions in foreign currencies |
| (b) | Hedging instruments: | Interest rate swaps |
| | Hedged items: | Bank loans (floating interest rates) |

(iii) Hedging policy
The Company engages in forward exchange contracts, etc. for the purpose of avoiding risks associated with foreign exchange fluctuations in accordance with the Company's "Regulations on Market Risk Management" and the "Foreign Exchange Contract Conclusion Manual." The purpose of interest rate swaps is to reduce the possibility of losses on borrowings as a result of interest rate fluctuations.

(iv) Method of evaluating the effectiveness of hedges
With respect to forward exchange contracts, important terms for anticipated transactions in foreign currencies that are hedging instruments and hedged items can be regarded as the same. Since this can be assumed to establish a continuous and complete offset of currency movements when and after the hedging activities commenced, the evaluation of the effectiveness is omitted.
Further, because special treatment is taken to satisfy the requirements for special treatment of interest rate swaps, the evaluation of the effectiveness is omitted.

(6) Method and period for amortization of goodwill

Goodwill is amortized by using the straight-line method over the period during which the effect is expected to manifest (10 years).

(7) Scope of cash and cash equivalents in consolidated statements of cash flows

The funds in the consolidated statement of cash flows (cash and cash equivalents) comprise cash-on-hand, readily available deposits, and highly liquid short-term investments with original maturities of three months or less that are subject to an insignificant risk of change in value.

(8) Basis for recognizing significant revenue and expenses

The Group's primary businesses are the electronic components business, electronic and electric equipment business, and the industrial chemicals business. Each business is engaged in the sales of commercial products and the provision of related services, etc.

With respect to sales of commercial products, in accordance with contracts, the performance obligation is satisfied and revenue is recognized when the control of commercial products is transferred to customers. However, the Company applies paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition for transactions in Japan, and revenue is recognized at the time of shipment if the period between the time of shipment and the time when the control of commercial products to the customer is a normal period. For export transactions, revenue is recognized at the time the risk of loss or damage is transferred as prescribed in the Incoterms. Revenue is recognized on commercial products of the electronic and electric equipment business for which there is installation obligation, where the performance obligation is satisfied on the acceptance inspection by the customer, at the time of the acceptance inspection. For sales of merchandise where the Group's role is to transact as an agent, revenue is calculated from the net amount of consideration received from the customer minus the amount paid to the supplier.

With respect to the provision of related services, the service is provided for a very short period of time, so revenue is recognized when the service is completed.

Consideration for transactions is generally received within six months from the satisfaction of performance obligations, therefore the consideration includes no significant financial elements.

(9) Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated fiscal year-end date, and translation differences are accounted for as profit or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rate prevailing as of the fiscal year-end date, and their revenue and expenses are translated into Japanese yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustment under net assets.

## Changes in accounting policies

Application of the "Accounting Standard for Current Income Taxes," Etc.

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the current fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the current fiscal year under review. This change in accounting policies has been applied retrospectively, and is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Additional information

Transactions of delivering the Company’s own shares to employees, etc. through trusts

The Company transacts by delivering the Company’s own shares to the employee stock ownership plan through a trust for the welfare benefit of employees. The trust was terminated as of June 3, 2024.

(1) Overview of transaction

These transactions relate to the Company’s establishment of a trust for employees, who are members of the “Hakuto Employee Stock Ownership Plan” (the “Company’s Stock Ownership Plan”) and meet certain conditions, as beneficiaries. The trust acquires the number of Company’s shares forecast to be acquired by the Company’s Stock Ownership Plan in the three years or so from February 2022, in a lump sum. Subsequently, this trust sells the Company’s shares to the Company’s Stock Ownership Plan on a fixed day each month. Once the trust reaches maturity, if there are proceeds from a rise in share price, money will be distributed to the beneficiaries (employees) based on their contribution ratio. In the event of a loss on the transfer of shares due to a decline in share price and debt related to the trust assets remains, the Company shall bear the expense by repaying the bank in a lump sum in accordance with the guarantee clause in the loan agreement.

(2) Shares of the Company remaining in the trust

Shares of the Company that remain in the trust are recorded as treasury shares under net assets at their carrying amount in the trust (excluding the amount of incidental expenses). The carrying amount and number of these treasury shares were ¥18million and 7,900 shares as of the end of the previous fiscal year and - million and - shares as of the end of the fiscal year under review.

(3) Carrying amount of borrowings recorded using the gross method

Previous fiscal year: ¥- million, fiscal year under review: ¥– million

Business combinations

Business combination by acquisition

The Company decided to acquire all the shares of CLEARIZE Co., Ltd. at its Board of Directors meeting held on August 26, 2024 and entered into a share transfer agreement with Endeavour United II Investment Business Limited Partnership dated August 30, 2024. All the shares were acquired on September 6, 2024, with the company becoming a wholly-owned subsidiary of the Company.

1. Outline of business combination

(1) Name of acquired company and its business content

| | |
|---|---|
| Name of acquired company: | CLEARIZE Co., Ltd. |
| Business descriptions: | Contract analysis services business, water treatment business |

(2) Main reason for business combination

The Group conducts its business as a conglomerate, as a trading company specializing in electronics and as a manufacturer of chemical products. When advancing “reform our business structure” under the current medium-term management plan “Change & Co-Create 2024,” in addition to “creating new businesses” that do not belong to the current four business areas (equipment, devices, components, and chemicals) and “monetizing departmental joint ventures” to create new value, non-organic growth has been considered for the growth and expansion of the Company by “leveraging external resources.”

Meanwhile, the contract analysis business undertaken by CLEARIZE Co., Ltd. is expanding into services for manufacturing, energy and healthcare industries that have large markets and high growth potential. In addition, the Company also forecasts possible business entry into more upstream areas through cross-selling of the contract analysis business to its business partners. In addition, leveraging the Company's overseas network is thought likely to also contribute to strengthening overseas sales for CLEARIZE Co., Ltd. and to expand the sales opportunities for the water treatment equipment Eleca.

(3) Date of business combination

September 6, 2024 (deemed acquisition date: September 30, 2024)

(4) Legal form of business combination

Share acquisition in consideration for cash

(5) Name of company after combination

Unchanged.

(6) Ratio of voting rights after acquisition

100%

(7) Main reason for deciding the acquiring enterprise

The Company is the acquiring enterprise as it acquired the shares in consideration for cash.

2. Period of earnings of the acquired company included in the quarterly consolidated statements of income

From October 1, 2024 to March 31, 2025

3. Acquisition cost for the acquired company and breakdown by type of consideration

| | | |
|---|---|---|
| Consideration for the acquisition | Cash and deposits | ¥4,000 million |
| Acquisition cost | | 4,000 million |

4. Details and amounts of major acquisition-related expenses

Advisory fees and commissions: ¥156 million

5. Amount of goodwill recognized, the reason for recognition, and the method and period of amortization

(1) Amount of goodwill recognized

¥3,187 million

(2) Reason for recognition

Mainly excess earnings power expected from future business expansion

(3) Method and period of amortization

Straight-line method over ten years

6. Amounts of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets ¥639 million
Fixed assets ¥1,675 million
Total assets ¥2,314 million

Current liabilities ¥561 million
Long-term liabilities ¥941 million
Total liabilities ¥1,502 million

7. Estimated amount and calculation method of the effect of the business combination on the consolidated statement of income for the current consolidated fiscal year, assuming that the business combination was completed on the first day of the consolidated fiscal year

This information is omitted due to the immateriality of the estimated amount of impact.

Segment information, etc.

Segment information

1. Overview of reportable segments

   The Company's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed at regular intervals by the Board of Directors in order to make decisions about the allocation of management resources and to assess their performances.

   The Company is comprised of segments by merchandise and products based on internal companies and business divisions. Since subsidiaries also handle the same merchandise and products as the Company, the four reportable segments are the "Electronic Components Business," "Electronic and Electric Equipment Business," "Industrial Chemicals Business" and "Other Business" in order for the Board of Directors to make decisions about the allocation of management resources and to assess their performances.

   The "Electronic Components Business" sells semiconductor devices and general electronic components, etc. The "Electronic and Electric Equipment Business" primarily sells and provides services for PCB (printed circuit board) related equipment and semiconductor manufacturing-related equipment. The "Industrial Chemicals Business" manufactures, sells and provides services for industrial chemicals and cosmetics, etc. The "Other Business" consists of general operation and logistics management operations of the Company on a consignment basis and agency business for insurance companies, as well as solar power generation system business and the business of CLEARIZE Co., Ltd, which became a consolidated subsidiary in the current fiscal year, is included.

2. Method of calculation of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

   The method of accounting treatment for reportable segments is generally the same as stated under "Significant matters forming the basis for preparing consolidated financial statements."

   Reportable segment profits are the figures on an operating profit base. Internal revenues and transfer amounts between segments are based on market prices.

3. Information of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

| | Reportable segments | | | | Total |
|---|---|---|---|---|---|
| | Electronic Components Business | Electronic and Electric Equipment Business | Industrial Chemicals Business | Other Business | |
| Net sales | | | | | |
| Sales to external customers | 144,287 | 26,547 | 10,788 | 423 | 182,046 |
| Intersegment sales or transfers | – | – | – | 667 | 667 |
| Total | 144,287 | 26,547 | 10,788 | 1,090 | 182,714 |
| Segment profit | 5,929 | 1,777 | 35 | 35 | 7,777 |
| Other items | | | | | |
| Depreciation | 538 | 104 | 211 | 153 | 1,007 |

(Notes) 1. Segment assets and liabilities is omitted since they are not subject to consideration in the decisions about the allocation of management resources and the assessment of performance.

2. Segment profit is adjusted to operating profit in the consolidated statements of income.

Fiscal year ended March 31, 2025

(Millions of yen)

| | Reportable segments | | | | Total |
|---|---|---|---|---|---|
| | Electronic Components Business | Electronic and Electric Equipment Business | Industrial Chemicals Business | Other Business | |
| Net sales | | | | | |
| Sales to external customers | 142,961 | 27,241 | 10,789 | 2,140 | 183,133 |
| Intersegment sales or transfers | – | – | – | 420 | 420 |
| Total | 142,961 | 27,241 | 10,789 | 2,560 | 183,553 |
| Segment profit | 5,239 | 2,498 | (9) | 131 | 7,859 |
| Other items | | | | | |
| Depreciation | 622 | 131 | 267 | 373 | 1,395 |

(Notes) 1. Segment assets and liabilities is omitted since they are not subject to consideration in the decisions about the allocation of management resources and the assessment of performance.

2. Segment profit is adjusted to operating profit in the consolidated statements of income.

3. Depreciation and amortization for other businesses includes amortization of goodwill related to the acquisition of CLEARIZE Co., Ltd.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and the details of such difference (matters concerning reconciliation)

(Millions of yen)

| Net sales | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Reportable segments total | 182,714 | 183,553 |
| Elimination of transactions between consolidated companies | (667) | (420) |
| Net sales reported in the consolidated financial statements | 182,046 | 183,133 |

(Millions of yen)

| Profit | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Reportable segments total | 7,777 | 7,859 |
| Other adjustments | (140) | (53) |
| Operating profit reported in the consolidated financial statements | 7,636 | 7,913 |

[Related information]

Fiscal year ended March 31, 2024

1. Information for each product or service

   The information is omitted because the same information is disclosed in "Segment information."

2. Information for each region

   (1) Net sales

(Millions of yen)

| Japan | China | Other Asia | Others | Total |
|---|---|---|---|---|
| 104,819 | 34,289 | 37,203 | 5,734 | 182,046 |

(Notes) 1. Net sales are classified by country or region based on customers' location.
2. The breakdown by region belonging to each category is as follows.
(1) Other Asia: Taiwan, Singapore, Thailand, etc.
(2) Others: The U.S., Europe, etc.

   (2) Property, plant and equipment

   The information is omitted because the value of property, plant and equipment located in Japan accounts for more than 90% of the value of property, plant and equipment in the consolidated balance sheet.

3. Information for each of main customers

The information is omitted because no main customer accounts for 10% or more of consolidated net sales.

Fiscal year ended March 31, 2025

1. Information for each product or service

   The information is omitted because the same information is disclosed in "Segment information."

2. Information for each region

   (1) Net sales

(Millions of yen)

| Japan | China | Other Asia | Others | Total |
|---|---|---|---|---|
| 111,865 | 33,376 | 31,769 | 6,121 | 183,133 |

(Notes) 1. Net sales are classified by country or region based on customers' location.
2. The breakdown by region belonging to each category is as follows.
(1) Other Asia: Taiwan, Singapore, Thailand, etc.
(2) Others: The U.S., Europe, etc.

(2) Property, plant and equipment

The information is omitted because the value of property, plant and equipment located in Japan accounts for more than 90% of the value of property, plant and equipment in the consolidated balance sheet.

3. Information for each of main customers

(Millions of yen)

| Name of customer or person | Net sales | Related segment name |
|---|---|---|
| DENSO CORPORATION | 21,125 | Electronic Components Business |

Information about impairment losses of non-current assets for each reportable segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

Information about amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

| | | |
|---|---|---|
| Other businesses | Amortization | ¥159 million |
| | Unamortized balance | ¥3,028 million |

Information about gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

## Per share information

(Yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Net assets per share | 3,506.81 | 3,483.44 |
| Basic earnings per share | 276.20 | 272.76 |

(Notes) 1. Information on diluted earnings per share is omitted due to an absence of potential shares.

2. For the purpose of calculating per share information, the Company’s shares held by the trust for the employee stock ownership plan are treated as treasury shares, so the number of such shares have been excluded from the number of shares at the end of the period and the average number of shares outstanding during the period. In the previous fiscal year (March 31, 2024), the number of treasury shares at the end of the period held by the trust was 7,900 shares, while the average number of shares outstanding during the period was 28,518 shares. For the fiscal year under review (March 31, 2025), the number of treasury shares at the end of the period held by the trust was － shares, while the average number of shares outstanding during the period was 477 shares.

3. The basis for calculation of basic earnings per share is as follows:

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Basic earnings per share | | |
| Profit attributable to owners of parent (Millions of yen) | 5,175 | 5,131 |
| Amounts not attributable to common shareholders (Millions of yen) | – | — |
| Profit attributable to owners of parent related to common stock | 5,175 | 5,131 |
| Average number of common stock outstanding during the period (Shares) | 18,740,164 | 18,814,802 |

## Significant subsequent events

Not applicable.