

**Translation**

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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

May 7, 2025

Company name: IRISO ELECTRONICS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6908 URL <https://www.irisoele.com/jp/>  
 Representative: President & Representative Director Hitoshi Suzuki  
 Inquiries: Executive Officer  
                   General Manager of Administration Division Shinichiro Oura TEL 045-478-3111  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2025  
 Scheduled date to file Securities Report: June 23, 2025  
 Scheduled date to commence dividend payments: June 25, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

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

#### (1) Consolidated financial results Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	56,332	1.9	5,307	(10.6)	5,504	(23.4)	2,662	(52.4)
Year ended March 31, 2024	55,271	4.5	5,936	(14.5)	7,189	(6.2)	5,593	0.9

(Note) Comprehensive income: Year ended March 31, 2025: ¥1,942 million [82.1%]  
 Year ended March 31, 2024: ¥10,879 million [42.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	118.25	-	3.6	5.8	9.4
Year ended March 31, 2024	237.75	-	7.8	8.0	10.7

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	91,370	71,196	77.3	3,291.67
As of March 31, 2024	96,856	77,016	78.7	3,240.40

(Reference) Equity: As of March 31, 2025: ¥70,621 million  
 As of March 31, 2024: ¥76,233 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	12,043	(8,778)	(5,495)	24,314
Year ended March 31, 2024	12,934	(9,089)	2,313	26,692

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	-	0.00	-	90.00	90.00	2,130	37.9	2.9
Year ended March 31, 2025	-	0.00	-	100.00	100.00	2,145	84.6	3.1
Year ending March 31, 2026 (Forecast)	-	0.00	-	110.00	110.00		58.3	

## 3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	55,000	(2.4)	5,500	3.6	5,400	(1.9)	3,900	46.5	188.65

Based on the resolution of the Board of Directors held on November 5, 2024, the Company plans to acquire a maximum 2,000,000 shares of treasury stock with a due date of October 31, 2025. The impact of this acquisition was taken into account when the projected earnings per share for FY2025 was calculated.

### \* Notes:

(1) Changes in significant subsidiaries during the year ended March 31, 2025

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2025	24,460,879 shares	As of March 31, 2024	24,583,698 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period:

As of March 31, 2025	3,006,274 shares	As of March 31, 2024	1,057,800 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period:

Year ended March 31, 2025	22,514,382 shares	Year ended March 31, 2024	23,525,006 shares
---------------------------	-------------------	---------------------------	-------------------

(Note) Number of treasury shares at the end of the period is presented including the Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" (as of March 31, 2025: 0 shares, as of March 31, 2024: 147,426 shares). The Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" have been included in treasury shares deducted in calculation of the average number of shares during the period.

(Reference) Summary of Non-consolidated financial statements

Non-consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	40,282	(2.1)	1,277	3.5	5,612	87.3	3,931	63.2
Year ended March 31, 2024	41,129	17.2	1,234	(31.6)	2,996	24.4	2,409	33.0

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Year ended March 31, 2025	174.64	-	-	-
Year ended March 31, 2024	102.40	-	-	-

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%	Yen	Yen
As of March 31, 2025	50,418	31,277	31,277	35,092	62.0	67.0	1,457.83	1,491.65
As of March 31, 2024	52,360	35,092	35,092					

(Reference) Equity: As of March 31, 2025: ¥31,277 million

As of March 31, 2024: ¥35,092 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company, and actual results may vary significantly due to various factors.

(How to obtain supplementary financial results materials)

Supplementary materials for quarterly financial results will be uploaded to the Company's website.

## Table of Contents - Attachments

1. Overview of Operating Results, etc .....	2
(1) Overview of Operating Results for the Current Fiscal Year .....	2
(2) Overview of Financial Position for the Current Fiscal Year .....	2
(3) Overview of Cash Flows for the Current Fiscal Year .....	2
(4) Future Prospects.....	3
2. Basic Policy on Selection of Accounting Standards .....	4
3. Consolidated Financial Statements and Principal Notes .....	5
(1) Consolidated Balance Sheets .....	5
(2) Consolidated Statements of Income and Comprehensive Income .....	7
(3) Consolidated Statements of Changes in Equity .....	9
(4) Consolidated Statements of Cash Flows .....	11
(5) Notes to Consolidated Financial Statements .....	12
(Notes on going concern assumption) .....	12
(Changes in presentation) .....	12
(Additional Information) .....	12
(Consolidated Statement of Income) .....	12
(Consolidated Statements of Changes in Equity) .....	14
(Segment information, etc.) .....	15
(Per share information) .....	19
(Significant subsequent events) .....	19

## **1. Overview of Operating Results, etc.**

### **(1) Overview of Operating Results for the Current Fiscal Year**

Looking at the world economy during the fiscal year ended March 31, 2024, the U.S. economy remained on a steady growth track, helped mainly by strong consumer spending, while growing inflation concerns due to the U.S. tariff policy caused increase in economic uncertainty. In Europe, there were signs of economic improvement, helped by the recovery of consumer spending, etc. On the other hand, China's domestic demand remained weak due to a prolonged real estate crisis and a challenging job market, and its exports growth slowed sharply due to the impact of U.S. additional tariffs on China.

The automotive market, the company's key focus area, showed signs of growing auto production and sales in China. On the other hand, the global EV market slowed down from the latter half of FY2023, while the Japanese, European and U.S. markets slumped. As a result, global automobile production for the fiscal year ended March 31, 2024, slightly decreased from the previous year's level.

Given this business environment, the future mobility market saw a drop in sales because of a reversion to a rise in sales during FY2023 Q4, a period when some customers secured safety inventory against shortage anticipated during the company's whole system change to a new ERP from April 1, 2024. It was also affected by market slowdown due to sales slump in the powertrain market for xEV (EV, FCHV, PHV, HEV) of the main segments, as well as sales decline in Japanese, European and U.S. automakers' vehicle models, whereas car sales in China recovered from FY2024 Q2 onward. In the consumer market, sales increased for printers and digital cameras. In the industrial market, demand for FA equipment remained weak, whereas sales in the energy management system market grew. Besides, the Japanese yen remained weak. As a result, the company's sales remained at ¥56,332 million, up 1.9% YoY.

When it comes to profit, an operating profit decreased to ¥5,307million, down 10.6% YoY, ordinary profit to ¥5,504 million, down 23.4% YoY, due to stagnant sales, soaring raw material costs, etc. whereas profit attributable to owners of the parent increased to ¥2,662 million, down 52.4% YoY as structural reform expense were recorded.

### **(2) Overview of Financial Position for the Current Fiscal Year**

Total assets at the end of the current fiscal year decreased ¥5,485 million from the end of the previous fiscal year (March 31, 2024) to ¥91,370 million. This was mainly due to a decrease of ¥2,378 million in cash and deposits and a decrease of ¥2,221 million in notes and accounts receivable-trade and contract assets.

Total liabilities increased ¥334 million from the end of the previous consolidated fiscal year to ¥20,173 million, mainly due to an increase in short-term borrowings for working capital.

Net assets decreased ¥5,820 million from the previous consolidated fiscal year to ¥71,196million, due to an increase of ¥2,662 million from profit attributable to owners of the parent, a decrease of ¥2,130 million from dividends, and ¥4,932 million from acquisition of treasury stock.

### **(3) Overview of Cash Flows for the Current Fiscal Year**

Cash flow from operating activities for the current fiscal year increased fund by ¥12,043 million, down 6.9% from the previous fiscal year, due to a decrease in profit and an increase in inventories.

Cash flow from investing activities was a outflow of 8,778 million yen, mainly due to the acquisition of tangible fixed assets for the construction of the new Akita Plant.

Cash flows from financing activities resulted in a outflow of 5,495 million yen, mainly due to the acquisition of treasury stock and payment of dividends to shareholders

. As a result, the balance of cash and cash equivalents at the end of the current consolidated fiscal year was ¥24,314 million, a decrease of ¥2,378 million compared to the end of the previous consolidated fiscal year.

#### **(4) Future Prospects**

##### **1. The business environment**

The business environment surrounding the company will be even more uncertain due to the global impact of the U.S. tariff policy, which could also pose a risk of a potential economic downturn due to inflation and retaliatory tariffs.

In the mobility market, global automobile production is expected to decrease in the fiscal year ending March 2026 compared to the previous year's level, while the share of xEVs, including PHVs and HEVs, in the auto production, is expected to remain only slightly higher than the previous year's level. In the infotainment market, a boom in demand for high-speed transmission connectors is expected, driven by increasing sales to Chinese customers. In the consumer market, a weak demand for gaming consoles is expected to continue, which will lead to a tough business environment. On the other hand, in the industrial market, a grow in demand is expected in new industries including the energy management system market.

##### **2. Key Focus Strategies for FY2026 ending March 31**

The new mid-term management plan for the three years starting from the fiscal year ended March 31, 2025, includes four focus strategies to meet the ¥100 billion sales target by 2030, which was set out as a long-term vision, by:

- Preparing the ground for shifting from "IRISO for automotive" to "IRISO for next mobility"
- Increasing the company's global presence in the industrial market
- Reviewing the global production system, and improving productivity and capital efficiency through standardizing equipment and toolings
- Continuing to develop the sustainable management system (environment, human resources, and strong management foundation)

Since the mid-term management plan was created, the company has faced many changes in the global business environment, including the risk of an economic downturn, poor sales in Japanese, European and the U.S. auto sales, the EV market slowdown, the rise of Chinese automakers and intensifying price competition, and the soaring costs of raw materials, which were not initially anticipated. Considering these changes and the current progress of the mid-term management plan, we will focus on the following key focus strategies during the second year of the plan, the fiscal year ending March 2026.

#### **【Business Strategy】**

##### **■Next Mobility Market**

- Increase sales of products that meet EU and US standards in the powertrain market and expand the Z-Move connector line.
- Develop a new market by entering the auto centralized control ECU market with the next-generation high-speed transmission connector and scalable connector.
- Accelerate early mass production of new products to be launched in the sensor market through joint development with KEL Corporation (from FY2025 onward).

##### **■Industrial Market**

- Seek new business opportunities for AI, chip manufacturing equipment and telecommunication sectors in the energy management system market.
- Develop new customers by using distributors such as Arrow Electronics, Inc., with which an agreement was made in FY2024.

##### **■All Markets**

- Win more Chinese customers by integrating local production, sales and engineering within China.

### 【Bolster Business Foundation】

#### ■ To Restructure the Company

- Improve production efficiency by accelerating the Akita plant operational launch and review production system (BCP management, local consumption of local products and tariffs).
- Standardize equipment and toolings, and promote in-house tooling manufacturing.
- Redefine HQ role and responsibility and improve back-office productivity by using digital transformation. (DX).

#### ■ To Streamline Operations

- Cut indirect costs by standardizing operations and improving supply chain visibility with the new ERP system.
- Improve capital investment efficiency and reduce fixed costs by standardizing equipment and increasing in-house tooling production and reduce fixed costs.

### 3. Outlook for the Fiscal Year Ending March 2026

For the fiscal year ending March 2026, we expect consolidated sales of ¥55 billion (a 2.4% decrease compared to the previous year's level), a consolidated operating profit of ¥5.5 billion (a 3.6% increase compared to the previous year's level), a consolidated ordinary profit of ¥5.4 billion (a 1.9% decrease compared to the previous year's level), and net profit attributable to parent company of ¥3.9 billion (a 46.5% increase compared to the previous year's level). The exchange rates are ¥145 per USD, ¥162 per EUR, and ¥20 per CNY.

At present, tariff impacts are still uncertain, and they are not reflected in the full-year forecast.

## 2. Basic Policy on Selection of Accounting Standards

The Group has adopted Japanese GAAP for accounting standards, but will continue to consider the adoption of IFRS (International Financial Reporting Standards), taking into account trends in the adoption of IFRS by other domestic companies.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	26,692	24,314
Notes and accounts receivable - trade, and contract assets	15,010	12,789
Merchandise and finished goods	8,215	8,935
Work in process	0	32
Raw materials and supplies	4,400	4,514
Other	1,837	1,643
Allowance for doubtful accounts	(64)	(20)
Total current assets	56,093	52,209
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,778	10,524
Machinery, equipment and vehicles, net	16,669	13,934
Tools, furniture and fixtures, net	4,569	4,177
Land	1,890	1,892
Construction in progress	6,422	3,504
Total property, plant and equipment	35,330	34,033
Intangible assets		
Software	217	2,728
Software in progress	3,159	13
Goodwill	91	60
Other	5	0
Total intangible assets	3,473	2,802
Investments and other assets		
Investment securities	239	276
Deferred tax assets	1,060	1,322
Other	713	783
Allowance for doubtful accounts	(55)	(56)
Total investments and other assets	1,957	2,325
Total non-current assets	40,762	39,161
Total assets	96,856	91,370

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,466	4,689
Short-term borrowings	1,261	4,000
Current portion of long-term borrowings	841	895
Income taxes payable	732	426
Provision for bonuses	724	746
Provision for directors' bonuses	-	94
Other	4,397	3,388
<b>Total current liabilities</b>	<b>13,423</b>	<b>14,241</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,722	4,426
Retirement benefit liability	507	417
Provision for share awards for directors (and other officers)	147	-
Other	1,038	1,088
<b>Total non-current liabilities</b>	<b>6,415</b>	<b>5,932</b>
<b>Total liabilities</b>	<b>19,839</b>	<b>20,173</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,640	5,640
Capital surplus	8,744	8,045
Retained earnings	49,281	49,813
Treasury shares	(1,167)	(6,099)
<b>Total shareholders' equity</b>	<b>62,498</b>	<b>57,398</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	72	87
Foreign currency translation adjustment	13,624	13,012
Remeasurements of defined benefit plans	37	122
<b>Total accumulated other comprehensive income</b>	<b>13,734</b>	<b>13,222</b>
<b>Non-controlling interests</b>	<b>783</b>	<b>575</b>
<b>Total net assets</b>	<b>77,016</b>	<b>71,196</b>
<b>Total liabilities and net assets</b>	<b>96,856</b>	<b>91,370</b>

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	55,271	56,332
Cost of sales	38,133	38,391
Gross profit	17,137	17,940
Selling, general and administrative expenses	11,200	12,633
Operating profit	5,936	5,307
Non-operating income		
Interest income	274	329
Dividend income	5	6
Foreign exchange gains	981	-
Other	194	148
Total non-operating income	1,455	484
Non-operating expenses		
Interest expenses	121	158
Foreign exchange losses	-	83
Loss on valuation of derivatives	51	10
Other	29	36
Total non-operating expenses	202	287
Ordinary profit	7,189	5,504
Extraordinary income		
Gain on sale of non-current assets	16	6
Gain on liquidation of subsidiaries	28	-
National subsidies	-	170
Total extraordinary income	45	177
Extraordinary losses		
Loss on retirement of non-current assets	237	216
Loss on sale of non-current assets	7	1
Impairment losses	120	219
Restructuring expenses	-	1,991
Loss from money transfer scam at foreign subsidiary	-	35
Total extraordinary losses	365	2,464
Profit before income taxes	6,869	3,217
Income taxes - current	1,231	1,179
Income taxes - deferred	(97)	(372)
Total income taxes	1,133	807
Profit	5,735	2,409
Profit attributable to non-controlling interests	142	(252)
Profit attributable to owners of parent	5,593	2,662

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	5,735	2,409
Other comprehensive income		
Valuation difference on available-for-sale securities	36	15
Foreign currency translation adjustment	5,091	(568)
Remeasurements of defined benefit plans, net of tax	16	85
Total other comprehensive income	5,143	(467)
Comprehensive income	10,879	1,942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,696	2,150
Comprehensive income attributable to non-controlling interests	183	(208)

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,640	8,744	45,582	(1,179)	58,787
Changes during period					
Dividends of surplus			(1,893)		(1,893)
Profit attributable to owners of parent			5,593		5,593
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				12	12
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,699	11	3,711
Balance at end of period	5,640	8,744	49,281	(1,167)	62,498

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	36	8,574	20	8,630	600	68,019
Changes during period						
Dividends of surplus						(1,893)
Profit attributable to owners of parent						5,593
Purchase of treasury shares						(0)
Disposal of treasury shares						12
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	36	5,050	16	5,103	183	5,286
Total changes during period	36	5,050	16	5,103	183	8,997
Balance at end of period	72	13,624	37	13,734	783	77,016

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,640	8,744	49,281	(1,167)	62,498
Changes during period					
Dividends of surplus			(2,130)		(2,130)
Profit attributable to owners of parent			2,662		2,662
Purchase of treasury shares				(5,772)	(5,772)
Disposal of treasury shares				140	140
Cancellation of treasury shares		(699)		699	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(699)	531	(4,932)	(5,100)
Balance at end of period	5,640	8,045	49,813	(6,099)	57,398

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	72	13,624	37	13,734	783	77,016
Changes during period						
Dividends of surplus						(2,130)
Profit attributable to owners of parent						2,662
Purchase of treasury shares						(5,772)
Disposal of treasury shares						140
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	15	(612)	85	(511)	(208)	(719)
Total changes during period	15	(612)	85	(511)	(208)	(5,820)
Balance at end of period	87	13,012	122	13,222	575	71,196

**(4) 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	6,869	3,217
Depreciation	6,326	7,092
Amortization of goodwill	30	30
Increase (decrease) in allowance for doubtful accounts	20	(42)
Increase (decrease) in provision for bonuses	101	23
Increase (decrease) in provision for directors' bonuses	20	(147)
Increase (decrease) in provision for bonuses for directors (and other officers)	-	94
Increase (decrease) in retirement benefit liability	13	(3)
Interest and dividend income	(279)	(335)
Interest expenses	121	158
Foreign exchange losses (gains)	(350)	36
Loss on retirement of non-current assets	237	216
Impairment losses	120	219
Restructuring expenses	-	1,991
National subsidies	-	(170)
Decrease (increase) in trade receivables	622	2,086
Decrease (increase) in inventories	567	(976)
Increase (decrease) in trade payables	(19)	(685)
Other, net	(153)	374
Subtotal	14,248	13,179
Interest and dividends received	279	335
Interest paid	(128)	(159)
Income taxes paid	(1,465)	(1,483)
Subsidies received	-	170
Net cash provided by (used in) operating activities	12,934	12,043
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,827)	(8,608)
Purchase of intangible assets	(1,222)	(84)
Purchase of investment securities	(59)	(13)
Other, net	20	(70)
Net cash provided by (used in) investing activities	(9,089)	(8,778)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	478	2,738
Proceeds from long-term borrowings	4,400	600
Repayments of long-term borrowings	(598)	(841)
Purchase of treasury shares	(0)	(5,772)
Dividends paid	(1,893)	(2,121)
Repayments of lease liabilities	(73)	(98)
Net cash provided by (used in) financing activities	2,313	(5,495)
Effect of exchange rate change on cash and cash equivalents	1,893	(148)
Net increase (decrease) in cash and cash equivalents	8,051	(2,378)
Cash and cash equivalents at beginning of period	18,640	26,692
Cash and cash equivalents at end of period	26,692	24,314

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

(Consolidated statement of cash flows)

"Decrease (increase) in consumption taxes refund receivable" under "Cash flows from operating activities", which was presented separately in the previous consolidated fiscal year, is now included in "Other" from the current consolidated fiscal year under review due to its decreased importance in terms of amount.

In addition, "Proceeds from redemption of investment securities" under "Cash flows from investing activities", which was presented separately in the previous consolidated fiscal year, is now included in "Other" from the current consolidated fiscal year under review due to its decreased importance in terms of amount.

To reflect this change in presentation, the consolidated statement of cash flows for the previous consolidated fiscal year has been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, "Decrease (increase) in consumption taxes refund receivable" of ¥(161) million and "Other" of ¥8 million, which has been reclassified as "Other" of ¥(153) million, and in the consolidated statement of cash flows for the previous fiscal year, "Proceeds from redemption of investment securities" of ¥1 million and "Other" of ¥19 million, which has been reclassified as "Other" of ¥20 million.

(Additional Information)

(Transactions Related to the BIP Trust for Directors' Remuneration)

The Company has introduced the "BIP Trust for Directors' Remuneration" as a performance-linked stock compensation plan for the Company's Directors (excluding Directors who are members of the Audit and Supervisory Committee, Outside Directors and domestic non-residents) and Executive Officers (excluding domestic non-residents) from the fiscal year ending March 2019. However, BIP Trust is terminated as of August 2024. With the end of this system, the Company has introduced performance-linked bonuses to directors from this fiscal year, and has recorded the expected amount of such bonuses as a provision for directors' bonuses.

Accounting treatment for trusts is in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Report No. 30, March 26, 2015).

Under this system, a trust (executive compensation BIP trust) established by the Company using money contributed by the Company as the source of funds acquires the Company's shares, and through the trust, the Company delivers and gives to directors and others the Company's shares equivalent to the points granted to them based on the degree of achievement of performance targets and position in the Company during each fiscal year and an amount equivalent to the cash proceeds from the conversion of the shares.

The Company's shares remaining in the trust are recorded as treasury stock under net assets at their book value (excluding incidental expenses) in the trust. The book value and number of such treasury stock were ¥839 million and 147,426 shares for the previous fiscal year. There are no shares remaining in the trust as of the current fiscal year.

(Consolidated Statement of Income)

(Impairment losses)

The Group recorded impairment losses on the following asset groups.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Location	Use	Category
Yokohama, Kanagawa	Idle assets	Construction in progress
Hitachiomiya, Ibaraki	Idle assets	Machinery

In principle, the Group groups idle assets by individual asset.

The book value of the above machinery and construction in progress was reduced to the recoverable amount and ¥120 million was recorded as an impairment loss in extraordinary loss because these assets are no longer expected to be used for business operations.

The recoverable amount was measured based on the net realizable value, and the net realizable value was zero because the assets were not expected to be sold.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Location	Use	Category
Hanamaki, Iwate	Idle assets	Construction in progress
Kawasaki, Kanagawa	Idle assets	Machinery Tools, furniture and fixtures Construction in progress
China	Idle assets	Machinery
Philippines	Idle assets	Buildings Machinery Tools, furniture and fixtures

With respect to business assets, the Group groups assets based on the smallest units that independently generate cash flows. The Company previously used the company basis as the smallest unit for asset grouping. However, due to the establishment of the Akita Plant and structural reforms, changes in the interdependence of cash flows among sites led to a revision of the grouping. Specifically, asset grouping is primarily conducted on plant- by-plant basis, using management accounting segments for which income and expenditure are continuously monitored.

For idle assets are grouped by individual asset.

The book value of the above idle assets was reduced to the recoverable amount and ¥219 million was recorded as an impairment loss in extraordinary loss because these assets are no longer expected to be used for business operations.

The recoverable amount was measured based on the net realizable value, and the net realizable value was zero because the assets were not expected to be sold.

The impairment loss relating to restructuring of ¥1,752 million is presented as restructuring expenses.

(Restructuring expenses)

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

The Group has recorded extraordinary losses as restructuring expenses for expenses incurred in reviewing the functions of the Ibaraki plant and optimizing personnel at the headquarters and Ibaraki plant.

The main components of the losses are impairment losses on fixed assets of 1,752 million yen and special retirement benefits etc. of 239 million yen associated with the solicitation of voluntary retirees.

The impairment losses are as follows:

Location	Use	Category
Hitachiomiya, Ibaraki	Business assets	Buildings and structures Machinery, equipment and vehicles Tools, furniture and fixtures Land Construction in progress Software in progress, and others

The group groups its business-use assets based on the smallest units that generates independent cash flows. Specifically, asset grouping is primarily conducted on plant- by-plant basis, using management accounting segments for which income and expenditure are continuously monitored.

For idle assets are grouped by individual asset.

As a result of a review of the functions of the Ibaraki Factory in connection with restructuring, the above business assets are expected to continue to generate negative profits and losses from operating activities, so an impairment loss has been recognized and the book value of the assets has been reduced to the recoverable amount, with the reduction amount of 1,752 million yen recorded as an extraordinary loss.

In addition, as the net realizable value exceeds the future cash flows expected from continued use and disposal of the asset group, the recoverable amount has been measured based on the net realizable value. Buildings, structures, and land have been measured based on the net selling price based on real estate appraisal values, and as there are no prospects for selling other assets, the net realizable value has been set to zero.

(Consolidated Statements of Changes in Equity)

I. For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Dividend Payments

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
Resolution at regular general shareholders meeting on June 27, 2023	Common stock	1,893	80	March 31, 2023	June 28, 2023	Retained earnings

Notes The total amount of dividends resolved at the ordinary general meeting of shareholders on June 27, 2023 includes ¥11 million in dividends on the company's shares held by the Executive Compensation BIP Trust.

II. For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Dividend Payments

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
Resolution at regular general shareholders meeting on June 25, 2024	Common stock	2,130	90	March 31, 2024	June 26, 2024	Retained earnings

Notes The total amount of dividends resolved at the ordinary general meeting of shareholders on June 25, 2024 includes ¥13 million in dividends on the company's shares held by the Executive Compensation BIP Trust.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are constituent units of the Group for which discrete financial information can be obtained, and for which the Board of Directors can decide on the allocation of management resources and evaluate operating performance. Consequently, the segments are principal categories that allow for regular consideration.

The Group produces and sells electronic components, with the company in Japan and independent subsidiaries in Asia (China, Singapore, Thailand, the Philippines, and Vietnam), Europe (Germany), and North America (the United States and Mexico). Each local subsidiary is an independent management unit that formulates comprehensive strategies for the products it handles in each region and develops business activities.

Therefore, the group is composed of geographic segments based on production and sales systems, and has four reportable segments: "Japan," "Asia," "Europe," and "North America."

2. Method of calculating net sales, income (loss), assets, and other items by reportable segment

The accounting methods used in reportable business segments are generally the same as applied in "Significant Matters Forming the Basis of Preparing the Consolidated Financial Statements." Intersegment revenues and transfers are based on prevailing market prices.

3. Information on net sales, income (loss), assets, and other items by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	9,743	29,241	9,652	6,632	55,271	—	55,271
(2) Intersegment sales and transfer	31,411	25,441	0	—	56,852	(56,852)	—
Subtotal	41,155	54,682	9,652	6,632	112,123	(56,852)	55,271
Segment income(loss)	3,626	4,595	526	(69)	8,679	(2,742)	5,936
Segment assets	37,939	61,908	5,821	4,746	110,416	(13,560)	96,856
Other items							
Depreciation	1,512	4,738	45	30	6,326	—	6,326
Amortization of Goodwill	30	—	—	—	30	—	30
Increase in property, plant and equipment and intangible assets	6,092	2,583	174	0	8,850	—	8,850

Notes 1. Adjustments are as follows.

- (1) The segment income adjustment of ¥(2,742) million consists of corporate expenses of ¥(2,441) million not allocated to each reportable segment and inventory adjustments, etc. of ¥(300) million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.
- (2) Adjustment of segment assets of ¥(13,560) million includes corporate assets of ¥774 million not allocated to each reportable segment and offsetting elimination of receivables and payables, etc. of ¥(14,334) million. Corporate assets consist mainly of the parent company's investment securities and assets of the administrative division.

2. Segment income(loss) is adjusted to match operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	9,031	32,336	9,173	5,790	56,332	-	56,332
(2) Intersegment sales and transfer	31,244	21,788	-	-	53,032	(53,032)	-
Subtotal	40,276	54,124	9,173	5,790	109,365	(53,032)	56,332
Segment income	4,403	3,254	11	52	7,722	(2,414)	5,307
Segment assets	33,414	58,042	5,472	4,121	101,050	(9,679)	91,370
Other items							
Depreciation	2,214	4,813	45	18	7,092	-	7,092
Amortization of Goodwill	30	-	-	-	30	-	30
Increase in property, plant and equipment and intangible assets	5,793	2,221	14	120	8,149	-	8,149

Notes 1. Adjustments are as follows.

- (1) The segment income adjustment of ¥(2,414) million consists of corporate expenses of ¥(3,128) million not allocated to each reportable segment and inventory adjustments, etc. of ¥713 million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.
- (2) Adjustment of segment assets of ¥(9,679) million includes corporate assets of ¥3,363 million not allocated to each reportable segment and offsetting elimination of receivables and payables, etc. of ¥(13,043) million. Corporate assets consist mainly of the parent company's investment securities and assets of the administrative division.

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

**【Reference Information】**

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product and service

Not applicable.

2. Information by Region

(1) Sales

(Millions of yen)

Japan	China	USA	Asia	Europe	North America	Others	Total
9,747	18,135	5,341	11,069	9,333	1,272	370	55,271

Notes 1. Sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category

- (1) Asia: Asia region excluding China
- (2) Europe: Europe region
- (3) North America: North America region excluding USA

(2) Property, Plant and Equipment

(Millions of yen)

Japan	China	Philippines	Vietnam	Others	Total
12,286	14,031	3,146	5,582	283	35,330

3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

Not applicable.

2. Information by Region

(1) Sales

(Millions of yen)

Japan	China	USA	Asia	Europe	North America	Others	Total
9,031	20,695	4,152	12,029	8,731	973	718	56,332

Notes 1. Sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category

(1) Asia: Asia region excluding China

(2) Europe: Europe region

(3) North America: North America region excluding USA

(2) Property, Plant and Equipment

(Millions of yen)

Japan	China	Philippines	Vietnam	Others	Total
13,543	12,974	2,595	4,623	296	34,033

3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

【Information related to Impairment Loss of Noncurrent Assets by Reportable Segment】

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Impairment loss	120	-	-	-	120	-	120

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Impairment loss	1,771	199	-	-	1,971	-	1,971

Notes Of the impairment losses, ¥1,752 million in the Japan segment is included in restructuring expenses under extraordinary losses.

**【Information related to Amortization of Goodwill and Unamortized Balance by Reportable Segment】**

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Amortization for the year ended Mar. 31, 2024	30	-	-	-	30	-	30
Balance on Mar. 31, 2024	91	-	-	-	91	-	91

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Amortization for the year ended Mar. 31, 2025	30	-	-	-	30	-	30
Balance on Mar. 31, 2025	60	-	-	-	60	-	60

**【Information on Negative Goodwill Generated by Reportable Segment】**

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥3,240.40	¥3,291.67
Basic earnings per share	¥237.75	¥118.25

Notes 1. Diluted earnings per share are not shown because there were no common potential shares.

2. The Company introduced the "BIP Trust for Directors' Remuneration" and the Company shares held by the Trust are recorded as treasury stock in the consolidated financial statements. Accordingly, the Company's shares held by the trust are included in the number of treasury shares deducted in calculating the "average number of common shares during the period" when calculating net income per share. The average number of shares of treasury stock deducted from the calculation of net income per share was 148,332 shares in the previous consolidated fiscal year and 76,663 shares in the current consolidated fiscal year. The number of treasury stock deducted from the number of shares for the calculation of net assets per share at the end of the period was 147,426 shares for the previous fiscal year and 0 shares for the current fiscal year.

3. The basis for calculating earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	5,593	2,662
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	5,593	2,662
Average number of common shares outstanding during the period (Thousand shares)	23,525,006	22,514,382

(Significant subsequent events)

Not applicable.