



May 25, 2026

To Whom it may concern

Company Name: Hakuto Co., Ltd.
Representative: Tamaki Miyashita
President & Chief Executive Officer
(Securities code: 7433, Prime Market)
Contact: Ken Ebihara
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(Correction / Numerical Data Correction) Regarding Partial Correction of "Financial Results for the Fiscal Year Ending March 2026 [Japanese GAAP] (Consolidated)"

We announced the "Financial Results for the Fiscal Year Ending March 2026 [Japanese GAAP] (Consolidated)" on May 12, 2026. As there are certain items that require partial correction in the content of said announcement, we hereby notify you as follows. In addition, as there are also corrections to the numerical data, we will transmit the corrected numerical data as well.

1. Reason for Correction

Regarding the "Financial Results for the Fiscal Year Ending March 2026 [Japanese GAAP] (Consolidated)" disclosed on May 12, 2026, it was discovered during the review process toward the finalization of financial results that certain items contained errors in the disclosed content. Accordingly, we are making corrections to said items.

Please note that this correction has no impact on net sales, operating profit, ordinary profit, or profit attributable to owners of the parent.

2. Details of Correction

The corrected items in the summary information are as follows. As there are numerous other corrected items, the full corrected text is attached hereto, with corrections indicated by underlines.

【Before Correction】

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	181,178	(1.1)	6,080	(23.2)	5,579	(23.8)	5,009	(2.4)
March 31, 2025	183,133	0.6	7,913	3.6	7,321	5.9	5,131	(0.9)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥6,967 million [50.4%]
For the fiscal year ended March 31, 2025: ¥4,633 million [(36.3)%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2026	266.14	-	7.5	3.8	3.4
March 31, 2025	272.76	-	7.8	5.5	4.3

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥15 million
For the fiscal year ended March 31, 2025: ¥13 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	<u>164,968</u>	<u>69,670</u>	<u>41.4</u>	<u>3,623.85</u>
March 31, 2025	130,376	65,546	50.3	3,483.44

Reference: Equity
As of March 31, 2026: ¥68,224 million
As of March 31, 2025: ¥65,546 million

【After Correction】

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
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March 31, 2025	183,133	0.6	7,913	3.6	7,321	5.9	5,131	(0.9)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥7,130 million [53.9%]
For the fiscal year ended March 31, 2025: ¥4,633 million [(36.3)%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2026	266.14	-	7.5	3.8	3.4
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Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥15 million
For the fiscal year ended March 31, 2025: ¥13 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	<u>164,484</u>	<u>69,833</u>	<u>41.6</u>	<u>3,632.50</u>
March 31, 2025	130,376	65,546	50.3	3,483.44

Reference: Equity
As of March 31, 2026: ¥68,386 million
As of March 31, 2025: ¥65,546 million

May 12, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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 24, 2026
 Scheduled date to commence dividend payments: June 10, 2026
 Scheduled date to file annual securities report: June 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
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Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥7,130 million [53.9%]
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(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	<u>164,484</u>	<u>69,833</u>	<u>41.6</u>	<u>3,632.50</u>
March 31, 2025	130,376	65,546	50.3	3,483.44

Reference: Equity
 As of March 31, 2026: ¥68,386 million
 As of March 31, 2025: ¥65,546 million

(3) Consolidated cash flows

Fiscal year ended	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
March 31, 2026	10,273	(17,533)	10,017	18,749
March 31, 2025	10,589	(4,568)	(6,507)	14,929

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, 2025	-	130.00	-	130.00	260.00	4,892	95.3	7.4
Fiscal year ended March 31, 2026	-	100.00	-	100.00	200.00	3,765	75.1	5.6
Fiscal year ending March 31, 2027 (Forecast)		110.00		110.00	220.00		72.7	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2026	110,000	31.3	3,400	44.7	2,900	24.7	2,300	14.5	122.17
Fiscal year ending March 31, 2027	225,000	24.2	8,800	44.7	7,500	34.4	5,700	13.8	302.77

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (Rabyte Pte. Ltd., Rabyte Edge Pvt. 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: None
- (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, 2026	21,137,213 shares
As of March 31, 2025	21,137,213 shares

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

As of March 31, 2026	2,310,823 shares
As of March 31, 2025	2,320,518 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	18,824,335 shares
Fiscal year ended March 31, 2025	18,814,802 shares

Note: For the number of shares on which the calculation of net income per share (consolidated) is calculated, please refer to the "Information per Share" 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 Business Performance

(1) Overview of Business Performance for the Current Fiscal Year

During the consolidated fiscal year under review, the global economy generally remained resilient, supported by the expansion of investment related to generative AI. However, rising energy prices and supply chain disruptions stemming from the escalation of tensions in the Middle East toward the end of the fiscal year have led to a slowdown in economic momentum, further heightening uncertainty regarding the outlook.

Regarding the Japanese economy, a mild recovery trend driven by domestic demand continued, supported by sustained high levels of wage increases and robust capital investment. At the same time, concerns remain over increased raw material cost burdens caused by rising resource prices, as well as the impact of higher consumer prices on private consumption, leaving the economic outlook still uncertain.

In the electronics industry, where our Group operates its core businesses, investment in data centers driven by the practical deployment of AI agents accelerated further, and tight supply-demand conditions and price increases for advanced semiconductors and memory continued. Demand for automotive and industrial equipment, which had completed inventory adjustments, also shifted to a recovery trend, performing generally well. On the other hand, profitability of consumer electronics was squeezed by high component costs, and the impact of geopolitical risks remained a concern, resulting in an increasing polarization of market conditions.

Under these circumstances, in the Electronic Components segment of our Group, revenue declined year-on-year due to continued sluggish demand and inventory adjustments by customers, particularly in the automotive-related field.

In the Electronic & Electrical Equipment segment, sales declined year-on-year due to decreased demand for PCB-related equipment and devices for power applications.

In the Chemical segment, revenue increased year-on-year due to a rise in overseas shipments of cosmetic base materials, along with relatively steady performance in the petroleum and petrochemical sectors.

As a result, consolidated net sales for the current fiscal year amounted to ¥181,178 million (down 1.1% year-on-year).

Regarding profitability, consolidated gross profit was ¥28,080 million (up 0.7% year-on-year). After recording consolidated selling, general and administrative expenses of ¥22,000 million (up 10.2% year-on-year), consolidated operating profit was ¥6,080 million (down 23.2% year-on-year), consolidated ordinary profit was ¥5,579 million (down 23.8% year-on-year), and net income attributable to shareholders of the parent company was ¥5,009 million (down 2.4% year-on-year).

In addition, net income per share was ¥266.14, a decrease of ¥6.62 from the previous consolidated fiscal year.

Overview by Reportable Segment

[Electronic Components Segment]

In the Electronic Components segment, sales declined due to sluggish demand from Japanese automobile manufacturers and weak sales of EV battery-related products in the automotive sector, as well as a slow recovery in the consumer and mobile fields. On the other hand, in the industrial equipment field, there were signs of improvement in inventory adjustments by customers, and optical components grew on the back of 5G investment and other factors.

As a result, net sales for the current consolidated fiscal year amounted to ¥140,274 million (down 1.9% year-on-year). Segment profit was ¥3,933 million (down 24.9% year-on-year), due to a decrease in profit associated with lower sales, foreign exchange impacts, and the recording of M&A acquisition-related costs.

[Electronic & Electrical Equipment Segment]

In the Electronic & Electrical Equipment segment, sales of environmental measuring instruments for semiconductor factories and analytical instruments for scientific research in the vacuum-related field continued to perform steadily, resulting in an increase in net sales. On the other hand, in the PCB-related field, investment restraint by package substrate manufacturers for servers and PCs continued, and demand for power device equipment declined, leading to decreased sales in both areas.

As a result, net sales for the current consolidated fiscal year amounted to ¥25,300 million (down 7.1% year-on-year). Segment profit was ¥2,083 million (down 16.6% year-on-year), due to factors including a decrease in profit associated with lower sales.

[Chemical Segment]

In the Chemical segment, sales in the paper and pulp field declined due to reduced operations and closures of customer plants. Meanwhile, in the petroleum and petrochemical field, domestic sales performed relatively steadily. In the cosmetics field, the recovery trend in demand continued, and sales of cosmetic base materials increased, driven by a rise in overseas shipments.

As a result, net sales for the current consolidated fiscal year amounted to ¥11,156 million (up 3.4% year-on-year). Segment profit was ¥625 million (compared to a segment loss of ¥9 million in the same period of the previous fiscal year).

[Other Businesses Segment]

In the Other Businesses segment, in addition to the logistics management outsourcing business and solar power generation business, the Group has been engaged in contract analysis and testing/evaluation services for material research since the second half of the previous fiscal year. Net sales for the current consolidated fiscal year amounted to ¥4,853 million (up 89.5% year-on-year). Meanwhile, segment loss was ¥705 million (compared to a segment profit of ¥131 million in the same period of the

previous fiscal year), due to the recording of goodwill amortization related to newly consolidated subsidiaries and new business-related expenses.

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

Assets, Liabilities, and Net Assets

Current assets at the end of the current consolidated fiscal year increased by ¥17,536 million (16.0%) compared to the end of the previous consolidated fiscal year, to ¥127,068 million. This was primarily due to an increase of ¥11,955 million in notes receivable, accounts receivable, and contract assets, resulting from growth at existing overseas subsidiaries as well as the addition of two newly consolidated subsidiaries from the end of the current consolidated fiscal year.

Fixed assets increased by ¥16,572 million (79.5%) compared to the end of the previous consolidated fiscal year, to ¥37,415 million. This was primarily due to an increase of ¥13,035 million in goodwill associated with the acquisition of Rabyte Pte. Ltd. and Rabyte Edge Pvt. Ltd.

As a result, total assets at the end of the current consolidated fiscal year increased by ¥34,108 million (26.2%) compared to the end of the previous consolidated fiscal year, to ¥164,484 million.

Regarding liabilities, current liabilities increased by ¥20,161 million (42.7%) compared to the end of the previous consolidated fiscal year, to ¥67,358 million. This was primarily due to an increase in working capital (merchandise purchases), as well as the addition of two newly consolidated subsidiaries from the end of the current consolidated fiscal year, resulting in an increase of ¥5,931 million in notes payable and accounts payable, and an increase of ¥13,633 million in short-term borrowings.

Non-current liabilities increased by ¥9,660 million (54.8%) compared to the end of the previous consolidated fiscal year, to ¥27,293 million. This was primarily due to an increase of ¥8,928 million in long-term borrowings.

As a result, total liabilities at the end of the current consolidated fiscal year increased by ¥29,822 million (46.0%) compared to the end of the previous consolidated fiscal year, to ¥94,651 million.

Net assets increased by ¥4,286 million (6.5%) compared to the end of the previous consolidated fiscal year, to ¥69,833 million. This was primarily due to an increase of ¥1,956 million in foreign currency translation adjustments and an increase of ¥1,446 million in non-controlling interests.

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

Regarding consolidated cash flows for the current consolidated fiscal year, cash flows from operating activities resulted in an inflow of ¥10,273 million, cash flows from investing activities resulted in an outflow of ¥17,533 million, cash flows from financing activities resulted in an inflow of ¥10,017 million, and the effect of exchange rate changes on cash and cash equivalents was an increase of ¥1,061 million. As a result, cash and cash equivalents increased by ¥3,819 million compared to the end of the previous consolidated fiscal year, reaching ¥18,749 million at the end of the current consolidated fiscal year.

(Cash Flows from Operating Activities)

Although there were outflow factors such as income taxes paid of ¥2,383 million, inflow factors including profit before income taxes of ¥7,775 million and a decrease in inventories of ¥3,116 million resulted in net cash inflows from operating activities of ¥10,273 million. Note that in the previous consolidated fiscal year, net cash inflows from operating activities were ¥10,589 million, primarily due to a decrease in inventories of ¥11,733 million.

(Cash Flows from Investing Activities)

Net cash outflows from investing activities were ¥17,533 million, primarily due to payments of ¥17,818 million for the acquisition of shares in subsidiaries resulting in a change in the scope of consolidation. Note that in the previous consolidated fiscal year, net cash outflows from investing activities were ¥4,568 million, primarily due to payments of ¥3,714 million for similar acquisitions.

(Cash Flows from Financing Activities)

Although there were outflow factors such as dividend payments of ¥4,328 million, inflow factors including net proceeds from short-term borrowings of ¥7,050 million and proceeds from long-term borrowings of ¥16,000 million resulted in net cash inflows from financing activities of ¥10,017 million. Note that in the previous consolidated fiscal year, net cash outflows from financing activities were ¥6,507 million, primarily due to dividend payments of ¥5,079 million.

Trends in the cash flow indicators are shown below.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio	46.9%	43.8%	47.9%	50.3%	<u>41.6%</u>
Equity-to-asset ratio on a market value basis	36.6%	63.0%	77.0%	59.4%	<u>47.7%</u>
Interest-bearing debt to cash flow ratio	3,796.7%	–	418.8%	333.2%	564.9%
Interest coverage ratio	5.8 times	–	47.0 times	33.8 times	23.7 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

The global economy is expected to continue facing a highly uncertain business environment going forward, as prolonged geopolitical risks such as the deterioration of the situation in the Middle East may lead to persistently high resource prices and supply constraints becoming the norm, requiring responses to new cost pressures including the restructuring of supply chains.

In the electronics industry, demand for advanced semiconductors and next-generation memory for AI servers is expected to continue driving the market, against the backdrop of expanding use cases for generative AI. Demand for automotive and industrial equipment is also expected to continue its recovery trend following the completion of inventory adjustments. On the other hand, it will be necessary to closely monitor the stagnation of demand for consumer electronics due to high component costs and the impact of geopolitical risks, and it is anticipated that the pace of economic recovery will continue to vary depending on the demand sector.

In the Electronic Components segment, our Group will work to expand sales through the development and expansion of new products, as well as the enhancement of technical and design support and quality functions. In addition, we will seek to accelerate business expansion and the realization of synergies through collaboration with newly consolidated overseas electronic components trading companies.

In the Electronic & Electrical Equipment segment, we will promote the strengthening of our proprietary solutions, the expansion of our portfolio through new products, and the advancement of our engineering business.

In the Chemical segment, we will work to improve the profitability of existing businesses and expand our solutions, while also pursuing the development of new fields, particularly in the areas of environment and energy, the electronics industry, and life sciences.

Based on the above, our consolidated business forecast for the full fiscal year ending March 2027 is as follows: net sales of ¥225,000 million (up 24.2% year-on-year), operating profit of ¥8,800 million (up 44.7% year-on-year), ordinary profit of ¥7,500 million (up 34.4% year-on-year), and net income attributable to shareholders of the parent company of ¥5,700 million (up 13.8% year-on-year).

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Year

In the medium-term management plan "Hakuto 2028" announced in April 2025, our Company aims to achieve both growth investment and enhanced shareholder returns. As our shareholder return policy, we aim for stable dividend increases and have set a dividend payout ratio of approximately 70%, along with a dividend floor based on a dividend on equity (DOE) ratio of 5%.

Based on these policies and the business performance for the current fiscal year, the Board of Directors resolved at its meeting held on May 12, 2026, to set the year-end dividend at ¥100 per share. As a result, combined with the second quarter-end dividend of ¥100 per share paid in December 2025, the annual dividend amounts to ¥200 per share, with a consolidated dividend payout ratio and total return ratio of 75.1%.

Regarding dividends for the next fiscal year, we plan to pay an ordinary dividend of ¥220 per share annually, consisting of a second quarter-end dividend of ¥110 per share and a year-end dividend of ¥110 per share.

Please note that our Articles of Incorporation stipulate that "dividends of surplus and other distributions shall be determined by resolution of the Board of Directors, pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act." It is our basic policy to distribute dividends of surplus twice a year, at the end of the second quarter and at the fiscal year-end.

2. Basic Approach to the Selection of Accounting Standards

Our Group applies Japanese Generally Accepted Accounting Principles (J-GAAP).

In preparation for the future adoption of IFRS, we will proceed with efforts to standardize accounting practices within the Group.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	14,929	18,957
Notes and accounts receivable - trade, and contract assets	39,696	51,652
Electronically recorded monetary claims - operating	6,098	5,216
Merchandise and finished goods	42,854	44,496
Work in process	83	96
Raw materials and supplies	1,546	1,718
Other	4,391	5,016
Allowance for doubtful accounts	(67)	(85)
Total current assets	109,532	127,068
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,112	6,769
Accumulated depreciation	(4,933)	(5,069)
Buildings and structures, net	1,179	1,699
Machinery and equipment	5,726	5,767
Accumulated depreciation	(4,415)	(4,686)
Machinery and equipment, net	1,310	1,080
Land	3,053	3,053
Other	5,950	6,781
Accumulated depreciation	(4,505)	(4,905)
Other, net	1,444	1,876
Total property, plant and equipment	6,988	7,710
Intangible assets		
Goodwill	3,028	16,063
Other	1,596	1,555
Total intangible assets	4,625	17,618
Investments and other assets		
Investment securities	8,333	8,557
Investment property	-	1,803
Deferred tax assets	447	600
Other	472	1,159
Allowance for doubtful accounts	(23)	(35)
Total investments and other assets	9,229	12,086
Total non-current assets	20,843	37,415
Total assets	130,376	164,484

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,863	<u>21,795</u>
Electronically recorded obligations - operating	1,708	755
Short-term borrowings	19,598	33,231
Lease liabilities	313	456
Income taxes payable	1,292	1,579
Provision for bonuses	2,538	2,308
Provision for bonuses for directors (and other officers)	75	60
Provision for product warranties	12	9
Other	5,795	<u>7,161</u>
Total current liabilities	47,196	<u>67,358</u>
Non-current liabilities		
Long-term borrowings	15,218	24,147
Lease liabilities	152	196
Deferred tax liabilities	1,541	2,044
Provision for retirement benefits for directors (and other officers)	59	72
Retirement benefit liability	279	394
Other	380	437
Total non-current liabilities	17,632	27,293
Total liabilities	64,829	<u>94,651</u>
Net assets		
Shareholders' equity		
Share capital	8,100	8,100
Capital surplus	2,532	2,548
Retained earnings	49,375	50,056
Treasury shares	(4,746)	(4,724)
Total shareholders' equity	55,261	55,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,569	<u>4,711</u>
Deferred gains or losses on hedges	(13)	13
Foreign currency translation adjustment	5,557	7,514
Remeasurements of defined benefit plans	171	166
Total accumulated other comprehensive income	10,285	<u>12,406</u>
Non-controlling interests	-	1,446
Total net assets	65,546	<u>69,833</u>
Total liabilities and net assets	130,376	<u>164,484</u>

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	183,133	181,178
Cost of sales	155,254	153,098
Gross profit	27,878	28,080
Selling, general and administrative expenses		
Salaries and allowances	6,394	6,904
Provision for bonuses	2,169	2,046
Retirement benefit expenses	593	648
Other	10,808	12,400
Total selling, general and administrative expenses	19,965	22,000
Operating profit	7,913	6,080
Non-operating income		
Interest income	40	50
Dividend income	330	309
Rental income from buildings	46	46
Share of profit of entities accounted for using equity method	13	15
Other	222	182
Total non-operating income	653	604
Non-operating expenses		
Interest expenses	315	428
Loss on sale of trade receivables	9	20
Foreign exchange losses	897	609
Other	23	47
Total non-operating expenses	1,244	1,105
Ordinary profit	7,321	5,579
Extraordinary income		
Gain on sale of non-current assets	3	9
Gain on sale of investment securities	290	2,189
Total extraordinary income	294	2,198
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	2
Loss on valuation of investment securities	49	-
Total extraordinary losses	54	2
Profit before income taxes	7,561	7,775
Income taxes - current	2,315	2,553
Income taxes - deferred	114	212
Total income taxes	2,429	2,765
Profit	5,131	5,009
Profit attributable to owners of parent	5,131	5,009

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	5,131	5,009
Other comprehensive income		
Valuation difference on available-for-sale securities	(296)	<u>139</u>
Deferred gains or losses on hedges	(188)	27
Foreign currency translation adjustment	(168)	1,956
Remeasurements of defined benefit plans, net of tax	154	(5)
Share of other comprehensive income of entities accounted for using equity method	0	2
Total other comprehensive income	(498)	<u>2,120</u>
Comprehensive income	4,633	<u>7,130</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,633	<u>7,130</u>
Comprehensive income attributable to non-controlling interests	-	-

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
Changes during period					
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					Non-controlling interests	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
Changes during period							
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 changes in equity

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,100	2,532	49,375	(4,746)	55,261
Changes during period					
Dividends of surplus			(4,328)		(4,328)
Profit attributable to owners of parent			5,009		5,009
Disposal of treasury shares		16		22	38
Cancellation of treasury shares		-		-	-
Purchase of treasury shares				(0)	(0)
Transfer of the negative balance of other capital surplus		-	-	-	-
Net changes in items other than shareholders' equity					
Total changes during period	-	16	681	21	719

Balance at end of period	8,100	2,548	50,056	(4,724)	55,980
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	Accumulated other comprehensive income					Non-controlling interests	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	4,569	(13)	5,557	171	10,285	-	65,546
Changes during period							
Dividends of surplus							(4,328)
Profit attributable to owners of parent							5,009
Disposal of treasury shares							38
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	<u>142</u>	27	1,956	(5)	<u>2,120</u>	1,446	<u>3,567</u>
Total changes during period	<u>142</u>	27	1,956	(5)	<u>2,120</u>	1,446	<u>4,286</u>
Balance at end of period	<u>4,711</u>	13	7,514	166	<u>12,406</u>	1,446	<u>69,833</u>

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,561	7,775
Depreciation	1,235	1,376
Amortization of goodwill	159	318
Increase (decrease) in provision for bonuses	(25)	(267)
Increase (decrease) in allowance for doubtful accounts	(1,197)	(11)
Interest and dividend income	(371)	(360)
Interest expenses	315	428
Share of loss (profit) of entities accounted for using equity method	(13)	(15)
Loss (gain) on sale of investment securities	(290)	(2,189)
Loss (gain) on valuation of investment securities	49	-
Loss (gain) on sale and retirement of non-current assets	0	(7)
Increase (decrease) in accrued consumption taxes	72	51
Decrease (increase) in trade receivables	(1,231)	(300)
Decrease (increase) in inventories	11,733	3,116
Increase (decrease) in trade payables	(6,715)	531
Other, net	952	2,273
Subtotal	12,237	12,721
Interest and dividends received	387	369
Interest paid	(313)	(433)
Income taxes paid	(1,721)	(2,383)
Net cash provided by (used in) operating activities	10,589	10,273
Cash flows from investing activities		
Purchase of property, plant and equipment	(808)	(1,086)
Proceeds from sale of property, plant and equipment	4	25
Purchase of intangible assets	(248)	(81)
Purchase of investment securities	(72)	(112)
Proceeds from sale of investment securities	305	2,358
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,714)	(17,818)
Purchase of shares of non consolidated subsidiaries	-	(103)
Other, net	(34)	(715)
Net cash provided by (used in) investing activities	(4,568)	(17,533)
Cash flows from financing activities		
Proceeds from short-term borrowings	259,000	269,450
Repayments of short-term borrowings	(261,900)	(262,400)
Repayments of lease liabilities	(266)	(514)
Proceeds from long-term borrowings	12,000	16,000
Repayments of long-term borrowings	(10,296)	(8,211)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	35	22
Dividends paid	(5,079)	(4,328)
Net cash provided by (used in) financing activities	(6,507)	10,017
Effect of exchange rate change on cash and cash equivalents	(152)	1,061
Net increase (decrease) in cash and cash equivalents	(639)	3,819
Cash and cash equivalents at beginning of period	15,568	14,929
Cash and cash equivalents at end of period	14,929	18,749

(5) Notes to Consolidated Financial Statements

(Going Concern)

Not applicable.

(Significant Accounting Policies for the Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 14

The consolidated subsidiaries are: Hakuto Logistics 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., Rabyte Pte. Ltd., Rabyte Edge Pvt. Ltd., Moldec Co., Ltd., and Clearise Inc.

Note that Rabyte Pte. Ltd. has been included in the scope of consolidation as a result of the acquisition of 76% of its shares in February 2026, and Rabyte Edge Pvt. Ltd. has been included in the scope of consolidation as a result of the subscription of a third-party allotment of new shares and the acquisition of 76% of its shares in February 2026.

(2) Principal non-consolidated subsidiaries

Non-consolidated subsidiaries Microtek Hongkong Ltd., Hakuto Malaysia Sdn. Bhd., and Hakuto India Pvt. Ltd. have been excluded from the scope of consolidation as their impact on total assets, net sales, consolidated net income/loss, and retained earnings is insignificant.

Note that Hakuto India Pvt. Ltd. was newly established during the current consolidated fiscal year.

2. Application of the Equity Method

(1) Number of affiliates accounted for using the equity method: 1

The affiliate accounted for using the equity method is Sun-A Giken Co., Ltd.

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

Microtek Hongkong Ltd., Hakuto Malaysia Sdn. Bhd., and Hakuto India Pvt. Ltd. have been excluded from the scope of equity method application as their impact on consolidated net income/loss and retained earnings is insignificant.

3. Fiscal Year-End of Consolidated Subsidiaries

The fiscal year-end of Hakuto Enterprises (Shanghai) Ltd. and Hakuto Trading (Shenzhen) Ltd. is December 31. For the preparation of the consolidated financial statements, financial statements prepared on a provisional basis as of the consolidated fiscal year-end are used.

The fiscal year-end of all other consolidated subsidiaries coincides with the consolidated fiscal year-end.

4. Accounting Policies

(1) Significant valuation standards and methods for assets

① Securities

Other securities

Securities other than those without market prices:

The fair value method based on market prices as of the fiscal year-end is applied (unrealized gains and losses are recognized directly in net assets in their entirety, and the cost of securities sold is determined using the moving-average method).

Securities without market prices:

The cost method using the moving-average method is applied.

② Derivative transactions

The fair value method is applied.

③ Inventories

Merchandise, finished goods, raw materials, and work-in-process are valued primarily using the cost method based on the moving-average method (the balance sheet value is determined by writing down the book value based on declining profitability). Supplies are valued primarily using the cost method based on the first-in, first-out (FIFO) method (the balance sheet value is determined by writing down the book value based on declining profitability).

(2) Significant depreciation methods for depreciable assets

① Property, plant and equipment (excluding lease assets)

The Company and its domestic consolidated subsidiaries apply the straight-line method for depreciation of property, plant and equipment. Useful lives and residual values are determined in accordance with the same standards as those stipulated under the Corporation Tax Act. For overseas consolidated subsidiaries, useful lives are determined based on individual estimates, and the straight-line method is applied primarily to buildings, while the declining-balance method is applied to other property, plant and equipment.

② Intangible assets (excluding lease assets and customer-related assets)

(a) Software for internal use:

The straight-line method based on the estimated useful life for internal use (5 years) is applied.

(b) Other intangible assets:

The straight-line method is applied. Useful lives are determined in accordance with the same standards as those stipulated under the Corporation Tax Act.

③ Lease assets

For lease assets under finance lease transactions that transfer ownership, the same depreciation method as that applied to owned fixed assets is used.

For lease assets under finance lease transactions that do not transfer ownership, the straight-line method is applied, with the lease term as the useful life and a residual value of zero.

④ Customer-related assets

Customer-related assets are amortized using the straight-line method over the period during which the effects are expected to be realized (10 years).

(3) Significant provisions

① Allowance for doubtful accounts

To provide for losses from bad debts on receivables such as accounts receivable, an allowance is recorded based on the historical bad debt ratio for general receivables, and based on an individual assessment of recoverability for specific receivables such as those with a high risk of default.

② Provision for bonuses

To provide for the payment of bonuses to employees of the Company and certain consolidated subsidiaries, an allowance is recorded based on the estimated amount of bonuses to be paid.

③ Provision for directors' bonuses

To provide for the payment of bonuses to directors, an allowance is recorded based on the estimated amount payable at the end of the current consolidated fiscal year.

④ Provision for product warranties

To provide for the costs of free repairs and other services related to sold merchandise and products within a specified period, an allowance is recorded based on the Company's standards derived from historical rates.

⑤ Provision for directors' retirement benefits

To provide for the payment of retirement benefits to certain directors of the Company and its consolidated subsidiaries, an allowance is recorded primarily based on the amount payable at the fiscal year-end in accordance with internal regulations on directors' retirement benefits. Note that the Company revised its director compensation system in June 2004, and no provision has been recorded for amounts attributable to periods after July 2004.

(4) Accounting for retirement benefits

① Method of attributing projected benefit obligations to periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute projected retirement benefits to periods up to the end of the current consolidated fiscal year.

② Method of recognizing actuarial gains and losses

Actuarial gains and losses are amortized using the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence in each consolidated fiscal year, and are recognized as expenses from the consolidated fiscal year following the year in which they arise.

③ Application of the simplified method for small companies

Certain consolidated subsidiaries apply the simplified method, which uses the amount required to be paid upon voluntary retirement at the fiscal year-end as the retirement benefit obligation, in calculating retirement benefit liabilities and retirement benefit expenses.

(5) Significant hedge accounting policies

① Hedge accounting method

Deferred hedge accounting is applied. For interest rate swap transactions that meet the criteria for the special treatment of interest rate swaps under hedge accounting, the special treatment is applied.

② Hedging instruments and hedged items

(a) Hedging instrument: Forward exchange contracts

Hedged item: Forecasted foreign currency transactions

(b) Hedging instrument: Interest rate swaps

Hedged item: Bank borrowings (variable rate)

③ Hedging policy

Forward exchange contracts and similar transactions are executed in accordance with the Company's "Market Risk Management Regulations" and "Foreign Exchange Forward Contract Execution Manual," with the objective of avoiding the risk of exchange rate fluctuations. Interest rate swaps are used for the purpose of mitigating the risk of losses on borrowings due to interest rate fluctuations.

④ Method of assessing hedge effectiveness

For forward exchange contracts, since the material terms of the hedging instruments and the forecasted foreign currency transactions as the hedged items are considered to be the same, and it is assumed that changes in market rates will be completely offset both at the inception of the hedge and on an ongoing basis, the assessment of hedge effectiveness is omitted.

In addition, since special treatment is applied to interest rate swaps that meet the relevant criteria, the assessment of hedge effectiveness is also omitted.

(6) Amortization method and period for goodwill

Goodwill is amortized using the straight-line method over the period during which the effects are expected to be realized (10 to 15 years).

(7) Scope of funds in the consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated statement of cash flows consist of cash on hand, deposits withdrawable at any time, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and subject to only negligible risk of changes in value.

(8) Significant revenue and expense recognition policies

The Group's principal businesses are the Electronic Components segment, the Electronic & Electrical Equipment segment, and the Chemical segment, each of which involves the sale of merchandise and products and the provision of related services.

For the sale of merchandise and products, revenue is recognized in accordance with the relevant contracts when the performance obligation is satisfied upon the transfer of control of the merchandise or products to the customer. For domestic transactions, in accordance with paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized at the time of shipment when the period from shipment to the transfer of control to the customer is considered to be within the normal timeframe. For export transactions, revenue is recognized at

the time of the transfer of risk as defined under Incoterms. For merchandise and products in the Electronic & Electrical Equipment segment that carry an installation obligation, the performance obligation is satisfied upon customer acceptance, and revenue is recognized accordingly. For transactions in which the Group acts as an agent in the sale of merchandise, revenue is measured at the net amount, calculated by deducting the amount paid to suppliers from the consideration received from customers.

For the provision of related services, since the service period is very short, revenue is recognized upon completion of the service.

The consideration for transactions is generally received within six months of the satisfaction of the performance obligation, and no significant financing component is included.

(9) Significant basis for translating foreign currency-denominated assets and liabilities into Japanese yen
Foreign currency-denominated monetary receivables and payables are translated into Japanese yen at the spot exchange rate prevailing on the consolidated fiscal year-end date, and any translation differences are recognized in profit or loss. Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot exchange rate on the fiscal year-end date, while revenues and expenses are translated at the average exchange rate for the period. Translation differences are included in the foreign currency translation adjustments within net assets.

(Additional Information)

(Conclusion of Loan Agreements with Financial Covenants)

At the Board of Directors meeting held on February 5, 2026, the Company resolved to enter into loan agreements with financial covenants as described below. The agreements were concluded and the loans were drawn down on February 9, 2026.

1. Reason for Entering into Loan Agreements with Financial Covenants

The medium-term management plan announced on April 30, 2025 sets forth the implementation and promotion of growth investments, including M&A activities. The loans were secured in order to fund such M&A transactions and other related purposes.

2. Overview of the loan agreement

(1) L e n d e r	Mizuho Bank, Ltd.
(2) L o a n A m o u n t	9,600 million yen
(3) D a t e o f c o n c l u s i o n	February 9,2026
(4) L o a n d i s b u r s e m e n t d a t e	February 9,2026
(5) R e p a y m e n t t e r m	10 years
(6) B o r r o w i n g i n t e r e s t r a t e	Fixed-rate
(7) R e p a y m e n t M e t h o d	Installment payment
(8) G u a r a n t e e	Unsecured

(1) L e n d e r	Resona Bank, Ltd.
(2) L o a n A m o u n t	3,200 million yen
(3) D a t e o f c o n c l u s i o n	February 9,2026
(4) L o a n d i s b u r s e m e n t d a t e	February 9,2026
(5) R e p a y m e n t t e r m	10 years
(6) B o r r o w i n g i n t e r e s t r a t e	Fixed-rate
(7) R e p a y m e n t M e t h o d	Installment payment
(8) G u a r a n t e e	Unsecured

(1) L e n d e r	Sumitomo Mitsui Banking Corporation
(2) L o a n A m o u n t	1,600 million yen
(3) D a t e o f c o n c l u s i o n	February 9,2026
(4) L o a n d i s b u r s e m e n t d a t e	February 9,2026
(5) R e p a y m e n t t e r m	10 years
(6) B o r r o w i n g i n t e r e s t r a t e	Fixed-rate
(7) R e p a y m e n t M e t h o d	Installment payment
(8) G u a r a n t e e	Unsecured

(1) L e n d e r	MUFG Bank, Ltd
(2) L o a n A m o u n t	1,600 million yen
(3) D a t e o f c o n c l u s i o n	February 9,2026
(4) L o a n d i s b u r s e m e n t d a t e	February 9,2026
(5) R e p a y m e n t t e r m	10 years
(6) B o r r o w i n g i n t e r e s t r a t e	Fixed-rate
(7) R e p a y m e n t M e t h o d	Installment payment
(8) G u a r a n t e e	Unsecured

3.Financial Covenants in the Loan Agreement

(All banks have the same terms.)

(1) For fiscal years ending on or after March 2026, maintain the amount of net assets on the consolidated balance sheet at each fiscal year-end at no less than 75% of the greater of the amount at the end of the immediately preceding fiscal year.

(2) Avoid recording an ordinary loss on the consolidated income statement for two consecutive fiscal years.

(Notes to Consolidated Statement of Cash Flows)

Reconciliation between the ending balance of cash and cash equivalents and the amounts of the corresponding line items in the consolidated balance sheet:

	Previous Consolidated Fiscal Year (April 1, 2024 – March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 – March 31, 2026)
Cash and deposits	¥14,929 million	¥18,957 million
Time deposits with deposit periods exceeding three months	—	△208
Cash and cash equivalents	14,929	18,749

(Notes on Business Combinations)

(Business Combinations)

(Business Combinations through Acquisition)

1. Acquisition of Shares in a Subsidiary (Rabyte Pte. Ltd.)

At the Board of Directors meeting held on February 5, 2026, the Company resolved to enter into a share transfer agreement and to acquire 76% of the shares of Rabyte Pte. Ltd. in order to make it a consolidated subsidiary. The shares were acquired on February 27, 2026, and Rabyte Pte. Ltd. became a consolidated subsidiary of the Company. The Company plans to acquire the remaining 24% of the shares during 2028.

(1) Overview of the Business Combination

① Name and business description of the acquiree

Name of acquiree: Rabyte Pte. Ltd.

Business description: Wholesale distribution of electronics products

② Principal reasons for the business combination

The Group is a hybrid company operating in both the electronics and chemical businesses. While its primary revenue base is currently in Japan, the Group will focus on business growth in emerging markets such as India, Southeast Asia, Australia, and New Zealand going forward. As business development tailored to local needs is required in these regions, the Company will actively pursue an inorganic growth strategy to achieve further growth.

In this context, Rabyte Pte. Ltd. offers a wide range of electronic components and cutting-edge semiconductors, as well as diverse value-added services including demand creation, design proposals, component selection, product development, supply chain management, and inspection functions, all of which are highly aligned with the Company's future strategy. By leveraging the strengths of both companies, it is expected that their customer base will be expanded and relationships further strengthened in markets such as Southeast Asia and ANZ (Australia and New Zealand). In addition, cross-selling Rabyte Pte. Ltd.'s diverse product portfolio to the Company's existing customers in its core regions, and conversely, proposing the Company's product portfolio to Rabyte Pte. Ltd.'s existing customers, is expected to result in mutual market expansion. Furthermore, by combining the design expertise of both companies and advancing the joint development of new products, the Company believes this will significantly contribute to business growth on a global scale.

③ Date of business combination

February 27, 2026 (Deemed acquisition date: March 31, 2026)

④ Legal form of the business combination

Acquisition of shares for cash consideration

⑤ Name of the combined entity after the business combination

No change

⑥ Percentage of voting rights acquired

76%

⑦ Primary basis for determining the acquiring entity

The Company acquired the shares for cash consideration.

(2) Period of the acquiree's results included in the consolidated statement of income

As March 31, 2026 has been designated as the deemed acquisition date, only the balance sheet of the acquiree as of March 31, 2026, which is the acquiree's fiscal year-end, has been consolidated. Accordingly, the acquiree's results are not included.

(3) Acquisition cost and breakdown by type of consideration

Consideration for acquisition: Cash and deposits	¥13,072 million
Acquisition cost	¥13,072 million

Note that the acquisition cost has not been finalized at this time, as the price adjustment process under the share transfer agreement has not yet been completed.

(4) Principal acquisition-related costs

Advisory fees and commissions: ¥483 million

(5) Amount of goodwill recognized, reason for recognition, amortization method, and amortization period

① Amount of goodwill recognized

¥8,944 million

Note that the amount of goodwill is provisionally calculated, as the allocation of the acquisition cost had not been completed as of the end of the current consolidated fiscal year, and the price adjustment process under the share transfer agreement has not yet been completed.

② Reason for recognition

Primarily attributable to the future excess earning power expected from future business development.

③ Amortization method and period

Straight-line amortization over 15 years

(6) Assets acquired and liabilities assumed on the date of business combination, and their principal components

Current assets	¥14,158 million
Non-current assets	¥2,506 million
Total assets	¥16,665 million
Current liabilities	¥10,054 million
Non-current liabilities	¥1,179 million
Total liabilities	¥11,233 million

(7) Allocation of acquisition cost

As of the end of the current consolidated fiscal year, the identification of identifiable assets and liabilities and the measurement of their fair values as of the date of business combination had not been completed, and the allocation of the acquisition cost had not been finalized. Accordingly, provisional accounting treatment has been applied based on reasonable information available at that time.

(8) Estimated impact on the consolidated statement of income for the current consolidated fiscal year, assuming the business combination had been completed at the beginning of the fiscal year, and the method of calculation

Net sales	¥21,893 million
Operating income	¥823 million

(Method of calculation)

The estimated impact has been calculated as the difference between the net sales and income/loss figures derived assuming the business combination had been completed at the beginning of the current consolidated fiscal year, and the net sales and income/loss figures in the acquiring entity's consolidated statement of income. Amortization of goodwill recognized at the time of the business combination has been calculated assuming that the goodwill arose at the beginning of the current consolidated fiscal year.

2. Acquisition of Shares in a Subsidiary (Rabyte Edge Pvt. Ltd.)

At the Board of Directors meeting held on February 5, 2026, the Company resolved to enter into a share subscription agreement and to subscribe to a third-party allotment of new shares issued by Rabyte Edge Pvt. Ltd. and acquire 76% of its shares in order to make it a consolidated subsidiary. The shares were acquired on February 27, 2026, and Rabyte Edge Pvt. Ltd. became a consolidated subsidiary of the Company. The Company plans to acquire the remaining 24% of the shares during 2028.

(1) Overview of the Business Combination

① Name and business description of the acquiree

Name of acquiree: Rabyte Edge Pvt. Ltd.

Business description: Wholesale distribution of electronics products

② Principal reasons for the business combination

The Group is a hybrid company operating in both the electronics and chemical businesses. While its primary revenue base is currently in Japan, the Group will focus on business growth in emerging markets such as India, Southeast Asia, Australia, and New Zealand going forward. As business development tailored to local needs is required in these regions, the Company will actively pursue an inorganic growth strategy to achieve further growth.

In this context, Rabyte Edge Pvt. Ltd. offers a wide range of electronic components and cutting-edge semiconductors, as well as diverse value-added services including demand creation, design proposals, component selection, product development, supply chain management, and inspection functions, all of which are highly aligned with the Company's future strategy. By leveraging the strengths of both companies, it is expected that their customer base will be expanded and relationships further strengthened in markets such as Southeast Asia and ANZ (Australia and New Zealand). In addition, cross-selling Rabyte Edge Pvt. Ltd.'s diverse product portfolio to the Company's existing customers in its core regions, and conversely, proposing the Company's product portfolio to Rabyte Edge Pvt. Ltd.'s existing customers, is expected to result in mutual market expansion. Furthermore, by combining the design expertise of both companies and advancing the joint development of new products, the Company believes this will significantly contribute to business growth on a global scale.

③ Date of business combination

February 27, 2026 (Deemed acquisition date: March 31, 2026)

④ Legal form of the business combination

Acquisition of shares for cash consideration

⑤ Name of the combined entity after the business combination

No change

⑥ Percentage of voting rights acquired

76%

⑦ Primary basis for determining the acquiring entity
The Company acquired the shares for cash consideration.

(2) Period of the acquiree's results included in the consolidated statement of income
As March 31, 2026 has been designated as the deemed acquisition date, only the balance sheet of the acquiree as of March 31, 2026, which is the acquiree's fiscal year-end, has been consolidated. Accordingly, the acquiree's results are not included.

(3) Acquisition cost and breakdown by type of consideration

Consideration for acquisition: Cash and deposits	¥4,862 million
Acquisition cost	¥4,862 million

(4) Principal acquisition-related costs
Advisory fees and commissions: ¥169 million

(5) Amount of goodwill recognized, reason for recognition, amortization method, and amortization period

① Amount of goodwill recognized
¥4,409 million

Note that the amount of goodwill is provisionally calculated, as the allocation of the acquisition cost had not been completed as of the end of the current consolidated fiscal year.

② Reason for recognition
Primarily attributable to the future excess earning power expected from future business development.

③ Amortization method and period
Straight-line amortization over 15 years

(6) Assets acquired and liabilities assumed on the date of business combination, and their principal components

Current assets	<u>¥2,097 million</u>
Non-current assets	¥66 million
Total assets	<u>¥2,163 million</u>
Current liabilities	<u>¥1,459 million</u>
Non-current liabilities	¥107 million
Total liabilities	<u>¥1,567 million</u>

(7) Allocation of acquisition cost

As of the end of the current consolidated fiscal year, the identification of identifiable assets and liabilities and the measurement of their fair values as of the date of business combination had not been completed, and the allocation of the acquisition cost had not been finalized. Accordingly, provisional accounting treatment has been applied based on reasonable information available at that time.

(8) Estimated impact on the consolidated statement of income for the current consolidated fiscal year, assuming the business combination had been completed at the beginning of the fiscal year, and the method of calculation
As Rabyte Edge Pvt. Ltd. commenced operations in January 2026, the estimated impact is negligible and has therefore been omitted.

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Company is comprised of product and product-specific segments based on internal companies and business divisions, and in order to handle the same products and products as the Company at its subsidiaries, the Board of Directors determines the allocation of management resources and evaluates the performance of the Company, and the Company operates the Electronic Components Business, Electronics and Electrical Equipment The four reporting segments are Business, Chemicals, and Other Businesses.

The Electronic Components Business sells semiconductor devices and general electronic components. The Electronics and Electrical Equipment Business is mainly engaged in the sale and provision of printed circuit board (PCB) equipment and semiconductor manufacturing-related equipment. The Chemicals segment manufactures, sells, and provides services for industrial chemicals and cosmetics. "Other Businesses" includes the management of the Company's general logistics, insurance company agency business, solar power generation business, new business, and CLEARIZE Co., Ltd. business. In the current fiscal year, the name of the Industrial Chemicals Business was changed to the Chemicals Business.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment
The method of accounting for the reporting segments is generally the same as described in "Fundamental Important Matters for the Preparation of Consolidated Financial Statements".

Profit in the reporting segment is a figure based on operating income. Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.
The previous fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments				Total
	Electronic parts	Electric and Electrical equipment	Industrial chemical	Others	
Sales					
Revenues from external customers	142,961	27,241	10,789	2,140	183,133
Transactions with other segments	-	-	-	420	420
Total	142,961	27,241	10,789	2,560	183,553
Segment profit (loss)	5,239	2,498	(9)	131	7,859
Other items					
Depreciation	622	131	267	213	1,235
Goodwill amortization	-	-	-	159	159

Note: 1. Segment assets and liabilities are not included in the list because they are not considered for the purpose of determining the allocation of management resources or evaluating business performance.

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

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments				Total
	Electronic parts	Electric and Electrical equipment	Industrial chemical	Others	
Sales					
Revenues from external customers	140,274	25,300	11,156	4,446	181,178
Transactions with other segments	-	-	-	406	406
Total	140,274	25,300	11,156	4,853	181,585
Segment profit (loss)	3,933	2,083	625	(705)	5,936
Other items					
Depreciation	635	129	347	264	1,376

Goodwill amortization	-	-	-	318	318
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Note: 1. Segment assets and liabilities are not included in the list because they are not considered for the purpose of determining the allocation of management resources or evaluating business performance.

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

4. Difference between the Total Amount of Reporting Segments and the Amount Recorded in Consolidated Financial Statements, and Main Details of the Difference (Matters Related to Adjustment of Differences)

(Millions of yen)

Sales	The previous fiscal year	The current fiscal year
Total Reporting Segments	183,553	181,585
Elimination of intercompany transactions	(420)	(406)
Sales in consolidated financial statements	183,133	181,178

(Millions of yen)

benefit	The previous fiscal year	The current fiscal year
Total Reporting Segments	7,859	5,936
Other Adjustments	53	143
Operating income in consolidated financial statements	7,913	6,080

Related Information

The previous fiscal year (April 1, 2024 to March 31, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales (in millions of yen)

Japan	China	Rest of Asia	other	Total
111,865	33,376	31,769	6,121	183,133

Note: 1. Sales are categorized by country or region based on the location of the customer.

2. The breakdown of the regions belonging to each division is as follows:

(1) Other Asian Taiwan, Singapore, Thailand, etc.

(2) Other America, Europe etc

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information for each major customer (in millions of yen)

Customer's name or surname	Sales	Relevant Segment Names
DENSO CORPORATION	21,125	Electronic parts

The current fiscal year (April 1, 2025 to March 31, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales (in millions of yen)

Japan	China	Rest of Asia	other	Total
111,391	31,980	31,679	6,128	181,178

Note: 1. Sales are categorized by country or region based on the location of the customer.

2. The breakdown of the regions belonging to each division is as follows:

(1) Other Asian Taiwan, Singapore, Thailand, etc.

(2) Other America, Europe etc

(2) Property, plant and equipment (in millions of yen)

Japan	Singapore	other	Total
6,631	592	486	7,710

Note: 1. Property, plant and equipment are classified into countries or regions based on the location of the company.

2. The breakdown of the regions belonging to each division is as follows:

Other..... China, Taiwan, Thailand, etc.

3. Information for each major customer (in millions of yen)

Customer's name or surname	Sales	Relevant Segment Names
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DENSO CORPORATION	19,144	Electronic parts
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Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

Not applicable.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Other Businesses Depreciation 159 million yen

Undepreciated balance: 3,028 million yen

The current fiscal year (April 1, 2025 to March 31, 2026)

Electronic Components Business Depreciation Amount -Millions of Yen

Undepreciated balance: 13,354 million yen

Other Businesses Depreciation amount: 318 million yen

Undepreciated balance: 2,710 million yen

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

Not applicable.

Per share information

(Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	3,483.44	<u>3,632.50</u>
Basic earnings per share	272.76	266.14

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

- 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, 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.

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

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	5,131	5,009
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common stock	5,131	5,009
Average number of common stock outstanding during the period (Shares)	18,814,802	18,824,335

Significant subsequent events

Not applicable.