



## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2025 (Japanese Accounting Standards)

November 6, 2024

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 Stock code: 6750 URL: <http://www.elecom.co.jp/>  
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 Quarterly Financial Results Presentation Meeting: Yes

Stock Listing: Tokyo Stock Exchange

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(Figures of less than one million yen are rounded down to the nearest decimal.)

### 1. Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results (Cumulative)

(% figures 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                         | %      |
| Six months ended September 30, 2024 | 56,608          | 9.5 | 5,454            | (10.7) | 5,060           | (24.6) | 3,395                                   | (25.4) |
| September 30, 2023                  | 51,695          | 0.1 | 6,110            | 0.9    | 6,713           | 9.9    | 4,551                                   | 4.1    |

Note: Comprehensive Income Six months ended September 30, 2024: -¥842 million (—%)  
 Six months ended September 30, 2023: ¥8,680 million (-9.0%)

|                                     | Earnings per Share | Diluted Earnings per Share |
|-------------------------------------|--------------------|----------------------------|
|                                     | Yen                | Yen                        |
| Six months ended September 30, 2024 | 42.76              | —                          |
| September 30, 2023                  | 54.18              | —                          |

Note: In the fiscal year ended March 31, 2024, the Company finalized the provisional accounting treatment associated with a business combination, and each figure for the first six months of the fiscal year ended March 31, 2024 reflects the details of the finalization of the provisional accounting treatment.

#### (2) Consolidated Financial Position

|                          | Total Assets    | Net Assets      | Equity Ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2024 | 103,341         | 76,837          | 74.2         |
| March 31, 2024           | 117,368         | 86,449          | 73.6         |

Reference: Equity As of September 30, 2024: ¥76,693 million  
 As of March 31, 2024: ¥86,324 million

### 2. Dividends

|  | Annual Dividend   |                    |                   |                 |       |
|--|-------------------|--------------------|-------------------|-----------------|-------|
|  | First Quarter-end | Second Quarter-end | Third Quarter-end | Fiscal Year-end | Total |
|  | Yen               | Yen                | Yen               | Yen             | Yen   |
| Fiscal year ended March 31, 2024         | —                 | 22.00              | —                 | 22.00           | 44.00 |
| Fiscal year ending March 31, 2025        | —                 | 24.00              |                   |                 |       |
| Fiscal year ending March 31, 2025 (est.) |                   |                    | —                 | 24.00           | 48.00 |

Note: Revisions to the most recently announced dividend forecasts: None

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(% indicates YoY 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                |
| Fiscal year ending March 31, 2025 | 120,000         | 8.9 | 13,400           | 8.2 | 13,900          | 4.0 | 9,650                                   | (3.4) | 118.11             |

Note: Revisions to the most recently announced earnings forecasts: None

#### \* Notes

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

Newly consolidated: —

Removed from consolidation: —

(2) Adoption of special accounting methods for the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies associated with revisions to accounting standards: Yes

2) Changes in accounting policies other than those in item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares issued (common shares)

1) Shares issued as of the end of the period (including treasury shares)

2) Treasury shares as of the end of the period

3) Average during the period (cumulative from the start of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2024 | 92,221,420 shares | Fiscal year ended March 31, 2024    | 92,221,420 shares |
| Six months ended September 30, 2024 | 15,864,062 shares | Fiscal year ended March 31, 2024    | 10,520,882 shares |
| Six months ended September 30, 2024 | 79,409,332 shares | Six months ended September 30, 2023 | 84,021,575 shares |

\* These semi-annual financial statements are outside the scope of review by certified public accountants or accounting auditors.

\* Explanation regarding proper use of financial forecasts and other special matters

The earnings forecasts and other forward-looking statements presented in these materials reflect information available to the Company and assumptions as of the date of this announcement that are based on uncertain factors that may affect future results, and the Company does not guarantee the achievement of these targets. Actual results may differ significantly as a consequence of numerous factors. For more information on the assumptions underpinning the financial forecasts and important considerations when using the forecasts, please refer to page 3, “(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements” under “1. Overview of Operating Results, etc.”

As of November 6, 2024, briefing materials on the results are posted on the Company website (<http://www.elecom.co.jp/ir/>).

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## 1. Overview of Operating Results, etc

### (1) Overview of operating results during the period

The Group's consolidated operating results in the six months ended September 30, 2024 were as follows: net sales of ¥56,608 million (+9.5% year on year), gross profit of ¥21,708 million (+5.8% year on year), operating profit of ¥5,454 million (-10.7% year on year), ordinary profit of ¥5,060 million (-24.6% year on year), and profit attributable to owners of parent of ¥3,395 million (-25.4% year on year).

Sales in the corporate business were affected by a continued slowdown in semiconductor-related investment demand that began in the second half of the previous fiscal year, resulting in a drop in sales of industrial equipment memory, while sales in other areas, such as receiving-related devices, also suffered owing to customer inventory adjustments and other factors. On the other hand, sales of power supplies such as mobile batteries and AC chargers that support high-speed charging, where demand is firm in addition to capturing demand for disaster prevention-related products since the summer, as well as sales of I/O devices such as mice and keyboards grew, as a result of continued and enhanced strategic new product launch efforts targeting competitors. Furthermore, overall sales rose year-on-year driven by a substantial increase in sales of beauty (hair) appliances reflecting the newly consolidated Tescom Denki Group following an M&A deal in the previous fiscal year.

Since we purchase products from overseas in US dollars, the cost of sales on a yen basis rose due to a weaker yen, and some products were affected by a severe competitive environment. Nevertheless, gross profit increased year on year as a result of our ongoing efforts to focus on profits through price revisions and cost reductions, as well as higher sales.

Operating profit fell year on year despite an improvement in gross profit, owing to an increase in SG&A expenses. The increase in SG&A expenses was mainly attributed to higher personnel expenses due to hiring to build a strong business foundation and base salary increases, as well as an increase in headcount due to M&A. In addition, administrative expenses, including goodwill amortization, increased mainly due to M&A. Furthermore, promotion expenses also rose, primarily driven by the growing e-commerce business.

Ordinary profit fell year on year despite an increase in interest income, reflecting lower earnings at the operating profit level as well as a reversal of the foreign exchange gains in the same period of the previous year, to foreign exchange losses in the six months ended September 30, 2024, amid the ongoing environment of sharp fluctuations in foreign exchange rates.

Profits fell below plan in the six months ended September 30, 2024, but we will step up various initiatives to get back on a growth trajectory as a Group from the second half of the fiscal year onward. Currently, with the aim of accelerating the development of strategic new products, we are fully leveraging the Shenzhen Technical Center launched in April 2024 to get ahead of global competitors and accelerate development efforts, with plans to introduce and expand sales of new products in the second half of the fiscal year. In addition, we will step up sales activities aimed at expanding profits by setting priority products and services for the second half of the fiscal year in each sales channel based on market trends, demand, and contribution to solving customer challenges. We will continue to implement measures to improve profitability, including price revisions and thorough cost management in sales, procurement, and development, in order to better withstand the weak yen and the severe competitive environment. Furthermore, from a medium- to long-term perspective, we will promote initiatives such as transforming into a comprehensive proposal-based business model in our corporate business, while also exploring M&A and other opportunities aimed at strengthening and expanding product categories and developing sales channels to further enhance our corporate value. Based on our purpose of "Better being," we will quickly capture and respond to changes in the coming market, such as AI PCs, to achieve our ideal of "Creating a unique global brand from Japan that is loved by our customers," as set forth in our medium-term management plan ending in March 2027. Through this, we aim to achieve long-term sustainable growth and enhance our corporate value by creating value through products and services that enhance customer satisfaction and by focusing on human resource development and building a strong business foundation.

The operating results by product category are shown below. Note that the Company presents operating results classified by product and service category since the Elecom Group operates in a single segment that engages in development, manufacturing, sales, and provision of related services of PCs, digital devices, and home appliance-related products.

#### (Power & I/O Device-related Products)

Demand for PC units was still in the process of recovery, and sales of cables struggled due to price revisions. However, sales of power supplies such as mobile batteries and AC chargers that support high-speed charging, where demand is firm in addition to capturing demand for disaster prevention-related products since the summer, as well as sales of I/O devices such as mice and keyboards grew, as a result of continued and enhanced strategic new product launch efforts targeting competitors.

As a result, sales of power & I/O device-related products for the six months ended September 30, 2024 were ¥19,125 million (+5.7% year on year).

#### (Home Appliances)

As a result of a substantial increase in sales driven by the impact of newly adding the Tescom Denki Group, which is primarily engaged in the business of beauty (hair) and cooking appliances, into the scope of consolidation following an M&A deal in the previous fiscal year, sales of home appliances in the six months ended September 30, 2024 were ¥6,293 million (+379.7% year on year).

#### (B2B Solutions)

Sales grew in the security-related business and the impact of newly adding groxi Inc. into the scope of consolidation following an M&A deal in the previous fiscal year contributed to sales. However, the slowdown in semiconductor-related investment demand continued from the second half of the previous fiscal year, and sales of industrial equipment memory at group companies fell sharply. In addition, sales in other areas such as receiving-related devices also stagnated owing to customer inventory adjustments and other factors.

As a result, sales of B2B solutions for the six months ended September 30, 2024 were ¥15,598 million (-7.9% year on year).

#### (Peripheral Devices and Accessories)

For peripheral devices, the competitive environment remained severe for both network equipment and storage equipment, with sales rising slightly, but profits remaining sluggish. Sales of accessories came in mostly flat year on year, with growth mainly in printer-related products, which offset sluggish sales of smartphone-related products, resulting from price revisions and other

factors.

As a result, sales of peripheral devices and accessories for the six months ended September 30, 2024 were ¥15,106 million (+0.5% year on year).

Note: From the fiscal year ending March 31, 2025, we have revised the product categories from the previous PC-related Products, Smartphone/Tablet-related Products, TV/AV-related Products, Peripheral Devices, and Other to Power & I/O Device-related Products, Home Appliances, B2B Solutions, Peripheral Devices and Accessories, and Other, based on the growth strategy set forth in the medium-term management plan and changes in business profile. For comparative purposes, the figures for the six months ended September 30, 2023 below have been recalculated to reflect these new product categories.

[Consolidated net sales by product category]

(Millions of yen; %)

| Product category                    | Six months ended September 30, 2023 |       | Six months ended September 30, 2024 |       | YoY change (%) |
|-------------------------------------|-------------------------------------|-------|-------------------------------------|-------|----------------|
|                                     | Amount                              | %     | Amount                              | %     |                |
| Power & I/O Device-related Products | 18,095                              | 35.0  | 19,125                              | 33.8  | 5.7            |
| Home Appliances                     | 1,312                               | 2.5   | 6,293                               | 11.1  | 379.7          |
| B2B Solutions                       | 16,939                              | 32.8  | 15,598                              | 27.5  | (7.9)          |
| Peripheral Devices and Accessories  | 15,028                              | 29.1  | 15,106                              | 26.7  | 0.5            |
| Other                               | 319                                 | 0.6   | 484                                 | 0.9   | 51.6           |
| Total                               | 51,695                              | 100.0 | 56,608                              | 100.0 | 9.5            |

## (2) Overview of financial position during the period

Total assets as of September 30, 2024 amounted to ¥103,341 million, down ¥14,026 million from the end of the previous fiscal year, mainly due to the following factors.

<Factors driving decreases>

Cash and deposits: Decreased mainly due to purchase of treasury shares.

Notes and accounts receivable-trade: Decrease mainly due to temporary delay in collections.

Forward exchange contracts: Decreased mainly due to the appreciation of the yen from the end of the previous fiscal year to the six months ended September 30, 2024.

Liabilities decreased ¥4,414 million to ¥26,504 million. This was mainly attributed to a decrease in trade payables such as accounts payable.

Net assets decreased ¥9,611 million to ¥76,837 million. This was mainly attributed to a decrease in shareholders' equity due to the purchase of treasury shares and a decrease in accumulated other comprehensive income from the appreciation of the yen from the end of the previous fiscal year to the six months ended September 30, 2024, which offset an increase in retained earnings.

Cash flow conditions in the six months ended September 30, 2024 were as follows.

Net cash provided by operating activities totaled ¥5,575 million (increase of ¥3,393 million in the same period of the previous year). The main sources of cash were the recording of ¥4,899 million in profit before income taxes, ¥1,541 million in depreciation, and a ¥2,275 million decrease in trade receivables, which outweighed ¥1,713 million in income taxes paid and ¥2,757 million in decrease in trade payables.

Net cash used in investing activities amounted to ¥2,678 million (decrease of ¥7,009 million in the same period of the previous fiscal year). The main contributing factor was ¥1,673 million in purchase of property, plant and equipment.

Net cash used in financing activities came to ¥8,806 million (decrease of ¥6,668 million in the same period of the previous fiscal year). The main contributing factors were ¥1,797 million in dividends paid and ¥7,005 million in purchase of treasury shares.

As a result, cash and cash equivalents as of September 30, 2024 decreased ¥6,352 million from the end of the previous fiscal year to ¥35,131 million.

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

The consolidated earnings forecasts have not changed from the figures disclosed in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Japanese Accounting Standards)" announced on May 15, 2024.

## 2. Semi-annual Consolidated Financial Statements and Important Notes

### (1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

|  | Fiscal year ended March 31, 2024<br>(As of March 31, 2024) | Six months ended September 30,<br>2024<br>(As of September 30, 2024) |
|--|--|--|
| <b>Assets</b>  |  |  |
| Current assets   |  |  |
| Cash and deposits  | 41,484   | 35,131   |
| Notes and accounts receivable–trade                                  | 21,734   | 19,296   |
| Securities   | 10,871   | 10,483   |
| Merchandise and finished goods                                       | 12,758   | 12,350   |
| Work in process  | 589  | 545  |
| Raw materials and supplies   | 1,575  | 1,557  |
| Right of return asset  | 429  | 385  |
| Forward exchange contracts   | 6,941  | 876  |
| Other  | 1,412  | 1,246  |
| Allowance for doubtful accounts                                      | (0)  | (0)  |
| Total current assets   | 97,796   | 81,872   |
| Non-current assets   |  |  |
| Property, plant and equipment  | 11,290   | 11,598   |
| Intangible assets  |  |  |
| Goodwill   | 2,078  | 1,812  |
| Others   | 2,435  | 2,340  |
| Total intangible assets  | 4,513  | 4,152  |
| Investments and other assets   | 3,768  | 5,718  |
| Total non-current assets   | 19,572   | 21,469   |
| Total assets   | 117,368  | 103,341  |
| <b>Liabilities</b>   |  |  |
| Current liabilities  |  |  |
| Notes and accounts payable–trade                                     | 15,154   | 13,162   |
| Electronically recorded obligations–operating                        | 2,207  | 1,244  |
| Short-term borrowings  | 500  | 500  |
| Income taxes payable   | 1,811  | 1,490  |
| Refund liability   | 1,708  | 1,436  |
| Provision for bonuses  | 1,174  | 1,018  |
| Other provisions   | 141  | 148  |
| Other  | 5,100  | 4,595  |
| Total current liabilities  | 27,798   | 23,595   |
| Non-current liabilities  |  |  |
| Retirement benefit liability   | 2,098  | 2,073  |
| Provision for retirement benefits for directors (and other officers) | 66   | 24   |
| Other  | 956  | 810  |
| Total non-current liabilities  | 3,120  | 2,908  |
| Total liabilities  | 30,919   | 26,504   |

(Millions of yen)

|   | Fiscal year ended March 31, 2024<br>(As of March 31, 2024) | Six months ended September 30,<br>2024<br>(As of September 30, 2024) |
|---|--|--|
| Net assets  |  |  |
| Shareholders' equity                                  |  |  |
| Share capital   | 12,577   | 12,577   |
| Capital surplus                                       | 12,909   | 12,911   |
| Retained earnings                                     | 68,880   | 70,478   |
| Treasury shares                                       | (15,887)   | (22,880)   |
| Total shareholders' equity                            | 78,480   | 73,087   |
| Accumulated other comprehensive income                |  |  |
| Valuation difference on available-for-sale securities | 680  | 837  |
| Deferred gains or losses on hedges                    | 4,135  | 453  |
| Foreign currency translation adjustment               | 3,048  | 2,329  |
| Remeasurements of defined benefit plans               | (20)   | (13)   |
| Total accumulated other comprehensive income          | 7,844  | 3,606  |
| Share acquisition rights                              | 107  | 127  |
| Non-controlling interests                             | 16   | 17   |
| Total net assets                                      | 86,449   | 76,837   |
| Total liabilities and net assets                      | 117,368  | 103,341  |

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income  
(Semi-annual Consolidated Statement of Income)

(Millions of yen)

|  | Six months ended September 30,<br>2023<br>(From April 1, 2023 to<br>September 30, 2023) | Six months ended September 30,<br>2024<br>(From April 1, 2024 to<br>September 30, 2024) |
|--|---|---|
| Net sales                                      | 51,695  | 56,608  |
| Cost of sales                                  | 31,183  | 34,900  |
| Gross profit                                   | 20,512  | 21,708  |
| Selling, general and administrative expenses   | 14,402  | 16,253  |
| Operating profit                               | 6,110   | 5,454   |
| Non-operating income                           |   |   |
| Interest income                                | 352   | 382   |
| Dividend income                                | 33  | 38  |
| Foreign exchange gains                         | 199   | —   |
| Purchase discounts                             | 0   | 0   |
| Other  | 23  | 42  |
| Total non-operating income                     | 610   | 464   |
| Non-operating expenses                         |   |   |
| Interest expenses                              | 0   | 0   |
| Foreign exchange losses                        | —   | 804   |
| Consumption tax difference                     | 3   | 10  |
| Commission for purchase of treasury shares     | 0   | 26  |
| Other  | 2   | 15  |
| Total non-operating expenses                   | 6   | 858   |
| Ordinary profit                                | 6,713   | 5,060   |
| Extraordinary income                           |   |   |
| Gain on sale of non-current assets             | 16  | 0   |
| Gain on sale of investment securities          | 49  | —   |
| Gain on reversal of share acquisition rights   | 7   | 5   |
| Total extraordinary income                     | 72  | 5   |
| Extraordinary losses                           |   |   |
| Loss on retirement of non-current assets       | 24  | 38  |
| Loss on liquidation of business                | —   | 127   |
| Other  | 0   | 1   |
| Total extraordinary losses                     | 24  | 166   |
| Profit before income taxes                     | 6,761   | 4,899   |
| Income taxes—current                           | 2,015   | 1,350   |
| Income taxes—deferred                          | 194   | 155   |
| Total income taxes                             | 2,209   | 1,505   |
| Profit   | 4,551   | 3,393   |
| Loss attributable to non-controlling interests | (0)   | (1)   |
| Profit attributable to owners of parent        | 4,551   | 3,395   |



## (Semi-annual Consolidated Statement of Comprehensive Income)

(Millions of yen)

|   | Six months ended September 30,<br>2023<br>(From April 1, 2023 to<br>September 30, 2023) | Six months ended September 30,<br>2024<br>(From April 1, 2024 to<br>September 30, 2024) |
|---|---|---|
| Profit  | 4,551   | 3,393   |
| Other comprehensive income                            |   |   |
| Valuation difference on available-for-sale securities | 64  | 156   |
| Deferred gains or losses on hedges                    | 2,873   | (3,682)   |
| Foreign currency translation adjustment               | 1,192   | (717)   |
| Remeasurements of defined benefit plans, net of tax   | (1)   | 6   |
| Total other comprehensive income                      | 4,129   | (4,236)   |
| Comprehensive income                                  | 8,680   | (842)   |
| Comprehensive income attributable to:                 |   |   |
| Owners of parent                                      | 8,680   | (843)   |
| Non-controlling interests                             | (0)   | 0   |

## (3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

|  | Six months ended September 30,<br>2023<br>(From April 1, 2023 to<br>September 30, 2023) | Six months ended September 30,<br>2024<br>(From April 1, 2024 to<br>September 30, 2024) |
|--|---|---|
| Cash flows from operating activities   |   |   |
| Profit before income taxes   | 6,761   | 4,899   |
| Depreciation   | 1,248   | 1,541   |
| Amortization of goodwill   | 85  | 265   |
| Interest and dividend income   | (386)   | (420)   |
| Interest expenses  | 0   | 0   |
| Decrease (increase) in trade receivables   | (613)   | 2,275   |
| Decrease (increase) in inventories   | (1,715)   | 514   |
| Increase (decrease) in trade payables  | 2,135   | (2,757)   |
| Increase (decrease) in provisions  | (43)  | (212)   |
| Other, net   | (2,486)   | 752   |
| Subtotal   | 4,985   | 6,859   |
| Interest and dividends received  | 387   | 430   |
| Interest paid  | (0)   | (0)   |
| Income taxes paid  | (1,979)   | (1,713)   |
| Net cash provided by (used in) operating activities                              | 3,393   | 5,575   |
| Cash flows from investing activities   |   |   |
| Purchase of securities   | (928)   | (229)   |
| Purchase of property, plant and equipment  | (1,205)   | (1,673)   |
| Proceeds from sale of property, plant and equipment                              | 376   | 0   |
| Purchase of intangible assets  | (268)   | (264)   |
| Purchase of investment securities  | (12)  | (14)  |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (5,161)   | —   |
| Other, net   | 190   | (497)   |
| Net cash provided by (used in) investing activities                              | (7,009)   | (2,678)   |
| Cash flows from financing activities   |   |   |
| Dividends paid   | (1,690)   | (1,797)   |
| Proceeds from disposal of treasury shares  | 22  | —   |
| Purchase of treasury shares  | (2,037)   | (7,005)   |
| Decrease (increase) in deposits paid for purchase of treasury shares             | (2,962)   | 0   |
| Other  | —   | (2)   |
| Net cash provided by (used in) financing activities                              | (6,668)   | (8,806)   |
| Effect of exchange rate change on cash and cash equivalents                      | 491   | (443)   |
| Net increase (decrease) in cash and cash equivalents                             | (9,792)   | (6,352)   |
| Cash and cash equivalents at beginning of period                                 | 41,253  | 41,484  |
| Cash and cash equivalents at end of period                                       | 31,461  | 35,131  |

#### (4) Notes to Semi-annual Consolidated Financial Statements

##### (Notes Regarding Assumption of a Going Concern)

No applicable matters to report.

##### (Notes on Significant Changes in the Amount of Shareholders' Equity)

In accordance with the resolution passed at a Board of Directors meeting held on May 23, 2024, the Company acquired 5,352,000 shares of treasury shares. As a result, treasury shares increased by ¥7,005 million during the first six months of the current fiscal year, and consequently, treasury shares amounted to ¥22,880 million at the end of the first six months of the current fiscal year.

##### (Notes Regarding Special Accounting Methods for Preparation of Semi-annual Consolidated Financial Statements)

No applicable matters to report.

##### (Changes in Accounting Policies)

###### (Application of Accounting Standard for Current Income Taxes and Related Guidance)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, revised October 28, 2022; hereafter, "the 2022 revised accounting standard") and related guidance were applied from the beginning of the first six months of the consolidated fiscal year ending March 31, 2025.

The revision to the account classification for current income taxes (taxes on other comprehensive income) follows the transitional treatment specified in the provisory clause of Paragraph 20-3 of the 2022 revised accounting standard and the transitional treatment specified in the provisory clause of Paragraph 65-2, Provision (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, revised October 28, 2022; hereafter, "the 2022 revised guidance"). The change in accounting policy had no effect on the consolidated financial statements for the first six months of the fiscal year ending March 31, 2025.

We applied the 2022 revised guidance on revisions concerning treatment in the consolidated financial statements when deferring taxes on gain or loss on the sale of the shares of subsidiaries, etc., between consolidated companies from the beginning of the first six months of the consolidated fiscal year ending March 31, 2025. The change in accounting policy was applied retroactively, and we have restated the semi-annual and full-year consolidated financial statements for the previous year to reflect the changes after the revision. The change in the accounting policy had no effect on the semi-annual consolidated financial statements and the full-year consolidated financial statements for the previous year.

##### (Changes in Accounting Estimates)

No applicable matters to report.

##### (Additional Information)

As disclosed on April 25, 2024 in the "Notice Regarding conclusion of non-binding Memorandum of Understanding on Acquisition of Full Ownership of Nippon Antenna Co., Ltd. through a Share Exchange, and Management Integration with the Elecom Group," Elecom and Nippon Antenna Co., Ltd. (President & Representative Director: Koichi Takizawa; hereinafter, "Nippon Antenna") entered into a non-binding Memorandum of Understanding aimed at acquiring full control of Nippon Antenna through a share exchange (the "Share Exchange") and integrating its functions into the Elecom Group and its management into DX Antenna Co., Ltd., a wholly-owned subsidiary of Elecom. The two companies planned on carrying out discussions and deliberations toward concluding a legally binding Share Exchange Agreement with an effective date between October and November 2024 upon acquiring the necessary clearances, permits, and approvals required under the Competition Law and other laws and regulations, and conducting due diligence.

The two companies have decided to change the schedule and continue discussions and deliberations with the aim of concluding the Share Exchange Agreement between February and March 2025, taking into consideration the time required for the business combination review by the Japan Fair Trade Commission.

In the event that we decide to conclude the Share Exchange Agreement, we will disclose the details of the agreement. However, in the event that the Share Exchange Agreement is not concluded by March 2025, we will provide an update on the progress of the agreement.

##### (Important Subsequent Events)

No applicable matters to report.

##### (Segment Information and Related Information)

###### [Segment Information]

###### I First six months of the fiscal year ended March 31, 2024 (from April 1, 2023 to September 30, 2023)

Segment-specific information has been omitted as the Company operates in a single segment that engages in development, manufacturing, and sales of PCs and digital device-related products.

###### II First six months of the fiscal year ending March 31, 2025 (from April 1, 2024 to September 30, 2024)

Segment-specific information has been omitted as the Company operates in a single segment that engages in development, manufacturing, sales, and provision of related services of PCs, digital devices, and home appliance-related products.