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Consolidated Financial Results for the Three Months Ended August 31, 2025 [Japanese GAAP]



October 14, 2025

Company name: SATORI ELECTRIC CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7420
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 Scheduled date of commencing dividend payments: –
 Preparation of supplementary material on financial results: Not available
 Holding of financial results briefing: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended August 31, 2025 (June 1, 2025 to August 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	38,079	(0.4)	965	(10.9)	1,042	34.6	716	79.4
August 31, 2024	38,248	8.4	1,083	(2.9)	774	4.4	399	0.1

(Note) Comprehensive income: Three months ended August 31, 2025: ¥1,446 million [–%]

Three months ended August 31, 2024: ¥(680) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
August 31, 2025	49.95	–
August 31, 2024	27.90	–

(Note) The Company has finalized the provisional accounting treatment related to business combination during the three months ended May 31, 2025, and the figures for the three months ended August 31, 2024 reflect the details of the finalized provisional accounting treatment.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 31, 2025	81,241	34,103	40.7
As of May 31, 2025	79,150	33,306	40.8

(Reference) Equity: As of August 31, 2025: ¥33,081 million

As of May 31, 2025: ¥32,319 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended May 31, 2025	Yen —	Yen 40.00	Yen —	Yen 46.00	Yen 86.00
Fiscal year ending May 31, 2026	—				
Fiscal year ending May 31, 2026 (Forecast)		44.00	—	—	90.00

(Note) Revision to the forecast for dividends announced most recently: No

At the Board of Directors meeting held on October 14, 2025, the Company and Hagiwara Electric Holdings Co., Ltd. resolved to proceed with a business integration, with an effective date of April 1, 2026, subject to approval at the respective extraordinary general meetings of shareholders of both companies. In connection with this resolution, the two companies have entered into a Business Integration Agreement.

Furthermore, at the extraordinary meeting of the Board of Directors held on July 28, 2025, the Company resolved to declare an extraordinary dividend of 46 yen per share, with a record date of March 31, 2026—the day prior to the effective date of the business integration—in lieu of a year-end dividend for the fiscal year ending May 31, 2026.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2026 (June 1, 2025 to May 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First six months	74,000	(4.9)	2,000	(4.2)	1,600	(3.9)	1,300	90.57
Full year	160,000	2.4	4,300	7.7	3,500	14.7	2,600	181.14

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the period: No

Newly included: — (Company name)

Excluded: — (Company name)

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

August 31, 2025: 14,946,826 shares

May 31, 2025: 17,946,826 shares

2) Total number of treasury shares at the end of the period:

August 31, 2025: 593,063 shares

May 31, 2025: 3,592,935 shares

3) Average number of shares during the period:

Three months ended August 31, 2025: 14,353,853 shares

Three months ended August 31, 2024: 14,323,931 shares

(Note) The total number of treasury shares at the end of the period includes the Company's shares held by a trust in connection with the stock compensation plan (507,300 shares as of August 31, 2025, 507,300 shares as of May 31, 2025). The Company's shares held by the trust have been included in the treasury shares deducted in calculation of the average number of shares during the period (507,300 shares for the three months ended August 31, 2025, 513,150 shares for the three months ended August 31, 2024).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to guarantee the achievement of the forecasts.

Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions of financial results forecast and notes on using financial results forecast, please refer to "(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" in "1. Overview of Business Results, etc." on page 3 of the Attachments.

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1. Overview of Business Results, etc.

The Company has finalized the provisional accounting treatment related to business combination during the three months ended May 31, 2025. Comparisons and analyses with the three months ended August 31, 2024 have been adjusted to reflect the finalized accounting treatment.

(1) Overview of Business Results for the Period Under Review

The Japanese economy during the three months ended August 31, 2025 was affected by uncertainties related to U.S. reciprocal tariff policies and prolonged geopolitical risks and the outlook remained unclear, although a gradual recovery continued, driven by the improved jobs environment and a recovery in demand from inbound tourists.

Amid this environment, regarding the financial results for the three months ended August 31, 2025, net sales amounted to ¥38,079 million (a decrease of 0.4% year on year), mainly attributed to decreases in sales of unit products for office equipment as well as a currency market impact, despite a recovery in demand for control components for semiconductor manufacturing equipment and the business targeting the Indian market remaining strong. In terms of profitability, operating profit amounted to ¥965 million (a decrease of 10.9% year on year) mainly attributed to a lower gross profit, etc. Although operating profit decreased, ordinary profit amounted to ¥1,042 million (an increase of 34.6% year on year), driven by an increase in foreign exchange gains, and profit attributable to owners of parent amounted to ¥716 million (an increase of 79.4% year on year).

The financial results of the segments are as follows.

We note that we reviewed our business management categories in the three months ended August 31, 2025, which resulted in MAGnetIC Holding B.V. being recategorized into the global business from the mobility business. In addition, some of the operations of SMET SINGAPORE PTE. LTD. that were previously categorized in the global business are now recategorized in the mobility business. The year-over-year comparisons mentioned below are made using the respective year-earlier figures that have been adjusted for the category changes.

1) Industrial Infrastructure business

Net sales amounted to ¥6,783 million (an increase of 10.4% year on year), due to a recovery in demand for control components for semiconductor manufacturing equipment and other factors. Segment profit amounted to ¥218 million (an increase of 47.8% year on year).

2) Enterprise business

Although sales in the Procurement Management Division have been on an uptrend, net sales amounted to ¥10,121 million (a decrease of 8.6% year on year) due mainly to decreased sales of unit products for office equipment. Segment profit amounted to ¥298 million (an increase of 14.1% year on year), driven by decreased selling, general and administrative expenses as a result of the transfer of the switch business.

3) Mobility business

Net sales amounted to ¥11,232 million (an increase of 5.1% year on year), driven by the strong performance of SM Electronic Technologies Pvt. Ltd. Segment profit amounted to ¥565 million (an increase of 1.3% year on year).

4) Global business

Net sales amounted to ¥11,732 million (a decrease of 5.5% year on year), and segment profit amounted to ¥181 million (a decrease of 17.1% year on year). This is mainly attributable to decreased sales of unit products for office equipment, among other factors.

(2) Overview of Financial Position for the Period Under Review

Total assets at the end of the three months ended August 31, 2025 were ¥81,241 million, an increase of ¥2,090 million compared with ¥79,150 million at the end of the previous fiscal year. This is mainly attributable to an increase of ¥1,309 million in notes and accounts receivable – trade and an increase of ¥1,069 million in merchandise and finished goods.

Liabilities at the end of the three months ended August 31, 2025 were ¥47,137 million, an increase of ¥1,292 million compared with ¥45,844 million at the end of the previous fiscal year. This is mainly attributable to an increase of ¥1,649 million in short-term borrowings.

Net assets at the end of the three months ended August 31, 2025 were ¥34,103 million, an increase of ¥797 million compared with ¥33,306 million at the end of the previous fiscal year. This is mainly attributable to an increase of ¥424 million in foreign currency translation adjustment and an increase of ¥266 million in valuation difference on available-for-sale securities. Equity ratio changed to 40.7% from 40.8% at the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no revision to the consolidated financial results forecast for the first six months or full year of the fiscal year ending May 31, 2026 as stated in the Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (announced on July 14, 2025). The Company will promptly make timely disclosure should it become necessary going forward.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of May 31, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	9,128	10,221
Notes and accounts receivable - trade	42,688	43,998
Merchandise and finished goods	12,059	13,128
Work in process	294	345
Raw materials and supplies	1	–
Other	5,852	4,157
Allowance for doubtful accounts	(70)	(78)
Total current assets	69,954	71,772
Non-current assets		
Property, plant and equipment	2,747	2,708
Intangible assets		
Goodwill	1,605	1,605
Customer-related intangible assets	375	382
Technology-related intangible assets	237	233
Other	309	321
Total intangible assets	2,528	2,544
Investments and other assets		
Other	4,518	4,815
Allowance for doubtful accounts	(597)	(600)
Total investments and other assets	3,920	4,215
Total non-current assets	9,196	9,468
Total assets	79,150	81,241
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,783	21,037
Short-term borrowings	15,454	17,104
Current portion of long-term borrowings	23	26
Income taxes payable	403	404
Provision for bonuses	–	269
Provision for loss on transfer of business	127	127
Other	3,007	1,948
Total current liabilities	39,800	40,917
Non-current liabilities		
Bonds payable	1,400	1,400
Long-term borrowings	2,844	2,863
Provision for share awards for directors (and other officers)	99	99
Retirement benefit liability	1,337	1,349
Other	362	507
Total non-current liabilities	6,044	6,219
Total liabilities	45,844	47,137

(Million yen)

	As of May 31, 2025	As of August 31, 2025
Net assets		
Shareholders' equity		
Share capital	2,611	2,611
Capital surplus	2,988	2,927
Retained earnings	28,465	24,451
Treasury shares	(4,927)	(769)
Total shareholders' equity	29,138	29,221
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,085	1,352
Deferred gains or losses on hedges	6	(6)
Revaluation reserve for land	21	21
Foreign currency translation adjustment	2,067	2,492
Total accumulated other comprehensive income	3,181	3,859
Non-controlling interests	987	1,022
Total net assets	33,306	34,103
Total liabilities and net assets	79,150	81,241

(2) Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

Three Months Ended August 31, 2024 and August 31, 2025

(Million yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Net sales	38,248	38,079
Cost of sales	34,207	34,319
Gross profit	4,040	3,759
Selling, general and administrative expenses	2,956	2,794
Operating profit	1,083	965
Non-operating income		
Interest income	18	29
Dividend income	45	64
Foreign exchange gains	—	147
Other	45	19
Total non-operating income	108	261
Non-operating expenses		
Interest expenses	112	128
Loss on sale of receivables	118	49
Foreign exchange losses	179	—
Other	7	6
Total non-operating expenses	418	184
Ordinary profit	774	1,042
Extraordinary income		
Gain on sale of businesses	—	110
Total extraordinary income	—	110
Extraordinary losses		
Impairment losses	19	—
Loss on sale of businesses	56	—
Total extraordinary losses	75	—
Profit before income taxes	699	1,152
Income taxes - current	262	204
Income taxes - deferred	(13)	179
Total income taxes	249	383
Profit	449	768
Profit attributable to non-controlling interests	50	51
Profit attributable to owners of parent	399	716

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended August 31, 2024 and August 31, 2025

(Million yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Profit	449	768
Other comprehensive income		
Valuation difference on available-for-sale securities	(83)	266
Deferred gains or losses on hedges	66	(14)
Foreign currency translation adjustment	(1,113)	425
Total other comprehensive income	(1,130)	678
Comprehensive income	(680)	1,446
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(670)	1,395
Comprehensive income attributable to non-controlling interests	(9)	50

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in case of significant changes in shareholders' equity)

In accordance with a resolution carried at the Board of Directors meeting on July 14, 2025, the Company canceled 3,000,000 treasury shares on July 22, 2025. We note that the cancellation of the treasury shares resulted in a negative balance of other capital surplus, a part of capital surplus, and, therefore, other capital surplus was set to zero, and the negative value was deducted from retained earnings. As a result, over the three months through August 31, 2025, capital surplus decreased by ¥61 million to ¥2,927 million, retained earnings decreased by ¥4,097 million to ¥24,451 million, and treasury shares decreased by ¥4,158 million to ¥769 million.

(Notes on segment information, etc.)

I. For the three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)

1. Information on net sales and profit or loss by reportable segment and information on the disaggregation of revenue

(Million yen)

	Reportable segment					Reconciliation (Note) 1	Amount recorded in Quarterly Consolidated Statements of Operations (Note) 2
	Industrial Infra- structure business	Enterprise business	Mobility business	Global business	Total		
Net sales							
Revenue from contracts with customers	6,107	9,226	10,514	12,398	38,248	–	38,248
Net sales to outside customers	6,107	9,226	10,514	12,398	38,248	–	38,248
Inter-segment net sales or transfers	34	1,841	177	15	2,068	(2,068)	–
Total	6,142	11,067	10,692	12,414	40,316	(2,068)	38,248
Segment profit	147	261	558	219	1,186	(103)	1,083

(Notes) 1. The reconciliation of segment profit in an amount of ¥(103) million includes the elimination of inter-segment transactions.

2. Segment profit is reconciled with operating profit in the Quarterly Consolidated Statements of Operations.

3. The Company has finalized the provisional accounting treatment related to business combination during the three months ended May 31, 2025. Accordingly, the segment information for the three months ended August 31, 2024 reflects the revised amounts resulting from a significant review of the initial allocation of acquisition costs following the finalization of provisional accounting treatment.

2. Information about impairment losses on non-current assets by reportable segment

Regarding corporate assets that do not belong to any reportable segment, the Company wrote off the carrying amount of land to its recoverable amount and recorded the difference as impairment losses. The impairment losses amounted to ¥19 million.

II. For the three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)

1. Information on net sales and profit or loss by reportable segment and information on the disaggregation of revenue

(Million yen)

	Reportable segment					Reconciliation (Note) 1	Amount recorded in Quarterly Consolidated Statements of Operations (Note) 2
	Industrial Infra- structure business	Enterprise business	Mobility business	Global business	Total		
Net sales							
Revenue from contracts with customers	6,728	8,568	11,065	11,717	38,079	–	38,079
Net sales to outside customers	6,728	8,568	11,065	11,717	38,079	–	38,079
Inter-segment net sales or transfers	55	1,552	167	15	1,790	(1,790)	–
Total	6,783	10,121	11,232	11,732	39,870	(1,790)	38,079
Segment profit	218	298	565	181	1,264	(298)	965

(Notes) 1. The reconciliation of segment profit in an amount of ¥(298) million includes the elimination of inter-segment transactions.

2. Segment profit is reconciled with operating profit in the Quarterly Consolidated Statements of Operations.

2. Information about impairment losses on non-current assets by reportable segment

There is no relevant information.

3. Matters related to changes in reportable segments

We reviewed our business management categories in the three months ended August 31, 2025, which resulted in MAGnetIC Holding B.V. being recategorized into the global business from the mobility business. In addition, some of the operations of SMET SINGAPORE PTE. LTD. previously categorized in the global business are now recategorized in the mobility business. Due to this change, the segment information for the three months ended August 31, 2024 has been recategorized.

(Notes on statements of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the three months ended August 31, 2025. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended August 31, 2024 and August 31, 2025 are as follows.

	(Million yen)	
	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Depreciation	161	134
Amortization of goodwill	66	63

(Note) The Company finalized the provisional accounting treatment related to business combination during the three months ended May 31, 2025. The amounts for the three months ended August 31, 2024 reflect the details of the finalized provisional accounting treatment.

(Significant subsequent events)

As announced in the “Announcement Concerning Execution of Basic Agreement on Business Integration through the Establishment of a Joint Holding Company (Share Transfer) between Hagiwara Electric Holdings Co., Ltd. and SATORI ELECTRIC CO., LTD.” dated July 28, 2025 (the “Basic Agreement Press Release of July 28, 2025”), Hagiwara Electric Holdings Co., Ltd. (“Hagiwara Electric”) and SATORI ELECTRIC CO., LTD. (“Satori Electric”) (Hagiwara Electric and Satori Electric shall hereinafter be collectively referred to as the “Companies”) executed a memorandum of understanding (the “MOU”) on July 28, 2025, and following consultations concerning the business integration (the “Business Integration”) based on a spirit of equality, the Companies hereby announce, as set out below, that they have reached an agreement on the establishment of MIRAINI HOLDINGS CO., LTD., which will become the wholly-owning parent company of the Companies (the “Joint Holding Company”) as of April 1, 2026 (planned), by means of a joint share transfer (the “Share Transfer”), and the terms and conditions of the Business Integration. Accordingly, the Companies have executed a business integration agreement in accordance with the resolutions of their respective board of directors meetings held today, and have jointly prepared a share transfer plan.

For details, please refer to the "Announcement Concerning Execution of Business Integration Agreement on Business Integration through the Establishment of a Joint Holding Company (Share Transfer) between Hagiwara Electric Holdings Co., Ltd. and SATORI ELECTRIC CO., LTD. and Preparation of a Share Transfer Plan" released today.

3. Others

(1) Information by Product and Service Line

For the three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)

(Million yen)

	Semiconductors	General electronic components	Electric equipment	Products	Total
Net sales to outside customers	14,061	15,825	6,943	1,417	38,248

For the three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)

(Million yen)

	Semiconductors	General electronic components	Electric equipment	Products	Total
Net sales to outside customers	14,488	16,886	6,395	309	38,079

(2) Net Sales by Region

For the three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)

(Million yen)

Japan	Overseas						Total
	China	India	Thailand	Other Asia	Other	Subtotal	
13,503	9,446	6,127	4,067	3,787	1,316	24,744	38,248

(Notes) 1. Net sales are distributed to each country or region based on the actual destinations of the products.

2. In the table above, the region “China” includes Hong Kong.

For the three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)

(Million yen)

Japan	Overseas						Total
	China	India	Thailand	Other Asia	Other	Subtotal	
13,338	8,035	7,348	4,258	4,123	974	24,741	38,079

(Notes) 1. Net sales are distributed to each country or region based on the actual destinations of the products.

2. In the table above, the region “China” includes Hong Kong.