

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 8150
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 Scheduled date to commence dividend payments: June 22, 2026
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 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 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	172,366	9.5	6,914	19.4	6,078	23.2	4,955	40.7
March 31, 2025	157,342	12.2	5,791	0.7	4,934	26.2	3,522	28.5

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥7,215 million [114.3%]
 For the fiscal year ended March 31, 2025: ¥3,366 million [(42.3)%]

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	404.89	-	11.5	6.9	4.0
March 31, 2025	288.20	-	8.9	6.1	3.7

(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	91,037	45,995	50.5	3,751.84
March 31, 2025	84,049	40,551	48.2	3,310.15

Reference: Equity
 As of March 31, 2026: ¥45,932 million
 As of March 31, 2025: ¥40,485 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	5,705	677	(6,593)	9,580
March 31, 2025	3,980	(2,221)	(1,111)	9,361

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			
Fiscal year ended March 31, 2025	-	30.00	-	105.00	135.00	1,667	47.4	4.2
Fiscal year ended March 31, 2026	-	40.00	-	150.00	190.00	2,347	47.4	5.4
Fiscal year ending March 31, 2027 (Forecast)		40.00		100.00	140.00		48.0	

Note: The dividend payout ratio is calculated by dividing the total dividends by net income attributable to owners of parent.

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	83,000	(5.4)	1,600	(51.1)	1,300	(55.5)	1,000	(60.4)	81.68
Fiscal year ending March 31, 2027	186,000	7.9	5,550	(19.7)	5,000	(17.7)	3,600	(27.3)	294.05

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (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	16,281,373 shares
As of March 31, 2025	16,281,373 shares

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

As of March 31, 2026	4,038,755 shares
As of March 31, 2025	4,050,682 shares

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

Fiscal year ended March 31, 2026	12,237,972 shares
Fiscal year ended March 31, 2025	12,220,769 shares

Note: The number of treasury shares at the end of the fiscal year includes directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors). The Company's shares (111,800 shares in the fiscal year ending March 31, 2026 and 123,800 shares in the fiscal year ending March 31, 2025) held by the trust related to the performance-linked stock-based compensation plan. In addition, the Company's shares held by the Trust are included in the treasury stock deducted in the calculation of the average number of shares during the period (116,468 shares in the fiscal year ending March 31, 2026 and 133,781 shares in the fiscal year ending March 31, 2025).

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	124,021	9.3	3,435	54.5	4,876	36.5	4,488	42.7
March 31, 2025	113,427	20.0	2,223	48.9	3,572	2.3	3,145	8.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	366.78	-
March 31, 2025	257.42	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	63,292	24,947	39.4	2,037.78
March 31, 2025	58,352	21,870	37.5	1,788.20

Reference: Equity

As of March 31, 2026:	¥24,947 million
As of March 31, 2025:	¥21,870 million

Net income was 4,488 million yen due to strong performance in the solutions business against the backdrop of the DX promotion needs of companies and other organizations, as well as the recording of extraordinary income (gain on sale of fixed assets) associated with the transfer of land and buildings at the Osaka Branch.

* 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

Forward-looking statements, such as earnings forecasts, contained in this material are forward-looking statements based on information available at the time of publication, and are not intended to be a promise by the Company to realize them. In addition, actual results may differ from forecasts due to various factors.

Matters related to earnings forecasts are referred to in Appendix P.4 "1. Please refer to "Summary of Business Results (4) Future Outlook".

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1. Overview of Business Results

The items related to the future contained in this document are decisions made based on present consolidated financial results as of the end of this fiscal year.

(1) Overview of Business Results for the Fiscal Year Ended March 31, 2026

In the consolidated fiscal year under review, the outlook for the global economy remained unclear. Factors included heightened uncertainty about policy directions in the United States and eruption of mounting tensions in the Middle East at the end of the fiscal year. In the electronics industry, which is the Group's domain of operations, demand for next-generation technologies such as AI continued to drive growth in the semiconductor market. The ICT industry in Japan enjoyed continued strong demand for system upgrades aimed at improving productivity and operational efficiency within companies.

Against this background, the Group is fully committed to tackling the key challenges outlined in the long-term vision announced on May 10, 2024. As the first phase of implementing this vision, we have formulated the V76 Medium-Term Management Plan, whose final year is the fiscal year ending March 31, 2027 (the 76th term). Under this plan, to build an operating structure that can consistently achieve ROE of 8% or better, the Group is targeting ordinary profit of ¥5,000 million and net profit of ¥3,500 million or more by the final year of V76. We are focusing on initiatives to drive sustainable business growth, improve capital efficiency, and promote sustainability efforts.

As a result of these efforts, business performance in the consolidated fiscal year under review was as follows: Net sales were ¥172,366 million (up 9.5% year-on-year), operating profit was ¥6,914 million (up 19.4% year-on-year), and ordinary profit was ¥6,078 million (up 23.2% year-on-year). Net profit attributable to shareholders of parent company was ¥4,955 million (up 40.7% year-on-year) and ROE was 11.5% (up from 8.9% in the previous fiscal year).

In regard to internal transactions of revenues and expenses between consolidated companies, the parent company's transactions are converted at the exchange rate at the time of the transaction or at the forward exchange rate, and the overseas subsidiary's transactions are converted at the average rate during the period and offset. During the consolidated fiscal year under review, due to the weaker yen, operating profit increased because the offsetting expenses greatly exceeded the corresponding revenues. However, the same amount has been adjusted as a foreign exchange loss in non-operating expenses. Hence, there is no impact on the ordinary profit.

Consolidated performance by segment for the term under review is as follows.

Device segment

In the device business segment, our leading products are semiconductors (including system LSIs, microcomputers, power semiconductors, LCD driver ICs and memory) and electronic components (including connectors, capacitors, LCD panels and modules). These products are sold mainly to electronics manufacturers. We also provide technical support such as software development and module development.

In the current consolidated fiscal year, net sales were ¥150,217 million (up 7.9% year-on-year). Contributing factors included a firm trend in sales of items such as mechanical parts and products of overseas manufacturers, and contribution to business results from the start of the fiscal year under review of a vehicle-systems business that had entered full-fledged operation in the previous fiscal year. However, changes in sales composition prompted a decline in gross profit on sales, while revenue increased, resulting in segment profit of ¥2,694 (down 2.8% year-on-year).

Solution segment

In the solution business segment, we contribute to value creation by providing one-stop services spanning from design and construction to operation and maintenance of cloud-based network devices and security products tailored to our customers' environments. In addition, we provide Line-of-Business systems such as sales and production management, and applications such as personnel, payroll, and accounting in various formats ranging from on premise to the cloud. Moreover, the segment is accelerating efforts in AI products and services to open up new fields and cultivate personnel with skills in DX.

In the current consolidated fiscal year, net sales reached a record high of ¥22,148 million (up 22.6% year-on-year). Against a background of strong corporate and other demand for DX implementation, trends were strong in each field of operation, paced by the network-system and platform business units. Moreover, we secured large projects in equipment upgrading in the public sector, while a trend was seen in some projects being brought forward. Segment profits notched a record high of ¥3,384 million (up 56.6% year-on-year), as revenue increased and gross profit on sales rose, boosted by attraction of new customers through expanded sales of AI products.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026

(Assets)

As of March 31, 2026, assets increased ¥6,988 million compared to March 31, 2025, to ¥91,037 million. This was mainly attributable to a ¥3,993 million increase in notes and accounts receivable-trade and a ¥1,215 million increase in merchandise inventories.

(Liabilities)

As of March 31, 2026, liabilities increased ¥1,544 million compared to March 31, 2025, to ¥45,042 million. This was mainly attributable to a ¥4,382 million increase in notes and accounts payable-trade, a ¥560 million increase in accrued corporate tax, etc., a ¥297 million increase in a lease liabilities and a ¥4,369 million decrease in short-term borrowings.

(Net Assets)

As of March 31, 2026, net assets increased ¥5,444 million compared to March 31, 2025, to ¥45,995 million. This was mainly attributable to a ¥3,163 million increase in retained earnings and a ¥1,717 increase in foreign currency translation adjustment.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2026

As of March 31, 2026, cash and cash equivalents increased ¥219 million compared with March 31, 2025, to ¥9,580 million. This was due to income from sources such as the recording of net profit before tax and other adjustments, an increase in notes and accounts payable-trade and the sales of property, plant and equipment, which exceeded expenses caused by factors such as an increase in notes and accounts receivable-trade, repayments of short-term borrowings and dividends paid.

(Operating activities)

Net cash provided by operating activities during the consolidated period under review totaled ¥5,705 million. This was mainly due to income as the result of factors such as the recording of net profit before tax and other adjustments and an increase in notes and accounts payable-trade, which exceeded expenses from factors such as an increase in notes and accounts receivable-trade. This represented an income increase of ¥1,725 million compared to the previous consolidated fiscal year.

(Investing activities)

Net cash used in investing activities during the consolidated period under review totaled ¥677 million due to income as the result of factors such as the sales of property, plant and equipment, which exceeded expenses from factors such as the purchase of property, plant and equipment and software. This represented an income increase of ¥2,899 million compared to the previous consolidated fiscal year.

(Financing activities)

Net cash used in financing activities during the consolidated period under review totaled ¥6,593 million due mainly to repayments of short-term borrowings and dividends paid. This represented an expense increase of ¥5,482 million compared to the previous consolidated fiscal year.

(Reference) Performance indicators associated with cash flows

	March 2022 Term	March 2023 Term	March 2024 Term	March 2025 Term	March 2026 Term
Ratio of own capital (%)	42.1	43.5	48.5	48.2	50.5
Ratio of own capital on current price base (%)	26.9	37.4	33.3	29.9	36.4
Interest-bearing debt to cash flow ratio (year)	11.2	—	4.2	6.1	3.5
Interest coverage ratio	19.2	—	6.0	6.6	12.0

Notes: Ratio of own capital: Own capital ÷ Total assets

Ratio of own capital on current price base: Market capitalization ÷ Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debts ÷ Operating cash flow

Interest coverage ratio: Operating cash flow ÷ Interest paid

* Each indicator is calculated using the consolidated financial figures.

* The market capitalization is calculated as the share price at term-end multiplied by the number of shares outstanding at term-end (after the deduction of treasury stock).

* For the operating cash flow, the “cash flow from operating activities” shown in the consolidated statement of cash flows is used. The interest-bearing debts feature all debts bearing interest among the debts listed in the consolidated balance sheets. For the amount of interest paid, the “interest expenses paid” listed in the consolidated statement of cash flows is used.

* Figures for the interest-bearing debt to cash flow ratio and the interest coverage ratio are not recorded when the operating cash flow figure is negative.

(4) Future Prospects

1) Forecast for the next fiscal year

In the device business, net sales and segment profit are expected to grow. In the solution business, however, a downward rebound is expected from the large public-sector projects and projects brought forward in the fiscal year under review, which drove business results for that period, while the Company plans to increase expenses related to increases in personnel and other organizational measures. As a result, the Company expects both net sales and segment profit to fall below the level of the period under review. Nonetheless, the operational picture remains optimistic, as opportunities to propose services leveraging AI are expected to multiply against a background of solid corporate demand for advancement of DX.

In the consolidated business results for the next fiscal year ending March 31, 2027, the Company forecasts a decline in profit, prompted in part by expenses related to redevelopment of the head-office building. However, the Company expects to fulfill its targets for the final year of the V76 Medium-Term Management Plan, namely ordinary profit of ¥5,000 million and net profit of ¥3,500 million or more.

(Forecast for Consolidated Business Performance)

Net sales:	¥186,000 million (up 7.9% YoY)
Operating profit:	¥5,550 million (down 19.7% YoY)
Ordinary profit:	¥5,000 million (down 17.7% YoY)
Net profit attributable to shareholders of parent company:	¥3,600 million (down 27.3% YoY)
Dividend per share:	¥140 (dividend of ¥190 per share in the previous fiscal year)

2) Full-year forecast for assets, liabilities, net assets, and cash flow

We forecast that total assets at the end of the next consolidated fiscal year will be approximately ¥92,800 million, an increase of approximately ¥1,800 million compared to the end of the consolidated fiscal year ended March 31, 2026. We forecast that this will mainly be attributable to factors including an increase in notes and accounts receivable–trade and inventories. Furthermore, we forecast that the balance of interest-bearing debt will be approximately ¥21,000 million, an increase of approximately ¥1,200 million compared to the end of the consolidated fiscal year ended March 31, 2026.

We forecast that cash and cash equivalents at the end of the next consolidated fiscal year will be approximately ¥9,600 million, which is about the same level as for the consolidated fiscal year ended March 31, 2026. Although expenditures are expected to rise from increases in notes and accounts receivable–trade and inventories, this increase is expected to be absorbed by income from appropriation of net income.

2. Basic Attitudes Toward the Selection of our Accounting Standards

For the time being, the Group has applied the Japanese standards to its consolidated financial statements, with consideration given to the comparability of the terms of consolidated financial statements and comparability among enterprises.

As regards the application of international accounting standards, the Group is open to appropriately meet these standards upon consideration of both domestic and overseas circumstances.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(in millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	9,361	9,680
Notes and accounts receivable - trade, and contract assets	38,533	42,387
Electronically recorded monetary claims - operating	2,095	2,235
Merchandise	19,750	20,966
Partly-finished work	5	4
Accounts receivable - other	112	67
Consumption taxes refund receivable	4,047	3,892
Other	1,000	1,401
Allowance for doubtful accounts	(29)	(17)
Total current assets	74,878	80,619
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,682	4,303
Accumulated depreciation	(3,572)	(3,317)
Buildings and structures, net	1,109	985
Land	4,760	4,700
Leased assets	255	644
Accumulated depreciation	(126)	(214)
Leased assets, net	129	430
Other	540	513
Accumulated depreciation	(472)	(435)
Other, net	67	78
Total property, plant and equipment	6,067	6,194
Intangible assets	247	386
Investments and other assets		
Investment securities	2,242	2,971
Deferred tax assets	85	50
Retirement benefit asset	353	642
Other	184	177
Allowance for doubtful accounts	(10)	(4)
Total investments and other assets	2,854	3,837
Total non-current assets	9,170	10,418
Total assets	84,049	91,037

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable - trade	10	-
Electronically recorded obligations - operating	745	1,546
Accounts payable - trade	14,802	18,394
Short-term borrowings	24,121	19,752
Lease liabilities	63	116
Income taxes payable	846	1,406
Provision for bonuses	622	681
Provision for bonuses for directors (and other officers)	53	57
Other	1,503	1,909
Total current liabilities	42,768	43,864
Non-current liabilities		
Lease liabilities	72	316
Deferred tax liabilities	420	621
Provision for share-based payments	130	131
Other	106	107
Total non-current liabilities	729	1,177
Total liabilities	43,497	45,042
Net assets		
Shareholders' equity		
Share capital	14,811	14,811
Capital surplus	16	16
Retained earnings	28,553	31,716
Treasury shares	(8,712)	(8,691)
Total shareholders' equity	34,668	37,852
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,038	1,535
Deferred gains or losses on hedges	26	(110)
Foreign currency translation adjustment	4,536	6,253
Remeasurements of defined benefit plans	215	401
Total accumulated other comprehensive income	5,816	8,079
Non-controlling interests	65	63
Total net assets	40,551	45,995
Total liabilities and net assets	84,049	91,037

(2) Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement
(Consolidated Profit and Loss Statement)

(in millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	157,342	172,366
Cost of sales	140,795	153,930
Gross profit	16,546	18,435
Selling, general and administrative expenses	10,755	11,520
Operating profit	5,791	6,914
Non-operating income		
Interest income	160	132
Dividend income	41	48
Other	119	114
Total non-operating income	322	295
Non-operating expenses		
Interest expenses	604	476
Foreign exchange losses	516	585
Other	58	69
Total non-operating expenses	1,179	1,132
Ordinary profit	4,934	6,078
Extraordinary income		
Gain on sale of non-current assets	0	1,082
Gain on sale of investment securities	73	-
Gain on sale of shares of subsidiaries and associates	2	-
Gain on extinguishment of tie-in shares	8	-
Total extraordinary income	85	1,082
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Loss on sale of investment securities	70	-
Loss on valuation of investment securities	18	0
Loss due to bank transfer fraud at overseas subsidiary	-	267
Total extraordinary losses	89	268
Profit before income taxes	4,930	6,892
Income taxes - current	1,346	1,945
Income taxes - deferred	73	(5)
Total income taxes	1,420	1,939
Profit	3,510	4,952
Loss attributable to non-controlling interests	(12)	(2)
Profit attributable to owners of parent	3,522	4,955

(Consolidated Comprehensive Income Statement)

(in millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	3,510	4,952
Other comprehensive income		
Valuation difference on available-for-sale securities	24	496
Deferred gains or losses on hedges	89	(137)
Foreign currency translation adjustment	(397)	1,717
Remeasurements of defined benefit plans, net of tax	140	186
Total other comprehensive income	(143)	2,262
Comprehensive income	3,366	7,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,378	7,218
Comprehensive income attributable to non-controlling interests	(12)	(2)

(3) Consolidated Statements of Changes in Equity

March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)

(in millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,811	16	26,266	(8,758)	32,335
Changes during period					
Dividends of surplus			(1,235)		(1,235)
Profit attributable to owners of parent			3,522		3,522
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				46	46
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,286	46	2,333
Balance at end of period	14,811	16	28,553	(8,712)	34,668

	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	1,014	(63)	4,933	74	5,959	77	38,373
Changes during period							
Dividends of surplus							(1,235)
Profit attributable to owners of parent							3,522
Purchase of treasury shares							(0)
Disposal of treasury shares							46
Net changes in items other than shareholders' equity	24	89	(397)	140	(143)	(12)	(155)
Total changes during period	24	89	(397)	140	(143)	(12)	2,178
Balance at end of period	1,038	26	4,536	215	5,816	65	40,551

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,811	16	28,553	(8,712)	34,668
Changes during period					
Dividends of surplus			(1,791)		(1,791)
Profit attributable to owners of parent			4,955		4,955
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				20	20
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,163	20	3,183
Balance at end of period	14,811	16	31,716	(8,691)	37,852

	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	1,038	26	4,536	215	5,816	65	40,551
Changes during period							
Dividends of surplus							(1,791)
Profit attributable to owners of parent							4,955
Purchase of treasury shares							(0)
Disposal of treasury shares							20
Net changes in items other than shareholders' equity	496	(137)	1,717	186	2,262	(2)	2,260
Total changes during period	496	(137)	1,717	186	2,262	(2)	5,444
Balance at end of period	1,535	(110)	6,253	401	8,079	63	45,995

(4) Consolidated Statement of Cash Flows

(in millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,930	6,892
Depreciation	290	308
Amortization of goodwill	26	16
Decrease (increase) in retirement benefit asset or liability	(62)	(23)
Increase (decrease) in allowance for doubtful accounts	(0)	(4)
Increase (decrease) in provision for share-based payments	26	21
Interest and dividend income	(202)	(181)
Interest expenses	604	476
Loss (gain) on sale of non-current assets	(0)	(1,082)
Loss (gain) on extinguishment of tie-in shares	(8)	-
Loss (gain) on sale of investment securities	(2)	-
Loss (gain) on valuation of investment securities	18	0
Loss (gain) on sale of shares of subsidiaries and associates	(2)	-
Decrease (increase) in trade receivables	(6,389)	(2,077)
Decrease (increase) in inventories	3,141	(577)
Increase (decrease) in trade payables	2,332	3,293
Decrease (increase) in consumption taxes refund receivable	778	154
Increase (decrease) in accrued consumption taxes	(21)	4
Other, net	(266)	167
Subtotal	5,192	7,388
Interest and dividends received	196	181
Interest paid	(605)	(477)
Income taxes paid	(802)	(1,386)
Net cash provided by (used in) operating activities	3,980	5,705
Cash flows from investing activities		
Net decrease (increase) in time deposits	-	(100)
Purchase of property, plant and equipment	(3,302)	(127)
Proceeds from sale of property, plant and equipment	-	1,154
Purchase of software	(65)	(247)
Proceeds from sale of investment securities	1,052	-
Proceeds from sale of shares of subsidiaries and associates	25	-
Other, net	67	(0)
Net cash provided by (used in) investing activities	(2,221)	677
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	204	(4,692)
Repayments of lease liabilities	(85)	(118)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,230)	(1,782)
Net cash provided by (used in) financing activities	(1,111)	(6,593)
Effect of exchange rate change on cash and cash equivalents	(101)	429
Net increase (decrease) in cash and cash equivalents	545	219
Cash and cash equivalents at beginning of period	8,793	9,361
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	21	-
Cash and cash equivalents at end of period	9,361	9,580

(5) Notes on Consolidated Financial Statements

(Notes Regarding Going Concern)

None

(Additional Information)

Performance-Based Stock Compensation Plan for Directors

The Company has introduced a Performance-Based Stock Compensation Plan for Directors, for the purpose of further clarifying the link between the compensation to the Company's Directors (excluding Directors who are Audit & Supervisory Committee members and External Directors) and the value of its shares. With the introduction of the Performance-Based Stock Compensation Plan, Directors will not only enjoy the advantages when the Company's share price rises but also bear the risks when the share price declines, sharing with shareholders the benefits and risks of fluctuations in share prices. This move is intended ultimately to incentivize Directors to increase medium-to-long-term business results and increase enterprise value.

1) Overview of transactions

In the Performance-Based Stock Compensation Plan, a trust that is funded by Company expenditures acquires shares in the Company. The Board of Directors establishes regulations for the granting of shares, according to which each Director is awarded points for his or her degree of accomplishment of numerical targets based on management indices. Each Director is then awarded the Company's shares in proportion to the points awarded, through the trust. In principle, the shares are awarded to Directors at the time of their resignation or retirement.

2) Accounting treatment of Company shares remaining in the trust

The book value of the trust (net of ancillary expenses) for shares held by the trust was ¥211 million in the previous consolidated fiscal year and ¥190 million in the consolidated fiscal year under review, and is recorded as treasury stock in the shareholders' equity.

The number of said shares was 123,000 as of the end of the previous consolidated fiscal year and 111,800 as of the end the consolidated fiscal year under review. The average number of shares was 133,000 during the previous consolidated fiscal year and 116,000 during the consolidated fiscal year under review. These shares are included in the shares of treasury stock excluded for calculation of per share information.

(Notes Regarding Segment Information and Other)

[Segment Information]

1. Overview of Reporting Segments

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

The Company has established business divisions for each product and service, and each business division formulates a comprehensive strategy for the products and services it handles in Japan and overseas and develops business activities.

Accordingly, the Company is comprised of product and service segments based on business divisions, with two reporting segments: the device business and the solution business.

In the device business segment, our leading products are semiconductors (including system LSIs, microcomputers, power semiconductors, LCD driver ICs and memory) and electronic components (including connectors, capacitors, LCD panels and modules). These products are sold mainly to electronics manufacturers. We also provide technical support such as software development and module development.

In the solution business segment, we contribute to value creation by providing one-stop services spanning from design and construction to operation and maintenance of cloud-based network devices and security products tailored to our customers' environments. In addition, we provide Line-of-Business systems such as sales and production management, and applications such as personnel, payroll, and accounting in various formats ranging from on premise to the cloud. Moreover, the segment is accelerating efforts in AI products and services to open up new fields and cultivate personnel with skills in DX.

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 reported business segments is largely identical to the method for preparing consolidated financial statements.

Profit or loss for reporting segments is based on ordinary income and loss.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Device business	Solution business	Total		
Sales					
Revenues from external customers	139,269	18,072	157,342	-	157,342
Transactions with other segments	-	-	-	-	-
Total	139,269	18,072	157,342	-	157,342
Segment Profit	2,773	2,161	4,934	-	4,934
Segment Assets	62,541	8,943	71,485	12,564	84,049
Other items					
Depreciation and amortization (Note)3	221	69	290	-	290
Increase in property, plant and equipment and intangible assets	47	22	69	3,689	3,759

Note: 1 Adjustments to segment assets include the Company's surplus funds under management (cash and deposits and marketable securities), long-term investment funds (investment securities), and assets related to the management division.

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

3 Depreciation does not include amortization of goodwill.

March 2026 Term (Apr. 1, 2025 – Mar. 31, 2026)

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Device business	Solution business	Total		
Sales					
Revenues from external customers	150,217	22,148	172,366	-	172,366
Transactions with other segments	-	-	-	-	-
Total	150,217	22,148	172,366	-	172,366
Segment Profit	2,694	3,384	6,078	-	6,078
Segment Assets	65,383	12,023	77,407	13,630	91,037
Other items					
Depreciation and amortization (Note)3	227	80	308	-	308
Increase in property, plant and equipment and intangible assets	101	51	152	683	835

Note: 1 Adjustments to segment assets include the Company's surplus funds under management (cash and deposits and marketable securities), long-term investment funds (investment securities), and assets related to the management division.

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

3 Depreciation does not include amortization of goodwill.

[Related information]

March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)

1. Information of products and services

The information by product and service coincides with that by report segment, and is, therefore, omitted.

2. Information of regions

(1) Net sales

(in millions of yen)

Japan	China	Taiwan	Other Asian countries	North America	Others	Total
60,402	53,111	17,582	24,791	1,131	322	157,342

Note: Net sales are classified by country or region based on customer location.

(2) Property and equipment

As the amount of property and equipment in Japan exceeds 90% of the amount stated in the consolidated balance sheets, description is omitted.

3. Information of major clients

(in millions of yen)

Name of customer	Net sales	Name of related business segment
Nintendo Co., Ltd.	18,196	Device business

March 2026 Term (Apr. 1, 2025 – Mar. 31, 2026)

1. Information of products and services

The information by product and service coincides with that by report segment, and is, therefore, omitted.

2. Information of regions

(1) Net sales

(in millions of yen)

Japan	China	Taiwan	Other Asian countries	North America	Others	Total
76,522	45,111	17,384	31,585	1,390	372	172,366

Note: Net sales are classified by country or region based on customer location.

(2) Property and equipment

As the amount of property and equipment in Japan exceeds 90% of the amount stated in the consolidated balance sheets, description is omitted.

3. Information of major customers

(in millions of yen)

Name of customer	Net sales	Name of related business segment
Nintendo Co., Ltd.	29,752	Device business

[Information regarding impairment loss for non-current assets in each report segment]

None

[Information regarding the amount of amortization of goodwill and the balance in each report segment]

March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)

(in millions of yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	26	—	—	26
Balance at term-end	16	—	—	16

March 2026 Term (Apr. 1, 2025 – Mar. 31, 2026)

(in millions of yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	16	—	—	16
Balance at term-end	—	—	—	—

[Information regarding profit on negative goodwill in each report segment]

None

(Notes Regarding Revenue Recognition)

(Breakdown of revenue generated from contracts with customers)

(in millions of yen)

Report segment	March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)	March 2026 Term (Apr. 1, 2025 – Mar. 31, 2026)
Device segment		
By type of supplier		
Mechanical parts manufacturers	61,799	65,248
Overseas manufacturers	54,226	60,006
Other manufacturers	23,243	24,962
Subtotal	139,269	150,217
Solution segment		
By business unit (BU)		
Network Systems BU	7,892	10,845
Firefighting and Disaster Preparedness BU	2,483	1,794
Platform BU	2,270	3,260
Application Systems BU	3,753	4,455
Imaging Systems BU	1,672	1,792
Subtotal	18,072	22,148
Total	157,342	172,366

(Notes Regarding Per Share Information)

(Yen)

	March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)	March 2026 Term (Apr. 1, 2025 – Mar. 31, 2026)
Net assets per share	3,310.15	3,751.84
Net profit per share	288.20	404.89

Notes: 1. Diluted net profit per share is not presented since the Company has no dilutive shares.

2. Shares of the Company which are owned by a trust in connection with the Performance-Based Stock Compensation Plan for Directors (excluding Directors who are Audit & Supervisory Committee members and External Directors) and which are recorded as treasury stock in shareholders' equity are included in the shares of treasury stock that are excluded from the total number of shares outstanding at the end of term for calculation of net assets per share (previous consolidated fiscal year: 123,000 shares, current consolidated fiscal year: 111,800 shares), and also are included in treasury stock excluded in the calculation of amount of average stock during the term for calculation of net profit per share (previous consolidated fiscal year: 133,000 shares, current consolidated fiscal year: 116,000 shares).

3. Net profit per share was calculated on the following basis.

(in millions of yen)

	March 2025 Term (Apr. 1, 2024 – Mar. 31, 2025)	March 2026 Term (Apr. 1, 2025 – Mar. 31, 2026)
Net profit attributable to shareholders of parent company	3,522	4,955
Amount not attributable to ordinary shareholders	—	—
Net profit attributable to shareholders of parent company available to ordinary shares	3,522	4,955
Average shares outstanding available to ordinary shares (thousand shares)	12,220	12,237

(Notes Regarding Significant Subsequent Events)

None

4. Other**(1) Changes in Operating Officers (Scheduled for June 19, 2026)**

• Promotion

Director, Senior Operating Officer Jun-ichi Murakami [Director, Vice Senior Operating Officer, Senior General Manager of Finance & Accounting Division]

Current position is listed in square brackets [].