

# Briefing Materials on the Financial Results for the Year Ended March 2024

May 10, 2024

SANSHIN ELECTRONICS CO.,  
LTD. Toshiro Suzuki, Representative Director, COO

As a general electronics trading company committed to being “customers’ best partner,” Sanshin Electronics runs two major businesses: device business and solution business.

## Device Business

— Addressing diversified market needs through a wide product lineup —

We cover a wide array of manufacturers, from both domestic and overseas major semiconductors/electronic parts makers all the way to emerging manufacturers that are currently developing products with excellent performance. In a time when market needs are constantly diversifying, we respond to our customers’ requests through a full lineup and detailed system of both domestic and overseas sales.



## Solution Business

— Building up social infrastructures interconnected through ICT —

With information and telecommunications network at the core of our operations, we are committed to proposing and building up the optimal system to fit our customers’ needs. We provide our customers with a safe and reliable infrastructure through bundled services, including a support menu, after the system implementation.



# I. Year Ended March 2024 Performance Summary

# Year Ended March 2024 Consolidated Performance Summary (Unit: ¥100 million)



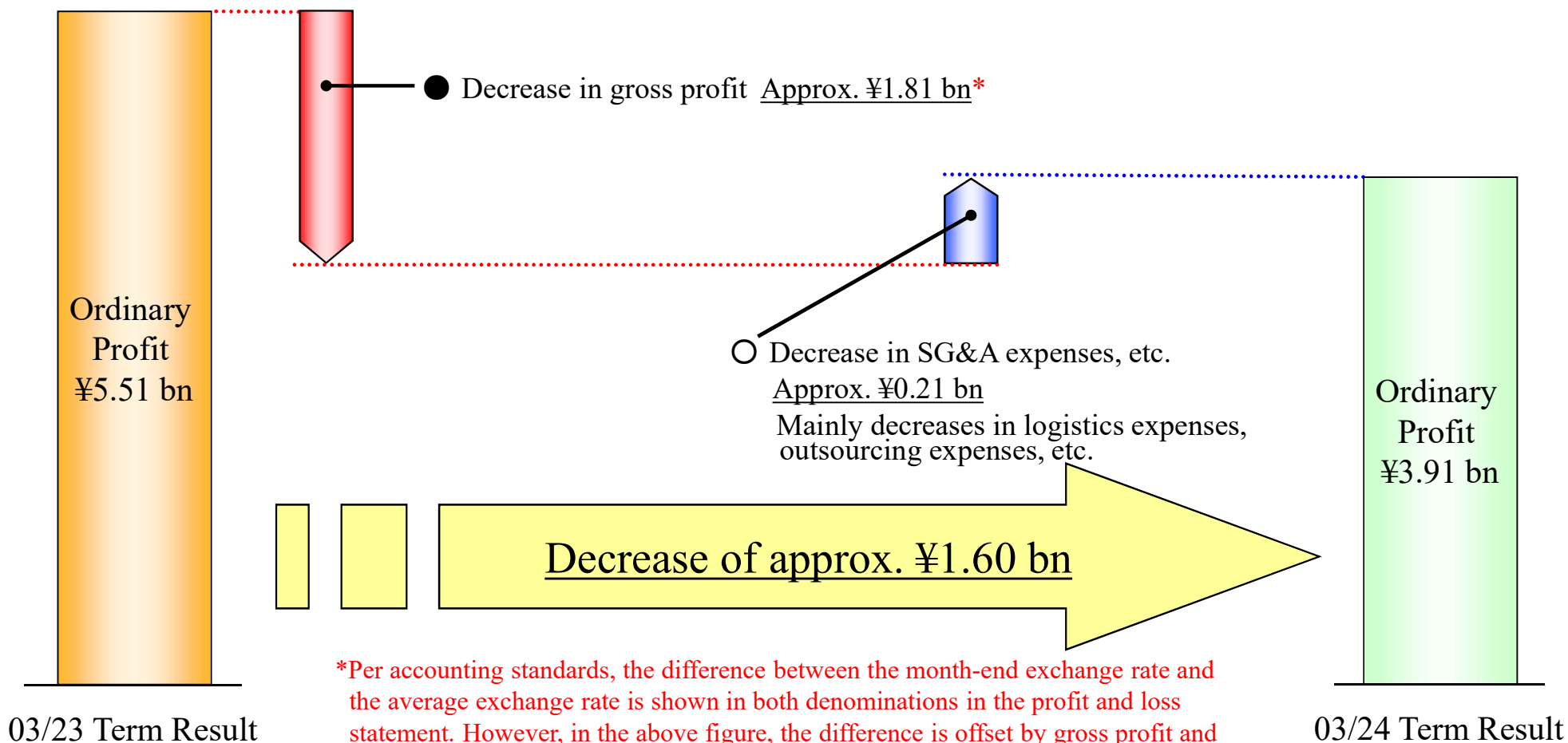
■ Net sales declined against the previous fiscal year (YoY). Earnings also fell YoY, though they exceeded the initial forecast.

	03/23 Result	03/24 Result	YoY Change	Forecast <sup>*1)</sup>	Achievement Ratio
Net Sales	1,611.1	1,402.0	87%	1,570.0	89%
Gross Profit on Sales	10.5% 168.8	11.1% 155.5	92%	9.5% 149.5	104%
SG&A Expenses	6.2% 100.3	7.0% 98.0	98%	6.7% 105.5	93%
Operating Profit	4.3% 68.5	4.1% 57.5	84%	2.8% 44.0	131%
Ordinary Profit	3.4% 55.1	2.8% 39.1	71%	2.2% 35.0	112%
Net Profit Attributable to Shareholders of Parent Company	2.4% 38.3	2.0% 27.4	72%	1.7% 26.0	105%
ROE	11.8%	7.6%	-4.2p	7.2%	+0.4p
Exchange Rate (1 US dollar)	¥135.49	¥144.62	¥9.13	¥140.00	+¥4.62

\*1) Forecast figures announced in the Summary of Financial Results for Fiscal Year Ended March 31, 2023 (announced on May 11, 2023).

\*2) Figures in the YoY Change section and Achievement Ratio section for ROE and exchange rate represent increases or decreases.

# Year Ended March 2024 Year-to-Year Comparison of Consolidated Ordinary Profit



\*Per accounting standards, the difference between the month-end exchange rate and the average exchange rate is shown in both denominations in the profit and loss statement. However, in the above figure, the difference is offset by gross profit and non-operating profit and loss, and the actual increase or decrease is shown.

## Year Ended March 2024

### Consolidated Performance Summary by Segment (Unit: ¥100 million)



#### ■ Device Business

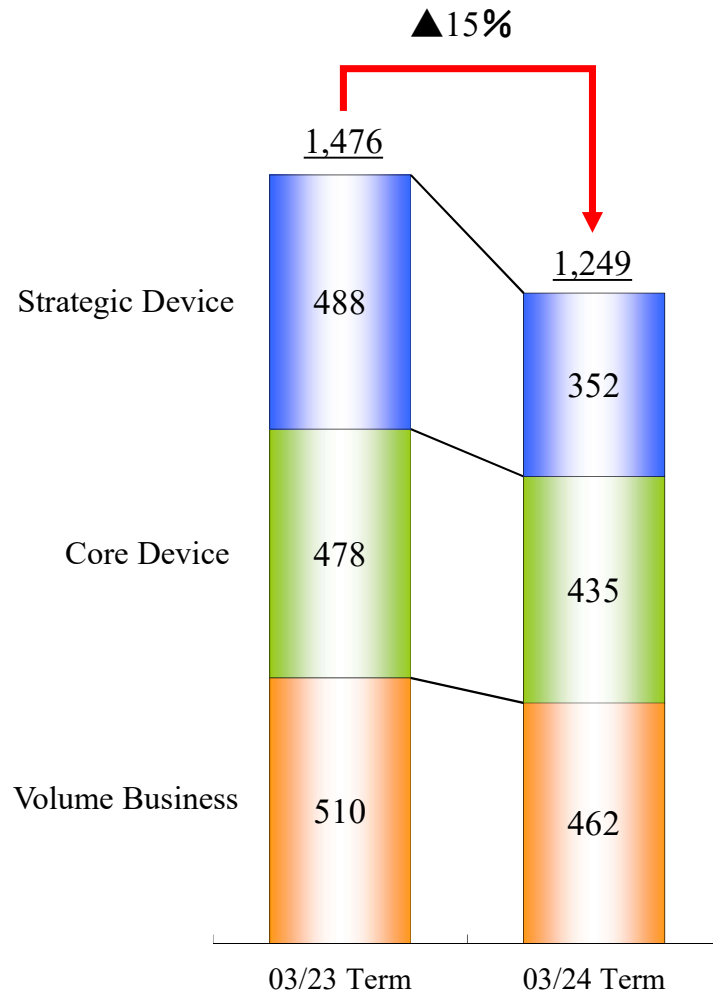
Net sales declined YoY. Earnings also declined YoY as gross profit fell from loss of certain highly-profitable projects and interest expenses increased.

#### ■ Solution Business

Supported by high corporate need for DX promotion at companies, this segment trended favorably throughout the fiscal year, posting gains in both sales and earnings.

		03/23 Term Result	03/24 Term Result	YoY Change
Device Business	Net Sales	1,475.8	1,249.1	85%
	Operating Profit	4.4% 65.5	3.9% 48.7	74%
	Segment Profit	2.8% 41.4	1.7% 21.0	51%
Solution Business	Net Sales	135.3	152.9	113%
	Operating Profit	13.2% 17.9	14.4% 22.0	123%
	Segment Profit	10.1% 13.7	11.8% 18.1	132%
Exchange rate (1 US dollar)		¥135.49	¥144.62	¥9.13

\*The figure in the YoY Change section for exchange rate represents an increase or decrease in amount.



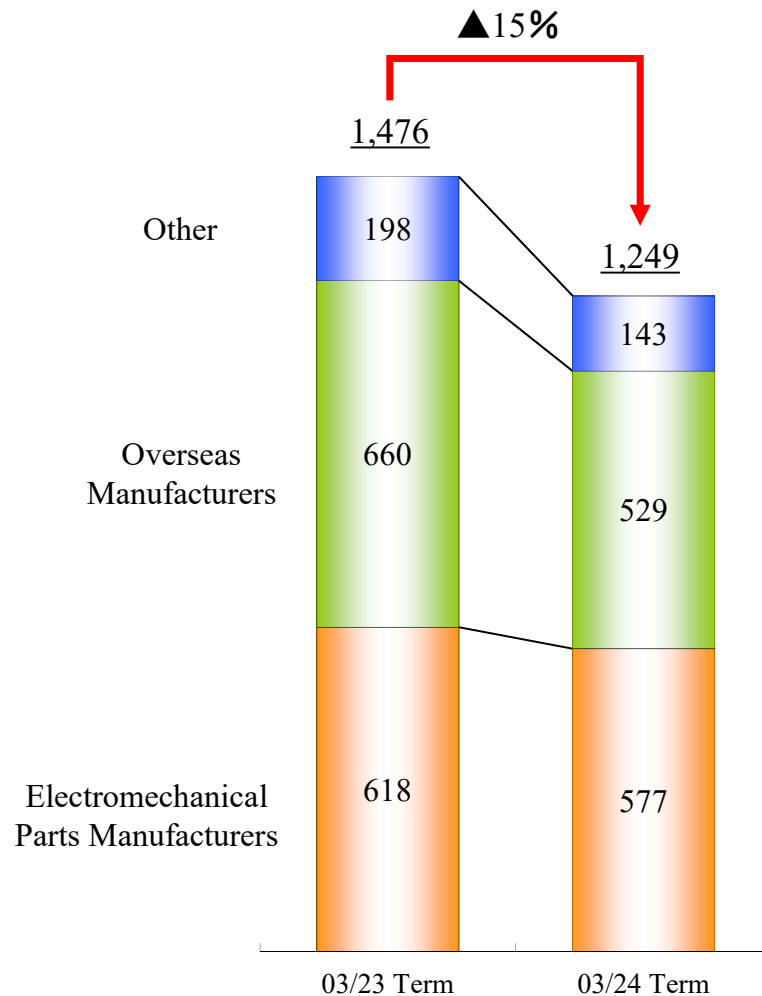
By Business Category of Device Business

【Year-to-Year Comparison of Fluctuations】

- Volume Business (down 9% YoY)
  - Decrease for mobile devices and social infrastructure
- Core Device (down 9% YoY)
  - Overall decline due to the impact of inventory adjustments
- Strategic Device (down 28% YoY)
  - Decrease in overseas merchandise such as wireless merchandise/analog semiconductors

Year Ended March 2024

Year-to-Year Comparison of Consolidated Net Sales (Unit: ¥100 million)



By Supplier of Device Business

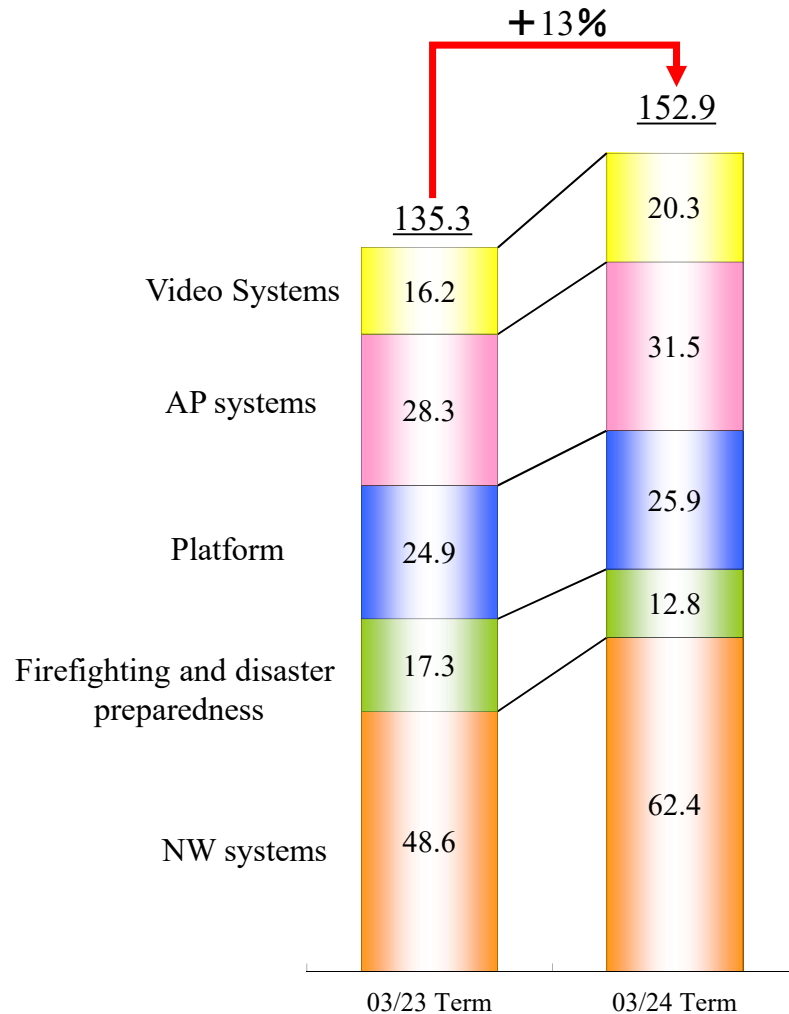
【Year-to-Year Comparison of Fluctuations】

- Electromechanical Parts Manufacturers (down 7% YoY)
  - Decrease for mobile devices
- Overseas Manufacturers (down 20% YoY)
  - Decrease for wireless merchandise/analog semiconductors, etc.
- Other (down 28% YoY)
  - Decrease for social infrastructure



# Year Ended March 2024

## Year-to-Year Comparison of Consolidated Net Sales (Unit: ¥100 million)



### By Sector of Solution Business

#### 【Year-to-Year Comparison of Fluctuations】

- NW systems (up 28% YoY)
  - Increase in IT infrastructure investment by customers
- Firefighting and Disaster Preparedness (down 26% YoY)
  - Slowdown from postponement of bid projects
- Platform (up 4% YoY)
  - Increase in server-related sales
- AP systems (up 11% YoY)
  - Increase in software development projects
- Video Systems (up 25% YoY)
  - Increase in streaming projects

#### Note:

Some classification methods are changed as of the business results of the fiscal year ended March 31, 2024. These changes are made retroactively in the figures for the fiscal year ended March 31, 2023.

# Year Ended March 2024

## Consolidated Financial Situation

(Unit: ¥100 million)



- Total assets for the fiscal year ended March 31, 2024 were ¥78.9 bn. This figure was little changed YoY as notes and accounts receivable–trade and inventories decreased, while consumption taxes refund receivable increased (not yet liquidated).
- Streamlining of assets led to reduction of interest-bearing liabilities to ¥24 bn (down ¥2.9 bn from the end of the previous fiscal year) and improvement of the debt-to-equity ratio to 0.62 (down 0.16 from the end of the previous fiscal year).
- Increase in net assets was prompted by accumulation of earnings and the impact of the lower yen on exchange-rate adjustments. Equity ratio was 48.5% (up 5.0% from the end of the previous fiscal year).
- Operating cash flows were ¥5.7 bn (up ¥6.5 from the end of the previous fiscal year) amid decreases in notes and accounts receivable–trade and inventories (down ¥9.5 bn from the end of the previous fiscal year). The funds were used to pay down debt.

### 1) Balance Sheets

	FY Ended Mar. 22 Result (A)	FY Ended Mar. 23 Result (B)	B-A Increase/ Decrease	FY Ended Mar. 24 Result (C)	C-B Increase/ Decrease
Cash and deposits	93.1	88.9	-4.1	87.9	-1.0
Accounts receivable	358.7	372.7	14.0	344.8	-27.8
Inventories	197.3	250.0	52.7	229.3	-20.7
Other assets	79.0	74.4	-4.6	126.8	52.4
Total assets	728.1	786.0	57.9	788.8	2.8
Notes and accounts payable–trade	144.6	138.6	-6.0	133.5	-5.1
Interest bearing liabilities	244.3	268.3	24.0	239.6	-28.7
Other liabilities	32.4	36.6	4.2	32.0	-4.6
Total net assets	306.8	342.5	35.7	383.7	41.2
Total liabilities and net assets	728.1	786.0	57.9	788.8	2.8
Equity ratio	42.1%	43.5%	1.4%	48.5%	5.0%

### 2) Cash Flows

	FY Ended Mar. 22 Result	FY Ended Mar. 23 Result	FY Ended Mar. 24 Result
Decrease (increase) in accounts receivable–trade	-0.1	7.9	59.6
Decrease (increase) in inventories	-45.6	-44.7	35.2
Increase (decrease) in accounts payable–trade	2.3	-17.0	-19.8
Other	65.3	46.0	-17.6
Operating C/F	21.9	-7.8	57.4
Investing C/F	-1.5	-0.5	-3.6
Financing C/F	-185.9	2.6	-58.8
Foreign currency conversion adjustments	3.1	1.5	4.1
Increase (decrease) in cash and deposits	-162.4	-4.1	-1.0
Balance of cash and deposits at term-end	93.1	88.9	87.9

# Year Ended March 2024

## Return to Shareholders

### ● Policy on Distribution of Profits

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis.

### ● Dividends for the Year Ended March 31, 2024

An annual dividend of ¥105 per share (midterm dividend of ¥35, term-end dividend of ¥70); consolidated dividend payout ratio of 47.3%

		03/20 Result	03/21 Result	03/22 Result	03/23 Result	03/24 Result	YoY Change
Annual Dividend Per Share	Ordinary Dividend	¥70	¥40	¥80	¥135	¥105	-¥30
	Commemorative Dividend	—	—	¥20	—	—	—
	Total	¥70	¥40	¥100	¥135	¥105	-¥30
Payout Ratio		93.2%	46.9%	48.8%	43.5%	47.3%	+3.8P

## II. Review of the V73 Medium-Term Management Plan

## 1. Improving profitability through business structure reform and expanding business in growth markets

- Device business: Expand existing businesses and improve profitability, and establish a new profit structure (reform our business portfolio)
- Solution business: Grow the business based on service provision, expand our digital technology, and expand our customer platform

## 2. Improving capital efficiency

- Continue to target a dividend payout ratio of around 50% on a consolidated basis, and improve capital efficiency through measures such as reducing total assets
- Maintain financial soundness and ensure the mobility and stability of fund procurement

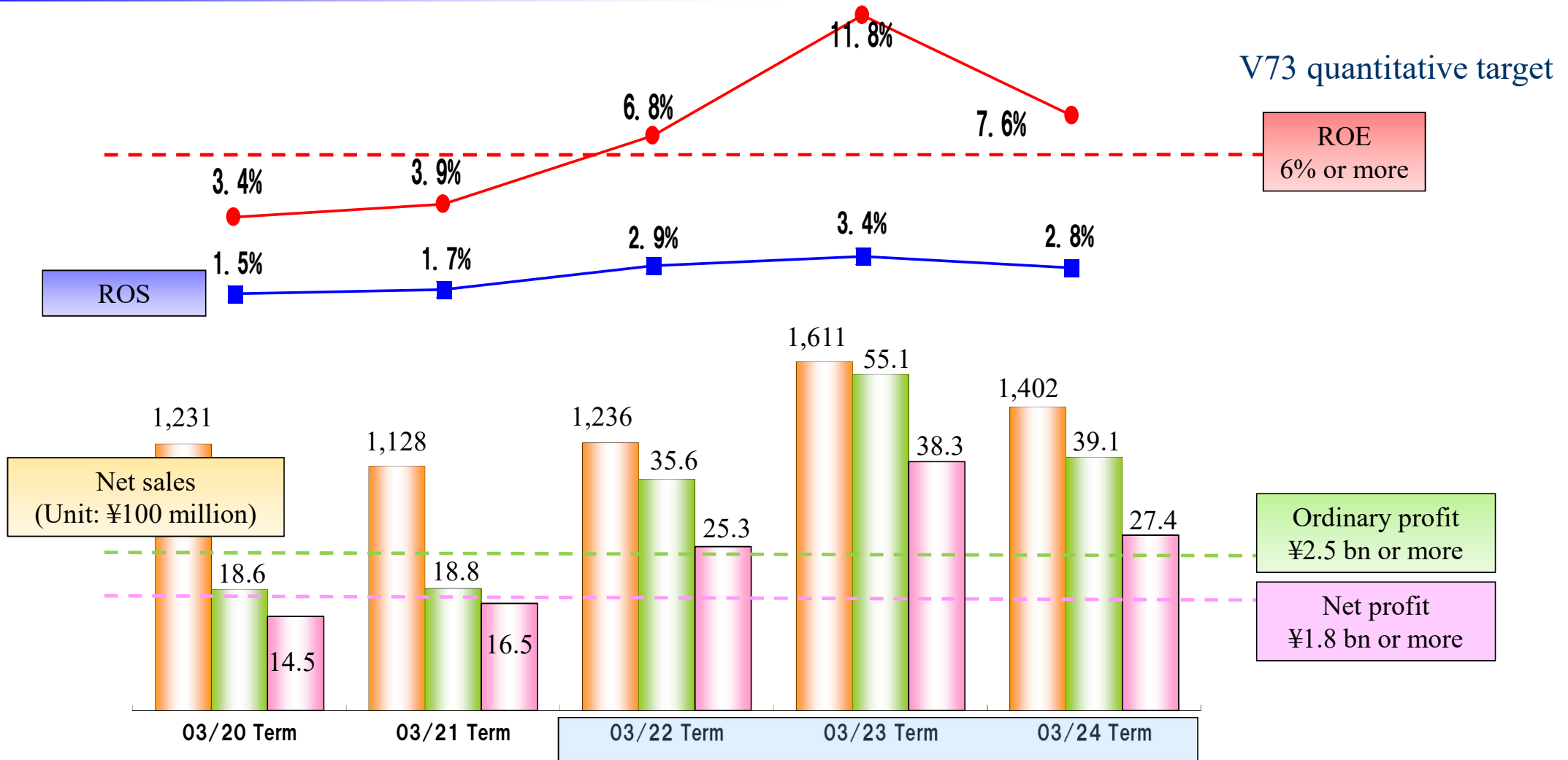
## 3. Strengthening corporate governance

- Strengthen efforts to address issues related to sustainability, and strengthen the functions of the Board of Directors for executing measures in the Medium-Term Management Plan



Quantitative targets for the final year of V73 (fiscal year ending March 31, 2024)	ROE	Maintain 6% or higher during V73
	Ordinary profit	¥2.5 bn or higher
	Net profit attributable to shareholders of parent company	¥1.8 bn or higher

# Trend in Business Results for the V73 Medium-Term Management Plan



# V73 Medium-Term Management Plan: Evaluation of Results in Terms of Qualitative Targets


Measures of Medium-Term Management Plan		Contents of Measures	Targeted Effect and Review
Device Business	Expand existing businesses and improve profitability	<ul style="list-style-type: none"> <li>(1) Shift resources to overseas semiconductors</li> <li>(2) Acquire new customers through merchandise from existing suppliers</li> <li>(3) Improve the efficiency of expanding sales by reorganizing the organization by customers (especially major corporations) and businesses</li> <li>(4) Promote the increased efficiency of sales activities                             <ul style="list-style-type: none"> <li>• Improvement/new introduction of sales support systems, maintenance of operation systems</li> </ul> </li> </ul>	<p><b>Targeted Effect</b></p> <ul style="list-style-type: none"> <li>• Increase net sales of overseas semiconductor manufacturers</li> <li>• Increase segment profit to net sales</li> </ul> <p><b>Review</b> ○</p> <ul style="list-style-type: none"> <li>• Average rate of increase in net sales to overseas manufacturers during V73 was a solid 34%.</li> <li>• Launch of a new sales support system was completed.</li> </ul> <p>Segment profit rate during V73 averaged just over 2%</p>
	Establish new profit structure (reform portfolio)	<ul style="list-style-type: none"> <li>(1) Focus on provision of total solutions (AI/IoT, robotics)</li> <li>(2) AI/IoT related                             <ul style="list-style-type: none"> <li>• Enhance approaches to local governments through reservoir and river monitoring solutions with added value</li> </ul> </li> <li>(3) Robotics field                             <ul style="list-style-type: none"> <li>• Focus on new development by strengthening cooperation with collaborative partners and interdepartmental cooperation</li> </ul> </li> <li>(4) Vehicle-mounted field                             <ul style="list-style-type: none"> <li>• Use proposal-based software (including wireless modules and security products) as the key to formulate a new strategy in the existing organization (automotive department)</li> </ul> </li> </ul>	<p><b>Targeted Effect</b></p> <ul style="list-style-type: none"> <li>• Acquire customers in new markets (including non-electronics)</li> <li>• Acquire highly-profitable businesses</li> <li>• Improve segment profit to net sales</li> </ul> <p><b>Review</b> ○</p> <ul style="list-style-type: none"> <li>• Reservoir solution business for local governments was established. (During V73 the Group entered the business and won contracts in four prefectures.)</li> <li>• Contracts were concluded with consultants and cooperation began with a view to improving profitability in the robotics field.</li> </ul>

# V73 Medium-Term Management Plan: Evaluation of Results in Terms of Qualitative Targets

Measures of Medium-Term Management Plan		Contents of Measures	Targeted Effect and Review
Solution Business	Grow business based on service provision	(1) Establish a service provision model utilizing mega cloud (AWS, MS Azure, etc.) infrastructure (2) Expand Sanshin Data Center business (hosting + operation maintenance, cloud connection service) (3) Expand general-purpose cloud services (enhance services such as cloud backup and cloud security) (4) Expand subscription business by improving service menu	<b>Targeted Effect</b> Secure and expand stable stock earnings <b>Review</b> ▲ Expanding order acceptance through proposals to provide SaaS optimized for customer environments and by partnering with vendors Striving for stable earnings by supporting utilization rates at Sanshin Data Center, etc.
	Expand digital technology	(1) Respond to evolving security technology <ul style="list-style-type: none"> <li>▪ Implement proposal of security model based on Zero Trust concept</li> <li>▪ Strengthen response to SASE technology</li> </ul> (2) Acquire new infrastructure technology (SD-WAN, WiFi6, 5G, private LTE, etc.)	<b>Targeted Effect</b> Increase sales in the solution business <b>Review</b> ◎ Expanding proposal activities utilizing advanced technologies (SASE, 5G) Beset by semiconductor supply problems, in V73 average net sales growth was held to just 3.5%.
	Expand customer platform	(1) Discover new merchandise in collaboration with external consultants, expand free promotional merchandise (2) Acquire new customers through collaboration with partners (3) Promote cross-sales through cooperation inside of divisions (4) Develop new markets for existing products such as mobile relay equipment (5) Incorporate DX demand	<b>Targeted Effect</b> Expand business domains and identify new revenue sources <b>Review</b> ○ Aiming to contribute to earnings from the next fiscal year onwards by expanding contracts with new suppliers and starting initiatives for SDGs



# V73 Medium-Term Management Plan: Evaluation of Results in Terms of Qualitative Targets

Measures of Medium-Term Management Plan	Contents of Measures	Targeted Effect and Review
Improving capital efficiency	<p>(1) Optimize the scale of equity capital</p> <ul style="list-style-type: none"> <li>Based on future demand for funds, in June 2021, we executed a treasury stock tender offer for 7 million shares (equivalent to 28.83% of outstanding shares at that time; value of ¥15.7 bn)</li> <li>Continue dividends targeting a consolidated payout ratio of 50%</li> </ul> <p>(2) Maintain financial soundness</p> <ul style="list-style-type: none"> <li>Improve transaction conditions</li> <li>Liquidate large receivables</li> <li>Reduce strategically held shares Reduce 9 types of stocks during V73 (including one type of stock transferred to pure investment shares)</li> </ul> <p>(3) Ensure the mobility and stability of fund procurement</p> <ul style="list-style-type: none"> <li>Entered into a commitment line contract (from August 31, 2021)</li> </ul>	<p><b>Targeted Effect</b> Maintain ROE above the cost of shareholders' equity</p> <p><b>Review</b> </p> <ul style="list-style-type: none"> <li>Rightsizing of owned capital was completed.</li> <li>Equity ratio was 48.5% as of March 31, 2024, with financial condition maintaining a sound trend.</li> <li>Business results were boosted by strong tailwinds. ROE averaged 8.7% during V73, never falling below 6% in any year.</li> </ul> <p>Going forward, the Company will take steps to achieve ROE at a stable level above shareholder capital cost (considered to be 8%).</p>

# V73 Medium-Term Management Plan: Evaluation of Results in Terms of Qualitative Targets

Measures of Medium-Term Management Plan	Contents of Measures	Targeted Effect and Review
<p style="text-align: center;">Strengthening corporate governance</p>	<p>(1) Efforts for issues regarding sustainability (SDGs, ESG)</p> <p>a) Enhance human capital and maximize its value Strengthen initiatives for management position ratio targets for March 31, 2031 (women: 10%, foreigners: continue to maintain 10% or higher, mid-career hires: continue to maintain 30% or higher)</p> <ul style="list-style-type: none"> <li>• Hire diverse and talented human resources</li> <li>• Enhance support for skill development and career advancement</li> <li>• Ensure fair evaluation/treatment and create a comfortable working environment</li> </ul> <p>b) Respond to the issue of climate change</p> <ul style="list-style-type: none"> <li>• Identify/evaluate risks and opportunities, and reflect evaluation in management strategy</li> <li>• Perform disclosure in accordance with TCFD</li> </ul> <p>(2) Strengthen functions of the Board of Directors</p> <ul style="list-style-type: none"> <li>• Secure the required skill balance to make accurate decisions on important matters and to supervise business execution</li> </ul>	<p><b>Targeted Effect</b></p> <ul style="list-style-type: none"> <li>• Establish a management base for sustainable growth</li> <li>• Strengthen responsibility of explanation toward stakeholders</li> </ul> <p><b>Review ○</b></p> <p><b>&lt;Enhanced human capital and maximized its value&gt;</b></p> <ul style="list-style-type: none"> <li>• The Company expects to clear its targets for foreign nationals and mid-career hires as a proportion of its management class.</li> <li>• Expanding the presence of women in the management class remains an issue.</li> </ul> <p><b>&lt;Initiatives for the issue of climate change&gt;</b></p> <ul style="list-style-type: none"> <li>• Strengthened efforts to serve market needs for carbon neutrality</li> <li>⇒ Expanded sales for vehicle-mounted products and promoted business based on service provision (cloud)</li> <li>• Performed disclosure in accordance with TCFD and set targets for reduction of GHG emissions</li> </ul> <p><b>&lt;Strengthened functions of Board of Directors&gt;</b></p> <ul style="list-style-type: none"> <li>• Identified required skills and inspected the status of skill possession</li> <li>⇒ Possessed required skills for the overall Board of Directors</li> <li>• Appointed a female director and accelerated initiatives to promote the active participation of women (from June 2023)</li> </ul>

# III. Full-Year Business Forecast for the Year Ending March 31, 2025

# Year Ending March 2025 Full-Year Business Forecast

(Unit: ¥100 million)

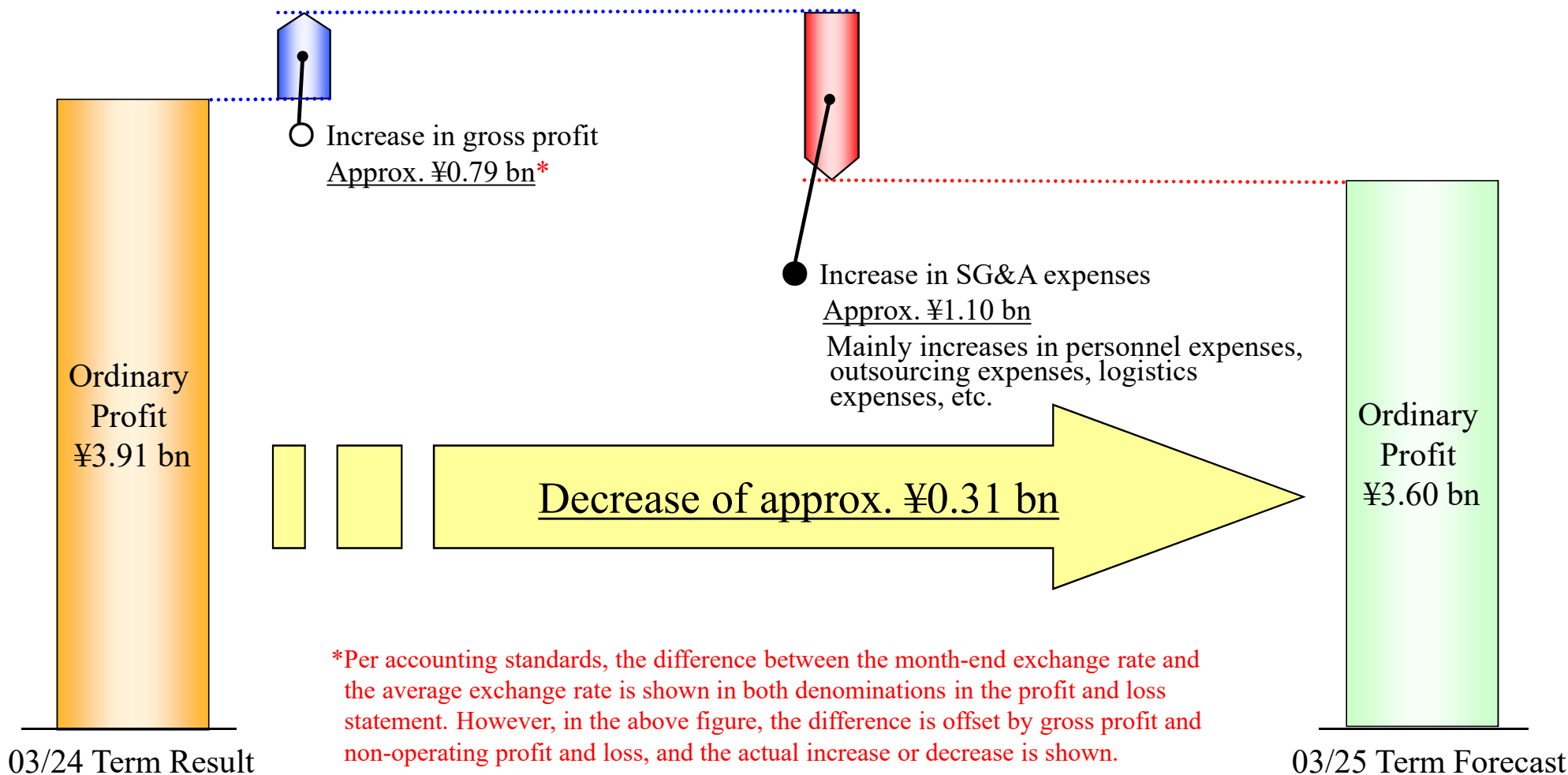


- Although net sales are expected to grow in comparison with the previous fiscal year, earnings are expected to decline due to factors such as an increase in selling, general and administrative expenses.

	03/21 Result	03/22 Result	03/23 Result	03/24 Result	03/25 Forecast	YoY Change
Net Sales	1,127.9	1,235.8	1,611.1	1,402.0	1,500.0	107%
Gross Profit on Sales	9.8% 110.5	10.9% 135.3	10.5% 168.8	11.1% 155.5	10.1% 150.9	97%
SG&A Expenses	7.9% 88.8	7.5% 93.2	6.2% 100.3	7.0% 98.0	7.2% 107.9	110%
Operating Profit	1.9% 21.7	3.4% 42.1	4.3% 68.5	4.1% 57.5	2.9% 43.0	75%
Ordinary Profit	1.7% 18.8	2.9% 35.6	3.4% 55.1	2.8% 39.1	2.4% 36.0	92%
Net Profit Attributable to Shareholders of Parent Company	1.5% 16.5	2.0% 25.3	2.4% 38.3	2.0% 27.4	1.7% 26.0	95%
ROE	3.9%	6.8%	11.8%	7.6%	6.9%	-0.7p
Exchange Rate (1 US dollar)	¥106.06	¥112.38	¥135.49	¥144.62	¥140.00	¥-4.62

\*Figures in the YoY Change section for ROE and exchange rate represent increases or decreases.

# Year Ending March 2025 Year-to-Year Comparison of Consolidated Ordinary Profit



# Year Ending March 2025 Full-Year Business Forecast by Segment

(Unit: ¥100 million)



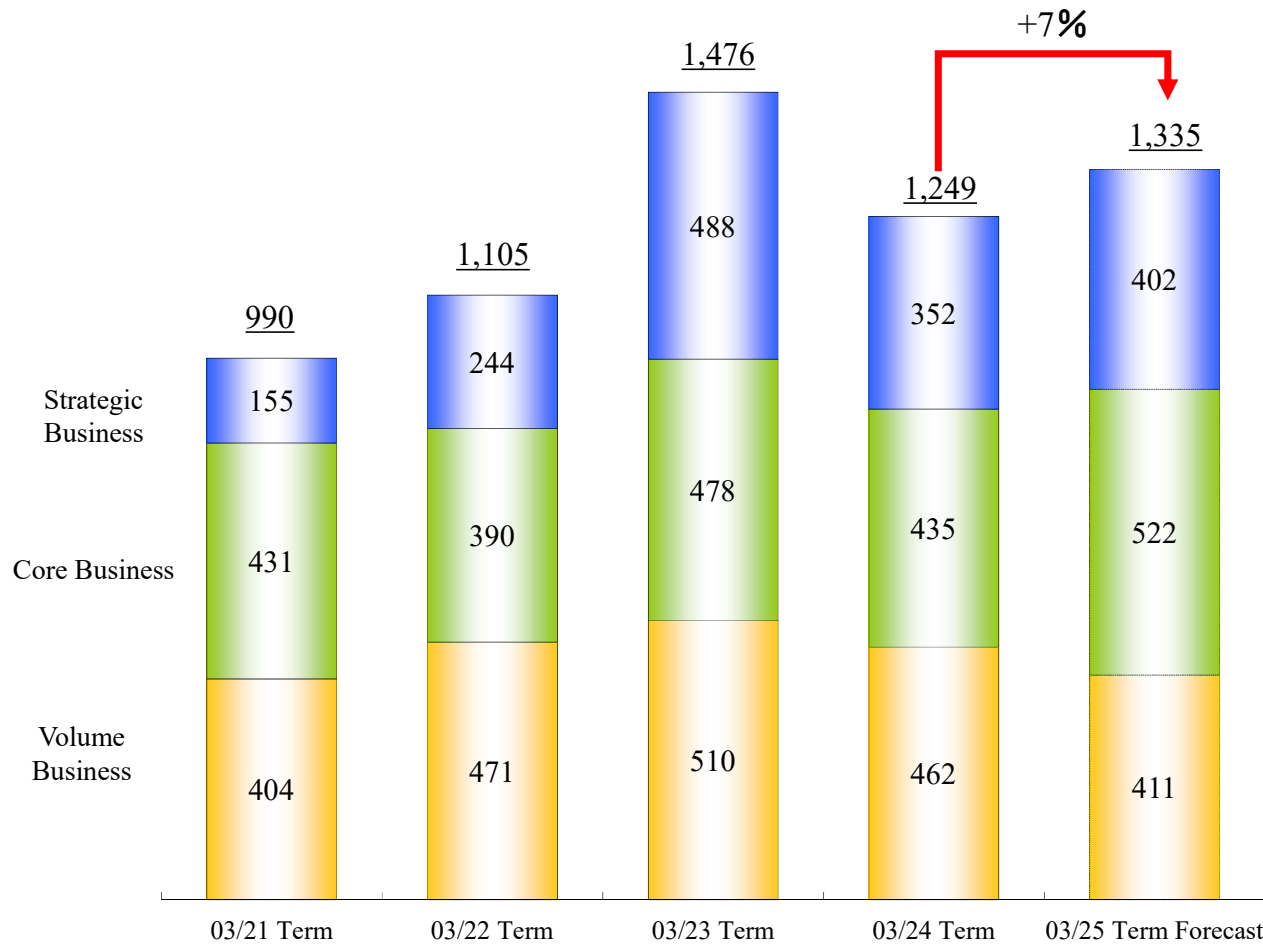
- Net sales are expected to increase in both segments YoY, propelled by progress in inventory adjustments in the device business and continuing firm demand for DX promotion in the solution business.
- Earnings are expected to decline in both businesses, amid factors such as increases in selling, general and administrative expenses.

		03/21 Result	03/22 Result	03/23 Result	03/24 Result	03/25 Forecast	YoY Change
Device Business	Net Sales	989.9	1,105.2	1,475.8	1,249.1	1,335.0	107%
	Operating Profit	1.6% 15.7	3.6% 40.1	4.4% 65.5	3.9% 48.7	2.8% 37.0	76%
	Segment Profit	0.2% 1.7	2.0% 21.9	2.8% 41.4	1.7% 21.0	1.4% 19.0	90%
Solution Business	Net Sales	138.0	130.6	135.3	152.9	165.0	108%
	Operating Profit	15.2% 21.0	14.0% 18.3	13.2% 17.9	14.4% 22.0	13.2% 21.7	99%
	Segment Profit	12.4% 17.1	10.5% 13.7	10.1% 13.7	11.8% 18.1	10.3% 17.0	94%
Exchange rate (1 US dollar)		¥106.06	¥112.38	¥135.49	¥144.62	¥140.00	¥-4.62

\*The figure in the YoY Change section for exchange rate represents an increase or decrease in amount.

# Year Ending March 2025 Year-to-Year Comparison of Consolidated Net Sales

(Unit: ¥100 million)



## By Business Category of Device Business

### 【Year-to-Year Comparison of Fluctuations】

■ Volume Business (down 11% YoY)

● Decrease for mobile devices

○ Increase for social infrastructure

■ Core Device (up 20% YoY)

○ An overall recovering trend is expected amid progress in inventory adjustment.

■ Strategic Device (up 14% YoY)

○ Increase in overseas merchandise such as modular products

# Year Ending March 2025 Year-to-Year Comparison of Consolidated Net Sales

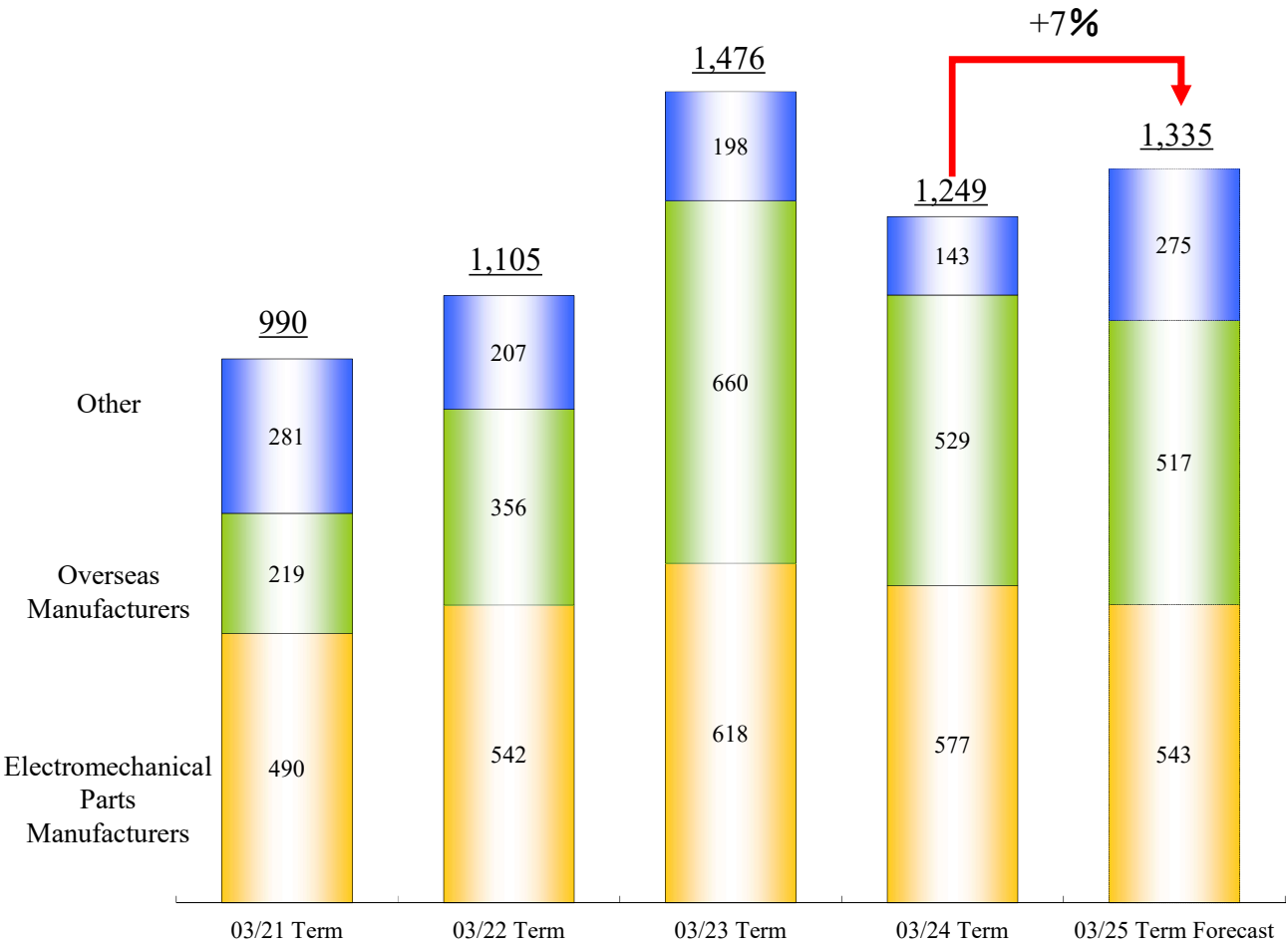
(Unit: ¥100 million)



By Supplier of Device Business

【Year-to-Year Comparison of Fluctuations】

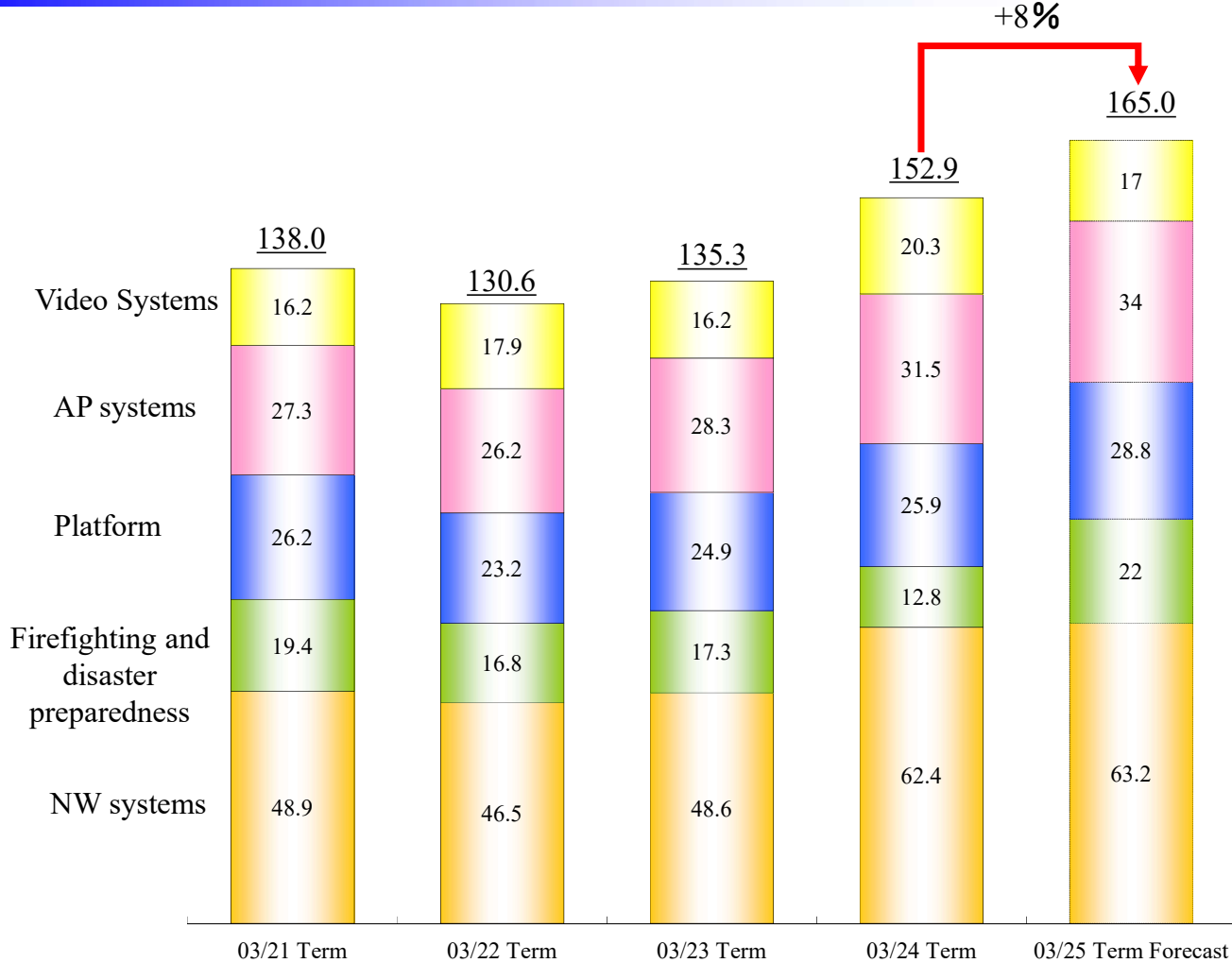
- Electromechanical Parts Manufacturers (down 6% YoY)
- Decrease for mobile devices
- Overseas Manufacturers (down 2% YoY)
- Decrease in wireless merchandise/analog semiconductors
- Other (up 92% YoY)
- Increase in vehicle-mounted products and social infrastructure.





# Year Ending March 2025 Year-to-Year Comparison of Consolidated Net Sales

(Unit: ¥100 million)



## By Sector of Solution Business

### 【Year-to-Year Comparison of Fluctuations】

- NW systems (up 1% YoY)
- Increase in investment in IT infrastructure by private corporations
- Firefighting and Disaster Preparedness (up 72% YoY)
- Increase in projects for updating disaster prevention ratio
- Platform (up 11% YoY)
- Server-related results are expected to be on a firm trend.
- AP systems (up 8% YoY)
- Software development projects are expected to maintain a solid footing.
- Video Systems (down 16% YoY)
- ▲ Decrease in demand for streaming

# Year Ending March 2025

## Forecast of Consolidated Financial Situation (Unit: ¥100 million)



- Total assets for the fiscal year ended March 31, 2025 are forecasted to reach ¥87.4 billion (up ¥8.5 bn from the end of the previous fiscal year), due to increase in notes and accounts receivable–trade from increase in sales.
- As a result of the increase in notes and accounts receivable–trade, interest-bearing liabilities is forecasted to reach ¥33.1 bn (up ¥9.2 bn from the end of the previous fiscal year) for a debt-to-equity ratio of 0.87.
- Equity ratio is forecasted to reach 43.7% (down 4.8% from the end of the previous fiscal year) about the same level as at the end of the fiscal year ended March 31, 2023, securing financial soundness and capital efficiency.
- Increase in notes and accounts receivable–trade (up ¥9.5 bn from the end of the previous fiscal year) is forecasted to decrease operating cash flows by ¥7.2 bn and increase financing cash flows by ¥7.8 bn (before debt securitization).

### 1) Balance Sheets

	FY Ended Mar. 23 Result (A)	FY Ended Mar. 24 Result (B)	B-A Increase/Decrease	FY Ended Mar. 25 Result (C)	C-B Increase/Decrease
Cash and deposits	88.9	87.9	-1.0	77.0	-11.0
Accounts receivable	372.7	344.8	-27.8	439.2	94.4
Inventories	250.0	229.3	-20.7	207.8	-21.5
Other assets	74.4	126.8	52.4	150.1	23.3
Total assets	786.0	788.8	2.8	874.1	85.2
Notes and accounts payable–trade	138.6	133.5	-5.1	128.3	-5.2
Interest bearing liabilities	268.3	239.6	-28.7	331.4	91.8
Other liabilities	36.6	32.0	-4.6	32.0	0.0
Total net assets	342.5	383.7	41.2	382.4	-1.4
Total liabilities and net assets	786.0	788.8	2.8	874.1	85.2
Equity ratio	43.5%	48.5%	5.0%	43.7%	-4.8%

### 2) Cash Flows

	FY Ended Mar. 23 Result	FY Ended Mar. 24 Result	FY Ended Mar. 25 Result
Decrease (increase) in accounts receivable–trade	7.9	59.7	-94.4
Decrease (increase) in inventories	-44.7	35.2	21.5
Increase (decrease) in accounts payable–trade	-17.0	-19.8	-5.2
Other	46.0	-17.7	6.5
Operating C/F	-7.8	57.4	-71.6
Investing C/F	-0.5	-3.6	-17.8
Financing C/F	2.6	-58.8	78.4
Foreign currency conversion adjustments	1.5	4.1	
Increase (decrease) in cash and deposits	-4.1	-1.0	-11.0
Balance of cash and deposits at term-end	88.9	87.9	77.0

## ● Policy on Distribution of Profits

The Company considers profit returns to its shareholders as one of the most important management issues. The Company's basic policy is to determine dividends by comprehensively considering the need to maintain a balance between rewarding of shareholders, investment to gain opportunities for growth, attainment of sufficient retained earnings to enable sustainable growth, and improvement in capital efficiency. Under this policy, the Company has set a target for its dividend payout ratio of around 50% on a consolidated basis.

## ● Dividend Forecast for the Year Ending March 31, 2025

An annual dividend of ¥105 per share (midterm dividend of ¥30, term-end dividend of ¥75); consolidated dividend payout ratio of 49.9%

		03/21 Result	03/22 Result	03/23 Result	03/24 Result	03/25 Forecast	YoY Change
Annual Dividend Per Share	Ordinary Dividend	¥40	¥80	¥135	¥105	¥105	0
	Commemorative Dividend	—	¥20	—	—	—	—
	Total	¥40	¥100	¥135	¥105	¥105	0
Payout Ratio		46.9%	48.8%	43.5%	47.3%	49.9%	+2.6P

\*Figures in the YoY Change section represent increases or decreases in amount.

## Change in Return to Shareholders

	03/20 Term Result	03/21 Term Result	03/22 Term Result	03/23 Term Result	03/24 Term Result	03/25 Term Forecast
(1) Consolidated net profit	¥1,451 million	¥1,646 million	¥2,525 million	¥3,833 million	¥2,740 million	¥2,600 million
(2) Comprehensive profit	¥666 million	¥2,393 million	¥4,204 million	¥4,788 million	¥5,831 million	-
(3) Consolidated equity ratio	57.0%	51.0%	42.1%	43.5%	48.5%	43.7%
(4) Total dividends (Dividend per share)	¥1,352 million (¥70)	¥773 million (¥40)	¥1,232 million (¥100)	¥1,666 million (¥135)	¥1,297 million (¥105)	¥1,297 million (¥105)
(5) Consolidated payout ratio	93.2%	46.9%	48.8%	43.5%	47.3%	49.9%
(6) Value of treasury stock acquired (Number of shares acquired)	-	-	¥15.74 billion (7 million shares)	-	-	Suspense
(7) Total payout ratio (4+6) ÷ 1	93.2%	46.9%	672.3%	43.5%	47.3%	Suspense
(8) Cancellation of treasury stock	-	-	8,000 thousand shares	-	-	Suspense
(9) Total number of shares issued (Excluding treasury stock)	24,281 thousand shares (19,180 thousand shares)	24,281 thousand shares (19,183 thousand shares)	16,281 thousand shares (12,183 thousand shares)	16,281 thousand shares (12,192 thousand shares)	16,281 thousand shares (12,203 thousand shares)	Suspense
(10) Net profit per share	¥75.66	¥85.82	¥171.12	¥314.43	¥224.66	¥213.06
(11) Net assets per share	¥2,188.84	¥2,249.40	¥2,514.04	¥2,803.65	¥3,138.10	¥3,133.55

\*1) Total dividends include the dividend amount for shares held by trusts related to the performance-based stock compensation plan for directors (excluding external directors).

The forecast for 03/22 term includes the commemorative dividend ¥20 per share.

2) Net profit per share is calculated based on the average number of issued shares (excluding treasury stock) during the period.

3) Net assets per share is calculated based on the total number of shares issued (excluding treasury stock) at fiscal year end.

4) The forecast for net profit per share and net assets per share for 03/25 term is calculated based on the total number of shares issued (excluding treasury stock) as of March 31, 2024.



TRUST

Business cannot  
succeed without trust.  
It begins and ends  
with trust.



PRINCIPLES

Do not just pursue profit.  
But act based on  
principles, which can be  
realized through self-  
discipline.



SINCERITY

Always act sincerely.  
Rise to the challenge  
head-on.

# Note on Handling of These Materials

Forecasts of business results and other forward-looking statements included in these materials are predictions based on the information available at time of publication and shall not be interpreted as constituting any promise or guarantee of achievement whatsoever. Actual business results may differ significantly from forecasts due to a wide range of factors. The main important factors that can impact actual business results are as follows.

- Economic conditions and consumer trends in Japan, North America, Asia ex-Japan, etc.
- Production trends, product development, etc. at purchasers
- Supply conditions and product development, etc. at suppliers
- Price declines due to intensification of competition
- Major fluctuations in exchange rates, etc.