

(This document has been translated from the original document in Japanese. In the event of any discrepancy between this English translation and the original document in Japanese, the original document in Japanese shall prevail.)



August 6, 2024

**Summary of Financial Results for the First Quarter of the Fiscal Year  
Ending March 31, 2025  
(Three Months Ended June 30, 2024)  
[Japan Standards] (Consolidated)**

Name of Listed Company: Sanshin Electronics Co., Ltd.      Stock Exchange Listed: Prime Market, Tokyo  
Code No.: 8150      URL: <http://www.sanshin.co.jp>  
Representative: Toshiro Suzuki (Representative Director & CEO)  
Enquiries to: Jun-ichi Murakami, Director, Operating Officer and Senior General      Tel.: +81-3-3453-5111  
Manager of Finance & Accounting Division  
Scheduled date of dividend payment: —  
Supplementary materials for the financial results: None  
Investor conference for the financial results: None

*(Amounts are rounded down to the nearest million yen)*

**1. Consolidated Business Performance for the First Quarter of March 2025 Term  
(April 1, 2024 – June 30, 2024)**

(1) Consolidated business performance (cumulative)

*(% figures represent year-on-year changes)*

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q March 2025 Term	34,957	5.9	1,255	28.4	874	58.3	530	189.9
1Q March 2024 Term	32,999	(7.5)	977	(49.9)	552	(52.6)	182	(76.1)

(Note) Comprehensive income    1Q March 2025 Term: 1,950 million yen (2.7%)    1Q March 2024 Term: 1,898 million yen (-19.9%)

	Net profit per share		Diluted net profit per share	
	Yen		Yen	
1Q March 2025 Term	43.45		—	
1Q March 2024 Term	15.00		—	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q March 2025 Term	82,469	39,459	47.8
March 2024 Term	78,884	38,373	48.5

(Reference) Own capital    1Q March 2025 Term: 39,387 million yen    March 2024 Term: 38,295 million yen

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2024 Term	—	35.00	—	70.00	105.00
March 2025 Term	—				
March 2025 Term (forecast)		30.00	—	75.00	105.00

(Note) Revision of most recent forecast on dividends: None

### 3. Forecasts for Consolidated Business Performance for March 2025 Term (April 1, 2024 – March 31, 2025)

(% figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	76,000	2.3	2,100	(26.0)	1,500	(20.1)	1,000	(22.5)	81.94
Full year	150,000	7.0	4,300	(25.2)	3,600	(7.9)	2,600	(5.1)	213.06

(Note) Revision of most recent forecast on earnings: None

#### \* Annotations

(1) Significant changes in the scope of consolidation during the consolidated cumulative period of this quarter: Yes

Newly added: — Excluded: One company (Company name: Sanshin Network Service Co., Ltd.)

(Note) Sanshin Network Service Co., Ltd. was extinguished on April 1, 2024 in an absorption-type merger in which the Company was the surviving company.

(2) Application of unique accounting to the preparation of quarterly consolidated financial statements: None

(3) Change of accounting principles, change of accounting estimate, and redisplay after revision:

1) Change of accounting principles caused by revision of accounting standards: None

2) Change of accounting principles other than 1): None

3) Change of accounting estimate: None

4) Redisplay after revision: None

(4) Number of shares outstanding (ordinary shares)

1) Number of shares outstanding at the end of term (including treasury stock):

1Q March 2025 Term: 16,281,373 shares                      March 2024 Term: 16,281,373 shares

2) Amount of treasury stock at the end of term:

1Q March 2025 Term: 4,077,986 shares                      March 2024 Term: 4,077,986 shares

3) Amount of average stock during the term (quarterly total):

1Q March 2025 Term: 12,203,387 shares                      1Q March 2024 Term: 12,192,317 shares

(Note) The amount of treasury stock at the end of the term includes Company stock (1Q March 2025 term: 151,200 shares, March 2024 term: 151,200 shares) possessed in a trust related to the Performance-Based Stock Compensation Plan for Directors (with the exception of Directors and External Directors who are Audit & Supervisory Committee Members). Also, Company stock held in the trust is included in treasury stock to be deducted in the calculation of the amount of average stock during the term (1Q March 2025 term: 151,200 shares, 1Q March 2024 term: 162,400 shares).

\* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing corporations: None

#### \* Cautionary statement regarding forward-looking statements

The projected results and forward-looking statements included in this document reflect the Company's expectations based on information available at the time of release, and are not intended as a guarantee that the Company will achieve these targets. The actual performance may considerably differ from the forecast due to various factors.

See the section "1. Overview of Business Results - (3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects" on page 3 of [Appendix], regarding the relevant matters for the above forecast for the business performance.

## Contents of Appendix

1. Overview of Business Results .....	2
(1) Overview of Business Results for the First Quarter of the Fiscal Year Ending March 31, 2025.....	2
(2) Overview of Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2025.....	3
(3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects.....	3
2. Quarterly Consolidated Financial Statements and Main Notes.....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement.....	6
(3) Notes on Quarterly Consolidated Financial Statements .....	8
(Notes Regarding Segment Information and Other) .....	8
(Notes Regarding Remarkable Change of Shareholders' Equity).....	8
(Notes Regarding Going Concern) .....	8
(Notes Regarding Quarterly Consolidated Statement of Cash Flows).....	8
(Notes Regarding Revenue Recognition) .....	9

## 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 quarter.

### (1) Overview of Business Results for the First Quarter of the Fiscal Year Ending March 31, 2025

In the consolidated first quarter under review, the outlook for the global economy remained uncertain. Monetary tightening persisted in Western countries despite easing of inflationary pressures. Geopolitical risk in Ukraine and the Middle East combined with a slowdown in the Chinese economy to exacerbate concerns of a global downturn.

In the electronics industry, which is the primary area of business of the Sanshin Electronics Group, AI-related demand for semiconductors burgeoned, driving the overall semiconductor market forward. In the domestic ICT industry, the IT service market posted solid growth against a background of renewals and a shift to the cloud in existing corporate systems and the promotion of DX (Digital Transformation).

The Group will closely focus on important issues with a view to realizing the long-term vision it announced on May 10, 2024. As a first step in plans to execute the vision, the Group drafted the V76 Medium-Term Management Plan, with the 76th fiscal year (ending March 31, 2027) as the final year. The V76 Medium-Term Management Plan calls for the formation of a business structure that consistently achieves return on equity (ROE) of 8% or more, ordinary profit of ¥5 billion and net profit of ¥3.5 billion, by the final year of the Plan. To this end, the Group is striving to achieve sustainable growth and improve capital efficiency while devoting itself to sustainability.

Business performance in the consolidated first quarter under review was as follows: Net sales were ¥34,957 million (up 5.9% year-on-year), operating profit was ¥1,255 million (up 28.4% year-on-year), ordinary profit was ¥874 million (up 58.3% year-on-year), and net profit attributable to shareholders of parent company was ¥530 million (up 189.9% year-on-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 first quarter 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.

The operating results for each business segment are 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 and LCD panels). These products are sold mainly to electronics manufacturers. We also provide technical support such as software development and module development.

In the consolidated first quarter under review, inventory adjustments in the supply chain gradually drew to a close, while the Japanese yen weakened significantly year-on-year. Net sales were ¥31,567 million (up 4.3% year-on-year) and segment profit was ¥751 million (up 40.2% year-on-year).

#### ***Solution segment***

In the solution business segment, we provide one-stop services spanning from design and construction to operation and maintenance of network devices and security products that utilize ICT in accordance with 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.

In the consolidated first quarter under review, net sales of the Network Systems Business Unit (Network Systems BU) soared year-on-year, propelled by robust corporate demand for investment in ICT networks. Net sales in the solution business segment were ¥3,389 million (up 24.3% year-on-year) and segment profit was ¥122

million (up 657.6% year-on-year).

## **(2) Overview of Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2025**

### **(Assets)**

As of June 30, 2024, assets increased ¥3,585 million compared with March 31, 2024, to ¥82,469 million. This was mainly attributable to a ¥4,583 million increase in notes and accounts receivable–trade, a ¥3,229 million increase in merchandise inventories, and a ¥3,446 million decrease in consumption taxes refund receivable.

### **(Liabilities)**

As of June 30, 2024, liabilities increased ¥2,499 million compared with March 31, 2024, to ¥43,010 million. This was mainly attributable to a ¥3,653 million increase in notes and accounts payable–trade and a ¥1,449 million decrease in short-term loans payable.

### **(Net Assets)**

As of June 30, 2024, net assets increased ¥1,085 million compared with March 31, 2024, to ¥39,459 million. This was mainly attributable to a ¥1,402 million increase in foreign currency translation adjustment and a ¥334 million decrease in retained earnings.

## **(3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects**

The Company has changed its forecast of consolidated business performance for the first half of the fiscal year ending March 31, 2025 from the forecast set forth in the Summary of Financial Results for the Fiscal Year Ended March 31, 2024, released on May 10, 2024. This change was noted in “Notice Regarding Upward Revision of First-Half Business Results Forecast,” released on July 25, 2024.

In regard to the forecasts of consolidated business performance and dividends in the full fiscal year ending March 31, 2025, we have not revised the forecast figures set forth in the Summary of Financial Results for Fiscal Year Ended March 31, 2024, released on May 10, 2024.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	March 2024 Term (As of Mar. 31, 2024)	1Q March 2025 Term (As of Jun. 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	8,793	8,255
Notes and accounts receivable–trade, and contract assets	32,012	35,730
Electronically recorded monetary claims	2,472	3,337
Merchandise inventories	22,927	26,156
Partly-finished work	1	18
Others	5,916	3,158
Allowance for doubtful accounts	(28)	(32)
Total current assets	72,095	76,623
Non-current assets		
Property and equipment	2,921	2,887
Intangible assets	301	270
Investments and other assets		
Net defined benefit assets	79	85
Others	3,542	2,662
Allowance for doubtful accounts	(57)	(60)
Total investments and other assets	3,564	2,687
Total non-current assets	6,788	5,845
Total assets	78,884	82,469
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	13,350	17,004
Short-term loans payable	23,959	22,509
Accrued corporate tax, etc.	364	224
Allowance	573	291
Others	1,702	2,265
Total current liabilities	39,949	42,295
Non-current liabilities		
Others	561	714
Total non-current liabilities	561	714
Total liabilities	40,510	43,010

(Million yen)

	March 2024 Term (As of Mar. 31, 2024)	1Q March 2025 Term (As of Jun. 30, 2024)
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	16	16
Retained earnings	26,266	25,931
Treasury stock	(8,758)	(8,758)
Total shareholders' equity	32,335	32,000
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,014	1,123
Deferred hedge gains (losses)	(63)	(146)
Foreign currency translation adjustment	4,933	6,336
Remeasurements of defined benefit plans	74	73
Total accumulated other comprehensive income	5,959	7,386
Non-controlling interests	77	71
Total net assets	38,373	39,459
Total liabilities and net assets	78,884	82,469

**(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement**  
(Quarterly Consolidated Profit and Loss Statement of the First Quarter)

(Million yen)

	1Q March 2024 Term (Apr. 1, 2023 – Jun. 30, 2023)	1Q March 2025 Term (Apr. 1, 2024 – Jun. 30, 2024)
Net sales	32,999	34,957
Cost of sales	29,628	31,171
Gross profit on sales	3,370	3,785
Selling, general and administrative expenses	2,393	2,530
Operating profit	977	1,255
Non-operating profit		
Interest income	26	47
Dividend income	15	16
Others	12	9
Total non-operating profit	55	73
Non-operating expenses		
Interest expenses	252	140
Foreign exchange losses	222	299
Others	5	14
Total non-operating expenses	480	454
Ordinary profit	552	874
Extraordinary profits		
Gain on sales of investment securities	—	73
Gain on extinguishment of tie-in shares	—	8
Total extraordinary profits	—	81
Extraordinary losses		
Loss on sales of investment securities	—	70
Total extraordinary losses	—	70
Net profit before tax and other adjustments	552	885
Corporate, resident and enterprise taxes	276	216
Adjustment for corporate tax, etc.	96	145
Total corporate taxes	372	361
Net profit	179	523
Net profit (loss) attributable to non-controlling interests	(3)	(6)
Net profit attributable to shareholders of parent company	182	530



(Quarterly Consolidated Comprehensive Income Statement of the First Quarter)

	1Q March 2024 Term (Apr. 1, 2023 – Jun. 30, 2023)	1Q March 2025 Term (Apr. 1, 2024 – Jun. 30, 2024)
Net profit	179	523
Other comprehensive income		
Valuation difference on available-for-sale securities	147	109
Deferred hedge gains (losses)	(195)	(83)
Foreign currency translation adjustment	1,764	1,402
Remeasurements of defined benefit plans, net of tax	1	(1)
Total other comprehensive income	1,718	1,427
Comprehensive income	1,898	1,950
(Details)		
Comprehensive income attributable to shareholders of parental company	1,901	1,957
Comprehensive income attributable to non-controlling interests	(3)	(6)

### (3) Notes on Quarterly Consolidated Financial Statements

(Notes Regarding Segment Information and Other)

[Segment Information]

I. Three months ended June 30, 2023 (Apr. 1, 2023 - Jun. 30, 2023)

Information regarding the amounts of sales, profit or loss in each report segment

(Million yen)

	Device segment	Solution segment	Total
Net sales			
Sales to outside customers	30,271	2,727	32,999
Inter-segment sales or transfers	—	—	—
Total	30,271	2,727	32,999
Segment profit	536	16	552

(Note) The segment profit is consistent with the ordinary profit in the quarterly consolidated profit and loss statement.

II. Three months ended June 30, 2024 (Apr. 1, 2024 - Jun. 30, 2024)

Information regarding the amounts of sales, profit or loss in each report segment

(Million yen)

	Device segment	Solution segment	Total
Net sales			
Sales to outside customers	31,567	3,389	34,957
Inter-segment sales or transfers	—	—	—
Total	31,567	3,389	34,957
Segment profit	751	122	874

(Note) The segment profit is consistent with the ordinary profit in the quarterly consolidated profit and loss statement.

(Notes Regarding Remarkable Change of Shareholders' Equity)

None.

(Notes Regarding Going Concern)

None.

(Notes Regarding Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the consolidated first quarter under review. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill in the consolidated first quarter are as follows.

	1Q March 2024 Term (Apr. 1, 2023 – Jun. 30, 2023)	1Q March 2025 Term (Apr. 1, 2024 – Jun. 30, 2024)
Depreciation and amortization	¥72 million	¥77 million
Amortization of goodwill	¥6 million	¥6 million

## (Notes Regarding Revenue Recognition)

## (Breakdown of revenue generated from contracts with customers)

(Million yen)

Report segment	1Q March 2024 Term (Apr. 1, 2023 – Jun. 30, 2023)	1Q March 2025 Term (Apr. 1, 2024 – Jun. 30, 2024)
Device segment		
By type of supplier		
Mechanical parts manufacturers	11,839	14,056
Overseas manufacturers	14,916	13,534
Other manufacturers	3,515	3,976
Subtotal	30,271	31,567
Solution segment		
By business unit (BU)		
Network Systems BU	1,220	1,966
Firefighting and Disaster Preparedness BU	28	17
Platform BU	598	544
Application Systems BU	551	494
Imaging Systems BU	327	367
Subtotal	2,727	3,389
Total	32,999	34,957

Beginning with the end of the previous consolidated fiscal year, the “breakdown of revenue generated from contracts with customers” is changed from a breakdown of the solution segment by field (network field, public-sector field, application-systems field, embedded-systems field, imaging-systems field) to a breakdown of the solution segment by business unit (Network Systems BU, Firefighting and Disaster Preparedness BU, Platform BU, Application Systems BU, Imaging Systems BU).

The products handled by the Group are used in a diverse range of fields. For this reason, to describe the content of its operations as appropriately as possible, the Group is changing the breakdown of this section from a breakdown by market to a breakdown by product group.

To reflect this change in categories, the Group has also reorganized the breakdown of the solution segment in the previous consolidated fiscal quarter.