# Consolidated Financial Results
# for the Second Quarter of the Fiscal Year Ending March 2025
# (Under IFRS)

November 11, 2024


Company name: KOKUSAI ELECTRIC CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 6525
URL: https://www.kokusai-electric.com/
Representative: Fumiyuki Kanai, President and Chief Executive Officer
Inquiries: Takashi Hashimoto, Vice President - Corporate Strategy Division
Telephone: +81-3-5297-8515


Scheduled date to commence dividend payments: December 9, 2024
Preparation of supplementary materials on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded to millions.)

## 1. Consolidated financial results for the six months ended September 30th, 2024 (from April 1, 2024 to September 30, 2024)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Revenue | | Operating profit | | Income before income tax | | Net income | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2024 | 114,548 | 47.4 | 27,440 | 105.2 | 27,942 | 117.1 | 18,053 | 104.8 |
| September 30, 2023 | 77,705 | (35.5) | 13,373 | (54.5) | 12,872 | (56.1) | 8,813 | (57.8) |

| | Net income attributable to owners of the parent | | Comprehensive income | | Basic earnings per share | Diluted earnings per share |
|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Yen | Yen |
| September 30, 2024 | 18,053 | 104.8 | 16,734 | 52.4 | 77.06 | 75.76 |
| September 30, 2023 | 8,813 | (57.8) | 10,982 | (49.8) | 38.25 | 36.96 |

| | Adjusted operating profit | Adjusted net income | Adjusted net income per share |
|---|---|---|---|
| Six months ended | Millions of yen | Millions of yen | Yen |
| September 30, 2024 | 30,681 | 21,607 | 92.23 |
| September 30, 2023 | 16,649 | 11,086 | 48.12 |

Notes
1. Adjusted operating profit is calculated as operating profit – other income + other expenses + purchase price allocation amortization + stand-alone related expenses + stock-based compensation (except for performance-linked stock compensation).
2. Adjusted net income is calculated as net income – other income + other expenses + purchase price allocation amortization + stand-alone related expenses + stock-based compensation (except for performance-linked stock compensation) – tax adjustments to total adjustments + extraordinary tax expenses.

### (2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | Millions of yen | % |
| September 30, 2024 | 362,238 | 182,917 | 182,917 | 50.5 |
| March 31, 2024 | 375,433 | 187,388 | 187,388 | 49.9 |

## 2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | 1Q end | 2Q end | 3Q end | 4Q end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | – | 0.00 | – | 11.00 | 11.00 |
| Fiscal year ended March 31, 2025 | – | 18.00 | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | – | 18.00 | 36.00 |

Note: Revisions to the forecast of cash dividends most recently announced: Yes

For the revised dividends forecast, refer to the "Notice Concerning Decision on Dividends from Surplus (Interim Dividend) and Revision to Year-End Dividend Forecast" announced on November 11, 2024.

## 3. Forecasts of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Revenue | | Operating profit | | Income before income tax | | Net income | | Net income attributable to owners of the parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2025 | 238,000 | 31.6 | 50,200 | 63.3 | 50,100 | 68.4 | 33,300 | 48.8 | 33,300 | 48.8 | 143.37 |

| | Adjusted operating profit | | Adjusted net income | | Adjusted net income per share |
|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2025 | 56,600 | 49.6 | 39,600 | 45.1 | 169.77 |

Note: Revisions to the forecast of financial results most recently announced: Yes

**※ Notes**

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

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

| | |
|---|---|
| As of September 30, 2024 | 236,049,790 shares |
| As of March 31, 2024 | 232,928,202 shares |

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

| | |
|---|---|
| As of September 30, 2024 | 5,058,400 shares |
| As of March 31, 2024 | - shares |

(iii) Average number of shares outstanding during each of the following period (cumulative from the beginning of the fiscal year)

| | |
|---|---|
| Six months ended September 30, 2023 | 234,269,466 shares |
| Six months ended September 30, 2024 | 230,404,200 shares |

※ Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

※ Proper use of earnings forecasts, and other special matters

The forward-looking statements herein are based on the Company's expectations, estimations, and forecasts deemed to be reasonable at the date of publication of this document. The forward-looking statements herein include the known and unknown risks, uncertainties and other factors and actual results may be materially different from those discussed or implied in the forward-looking statements. Accordingly, the forward-looking statements herein are inherently not guarantees of future performance and results.

KOKUSAI ELECTRIC CORPORATION

Consolidated statement of financial position

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | **92,619** | **69,333** |
| Trade and other receivables | **31,994** | **33,979** |
| Inventories | **87,682** | **86,542** |
| Other current assets | **2,619** | **1,923** |
| Total current assets | **214,914** | **191,777** |
| Non-current Assets | | |
| Property, plant and equipment | **35,382** | **46,714** |
| Right-of-use assets | **1,543** | **2,169** |
| Goodwill | **59,065** | **59,065** |
| Intangible assets | **56,995** | **54,073** |
| Other financial assets | **1,652** | **1,516** |
| Deferred tax assets | **1,403** | **1,273** |
| Other non-current assets | **4,479** | **5,651** |
| Total non-current assets | **160,519** | **170,461** |
| Total assets | **375,433** | **362,238** |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|---|---|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Loans payable | **7,500** | **8,250** |
| Lease obligations | **519** | **593** |
| Trade and other payables | **36,667** | **31,275** |
| Accrued expenses | **10,179** | **9,756** |
| Other financial liabilities | **268** | **224** |
| Income tax payable | **5,338** | **8,748** |
| Provisions | **1,971** | **1,917** |
| Contract liabilities | **22,719** | **19,734** |
| Other current liabilities | **2,382** | **1,865** |
| Total current liabilities | **87,543** | **82,362** |
| Non-current liabilities | | |
| Loans payable | **84,000** | **79,500** |
| Lease obligations | **999** | **1,559** |
| Retirement and severance benefits | **3,153** | **3,104** |
| Provisions | **132** | **124** |
| Deferred tax liabilities | **12,138** | **12,559** |
| Other non-current liabilities | **80** | **113** |
| Total non-current liabilities | **100,502** | **96,959** |
| Total liabilities | **188,045** | **179,321** |
| Equity | | |
| Common stock | **11,262** | **13,175** |
| Capital surplus | **27,618** | **25,813** |
| Treasury stock | **-** | **(18,000)** |
| Retained earnings | **142,448** | **157,487** |
| Other components of equity | **6,060** | **4,442** |
| Total equity attributable to owners of the parent | **187,388** | **182,917** |
| Total equity | **187,388** | **182,917** |
| Total liabilities and equity | **375,433** | **362,238** |

KOKUSAI ELECTRIC CORPORATION

Consolidated statement of profit or loss

Six months ended September 30, 2024

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Revenues | **77,705** | **114,548** |
| Cost of sales | **(43,540)** | **(63,182)** |
| Gross profit | **34,165** | **51,366** |
| Selling, general and administrative expenses | **(20,854)** | **(24,100)** |
| Other income | **140** | **279** |
| Other expenses | **(78)** | **(105)** |
| Operating profit | **13,373** | **27,440** |
| Financial income | **192** | **1,041** |
| Financial expenses | **(693)** | **(539)** |
| Income before income tax | **12,872** | **27,942** |
| Income tax expenses | **(4,059)** | **(9,889)** |
| Net income | **8,813** | **18,053** |
| | | |
| Net income attributable to: | | |
| Owners of the parent | **8,813** | **18,053** |
| | | |
| Net income per share | | |
| Basic (yen) | **38.25** | **77.06** |
| Diluted (yen) | **36.96** | **75.76** |

KOKUSAI ELECTRIC CORPORATION

Consolidated statement of comprehensive income

Six months ended September 30, 2024

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Net income | **8,813** | **18,053** |
| Other comprehensive income (OCI) | | |
| Items that may be reclassified into net income | | |
| Cash flow hedges | **20** | **(12)** |
| Foreign currency translation adjustments | **2,149** | **(1,307)** |
| Total of items that may be reclassified into net income | **2,169** | **(1,319)** |
| Total other comprehensive income | **2,169** | **(1,319)** |
| Comprehensive income | **10,982** | **16,734** |
| Comprehensive income attributable to: | | |
| Owners of the parent | **10,982** | **16,734** |

KOKUSAI ELECTRIC CORPORATION

Consolidated statement of cash flows

Six months ended September 30, 2024

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Net income | **8,813** | **18,053** |
| Depreciation and amortization | **5,308** | **5,940** |
| Income tax expense | **4,059** | **9,889** |
| Financial income | **(192)** | **(1,041)** |
| Financial expenses | **693** | **539** |
| Decrease (increase) in inventories | **(17,976)** | **716** |
| Decrease (increase) in trade and other receivables | **17,122** | **(2,464)** |
| Decrease in trade and other payables | **(15,196)** | **(3,003)** |
| Other | **(4,287)** | **(3,977)** |
| Subtotal | **(1,656)** | **24,652** |
| Interest and dividends received | **130** | **132** |
| Interest paid | **(414)** | **(513)** |
| Income taxes paid | **(7,455)** | **(5,549)** |
| Net cash provided by operating activities | **(9,395)** | **18,722** |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | **(7,081)** | **(16,560)** |
| Purchase of intangible assets | **(254)** | **(92)** |
| Other | **20** | **(20)** |
| Net cash used in investing activities | **(7,315)** | **(16,672)** |
| Cash flows from financing activities | | |
| Repayment of Loans payable | **(3,000)** | **(3,750)** |
| Repayment of lease obligations | **(318)** | **(371)** |
| Dividends paid | **-** | **(2,560)** |
| Purchase of treasury stock | **-** | **(18,518)** |
| Other | **(20)** | **428** |
| Net cash used in financing activities | **(3,338)** | **(24,771)** |
| Effect of exchange rate changes on cash and cash equivalents | **1,545** | **(565)** |
| Net decrease in cash and cash equivalents | **(18,503)** | **(23,286)** |
| Cash and cash equivalents at beginning of the period | **106,053** | **92,619** |
| Cash and cash equivalents at end of the period | **87,550** | **69,333** |