



Supplementary Material

Second Quarter Results for FY2025

Disclaimer:

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Earnings Summary

- Year-on-year growth in both revenue and profit, achieving record-high profits for the second quarter.
- Considering the progress in profit attributable to owners of the parent, we have revised the full-year forecast upward and raised the annual dividend to 105 yen.

Earnings Results					Forecast		
(Unit: JPY Bn)	FY2024 2Q	FY2025 2Q	YoY	Growth	(Unit: JPY Bn)	FY2025 Annual (revised)	2Q Progress
Revenue	474.1	518.6	+44.4	+9%	Revenue	1100.0	47%
Operating profit	22.4	25.4	+3.0	+13%	Operating profit	44.5	57%
Net profit ¹⁾	12.3	15.1	+2.8	+23%	Net profit ¹⁾	27.0	56%
Operating cash flows (adjusted) ²⁾	14.5	21.9	+7.5				
CF from investing activities	(1.8)	(6.5)	(4.7)				
	End of Mar 23	End of Sep 24	YoY				
Net D/E ratio ³⁾	1.00x	0.82x	(0.18x)		Annual dividend per share	105 yen	
Equity ratio ⁴⁾	22.0%	24.0%	+2.0%		Dividend payout ratio	32.5%	
					The ICT solution, mobile, and aerospace businesses have shown steady progress, despite the sluggish performance of the steel business and others. Taking overall performance into account, we have revised our forecast for operating profit and profit attributable to owners of the parent upward.		

1) Net profit = Profit attributable to owners of the parent
2) Operating cash flows (adjusted) = Operating cash flows ± Change in working capital – Repayment of lease liabilities
3) Net D/E Ratio = Net interest-bearing debt ÷ total equity attributable to owners of the parent

4) Equity ratio = Shareholders' equity ÷ total assets
5) Assumptions for the forecast: Exchange rate assumed at USD 1= JPY 135, with no anticipated changes in interest rates in Japan and expected decreases in interest rates overseas.

Profit and Loss

Earnings Results

(Unit: JPY Bn)	FY2024 2Q	FY2025 2Q	YoY	Growth
Revenue	474.1	518.6	+44.4	+9%
Gross profit	68.4	76.3	+8.0	+12%
Selling, general and administrative expenses	(50.9)	(56.1)	(5.2)	-
Other income (expenses)	5.0	5.2	+0.2	+5%
Operating profit	22.4	25.4	+3.0	+13%
Interest income (expenses)	(2.6)	(2.5)	+0.1	-
Dividend income	0.9	0.8	(0.1)	(7%)
Other finance income (costs)	0.1	(0.3)	(0.3)	-
Finance income (costs)	(1.6)	(1.9)	(0.3)	-
Share of profit (loss) of investments accounted for using the equity method	(0.4)	(0.3)	+0.2	-
Profit before tax	20.4	23.3	+2.9	+14%
Income tax expense	(6.9)	(7.8)	(0.9)	-
Profit for the quarter	13.5	15.4	+2.0	+15%
Profit attributable to owners of the parent	12.3	15.1	+2.8	+23%

■ Revenue

Increased 44.4 billion yen year-on-year centered on the Electronics & Devices segment and the Motor Vehicles & Aerospace segment.

■ Operating profit

Operating profit increased by 3.0 billion yen as a result of the increase in gross profit.

■ Profit before tax

Profit before tax increased by 2.9 billion yen as a result of the increase in operating profit.

■ Profit attributable to owners of the parent

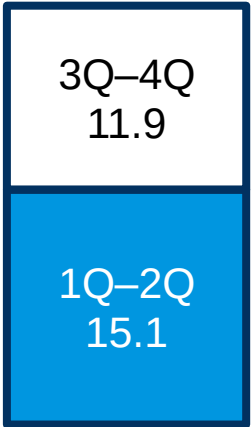
Achieved a record-high profit of 15.1 billion yen. See page 4 for more details.

Progress

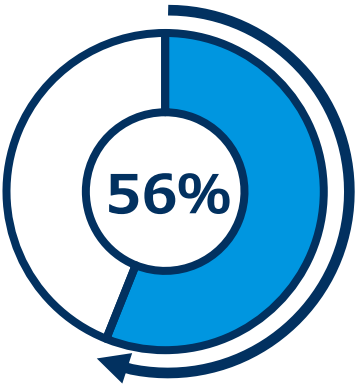
(Unit: JPY Bn)	FY2025 Annual forecast (revised)	Progress
Revenue	1100.0	47%
Operating profit	44.5	57%
Profit before tax	40.0	58%
Profit attributable to owners of the parent	27.0	56%
Dividend payout ratio	32.5%	

(Unit: JPY Bn) Net Profit Forecast (revised)

Annual forecast 27.0



2Q progress



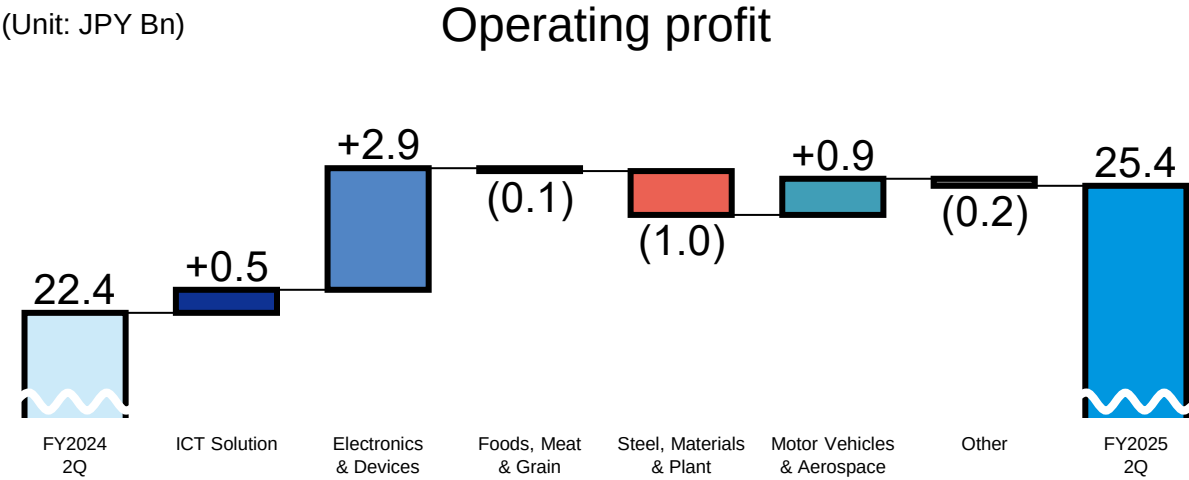
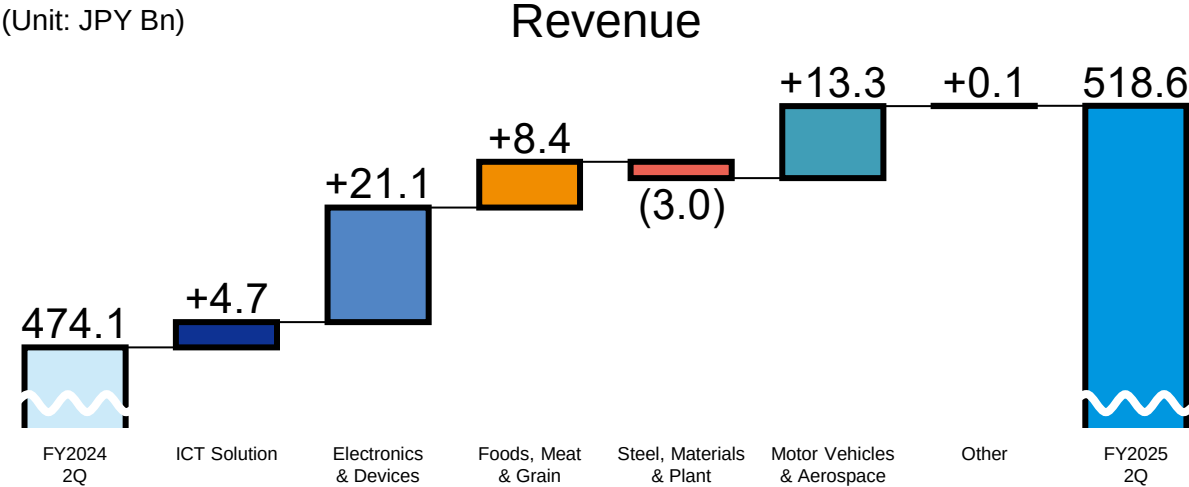
1) Assumptions for the forecast: Exchange rate assumed at USD 1 = JPY 135, with no anticipated changes in interest rates in Japan and expected decreases in interest rates overseas.

Segment Information

(Unit: JPY Bn)	FY2024 2Q	FY2025 2Q	YoY	Growth	FY2025 forecast (revised)	Progress
ICT Solution						
Revenue	40.9	45.5	+4.7	+11%	90.0	51%
Operating Profit	6.5	7.0	+0.5	+8%	14.5	48%
Net Profit ¹⁾	4.3	4.7	+0.4	+10%	10.0	47%
Electronics & Devices						
Revenue	105.1	126.1	+21.1	+20%	280.0	45%
Operating profit	3.2	6.1	+2.9	+89%	11.3	54%
Net profit	1.8	4.0	+2.2	+122%	7.3	55%
Foods, Meat & Grain						
Revenue	170.6	179.1	+8.4	+5%	410.0	44%
Operating profit	5.3	5.3	(0.1)	(1%)	7.7	68%
Net profit	2.5	2.4	(0.1)	(5%)	3.3	73%
Steel, Materials & Plant						
Revenue	105.5	102.4	(3.0)	(3%)	195.0	53%
Operating profit	4.9	3.9	(1.0)	(21%)	5.6	69%
Net profit	2.0	2.1	+0.1	+6%	3.1	69%
Motor Vehicles & Aerospace						
Revenue	51.1	64.3	+13.3	+26%	120.0	54%
Operating profit	2.3	3.2	+0.9	+37%	5.4	59%
Net profit	1.5	2.0	+0.5	+34%	3.3	60%
Other (Including adjustment)						
Revenue	1.0	1.1	+0.1	+5%	5.0	22%
Operating profit	0.1	(0.0)	(0.2)	-	0.0	-
Net profit	0.2	(0.2)	(0.4)	-	0.0	-
Total						
Revenue	474.1	518.6	+44.4	+9%	1,100.0	47%
Operating profit	22.4	25.4	+3.0	+13%	44.5	57%
Net profit	12.3	15.1	+2.8	+23%	27.0	56%

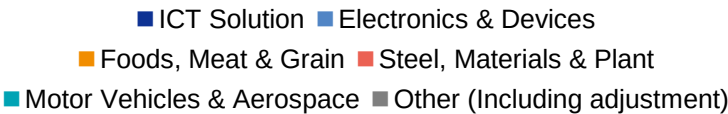
1) Net profit = Profit attributable to owners of the parent

2) Assumptions for the forecast: Exchange rate assumed at USD 1 = JPY 135, with no anticipated changes in interest rates in Japan and expected decreases in interest rates overseas.

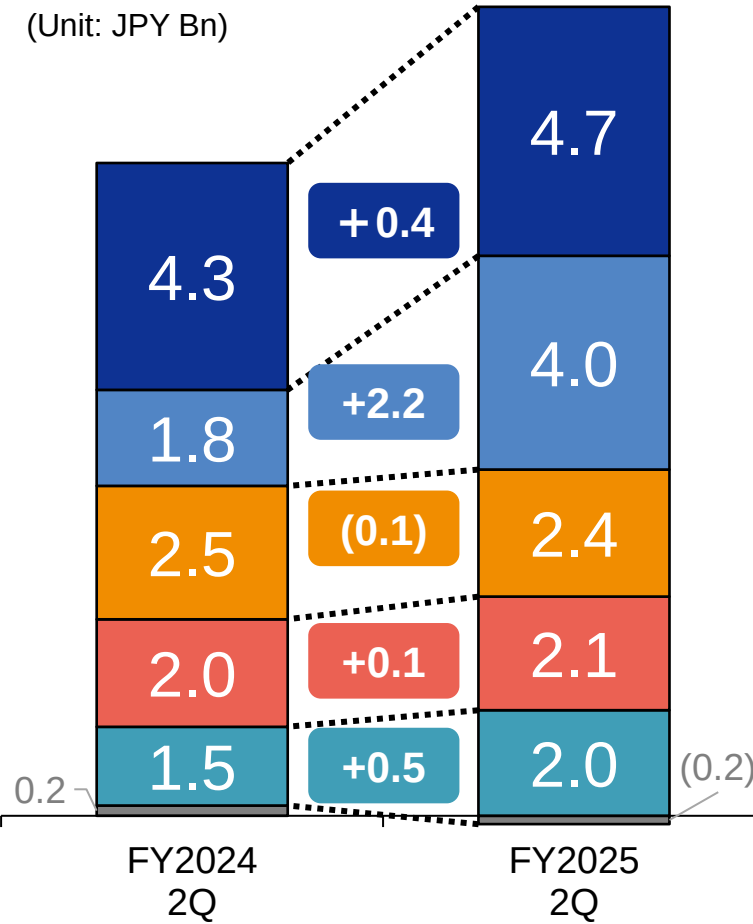


Net Profit Breakdown

Profit attributable to owners of the parent



(Unit: JPY Bn)



Primary factors contributing to the year-on-year changes

ICT Solution

increased 0.4 billion yen

- Despite increased expenses for personnel and office renovations, profits grew due to robust performance in security-related services, as well as network and storage services, particularly in the manufacturing sector.

Electronics & Devices

increased 2.2 billion yen

- Semiconductor Parts & Equipment Business:** While semiconductor parts business showed a slowdown compared to the strong performance of the previous year, semiconductor equipment business struggled due to the slow recovery of the semiconductor market. However, because of mergers and acquisitions, the overall performance remained nearly flat.
- Mobile:** Profit grew due to the increase in directly operated stores, the expansion of sales channels, and the rise in sales volume, along with the growth of enterprise business, in contrast to the same period last year, when the costs related to store reorganization were incurred.

Foods, Meat & Grain

decreased 0.1 billion yen

- Foods:** Sales of frozen fruits, beverage ingredients and others remained strong.
- Meat Products:** Because of elevated overseas market conditions and increased costs from a weak yen, sales have struggled, leading to a decline in profits.
- Grain, Oilseeds & Feedstuff:** Imported rice, fish meal, and fish oil performed well, leading to an increase in profits.

Steel, Materials & Plant

increased 0.1 billion yen

- Steel:** Due to a sluggish market, the sales of steel pipes have declined, resulting in decreased profits compared to the same period last year.
- Plant:** Profits increased due to strong performance in ODA (Official Development Assistance) projects.

Motor Vehicles & Aerospace

increased 0.5 billion yen

- Aerospace:** Profits increased due to strong performance in aircraft and defense-related transactions.

Cash Flows

■ Cash flows from operating activities

The cash inflow of 37.2 billion yen was primarily due to the accumulation of operating revenue and a reduction in working capital.

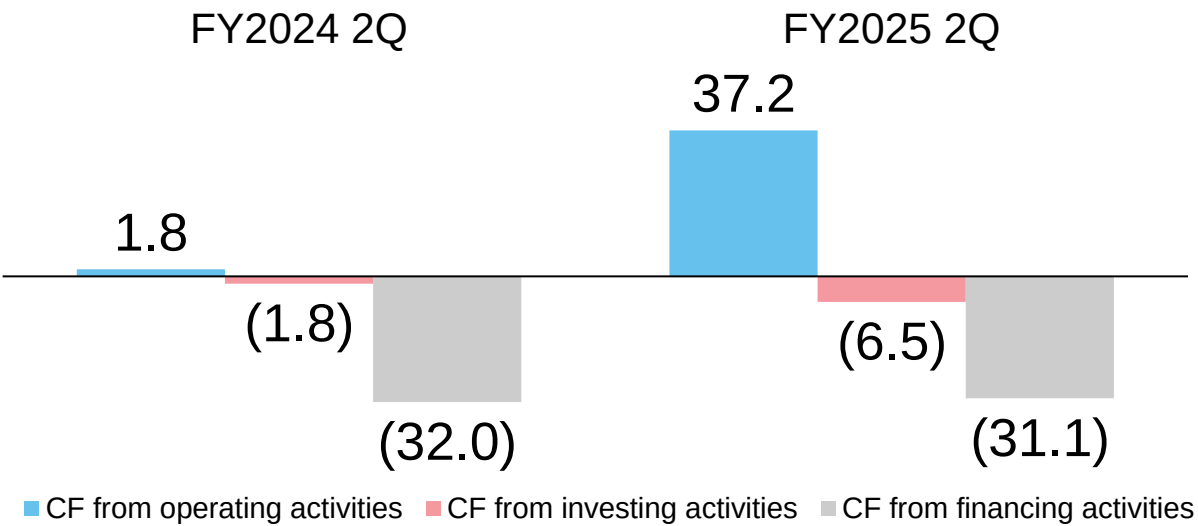
■ Cash flows from investing activities

The cash outflow of 6.5 billion yen was primarily due to the acquisition of property, plant and equipment, as well as subsidiaries.

■ Cash flows from financing activities

The cash outflow of 31.1 billion yen was primarily due to repayments of borrowings and lease liabilities, as well as dividend payments.

(Unit: JPY Bn)	FY2024 2Q	FY2025 2Q	YoY
CF from operating activities	1.8	37.2	+35.4
CF from investing activities	(1.8)	(6.5)	(4.7)
Free cash flows	(0.0)	30.7	+30.7
CF from financing activities	(32.0)	(31.1)	+0.9
Operating cash flows (adjusted) ¹⁾	14.5	21.9	+7.5



1) Operating cash flows (adjusted) = Operating cash flows ± Change in working capital – Repayment of lease liabilities

Financial Position

■ Total assets

A decrease of 22.7 billion yen due to a reduction in operating receivables, including the collection of accounts receivable.

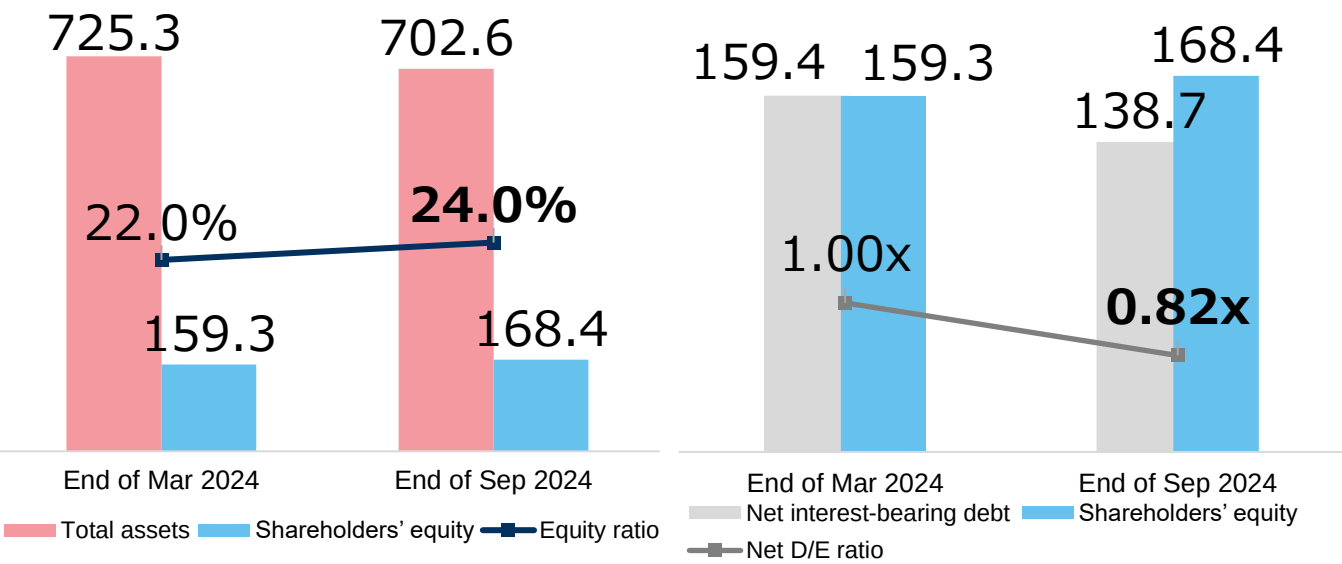
■ Net interest-bearing debt

A decrease of 20.7 billion yen due to repayments of borrowings associated with a reduction in working capital.

■ Shareholders' equity

An increase of 9.0 billion yen was mainly from the accumulation of profit attributable to owners of the parent. The equity ratio reached 24.0%, with a net D/E ratio of 0.82x.

(Unit: JPY Bn)	End of Mar 2024	End of Sep 2024	YoY
Total assets	725.3	702.6	(22.7)
Net interest-bearing debt	159.4	138.7	(20.7)
Shareholders' equity ¹⁾	159.3	168.4	+9.0
Equity ratio ²⁾	22.0%	24.0%	+2.0%
Net D/E ratio ³⁾	1.00x	0.82x	(0.18x)
PBR ⁴⁾	1.37x	1.21x	(0.16x)

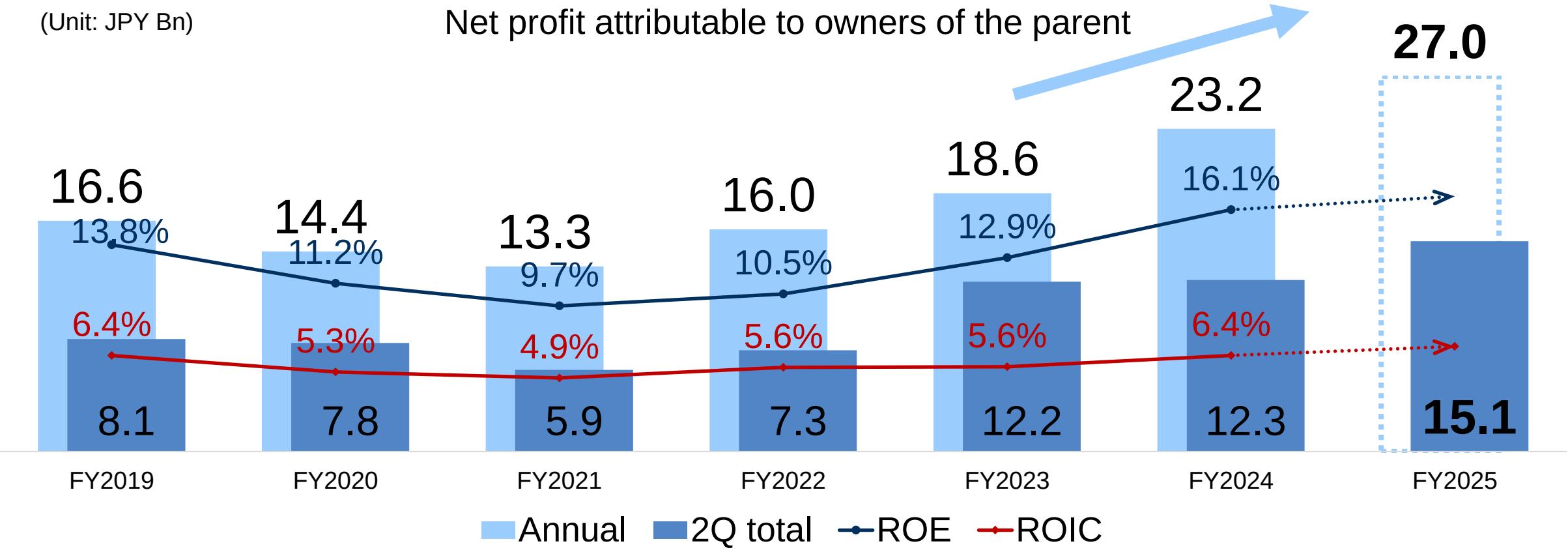


1) Shareholders' equity = Total equity attribute to owners of the parent
2) Equity ratio = Shareholders' equity ÷ total assets
3) Net D/E Ratio = Net interest-bearing debt ÷ total equity attributable to owners of the parent

4) PBR = Market cap at the end of the period (end stock price x number of issued shares) ÷ Equity capital

Annual Net Profit

- The annual net profit¹⁾ for the fiscal year ending March 2025 is projected to be 27.0 billion yen, reflecting an increase of 1.8 billion yen compared to the previous fiscal year.
- The net profit for the second quarter was 15.1 billion yen, reaching a record high for this quarter.

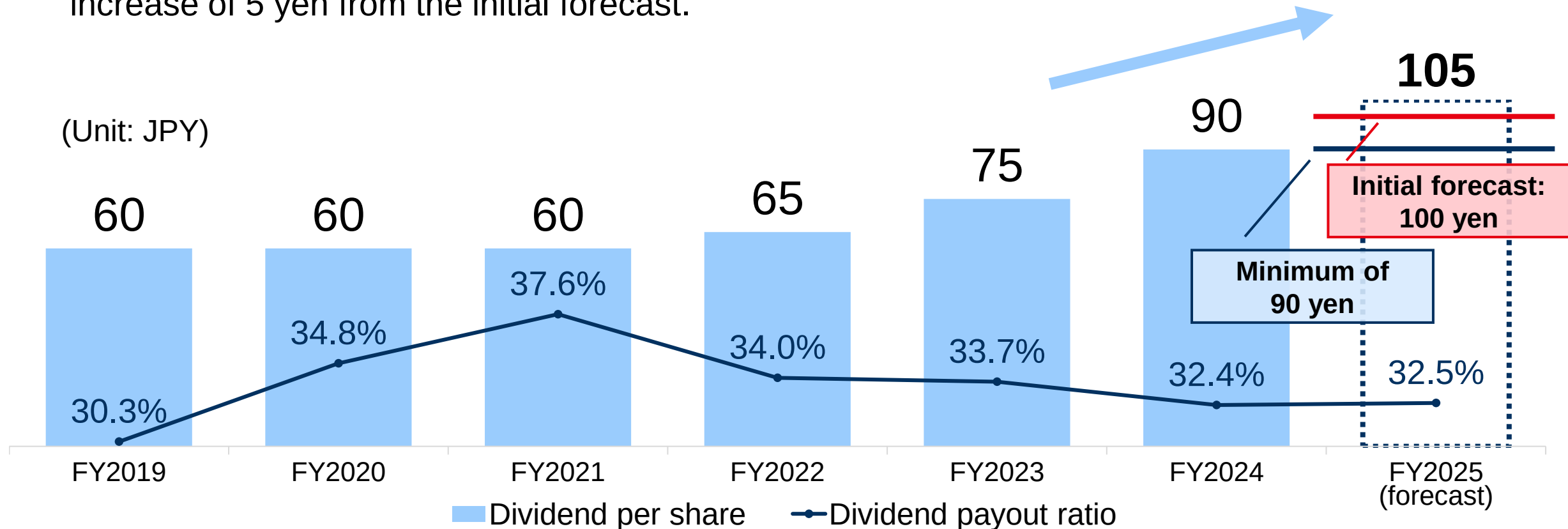


1) Net profit = Profit attributable to owners of the parent

2) Assumptions for the forecast: Exchange rate assumed at USD 1 = JPY 135, with no anticipated changes in interest rates in Japan and expected decreases in interest rates overseas.

Dividends

- An annual dividend of a minimum of 90 yen, with progressive dividends.
- With a target total return ratio of 30–35%, the policy is to increase dividends in accordance with the growth of net profit¹⁾.
- The annual dividend per share for the fiscal year 2025 is expected to be 105 yen, reflecting an increase of 5 yen from the initial forecast.



1) Net profit = Profit attributable to owners of the parent

