

Consolidated Financial Results

for the Third Quarter of the
Fiscal Year ending March 2022

KAGA ELECTRONICS CO., LTD.

February 3, 2022

TSE 1st section 8154

Summary of Financial Results for the Third Quarter Ended December 31, 2021

FY2022/3Q Results

- **Driven by the core electronic components business, net sales achieved significant growth by capturing robust part demand with the recovery of production activities in manufacturing industries both in Japan and overseas.**
- **Operating income increased significantly, achieving record highs for the period, as a result of higher gross profit reflecting higher sales, as well as continued efforts in facilitation of teleworking and in reduction and control of expenses.**
- **Net income for the quarter decreased due to the absence of the 7.96 billion yen "gain on bargain purchase" resulting from the acquisition of EXCEL, which was posted as extraordinary income.**

Overview of the main segments

- | | |
|-----------------------|--|
| Electronic Components | <ul style="list-style-type: none"> • The components sales business placed top priority on securing volume in the face of prolonged supply constraints regarding electronic components, and maintained strong performance by leveraging the Company's procurement capabilities as an independent trading company. • In the EMS business, sales in the automotive, industrial equipment, and medical product areas were solid. |
| Information Equipment | <ul style="list-style-type: none"> • While PC peripherals including security software remained strong, sales of PCs were subdued given the abatement of demand associated with the shift to remote working and the impact of product supply difficulties due to a shortage of parts. • The LED installation business was sluggish due to extensions of construction periods caused by difficulties in materials procurement. |

Revised Forecast for FY2022/3

- Sales and income are both expected to exceed forecasts announced in 2Q and are **revised upward for the second time this fiscal year.**
- **Operating income will achieve three consecutive fiscal years of record highs. Net income for the fiscal year has also turned to a positive growth forecast and will achieve two consecutive fiscal years of record highs.**
- **Operating income will exceed the target of 13 billion yen set out in "Medium-Term Management Plan 2021."**

Shareholder Return

- **The year-end dividend has been revised to 65 yen per share, an increase of 20 yen in light of upward revision to the earnings forecast.**
- **For the full-year dividend, including interim dividend, a 30 yen increase from the previous fiscal year is planned, to 110 yen per share.**

Financial Highlights

(million yen)

| | FY2021/3 3Q Results | | FY2022/3 3Q Results | | YoY | FY2022/3 Forecast <small>(announced on November 4, 2021)</small> | | Progress rate |
|--|------------------------|-------|------------------------|-------|--------|--|------|------------------|
| Net Sales | 294,266 | | 352,684 | | 19.9% | 470,000 | | 75.0% |
| Gross Profit | 33,646 | 11.4% | 42,761 | 12.1% | 27.1% | — | — | — |
| SG&A | 26,129 | 8.9% | 28,102 | 8.0% | 7.6% | — | — | — |
| Operating income | 7,517 | 2.6% | 14,658 | 4.2% | 95.0% | 15,000 | 3.2% | 97.7% |
| Ordinary income | 7,230 | 2.5% | 14,886 | 4.2% | 105.9% | 14,500 | 3.1% | 102.7% |
| Profit attributable to owners of parent | 12,728 | 4.3% | 10,414 | 3.0% | -18.2% | 9,000 | 1.9% | 115.7% |
| EPS (yen) | 463.49 | | 387.76 | | | 336.84 | | |
| Exchange Rate USD | 106.11 | | 111.10 | | | — | | |

FY2022/3 3Q results by Business Segment

(million yen)

| | | FY2021/3 3Q Results | | FY2022/3 3Q Results | | YoY | FY2022/3 Forecast | | Progress rate |
|--------------------------|----------------|---------------------------------|------|------------------------|-------|--------|----------------------|------|------------------|
| | | (announced on November 4, 2021) | | | | | | | |
| Electronic Component | Net sales | 246,704 | | 311,412 | | 26.2% | 409,000 | | 76.1% |
| | Segment income | 5,418 | 2.2% | 13,002 | 4.2% | 140.0% | 12,300 | 3.0% | 105.7% |
| Information Equipment | Net sales | 33,937 | | 26,301 | | -22.5% | 40,000 | | 65.8% |
| | Segment income | 1,753 | 5.2% | 1,216 | 4.6% | -30.6% | 2,000 | 5.0% | 60.8% |
| Software | Net sales | 2,004 | | 1,841 | | -8.2% | 3,000 | | 61.4% |
| | Segment income | 106 | 5.3% | -109 | -6.0% | — | 200 | 6.7% | — |
| Others | Net sales | 11,619 | | 13,129 | | 13.0% | 18,000 | | 72.9% |
| | Segment income | 149 | 1.3% | 473 | 3.6% | 217.5% | 500 | 2.8% | 94.7% |
| Total | Net sales | 294,266 | | 352,684 | | 19.9% | 470,000 | | 75.0% |
| | Segment income | 7,517 | 2.6% | 14,658 | 4.2% | 95.0% | 15,000 | 3.2% | 97.7% |

Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

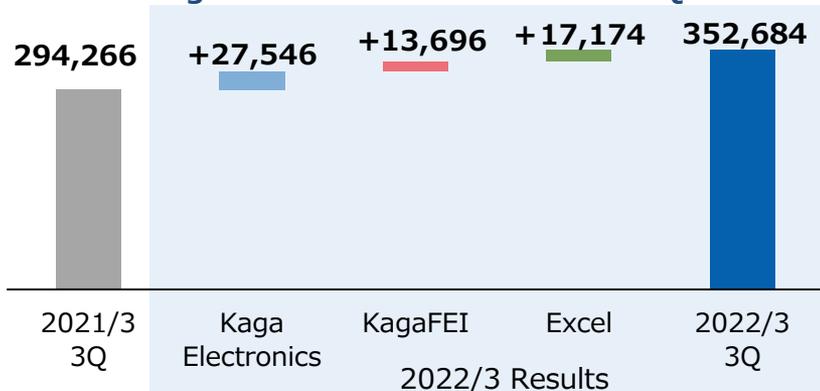
Effect of M&As (FY2022/3 3Q Results)

* EXCEL's actual results for FY2021/3 2Q do not include results of overseas subsidiaries' FY2021/Jan-Mar period.

(million yen)

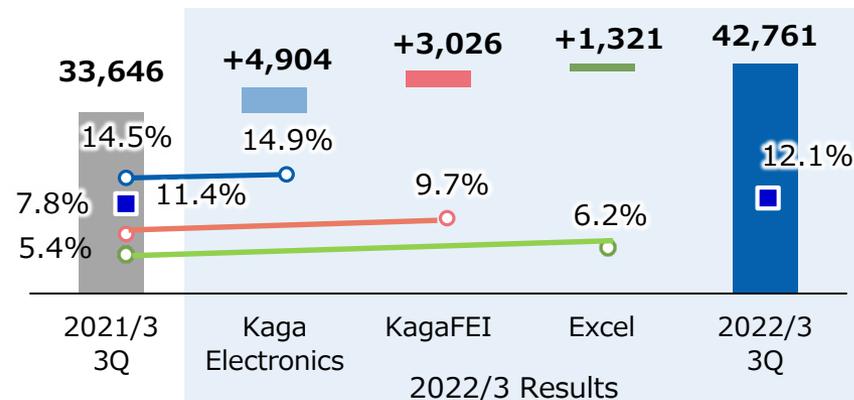
Net Sales

Sales decline at Kaga Electronics due to COVID-19. Kaga FEI records heavy drop in sales due to loss of large commercial rights. EXCEL consolidated from 1Q.



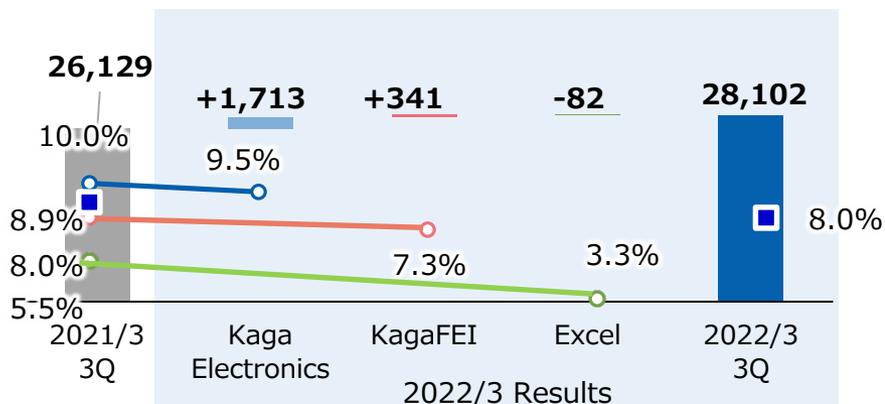
Gross profit / Gross profit margin

Income decreased at Kaga FEI, but gross profit margin improved at both Kaga Electronics and Kaga FEI



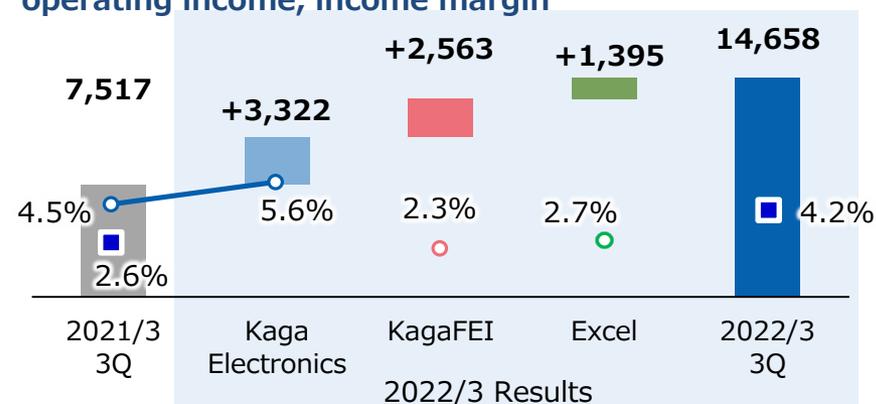
SG&A / SG&A ratio

Although expenses increased with growth in sales, the SG&A ratio fell for all three companies.



Operating income / Operating income margin

also improved significantly Despite of sales declining during the pandemic, Kaga Electronics increased operating income, income margin



FY2022/3 3Q results by company

(million yen)

| | | FY2021/3 3Q Results | | FY2022/3 3Q Results | | YoY |
|---------------------|------------------|------------------------|-------|------------------------|-------|-------|
| Kaga Electronics | Net sales | 171,474 | | 199,021 | | 16.1% |
| | Gross Profit | 24,784 | 14.5% | 29,689 | 14.9% | 19.8% |
| | operating income | 7,778 | 4.5% | 11,100 | 5.6% | 42.7% |
| Kaga FEI | Net sales | 92,420 | | 106,117 | | 14.8% |
| | Gross Profit | 7,243 | 7.8% | 10,270 | 9.7% | 41.8% |
| | operating income | -143 | -0.2% | 2,419 | 2.3% | – |
| Excel | Net sales | 30,371 | | 47,546 | | 56.5% |
| | Gross Profit | 1,632 | 5.4% | 2,953 | 6.2% | 81.0% |
| | operating income | -121 | -0.4% | 1,274 | 2.7% | – |
| Total | Net sales | 294,266 | | 352,684 | | 19.9% |
| | Gross Profit | 33,646 | 11.4% | 42,761 | 12.1% | 27.1% |
| | operating income | 7,517 | 2.6% | 14,658 | 4.2% | 95.0% |

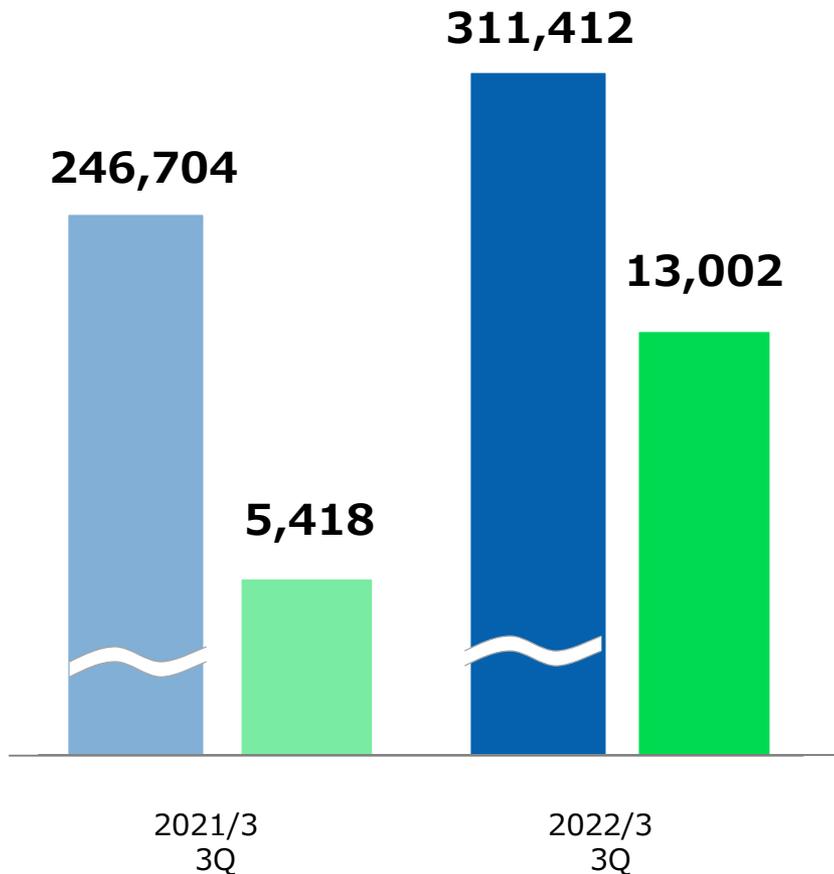
(note) With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.

Financial Highlights: Electronic Component Segment

(Million Yen)

Net sales/Segment income

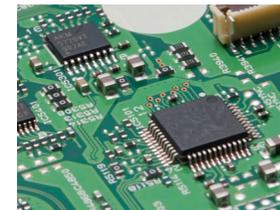
■ / ■ Net Sales
■ / ■ Segment income



YoY

- Net Sales **+64,708**million yen **26.2%Up**
- Segment income **+7,583**million yen **140.0%Up**

- While supply tightness persisted, the components sales business was able to capture robust demand by leveraging strength in procurement capabilities as an independent trading company.
- Steady progress in PMI at acquired companies including Kaga FEI and EXCEL contributed to profit growth.
- In the EMS business, sales in the automotive, industrial equipment, and medical product areas were solid.
- In the face of lockdowns to combat the spread of COVID-19 and production line stoppages due to a shortage of parts that occurred at some plants, efforts were made to minimize the impact by implementing thorough process control through close cooperation with customers' plants.



Financial Highlights: Information Equipment Segment

(Million Yen)

Net sales/Segment income

YoY

■ / ■ Net Sales
■ / ■ Segment income

● Net Sales **-7,636**million yen **22.5%Down**
 ● Segment income **-537**million yen **30.6%Down**

33,937

1,753

26,301

1,216

2021/3
3Q

2022/3
3Q

- PC peripherals such as security software remained strong.
- Sales of PCs to corporations were subdued given the abatement of demand associated with the shift to remote working and the impact of product supply difficulties due to a shortage of parts.
- The installation business such as for LED lighting and network devices struggled due to extensions of construction periods caused by late delivery of products and materials resulting from parts shortages.



(million yen)

| | FY2021/3 3QResults | | FY2022/3 2QResults | | FY2022/3 3QResults | | YoY | QoQ |
|---|-----------------------|-------|-----------------------|-------|-----------------------|-------|--------|-------|
| Net Sales | 105,406 | | 117,059 | | 129,675 | | 23.0% | 10.8% |
| Gross Profit | 12,005 | 11.4% | 13,582 | 11.6% | 15,628 | 12.1% | 30.2% | 15.1% |
| SG&A | 8,923 | 8.5% | 9,733 | 8.3% | 9,270 | 7.1% | 3.9% | -4.8% |
| Operating income | 3,082 | 2.9% | 3,848 | 3.3% | 6,357 | 4.9% | 106.3% | 65.2% |
| Ordinary income | 2,892 | 2.7% | 3,885 | 3.3% | 6,434 | 5.0% | 122.5% | 65.6% |
| Profit attributable to owners of parent | 1,956 | 1.9% | 2,752 | 2.4% | 4,790 | 3.7% | 144.8% | 74.0% |
| EPS (yen) | 71.23 | — | 102.48 | — | 182.51 | — | — | — |

(million yen)

| | | FY2021/3 3QResults | | FY2022/3 2QResults | | FY2022/3 3QResults | | YoY | QoQ |
|-----------------------|----------------|-----------------------|------|-----------------------|-------|-----------------------|-------|--------|--------|
| Electronic Component | Net sales | 89,816 | | 103,782 | | 117,005 | | 30.3% | 12.7% |
| | Segment income | 2,335 | 2.6% | 3,423 | 3.3% | 5,878 | 5.0% | 151.7% | 71.7% |
| Information Equipment | Net sales | 10,745 | | 8,077 | | 7,587 | | -29.4% | -6.1% |
| | Segment income | 592 | 5.5% | 342 | 4.2% | 305 | 4.0% | -48.4% | -10.6% |
| Software | Net sales | 730 | | 669 | | 603 | | -17.3% | -9.8% |
| | Segment income | 20 | 2.8% | -42 | -6.3% | -0 | -0.1% | — | — |
| Others | Net sales | 4,114 | | 4,530 | | 4,478 | | 8.9% | -1.1% |
| | Segment income | 112 | 2.7% | 103 | 2.3% | 152 | 3.4% | 35.2% | 47.8% |
| Total | Net sales | 105,406 | | 117,059 | | 129,675 | | 23.0% | 10.8% |
| | Segment income | 3,082 | 2.9% | 3,848 | 3.3% | 6,357 | 4.9% | 106.3% | 65.2% |

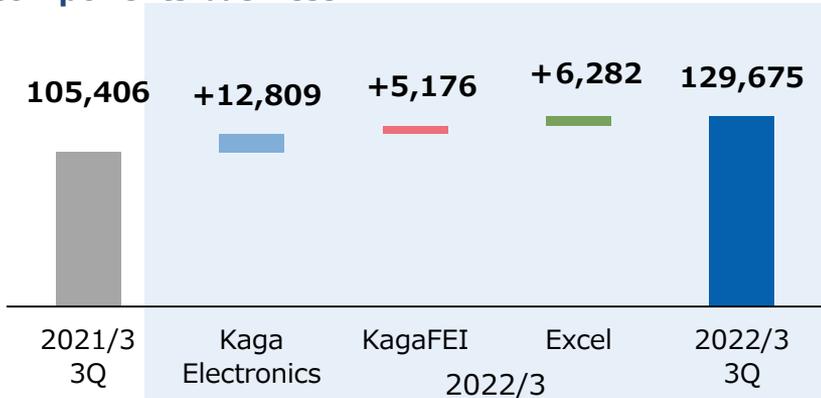
Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

Effect of M&As (FY2022/3 3Q Results) (3months)

(million yen)

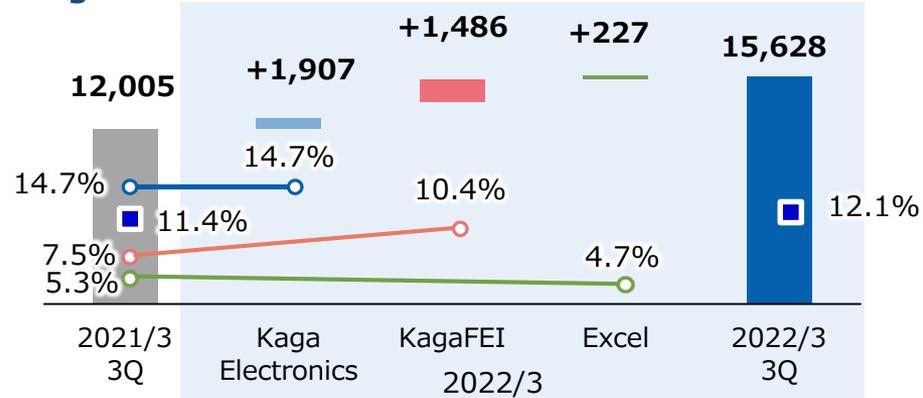
Net Sales

There was a significant increase in net sales in all three companies, driven by the electronic components business.



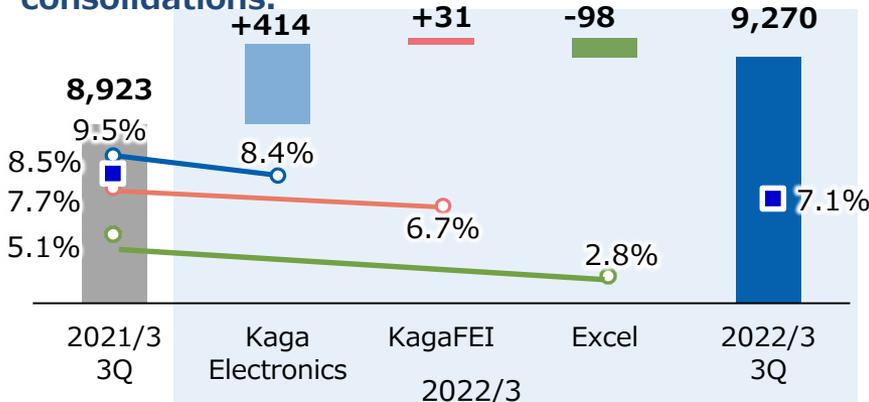
Gross profit / Gross profit margin

Income increased in all three companies. There was a significant improvement in profit margin at Kaga FEI.



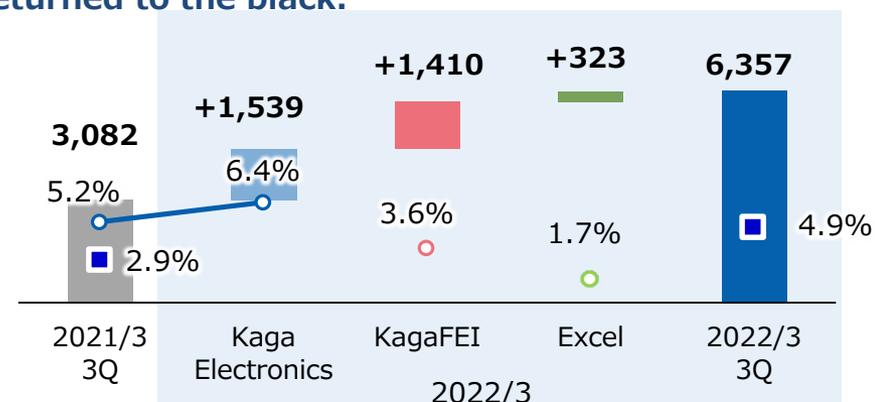
SG&A / SG&A ratio

Both Kaga Electronics and Kaga FEI endeavored to reduce expenses, offsetting the impact of new consolidations.



Operating income / Operating income margin

Kaga Electronics recorded a significant increase in operating income margin. Kaga FEI and EXCEL returned to the black.



(million yen)

| | | FY2021/3 3QResults | | FY2022/3 2QResults | | FY2022/3 3QResults | | YoY | QoQ |
|---------------------|------------------|-----------------------|-------|-----------------------|-------|-----------------------|-------|--------|--------|
| Kaga Electronics | Net sales | 60,938 | | 65,157 | | 73,748 | | 21.0% | 13.2% |
| | Gross Profit | 8,931 | 14.7% | 9,261 | 14.2% | 10,839 | 14.7% | 21.4% | 17.0% |
| | operating income | 3,158 | 5.2% | 2,683 | 4.1% | 4,698 | 6.4% | 48.7% | 75.1% |
| Kaga FEI | Net sales | 32,700 | | 36,095 | | 37,876 | | 15.8% | 4.9% |
| | Gross Profit | 2,458 | 7.5% | 3,316 | 9.2% | 3,945 | 10.4% | 60.4% | 19.0% |
| | operating income | -59 | -0.2% | 721 | 2.0% | 1,351 | 3.6% | - | 87.3% |
| Excel | Net sales | 11,767 | | 15,807 | | 18,050 | | 53.4% | 14.2% |
| | Gross Profit | 623 | 5.3% | 1,024 | 6.5% | 850 | 4.7% | 36.5% | -17.0% |
| | operating income | -14 | -0.1% | 458 | 2.9% | 308 | 1.7% | - | -32.7% |
| Total | Net sales | 105,406 | | 117,059 | | 129,675 | | 23.0% | 10.8% |
| | Gross Profit | 12,005 | 11.4% | 13,582 | 11.6% | 15,628 | 12.1% | 30.2% | 15.1% |
| | operating income | 3,082 | 2.9% | 3,848 | 3.3% | 6,357 | 4.9% | 106.3% | 65.2% |

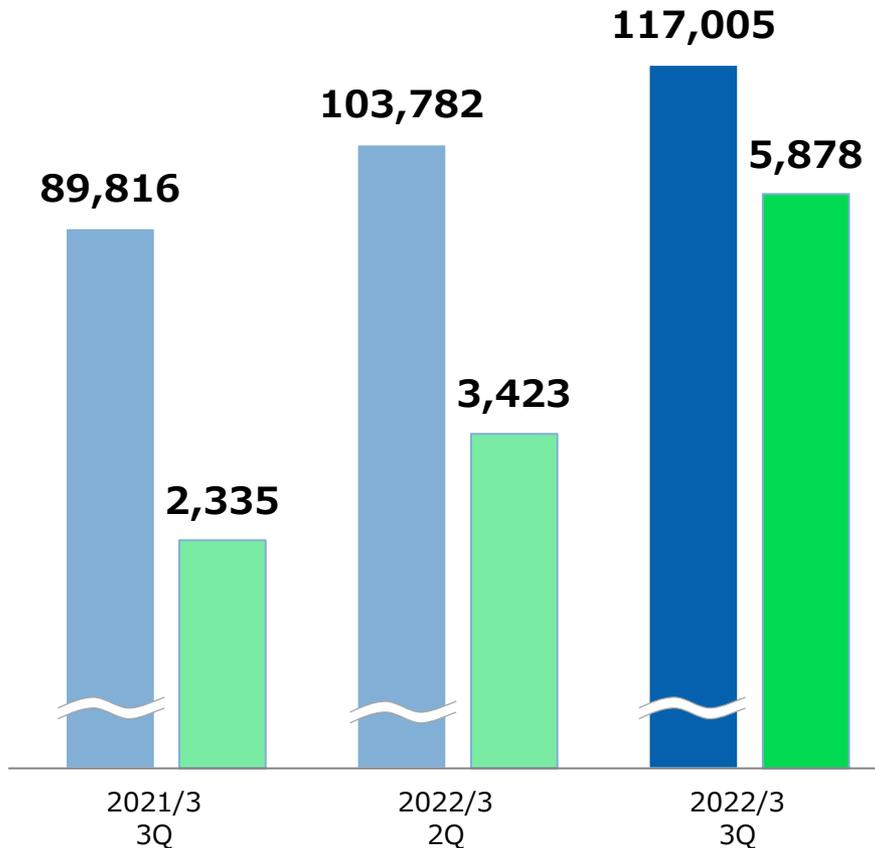
(note) With respect to gross profit and operating income, figures presented above are before consolidation adjustments between the three companies.

Financial Highlights: Electronic Component Segment (3months)

(million Yen)

Net sales/Segment income

■ / ■ Net Sales
■ / ■ Segment income



YoY

- Net Sales **+27,188**million yen **30.3%Up**
- Segment income **+3,543**million yen **151.7%Up**

QoQ

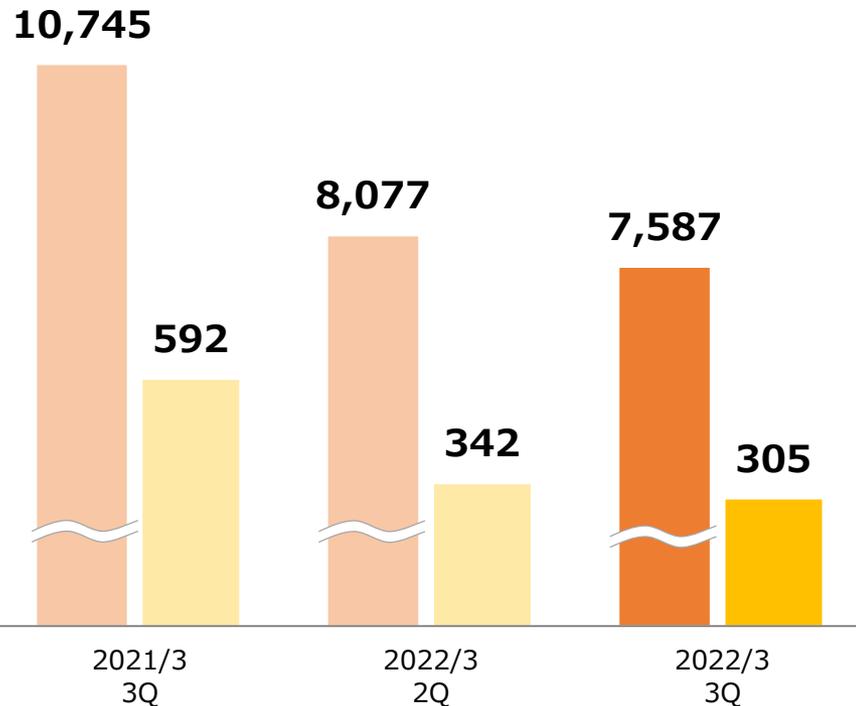
- Net Sales **+13,222**million yen **12.7%Up**
- Segment income **+2,454**million Yen **71.7%Up**

Financial Highlights: Information Equipment Segment (3months)

(million yen)

Net sales/Segment income

■ / ■ Net Sales
■ / ■ Segment income



YoY

- Net Sales **-3,157**million yen **29.4%Down**
- Segment income **-286**million yen **48.4%Down**

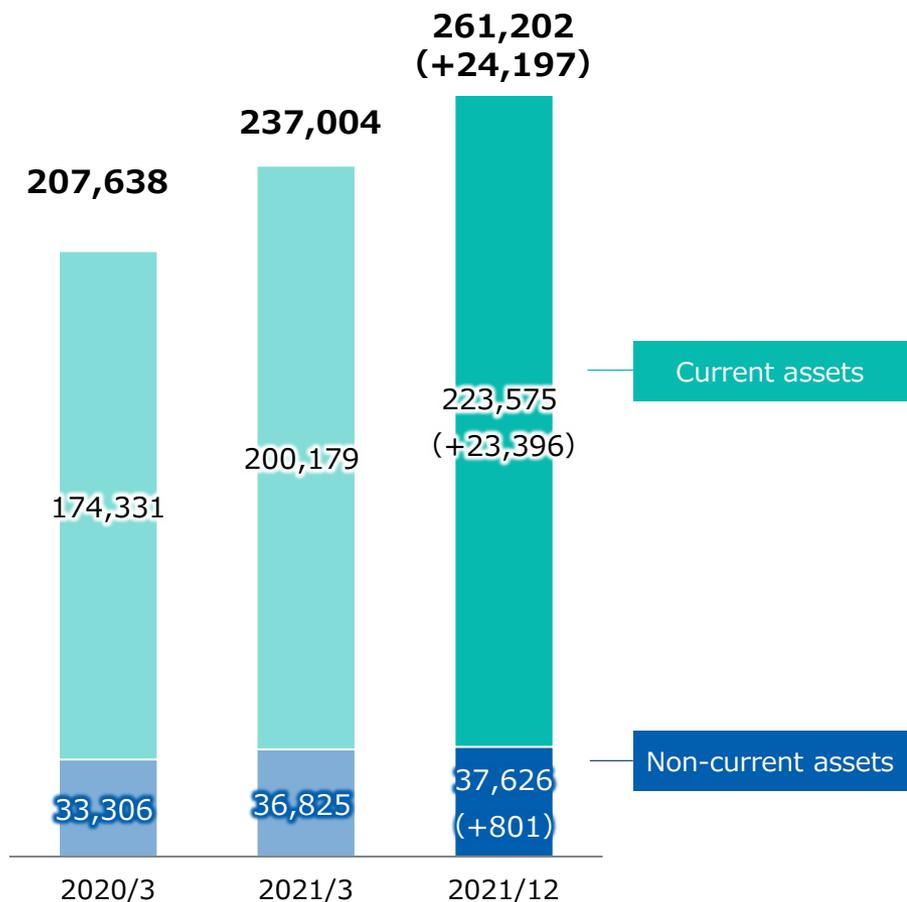
QoQ

- Net Sales **-489**million yen **6.1%Down**
- Segment income **-36**million yen **10.6%Down**

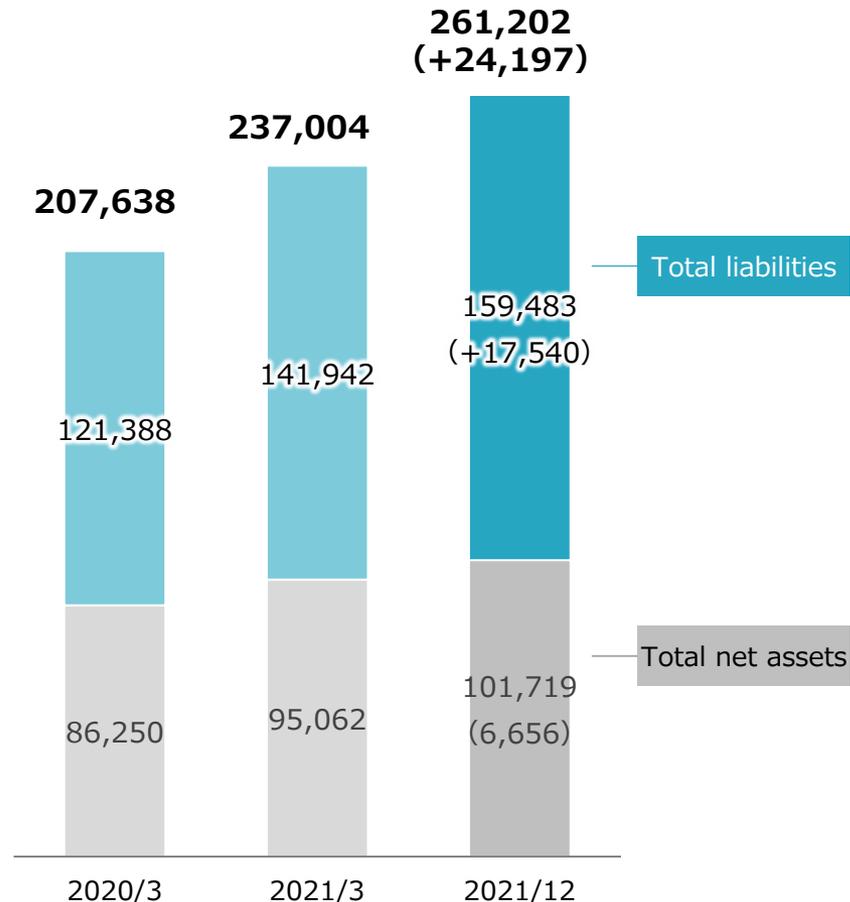
Balance Sheet Main Items

(million Yen)

Total assets



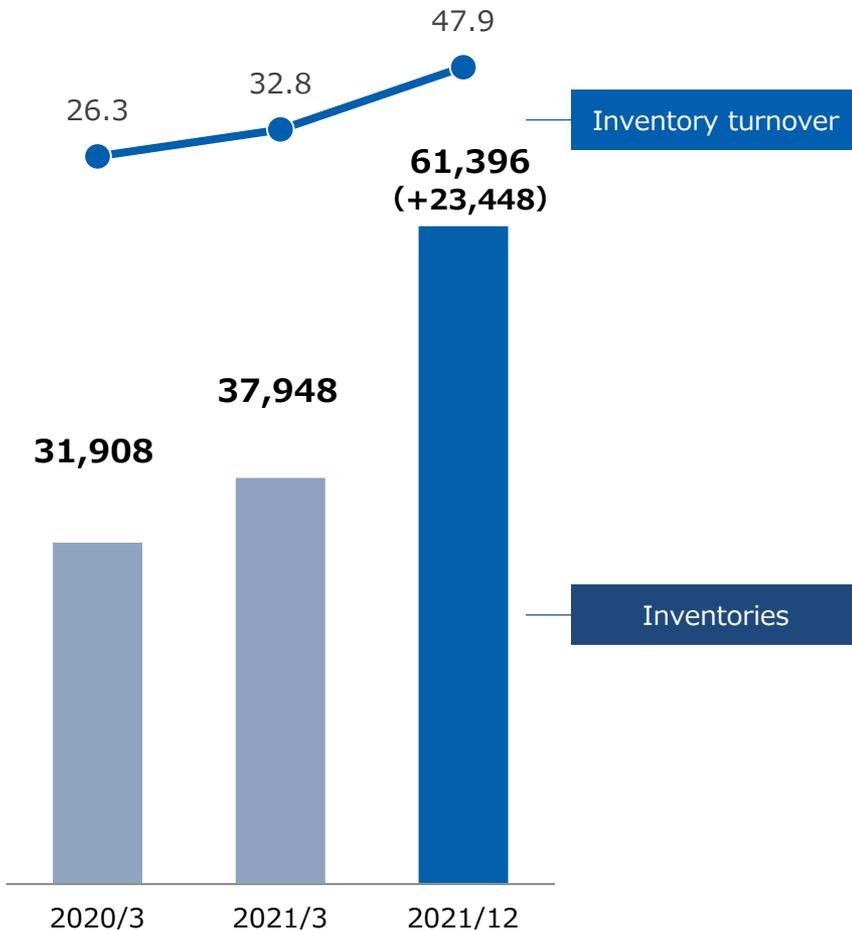
Total liabilities and net assets



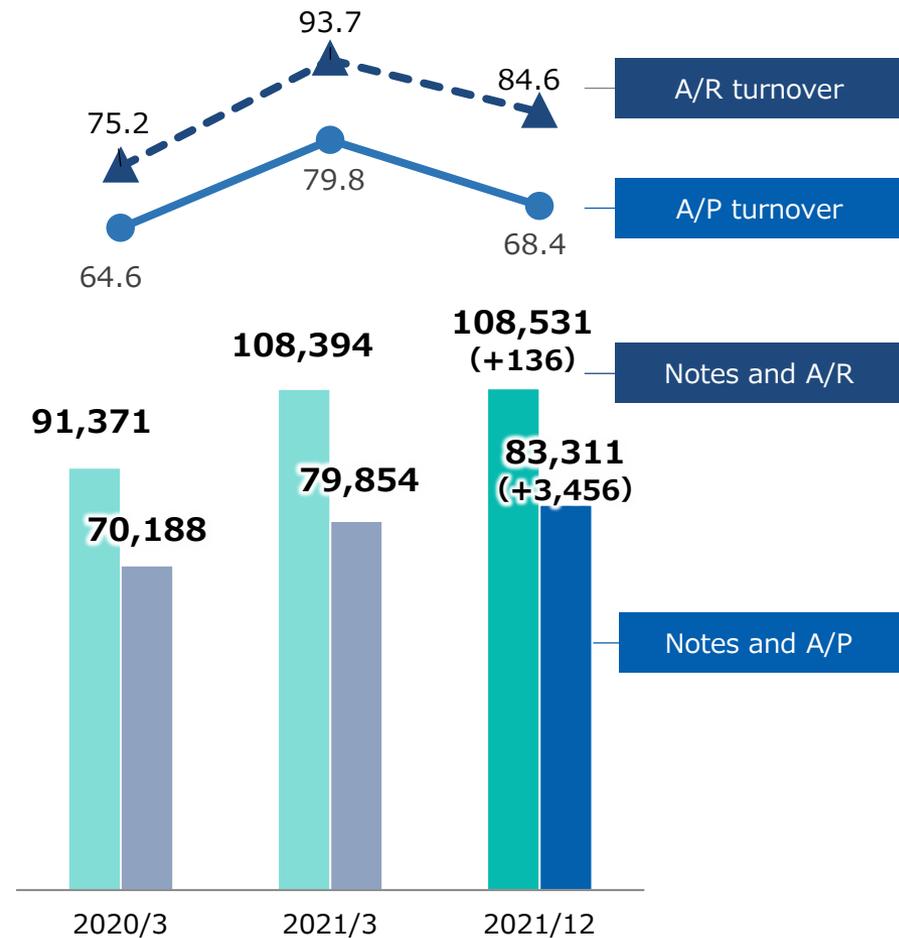
Balance Sheet Main Items

(million yen, day)

Inventories



Accounts receivable/Accounts payable

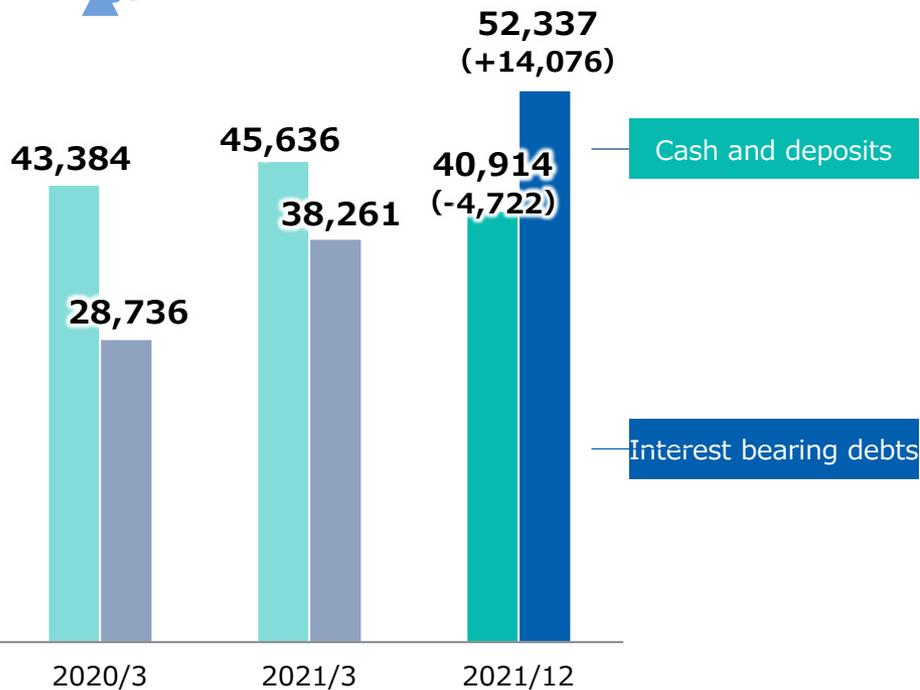


note : Inventory turnover = Inventories ÷ Net Sales × 365(2021/12:275) (day)

notes : •Notes and A/R are amounts including Electronically recorded monetary claims-operating
 •Notes and A/P are amounts including Electronically recorded obligations - operating
 •A/R turnover = Notes and A/R ÷ Net sales × 365(2021/12:275) (day)
 •A/P turnover = Notes and A/P ÷ Total purchase of goods × 365(2021/12:275) (day)

Balance Sheet Main Items

Cash and Deposits/Interest Bearing Debt



note : D/E ratio = Interest bearing debts ÷ Shareholder's equity
 Net D/E ratio = (Interest bearing debts - Cash and deposits) ÷ Shareholder's equity

Forecast for the Fiscal Year ending March 2022

Forecast for FY2022/3

(million yen)

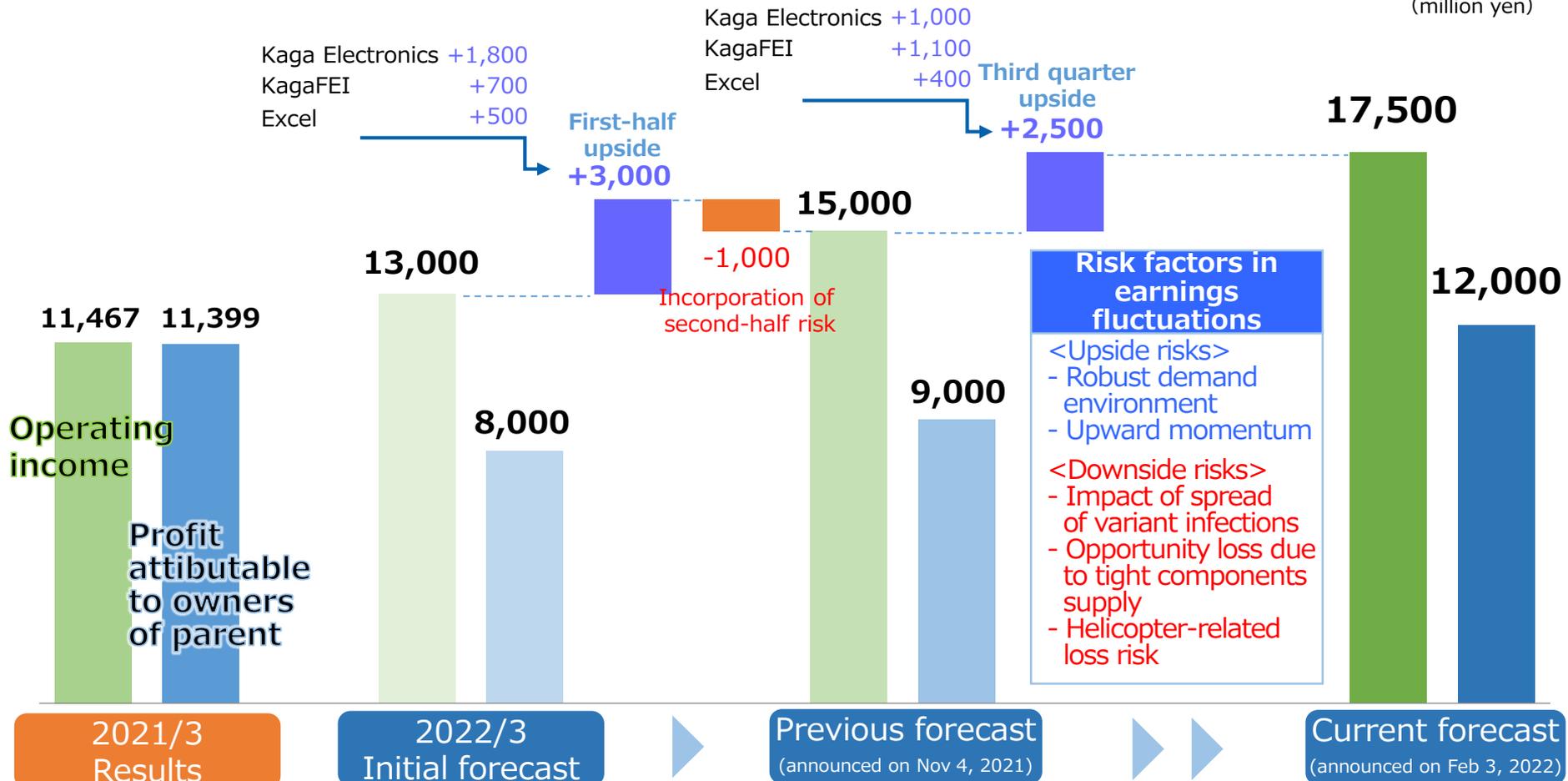
| | FY2021/3 Results | | FY2021/3 Previous Forecast | | FY2022/3 Current Forecast | | Changes | YoY | Management Targets FY2022/3 | |
|---|---------------------------------|------|----------------------------|------|---------------------------|------|---------|--------|-----------------------------|------|
| | (announced on November 4, 2021) | | | | | | | | | |
| Net sales | 422,365 | | 470,000 | | 475,000 | | 1.1% | 12.5% | 500,000 | |
| Operating income | 11,467 | 2.7% | 15,000 | 3.2% | 17,500 | 3.7% | 16.7% | 52.6% | 13,000 | 2.6% |
| Ordinary income | 11,241 | 2.7% | 14,500 | 3.1% | 18,000 | 3.8% | 24.1% | 60.1% | — | — |
| Profit attributable to owners of parent | 11,399 | 2.7% | 9,000 | 1.9% | 12,000 | 2.5% | 33.3% | 5.3% | — | — |
| EPS | 415.07 | | 336.84 | | 449.13 | | — | 8.2% | — | — |
| ROE | 13.5% | | 9.7% | | 12.3% | | 2.6pt | -1.2pt | 8.0% or higher | |

Note: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. is applied from the beginning of FY2022/3 1Q, and thus the above consolidated earnings forecasts are figures after this accounting standard, etc. has been applied.

Forecast for FY2022/3 Upward Revision of Operating Income/Profit attributable to owners of parent

- This is the second upward revision in the current fiscal year. Operating income and net income for the fiscal year are forecasted to achieve record highs for the third and second consecutive fiscal year, respectively.
- Operating income incorporates cumulative upswing from 3Q. Neutral upside/downside risks are assumed in 4Q.
- Net income for the fiscal year will turn from a negative growth forecast to positive growth as a result of the upswing in operating income.

(million yen)



Forecast for FY2022/3 by Business Segment

(million yen)

| | | FY2021/3 Results | FY2022/3 Previous Forecast <small>(announced on November 4, 2021)</small> | | FY2022/3 Current Forecast | | Changes | YoY |
|-----------------------|----------------|---------------------|---|--------|------------------------------|---------------|---------|--------|
| Electronic components | Net sales | 353,454 | 409,000 | | 414,000 | | 1.2% | 17.1% |
| | Segment income | 8,151 | 2.3% | 12,300 | 3.0% | 14,800 | 3.6% | 20.3% |
| Information equipment | Net sales | 48,389 | 40,000 | | 40,000 | | — | -17.3% |
| | Segment income | 2,482 | 5.1% | 2,000 | 5.0% | 2,000 | 5.0% | — |
| Software | Net sales | 2,932 | 3,000 | | 3,000 | | — | 2.3% |
| | Segment income | 263 | 9.0% | 200 | 6.7% | 200 | 6.7% | — |
| Others | Net sales | 17,589 | 18,000 | | 18,000 | | — | 2.3% |
| | Segment income | 474 | 2.7% | 500 | 2.8% | 500 | 2.8% | — |
| Total | Net sales | 422,365 | 470,000 | | 475,000 | | 1.1% | 12.5% |
| | Segment income | 11,467 | 2.7% | 15,000 | 3.2% | 17,500 | 3.7% | 16.7% |

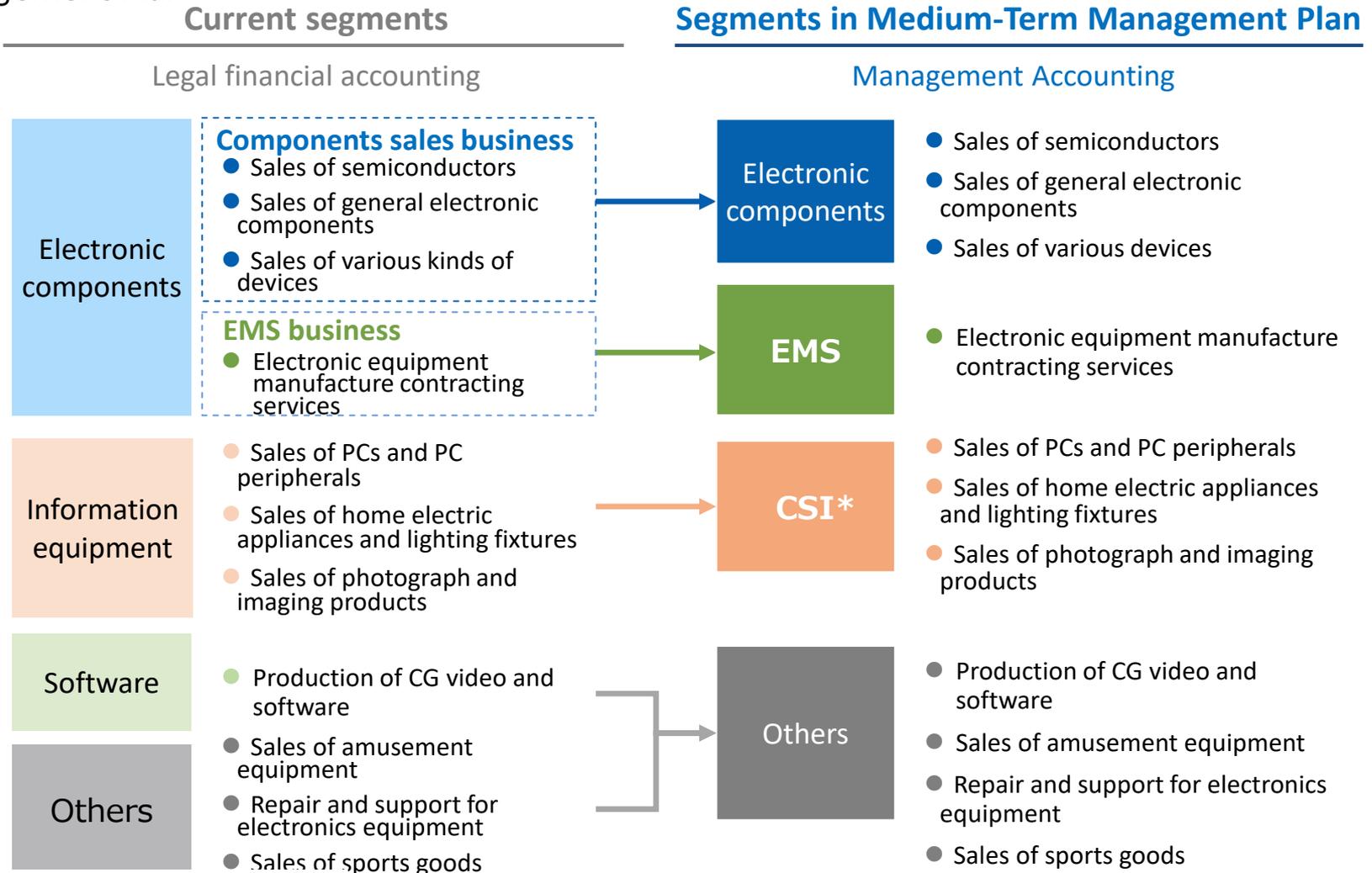
Note: 1. Figures of each segment income are not inter-segment adjusted. Total amount is inter-segment adjusted (operating income).

2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. is applied from the beginning of FY2022/3 1Q, and thus the above consolidated earnings forecasts are figures after this accounting standard, etc. has been applied.

Appendix

Segment disclosure associated of the Medium-Term Management Plan

Continuous disclosure based on current segmentation according to legal financial accounting, along with voluntary disclosure based on segmentation in line with the new Medium-Term Management Plan



*CSI: Consumer & System Integrator

Business segments of Parent company and Group companies

| | Electronic Components | EMS | CSI | Others |
|---|-----------------------|-----|-----|--------|
| KAGA ELECTRONICS CO., LTD. | | | | |
| Electronics Business Division | ● | ● | (●) | ● |
| EMS Business Division | | ● | | |
| Communication Network Sales Division | ● | ● | ● | (●) |
| Specific Industry Business Division | ● | ● | (●) | ● |
| Sales Promotion Division | ● | | | |
| Major Affiliates in Japan | | | | |
| KAGA TECH CO., LTD. | ● | (●) | (●) | (●) |
| KAGA DEVICES CO., LTD. | ● | ● | ● | ● |
| KAGA SOLUTION NETWORK CO., LTD. | | | ● | |
| AD DEVICE CO., LTD. | ● | | | |
| KAGA MICRO SOLUTIONCO., LTD. | | ● | (●) | ● |
| DIGITAL MEDIA LAB., INC. | | | | ● |
| KAGA SPORTS CO., LTD. | | | | ● |
| KAGA AMUSEMENT CO., LTD. | | | | ● |
| KAGA TECHNOSERVICE CO., LTD. | | | ● | |
| KAGA FEI Co.,Ltd. (Former:FUJITSU ELECTRONICS INC.) | ● | | | |
| KAGA EMS TOWADA CO., LTD. | | ● | | |
| EXCEL CO., LTD. | ● | | | |
| Kyokuto Electric Co.,Ltd. | | ● | | |
| Major Affiliates Overseas | | | | |
| KAGA TAXAN (SUZHOU) ELECTRONICS CO., LTD. | | ● | | |
| KAGA (SHANGHAI) ELECTRONICS CO., LTD. | (●) | ● | | |
| KAGA (SHENZHEN) ELECTRONICS CO., LTD. | | ● | | |
| KAGA (H.K.) ELECTRONICS LIMITED | | ● | | |
| KAGA DEVICES (H.K.) LIMITED | ● | | | |
| KAGA (TAIWAN) ELECTRONICS CO., LTD | ● | (●) | | |
| KAGA ELECTRONICS (THAILAND) COMPANY LIMITED | (●) | ● | | |
| KAGA COMPONENTS (MALAYSIA) SDN.BHD. | | ● | | |
| KAGA ELECTRONICS INDONESIA, PT | ● | ● | | |
| KAGA ELECTRONICS (VIETNAM) CO., LTD. | | ● | | |
| KAGA (SINGAPORE) ELECTRONICS PTE LTD | ● | (●) | | (●) |
| KAGA ELECTRONICS (USA) INC. | ● | ● | | |
| TAXAN MEXICO S.A. de C.V. | | ● | | |
| KD TEC s.r.o. | ● | ● | | |

Financial Highlights by Business Segment of the Medium-Term Management Plan

(million yen)

| | | FY2021/3 3Q Results | | FY2022/3 3Q Results | | YoY |
|--------------------------|----------------|------------------------|------|------------------------|------|--------|
| Electronic Components | Net sales | 181,913 | | 232,869 | | 28.0% |
| | Segment income | 1,657 | 0.9% | 7,772 | 3.3% | 369.1% |
| EMS | Net sales | 70,216 | | 84,595 | | 20.5% |
| | Segment income | 3,890 | 5.5% | 5,463 | 6.5% | 40.4% |
| CSI | Net sales | 33,937 | | 26,301 | | -22.5% |
| | Segment income | 1,753 | 5.2% | 1,216 | 4.6% | -30.6% |
| Others | Net sales | 8,199 | | 8,918 | | 8.8% |
| | Segment income | 126 | 1.5% | 129 | 1.5% | 2.0% |
| Total | Net sales | 294,266 | | 352,684 | | 19.9% |
| | Segment income | 7,517 | 2.6% | 14,658 | 4.2% | 95.0% |

Note : Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

Financial Highlights by Business Segment of the Medium-Term Management Plan(3months)

(million yen)

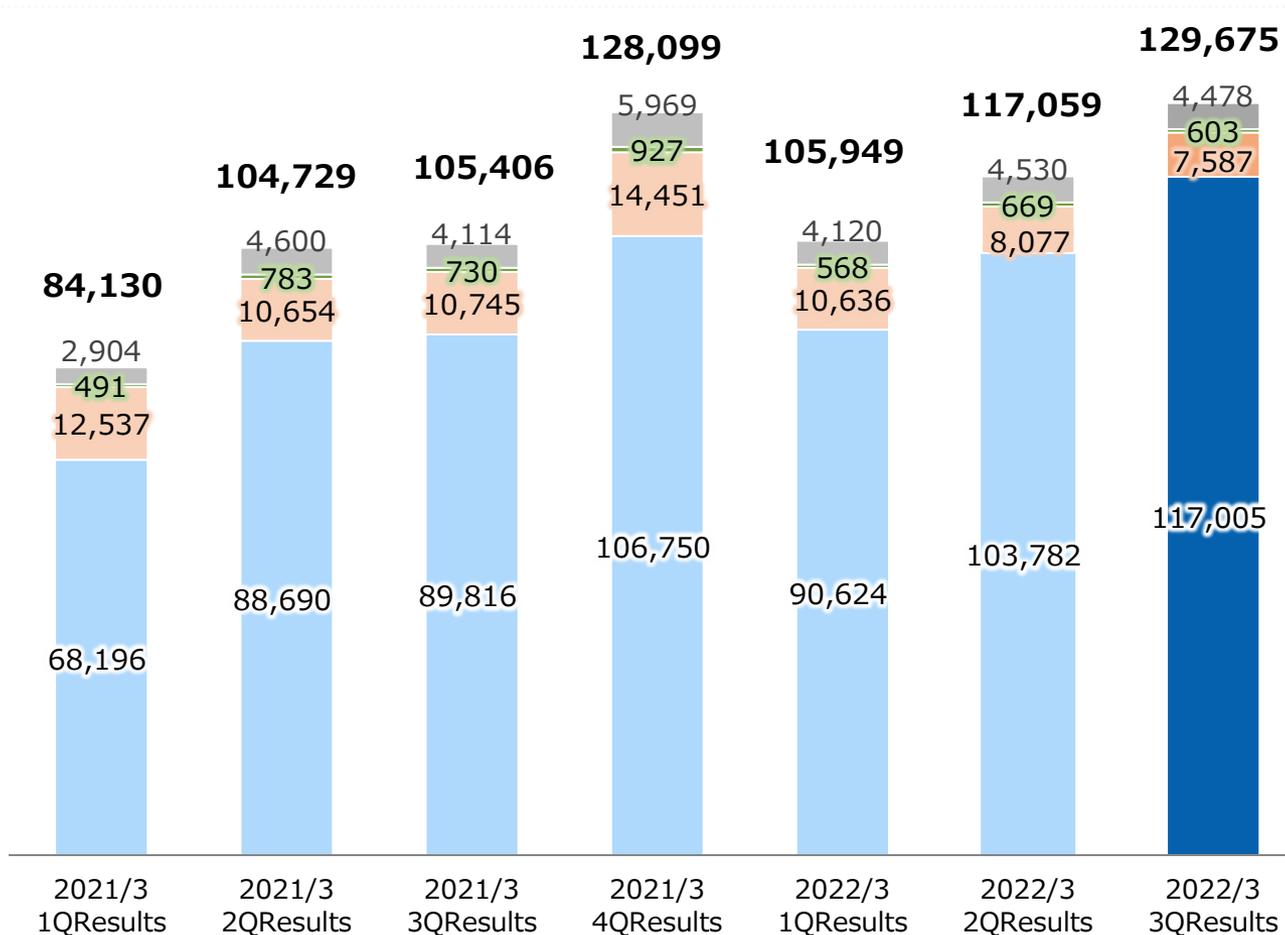
| | | FY2021/3 3Q Results | | FY2022/3 2Q Results | | FY2022/3 3Q Results | | YoY | QoQ |
|--------------------------|----------------|------------------------|------|------------------------|------|------------------------|------|--------|--------|
| Electronic Components | Net sales | 64,625 | | 78,665 | | 88,079 | | 36.3% | 12.0% |
| | Segment income | 805 | 1.2% | 2,172 | 2.8% | 3,824 | 4.3% | 375.1% | 76.0% |
| EMS | Net sales | 27,275 | | 27,118 | | 31,142 | | 14.2% | 14.8% |
| | Segment income | 1,625 | 6.0% | 1,262 | 4.7% | 2,140 | 6.9% | 31.7% | 69.6% |
| CSI | Net sales | 10,745 | | 8,077 | | 7,587 | | -29.4% | -6.1% |
| | Segment income | 592 | 5.5% | 342 | 4.2% | 305 | 4.0% | -48.4% | -10.6% |
| Others | Net sales | 2,760 | | 3,198 | | 2,865 | | 3.8% | -10.4% |
| | Segment income | 38 | 1.4% | 49 | 1.6% | 64 | 2.3% | 67.4% | 29.7% |
| Total | Net sales | 105,406 | | 117,059 | | 129,675 | | 23.0% | 10.8% |
| | Segment income | 3,082 | 2.9% | 3,848 | 3.3% | 6,357 | 4.9% | 106.3% | 65.2% |

Note : Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

Quarterly Net Sales Trends by Business Segment

(million yen)

Net Sales



| Total | |
|-------|-----------|
| YoY | : +24,268 |
| QoQ | : +12,615 |

| Other | |
|-------|--------|
| YoY | : +364 |
| QoQ | : -51 |

| Software | |
|----------|--------|
| YoY | : -126 |
| QoQ | : -65 |

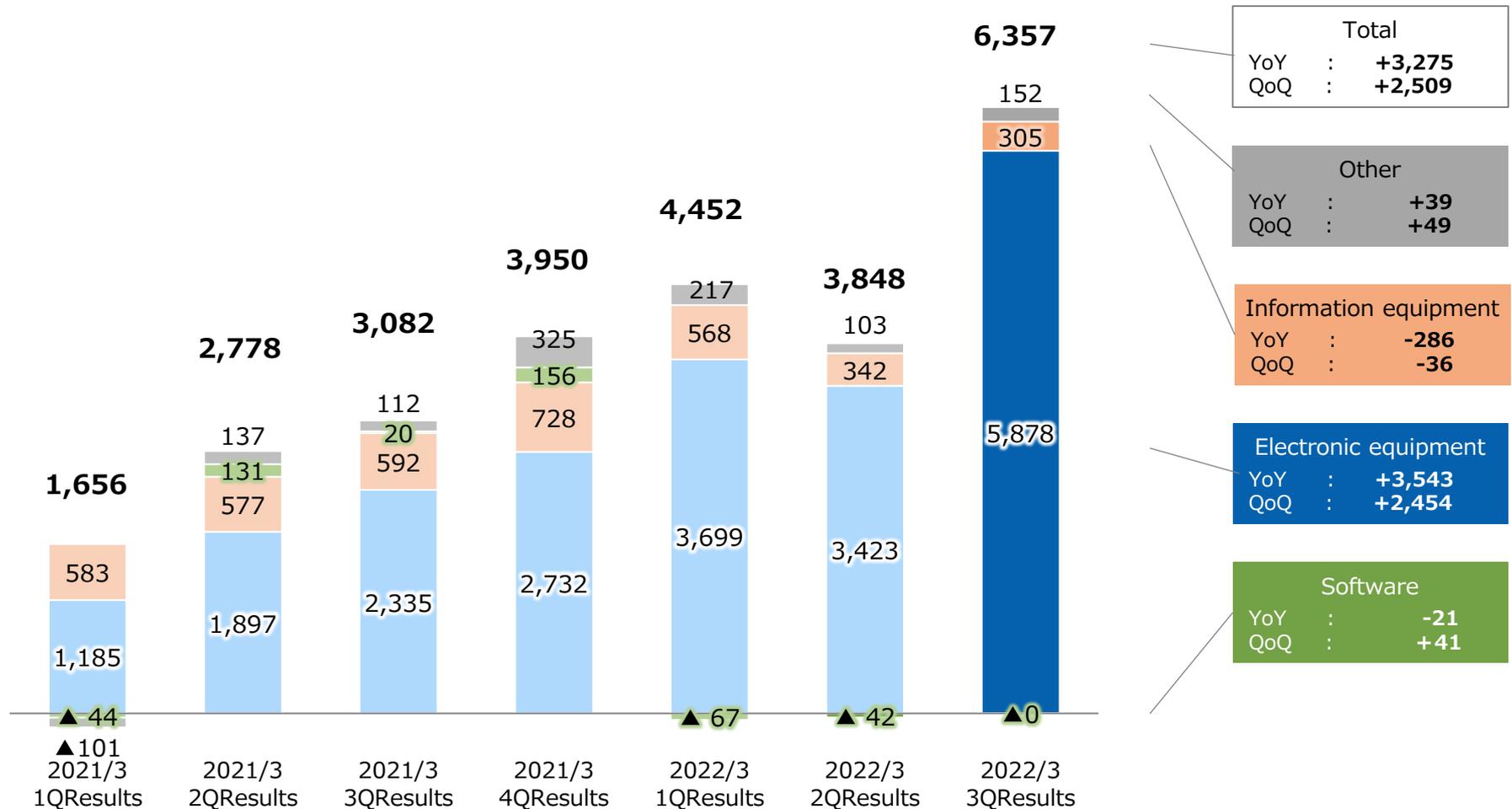
| Information equipment | |
|-----------------------|----------|
| YoY | : -3,157 |
| QoQ | : -489 |

| Electronic equipment | |
|----------------------|-----------|
| YoY | : +27,188 |
| QoQ | : +13,222 |

Quarterly Segment income Trends by Business Segment

(million yen)

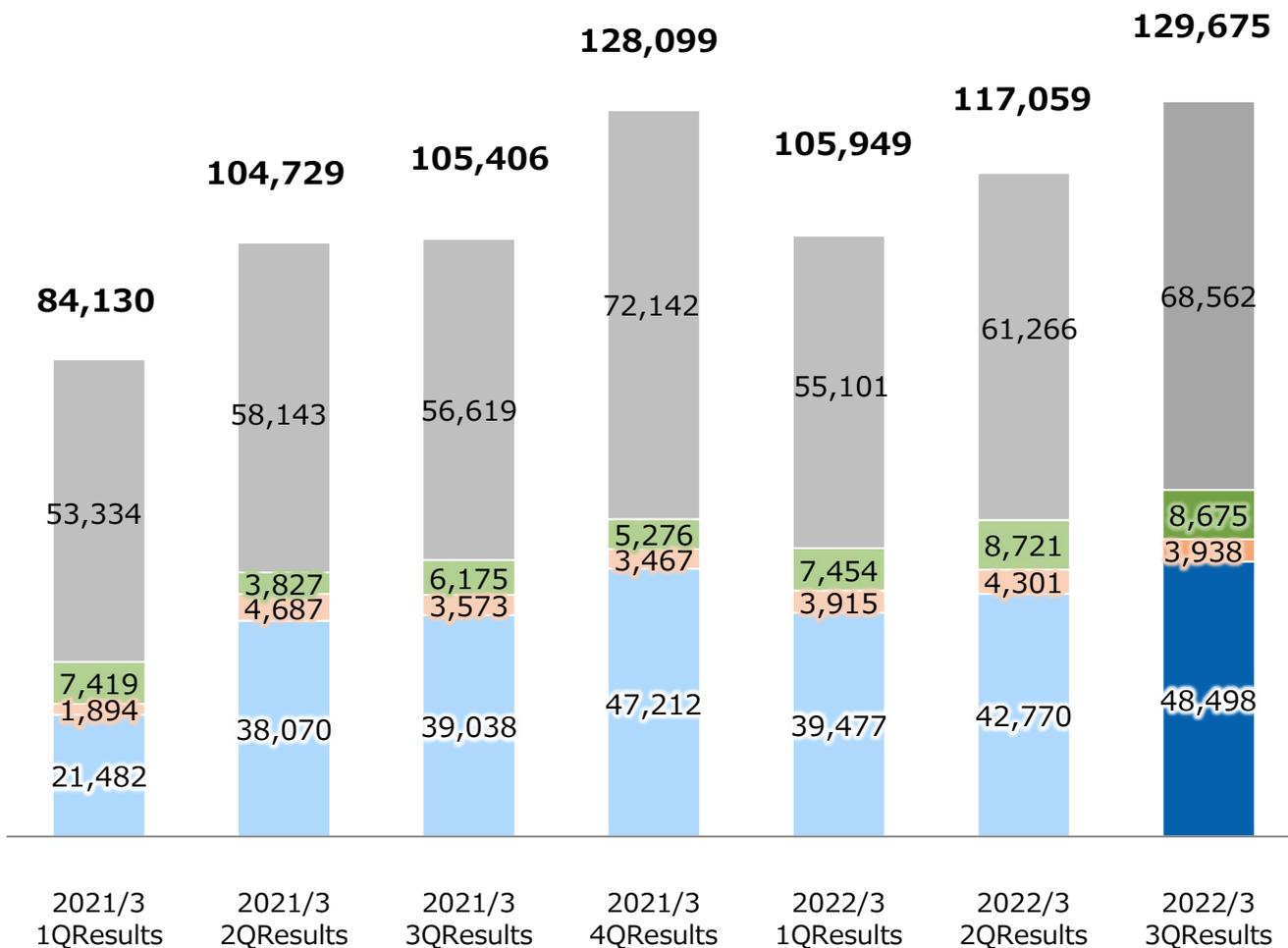
Segment Income



Quarterly Net Sales Trends by Region

(million yen)

Net Sales



| Total | |
|-------|-----------|
| YoY | : +24,268 |
| QoQ | : +12,615 |

| Japan | |
|-------|-----------|
| YoY | : +11,943 |
| QoQ | : +7,296 |

| North America | |
|---------------|----------|
| YoY | : +2,500 |
| QoQ | : -46 |

| Europe | |
|--------|--------|
| YoY | : +365 |
| QoQ | : -363 |

| Asia | |
|------|----------|
| YoY | : +9,459 |
| QoQ | : +5,728 |

Exchange Rate/FOREX Sensitivity

| | FY2021/3 3Q Results (yen) | FY2022/3 3Q Results (yen) | (Reference) Effect of 1% change (million yen) | | Forex assumption for FY2022/3 (yen) |
|-----|---------------------------------|---------------------------------|---|--------------------|--|
| | | | Net Sales | Ordinary income | |
| USD | 106.11 | 111.10 | 1,081 | 32 | 110.50 |
| THB | 3.39 | 3.42 | 171 | 11 | 3.50 |
| RMB | 15.37 | 16.78 | 182 | 7 | 17.00 |
| HKD | 13.69 | 14.28 | 163 | 5 | 14.00 |

**“Everything we do is
for our customers**



20 Kandamatsunagacho, Chiyoda-ku, Tokyo 101-8629

Contact: Investor Relations & Public Relations Office

TEL: +81-3-5657-0106

FAX: +81-3-3254-7133

E-mail : webmaster@taxan.co.jp

<https://www.taxan.co.jp/en/>

- Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.

- Display method in this material
 - Number : Truncated less than the display unit.
 - Ratio : After calculation in yen units, Round down one digit of Display unit.