



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 7, 2025

Company name: Macnica Holdings, Inc.
 Listing: TSE Prime
 Securities code: 3132
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 Representative Director and President
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 Scheduled date of the Ordinary General Meeting of Shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date of securities report submission: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of quarterly financial results briefing: Yes (For institutional investors and analysts)

1. Consolidated financial results for the fiscal year ended March 31, 2025

(April 1, 2024, to March 31, 2025)

(1) Consolidated operating results

Yen rounded down to millions, % indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	1,034,180	0.5	39,649	△37.8	37,318	△39.8	25,279	△47.4
March 31, 2024	1,028,718	△0.1	63,733	3.4	61,966	9.0	48,069	17.2

Note: Comprehensive income for the fiscal year ended March 31, 2025: 25,324 million yen [△58.0%]
 for the fiscal year ended March 31, 2024: 60,335 million yen [26.6%]

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	140.93	—	10.2	6.7	3.8
March 31, 2024	264.88	—	21.6	11.6	6.2

Reference: Equity method investment profit/loss for the fiscal year ended March 31, 2025: △10 million
 for the fiscal year ended March 31, 2024: 351 million

Note: The Company conducted a 1-for-3 share split of its common shares with an effective date of October 1, 2024.
 Net income per share is calculated assuming that the share split occurred at the beginning of the previous fiscal year.

Diluted net income per share is stated as "-" because there are no latent shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2025	556,438	261,477	45.4	1,414.76
March 31, 2024	552,244	256,420	44.2	1,357.63

Reference: Equity as of March 31, 2025: 252,281 million yen; as of March 31, 2024: 244,314 million yen

Note: The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024.
 Net assets per share is calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, end of year
As of	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	24,232	△9,573	△4,229	48,452
March 31, 2024	39,949	△18,457	△23,014	38,623

2. Cash dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Net asset dividend yield (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Mil yen	%	%
March 31, 2024	—	80.00	—	120.00	200.00	12,046	25.2	5.4
March 31, 2025	—	105.00	—	35.00	—	12,547	49.7	5.0
Fiscal year ending March 31, 2026 (Forecast)	—	35.00	—	35.00	70.00		—	

Note: The Company conducted a 1-for-3 share split of its common shares, effective October 1, 2024. The year-end dividend for the year ended March 31, 2025 takes the share split into account and the annual dividend per share is shown as "-". If the share split were not taken into account, the year-end dividend for the year ended March 31, 2025 would be 105 yen per share and the annual dividend would be 210 yen per share.

3. Forecasted Consolidated Financial Results for the Fiscal Year Ending March 31, 2026

(April 1, 2025, to March 31, 2026)

% indicate changes from the same period of the previous fiscal year

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Mil yen	%	Mil yen	%	Mil yen	%	Mil yen	%	yen
First half ending Sept 30, 2025	507,500	△2.2	19,200	△14.2	17,500	△17.1	12,300	△19.3	68.94
Fiscal year ending March 31, 2026	1,050,000	1.5	42,000	5.9	38,500	3.2	27,000	6.8	151.33

Notes

(1) Significant changes in scope of consolidation during the period: Yes

Newly included: One (Company name: Navya Mobility SAS)

Excluded: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please see "3. Consolidated Financial Statements and Key Notes, (5) Notes to Consolidated Financial Statements: Changes in accounting policies" on page 13.

(3) Number of issued shares (common shares)

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

As of March 31, 2025	179,072,146 shares
As of March 31, 2024	182,572,146 shares

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

As of March 31, 2025	657,485 shares
As of March 31, 2024	2,616,330 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	179,378,062 shares
Fiscal year ended March 31, 2024	181,477,968 shares

Note: The Company conducted a 1-for-3 share split of its common shares, effective October 1, 2024. The number of issued shares (common shares) is calculated assuming the share split was conducted at the beginning of the previous fiscal year.

Reference: Non-Consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025

(April 1, 2024, to March 31, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year change

	Operating revenue		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	14,368	△31.6	12,847	△34.3	13,055	△33.4	12,915	△33.8
March 31, 2024	21,017	95.0	19,555	108.1	19,614	106.7	19,502	107.3

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2025	72.00	—
March 31, 2024	107.47	—

Note: The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024. Net income per share is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year. Diluted net income per share is stated as "-" because there are no latent shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2025	90,803	86,828	95.6	486.67
March 31, 2024	93,416	90,104	96.5	500.70

Reference: Equity as of March 31, 2025: 86,828 million; as of March 31, 2024: 90,104 million yen.

Note: The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024. Net assets per share is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

* The Consolidated Financial Results reports are outside the scope of reviews conducted by certified public accountants or an audit corporation.

* Disclaimer regarding forward-looking statements and other special notes:

Forward-looking statements in this document such as financial forecasts are based on assumptions available to management and considered reasonable at the time of publication. Macnica does not guarantee the achievement of projections. Actual performance may differ materially from these projections due to various factors. Please see "I. Overview of Operating Results, (4) Future Outlook" on page 4 for more information regarding the assumptions used and matters to be noted when relying on profit projections.

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1. Overview of Operating Results

(1) Operating Results for the Current Fiscal Year

During the current fiscal year, the Japanese economy has shown signs of a gradual recovery, driven by improvements in corporate earnings, increases in real incomes and a recovery in personal consumption, as well as the expansion of inbound demand. Globally, the U.S. economy has been growing steadily, supported by robust domestic demand. However, concerns about trade friction have arisen due to policy changes in the U.S., and the outlook remains uncertain.

In the electronics industry, to which the Company belongs, the semiconductor market saw increased demand for high-performance semiconductors (GPUs and memory) for generative AI applications throughout the fiscal year. In the automotive market, although production volumes remained sluggish, the amount of semiconductors installed per vehicle increased due to advanced control systems for improved safety and automation, as well as the shift to EVs (electric vehicles) for decarbonization. On the other hand, the industrial equipment market entered a period of adjustment in a wide range of fields, including factory automation, machine tools, medical equipment, and measuring instruments, due to the stagnation of the Chinese market and inventory adjustments.

In the IT industry, the IT investment environment remains favorable for enterprises. In terms of security, cyber-attacks such as ransomware are causing serious damage, including information leakage and business disruption, and more and more companies are recognizing this as a management issue. In addition, corporate IT systems have become more connected to the outside world in recent years due to the proliferation of cloud computing and remote working, and there are an increasing number of issues that need to be addressed. As a result, there is growing interest in zero trust, which assumes that users and devices within the internal system cannot be trusted from the outset, and attack surface management (ASM), which assesses and manages the risks of information assets.

In addition, to achieve further business expansion and increase corporate value in the future, it is essential that the Macnica Group acquires human capital, including personnel and engineers with technical expertise and knowledge in semiconductors and electronic devices, as well as sales skills in integrated circuits and electronic devices. Therefore, in January 2024, we conducted a tender offer for the shares of Glosel Co., Ltd. through our wholly owned subsidiary Macnica, Inc. and designated it as a special subsidiary effective March 2024. By combining human capital with our company, we have created synergies in the semiconductor business and gained new customers.

As a result of the above, net sales for the current fiscal year were 1,034,180 million yen, up 0.5% year on year, reflecting the impact of a decline in the relatively high-margin industrial equipment business, and an increase in selling, general and administrative (SGA) expenses due to higher personnel expenses, and the consolidation of Glosel Co., Ltd. and Navya Mobility SAS, resulting in an increase of 15,718 million yen compared to the same period of the previous fiscal year. As a result, operating income was 39,649 million yen, down 37.8% year on year, ordinary income was 37,318 million yen, down 39.8% year on year, and net income attributable to owners of the parent was 25,279 million yen, down 47.4% year on year.

Results by segment are as follows.

(2) ICs, Electronic Devices and Other Business

In this business segment, demand for semiconductors per vehicle is increasing in the automotive market due to advanced control systems for improved safety and automation such as ADAS (Advanced Driver Assistance Systems) and the trend toward hybrid cars and electric vehicles (EVs) with decarbonization efforts. In addition, the inclusion of sales from Glosel Co., Ltd. contributed to a year-on-year increase in sales in the automotive, consumer electronics and office automation and peripheral equipment markets. In the computer market, demand for AI servers increased. On the other hand, in the industrial equipment market, despite corporate investment intentions, the prolonged slowdown in the Chinese market and inventory adjustments led to an adjustment period in a wide range of markets, including factory automation equipment, industrial robots, semiconductor manufacturing equipment and medical equipment. The communications infrastructure market remained sluggish as domestic capital investment stabilized.

As a result, net sales in this business for the fiscal year ended March 31, 2025 were 880,242 million yen, down 3.0% year on year, and operating income was 26,328 million yen, down 53.5% year on year.

(3) Network Business

In this business segment, the importance of security measures for client terminals has been widely recognized, and even among major domestic companies that have already implemented security solutions, there has been a growing trend to expand the scope of implementation within their corporate groups, leading to significant growth in endpoint security products. In addition, large deals in government agencies and financial institutions led to significant growth in data analysis-related products and cloud security gateway-related products. In addition, overseas network operations centered in Southeast Asia, continued to grow steadily.

As a result, sales in this business for the current fiscal year were 153,943 million yen, up 27.3% year on year, and operating income was 13,320 million yen, up 88.2% year on year.

Reference: Consolidated Net Sales by Product

		Previous FY March 2024	FY ended March 2025	Y/Y change (%)
		Millions of yen	Millions of yen	
IC, Electronic Devices and Other Businesses		907,803	880,242	△3.0
	IC	819,013	769,973	△6.0
	PLD	105,794	73,368	△30.7
	ASIC	19,617	18,722	△4.6
	ASSP	123,841	97,684	△21.1
	Analog	245,194	235,747	△3.9
	Memory	50,305	56,311	11.9
	Other Standard IC	274,259	288,138	5.1
	Electronic Devices	51,692	73,003	41.2
	Other	37,098	37,265	0.5
Network Business		120,914	153,938	27.3
	Hardware	15,023	15,587	3.8
	Software	87,427	115,964	32.6
	Service	18,464	22,386	21.2
Total		1,028,718	1,034,180	0.5

Note: Amounts are sales to external customers, excluding internal sales or transfers.

(2) Financial Position

Total assets at the end of the current consolidated fiscal year amounted to 556,438 million yen, an increase of 4,193 million yen compared to the end of the previous consolidated fiscal year.

Current assets increased by 6,186 million yen compared to the end of the previous fiscal year, due to decreases of 3,914 million yen in electronically recorded receivables and 11,875 million yen in other current assets, offset by increases of 9,819 million yen in cash and deposits and 11,800 million yen in accounts receivable.

Fixed assets decreased by 1,992 million yen compared to the end of the previous fiscal year. This was mainly due to decreases of 469 million yen in goodwill, 872 million yen in long-term loans receivable, and 826 million yen in deferred tax assets.

Current liabilities increased by 2,002 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 14,140 million yen in short-term loans payable, despite decreases of 3,239 million yen in notes and accounts payable, 7,657 million yen in accrued income taxes, 326 million yen in contract liabilities, and 997 million yen in other current liabilities.

Long-term liabilities decreased by 2,865 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 3,000 million yen in long-term loans payable, despite increases of 41 million yen in liabilities for retirement benefits and 102 million yen in other non-current liabilities.

Net assets increased by 5,056 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 10,869 million yen in retained earnings and a decrease of 4,384 million yen in treasury shares, despite decreases of 6,093 million yen in capital surplus, 1,110 million yen in translation adjustments, and 3,042 million yen in non-controlling interests.

(3) Cash Flows

The balance of cash and cash equivalents at the end of the current fiscal year were 48,452 million yen, up 9,829 million yen from 38,623 million yen at the end of the previous fiscal year.

Net cash provided by operating activities increased by 24,232 million yen, compared to 39,949 million yen in the previous fiscal year. This was mainly due to the recording of 37,491 million yen in income before income taxes, despite a decrease in income taxes paid.

Net cash used in investing activities decreased by 9,573 million yen, compared to 18,457 million yen in the previous fiscal year. This was mainly due to disbursements for purchases of property, plant and equipment, purchases of intangible assets, payments for transfer of business, and purchase of shares of subsidiaries.

Net cash used in financing activities decreased by 4,229 million yen, compared to a decrease of 23,014 million yen in the previous fiscal year. This was mainly due to repayments of long-term loans payable, purchases of treasury shares, and cash dividends paid, despite a net increase in short-term loans payable.

(4) Future Outlook

Looking ahead to the next consolidated fiscal year, the ICs, Electronic Devices and Others business is expected to remain in an adjustment phase through the first half of the fiscal year, partly due to changes in the geopolitical environment with an uncertain outlook. In the Cybersecurity and Other IT Solutions business (formerly known as the Network business*), the endpoint security market is expected to continue to expand, and demand for cybersecurity is expected to increase overseas, particularly in Southeast Asia. Reflecting foreign currency translation differences due to the assumed appreciation of the yen and other factors, the forecast for the next consolidated fiscal year is net sales of 1,050,000 million yen, operating income of 42,000 million yen, ordinary income of 38,500 million yen, and net income attributable to owners of the parent of 27,000 million yen. The assumed exchange rate is 1US\$=140 yen.

At this point, we believe that the direct impact on our performance from tariff measures implemented by various countries following changes in U.S. policy is minimal. If we anticipate any significant impact from

changes in circumstances due to tariff measures or other factors, we will promptly disclose such information.

While vigorously promoting the measures in our newly created medium-term management plan (FY2025 - FY2027) targeting FY2027, we will continue to focus on dialogue with our suppliers and customers and responding swiftly to changes in the external environment to enhance our corporate value over the medium to long term.

*The segment name “Network Business” has been changed to “Cybersecurity and Other IT Solutions Business” effective from the fiscal year ending March 31, 2026. This is a change in name only; there are no changes in segment classification, scope, or measurement method.

2. Basic Approach to the Selection of Accounting Standards

In preparation for the future adoption of IFRS, the Company is considering the development of accounting procedures and the timing of adoption within the Group, taking into account various domestic and international circumstances.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
ASSETS		
Current assets		
Cash and deposits	38,710	48,530
Notes receivable	379	181
Electronically recorded receivables	13,129	9,215
Accounts receivable	193,680	205,480
Contract assets	302	304
Product	234,001	234,549
Other	39,005	27,130
Allowance for doubtful accounts	△459	△456
Total current assets	518,749	524,936
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,189	5,521
Accumulated depreciation	△2,899	△3,077
Buildings and structures, net	2,290	2,444
Tools, furniture and fixtures	8,836	9,088
Accumulated depreciation	△7,040	△7,357
Tools, furniture and fixtures, net	1,795	1,730
Machinery, equipment and vehicles	530	1,064
Accumulated depreciation	△388	△566
Machinery, equipment and vehicles, net	141	497
Land	3,558	3,563
Leased assets	4,814	5,363
Accumulated depreciation	△3,573	△4,181
Leased assets, net	1,241	1,182
Construction in progress	—	30
Total tangible fixed assets	9,027	9,450
Intangible fixed assets		
Goodwill	1,049	579
Other	5,995	6,318
Total intangible fixed assets	7,044	6,898
Investments and other assets		
Investment securities	8,223	7,958
Long-term loans receivable	1,085	213
Deferred tax assets	5,133	4,306
Net defined benefit asset	915	1,168
Other	2,085	1,731
Allowance for doubtful accounts	△21	△224
Total investments and other assets	17,421	15,153
Total fixed assets	33,494	31,502
Total Assets	552,244	556,438

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
LIABILITIES		
Current liabilities		
Notes & accounts payable	151,126	147,887
Short-term loans payable	60,587	74,728
Lease obligations	610	558
Accrued income taxes	9,641	1,984
Contract liabilities	13,161	12,834
Accrued bonuses	5,946	6,123
Provision for directors' bonuses	83	41
Other current liabilities	49,901	48,904
Total current liabilities	291,058	293,061
Long-term liabilities		
Long-term debt	3,000	—
Lease obligations	658	638
Deferred tax liabilities	117	128
Liability for retirement benefits	386	427
Other long-term liabilities	602	704
Total long-term liabilities	4,765	1,899
Total liabilities	295,824	294,961
NET ASSETS		
Shareholders' Equity		
Paid-in capital	14,040	14,040
Additional paid-in capital	36,764	30,671
Retained earnings	171,537	182,406
Treasury share	△5,714	△1,330
Total shareholders' equity	216,627	225,788
Other Comprehensive Income		
Unrealized holding gains on securities	501	323
Gain (loss) on deferred hedge	△93	132
Translation adjustments	27,279	26,169
Total comprehensive income	27,686	26,625
Non-controlling interests	12,106	9,063
Total net assets	256,420	261,477
Total Liabilities & Net Assets	552,244	556,438

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income		(Millions of yen)
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	1,028,718	1,034,180
Cost of sales	899,101	912,928
Gross profit	129,617	121,252
Selling, general & administrative expenses	65,884	81,602
Operating income	63,733	39,649
Non-operating income		
Interest income	344	661
Dividend income	222	295
Equity in net gain of affiliates	351	—
Foreign exchange gains	9	—
Other	646	776
Total non-operating income	1,573	1,732
Non-operating expenses		
Interest expense	1,890	1,898
Equity in net loss of affiliates	—	10
Foreign exchange losses	—	1,168
Loss on transfer of receivables	520	557
Product compensation expenses	754	251
Other	175	178
Total non-operating expenses	3,340	4,064
Ordinary income	61,966	37,318
Extraordinary income		
Proceeds from sale of investment securities	1,006	251
Gain on sales of shares of subsidiaries and associates	902	—
Gain on liquidation of subsidiaries and associates	—	279
Gain on negative goodwill	3,703	612
Other	8	14
Total extraordinary income	5,621	1,158
Extraordinary losses		
Impairment loss	—	355
Loss on valuation of investment securities	1,270	234
Loss on valuation of shares of subsidiaries and associates	—	129
Loss on withdrawal from pension fund	—	94
Loss on ESOP Trust terminations	—	74
Other	54	96
Total extraordinary losses	1,324	984
Income before income taxes	66,263	37,491
Corporate, inhabitant and enterprise taxes	17,426	9,961
Income taxes-deferred	108	696
Total corporate tax	17,534	10,658
Net income	48,728	26,833
Net income attributable to non-controlling interests	658	1,553
Net income attributable to owners of parent	48,069	25,279

Consolidated Statement of Comprehensive Income		(Millions of yen)
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income	48,728	26,833
Other comprehensive income		
Unrealized holding gains on securities	139	△265
Gain (loss) on deferred hedge	△132	226
Translation adjustments	11,541	△1,461
Other comprehensive income of entities under equity method	58	△9
Total comprehensive income	11,607	△1,509
Comprehensive income	60,335	25,324
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	59,054	24,226
Comprehensive income attributable to non-controlling interests	1,280	1,097

(3) Consolidated Statement of Changes to Shareholders' Equity**Previous Consolidated Fiscal Year (April 1, 2023 – March 31, 2024)**

(Millions of yen)

	Shareholders' Equity				
	Paid-in capital	Additional paid-in capital	Consolidated retained earnings	Treasury shares	Total shareholders' equity
Balance at start of period	14,040	37,066	132,857	△872	183,091
Changes in the fiscal year:					
Dividend of surplus			△9,389		△9,389
Net Income attributable to owners of parent			48,069		48,069
Purchase treasury shares				△5,003	△5,003
Disposal of treasury shares		151		161	313
Equity transactions with non-controlling interests		△453			△453
Net change in other than shareholders' equity					
Changes in fiscal year (Total)	—	△301	38,679	△4,842	33,536
Balance at end of period	14,040	36,764	171,537	△5,714	216,627

	Other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gain on securities	Gain (loss) on deferred hedge	Translation adjustments	Total comprehensive income		
Balance at start of period	333	38	16,329	16,701	7,969	207,762
Changes in the fiscal year:						
Dividend of surplus						△9,389
Net Income attributable to owners of parent						48,069
Purchase of treasury share						△5,003
Disposal of treasury share						313
Equity transactions with non-controlling interests						△453
Net change in other than shareholders' equity	168	△132	10,949	10,985	4,136	15,121
Changes in fiscal year (Total)	168	△132	10,949	10,985	4,136	48,658
Balance at end of period	501	△93	27,279	27,686	12,106	256,420

Current Consolidated Fiscal Year (April 1, 2024 – March 31, 2025)

(Millions of yen)

	Shareholders' Equity				
	Paid-in capital	Additional paid-in capital	Consolidated retained earnings	Treasury shares	Total shareholders' equity
Balance at start of period	14,040	36,764	171,537	△5,714	216,627
Changes in the fiscal year:					
Dividend of surplus			△13,501		△13,501
Net Income attributable to owners of parent			25,279		25,279
Changes in the scope of consolidation			△909		△909
Purchase of treasury share				△3,001	△3,001
Disposal of treasury share		7		304	311
Cancellation of treasury shares		△7,081		7,081	—
Equity transactions with non-controlling interests		980			980
Net change in other than shareholders' equity					
Changes in fiscal year (Total)	—	△6,093	10,869	4,384	9,160
Balance at end of period	14,040	30,671	182,406	△1,330	225,788

	Other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gain on securities	Gain (loss) on deferred hedge	Translation adjustments	Total comprehensive income		
Balance at start of period	501	△93	27,279	27,686	12,106	256,420
Changes in the fiscal year:						
Dividend of surplus						△13,501
Net Income attributable to owners of parent						25,279
Changes in scope of consolidation						△909
Purchase of treasury share						△3,001
Disposal of treasury share						311
Cancellation of treasury shares						—
Equity transactions with non-controlling interests						980
Net change in other than shareholders' equity	△178	226	△1,110	△1,061	△3,042	△4,104
Changes in fiscal year (Total)	△178	226	△1,110	△1,061	△3,042	5,056
Balance at end of period	323	132	26,169	26,625	9,063	261,477

(4) Consolidated Cash Flow Statements

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating Activities		
Income before income taxes	66,263	37,491
Depreciation and amortization	3,620	3,897
Impairment loss	—	355
Gain on negative goodwill	△3,703	△612
Interest and dividend income	△567	△956
Interest expense	1,890	1,898
Equity in net loss of affiliates	△351	10
Loss (gain) on translation	△1,020	231
Proceeds from sale of investment securities	△1,006	△251
Loss on valuation of investment securities	1,270	234
Gain on sales of shares of subsidiaries and associates	△902	—
Loss on valuation of shares of subsidiaries and associates	—	129
Gain on liquidation of subsidiaries and associates	—	△279
Loss on withdrawal from pension fund	—	94
Loss on ESOP Trust termination	—	74
Change in notes and accounts receivable	23,193	△8,100
Change in inventories	16,032	△788
Changes in trade payable	△48,900	△2,028
Other	7,735	9,156
Sub-total	63,553	40,556
Interest and dividends received	526	940
Interest paid	△1,907	△1,766
Corporate tax payment (refund)	△22,223	△15,497
Net cash provided by (used in) operating activities	39,949	24,232
Investing Activities		
Proceeds from withdrawal of time deposits	—	6
Disbursement of loans	△1,724	△1,340
Proceeds from collection of loans	626	1,229
Purchases of property and equipment	△1,368	△1,657
Proceeds from sales of property and equipment	8	14
Purchases of intangible assets	△902	△1,948
Purchases of investment securities	△743	△107
Proceeds from sales of investment securities	306	342
Purchases of shares of affiliate	△1,123	△981
Gain on sale of shares of affiliate	485	—
Proceeds from liquidation of affiliates	—	353
Payments for transfer of business	—	△2,237
Purchase of shares of subsidiaries	—	△3,194
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△13,987	—
Other	△36	△52
Net cash provided by (used in) investing activities	△18,457	△9,573

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Financing Activities		
Change in short-term loans	△1,784	17,496
Repayment of long-term debt	△4,000	△5,265
Proceeds from issuance of common shares	29	—
Proceeds from share issuance to non-controlling shareholders	—	1,609
Purchase of treasury shares	△5,003	△3,001
Cash dividends paid	△9,385	△13,492
Dividends paid to non-controlling interests	△1,118	△500
Proceeds from purchases of shares of the affiliate not resulting in change in scope of consolidation	△961	△173
Other	△791	△901
Net cash provided by (used in) financing activities	△23,014	△4,229
Translation adjustments on cash and cash equivalents	2,654	△748
Net increase (decrease) in cash and cash equivalents	1,131	9,681
Cash and cash equivalents at the beginning of the year	37,492	38,623
Increase in cash and cash equivalents from newly consolidated subsidiary	—	148
Cash and cash equivalents at end of the period	38,623	48,452

(5) Notes to Consolidated Financial Statements

Note on going concern assumptions

-- Not applicable

Changes in accounting policies:

-- Application of Accounting Standards for Corporate, Inhabitant and Enterprise Taxes

The Accounting Standards for Corporate, Inhabitant and Enterprise Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standards 2022") have been applied from the beginning of the current consolidated fiscal year.

The amendment to categories in which Corporate, Inhabitant and Enterprise Taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standards 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policy will have no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been applied since the beginning of the current consolidated fiscal year. This change in accounting policy was applied retrospectively. Hence, the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

Segment information

1. Overview of reportable segments

(1) Method of determining reportable segments

The Company's reportable segments are constituent units of the Group for which separate financial statements are available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group is engaged in integrated circuits, electronic devices, networks, and other related businesses. The Company and its consolidated subsidiaries are established according to the products and services they handle, and each of them, as an independent management unit, formulates comprehensive domestic and overseas strategies and conducts business activities.

(2) Type of products and services belonging to each reportable segment

Accordingly, the Group is composed of business segments based on products and services, and has two reportable segments; the 'ICs, Electronic Devices and other business' segment, which handles integrated circuits, electronic devices, and other products, and the 'Network business' segment, which handles network-related hardware, software, and services.

2. Calculating sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods applied to the reportable segments are generally consistent with those used in the preparation of the consolidated financial statements.

Intersegment sales and transfers are based on market values.

3. Sales, profit or loss, assets, liabilities and other items by reportable segment

Previous Consolidated Fiscal Year (April 1, 2023 – March 31, 2024)

Sales and profit (loss) by segment

(Millions of yen)

	Reportable segment			Other	Total
	ICs, electronic devices and other business	Network business	Sub-total		
Sales					
1) Sales to external customers	907,803	120,914	1,028,718	—	1,028,718
2) Internal sales, segment transfers	—	18	18	—	18
Total	907,803	120,933	1,028,737	—	1,028,737
Operating income by segment	56,655	7,077	63,732	—	63,732
Assets by segment	501,251	46,863	548,114	—	548,114
Others					
Depreciation	2,962	657	3,620	—	3,620
Amortization of goodwill	462	185	648	—	648
Equity in net loss of affiliates	—	351	351	—	351
Investments accounted for using equity method	—	552	552	—	552

Increase of tangible and intangible assets	2,985	1,008	3,994	—	3,994
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Current Consolidated Fiscal Year (April 1, 2024 – March 31, 2025)

Sales and profit (loss) by segment

(Millions of yen)

	Reportable segment			Other	Total
	ICs, electronic devices and other business	Network business	Sub-total		
Sales					
1) Sales to external customers	880,242	153,938	1,034,180	—	1,034,180
2) Internal sales, segment transfers	—	5	5	—	5
Total	880,242	153,943	1,034,186	—	1,034,186
Operating income by segment	26,328	13,320	39,649	—	39,649
Assets by segment	489,409	63,232	552,641	—	552,641
Others					
Depreciation	3,220	676	3,897	—	3,897
Amortization of goodwill	598	98	696	—	696
Equity in net loss of affiliates	—	△10	△10	—	△10
Investments accounted for using equity method	—	533	533	—	533
Increase of tangible and intangible assets	3,325	1,048	4,373	—	4,373

4. Income (loss) by segment & consolidated statements of income (reconciliation)

(Millions of yen)

Income	FY2023	FY2024
Total segment income	1,028,737	1,034,186
Elimination of intersegment income	△18	△5
Net sales in consolidated statement of income	1,028,718	1,034,180

(Millions of yen)

Income	FY2023	FY2024
Total segment income	63,732	39,649
Elimination of intersegment income	0	0
Operating income in consolidated statement of income	63,733	39,649

(Millions of yen)

Income	FY2023	FY2024
Total segment income	548,114	552,641
Elimination of intersegment income	△3,012	△2,745
Corporate-wide expenses*	7,142	6,541
Net assets in the consolidated statement of income	552,244	556,438

Note: 'Corporate-wide expenses' refers mainly to land and investment securities not included in reportable segment.

(Millions of yen)

	Segment Total		Other		Amount of adjustment		Amount on statement of income	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Depreciation	3,620	3,897	—	—	—	—	3,620	3,897
Amortization of goodwill	648	696	—	—	—	—	648	696
Equity in net loss of affiliates	351	△10	—	—	—	—	351	△10
Investments accounted for using equity method	552	533	—	—	—	—	552	533
Increase of tangible and intangible assets	3,994	4,373	—	—	—	—	3,994	4,373

Per share information

	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Net assets per share	1,357.63 yen	1,414.76 yen
Net income per share	264.88 yen	140.93 yen

Notes:

1. Diluted net income per share is not stated as there was no potential dilution.
2. The Company conducted a 1-for-3 share split of its common shares, effective October 1, 2024. Net assets per share and Net income per share calculated assuming the share split was conducted at the beginning of previous fiscal year.
3. Basis for calculation of net income per share is stated below:

	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Net income per share		
Net Income attributable to owners of parent for the fiscal year	48,069 million yen	25,279 million yen
Amount not returned to common share shareholders	—	—
Net Income attributable to owners of parent relating to common shares	48,069 million yen	25,279 million yen
Average number of common shares outstanding during period	181,477,968 shares	179,378,062 shares

4. Basis for calculation of net asset per share is stated below:

	As of March 31, 2024	As of March 31, 2025
Total net assets	256,420 million yen	261,477 million yen
Amount deducting from total net assets	12,106 million yen	9,063 million yen
Non-controlling interests	(12,106 million yen)	(9,063 million yen)
Net assets applicable to common share at the end of current period	244,314 million yen	252,413 million yen
Number of common shares at end of period used for calculation of net assets per share	179,955,816 shares	178,414,661 shares

Subsequent events

--Not applicable