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



May 13, 2025

Company name: Icom Incorporated
 Listing: Tokyo Stock Exchange
 Securities code: 6820
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 – March 31, 2025)

(1) Consolidated operating results (cumulative)

(% indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	37,468	0.9	3,721	9.0	3,902	△11.6	2,951	△14.7
March 31, 2024	37,117	8.6	3,415	19.8	4,416	35.4	3,461	34.4

Note: Comprehensive income For the Fiscal year ended March 31, 2025 ¥3,007 million [△52.5%]
 For the Fiscal year ended March 31, 2024 ¥6,328 million [84.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	205.63	—	4.4	5.3	9.9
March 31, 2024	241.19	—	5.5	6.3	9.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the Fiscal year ended March 31, 2025 ¥1 million
 For the Fiscal year ended March 31, 2024 ¥40 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	73,888	67,359	91.2	4,693.31
March 31, 2024	73,159	65,745	89.9	4,580.77

Reference: Equity As of March 31, 2025 ¥67,359 million
 As of March 31, 2024 ¥65,745 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,513	△2,669	△1,393	24,348
March 31, 2024	2,208	△3,675	△1,124	25,993

2. Cash dividends

	Annual dividends per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter- end	Second quarter-end	Third quarter-end	Fiscal year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	25.00	—	72.00	97.00	1,392	40.2	2.2
Fiscal year ended March 31, 2025	—	25.00	—	58.00	83.00	1,191	40.4	1.8
Fiscal year ending March 31, 2026 (Forecast)	—	25.00	—	71.00	96.00		40.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 -March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	18,400	2.8	1,210	△24.7	1,460	△0.4	1,200	14.2	83.61
Full year	40,000	6.8	4,000	7.5	4,460	14.3	3,430	16.2	238.99

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: 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 reasons other than (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(Note) For details, please see “3. Consolidated Financial Statements and Main Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policies)” on page16 of the attached document.

(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	14,850,000 shares
As of March 31, 2024	14,850,000 shares

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

As of March 31, 2025	497,673 shares
As of March 31, 2024	497,623 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	14,352,354 shares
Fiscal year ended March 31, 2024	14,352,469 shares

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024, - March 31, 2025)

(1) Non-consolidated operating results (cumulative)

(% indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31,2025	30,550	△6.9	2,911	△12.8	3,061	△27.6	2,376	△26.9
March 31,2024	32,802	14.2	3,339	52.5	4,229	67.4	3,251	61.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31,2025	165.60	—
March 31,2024	226.54	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2025	57,140	52,776	92.4	3,677.18
March 31,2024	57,372	51,994	90.6	3,622.72

Reference: Equity As of March 31, 2025 ¥52,776 million
As of March 31, 2024 ¥51,994 million

*These consolidated financial results are outside the scope of review by certified public accountants and audit corporations.

* Explanation of the proper use of performance forecast and other notes

The forward-looking statements concerning future financial results presented in this document are prepared based on the information currently available for the Company and certain preconditions which the Company believes to be reasonable at this time. Actual results may be substantially different from any projections presented herein due to various factors. Please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page7 of the Attachments for the assumptions underlying the financial results forecasts and precautions when using the forecasts.

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1. Qualitative Information on the Full Year Financial Results

(1) Explanation of Operating Results

The Group started its “Medium Term Business Plan 2026” (fiscal year ended March 31, 2024 to fiscal year ending March 31, 2026), with the slogan “making Icom a 100-year company”, focusing on strategies of strengthening our core business to generate profits. We are now in the second year of this business plan.

During the fiscal year ended March 31, 2025, the global economy remained resilient, with the United States economy showing signs of a gradual slowdown in inflation, which had been a concern. In Europe, southern European countries showed signs of recovery overall, but conditions varied by country in northern and western Europe. In Germany, one of our Group's major markets, the economy continued to stagnate due to weakness in the manufacturing sector.

In Japan, the economy continued to recover moderately supported by factors such as improved income conditions and increased inbound demand. However, the outlook remains uncertain due to factors such as the trend in US trade policy, further escalation of geopolitical risks, and the sharp rise in raw material and energy prices, as well as rapid exchange rate fluctuations against the backdrop of an unstable international environment.

In this economic environment, in the wireless communications equipment market, where the Group participates, demand for land mobile radio communication equipment is growing worldwide due to the replacement of legacy two-way radio equipment with IP radios. On the other hand, in export markets, as companies have recovered their supply capacity after the resolution of difficulties in procuring electronic components and raw materials, there has been a temporary surplus in inventory in the North, Central, and South American markets, resulting in a slump in sales to the business market. In the marine and aviation radio communication equipment categories, ongoing economic uncertainty and stagnant leisure demand led to sluggish growth in boat orders, resulting in subdued demand for radio equipment. In the amateur radio communication equipment segment, various initiatives by the Group and the launch of new products, including those related to our 60th anniversary, contributed to expanding demand.

Because of these factors, including continued growth in the recurring revenue (stock) business due to increased demand for IP radios, the acquisition of various projects in the domestic market, and a weaker yen compared to initial forecasts, net sales reached a record high for the third consecutive term, and operating income also increased by 9.0%.

Consolidated net sales for the fiscal year amounted to 37,468 million yen (up 0.9% year-on-year), and gross profit reached 16,649 million yen (up 3.8% year-on-year). Selling, general, and administrative expenses increased by 306 million yen to 12,927 million yen due to an increase in personnel expenses, the impact of yen depreciation, and an increase in advertising activities. Operating profit was 3,721 million yen (up 9.0% year-on-year) due to increased sales. Ordinary profit was 3,902 million yen (down 11.6% year-on-year) due to foreign exchange losses of 222 million yen, and profit attributable to owners of parent was 2,951 million yen (down 14.7% year-on-year).

The average exchange rates applied to the U.S. dollar and euro during the period were 152.72 yen and 163.94 yen, respectively, so yen depreciation against the U.S. dollar was 6.7% and against the euro 6.3% compared with the same period last year.

Segment results are as follows.

Reference: Sales by Region

	Previous Fiscal Year (April 1, 2023~ March 31, 2024)		Current Fiscal Year (April 1, 2024~ March 31, 2025)		Increase/ Decrease (%)
	Total (Million Yen)	Ratio (%)	Total (Million Yen)	Ratio (%)	
Japan	11,337	30.5	12,496	33.4	10.2
North America	12,032	32.4	10,652	28.4	(11.5)
Europe (EMEA)	6,245	16.8	6,278	16.7	0.5
Asia/Oceania	5,955	16.1	6,545	17.5	9.9
Others (Incl. Central/South America)	1,546	4.2	1,495	4.0	(3.3)
Export total	25,779	69.5	24,972	66.6	(3.1)
Total sales	37,117	100.0	37,468	100.0	0.9

〔Results by Category〕

• Land Mobile Radio Communication Equipment

Sales of land mobile radio communication equipment in the current consolidated fiscal year decreased 2.9% year-on-year to 17,289 million yen. Although there were positive factors such as growing demand from increased geopolitical risks and IP radio equipment replacing legacy two-way radio equipment, as well as the acquisition of various projects in Japan, total sales decreased due to a temporary excess of inventory in North, Central, and South America.

• Amateur Radio Communication Equipment

Sales of amateur radio equipment for the current consolidated fiscal year increased 12.2% year-on-year to 6,745 million yen. This was due to various initiatives by the Group and the launch of new products, including those related to our 60th anniversary, resulting in increased sales in all regions except Central and South America.

• Marine Radio Communication Equipment

Sales of marine radio communication equipment for the current consolidated fiscal year decreased 9.9% year-on-year to 3,635 million yen. Demand for boats stagnated in all regions due to sluggish leisure demand, resulting in a slump in shipments of radio equipment and a decline in sales.

• Others

Sales of accessories and other items for the current consolidated fiscal year increased 5.9% year-on-year to 9,798 million yen. Sales of optional items for radio products remained strong due to the acquisition of various projects in Japan, resulting in increased sales.

Segment results are as follows.

(Segment results are presented as geographic segments, the reporting segments of the Group, which differs from the “Sales by Region”.)

1) Japan [the Company, Wakayama Icom, Inc., Icom Information Equipment Inc., Macrotechnos, Co., Ltd. and Comforce, Inc.]

Domestic market: (Sales from Japan to the domestic market)

This segment saw an increase in sales due to increased demand in the land mobile radio category due to the replacement of legacy two-way radio equipment with IP radio, growth in the recurring revenue (stock) business, and sales from various projects.

Overseas markets: (Sales from Japan to overseas markets excluding Company subsidiaries)

Sales increased due to the launch of new products related to the 60th anniversary and new products for amateur radio equipment in Europe, increased demand for IP radios in the land mobile radio communication equipment category, and significant growth in sales of models targeted for sales expansion in Asia.

As a result, sales to external customers in this segment amounted to 21,125 million yen (up 8.5% year-on-year), and operating profit was 2,998 million yen (down 15.1% year-on-year) due to a decrease in internal sales, as well as an increase in selling, general, and administrative expenses resulting from higher personnel expenses and advertising activities.

2) North America [Icom America, Inc., ICOM CANADA HOLDINGS INC., ICOM DO BRASIL RADIOCOMUNICACAO LTDA., ICOM CENTRAL AMERICA, S. DE R. L. DE C. V.]

Sales of amateur radio equipment increased due to the release of products related to our 60th anniversary and other new products. However, in the marine and aviation radio communication equipment categories, ongoing economic uncertainty and stagnant leisure demand led to sluggish growth in boat orders, resulting in subdued demand for radio equipment. For land mobile radio communication equipment, sales were maintained in Central and South America due to increased demand for satellite communication equipment, but revenue was down due to the significant impact of a prolonged market inventory glut caused by a temporary oversupply following the resolution of parts procurement difficulties. The exchange rate against the US dollar weakened by 6.7% compared to the same period last year.

As a result, sales to external customers in this segment amounted to 12,137 million yen (down 11.1% year-on-year). In terms of profit, operating profit was 133 million yen (down 75.3% year-on-year) due to the impact of lower revenue and an increase in selling and general administrative expenses caused by the yen's depreciation.

3) Europe [Icom (Europe) GmbH, Icom Spain, S.L.]

Sales of amateur radio communication equipment were strong underpinned by robust demand and the launch of 60th anniversary related products and other new products. Although there was an impact from the decrease in demand due to the slowdown in economic activity in land mobile radio communication equipment and aviation radio communication equipment, there was an increase in revenue due to the acquisition of projects and growth in satellite communications equipment. The exchange rate against the euro weakened by 6.3% compared to the same period last year.

As a result, sales to external customers in this segment amounted to 2,630 million yen (up 8.6% year-on-year). In terms of profit, operating profit was 165 million yen (down 15.1% year-on-year) due to an increase in selling and general administrative expenses caused by the impact of the yen's depreciation and an increase in depreciation expenses arising from the acquisition of fixed assets.

4) Asia and Oceania [Icom (Australia) Pty. Ltd., PURECOM CO., LTD., ICOM ASIA CO., LTD.]

In Australia, the main market in this segment, sales of amateur radio communication equipment, marine radio communication equipment and aviation radio communication equipment declined due to sluggish demand caused by the impact of rising prices. However, sales of land mobile radio communication equipment increased due to strong demand for CB radios, as well as increased demand for satellite radio communication equipment, IP radios, and growth in radio rental business.

As a result, sales to external customers in this segment were 1,575 million yen (up 0.4% year-on-year). In terms of profit, operating profit was 142 million yen (up 4.5% year-on-year) due to the increase in sales.

(2) Overview of Financial Position

(Assets)

Total assets increased by 729 million yen compared to the end of the previous fiscal year to 73,888 million yen.

The main breakdown of components shows that the reasons for the increase were an increase of 1,091 million yen in retirement benefit assets, an increase of 952 million yen in land, an increase of 421 million yen in accounts receivable, an increase of 254 million yen in investment securities, an increase of 134 million yen in buildings and structures, and an increase of 45 million yen in construction in progress, as well as a decrease of 832 million yen in cash and deposits, a decrease of 559 million yen in inventories (total), a decrease of 500 million yen in securities, a decrease of 158 million yen in machinery, equipment, and vehicles, and a decrease of 147 million yen in other non-current assets.

In addition, the main component of the decrease of 147 million yen in other non-current assets is a decrease of 183 million yen in tools, furniture, and fixtures.

(Liabilities)

Total liabilities decreased by 885 million yen compared to the end of the previous fiscal year to 6,528 million yen.

The main breakdown of components shows that the reasons for the decrease were an increase of 519 million yen in deferred tax liabilities and an increase of 48 million yen in retirement benefit liability, and a decrease of 964 million yen in income taxes payable, a decrease of 201 million yen in accounts payable, a decrease of 194 million yen in provisions for bonuses, and a decrease of 158 million yen in accounts payable - trade.

(Net Assets)

Total net assets increased by 1,614 million yen from the end of the previous fiscal year to 67,359 million yen.

The main breakdown of components shows that the reasons for the increase were an increase of 2,951 million yen in profit attributable to owners of parent, and an increase of 568 million yen due to remeasurements of defined benefit plans, offset by a decrease of 1,392 million yen due to dividends of surplus, a decrease of 309 million yen in foreign currency translation adjustment, and a decrease of 203 million yen in valuation difference on available-for-sale securities.

As a result of the above, the equity ratio increased from 89.9% to 91.2%.

(3) Consolidated Statement of Cash Flow

As of the end of the current fiscal year, the balance of cash and cash equivalents decreased by 1,645 million yen compared to the end of the previous fiscal year, totaling 24,348 million yen. The status of cash flows and the main factors during the current fiscal year are as follows.

(Cash flows from operating activities)

Cash provided by operating activities amounted to 2,513 million yen (cash provided of 2,208 million yen in the previous fiscal year). The main factors contributing to cash inflows were profit

before income taxes of 3,913 million yen, depreciation of 1,099 million yen, and a decrease in inventories of 485 million yen. On the other hand, the main factors contributing to cash outflows were income taxes paid of 1,566 million yen, an increase in trade receivables of 490 million yen, a decrease in other operating activities of 481 million yen, interest and dividend income of 387 million yen, and a decrease in trade payables of 158 million yen.

In addition, the main reason for the decrease of 481 million yen due to other operating activities is attributable to a decrease of 193 million yen in provisions for bonuses and a decrease of 125 million yen in accounts payable - other.

(Cash flows from investing activities)

Cash used in investing activities amounted to 2,669 million yen (cash used of 3,675 million yen in the previous fiscal year). The main factors contributing to cash outflows were purchase of property, plant and equipment of 1,953 million yen, an increase of 873 million yen in time deposits with a deposit period of over three months, purchase of investment securities of 872 million yen, and outflow of 95 million yen from other investing activities. On the other hand, the main factors contributing to cash inflows were proceeds from sale and redemption of securities of 600 million yen, interest and dividends received of 385 million yen, and proceeds from sale of investment securities of 158 million yen.

In addition, the main reason for the decrease of 95 million yen in other investing activities is due to a decrease of 100 million yen in beneficial interests in trust.

(Cash flows from financing activities)

Cash used by financing activities amounted to 1,393 million yen (cash used of 1,124 million yen in the previous fiscal year). The main component was dividends paid of 1,392 million yen.

(4) Outlook

In the fiscal year ended March 31, 2025, in addition to geopolitical risks in Ukraine and the Middle East, uncertainty continued due to rising prices and logistics costs caused by the weak yen. Furthermore, the impact of US tariffs on the global economy has become a new cause for concern.

In the wireless communication equipment market targeted by our Group for the fiscal year ending March 31, 2026, these concerns may also affect demand. However, we will continue to focus on land mobile radio communication equipment, aiming to capture growing domestic demand and new demand overseas through customization. Additionally, leveraging our Group's strengths in handling multiple communication fields such as land mobile radio communication equipment, amateur radio communication equipment, and marine radio communication equipment applications, we will capture customer needs across a wide range of areas. Net sales are expected to exceed the level of the fiscal year ended March 31, 2025. Operating profit and ordinary profit are projected based on the assumption of continued proactive capital investments, strengthened advertising and promotional activities, and increased labor costs, despite the uncertainty surrounding the impact of U.S. tariffs.

Furthermore, the environment surrounding our Group is undergoing rapid diversification of communication technologies due to digitalization. In line with our Medium-Term Business Plan, which identifies “strengthening core technologies” and “challenging new business models” as key strategies, as a further expansion of our IP wireless technology, which has been growing in sales in

recent years, We will expand systems business that includes communication applications (apps) developed by our Group and external partner companies, in addition to sales of wireless devices and recurring revenue (stock) business. We will also actively pursue strategic partnerships that will generate synergies.

Based on these assumptions, we have formulated the following earnings forecast for the fiscal year ending March 31, 2026. In regards to the U.S. tariffs, we have maintained a certain level of inventory in the United States since before the measures took effect, and we will be aiming to meet domestic demand in the United States with existing inventory for as long as possible. We will consider further measures depending on the outcome of negotiations between the Japanese and United States governments.

	Consolidated Fiscal Year Ended March 31, 2025	Consolidated Fiscal Year Ending March 31, 2026	(Millions of yen) Year-on-year Change
Sales	37,468	40,000	2,531
Operating Profit	3,721	4,000	278
Ordinary Profit	3,902	4,460	557
Profit attributable to owners of parent	2,951	3,430	478

The average exchange rates assumed in the forecasts are 150 yen to the U.S. dollar and 160 yen to the euro.

2. Basic Approach to the Selection of Accounting Standards

The consolidated financial statements of the Company are currently prepared in accordance with Japanese standards. The Company will continue to monitor developments in the various accounting standards available for selection and will always consider the application of the most appropriate accounting standards with a view to the future.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	27,838	27,005
Notes receivable - trade	212	251
Accounts receivable - trade	5,019	5,441
Securities	600	99
Merchandise and finished goods	7,174	7,617
Work in process	107	93
Raw materials and supplies	7,111	6,122
Other	2,046	2,085
Allowance for doubtful accounts	(32)	(32)
Total current assets	50,077	48,685
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,488	2,623
Machinery, equipment and vehicles, net	538	380
Land	4,564	5,516
Construction in progress	43	88
Other, net	1,083	936
Total property, plant and equipment	8,718	9,544
Intangible assets	144	108
Investments and other assets		
Investment securities	8,193	8,447
Retirement benefit asset	1,259	2,351
Deferred tax assets	372	347
Guarantee deposits	3,062	3,066
Other	1,335	1,342
Allowance for doubtful accounts	(6)	(5)
Total investments and other assets	14,217	15,550
Total non-current assets	23,081	25,203
Total assets	73,159	73,888

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,382	1,224
Accounts payable - other	982	780
Income taxes payable	1,115	151
Provision for bonuses	1,085	890
Provision for product warranties	138	146
Other	1,283	1,321
Total current liabilities	5,988	4,515
Non-current liabilities		
Retirement benefit liability	580	628
Deferred tax liabilities	201	721
Other	643	662
Total non-current liabilities	1,425	2,012
Total liabilities	7,414	6,528
Net assets		
Shareholders' equity		
Share capital	7,081	7,081
Capital surplus	10,449	10,449
Retained earnings	44,702	46,261
Treasury shares	(1,446)	(1,446)
Total shareholders' equity	60,786	62,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,821	1,618
Foreign currency translation adjustment	2,474	2,164
Remeasurements of defined benefit plans	662	1,231
Total accumulated other comprehensive income	4,958	5,014
Total net assets	65,745	67,359
Total liabilities and net assets	73,159	73,888

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	37,117	37,468
Cost of sales	21,079	20,818
Gross profit	16,037	16,649
Selling, general and administrative expenses		
Advertising expenses	871	934
Packing and transportation costs	343	319
Provision of allowance for doubtful accounts	8	2
Salaries and allowances	3,127	3,402
Welfare expenses	896	1,007
Provision for bonuses	339	298
Retirement benefit expenses	92	78
Depreciation	257	256
Commission expenses	1,039	1,019
Experimentation and research expenses	3,962	4,005
Provision for product warranties	92	10
Other	1,590	1,592
Total selling, general and administrative expenses	12,621	12,927
Operating profit	3,415	3,721
Non-operating income		
Interest income	194	277
Dividend income	85	110
Gain on sale of investment securities	15	9
Foreign exchange gains	659	—
Other	74	36
Total non-operating income	1,029	433
Non-operating expenses		
Interest expenses	2	0
Foreign exchange losses	—	222
Other	27	29
Total non-operating expenses	29	252
Ordinary profit	4,416	3,902
Extraordinary income		
Gain on bargain purchase	—	21
Total extraordinary income	—	21
Extraordinary losses		
Loss on step acquisitions	—	10
Total extraordinary losses	—	10
Profit before income taxes	4,416	3,913
Income taxes - current	1,365	633
Income taxes - deferred	(410)	329
Total income taxes	954	962
Profit	3,461	2,951
Profit attributable to owners of parent	3,461	2,951

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,461	2,951
Other comprehensive income		
Valuation difference on available-for-sale securities	1,314	(203)
Foreign currency translation adjustment	1,093	(309)
Remeasurements of defined benefit plans, net of tax	458	568
Total other comprehensive income	2,866	55
Comprehensive income	6,328	3,007
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,328	3,007

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,081	10,449	42,274	(1,445)	58,359
Changes during period					
Dividends of surplus			(1,033)		(1,033)
Profit attributable to owners of parent			3,461		3,461
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,428	(0)	2,427
Balance at end of period	7,081	10,449	44,702	(1,446)	60,786

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	507	1,380	204	2,091	60,450
Changes during period					
Dividends of surplus					(1,033)
Profit attributable to owners of parent					3,461
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	1,314	1,093	458	2,866	2,866
Total changes during period	1,314	1,093	458	2,866	5,294
Balance at end of period	1,821	2,474	662	4,958	65,745

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,081	10,449	44,702	(1,446)	60,786
Changes during period					
Dividends of surplus			(1,392)		(1,392)
Profit attributable to owners of parent			2,951		2,951
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,559	(0)	1,558
Balance at end of period	7,081	10,449	46,261	(1,446)	62,345

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,821	2,474	662	4,958	65,745
Changes during period					
Dividends of surplus					(1,392)
Profit attributable to owners of parent					2,951
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	(203)	(309)	568	55	55
Total changes during period	(203)	(309)	568	55	1,614
Balance at end of period	1,618	2,164	1,231	5,014	67,359

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,416	3,913
Depreciation	1,164	1,099
Interest and dividend income	(279)	(387)
Foreign exchange losses (gains)	(30)	99
Decrease (increase) in trade receivables	164	(490)
Decrease (increase) in inventories	(1,044)	485
Increase (decrease) in trade payables	(433)	(158)
Other, net	(733)	(481)
Subtotal	3,224	4,079
Income taxes refund (paid)	(1,016)	(1,566)
Net cash provided by (used in) operating activities	2,208	2,513
Cash flows from investing activities		
Decrease (increase) in time deposits	(823)	(873)
Proceeds from sale and redemption of securities	—	600
Purchase of property, plant and equipment	(1,865)	(1,953)
Purchase of intangible assets	(127)	(18)
Purchase of investment securities	(680)	(872)
Proceeds from sale of investment securities	136	158
Interest and dividends received	272	385
Other, net	(588)	(95)
Net cash provided by (used in) investing activities	(3,675)	(2,669)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,033)	(1,392)
Other, net	(90)	(0)
Net cash provided by (used in) financing activities	(1,124)	(1,393)
Effect of exchange rate change on cash and cash equivalents	606	(96)
Net increase (decrease) in cash and cash equivalents	(1,985)	(1,645)
Cash and cash equivalents at beginning of period	27,978	25,993
Cash and cash equivalents at end of period	25,993	24,348

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as “Revised Accounting Standard of 2022”) and other ASBJ standards from the beginning of the fiscal year ended March 31, 2025.

Revisions to the categories for recording income taxes, etc., (taxation on other comprehensive income) conform to the transitional treatment established in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment established in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as “2022 Revised Guidance on Accounting Standard”). There are no impacts on the consolidated financial statements for the fiscal year ended March 31, 2025 due to these changes in accounting policies.

In addition, the Company applied the 2022 Revised Guidance on Accounting Standard to revisions to the treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses on shares of subsidiaries and other securities arising from sales between consolidated companies from the beginning of the fiscal year ended March 31, 2025. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the fiscal year ended March 31, 2024 have been prepared retrospectively. There are no impacts on the consolidated financial statements for the fiscal year ended March 31, 2024 due to this change in accounting policy.

(Additional information)

During the first quarter of the fiscal year ended March 31, 2025, we acquired additional shares of Comforce Co., Ltd., which was an equity-method affiliate, and made it a consolidated subsidiary. Therefore, this company is included in the scope of consolidation.

(Notes to Segment Information)

I. Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

1. Overview of Reportable Segments

The reportable segments of our group are the constituent units of our group for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating operating results.

The Company primarily manufactures and sells information and communication equipment. Additionally, its subsidiaries operate as independent business units, formulating comprehensive regional strategies for the products they handle and conducting business activities accordingly.

Therefore, the Group is structured into segments based on sales regions, consisting of four reportable segments: “Japan,” “North America” (primarily the United States and Canada), “Europe” (primarily Germany and Spain), and “Asia-Oceania” (primarily Australia, China, and Vietnam).

2. Method of calculating revenue, profit or loss, assets, and other items by reportable segment

The accounting methods for the reportable business segments are generally consistent with those described in “Significant Matters for the Preparation of Consolidated Financial Statements.”

Segment profit is based on operating profit.

Inter-segment revenues and transfers are based on market prices.

3. Information on the amounts of revenue, profit or loss, assets, and other items by reportable segment

(Millions of yen)

	Reportable Segments					Reconciling Items (Note 2) (Note 3)	Total (Note 1)
	Japan	North America	Europe	Asia/ Oceania	Total		
Sales							
(1) Revenues from external customer	19,478	13,648	2,421	1,568	37,117	—	37,117
(2) Transactions with other segments	13,698	3	—	296	13,999	(13,999)	—
Net sales	33,176	13,652	2,421	1,865	51,116	(13,999)	37,117
Operating profit (loss)	3,533	540	194	136	4,404	(988)	3,415
Segment assets	62,851	11,316	1,966	2,412	78,547	(5,388)	73,159
Other items							
Depreciation	1,016	104	28	13	1,164	—	1,164
Investment in equity method affiliates	126	—	—	—	126	—	126
Increase in tangible and intangible fixed assets	1,204	120	600	15	1,941	—	1,941

(Note) 1 Segment profit is adjusted to operating income in the consolidated statement of income.

2 The segment profit adjustment is the elimination of inter-segment transactions. There is no amount of non-allocable operating expenses.

3. Segment asset adjustment represent adjustments related to unrealized gains and eliminations of inter-segment transactions.

II. Current Fiscal Year (From April 1, 2024 to March 31, 2025)

1. Overview of Reportable Segments

The reportable segments of our group are the constituent units of our group for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Company primarily manufactures and sells information and communication equipment. Additionally, its subsidiaries operate as independent business units, formulating comprehensive regional strategies for the products they handle and conducting business activities accordingly.

Therefore, the Group is structured into segments based on sales regions, consisting of four reportable segments: “Japan,” “North America” (primarily the United States and Canada), “Europe” (primarily Germany and Spain), and “Asia-Oceania” (primarily Australia, China, and Vietnam).

2. Method of calculating amounts for revenue, profit or loss, assets, and other items by reportable segment.

The accounting methods for the reportable business segments are generally consistent with those described in “Significant Matters for the Preparation of Consolidated Financial Statements.”

Segment profit is based on operating profit.

Inter-segment revenues and transfers are based on market prices.

3. Information on net sales, income or loss, assets, and other items by reportable segment

(Millions of yen)

	Reportable Segments					Reconciling Items (Note 2) (Note 3)	Total (Note 1)
	Japan	North America	Europe	Asia/ Oceania	Total		
Sales							
(1) Revenues from external customer	21,125	12,137	2,630	1,575	37,468	—	37,468
(2) Transactions with other segments	9,921	2	0	214	10,139	(10,139)	—
Net sales	31,046	12,140	2,630	1,790	47,607	(10,139)	37,468
Operating profit (loss)	2,998	133	165	142	3,439	282	3,721
Segment assets	63,475	9,612	2,110	2,361	77,560	(3,671)	73,888
Other items							
Depreciation	952	113	19	13	1,099	—	1,099
Investment in equity method affiliates	20	—	—	—	20	—	20
Increase in tangible and intangible fixed assets	1,626	242	28	5	1,903	—	1,903

(Note) 1 Segment profit is adjusted to operating income in the consolidated statement of income.

2 The segment profit adjustment is the elimination of inter-segment transactions. There is no amount of non-allocable operating expenses.

3. Segment asset adjustment represent adjustments related to unrealized gains and eliminations of inter-segment transactions.

(Per share information)

	Previous Fiscal Year (April 1, 2023~ March 31, 2024)	Current Fiscal Year (April 1, 2024~ March 31, 2025)
Net asset value per share	4,580.77 yen	4,693.31 yen
Net income per share	241.19 yen	205.63 yen

(Note) 1. Net income per share after adjustment for latent shares is not stated because there are no latent shares.

2. The basis for calculating net income per share is as follows.

	Previous Fiscal Year (April 1, 2023~ March 31, 2024)	Current Fiscal Year (April 1, 2024~ March 31, 2025)
Net income per share		
Net income attributable to shareholders of the parent (million yen)	3,461	2,951
Amount not attributable to common shareholders (million yen)	—	—
Net income attributable to parent company shareholders for common stock (millions of yen)	3,461	2,951
Average number of common shares outstanding during the period (thousands)	14,352	14,352

(Significant subsequent events)

None applicable.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,574	17,722
Notes receivable - trade	206	251
Accounts receivable - trade	6,969	5,629
Securities	600	99
Merchandise and finished goods	3,273	4,168
Work in process	48	52
Raw materials and supplies	7,101	6,101
Advance payments to suppliers	97	85
Prepaid expenses	135	153
Beneficial interests in trust	1,400	1,500
Other	172	118
Allowance for doubtful accounts	(9)	(7)
Total current assets	37,570	35,875
Non-current assets		
Property, plant and equipment		
Buildings, net	1,103	1,169
Structures, net	21	20
Machinery and equipment, net	264	184
Vehicles, net	5	3
Tools, furniture and fixtures, net	642	476
Land	3,975	4,936
Construction in progress	34	29
Other, net	43	43
Total property, plant and equipment	6,090	6,864
Intangible assets		
Software	106	68
Other	4	0
Total intangible assets	111	69
Investments and other assets		
Investment securities	8,066	8,427
Shares of subsidiaries and associates	631	733
Investments in capital of subsidiaries and associates	140	136
Distressed receivables	0	0
Long-term prepaid expenses	140	142
Long-term loans receivable	498	484
Guarantee deposits	3,054	3,061
Other	1,119	1,378
Allowance for doubtful accounts	(51)	(32)
Total investments and other assets	13,600	14,331
Total non-current assets	19,801	21,264
Total assets	57,372	57,140

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,301	1,160
Accounts payable - other	1,145	1,021
Accrued expenses	245	236
Income taxes payable	807	—
Advances received	109	128
Deposits received	37	39
Unearned revenue	64	68
Provision for bonuses	817	665
Provision for product warranties	89	98
Other	7	5
Total current liabilities	4,625	3,424
Non-current liabilities		
Deferred tax liabilities	193	384
Long-term accounts payable - other	455	455
Other	103	100
Total non-current liabilities	752	940
Total liabilities	5,377	4,364
Net assets		
Shareholders' equity		
Share capital	7,081	7,081
Capital surplus		
Legal capital surplus	10,449	10,449
Total capital surplus	10,449	10,449
Retained earnings		
Legal retained earnings	293	293
Other retained earnings		
Reserve for tax purpose reduction entry of assets	0	0
General reserve	19,767	19,767
Retained earnings brought forward	14,029	15,013
Total retained earnings	34,089	35,073
Treasury shares	(1,446)	(1,446)
Total shareholders' equity	50,173	51,157
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,821	1,618
Total valuation and translation adjustments	1,821	1,618
Total net assets	51,994	52,776
Total liabilities and net assets	57,372	57,140

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	32,802	30,550
Cost of sales	21,025	19,035
Gross profit	11,776	11,515
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	8	(2)
Employees' salaries and allowances	1,247	1,370
Provision for bonuses	294	242
Provision for retirement benefits	90	75
Depreciation	105	104
Experimentation and research expenses	3,832	3,847
Provision for product warranties	89	9
Other	2,769	2,955
Total selling, general and administrative expenses	8,436	8,603
Operating profit	3,339	2,911
Non-operating income		
Interest income	112	178
Interest on securities	22	25
Dividend income	85	110
Gain on sale of investment securities	15	9
Foreign exchange gains	662	—
Rental income	128	129
Other	9	12
Total non-operating income	1,036	467
Non-operating expenses		
Foreign exchange losses	—	222
Rental expenses	89	79
Other	56	14
Total non-operating expenses	146	317
Ordinary profit	4,229	3,061
Extraordinary losses		
Loss on valuation of investment securities	77	4
Total extraordinary losses	77	4
Profit before income taxes	4,152	3,057
Income taxes - current	993	431
Income taxes - deferred	(92)	249
Total income taxes	900	680
Profit	3,251	2,376

(3) Non-consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			
		Legal capital surplus	Total capital surplus		Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry of assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	7,081	10,449	10,449	293	0	19,767	11,811	31,871
Changes during period								
Dividends of surplus							(1,033)	(1,033)
Profit							3,251	3,251
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	—	2,218	2,218
Balance at end of period	7,081	10,449	10,449	293	0	19,767	14,029	34,089

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,445)	47,955	507	507	48,463
Changes during period					
Dividends of surplus		(1,033)			(1,033)
Profit		3,251			3,251
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			1,314	1,314	1,314
Total changes during period	(0)	2,217	1,314	1,314	3,531
Balance at end of period	(1,446)	50,173	1,821	1,821	51,994

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry of assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	7,081	10,449	10,449	293	0	19,767	14,029	34,089
Changes during period								
Dividends of surplus							(1,392)	(1,392)
Profit							2,376	2,376
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	—	984	984
Balance at end of period	7,081	10,449	10,449	293	0	19,767	15,013	35,073

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,446)	50,173	1,821	1,821	51,994
Changes during period					
Dividends of surplus		(1,392)			(1,392)
Profit		2,376			2,376
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			(203)	(203)	(203)
Total changes during period	(0)	984	(203)	(203)	781
Balance at end of period	(1,446)	51,157	1,618	1,618	52,776