Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 11, 2026

Company name:	Macnica Holdings, Inc.
Listing:	TSE Prime
Securities code:	3132
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Scheduled date of the Ordinary General Meeting of Shareholders:	June 24, 2026
Scheduled date to commence dividend payments:	June 25, 2026
Scheduled date of securities report submission:	June 23, 2026
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, 2026

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

(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, 2026	1,214,196	17.4	41,950	5.8	37,392	0.2	27,765	9.8
March 31, 2025	1,034,180	0.5	39,649	△37.8	37,318	△39.8	25,279	△47.4

Note: Comprehensive income for the fiscal year ended March 31, 2026: 40,623 million yen [60.4%]
for the fiscal year ended March 31, 2025: 25,324 million yen [△58.0%]

	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, 2026	155.54	－	10.5	5.9	3.5
March 31, 2025	140.93	－	10.2	6.7	3.8

Reference: Equity method investment profit/loss for the fiscal year ended March 31, 2026: 40 million yen
for the fiscal year ended March 31, 2025: △10 million yen

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) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2026	700,887	289,115	39.8	1,562.10
March 31, 2025	556,438	261,477	45.4	1,414.76

Reference: Equity as of March 31, 2026: 278,932 million yen; as of March 31, 2025: 252,413 million yen

(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, 2026	18,774	△1,306	△15,158	54,370
March 31, 2025	24,232	△9,573	△4,229	48,452

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, 2025	―	105.00	―	35.00	―	12,547	49.7	5.0
March 31, 2026	―	35.00	―	35.00	70.00	12,499	45.0	4.7
Fiscal year ending March 31, 2027 (Forecast)	―	40.00	―	40.00	80.00		―	

Note: The Company conducted a 1-for-3 share split of its common shares, effective on 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 taken into account, the second quarter-end dividend for the year ended March 31, 2025 would be 35.00 yen per share and the annual dividend would be 70.00 yen per share.

3. Forecasted Consolidated Financial Results for the Fiscal Year Ending March 31, 2027

(April 1, 2026, to March 31, 2027) % 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
Fiscal year ending March 31, 2027	1,300,000	7.1	52,000	24.0	47,000	25.7	32,000	15.2	179.21

Notes

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

Newly included: None
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: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(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, 2026	179,072,146 shares
As of March 31, 2025	179,072,146 shares

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

As of March 31, 2026	509,089 shares
As of March 31, 2025	657,485 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	178,517,400 shares
Fiscal year ended March 31, 2025	179,378,062 shares

Note: The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024. The average number of shares outstanding during the period for the fiscal year ended March 31, 2025, is calculated on the assumption that 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, 2026

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

(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, 2026	14,026	△2.4	12,605	△1.9	12,909	△1.1	12,766	△1.2
March 31, 2025	14,368	△31.6	12,847	△34.3	13,055	△33.4	12,915	△33.8

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2026	71.51	―
March 31, 2025	72.00	―

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, 2026	90,832	87,383	96.2	489.37
March 31, 2025	90,803	86,828	95.6	486.67

Reference: Equity as of March 31, 2026: 87,383 million yen; as of March 31, 2025: 86,828 million yen.

* 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 "1. 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 continued to recover gradually, supported by recovery in employment and incomes, steady improvement in corporate earnings, and a gradual rebound in capital investment, despite the ongoing impact of rising prices. Globally, in addition to concerns about trade friction stemming from changes in US policy and existing geopolitical risks, newly heightened tensions in the Middle East have added further uncertainty, and the outlook remains unclear.

In the electronics industry, to which the Company belongs, demand for high-performance semiconductors such as memory and GPUs surged on the back of increased demand for generative AI servers, and the global semiconductor market reached a record size. In the industrial equipment market, capital investment in semiconductor manufacturing equipment used to produce these semiconductors remained strong. In the automotive market, although the overall market is sluggish, partly because the EV (electric vehicle) market grew more slowly than expected, demand for advanced control systems aimed at improved safety and automation has continued.

In the IT industry, the IT investment environment for enterprises remained favorable. With respect to security, ransomware attacks and supply-chain-based cyberattacks have occurred frequently, causing serious damage including information leakage and business disruption, and an increasing number of companies recognize cybersecurity risk as a management issue. In addition, as cloud usage and remote work have become established, external connections of corporate IT systems have grown and the areas that companies need to address have expanded. Interest is rising in zero trust, which assumes that users and devices on internal systems should not be trusted by default, in attack surface management (ASM), which visualizes and manages risks associated with information assets, and in solutions for data analysis and visualization.

As a result of the above, net sales for the current fiscal year were 1,214,196 million yen, up 17.4% year on year, operating income was 41,950 million yen, up 5.8% year on year, ordinary income was 37,392 million yen, up 0.2% year on year, and net income attributable to owners of the parent was 27,765 million yen, up 9.8% year on year.

Results by segment are as follows. Effective from the fiscal year ended March 31, 2026, the segment name "Network Business" has been changed to "Cybersecurity and Other IT Solutions Business." This is a change in name only; there are no changes in segment classification, scope, or measurement method.

ICs, Electronic Devices and Other Business

In this business segment, in the industrial equipment market, in addition to share expansion through new business channels in overseas markets, the market itself recovered, led by semiconductor manufacturing equipment. In the computer market, accelerating investment in generative AI drove increased demand both in Japan and overseas, particularly for high-performance AI servers. In the automotive market, although the market itself remained stagnant, our sales activities were recognized, leading to progress in the transfer of distribution channels.

As a result, net sales in this business for the fiscal year ended March 31, 2026 were 1,040,045 million yen, up 18.2% year on year. Operating income was 24,735 million yen, down 6.1% year on year, due to an increase in the proportion of overseas sales with relatively low profit margins, and an increase in selling, general and administrative (SG&A) expenses arising from investment for medium- to long-term business expansion into new businesses.

Cybersecurity and Other IT Solutions Business

In this business segment, awareness of the importance of security measures for client terminals continued to permeate, and endpoint security-related products continued to perform steadily. Against the backdrop of expanded use of cloud services and the spread of zero-trust security, solutions supporting safe content management on the cloud, as well as SASE (Secure Access Service Edge)-related products that integrate networks and security, grew steadily. In addition, overseas cybersecurity operations centered in Southeast Asia continued to grow steadily.

As a result, net sales in this business for the current fiscal year were 174,230 million yen, up 13.2% year on year, and operating income was 17,213 million yen, up 29.2% year on year.

Reference: Consolidated Net Sales by Product

			FY 2024	FY 2025	Y/Y change (%)
			Millions of yen	Millions of yen	
IC, Electronic Devices and Other Businesses			880,242	1,040,045	18.2
	IC		769,973	897,652	16.6
		PLD	73,368	98,943	34.9
		ASIC	18,722	16,616	△11.2
		ASSP	97,684	106,225	8.7
		Analog	235,747	306,000	29.8
		Memory	56,311	62,253	10.6
		Microcontroller	149,188	165,668	11.0
		Power and Other ICs	138,949	141,943	2.2
	Electronic Devices		73,003	80,203	9.9
	Other		37,265	62,190	66.9
Cybersecurity and Other IT Solutions Business			153,938	174,150	13.1
	Hardware		15,587	14,164	△9.1
	Software		115,964	133,847	15.4
	Service		22,386	26,138	16.8
Total			**1,034,180**	**1,214,196**	**17.4**

Notes:

1. Amounts are sales to external customers, excluding internal sales or transfer sales between segments.
2. Effective from the fiscal year ended March 31, 2026, the product item categories have been revised, and "Other Standard IC" has been split into "Microcontroller" and "Power and Other ICs." Accordingly, the figures for the fiscal year ended March 31, 2025 have also been retrospectively restated.

(2) Financial Position

Total assets at the end of the current consolidated fiscal year amounted to 700,887 million yen, an increase of 144,448 million yen compared to the end of the previous consolidated fiscal year.

Current assets increased by 142,936 million yen compared to the end of the previous fiscal year, due to increases of 15,942 million yen in electronically recorded receivables, 62,659 million yen in accounts receivable, 29,362 million yen in product, and 29,578 million yen in other current assets.

Fixed assets increased by 1,512 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 1,558 million yen in net defined benefit asset.

Current liabilities increased by 116,509 million yen compared to the end of the previous fiscal year. This was mainly due to increases of 77,367 million yen in notes and accounts payable, 3,202 million yen in accrued income taxes, 5,304 million yen in contract liabilities, 22,276 million yen in deposits received, and 5,808 million yen in other current liabilities.

Long-term liabilities increased by 301 million yen compared to the end of the previous fiscal year. This was mainly due to increases of 370 million yen in lease obligations and 203 million yen in deferred tax liabilities, despite a decrease of 263 million yen in other long-term liabilities.

Net assets increased by 27,638 million yen compared to the end of the previous fiscal year. This was mainly due to increases of 15,271 million yen in retained earnings, 11,259 million yen in translation adjustments, and 1,119 million yen in non-controlling interests.

(2) Cash Flows

The balance of cash and cash equivalents at the end of the current fiscal year was 54,370 million yen, up 5,917 million yen from 48,452 million yen at the end of the previous fiscal year.

Net cash provided by operating activities was 18,774 million yen, compared to 24,232 million yen in the previous fiscal year. This was mainly due to recording 38,641 million yen of income before income taxes and an increase in trade payable, despite increases in notes and accounts receivable and inventories.

Net cash used in investing activities was 1,306 million yen, compared to 9,573 million yen in the previous fiscal year. This was mainly due to disbursement of loans and purchases of property and equipment and intangible assets, despite proceeds from collection of loans and proceeds from sales of investment securities.

Net cash used in financing activities was 15,158 million yen, compared to 4,229 million yen in the previous fiscal year. This was mainly due to repayment of long-term debt and cash dividends paid.

(3) Future Outlook

Looking ahead to the next consolidated fiscal year, in the ICs, Electronic Devices and Others business, demand for AI servers is expected to remain steady both domestically and overseas, and a recovery in the domestic market is also expected in the industrial equipment market. However, the impact of memory product shortages caused by a sharp rise in AI demand remains uncertain at this time. In the Cybersecurity and Other IT Solutions business, the endpoint security market is expected to remain steady, and demand for cybersecurity is expected to increase further both domestically and overseas. In light of such business conditions, the forecast for the next consolidated fiscal year is net sales of 1,300,000 million yen, operating income of 52,000 million yen, ordinary income of 47,000 million yen, and net income attributable to owners of the parent of 32,000 million yen. The assumed exchange rate is 1US$=150 yen.

In light of heightened geopolitical risks stemming from recent tensions in the Middle East, the resulting surge in crude oil prices, as well as increased prices of petroleum-derived raw materials and uncertainties such as difficulties in procuring components due to supply chain disruptions, it is difficult at this time to reasonably estimate the financial impact. Accordingly, these factors have not been incorporated into this earnings forecast.

If these factors are expected to have a material impact on the earnings forecast and are determined to be significant, we will promptly disclose such information.

While vigorously promoting the measures in our Medium-Term Management Plan (FY2025 - FY2027) targeting FY2027, we will continue to focus on dialogue with our suppliers and customers and respond swiftly to changes in the external environment to enhance our corporate value over the medium to long term.

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, 2025	As of March 31, 2026
ASSETS		
Current assets		
Cash and deposits	48,530	54,388
Notes receivable	181	114
Electronically recorded receivables	9,215	25,157
Accounts receivable	205,480	268,139
Contract assets	304	411
Product	234,549	263,912
Other	27,130	56,708
Allowance for doubtful accounts	△456	△959
Total current assets	524,936	667,872
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,521	5,541
Accumulated depreciation	△3,077	△3,256
Buildings and structures, net	2,444	2,284
Tools, furniture and fixtures	9,088	9,694
Accumulated depreciation	△7,357	△7,923
Tools, furniture and fixtures, net	1,730	1,770
Machinery, equipment and vehicles	1,064	1,385
Accumulated depreciation	△566	△746
Machinery, equipment and vehicles, net	497	638
Land	3,563	3,067
Leased assets	5,363	6,555
Accumulated depreciation	△4,181	△4,862
Leased assets, net	1,182	1,692
Construction in progress	30	20
Total tangible fixed assets	9,450	9,474
Intangible fixed assets		
Goodwill	579	105
Other	6,318	5,931
Total intangible fixed assets	6,898	6,037
Investments and other assets		
Investment securities	7,958	8,121
Long-term loans receivable	213	—
Deferred tax assets	4,306	3,918
Net defined benefit asset	1,168	2,727
Other	1,731	2,789
Allowance for doubtful accounts	△224	△52
Total investments and other assets	15,153	17,503
Total fixed assets	31,502	33,015
Total Assets	556,438	700,887

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
LIABILITIES		
Current liabilities		
Notes & accounts payable	147,887	225,254
Short-term loans payable	74,728	75,786
Lease obligations	558	697
Accrued income taxes	1,984	5,186
Contract liabilities	12,834	18,138
Accrued bonuses	6,123	7,479
Provision for directors' bonuses	41	36
Deposits received	21,531	43,807
Other current liabilities	27,373	33,181
Total current liabilities	293,061	409,570
Long-term liabilities		
Lease obligations	638	1,008
Deferred tax liabilities	128	332
Liability for retirement benefits	427	417
Other long-term liabilities	704	441
Total long-term liabilities	1,899	2,200
Total liabilities	294,961	411,771
NET ASSETS		
Shareholders’ Equity		
Paid-in capital	14,040	14,040
Additional paid-in capital	30,671	30,654
Retained earnings	182,406	197,678
Treasury share	△1,330	△1,030
Total shareholders' equity	225,788	241,342
Other Comprehensive Income		
Unrealized holding gains on securities	323	788
Gain (loss) on deferred hedge	132	△627
Translation adjustments	26,169	37,428
Total comprehensive income	26,625	37,589
Non-controlling interests	9,063	10,183
Total net assets	261,477	289,115
Total Liabilities & Net Assets	556,438	700,887

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	1,034,180	1,214,196
Cost of sales	912,928	1,083,758
Gross profit	121,252	130,438
Selling, general & administrative expenses	81,602	88,487
Operating income	39,649	41,950
Non-operating income		
Interest income	661	374
Dividend income	295	542
Equity in net gain of affiliates	—	40
Insurance proceeds	30	507
Other	745	1,364
Total non-operating income	1,732	2,829
Non-operating expenses		
Interest expense	1,898	2,393
Equity in net loss of affiliates	10	—
Foreign exchange losses	1,168	3,808
Loss on transfer of receivables	557	363
Other	430	821
Total non-operating expenses	4,064	7,387
Ordinary income	37,318	37,392
Extraordinary income		
Proceeds from sale of investment securities	251	1,271
Gain on sale of fixed assets	8	523
Gain on liquidation of subsidiaries and associates	279	2
Gain on negative goodwill	612	—
Other	5	9
Total extraordinary income	1,158	1,807
Extraordinary losses		
Loss on retirement of non-current assets	22	132
Impairment loss	355	—
Loss on valuation of investment securities	234	409
Loss on valuation of shares of subsidiaries and associates	129	—
Loss on withdrawal from pension fund	94	—
Loss on ESOP Trust terminations	74	—
Other	74	16
Total extraordinary losses	984	558
Income before income taxes	37,491	38,641
Corporate, inhabitant and enterprise taxes	9,961	9,252
Income taxes-deferred	696	841
Total corporate tax	10,658	10,093
Net income	26,833	28,547
Net income attributable to non-controlling interests	1,553	781
Net income attributable to owners of parent	25,279	27,765

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income	26,833	28,547
Other comprehensive income		
Unrealized holding gains on securities	△265	673
Gain (loss) on deferred hedge	226	△759
Translation adjustments	△1,461	12,148
Other comprehensive income of entities under equity method	△9	14
Total comprehensive income	△1,509	12,076
Comprehensive income	25,324	40,623
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	24,226	38,730
Comprehensive income attributable to non-controlling interests	1,097	1,893

(3) Consolidated Statement of Changes to Shareholders' Equity

Previous 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 shares				△3,001	△3,001
Disposal of treasury shares		7		304	311
Cancellation of treasury shares		△7,081		7,081	—
Change in ownership interest of parent due to 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 the scope of consolidation						△909
Purchase of treasury shares						△3,001
Disposal of treasury shares						311
Cancellation of treasury shares						—
Change in ownership interest of parent due to 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

Current Consolidated Fiscal Year (April 1, 2025 – March 31, 2026)

(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	30,671	182,406	△1,330	225,788
Changes in the fiscal year:					
Dividend of surplus			△12,494		△12,494
Net Income attributable to owners of parent			27,765		27,765
Purchase of treasury shares				△0	△0
Disposal of treasury shares		△17		300	283
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net change in other than shareholders' equity					
Changes in fiscal year (Total)	—	△17	15,271	300	15,554
Balance at end of period	14,040	30,654	197,678	△1,030	241,342

	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	323	132	26,169	26,625	9,063	261,477
Changes in the fiscal year:						
Dividend of surplus						△12,494
Net Income attributable to owners of parent						27,765
Purchase of treasury shares						△0
Disposal of treasury shares						283
Change in ownership interest of parent due to transactions with non-controlling interests						0
Net change in other than shareholders' equity	465	△759	11,259	10,964	1,119	12,083
Changes in fiscal year (Total)	465	△759	11,259	10,964	1,119	27,638
Balance at end of period	788	△627	37,428	37,589	10,183	289,115

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating Activities		
Income before income taxes	37,491	38,641
Depreciation and amortization	3,897	4,579
Impairment loss	355	—
Gain on negative goodwill	△612	—
Interest and dividend income	△956	△917
Interest expense	1,898	2,393
Insurance proceeds	△30	△507
Equity in net loss (gain) of affiliates	10	△40
Loss (gain) on translation	231	△372
Gain on sale of fixed assets	△8	△523
Loss on retirement of non-current assets	22	132
Proceeds from sale of investment securities	△251	△1,271
Loss on valuation of investment securities	234	409
Loss on valuation of shares of subsidiaries and associates	129	—
Gain on liquidation of subsidiaries and associates	△279	△2
Loss on withdrawal from pension fund	94	—
Loss on ESOP Trust terminations	74	—
Change in notes and accounts receivable	△8,100	△67,844
Change in inventories	△788	△22,060
Changes in trade payable	△2,028	71,699
Other	9,143	2,061
Sub-total	40,525	26,377
Interest and dividends received	940	956
Interest paid	△1,766	△2,505
Proceeds from insurance income	30	507
Corporate tax payment (refund)	△15,497	△6,561
Net cash provided by (used in) operating activities	24,232	18,774
Investing Activities		
Proceeds from withdrawal of time deposits	6	67
Disbursement of loans	△1,340	△1,523
Proceeds from collection of loans	1,229	1,534
Purchases of property and equipment	△1,657	△1,414
Proceeds from sales of property and equipment	14	1,114
Purchases of intangible assets	△1,948	△1,543
Purchases of investment securities	△107	△304
Proceeds from sales of investment securities	342	2,067
Purchases of shares of affiliate	△981	△0
Proceeds from liquidation of affiliates	353	2
Payments for transfer of business	△2,237	—
Purchase of shares of subsidiaries	△3,194	—
Other	△52	△1,306
Net cash provided by (used in) investing activities	△9,573	△1,306

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Financing Activities		
Change in short-term loans	17,496	2,183
Repayment of long-term debt	△5,265	△3,000
Proceeds from share issuance to non-controlling shareholders	1,609	—
Purchase of treasury shares	△3,001	△0
Cash dividends paid	△13,492	△12,573
Dividends paid to non-controlling interests	△500	△936
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△173	—
Other	△901	△832
Net cash provided by (used in) financing activities	△4,229	△15,158
Translation adjustments on cash and cash equivalents	△748	3,608
Net increase (decrease) in cash and cash equivalents	9,681	5,917
Cash and cash equivalents at the beginning of the year	38,623	48,452
Increase in cash and cash equivalents from newly consolidated subsidiary	148	—
Cash and cash equivalents at end of the period	48,452	54,370

(5) Notes to Consolidated Financial Statements

Note to going concern assumptions

Not applicable

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 statement 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.

Accordingly, the Group is composed of business segments based on products and services, and has two reportable segments: "ICs, Electronic Devices and Other Business" and "Cybersecurity and Other IT Solutions Business."

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

The "ICs, Electronic Devices and Other Business" segment engages in the sale of integrated circuits, electronic devices, and related products, and the "Cybersecurity and Other IT Solutions Business" segment engages in the sale of network-related hardware, software, and services.

(3) Matters concerning changes to reportable segments

Effective from the current fiscal year, the name of the reportable segment formerly referred to as the "Network Business" has been changed to "Cybersecurity and Other IT Solutions Business." This change relates only to the segment name and has no impact on segment information. In addition, segment information for the previous fiscal year is presented using the revised segment name.

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

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

Profit by reportable segment is based on operating income.

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, 2024 – March 31, 2025)

(Millions of yen)

	Reportable segment			Other	Total
	ICs, Electronic Devices and Other Business	Cybersecurity and Other IT Solutions 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
Segment profit	26,328	13,320	39,649	—	39,649
Segment assets	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 gain (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

Current Consolidated Fiscal Year (April 1, 2025 – March 31, 2026)

(Millions of yen)

	Reportable segment			Other	Total
	ICs, Electronic Devices and Other Business	Cybersecurity and Other IT Solutions Business	Sub-total		
Sales					
1) Sales to external customers	1,040,045	174,150	1,214,196	—	1,214,196
2) Internal sales, segment transfers	—	79	79	—	79
Total	1,040,045	174,230	1,214,276	—	1,214,276
Segment profit	24,735	17,213	41,949	—	41,949
Segment assets	611,471	85,910	697,382	—	697,382
Others					
Depreciation	3,784	794	4,579	—	4,579
Amortization of goodwill	519	—	519	—	519
Equity in net gain (loss) of affiliates	—	40	40	—	40
Investments accounted for using equity method	—	587	587	—	587
Increase of tangible and intangible assets	3,293	1,040	4,333	—	4,333

4. Income (loss) by reportable segment and consolidated statements of income (reconciliation), and the main components of differences (matters related to reconciliation)

(Millions of yen)

Income	FY2024	FY2025
Total reportable segment income	1,034,186	1,214,276
Elimination of intersegment income	△5	△79
Net sales in consolidated statement of income	1,034,180	1,214,196

(Millions of yen)

Income	FY2024	FY2025
Total reportable segment income	39,649	41,949
Elimination of intersegment income	0	0
Operating income in consolidated statement of income	39,649	41,950

(Millions of yen)

Assets	FY2024	FY2025
Total reportable segment income	552,641	697,382
Elimination of intersegment income	△2,745	△3,187
Corporate-wide expenses*	6,541	6,692
Net assets in the consolidated statement of income	556,438	700,887

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

(Millions of yen)

Other Items	Segment Total		Other		Adjustment		Statement of Income	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Depreciation	3,897	4,579	—	—	—	—	3,897	4,579
Amortization of goodwill	696	519	—	—	—	—	696	519
Equity in net gain (loss) of affiliates	△10	40	—	—	—	—	△10	40
Investments accounted for using equity method	533	587	—	—	—	—	533	587
Increase of tangible and intangible assets	4,373	4,333	—	—	—	—	4,373	4,333

Per share information

	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Net assets per share	1,414.76 yen	1,562.10 yen
Net income per share	140.93 yen	155.54 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 on October 1, 2024. Net assets per share and net income per share are calculated on the assumption that the share split was conducted at the beginning of the 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	25,279 million yen	27,765 million yen
Amount not returned to common share shareholders	—	—
Net Income attributable to owners of parent relating to common shares	25,279 million yen	27,765 million yen
Average number of common shares outstanding during period	179,378,062 shares	178,517,400 shares

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

	As of March 31, 2025	As of March 31, 2026
Total net assets	261,477 million yen	289,115 million yen
Amount deducting from total net assets	9,063 million yen	10,183 million yen
Non-controlling interests	(9,063 million yen)	(10,183 million yen)
Net Assets applicable to common share at the end of current period	252,413 million yen	278,932 million yen
Number of common shares at end of period used for calculation of net assets per share	178,414,661 shares	178,563,057 shares

Subsequent events

Not applicable