

Translation

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Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

September 30, 2026

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <https://www.irisoele.com/jp/>
 Representative: President & Representative Director Hitoshi Suzuki
 Inquiries: Director & Senior Managing Executive Officer
 Administration Division General Manager Shuichi Ikeda TEL 045-478-3111
 Scheduled date of ordinary general meeting of shareholders: June 23, 2026
 Scheduled date to file Securities Report: September 30, 2026
 Scheduled date to commence dividend payments: June 24, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	61,961	9.9	5,436	(0.2)	6,132	10.1	2,553	1.6
Year ended March 31, 2025	56,385	1.0	5,449	(8.4)	5,567	(21.3)	2,512	(52.9)

(Note) Comprehensive income: Year ended March 31, 2026: ¥7,304million [307.3%]
 Year ended March 31, 2025: ¥1,793 million [(82.9)%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	119.59	-	3.6	6.6	8.8
Year ended March 31, 2025	111.61	-	3.5	6.0	9.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	94,821	74,525	78.6	3,490.59
As of March 31, 2025	90,333	69,900	76.7	3,231.12

(Reference) Equity: As of March 31, 2026: ¥74,525 million
 As of March 31, 2025: ¥69,322 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	10,964	(5,535)	(2,803)	28,498
Year ended March 31, 2025	12,077	(8,832)	(5,495)	24,335

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	-	0.00	-	100.00	100.00	2,145	89.6	3.1
Year ended March 31, 2026	-	0.00	-	100.00	100.00	2,135	125.4	4.5
Year ending March 31, 2027 (Forecast)	-	0.00	-	-	-		-	

(Note) At, present, the forecast amount of fiscal year-end dividend and the amount of annual dividends for the fiscal year ending March 31, 2027 have yet to be determined.

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	67,000	8.1	3,500	(35.6)	2,700	(56.0)	1,600	(37.3)	74.94

* Notes:

(1) Changes in significant subsidiaries during the year ended March 31, 2026

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

Newly included: 1 company (IRISO ELECTRONICS KOREA CO.,LTD)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2026	24,460,879 shares	As of March 31, 2025	24,460,879 shares
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Number of treasury shares at the end of the period:

As of March 31, 2026	3,110,421 shares	As of March 31, 2025	3,006,274 shares
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Average number of shares during the period:

Year ended March 31, 2026	21,351,138 shares	Year ended March 31, 2025	22,514,382 shares
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(Note) The Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" have been included in treasury shares deducted in calculation of the average number of shares during the period.

(Reference) Summary of Non-consolidated financial statements

Non-consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	39,923	(1.1)	(796)	—	5,147	(4.8)	3,434	(7.3)
Year ended March 31, 2025	40,354	(1.9)	1,176	(3.3)	5,408	82.1	3,705	54.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2026	160.84		-	
Year ended March 31, 2025	164.58		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	50,393	32,022	63.5	1,499.85
As of March 31, 2025	50,229	30,874	61.5	1,439.08

(Reference) Equity: As of March 31, 2026: ¥32,022 million

As of March 31, 2025: ¥30,874 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company, and actual results may vary significantly due to various factors.

(How to obtain supplementary financial results materials)

Supplementary materials for quarterly financial results will be uploaded to the Company's website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Fiscal Year

Looking at the world economy during the fiscal year ended March 31, 2026, although the global economy continued to shift towards monetary easing as inflation slowed, growth remained weak due to geopolitical risks and slower long-term growth. The U.S. economy remained relatively strong because of solid consumer spending, while Europe's economic recovery was sluggish and Japan saw only modest growth. In China, economic growth slowed as weakness in the real estate sector remained, while performance varied across emerging economies and regions.

In the automotive market, the company group's core business area, production and sales slowed in the fourth quarter, especially in China, due to seasonal factors and changes in EV subsidies. However, demand remained strong throughout the year, including exports, and China continued to lead market growth.

Given this business environment, in the mobility market, which is primarily focused on automotive applications, sales increased 7.5% from the previous fiscal year's level. The sales growth was driven by strong demand for high-speed floating board-to-board (BtoB) connectors used in infotainment systems, reflecting the growing amount of data processed within vehicles, as well as by continued strong sales in the powertrain sector for xEVs (EVs, FCEVs, PHEVs, and HEVs) in China. In the consumer market, sales decreased 3.8%, mainly due to lower demand for gaming consoles than in the previous fiscal year. In the industrial market, sales increased 67.1%, supported by a recovery in demand for some factory automation (FA) equipment and continued growth in energy management applications. As a result, net sales rose 9.9% year on year to ¥61,961 million, reaching a record high for the fiscal year.

On the profit side, despite the impact of higher raw material costs, operating income decreased by 0.2% year on year to ¥5,436 million, supported by cost reduction efforts and the benefits of structural reforms. Ordinary income rose 10.1% to ¥6,132 million. Profits attributable to owners of the parent increased 1.6% to ¥2,553 million after expenses for the third-party committee investigations had been recorded as extraordinary losses.

(2) Overview of Financial Position for the Current Fiscal Year

Total assets at the end of the current fiscal year increased ¥4,487 million from the end of the previous fiscal year (March 31, 2025) to ¥94,821 million. This was mainly due to a increase of ¥4,162 million in cash and deposits and a increase of ¥827 million in notes and accounts receivable-trade and contract assets.

Total liabilities decreased ¥137 million from the end of the previous consolidated fiscal year to ¥20,296 million, mainly due to a decrease in borrowings for working capital.

Net assets increased ¥4,624 million from the end of the previous consolidated fiscal year to ¥74,525 million. This was due to an increase of ¥2,553 million from profit attributable to owners of the parent, a decrease of ¥2,145 million from dividends, and an increase of ¥4,780 million in foreign currency translation adjustments.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash flow from operating activities resulted in decrease of ¥10,964 million, down 9.2% from the previous fiscal year, mainly due to an increase in profit and a decrease in trade payables.

Cash flow from investing activities was an outflow of ¥5,535 million, mainly due to the acquisition of property, plant and equipment.

Cash flow from financing activities resulted in an outflow of ¥2,803 million, mainly due to the acquisition of treasury stock and payment of dividends to shareholders.

As a result, the balance of cash and cash equivalents at the end of the current consolidated fiscal year was ¥28,498 million, an increase of ¥4,162 million compared to the end of the previous consolidated fiscal year.

(4) Business Forecasting

1. Business Environment

The global economy continues to face uncertainty due to geopolitical risks, including tensions in the Middle East, which have led to higher raw material, energy, and transportation costs.

In the mobility market, global auto production is expected to increase slightly in the fiscal year ending March 31, 2027, while the share of xEVs, including PHEVs and HEVs, is expected to rise further. We therefore expect continued growth in demand for high-speed data transmission products used in infotainment systems, as well as further growth in sales to customers in China. The consumer market is expected to remain weak due to continued low demand for gaming consoles. In the industrial market, demand is expected to grow in new areas such as energy management, and demand for FA equipment is also expected to recover.

2. Key Focus Strategies for Fiscal Year Ending March 31, 2027

The business environment has changed since we disclosed our medium-term management plan in May 2024, and we have faced a number of challenges, including higher raw material costs, geopolitical risks, weakening global auto sales for Japanese, European, and U.S. automakers, a slowdown in the EV market, and intensifying price competition resulting from rapidly growing Chinese automakers. Considering these changes, the current progress of the mid-term management plan and future projections for the next fiscal year and ahead, we will focus on the following key focus strategies during the fiscal year ending March 2027, the final year of the plan.

[Business Growth Strategy]

- Expand sales and reach new customers by tailoring activities to the needs of each region, including Japan, Europe, the Americas, China, Korea, and other Asian markets.
- Introduce next-generation high-speed products for infotainment applications in the mobility market and develop scalable connector solutions.
- Drive growth in the industrial market by increasing sales in energy management applications and finding new opportunities in AI (including AI servers and physical AI), semiconductor manufacturing equipment and telecommunications.
- Make the sales, manufacturing, and engineering teams in China work more closely together for better coordination and teamwork across functions.

[Cost Competitiveness Improvement]

- Reduce costs by using lower precious metal and reducing plating thickness.
- Improve capital efficiency and reduce fixed costs by using standardized equipment and increasing in-house tooling production.

3. Financial Projections for Fiscal Year Ending March 2027

For the fiscal year ending March 2027, we expect consolidated sales of ¥67.0 billion (a 8.1% increase YOY), a consolidated operating profit of ¥3.5 billion (a 35.6% decrease YOY), a consolidated ordinary profit of ¥2.7 billion (a 56.0% decrease YOY), and net profit attributable to parent company of ¥1.6 billion (a 37.3% decrease YOY). The exchange rates are ¥155 per USD, ¥180 per EUR, and ¥22 per CNY.

2. Basic Policy on Selection of Accounting Standards

The Group has adopted Japanese GAAP for accounting standards, but will continue to consider the adoption of IFRS (International Financial Reporting Standards), taking into account trends in the adoption of IFRS by other domestic companies.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	24,335	28,498
Notes and accounts receivable - trade, and contract assets	12,777	13,605
Merchandise and finished goods	8,782	8,975
Work in process	32	75
Raw materials and supplies	3,944	4,288
Other	1,616	1,757
Allowance for doubtful accounts	(22)	(26)
Total current assets	51,466	57,174
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,515	10,005
Machinery, equipment and vehicles, net	13,789	14,311
Tools, furniture and fixtures, net	4,144	4,721
Land	1,890	1,916
Construction in progress	3,261	2,794
Total property, plant and equipment	33,601	33,749
Intangible assets		
Software	2,728	2,110
Goodwill	60	30
Other	13	105
Total intangible assets	2,802	2,246
Investments and other assets		
Investment securities	276	464
Deferred tax assets	1,459	399
Other	784	844
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	2,463	1,652
Total non-current assets	38,867	37,647
Total assets	90,333	94,821

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,701	3,389
Short-term borrowings	4,000	-
Current portion of long-term borrowings	895	895
Income taxes payable	580	544
Provision for bonuses	741	792
Provision for directors' bonuses	94	88
Provision for special investigation expenses	-	1,284
Provision for quality-related expenses	-	116
Other	3,473	3,041
Total current liabilities	14,486	10,153
Non-current liabilities		
Long-term borrowings	4,426	8,530
Retirement benefit liability	416	369
Other	1,103	1,241
Total non-current liabilities	5,946	10,142
Total liabilities	20,433	20,296
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,045	8,166
Retained earnings	49,632	49,040
Treasury shares	(6,099)	(6,361)
Total shareholders' equity	56,218	56,486
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	99	233
Foreign currency translation adjustment	12,880	17,660
Remeasurements of defined benefit plans	123	144
Total accumulated other comprehensive income	13,103	18,039
Non-controlling interests	578	-
Total net assets	69,900	74,525
Total liabilities and net assets	90,333	94,821

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	56,385	61,961
Cost of sales	38,371	44,393
Gross profit	18,013	17,568
Selling, general and administrative expenses	12,564	12,131
Operating profit	5,449	5,436
Non-operating income		
Interest income	327	294
Dividend income	6	8
Subsidy income	22	109
Foreign exchange gains	-	424
Other	122	86
Total non-operating income	478	923
Non-operating expenses		
Interest expenses	152	157
Foreign exchange losses	88	-
Loss on valuation of derivatives	10	-
Other	107	70
Total non-operating expenses	359	228
Ordinary profit	5,567	6,132
Extraordinary income		
Gain on sale of non-current assets	6	17
National subsidies	170	1,404
Gain on reversal of foreign currency translation adjustment	-	74
Total extraordinary income	177	1,559
Extraordinary losses		
Loss on retirement of non-current assets	210	112
Loss on sale of non-current assets	1	-
Impairment losses	414	535
Restructuring expenses	1,991	-
Loss from money transfer scam at foreign subsidiary	35	-
Special investigation expenses	-	1,334
Total extraordinary losses	2,653	1,983
Profit before income taxes	3,091	5,708
Income taxes - current	1,226	1,920
Income taxes - deferred	(403)	1,256
Total income taxes	823	3,177
Profit	2,268	2,531
Profit attributable to non-controlling interests	(244)	(22)
Profit attributable to owners of parent	2,512	2,553

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	2,268	2,531
Other comprehensive income		
Valuation difference on available-for-sale securities	15	133
Foreign currency translation adjustment	(546)	4,617
Remeasurements of defined benefit plans, net of tax	55	21
Total other comprehensive income	(475)	4,772
Comprehensive income	1,793	7,304
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,993	7,320
Comprehensive income attributable to non-controlling interests	(200)	(16)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,640	8,744	48,250	(1,167)	61,468
Changes during period					
Dividends of surplus			(2,130)		(2,130)
Profit attributable to owners of parent			2,512		2,512
Purchase of treasury shares				(5,772)	(5,772)
Disposal of treasury shares				140	140
Cancellation of treasury shares		(699)		699	-
Change in scope of consolidation - foreign currency translation adjustment					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(699)	382	(4,932)	(5,249)
Balance at end of period	5,640	8,045	48,632	(6,099)	56,218

	Accumulated other comprehensive income				Non-controlling interests	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	84	13,471	67	13,623	778	75,870
Changes during period						
Dividends of surplus						(2,130)
Profit attributable to owners of parent						2,512
Purchase of treasury shares						(5,772)
Disposal of treasury shares						140
Cancellation of treasury shares						-
Change in scope of consolidation - foreign currency translation adjustment						-
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes in items other than shareholders' equity	15	(590)	55	(519)	(200)	(719)
Total changes during period	15	(590)	55	(519)	(200)	(5,969)
Balance at end of period	99	12,880	123	13,103	578	69,900

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,640	8,045	48,632	(6,099)	56,218
Changes during period					
Dividends of surplus			(2,145)		(2,145)
Profit attributable to owners of parent			2,553		2,553
Purchase of treasury shares				(261)	(261)
Disposal of treasury shares					-
Cancellation of treasury shares		-			-
Change in scope of consolidation - foreign currency translation adjustment					-
Change in ownership interest of parent due to transactions with non-controlling interests		121			121
Net changes in items other than shareholders' equity					
Total changes during period	-	121	407	(261)	268
Balance at end of period	5,640	8,166	49,040	(6,361)	56,486

	Accumulated other comprehensive income				Non-controlling interests	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	99	12,880	123	13,103	578	69,900
Changes during period						
Dividends of surplus						(2,145)
Profit attributable to owners of parent						2,553
Purchase of treasury shares						(261)
Disposal of treasury shares						-
Cancellation of treasury shares						-
Change in scope of consolidation - foreign currency translation adjustment		(146)		(146)		(146)
Change in ownership interest of parent due to transactions with non-controlling interests						121
Net changes in items other than shareholders' equity	133	4,927	21	5,082	(578)	4,503
Total changes during period	133	4,780	21	4,935	(578)	4,624
Balance at end of period	233	17,660	144	18,039	-	74,525

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	3,091	5,708
Depreciation	7,082	6,824
Amortization of goodwill	30	30
Increase (decrease) in allowance for doubtful accounts	(40)	(0)
Increase (decrease) in provision for bonuses	24	30
Increase (decrease) in provision for directors' bonuses	(147)	-
Increase (decrease) in provision for bonuses for directors (and other officers)	94	(5)
Increase (decrease) in provision for quality-related expenses	-	116
Increase (decrease) in retirement benefit liability	(3)	(54)
Interest and dividend income	(333)	(302)
Interest expenses	152	157
Foreign exchange losses (gains)	42	(34)
Loss on retirement of non-current assets	210	112
Impairment losses	414	535
Restructuring expenses	1,991	-
National subsidies	(170)	(1,404)
Subsidy income	(22)	(109)
Gain on reversal of foreign currency translation adjustment	-	(138)
Special investigation expenses	-	1,334
Decrease (increase) in trade receivables	2,033	838
Decrease (increase) in inventories	(999)	604
Increase (decrease) in trade payables	(752)	(2,451)
Other, net	536	(482)
Subtotal	13,234	11,310
Interest and dividends received	333	302
Interest paid	(153)	(163)
Income taxes paid	(1,507)	(1,998)
Subsidies received	170	1,513
Net cash provided by (used in) operating activities	12,077	10,964
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,663)	(5,382)
Purchase of intangible assets	(84)	(109)
Purchase of investment securities	(13)	(9)
Other, net	(70)	(33)
Net cash provided by (used in) investing activities	(8,832)	(5,535)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,738	(4,000)
Proceeds from long-term borrowings	600	5,000
Repayments of long-term borrowings	(841)	(895)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(440)
Purchase of treasury shares	(5,772)	(268)
Dividends paid	(2,121)	(2,145)
Repayments of lease liabilities	(98)	(53)
Net cash provided by (used in) financing activities	(5,495)	(2,803)
Effect of exchange rate change on cash and cash equivalents	(116)	1,536
Net increase (decrease) in cash and cash equivalents	(2,366)	4,162
Cash and cash equivalents at beginning of period	26,702	24,335
Cash and cash equivalents at end of period	24,335	28,498

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

(Consolidated Balance Sheets)

“Software in progress” under “Intangible assets”, which was presented separately in the previous consolidated fiscal year, is now included in “Other” from the Year ended March 31, 2026, due to its decreased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, in the consolidated balance sheets for the previous consolidated fiscal year, “Software in progress” of ¥13 million and “Other” of ¥0 million, which has been reclassified as “Other” of ¥13 million.

(Consolidated statements of income)

“Subsidy income,” which was included in “Other” under “Non-operating income” in the previous fiscal year, is presented separately from consolidated financial results for the Year ended March 31, 2026, due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, in the consolidated statement of Income for the Year ended for the previous fiscal year, ¥144 million previously presented under “Other” has been reclassified as ¥22 million under “Subsidy Income” and ¥122 million under “Other.”

(Consolidated statement of cash flows)

“Subsidy Income” under “Cash Flows from Operating Activities” for the previous consolidated fiscal year has been presented separately starting with the current consolidated fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated statement of cash flows for the previous consolidated fiscal year has been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, ¥513 million previously included in “Other” under “Cash Flows from Operating Activities” has been reclassified as ¥(22) million under “Subsidy Income” and ¥(536) million under “Other.”

(Additional information)

(Regarding the Response to Illegal Acts and Misstatements in Previous Years’ Consolidated Financial Statements)

Following the emergence of suspicions regarding an inappropriate payment related to the handling of a labor dispute at an overseas subsidiary of the Company, the Company decided to establish an investigation committee including external lawyers and certified public accountants on February 18, 2026.

During the digital forensic investigation conducted by the investigation committee, new facts came to light that raised suspicions of compliance issues regarding accounting treatments and quality inspections, among other matters.

Accordingly, the Company resolved to establish the Third-Party Committee for the purpose of conducting an independent investigation with an expanded scope on April 27, 2026, and the Company received the investigation report from the Third-Party Committee on September 28, 2026.

As a result of the investigation by the Third-Party Committee, numerous misstatements were identified, including multiple instances of inappropriate accounting treatment. These included suspected inappropriate payments at overseas subsidiaries, data falsification relating to quality control and quality assurance at the Company, the use of unfinalized financial figures at an overseas subsidiary, the premature revenue recognition at multiple overseas subsidiaries, and delays in recognizing losses related to inventories and fixed assets at both the Company and its overseas subsidiaries.

In light of this, the Company has decided to restate its consolidated financial statements for previous years after evaluating the impact of these matters on its financial reporting, including legal considerations.

In addition to correcting the matters directly affected by the events that gave rise to these revisions in the financial statements, the Company has also corrected certain items from prior periods that had not previously been corrected because they were deemed immaterial at the time.

(Consolidated Statement of Income)
(Impairment losses)

The Group recorded impairment losses on the following asset groups.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Location	Use	Category
Hltachiomiya, Ibaraki	Idle assets	Buildings Tools, furniture and fixtures Land
Hanamaki, Iwate	Idle assets	Construction in progress
Yokote Akita	Idle assets	Construction in progress
Kawasaki, Kanagawa	Idle assets	Machinery Tools, furniture and fixtures Construction in progress
China	Idle assets	Machinery Tools, furniture and fixtures
Philippines	Idle assets	Buildings Machinery Tools, furniture and fixtures Construction in progress
Vietnam	Idle assets	Machinery Tools, furniture and fixtures

With respect to business assets, the Group groups assets based on the smallest units that independently generate cash flows. The Company previously used the company basis as the smallest unit for asset grouping. However, due to the establishment of the Akita Plant and structural reforms, changes in the interdependence of cash flows among sites led to a revision of the grouping. Specifically, asset grouping is primarily conducted on plant- by-plant basis, using management accounting segments for which income and expenditure are continuously monitored.

For idle assets are grouped by individual asset.

The book value of the above idle assets was reduced to the recoverable amount and ¥414 million was recorded as an impairment loss in extraordinary loss because these assets are no longer expected to be used for business operations. The impairment loss was comprised of ¥28 million for buildings, ¥185 million for machinery, ¥30 million for tools, furniture and fixtures, ¥2 million for land, and ¥167 million for construction in progress.

The recoverable amount was measured based on the net realizable value, and the net realizable value was zero because the assets were not expected to be sold.

The impairment loss relating to restructuring of ¥1,752 million is presented as restructuring expenses.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Location	Use	Category
Yokohama, Kanagawa	Idle assets	Tools, furniture and fixtures
Kawasaki, Kanagawa	Idle assets	Machinery,
Hitachiomiya, Ibaraki	Business assets	Buildings and structures Machinery, equipment and vehicles Tools, furniture and fixtures Construction in progress
Hanamaki, Iwate	Idle assets	Tools, furniture and fixtures
China	Idle assets	Machinery Tools, furniture and fixtures
Philippines	Idle assets	Machinery Tools, furniture and fixtures
Vietnam	Idle assets	Machinery

With respect to business assets, the Group groups assets based on the smallest units that independently generate cash flows. For idle assets are grouped by individual asset.

Of the business assets listed above, it was recognized as having incurred an impairment loss because it became apparent that profits or losses from operating activities would continue to be negative; accordingly, the book value of these assets was reduced to their recoverable amount, and 30 million yen was recorded as an impairment loss under extraordinary losses. The impairment loss was comprised of ¥4 million for buildings and structures ¥5 million for machinery, equipment and vehicles, ¥5 million for tools, furniture and fixtures, and ¥14 million for construction in progress.

The book value of the above idle assets was reduced to the recoverable amount and ¥504 million was recorded as an impairment loss in extraordinary loss because these assets are no longer expected to be used for business operations. The impairment loss was comprised of ¥425 million for machinery and ¥79 million for machinery, equipment.

The recoverable amount was measured based on the net realizable value, and the net realizable value was zero because the assets were not expected to be sold.

(Restructuring expenses)

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

The Group has recorded extraordinary losses as restructuring expenses for expenses incurred in reviewing the functions of the Ibaraki plant and optimizing personnel at the headquarters and Ibaraki plant.

The main components of the losses are impairment losses on fixed assets of 1,752 million yen and special retirement benefits etc. of 239 million yen associated with the solicitation of voluntary retirees.

The impairment losses are as follows:

Location	Use	Category
Hitachiomiya, Ibaraki	Business assets	Buildings and structures Machinery, equipment and vehicles Tools, furniture and fixtures Land Construction in progress Software in progress, and others

The group groups its business-use assets based on the smallest units that generates independent cash flows. Specifically, asset grouping is primarily conducted on plant- by-plant basis, using management accounting segments for which income and expenditure are continuously monitored.

For idle assets are grouped by individual asset.

As a result of a review of the functions of the Ibaraki Factory in connection with restructuring, the above business assets are expected to continue to generate negative profits and losses from operating activities, so an impairment loss has been recognized and the book value of the assets has been reduced to the recoverable amount, with the reduction amount of 1,752 million yen recorded as an extraordinary loss.

In addition, as the net realizable value exceeds the future cash flows expected from continued use and disposal of the asset group, the recoverable amount has been measured based on the net realizable value. Buildings, structures, and land have been measured based on the net selling price based on real estate appraisal values, and as there are no prospects for selling other assets, the net realizable value has been set to zero.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

(Consolidated Statements of Changes in Equity)

I. For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Dividend Payments

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
Resolution at regular general shareholders meeting on June 25, 2024	Common stock	2,130	90	March 31, 2024	June 26, 2024	Retained earnings

Notes The total amount of dividends resolved at the ordinary general meeting of shareholders on June 25, 2024 includes ¥13 million in dividends on the company's shares held by the Executive Compensation BIP Trust.

II. For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Dividend Payments

Resolution	Class of shares	Total dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
Resolution at regular general shareholders meeting on June 24, 2025	Common stock	2,145	100	March 31, 2025	June 25, 2025	Retained earnings

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are constituent units of the Group for which discrete financial information can be obtained, and for which the Board of Directors can decide on the allocation of management resources and evaluate operating performance. Consequently, the segments are principal categories that allow for regular consideration.

The Group produces and sells electronic components, with the company in Japan and independent subsidiaries in Asia (China, Singapore, Thailand, the Philippines, and Vietnam), Europe (Germany), and North America (the United States and Mexico). Each local subsidiary is an independent management unit that formulates comprehensive strategies for the products it handles in each region and develops business activities.

Therefore, the group is composed of geographic segments based on production and sales systems, and has four reportable segments: "Japan," "Asia," "Europe," and "North America."

2. Method of calculating net sales, income (loss), assets, and other items by reportable segment

The accounting methods used in reportable business segments are generally the same as applied in "Significant Matters Forming the Basis of Preparing the Consolidated Financial Statements." Intersegment revenues and transfers are based on prevailing market prices.

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

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	9,031	32,447	9,173	5,732	56,385	-	56,385
(2) Intersegment sales and transfer	31,244	21,788	-	-	53,032	(53,032)	-
Subtotal	40,276	54,236	9,173	5,732	109,418	(53,032)	56,385
Segment income	4,378	3,391	10	83	7,864	(2,414)	5,449
Segment assets	33,085	57,330	5,489	4,108	100,013	(9,679)	90,333
Other items							
Depreciation	2,214	4,803	45	18	7,082	-	7,082
Amortization of Goodwill	30	-	-	-	30	-	30
Increase in property, plant and equipment and intangible assets	5,793	2,273	14	120	8,201	-	8,201

Notes 1. Adjustments are as follows.

- (1) The segment income adjustment of ¥(2,414) million consists of corporate expenses of ¥(3,128) million not allocated to each reportable segment and inventory adjustments, etc. of ¥713 million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.
 - (2) Adjustment of segment assets of ¥(9,679) million includes corporate assets of ¥3,363 million not allocated to each reportable segment and offsetting elimination of receivables and payables, etc. of ¥(13,043) million. Corporate assets consist mainly of the parent company's investment securities and assets of the administrative division.
2. Segment income is adjusted to match operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	9,863	37,510	9,796	4,791	61,961	-	61,961
(2) Intersegment sales and transfer	30,095	23,026	-	0	53,121	(53,121)	-
Subtotal	39,958	60,536	9,796	4,791	115,083	(53,121)	61,961
Segment income or loss	2,387	6,008	500	(0)	8,895	(3,458)	5,436
Segment assets	33,724	60,928	6,036	3,682	104,373	(9,551)	94,821
Other items							
Depreciation	2,239	4,519	47	17	6,824	-	6,824
Amortization of Goodwill	30	-	-	-	30	-	30
Increase in property, plant and equipment and intangible assets	2,923	2,675	12	0	5,612	-	5,612

Notes 1. Adjustments are as follows.

- (1) The segment income or loss adjustment of ¥(3,458) million consists of corporate expenses of ¥(3,270) million not allocated to each reportable segment and inventory adjustments, etc. of ¥188 million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.
 - (2) Adjustment of segment assets of ¥(9,551) million includes corporate assets of ¥2,890 million not allocated to each reportable segment and offsetting elimination of receivables and payables, etc. of ¥(12,442) million. Corporate assets consist mainly of the parent company's investment securities and assets of the administrative division.
2. Segment income or loss is adjusted to match operating profit in the consolidated statements of income.

【Reference Information】

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service
Not applicable.
2. Information by Region
(1) Sales

(Millions of yen)

Japan	China	USA	Asia	Europe	North America	Others	Total
9,031	20,807	4,093	12,029	8,731	973	718	56,385

Notes 1. Sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category
 - (1) Asia: Asia region excluding China
 - (2) Europe: Europe region
 - (3) North America: North America region excluding USA

(2) Property, Plant and Equipment

(Millions of yen)

Japan	China	Philippines	Vietnam	Others	Total
13,384	12,861	2,558	4,501	296	33,601

3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

Not applicable.

2. Information by Region

(1) Sales

(Millions of yen)

Japan	China	USA	Asia	Europe	North America	Others	Total
9,803	23,617	3,515	14,429	9,283	525	787	61,961

Notes 1. Sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category

(1) Asia: Asia region excluding China

(2) Europe: Europe region

(3) North America: North America region excluding USA

(2) Property, Plant and Equipment

(Millions of yen)

Japan	China	Philippines	Vietnam	Others	Total
13,976	13,494	1,963	4,025	288	33,749

3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

【Information related to Impairment Loss of Noncurrent Assets by Reportable Segment】

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Impairment loss	1,901	264	-	-	2,166	-	2,166

Notes Of the impairment losses, ¥1,752 million in the Japan segment is included in restructuring expenses under extraordinary losses.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Impairment loss	63	472	-	-	535	-	535

【Information related to Amortization of Goodwill and Unamortized Balance by Reportable Segment】

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Amortization for the year ended Mar. 31, 2025	30	-	-	-	30	-	30
Balance on Mar. 31, 2025	60	-	-	-	60	-	60

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment					Corporate or elimination	Total
	Japan	Asia	Europe	North America	Total		
Amortization for the year ended Mar. 31, 2026	30	-	-	-	30	-	30
Balance on Mar. 31, 2026	30	-	-	-	30	-	30

【Information on Negative Goodwill Generated by Reportable Segment】

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥3,231.12	¥3,490.59
Basic earnings per share	¥111.61	¥119.59

Notes 1. Diluted earnings per share are not shown because there were no common potential shares.

2. The Company introduced the "BIP Trust for Directors' Remuneration" and the Company shares held by the Trust are recorded as treasury stock in the consolidated financial statements. Accordingly, the Company's shares held by the trust are included in the number of treasury shares deducted in calculating the "average number of common shares during the period" when calculating net income per share. The average number of shares of treasury stock deducted from the calculation of net income per share was 76,663 shares in the previous consolidated fiscal year and 0 share in the current consolidated fiscal year.

3. The basis for calculating earnings per share is as follows.

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	2,512	2,553
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	2,512	2,553
Average number of common shares outstanding during the period (Thousand shares)	22,514,382	21,351,138

(Significant subsequent events)

Not applicable.