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# Financial Results Presentation Material for the Three Months Ended June 30, 2025

**HAGIWARA ELECTRIC HOLDINGS CO., LTD.**  
**(TSE Prime Market & NSE Premier Market: 7467)**

**August 26, 2025**



## Financial results summary for FY2026/3 Q1

In the first quarter, although net sales and profit decreased, the progress was generally in line with the plan.

- Net sales were ¥59.4 billion, down 4.3% YoY. Inventory adjustments by customers were observed amid an uncertain market environment partly due to U.S. tariff policy changes. However, the Technology Solutions Business managed to accurately capture the needs for operational efficiency and facilities enhancement, and overall results were in line with our plan.
- Operating profit was ¥0.88 billion, down 52.6% YoY. Aside from the downward pressure on gross profit in the Electronic Devices Business from extreme exchange rate volatility, this was also due to the effects of positive growth investments to in human capital and in strengthening systems. These investments are carried out to improve competitiveness over the medium to long term with the expectation that it will contribute to expanded revenue in the future.
- In non-operating expenses, a foreign exchange loss of ¥0.11 billion was incurred. Moreover, our effective tax rate increased, causing ordinary profit and profit attributable to owners of parent to fall YoY.

## Earnings forecasts for FY2026/3

Earnings forecasts have been revised for operating profit and the other profit categories due to one-time expenses.

- The earnings forecasts were revised on August 8, 2025. This was the result of signing the basic agreement announced on July 28 and the factoring in of the one-time expenses of about ¥0.6 billion to prepare for the business integration. This revision to the earnings forecasts is limited to operating profit and the other profit categories and the future forecast for net sales remains unchanged.

## **Financial results summary for FY2026/3 Q1**

Earnings forecasts for FY2026/3

Supplementary material (Business Integration with  
SATORI ELECTRIC CO., LTD.)

# Financial results for FY2026/3 Q1

•Net Sales progressed as planned.  
•The decline in gross profit due to foreign exchange volatility, the foreign exchange loss of ¥0.11 billion and the increase in the effective tax rate contributed to the profit decline.

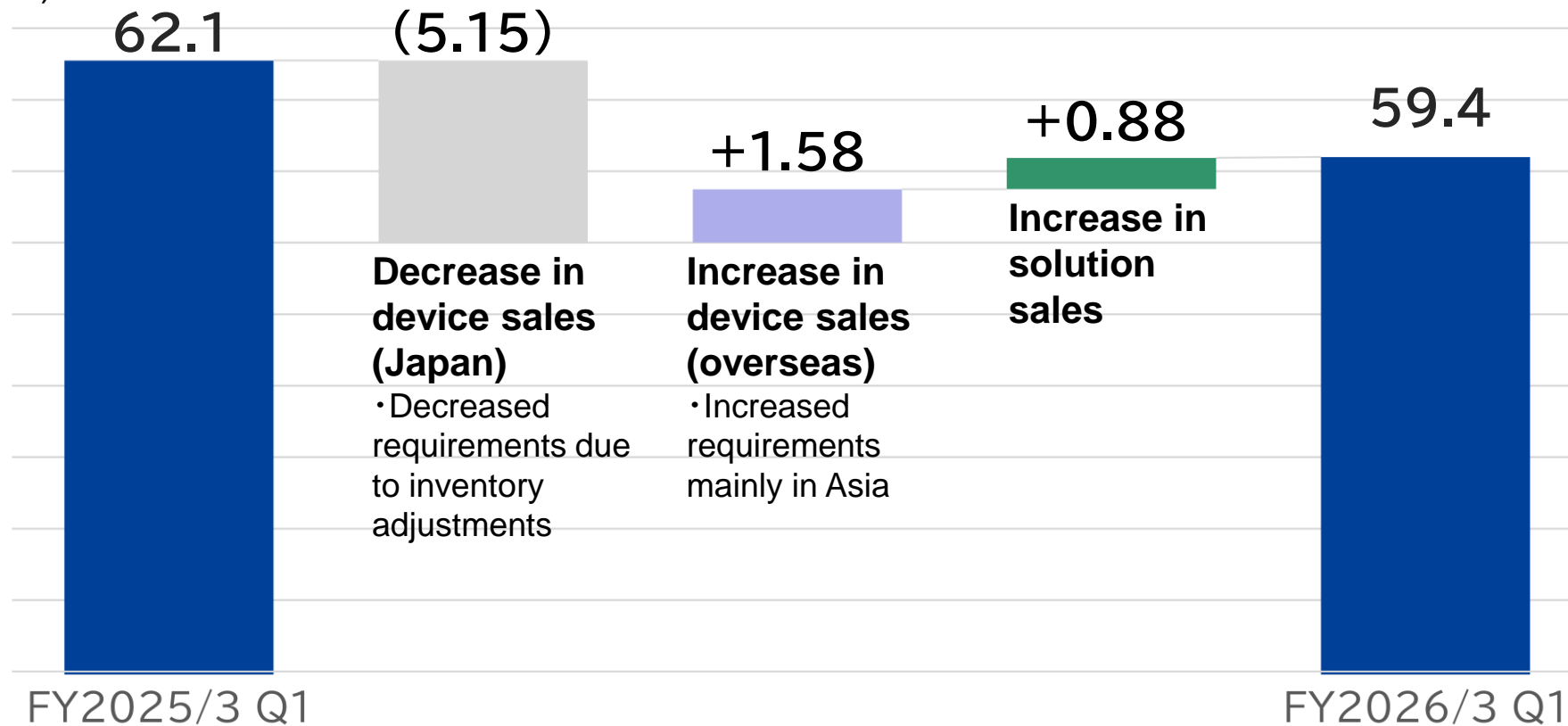
(Unit: Millions of yen)

	FY2025/3 Q1		FY2026/3 Q1			YoY	
	Results	Ratio	Initial forecasts	Results	Ratio		
Net sales	62,148	100%	60,000	59,461	100%	(2,686)	(4.3)%
Gross profit	5,219	8.4%	—	4,381	7.4%	(837)	(16.1)%
Selling, general and administrative expenses	3,359	5.4%	—	3,499	5.9%	+139	+4.2%
Operating profit	1,859	3.0%	1,200	881	1.5%	(977)	(52.6)%
Ordinary profit	1,872	3.0%	1,000	624	1.0%	(1,248)	(66.7)%
Profit attributable to owners of parent	1,215	2.0%	500	202	0.3%	(1,013)	(83.4)%
Earnings per share (Yen)	122.06	—	—	20.30	—	(101.76)	—
Rate of exchange (USD)	¥148.61		¥144.59			strong yen	¥4.02

## Positive factors for net sales

- Although net sales decreased by ¥2.6 billion, or 4.3%, YoY, it was generally in line with the plan.
- Amid uncertainties over changes in tariff policies, etc., inventory adjustments advanced while the Technology Solutions Business proceeded steadily.

Net sales  
(Billions of yen)

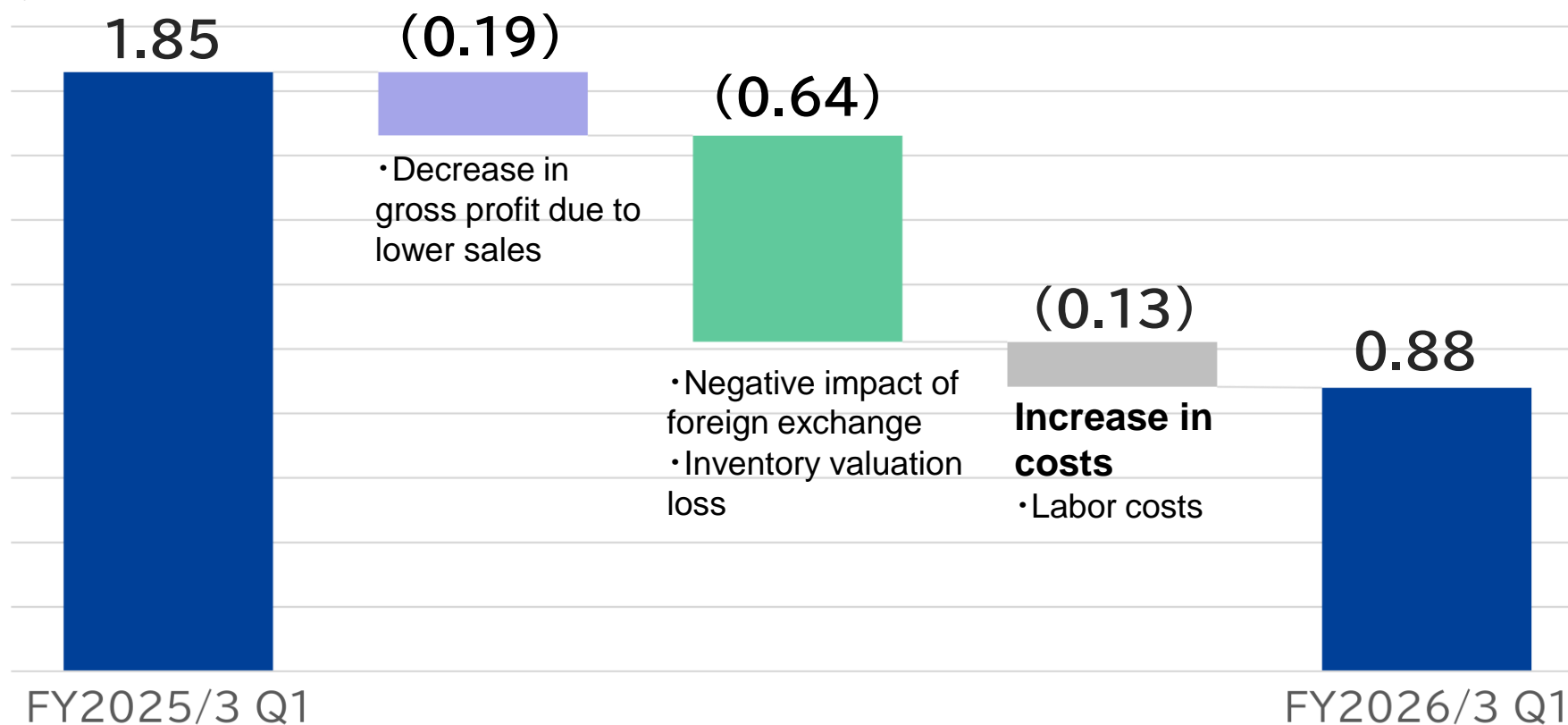




## Changing factors for operating profit

- Operating profit decreased by ¥0.97 billion, or 52.6%, YoY.
- The fall in gross profit in the Electronic Devices Business due to exchange rate effects and the impact of growth investments such as personnel investment.

Operating profit  
(Billions of yen)

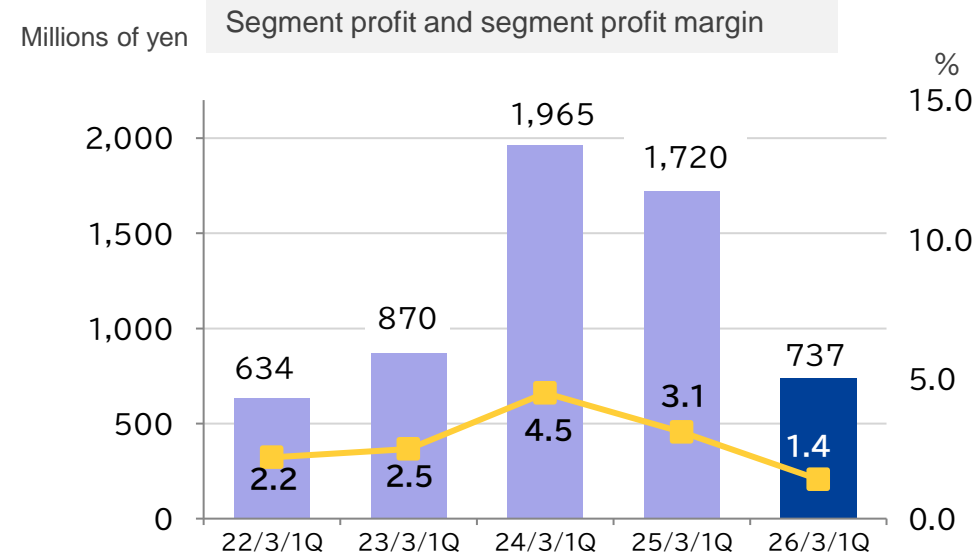
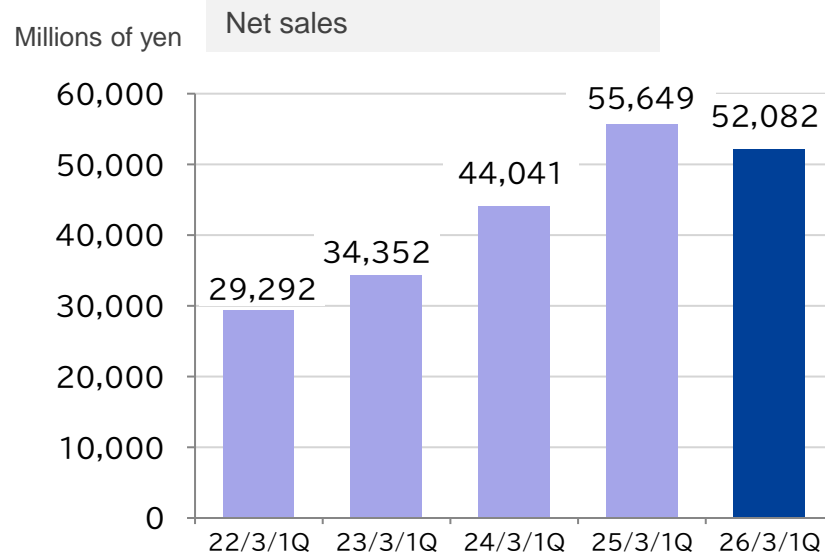


## Electronic Devices Business: Financial results summary

- Net sales were at a level close to the plan despite some decline due to the impact of inventory adjustments in reaction to changes in tariff policies.
- Gross profit was kept down by yen appreciation, leading to profit decline.

(Unit: Millions of yen)

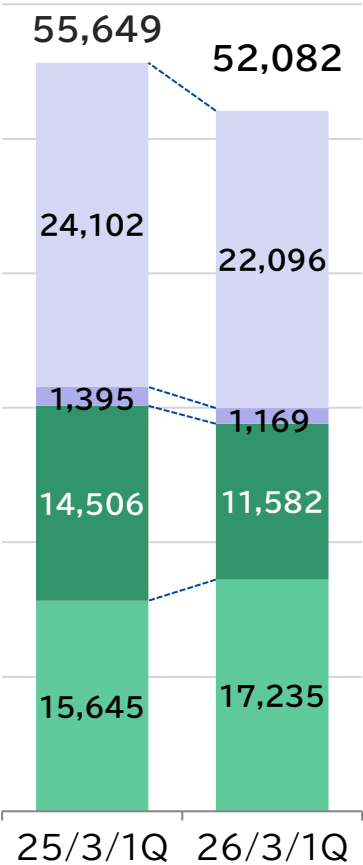
	FY2025/3 Q1		FY2026/3 Q1			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	55,649	100%	52,082	100%	(3,566)	(6.4)%
Segment profit	1,720	3.1%	737	1.4%	(983)	(57.1)%



# Electronic Devices Business: Net sales by client (YoY)

• Domestically, there was a temporary slowdown in demand for semiconductors and electronic components due to inventory adjustments associated with product changes and shifts in the flow of commerce.

(Unit: Millions of yen)



(Unit: Millions of yen)

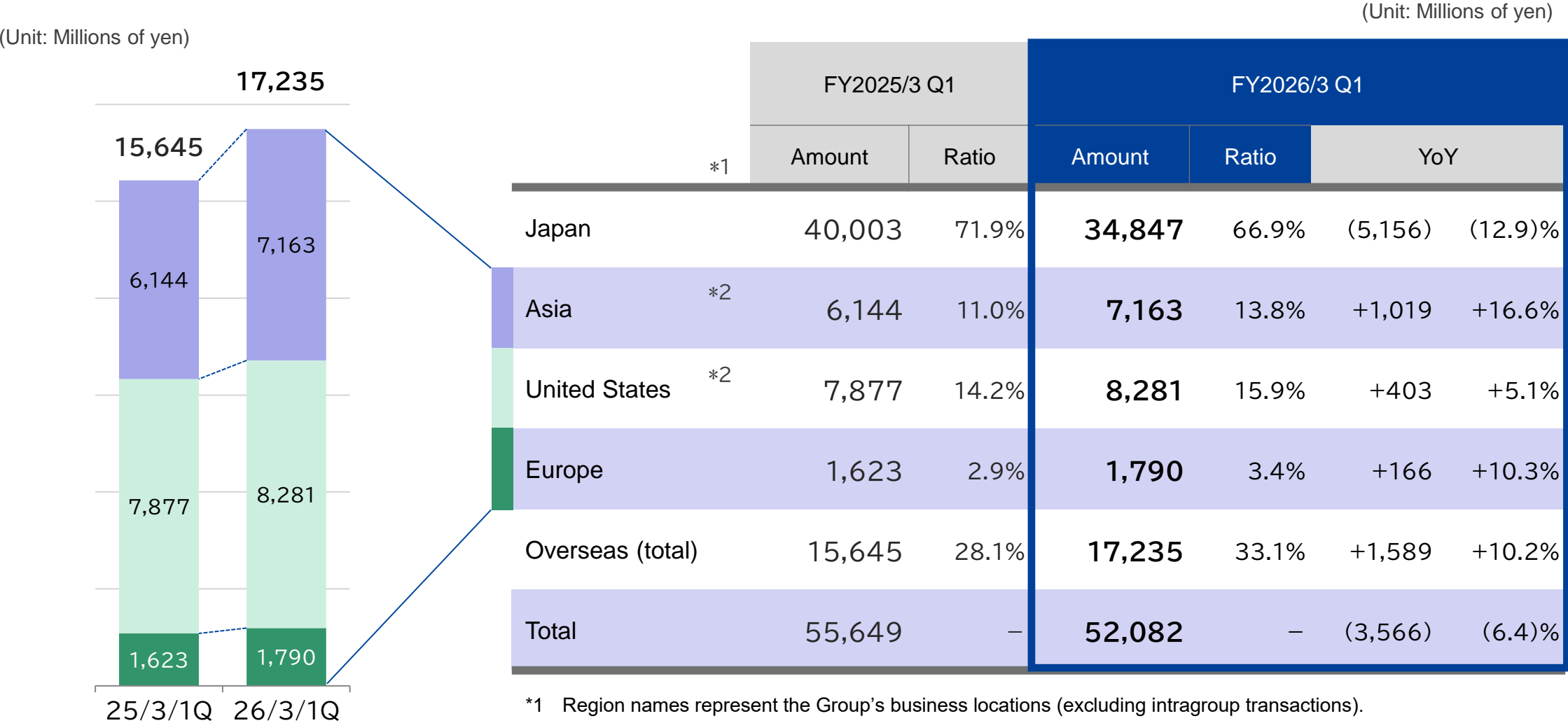
	FY2025/3 Q1		FY2026/3 Q1			
	Amount	Ratio	Amount	Ratio	YoY	
DENSO CORPORATION	24,102	43.3%	22,096	42.4%	(2,006)	(8.3)%
TOKAI RIKA CO., LTD.	1,395	2.5%	1,169	2.2%	(226)	(16.2)%
Others	14,506	26.0%	11,582	22.3%	(2,923)	(20.2)%
Overseas clients <sup>*1</sup>	15,645	28.1%	17,235	33.1%	+1,589	+10.2%
Total	55,649	—	52,082	—	(3,566)	(6.4)%

<sup>\*1</sup> Sales to the overseas offices of major customers, including DENSO CORPORATION, have been included in Overseas clients.



# Electronic Devices Business: Net sales by region (YoY)

•Overseas demand expanded, mainly from Asia and North America, and global operations developed steadily.



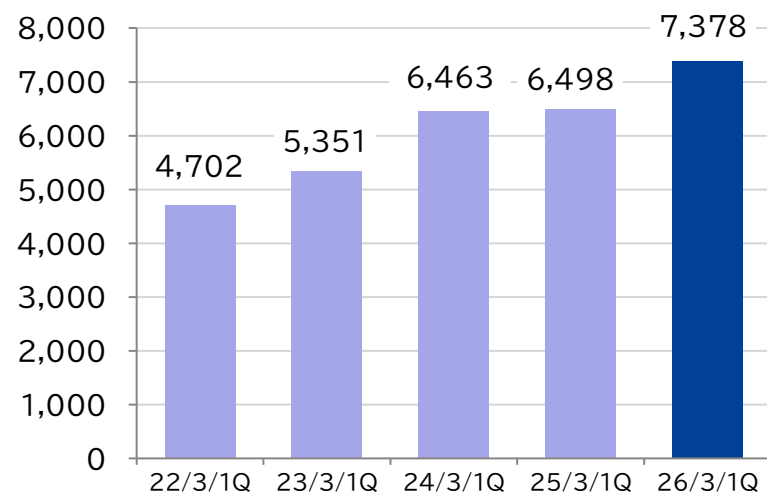
## Technology Solutions Business: Financial results summary

- Embedded Solutions performed sluggishly due to market changes but demand was captured for IT investment and facilities enhancement, leading to a sales increase.
- Expenses rose due to system strengthening and upfront investments, which caused profit to be flat.

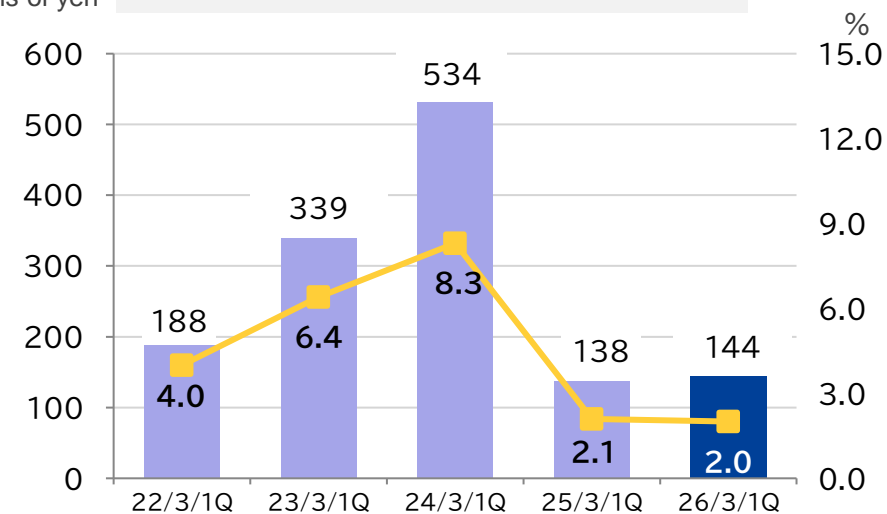
(Unit: Millions of yen)

	FY2025/3 Q1		FY2026/3 Q1			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	6,498	100%	<b>7,378</b>	100%	+880	+13.5%
Segment profit	138	2.1%	<b>144</b>	2.0%	+5	+3.9%

Millions of yen Net sales



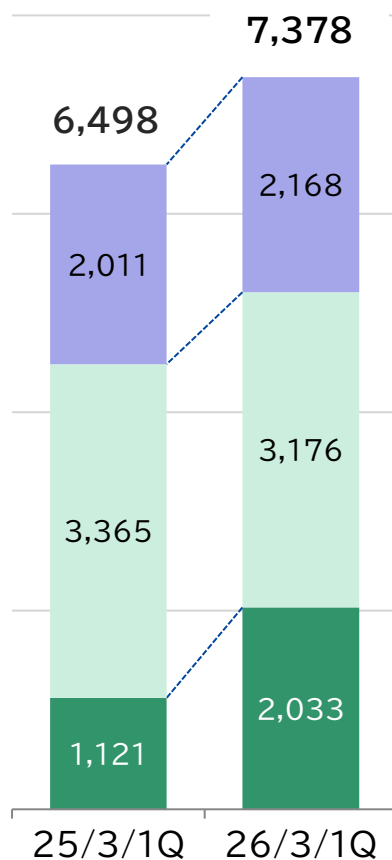
Millions of yen Segment profit and segment profit margin



## Technology Solutions Business: Net sales by business (YoY)

• Embedded Solutions was sluggish due to the effects of inventory adjustments but demand for operational efficiency improvements and capital investments were steadily captured.

(Unit: Millions of yen)



(Unit: Millions of yen)

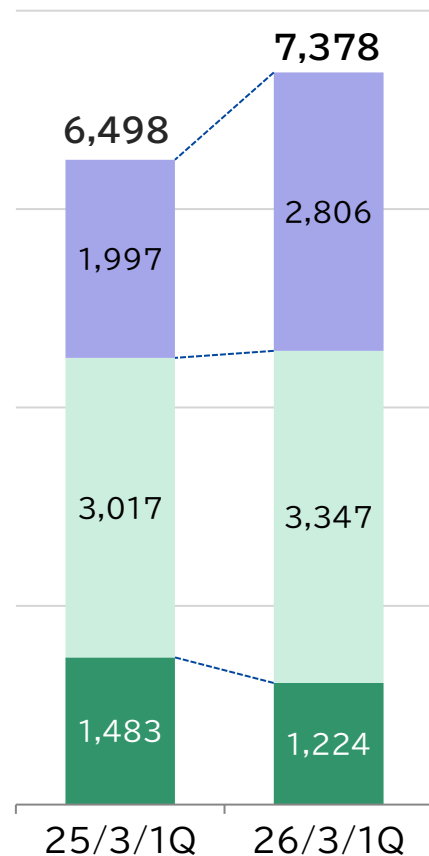
	FY2025/3 Q1		FY2026/3 Q1			
	Amount	Ratio	Amount	Ratio	YoY	
IT Solutions/ Data Platform	2,011	31.0%	<b>2,168</b>	29.4%	+156	+7.8%
Embedded Solutions	3,365	51.8%	<b>3,176</b>	43.0%	(188)	(5.6)%
FA Solutions	1,121	17.3%	<b>2,033</b>	27.6%	+912	+81.3%
<b>Total</b>	<b>6,498</b>	—	<b>7,378</b>	—	+880	+13.5%

IT Solutions: Sale of IT devices, development of apps, development of IoT systems, security measures, etc.  
 Data Platform: IoT data platform, services sales, etc.  
 Embedded Solutions: Development and manufacturing of industrial computers, sale of industrial embedded computers for machinery, etc.  
 FA Solutions: Sale of measurement devices, inspection equipment and FA devices, development, manufacturing and sale of various automated and labor-saving manufacturing equipment.

## Technology Solutions Business: Net sales by industry (YoY)

- Electrification investment related to automobiles proceeded steadily. Needs for operational efficiency in manufacturing were captured.

(Unit: Millions of yen)



(Unit: Millions of yen)

	FY2025/3 Q1		FY2026/3 Q1			
	Amount	Ratio	Amount	Ratio	YoY	
Automotive	1,997	30.7%	2,806	38.0%	+808	+40.5%
FA & Industrial equipment	3,017	46.4%	3,347	45.4%	+330	+10.9%
Others	1,483	22.8%	1,224	16.6%	(258)	(17.4)%
<b>Total</b>	<b>6,498</b>	—	<b>7,378</b>	—	<b>+880</b>	<b>+13.5%</b>

## Consolidated balance sheets

- In assets inventories expanded due to the increase in merchandise and finished goods, while cash and deposits decreased.
- In liabilities, short-term borrowings increased, while other current liabilities decreased.
- The equity ratio was 37.9%.

(Unit: Millions of yen)

	As of March 31, 2025	As of June 30, 2025	Change
Current assets	118,323	119,059	+735
Merchandise and finished goods	48,362	53,169	+4,806
Non-current assets	11,837	11,371	(465)
Property, plant and equipment	4,649	4,761	+112
Intangible assets	3,669	3,504	(164)
Investments and other assets	3,519	3,105	(413)
Total assets	130,161	130,431	+270

	As of March 31, 2025	As of June 30, 2025	Change
Current liabilities	47,795	49,385	+1,589
Non-current liabilities	29,387	29,447	+59
Total liabilities	77,183	78,832	+1,649
Shareholder's equity	48,514	47,589	(925)
Other	4,463	4,009	(454)
Total net assets	52,978	51,599	(1,379)
Total liabilities and net assets	130,161	130,431	+270

Financial results summary for FY2026/3 Q1

**Earnings forecasts for FY2026/3**

Supplementary material (Business Integration with  
SATORI ELECTRIC CO., LTD.)



## Earnings forecasts for FY2026/3

• Due to an expected concentration of sales and profit in the second half of FY2026/3, no significant changes have been made to the earnings outlook at this time. Operating profit and the other profit categories were revised on August 8 to account for the ¥0.6 billion in one-time expenses related to the business integration.

(Unit: Millions of yen)

	FY2025/3	FY2026/3				
	Results(A)	Initial forecasts (B) (May 15)	Revised forecasts (C) (Aug 8)	Change (C-B)	YoY change (C-A)	YoY change ratio (C-A)/A
Net sales	258,742	270,000	270,000	0	+11,257	4.4%
Operating profit	7,112	7,500	6,900	(600)	(212)	(3.0)%
Ordinary profit	6,210	6,500	5,900	(600)	(310)	(5.0)%
Profit attributable to owners of parent	3,699	4,000	3,600	(400)	(99)	(2.7)%
Earnings per share (Yen)	371.30	401.41	361.27	(40.14)	(10.03)	—
Rate of exchange (USD)	¥151.58	¥147.00	¥147.00	0.0	Strong yen ¥4.58	—

## Earnings forecasts for FY2026/3

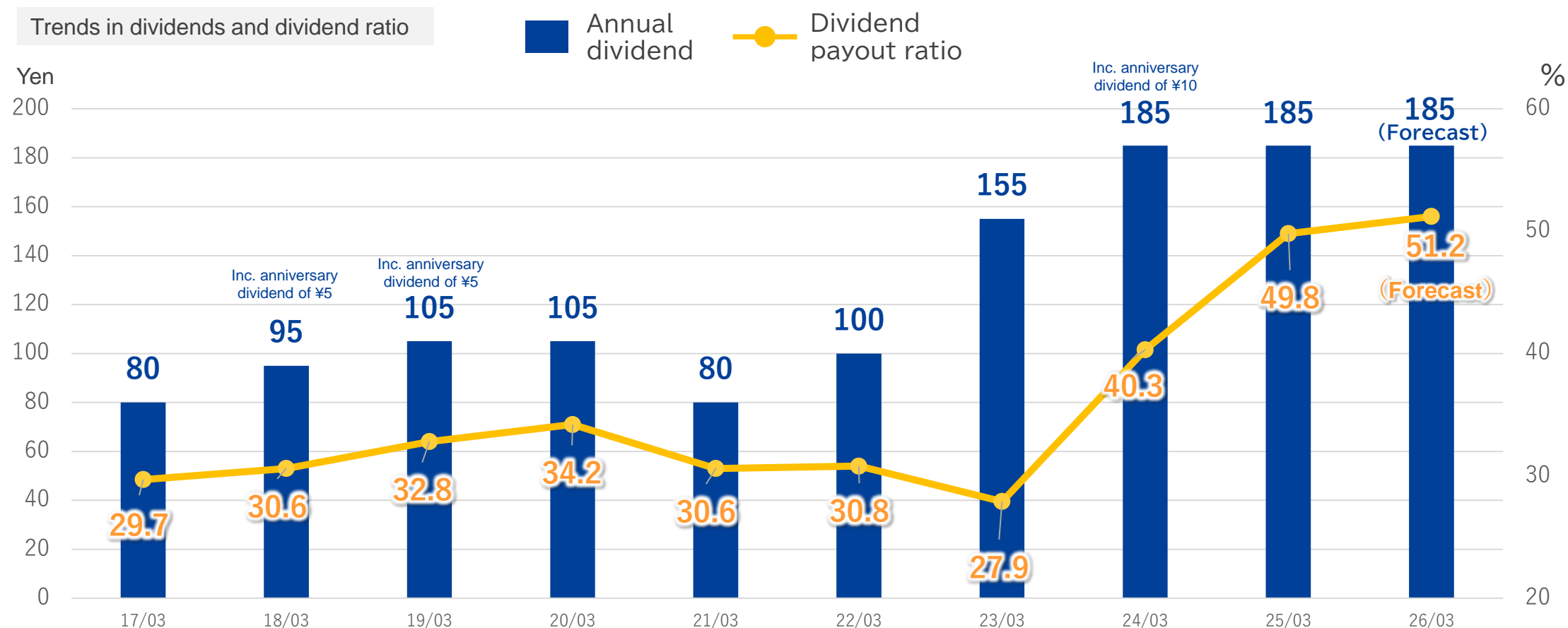
- A breakdown of the revised earnings forecasts as of August 8 by first-half/second-half is as follows.
- One-time expenses to be incurred in association with the business integration are expected to be about ¥0.28 billion in the first-half of FY2026/3 and about ¥0.32 billion in the second-half of FY2026/3, and have been factored into the earnings forecasts accordingly.

(Unit: Millions of yen)

	FY2026/3			
	Q1 Results	Q2 Forecasts (Cumulative)	Second Half Forecasts	Full-year Forecasts
Net sales	59,461	125,000	145,000	270,000
Operating profit	881	2,250	4,650	6,900
Ordinary profit	624	1,750	4,150	5,900
Profit attributable to owners of parent	202	850	2,750	3,600
Earnings per share (Yen)	20.30	85.30	-	361.27

# Return to shareholder

• The dividend forecast has not been changed from the previous forecast, and the annual dividend for FY2026/3 is expected to be ¥185 with a payout ratio of 51.2%.



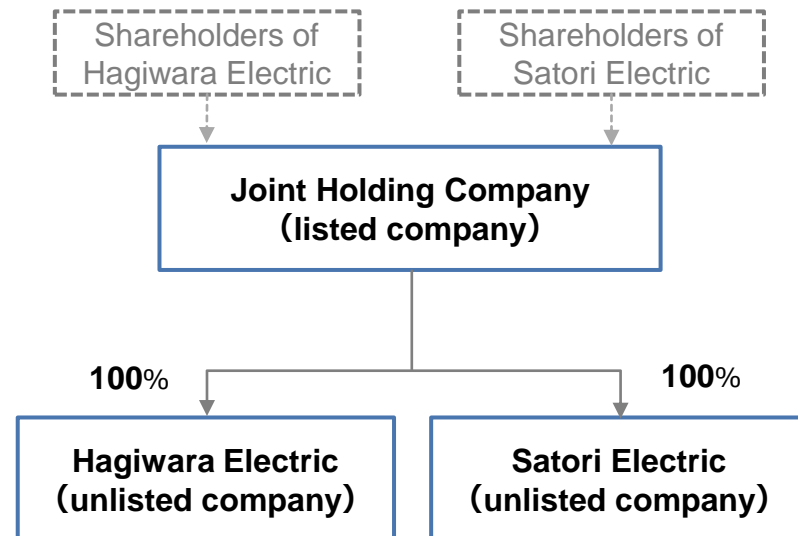
Financial results summary for FY2026/3 Q1

Earnings forecasts for FY2026/3

**Supplementary material (Business Integration with  
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<b>Method of the Business Integration</b>	<ul style="list-style-type: none"> <li>A joint share transfer whereby Hagiwara Electric Holdings Co., Ltd. (“Hagiwara Electric”) and Satori Electric Co., Ltd. (“Satori Electric”) will become the wholly-owned subsidiaries in the share transfer and the newly established Joint Holding Company (the “Joint Holding Company”) will become the wholly-owning parent company in the share transfer.</li> </ul>
<b>Share transfer ratio</b>	<p>Hagiwara Electric : Satori Electric = 2 : 1.02</p> <ul style="list-style-type: none"> <li>2 common shares of the joint Holding Company will be delivered for one common share of Hagiwara Electric.</li> <li>1.02 common share of the joint Holding Company will be delivered for one common share of Satori Electric.</li> </ul>

## Capital relationship after the Business Integration (from April 1, 2026)



## Schedule of the Business Integration

July 28, 2025	Execution of the Memorandum Of Understanding
October 14, 2025 (planned)	Execution of the final agreement on the Business Integration and preparation of the Share Transfer plan (two companies)
December 11, 2025 (planned)	Extraordinary shareholders meeting (two companies)
April 1, 2026 (planned)	Effective date of the Business Integration (Listing date of the Joint Holding Company)

• The purpose of the Business Integration is to combine our strengths to achieve sustainable growth and further enhancement of corporate value.

### Business Environment surrounding us

#### Changes in the external environment

- Smartification in many industries, including manufacturing
- U.S.-China trade friction, export restrictions, and geopolitical tensions

#### Customers

- Rapidly increasing demand for next-generation automobiles, generative AI, DX, edge computing, etc., as well as technology utilization

#### Role of electronics trading companies

- Ability to build advanced system solutions
- Building an advanced supply chain



Deep understanding and expertise in the mobility industry

High level of proposal and support as a “technology trading company”

Wide range of solutions ranging from electronic devices to data utilization



Global network, especially in India and other Asian markets

Wide range of product lineups

Diverse customer bases ranging from manufacturing Industry (FA/IT) to social infrastructure and Other Industries

### Business Integration

In order to deliver even greater added value to both customers and suppliers, it is essential to concentrate our management resources and leverage our strengths to expand the scale of our business. Based on this recognition, we have agreed to pursue the Business Integration through mutual cooperation based on the spirit of equality.





**HAGIWARA ELECTRIC HOLDINGS CO., LTD.**

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