

February 7, 2023

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## Notice regarding upward revision to forecasts for full-year earnings and dividends (dividend increase)

In light of recent earnings trends, KAGA ELECTRONICS CO., LTD. (hereinafter “the Company”) hereby announces that, at a Board of Directors meeting held today, a resolution was passed to upwardly revise the consolidated earnings forecasts announced on November 8, 2022, for the fiscal year ending March 31, 2023, and the year-end dividend forecast, as shown below.

### 1. Revision of earnings forecast

Revision to consolidated earnings forecast for the fiscal year ending March 31, 2023  
(April 1, 2022 - March 31, 2023)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A) (Announced on November 8, 2022)	570,000	28,000	29,000	20,000	761.70
Revised forecast (B)	585,000	29,500	30,000	21,000	799.78
Difference (B) – (A)	15,000	1,500	1,000	1,000	
Percent change (%)	2.6	5.4	3.4	5.0	
(Reference) Results for the fiscal year ended March 31, 2022	495,827	20,915	21,456	15,401	576.46

### < Reasons for revision >

In the first nine months of the fiscal year ending March 31, 2023, the mainstay electronics component business recorded high sales in the automotive and medical equipment industries, thanks to the gradual easing of supply/demand conditions for semiconductors and electronic components, which had been tight. As a result, net sales, operating income, ordinary income, and profit attributable to owners of parent all exceeded internal forecasts, and achieved record highs for the first nine months of a consolidated fiscal year.

Since supply/demand trends for semiconductors and electronic components, conflict in Ukraine, and exchange rate fluctuations, make it difficult to predict the outlook, the Company only took earnings trends during the first three quarters of this fiscal year into account in revising the full-year earnings forecasts announced on November 8, 2022 (shown in the table above).

## 2. Revision of dividend forecast

	Annual dividends		
	End of 1st half	Year-end	Total
Previous forecast (Announced November 8, 2022)	/	100.00 yen (Ordinary dividend 70 yen) (Commemorative dividend 10 yen) (Extraordinary dividend 20yen)	200.00 yen (Ordinary dividend 140yen) (Commemorative dividend 10yen) (Extraordinary dividend 50yen)
Revised forecast	/	120.00 yen (Ordinary dividend 70yen) (Commemorative dividend 10yen) (Extraordinary dividend 40yen)	220.00 yen (Ordinary dividend 140yen) (Commemorative dividend 10yen) (Extraordinary dividend 70yen)
Dividends for the current fiscal year	100.00 yen (Ordinary dividend 70yen) (Extraordinary dividend 30yen)	/	/
(Reference) Dividends for the previous fiscal year (Fiscal year ended March 31, 2022)	45.00 yen (Ordinary dividend 40yen) (Extraordinary dividend 5yen)	75.00 yen (Ordinary dividend 40yen) (Extraordinary dividend 35yen)	120.00 yen (Ordinary dividend 80yen) (Extraordinary dividend 40yen)

### < Reasons for revision >

The Company considers the return of profit to shareholders to be one of its most important management policies, and in addition to endeavoring to strengthen its financial position and management foundation from a long-term perspective, has a basic policy of maintaining stable and ongoing dividends commensurate with consolidated results, with the goal of maintaining a consolidated payout ratio of 25%–35%.

As explained above, the Company expects consolidated performance in the fiscal year ending March 31, 2023, to exceed our previous forecasts, and has thus added another 20 yen in extraordinary dividend to its previous forecast of 100 yen per share for year-end dividends, for a revised forecast of 120 yen per share.

As a result, annual dividends, including the 100-yen interim dividend already paid out, will amount to 220 yen per share, an increase of 100 yen from the previous year. The Company also expects the consolidated payout ratio to be 27.5%.

(Note) The above forecasts are based on the information currently available to the Company on the date of the release and certain assumptions deemed reasonable. Actual results may vary from the forecast for a variety of reasons.