

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <under Japanese GAAP>

May 9, 2025

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 Listing : Tokyo Stock Exchange
 Securities Code : 7537
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Preparation of supplementary material : Yes
 Holding of investor meeting : Yes

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended March 31, 2025	210,837	(10.8)	8,958	(31.0)	6,344	12.7	4,272	25.6
Year ended March 31, 2024	236,490	4.6	12,984	18.1	5,627	(28.8)	3,401	(34.6)

(Note)

Comprehensive income

Year ended March 31, 2025	5,970 Millions of Yen	[(0.4)%]
Year ended March 31, 2024	5,991 Millions of Yen	[(17.5)%]

	Earnings per Share -Basic-	Earnings Per Share -Diluted-	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	163.30	-	8.1	4.0	4.2
Year ended March 31, 2024	130.07	-	6.9	3.2	5.5

(Reference)

Share of profit of entities accounted for using equity method

Year ended March 31, 2025	(155) Millions of Yen
Year ended March 31, 2024	233 Millions of Yen

(2) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
Year ended March 31, 2025	144,765	60,499	37.7	2,083.52
Year ended March 31, 2024	174,120	56,433	29.1	1,938.07

(Reference)

Tangible net worth

Year ended March 31, 2025	54,522 Millions of Yen
Year ended March 31, 2024	50,696 Millions of Yen

(3) Cash Flows

	Net Cash flow from Operating Activities	Net Cash flow from Investing Activities	Net Cash flow from Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended March 31, 2025	18,617	(2,146)	(16,405)	23,532
Year ended March 31, 2024	22,694	(1,424)	(20,050)	23,026

2. Dividends

	Dividend Per Share					Total dividends (annual)	Dividends Payout ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended March 31, 2024	-	25.00	-	27.00	52.00	1,360	40.0	2.8
Year ended March 31, 2025	-	25.00	-	41.00	66.00	1,727	40.4	3.3
Year ending March 31, 2026 (Forecast)	-	20.00	-	25.00	50.00		52.3	

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings per Share -Basic-
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending September 30, 2025	95,000	(3.6)	1,700	(61.1)	700	(77.6)	300	(86.0)	11.46
Year ending March 31, 2026	206,000	(2.3)	6,300	(29.7)	4,300	(32.2)	2,500	(41.5)	95.53

(Reference Information)

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-Consolidated Operating Results

	Net Sales		Operating Income		Ordinary Income		Profit Attributable	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended March 31, 2025	159,801	(11.4)	7,424	(30.2)	6,013	51.8	4,640	53.2
Year ended March 31, 2024	180,265	3.0	10,633	19.4	3,961	(44.8)	3,028	(45.8)

	Earnings per Share		Earnings Per Share	
	Yen	Yen	Yen	Yen
Year ended March 31, 2025	177.36	-	-	-
Year ended March 31, 2024	115.83	-	-	-

(2) Financial Position

	Total Assets		Total Net Assets		Equity Ratio		Net Assets per Share	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen	Yen	
Year ended March 31, 2025	109,117	39,935	39,935	36.6	36.6	1,526.09	1,526.09	
Year ended March 31, 2024	136,587	36,607	36,607	26.8	26.8	1,399.48	1,399.48	

(Reference)

Tangible net worth

Year ended March 31, 2025
Year ended March 31, 2024

39,935 Millions of Yen
36,607 Millions of Yen

This financial result is exempt from auditing by certified public accountants or accounting firms.

The above results forecasts have been prepared based on information available as of the date on which this material was announced, and actual results may differ from the forecasts due to a variety of factors going forward.

For further information on the assumptions made in the preparation of the forecast of performance, please refer to "3. Future outlook" on page 4.

1. Summary of operating results for the fiscal year under review

During the year of the consolidated fiscal year under review (April 1, 2024, to March 31, 2025), the Japanese economy gradually recovered, seeing trends toward capital investment picking up and improvements in corporate earnings, employment, and the income environment. However, the outlook remained uncertain due to factors such as rising prices, U.S. policy trends, and fluctuations in financial and capital markets.

In the electronics sector, to which our Group belongs, AI semiconductors for data centers were generally strong due to the spread and expansion of generative AI. On the other hand, demand has increased for some market sectors to maintain progress in inventory adjustments. However, the inventory adjustment phase for the industrial equipment sector has continued.

Under these circumstances, the Group's net sales for the fiscal year ended March 31, 2025, decreased 10.8% year on year to 210,837 million yen as a result of demand for semiconductors in the Electronic Devices Business tending to be generally low despite increasing demand for Space & Defence Equipment in the Electronic Systems Business. In terms of profit, operating income decreased 31.0% year on year to 8,958 million yen due to a decrease in sales and an increase in selling and administrative expenses. On the other hand, ordinary income increased 12.7% year on year to 6,344 million yen, and profit attributable to owners of parent increased 25.6% year on year to 4,272 million yen, recording a foreign exchange gain of 798 million yen due to the shift from yen depreciation during the period under review to yen appreciation toward the end of the period.

Operating results by business segment are as follows:

(Electronic Devices Business)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Change (%)
	Millions of Yen	Millions of Yen	Millions of Yen	%
Net Sales	179,011	151,011	(28,000)	(15.6)
Operating Income	10,510	5,886	(4,623)	(44.0)

In the Electronic Devices Business, demand for semiconductors for automotive applications and PC and computer peripherals decreased as the inventory adjustment phase continued. As a result, net sales decreased 15.6% year on year to 151,011 million yen. Operating income decreased 44.0% year on year to 5,886 million yen due to the decrease in sales.

(Electronic Systems Business)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Change (%)
	Millions of Yen	Millions of Yen	Millions of Yen	%
Net Sales	54,941	57,336	2,394	4.4
Operating Income	2,507	3,249	741	29.6

In the Electronic Systems Business, the Space & Defence Equipment sector grew amidst the backdrop of the expansion of the space and defense markets. Net sales increased 4.4% year on year to 57,336 million yen, the result of a recovery in demand in the laser equipment sector. Operating income increased 29.6% year on year to 3,249 million yen due to the increase in sales.

(Electronic Solutions Business)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Change (%)
	Millions of Yen	Millions of Yen	Millions of Yen	%
Net Sales	2,536	2,489	(47)	(1.9)
Operating Loss	(28)	(171)	(142)	—

In the Electronic Solutions Business, net sales decreased 1.9% year on year to 2,489 million yen due to decreased demand for network simulation tools for communication infrastructure in the ICT solutions sector. In terms of operating income/loss, an operating loss of 171 million yen was recorded (an operating loss of 28 million yen was recorded in the same period of the previous year) due to an increase in personnel expenses accompanying the strengthening of the sales system for new products.

2. Summary of consolidated financial conditions for the fiscal year under review

(Assets)

At the end of the fiscal year ended March 31, 2025, current assets stood at 130,199 million yen, a decrease of 32,416 million yen compared to the end of the previous fiscal year ended March 31, 2024. This was mainly due to a decrease of 32,299 million yen in accounts receivable - other and a decrease of 2,165 million yen in merchandise and finished goods despite a 1,385-million-yen increase in notes and accounts receivable - trade. Non-current assets stood at 14,566 million yen, an increase of 3,061 million yen compared to the end of the previous fiscal year ended March 31, 2024. This was mainly due to a 567-million-yen increase in retirement benefit assets, a 537-million-yen increase in land and a 424-million-yen increase in investment securities.

As a result, total assets stood at 144,765 million yen, a decrease of 29,354 million yen compared to the end of the previous fiscal year ended March 31, 2024.

(Liabilities)

At the end of the fiscal year ended March 31, 2025, current liabilities stood at 79,222 million yen, a decrease of 37,447 million yen compared to the end of the previous fiscal year ended March 31, 2024. This was mainly due to a decrease of 17,610 million yen in accounts payable - other, 13,146 million yen in short-term borrowings, and 5,000 million yen in the current portion of long-term borrowings. Non-current liabilities stood at 5,044 million yen, a 4,025-million-yen increase compared to the end of the previous fiscal year ended March 31, 2024. This was mainly due to a 4,000-million-yen increase in long-term borrowings.

As a result, total liabilities stood at 84,266 million yen, a decrease of 33,421 million yen compared to the end of the previous fiscal year ended March 31, 2024.

(Net assets)

At the end of the fiscal year ended March 31, 2025, total net assets stood at 60,499 million yen, a 4,066-million-yen increase compared to the end of the previous fiscal year ended March 31, 2024. This was mainly due to a 2,912-million-yen increase in retained earnings, an 881-million-yen foreign currency translation adjustment, and a 239-million-yen valuation non-controlling interests.

As a result, our equity ratio increased by 8.6 points from 29.1% to 37.7% compared to the end of the previous fiscal year ended March 31, 2024.

3. Future outlook

In the fiscal year ending March 31, 2026, we foresee unexpected developments to continue to occur due to the impact that rising prices and U.S. trade policy, among other factors, will have on individual

consumers. However, improvements are expected in the employment and income environment.

In the electronics sector, to which our Group belongs, time will be needed for inventory adjustments, and it will be necessary to consider supply chain restructuring due to geopolitical risks and trends in trade policies. Stable growth in the medium- to long-term semiconductor and electronics component market is expected following advances in automotive and industrial electronics technology and sustainability initiatives, such as energy conservation.

Amid this economic environment, our Group has formulated a new medium-term business plan, “Marubun Nextage 2027” (the New Medium-term Plan), which covers the period from FY2025 to FY2027. With this New Medium-term Plan, we not only plan to grow further as an unrivaled electronics trading company offering unique and original value but also develop as a company that creates social and economic value through responsible management.

With respect to our Group’s results in the fiscal year ending March 31, 2026, we expect trends in the space and defence equipment sector and laser equipment sector to remain stable in the Electronic Systems Business. However, we expect demand to decrease in the Electronic Devices Business due to the effects of inventory adjustments in the industrial equipment market and transfers of commercial rights. Based on this, we expect net sales for the period ending March 31, 2026, to decrease 2.3% year on year by 206,000 million yen. In addition, we expect operating income to decrease 29.7% year on year by 6,300 million yen, ordinary income to decrease 32.2% year on year by 4,300 million yen, and profit attributable to owners of parent to decrease 41.5% year on year by 2,500 million yen.

(Note) The forecast of financial results is based on information available to the Group at the time of the publication of this document and certain assumptions that the Group considers to be reasonable, and may differ from the actual results due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,823	24,246
Notes and accounts receivable - trade	45,432	46,818
Electronically recorded monetary claims - operating	5,422	5,494
Merchandise and finished goods	51,316	49,150
Work in process	135	98
Accounts receivable - other	34,847	2,547
Other	1,677	1,883
Allowance for doubtful accounts	(38)	(41)
Total current assets	162,616	130,199
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,676	3,557
Accumulated depreciation	(2,538)	(2,276)
Buildings and structures, net	1,137	1,280
Machinery, equipment and vehicles	8	7
Accumulated depreciation	(8)	(7)
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	2,269	1,823
Accumulated depreciation	(1,819)	(1,345)
Tools, furniture and fixtures, net	450	477
Land	1,411	1,949
Leased assets	34	37
Accumulated depreciation	(23)	(22)
Leased assets, net	10	15
Right of use assets	255	289
Accumulated depreciation	(137)	(195)
Right of use assets, net	117	94
Construction in progress	165	523
Total property, plant and equipment	3,293	4,340
Intangible assets	1,356	2,284
Investments and other assets		
Investment securities	3,299	3,723
Deferred tax assets	191	253
Retirement benefit asset	677	1,244
Other	2,900	2,892
Allowance for doubtful accounts	(214)	(171)
Total investments and other assets	6,854	7,941
Total non-current assets	11,504	14,566
Total assets	174,120	144,765

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,243	25,593
Short-term borrowings	59,507	46,360
Current portion of long-term borrowings	5,000	—
Lease liabilities	95	89
Accounts payable - other	19,027	1,416
Income taxes payable	853	1,362
Provision for bonuses	1,040	1,354
Other	2,900	3,045
Total current liabilities	116,669	79,222
Non-current liabilities		
Long-term borrowings	—	4,000
Lease liabilities	112	83
Deferred tax liabilities	273	331
Retirement benefit liability	327	305
Provision for retirement benefits for directors (and other officers)	116	120
Asset retirement obligations	109	120
Other	77	82
Total non-current liabilities	1,018	5,044
Total liabilities	117,687	84,266
Net assets		
Shareholders' equity		
Share capital	6,214	6,214
Capital surplus	6,363	6,367
Retained earnings	35,567	38,479
Treasury shares	(1,611)	(1,602)
Total shareholders' equity	46,534	49,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,476	1,597
Deferred gains or losses on hedges	128	(4)
Foreign currency translation adjustment	2,237	3,118
Remeasurements of defined benefit plans	319	351
Total accumulated other comprehensive income	4,162	5,063
Non-controlling interests	5,736	5,976
Total net assets	56,433	60,499
Total liabilities and net assets	174,120	144,765

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	236,490	210,837
Cost of sales	206,883	184,810
Gross profit	29,607	26,026
Selling, general and administrative expenses	16,623	17,068
Operating profit	12,984	8,958
Non-operating income		
Interest income	164	224
Dividend income	74	85
Share of profit of entities accounted for using equity method	233	—
Foreign exchange gains	—	798
Rental income from non-current assets	17	19
Rental income from investment property	21	16
Miscellaneous income	39	49
Total non-operating income	551	1,193
Non-operating expenses		
Interest expenses	3,851	3,147
Loss on sale of trade receivables	595	413
Foreign exchange losses	3,438	—
Share of loss of entities accounted for using equity method	—	155
Miscellaneous losses	23	90
Total non-operating expenses	7,908	3,807
Ordinary profit	5,627	6,344
Extraordinary income		
Gain on sale of non-current assets	1	7
Gain on sale of investment securities	0	—
Gain on sales of real estate for investment	—	246
Total extraordinary income	1	253
Extraordinary losses		
Loss on sale and retirement of non-current assets	6	13
Total extraordinary losses	6	13
Profit before income taxes	5,622	6,584
Income taxes - current	1,683	2,132
Income taxes - deferred	55	34
Total income taxes	1,738	2,166
Profit	3,883	4,417
Profit attributable to non-controlling interests	482	144
Profit attributable to owners of parent	3,401	4,272

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,883	4,417
Other comprehensive income		
Valuation difference on available-for-sale securities	654	121
Deferred gains or losses on hedges	155	(132)
Foreign currency translation adjustment	924	1,533
Remeasurements of defined benefit plans, net of tax	376	31
Share of other comprehensive income of entities accounted for using equity method	(2)	(0)
Total other comprehensive income	2,107	1,553
Comprehensive income	5,991	5,970
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,140	5,173
Comprehensive income attributable to non-controlling interests	851	796

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,622	6,584
Depreciation	508	423
Increase (decrease) in allowance for doubtful accounts	125	(39)
Increase (decrease) in provision for bonuses	16	308
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	3
Increase (decrease) in retirement benefit liability	28	(59)
Decrease (increase) in retirement benefit asset	45	(481)
Interest and dividend income	(239)	(310)
Interest expenses	3,851	3,147
Foreign exchange losses (gains)	6,678	659
Share of loss (profit) of entities accounted for using equity method	(233)	155
Loss (gain) on sale and retirement of non-current assets	4	5
Loss (gain) on sales of real estate for investment	—	(246)
Loss (gain) on sale of investment securities	(0)	—
Decrease (increase) in trade receivables	9,223	(661)
Decrease (increase) in inventories	3,411	2,553
Increase (decrease) in trade payables	(340)	(3,416)
Decrease (increase) in accounts receivable - other	(5,931)	32,299
Increase (decrease) in accounts payable - other	4,504	(17,627)
Other, net	564	(146)
Subtotal	27,848	23,152
Interest and dividends received	234	308
Dividends received from entities accounted for using equity method	423	—
Interest paid	(3,884)	(3,214)
Income taxes paid	(1,937)	(1,629)
Income taxes refund	10	0
Net cash provided by (used in) operating activities	22,694	18,617
Cash flows from investing activities		
Payments into time deposits	(845)	(700)
Proceeds from withdrawal of time deposits	679	846
Purchase of property, plant and equipment	(461)	(1,433)
Proceeds from sale of property, plant and equipment	1	147
Purchase of intangible assets	(718)	(1,018)
Purchase of investment securities	(29)	(258)
Other, net	(49)	270
Net cash provided by (used in) investing activities	(1,424)	(2,146)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(17,266)	(13,399)
Proceeds from long-term borrowings	—	4,000
Repayments of long-term borrowings	(25)	(5,000)
Dividends paid	(2,221)	(1,360)
Dividends paid to non-controlling interests	(450)	(557)
Other, net	(86)	(87)
Net cash provided by (used in) financing activities	(20,050)	(16,405)
Effect of exchange rate change on cash and cash equivalents	1,148	440
Net increase (decrease) in cash and cash equivalents	2,367	506
Cash and cash equivalents at beginning of period	20,658	23,026
Cash and cash equivalents at end of period	23,026	23,532

Consolidated Segment Information

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of Yen)

	Reportable segments				Reconciling items	Per quarterly consolidated financial statements
	Electronic Devices business	Electronic Systems business	Electronic Solutions business	Total		
Sales						
Revenues from external customers	179,011	54,941	2,536	236,490	-	236,490
Transactions with other segments	52	452	52	557	(557)	-
Net sales	179,064	55,394	2,589	237,048	(557)	236,490
Operation profit (loss)	10,510	2,507	(28)	12,989	(5)	12,984

Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Reportable segments				Reconciling items	Per quarterly consolidated financial statements
	Electronic Devices business	Electronic Systems business	Electronic Solutions business	Total		
Sales						
Revenues from external customers	151,011	57,336	2,489	210,837	-	210,837
Transactions with other segments	13	995	7	1,015	(1,015)	-
Net sales	151,024	58,331	2,496	211,853	(1,015)	210,837
Operation profit (loss)	5,886	3,249	(171)	8,964	(6)	8,958