

Annual Report 2025

For the year ended March 31, 2025

Meiko Electronics Co., Ltd.

The Meiko Group consists of Meiko Electronics Co., Ltd. (the “Company”), fifteen consolidated subsidiaries, nine non-consolidated subsidiaries, and two affiliated companies (the “Group”). As the Group’s businesses are primarily in PCB design, manufacturing, sales, and ancillary operations, the descriptions of other businesses are omitted as they are of little significance.

Forward-looking Statements:

This annual report contains forward-looking statements that are based on the information currently available to management, and estimates involving uncertain factors thought likely to have an effect on future results. As such, they include various risks and uncertainties. Actual results may differ materially from these projections for a variety of reasons, including changes in business environments, market trends and exchange rate fluctuations relevant to the business of Meiko Electronics Co., Ltd.

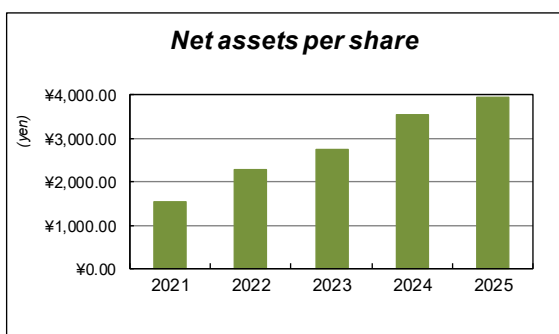
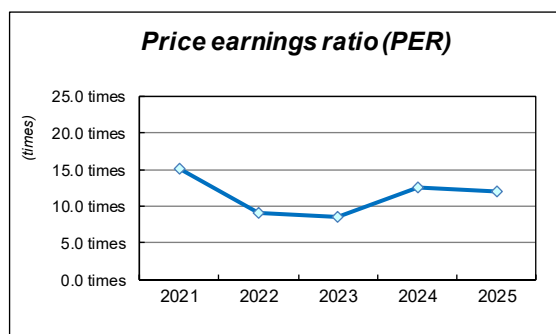
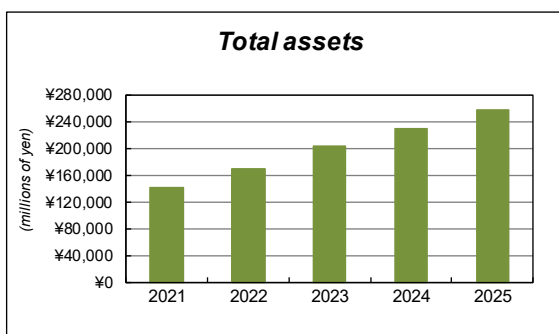
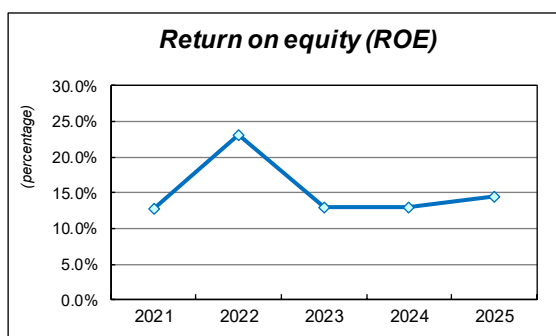
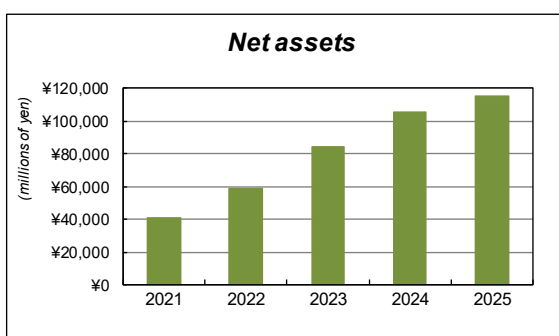
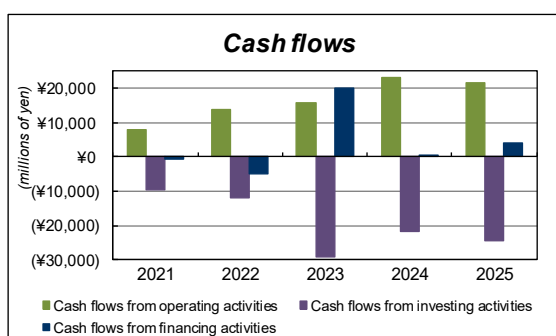
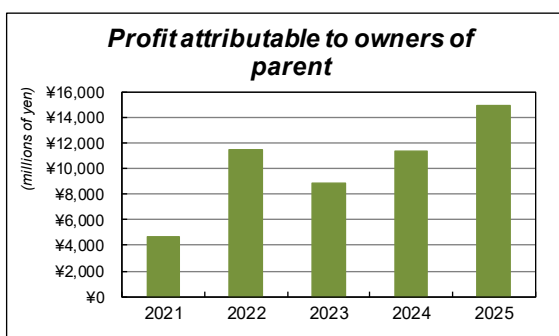
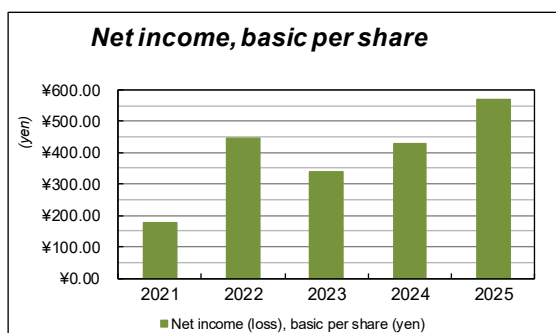
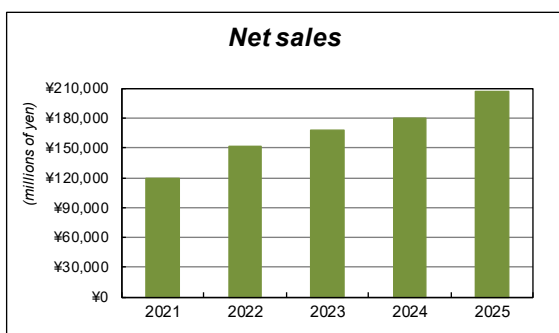
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Five-year Financial Summary

(For the years ended/as of March 31)

	2021	2022	2023	2024	2025
(millions of yen, except per share amounts)					
Consolidated financial indicators:					
Net sales	¥119,257	¥151,275	¥167,277	¥179,458	¥206,806
Ordinary income	5,698	14,295	11,213	14,267	18,763
Profit attributable to owners of parent	4,641	11,451	8,848	11,310	14,925
Comprehensive income	8,629	20,319	13,119	22,708	13,025
Net assets	40,611	58,686	84,475	105,459	115,606
Total assets	142,040	168,329	202,395	229,960	256,366
Net assets per share (yen)	1,551.93	2,281.09	2,736.07	3,549.20	3,939.30
Net income per share (yen)	177.33	444.23	338.94	428.70	569.47
Equity ratio	28.5%	34.7%	38.2%	42.7%	42.2%
Return on equity (ROE)	12.8%	23.2%	13.0%	12.9%	14.5%
Price earnings ratio (PER) (times)	15.2	9.1	8.6	12.6	12.0
Cash flows from operating activities	7,853	13,975	15,714	23,357	21,656
Cash flows from investing activities	(9,490)	(11,786)	(29,043)	(21,587)	(24,328)
Cash flows from financing activities	(619)	(4,730)	19,962	681	4,141
Cash and cash equivalents at the end of the period	12,122	10,451	17,335	21,363	22,913
Number of employees	13,721	13,637	11,889	11,912	12,706
[Average number of temporary staff]	[1,117]	[575]	[423]	[430]	[522]



Financial Review: Management's Discussion and Analysis

The forward-looking statements in this section are based on the Group's assumptions as of the end of the current consolidated fiscal year.

(1) Significant accounting policies and estimates

The consolidated financial statements of the Group have been prepared in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"). The presentation of these consolidated financial statements requires estimates that affect the selection and application of accounting policies, the reporting amounts of assets, liabilities, profits and expenses and the disclosure thereof. The management has assessed those estimates in view of past results and reasonable assumptions, however, actual results may differ from the estimates presented due to uncertainties that are intrinsic to estimates.

(2) Analysis of the Group's financial position

Assets

Assets as of March 31, 2025 were ¥256,366 million, up ¥26,406 million from the end of the previous fiscal year. This change mainly comprised an increase of ¥1,550 million in cash and cash equivalents, an increase of ¥6,350 million in accounts receivable, and an increase of ¥2,896 million in inventories in current assets, in addition to an increase of ¥17,505 million in property, plant and equipment and a decrease of ¥841 million in investment securities in non-current assets.

Liabilities

Liabilities as of March 31, 2025 were ¥140,760 million, up ¥16,259 million from the end of the previous fiscal year. This change mainly comprised an increase of ¥2,567 million in trade notes and accounts payable, an increase of ¥8,153 million in short-term borrowings, an increase of ¥2,175 million in the current portion of long-term borrowings, and an increase of ¥5,475 million in other in current liabilities, in addition to a decrease of ¥2,550 million in long-term borrowings in non-current liabilities.

Net assets

Net assets as of March 31, 2025 were ¥115,606 million, up ¥10,147 million from the end of the previous fiscal year. This mainly reflected a ¥421 million decrease in capital surplus, a ¥12,503 million increase in retained earnings, and a ¥2,146 million decrease in foreign currency translation adjustment.

(3) Analysis of business results

1) Net sales

In the electronic components industry, to which the Group belongs, while demand in the automotive market remained sluggish, demand in other sectors, such as AI servers and gaming consoles, continued to trend upward. Although sales of PCBs (printed circuit boards) for automotive products were affected by the weak demand, sales of PCBs for telecommunications increased significantly, particularly in satellite communications. In light of this, net sales for the fiscal year under review totaled ¥206,806 million, an increase of 15.2% or ¥27,348 million from the previous fiscal year.

2) Gross profit

Cost of sales came to ¥167,031 million, an increase of 12.2% or ¥18,121 million from the previous fiscal year due to improvement in the plant utilization rate and productivity, and progress in cost reductions for the production front, despite increases in raw material costs, labor costs, and depreciation. Gross profit for the fiscal year under review totaled ¥39,775 million, an increase of 30.2% or ¥9,227 million from the previous fiscal year due to a sustained upward trend in demand for high value-added build-up PCBs. The gross margin rose 2.2 percentage points from the previous fiscal year to 19.2%.

3) Operating income

Selling, general and administrative expenses were ¥20,692 million, a rise of 9.6% or ¥1,805 million from the previous fiscal year, primarily attributable to increases in research and development costs, sales commission, and personnel costs. Reflecting this, operating income for the fiscal year under review was ¥19,083 million, an increase of 63.7% or ¥7,422 million from the previous fiscal year. The operating margin rose 2.7 percentage points from the previous fiscal year to 9.2%.

4) Ordinary income

Non-operating income decreased ¥2,027 million to ¥1,891 million, chiefly owing to a decrease in foreign exchange gains, and increases in interest income and subsidy income. Meanwhile, non-operating expenses increased ¥900 million to ¥2,211 million, mainly reflecting increases in commission for syndicated loans and interest expenses. As a result, ordinary income for the fiscal year under review increased ¥4,496 million, or 31.5%, from the previous fiscal year to ¥18,763 million.

5) Profit attributable to owners of parent

In the fiscal year under review, extraordinary income was ¥173 million, owing to the recording of gain on sale of non-current assets of ¥93 million and gain on sales of investment securities of ¥79 million. Extraordinary losses totaled ¥391 million, due to the recording of loss on sale and retirement of non-current assets of ¥277 million, loss on sales of investment securities of ¥64 million, and loss on valuation of investment securities of ¥50 million. The total amount of income taxes—current and income taxes—deferred increased ¥990 million to ¥3,448 million. The net income attributable to non-controlling interests was ¥171 million. As a result of the above, the net income attributable to owners of the Company was ¥14,925 million, up 32.0% compared with the previous fiscal year.

(4) Analysis of source of funds and liquidity

1) Cash flows

Cash and cash equivalents (hereafter, “net cash”) as of March 31, 2025 increased ¥1,550 million from the previous fiscal year, to ¥22,913 million.

Of the above net cash, ¥455 million was attributable to including Meiko Electronics Hoa Binh Co., Ltd., which had previously been a non-consolidated subsidiary, within the scope of consolidation.

Cash flows of each category and their causes during the consolidated fiscal year ended March 31, 2025 were as follows.

Net cash provided by operating activities for the fiscal year under review was ¥21,656 million, down ¥1,701 million from the previous fiscal year. Increases were mainly from income before income taxes of ¥18,544 million, depreciation and amortization of ¥12,542 million, and an increase in trade notes and accounts payable of ¥2,861 million. The major decreases consisted of an increase in trade notes and accounts receivable of ¥7,771 million, an increase in inventories of ¥3,336 million, and income taxes paid of ¥3,444 million.

Net cash used in investing activities was ¥24,328 million, up ¥2,741 million from the previous fiscal year. The major outflow was ¥24,398 million for the purchase of property, plant and equipment.

Net cash provided by financing activities was ¥4,141 million, up ¥3,460 million from the previous fiscal year. The major inflows were net increase in short-term borrowings of ¥8,315 million and proceeds from long-term borrowings of ¥31,416 million. The major outflows comprised payments for long-term borrowings of ¥32,375 million, cash dividends paid of ¥2,420 million, and purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥500 million.

Trends in cash flow indicators of the Group are as follows:

	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Equity ratio (%)	38.2	42.7	42.2
Market value equity ratio (%)	37.0	60.4	68.5
Cash flows versus interest-bearing debt ratio (years)	4.9	3.4	4.1
Interest coverage ratio (times)	14.5	21.5	16.5

Equity ratio = Equity capital / Total assets

Market value equity ratio = Stock market capitalization / Total assets

Cash flow versus interest-bearing debt ratio = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest payment

Notes:

1. Each indicator is calculated based on consolidated financial values.
2. The stock market capitalization is calculated as follows: term-end closing stock price x term-end number of shares issued (after deducting shares of treasury stock). Common stocks are subject to the calculation.
3. The operating cash flow represents the cash flow provided by (used in) operating activities as indicated in the consolidated statements of cash flows. Of the liabilities posted on the consolidated balance sheets, the interest-bearing debt covers all the liabilities for which interest was paid. The interest payment represents the payment of interest indicated in the consolidated statements of cash flows.

2) Financial policy

The Group procures funds for its operations from funds on hand or borrowings from financial institutions. The Group has a policy of procuring funds for investment and loans as well as funds to acquire manufacturing equipment inside and outside Japan via long-term borrowings from financial institutions. With regard to procuring such funds and the conditions of procurement, the Group strives to select the most favorable timing and conditions.

Business Risks

Below are some of the major risks from among those described in the securities report (provided/filed in Japanese only) which may significantly affect any decisions made by investors.

Forward-looking statements are based on the Group's best judgment during the consolidated fiscal year under review.

(1) Risks related to the business environment

1) Risk related to the Group's major customers and their industries' trends

The Group's major customers are manufacturers of automotive products, smartphones, telecommunication and module substrates, amusement equipment, smart household appliances, and industrial equipment, among others. The Group's major business is the manufacture and sales of PCBs, which are parts that constitute a core function of finished products. Furthermore, the Group endeavors to strengthen and expand the semiconductor package substrate and electronics businesses as new mainstay businesses with the aim of minimizing influence from overdependence on PCBs. However, should economic trends or a natural disaster adversely impact the Group's major customers or their industry markets, such factors could affect the business performance and financial position. The monitoring of customers and trends in their industries and measures to minimize influence implemented by the Group cannot eliminate said risk completely. Therefore, the Group realizes that such risk could emerge in the event of a sudden change in market conditions, with the influence depending on the timing and size of the incident.

2) Raw materials market fluctuation risk

The Group strives to minimize risk using measures such as commodity derivatives. However, if an unexpected surge in the procurement prices of crude oil, copper, gold, or any other materials is not able to be passed on to our selling prices to customers, or if we may miss business opportunities due to difficulty in procuring materials, the business performance and financial position could thus be adversely affected. As said risk cannot be lessened or eliminated completely by the above mentioned measures to minimize risk alone, the Group realizes that it is inevitable that it will suffer some degree of impact if such risk actually emerges.

3) Risk related to technological development and price competition

The time will come when all things are connected, due to the increase in the use of electronics in vehicles, the dissemination of electric vehicles, the emergence of connected cars based on high-speed communication, and the worldwide spread of IoT. Although the Group expects expansion of demand for PCBs, to address intensifying global competition stemming from downward pressure on prices from China and Southeast Asia, the Group needs to differentiate its products with technology. To this end, the Group is developing technologies such as element technologies to make wires thinner, dissipate heat, and make hole diameters smaller, as well as cost-reduction technologies. However, should such technologies diverge from market needs and not be accepted, the Group may become embroiled in a price war, or the yield rate may decline, which could affect its business performance and financial position. The Group closely monitors customers' needs, competitors' technology, and price movements, etc. However, as this type of risk is inherent in business management and is difficult to eliminate completely, such risk might ordinarily emerge in the process of business management. The Group realizes that it is difficult to make a definite estimate of the

influence when such risk actually emerges, since the influence may depend on the timing and conditions of the incident.

4) Risks related to the timing of capital investments

The Group conducts appropriate capital investment to enhance productivity and maintain product competitiveness in accordance with demand trends. Although capital investments are carefully determined considering market trends and brand manufacturers' business performance, should the Group's capital investments become excessive upon a downturn in the economy or manufacturers change strategies, or the operation of new facilities be delayed, factors such as the burden of depreciation costs could adversely affect the business results and financial position. In addition, should the asset value or business profitability decline, it could result in the occurrence of impairment loss, adversely affecting the business performance and financial position. The Group believes that there is not a high possibility that any individual capital investment will lead to the occurrence of impairment loss. However, risk caused by external factors, such as a sudden change in market conditions, natural disasters, and infectious diseases, cannot be lessened or eliminated by the Group's risk management alone. There is a possibility that the Group will suffer impact in the event of the occurrence of such risk, with the influence depending on the timing and size of the incident.

5) Risk related to equipment failures and accidents

Although the Group conducts regular inspections and maintenance work on its production equipment as well as plant monitoring using IoT technology in its manufacturing bases and strives to minimize the occurrence of equipment failures, fire, or other accidents, which may result in the suspension of line operations, there is no guarantee that these will be prevented or reduced completely. Should production or shipping be suspended for a long period of time due to these factors, the business performance and financial position could be adversely affected. Said risk cannot be lessened or eliminated by the Group's own risk management alone. There is a possibility that the Group will suffer impact in the event of the occurrence of such risk, with the influence depending on the frequency and size of the incident. However, the Group realizes that it is difficult to make a definite estimate of the influence in light of the conditions of such risk.

6) Risk related to product defects

PCBs are mounted with electronic components and then embedded in finished products. The Group manufactures PCBs in compliance with globally accepted quality control standards. In addition, brand manufacturers conduct inspections upon receipt of the finished product checking for product defects. However, should a large-scale recall or a product liability claim occur, such an incident would incur significant costs that cannot be covered by insurance amounts and harm the value of our corporate brand, which could adversely affect the business performance and financial position. The Group believes that there is not a high possibility that said risk will emerge. However, as such risk cannot be lessened or eliminated by the Group's own risk management alone, the Group realizes that it is inevitable that it will suffer some degree of impact if such risk emerges.

(2) Risk related to natural disasters, etc.

1) Risk related to natural disasters

If natural disasters, such as earthquakes, tsunamis, floods, storms, or torrential

downpours occur, operation of the Group's facilities may be partially or totally suspended, resulting in delays in production and shipments. Having learned from past experiences, the Group reviews its risk management system appropriately and endeavors to secure the safety of its employees and protect its facilities against natural disasters. However, should a disaster of an enormous scale occur in the future, we may consume expenses required to restore damaged production facilities and experience a sales decline, resulting in an adverse effect on the business performance and financial position. Said risk cannot be lessened or eliminated by the Group's own risk management alone. There is a possibility that the Group will suffer impact in the event of the occurrence of such risk, with the influence depending on the frequency and size of the incident. However, the Group realizes that it is difficult to make a definite estimate of the influence in light of the conditions of such risk.

2) Risk related to infectious diseases

Against infectious diseases, the Group continues thorough implementation of preventive measures to secure the safety of customers, business partners, and employees and prevent the further spread of infection in accordance with the guidance of health authorities in each country where we operate. However, situations such as the health crisis becoming prolonged, pandemic conditions continuing, or new types of infections occurring might result in suspension of the Group's factories, worsening of the Japanese and global economy, and contraction of economic activities, which could adversely affect the business performance and financial position. Said risk cannot be lessened or eliminated by the Group's own risk management alone. There is a possibility that the Group will suffer impact in the event of the occurrence of such risk, with the influence depending on the frequency and size of the incident. However, the Group realizes that it is difficult to make a definite estimate of the influence in light of the conditions of such risk.

(3) Risk related to compliance

As the Group operates its business in bases inside and outside Japan, it needs to comply with a wide range of laws and regulations and restrictions. In Japan, the Group is required to obey the Companies Act, Financial Instruments and Exchange Act, Anti-Monopoly Act, tax laws, labor laws, and environmental laws, etc. while it must observe laws and regulations and restrictions in each country and region it operates in overseas. The Group not only established the Risk and Compliance Committee to supervise compliance with laws and regulations and restrictions but also strives to raise its employees' awareness of compliance issues by formulating and implementing its own compliance measures. However, there is a possibility that risk related to compliance will not be dodged completely by implementing these measures. Should the Group fail to perform obligations required by laws and regulations and restrictions, it could adversely affect the business performance and financial position. The Group believes that there is not a high possibility that risk related to compliance will emerge. However, as the type and timing of the occurrence, etc. of such incident cannot be controlled by the Group, it realizes that it is difficult to make an estimate of the influence beforehand.

(4) Risk related to finance, etc.

1) Financial risks

The Group has made aggressive capital investments to prepare for the anticipated increase in demand for PCBs for automotive products and smartphones, as well as in response to new products in line with technological innovation. As a result, the ratio of borrowings to total assets as of March 31, 2025 was 33.8%. Should new borrowings or

refinancing of outstanding borrowings for capital investments necessary from the perspective of its business strategy become difficult in the future due to a change in monetary conditions or banks' situations, it could affect the Group's fund raising plans. In addition, a rise in interest rates on borrowings could adversely affect the business performance and financial position. As risk related to monetary conditions or each bank's situation is hard to reduce or eliminate by the Group's own measures, the Group believes that it will suffer impact in the event of the occurrence of such risk, with the influence depending on the timing, size, and conditions of the incident. However, the Group realizes that it is difficult to make a definite estimate of the influence.

2) Credit risk

As the Group extends credit to its business partners in the form of trade credit, including accounts receivables and advance payments, it is therefore exposed to credit risk in the form of losses arising from deterioration in the credit of or bankruptcy of business partners. To manage such risk, the Group responds depending on the credit profile of the counterparty based on internal rules that determine the credit limit for each business partner. However, failure to collect receivables and other credit could affect the business performance and financial position. The Group believes that it will suffer only limited impact, even if said risk emerges, since it monitors obligors' credit conditions and diversifies risk, which maintains the frequency and influence within the range of normal fluctuation of business results. Although the possibility of the abrupt emergence of unexpected credit risk from a large obligor is not completely eliminated, the Group realizes that the probability is quite low.

3) Risk related to foreign currency rate fluctuation

To operate plants in China and Vietnam, we need to hold U.S. dollars and other foreign currency-denominated assets. Therefore, the Group is exposed to yen-to-yuan, yen-to-U.S. dollar and other currencies exchange rate fluctuations. These fluctuations could result in losses. The Group strives to minimize risks to some extent by conducting exchange marry or currency exchange hedge, etc. However, should an unexpected foreign currency rate fluctuation occur, it could adversely affect the business performance and financial position. As said risk depends on the fluctuation of foreign exchange rates and cannot be lessened or eliminated by the Group's own effort alone, the Group realizes that it is difficult to make a definite estimate on the timing of the occurrence and influence.

4) Risk related to M&A, joint venture, and alliance

The Group forms capital alliances with and conducts joint ventures with other companies that have the technology, products, sales network, customer base, and human resources necessary for business growth. However, there is a possibility that the Group may not receive the anticipated effects or will need to spend additional expenses or incur impairment loss when the market and competition environments significantly change or the business does not develop as planned. Should such incident occur, the Group may fail to earn the forecast profits, adversely affecting its business performance and financial position. As such risk cannot be lessened or eliminated by the Group's own risk management alone, the Group realizes that it is inevitable that it would suffer some degree of impact if such risk actually emerges.

(5) Other risk

1) Risk inherent in plant operations in China and Vietnam

To expand productivity and reduce production costs, the Group has established local

corporations in Hong Kong, Guangzhou and Wuhan in China, and in Vietnam, conducting manufacturing and sales activities. In these countries, the Group may face the following difficulties—hygiene-related issues such as infectious diseases; change or introduction of environmental regulations, legal restrictions and the tax system; failure of infrastructure such as electricity, water and transportation; political uncertainty and public security-related issues; anti-Japanese demonstrations and/or labor disputes; expropriation of assets, destruction of facilities by wars and conflicts, and limitation on the transfer of funds (transfer restriction), etc. Should unexpected events such as changes in the political or legal environment, economic situation or environmental regulations occur, the business performance and financial position could be adversely affected as a result of the issues which might arise in the management of production facilities and equipment and in the execution of other operations, or a large amount of liabilities or obligations associated with the compliance of environmental conservation and other regulations. Said risk cannot be lessened or eliminated by the Group's own risk management alone. There is a possibility that the Group will suffer impact in the event of the occurrence of such risk, with the influence depending on the frequency and size of the incident. However, the Group realizes that it is difficult to make a definite estimate of the influence in light of the conditions of such risk.

2) Risk related to information security

The Group obtains customer information, etc. through its business activities from time to time and also owns confidential information on technology, sales, individual persons, and overall business. To prevent unauthorized information access, falsification, corruption, leakage, loss, and any other damages caused by cyberattacks, human errors, and any other incidents, the Group established its information management system and conducts appropriate safety procedures, including rational technological measures and drills to prepare for cybersecurity risk. However, should the leakage or loss of information occur, it could adversely affect the business performance and financial position. As the Group strives to appropriately operate its confidential information management system, it realizes that the probability of emergence of such risk is quite low.

3) Risk related to intellectual property rights

The Group recognizes intellectual properties as its significant management resources and seeks to acquire intellectual property rights by applying for patents, etc. for proprietary technologies, etc. developed by the Group with the aim of protecting intellectual properties. However, not all applications may be approved and it is also possible that obtained rights may be rendered void due to objections by third parties. Although the responsible department manages obtained intellectual properties and pays attention to violation of rights by external parties, anticipated profits could be lost in the event of illegal use, etc. Meanwhile, should a lawsuit be filed against the Group with regard to a violation of intellectual property rights of third parties, the business performance and financial position could be adversely affected as a result of the compensation or damages paid to customers due to the suspension of production and payment of license fees, etc., related to patent use in order to resume production. Although the possibility of abrupt emergence of the risk is not completely eliminated, the Group realizes that the probability is quite low.

4) Risk related to human resources

The Group recognizes that securing, retaining, and developing talent is essential for sustainable growth. In terms of employee treatment and benefits, the Group has introduced a share awards system and a student loan repayment support program, and

also provides a nursery center. In terms of human resources development, the Group offers tier-based education and core personnel education, and is expanding its programs for workforce training aimed at global growth. In addition, the Group supports self-development learning and provides education on compliance, harassment prevention and other key topics. These initiatives have been strengthened continuously to enhance talent acquisition and prevent the outflow of existing talent. The Group also conducts regular employee surveys and turnover factor analyses to establish a cycle for promptly addressing issues, and reviews its systems and working environment, including flexible work arrangements, in a timely manner. Meanwhile, due to the declining birthrate and aging population, increasing labor mobility, and diversification of work styles and values, competition for talent is intensifying. Should the Group fail to secure or retain necessary human resources under such conditions, its business performance and financial position could be adversely affected. Said risk cannot be lessened or eliminated by the Group's own risk management alone. There is a possibility that the Group will suffer impact in the event of the occurrence of such risk, with the influence depending on the frequency and size of the incident. However, the Group realizes that it is difficult to make a definite estimate of the influence in light of the conditions of such risk.

Compensation to Accounting Auditor

(1) Compensation paid to certified public accountants, etc.

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Compensation for audit operations (Millions of yen)	Compensation for non-audit operations (Millions of yen)	Compensation for audit operations (Millions of yen)	Compensation for non-audit operations (Millions of yen)
The Company	73	—	76	—
Consolidated subsidiaries	—	—	—	—
Total	73	—	76	—

Category	Fiscal year ended March 31, 2025	
	Compensation for audit operations (Thousands of U.S. dollars)	Compensation for non-audit operations (Thousands of U.S. dollars)
The Company	508	—
Consolidated subsidiaries	—	—
Total	508	—

(2) Compensation paid to organizations belonging to the auditing network of the KPMG Group (excluding (1))

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Compensation for audit operations (Millions of yen)	Compensation for non-audit operations (Millions of yen)	Compensation for audit operations (Millions of yen)	Compensation for non-audit operations (Millions of yen)
The Company	—	4	—	5
Consolidated subsidiaries	99	29	111	34
Total	99	33	111	39

Category	Fiscal year ended March 31, 2025	
	Compensation for audit operations (Thousands of U.S. dollars)	Compensation for non-audit operations (Thousands of U.S. dollars)
The Company	—	33
Consolidated subsidiaries	742	231
Total	742	264

The non-audit operations at the Company and consolidated subsidiaries were tax advisory services.

Consolidated Financial Statements

Consolidated Balance Sheets

Meiko Electronics Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2025 and 2024

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2024	2025
Current Assets:			
Cash and cash equivalents (Note 15)	¥ 22,913	¥ 21,363	\$ 153,234
Receivables —			
Trade notes receivable (Notes 5 and 15)	2,560	1,625	17,119
Accounts receivable (Note 15)	42,512	36,162	284,303
Electronically recorded monetary claims (Notes 5 and 15)	3,674	3,331	24,569
Other receivables (Note 15)	696	1,132	4,653
Less: Allowance for doubtful accounts	(51)	(27)	(338)
Inventories —			
Merchandise and finished goods	11,130	9,997	74,436
Work in process	8,485	7,973	56,741
Raw materials and supplies	18,875	17,624	126,227
Other (Note 15)	3,318	3,660	22,197
Total current assets	<u>114,112</u>	<u>102,840</u>	<u>763,141</u>
Property, Plant and Equipment, at Cost:			
Land	2,548	2,548	17,040
Buildings and structures (Note 4)	78,078	74,944	522,158
Machinery and vehicles (Note 4)	153,953	142,654	1,029,578
Leased assets	3,661	3,009	24,485
Construction in progress (Note 4)	26,088	19,223	174,467
Other (Note 4)	12,329	11,454	82,446
	<u>276,657</u>	<u>253,832</u>	<u>1,850,174</u>
Less: Accumulated depreciation	<u>(147,086)</u>	<u>(141,766)</u>	<u>(983,653)</u>
Net property, plant and equipment	<u>129,571</u>	<u>112,066</u>	<u>866,521</u>
Intangible Assets:			
Goodwill	4,951	5,627	33,110
Other	746	791	4,987
Total intangible assets	<u>5,697</u>	<u>6,418</u>	<u>38,097</u>
Investments and Other Assets:			
Investment securities (Notes 3 and 15)	2,146	2,987	14,349
Long-term loans receivable (Note 15)	1,264	1,376	8,450
Deferred tax assets (Note 14)	1,904	2,285	12,731
Other (Note 15)	1,703	2,019	11,400
Less: Allowance for doubtful accounts	<u>(31)</u>	<u>(31)</u>	<u>(208)</u>
Total investments and other assets	<u>6,986</u>	<u>8,636</u>	<u>46,722</u>
Total	<u>¥ 256,366</u>	<u>¥ 229,960</u>	<u>\$ 1,714,481</u>

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2024	2025
Current Liabilities:			
Trade notes and accounts payable (Note 5)	¥ 29,599	¥ 27,032	\$ 197,947
Short-term borrowings (Note 6)	40,366	32,213	269,955
Current portion of long-term borrowings (Notes 6 and 15)	11,700	9,525	78,245
Income taxes payable (Note 14)	940	1,106	6,287
Accrued bonuses	1,458	1,304	9,753
Accrued bonuses to directors	89	59	598
Lease obligations (Notes 6 and 15)	272	116	1,819
Other (Notes 6, 11 and 18)	15,834	10,359	105,881
Total current liabilities	100,258	81,714	670,485
Long-term Liabilities:			
Long-term borrowings (Notes 6 and 15)	34,700	37,250	232,061
Lease obligations (Notes 6 and 15)	534	163	3,572
Long-term income taxes payable (Note 14)	136	-	911
Provision for directors' retirement benefits	216	216	1,444
Provision for share awards	317	414	2,118
Provision for share awards for directors	51	57	343
Net defined benefit liability (Note 7)	3,421	3,599	22,880
Other (Note 14)	1,127	1,088	7,538
Total long-term liabilities	40,502	42,787	270,867
Commitments and Contingent Liabilities (Note 10):			
Net Assets (Note 8):			
Shareholders' Equity:			
Common stock:			
Authorized:			
70,000,000 shares in 2025 and 2024			
Issued:			
26,803,320 shares in 2025 and 2024			
Preferred stock:			
Authorized:			
100 shares in 2025 and 2024			
Issued:			
70 shares in 2025 and 2024	12,889	12,889	86,193
Capital surplus	13,821	14,242	92,428
Retained earnings	57,649	45,146	385,535
Less: Treasury stock, at cost; common stock			
1,143,447 shares in 2025, 1,156,117 shares in 2024	(2,667)	(2,710)	(17,834)
Total shareholders' equity	81,692	69,567	546,322
Accumulated Other Comprehensive Income:			
Unrealized gains on available-for-sale securities	93	94	620
Deferred gains on hedges	50	45	335
Foreign currency translation adjustments	26,322	28,468	176,033
Remeasurements of defined benefit plans (Note 7)	82	11	551
Total accumulated other comprehensive income	26,547	28,618	177,539
Non-controlling interests	7,367	7,274	49,268
Total net assets	115,606	105,459	773,129
Total	¥ 256,366	¥ 229,960	\$ 1,714,481

See notes to consolidated financial statements.

Consolidated Statements of Operations

Meiko Electronics Co., Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2024	2025
Net Sales (Note 18)	¥ 206,806	¥ 179,458	\$ 1,383,042
Cost of Sales (Note 12)	167,031	148,910	1,117,039
Gross profit	39,775	30,548	266,003
Selling, General and Administrative Expenses (Note 12)	20,692	18,887	138,380
Operating income	19,083	11,661	127,623
Other Income (Expenses):			
Interest expense, net	(515)	(518)	(3,444)
Dividend income	122	15	819
Commission for syndicated loans	(585)	(19)	(3,914)
Foreign exchange gain	269	2,956	1,797
Net loss on sales and disposal of property, plant and equipment (Note 13)	(184)	(263)	(1,228)
Subsidy income	330	218	2,206
National subsidies	-	400	-
Gain on sales of investment securities, net (Note 3)	15	37	99
Loss on valuation of investment securities (Note 3)	(50)	(180)	(334)
Gain on termination of retirement benefit plan (Note 7)	-	6	-
Loss on tax purpose reduction entry of non-current assets	-	(394)	-
Other, net	59	(46)	395
Total	(539)	2,212	(3,604)
Income before Income Taxes	18,544	13,873	124,019
Income Taxes (Notes 9 and 14):			
Current	3,082	2,664	20,614
Deferred	366	(206)	2,449
Total income taxes	3,448	2,458	23,063
Net Income	15,096	11,415	100,956
Net Income attributable to non-controlling interests	171	105	1,147
Net Income attributable to owners of the Company	¥ 14,925	¥ 11,310	\$ 99,809

	Yen		U.S. dollars (Note 1)
Per Share of Common Stock:			
Net income per share			
Basic	¥ 569.47	¥ 428.70	\$ 3.81
Cash dividends applicable to the year			
Common stock	88.00	68.00	0.59
Series 1 Non-convertible preferred stock	4,500,000.00	4,512,328.80	30,094.30

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Meiko Electronics Co., Ltd. and Consolidated Subsidiaries

For the Years Ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2024	2025
Net Income	¥ 15,096	¥ 11,415	\$ 100,956
Other Comprehensive Income (Note 17):			
Unrealized gains on available-for-sale securities	(2)	81	(12)
Deferred gains (losses) on hedges	5	(10)	32
Foreign currency translation adjustments	(2,146)	11,057	(14,346)
Remeasurements of defined benefit plans	72	165	480
Total other comprehensive income	(2,071)	11,293	(13,846)
Comprehensive Income	¥ 13,025	¥ 22,708	\$ 87,110
Comprehensive Income Attributable to:			
Owners of the Company	¥ 12,854	¥ 22,588	\$ 85,963
Non-controlling interests	171	120	1,147

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Medtronic Corporation, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2025 and 2024

Millions of yen												
Shareholders' Equity						Accumulated Other Comprehensive Income						
Common Stock		Preferred Stock		Capital Surplus		Treasury Stock at Cost; Common Stock	Total Shareholders' Equity	Unrealized Gains on Available-for-sale Securities	Deferred Gains (Losses) on Hedges	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income
Number of Shares	Amount	Number of Shares	Amount									
Balance as at March 31, 2023	26,805,320	70	-	13,700	35,568	(2,176)	59,981	13	55	17,426	(154)	17,340
Net income attributable to owners of the Company	-	-	-	-	11,310	-	11,310	-	-	-	-	-
Cash dividends paid	-	-	-	-	(1,732)	-	(1,732)	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	(931)	(931)	-	-	-	-	-
Retirement of treasury stock	-	-	-	-	542	397	939	-	-	-	-	-
Net income (decrease)	-	-	-	-	-	-	-	81	(10)	11,042	165	11,278
Balance as at March 31, 2024	26,803,320	70	-	14,242	45,146	(2,710)	69,567	94	45	28,468	11	28,618
Net income attributable to owners of the Company	-	-	-	-	14,925	-	14,925	-	-	-	-	-
Cash dividends paid	-	-	-	-	(2,422)	-	(2,422)	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	(1)	(1)	-	-	-	-	-
Retirement of treasury stock	-	-	-	-	-	44	44	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	(0)	-	(0)	-	-	-	-	-
Change in scope of consolidation - foreign currency translation adjustment	-	-	-	-	-	-	-	-	2	-	2	-
Purchase of shares of consolidated subsidiaries	-	-	-	-	(421)	-	(421)	-	-	-	-	-
Net increase (decrease)	-	-	-	-	-	-	-	(1)	5	(2,148)	71	(2,073)
Balance as at March 31, 2025	26,803,320	70	-	13,821	57,649	(2,667)	81,692	93	50	26,322	82	26,547

Thousands of U.S. dollars (Note 1)												
Shareholders' Equity						Accumulated Other Comprehensive Income						
Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock at Cost; Common Stock	Total Shareholders' Equity	Unrealized Gains on Available-for-sale Securities	Deferred Gains on Hedges	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Non-controlling Interests	Total Net Assets
Balance as at March 31, 2024	\$ 86,193	\$ -	\$ 35,246	\$ 301,923	\$ (18,124)	\$ 465,735	\$ 832	\$ 303	\$ 190,379	\$ 71	\$ 191,385	\$ 48,646
Net income attributable to owners of the Company	-	-	-	99,809	-	99,809	-	-	-	-	-	-
Cash dividends paid	-	-	-	(16,197)	-	(16,197)	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	(7)	(7)	-	-	-	-	-	-
Retirement of treasury stock	-	-	-	-	297	297	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	(0)	-	(0)	-	-	-	-	-	-
Change in scope of consolidation - foreign currency translation adjustment	-	-	-	-	-	-	-	12	-	12	-	-
Purchase of shares of consolidated subsidiaries	-	-	(2,818)	-	-	(2,818)	-	-	-	-	-	-
Net increase (decrease)	-	-	-	-	-	-	(12)	32	(14,358)	480	(13,858)	622
Balance as at March 31, 2025	\$ 86,193	\$ -	\$ 92,428	\$ 385,535	\$ (17,834)	\$ 546,322	\$ 620	\$ 335	\$ 176,033	\$ 551	\$ 177,539	\$ 49,268

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Meiko Electronics Co., Ltd. and Consolidated Subsidiaries

For the Years Ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2025	2024	2025
Operating Activities:			
Income before income taxes	¥ 18,544	¥ 13,873	\$ 124,019
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	12,542	11,215	83,874
Amortization of goodwill	676	676	4,523
Decrease in allowance for doubtful accounts	27	(171)	179
Increase (decrease) in accrued bonuses	156	92	1,043
Increase (decrease) in accrued bonuses to directors	30	5	202
Increase in provision for share awards	(98)	241	(653)
Increase in provision for share awards for directors	(6)	21	(37)
Decrease in net defined benefit liability	(71)	(333)	(474)
Interest income and dividend income	(934)	(587)	(6,244)
Interest expenses	1,326	1,090	8,869
Insurance income	(23)	(3)	(151)
Foreign exchange gain	194	(2,067)	1,298
Net loss on sales and disposal of property, plant and equipment	184	263	1,228
Gain on sales of investment securities, net	(15)	(37)	(99)
Loss on valuation of investment securities	50	180	334
National subsidies	-	(400)	-
Loss on tax purpose reduction entry of non-current assets	-	394	-
Decrease (increase) in trade notes and accounts receivable	(7,771)	393	(51,969)
Decrease (increase) in inventories	(3,336)	(130)	(22,311)
Increase (decrease) in trade notes and accounts payable	2,861	2,261	19,134
Decrease (increase) in other assets	817	(1,664)	5,462
Increase (decrease) in other liabilities	(350)	1,081	(2,341)
Other	653	44	4,356
Subtotal	25,456	26,437	170,242
Interest and dividend received	932	546	6,230
Interest paid	(1,311)	(1,084)	(8,771)
Proceeds from insurance income	23	3	151
Income taxes paid	(3,444)	(2,545)	(23,025)
Net cash provided by operating activities	21,656	23,357	144,827
Investing Activities:			
Payments for purchases of property, plant and equipment	(24,398)	(21,448)	(163,167)
Proceeds from sales of property, plant and equipment	199	98	1,334
Payments for purchases of intangible assets	(176)	(231)	(1,174)
Payments for purchases of investment securities	(565)	(1,059)	(3,781)
Proceeds from sales of investment securities	822	710	5,496
Net decrease (increase) in short-term loans receivable	(10)	26	(67)
Long-term loan advances	(563)	(534)	(3,762)
Proceeds from collection of long-term loans receivable	524	441	3,504
Subsidies received	75	325	502
Other, net	(236)	85	(1,581)
Net cash used in investing activities	(24,328)	(21,587)	(162,696)
Financing Activities:			
Increase in short-term borrowings	8,315	1,551	55,606
Proceeds from long-term borrowings	31,416	9,100	210,102
Payments for long-term borrowings	(32,375)	(7,992)	(216,511)
Repayments of lease obligations	(294)	(247)	(1,963)
Payments for purchase of treasury stock	(1)	(0)	(7)
Cash dividends paid	(2,420)	(1,731)	(16,187)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(500)	-	(3,344)
Net cash provided by financing activities	4,141	681	27,696
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(374)	1,577	(2,498)
Net Increase in Cash and Cash Equivalents	1,095	4,028	7,329
Cash and Cash Equivalents at the Beginning of the Year	21,363	17,335	142,870
Increase in Cash and Cash Equivalents			
Resulting from Change in Scope of Consolidation	455	-	3,035
Cash and Cash Equivalents at the End of the Year	¥ 22,913	¥ 21,363	\$ 153,234

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Meiko Electronics Co., Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2025 and 2024

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Meiko Electronics Co., Ltd. (the “Company”) have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan and its related accounting regulations and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to present them in a form that is more familiar to readers outside Japan.

In addition, the notes to the consolidated financial statements include information that is not required under Japanese GAAP but is presented herein as additional information.

The consolidated financial statements are denominated in Japanese yen, the currency of the country in which the Company is incorporated and operated. The conversion of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been done at the approximate exchange rate as at March 31, 2025 (\$1 = ¥149.53). Such translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate of exchange.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies adopted by the Company and its consolidated subsidiaries in the preparation of the consolidated financial statements.

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its significant 15 subsidiaries (together, the “Group”). All significant inter-company accounts and transactions have been eliminated. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries. Investments in certain unconsolidated subsidiaries are accounted for by the cost method due to immateriality in view of consolidation.

Miyagi Meiko Co., Ltd. has been included in the scope of consolidation due to its establishment and Meiko Electronics Hoa Binh Co., Ltd. has been included in the scope of consolidation due to the increased materiality.

(b) Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value. These include time deposits that mature or become due within three months from the date of acquisition.

(c) Translation of Foreign Currency Accounts

Current and non-current receivables and payables in foreign currencies are translated at current rates prevailing at the balance sheet date, and the resulting exchange gains or losses are recognized in the consolidated statements of operations.

Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the exchange rate as at the balance sheet date, but shareholders' equity accounts are translated at historical rates and statement of income items resulting from transactions with the Company at the rates used by the Company.

Foreign currency translation adjustments resulting from translation of foreign currency financial statements prepared by consolidated overseas subsidiaries are presented in net assets in the consolidated balance sheets.

(d) Inventories

Inventories are stated at cost, determined by the first-in-first-out method. However, these are written down based on decreased profitability, where appropriate.

(e) Depreciation and Amortization (excluding leased assets)

Depreciation of property, plant and equipment for the Company and its domestic subsidiaries is computed by the straight-line method.

The ranges of useful lives are summarized as follows:

Buildings and structures: 2–47 years

Machinery and vehicles: 2–10 years

Software for company use is carried at cost less accumulated amortization, which is calculated by the straight-line method over its estimated useful life of five years.

(f) Leased Assets

Leased property under finance lease arrangements that transfer ownership of the leased property to the lessee is depreciated using the same method as that applied to property, plant and equipment owned by the Company. Leased property under finance lease arrangements that do not transfer ownership of the leased property to the lessee is capitalized to recognize leased assets and lease obligations in the balance sheets and depreciated over the lease term of the respective assets with zero residual value.

(g) Allowance for Doubtful Accounts

The Company and its consolidated subsidiaries provide for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period plus an estimated uncollectible amount based on the analysis of certain individual accounts, including claims in bankruptcy.

(h) Accrued Bonuses

Accrued bonuses to employees are provided for the estimated amounts, which the Company and its consolidated subsidiaries are obligated to pay to employees after the fiscal year end based on services rendered during the current fiscal year.

(i) Accrued Bonuses to Directors

The Company provides allowance for directors' accrued bonuses based on the estimated amounts as at the balance sheet date.

(j) Provision for Share Awards

The Company accounts for the provision for share awards for employees based on the estimated amounts as at the balance sheet date in accordance with internal regulations.

(k) Provision for Share Awards for Directors

The Company accounts for the provision for share awards for directors based on the estimated amounts as at the balance sheet date in accordance with internal regulations.

(l) Impairment Losses on Fixed Assets

The Group reviews its non-current assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use.

(m) Investment Securities

The Company has classified all the equity securities as available-for-sale securities based on management's intention. Available-for-sale securities other than equity securities without market price are reported at fair value with unrealized gains or losses, net of applicable taxes, reported in a separate component of net assets.

Equity securities without market prices are stated at cost determined by the moving-average method.

The net amount of equity included in the Company's financial statements from limited liability investment partnerships and similar investments, regarded as marketable securities under Article 2-2 of the Financial Investment and Exchange Law of Japan, is calculated based on the relevant financial statements for the partnerships most recently available stipulated in the partnership agreement.

(n) Revenue Recognition

The Group mainly engages in electronic business such as the design, manufacture and sales of electronic circuit boards (“PCB”), and the related businesses.

The Group recognizes revenue, determining its performance obligation to be satisfied, at the time of the transfer of control of promised goods and products to customers, or at the time of acceptance inspection by customers. However, for domestic sales of goods and products, the Group recognizes revenue at the time of shipment when the periods between the shipment and the transfer of control of promised goods and products to customers are considered normal.

Consideration for goods and products is received within one year from the time when performance obligation is determined to be satisfied and there is no significant financing component.

(o) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred tax assets are measured by applying the currently enacted tax laws to the temporary differences.

(p) Derivative Financial Instruments

The Group uses interest rate swaps and copper price swaps as a means of hedging exposure to interest risks and market fluctuation. The Group does not enter into derivatives for trading or speculative purposes. Derivative financial instruments are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on transactions arising from derivatives, except for hedging purposes, are recognized in the consolidated statements of operations, and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions. If interest rate swap contracts are used as a hedge and meet certain criteria, the net amount to be paid or received under the swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

(q) Amortization of Goodwill

Goodwill is amortized using the straight-line method over 10 years.

(r) Retirement Benefits for Employees

The benefit formula method is used as a method of attributing expected benefits to the periods through the end of the fiscal year in calculating the projected benefit obligation. Actuarial gain or loss is amortized using the declining balance method (straight-line method for certain consolidated subsidiaries) over 9–10 years, which is less than the average remaining years of service of the employees, and the amortization will be started in the following year in which the gain or loss is recognized. Past service cost is amortized using the straight-line method over 10 years, which is less than the average remaining years of service of the employees. Certain consolidated subsidiaries apply the simplified method in which the retirement benefit amount required for voluntary termination at year end is deemed a projected benefit obligation for a lump-sum retirement plan, and the latest actuarial liability is deemed a projected benefit obligation for the corporate pension plan, for the calculation of liability associated with retirement and retirement benefit expenses.

(s) Provision for Directors' Retirement Benefits

The Company and its domestic consolidated subsidiaries account for the provision for directors' retirement benefits as at the balance sheet date in accordance with internal regulations.

(t) Appropriations of Retained Earnings

Appropriations of retained earnings are reflected in the accompanying consolidated financial statements for the following year upon shareholders' approval.

(u) Per Share Information

Dividends per share shown in the consolidated statements of operations have been presented on an accrual basis and include, in each fiscal period, dividends approved after each balance sheet date but applicable to the fiscal period then ended. Net income per share is computed by dividing net income attributable to common shareholders of the Company by the weighted-average number of common shares outstanding for the period. The diluted net income per share is omitted as the Company has no dilutive shares for the years ended March 31, 2025 and 2024.

(v) Significant Accounting Estimates

(Impairment of non-current assets)

(1) Amount recorded in the consolidated financial statements as of March 31, 2025 and 2024

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
Property, Plant and Equipment.....	¥ 129,571	¥ 112,066	\$ 866,521
Intangible Assets.....	5,697	6,418	38,097
Investments and Other Assets.....	988	1,360	6,607

Property, plant and equipment, intangible assets and investments and other assets of the Ishinomaki Factory included in the above amounts are as follows:

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
Property, Plant and Equipment.....	¥ 8,679	¥ 8,324	\$ 58,040
Intangible Assets.....	8	9	56
Investments and Other Assets.....	5	-	32
Total.....	¥ 8,692	¥ 8,333	\$ 58,128

Property, plant and equipment, intangible assets and investments and other assets of the Tendo Factory included in the above amounts are as follows:

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
Property, Plant and Equipment.....	¥ 19,935	¥ 16,942	\$ 133,317
Intangible Assets.....	47	29	315
Investments and Other Assets.....	-	-	-
Total.....	¥ 19,982	¥ 16,971	\$ 133,632

(2) Information on identified items regarding significant accounting estimates

① Method to calculate the amount

The Group's business assets are grouped in accordance with management accounting classification, which is a smallest unit that generates cash flows.

If there is any indication that an asset group may be impaired, it is necessary to assess whether impairment loss should be recognized by comparing the carrying amount and the undiscounted estimated future cash flows from the asset group. As a result, if the recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss.

In the year ended March 31, 2025, the Company determined that there are indications of impairment at the Ishinomaki Factory, which produces semiconductor package substrates as a new business, since the operating income of the Ishinomaki Factory has been continuously negative due to a delay in the achievement of initially forecast business plans caused by the deterioration in the semiconductor market. In addition, the Company determined that there are indications of impairment at the Tendo Factory, which aims to strengthen the production of printed circuit boards for automobiles, since the operating income of the Tendo Factory is lower than initially forecasted business plans affected by the sluggish demand in the automotive market. However, impairment losses are not recognized because the total amount of undiscounted estimated future cash flows from each asset groups exceeded their respective book values.

② Key assumptions used in significant accounting estimates

The business plan, which is used when determining whether an impairment loss should be recognized, takes into consideration the sales growth rate, reflecting an estimation of the size of the market where the asset group belongs, as key assumptions.

③ Impact on the consolidated financial statements for the next consolidated accounting period

The Company determined the recognition of an impairment loss is unnecessary as of the year end. However, changes in assumptions and conditions used for the estimation, due to changes in the business plan and market environment, may have a material impact on the valuation of non-current assets on the consolidated financial statements in the next fiscal year and thereafter.

(Valuation of goodwill)

(1) Amount recorded in the consolidated financial statements as of March 31, 2025 and 2024

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
Goodwill.....	¥ 4,951	¥ 5,627	\$ 33,110

(2) Information on identified items regarding significant accounting estimates

① Method to calculate the amount

Goodwill recorded in the consolidated balance sheet as of March 31, 2025 included ¥4,768 million (\$31,889 thousand), which was recognized at the time when Meiko Electronic Development Co., Ltd. (hereinafter "Meiko ED") became a consolidated subsidiary of the Company.

The goodwill recognized when acquiring the shares of Meiko ED is amortized over the expected effective period. However, when the actual performance is not in line with the business plan and any negative events, for example, recurring operating losses or negative cash flows, changes significantly reducing the recoverable amount or a significant deterioration of the business environment, occur or are expected to occur, there is an impairment indicator and the impairment test should be performed.

As a result, if the recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss.

The Group assesses the impairment indicator based on whether these events occur or are expected to occur, particularly by taking into account the performance of the group of assets including goodwill through the current fiscal year and the business plan for the following fiscal year and thereafter.

② Key assumptions used in significant accounting estimates

The business plan, which is used when determining whether an impairment loss should be recognized, takes into consideration the sales growth rate reflecting an estimation of the size of the market where the asset group, including goodwill, belongs as key assumptions.

③ Impact on the consolidated financial statements for the next consolidated accounting period

The Company determined there was no indication of impairment of goodwill as of the year end. However, changes in assumptions and conditions used for the estimation, due to changes in the business plan and market environment, may have a material impact on the valuation of goodwill on the consolidated financial statements in the next fiscal year and thereafter.

(Recoverability of deferred tax assets)

(1) Amount recorded in the consolidated financial statements as of March 31, 2025 and 2024

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
Deferred tax assets.....	¥ 1,904	¥ 2,285	\$ 12,731

(2) Information on identified items regarding significant accounting estimates

① Method to calculate the amount

As of March 31, 2025 and 2024, the Company recorded deferred tax assets worth ¥1,904 million (\$12,731 thousand) and ¥2,285 million, respectively, to the extent that these are expected to reduce future taxable income.

In the calculation, the Company scheduled the period when the deductible temporary differences and tax loss carryforward would reverse, based on the future taxable income estimated according to the business plan.

Deferred tax assets before offset by the deferred tax liabilities were ¥2,444 million (\$16,342 thousand) and ¥2,802 million, as of March 31, 2025 and 2024, respectively.

As of March 31, 2025 and 2024, deferred tax assets of ¥421 million (\$2,817 thousand) and ¥836 million, respectively, were recognized for tax loss carryforwards of ¥2,351 million (\$15,722 thousand) and ¥2,196 million, for the years ended March 31, 2025 and 2024, respectively, calculated using the enacted statutory effective tax rates.

These are recognized as tax loss carryforwards of the Company's consolidated subsidiaries at ¥613 million (\$4,097 thousand) and ¥1,091 million, for the years ended March 31, 2025 and 2024, respectively, calculated using the enacted statutory effective tax rates.

② Key assumptions used in significant accounting estimates

Future taxable income used in assessment of recoverability of deferred tax assets was estimated based on the business plan, taking into consideration estimated sales reflecting order backlogs and estimated future orders as key assumptions.

③ Impact on the consolidated financial statements for the next consolidated accounting period

Deferred tax assets were calculated based on the estimated future taxable income in the expected period according to the business plan. Estimates are potentially affected by uncertain changes in economic conditions. When the actual taxable income is different from the estimates in the amount and the period of accrual, significant impact may occur on deferred tax assets on the consolidated financial statements for the next consolidated accounting period.

(w) Changes in Accounting Policy

(Adoption of “Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules”)

From the beginning of the fiscal year ended March 31, 2025, the Group adopted “Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Accounting Standards Board of Japan (“ASBJ”) Practical Solution No.46, March 22, 2024).

Income taxes payable related to the global minimum tax rules due after one year from the following day of the balance sheet date is presented as Long-term income taxes payable in Long-term Liabilities on the consolidated balance sheets. Current income taxes related to the global minimum tax rules are included in Income Taxes on the consolidated statements of operations.

As a result of this change, Current Liabilities increased by ¥166 million (\$1,108 thousand), Long-term Liabilities increased by ¥136 million (\$911 thousand), Retained earnings decreased by ¥305 million (\$2,041 thousand) and Foreign currency translation adjustments increased by ¥3 million (\$23 thousand) on the consolidated balance sheet as of March 31, 2025, respectively, and Net Income attributable to owners of the Company decreased by ¥305 million (\$2,041 thousand) on the consolidated statement of operations for the year ended March 31, 2025. Net assets per share and Net income per share decreased by ¥11.77 (\$0.08) and ¥11.90 (\$0.08), respectively for the year ended March 31, 2025.

(x) Accounting Standards Issued but not yet Adopted

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)
Revision of other related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance.

(1) Overview

For the accounting treatment of lessees, lessees shall recognize assets and liabilities for all lease transactions as with international financial reporting standards.

(2) Scheduled date of adoption

The above standard and guidance are scheduled to be adopted from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of adoption of the standards, etc.

The effects of adopting the above standard and guidance on the consolidated financial statements have not yet been determined.

(y) Changes in Presentation

“Subsidy income” included in “Other, net” in “Other Income (Expenses)” for the previous fiscal year was reported as a separate line item from the current fiscal year since the amount exceeded 10/100 of total other income (expenses).

Previous fiscal year amounts have been reclassified to conform to this change in presentation. As a result, ¥374 million under “Other, net” in “Other Income (Expenses)” in the previous fiscal year consolidated statements of operations has been reclassified as “Subsidy income” ¥218 million and “Other, net” ¥156 million.

“Commission for syndicated loans” included in “Other, net” in “Other Income (Expenses)” for the previous fiscal year was reported as a separate line item from the current fiscal year since the amount exceeded 10/100 of total other income (expenses). Previous fiscal year amounts have been reclassified to conform to this change in presentation. As a result, ¥220 million under “Other, net” in “Other Income (Expenses)” in the previous fiscal year consolidated statements of operations has been reclassified as “Commission for syndicated loans” ¥19 million and “Other, net” ¥201 million.

(z) Additional Information

(Stock Delivery Trust for directors)

At the 46th Ordinary General Meeting of Shareholders held on June 24, 2021, the Company resolved to introduce a stock compensation plan through trust to directors (excluding outside directors).

With the plan, the Company expects to increase directors' interest in improvement of medium- to long-term business performance and share price of the Company by strengthening the linkage of directors' benefits with those factors and by sharing economic benefits with shareholders.

The scope period of the stock compensation plan has been extended for three years by resolution of the Board of Directors on May 27, 2024.

(1) Outline of transactions

With the plan, the Company sets up the trust fund by disbursing money, and the trust fund acquires the Company's shares.

The shares are distributed to directors through the trust fund corresponding to the number of points directors received from the Company.

Basically, the Company's shares are distributed to directors at the time of their resignation as directors.

(2) The Company's shares in the trust fund

The Company recorded book values of the Company's shares in the trust fund, except for related expenses, as treasury stock in net assets.

The book values of the treasury stock are ¥79 million (\$526 thousand) and ¥90 million, and the number of treasury stocks is 26,900 and 30,900 shares as of March 31, 2025 and 2024, respectively.

(Employee Stock Delivery Trust (the “J-ESOP”))

At a meeting of the Board of Directors held on February 22, 2021, the Company resolved to introduce an incentive plan referred to as the Employee Stock Delivery Trust (the “J-ESOP”), under which the Company's shares would be delivered to employees of the Company, subsidiaries and affiliates.

With the plan, the Company expects to increase employees' interest in improvement of business performance and share price of the Company by strengthening the linkage of employees' benefits with those factors and by sharing economic benefits with shareholders.

(1) Outline of transactions

Under the plan, the Company's stock or a payment equivalent to fair values of the Company's stock are distributed to employees of the Company, subsidiaries and affiliates, which meet certain requirements based on the stock compensation policy set by the Company, subsidiaries and affiliates.

The Company, subsidiaries and affiliates grant points to employees according to the degree of their contribution.

If employees meet certain conditions to receive the compensation under the plan, the shares or payments corresponding to the number of points are distributed to them.

The shares to be distributed to employees are acquired by the trust fund in advance and separately managed as trust assets.

(2) The Company's shares in the trust fund

The Company records book values of its shares in the trust fund, except for related expenses, as treasury stock in net assets.

The book values of the treasury stock are ¥1,173 million (\$7,843 thousand) and ¥1,206 million, and the number of treasury stocks is 313,900 shares and 322,700 shares, as of March 31, 2025 and 2024, respectively.

3. Investment Securities

All the equity securities, classified as available-for-sale securities, are included in non-current investment securities.

The carrying amounts and aggregate fair values of the available-for-sale securities as of March 31, 2025 and 2024 are as follows:

	2025					
	Millions of yen			Thousands of U.S. dollars		
	Fair Value	Acquisition Cost	Unrealized Gains (Losses)	Fair Value	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying values exceed their acquisition cost:						
Equity securities	¥ 256	¥ 122	¥ 134	\$ 1,713	\$ 818	\$ 895
Securities whose carrying values do not exceed their acquisition cost:						
Equity securities	84	101	(17)	560	672	(112)
Total	¥ 340	¥ 223	¥ 117	\$ 2,273	\$ 1,490	\$ 783

	2024		
	Millions of yen		
	Fair Value	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying values exceed their acquisition cost:			
Equity securities	¥ 339	¥ 223	¥ 116
Securities whose carrying values do not exceed their acquisition cost:			
Equity securities	-	-	-
Total	¥ 339	¥ 223	¥ 116

(*) Unlisted equity securities of ¥1,543 million (\$10,320 thousand) and contribution to investment partnership of ¥263 million (\$1,756 thousand) as of March 31, 2025 are not included in the above table because there are no market values. Unlisted equity securities of ¥2,292 million and contribution to investment partnership of ¥356 million as of March 31, 2024 are not included in the above table because there are no market values.

Information on available-for-sale securities, whose fair values are not readily determinable as of March 31, 2025 and 2024, is described in Note 15.

Information regarding the sale of securities classified as available-for-sale securities for the years ended March 31, 2025 and 2024 is summarized as follows:

	2025					
	Millions of yen			Thousands of U.S. dollars		
	Proceeds from Sales	Aggregate Gains on Sales	Aggregate Losses on Sales	Proceeds from Sales	Aggregate Gains on Sales	Aggregate Losses on Sales
Equity securities	¥ 822	¥ 79	¥ 64	\$ 5,496	\$ 530	\$ 431
Total	¥ 822	¥ 79	¥ 64	\$ 5,496	\$ 530	\$ 431

	2024		
	Millions of yen		
	Proceeds from Sales	Aggregate Gains on Sales	Aggregate Losses on Sales
Equity securities	¥ 485	¥ 55	¥ 18
Total	¥ 485	¥ 55	¥ 18

The Company recorded impairment loss of investment securities of ¥50 million (\$334 thousand) and ¥180 million for the years ended March 31, 2025 and 2024, respectively. It consisted of ¥50 million (\$334 thousand) and ¥180 million of shares of subsidiaries and associates for the years ended March 31, 2025 and 2024, respectively.

4. Reduction Entry for Property, Plant and Equipment

The amounts deducted from the acquisition costs of property, plant and equipment due to government subsidies received and others as of March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Buildings and structures	¥ 617	¥ 617	\$ 4,124
Machinery and vehicles	210	162	1,403
Construction in progress	-	48	-
Other	6	6	43
Total	¥ 833	¥ 833	\$ 5,570

5. Notes that Matured at the End of the Fiscal Year

March 31, 2024, the last day of the fiscal year, coincided with a bank holiday, and the following notes that matured at the end of the fiscal year were accounted for as if they were settled on the day of their maturity.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Trade notes receivable.....	¥ -	¥ 8	\$ -
Electronically recorded monetary claims.....	-	345	-
Trade notes payable.....	-	8	-
Electronically recorded obligations.....	-	35	-

6. Short-term Borrowings and Long-term Debt

Short-term borrowings and long-term debt as of March 31, 2025 and 2024 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Short-term borrowings with an average interest rate of 1.91% for 2025 and 1.80% for 2024.....	¥ 40,366	¥ 32,213	\$ 269,955
Current portion of long-term borrowings with an average interest rate of 1.08% for 2025 and 0.82% for 2024.....	11,700	9,525	78,245
Current portion of lease obligations	272	116	1,819
Current portion of other liabilities with an average interest rate of 1.29% for 2025 and 0.63% for 2024.....	1,300	1,300	8,694
Total short-term borrowings	¥ 53,638	¥ 43,154	\$ 358,713
Long-term borrowings with an average interest rate of 1.10% for 2025 and 0.88% for 2024, less current portion	¥ 34,700	¥ 37,250	\$ 232,061
Lease obligations, less current portion	534	163	3,572
Total long-term borrowings.....	¥ 35,234	¥ 37,413	\$ 235,633
Total	¥ 88,872	¥ 80,567	\$ 594,346

* Average interest rate of borrowings represents the weighted average rate for the outstanding balances as at March 31, 2025 and 2024.

Average interest rate of lease obligations is not disclosed, as the amount equivalent to interest expenses included in total lease payments is allocated over the lease term using the straight-line method.

Average interest rate of other liabilities represents the weighted average rate for the average of the outstanding balances as at April 1, 2024 and March 31, 2025.

The aggregate annual maturities of long-term debt as of March 31, 2025 are as follows:

Year ending March 31, 2026	Millions of yen	Thousands of U.S. dollars
2027.....	¥ 11,200	\$ 74,901
2028.....	10,100	67,545
2029.....	6,350	42,467
2030.....	5,050	33,773
2031.....	2,000	13,375
Total	¥ 34,700	\$ 232,061

The aggregate annual maturities of lease obligations as of March 31, 2025 are as follows:

Year ending March 31, 2026	Millions of yen	Thousands of U.S. dollars
2027.....	¥ 208	\$ 1,389
2028.....	141	945
2029.....	132	882
2030.....	53	356
2031.....	-	-
Total	¥ 534	\$ 3,572

Financial covenants

Short-term borrowings and long-term borrowings, including the current portion amounting to ¥56,400 million (\$377,182 thousand) and ¥55,900 million for the years ended March 31, 2025 and 2024, respectively, included certain financial covenants that forfeit the benefit of term with regard to the debts on certain loan agreements in the event the Company is in breach of either of the following covenants (stricter covenants are described if there are several covenants).

(1) For each fiscal year, ordinary losses shall not be recorded on the consolidated statement of operations under Japanese GAAP for two consecutive years.

(2) Total net assets on the consolidated balance sheet as at March 31, 2025 and 2024 shall be maintained at least 75% of the total net assets recorded on the consolidated balance sheet as of the end of the previous fiscal year.

(3) The total amount of interest-bearing debts on the consolidated balance sheet at each fiscal year end shall be lower than the amount equivalent to the net sales on the consolidated statement of operations for that fiscal year divided by 12 and multiplied by 8.

(4) The ratio of interest-bearing debts divided by the amount equal to the total net assets minus foreign currency translation adjustments, using the amount on the consolidated balance sheet at each fiscal year end, shall be maintained on or below the level specified as follows:

Year ending March 31, 2025		Year ending March 31, 2024	
2025.....	1.7	2023.....	2.1
2026.....	1.6	2024.....	1.9
2027.....	1.5	2025.....	1.7
		2026.....	1.6
		2027.....	1.5

(5) EBITDA modified interest-bearing debt multiplier calculated by the following formula shall be maintained below 5 on March 31, 2025 and each fiscal year end thereafter.

Formula: Total modified interest-bearing debt at fiscal year end (March 31, 2025, for the first determination) divided by EBITDA average of the latest three periods.

EBITDA is calculated by adding depreciation expenses to operating income/loss on the consolidated statements of operations.

7. Retirement Benefits

The Company and some of its consolidated subsidiaries provide a funded and unfunded defined benefit plan and a defined contribution plan as a defined benefit pension plan for employees' retirement benefits.

A defined benefit plan, which is all funded, provides a lump-sum or pension payment based on the salary and service period of the employees.

A lump-sum retirement plan, which is all unfunded, provides a lump-sum payment based on the salary and service period of the employees.

Certain consolidated subsidiaries apply the simplified method in computing net defined benefit liability and benefit costs for their defined benefit plans and lump-sum retirement plans.

Defined benefit pension plans, except the plan applying the simplified method

(1) Movement in projected benefit obligations

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Balance at the beginning of the year	¥ 3,197	¥ 5,969	\$ 21,380
Service cost	159	167	1,061
Interest cost	33	41	221
Actuarial loss.....	(99)	(73)	(663)
Benefits paid	(320)	(428)	(2,141)
Decrease resulting from the termination of retirement benefit plans	-	(2,484)	-
Other	11	5	77
Balance at the end of the year.....	¥ 2,981	¥ 3,197	\$ 19,935

(2) Movement in plan assets

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Balance at the beginning of the year	¥ -	¥ 2,221	\$ -
Expected return on plan assets	-	28	-
Contributions from the employer	-	286	-
Benefits paid	-	(151)	-
Decrease resulting from the termination of retirement benefit plans	-	(2,384)	-
Balance at the end of the year.....	¥ -	¥ -	\$ -

(3) Reconciliation from projected benefit obligations and plan assets to net defined benefit liability

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Unfunded projected benefit obligations	¥ 2,981	¥ 3,197	\$ 19,935
Total liability at the end of the year	¥ 2,981	¥ 3,197	\$ 19,935
Net defined benefit liability	¥ 2,981	¥ 3,197	\$ 19,935
Total liability at the end of the year	¥ 2,981	¥ 3,197	\$ 19,935

(4) Retirement benefit costs

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Service cost	¥ 159	¥ 167	\$ 1,061
Interest cost	33	41	221
Expected return on plan assets	-	(28)	-
Amortization of actuarial loss	(24)	(5)	(156)
Amortization of past service cost	31	31	206
Total benefit costs	¥ 199	¥ 206	\$ 1,332

(Note) In addition to the above, the gain on termination of the retirement benefit plan of ¥6 million was recorded in "Other Income (Expenses)" for the year ended March 31, 2024, due to the termination of defined benefit plans of certain consolidated subsidiaries.

(5) Remeasurements of defined benefit plans

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
	2025	2025	
Past service cost	¥ 31	¥ 31	\$ 206
Actuarial loss	75	163	506
Total	¥ 106	¥ 194	\$ 712

(6) Accumulated remeasurements of defined benefit plans

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
	2025	2025	
Unrecognized past service cost	¥ 61	¥ 92	\$ 411
Unrecognized actuarial loss (gain).....	(186)	(110)	(1,245)
Total	¥ (125)	¥ (18)	\$ (834)

(7) Plan assets

a. Components of plan assets

The ratio of each major category of total plan assets is as follows:

	2025	2024
Debt investments	-	-
Equity investments.....	-	-
Other.....	-	-
Total	-	-

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return, which are expected currently and in the future from the various components of the plan assets.

(8) Actuarial assumptions

	2025	2024
Discount rate	1.0-1.7%	1.0-1.1%
Expected rate of return on plan assets	-	2.5%

Defined benefit pension plan applying the simplified method

(1) Movement in net defined benefit liability

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
	2025	2025	
Balance at the beginning of the year	¥ 303	¥ 346	\$ 2,026
Benefit costs	85	(2)	569
Benefits paid	(42)	(27)	(279)
Other	(25)	(14)	(170)
Balance at the end of the year	¥ 321	¥ 303	\$ 2,146

(2) Reconciliation from projected benefit obligations and plan assets to net defined benefit liability

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
	2025	2025	
Funded projected benefit obligations	¥ 258	¥ 258	\$ 1,724
Plan assets	(377)	(357)	(2,522)
	(119)	(99)	(798)
Unfunded projected benefit obligations	440	402	2,944
Total liability at the end of the year	¥ 321	¥ 303	\$ 2,146
Net defined benefit liability	¥ 440	¥ 402	\$ 2,944
Net defined benefit asset	(119)	(99)	(798)
Total liability at the end of the year	¥ 321	¥ 303	\$ 2,146

(3) Retirement benefit cost

	Millions of yen		Thousands of
	2025	2024	U.S. dollars
	2025	2025	
Retirement benefit costs calculated using the simplified method	¥ 85	¥ (2)	\$ 569
Total costs at the end of the year	¥ 85	¥ (2)	\$ 569

Defined contribution plan

The amounts required to contribute to the defined contribution plans are ¥220 million (\$1,473 thousand) and ¥213 million for the years ended March 31, 2025 and 2024, respectively.

8. Net Assets

Under the Japanese Corporation Law (“the Law”) and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserves may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Law.

9. Current Income Taxes Related to the Global Minimum Tax Rules

Current income taxes related to the global minimum tax rules that are included in Income Taxes on the consolidated statements of operations are as follows:

Millions of yen		Thousands of U.S. dollars
2025	2024	2025
¥ 305	¥ -	\$ 2,041

10. Contingent Liabilities

Contingent liabilities of the Company as of March 31, 2025 and 2024 are as follows:

Millions of yen		Thousands of U.S. dollars
2025	2024	2025

Electronically recorded monetary claims discounted ¥ - ¥ 11 \$ -

11. Contract Liabilities

Contract liabilities of the Company as of March 31, 2025 and 2024, which are included in “Other” in “Current Liabilities”, are as follows:

Millions of yen		Thousands of U.S. dollars
2025	2024	2025

Contract liabilities..... ¥ 46 ¥ 147 \$ 308

12. Research and Development Costs

Research and development costs included in selling, general and administrative expenses and manufacturing costs are ¥6,262 million (\$41,879 thousand) and ¥5,339 million for the years ended March 31, 2025 and 2024, respectively.

13. Net Gain and Net Loss on Sales and Disposal of Property, Plant and Equipment

Significant components of net gain and net loss on sales and disposal of property, plant and equipment for the years ended March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Gain:			
Buildings and structures.....	¥ 71	¥ 78	\$ 477
Machinery and vehicles.....	11	3	72
Others	11	-	75
Intangible assets	0	-	1
Total gain	¥ 93	¥ 81	\$ 625
Loss:			
Buildings and structures	¥ (43)	¥ (94)	\$ (287)
Machinery and vehicles	(215)	(238)	(1,439)
Construction in progress	(0)	(0)	(1)
Others	(19)	(11)	(126)
Intangible assets	-	(1)	-
Total loss	¥ (277)	¥ (344)	\$ (1,853)
Net loss	¥ (184)	¥ (263)	\$ (1,228)

14. Income Taxes

Income taxes applicable to the Company consist of corporate tax, inhabitant tax and enterprise tax, which in the aggregate resulted in the normal statutory effective tax rates of approximately 30.6% for the years ended March 31, 2025 and 2024.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Deferred Tax Assets:			
Elimination of unrealized profits	¥ 229	¥ 186	\$ 1,533
Accrued bonuses	446	390	2,982
Net defined benefit liability	1,092	1,121	7,300
Provision for directors' retirement benefits	68	66	454
Provision for share awards	99	127	664
Provision for share awards for directors	16	17	108
Accrued enterprise tax	20	72	137
Allowance for doubtful accounts	21	16	139
Valuation loss of inventories	272	166	1,817
Difference on depreciation period	160	246	1,067
Impairment loss	926	672	6,193
Loss on valuation of investment securities	70	54	469
Loss on revaluation of golf club memberships	10	10	69
Tax loss carryforwards (*2)	2,351	2,196	15,722
Other	338	285	2,257
Gross deferred tax assets	6,118	5,624	40,911
Valuation allowance for tax loss carryforwards (*2)	(1,930)	(1,360)	(12,905)
Valuation allowance for deductible temporary differences	(1,744)	(1,462)	(11,664)
Less: Valuation allowance (*1)	(3,674)	(2,822)	(24,569)
Total	¥ 2,444	¥ 2,802	\$ 16,342
Deferred Tax Liabilities:			
Retained earnings of foreign subsidiaries	¥ (890)	¥ (856)	\$ (5,953)
Fair value adjustments on consolidated subsidiaries	(83)	(80)	(554)
Unrealized gains on available-for-sale securities	(43)	(42)	(285)
Deferred gains on hedges	(22)	(20)	(148)
Other	(47)	(38)	(313)
Total	¥ (1,085)	¥ (1,036)	\$ (7,253)
Deferred Tax Assets, Net:	¥ 1,359	¥ 1,766	\$ 9,089

(*1) The valuation allowance increased by ¥852 million (\$5,696 thousand), mainly due to the increase of ¥570 million (\$3,809 thousand) in valuation allowance for tax loss carryforwards at the consolidated subsidiaries for the year ended March 31, 2025.

The valuation allowance decreased by ¥457 million, mainly due to the decrease of ¥599 million in valuation allowance for net defined benefit liability at the Company and its consolidated subsidiaries for the year ended March 31, 2024.

(*2) Gross deferred tax assets, valuation allowances and total deferred tax assets recognized for tax loss carryforwards, broken down by expiration dates are as follows:

	Millions of yen						
	Within one year	One to two years	Over two to three years	Over three to four years	Over four to five years	Over five years	Total
March 31, 2025							
Gross deferred tax assets for tax loss carryforwards (*a)	¥ 62	¥ 192	¥ 106	¥ 215	¥ 15	¥ 1,761	¥ 2,351
Valuation allowance	-	(39)	(100)	(63)	(15)	(1,713)	(1,930)
Total deferred tax assets recognized	62	153	6	152	-	48	(*b) 421
	Millions of yen						
	Within one year	One to two years	Over two to three years	Over three to four years	Over four to five years	Over five years	Total
March 31, 2024							
Gross deferred tax assets for tax loss carryforwards (*a)	¥ 16	¥ 465	¥ 199	¥ 141	¥ 256	¥ 1,119	¥ 2,196
Valuation allowance	(16)	-	(41)	(136)	(132)	(1,035)	(1,360)
Total deferred tax assets recognized	-	465	158	5	124	84	(*b) 836
	Thousands of U.S. dollars						
	Within one year	One to two years	Over two to three years	Over three to four years	Over four to five years	Over five years	Total
March 31, 2025							
Gross deferred tax assets for tax loss carryforwards (*a)	\$ 417	\$ 1,286	\$ 709	\$ 1,436	\$ 101	\$ 11,773	\$ 15,722
Valuation allowance	-	(260)	(671)	(422)	(101)	(11,451)	(12,905)
Total deferred tax assets recognized	417	1,026	38	1,014	-	322	(*b) 2,817

(*a) Gross deferred tax assets for tax loss carryforwards are calculated using the enacted statutory effective tax rates.

(*b) Deferred tax assets of ¥421 million (\$2,817 thousand) are recognized for tax loss carryforwards of ¥2,351 million (\$15,722 thousand) (calculated using the enacted statutory effective tax rates), which the Company's consolidated subsidiaries recognized for tax loss carryforwards of ¥613 million (\$4,097 thousand) for the year ended March 31, 2025.

Deferred tax assets of ¥836 million are recognized for tax loss carryforwards of ¥2,196 million (calculated using the enacted statutory effective tax rates), which the Company's consolidated subsidiaries recognized for tax loss carryforwards of ¥1,091 million for the year ended March 31, 2024.

These tax loss carryforwards for the years ended March 31, 2025 and 2024 are expected to be recoverable judging from the estimated taxable income in the future. Hence, the Company does not recognize the valuation allowance for this for the years ended March 31, 2025 and 2024.

A reconciliation between the normal statutory effective tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2025 and 2024 is as follows:

	2025	2024
Statutory effective tax rate	30.6%	30.6%
Expenses not deductible for tax purposes	1.2%	0.1%
Income not taxable for tax purposes	(2.6)%	(2.8)%
Per capita inhabitant tax	0.1%	0.2%
Directors' bonuses	0.2%	0.1%
Tax rate difference in foreign subsidiaries	(11.4)%	(6.1)%
Retained earnings of foreign subsidiaries	0.2%	1.8%
Amortization of goodwill	1.1%	1.5%
Tax deduction	(3.3)%	(4.4)%
Foreign tax credit	2.0%	1.8%
Valuation allowance	4.6%	(3.3)%
Other, net	(4.1)%	(1.8)%
Actual effective tax rate	18.6%	17.7%

On March 31, 2025, "the Act for Partial Amendment of the Income Tax Act. Etc. (Act No. 13, 2025)" was enacted in the Diet session. As a result of the amendment, "Defense Special Corporate Tax" will be levied from the fiscal year beginning on or after April 1, 2026. In relation to the amendment, the statutory effective tax rate used in the calculation of deferred tax assets and liabilities on temporary differences that are expected to be reversed from the fiscal year beginning on or after April 1, 2026 has been changed from 30.58% to 31.47%.

The effect of the change of the statutory effective tax rate is immaterial.

15. Financial Instruments

(a) Qualitative information on financial instruments

(1) Policies for using financial instruments

The Group finances necessary funds mainly through bank loans according to the capital investment plan for the production and sales of PCB. Temporary and excessive funds are operated by highly stable financial instruments, and the Group finances short-term operating capital by bank loans. Derivative transactions are only utilized to hedge the risks mentioned in (2) below.

(2) Details of financial instruments used and exposures to risk and how they arise

Trade receivables such as trade notes receivables and accounts receivable and electronically recorded monetary claims are exposed to credit risk. Some trade receivables, which are denominated in foreign currencies due to global operations, are exposed to foreign currency fluctuation risk. The Group might utilize foreign exchange forward contracts, if necessary, except for those within the range of the trade payables denominated in the same foreign currency. Investment securities mainly consist of securities of companies in which a business relationship has been established, and these are exposed to market fluctuation risk.

Trade payables such as trade notes and accounts payable are due within one year.

Some of the trade payables relating to imports of raw materials are denominated in foreign currencies and exposed to foreign currency fluctuation risk.

The Group might utilize foreign exchange forward contracts, if necessary, except for those within the range of the trade receivables denominated in the same foreign currency. Borrowings and lease obligations for finance lease transactions are mainly used for the purpose of financing capital investments.

Some of them are variable interest rate loans and are exposed to interest rate risk and foreign currency fluctuation risk.

The Group utilizes interest rate swaps to hedge the risks. Regarding derivative transactions, the Group utilizes foreign exchange forward contracts to hedge the foreign currency fluctuation risk of receivables and payables denominated in foreign currencies. The Group utilizes interest rate swaps to hedge interest fluctuation risk. The Group utilizes commodity forward contracts to hedge copper price fluctuation risk.

(3) Policies and processes for managing the risk

(i) Credit risk management (risk of default by the counterparties)

The sales management department in the Company follows sales management rules, monitors the customers' credit conditions periodically and manages the due date and balance per customer. The Company keeps track of the adverse financial conditions of its customers in the early stages to mitigate the uncollectible risk.

The Company enters into derivative transactions only with the credit-worthy financial institutions to mitigate the credit risk.

(ii) Market risk management (risk of foreign currency fluctuations and interests)

Regarding the trade receivables and trade payables denominated in foreign currencies, the Company utilizes foreign exchange forward contracts, if necessary, to hedge the foreign currency fluctuation risk, which is controlled by each currency, on a monthly basis. For investment securities, the Company regularly reviews the fair value and issuers' financial condition and readjusts its portfolio on an ongoing basis considering the business relationship with counterparties. Derivative transactions are based on the internal rules and executed after getting the approval from the approver and managed by the finance department. Details of the derivative transactions are reported to the Board of Directors' meeting periodically.

(iii) Liquidity risk management (risk of default at due dates)

The Company prepares and updates the cash management plan based on the reports from each department to manage liquidity risk on a timely basis.

(4) Supplemental information on fair values

As the calculation of fair values of financial instruments adopts certain assumptions, those values may vary in case different assumptions are applied.

Also, for the contract amount regarding derivative transactions described in Note 18, the contract amount itself does not indicate market risk related to derivative transactions.

(b) Fair values of financial instruments

Book values of the financial instruments included in the consolidated balance sheets and their fair values as at March 31, 2025 and 2024 are as follows:

	2025					
	Millions of yen			Thousands of U.S. dollars		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Investment securities						
Available-for-sale securities	¥ 340	¥ 340	¥ -	\$ 2,273	\$ 2,273	\$ -
Total assets.....	¥ 340	¥ 340	¥ -	\$ 2,273	\$ 2,273	\$ -
Long-term borrowings (*3)	¥ 46,400	¥ 46,160	¥ (240)	\$ 310,306	\$ 308,699	\$ (1,607)
Lease obligations (*3)	806	805	(1)	5,391	5,383	(8)
Total Liabilities	¥ 47,206	¥ 46,965	¥ (241)	\$ 315,697	\$ 314,082	\$ (1,615)
Derivative financial instruments (*4).....	¥ 72	¥ 72	¥ -	\$ 483	\$ 483	\$ -

	2024		
	Millions of yen		
	Book Value	Fair Value	Difference
Investment securities			
Available-for-sale securities	¥ 339	¥ 339	¥ -
Total assets.....	¥ 339	¥ 339	¥ -
Long-term borrowings (*3)	¥ 46,775	¥ 46,610	¥ (165)
Lease obligations (*3)	279	279	0
Total Liabilities.....	¥ 47,054	¥ 46,889	¥ (165)
Derivative financial instruments (*4).....	¥ 65	¥ 65	¥ -

(*1) Disclosure of cash and cash equivalents, trade notes and accounts receivable and electronically recorded monetary claims, trade notes and accounts payable and short-term borrowings is omitted since their book value approximates their fair value because of their short maturities.

(*2) Among investment securities, unlisted securities of ¥1,543 million (\$10,320 thousand) and contribution to investment partnership of ¥263 million (\$1,756 thousand) as of March 31, 2025 are not included in the above table because these are recorded as net interest amounts on the consolidated balance sheet and omitted in accordance with the transitional treatment in paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. (ASBJ Guidance No. 31, June 17, 2021). Unlisted securities of ¥2,292 million and contribution to investment partnership of ¥356 million as of March 31, 2024 are not included in the above table because these are recorded as net interest amounts on the consolidated balance sheet and omitted in accordance with the transitional treatment in paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. (ASBJ Guidance No. 31, June 17, 2021).

(*3) Current portion is included.

(*4) Derivative financial instruments are stated in net of assets and liabilities. The figures in parentheses indicate net liabilities.

(c) The redemption schedule for financial instruments as of March 31, 2025 and 2024 is as follows:

	2025			
	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥ 22,913	¥ -	¥ -	¥ -
Time deposits	239	-	-	-
Trade notes receivable.....	2,560	-	-	-
Accounts receivable	42,512	-	-	-
Electronically recorded monetary claims	3,674	-	-	-
Other receivables	696	-	-	-
Long-term loans receivable (*).....	666	1,264	-	-

	2025			
	Thousands of U.S. dollars			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	\$ 153,234	\$ -	\$ -	\$ -
Time deposits	1,598	-	-	-
Trade notes receivable.....	17,119	-	-	-
Accounts receivable	284,303	-	-	-
Electronically recorded monetary claims	24,569	-	-	-
Other receivables	4,653	-	-	-
Long-term loans receivable (*).....	4,453	8,450	-	-

	2024			
	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥ 21,363	¥ -	¥ -	¥ -
Time deposits	239	-	-	-
Trade notes receivable.....	1,625	-	-	-
Accounts receivable	36,162	-	-	-
Electronically recorded monetary claims	3,331	-	-	-
Other receivables	1,132	-	-	-
Long-term loans receivable (*).....	534	1,376	-	-

(*) The amounts of long-term loans receivable include the current portion of long-term loans receivable.

(d) Fair value information of financial instruments by level of inputs

Based on the observability and the significance of the inputs used to determine fair values, the fair value information of financial instruments is presented by categorizing measurements into the following three levels:

Level 1 fair value: the fair value measured by quoted prices of identical assets or liabilities in active markets.

Level 2 fair value: the fair value measured using observable inputs other than Level 1.

Level 3 fair value: the fair value measured using unobservable inputs.

When multiple inputs of different categories are used in measuring the fair value, the Company and its subsidiaries classify fair values into a category to which the lowest priority is assigned.

(1) Financial instruments measured at fair values in the consolidated balance sheets as of March 31, 2025 and 2024 are as follows:

	2025							
	Millions of yen				Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment securities								
Available-for-sale securities								
Equity securities	¥ 340	¥ -	¥ -	¥ 340	\$ 2,273	\$ -	\$ -	\$ 2,273
Derivative financial instruments								
Interest rate-related.....	-	49	-	49	-	330	-	330
Commodity-related	-	23	-	23	-	153	-	153
Total Assets.....	¥ 340	¥ 72	¥ -	¥ 412	\$ 2,273	\$ 483	\$ -	\$ 2,756
Derivative financial instruments								
Interest rate-related.....	¥ -	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities.....	¥ -	¥ -	¥ -	¥ -	\$ -	\$ -	\$ -	\$ -

	2024			
	Millions of yen			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Equity securities	¥ 339	¥ -	¥ -	¥ 339
Derivative financial instruments				
Interest rate-related.....	-	12	-	12
Commodity-related	-	63	-	63
Total Assets.....	¥ 339	¥ 75	¥ -	¥ 414
Derivative financial instruments				
Interest rate-related.....	¥ -	¥ 10	¥ -	¥ 10
Total Liabilities.....	¥ -	¥ 10	¥ -	¥ 10

(2) Financial instruments other than those measured at fair values in the consolidated balance sheets as of March 31, 2025 and 2024 are as follows:

	2025							
	Millions of yen				Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Long-term borrowings.....	¥ -	¥ 46,160	¥ -	¥ 46,160	\$ -	\$ 308,699	\$ -	\$ 308,699
Lease obligations	-	805	-	805	-	5,383	-	5,383
Total Liabilities.....	¥ -	¥ 46,965	¥ -	¥ 46,965	\$ -	\$ 314,082	\$ -	\$ 314,082

	2024			
	Millions of yen			
	Level 1	Level 2	Level 3	Total
Long-term borrowings.....	¥ -	¥ 46,610	¥ -	¥ 46,610
Lease obligations	-	279	-	279
Total Liabilities.....	¥ -	¥ 46,889	¥ -	¥ 46,889

Valuation techniques and inputs used in measuring fair values

Investment securities

Listed equity securities are measured using quoted prices. Fair values of listed equity securities are classified as Level 1, because they are exchanged in active markets.

Derivative transactions

The fair value of interest rate swap and copper swap is determined by the discounted present value method using observable inputs, such as interest rates and exchange rates and categorized in Level 2.

Long-term borrowings and lease obligations

The fair value of long-term borrowings and lease obligations is determined by the discounted present value method using the sum of principal and interest, and interest rates, which are determined with consideration of credit risk and remaining periods, and categorized in Level 2.

If the variable interest rate loans meet certain criteria for the short-cut method for interest rate swaps (if interest rate swap contracts are used as a hedge and meet certain hedging criteria, the interest rate swaps are not remeasured at market price, and the amount to be received under the interest rate swap contract is added to or deducted from the interest on the liabilities for which the swap contract was executed), the sum of principal and the interest processed as interest rate swaps is discounted by using the reasonably estimated loan interest rate applied to the same kind of loans.

16. Derivatives

There are no derivative transactions for which hedge accounting has not been applied for the years ended March 31, 2025 and 2024.

Derivative transactions for which hedge accounting has been applied for the years ended March 31, 2025 and 2024 are as follows:

		2025					
		Millions of yen			Thousands of U.S. dollars		
		Contract amount	Contract amount due after one year	Fair value	Contract amount	Contract amount due after one year	Fair value
Hedged item							
Interest rate-related:							
Benchmark Method							
Interest rate swap contracts							
Payable fixed/	Long-term						
Receive floating	borrowings	¥ 18,920	¥ -	¥ 49	\$ 126,530	\$ -	\$ 330
Commodity-related:							
Benchmark Method							
Copper swap contracts	Raw materials	¥ 489	¥ -	¥ 23	\$ 3,269	\$ -	\$ 153

		2024		
		Millions of yen		
		Contract amount	Contract amount due after one year	Fair value
Hedged item				
Interest rate-related:				
Benchmark Method				
Interest rate swap contracts				
Payable fixed/	Long-term			
Receive floating	borrowings	¥ 22,360	¥ 18,920	¥ 12
Commodity-related:				
Benchmark Method				
Copper swap contracts	Raw materials	¥ 1,689	¥ -	¥ 53

17. Comprehensive Income

Reclassifications and income tax effects attributable to other comprehensive income for the years ended March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Unrealized gains on available-for-sale securities:			
Gains arising during the year	¥ 14	¥ 154	\$ 93
Reclassifications and adjustments	(15)	(37)	(99)
Before income taxes and income tax effects	(1)	117	(6)
Income taxes and income tax effects	(1)	(36)	(6)
Total	¥ (2)	¥ 81	\$ (12)
Deferred gains (losses) on hedges:			
Losses arising during the year	¥ 138	¥ (101)	\$ 925
Reclassifications and adjustments	(131)	87	(880)
Before income taxes and income tax effects	7	(14)	45
Income taxes and income tax effects	(2)	4	(13)
Total	¥ 5	¥ (10)	\$ 32
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ (2,146)	¥ 11,057	\$ (14,346)
Reclassifications and adjustments	-	-	-
Total	¥ (2,146)	¥ 11,057	\$ (14,346)
Remeasurements of defined benefit plans:			
Adjustments arising during the year	¥ 99	¥ 74	\$ 663
Reclassifications and adjustments	7	120	49
Before income taxes and income tax effects	106	194	712
Income taxes and income tax effects	(34)	(29)	(232)
Total	¥ 72	¥ 165	\$ 480
Total other comprehensive income	¥ (2,071)	¥ 11,293	\$ (13,846)

18. Revenue Recognition

The breakdown of revenue arising from contracts with customers by geographical area for the years ended March 31, 2025 and 2024 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Japan	¥ 74,662	¥ 74,065	\$ 499,308
Vietnam	42,111	27,075	281,619
China	34,579	33,022	231,252
United States of America	24,889	16,965	166,449
Asia	26,429	19,429	176,748
Europe	3,728	4,347	24,930
Other	408	4,555	2,736
Revenue arising from contracts with customers	206,806	179,458	1,383,042
Other revenues	-	-	-
Sales to external customers	¥ 206,806	¥ 179,458	\$ 1,383,042

Basic information to understand the revenue arising from contracts with customers is disclosed in Note 2 (n).

Revenues in the United States of America, which were previously included in North America, are independently presented from the year ended March 31, 2025 due to the increased materiality. Presentation for the year ended March 31, 2024 has been reclassified to conform to the current year presentation.

As a result, revenues in North America of ¥21,516 million and Other of ¥4 million have been reclassified as United States of America of ¥16,965 million and Other of ¥4,555 million, respectively, for the year ended March 31, 2024.

Receivables from contracts with customers and contract liabilities as of March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Receivables from contracts with customers (balance at the beginning of the year).....	¥ 41,119	¥ 38,910	\$ 274,988
Receivables from contracts with customers (balance at the end of the year).....	48,746	41,119	325,991
Contract liabilities (balance at the beginning of the year).....	147	182	982
Contract liabilities (balance at the end of the year).....	46	147	308

Contract liabilities are advances received from customers before delivery of products and included in “Other” in “Current Liabilities” in the consolidated balance sheet.

Contract liabilities will be reversed as related revenues are recognized.

The amount of contract liabilities as of March 31, 2024 for which revenue was recognized during the year ended March 31, 2025 was ¥147 million (\$982 thousand).

The amount of contract liabilities as of March 31, 2023 for which revenue was recognized during the year ended March 31, 2024 was ¥182 million.

Revenue recognized for the years ended March 31, 2025 and 2024, for which contract liabilities were satisfied during previous periods is immaterial.

Disclosures about the total amount allocated to the remaining performance obligations and the period in which related revenue recognition is expected are omitted, as there are no material contracts for which the initially scheduled contract period exceeds one year.

19. Segment Information

Information about reported segment sales, segment profit, segment assets and other items under the new accounting standards is not disclosed as the Group's reportable segment is mainly printed circuit boards ("PCB") and the related business, and the other business is immaterial.

(Supplementary information)

(1) Information about products and services

Information about products and services is not disclosed, as the sales amount of a single unit of product or service to external customers accounted for more than 90% of consolidated net sales.

(2) Information about geographical areas

(a) Net sales

2025									
Millions of yen									
	Japan	Vietnam	China	United States of America	Asia	Europe	Other	Total	
Net sales	¥ 74,662	¥ 42,111	¥ 34,579	¥ 24,889	¥ 26,429	¥ 3,728	¥ 408	¥	206,806

2025									
Thousands of U.S. dollars									
	Japan	Vietnam	China	United States of America	Asia	Europe	Other	Total	
Net sales	\$ 499,308	\$ 281,619	\$ 231,252	\$ 166,449	\$ 176,748	\$ 24,930	\$ 2,736	\$	1,383,042

2024									
Millions of yen									
	Japan	Vietnam	China	United States of America	Asia	Europe	Other	Total	
Net sales	¥ 74,065	¥ 27,075	¥ 33,022	¥ 16,965	¥ 19,429	¥ 4,347	¥ 4,555	¥	179,458

Net sales in the United States of America, which were previously included in North America, are independently presented from the year ended March 31, 2025 due to the increased materiality.

Presentation for the year ended March 31, 2024 has been reclassified to conform to the current year presentation.

As a result, revenues in North America of ¥21,516 million and Other of ¥4 million have been reclassified as United States of America of ¥16,965 million and Other of ¥4,555 million, respectively, for the year ended March 31, 2024.

Net sales by destination were recognized based on the location of customers and classified by country or region.

(b) Property, plant and equipment

2025					
Millions of yen					
	Japan	Vietnam	China	Other	Total
Property, plant and equipment	¥ 38,876	¥ 64,898	¥ 25,779	¥ 18	¥ 129,571

2025					
Thousands of U.S. dollars					
	Japan	Vietnam	China	Other	Total
Property, plant and equipment	\$ 259,987	\$ 434,012	\$ 172,403	\$ 119	\$ 866,521

2024					
Millions of yen					
	Japan	Vietnam	China	Other	Total
Property, plant and equipment	¥ 35,068	¥ 48,539	¥ 28,435	¥ 24	¥ 112,066

(3) Information about major customers

Sales		
2025		
Name of the major customer	Millions of yen	Thousands of U.S. dollars
KURODA ELECTRIC CO., LTD.	¥ 22,385	\$ 149,700

Sales		
2024		
Name of the major customer	Millions of yen	
KURODA ELECTRIC CO., LTD.	¥ 21,150	
Samsung Electronics Co., Ltd.	17,939	

The above sales amount includes the sales from the major customer and its business group.

Information about reportable segments is not disclosed, as the Group has one segment.

(4) Information about impairment loss

Information about impairment loss by reportable segment for the year ended March 31, 2025 is not disclosed, as the Group's reportable segment is mainly printed circuit boards ("PCB") and the related business, while the other business is immaterial.

Information about impairment loss by reportable segment for the year ended March 31, 2024 is not disclosed, as the Group's reportable segment is mainly printed circuit boards ("PCB") and the related business, while the other business is immaterial.

20. Related-party Transactions

For the year ended March 31, 2025

Transactions with related parties

(1) Unconsolidated subsidiary

There were no applicable matters for the year ended March 31, 2025.

(2) Directors and major individual shareholders

Name	Location	Capital	Details of the business	Percentage for possession of voting rights	Relationship	Details of the transaction ^{#2}	Transaction amount	Balance as at March 31, 2025
M.D. Systems Co., Ltd. ^{#1}	Atsugi City, Kanagawa	¥15 million	Board design	Directly own (%) 14.7	Business relationship	Purchase of products	¥223 million (\$1,494 thousand)	¥41 million (\$276 thousand) in accounts payable
						Sales of products	¥24 million (\$160 thousand)	¥3 million (\$23 thousand) in accounts receivable

Notes: ^{#1} Seiichi Naya, a close relative of Yuichiro Naya, representative director and executive officer of the Company, directly owns 52.3% (including indirect ownership) of voting rights in M. D. Systems Co., Ltd.

^{#2} The terms and conditions of the transactions for the sale and purchase of products are determined through negotiations, considering the market price, total costs and others.

The terms and conditions of the transactions for purchase of equipment are determined through negotiations, considering the market price.

Transactions between consolidated subsidiaries and related parties

Directors and major individual shareholders

Name	Location	Capital	Details of the business	Percentage for possession of voting rights	Relationship	Details of the transaction ^{#3}	Transaction amount	Balance as at March 31, 2025
M.D. Systems Co., Ltd. ^{#1}	Atsugi City, Kanagawa	¥15 million	Board design	Directly own (%) 14.7	Business relationship	Purchase of products	¥5 million (\$31 thousand)	¥0 million (\$0 thousand) in accounts payable
						Sales of products	¥0 million (\$1 thousand)	-
Dapara Tech Co., Ltd. ^{#2}	Seoul City, South Korea	₩50 million	Sales of boards and related facilities	Directly own (%) -	Business relationship/ Concurrent positions of the director	Sales commission	¥177 million (\$1,182 thousand)	-
						Sales of products	¥30 million (\$204 thousand)	-

Notes: ^{#1} Seiichi Naya, a close relative of Yuichiro Naya, representative director and executive officer of the Company, directly owns 52.3% (including indirect ownership) of voting rights in M. D. Systems Co., Ltd.

^{#2} Yoon Ho Shin, former director of the Company, who directly owned the majority of voting rights in Dapara Tech Co., Ltd., resigned as a director of the Company at the conclusion of the 49th Annual General Meeting of Shareholders held on June 26, 2024 and was excluded from the related party. The transaction amount in the above table represents the amount during the period in which he was a related party.

^{#3} The terms and conditions of the transactions for the sale and purchase of products are determined through negotiations, considering the market price, total costs and others.

The terms and conditions of the sales commission are determined through negotiations, considering those with other companies.

For the year ended March 31, 2024

Transactions with related parties

(1) Unconsolidated subsidiary

There were no applicable matters for the year ended March 31, 2024.

(2) Directors and major individual shareholders

Name	Location	Capital	Details of the business	Percentage for possession of voting rights	Relationship	Details of the transaction ^{※3}	Transaction amount	Balance as at March 31, 2024
M.D. Systems Co., Ltd. ^{※1}	Atsugi City, Kanagawa	¥15 million	Board design	Directly own (%) 14.7	Business relationship	Purchase of products	¥203 million	¥17 million in accounts payable
						Sales of products	¥19 million	¥3 million in accounts receivable
Dapara Tech Co., Ltd. ^{※2}	Seoul City, South Korea	₩50 million	Sales of boards and related facilities	Directly own (%) -	Business relationship/ Concurrent positions of the director	Purchase of equipment	¥168 million	¥9 million in other payable

Notes: ^{※1} Seiichi Naya, a close relative of Yuichiro Naya, representative director and executive officer of the Company, directly owns 52.3% (including indirect ownership) of voting rights in M. D. Systems Co., Ltd.

^{※2} Yoon Ho Shin, director of the Company, directly owns 70.0% of voting rights in Dapara Tech Co., Ltd.

^{※3} The terms and conditions of the transactions for the sale and purchase of products are determined through negotiations, considering the market price, total costs and others.

The terms and conditions of the transactions for the purchase of equipment are determined through negotiations, considering the market price.

Transactions between consolidated subsidiaries and related parties

Directors and major individual shareholders

Name	Location	Capital	Details of the business	Percentage for possession of voting rights	Relationship	Details of the transaction ^{※3}	Transaction amount	Balance as at March 31, 2024
M.D. Systems Co., Ltd. ^{※1}	Atsugi City, Kanagawa	¥15 million	Board design	Directly own (%) 14.7	Business relationship	Purchase of products	¥3 million	¥1 million in accounts payable
						Sales of products	¥0 million	¥0 million in accounts receivable
Dapara Tech Co., Ltd. ^{※2}	Seoul City, South Korea	₩50 million	Sales of boards and related facilities	Directly own (%) -	Business relationship/ Concurrent positions of the director	Sales commission	¥618 million	¥117 million in other payable
						Purchase of products	¥30 million	¥1 million in accounts payable
						Sales of products	¥156 million	¥16 million in accounts receivable

Notes: ^{※1} Seiichi Naya, a close relative of Yuichiro Naya, representative director and executive officer of the Company, directly owns 52.3% (including indirect ownership) of voting rights in M. D. Systems Co., Ltd.

^{※2} Yoon Ho Shin, director of the Company, directly owns 70.0% of voting rights in Dapara Tech Co., Ltd.

^{※3} The terms and conditions of the transactions for the sale and purchase of products are determined through negotiations, considering the market price, total costs and others.

The terms and conditions of the sales commission are determined through negotiations, considering those with other companies.



Independent auditor's report

To the Board of Directors of Meiko Electronics Co., Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meiko Electronics Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, the consolidated statements of operations and comprehensive income, changes in net assets and cash flows for the years then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of management's judgment as to whether an impairment loss should be recognized on non-current assets used for domestic factories

The key audit matter	How the matter was addressed in our audit
Meiko Electronics Co., Ltd. (hereinafter the "Company") reported property, plant and equipment of ¥129,571 million, intangible assets of ¥5,697 million, and investments and other	The primary procedures we performed to assess the appropriateness of management's judgment as to whether an impairment loss should be recognized on non-current assets used for the

assets of ¥988 million in the consolidated balance sheets for the current fiscal year. As described in Note 2(v), “Significant Accounting Estimates (Impairment of non-current assets)” to the consolidated financial statements, of the above amounts, ¥8,692 million was related to the Ishinomaki Factory and ¥19,982 million was related to the Tendo Factory, which represented approximately 3% and 8%, respectively, of total assets in the consolidated financial statements.

While these fixed assets are amortized in a systematic manner, they need to be tested for impairment whenever there is an impairment indicator. The impairment test is performed by comparing the undiscounted future cash flows that are expected to be generated from the related asset groups with their carrying amounts. If the recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss.

the Company determined that there are indications of impairment at the Ishinomaki Factory, which produces semiconductor package substrates as a new business, since the operating income of the Ishinomaki Factory has been continuously negative due to a delay in the achievement of initially forecast business plans caused by the deterioration in the semiconductor market.

In addition, the Company determined that there are indications of impairment at the Tendo Factory, which aims to strengthen the production of printed circuit boards for automobiles, since the operating income of the Tendo Factory is lower than initially forecasted business plans affected by the sluggish demand in the automotive market.

Accordingly, the Company performed an impairment test during the current fiscal year; however, impairment losses are not recognized because the total amount of undiscounted estimated future cash flows from each asset groups exceeded their respective book values.

In the impairment testing, future cash flows were estimated based on the business plan of the Ishinomaki Factory and the Tendo Factory developed by management. Since particularly the sales growth rate, which was a key assumption, involved uncertainty, management’s judgment thereon had a significant effect on the estimated

Ishinomaki Factory and the Tendo Factory included the following:

(1) Internal control testing

We tested the design and operating effectiveness of internal controls relevant to the judgment as to whether an impairment loss should be recognized.

In this assessment, we focused our testing on whether internal controls to assess the reliability of the business plan used for estimating cash flows had been designed and effectively operated.

(2) Assessment of the appropriateness of the estimated future cash flows

In order to assess the appropriateness of key assumptions adopted in the business plans of the Ishinomaki Factory and the Tendo Factory, which formed the basis for estimating future cash flows, we inquired of management and the personnel responsible for these factories about the basis on which those assumptions were developed. In addition, we:

- inspected the board meeting minutes and relevant documents to understand the factories’ business environment and main business measures;
- evaluated the accuracy of management’s estimates by considering achievement of the business plans and causes of variances with actual results; and
- assessed the reasonableness of the sales growth rate incorporated as a key assumption in the business plans by obtaining external research reports on the estimated size of the market to which the factories belong.

<p>future cash flows.</p> <p>We, therefore, determined that our assessment of the appropriateness of management's judgment as to whether an impairment loss should be recognized on non-current assets used for the Ishinomaki Factory and the Tendo Factory was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	
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Other Information

The other information comprises the information included in the Annual Report issued by the Company, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in “Compensation to Accounting Auditor” of the Annual Report issued by the Company.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroki Nakayama

Designated Engagement Partner

Certified Public Accountant

Daio Aida

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Yokohama Office, Japan

September 19, 2025

Notes to the Reader of Independent Auditor’s Report:

This is a copy of the Independent Auditor’s Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Principal Subsidiaries and Affiliates

Name or Trade Name	Address	Paid-in Capital (Millions of yen)	Principal Business	Investment Ratio (%)
Yamagata Meiko Electronics Co., Ltd.	Kahoku-cho, Nishimurayama-gun, Yamagata Prefecture	75	PCBs for electronics	100.0
Miyagi Meiko Co., Ltd.	Ishinomaki City, Miyagi Prefecture	25	PCBs for electronics	100.0
Meiko Tech Co., Ltd.	Ayase City, Kanagawa Prefecture	95	PCBs for electronics	100.0
Meiko Techno Co., Ltd.	Yamato City, Kanagawa Prefecture	100	PCBs for electronics	100.0
Meiko Electronic Development Co., Ltd.	Yonezawa City, Yamagata Prefecture	400	PCBs for electronics	100.0
Meiko Electronic Manufacturing Co., Ltd.	Nanyo City, Yamagata Prefecture	20	PCBs for electronics	100.0 (100.0)
Meiko Elec. Hong Kong Co., Ltd.	Hong Kong	US\$391,179 thousand	PCBs for electronics	100.0
Meiko Electronics (Guangzhou Nansha) Co., Ltd.	Guangzhou, Guangdong Province, P.R.C.	US\$120,800 thousand	PCBs for electronics	100.0 (66.3)
Meiko Electronics (Wuhan) Co., Ltd.	Wuhan, Hubei Province, P.R.C.	US\$173,800 thousand	PCBs for electronics	100.0 (40.7)
Guangzhou Speed Trading Co., Ltd.	Guangzhou, Guangdong Province, P.R.C.	US\$785 thousand	PCBs for electronics	100.0 (100.0)
Meiko Electronics Vietnam Co., Ltd.	Hanoi, Vietnam	US\$90,000 thousand	PCBs for electronics	100.0 (100.0)
Meiko Electronics Thang Long Co., Ltd.	Hanoi, Vietnam	US\$15,000 thousand	PCBs for electronics	100.0
Meiko Electronics Hoa Binh Co., Ltd.	Hoa Binh Province, Vietnam	US\$20,000 thousand	PCBs for electronics	100.0 (100.0)
Meiko Electronics Hai Duong Vietnam Co., Ltd.	Hai Duong Province, Vietnam	US\$21,000 thousand	PCBs for electronics	100.0
Meiko Electronics America, Inc.	CA, U.S.A.	US\$1,500 thousand	PCBs for electronics	100.0

Principal Shareholders

Name of Shareholder	Number of Shares Held (Thousands of shares)	Percentage of Total Number of Shares Issued (excluding treasury stock) (%)
Yuichiro Naya	4,704	18.09
The Master Trust Bank of Japan, Ltd. (trust account)	3,817	14.68
Custody Bank of Japan, Ltd. (trust account)	3,216	12.37
CLEARSTREAM BANKING S.A. (Standing Agent: Custody Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	975	3.75
Meiko Kosan Co., Ltd.	608	2.34
BNP PARIBAS LUXEMBOURG/2S/JASDEC/ FIM/LUXEMBOURG FUNDS/UCITS ASSETS (Standing Agent: Custody Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	582	2.24
Yuho, Ltd.	521	2.00
JP MORGAN CHASE BANK 385632 (Standing Agent: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	438	1.69
BOFAS INC SEGREGATION ACCOUNT (Standing Agent: BofA Securities Japan Co., Ltd.)	392	1.51
Sumitomo Mitsui Banking Corporation	377	1.45
Total	15,633	60.13

Corporate History

November 1975	Established Meiko Denshi Kogyo Co., Ltd. to manufacture and sell PCBs. Started selling double-sided PCBs.
April 1978	Established the System Development Department (currently Meiko Techno Co., Ltd./Meiko Tech Co., Ltd.) to develop electronics application products.
October 1978	Developed in-house use PCB Testers for the PCB final inspection process.
September 1980	Constructed a new headquarters and factory, establishing an integrated production system for the entire process from design to finished product.
December 1980	Introduced a multi-layer press machine and started manufacturing multi-layer PCBs.
December 1981	Developed the world's first multi-video processor.
March 1982	Established Multitech Co., Ltd. (currently Meiko Tech Co., Ltd.) to manufacture single-sided PCBs (currently a consolidated subsidiary of the Company).
September 1982	Established Yamagata Meiko Electronics Co., Ltd. (currently a consolidated subsidiary of the Company) to manufacture PCBs.
August 1984	Completed construction to expand the headquarters/factory in Ayase, Kanagawa Prefecture, and started operations.
June 1990	Constructed the Fukushima Factory.
April 1991	Changed company name to Meiko Electronics Co., Ltd.
November 1997	Constructed a new manufacturing building on the premises of the Yamagata Factory (currently, Kahoku Factory) (Yamagata Meiko Electronics Co., Ltd.) to manufacture PCBs using the new PCB Build-Up technology.
August 1998	Established Meiko Elec. Hong Kong. Co., Ltd. in Hong Kong, China (currently a consolidated subsidiary of the Company), mainly to expand transactions with overseas manufacturers and purchase materials locally.
December 1998	Established Meiko Electronics (Panyu Nansha) Co., Ltd. in Guangzhou, Guangdong, China [currently Meiko Electronics (Guangzhou Nansha) Co., Ltd., a consolidated subsidiary of the Company], to manufacture PCBs.
June 1999	Changed the name of the PCB manufacturing department of headquarters to Kanagawa Factory.
December 2000	Stock listed on the Japan Securities Dealers Association.
January 2001	Started operations at the Guangzhou Plant [Meiko Electronics (Guangzhou Nansha) Co., Ltd.].
December 2004	Stock listed on JASDAQ Securities Exchange, Inc.
July 2005	Established Meiko Electronics (Wuhan) Co., Ltd. in Wuhan, Hubei, China (currently a consolidated subsidiary of the Company) to manufacture PCBs.
November 2005	Constructed a new factory building at Miyagi Factory (currently the Ishinomaki Factory).
April 2006	Established Meiko Electronics America, Inc. in the United States (currently a consolidated subsidiary of the Company) to sell PCBs.
July 2006	Started operations at the WUHAN Plant [Meiko Electronics (Wuhan) Co., Ltd.].
January 2007	Established Meiko Electronics Vietnam Co., Ltd. (currently a consolidated subsidiary of the Company) in Hanoi, Vietnam, to manufacture PCBs.

November 2007	Constructed a new headquarters building on the premises of the Kanagawa Factory.
March 2008	Purchased the Circuit Business from Victor Company of Japan, Limited.
April 2009	Started operation of the EMS Plant in Vietnam.
May 2009	Established the Meiko R&D Center.
July 2009	Started operation of second plant in WUHAN.
April 2010	Upon the merger of JASDAQ Securities Exchange, Inc. and Osaka Securities Exchange Co., Ltd., the Company's stock is listed on the Osaka Securities Exchange, JASDAQ market.
October 2010	Subsequent to the integration of the Hercules, JASDAQ and NEO markets of the Osaka Securities Exchange, Meiko Electronics Co., Ltd. had its stock listed on the JASDAQ Standard market of the exchange.
July 2011	Transferred the imaging equipment and industrial equipment businesses to Multitech Co., Ltd., and changed the trade name to Meiko Tech Co., Ltd.
November 2011	Started operation of the PCB Plant in Vietnam.
May 2013	Started operation of the Ishinomaki Factory.
July 2013	Subsequent to the integration of cash equity markets of the Osaka Securities Exchange Co., Ltd. and Tokyo Stock Exchange Group, Inc., Meiko Electronics Co., Ltd. had its stock listed on the JASDAQ Standard market of the Tokyo Stock Exchange.
August 2014	Established Meiko Electronics Thang Long Co., Ltd. (currently a consolidated subsidiary of the Company) in Hanoi, Vietnam, to manufacture and sell PCBs.
June 2015	Established Meiko Solar Park Fukushima, a solar power generation plant on the premises of the Fukushima Factory.
August 2015	Established Meiko Techno Co., Ltd. (currently a consolidated subsidiary of the Company) in Yamato, Kanagawa Prefecture, to mount PCBs and manufacture and sell imaging equipment and industrial equipment.
November 2019	Acquired equity interests in EMS (Electronic Manufacturing Services) in Vietnam and turned it into a subsidiary (currently consolidated subsidiary), Meiko Towada Vietnam Co., Ltd. (currently Meiko Electronics Hai Duong Vietnam Co., Ltd.).
June 2021	Transferred the stock market from the JASDAQ (Standard) to the First Section of the Tokyo Stock Exchange.
April 2022	Moved from the First Section of the Tokyo Stock Exchange to the Prime Market due to the restructuring of the stock market.
September 2022	Acquired shares of NEC Embedded Products, Ltd., making it a subsidiary as Meiko Embedded Products, Ltd. (currently Meiko Electronic Development Co., Ltd.) and its subsidiary Meiko Embedded Technology, Ltd. (currently Meiko Electronic Manufacturing Co., Ltd.) (currently consolidated subsidiaries).
October 2023	Constructed the Tendo Factory.
December 2023	Established Meiko Electronics Hoa Binh Co., Ltd. (currently a consolidated subsidiary of the Company) in Hoa Binh, Vietnam, to facilitate business expansion.
April 2024	Spun off the Ishinomaki Factory from Yamagata Meiko Electronics Co., Ltd. and incorporated it as Miyagi Meiko Co., Ltd. (currently a consolidated subsidiary of the Company).

Corporate Data (As of March 31, 2025)

Corporate Name:

Meiko Electronics Co., Ltd.

Date of Establishment:

November 25, 1975

Paid-in Capital:

¥12,889 million

Fiscal Year:

April 1 to March 31

Number of Shares Authorized:

70,000,000

Number of Shares Issued:

26,803,390

Number of Shareholders:

3,001

Securities Code:

6787

Stock Exchange Listing:

Tokyo Stock Exchange, Prime Market

Number of Employees:

12,706 (Consolidated)

Number of Subsidiaries and Affiliates:

26

Transfer Agent:

Sumitomo Mitsui Trust Bank, Limited

Accounting Auditor:

KPMG AZSA LLC

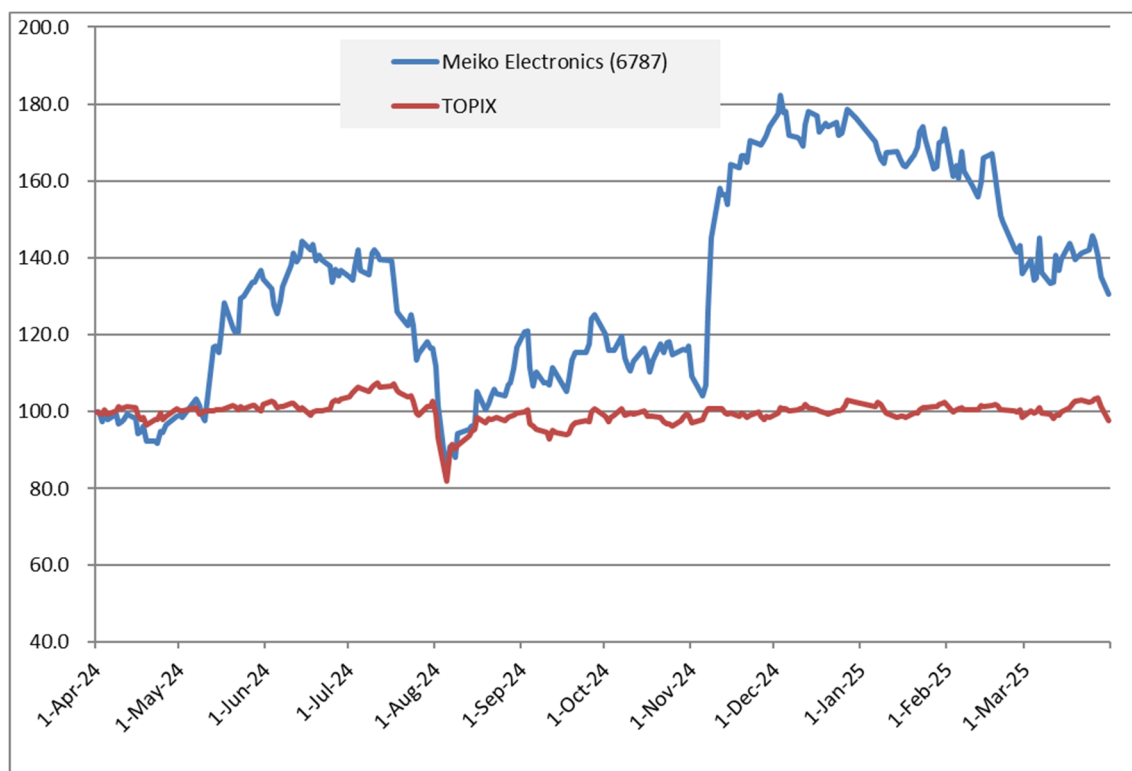
Headquarters:

5-14-15, Ogami, Ayase, Kanagawa Prefecture, Japan 252-1104

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- URL: <https://www.meiko-elec.com/>

Meiko Share Performance in FY2025 Compared with Indices



Fiscal year ended March 31, 2025

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In %

