UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 29, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ To

Commission File Number: 0-12906

RICHARDSON ELECTRONICS, LTD.

(Exact name of registrant as specified in its charter)

Delaware	**36-2096643**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

40W267 Keslinger Road, P.O. Box 393
LaFox, Illinois 60147-0393
(Address of principal executive offices)

Registrant's telephone number, including area code: (630) 208-2200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.05 Par Value	RELL	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller Reporting Company	☒
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of January 5, 2026, there were 12,481,251 outstanding shares of Common Stock, $0.05 par value and 2,036,671 outstanding shares of Class B Common Stock, $0.05 par value, which are convertible into Common Stock of the registrant on a share for share basis.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Richardson Electronics, Ltd.
Consolidated Balance Sheets
(in thousands, except per share amounts)

	Unaudited November 29, 2025	Audited May 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 33,138	$ 35,901
Accounts receivable, less allowance for credit losses of $301 and $250, respectively	27,393	24,117
Inventories, net	105,167	102,799
Prepaid expenses and other assets	5,845	3,070
Total current assets	**171,543**	**165,887**
Non-current assets:		
Property, plant and equipment, net	19,111	18,355
Intangible assets, net	314	345
Right of use lease assets, net	1,742	2,276
Deferred income tax assets	8,696	8,744
Other non-current assets	360	228
Total non-current assets	**30,223**	**29,948**
Total assets	**$ 201,766**	**$ 195,835**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 23,574	$ 21,339
Accrued liabilities	16,824	14,276
Lease liabilities current	1,038	1,171
Total current liabilities	**41,436**	**36,786**
Non-current liabilities:		
Deferred income tax liabilities	82	81
Lease liabilities non-current	704	1,105
Other non-current liabilities	1,069	1,204
Total non-current liabilities	**1,855**	**2,390**
Total liabilities	**43,291**	**39,176**
Commitments and contingencies (Note 4)		
Stockholders' Equity		
Common stock, $0.05 par value; 12,481 and 12,362 shares issued and outstanding on November 29, 2025 and May 31, 2025, respectively	623	618
Class B common stock, convertible, $0.05 par value; 2,037 and 2,049 shares issued and outstanding on November 29, 2025 and May 31, 2025, respectively	102	102
Additional paid-in-capital	75,521	74,445
Retained earnings	79,412	79,340
Accumulated other comprehensive income	2,817	2,154
Total stockholders' equity	**158,475**	**156,659**
Total liabilities and stockholders' equity	**$ 201,766**	**$ 195,835**

Refer to the accompanying *Notes to Unaudited Consolidated Financial Statements.*

Richardson Electronics, Ltd.
Unaudited Consolidated Statements of Comprehensive (Loss) Income
(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	November 29, 2025	November 30, 2024	November 29, 2025	November 30, 2024
Net sales	$ 52,288	$ 49,491	$ 106,895	$ 103,216
Cost of sales	36,211	34,165	73,889	71,464
Gross profit	**16,077**	**15,326**	**33,006**	**31,752**
Selling, general and administrative expenses	15,942	15,995	31,903	32,107
Loss (gain) on disposal of property, plant and equipment	3	(2)	3	(4)
Operating income (loss)	**132**	**(667)**	**1,100**	**(351)**
Other income (expense):				
Interest income	145	45	314	103
Foreign exchange loss	(479)	(437)	(190)	(160)
Other, net	6	4	910	1
Total other (expense) income	**(328)**	**(388)**	**1,034**	**(56)**
(Loss) income before income taxes	(196)	(1,055)	2,134	(407)
Income tax (benefit) provision	(75)	(304)	346	(246)
Net (loss) income	**(121)**	**(751)**	**1,788**	**(161)**
Foreign currency translation (loss) gain, net of tax	(391)	(1,748)	663	(1,112)
Comprehensive (loss) income	**$ (512)**	**$ (2,499)**	**$ 2,451**	**$ (1,273)**
Net (loss) income per share:				
Common stock - Basic	$ (0.01)	$ (0.05)	$ 0.12	$ (0.01)
Class B common stock - Basic	(0.01)	(0.05)	0.11	(0.01)
Common stock - Diluted	(0.01)	(0.05)	0.12	(0.01)
Class B common stock - Diluted	(0.01)	(0.05)	0.11	(0.01)
Weighted average number of shares:				
Common stock – Basic	12,459	12,315	12,426	12,258
Class B common stock – Basic	2,047	2,049	2,048	2,049
Common stock – Diluted	12,459	12,315	12,583	12,258
Class B common stock – Diluted	2,047	2,049	2,048	2,049

Refer to the accompanying *Notes to Unaudited Consolidated Financial Statements.*

Richardson Electronics, Ltd.
Unaudited Consolidated Statements of Cash Flows
(in thousands)

	Three Months Ended		Six Months Ended	
	November 29, 2025	**November 30, 2024**	**November 29, 2025**	**November 30, 2024**
Operating activities:				
Net (loss) income	$ (121)	$ (751)	$ 1,788	$ (161)
Adjustments to reconcile net income to cash (used in) provided by operating activities:				
Unrealized foreign currency loss (gain)	347	141	(164)	(241)
Depreciation and amortization	937	1,015	1,908	2,059
Inventory provisions	77	84	179	223
Share-based compensation expense	325	313	966	906
Loss (gain) on disposal of property, plant and equipment	3	(2)	3	(4)
Deferred income taxes	(13)	(21)	36	(79)
Change in assets and liabilities:				
Accounts receivable	(520)	4,721	(3,174)	(1,137)
Inventories	(915)	(1,617)	(1,493)	(1,741)
Prepaid expenses and other assets	(2,981)	67	(2,921)	38
Accounts payable	462	500	2,088	4,664
Accrued liabilities	2,511	641	2,361	546
Other	(211)	374	(309)	804
Net cash (used in) provided by operating activities	**(99)**	**5,465**	**1,268**	**5,877**
Investing activities:				
Capital expenditures	(1,606)	(517)	(2,631)	(1,443)
Proceeds from sale of property, plant and equipment	—	—	—	7
Net cash used in investing activities	**(1,606)**	**(517)**	**(2,631)**	**(1,436)**
Financing activities:				
Proceeds from issuance of common stock	153	163	214	307
Cash dividends paid on common and Class B common stock	(859)	(853)	(1,716)	(1,703)
Proceeds from revolving credit facility	—	—	—	1,000
Repayment of revolving credit facility	—	—	—	(1,000)
Other	—	3	(99)	(159)
Net cash used in financing activities	**(706)**	**(687)**	**(1,601)**	**(1,555)**
Effect of exchange rate changes on cash and cash equivalents	(105)	(661)	201	(514)
(Decrease) increase in cash and cash equivalents	**(2,516)**	**3,600**	**(2,763)**	**2,372**
Cash and cash equivalents at beginning of period	35,654	23,035	35,901	24,263
Cash and cash equivalents at end of period	**$ 33,138**	**$ 26,635**	**$ 33,138**	**$ 26,635**

Refer to the accompanying *Notes to Unaudited Consolidated Financial Statements.*

Richardson Electronics, Ltd.
Unaudited Consolidated Statements of Stockholders' Equity
(in thousands, except per share amounts)

A summary of the stockholders' equity for the three and six months ended November 29, 2025, follows:

	Common Stock	Class B Common Stock	Par Value	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance August 30, 2025	**12,444**	**2,049**	**$ 724**	**$ 75,044**	**$ 80,392**	**$ 3,208**	**$ 159,368**
Comprehensive income:							
Net loss	—	—	—	—	(121)	—	(121)
Foreign currency translation, net of tax	—	—	—	—	—	(391)	(391)
Share-based compensation:							
Restricted stock	—	—	—	154	—	—	154
Stock options	—	—	—	171	—	—	171
Common stock:							
Options exercised	25	—	—	152	—	—	152
Class B converted to common	12	(12)	1	—	—	—	1
Dividends paid to:							
Common ($0.060 per share)	—	—	—	—	(748)	—	(748)
Class B common ($0.054 per share)	—	—	—	—	(111)	—	(111)
Balance November 29, 2025	**12,481**	**2,037**	**$ 725**	**$ 75,521**	**$ 79,412**	**$ 2,817**	**$ 158,475**

	Common Stock	Class B Common Stock	Par Value	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance May 31, 2025	**12,362**	**2,049**	**$ 720**	**$ 74,445**	**$ 79,340**	**$ 2,154**	**$ 156,659**
Comprehensive income:							
Net income	—	—	—	—	1,788	—	1,788
Foreign currency translation, net of tax	—	—	—	—	—	663	663
Share-based compensation:							
Restricted stock	—	—	—	570	—	—	570
Stock options	—	—	—	396	—	—	396
Common stock:							
Options exercised	36	—	1	212	—	—	213
Class B converted to common	12	(12)	1	—			1
Restricted stock issuance	71	—	3	(102)	—	—	(99)
Dividends paid to:							
Common ($0.12 per share)	—	—	—	—	(1,494)	—	(1,494)
Class B common ($0.108 per share)	—	—	—	—	(222)	—	(222)
Balance November 29, 2025	**12,481**	**2,037**	**$ 725**	**$ 75,521**	**$ 79,412**	**$ 2,817**	**$ 158,475**

Refer to the accompanying *Notes to Unaudited Consolidated Financial Statements.*

A summary of the stockholders' equity for the three and six months ended November 30, 2024, follows:

	Common Stock	Class B Common Stock	Par Value	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance August 31, 2024:	**12,331**	**2,049**	**$ 719**	**$ 73,315**	**$ 83,630**	**$ 1,400**	**$ 159,064**
Comprehensive loss:							
Net loss	—	—	—	—	(751)	—	(751)
Foreign currency translation, net of tax	—	—	—	—	—	(1,748)	(1,748)
Share-based compensation:							
Restricted stock	—	—	—	178	—	—	178
Stock options	—	—	—	135	—	—	135
Common stock:							
Options exercised	28	—	1	165	—	—	166
Dividends paid to:							
Common ($0.060 per share)	—	—	—	—	(742)	—	(742)
Class B common ($0.054 per share)	—	—	—	—	(111)	—	(111)
Balance November 30, 2024	**12,359**	**2,049**	**$ 720**	**$ 73,793**	**$ 82,026**	**$ (348)**	**$ 156,191**

	Common Stock	Class B Common Stock	Par Value	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance June 1, 2024:	**12,254**	**2,049**	**$ 715**	**$ 72,744**	**$ 83,729**	**$ 764**	**$ 157,952**
Comprehensive loss:							
Net loss	—	—	—	—	(161)	—	(161)
Foreign currency translation, net of tax	—	—	—	—	161	(1,112)	(951)
Share-based compensation:							
Restricted stock	—	—	—	602	—	—	602
Stock options	—	—	—	304	—	—	304
Common stock:							
Options exercised	45	—	2	305	—	—	307
Restricted stock issuance	60	—	3	(162)	—	—	(159)
Dividends paid to:							
Common ($0.12 per share)	—	—	—	—	(1,481)	—	(1,481)
Class B common ($0.108 per share)	—	—	—	—	(222)	—	(222)
Balance November 30, 2024	**12,359**	**2,049**	**$ 720**	**$ 73,793**	**$ 82,026**	**$ (348)**	**$ 156,191**

Refer to the accompanying *Notes to Unaudited Consolidated Financial Statements.*

RICHARDSON ELECTRONICS, LTD.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE COMPANY

Richardson Electronics, Ltd. (the "Company," "we," "our") is a global manufacturer of engineered solutions, green energy products, power grid and microwave tubes, and related consumables; power conversion and RF and microwave components including green energy solutions; tubes for diagnostic imaging equipment; and customized display solutions. We have manufacturing at our facilities located in LaFox, Illinois, Marlborough, Massachusetts, and Donaueschingen, Germany.

We serve customers in alternative energy, healthcare, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. The Company's strategy is to provide specialized technical expertise and "engineered solutions" based on our core engineering and manufacturing capabilities. The Company products and services include design-in support, systems integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair. Our products include electron tubes and related components, microwave generators, subsystems used in semiconductor manufacturing and visual technology solutions. These products are used to control, switch or amplify electrical power signals, or are used as display devices in a variety of industrial, commercial, medical and communication applications.

On January 24, 2025, the Company sold a substantial portion of the assets of its Healthcare business to DirectMed Imaging, LLC ("DirectMed"), a Delaware limited liability company, and entered into an exclusive 10-year global supply agreement in which Richardson will supply DirectMed with repaired Siemens CT X-ray tubes. Additionally, the Company will continue manufacturing a limited quantity of ALTA CT X-ray tubes exclusively for DirectMed for approximately twelve months.

During the fiscal year ended May 31, 2025 and prior, we had four reportable segments: Power and Microwave Technologies ("PMT"), Green Energy Solutions ("GES"), Canvys, and Healthcare. Beginning June 1, 2025, we realigned our operating segment structure and now have three segments: PMT, GES and Canvys. The change in operating segments is predicated on how the Company's chief operating decision maker ("CODM") makes operating decisions and assesses business performance. Prior segment information has been recast to reflect the realignment. Refer to Note 9, *Segment Information,* for discussion of the Company's segment reporting structure, including the recent changes.

We currently operate within the following major geographic regions: North America, Asia/Pacific, Europe and Latin America.

2. BASIS OF PRESENTATION

The accompanying Unaudited Consolidated Financial Statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and notes required by GAAP for complete financial statements.

Our fiscal quarter ends on the Saturday nearest the end of the quarter-ending month. The second quarter of fiscal 2026 and fiscal 2025 both contained 13 weeks. The first six months of fiscal 2026 and fiscal 2025 both contained 26 weeks. In the opinion of management, all adjustments, which are of a normal and recurring nature, necessary for a fair presentation of the results of interim periods have been made. All inter-company transactions and balances have been eliminated. The Unaudited Consolidated Financial Statements presented herein include the accounts of our wholly owned subsidiaries. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to applicable rules and regulations. The results of our operations for the six months ended November 29, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending May 30, 2026.

The financial information contained in this report should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended May 31, 2025, which was filed with the SEC on August 4, 2025.

3. NEW ACCOUNTING PRONOUNCEMENTS - NOT YET ADOPTED

In December 2023, the Financial Accounting Standards Board ("'FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands the disclosures required in an entity's income tax rate reconciliation table and requires disclosure of income taxes paid in both U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. These requirements will impact our income tax disclosures and we are currently evaluating the impact of adoption.

In November 2024, the FASB issued ASU 2024-03, Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures, which requires an entity to disclose on an annual and interim basis, disaggregated information about specific income statement expense categories. The guidance should be applied prospectively with the option to apply the standard retrospectively. This ASU is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-11 – Interim Reporting (“ASU 2025-11”) which is intended to improve the navigability of the guidance in ASC 270, Interim Reporting, and clarify when it applies. Under the amendments, an entity is subject to ASC 270 if it provides interim financial statements and notes in accordance with GAAP. ASU 2025-11 also addresses the form and content of such financial statements, interim disclosures requirements, and establishes a principle under which an entity must disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the impact the adoption of ASU 2025-11 may have on the Company’s consolidated financial statements and disclosures.

4. SUMMARY OF ACCOUNTING POLICIES

Inventories, net: Our consolidated inventories were stated at the lower of cost and net realizable value, generally using a weighted-average cost method. Our net inventories include approximately $89.7 million of finished goods, $11.3 million of raw materials and $4.2 million of work-in-progress as of November 29, 2025, as compared to approximately $86.4 million of finished goods, $11.5 million of raw materials and $4.9 million of work-in-progress as of May 31, 2025.

Provisions for obsolete or slow-moving inventories are recorded based upon regular analysis of stock rotation privileges, obsolescence, the exiting of certain markets and assumptions about future demand and market conditions. If future demand changes in the industry or market conditions differ from management’s estimates, additional provisions may be necessary. Inventory reserves were approximately $7.7 million as of November 29, 2025 and $7.6 million as of May 31, 2025.

Intangible Assets: Our intangible assets represent the fair value for customer relationships and technology acquired in connection with prior acquisitions. Intangible assets subject to amortization were as follows *(in thousands)*:

	November 29, 2025	May 31, 2025
Gross Amounts:		
Customer Relationships (1)	$ 906	$ 911
Technology	150	150
Total Gross Amounts	$ 1,056	$ 1,061
Accumulated Amortization:		
Customer Relationships	$ 667	$ 652
Technology	75	64
Total Accumulated Amortization	$ 742	$ 716
Intangible Assets, Net	$ 314	$ 345

(1) Change from prior per period reflects the impact of foreign currency translation.

The amortization expense associated with intangible assets subject to amortization for the next five years is presented in the following table *(in thousands)*:

Fiscal Year	**Amortization Expense**
Remaining 2026	$ 30
2027	60
2028	59
2029	59
2030	37
Thereafter	69
Total amortization expense	$ 314

The weighted average number of years of amortization expense remaining is 6.5 years.

Accrued Liabilities: Accrued liabilities consisted of the following *(in thousands)*:

	November 29, 2025	**May 31, 2025**
Compensation and payroll taxes	$ 4,778	$ 4,303
Accrued severance	577	593
Professional fees	807	522
Contract liabilities	6,499	4,545
Other accrued expenses	4,163	4,313
Accrued Liabilities	$ 16,824	$ 14,276

Warranties: We offer assurance-type warranties for specific products we manufacture. We estimate the cost to perform under the warranty obligation and recognize this estimated cost at the time of the related product sale. We record expenses related to our warranty obligations as cost of sales in our Consolidated Statements of Comprehensive (Loss) Income. Each quarter, we assess the actual warranty costs incurred on a product-by-product basis and compare the warranty costs to our estimated warranty obligation. With respect to new products, estimates are based generally on knowledge of the products and warranty experience.

Warranty reserves are established for costs that are expected to be incurred after the sale and delivery of products under warranty. Warranty reserves are included in accrued liabilities on our Consolidated Balance Sheets. The warranty reserves are determined based on known product failures, historical experience and other available evidence. Warranty reserves were approximately $0.8 million as of November 29, 2025 and approximately $0.8 million as of May 31, 2025.

Common and Class B Common Stock: At the Annual Meeting held on October 7, 2025, stockholders approved the *Second Amended and Restated Certificate of Incorporation* which increased the aggregate number of shares for issuance to twenty-five million shares (25,000,000) consisting of twenty-two million (22,000,000) shares of common stock, three million shares (3,000,000) of Class B common stock and no shares of preferred stock. The Class B common stock has 10 votes per share and has transferability restrictions; however, Class B common stock may be converted into common stock on a share-for-share basis at any time. With respect to dividends and distributions, shares of common stock and Class B common stock rank equally and have the same rights, except that Class B common stock cash dividends are limited to 90% of the amount of Class A common stock cash dividends.

Revenue Recognition: We sell our products to customers in diversified industries and perform periodic credit evaluations of our customers' financial condition. Terms are generally open account, payable net 30 days in North America, and vary throughout Asia/Pacific, Europe and Latin America. Estimates of credit losses are recorded in the financial statements based on monthly reviews of outstanding accounts.

Our customers are generally not resellers, but rather businesses that incorporate our products into their processes from which they generate an economic benefit. The goods are also distinct in that each item sold to the customer is clearly identified on both the purchase order and resulting invoice. Each product we sell benefits the customer independently of the other products. Each item on each purchase order from the customer can be used by the customer unrelated to any other products we provide to the customer. We derive most revenue from the sale of products. Generally, the performance obligation under contracts are satisfied when there is a transfer of control of the products to our customer, which is primarily upon shipment or, in certain instances, upon the delivery of the products to the named customer location.

We also generate revenue from repair, installation or training activities. The services we provide are relatively short in duration and are typically completed in one or two weeks. Therefore, at each reporting date, the amount of unbilled work is insignificant. The services revenue has consistently accounted for less than 5% of the Company's total revenues and is expected to continue at that level.

We record discounts taken based on historical experience. The policy varies by business unit. The Company allows returns with prior written authorization. We estimate returns based on historical experience. The Company maintains a reserve for returns based on historical trends that cover all contracts and revenue streams using the expected value method because we have a large number of contracts with similar characteristics, which is considered variable consideration. The reserve for returns creates a refund liability on our balance sheet as a contra trade accounts receivable as well as an asset in inventory. We value the inventory at cost due to there being minimal or no costs to the Company as we generally require the customer to pay freight and we typically do not have costs associated with activities such as relabeling or repackaging. The reserve is considered immaterial at each balance sheet date. Returns for defective product are typically covered by our suppliers' warranty, thus, returns for defective product are not factored into our reserve.

Principal versus agent guidance was considered for products that are provided by our suppliers versus manufactured by the Company. The Company acts as the principal as we are responsible for satisfying the performance obligation. We have primary responsibility for fulfilling the contract, we have inventory risk prior to delivery to our customer, we establish prices, our consideration is not in the form of a commission and we bear the credit risk. The Company recognizes revenue in the gross amount of consideration.

Contracts with customers: A revenue contract exists once a customer purchase order is received, reviewed and accepted. Each accepted purchase order identifies a distinct good or service as a performance obligation. The goods include standard products purchased from a supplier and stocked on our shelves, customized products purchased from a supplier, products that are customized or have value added to them in house prior to shipping to the customer and manufactured products. Prior to accepting a customer purchase order, we review the credit worthiness of the customer. Purchase orders are deemed to meet the collectability criterion once the customer's credit is approved. The Company receives advance payments or deposits from our customers before revenue is recognized resulting in contract liabilities. Contract liabilities are included in accrued liabilities in the Consolidated Balance Sheets.

On occasion, the Company enters bill-and-hold arrangements. Each bill-and-hold arrangement is reviewed and revenue is recognized only when the control has transferred to our customer and certain criteria have been met: (i) the reason for the bill-and-hold arrangement is substantive; (ii) the product is segregated from the Company's other inventory items held for sale; (iii) the product is ready for shipment to the customer; and (iv) the Company does not have the ability to use the product or direct it to another customer. No bill and hold revenue was recognized for the three months ended November 29, 2025, and November 30, 2024. The bill and hold revenue recognized for the six months ended November 29, 2025 and November 30, 2024 was \$1.1 million and \$3.1 million, respectively.

Contract Balances: Contract balances were as follows (*in thousands*):

	November 29, 2025	May 31, 2025	June 1, 2024
Accounts receivable	\$ 27,393	\$ 24,117	\$ 24,845
Contract liabilities	6,499	4,545	4,520

During the three and six months ended November 29, 2025 the Company recognized \$0.5 million and \$2.1 million, respectively, of revenue upon satisfaction of performance obligations related to amounts that were included in the contract liabilities balance as of May 31, 2025. During the three and six months ended November 30, 2024, the Company recognized \$1.2 million and \$2.1 million, respectively, of revenue upon satisfaction of performance obligations related to amounts that were included in the contract liabilities balance as of June 1, 2024.

Refer to Note 9, *Segment Information* for a disaggregation of revenue by reportable segment which represents how our CODM reviews information internally to evaluate our financial performance and to make resource allocation and other decisions for the Company.

Loss Contingencies: We accrue a liability for loss contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. If we determine that there is at least a reasonable possibility that a loss may have been incurred, we will include a disclosure describing the contingency.

5. REVOLVING CREDIT FACILITY

On October 7, 2025, the Company executed a three-year extension to the PNC Credit Agreement through the Second Amendment to the Credit Agreement with a maximum borrowing limit of $20 million. The Revolving Credit Facility will mature on October 7, 2028. The terms of the new agreement are similar to the previous Credit Agreement. Proceeds of borrowings may be used for working capital and general corporate purposes. There were no drawings or repayments under the Revolving Credit Facility during fiscal 2026. There was no amount outstanding under the Revolving Credit Facility as of November 29, 2025.

The Credit Agreement provides that the Company must maintain compliance with a maximum consolidated leverage ratio covenant and a minimum consolidated fixed charge coverage ratio, each as determined in accordance with the Credit Agreement. The Credit Agreement also contains affirmative, negative and financial covenants customary for financings of this type, including, among other things, limitations on certain other indebtedness, loans and investments, liens, mergers, asset sales, and transactions with affiliates, as well as customary events of default for financings of this type. The Company was in compliance with financial covenants under the Credit Agreement as of November 29, 2025.

Borrowings under the Revolving Credit Facility will bear interest at a rate per annum selected by the Company from the following options: (a) Term secured overnight financing rate ("SOFR") for the applicable Interest Period, plus the SOFR Adjustment for the applicable Interest Period, plus 1.25%; (b) Base Rate plus 0.25% or (c) Daily Simple risk free rate ("RFR") for Euros, plus the RFR Adjustment, plus 1.25%. Letters of credit issued under the letter of credit sub-facility will have a letter of credit fee equal to 1.25% per annum. The fee for the unused portion of the credit line is 0.10%. There were no letters of credit outstanding as of November 29, 2025.

6. LEASE OBLIGATIONS

The Company leases real and personal property in the normal course of business under various operating leases. The Company uses operating leases for facility space and automobiles. Most of the leased facility space is for sales and general office use. Automobile leases are used throughout the Company. Several leases include renewal clauses which vary in length and may not include specific rent renewal amounts. The Company will revise the value of the right of use assets and associated lease liabilities upon a remeasurement event.

The gross amounts of assets and liabilities related to operating leases on November 29, 2025 and May 31, 2025 were as follows *(in thousands)*:

Lease Type	November 29, 2025	May 31, 2025
Right of use lease assets, net	$ 1,742	$ 2,276
Lease liabilities current	1,038	1,171
Lease liabilities non-current	704	1,105

The components of lease costs were as follows *(in thousands)*:

		Three Months Ended	
		November 29, 2025	November 30, 2024
Consolidated operating lease expense	Operating expenses	$ 440	$ 419

		Six Months Ended	
		November 29, 2025	November 30, 2024
Consolidated operating lease expense	Operating expenses	$ 839	$ 854

The approximate future minimum lease payments under operating leases at November 29, 2025 were as follows *(in thousands)*:

Fiscal Year	Operating Leases
Remaining 2026	$ 632
2027	711
2028	316
2029	169
Total lease payments	1,828
Less imputed interest	86
Net minimum lease payments	$ 1,742

The weighted average remaining lease terms and interest rates of leases held by the Company as of November 29, 2025 and November 30, 2024 were as follows:

Operating Lease as of:	Weighted Average Remaining Lease Term in Years	Weighted Average Interest Rate
November 29, 2025	2.1	5.2%
November 30, 2024	4.8	4.8%

The cash activities associated with our leases for the three and six month periods ended November 29, 2025 and November 30, 2024 were as follows *(in thousands)*:

		Three Months Ended	
Cash Flow Source	Classification	November 29, 2025	November 30, 2024
Operating cash flows from operating leases	Operating activities	$ 327	$ 343

		Six Months Ended	
Cash Flow Source	Classification	November 29, 2025	November 30, 2024
Operating cash flows from operating leases	Operating activities	$ 660	$ 696

7. INCOME TAXES

We recorded an income tax provision of $0.3 million and an income tax benefit of $0.2 million for the first six months of fiscal 2026 and the first six months of fiscal 2025, respectively. The effective income tax rate during the first six months of fiscal 2026 was a tax provision of 16.2% as compared to a tax benefit of 60.4% during the first six months of fiscal 2025. The difference in rate during the first six months of fiscal 2026 as compared to the first six months of fiscal 2025 reflects changes in our geographical distribution of income (loss). The 16.2% effective income tax rate differs from the federal statutory rate of 21% as a result of our geographical distribution of income (loss) and the utilization of the U.S. research and development credit.

In the normal course of business, we are subject to examination by taxing authorities throughout the world. Years prior to fiscal 2015 are closed for examination under the statute of limitation for U.S. federal, and U.S. state. In The Netherlands, years prior to fiscal 2020 are closed for examination. We are under examination in Germany for fiscal years 2019 to 2022. During the third quarter of fiscal 2025, we received a notice from the State of Illinois for an income tax audit covering the period from June 2021 to May 2023. The Company has provided all the documentation requested and is waiting to hear from the State of Illinois office for further action. We have no other current open audits in the U.S.

We have historically determined that undistributed earnings of our foreign subsidiaries, to the extent of cash available, will be repatriated to the U.S. The deferred tax liability on the outside basis difference is now primarily withholding tax on future dividend distributions. There was no deferred tax liability related to undistributed earnings of our foreign subsidiaries as of November 29, 2025 and May 31, 2025.

The Company's reserve for uncertain tax positions totaled $0.3 million as of November 29, 2025 and May 31, 2025. We record interest related to uncertain tax positions in the income tax expense line item within the Consolidated Statements of Comprehensive (Loss) Income. Accrued interest was included within the related tax liability line in the Consolidated Balance Sheets. We have recorded a liability of less than $0.1 million for interest as of November 29, 2025 and May 31, 2025.

The Company maintains a valuation allowance representing the portion of the deferred tax asset that management does not believe is more likely than not to be realized. The valuation allowance was $2.9 million as of November 29, 2025 and $2.8 million as of May 31, 2025. The valuation allowance relates to state NOLs ($1.7 million) and deferred tax assets in foreign jurisdictions where historical taxable losses have been incurred ($1.2 million). The amount of the deferred tax asset is not considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are increased, or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

We have considered the impact of the *One Big Beautiful Bill Act* ("OBBBA") on the Company's annual effective tax rate. The impact of OBBBA on the annual effective tax rate includes the reduction in the research and development credit from the Section 280c election. These changes did not have a significant impact to the annual effective tax rate. However, the enactment of the OBBBA introduced several significant tax law modifications that, while not affecting the annual effective tax rate, do have other implications for the Company. The OBBBA makes permanent key elements of the 2017 Tax Cuts and Jobs Act, including 100% bonus depreciation and domestic research cost expensing pursuant to IRC §174 for fiscal year beginning after December 31, 2024. The Company is currently evaluating the future impact of OBBBA on its financial position.

8. EARNINGS PER SHARE

Our Class B common stock is considered a participating security requiring the use of the two-class method for the computation of basic and diluted earnings per share. The two-class computation method for each period reflects the cash dividends paid per share for each class of stock, plus the amount of allocated undistributed earnings per share computed using the participation percentage which reflects the dividend rights of each class of stock. Basic and diluted earnings per share were computed using the two-class method. The shares of Class B common stock are considered to be participating convertible securities since the shares of Class B common stock are convertible on a share-for-share basis into shares of common stock and may participate in dividends with common stock according to a predetermined formula which is 90% of the amount of Class A common stock cash dividends.

The allocation of undistributed earnings (loss) between common stock and Class B common stock is based on the relationship of the weighted shares outstanding for the respective stock class (common or Class B) to the total of the weighted shares outstanding for common stock and 90% of the weighted shares outstanding for Class B common stock. The adjustment to the number of outstanding Class B common stock shares reflects the limitation of Class B common stock dividends to 90% of common stock dividends.

The earnings per share ("EPS") presented in our Unaudited Consolidated Statements of Comprehensive (Loss) Income was based on the following amounts (*in thousands, except per share amounts*):

	Three Months Ended			
	November 29, 2025		November 30, 2024	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Net loss	$ (121)	$ (121)	$ (751)	$ (751)
Less dividends:				
Common stock	748	748	742	742
Class B common stock	111	111	111	111
Undistributed loss	$ (980)	$ (980)	$ (1,604)	$ (1,604)
Common stock undistributed loss	$ (854)	$ (854)	$ (1,395)	$ (1,395)
Class B common stock undistributed loss	(126)	(126)	(209)	(209)
Total undistributed loss	$ (980)	$ (980)	$ (1,604)	$ (1,604)
Denominator for Basic and Diluted EPS:				
Common stock weighted average shares	12,459	12,459	12,315	12,315
Effect of dilutive securities				
Dilutive stock options		—		—
Denominator for diluted EPS adjusted for weighted average shares and assumed conversion		12,459		12,315
Class B common stock weighted average shares and shares under if-converted method for diluted EPS	2,047	2,047	2,049	2,049
Net loss per share:				
Common stock	$ (0.01)	$ (0.01)	$ (0.05)	$ (0.05)
Class B common stock	$ (0.01)	$ (0.01)	$ (0.05)	$ (0.05)

Note: There were 162 common stock options that were antidilutive and not included in the diluted earnings per share for the second quarter of fiscal 2026. There were 249 common stock options that were anti-dilutive and not included in the diluted earnings per share for the second quarter of fiscal 2025.

	Six Months Ended			
	November 29, 2025		November 30, 2024	
	Basic	Diluted	Basic	Diluted
Numerator for Basic and Diluted EPS:				
Net income (loss)	$ 1,788	$ 1,788	$ (161)	$ (161)
Less dividends:				
Common stock	1,494	1,494	1,481	1,481
Class B common stock	222	222	222	222
Undistributed earnings (loss)	$ 72	$ 72	$ (1,864)	$ (1,864)
Common stock undistributed earnings (loss)	$ 63	$ 63	$ (1,620)	$ (1,620)
Class B common stock undistributed earnings (loss)	9	9	(244)	(244)
Total undistributed earnings (loss)	$ 72	$ 72	$ (1,864)	$ (1,864)
Denominator for Basic and Diluted EPS:				
Common stock weighted average shares	12,426	12,426	12,258	12,258
Effect of dilutive securities				
Dilutive stock options		157		—
Denominator for diluted EPS adjusted for weighted average shares and assumed conversion		12,583		12,258
Class B common stock weighted average shares and shares under if-converted method for diluted EPS	2,048	2,048	2,049	2,049
Net income (loss) per share:				
Common stock	$ 0.12	$ 0.12	$ (0.01)	$ (0.01)
Class B common stock	$ 0.11	$ 0.11	$ (0.01)	$ (0.01)

Note: There were no common stock options that were antidilutive and not included in the diluted earnings per share for the first six months of fiscal 2026. There were 241 common stock options that were anti-dilutive and not included in the diluted earnings per share for the first six months of fiscal 2025.

9. SEGMENT INFORMATION

In June 2025, the Company reevaluated its operating segments to better align with how the CODM allocates resources and evaluates performance. The key factor in this evaluation was the sale of the majority of assets in the Healthcare segment to DirectMed and continued sale of CT tubes pursuant to an exclusive supply agreement. Accordingly, the Company decided to integrate PMT and Healthcare into one segment, thereby resulting in three reporting segments. The segment results for prior periods were retrospectively recast to reflect the new segment reporting structure.

The Company reports its financial performance to its CODM based on the three operating and reportable segments defined as follows:

PMT includes the power grid and microwave tube business and RF, Wireless and Power technologies. PMT provides design-in support, systems integration, prototype design and manufacturing, testing, logistics and aftermarket technical service and repair. PMT also offers its customers technical services for both microwave and industrial equipment and includes CT tubes sold to DirectMed pursuant to a supply agreement.

GES designs and manufactures products for the energy storage market and power management applications. We provide design-in support, systems integration, prototype design and manufacturing, testing, logistics and aftermarket technical service and repair.

Canvys provides customized display solutions serving the corporate enterprise, financial, healthcare, industrial and medical original equipment manufacturers markets. Display solutions include touch screens, protective panels, custom enclosures, All-In-One computers, specialized cabinet finishes and application specific software packages and certification services.

The CODM for Richardson Electronics, Ltd. is Edward J. Richardson (Chairman, Chief Executive Officer and President). The CODM utilizes segment gross profit compared to both the current forecast and the prior year to analyze and assess financial performance by segment. The CODM's assessment of each segment's financial performance is utilized to deliberate and execute decisions to allocate resources to manage the growth and profitability of the individual segments and the entire Company. Inventories, net is the only segment asset metric analyzed and reviewed by the CODM.

Operating results by segment for the three months ended November 29, 2025, and November 30, 2024 are summarized in the following table (*in thousands*):

	Three Months Ended November 29, 2025			
	PMT	**GES**	**Canvys**	**Total**
Sales	$ 35,208	$ 8,301	$ 8,779	$ 52,288
Cost of sales	24,510	5,787	5,914	36,211
Gross profit	10,698	2,514	2,865	16,077
Selling, general and administrative expenses				15,942
Loss on disposal of property, plant and equipment				3
Operating income				132
Interest income				145
Foreign exchange loss				(479)
Other, net				6
Loss before income taxes				$ (196)

	Three Months Ended November 30, 2024			
	PMT	**GES**	**Canvys**	**Total**
Sales	$ 36,666	$ 5,974	$ 6,851	$ 49,491
Cost of sales	25,425	4,060	4,680	34,165
Gross profit	11,241	1,914	2,171	15,326
Selling, general and administrative expenses				15,995
Gain on disposal of property, plant and equipment				(2)
Operating loss				(667)
Interest income				45
Foreign exchange loss				(437)
Other, net				4
Loss before income taxes				$ (1,055)

Operating results by segment for the six months ended November 29, 2025, and November 30, 2024 are summarized in the following table (*in thousands*)

	Six Months Ended November 29, 2025			
	PMT	GES	Canvys	Total
Sales	$ 74,277	$ 15,564	$ 17,054	$ 106,895
Cost of sales	51,353	10,900	11,636	73,889
Gross profit	22,924	4,664	5,418	33,006
Selling, general and administrative expenses				31,903
Loss on disposal of property, plant and equipment				3
Operating income				1,100
Interest income				314
Foreign exchange loss				(190)
Other, net				910
Income before income taxes				$ 2,134

	Six Months Ended November 30, 2024			
	PMT	GES	Canvys	Total
Sales	$ 74,667	$ 14,060	$ 14,489	$ 103,216
Cost of sales	51,995	9,772	9,697	71,464
Gross profit	22,672	4,288	4,792	31,752
Selling, general and administrative expenses				32,107
Gain on disposal of property, plant and equipment				(4)
Operating loss				(351)
Interest income				103
Foreign exchange loss				(160)
Other, net				1
Loss before income taxes				$ (407)

The segment assets, which consists of inventories, net are summarized in the following table (*in thousands*):

	November 29, 2025	May 31, 2025
PMT	$ 81,049	$ 76,143
GES	15,744	17,367
Canvys	8,374	9,289
Total	$ 105,167	$ 102,799

The reconciliations of segment assets to the Consolidated Balance Sheets are summarized in the following table:

	November 29, 2025	May 31, 2025
Total segment assets	$ 105,167	$ 102,799
Cash and cash equivalents	33,138	35,901
Accounts receivable	27,393	24,117
Prepaid expenses and other assets	5,845	3,070
Property, plant and equipment, net	19,111	18,355
Intangible assets, net	314	345
Right of use lease assets	1,742	2,276
Other non-current assets	360	228
Deferred income tax assets	8,696	8,744
Total assets	$ 201,766	$ 195,835

10. RISKS AND UNCERTAINTIES

Our business and the companies with which we do business are subject to risks and uncertainties caused by factors beyond our control. Such factors include economic pressures related to inflation, rising interest rates, economic weakness or recession, as well as geopolitical and public health, tightening labor markets, and pandemics. These and other similar conditions and events have in the past and could in the future disrupt our operations and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this report may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. The terms "may," "should," "could," "anticipate," "believe," "continue," "estimate," "expect," "intend," "objective," "plan," "potential," "project" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These statements are based on management's current expectations, intentions or beliefs and are subject to a number of factors, assumptions and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences or that might otherwise impact the business include; economic, labor and political conditions; global business disruption caused by armed conflicts in Europe and the Middle East; currency exchange fluctuations; and the ability of the Company to manage its growth and the risk factors set forth in our Annual Report on Form 10-K filed with the SEC on August 4, 2025. We undertake no obligation to update any such factor or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

In addition, while we do, from time to time, communicate with securities analysts, it is against our policy to disclose to them or any outside third party, any material non-public information or other confidential commercial information. Accordingly, stockholders should not assume that we agree with any statement or report issued by any securities analyst or outside third party, irrespective of the content of the statement or report. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

INTRODUCTION

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to assist the reader in better understanding our business, results of operations, financial condition, changes in financial condition and significant developments. MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the accompanying notes appearing elsewhere in this filing. This section is organized as follows:

- **Business Overview**
- **Results of Operations** – an analysis and comparison of our consolidated results of operations for the three month and six month periods ended November 29, 2025 and November 30, 2024, as reflected in our Unaudited Consolidated Statements of Comprehensive (Loss) Income.
- **Liquidity, Financial Position and Capital Resources** – a discussion of our primary sources and uses of cash for six month periods ended November 29, 2025 and November 30, 2024, and a discussion of changes in our financial position.

Business Overview

Richardson Electronics, Ltd. (the "Company," "we," "our") is a leading global manufacturer of engineered solutions, green energy products, power grid and microwave tubes, and related consumables; power conversion and RF and microwave components including green energy solutions; tubes for diagnostic imaging equipment; and customized display solutions. More than 55% of our products are manufactured in LaFox, Illinois, Marlborough, Massachusetts, or Donaueschingen, Germany, or by one of our manufacturing partners throughout the world. All our partners manufacture to our strict specifications and per our supplier code of conduct. We serve customers in the alternative energy, healthcare, aviation, broadcast, communications, industrial, marine, medical, military, scientific, and semiconductor markets. The Company's strategy is to provide specialized technical expertise and "engineered solutions" based on our core engineering and manufacturing capabilities. The Company provides solutions and adds value through design-in support, systems integration, prototype design and manufacturing, testing, logistics, and aftermarket technical service and repair through its global infrastructure.

Some of the Company's products are manufactured in foreign countries and imported into the United States. Accordingly, the Company's operations are subject to tariffs and other trade protection measures. The current U.S. administration has instituted certain changes, and may make additional changes, in trade policies that include the negotiation or termination of trade agreements, higher tariffs on imports into the U.S., and other measures affecting trade between the U.S. and other countries from which the Company imports. Due in part to these measures, some countries are changing their trade policies relating to goods imported from the U.S. These global trade disruptions and geopolitical tensions, together with any related downturns in the global economy, could dampen customer demand, increase market volatility, and impact currency exchange rates, all which could materially and adversely affect the Company's financial performance.

The impact of these changes in trade policies will depend on various factors, including (i) when trade measures are implemented, (ii) the ultimate amount, scope, nature, and duration of tariffs and other trade measures, and (iii) the extent to which the Company can mitigate impacts and pass on any increased costs associated with these changes. In addition, the impact of trade disruptions on general economic conditions and demand for electronic components is difficult to predict.

The recent tariff modifications did not materially impact our results for the first six months of fiscal 2026. However, it is possible that further tariffs may be imposed on imports of our products, including by other countries, or that our business will be impacted by changing trade relations among countries. Management continues to work with its suppliers as well as its customers to mitigate the impact of the tariffs on our customers' markets. However, if the Company is unable to successfully pass through the additional cost of these tariffs, or if the higher prices reduce demand for the Company's products, it will have a negative effect on the Company's sales and gross margins.

The Company reports its financial performance based on the operating and reportable segments defined as follows:

Power and Microwave Technologies ("PMT") combines our core engineered solutions capabilities, power grid and microwave tube business with new disruptive RF, Wireless and Power technologies. As a designer, manufacturer, technology partner and authorized distributor, PMT's strategy is to provide specialized technical expertise and engineered solutions based on our core engineering and manufacturing capabilities on a global basis. We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, logistics and aftermarket technical service and repair - all through our existing global infrastructure. PMT's focus is on products for power, RF and microwave applications for customers in 5G, aviation, broadcast, communications, industrial, marine, medical, military, scientific and semiconductor markets. PMT focuses on various applications including broadcast transmission, CO2 laser cutting, diagnostic imaging, dielectric and induction heating, high energy transfer, high voltage switching, plasma, power conversion, radar and radiation oncology. PMT also offers its customers technical services for both microwave and industrial equipment. After the sale of certain assets to DirectMed, the Company continues to manufacture and repair certain CT tubes and sells them exclusively to DirectMed pursuant to a supply agreement.

Green Energy Solutions ("GES") combines our key technology partners and engineered solutions capabilities to design and manufacture innovative products for the fast-growing energy storage market and power management applications. As a designer, manufacturer, technology partner and authorized distributor, GES's strategy is to provide specialized technical expertise and engineered solutions using our core design engineering and manufacturing capabilities on a global basis. We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, logistics and aftermarket technical service and repair - all through our existing global infrastructure. GES's focus is on products for numerous green energy applications such as wind, solar, hydrogen and Electric Vehicles, and other power management applications that support green solutions such as synthetic diamond manufacturing.

Canvys provides customized display solutions serving the corporate enterprise, financial, healthcare, industrial and medical original equipment manufacturers markets. Our engineers design, manufacture, source and support a full spectrum of solutions to match the needs of our customers. We offer long-term availability and proven custom display solutions that include touch screens, protective panels, custom enclosures, All-In-One computers, specialized cabinet finishes and application specific software packages and certification services. Our volume commitments are lower than the large display manufacturers, making us the ideal choice for companies with very specific design requirements. We partner with both private label manufacturing companies and leading branded hardware vendors to offer the highest quality display and touch solutions and customized computing platforms.

We currently operate within the following major geographic regions: North America, Asia/Pacific, Europe and Latin America.

RESULTS OF OPERATIONS

Financial Summary – Three Months Ended November 29, 2025

- The second quarter of fiscal 2026 and fiscal 2025 both contained 13 weeks.
- Net sales during the second quarter of fiscal 2026 were $52.3 million, an increase of 5.7%, compared to net sales of $49.5 million during the second quarter of fiscal 2025.
- Gross margin decreased to 30.8% during the second quarter of fiscal 2026 compared to 31.0% during the second quarter of fiscal 2025.
- Selling, general and administrative expenses were $15.9 million or 30.5% of net sales during the second quarter of fiscal 2026 compared to $16.0 million or 32.3% of net sales during the second quarter of fiscal 2025.
- Operating income during the second quarter of fiscal 2026 was $0.1 million compared to an operating loss of $0.7 million during the second quarter of fiscal 2025.
- Net loss during the second quarter of fiscal 2026 was $0.1 million compared to a net loss of $0.8 million during the second quarter of fiscal 2025.

Financial Summary – Six Months Ended November 29, 2025

- The first six months of fiscal 2026 and fiscal 2025 both contained 26 weeks.
- Net sales during the first six months of fiscal 2026 were $106.9 million, an increase of 3.6%, compared to net sales of $103.2 million during the first six months of fiscal 2025.
- Gross margin increased to 30.9% during the first six months of fiscal 2026 compared to 30.8% during the first six months of fiscal 2025.
- Selling, general and administrative expenses were $31.9 million or 29.8% of net sales during the first six months of fiscal 2026 compared to $32.1 million or 31.1% of net sales during the first six months of fiscal 2025.
- Operating income during the first six months of fiscal 2026 was $1.1 million compared to an operating loss of $0.4 million during the first six months of fiscal 2025.
- Net income during the first six months of fiscal 2026 was $1.8 million compared to a net loss of $0.2 million during the first six months of fiscal 2025.

Net Sales and Gross Profit Analysis

Net sales by segment and percentage change during the second quarter and first six months of fiscal 2026 and fiscal 2025 were as follows (*in thousands*):

	Three Months Ended		FY26 vs. FY25
	November 29, 2025	November 30, 2024	% Change
PMT	$ 35,208	$ 36,666	-4.0%
GES	8,301	5,974	39.0%
Canvys	8,779	6,851	28.1%
Total	$ 52,288	$ 49,491	5.7%

	Six Months Ended		FY26 vs. FY25
	November 29, 2025	November 30, 2024	% Change
PMT	$ 74,277	$ 74,667	-0.5%
GES	15,564	14,060	10.7%
Canvys	17,054	14,489	17.7%
Total	$ 106,895	$ 103,216	3.6%

During the second quarter of fiscal 2026, consolidated net sales increased 5.7% compared to the second quarter of fiscal 2025. Sales for PMT decreased 4.0%, sales for GES increased 39.0% and sales for Canvys increased 28.1%. The decrease in PMT was mainly due to a decline in Electron Device and Healthcare products partially offset by higher RF and Microwave products. The increase in GES was mainly due to sales of Power Management products. The increase in Canvys was attributable to higher sales in the North American markets.

During the first six months of fiscal 2026, consolidated net sales increased 3.6% compared to the first six months of fiscal 2025. Sales for PMT decreased 0.5%, sales for GES increased 10.7% and sales for Canvys increased 17.7%. The decrease in PMT was mainly due to a decline in Electron Device and Healthcare products partially offset by higher semiconductor and RF and Microwave products. The increase in GES was mainly due to sales of Power Management products. The increase in Canvys was attributable to higher sales in the North American and European markets.

Gross profit by segment and percentage of net sales for the second quarter and first six months of fiscal 2026 and fiscal 2025 were as follows (*in thousands*):

	Three Months Ended			
	November 29, 2025	**% of Net Sales**	**November 30, 2024**	**% of Net Sales**
PMT	$ 10,698	30.4%	$ 11,241	30.7%
GES	2,514	30.3%	1,914	32.0%
Canvys	2,865	32.6%	2,171	31.7%
Total	$ 16,077	30.8%	$ 15,326	31.0%

	Six Months Ended			
	November 29, 2025	**% of Net Sales**	**November 30, 2024**	**% of Net Sales**
PMT	$ 22,924	30.9%	$ 22,672	30.4%
GES	4,664	30.0%	4,288	30.5%
Canvys	5,418	31.8%	4,792	33.1%
Total	$ 33,006	30.9%	$ 31,752	30.8%

Gross profit reflects the distribution and manufacturing product margin less manufacturing variances, inventory obsolescence charges, customer returns, scrap and cycle count adjustments, engineering costs and other provisions.

Consolidated gross profit increased to $16.1 million during the second quarter of fiscal 2026 compared to $15.3 million during the second quarter of fiscal 2025. Consolidated gross margin as a percentage of net sales during the second quarter of fiscal 2026 decreased to 30.8% when compared to 31.0% during the second quarter of fiscal 2025. This margin decrease was mainly due to product mix and lower manufacturing absorption in PMT, product mix in GES and favorable product mix in Canvys.

Consolidated gross profit increased to $33.0 million during the first six months of fiscal 2026 compared to $31.8 million during the first six months of fiscal 2025. Consolidated gross margin as a percentage of net sales during the first six months of fiscal 2026 increased to 30.9% when compared to 30.8% during the first six months of fiscal 2025. This margin increase was mainly due to favorable product mix in PMT, unfavorable product mix in GES and unfavorable product mix and higher freight costs in Canvys.

Power and Microwave Technologies

PMT net sales decreased 4.0% to $35.2 million during the second quarter of fiscal 2026 from $36.7 million during the second quarter of fiscal 2025. The decrease was due primarily to a decline in the Electron Device and Healthcare products partially offset by increased growth in our RF and Microwave component products. The decline in Healthcare sales, which only included CT tubes, was due to the sale of assets to DirectMed in the third quarter of fiscal 2025. Gross margin as a percentage of net sales decreased to 30.4% during the second quarter of fiscal 2026 as compared to 30.7% during the second quarter of fiscal 2025 due to product mix and lower manufacturing absorption.

PMT net sales decreased 0.5% to $74.3 million during the first six months of fiscal 2026 from $74.7 million during the first six months of fiscal 2025. The decrease was due primarily to a decline in the Electron Device and Healthcare products partially offset by increases in semiconductors and strong growth in our RF and Microwave products. The decline in Healthcare sales, which only included CT tubes, was due to the sale of assets to DirectMed in the third quarter of fiscal 2025. Gross margin as a percentage of net sales increased to 30.9% during the first six months of fiscal 2026 as compared to 30.4% during the first six months of fiscal 2025 due to product mix.

Green Energy Solutions

GES net sales increased 39.0% to $8.3 million during the second quarter of fiscal 2026 from $6.0 million during the second quarter of fiscal 2025. The increase reflected the strong adoption in the market of Power Management products. Gross margin as a percentage of net sales decreased to 30.3% during the second quarter of fiscal 2026 as compared to 32.0% during the second quarter of fiscal 2025 due to product mix.

GES net sales increased 10.7% to $15.6 million during the first six months of fiscal 2026 from $14.1 million during the first six months of fiscal 2025. The increase reflects the strong adoption in the market of Power Management products. Gross margin as a percentage of net sales decreased to 30.0% during the second quarter of fiscal 2026 as compared to 30.5% during the second quarter of fiscal 2025 due to product mix.

Canvys

Canvys net sales increased 28.1% to $8.8 million during the second quarter of fiscal 2026 from $6.9 million during the second quarter of fiscal 2025, primarily due to higher sales in the North American markets. Gross margin as a percentage of net sales increased to 32.6% during the second quarter of fiscal 2026 from 31.7% during the second quarter of fiscal 2025 primarily due to a favorable product mix.

Canvys net sales increased 17.7% to $17.0 million during the first six months of fiscal 2026 from $14.5 million during the first six months of fiscal 2025, due to higher sales in both North American and European markets. Gross margin as a percentage of net sales decreased to 31.8% during the first six months of fiscal 2026 from 33.1% during the first six months of fiscal 2025 primarily due to product mix and higher freight costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) decreased to $15.9 million for the second quarter of fiscal 2026 when compared to $16.0 million for the year ago quarter due to lower travel expenses. Expressed as a percentage of net sales, SG&A was 30.5% for the second quarter of fiscal 2026 compared to 32.3% in the second quarter of fiscal 2025.

SG&A decreased to $31.9 million for the first six months of fiscal 2026 when compared to $32.1 million for the first six months of fiscal 2025 primarily as a result of lower travel expenses. Expressed as a percentage of net sales, SG&A was 29.8% for the first six months of fiscal 2026 compared to 31.1% in the first six months of fiscal 2025.

Other Income/Expense

Other income and expense includes interest income, foreign exchange gains and foreign exchange losses. Our foreign exchange gains and losses are primarily due to the translation of U.S. dollars held in non-U.S. entities. We currently do not utilize derivative instruments to manage our exposure to foreign currency.

Other expense during the second quarter of fiscal 2026 totaled $0.3 million compared to other expense of $0.4 million for second quarter of fiscal 2025. The decrease from the year ago quarter was mainly due to higher interest income.

Other income during the first six months of fiscal 2026 totaled $1.0 million, compared to other expense of $0.1 million when compared to the first six months of fiscal 2025.The increase from fiscal 2025 was mainly due to a non-recurring gain of $0.9 million.

Income Tax Provision

We recorded an income tax benefit of $0.1 million and $0.3 million for the second quarter of fiscal 2026 and the second quarter of fiscal 2025, respectively. The effective income tax benefit rate during the second quarter of fiscal 2026 was 38.3% as compared to 28.8% during the second quarter of fiscal 2025. The difference in rate during the second quarter of fiscal 2026 as compared to the second quarter of fiscal 2025 reflects changes in our geographical distribution of income (loss). The 38.3% effective income tax rate differs from the federal statutory rate of 21% as a result of our geographical distribution of income (loss) and the utilization of the U.S. research and development credit.

We recorded an income tax provision of $0.3 million and an income benefit of $0.2 million for the first six months of fiscal 2026 and the first six months of fiscal 2025, respectively. The effective income tax rate during the first six months of fiscal 2026 was a tax provision of 16.2% as compared to a tax benefit of 60.4% during the first six months of fiscal 2025. The difference in rate during the first six months of fiscal 2026 as compared to the first six months of fiscal 2025 reflects changes in our geographical distribution of income (loss). The 16.2% effective income tax rate differs from the federal statutory rate of 21% as a result of our geographical distribution of income (loss) and the utilization of the U.S. research and development credit.

The Company's reserve for uncertain tax positions totaled $0.3 million as of November 29, 2025, and May 31, 2025. We record interest related to uncertain tax positions in the income tax expense line item within the Consolidated Statements of Comprehensive (Loss) Income. Accrued interest was included within the related tax liability line in the Consolidated Balance Sheets. We have recorded a liability of less than $0.1 million for interest as of November 29, 2025 and May 31, 2025.

The Company maintains a valuation allowance representing the portion of the deferred tax asset that management does not believe is more likely than not to be realized. The valuation allowance was $2.9 million as of November 29, 2025, and $2.8 million as of May 31, 2025. The valuation allowance relates to state NOLs ($1.7 million) and deferred tax assets in foreign jurisdictions where historical taxable losses have been incurred ($1.2 million). The amount of the deferred tax asset is not considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are increased, or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

We have considered the impact of the *One Big Beautiful Bill Act* ("OBBBA") on the Company's annual effective tax rate. The impact of OBBBA on the annual effective tax rate includes the reduction in the research and development credit from the Section 280c election. These changes did not have a significant impact to the annual effective tax rate. However, the enactment of the OBBBA introduced several significant tax law modifications that, while not affecting the annual effective tax rate, do have other implications for the Company. The OBBBA makes permanent key elements of the 2017 Tax Cuts and Jobs Act, including 100% bonus depreciation and domestic research cost expensing pursuant to IRC §174 for fiscal year beginning after December 31, 2024. The Company is currently evaluating the future impact of OBBBA on its financial position.

Net Income and Per Share Data

Net loss during the second quarter of fiscal 2026 was $0.1 million, or $.01 per diluted common share and $.01 per Class B diluted common share as compared to a net loss of $0.8 million during the second quarter of fiscal 2025 or $0.05 per diluted common share and $0.05 per Class B diluted common share.

Net income during the first six months of fiscal 2026 was $1.8 million, or $0.12 per diluted common share and $0.11 per Class B diluted common share as compared to a net loss of $0.2 million during the first six months of fiscal 2025 or $0.01 per diluted common share and $0.01 per Class B diluted common share.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

Our operations and cash needs have been primarily financed through operations and cash on hand.

Cash and cash equivalents were $33.1 million at November 29, 2025. Cash and cash equivalents by geographic area on November 29, 2025 consisted of $10.5 million in North America, $12.5 million in Europe, $0.8 million in Latin America and $9.3 million in Asia/Pacific. No cash was repatriated to the United States in the first six months of fiscal 2026. Although the Tax Cuts and Jobs Act generally eliminated federal income tax on future cash repatriation to the United States, cash repatriation may be subject to state and local taxes, withholding or similar taxes.

Cash and cash equivalents were $35.9 million at May 31, 2025. Cash and cash equivalents by geographic area at May 31, 2025 consisted of $19.5 million in North America, $7.7 million in Europe, $0.9 million in Latin America and $7.8 million in Asia/Pacific. No cash was repatriated to the United States in fiscal 2025.

Our short-term and long-term liquidity requirements primarily arise from: (i) working capital requirements, (ii) capital expenditure needs and (iii) cash dividend payments (if and when declared by our Board of Directors). Our ability to fund these requirements will depend, in part, on our future cash flows, which are determined by our future operating performance and, therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control.

Based on past performance and current expectations, we believe that the existing sources of liquidity, including current cash, will provide sufficient resources to meet known capital requirements and working capital needs through the next twelve months. Additionally, while our future capital requirements will depend on many factors, including, but not limited to, the economy and the outlook for growth in our markets, we believe our existing sources of liquidity as well as our ability to generate operating cash flows will satisfy our future obligations and cash requirements.

On October 7, 2025, the Company executed a three-year extension to the PNC Credit Agreement through the Second Amendment to the Credit Agreement with a maximum borrowing limit of $20 million. The terms of the new agreement are similar to the previous Credit Agreement. See Note 5, *Revolving Credit Facility,* included in Part I, Item 1 for further information. The Revolving Credit Facility is guaranteed by the Company's domestic subsidiaries. Proceeds of the borrowings under the Revolving Credit Facility, if any, are expected to be used for working capital and general corporate purposes of the Company and its subsidiaries. There were no drawings or repayments under the Revolving Credit Facility as of November 29, 2025 and through the report release date. No amounts were outstanding under the Revolving Credit Facility as of November 29, 2025, and through the report release date.

Cash Flows from Operating Activities

Cash flows from operating activities are primarily a result of our net income adjusted for non-cash items and changes in our operating assets and liabilities.

Operating activities generated $1.3 million of cash during the first six months of fiscal 2026. We had a net income of $1.8 million during the first six months of fiscal 2026, which included non-cash share-based compensation expense of $1.0 million associated with the issuance of stock option and restricted stock awards, inventory reserve provisions of $0.2 million, unrealized foreign exchange gain of $0.2 million, depreciation and amortization expense of $1.9 million associated with our property, plant and equipment and intangible assets. Changes in our operating assets and liabilities utilized $3.4 million in cash during the first six months of fiscal 2026, net of foreign currency exchange gains and losses, included an increase in accounts receivable of $3.2 million, an increase in inventories of $1.5 million, an increase in prepaid expenses and other assets of $2.9 million and an increase in accounts payable and accrued liabilities of $4.4 million. The increase in accounts receivable was primarily due to the higher level of sales. The changes in accounts payable and accrued liabilities were timing related.

Operating activities generated $5.9 million of cash during the first six months of fiscal 2025. We had a net loss of $0.2 million during the first six months of fiscal 2025, which included non-cash stock-based compensation expense of $0.9 million associated with the issuance of stock option and restricted stock awards, inventory reserve provisions of $0.2 million, unrealized foreign exchange gain of $0.2 million and depreciation and amortization expense of $2.1 million associated with our property, plant and equipment and intangible assets. Changes in our operating assets and liabilities generated $3.2 million in cash during the first six months of fiscal 2025, net of foreign currency exchange gains and losses, included an increase in accounts payable and accrued liabilities of $5.2 million, an increase in accounts receivable of $1.1 million and an increase in inventories of $1.7 million. The increase in accounts receivable was primarily due to the higher level of sales. The changes in accounts payable and accrued liabilities were timing related.

Cash Flows from Investing Activities

Cash used in investing activities of $2.6 million during the first six months of fiscal 2026 was due to capital expenditures. Capital expenditures were primarily related to our IT system and LaFox manufacturing and facilities. LaFox manufacturing primarily supports the PMT and GES segments.

Cash used in investing activities of $1.4 million during the first six months of fiscal 2025 was due to capital expenditures. Capital expenditures were primarily related to our IT system and LaFox manufacturing and facilities. LaFox manufacturing primarily supports the PMT and GES segments.

Cash Flows from Financing Activities

Cash flows used in financing activities consist primarily of cash dividends and cash flows provided by financing activities consist primarily of the proceeds from the issuance of stock. All future dividend payments are at the discretion of the Board of Directors. Dividend payments depend on earnings, capital requirements, operating conditions and such other factors that the Board may deem relevant.

Cash used in financing activities of $1.6 million during the first six months of fiscal 2026 primarily resulted from $1.7 million of dividend payments to stockholders partially offset by $0.2 million of proceeds from the issuance of stock.

Cash used in financing activities of $1.6 million during the first six months of fiscal 2025 primarily resulted from $1.7 million of dividend payments to stockholders partially offset by $0.3 million of proceeds from the issuance of stock.

Critical Accounting Estimates

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principles ("GAAP") and pursuant to the rules and regulations of the SEC, we make assumptions, judgments and estimates that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures of contingent assets and liabilities. Our assumptions, judgments and estimates are based on historical experience and various other factors deemed relevant. Actual results could be materially different from those estimates under different assumptions or conditions. We evaluate our assumptions, judgments and estimates on a regular basis. We also discuss our critical accounting estimates with the Audit Committee of the Board of Directors.

There have been no material changes in our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended May 31, 2025, filed with the SEC on August 4, 2025. We are not aware of any specific events or circumstances that would require us to update our estimates, assumptions and judgments.

Impact of New Accounting Standards

For information about recently issued accounting pronouncements, see Note 3, *New Accounting Pronouncements - Not Yet Adopted*, included in Part I, Item 1.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Risk Management and Market Sensitive Financial Instruments

We are exposed to many different market risks with the various industries we serve. The primary financial risk we are exposed to is foreign currency exchange, as certain of our operations, assets and liabilities are denominated in foreign currencies. We manage these risks through normal operating and financing activities.

The interpretation and analysis of these disclosures should not be considered in isolation since such variances in exchange rates would likely influence other economic factors. Such factors, which are not readily quantifiable, would likely also affect our operations. Additional disclosure regarding various market risks is set forth in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended May 31, 2025 filed with the SEC on August 4, 2025.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of November 29, 2025.

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control over Financial Reporting

During the quarter ended November 29, 2025, we launched and adopted a new General Ledger ("GL") system, which replaced our existing GL system. The new GL system enhances efficiency and simplifies our accounting and reporting processes. In conjunction with the implementation of the GL system, our internal processes, procedures and controls have been updated accordingly.

Except as discussed in the preceding paragraph, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended November 29, 2025 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended May 31, 2025, filed with the SEC on August 4, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

a) Form 8-K disclosures for the quarter covered by this Form 10-Q - None

b) Not applicable.

c) 10b5-1 trading arrangements - None

ITEM 6. EXHIBITS

Exhibit Index

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Annex III of the Definitive Proxy Statement on Schedule 14A dated August 25, 2025).
3.2	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 15, 2017).
10.1	Second Amendment to the Credit Agreement, dated as of October 7, 2025, among the Company, the Guarantors party thereto, the Lenders party thereto and PNC Bank NA, as Administrative Agent, Swingline Lender and Issuing Lender thereunder (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on October 9, 2025).
31.1	Certification of Edward J. Richardson pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Robert J. Ben pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from our Quarterly Report on Form 10-Q for the second quarter of fiscal 2026, filed with the SEC on January 8, 2026, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets, (ii) the Unaudited Consolidated Statements of Comprehensive (Loss) Income, (iii) the Unaudited Consolidated Statements of Cash Flows, (iv) the Unaudited Consolidated Statements of Stockholders' Equity and (v) Notes to Unaudited Consolidated Financial Statements.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RICHARDSON ELECTRONICS, LTD.

Date: January 8, 2026

By: /s/ Robert J. Ben

Robert J. Ben
Chief Financial Officer and Chief Accounting Officer
(on behalf of the Registrant and as Principal
Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Edward J. Richardson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Richardson Electronics, Ltd. for the period ended November 29, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 8, 2026

Signature: /s/ Edward J. Richardson

Edward J. Richardson
Chairman of the Board and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Robert J. Ben, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Richardson Electronics, Ltd. for the period ended November 29, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 8, 2026

Signature: /s/ Robert J. Ben

Robert J. Ben
Chief Financial Officer and Chief Accounting Officer

Exhibit 32

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Richardson Electronics, Ltd. (the “Company”) on Form 10-Q for the period ended November 29, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Edward J. Richardson, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Edward J. Richardson
Edward J. Richardson
Chairman of the Board and Chief Executive Officer
January 8, 2026

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Richardson Electronics, Ltd. (the “Company”) on Form 10-Q for the period ended November 29, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert J. Ben, Chief Financial Officer and Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Robert J. Ben
Robert J. Ben
Chief Financial Officer and Chief Accounting Officer
January 8, 2026