October 30, 2025

Financial Results for 2Q (Interim period) FY3/2026

(April 2025 - September 2025)

komatsumateRe

KOMATSU MATERE Co.,Ltd.

Part I

1) Summary of Financial Results for 2Q (Interim period) of FY3/2026

2) Full-year Financial Forecast for FY3/2026

Summary of financial results for 2Q (Interim period) of FY3/2026

(Millions of yen)

Item	Results for 2Q of FY3/2025	Results for 2Q of FY3/2026	Change	
			Amount	%
Net sales	19,113	**20,354**	1,240	6.5
Operating profit	1,163	**1,353**	190	16.4
Ordinary profit	1,534	**1,693**	158	10.4
Profit attributable to owners of parent	1,629	**189**	-1,440	-88.4

Net assets per share	972.91 yen	**992.97 yen**
Net income per share	40.67 yen	**4.82 yen**

Average exchange rate	USD	152.78 yen	**146.02 yen**
	EUR	166.07 yen	**168.05 yen**

Regarding the decrease in "interim net profit attributable to owner of parent," for a portion of the investment securities (unlisted shares) held by the Company, because the substantial value fell significantly compared with the acquisition cost, a loss on valuation of investment securities of 1,232 million yen was recorded as an extraordinary loss.

Sales and operating profit by segment

(Millions of yen)

Segment	Net sales FY3/2025 2Q	Net sales FY3/2026 2Q	Net sales Change Amount	Net sales Change %	Operating profit FY3/2025 2Q	Operating profit FY3/2026 2Q	Operating profit Change Amount	Operating profit Change %
Textile Business	18,852	20,107	1,255	6.7	1,127	1,320	193	17.1
Fashion fabrics	14,002	14,461	458	3.3	1,073	1,172	99	9.2
Highly functional fabrics	4,030	4,276	245	6.1				
Product Division	820	1,371	551	67.2	54	148	94	174.1
Other Businesses	261	246	-14	-5.6	36	34	-2	-5.6
Total	19,113	20,354	1,240	6.5	1,163	1,353	190	16.4

<Comments>

● Fashion fabrics

Although orders in the Sports & Functions field decreased, orders for Fashion, including European luxury brands, and Middle Eastern ethnic costumes increased.

● Highly functional fabrics

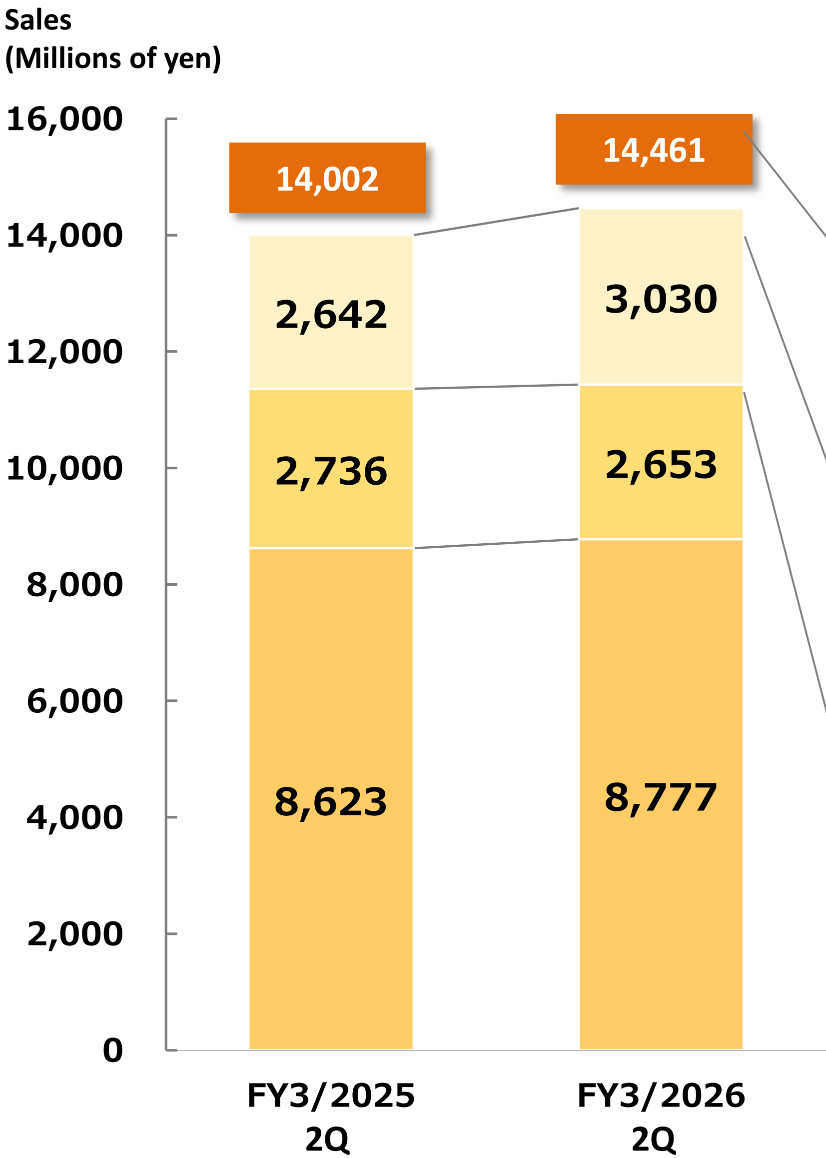
Although we withdrew from unprofitable businesses, lifestyle-related materials increased significantly, and the segment as a whole increased.

● Product Division

Increased due to the expansion of business scope resulting from the consolidation of subsidiaries.

Textile Business (Fashion fabrics division)

(Millions of yen)



Fashion fabrics total: +458 (+3.3%)

National costume

＋388 (+14.7%)

Increased due to the continued introduction of high-value-added products.

Sports & Functions

-83 (-3.0%)

Decreased due to a decline in winter-sports orders; uses affected by a warm winter.

Fashion

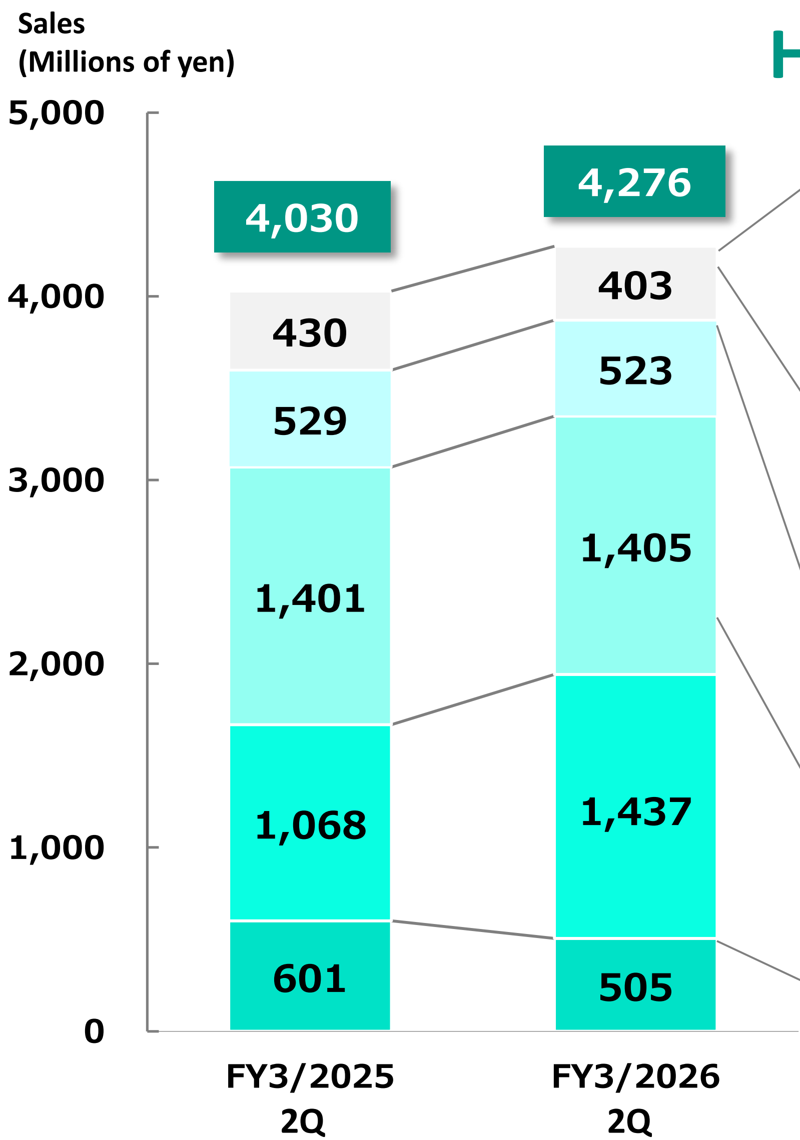
＋153 (+1.8%)

Although some shipments to China and South Korea decreased, overall shipments increased slightly, with gains centered on North American casual wear and domestic fashion.

Textile Business (Highly functional fabrics division)

(Millions of yen)

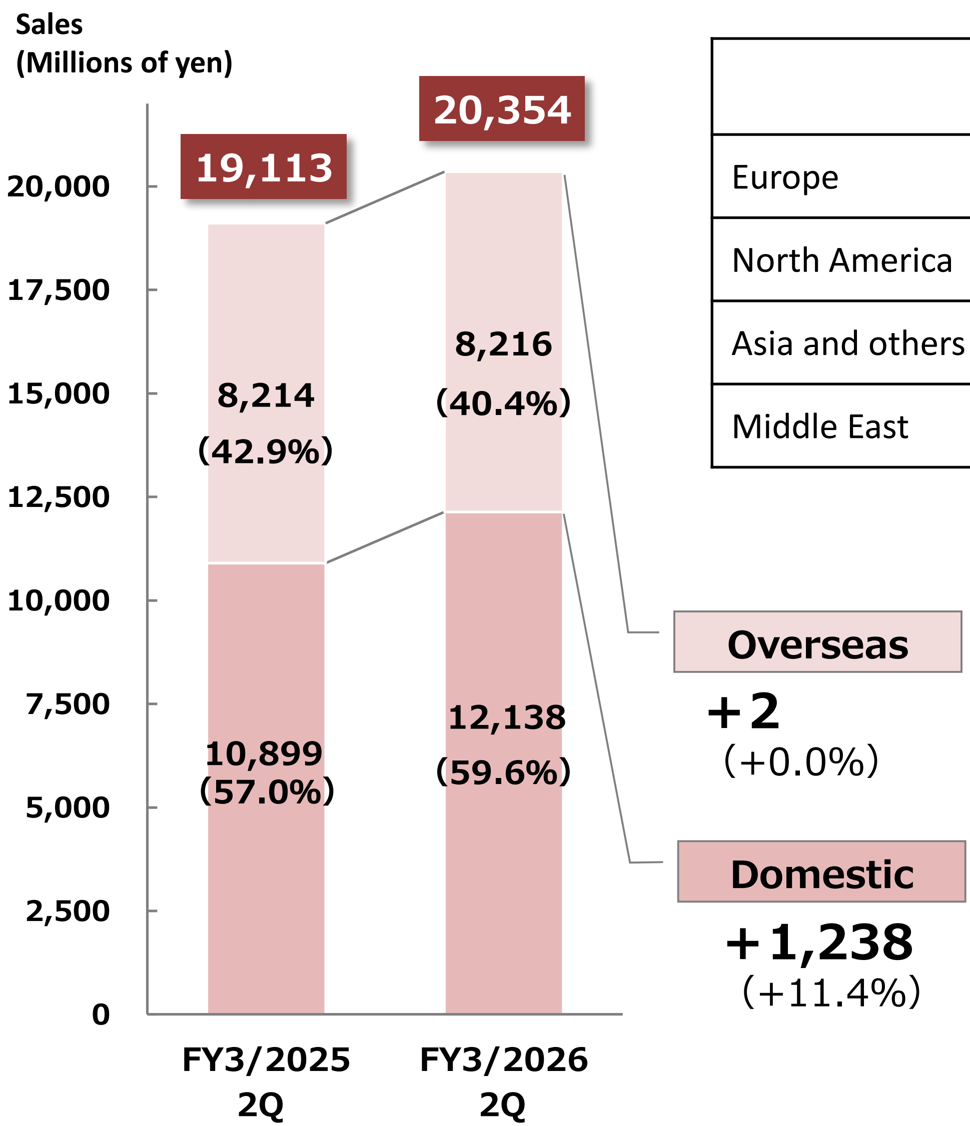
Highly functional fabrics total: +245 (+6.1%)



Other	-26 (-6.2%)	Orders relating to electrical materials decreased.
Vehicles	-5 (-1.1%)	Remained at the same level as the same period of the previous year.
Medicine and welfare	+4 (+0.3%)	Remained at the same level as the same period of the previous year.
Living and housing	+369 (+34.6%)	Differentiated lifestyle goods such as bags and parasols performed well, resulting in a continued significant increase.
Living	-95 (-15.9%)	Decrease due to withdrawal from unprofitable businesses.

Sales by market (domestic and overseas)

(Millions of yen)



	FY3/2025 2Q	FY3/2026 2Q	Change (Amount)	Change (%)
Europe	1,864	**1,710**	-153	-8.2
North America	2,414	**2,518**	104	4.3
Asia and others	1,443	**1,162**	-281	-19.5
Middle East	2,492	**2,824**	332	-3.3

<Comments>

● Overseas markets

<Europe>Although Fashion, including luxury brands, remained firm, Sports decreased.

<North America>Fashion bound for Canada continued to increase.

<Asia & others>Casual fashion bound for China and South Korea decreased.

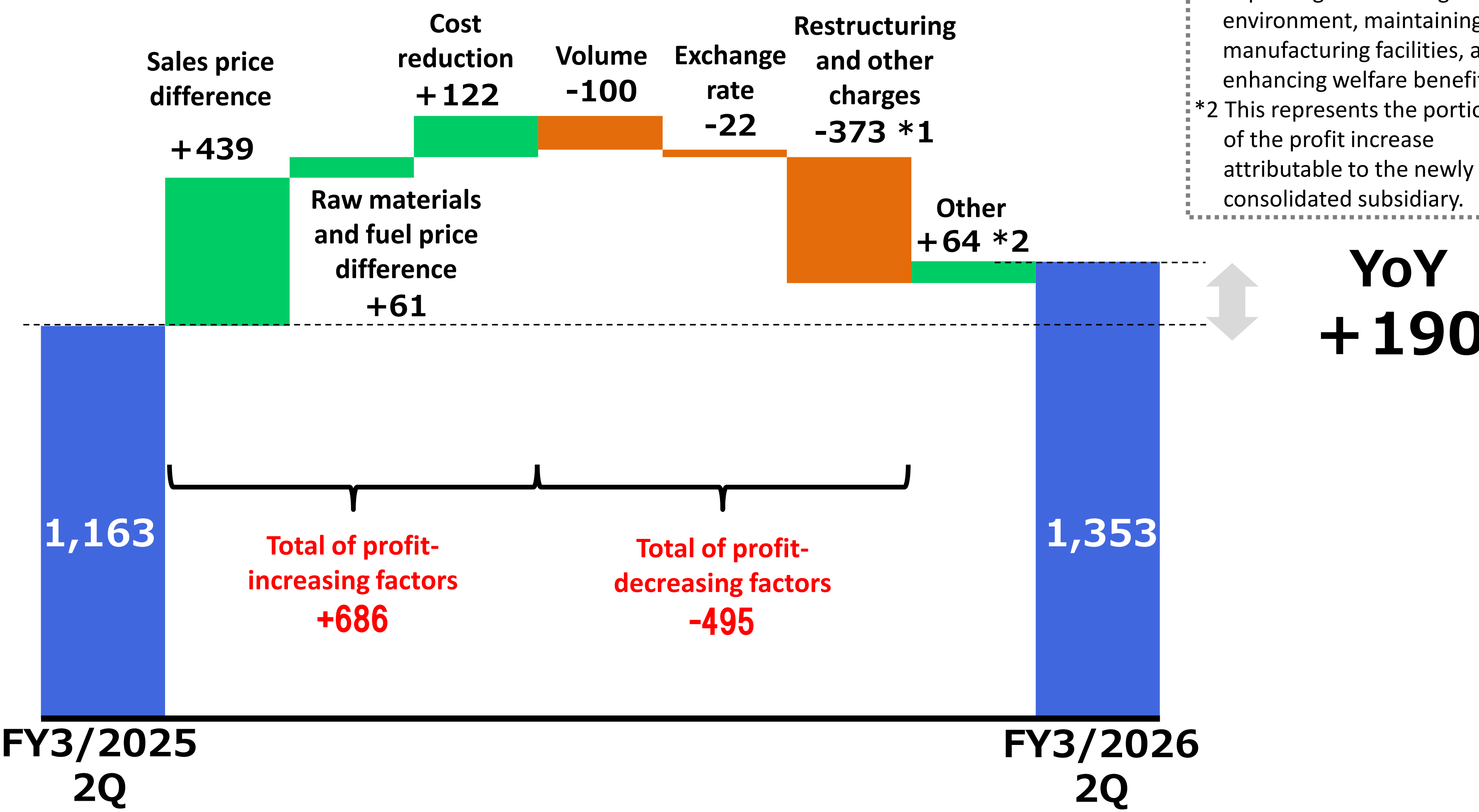
<Middle East>Increased significantly due to the continued introduction of high-value-added products.

● Domestic market

Increased for major SPA customers and in the apparel/fashion field.

Analysis of changes in operating profit

(Millions of yen)



*1 Includes expenses for improving the working environment, maintaining manufacturing facilities, and enhancing welfare benefits.
*2 This represents the portion of the profit increase attributable to the newly consolidated subsidiary.

1) Summary of Financial Results for 2Q (Interim period) of FY3/2026

2) Full-year Financial Forecast for FY3/2026

FY3/2026 Full year financial forecast

(Millions of yen)

Item	FY3/2025 Full year results	FY3/2026 Full year forecast	Change (Full year comparison)	
			Amount	%
Net sales	39,526	**41,000**	**1,473**	**3.7**
Operating profit	2,181	**2,650**	**468**	**21.5**
Ordinary profit	2,838	**3,200**	**361**	**12.7**
Profit attributable to owners of parent	2,934	**1,400**	**-1,534**	**-52.3**

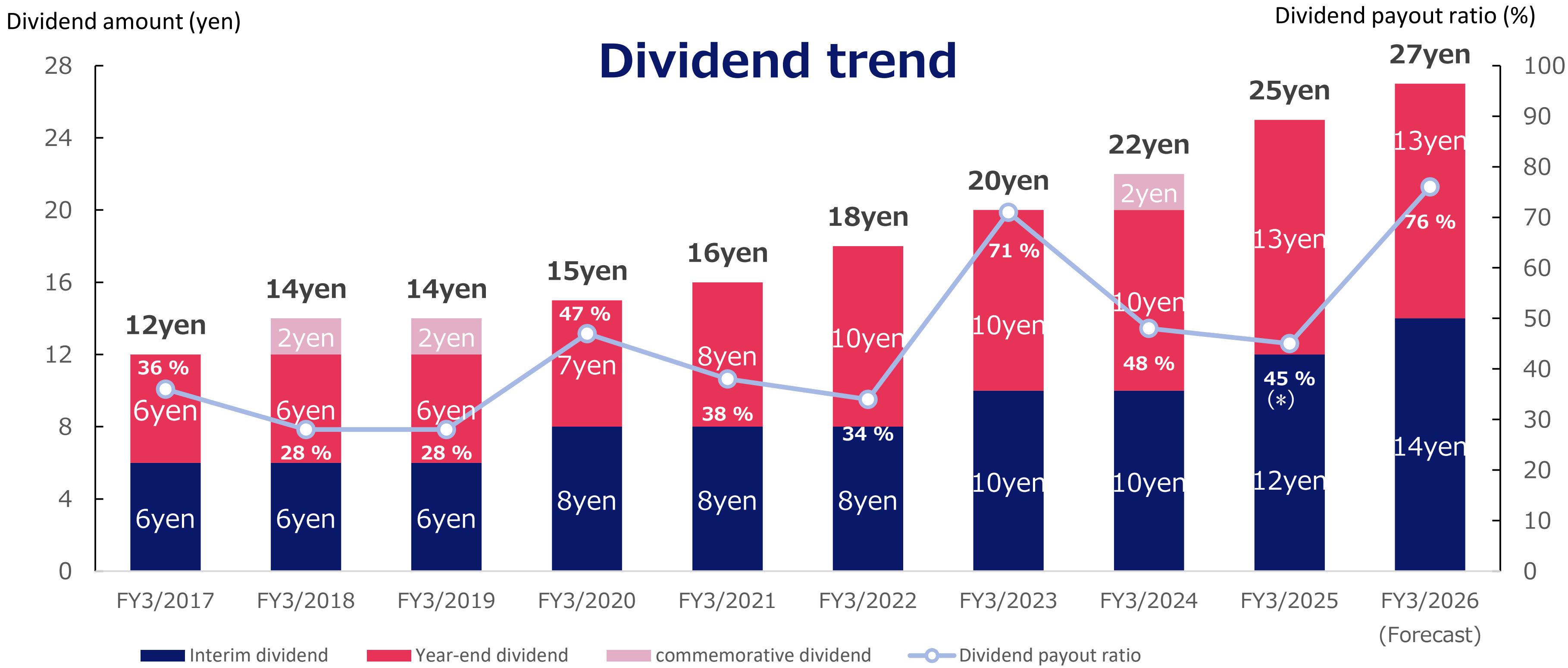
Net income per share	73.42 yen	**35.33 yen**

Average exchange rate	**USD**	144.59 yen	**145.00 yen**
	EUR	156.75 yen	**153.70 yen**

*With respect to the full-year outlook for the current fiscal year, “profit attributable to owner of parent” has been revised downward from the most recently announced financial forecast.
Meanwhile, there is no change from the most recently announced financial forecast for “net sales,” “operating profit,” or “ordinary profit.”

Regarding dividends of surplus

- We position the return of profits to shareholders as one of our key issues and have a basic policy of continuously providing stable dividends.
- As for the payout ratio, we use **40% or more** of net profit for the current fiscal year as a guideline.
- The interim dividend for this fiscal year will be **14 yen** per share. The year-end dividend forecast will remain at 13 yen per share, and the annual dividend is planned at 27 yen per share, an increase of 2 yen year on year.



(*) Regarding the dividend payout ratio for the FY3/2025
Excluding special income factors.
The payout ratio, including special income factors, is 34%.

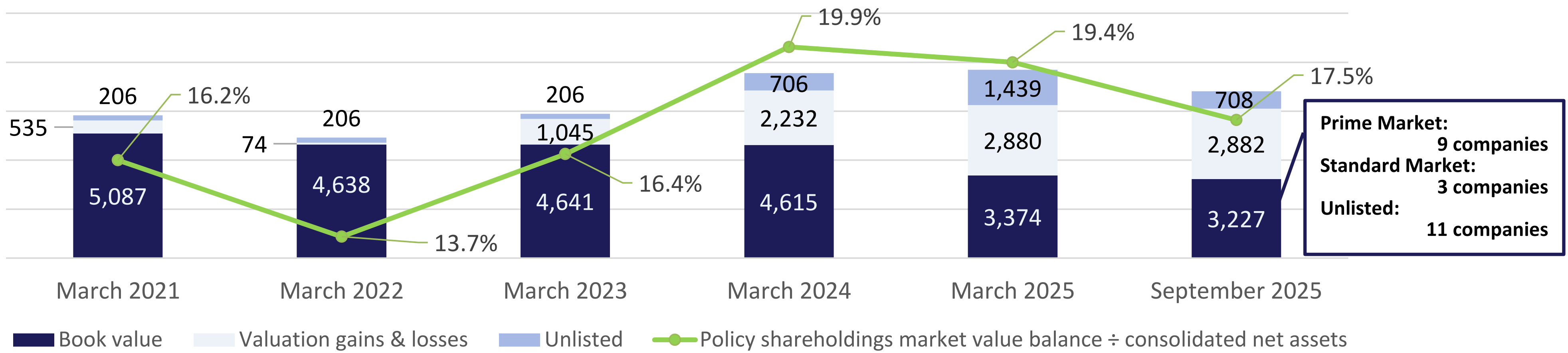
[Acquisition of treasury shares]
- Number of shares to be acquired: up to 2.0 million shares
- Total acquisition amount: up to 1.7 billion yen
- Acquisition period: November 1, 2025 – October 31, 2026

Status of the reduction of policy shareholdings

To realize further growth, investment, and shareholder returns, such as through continuous acquisition of treasury shares with a view to improving corporate value and capital efficiency, the Company aims to reduce policy shareholdings by 50% (approximately 4.0 billion yen) over the three years of the medium-term management plan "KFW-2026."

〇Transition in the balance of policy shareholdings

(Millions of yen)



〇Status of sales

Acquisition of shares through strategic investments for business alliances, etc.

	March 2021	March 2022	March 2023	March 2024	March 2025	September 2025
Acquisition amount	+223	＋10	＋2	＋474	＋735	+506
Sale amount (book value)	-290	-460			-1,243	-149
Valuation gains and losses	―	-460	＋971	＋1,187	＋648	-1,233
Amount of shares held	**5,828**	**4,918**	**5,892**	**7,553**	**7,693**	**6,817**

The forecasts and outlook contained in this document are based on assumptions and estimates of the future business environment and economic conditions at the present time. Actual results may differ from these forecasts due to changes in various factors.

Art in Technology

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