



KNEMATS

Supplementary Material

Third Quarter Results for FY2026

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Earnings Summary

- Year-on-year growth in both revenue and net profit¹⁾.
- Net profit reached a record high for the third quarter, with progress against the full-year forecast at 81%.
- The full-year dividend forecast has already been increased by ¥5, from ¥115 to ¥120 on a pre-split basis following the stock split at the end of December.

Earnings Results					Forecast		
(Unit: JPY Bn)	FY2025 3Q	FY2026 3Q	YoY	Growth	(Unit: JPY Bn)	FY2026 Annual	3Q Progress
Revenue	781.7	787.7	+5.9	+1%	Revenue	1,100.0	72%
Operating profit	33.4	37.7	+4.2	+13%	Operating profit	50.0	75%
Net profit	19.4	24.2	+4.8	+25%	Net profit	30.0	81%
Operating cash flows (adjusted) ²⁾	25.0	20.7	(4.3)				
CF from investing activities	4.4	(8.6)	(13.0)				
	End of Mar 2025	End of Dec 2025	YoY				
Net D/E ratio ³⁾	0.69x	0.62x	(0.07x)		Dividend per share (Pre-split basis)	¥57.50	¥31.25 (¥62.50)
Equity ratio ⁴⁾	25.2%	27.8%	+2.6%		Dividend payout ratio		(¥120.00) 33.4%

1) Net profit = Profit attributable to owners of the parent

2) Operating cash flows (adjusted) = Operating cash flows ± Change in working capital – Repayment of lease liabilities

3) Net D/E Ratio = Net interest-bearing debt ÷ total equity attributable to owners of the parent

4) Equity ratio = Shareholders' equity ÷ total assets

Profit and Loss

Earnings Results

	FY2025 (Unit: JPY Bn) 3Q	FY2026 3Q	YoY	Growth
Revenue	781.7	787.7	+5.9	+1%
Gross profit	112.9	123.7	+10.8	+10%
Selling, general and administrative expenses	(84.6)	(88.6)	(4.0)	-
Other income (expenses)	5.2	2.6	(2.6)	(51%)
Operating profit	33.4	37.7	+4.2	+13%
Interest income (expenses)	(3.7)	(3.2)	+0.5	-
Dividend income	1.2	1.0	(0.2)	(16%)
Other finance income (costs)	(0.1)	(0.2)	(0.2)	-
Finance income (costs)	(2.6)	(2.4)	+0.2	-
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	(1.2)	0.9	+2.1	-
Profit before tax	29.6	36.2	+6.5	+22%
Income tax expense	(9.8)	(11.4)	(1.7)	-
Profit for the period	19.9	24.7	+4.9	+25%
Profit attributable to owners of the parent	19.4	24.2	+4.8	+25%

■ Revenue

Revenue increased by ¥5.9 billion, mainly driven by the ICT Solution and Electronics & Devices segments.

■ Operating profit

While selling, general and administrative expenses increased, operating profit increased by ¥4.2 billion due to growth in gross profit.

■ Profit before tax

Profit increased by ¥6.5 billion, partly due to an improvements in share of loss of investments accounted for using the equity method.

■ Profit attributable to owners of the parent

Achieved a record-high profit of ¥24.2 billion yen. See page 4 for more details.

Progress

(Unit: JPY Bn)	FY2026 Annual Forecast	Progress
Revenue	1,100.0	72%
Operating profit	50.0	75%
Profit before tax	46.0	79%
Profit attributable to owners of the parent	30.0	81%

Dividend payout ratio 33.4%

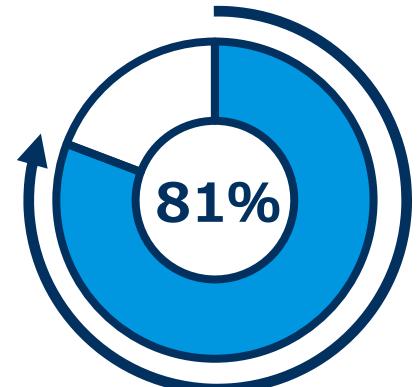
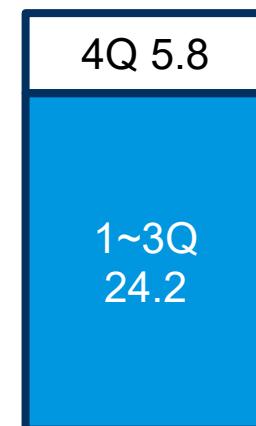
Net Profit¹⁾ Forecast

Annual forecast 30.0

4Q 5.8

1~3Q
24.2

3Q progress

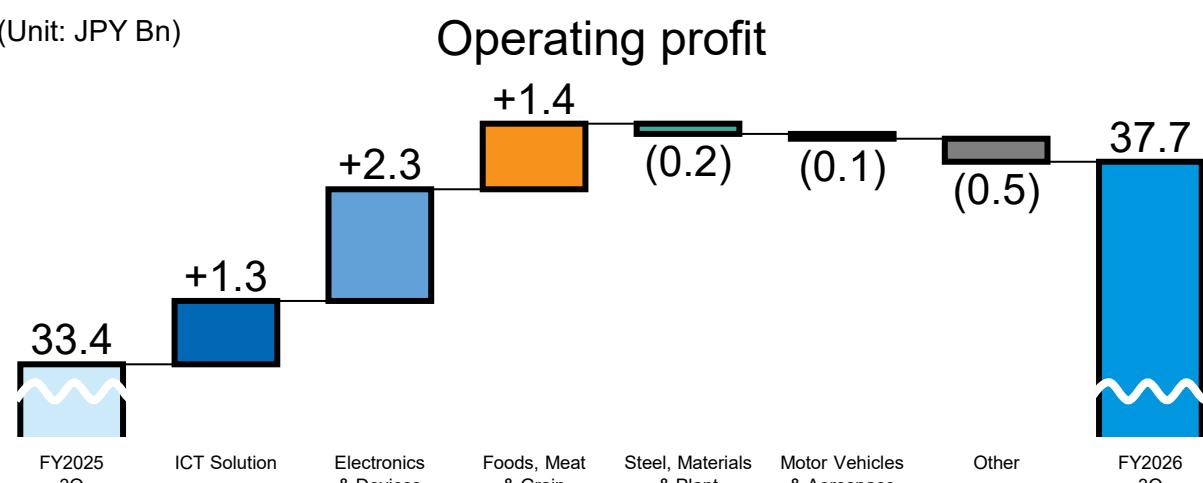
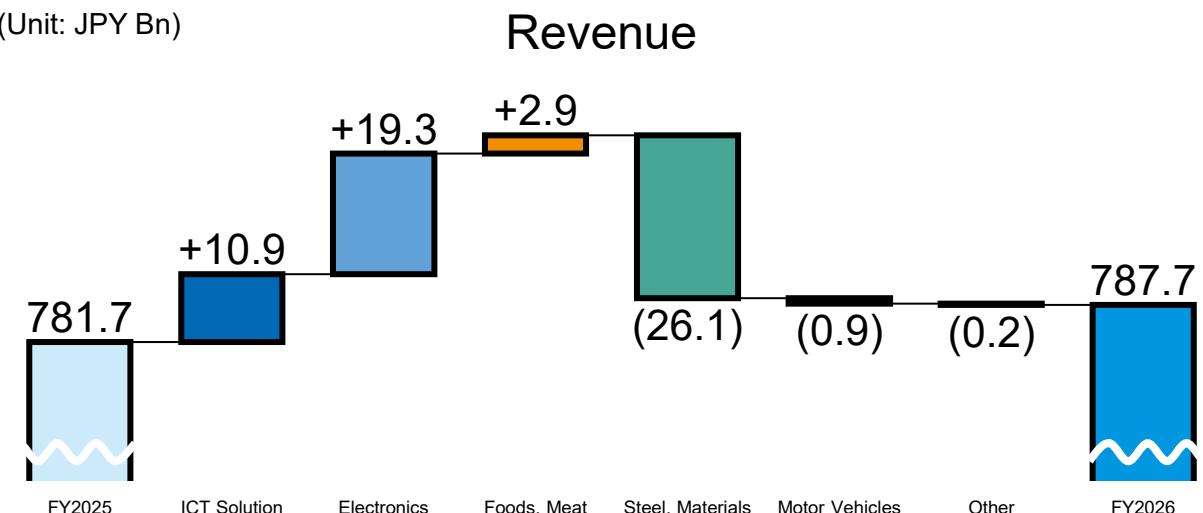


1) Net profit = Profit attributable to owners of the parent

Segment Information

(Unit: JPY Bn)	FY2025	FY2026	FY2026 Forecast (After segment forecast revision)			(Unit: JPY Bn)
	3Q	3Q	YoY	Growth	Progress	
ICT Solution						
Revenue	65.3	76.2	+10.9	+17%	105.0	73%
Operating Profit	9.1	10.4	+1.3	+15%	15.5	67%
Net Profit ¹⁾	6.0	6.9	+0.9	+15%	10.5	66%
Electronics & Devices						
Revenue	197.9	217.2	+19.3	+10%	275.0	79%
Operating profit	10.0	12.4	+2.3	+23%	14.5	85%
Net profit	6.7	8.1	+1.4	+21%	9.5	85%
Foods, Meat & Grain						
Revenue	272.7	275.6	+2.9	+1%	385.0	72%
Operating profit	5.7	7.1	+1.4	+24%	8.8	81%
Net profit	2.3	4.2	+1.8	+80%	4.2	99%
Steel, Materials & Plant						
Revenue	150.9	124.8	(26.1)	(17%)	200.0	62%
Operating profit	4.8	4.6	(0.2)	(4%)	6.2	74%
Net profit	1.8	3.1	+1.3	+73%	3.5	87%
Motor Vehicles & Aerospace						
Revenue	93.3	92.5	(0.9)	(1%)	130.0	71%
Operating profit	3.8	3.7	(0.1)	(3%)	5.2	71%
Net profit	2.5	2.2	(0.2)	(10%)	2.7	83%
Other (Including adjustment)						
Revenue	1.6	1.4	(0.2)	-	5.0	-
Operating profit	(0.0)	(0.5)	(0.5)	-	(0.2)	-
Net profit	0.1	(0.3)	(0.4)	-	(0.4)	-
Total						
Revenue	781.7	787.7	+5.9	+1%	1,100.0	72%
Operating profit	33.4	37.7	+4.2	+13%	50.0	75%
Net profit	19.4	24.2	+4.8	+25%	30.0	81%

1) Net profit = Profit attributable to owners of the parent

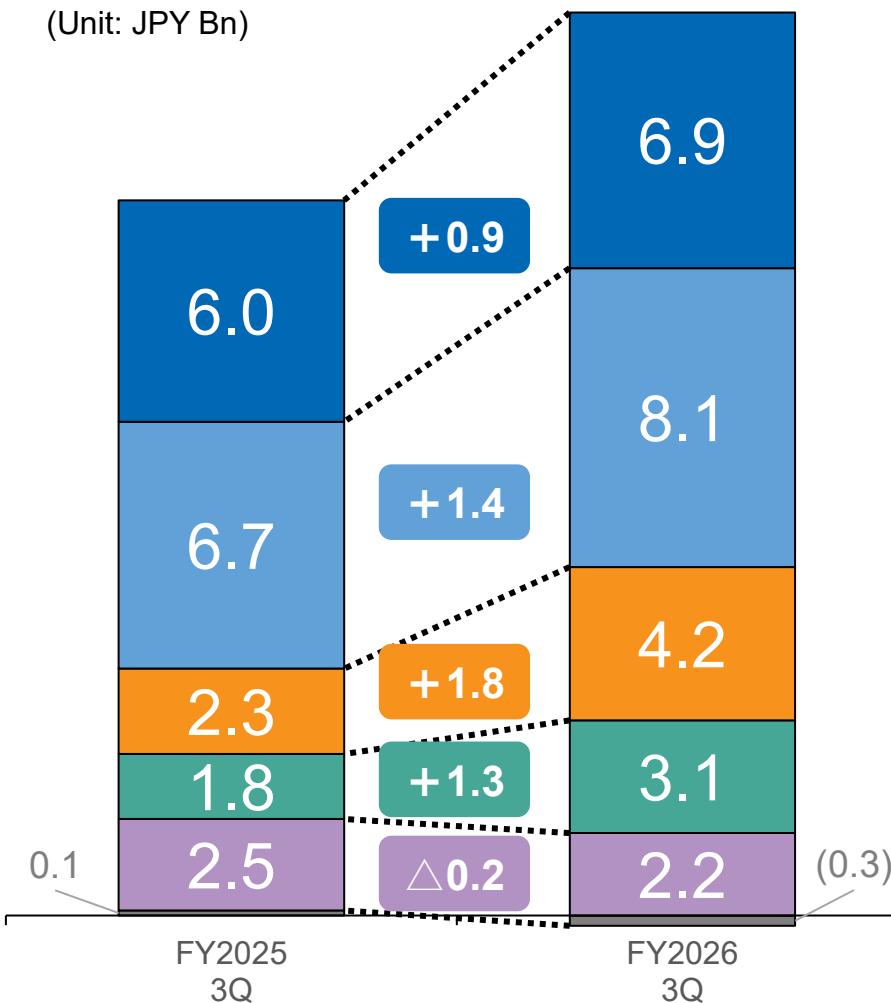


Net Profit Breakdown

Profit attributable to owners of the parent

■ ICT Solution ■ Electronics & Devices
■ Foods, Meat & Grain ■ Steel, Materials & Plant
■ Motor Vehicles & Aerospace ■ Other (Including adjustment)

(Unit: JPY Bn)



Primary factors contributing to the year-on-year changes

ICT Solution

Increased ¥0.9 billion

- Strong sales of storage and servers for the defense and manufacturing industries, as well as robust demand for networks in the distribution sector, together with increased needs for services and security, led to higher profits.

Electronics & Devices

Increased ¥1.4 billion

- Electronic devices & Materials:** Profit increased due to the effects of M&A and other factors.
- Mobile:** In addition to the increase in sales volume resulting from expanded sales channels, the growth of the business for corporate clients also contributed to higher profits.

Foods, Meat & Grain

Increased ¥1.8 billion

- Foods:** Profit increased primarily due to strong performance in beverage ingredients.
- Meat Products:** Amid a shift in demand from beef and pork to chicken, chicken trading performed well, resulting in higher profits.
- Grain, Oilseeds & Feedstuff:** Profit increased primarily due to strong performance in imported rice, soybeans and feedstuff.

Steel, Materials & Plant

Increased ¥1.3 billion

- Steel:** Profit increased primarily due to improvements in share of loss of investments accounted for using the equity method recorded in the previous fiscal year and gains associated with the divestment of a domestic steel subsidiary.
- Plant:** Profit decreased due to a reduction in the number of ODA (Official Development Assistance) projects compared to the same period of the previous year.

Motor Vehicles & Aerospace

Decreased ¥0.2 billion

- Machine Tools & Industrial Machinery:** Profit decreased due to a decline in demand for capital investment.

Sub-segment Information

(Unit:JPY Bn)	Operating Profit			Profit Attributable to Owners of the Parent			FY2026 Forecast (Before segment forecast revision)	FY2026 Forecast (After segment forecast revision)	Progress
	FY2025 3Q	FY2026 3Q	YoY	FY2025 3Q	FY2026 3Q	YoY			
ICT Solution	9.1	10.4	+1.3	6.0	6.9	+0.9	10.5	10.5	66%
Semiconductor parts & Equipment	1.2	1.0	(0.2)	0.8	0.6	(0.2)	1.1	0.5	119%
Electronic devices & Materials	0.7	1.4	+0.7	0.4	0.9	+0.4	0.8	0.8	107%
Mobile	8.2	10.0	+1.8	5.4	6.7	+1.2	7.6	8.2	81%
Electronics & Devices	10.0	12.4	+2.3	6.7	8.1	+1.4	9.5	9.5	85%
Foods	1.2	1.5	+0.4	0.6	1.0	+0.4	0.9	1.0	102%
Meat Products	1.8	2.0	+0.2	0.6	1.0	+0.4	0.6	1.1	95%
Grain, Oilseeds & Feedstuff	2.7	3.6	+0.8	1.1	2.1	+1.0	2.0	2.1	101%
Foods, Meat & Grain	5.7	7.1	+1.4	2.3	4.2	+1.8	3.5	4.2	99%
Steel & Steel Tubing	1.3	2.0	+0.8	(0.7)	1.4	+2.0	1.1	1.1	125%
Energy, Chemicals & Plant	2.7	1.8	(0.9)	1.8	1.3	(0.6)	1.8	1.8	70%
Environment-related	0.9	0.8	(0.1)	0.6	0.4	(0.1)	0.6	0.6	71%
Steel, Materials, Plant	4.8	4.6	(0.2)	1.8	3.1	+1.3	3.5	3.5	87%
Aerospace	2.6	2.8	+0.1	1.7	1.7	+0.0	2.0	2.0	83%
Motor Vehicles & Parts	0.0	0.3	+0.2	0.1	0.1	(0.0)	0.3	0.1	79%
Machine Tools & Industrial Machinery	1.1	0.7	(0.4)	0.7	0.5	(0.2)	1.1	0.6	82%
Motor Vehicles & Aerospace	3.8	3.7	(0.1)	2.5	2.2	(0.2)	3.4	2.7	83%
Others	(0.0)	(0.5)	(0.5)	0.1	(0.3)	(0.4)	(0.4)	(0.4)	-
Total	33.4	37.7	+4.2	19.4	24.2	+4.8	30.0	30.0	81%

Cash Flows

■ Cash flows from operating activities

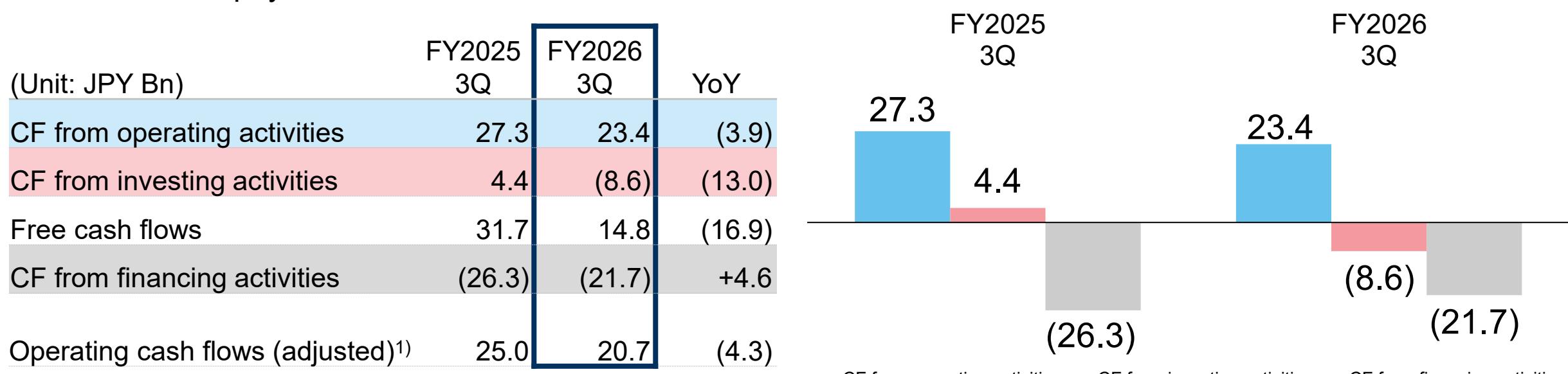
The cash inflow of ¥23.4 billion was primarily due to the accumulation of operating revenue.

■ Cash flows from investing activities

The cash outflow of ¥8.6 billion was primarily due to business investments such as the acquisition of property, plant and equipment, as well as subsidiaries.

■ Cash flows from financing activities

The cash outflow of ¥21.7 billion was primarily due to repayments of borrowings and lease liabilities, as well as dividend payments.



1) Operating cash flows (adjusted) = Operating cash flows ± Change in working capital – Repayment of lease liabilities

Financial Position

■ Total assets

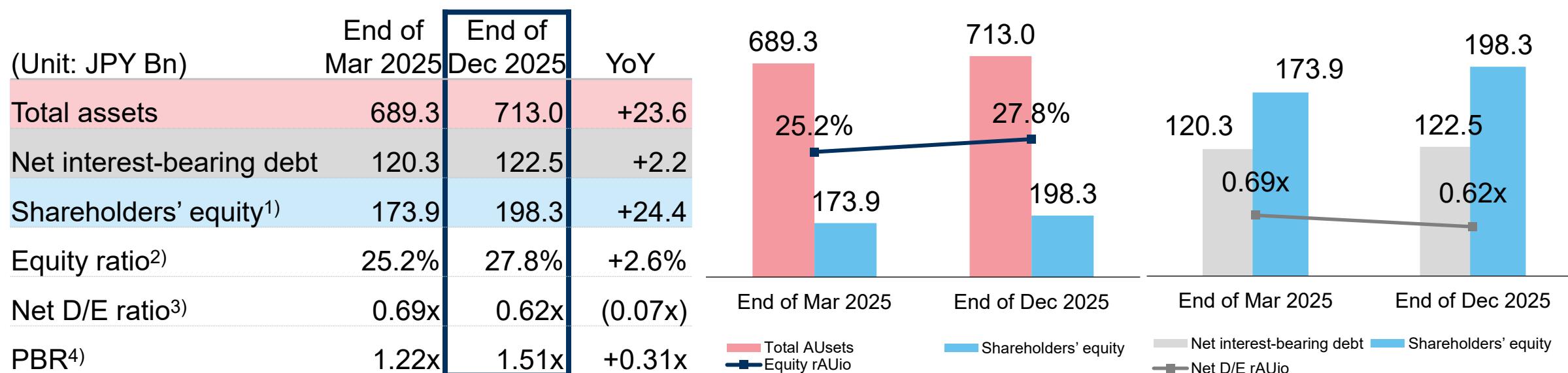
The increase of ¥23.6 billion was primarily due to the increase in trade receivables reflecting the depreciation of the yen, as well as the increase in other current assets.

■ Net interest-bearing debt

The increase of ¥2.2 billion was primarily due to an increase in working capital and execution of business investments.

■ Shareholders' equity

The increase of ¥24.4 billion was primarily from the accumulation of profit attributable to owners of the parent. The equity ratio reached 27.8%, with a net D/E ratio of 0.62x.



1) Shareholders' equity = Total equity attributable to owners of the parent

2) Equity ratio = Shareholders' equity ÷ total assets

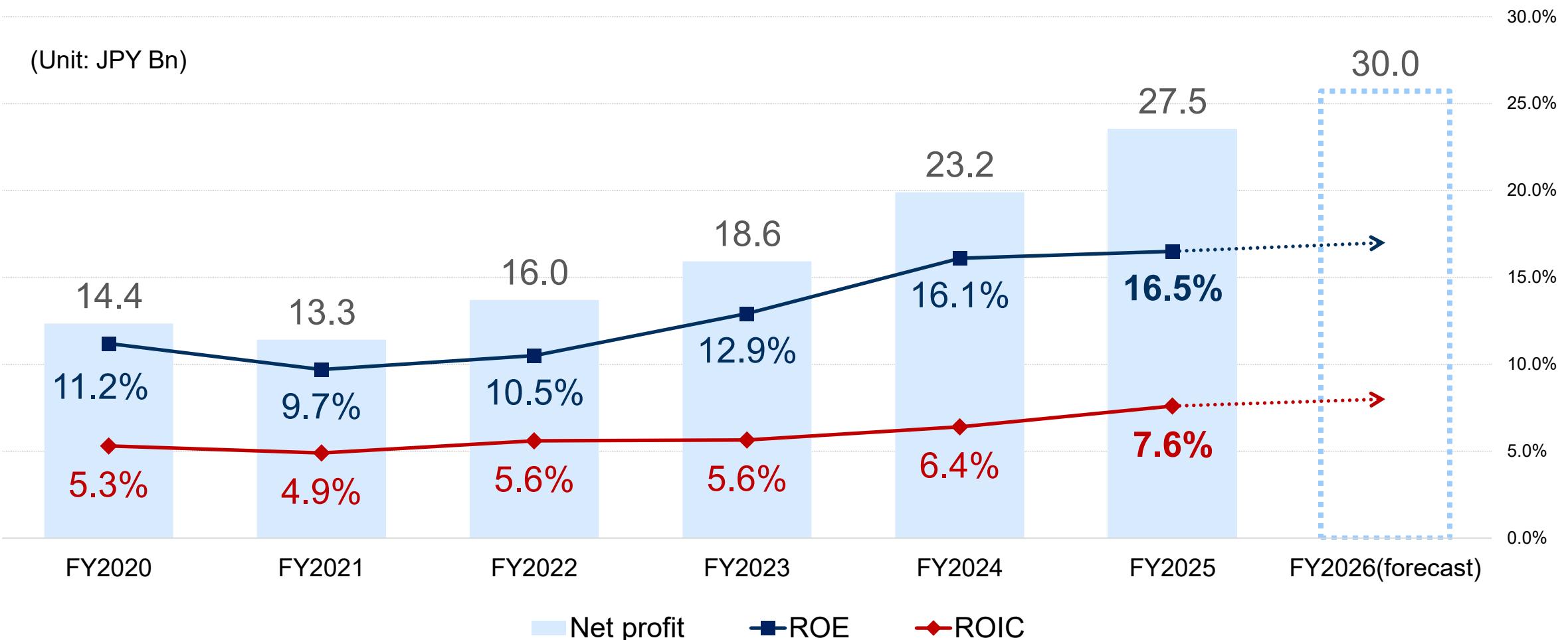
3) Net D/E Ratio = Net interest-bearing debt ÷ total equity attributable to owners of the parent

4) PBR = End share price (TSE closing price) ÷ equity attributable to owners of the parent per share

Trends in ROE and ROIC

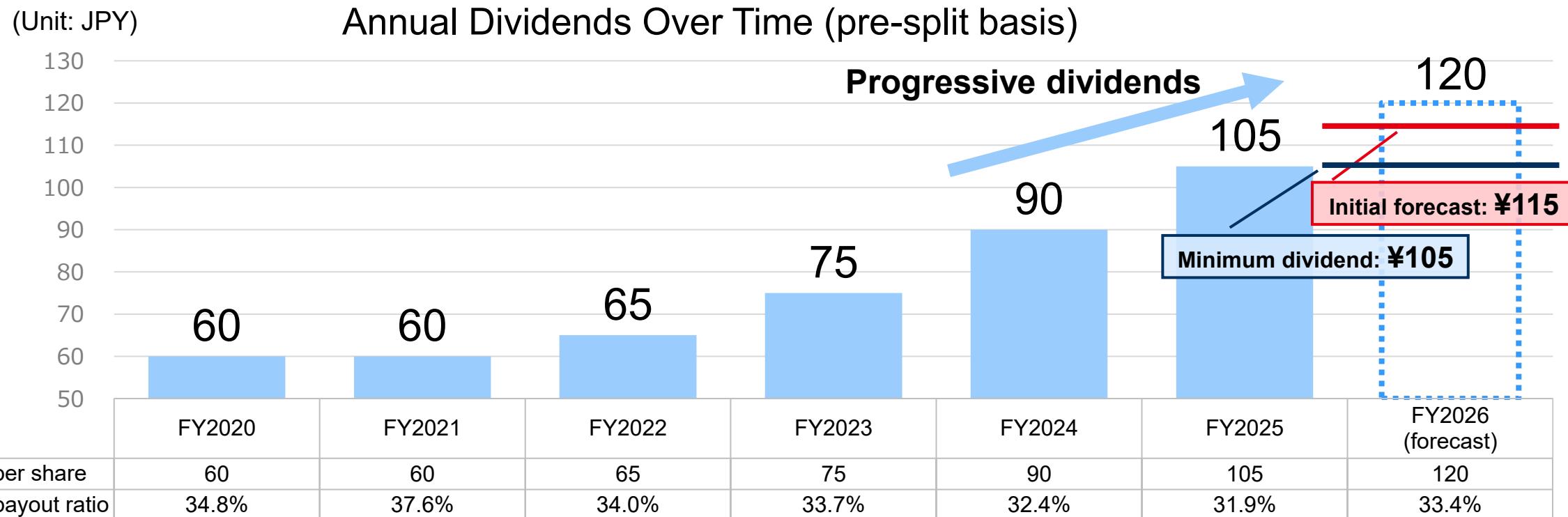
- Both ROE and ROIC have improved.

Net profit attributable to owners of the parent, ROE and ROIC



Dividends

- The annual dividend for FY2026 is set at a minimum of ¥105 (pre-split basis) under a progressive dividend policy.
- The total payout ratio is targeted at 30–35%, with the dividend for the fiscal year ending March 2026 planned to increase by ¥15 year on year to ¥120 (pre-split basis).
- We plan to continue raising dividends in line with net profit¹⁾ growth going forward.



1) Net profit = Profit attributable to owners of the parent



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