



## Financial Results for the Fiscal Year Ended March 31, 2026 [Japan GAAP] (Consolidated)

May 13, 2026

Company KOMATSU MATERE Co.,Ltd. Listed on the TSE  
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 Scheduled date of annual shareholders' meeting : June 24, 2026  
 Scheduled starting date of dividend payment: June 25, 2026  
 Scheduled date of filing of annual securities report: June 23, 2026  
 Preparation of supplementary financial document: Yes  
 Financial results briefing: Yes

(Rounded down to million yen)

### 1. Consolidated business results for the fiscal year ended March 2026 (April 1, 2025, through March 31, 2026)

#### (1) Consolidated results of operations (% change from the previous corresponding period)

|                      | Net sales   |     | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |       |
|----------------------|-------------|-----|------------------|------|-----------------|------|---|-------|
|                      | Million yen | %   | Million yen      | %    | Million yen     | %    | Million yen                             | %     |
| Year ended Mar. 2026 | 41,563      | 5.2 | 2,502            | 14.7 | 3,208           | 13.0 | 1,500                                   | -48.9 |
| Year ended Mar. 2025 | 39,526      | 7.8 | 2,181            | 17.5 | 2,838           | 7.4  | 2,934                                   | 59.2  |

(Note) Comprehensive income: Year ended March 2026: 2,487 million yen (-17.1%) Year ended March 2025: 2,998 million yen (3.2%)

|                      | Net income per share | Diluted net income per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|----------------------|----------------------|------------------------------|------------------|--|--|
|                      | Yen                  | Yen                          | %                | %  | %                                      |
| Year ended Mar. 2026 | 38.51                | -                            | 3.8              | 6.1                                      | 6.0                                    |
| Year ended Mar. 2025 | 73.42                | -                            | 7.6              | 5.5                                      | 5.5                                    |

(Reference) Investment earnings/loss on equity-method: Year ended March 2026: 394 million yen Year ended March 2025: 351 million yen

#### (2) Consolidated financial position

|                     | Total assets | Net assets  | Shareholders' equity ratio | Net assets per share |
|---------------------|--------------|-------------|----------------------------|----------------------|
|                     | Million yen  | Million yen | %                          | Yen                  |
| As of Mar. 31, 2026 | 51,942       | 39,889      | 76.5                       | 1,042.52             |
| As of Mar. 31, 2025 | 53,026       | 39,701      | 74.6                       | 998.19               |

(Reference) Shareholders' equity: As of March 31, 2026: 39,747 million yen As of March 31, 2025: 39,558 million yen

#### (3) Consolidated results of cash flows

|                      | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the year |
|----------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                      | Million yen                          | Million yen                          | %                                    | Yen  |
| Year ended Mar. 2026 | 1,759                                | 790                                  | -2,755                               | 9,233  |
| Year ended Mar. 2025 | 4,793                                | -5,693                               | -1,347                               | 9,430  |

### 2. Dividends

|                                  | Annual dividend |           |           |          |       | Total dividend (Total) | Dividend payout ratio (Consolidated) | Rate of total dividend to net assets (Consolidated) |
|----------------------------------|-----------------|-----------|-----------|----------|-------|------------------------|--------------------------------------|---|
|                                  | End of 1Q       | End of 2Q | End of 3Q | Year-end | Total |                        |                                      |   |
| Year ended Mar. 2025             | —               | 12.00     | —         | 13.00    | 25.00 | 1,000                  | 34.1                                 | 2.6   |
| Year ended Mar. 2026             | —               | 14.00     | —         | 13.00    | 27.00 | 1,046                  | 70.1                                 | 2.6   |
| Year ending Mar. 2027 (forecast) | —               | 13.00     | —         | 14.00    | 27.00 |                        | 51.5                                 |   |

### 3. Forecast of consolidated financial results for the fiscal year ending March 2027 (April 1, 2026, through March 31, 2027)

(Percentages indicate year-on-year changes for the full year and quarter-on-quarter changes for each quarter.)

|                            | Net sales   |     | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |      | Earnings per share |
|----------------------------|-------------|-----|------------------|-------|-----------------|-------|---|------|--------------------|
|                            | Million yen | %   | Million yen      | %     | Million yen     | %     | Million yen                             | %    | Yen                |
| Full year ending Mar. 2027 | 42,000      | 1.1 | 1,500            | -40.1 | 2,300           | -28.3 | 2,000                                   | 33.3 | 52.46              |

**\* Notes**

(1) Significant changes in the scope of consolidation during the period under review: Yes  
New: 1 company (Company name) KOMATSU MATERE (SOZHOU) CONSULTING CO., LTD.  
Excluded: -

(2) Changes in accounting policies, accounting estimates and restatement

|   |      |
|---|------|
| 1) Changes in accounting policies associated with revision of accounting standards: | : No |
| 2) Changes in accounting policies other than 1) above                               | : No |
| 3) Changes in accounting estimates  | : No |
| 4) Restatement  | : No |

(3) Shares outstanding (common stock)

1) Number of shares outstanding at the end of period (treasury stock included)

As of March 31, 2026 39,240,999 shares

As of March 31, 2025 43,140,999 shares

2) Treasury stock at the end of period:

As of March 31, 2026 1,114,855 shares

As of March 31, 2025 3,510,396 shares

3) Average number of stock during period (cumulative period)

Year ended March 2026 38,970,429 shares

Year ended March 2025 39,973,976 shares

\*The financial results summary is not subject to audit by a certified public accountant or auditing firm.

\* Explanation of the proper use of financial forecasts and other special notes

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee that it will achieve these forecasts. Actual results may differ materially from these forecasts due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of earnings forecasts, please refer to “1. Qualitative Information on Financial Results (4) Outlook” on page 4 of the attached document.
- Supplementary materials for the financial statements will be posted on the Company's website immediately after the announcement of the financial statements.

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## 1. Qualitative Information on Financial Results

### (1) Results of Operations

During the consolidated fiscal year under review, the Japanese economic situation generally followed a moderate recovery trend, with signs of a recovery in consumer spending against a backdrop of improvements in the employment and income environment, and capital investment also recovered moderately. Meanwhile, due to fluctuations in foreign exchange rates, prolonged geopolitical risks, and continued price increases, the outlook remained uncertain.

Under this economic environment, the Group strengthened sales activities and introduced high-value-added products in the domestic market, mainly in the apparel sector, and expanded sales in the North American, European, Middle Eastern, and Asian regions in overseas markets. In the fashion fabrics division, fashion applications for European luxury brands remained firm, and due to increases in fashion for North America and materials for traditional clothing in the Middle East, sales generally remained firm.

On the other hand, cost-increasing factors, such as persistently high prices for raw fuel and materials and higher electricity charges, continued to put pressure on earnings. To respond to this situation, the Group worked on total cost reduction initiatives through the promotion of energy conservation, fuel conversion, productivity improvement, and reduction of defective losses, while also implementing initiatives aimed at improving earnings, such as product category conversion, expansion of sales of high-value-added products, and appropriate pass-through to sales prices.

In this environment, the Group has been implementing concrete measures since 2024 to achieve the medium-term management plan “KFW-2026.” As one of these measures, to respond to diversifying market needs, the Group has been pursuing continuous technological and new product development and actively promoting proposals for high-value-added materials and environmentally friendly products. In October 2025, the Group announced “QUATTRONI TK,” a low-swelling, highly moisture-permeable waterproof fabric, and in February 2026, announced “TINTORIANA,” a new brand for product dyeing, among other initiatives, and is promoting the development of new value-added materials and market proposals.

In addition, in the materials and products fields, the Group has been promoting initiatives to improve profitability, such as exiting certain businesses and reorganizing the Group structure as part of its review of the business portfolio. In the environmental field, the Group’s environmental technologies were highly evaluated, as its sludge volume-reducing bio-agent “Bellefomer” received the “10th Monodzukuri Nippon Grand Award, Chubu Bureau of Economy, Trade and Industry Director-General’s Award,” following the “Good Design Best 100” award for fiscal year 2025.

In addition, as a full-scale response to the issue of strengthening the foundation within the medium-term management plan, the Group constructed the “Second Logistics Center” and began operations in September. Following the completion of this logistics center, the Group will proceed with developing the manufacturing environment and reorganizing factories to improve productivity. In this way, the Group will continue to make proactive capital investments and actively work to strengthen production facilities, improve the work environment, and pursue environmentally conscious business operations.

As a result of the above, net sales for the consolidated fiscal year under review were 41,563 million yen (up 5.2% YoY), operating profit was 2,502 million yen (up 14.7% YoY), and ordinary profit was 3,208 million yen (up 13.0% YoY), resulting in higher sales and profits YoY. Profit attributable to owners of the parent was 1,500 million yen (down 48.9% YoY), due to a loss of 1,232 million yen on the valuation of investment securities for part of the unlisted shares.

The segment performance is as follows.

#### (Textile Business)

Regarding the Fashion fabrics division, the Group actively developed proposals for highly sensitive, highly functional materials and environmentally friendly products for domestic and overseas markets and worked to expand sales. Particularly in overseas markets, applications for European luxury brands, fashion for North America, and materials for traditional clothing in the Middle East drove sales, and the division as a whole saw increased sales.

Regarding the Materials fabrics division, sales increased overall due to higher orders in the daily-life materials field.

In the Products division, sales increased due to business expansion at the consolidated subsidiary.

As a result of the above, net sales in this business for the consolidated fiscal year under review were 41,063 million yen.

## (Other Businesses)

Net sales in the logistics field for the consolidated fiscal year under review were 499 million yen.

## (2) Financial Position

## Assets, Liabilities and Net Assets

## (Assets)

Total assets at the end of the consolidated fiscal year under review were 51,942 million yen, a decrease of 1,083 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 911 million yen in machinery, equipment, and vehicles; 598 million yen in intangible assets; 549 million yen in buildings and structures; 205 million yen in accounts receivable-trade and 143 million yen in raw materials and supplies. In comparison, securities and investment securities decreased by 3,489 million yen, deferred tax assets decreased by 231 million yen.

## (Liabilities)

Liabilities at the end of the consolidated fiscal year under review were 12,052 million yen, a decrease of 1,272 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 716 million yen in notes and accounts payable - trade and 328 million yen in retirement benefit liability.

## (Net Assets)

Net assets at the end of the consolidated fiscal year under review were 39,889 million yen, an increase of 188 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 3,678 million yen in retained earnings. In comparison, treasury shares decreased by 2,881 million yen, the valuation difference on marketable securities increased by 754 million yen, and remeasurements of defined benefit plans increased by 220 million yen.

## (3) Cash Flows

At the end of the consolidated fiscal year under review, cash and cash equivalents (hereinafter referred to as "funds") amounted to 9,233 million yen, a decrease of 196 million yen compared to the end of the previous consolidated fiscal year. The status of each cash flow for the consolidated fiscal year under review and the reasons for the changes are as follows.

## (Cash Flows from Operating Activities)

Net cash provided by operating activities was 1,759 million yen, compared with net cash provided of 4,793 million yen in the same period of the previous year. The main breakdown of cash inflows was profit before income taxes of 2,478 million yen, depreciation of 1,577 million yen, and loss on valuation of investment securities of 1,232 million yen. In comparison, the main breakdown of cash outflows was income taxes paid of 1,061 million yen, a decrease in trade payables of 724 million yen, and gain or loss on sale of investment securities of 576 million yen.

## (Cash Flows from Investing Activities)

Net cash provided by investing activities was 790 million yen, compared with net cash used of 5,693 million yen in the same period of the previous year. The main breakdown of cash inflows was proceeds from the redemption of securities of 7,000 million yen and proceeds from the sale and redemption of investment securities of 806 million yen. In comparison, the main breakdown of cash outflows was the purchase of non-current assets for 3,447 million yen, the purchase of securities for 3,000 million yen, and the purchase of investment securities for 506 million yen.

## (Cash Flows from Financing Activities)

Net cash used in financing activities was 2,755 million yen, compared with net cash used of 1,347 million yen in the same period of the previous year. The main breakdown of cash outflows was the purchase of treasury shares of 1,277 million yen and dividends paid of 1,066 million yen.

## (Reference) Trends in cash flow-related indicators

|  | FY2022/3    | FY2023/3    | FY2024/3 | FY2025/3 | FY2026/3 |
|--|-------------|-------------|----------|----------|----------|
| Equity ratio                                 | 75.0        | 75.2        | 75.6     | 74.6     | 76.5     |
| Market-value-based equity ratio              | 120.4       | 58.1        | 62.1     | 58.7     | 56.6     |
| Ratio of interest-bearing debt to cash flows | 7.4         | 5.5         | 1.3      | 14.6     | 15.7     |
| Interest coverage ratio                      | 1,790,049.1 | 4,663,936.2 | 20,907.7 | 1,311.2  | 270.9    |

(Note) Equity ratio: Equity capital / Total assets

Market-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest paid

\*All indicators are calculated based on consolidated financial figures.

\*Market capitalization is calculated by multiplying the fiscal year-end share price by the number of shares issued at fiscal year-end (after deducting treasury shares).

\*Cash flows from operating activities are based on cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded in the consolidated balance sheet on which interest is paid. Interest payments are based on the amount of interest paid as stated in the consolidated statement of cash flows.

## (4) Outlook

Regarding the outlook going forward, although a recovery in the economy is expected due to improvements in the employment and income environment and other factors, the outlook is expected to remain uncertain, as there are concerns over the impact of surging raw material and energy prices against the backdrop of heightened geopolitical risks, including in the Middle East, continued price increases, fluctuations in foreign exchange rates, and trends in economic policies in the United States and China.

In this environment, the business landscape surrounding the Group is expected to change constantly, and prompt, flexible responses, including transformation of the business structure, will be required. Specifically, in conventional businesses, the Group will maintain and strengthen a stable earnings base and pursue growth opportunities focused on high-value-added fields and overseas functional materials.

The Group will work on fundamentally strengthening earnings power and transitioning to a profit-oriented structure as its top priorities in achieving the medium-term management plan, with the fiscal year ending March 2027 as the final fiscal year. In addition, the Group will focus management resources on areas where it can leverage its strengths and establish competitive advantages. Furthermore, the Group will promote structural reform and productivity improvements triggered by the launch of the new core system. It will work to maximize the value of human capital by improving value-added labor productivity.

On the other hand, although demand remains elevated due to the recent escalation of tensions in the Middle East, there are concerns about the impact of logistics destabilization, stagnation in commercial distribution, and surging raw fuel and other prices. At this stage, because it is difficult to reasonably estimate the above impact, this uncertainty is expected, under the current assumption, to affect results for the fiscal year ending March 2027.

The Group will strive to minimize the impact of external environmental changes through price revisions, productivity improvements, procurement reviews, and other measures. Although the above is based on information currently available to the Company, the outlook may change significantly due to future developments in the Middle East and market conditions.

Based on the above, the Group forecasts consolidated financial results for the fiscal year ending March 2027 of net sales of 42,000 million yen (up 1.1% YoY), operating profit of 1,500 million yen (down 40.1% YoY), ordinary profit of 2,300 million yen (down 28.3% YoY), and profit attributable to owners of parent of 2,000 million yen (up 33.3% YoY).

(5) Basic Policy on Profit Distribution and Dividend for the Fiscal Year

Our Company regards returning profits to shareholders as one of the most crucial management priorities, and our basic policy is to continue providing stable dividends. When determining dividends, we will comprehensively consider securing internal reserves necessary for future business expansion, our financial condition, and future business performance.

Regarding the consolidated dividend payout ratio, we have aimed for 40% or higher and have worked to strengthen and enhance our earnings base to achieve this goal.

For the fiscal year under review, given the increase in sales and profits, we have placed emphasis on shareholder returns and set the year-end dividend at 13 yen per share (ordinary dividend). This results in an annual dividend of 27 yen per share (ordinary dividend), an increase of 2 yen per share compared to the previous fiscal year.

We plan to set the annual dividend for the next fiscal year at 27 yen per share.

Please note that the decision-making body for dividends of surplus is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

## 2. Accounting Policies

### (1) Basic Policy of Company Management

Our Company, based on the three guiding principles of "Create excitement," "Contribute to the earth and society," and "Develop along with our employees," aims to become a "chemical materials manufacturer" that continuously creates materials full of "surprises" and "emotions."

To realize this vision, in today's rapidly changing business environment, we will strengthen our organizational structure to swiftly sense and flexibly respond to such environmental changes, and actively engage in management investments. Specifically, based on our medium-term management plan, we will strengthen initiatives such as expanding overseas businesses, developing high-value-added products, environmental conservation efforts, and human capital management initiatives.

Furthermore, within the Group, we will appropriately respond to drastic changes in the business environment, improve the efficiency and profitability of business activities across the Group, manage operations focusing on cash flow, and conduct management that emphasizes environmental conservation, human capital, and compliance.

### (2) Management Indicators to Be Targeted

The Group recognizes that enhancing the growth potential and profitability of its businesses is essential to achieving sustainable improvement of corporate value. Pursuing profitability is vital, and we will continue to make unceasing efforts to improve our operating profit margin further and return on equity (ROE).

### (3) Issues to Be Addressed by the Company

The business environment surrounding the Company continues to experience rising prices and increasing costs of raw materials and energy, and amid global instability, the outlook is expected to remain uncertain. The Group will address, as a united group, not only short-term issues requiring immediate response to such recent environmental changes, but also the five medium- to long-term issues outlined in the medium-term management plan "KFW-2026," for which the fiscal year ending March 2027 is the final fiscal year.

#### ① Expansion of Overseas Business

To expand overseas sales, we will continue exploring new markets by leveraging the brand power and track record we have cultivated. We will also strengthen and establish sales structures and bases to promote global business development in the apparel and industrial material sectors, including the domestic market.

#### ② Promotion of Sustainable Products and Businesses

The Group will accelerate its initiatives on the five issues toward realizing a sustainable society. It will, in particular, address global environmental issues as a priority to meet the needs of society and customers. In addition, to achieve the target of expanding the sales ratio of the environmentally friendly materials group "mateReco" to 50% in fiscal 2030, the Group will expand materials that combine "reduction of environmental impact" and "functionality" to create new value.

#### ③ Promotion of Finished Product Business

Driven by our desire to directly deliver to consumers the excitement of our materials cultivated since our founding, we will promote the finished product business and aim to enhance the added value of our proprietary products to improve profitability.

#### ④ Strengthening Human Resource Development and Enhancing Engagement

To enhance employee growth and job satisfaction, and enable employees to work vibrantly and demonstrate their abilities to the fullest, the Group will improve engagement from multifaceted perspectives, including human resource development, flexible work styles, and DE&I.

#### ⑤ Improvement of Manufacturing Environment and Enhancement of Welfare

To enable employees to perform their duties efficiently, the Group will work to create a comfortable workplace environment, including developing welfare facilities and services, and to build a production system that makes maximum use of DX.

### 3. Basic Policy Regarding Selection of Accounting Standards

Since the Group does not engage in international fundraising activities, we have decided to continue adopting Japanese GAAP. However, we intend to appropriately respond to developments in adopting IFRS by other domestic companies in the future.

## 4. Consolidated Financial Statements and Major Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

|   | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| <b>Assets</b>                           |                      |                      |
| Current assets                          |                      |                      |
| Cash and deposits                       | 9,430                | 9,233                |
| Notes receivable - trade                | 1,231                | 1,354                |
| Accounts receivable - trade             | 6,471                | 6,676                |
| Securities                              | 4,000                | 1,292                |
| Merchandise and finished goods          | 1,656                | 1,700                |
| Work in process                         | 948                  | 960                  |
| Raw materials and supplies              | 1,985                | 2,128                |
| Other                                   | 182                  | 305                  |
| Allowance for doubtful accounts         | -20                  | -10                  |
| Total current assets                    | 25,885               | 23,643               |
| Non-current assets                      |                      |                      |
| Property, plant and equipment           |                      |                      |
| Buildings and structures                | 12,603               | 13,352               |
| Accumulated depreciation                | -9,916               | -10,116              |
| Buildings and structures (Net)          | 2,687                | 3,236                |
| Machinery, equipment and vehicles       | 25,116               | 26,305               |
| Accumulated depreciation                | -22,753              | -23,031              |
| Machinery, equipment and vehicles (Net) | 2,363                | 3,274                |
| Land                                    | 2,307                | 2,307                |
| Construction in progress                | 66                   | 29                   |
| Other                                   | 2,768                | 3,088                |
| Accumulated Depreciation                | -2,183               | -2,371               |
| Other (Net)                             | 584                  | 716                  |
| Total property, plant and equipment     | 8,009                | 9,565                |
| Intangible assets                       |                      |                      |
| Goodwill                                | 303                  | 242                  |
| Other                                   | 1,496                | 2,156                |
| Intangible assets                       | 1,800                | 2,399                |
| Investments and other assets            |                      |                      |
| Investment securities                   | 16,185               | 15,403               |
| Deferred tax assets                     | 908                  | 677                  |
| Other                                   | 382                  | 410                  |
| Allowance for doubtful accounts         | -145                 | -156                 |
| Total investments and other assets      | 17,331               | 16,334               |
| Total non-current assets                | 27,140               | 28,299               |
| Total assets                            | 53,026               | 51,942               |

(Millions of yen)

|   | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                            |                      |                      |
| Current liabilities                           |                      |                      |
| Notes and accounts payable - trade            | 5,508                | 4,792                |
| Income taxes payable                          | 645                  | 769                  |
| Contract liabilities                          | 131                  | 65                   |
| Provision for bonuses                         | 770                  | 817                  |
| Other   | 2,114                | 2,049                |
| Total current liabilities                     | 9,171                | 8,494                |
| Non-current liabilities                       |                      |                      |
| Retirement benefit liability                  | 3,506                | 3,177                |
| Other   | 647                  | 380                  |
| Total non-current liabilities                 | 4,153                | 3,558                |
| <b>Total liabilities</b>                      | <b>13,324</b>        | <b>12,052</b>        |
| <b>Net assets</b>                             |                      |                      |
| Shareholders' equity                          |                      |                      |
| Share capital                                 | 4,680                | 4,680                |
| Capital surplus                               | 4,610                | 4,610                |
| Retained earnings                             | 31,998               | 28,319               |
| Treasury shares                               | -3,830               | -949                 |
| Total shareholders' equity                    | 37,458               | 36,660               |
| Accumulated other comprehensive income        |                      |                      |
| Valuation difference on marketable securities | 1,984                | 2,739                |
| Foreign currency translation adjustment       | 93                   | 104                  |
| Remeasurements of defined benefit plans       | 22                   | 242                  |
| Total accumulated other comprehensive income  | 2,100                | 3,086                |
| Non-controlling interests                     | 142                  | 142                  |
| <b>Total net assets</b>                       | <b>39,701</b>        | <b>39,889</b>        |
| <b>Total liabilities and net assets</b>       | <b>53,026</b>        | <b>51,942</b>        |

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

|   | FY2025<br>(For the fiscal year<br>ended March 31, 2025) | FY2026<br>(For the fiscal year<br>ended March 31, 2026) |
|---|---|---|
| Net sales   | 39,526  | 41,563  |
| Cost of sales   | 31,165  | 32,177  |
| Gross profit  | 8,360   | 9,385   |
| Selling, general and administrative expenses                      | 6,179   | 6,882   |
| Operating profit  | 2,181   | 2,502   |
| Non-operating profit  |   |   |
| Interest income   | 54  | 61  |
| Dividend income   | 194   | 166   |
| Foreign exchange gains  | 24  | 2   |
| Share of profit of entities accounted for using equity method     | 351   | 394   |
| Other   | 130   | 107   |
| Total non-operating profit  | 754   | 732   |
| Non-operating expenses  |   |   |
| Interest expenses   | 3   | 6   |
| Cost of real estate lease revenue                                 | 24  | —   |
| Provision of allowance for doubtful accounts                      | 58  | 10  |
| Other   | 10  | 9   |
| Total non-operating expenses                                      | 96  | 26  |
| Ordinary profit   | 2,838   | 3,208   |
| Extraordinary income  |   |   |
| Gain on sale of property, plant and equipment                     | 83  | 1   |
| Gain on sale of investment securities                             | 954   | 576   |
| Gain on liquidation of subsidiaries and associates                | 711   | —   |
| Gain on redemption of investment securities                       | 101   | —   |
| Total extraordinary income  | 1,850   | 578   |
| Extraordinary losses  |   |   |
| Loss on retirement of non-current assets                          | 820   | 71  |
| Loss on valuation of investment securities                        | 0   | 1,232   |
| Loss on disaster  | 33  | 3   |
| Difference arising from execution of asset retirement obligations | 14  | —   |
| Total extraordinary losses  | 868   | 1,308   |
| Profit before income taxes  | 3,820   | 2,478   |
| Income taxes - current  | 938   | 1,178   |
| Income taxes - deferred   | -70   | -201  |
| Total income taxes  | 867   | 977   |
| Profit  | 2,952   | 1,501   |
| Profit attributable to non-controlling interests                  | 18  | 0   |
| Profit attributable to owners of parent                           | 2,934   | 1,500   |

(Millions of yen)

|   | FY2025<br>(For the fiscal year<br>ended March 31, 2025) | FY2026<br>(For the fiscal year<br>ended March 31, 2026) |
|---|---|---|
| Profit  | 2,952   | 1,501   |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities                             | 420   | 732   |
| Foreign currency translation adjustment   | -413  | 10  |
| Remeasurements of defined benefit plans, net of tax                               | 17  | 220   |
| Share of other comprehensive income of entities accounted for using equity method | 20  | 21  |
| Total other comprehensive income  | 45  | 985   |
| Comprehensive income  | 2,998   | 2,487   |
| Comprehensive income attributable to  |   |   |
| Comprehensive income attributable to owners of parent                             | 2,979   | 2,486   |
| Comprehensive income attributable to non-controlling interests                    | 19  | 0   |

(3) Consolidated Statement of Changes to Shareholder's Equity  
Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            | Accumulated Other Comprehensive Income                |   |   |  | Non-controlling interests | Total net assets |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|---|---|--|---------------------------|------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Starting balance                                   | 4,680                | 4,631           | 29,972            | -3,533          | 35,750                     | 1,544   | 507                                     | 4                                       | 2,056  | 130                       | 37,937           |
| Changes during period                              |                      |                 |                   |                 |                            |   |   |   |  |                           |                  |
| Dividends of surplus                               |                      |                 | -885              |                 | -885                       |   |   |   |  |                           | -885             |
| Profit attributable to owners of parent            |                      |                 | 2,934             |                 | 2,934                      |   |   |   |  |                           | 2,934            |
| Purchase of treasury shares                        |                      |                 |                   | -433            | -433                       |   |   |   |  |                           | -433             |
| Disposal of treasury shares                        |                      | -44             |                   | 136             | 91                         |   |   |   |  |                           | 91               |
| Transfer from retained earnings to capital surplus |                      | 24              | -24               |                 | —                          |   |   |   |  |                           | —                |
| Total changes during period                        |                      |                 |                   |                 |                            | 440   | -413                                    | 17                                      | 44   | 11                        | 56               |
| Current year-end balance                           | —                    | -20             | 2,025             | -297            | 1,707                      | 440   | -413                                    | 17                                      | 44   | 11                        | 1,763            |
| Starting balance                                   | 4,680                | 4,610           | 31,998            | -3,830          | 37,458                     | 1,984   | 93                                      | 22                                      | 2,100  | 142                       | 39,701           |

## Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            | Accumulated Other Comprehensive Income                |   |   |  | Non-controlling interests | Total net assets |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|---|---|--|---------------------------|------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Starting balance                                   | 4,680                | 4,610           | 31,998            | -3,830          | 37,458                     | 1,984   | 93                                      | 22                                      | 2,100  | 142                       | 39,701           |
| Changes during period                              |                      |                 |                   |                 |                            |   |   |   |  |                           |                  |
| Dividends of surplus                               |                      |                 | -1,066            |                 | -1,066                     |   |   |   |  |                           | -1,066           |
| Profit attributable to owners of parent            |                      |                 | 1,500             |                 | 1,500                      |   |   |   |  |                           | 1,500            |
| Purchase of treasury shares                        |                      |                 |                   | -1,277          | -1,277                     |   |   |   |  |                           | -1,277           |
| Disposal of treasury shares                        |                      | -21             |                   | 66              | 45                         |   |   |   |  |                           | 45               |
| Cancellation of treasury shares                    |                      | -4,092          |                   | 4,092           | —                          |   |   |   |  |                           | —                |
| Transfer from retained earnings to capital surplus |                      | 4,113           | -4,113            |                 | —                          |   |   |   |  |                           | —                |
| Total changes during period                        |                      |                 |                   |                 |                            | 754   | 10                                      | 220                                     | 985  | 0                         | 986              |
| Current year-end balance                           | —                    | —               | -3,678            | 2,881           | -797                       | 754   | 10                                      | 220                                     | 985  | 0                         | 188              |
| Starting balance                                   | 4,680                | 4,610           | 28,319            | -949            | 36,660                     | 2,739   | 104                                     | 242                                     | 3,086  | 142                       | 39,889           |

## (4) Consolidated Statement of Cash Flows

|  | (Millions of yen)                                       |   |
|--|---|---|
|  | FY2025<br>(For the fiscal year<br>ended March 31, 2025) | FY2026<br>(For the fiscal year<br>ended March 31, 2026) |
| <b>Cash flows from operating activities</b>                                      |   |   |
| Profit before income taxes   | 3,820   | 2,478   |
| Depreciation   | 1,339   | 1,577   |
| Amortization of goodwill   | —   | 60  |
| Increase (decrease) in retirement benefit liabilities                            | 106   | -7  |
| Increase (decrease) in allowance for doubtful accounts                           | 56  | 1   |
| Share of loss (profit) loss of entities accounted for using equity method        | -351  | -394  |
| Interest and dividend income   | -249  | -228  |
| Interest expenses  | 3   | 6   |
| Loss (gain) on sale and retirement of non-current assets                         | 737   | 70  |
| Loss (gain) on sale of investment securities                                     | -954  | -576  |
| Loss (gain) on valuation of investment securities                                | 0   | 1,232   |
| Loss (gain) on redemption of investment securities                               | -101  | —   |
| Loss (gain) on liquidation of subsidiaries and associates                        | -711  | —   |
| Decrease (increase) in trade receivables   | 270   | -322  |
| Decrease (increase) in inventories   | 580   | -193  |
| Increase (decrease) in trade payables  | 416   | -724  |
| Other  | 396   | -394  |
| Sub-total  | 5,361   | 2,585   |
| Interest and dividends received  | 261   | 242   |
| Interest paid  | -3  | -6  |
| Income taxes paid  | -826  | -1,061  |
| Income taxes refund  | 0   | —   |
| Cash flows from operating activities   | 4,793   | 1,759   |
| <b>Cash flows from investing activities</b>                                      |   |   |
| Payments into time deposits  | —   | -200  |
| Proceeds from withdrawal of time deposits  | —   | 200   |
| Purchase of securities   | -7,000  | -3,000  |
| Proceeds from redemption of securities   | 3,500   | 7,000   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | -214  | —   |
| Purchase of investment securities  | -2,735  | -506  |
| Proceeds from sale and redemption of investment securities                       | 2,798   | 806   |
| Purchase of non-current assets   | -3,206  | -3,447  |
| Proceeds from sale of non-current assets   | 1,321   | 2   |
| Long-term loan advances  | —   | -10   |
| Other  | -158  | -54   |
| Cash flows from investing activities   | -5,693  | 790   |
| <b>Cash flows from financing activities</b>                                      |   |   |
| Dividends paid   | -884  | -1,066  |
| Proceeds from disposal of treasury shares  | 49  | —   |
| Purchase of treasury shares  | -433  | -1,277  |
| Other  | -78   | -411  |
| Cash flows from financing activities   | -1,347  | -2,755  |
| Effect of exchange rate change on cash and cash equivalents                      | 112   | 8   |
| Net increase (decrease) in cash and cash equivalents                             | -2,134  | -196  |
| Cash and cash equivalents at beginning of period                                 | 11,565  | 9,430   |
| Cash and cash equivalents at end of period                                       | 9,430   | 9,233   |

## (5) Notes to the Consolidated Financial Statements

(Notes on ongoing concern assumption)

Not applicable

(Notes on segment information)

[Segment information]

## 1. Overview of reportable segments

## (1) Basis for determination of reportable segments

The Company's reportable segments are determined based on the nature of the businesses and separated financial information and are used by management in making decisions on the allocation of management resources and evaluating business performance, while formulating comprehensive business strategies. Accordingly, the Group has identified "Textile Business" and "Other Businesses" as its reportable segments.

## (2) Types of products and services in each reportable segment

The "Textile Business" primarily engages in the planning, manufacturing, and sales of apparel fabrics, industrial materials, and related products. The "Other Businesses" mainly consist of logistics operations.

## 2. Basis for measurement of sales, profit, assets, and other items by reportable segment

The accounting methods used for reportable segments are generally consistent with those applied in preparing the consolidated financial statements.

## 3. Information on net sales, profit, assets, and other items by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

|   | Reportable segments |        |          | Adjustment account (Note 1) | Consolidated statements of income (Note 2) |
|---|---------------------|--------|----------|-----------------------------|--|
|   | Textile             | Others | Subtotal |                             |  |
| Sales   |                     |        |          |                             |  |
| Net Sales to External Customers                                 | 39,015              | 511    | 39,526   | —                           | 39,526                                     |
| Intersegment sales or transfers                                 | 33                  | 1,986  | 2,019    | -2,019                      | —  |
| Total   | 39,048              | 2,497  | 41,546   | -2,019                      | 39,526                                     |
| Segment profit (loss)   | 2,090               | 78     | 2,169    | 11                          | 2,181                                      |
| Segment assets  | 47,612              | 6,563  | 54,176   | -1,150                      | 53,026                                     |
| Other items   |                     |        |          |                             |  |
| Depreciation and amortization                                   | 1,290               | 26     | 1,317    | —                           | 1,317                                      |
| Investments in affiliates accounted for using equity            | —                   | 4,843  | 4,843    | —                           | 4,843                                      |
| Increase in property, plant and equipment and intangible assets | 3,421               | 70     | 3,491    | —                           | 3,491                                      |

(Note) 1. The adjustments are as follows:

(1) Adjusting to segment profit consists entirely of eliminating intersegment transactions.

(2) The adjustment to segment assets eliminates intersegment transactions for -1,150 million yen.

2. Segment profit is adjusted with the operating profit shown in the consolidated income statement.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

|   | Reportable segments |        |          | Adjustment account<br>(Note 1) | Consolidated statements of income<br>(Note 2) |
|---|---------------------|--------|----------|--------------------------------|---|
|   | Textile             | Others | Subtotal |                                |   |
| Sales   |                     |        |          |                                |   |
| Net Sales to External Customers                                 | 41,063              | 499    | 41,563   | —                              | 41,563  |
| Intersegment sales or transfers                                 | 31                  | 2,012  | 2,044    | -2,044                         | —   |
| Total   | 41,095              | 2,512  | 43,607   | -2,044                         | 41,563  |
| Segment profit (loss)   | 2,432               | 57     | 2,490    | 12                             | 2,502   |
| Segment assets  | 46,128              | 6,965  | 53,094   | -1,152                         | 51,942  |
| Other items   |                     |        |          |                                |   |
| Depreciation and amortization                                   | 1,548               | 25     | 1,574    | —                              | 1,574   |
| Amortization of goodwill  | 60                  | —      | 60       | —                              | 60  |
| Investments in affiliates accounted for using equity            | —                   | 5,246  | 5,246    | —                              | 5,246   |
| Increase in property, plant and equipment and intangible assets | 3,765               | 41     | 3,807    | —                              | 3,807   |

(Note) 1. The adjustments are as follows:

- (1) Adjusting to segment profit consists entirely of eliminating intersegment transactions.
  - (2) The adjustment to segment assets eliminates intersegment transactions for -1,152 million yen.
2. Segment profit is adjusted with the operating profit shown in the consolidated income statement.

## (Per-share Information)

Net assets per share and the basis of calculation, as well as net income per share and the basis of calculation, are as follows:

| Item  | FY2025<br>(For the fiscal year<br>ended March 31, 2025) | FY2026<br>(For the fiscal year<br>ended March 31, 2026) |
|---|---|---|
| (1) Net assets per share  | 998.19 yen  | 1,042.52 yen  |
| (Basis of calculation)  |   |   |
| Total net assets on the consolidated balance sheet (Millions of yen)                      | 39,701  | 39,889  |
| Net assets attributable to common stock (Millions of yen)                                 | 39,558  | 39,747  |
| Main components of the difference (Millions of yen)<br>Non-controlling interests          | 142   | 142   |
| Total number of common Shares issued (Thousands of shares)                                | 43,140  | 39,240  |
| Number of treasury Shares of common stock (Thousands of shares)                           | 3,510   | 1,114   |
| Number of common shares used in calculation of net assets per share (Thousands of shares) | 39,630  | 38,126  |

| Item   | FY2025<br>(For the fiscal year<br>ended March 31, 2025) | FY2026<br>(For the fiscal year<br>ended March 31, 2026) |
|--|---|---|
| (2) Net income per share   | 73.42 yen   | 38.51 yen   |
| (Basis of Calculation)   |   |   |
| Profit attributable to owners of parent (Millions of yen)                                    | 2,934   | 1,500   |
| Amount not attributable to common shareholders (Millions of yen)                             | —   | —   |
| Profit attributable to common shareholders (Millions of yen)                                 | 2,934   | 1,500   |
| Average number of shares of common stock outstanding during the period (Thousands of shares) | 39,973  | 38,970  |

(Note) Diluted net income per share is not presented because there are no dilutive shares.

## (Significant Event after Reporting Period)

Not applicable.