



Summary of Financial Results for the Second Quarter (Interim period) Ended September 30, 2025 [Japan GAAP] (Consolidated)

October 30, 2025

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 Scheduled date of filing of interim report: November 13, 2025 Scheduled starting date of dividend payment: November 28, 2025
 Preparation of supplementary financial document: Yes
 Financial results briefing: Yes

(Rounded down to million yen)

1. Consolidated financial results for the six months ended September 2025 (April 1, 2025, through September 30, 2025)

(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	%
Six months ended Sep. 2025	20,354	6.5	1,353	16.4	1,693	10.4	189	-88.4
Six months ended Sep. 2024	19,113	8.1	1,163	57.9	1,534	27.7	1,629	83.0

(Note) Comprehensive income

Six months ended September 2025: 177 million yen (-88.8%)

Six months ended September 2024: 1,590 million yen (-16.7%)

	Basic earnings per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 2025	4.82	—
Six months ended Sep. 2024	40.67	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2025	51,024	38,929	76.0	992.97
As of March 31, 2025	53,026	39,701	74.6	998.19

(Reference) Shareholders' equity

As of September 30, 2025: 38,788 million yen

As of March 31, 2025: 39,558 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2025	—	12.00	—	13.00	25.00
Year ending Mar. 2026	—	14.00			
Year ending Mar. 2026 (forecast)			—	13.00	27.00

(Note) Revisions to dividend forecast for the current quarter: No

3. Forecast of consolidated financial results for the fiscal year ending March 2026 (April 1, 2025, through March 31, 2026)

(% figures for the full year are the year-on-year change)

	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	41,000	3.7	2,650	21.5	3,200	12.7	1,400	-52.3	35.33

(Note) Revisions to financial forecast for the current quarter: Yes

*** 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.

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements: No

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

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|---|------|
| 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 |

(4) Number of shares outstanding (common stock)

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

As of September 30, 2025	43,140,999shares
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As of March 31, 2025	43,140,999shares
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2) Number of Treasury stock at the end of the period

As of September 30, 2025	4,078,229shares
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As of March 31, 2025	3,510,396shares
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3) Average number of stock during period (cumulative total)

Six months ended September 2025	39,331,046shares
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Six months ended September 2024	40,078,065shares
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* This second quarter (interim) financial results summary is not subject to review by a certified public accountant or an audit 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 “(3) Consolidated Financial Forecasts and Other Forward-Looking Information” 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 Interim Financial Results

(1) Results of Operations

During the interim consolidated accounting period, the Japanese economy, supported by a solid employment and income environment and inbound demand, generally trended toward a moderate recovery. Meanwhile, in addition to increases in personnel and logistics costs amid yen depreciation and labor shortages, the prolonged price rise, particularly for daily necessities, caused personal consumption to stagnate. In addition, the outlook remains uncertain due to factors such as U.S. tariff policy trends and geopolitical risks.

In this environment, in our domestic businesses, performance remained firm, mainly in the apparel sector, where we strengthened our sales activities, and in the daily-life-related materials sector, which performed well. In overseas markets, we worked to expand sales in Europe, the United States, the Middle East, Asia, and other regions. As a result, both domestic and overseas operations recorded higher sales and profits.

Under these circumstances, the Group has been implementing concrete measures since 2024 to achieve the medium-term management plan “KFW-2026.” During the interim consolidated accounting period, the “Second Logistics Center,” which represents the first step toward reorganizing plants to improve productivity and addresses one of our foundation-strengthening issues, namely “development of the manufacturing environment,” was completed in August and began operation in September. We will continue to make proactive capital investments, enhance production equipment, improve the work environment, and operate our business with consideration for the environment.

As a result, during the interim consolidated accounting period, net sales were 20,354 million yen (up 6.5% YoY), and operating profit was 1,353 million yen (up 16.4% YoY). Ordinary profit was 1,693 million yen (up 10.4% YoY), resulting in year-on-year increases in both sales and profits for the interim period. Profit attributable to owners of parent was 189 million yen (down 88.4% YoY) due to a 1,232 million yen loss on the valuation of investment securities for a portion of non-listed shares.

Segment performance was as follows.

(Textile business)

In the Fashion fabrics division, we actively promoted high-value-added and environmentally friendly products to domestic and overseas markets to meet market needs and expand sales. Although orders in the sports and functional fields decreased during the interim consolidated accounting period, sales increased for fashion, including European luxury brands, and for traditional clothing in the Middle East, resulting in overall sales growth in this division.

In the Highly functional fabrics division, although we exited unprofitable businesses in the living-related sector, the daily-life-related materials sector grew substantially, driving overall sales growth in this division. In the finished products division, revenue increased due to the expansion of business scope following the consolidation of subsidiaries.

As a result of the above, sales in this business were 20,107 million yen for the interim consolidated accounting period.

(Other businesses)

Sales in the logistics field were 246 million yen for the interim consolidated accounting period.

(2) Financial Position

① Assets, liabilities, and net assets

(Assets)

Total assets at the end of the interim period under review amounted to 51,024 million yen, a decrease of 2,001 million yen from the end of the previous consolidated fiscal year. This decrease was primarily due to a decrease of 2,057 million yen in cash and deposits, a decrease of 698 million yen in marketable securities and investment securities, and a decrease of 189 million yen in notes receivable, despite an increase of 608 million yen in property, plant and equipment and an increase of 416 million yen in raw materials and supplies.

(Liabilities)

Liabilities at the end of the interim consolidated accounting period were 12,094 million yen, a decrease of 1,229 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 922 million yen in notes and accounts payable–trade and 88 million yen in contract liabilities.

(Net assets)

Net assets at the end of the interim consolidated accounting period were 38,929 million yen, a decrease of 771 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 410 million yen in treasury shares and a decrease of 348 million yen in retained earnings.

② Cash Flows

Cash and cash equivalents (hereinafter, “funds”) at the end of the interim consolidated accounting period decreased by 2,257 million yen from the end of the previous consolidated fiscal year to 7,172 million yen. The status of each cash flow and the factors affecting them during the interim consolidated accounting period are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was 501 million yen (compared with net cash provided of 247 million yen in the same period of the previous year). The main components of cash inflows were a 1,232 million yen loss on valuation of investment securities and profit before income taxes of 746 million yen; the main components of cash outflows were a 918 million yen decrease in trade payables and 595 million yen in income taxes paid.

(Cash Flows from Investing Activities)

Net cash used in investing activities was 1,412 million yen (compared with net cash used of 4,114 million yen in the same period of the previous year). The main components of cash inflows were 3,000 million yen in proceeds from redemption of securities and 471 million yen in proceeds from sale and redemption of investment securities; the main components of cash outflows were 3,000 million yen for purchase of securities, 1,147 million yen for purchase of non-current assets, 506 million yen for sale of investment securities, and 200 million yen for payments into time deposits.

(Cash Flows from Financing Activities)

Net cash used in financing activities was 1,337 million yen (compared with net cash used of 425 million yen in the same period of the previous year). This was mainly due to dividends of 516 million yen, and 477 million yen for the purchase of treasury shares.

(3) Consolidated Financial Forecasts and Other Forward-Looking Information

With respect to the consolidated financial forecast for the fiscal year ending March 2026, we have revised the full-year earnings forecast announced on September 4, 2025.

For details, please refer to today's "Notice regarding recognition of extraordinary losses (valuation loss on investment securities) and notice regarding differences between the second quarter (interim period) earnings forecast and actual results, and revision to the full-year consolidated earnings forecast."

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	9,430	7,372
Notes receivable - trade	1,231	1,041
Accounts receivable - trade	6,471	6,408
Securities	4,000	4,695
Merchandise and finished goods	1,656	1,468
Work in process	948	872
Raw materials and supplies	1,985	2,402
Other	182	208
Allowance for doubtful accounts	-20	-16
Total current assets	25,885	24,453
Non-current assets		
Property, plant and equipment	8,009	8,617
Intangible assets	1,800	1,923
Investments and other assets		
Investment securities	16,185	14,791
Deferred tax assets	908	978
Other	382	404
Allowance for doubtful accounts	-145	-144
Total investments and other assets	17,331	16,030
Total non-current assets	27,140	26,571
Total assets	53,026	51,024

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,508	4,585
Income taxes payable	645	674
Contract liabilities	131	43
Provision for bonuses	770	894
Other	2,114	1,854
Total current liabilities	9,171	8,053
Non-current liabilities		
Retirement benefit liability	3,506	3,575
Other	647	465
Total non-current liabilities	4,153	4,041
Total liabilities	13,324	12,094
Net assets		
Shareholders' equity		
Share capital	4,680	4,680
Capital surplus	4,610	4,610
Retained earnings	31,998	31,649
Treasury shares	-3,830	-4,241
Total shareholders' equity	37,458	36,698
Accumulated other comprehensive income		
Valuation difference on marketable securities	1,984	1,996
Foreign currency translation adjustment	93	72
Remeasurements of defined benefit plans	22	20
Total accumulated other comprehensive income	2,100	2,089
Non-controlling interests	142	141
Total net assets	39,701	38,929
Total liabilities and net assets	53,026	51,024

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	19,113	20,354
Cost of sales	15,026	15,804
Gross profit	4,087	4,549
Selling, general and administrative expenses	2,924	3,195
Operating profit	1,163	1,353
Non-operating profit		
Dividend income	112	91
Share of profit of entities accounted for using equity method	172	167
Foreign exchange gains	19	—
Other	114	98
Total non-operating profit	418	357
Non-operating expenses		
Interest expenses	0	3
Foreign exchange losses	—	10
Rental costs on real estate	20	—
Exchange rate contract valuation loss	0	1
Provision of allowance for doubtful accounts	25	—
Other	1	2
Total non-operating expenses	47	18
Ordinary profit	1,534	1,693
Extraordinary profit		
Gain on sale of non-current assets	—	0
Gain on sale of investment securities	—	321
Gain on redemption of investment securities	101	—
Gain on liquidation of subsidiaries and associates	711	—
Total extraordinary profit	813	322
Extraordinary losses		
Loss on retirement of non-current assets	33	35
Loss on valuation of investment securities	—	1,232
Loss on disaster	23	0
Difference in fulfillment of asset retirement obligations	14	—
Total extraordinary losses	71	1,268
Profit before income taxes	2,275	746
Income taxes - current	366	628
Income taxes - deferred	266	-71
Total income taxes	632	557
Profit	33	35
Profit (loss) attributable to non-controlling interests	13	-0
Profit attributable to owners of parent	1,629	189

Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	1,642	189
Other comprehensive income		
Valuation difference on available-for-sale securities, before tax	333	16
Foreign currency translation adjustment	-405	-20
Remeasurements of defined benefit plans, net of tax	-0	-2
Share of other comprehensive income of entities accounted for using equity method	20	-4
Total other comprehensive income	-52	-11
Comprehensive income	1,590	177
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,576	178
Comprehensive income attributable to non-controlling interests	13	-0

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,275	746
Depreciation	609	686
Amortization of goodwill	—	30
Increase (decrease) in retirement benefit liabilities	45	66
Increase (decrease) in allowance for doubtful accounts	19	-4
Share of loss (profit) loss of entities accounted for using equity method	-172	-167
Interest and dividend income	-144	-122
Interest expenses	0	3
Loss (gain) on sale and retirement of non-current assets	33	35
Loss (gain) on sale of investment securities	—	-321
Loss (gain) on redemption of investment securities	-101	—
Loss (gain) on valuation of investment securities	-711	—
Loss (gain) on liquidation of subsidiaries and associates	—	1,232
Decrease (increase) in trade receivables	629	244
Decrease (increase) in inventories	204	-166
Increase (decrease) in trade payables	86	-918
Other	-7	-367
Sub-total	2,765	977
Interest and dividends received	150	123
Interest paid	-0	-3
Income taxes paid	-508	-595
Cash flows from operating activities	2,407	501
Cash flows from investing activities		
Payments into time deposits	—	-200
Purchase of securities	-3,000	-3,000
Proceeds from redemption of securities	500	3,000
Purchase of investment securities	-734	-506
Proceeds from sale and redemption of investment securities	601	471
Purchase of non-current assets	-1,358	-1,147
Proceeds from sale of non-current assets	—	0
Proceeds from collection of long-term loans receivable	5	—
Other	-128	-30
Cash flows from investing activities	-4,114	-1,412
Cash flows from financing activities		
Dividends paid	-402	-516
Purchase of treasury shares	-0	-477
Other	-22	-343
Cash flows from financing activities	-425	-1,337
Effect of exchange rate change on cash and cash equivalents	113	-9
Net increase (decrease) in cash and cash equivalents	-2,018	-2,257
Cash and cash equivalents at beginning of period	11,565	9,430
Cash and cash equivalents at end of period	9,547	7,172

(3) Notes to the interim consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

【Segment information】

I Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information about sales and profit by reportable segment

(Millions of yen)

	Reportable segments			Adjustment account (Note 1)	Quarterly consolidated statements of income (Note 2)
	Textile	Others	Subtotal		
Sales					
Sales to external customers	18,852	261	19,113	—	19,113
Intersegment sales or transfers	15	983	999	-999	—
Total	18,868	1,244	20,112	-999	19,113
Segment profit	1,120	36	1,157	5	1,163

(Notes) 1. Adjustments to segment profit refer to eliminating inter-segment transactions.

2. Segment profit is adjusted with an operating profit in the interim consolidated statement of income.

II Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Information about sales and profit by reportable segment

(Millions of yen)

	Reportable segments			Adjustment account (Note 1)	Quarterly consolidated statements of income (Note 2)
	Textile	Others	Subtotal		
Sales					
Sales to external customers	20,107	246	20,354	—	20,354
Intersegment sales or transfers	16	999	1,015	-1,015	—
Total	20,124	1,245	21,369	-1,015	20,354
Segment profit	1,313	34	1,348	5	1,353

(Notes) 1. Adjustments to segment profit refer to eliminating inter-segment transactions.

2. Segment profit is adjusted with an operating profit in the interim consolidated statement of income.