

FAQ (Frequently Asked Questions and Answers)  
Third Quarter Results for Fiscal Year 2026 (February 5, 2026)

■ **FY2026 Outlook**

**Q. What is the progress toward the consolidated earnings forecast?**

- A. While the ICT Solutions business and the Mobile business are performing well, uncertainties remain due to domestic inflation, geopolitical risks, and semiconductor shortages. As a result, overall performance is progressing in line with the full-year forecast.

**Q. What is the outlook for the ICT Solution segment?**

- A. With the growing demand for security measures and digital transformation (DX), strong performance in storage and server solutions for the manufacturers in sectors such as defense and semiconductors, as well as network solutions for the distribution sector, coupled with growing demand for services and security, is expected to drive continued robust performance.

**Q. What is the outlook for the Mobile business?**

- A. Sales are expected to remain solid, supported by an increase in unit sales from the direct operation of secondary stores, expansion of company-owned stores, and a broader sales network, as well as the continued growth in the corporate business.

**Q. What is the outlook for the defense-related business?**

- A. In the defense-related business within the Motor Vehicle & Aerospace segment, we expect stable growth in demand over the medium to long term, driven by increasing defense needs both domestically and internationally. In particular, with the expected rise in government defense budgets and the acquisition of new contracts, we expect performance to remain strong going forward. Regarding the sales contract for two next-generation primary trainer aircraft concluded with the Acquisition, Technology & Logistics Agency (ATLA) on December 12, 2025, delivery is scheduled for March 2029, and the impact on earnings is expected to occur from the following fiscal year onward.

**Q. What is the outlook for the Steel Tubing business?**

- A. We expect a slowdown due to continued weak demand since last year, along with rising costs associated with higher material prices.

**Q. How do U.S. tariff policies impact your business performance?**

- A. Although there are signs of a slowdown in exports to the U.S., particularly in the Motor Vehicles & Parts and Machine Tools & Industrial Machinery businesses, we believe the impact on our overall performance will be limited. We will continue to closely monitor future developments, including any indirect effects, and strive to minimize potential impacts.

## ■ The Medium-term Management Plan, “integration 1.1” (covering FY2025–FY2027)

### Q. How does Kanematsu plan to achieve a profit goal of ¥35.0 billion?

- A. In addition to the growth of the high-growth ICT Solution segment, we aim to improve the Group's overall profit by expanding the value provided through ICT solutions and digital transformation (DX) across other segments. While we do not disclose profit targets for each fiscal year, we do not expect a fixed annual increase in profits. The amount of profit growth will vary depending on the timing of investments and M&A activities, and we will remain flexible in our approach.

### Q. Please provide an update and outlook on the ¥60.0 billion growth investment plan.

- A. In the third quarter of the fiscal year ending March 2026, approximately ¥2.7 billion had been invested, bringing the total cumulative investment over the medium-term management plan period to ¥21.0 billion. Moving forward, we will continue to pursue agile and selective investments aimed at achieving sustainable growth and enhancing corporate value.

### Q. What are the ROIC targets for each segment?

- A. Under the current Medium-Term Management Plan, we do not have specific ROIC targets for individual segments; instead, we have set a group ROIC target of 8%. While the level of ROIC may vary across segments due to the characteristics of each business, our goal is to enhance ROIC in each segment.

## ■ Investment

### Q. What were the major investments made through the third quarter?

- A. We executed investments, including in Electronics and Materials Corporation, PT Alam Energy Indonesia, Root Riff Systems, Inc., and Koei Sangyo Co., Ltd.

### Q. Please provide an overview of Root Riff Systems.

- A. Root Riff Systems employs a large number of engineers with advanced technical expertise and provides one-stop services ranging from IT consulting to system design and implementation, as well as training and technical support. While our ICT Solutions business is currently performing strongly, a shortage of engineers is expected to become one of the key challenges going forward. In particular, as projects in the network-related business continue to increase in scale and complexity, securing and developing highly skilled professionals has become a critical issue for achieving sustainable growth. Against this backdrop, we acquired an equity stake in the company.

### Q. Please provide an overview of Koei Sangyo.

- A. Koei Sangyo is engaged in the design and manufacture of industrial machinery. Leveraging its proprietary technologies, we acquired an equity stake in the company with the aim of expanding its business and creating synergies by utilizing our group's broad customer base and network.

## ■ Finance

### Q. What are the assumptions regarding exchange rate fluctuations and their impact on earnings result?

- A. Our foreign currency-denominated transactions, mainly imports in the Foods, Meat & Grain segment, are largely hedged through foreign exchange forward contracts and sold at yen prices. As a result, the impact

on profit and loss is generally neutral. However, a fluctuation of 1 yen in the exchange rate is estimated to have an impact of approximately ¥300 million on foreign currency translation adjustments within shareholders' equity. For our earnings forecast, we are assuming an exchange rate of 150 yen to the U.S. dollar.

**Q. Having achieved a net D/E ratio of 0.62x in the third quarter, in line with the goals outlined in the medium-term management plan “integration 1.1,” are there any adjustments to the goals?**

- A. The recent net D/E ratio stands at 0.62x, reflecting cash inflows from the sale of strategic shareholdings, with investments slightly behind the expected pace. However, there are no revisions to the target net D/E ratio outlined in the medium-term management plan. Our goal over the three-year period of the plan remains to maintain the net D/E ratio to around 1.0x while continuing investments. While borrowing may increase at the time of investment, we will actively maintain the net D/E ratio aiming at our targeted rate.

## ■ Stock Split

**Q. What is the purpose of the stock split?**

- A. The purpose of the stock split is to reduce the investment unit price of our shares, thereby creating an environment in which investors can invest more easily in our shares. Through this initiative, we aim to improve the liquidity of our shares and broaden our investor base.

**Q. Please explain the impact on dividends.**

- A. The FY2026 year-end dividend per share has been revised from ¥57.50 (pre-split basis) to ¥31.25 (equivalent to ¥62.50 on a pre-split basis) following the stock split at the end of December. As a result, the full-year dividend forecast has already been increased by ¥5, from ¥115 to ¥120 on a pre-split basis.

## ■ Shareholder Return

**Q. What is Kanematsu's policy on shareholder return?**

- A. We have set a target shareholder return of 30%–35% in the medium-term management plan “integration 1.1.” With a core principle of ensuring continuous and stable dividends, we aim to increase the annual dividend through growth in net profit.

**Q. What is Kanematsu's policy regarding share buyback?**

- A. We are prioritizing returning to our shareholders through dividends rather than pursuing share buybacks.

## ■ DX

**Q. What are the examples of recent DX initiatives?**

- A. Recent examples:
- Acquired 100% of the shares of Root Riff Systems, a provider of IT infrastructure services (Oct 2025).
  - Second investment of the Nippon Cybersecurity Fund: Constella Security Japan Inc. (Oct 2025)
  - First investment of the Nippon Cybersecurity Fund: LRM Inc. (Sep 2025)
  - Launched “Hay Portal,” a digital platform for feed (hay) imports (Aug 2025)
  - Established strategic IT subsidiary "Kanematsu Seed Port Corporation" (April 2025)

## ■ GX

### Q. What is the GX strategy of Kanematsu?

- A. With the GX Promotion Committee and the group-wide organization GX Accelerator at its core, we are driving initiatives focused on strategic planning for monetization, setting both quantitative and qualitative objectives, and pursuing specific business endeavors. Our strategic focus is on four key areas: “Renewable energy,” “Agriculture and Food,” “Materials,” and “Venous industry.” These areas are deeply embedded in the supply chains of industries we operate in, enabling us to identify challenges and develop solutions directly on-site.

In the fiscal year ended March 2025, we achieved ahead of schedule the greenhouse gas (GHG) reduction targets set in 2022—carbon neutrality by 2025 and carbon negativity of minus 1,000,000 t-CO<sub>2</sub> by 2030 and 2050. Following this achievement, we have formulated a new basic approach and policies on climate change, as well as updated GHG indicators and targets. For more information on our new climate guidelines, please refer to the news release on our corporate website.

### Q. What are the specific examples of GX initiatives?

- A. Recent examples:
- Began supplying domestically produced rice combined with added environmental value to Skylark Holdings Co., Ltd. (December 2025)
  - Began supplying FAME-blended biofuel for ocean-going vessels together with Idemitsu Kosan Co., Ltd. (December 2025)
  - A solar power generation system was installed by Alam Energy Indonesia at our food processing plant in Indonesia (November 2025)
  - Investment in Alam Energy Indonesia (Sep 2025)
  - Began initiatives with dsm-firmenich (Netherlands) to reduce environmental impact of livestock products using methane-reducing cattle feed (Jul 2025)
  - Formulated new climate guidelines aimed at achieving a decarbonized society (June 2025)
  - Invested in TOWING Co., Ltd. and launched a pilot project for the high-performance biochar “Soratan” (May 2025)

#### Disclaimer:

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