



Connectors bridging abundant societies and the future

# Fiscal Year Ended March 31, 2026 Financial Results Presentation

**KEL Corporation**

Securities Code

**6919**

May 12, 2026

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## FY2025 Financial Results

**Net sales: 12.8 billion yen (up 8.3% year on year), operating profit: 280 million yen (down 52.3% year on year)**

- Sales to the industrial equipment market grew, achieving sales growth that exceeded the initial plan
- Unable to offset the impact of soaring raw material costs (mainly gold prices), resulting in lower profits

## Progress of Medium-Term Management Plan

- Overseas net sales expanded, driven primarily by the Chinese market, and a sales site was established in Singapore for the Indian and Southeast Asian markets
- Development of enhanced products for focus markets progressed, and high-power connectors will be released in the second half
- Although price revisions and cost reduction measures are being implemented, raw material costs are rising faster than anticipated

## FY2026 Financial Results Forecast

**Net sales: 13.6 billion yen (up 5.8% year on year), operating profit: 230 million yen (down 19.3% year on year)**

- We will regard the gap with the medium-term management plan as an opportunity to restructure our business portfolio and address issues in order to achieve our numerical targets
- We will improve our earnings model through appropriate price pass-through, improvements in quality and productivity, and a review of the production system



# 1. FY2025 Financial Results

## FY2025 Consolidated Financial Results



- Sales to the industrial equipment market grew, achieving revenue growth that exceeded the initial plan; however, the significant impact of soaring raw material costs (mainly gold) resulted in higher sales but lower profit
- Following the discovery of quality defects in some products, 40 million yen was recorded as an extraordinary loss for repair costs and related expenses

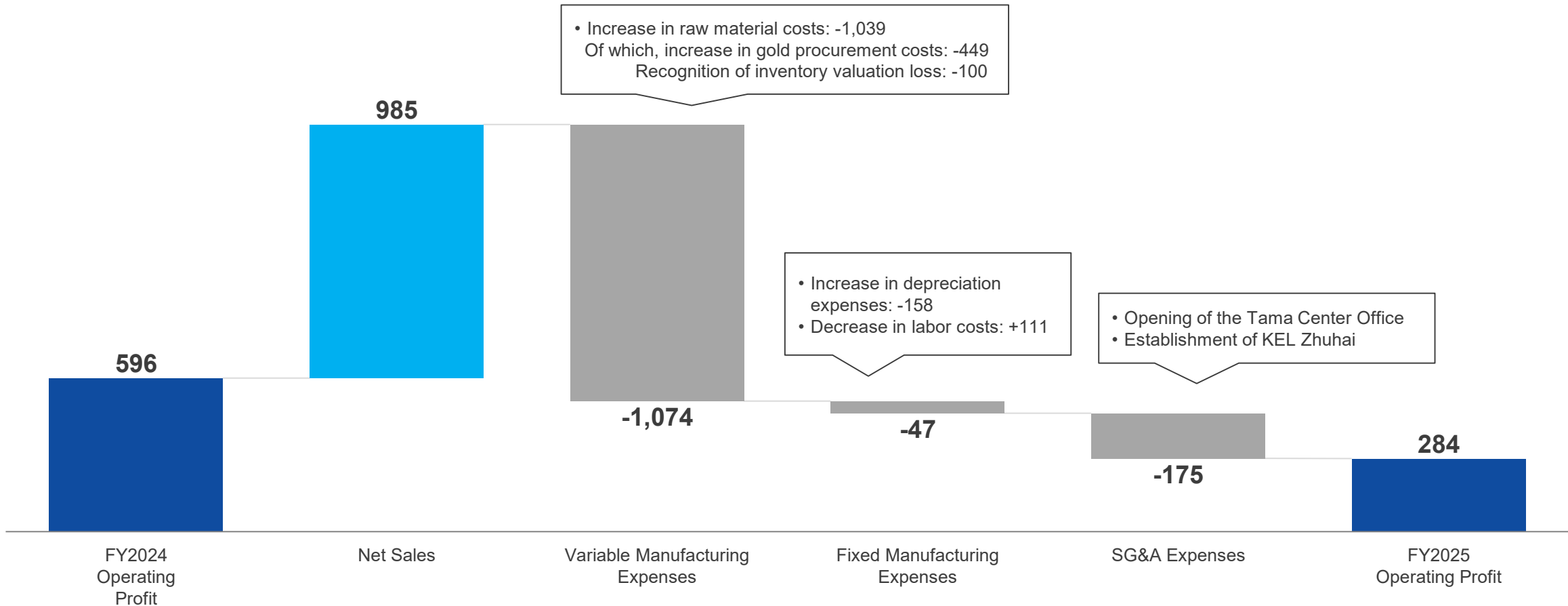
Unit: Millions of yen	FY2023		FY2024		FY2025		YoY		Vs. Original Forecast*		
	Result	Composition	Result	Composition	Result	Composition	Change	%	Forecast	Change	%
<b>Net sales</b>	12,231	100.0%	11,871	100.0%	<b>12,857</b>	<b>100.0%</b>	+985	+8.3%	12,500	+357	+2.9%
<b>Gross profit</b>	3,277	26.8%	2,936	24.7%	<b>2,799</b>	<b>21.8%</b>	(136)	-4.6%	-	-	-
<b>Operating profit</b>	1,095	9.0%	596	5.0%	<b>284</b>	<b>2.2%</b>	(311)	-52.3%	320	(35)	-11.0%
<b>Ordinary profit</b>	1,268	10.4%	585	4.9%	<b>384</b>	<b>3.0%</b>	(201)	-34.3%	450	(65)	-14.6%
<b>Profit before income taxes</b>	1,266	10.4%	583	4.9%	<b>357</b>	<b>2.8%</b>	(225)	-38.7%	-	-	-
<b>Profit attributable to owners of parent</b>	852	7.0%	401	3.4%	<b>210</b>	<b>1.6%</b>	(191)	-47.6%	310	(99)	-32.1%
<b>Profit per share (yen)</b>	117.30	-	55.23	-	<b>28.92</b>	-	(26.31)	-	42.61	(13.69)	-
<b>Dividend per share (yen)</b>	95.00	-	80.00	-	<b>80.00</b>	-	±0	-	80.00	±0	-

# FY2025 Consolidated Operating Profit Analysis

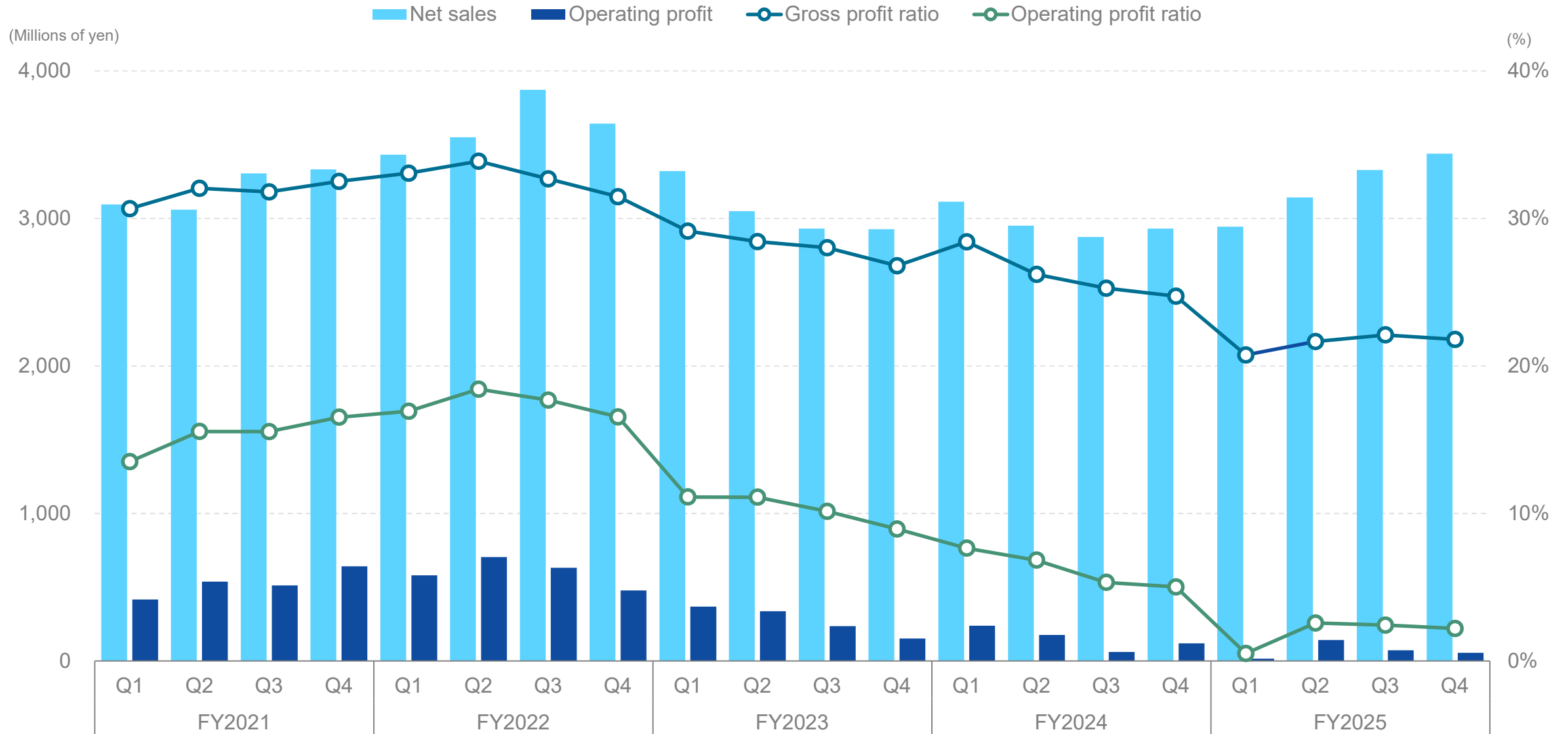


- While KEL Zhuhai drove sales growth, the continued increase in raw material costs (mainly gold procurement costs) put pressure on earnings, offsetting the effect of higher sales
- Although labor costs decreased, depreciation expenses increased. Profit decreased year on year due to investments associated with the opening of the Tama Center Office and the establishment of KEL Zhuhai, and other areas

(Millions of yen)



# Quarterly Performance Trends



## Net Sales by Region



- In the Japanese market, sales to the automotive equipment market grew, and sales to the amusement equipment market also exceeded the initial plan
- In the Chinese market, drone applications drove net sales. In the European market, sales to the automotive equipment market slowed following the discontinuation of adopted models

Unit: Millions of yen	FY2023		FY2024		FY2025		YoY	
	Result	Composition	Result	Composition	Result	Composition	Change	%
<b>Japan</b>	7,306	59.7%	6,703	56.5%	<b>7,584</b>	<b>59.0%</b>	+880	+13.1%
<b>China</b>	2,125	17.4%	2,245	18.9%	<b>2,608</b>	<b>20.3%</b>	+362	+16.1%
<b>Other Asia</b>	1,444	11.8%	1,378	11.6%	<b>1,353</b>	<b>10.5%</b>	(25)	-1.9%
<b>Europe</b>	998	8.2%	1,258	10.6%	<b>1,026</b>	<b>8.0%</b>	(232)	-18.5%
<b>U.S.</b>	356	2.9%	285	2.9%	<b>285</b>	<b>2.2%</b>	+0	+0%
<b>Total</b>	12,231	100.0%	11,871	100.0%	<b>12,857</b>	<b>100.0%</b>	+985	+8.3%

## Net Sales by Region: Quarterly Trends



- In the China market, net sales increased QoQ as mass production by KEL Zhuhai gradually got on track
- In other Asian markets, sales to the telecommunication equipment market in Taiwan slowed in Q4 due to semiconductor shortages
- In the European market, sales to the automotive market increased in Q4 ahead of model discontinuation, but this was a temporary factor

Unit: Millions of yen	FY2021				FY2022				FY2023				FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Japan</b>	1,779	1,780	1,986	1,878	1,943	2,153	2,101	2,423	2,120	1,821	1,670	1,694	1,664	1,522	1,746	1,769	<b>1,815</b>	<b>1,859</b>	<b>1,987</b>	<b>1,921</b>
<b>China</b>	335	459	477	427	444	514	688	377	413	559	602	549	413	761	451	619	<b>479</b>	<b>575</b>	<b>668</b>	<b>885</b>
<b>Other Asia</b>	506	418	543	506	646	551	703	452	465	337	334	306	465	290	404	218	<b>338</b>	<b>400</b>	<b>371</b>	<b>241</b>
<b>Europe</b>	348	275	179	377	259	233	240	218	218	241	238	299	218	559	212	269	<b>254</b>	<b>238</b>	<b>224</b>	<b>308</b>
<b>U.S.</b>	125	126	118	142	139	98	139	170	104	90	84	77	104	66	60	53	<b>57</b>	<b>69</b>	<b>76</b>	<b>82</b>
<b>Total</b>	<b>3,095</b>	<b>3,060</b>	<b>3,305</b>	<b>3,332</b>	<b>3,433</b>	<b>3,550</b>	<b>3,872</b>	<b>3,643</b>	<b>3,321</b>	<b>3,050</b>	<b>2,931</b>	<b>2,927</b>	<b>3,113</b>	<b>2,952</b>	<b>2,875</b>	<b>2,930</b>	<b>2,945</b>	<b>3,144</b>	<b>3,328</b>	<b>3,439</b>

## Overview of Net Sales by Market



Unit: Millions of yen	FY2023		FY2024		FY2025		YoY		FY2025 Overview
	Result	Composition	Result	Composition	Result	Composition	Change	%	
<b>Industrial Equipment</b>	3,530	28.9%	3,310	27.9%	<b>4,251</b>	<b>33.1%</b>	+941	+28.4%	Although delays in clearing excess inventories across industrial equipment, including semiconductor manufacturing equipment, continued, sales increased mainly for models adopted for drones
<b>Automotive Equipment</b>	2,748	22.5%	3,137	26.4%	<b>3,015</b>	<b>23.5%</b>	(121)	-3.9%	Sales to major Japanese customers remained strong, but sales declined mainly for models adopted for overseas production
<b>Image Equipment</b>	1,512	12.4%	1,353	11.4%	<b>1,446</b>	<b>11.3%</b>	+93	+6.9%	Production was maintained for models adopted in surveillance cameras for overseas customers
<b>Medical Equipment</b>	1,300	10.6%	1,656	13.9%	<b>1,539</b>	<b>12.0%</b>	(117)	-7.1%	Decreased due to the impact of major customers having secured inventory in advance as part of BCP measures in the previous fiscal year
<b>Amusement Equipment</b>	1,750	14.3%	1,063	9.0%	<b>1,307</b>	<b>10.2%</b>	+243	+22.9%	Increased mainly due to adoption for major slot machine titles
<b>Telecommunication, Other</b>	1,388	11.3%	1,350	11.4%	<b>1,297</b>	<b>10.1%</b>	(53)	-4.0%	Decreased due to the impact of production adjustments caused by semiconductor supply shortages for models adopted for telecommunication equipment
<b>Total</b>	12,231	100.0%	11,871	100.0%	<b>12,857</b>	<b>100.0%</b>	+985	+8.3%	-

## Net Sales by Market: Quarterly Trends



Unit: Millions of yen	FY2021				FY2022				FY2023				FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Industrial Equipment</b>	1,007	947	1,104	1,017	1,186	1,199	1,372	1,185	1,010	869	844	805	861	767	852	828	<b>888</b>	<b>990</b>	<b>1,119</b>	<b>1,253</b>
<b>Automotive Equipment</b>	677	599	598	809	771	655	726	674	635	669	703	740	875	836	696	728	<b>740</b>	<b>714</b>	<b>783</b>	<b>776</b>
<b>Image Equipment</b>	556	557	550	501	469	537	569	498	414	391	362	344	350	381	348	273	<b>304</b>	<b>363</b>	<b>376</b>	<b>401</b>
<b>Medical Equipment</b>	302	323	354	392	359	337	405	415	330	337	301	331	359	428	462	406	<b>355</b>	<b>372</b>	<b>370</b>	<b>441</b>
<b>Amusement Equipment</b>	326	368	402	284	283	339	362	571	595	460	318	376	280	183	186	412	<b>368</b>	<b>318</b>	<b>303</b>	<b>317</b>
<b>Telecommunication, Other</b>	225	264	295	327	362	480	437	297	334	323	401	329	386	354	328	281	<b>289</b>	<b>384</b>	<b>374</b>	<b>249</b>
<b>Total</b>	<b>3,095</b>	<b>3,060</b>	<b>3,305</b>	<b>3,332</b>	<b>3,433</b>	<b>3,550</b>	<b>3,872</b>	<b>3,643</b>	<b>3,321</b>	<b>3,050</b>	<b>2,931</b>	<b>2,927</b>	<b>3,113</b>	<b>2,952</b>	<b>2,875</b>	<b>2,930</b>	<b>2,945</b>	<b>3,144</b>	<b>3,328</b>	<b>3,439</b>



## **2. Progress of Medium-Term Management Plan**



# Medium-Term Management Plan (FY2025 – FY2027) Basic Policy and Numerical Targets



- We formulated a medium-term management plan as the first phase of KEL Vision 2030
- We will expand our business by strengthening our global structure, new product development, and focus market development

## Medium-Term Management Plan

### Basic Policy

1. Strengthen our global structure to grow overseas sales (development, supply, and sales capabilities)
2. Grow our businesses through stronger new product development and focused market development

### Business Strategy

- Expand connector business
- Foster business innovation for our harness business
- Transform the equipment business into value-added business

### Focus Markets

- Industrial Equipment
- Automotive Equipment
- Image Equipment
- Medical Equipment
- Telecommunication Equipment

### Targets

	FY2027 (Target)
Net sales	15,500 million yen or more
Overseas net sales	8,000 million yen
ROS (Operating Profit Margin Ratio)	15% or greater
Dividend payout ratio	40% or greater DOE 3.8% minimum

# Progress of Basic Strategies

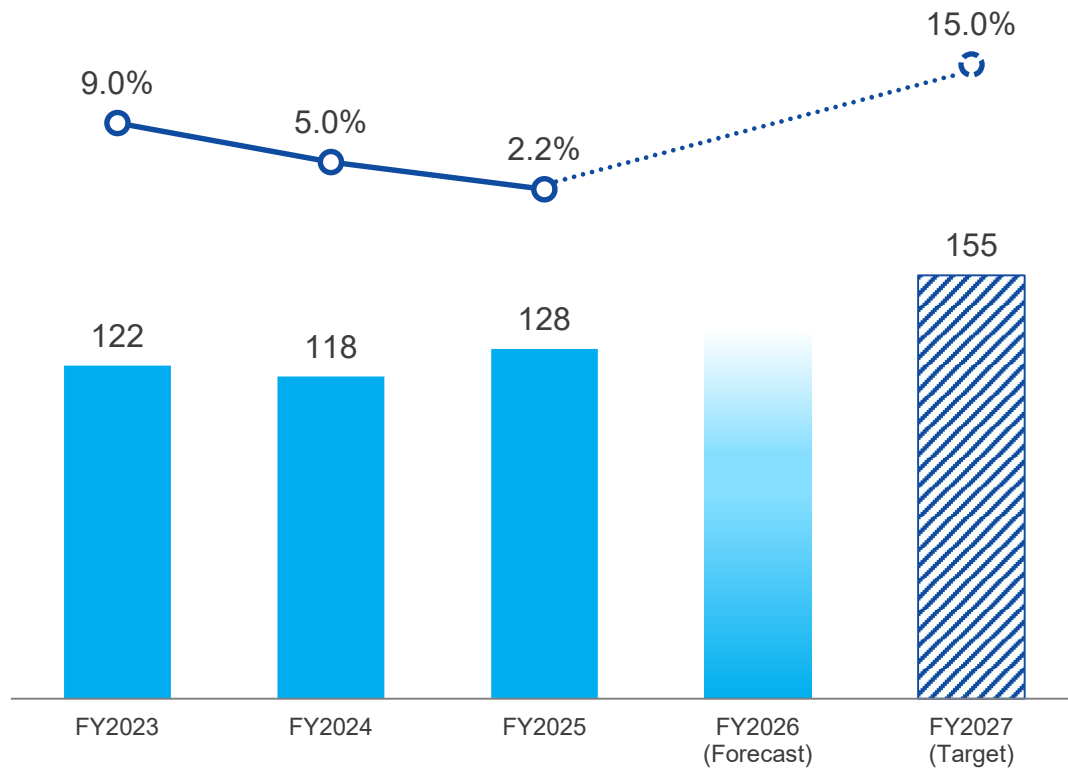


Basic Strategies	FY2025 Achievements
<b>Product Strategy</b>	<ul style="list-style-type: none"> <li>● Developed waterproof/dustproof drawer connectors, floating connectors equivalent to PCIe 5.0 for automotive equipment, and high-power connectors</li> <li>● Enhanced the functionality of connectors for micro coaxial cables compatible with high-speed transmission</li> </ul> <hr/> <ul style="list-style-type: none"> <li>● Sales partnership with Nippon Tanshi Co., Ltd.</li> <li>● For the joint development of connectors with IRISO ELECTRONICS CO., LTD., prototype evaluation is scheduled for FY2025, with commercialization targeted for FY2026</li> </ul>
<b>Sales Strategy</b>	<ul style="list-style-type: none"> <li>● Established a sales site in Singapore and commenced sales activities in India and Southeast Asia</li> </ul> <hr/> <ul style="list-style-type: none"> <li>● Participated in exhibitions in China and the U.S. to expand business in the automotive equipment market, and in exhibitions in the U.S. to win business in the telecommunication equipment market</li> </ul>
<b>Strengthen Production System</b>	<ul style="list-style-type: none"> <li>● Completed planning and preparations for the in-house processing (press work, plating, and resin molding) to reduce the cost ratio</li> </ul> <hr/> <ul style="list-style-type: none"> <li>● Established a local production system in China and began mass production of connectors for the industrial equipment market (drones)</li> <li>● Started launching a production line for automotive equipment products in the second half</li> </ul>
<b>Organization and Management System</b>	<ul style="list-style-type: none"> <li>● Opened the Tama Center Office and transferred the Sales Operations Division from the head office</li> </ul> <hr/> <ul style="list-style-type: none"> <li>● Obtained Silver Certification as an Excellent Company for Health Promotion</li> <li>● Received a Bronze Medal in EcoVadis' sustainability assessment</li> <li>● Received a B- score in the CDP2025 Climate Change assessment</li> </ul>

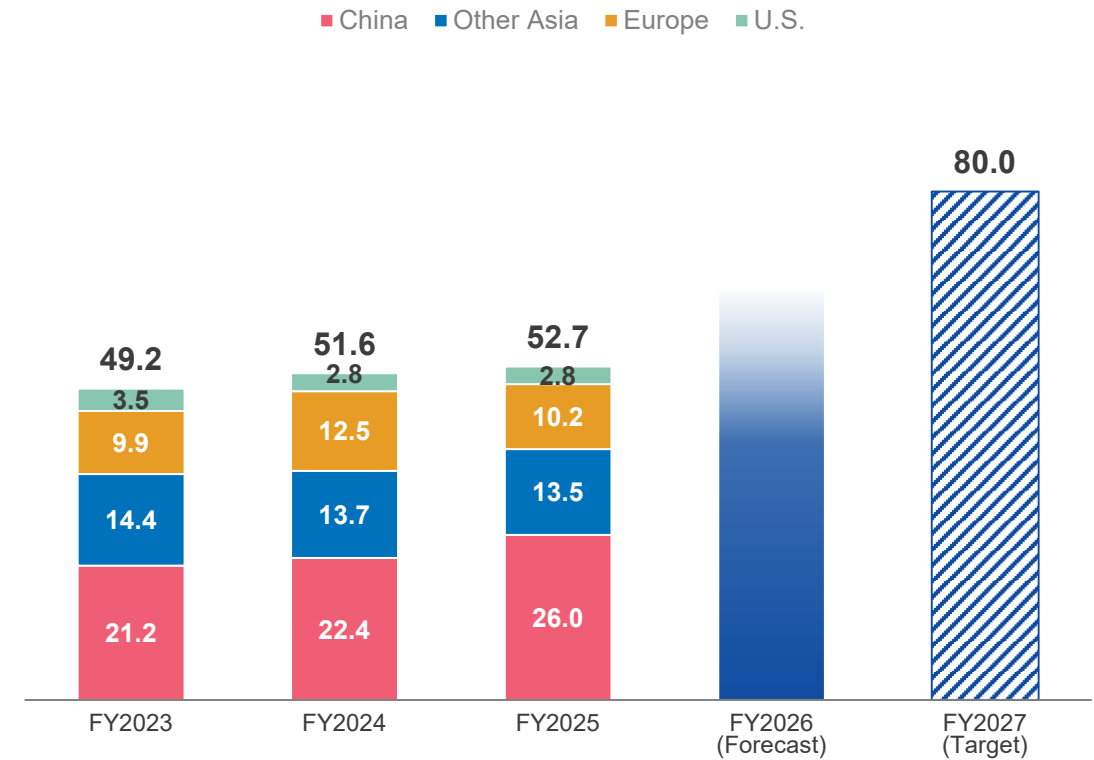
## Progress on Numerical Targets

- Although cost reduction measures were implemented, raw material costs rose faster than anticipated, resulting in a decline in the operating profit margin
- While drone adoption is driving the Chinese market, sales in the European market declined due to the discontinuation of adopted models. Overseas net sales increased, but growth was limited

Trend in Net Sales and Operating Profit Margin (100 million yen)



Trend in Overseas Sales (100 million yen)



## Improve Profit Margins

- Gradually implement appropriate price pass-through to products
- Implement cost reduction measures through gold saving and in-house production
- Establish a Quality Reform Promotion Dept. to structurally reduce quality losses and material consumption variances

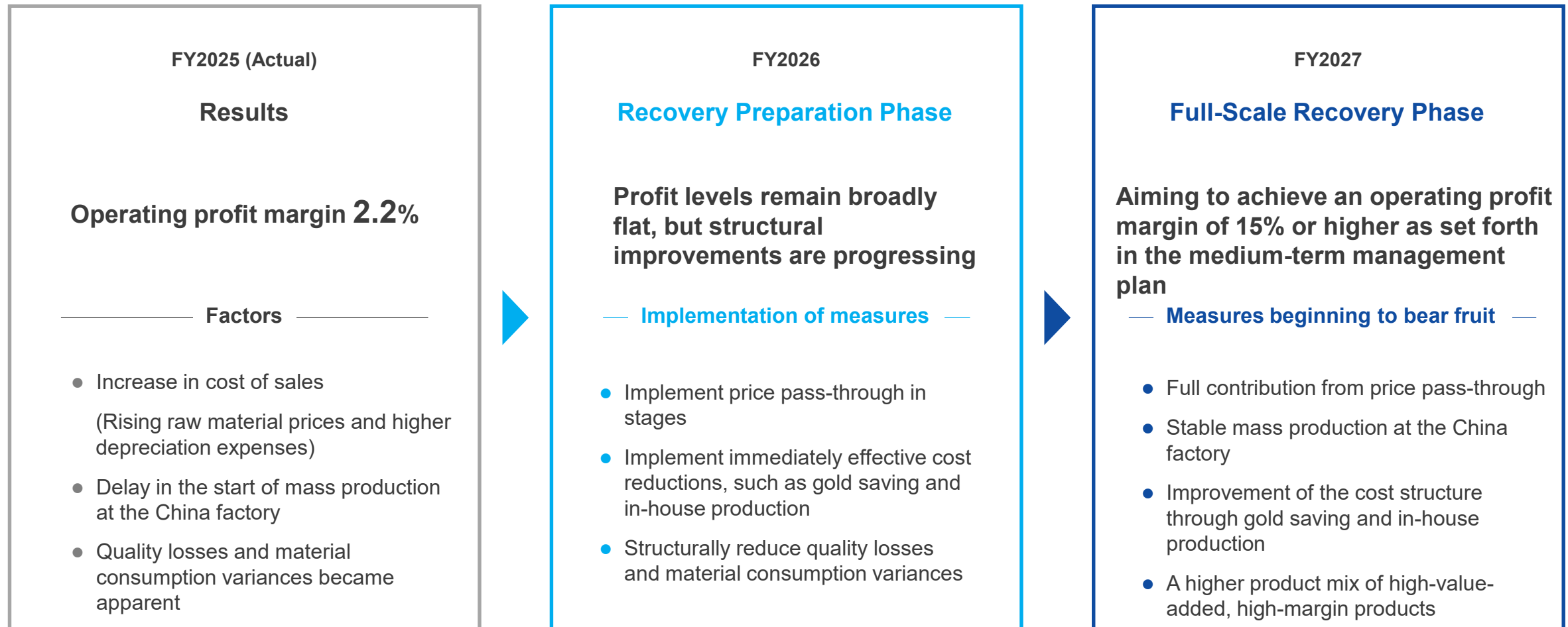
## Expand Net Sales

- Strengthen sales activities in focus markets and expand overseas business in Asia, Europe, and the U.S.
- Expand business domains through business alliances and increase new product activities
- Leverage KEL Zhuhai's mass production framework to promote design-ins with local Chinese companies and expand net sales in the volume zone

## Improve Productivity

- Promote the optimization of domestic production sites (consolidation and rationalization of lines for legacy products and low-volume products)

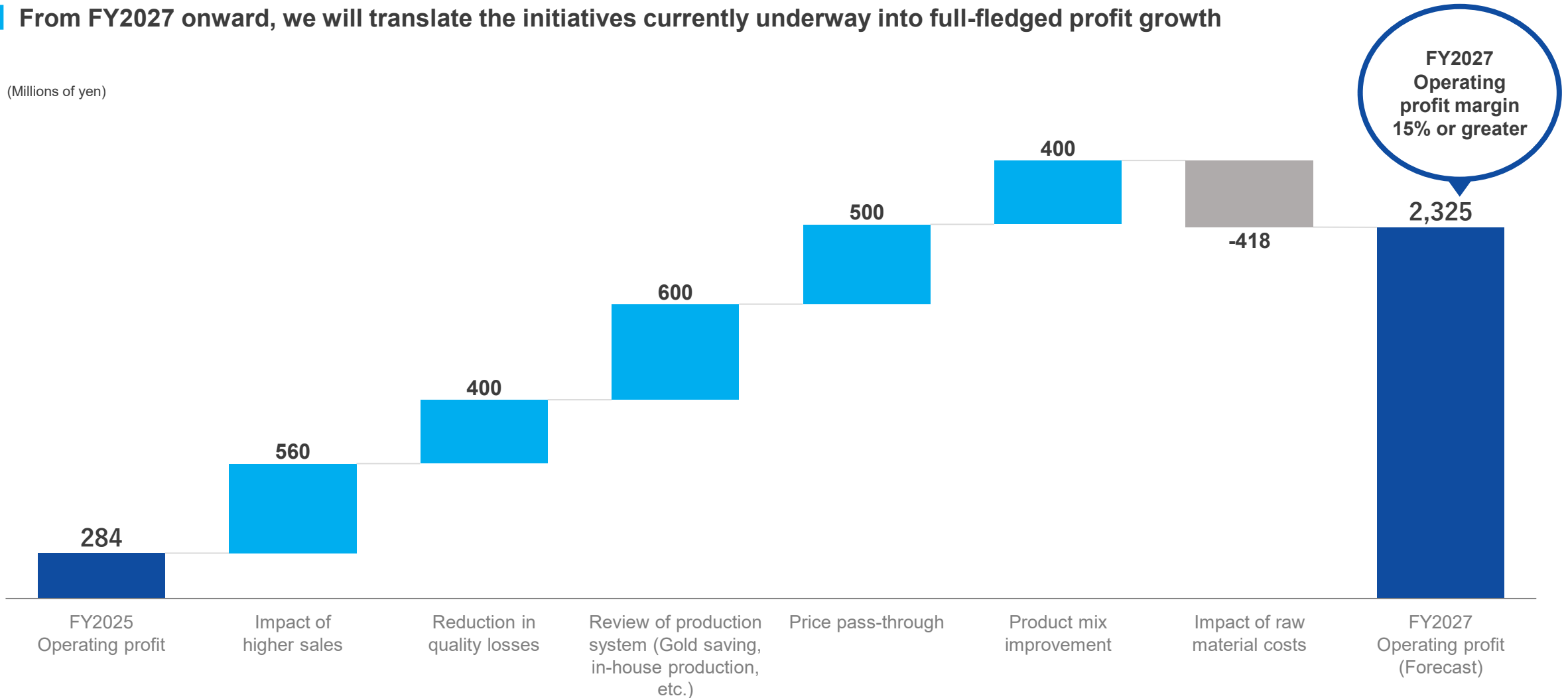
# Process for Improving the Operating Profit Margin



## Factors behind Changes in Operating Profit (Forecast)

- By steadily implementing measures in both sales and manufacturing, we are prioritizing the restructuring of our production framework and cost structure over short-term profit maximization
- From FY2027 onward, we will translate the initiatives currently underway into full-fledged profit growth

(Millions of yen)

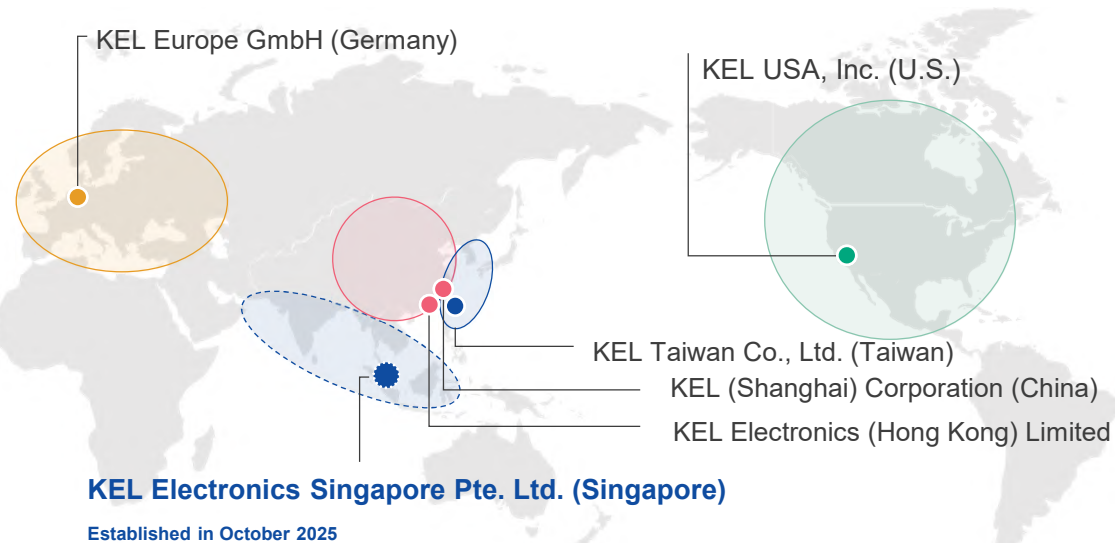


# Strengthen Overseas Business Development Activities



- Following the establishment of a North American site in April 2024, we established a sales site in Singapore in October 2025 and began sales activities in the second half of the fiscal year
- In the U.S., we have started selling through DigiKey. Orders have exceeded initial expectations, and we expect customer expansion to accelerate
- Exhibited at trade shows in China and the U.S. Aim to increase recognition among overseas companies in the automotive, industrial, and telecommunication equipment markets

## KEL Group Overseas Sales Sites



## Initiatives to expand overseas sales

### Established a sales site in Singapore

Established in October 2025 with the aim of expanding sales channels in Southeast Asia and India. Sales activities began toward the end of the previous fiscal year, and we expect them to make a certain contribution to FY2027 results

### KEL USA, Inc. opens a storefront on DigiKey

In January 2026, we launched sales through DigiKey, one of the leading U.S. suppliers in e-commerce distribution of electronic components for business customers. Although only a short time has passed since opening the storefront, we are already receiving orders above expectations and expect customer acquisition to accelerate

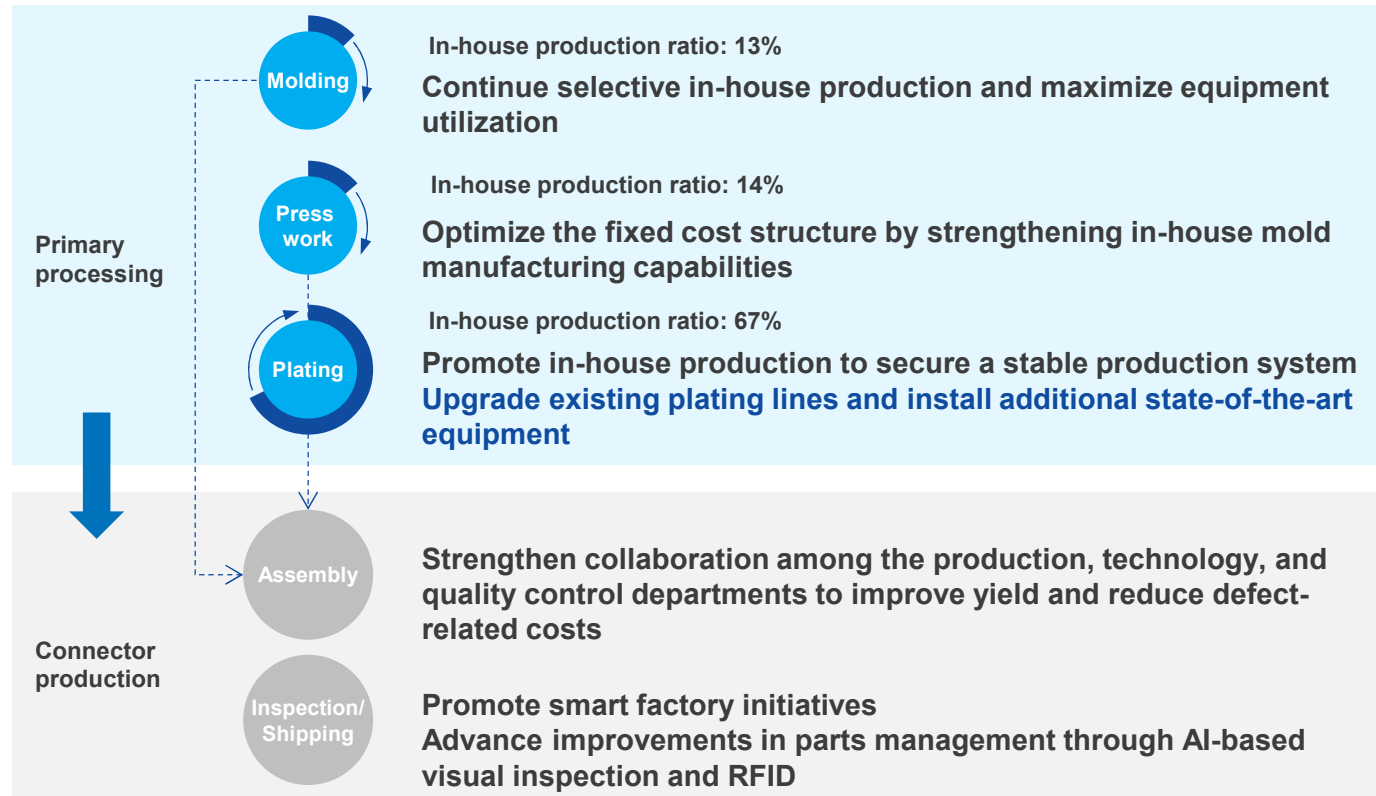
### Exhibited at trade shows in China and the U.S.

In China, we exhibited at **electronica China 2025** to expand in the automotive and industrial equipment markets. In the U.S., we exhibited at **The Battery Show North America 2025** to expand in the automotive equipment market, and at **DesignCon 2026** to expand business in the telecommunication equipment market

# Shift Production In-House

- Accelerate the in-house primary processing (press work, plating, and resin molding) to curb raw material costs
- In response to rising gold prices, we are promoting gold-saving measures by upgrading existing plating lines and installing additional state-of-the-art equipment, reduce gold usage and improve product performance from November 2026

## Promotion of In-House Primary Processing



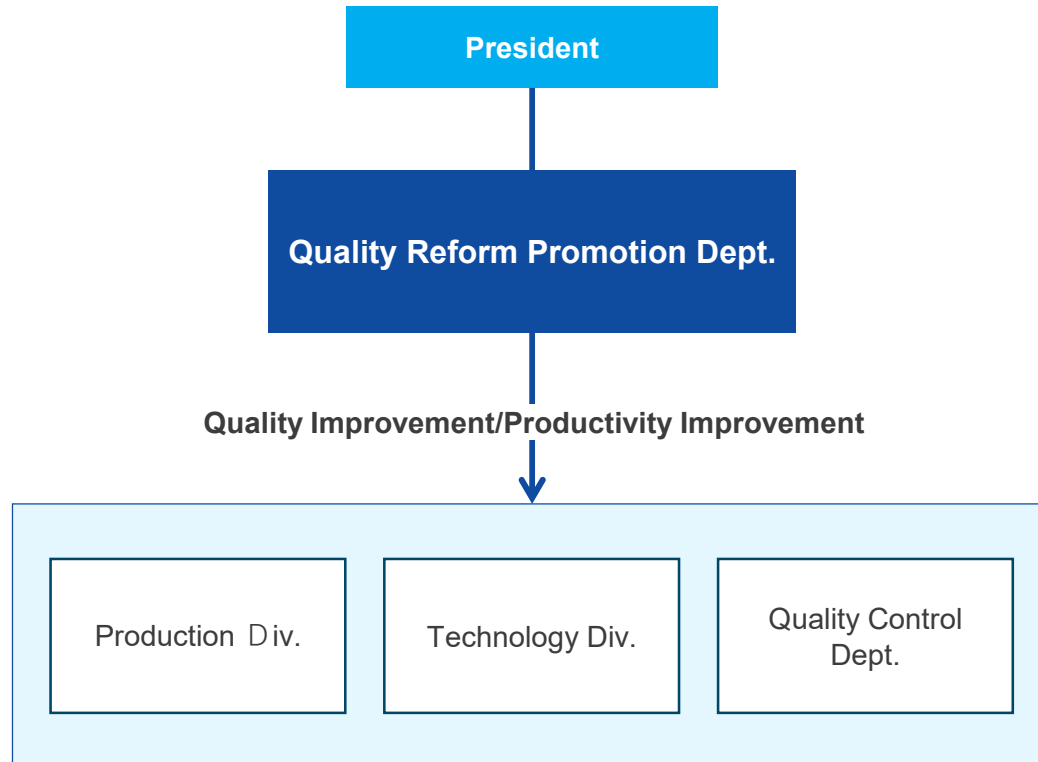
## Impact of plating line investment (per year)

	FY2026	From FY2027 onward
<b>Gold saving in gold plating &amp; in-house plating</b>	<b>12</b> million yen reduction	<b>89</b> million yen reduction
	Gold saving in gold plating	In-house plating
<b>FY2027 Target</b>	<b>12%</b> reduction	<b>30%</b> reduction

# Reducing Quality Loss and Optimizing Production Processes

- Establish a Quality Reform Promotion Dept. as an independent entity reporting directly to the president. Establish mechanisms to prevent defect recurrence and achieve continuous quality improvement
- Resolve production issues across functions and review production processes. Improve productivity through overall optimization to enhance profitability

Organization Chart



- Objectives
- Quality improvement and prevention of defect recurrence
  - Improved productivity and profitability

Specific Initiatives

**Quality Improvement**  
Visualize quality-related losses and reduce them structurally

**Prevention of Recurrence**  
Establish mechanisms to prevent recurrence of defects

**Productivity Improvement**  
Resolve issues across functions, review processes, and improve productivity through overall optimization

# Expand Sales by Leveraging KEL Zhuhai



- Mass production for the industrial equipment market (drones) is on track, and we expect sales growth through higher shipment volumes
- Mass production of connectors for the automotive equipment market is planned to begin within the current fiscal year, with contributions to sales and earnings expected from the second half onward
- Inquiries from other focus markets, such as image equipment, are also trending upward, and we will continue to aim to capture the volume zone

## Target Markets and Products

### Industrial Equipment Market

Mass production of micro coaxial connectors begun

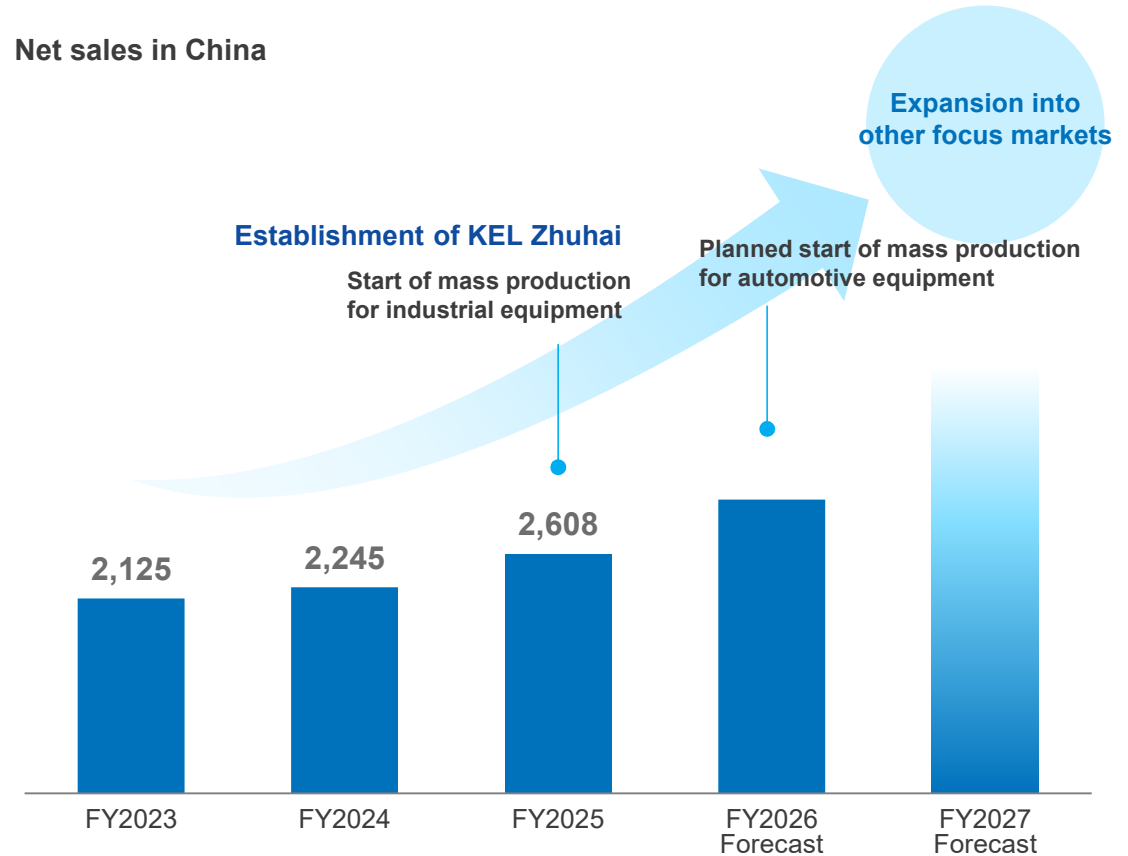


### Automotive Equipment Market

Launched production line for floating connectors



## Net sales in China





### **3. FY2026 Financial Results Forecast**

## Full-Year Consolidated Financial Results Forecast



- Net sales are projected to increase, driven by the Chinese market; however, profits are expected to decline due to anticipated increases in raw material costs and the impact of capital investment
- We will regard the gap from the numerical targets of the medium-term management plan as an opportunity to restructure our business portfolio, and improve our earnings model through various measures, including appropriate price pass-through, improvements in quality and productivity, and reviews of the production system

Unit: Millions of yen	FY2025 (Actual)		FY2026 (Forecast)		YoY	
	Result	Composition	Result	Composition	Change	%
<b>Net sales</b>	12,857	100.0%	<b>13,600</b>	<b>100.0%</b>	+742	+5.8%
<b>Operating profit</b>	284	2.2%	<b>230</b>	<b>1.7%</b>	(54)	-19.3%
<b>Ordinary profit</b>	384	3.0%	<b>250</b>	<b>1.8%</b>	(134)	-35.0%
<b>Profit attributable to owners of parent</b>	210	1.6%	<b>120</b>	<b>0.9%</b>	(90)	-43.0%
<b>Profit per share (yen)</b>	28.92	-	<b>16.51</b>	-	(12.41)	-
<b>Dividend per share (yen)</b>	80.00	-	<b>80.00</b>	-	-	-

• Assumed exchange rates: JPY145/US\$1; JPY170/€1

## Full-Year Consolidated Financial Results Forecast: Half-Year Comparison



In the second half, the effects of measures such as appropriate price pass-through, improvements in quality and productivity, and a review of the production system will accumulate, and operating profit is expected to increase year on year

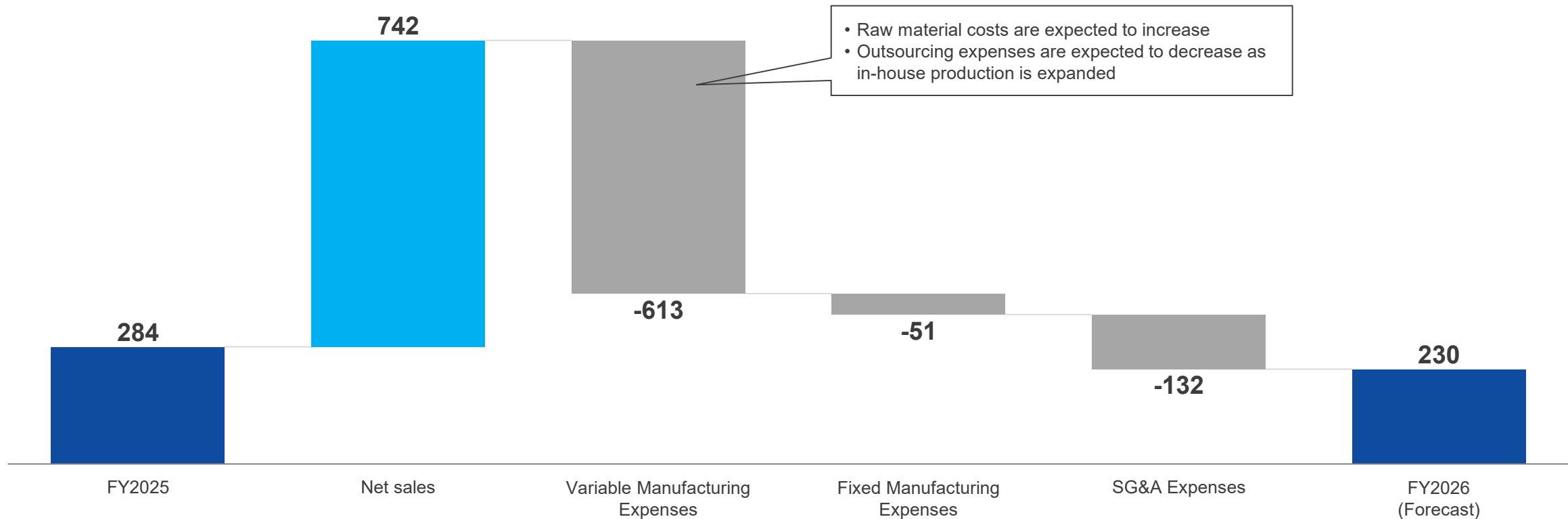
Unit: Millions of yen	FY2025		FY2026			
	First Half	Second Half	First Half	YoY	Second Half	YoY
<b>Net sales</b>	6,089	6,767	<b>6,800</b>	<b>+11.7%</b>	<b>6,800</b>	<b>+0.5%</b>
<b>Operating profit</b>	156	128	<b>80</b>	<b>-48.9%</b>	<b>150</b>	<b>+17.0%</b>
<b>Ordinary profit</b>	204	180	<b>100</b>	<b>-51.1%</b>	<b>150</b>	<b>-16.7%</b>
<b>Profit attributable to owners of parent</b>	134	75	<b>50</b>	<b>-62.9%</b>	<b>70</b>	<b>-7.4%</b>
<b>Profit per share (yen)</b>	18.54	10.38	<b>6.88</b>	-	<b>9.63</b>	-

# Full-Year Consolidated Operating Profit Forecast Analysis



Although outsourcing expenses are expected to decrease as in-house production expands, profits are projected to decline due to anticipated increases in raw material costs

(Millions of yen)



## Net Sales Forecast by Region



Unit: Millions of yen	FY2025		FY2026 (Forecast)		YoY		FY2026 Forecast
	Result	Composition	Result	Composition	Change	%	
<b>Japan</b>	7,584	59.0%	<b>7,660</b>	<b>56.3%</b>	+76	+1.0%	Expecting a resolution of excess inventories in industrial and medical equipment
<b>China</b>	2,608	20.3%	<b>3,200</b>	<b>23.5%</b>	+592	+22.7%	We plan to horizontally expand products adopted for industrial equipment (for drones) into camera-related products and expect growth
<b>Other Asia</b>	1,353	10.5%	<b>1,300</b>	<b>9.6%</b>	(53)	-3.9%	(Taiwan) Decrease due to the impact of memory shortages in models adopted for telecommunication equipment (South Korea) Although there may be fluctuations depending on the market, performance is expected to remain generally flat
<b>Europe</b>	1,026	8.0%	<b>1,150</b>	<b>8.5%</b>	+124	+12.1%	Expected to increase due to the start of mass production of models adopted for image equipment
<b>U.S.</b>	285	2.2%	<b>290</b>	<b>2.1%</b>	+5	+1.8%	Exhibited at “DesignCon,” a trade show focused on high-speed transmission, in February. We will continue follow-up with contacts we have established and aim to identify potential business opportunities
<b>Total</b>	12,857	100.0%	<b>13,600</b>	<b>100.0%</b>	+743	+5.8%	-

## Net Sales Forecast by Market



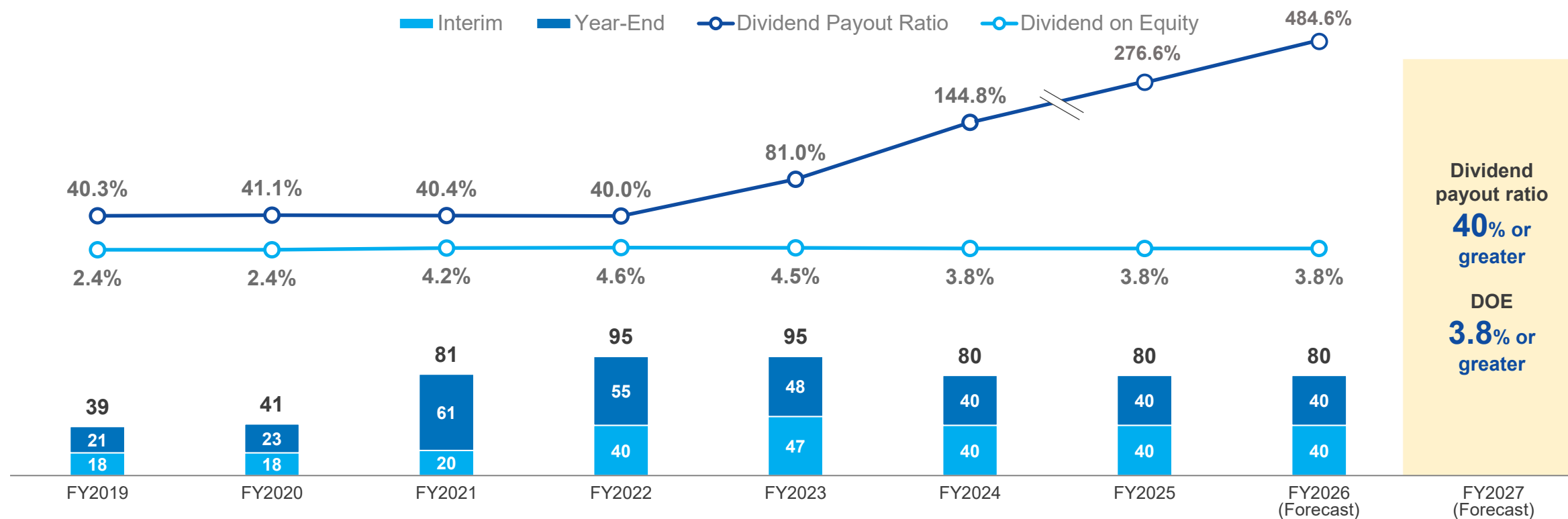
Unit: Millions of yen	FY2025		FY2026 (Forecast)		YoY		FY2026 Forecast
	Result	Composition	Result	Composition	Change	%	
<b>Industrial Equipment</b>	4,251	33.1%	<b>4,620</b>	<b>34.0%</b>	+369	+8.7%	Full-scale mass production for small cameras and consumer drones commenced Recovery driven by the elimination of customer inventories for FA-related equipment
<b>Automotive Equipment</b>	3,015	23.5%	<b>3,300</b>	<b>24.3%</b>	+285	+9.5%	Production of existing adopted models remained steady, and deliveries to new customers commenced
<b>Image Equipment</b>	1,446	11.2%	<b>1,530</b>	<b>11.3%</b>	+84	+5.8%	Recovery driven by the launch of new products for surveillance cameras
<b>Medical Equipment</b>	1,539	12.0%	<b>1,750</b>	<b>12.9%</b>	+211	+13.7%	Solid orders for custom racks Increase due to adoption in a new model for ultrasound endoscopes
<b>Amusement Equipment</b>	1,307	10.2%	<b>1,100</b>	<b>8.1%</b>	(207)	-15.8%	Decrease due to customers' production adjustments
<b>Telecommunication, Other</b>	1,297	10.1%	<b>1,300</b>	<b>9.6%</b>	+3	+0.2%	Production adjustments continue due to parts procurement difficulties faced by some customers
<b>Total</b>	12,857	100.0%	<b>13,600</b>	<b>100.0%</b>	+743	+5.8%	-

# Shareholder Return Policy and Dividend Policy



- We changed our dividend policy beginning in FY2024. In addition to targeting a consolidated dividend payout ratio of 40% or more, we established a minimum dividend on equity (DOE) of 3.8% and plan to pay stable dividends
- We plan to pay annual dividend of ¥80 per share for FY2026. We plan to continue to pay dividends in line with our dividend policy in FY2027

Dividends (yen)





## 4. Appendix

# Consolidated Balance Sheet



## Assets

Unit: Millions of yen	FY2024	FY2025	Change
<b>Current assets</b>	11,541	<b>11,461</b>	(80)
Cash and deposits	4,878	<b>4,528</b>	(350)
Notes and accounts receivable-trade	2,874	<b>2,526</b>	(347)
Electronically recorded monetary claims	1,199	<b>1,211</b>	+11
Inventories	2,226	<b>2,732</b>	+505
<b>Non-current assets</b>	7,063	<b>7,503</b>	+439
Property, plant and equipment	4,501	<b>4,680</b>	+178
Machinery, equipment and vehicles	1,285	<b>1,681</b>	+396
Tools, furniture and fixtures	520	<b>422</b>	(97)
Investment securities	2,372	<b>2,677</b>	+304
<b>Total assets</b>	18,605	<b>18,964</b>	+358

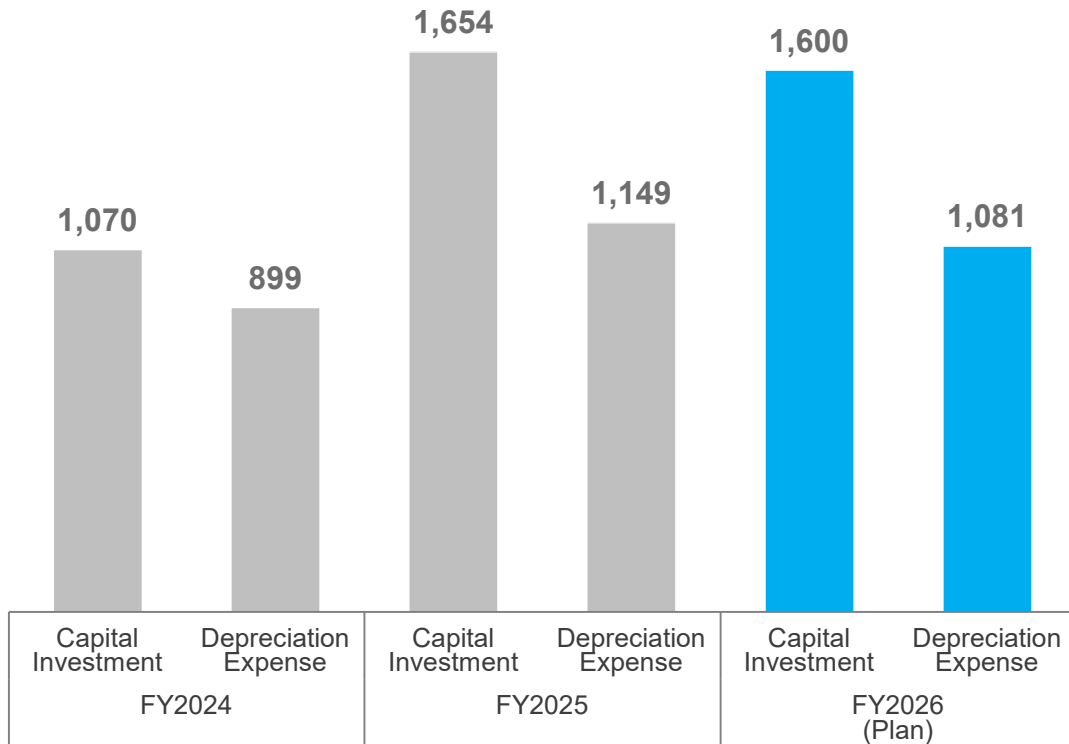
## Liabilities and Net Assets

Unit: Millions of yen	FY2024	FY2025	Change
<b>Current liabilities</b>	2,876	<b>3,045</b>	+168
Notes and accounts payable-trade	751	<b>1,013</b>	+262
Electronically recorded obligations	788	<b>720</b>	(67)
Short-term debt	450	<b>450</b>	-
<b>Non-current liabilities</b>	504	<b>615</b>	+110
<b>Total liabilities</b>	3,380	<b>3,660</b>	+279
<b>Share capital</b>	14,341	<b>13,975</b>	(365)
<b>Retained earnings</b>	11,523	<b>11,152</b>	(371)
<b>Total accumulated other comprehensive income</b>	882	<b>1,328</b>	+445
<b>Net Assets</b>	15,224	<b>15,304</b>	+79
<b>Total Liabilities and Net Assets</b>	18,605	<b>18,964</b>	+358

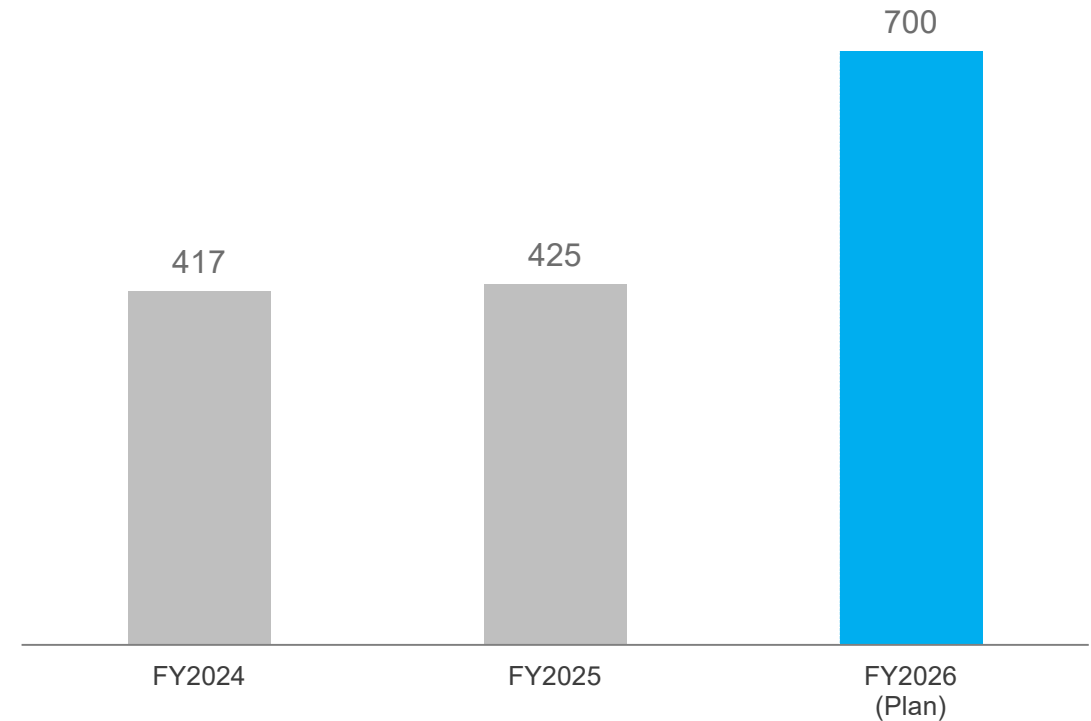
# Capital Investment, Research and Development



Capital Investment and Depreciation Expense (Millions of Yen)



Research and Development Expense (Millions of Yen)

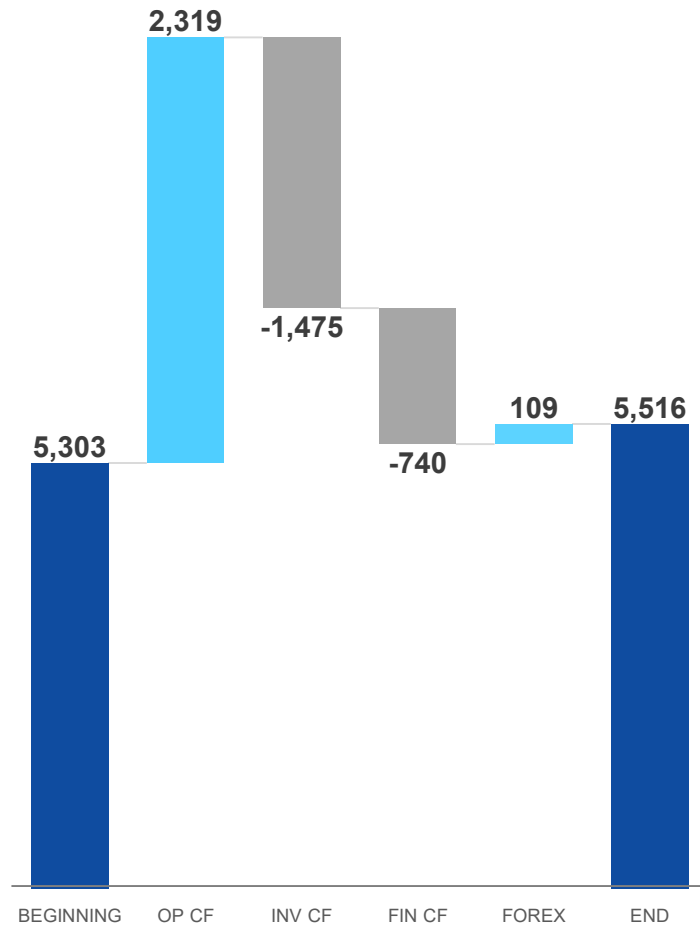


# Consolidated Statement of Cash Flows

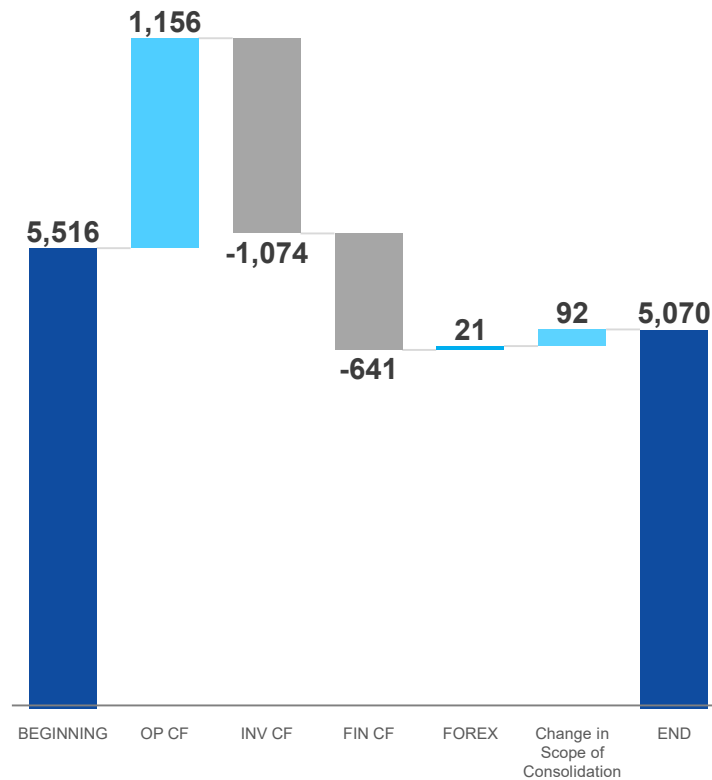


Unit: Millions of yen

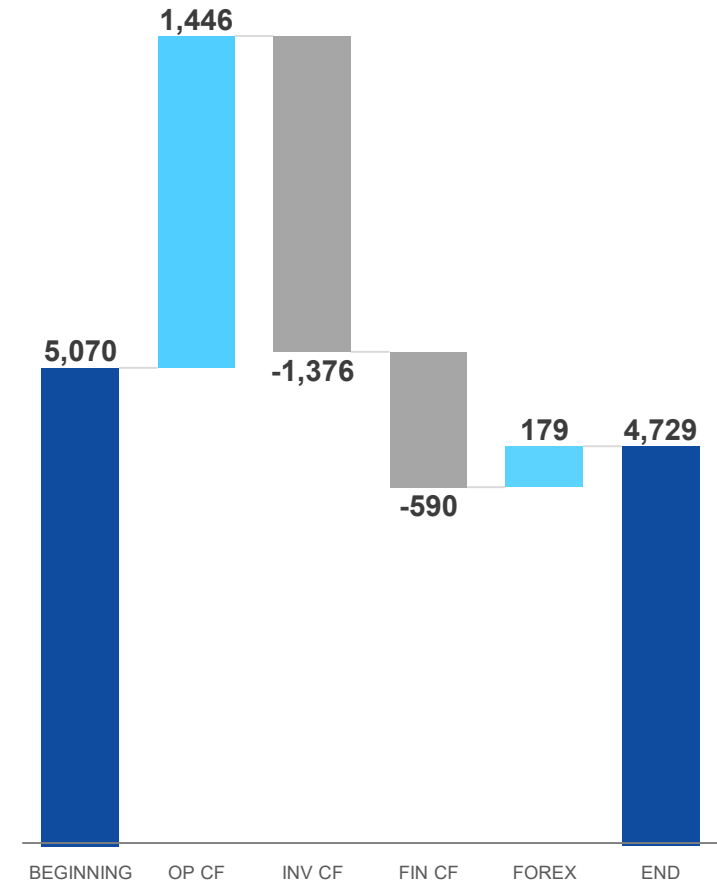
FY2023



FY2024



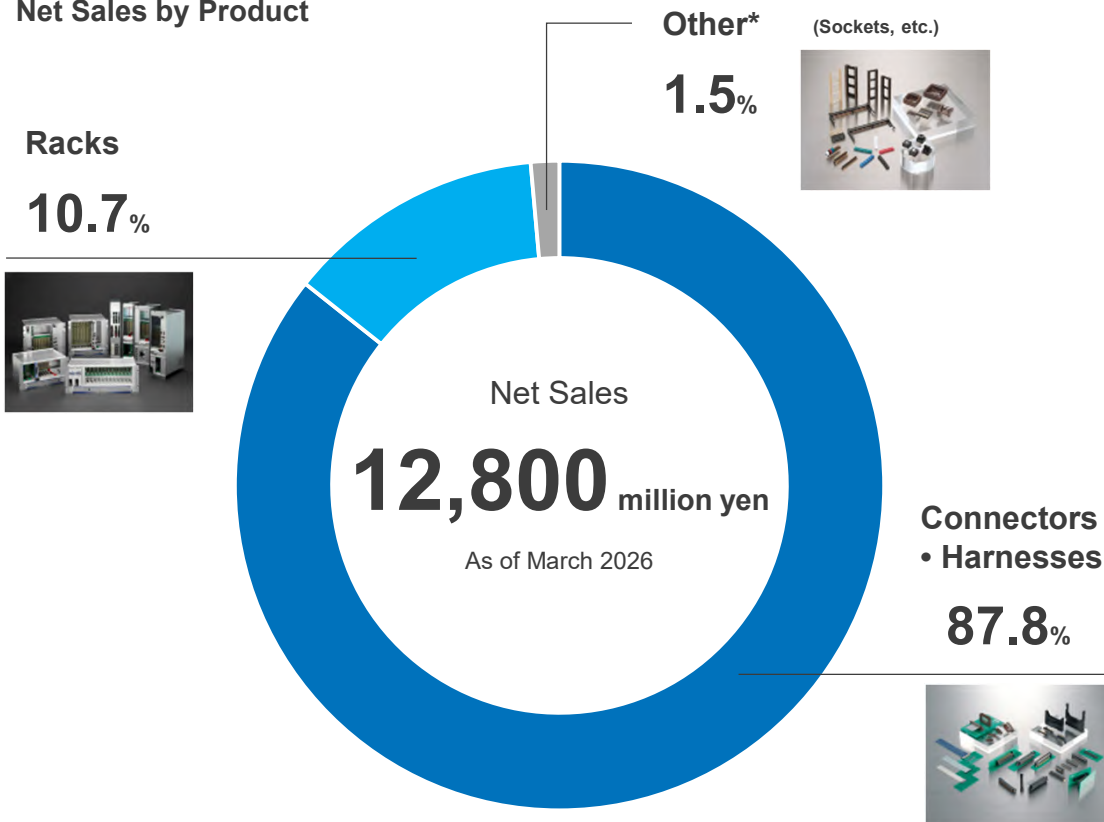
FY2025



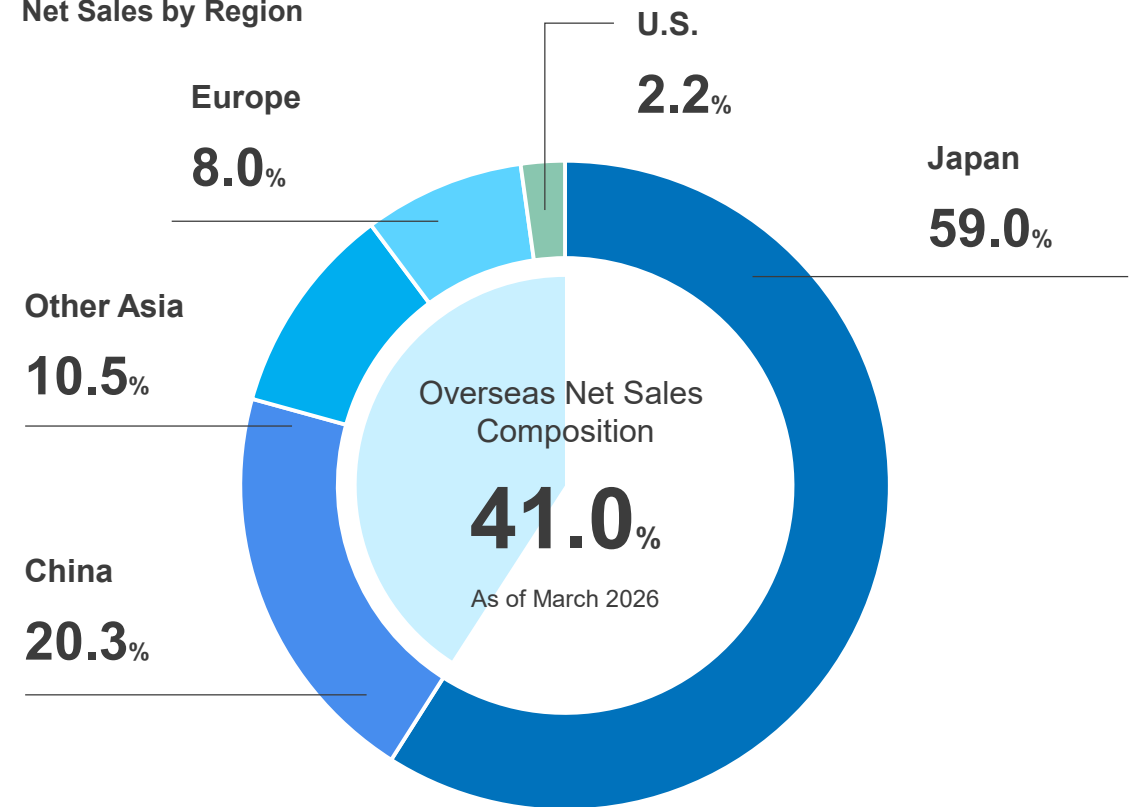
# Net Sales Composition

- Connectors and harnesses are our main products; we also manufacture and sell racks to hold circuit boards for medical and railway-related use, as well as sockets for amusement equipment
- Japan accounts for 60% of net sales; overseas accounts for 40%

Net Sales by Product



Net Sales by Region



\*From Q2 FY2025, sockets are reclassified under "Other." The figures are the total of sockets and other products.

# Net Sales Ratio by Market and Product Applications



**KEL products are used across a wide range of industries, from industrial equipment and ultrasound diagnostic equipment to single-lens reflex cameras**



**Industrial Equipment Market**

**33.1%**

- Industrial equipment
- Control equipment
- Semiconductor mfg. equipment



**Automotive Equipment Market**

**23.5%**

- Car Navigation
- ETC automotive unit
- Drive Recorders



**Medical Equipment Market**

**12.0%**

- Ultrasound diagnostic equipment
- CT, MRI
- Endoscope



**Image Equipment Market**

**11.3%**

- Digital video cameras
- Surveillance cameras
- Single-Lens Reflex Cameras



**Telecommunication Equipment Market, etc.**

**10.1%**

- Telecommunication Equipment
- Base stations
- Network equipment







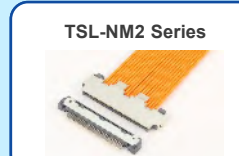





**Amusement Equipment Market**

**10.2%**

- Pachinko
- Slot machine

# Progress on Product Strategy

Focus Market/ Product to Strengthen	Floating	High-Speed Transmission	Waterproof	High-Power
 <p><b>Industrial</b></p>	<ul style="list-style-type: none"> <li>Multi-row, multi-pin (500 or more pins)</li> <li>Multi-point contacts</li> </ul>	<p>—</p>	<ul style="list-style-type: none"> <li>Connectors for lithium-ion batteries</li> <li>Connectors for waterproof motors</li> </ul>	<ul style="list-style-type: none"> <li>Connectors for lithium-ion batteries</li> <li>Connectors for motors</li> </ul> 
 <p><b>Automotive</b></p>	<ul style="list-style-type: none"> <li>PCIe5.0</li> <li>Heat-resistant (140° C)</li> <li>Vibration-resistant</li> </ul> 	<ul style="list-style-type: none"> <li>Connectors for automotive cameras</li> <li>PCIe5.0</li> <li>Optical connectors</li> </ul> <p>Joint development with IRISO ELECTRONICS CO., LTD.</p> 	<ul style="list-style-type: none"> <li>Connectors for automotive cameras</li> </ul>	<ul style="list-style-type: none"> <li>Connectors for busbar connections</li> <li>Drawer connectors for instrument panel connections</li> </ul>
 <p><b>Image</b></p>	<ul style="list-style-type: none"> <li>Narrow pitch (0.4 mm pitch or less)</li> <li>Small size (reduced mounting area)</li> </ul>	<ul style="list-style-type: none"> <li>Micro coaxial EMI compatibility product</li> </ul> 	<p>—</p>	<p>—</p>
 <p><b>Medical</b></p>	<ul style="list-style-type: none"> <li>Multi-row, multi-pin (500 or more pins)</li> </ul>	<ul style="list-style-type: none"> <li>PCIe5.0</li> </ul>	<ul style="list-style-type: none"> <li>Connector modules for ultrasound diagnostic equipment</li> </ul>	<ul style="list-style-type: none"> <li>Connector modules for disposables</li> </ul>
 <p><b>Telecommunication</b></p>	<ul style="list-style-type: none"> <li>PCIe5.0, 6.0</li> <li>56Gbps</li> </ul>	<ul style="list-style-type: none"> <li>AOC (32 Gbps)</li> <li>256Gbps</li> <li>RF connectors for communication modules</li> </ul>	<ul style="list-style-type: none"> <li>Waterproof fan unit</li> </ul> 	<ul style="list-style-type: none"> <li>Connectors for lithium-ion batteries</li> </ul>

- Promoting new product development based on a product strategy centered on focus markets (industrial, automotive, image, medical, and telecommunication) × enhanced product offerings (floating, high-speed transmission, waterproof, and high-power)

### High-Speed Transmission × Automotive

For next-generation automotive ECUs/HPCs, we are developing a best-in-class floating connector for automotive applications compatible with high-speed transmission equivalent to PCIe Gen5

J1 Series



### High-Power × Industrial

We are developing a high-current battery connector (up to 50A) compatible with battery units for industrial equipment applications such as construction machinery

Mass production scheduled to begin in June 2026

FG Series

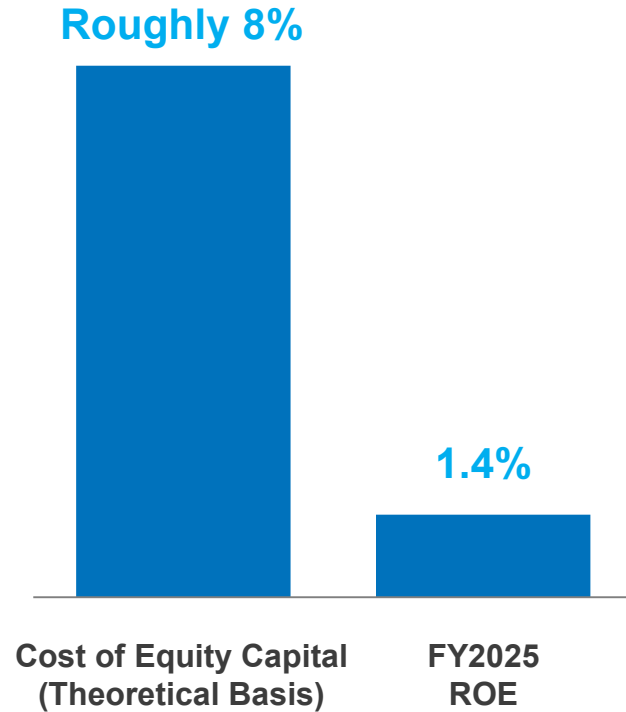


# Current Understanding of the Cost of Equity Capital

Based on CAPM and expected yield basis, we calculate our cost of equity capital to be roughly 8%

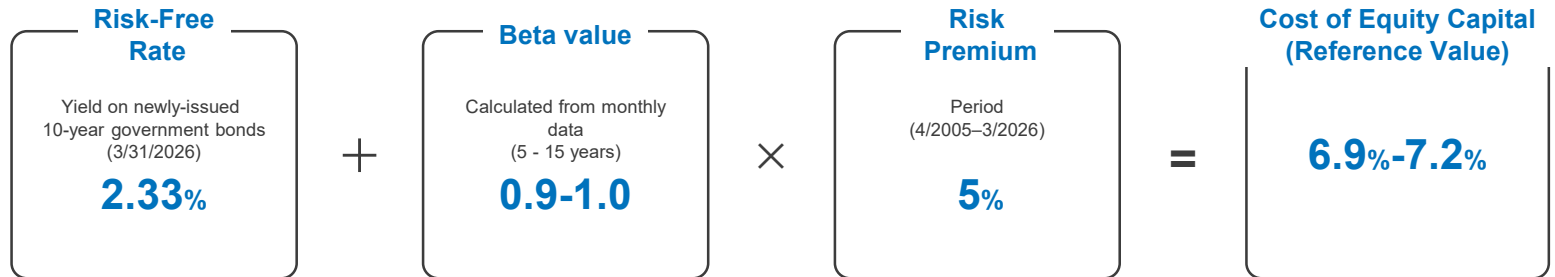
## Cost of Equity Capital

(Our Current Understanding)

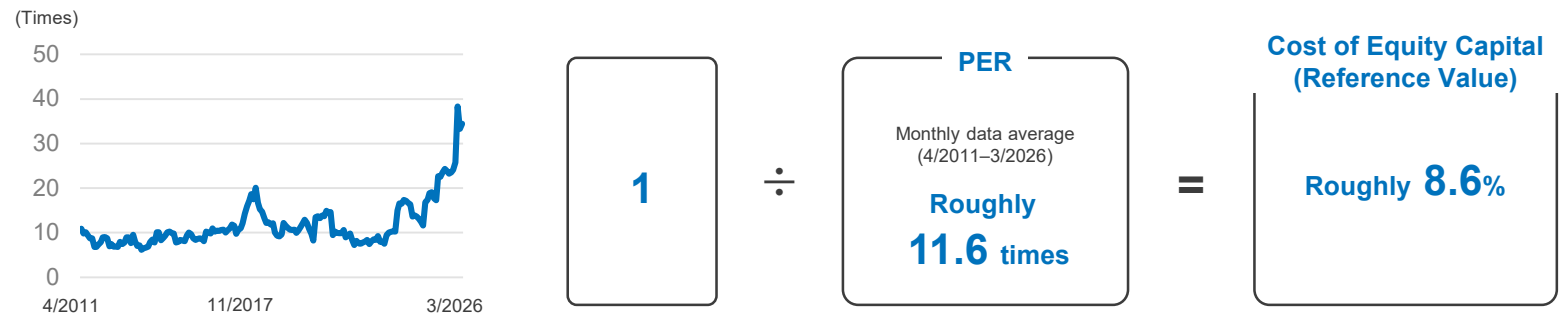


## Cost of Equity Capital Calculation Factors

Estimate on a CAPM basis

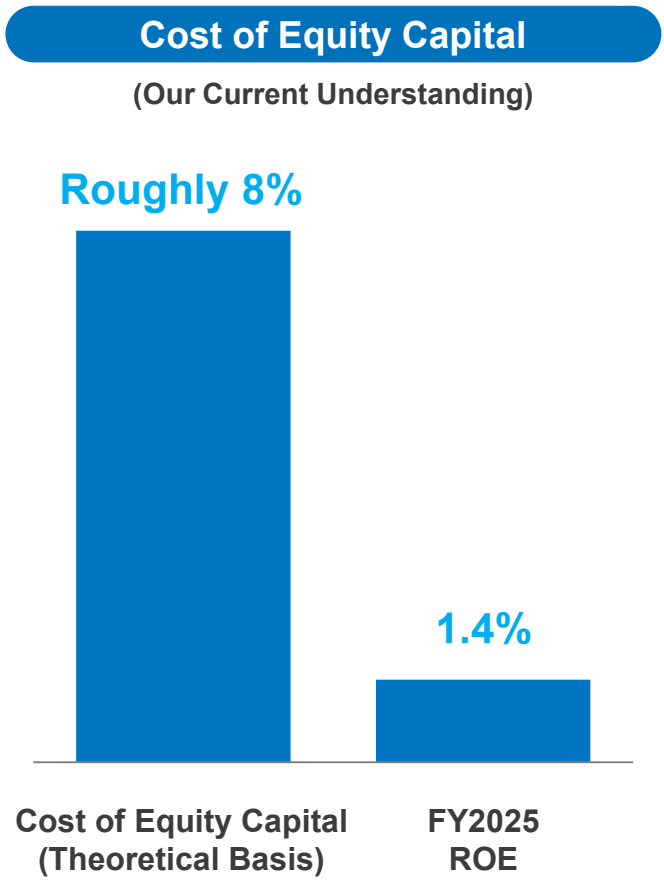


Estimated on an expected yield basis



# Measures to Engage in Management Conscious of Share Price and the Cost of Capital

- Aim to achieve ROE above cost of equity capital by improving profit growth and capital efficiency through the measures of our medium-term management plan
- Enhance IR activities to help lower the cost of capital



### Policy

- Improve ROE by recovering profit through business strategies and shareholder return policy in line with the medium-term management plan
- Strengthen IR/SR activities and pursue dialogue with the capital markets to maintain and improve PER after performance recovery

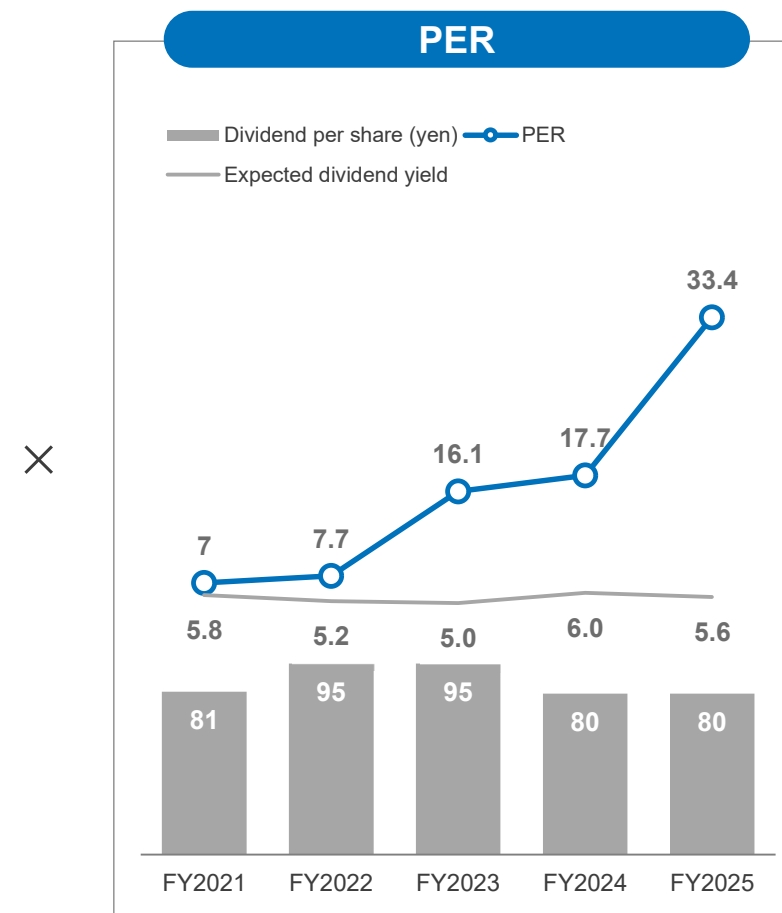
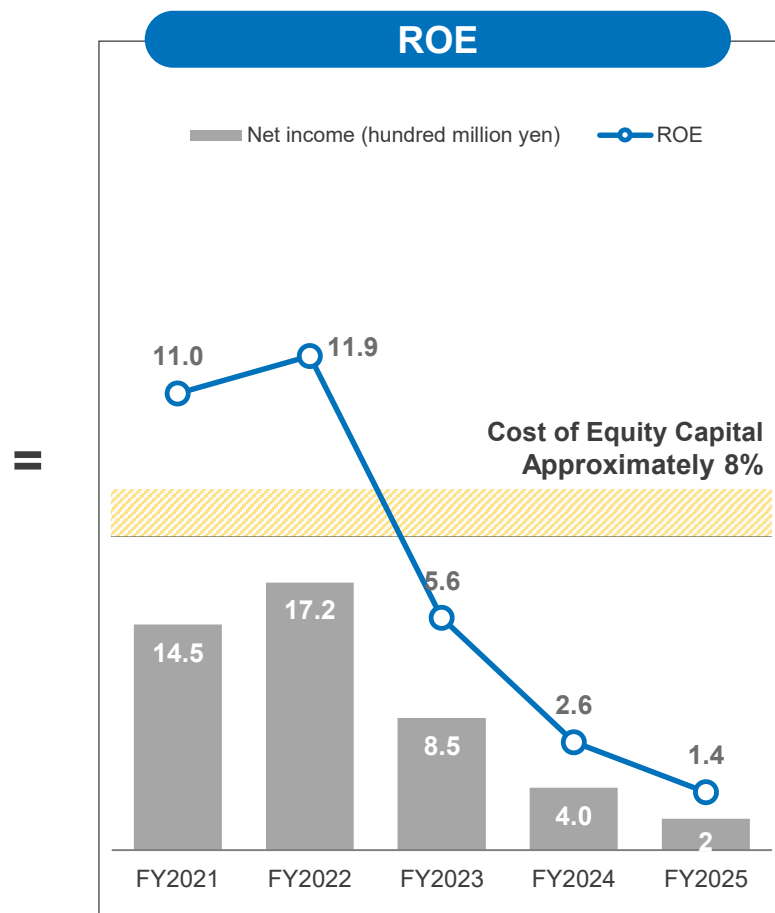
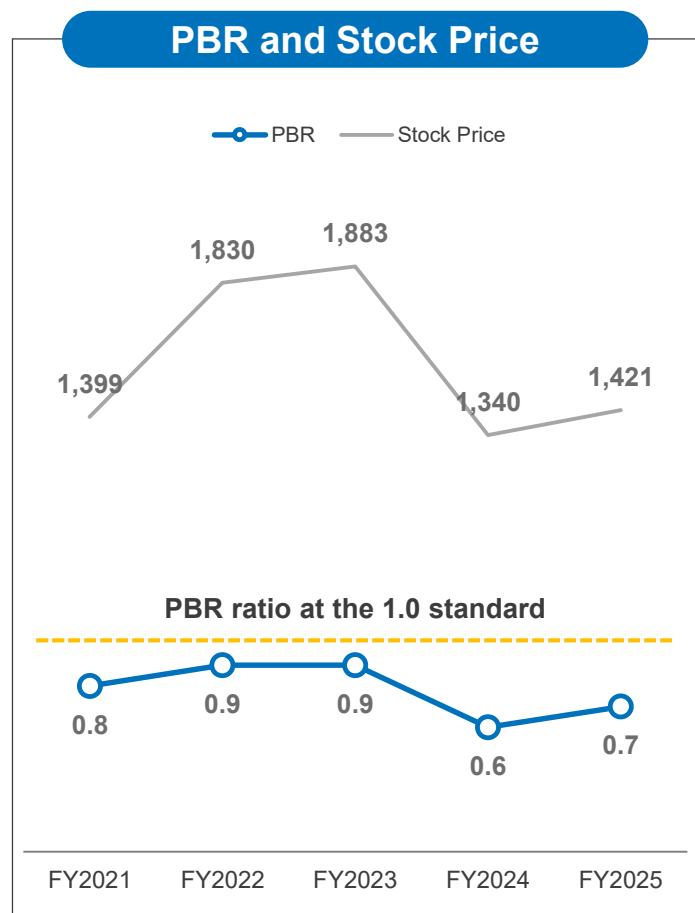
### Initiatives

Grow Profits	Improve Capital Efficiency	Reduce Cost of Capital
<ul style="list-style-type: none"><li>Phased implementation of price pass-through</li><li>Cost reduction through gold saving and in-house production</li><li>Correction of quality losses and material consumption variances</li></ul>	<ul style="list-style-type: none"><li>Control the increase in net assets by raising dividends using DOE</li></ul>	<ul style="list-style-type: none"><li>Embedding the growth strategy through enhanced IR</li><li>Promoting sustainability management</li></ul>

# Current Understanding



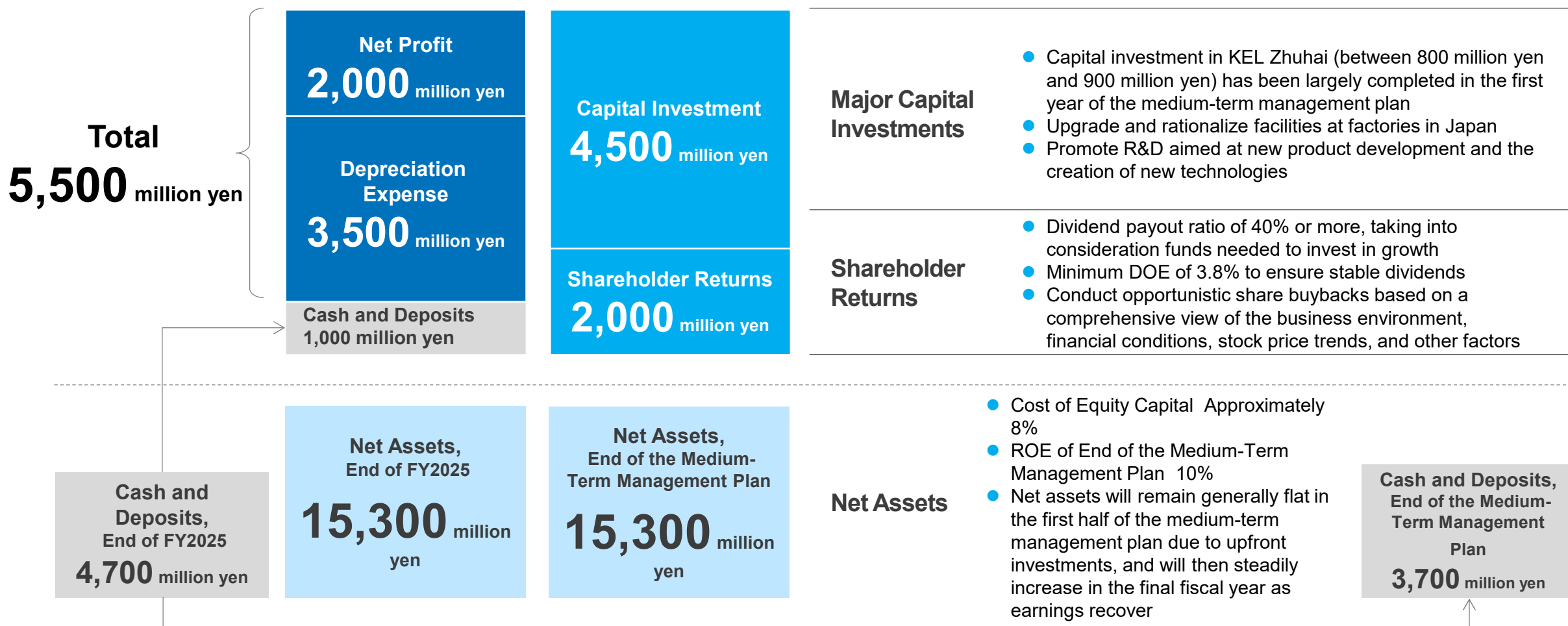
- ROE:** We estimate our cost of equity capital to be roughly 8% (CAPM: 6.9% - 7.2%; estimate from historical average of projected PER: 8.6%)  
 Meanwhile, due primarily to rising raw material costs, our FY2025 ROE was 1.4%, lower than our cost of equity capital
- PER:** PER increased due to stable dividend policy, but PBR remains stagnant at around 0.7x



# Cash Allocation

Allocate 6,500 million yen, including a cash inflow of 5,500 million yen for the three years beginning FY2025 and cash and deposits, to capital expenditures and shareholder returns, thereby reducing cash holdings and improving capital efficiency

## Three-Year Cash Allocation



# Financial Fact Sheet (Consolidated)



Unit: Thousands of yen	60 <sup>th</sup> Term	61 <sup>st</sup> Term	62 <sup>nd</sup> Term	63 <sup>rd</sup> Term	64 <sup>th</sup> Term	60 <sup>th</sup> Term 1H	61 <sup>st</sup> Term 1H	62 <sup>nd</sup> Term 1H	63 <sup>rd</sup> Term 1H	64 <sup>th</sup> Term 1H
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Net sales (100%)</b>	<b>12,793,940</b>	<b>14,500,120</b>	<b>12,231,077</b>	<b>11,871,771</b>	<b>12,857,567</b>	<b>6,155,928</b>	<b>6,984,274</b>	<b>6,372,682</b>	<b>6,065,588</b>	<b>6,089,901</b>
<b>Cost of sales</b>	<b>8,633,419</b>	<b>9,936,350</b>	<b>8,953,391</b>	<b>8,935,697</b>	<b>10,057,839</b>	<b>4,183,429</b>	<b>4,617,537</b>	<b>4,560,781</b>	<b>4,475,733</b>	<b>4,771,200</b>
Cost to sales ratio (%)	67.5%	68.5%	73.2%	75.3%	78.2%	68.0%	66.1%	71.6%	73.8%	78.3%
<b>Gross profit</b>	<b>4,160,520</b>	<b>4,563,769</b>	<b>3,277,686</b>	<b>2,936,073</b>	<b>2,799,728</b>	<b>1,972,498</b>	<b>2,366,737</b>	<b>1,811,900</b>	<b>1,589,855</b>	<b>1,318,701</b>
Gross profit margin ratio (%)	32.5%	31.5%	26.8%	24.7%	21.8%	32.0%	33.9%	28.4%	26.2%	21.7%
<b>SG&amp;A expenses</b>	<b>2,045,801</b>	<b>2,163,517</b>	<b>2,182,629</b>	<b>2,339,545</b>	<b>2,514,894</b>	<b>1,014,542</b>	<b>1,079,726</b>	<b>1,103,993</b>	<b>1,174,996</b>	<b>1,162,065</b>
SG&A to sales ratio (%)	16.0%	14.9%	17.8%	19.7%	19.6%	16.5%	15.5%	17.3%	19.4%	19.1%
<b>Operating profit</b>	<b>2,114,719</b>	<b>2,400,252</b>	<b>1,095,056</b>	<b>596,527</b>	<b>284,833</b>	<b>957,956</b>	<b>1,287,010</b>	<b>707,907</b>	<b>414,858</b>	<b>156,635</b>
Operating profit margin ratio (%)	16.5%	16.6%	9.0%	5.0%	2.2%	15.6%	18.4%	11.1%	6.8%	2.6%
<b>Ordinary profit</b>	<b>2,142,874</b>	<b>2,536,660</b>	<b>1,268,655</b>	<b>585,576</b>	<b>384,498</b>	<b>986,875</b>	<b>1,454,284</b>	<b>850,623</b>	<b>331,139</b>	<b>204,370</b>
Ordinary profit margin ratio (%)	16.7%	17.5%	10.4%	4.9%	3.0%	16.0%	20.8%	13.3%	5.5%	3.4%
<b>Profit attributable to owners of parent</b>	<b>1,455,470</b>	<b>1,725,878</b>	<b>852,366</b>	<b>401,552</b>	<b>210,390</b>	<b>664,571</b>	<b>992,472</b>	<b>575,218</b>	<b>207,887</b>	<b>134,836</b>
Profit margin ratio (%)	11.4%	11.9%	7.0%	3.4%	1.6%	10.8%	14.2%	9.0%	3.4%	2.2%

# Financial Fact Sheet (Consolidated)



Unit: Thousands of yen	60 <sup>th</sup> Term	61 <sup>st</sup> Term	62 <sup>nd</sup> Term	63 <sup>rd</sup> Term	64 <sup>th</sup> Term	60 <sup>th</sup> Term 1H	61 <sup>st</sup> Term 1H	62 <sup>nd</sup> Term 1H	63 <sup>rd</sup> Term 1H	64 <sup>th</sup> Term 1H
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total assets</b>	18,385,914	19,678,059	18,924,258	18,605,346	18,964,192	17,130,569	19,215,763	19,562,078	18,347,472	18,545,239
<b>Current assets</b>	12,272,586	13,300,383	12,019,979	11,541,717	11,461,190	10,982,309	13,059,349	12,669,292	11,557,199	11,411,614
<b>Cash and deposits</b>	5,210,267	5,140,192	5,342,048	4,878,090	4,528,088	4,656,379	4,910,029	5,417,437	5,064,226	4,684,344
<b>Notes and accounts receivable-trade</b>	4,501,396	5,322,871	4,113,456	4,074,356	3,738,117	4,140,933	4,925,384	4,664,008	3,765,507	4,140,690
<b>Inventories</b>	2,255,785	2,550,882	2,261,905	2,226,536	2,732,157	1,825,576	2,832,952	2,299,482	2,387,867	2,255,325
<b>Other current assets</b>	305,134	286,435	302,569	362,734	462,826	419,418	390,981	288,365	339,595	331,255
<b>Total non-current assets</b>	6,113,328	6,377,676	6,904,279	7,063,629	7,503,002	6,148,260	6,156,413	6,892,786	6,790,272	7,133,625
<b>Current liabilities</b>	4,039,076	4,147,357	2,977,690	2,876,290	3,045,033	3,510,119	4,240,172	3,671,084	2,614,584	2,766,030
<b>Notes and accounts payable-trade</b>	2,242,832	2,400,708	1,771,856	1,539,901	1,734,072	1,996,296	2,431,704	2,192,764	1,436,288	1,644,509
<b>Short-term borrowings (including current portion of long-term borrowings and bonds payable)</b>	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
<b>Total non-current liabilities</b>	492,663	489,740	555,868	504,524	615,009	485,140	491,758	515,400	522,570	549,099
<b>Long-term borrowings (including bonds payable)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total net assets</b>	13,854,174	15,040,961	15,390,700	15,224,531	15,304,149	13,135,309	14,483,831	15,375,594	15,210,317	15,230,110
<b>Share capital (thousand yen)</b>	1,617,000	1,617,000	1,617,000	1,617,000	1,617,000	1,617,000	1,617,000	1,617,000	1,617,000	1,617,000
<b>Number of shares issued (shares)</b>	7,743,000	7,743,000	7,743,000	7,743,000	7,743,000	7,743,000	7,743,000	7,743,000	7,743,000	7,743,000
<b>ROE (%) on average balance basis</b>	11.0%	11.9%	5.6%	2.6%	1.4%	-	-	-	-	-
<b>EPS (yen) on end-of-year basis</b>	200.29	237.51	117.30	55.24	28.92	-	-	-	-	-
<b>ROA (%) on average balance basis</b>	12.5%	13.3%	4.4%	2.1%	1.1%	-	-	-	-	-
<b>BPS (yen) on end-of-year basis</b>	1,906.57	2,069.89	2,118.02	2,093.88	2,103.56	-	-	-	-	-
<b>Dividend per share (yen)</b>	81.0	95.0	95.0	80.0	80.0	20.0	40.0	47.0	40.0	40.0
<b>Employees (full-time)</b>	301	306	281	315	334	305	308	319	335	342

## Promoting Various ESG-related Initiatives

- We declared a Sustainability Vision: “Contribute to an abundant, sustainable society with connector technology”
- We will continue to make steady improvements while promoting sustainable management and enhancing corporate value

Received a Bronze Medal in EcoVadis' sustainability assessment



Received a Bronze Medal in a sustainability assessment conducted by EcoVadis, an international sustainability ratings provider (headquartered in France). The assessment evaluates initiatives in four areas: “Environment,” “Labor and Human Rights,” “Ethics,” and “Sustainable Procurement,” and the Bronze Medal places us in the top 35% overall.

Received a B- score in the CDP2025 Climate Change assessment



Received a B- rating for climate change in the 2025 environmental disclosure assessment, and a C rating for water security conducted by CDP (Carbon Disclosure Project), an international non-profit organization (headquartered in the UK). Although both ratings were C in 2024, the first year of the assessment, the climate change rating improved this time.

## Cautionary Note Regarding Forward-Looking Statements



This presentation is intended to provide information on securities investment and is not intended as a solicitation to invest. This presentation contains forward-looking statements that include plans, policies, and management strategies. These forward-looking statements are based on projections, plans, etc., prepared in light of information currently available, and such information is subject to uncertainties. Accordingly, actual results may differ from these statements due to changes in various factors.

We urge the reader to refrain from making investment decisions based solely on the information contained in this presentation. Also, understand that investment decisions are at the reader's sole discretion. KEL Corporation is not liable for any losses incurred in connection with any investment.

**For inquiries regarding this presentation,  
contact the Corporate Division at (042-374-5810).**