



Results for Fiscal Year Ended March 31, 2026

May 20, 2026

DKK Co., Ltd.

Securities code : 6706

Tokyo Stock Exchange, Prime



FY2026/3 results

- ✓ Both sales and profits increased compared with the previous fiscal year.
- ✓ The improvement in the results of in the Telecommunications segment was driven by Defense and Mobile communications.
- ✓ In the Radio Frequency segment, net sales and profits decreased due to the impact of curbs on capital expenditures.
Orders were secured by stimulating demand for maintenance services.

Forecasts

- ✓ Net sales is expected to increase due to steady growth in the Telecommunications segment and a recovery in the Radio Frequency segment.
- ✓ Profit growth is expected to continue due to the impact of increased sales and improved profit margins.

Progress of DKK-Plan 2028

- ✓ The first year of the DKK-Plan2028 progressed smoothly. The ROE target was achieved ahead of schedule.
- ✓ Numerical targets and other metrics have been updated in response to the progress and changes in the business environment.
- ✓ Further enhancement in business performance and ROE were achieved through the implementation of various measures

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1. FY2026/3 Consolidated Results

1-1. Result Highlights

- Net sales increased by 8.8% YoY. Various profit figures also increased.
- Net income rose significantly, mainly due to an increase in operating income and the recognition of extraordinary gains.
- ROE of 5% has been achieved ahead of schedule.

(Millions of yen)	FY2025/3 Full-year results	FY2026/3 Full-year results	Increase/ decrease	YoY change
Net sales	32,582	35,446	2,863	8.8%
Gross profit	7,014	7,190	175	2.5%
Operating income	935	1,219	284	30.4%
Ordinary income	1,024	1,216	191	18.7%
Net income attributable to shareholders of parent company	777	1,903	1,126	144.9%
ROE(%)	2.1%	5.2%	-	-

1-2. Net Sales and Operating Income



- In the Telecommunications segment, net sales and profits increased, mainly driven by steady performance in Defense and a recovery in demand for Mobile Communications.
- Although the Radio Frequency segment was affected by curbs on capital expenditures in the automotive-related industry and intensifying price competition, we actively captured maintenance demand for existing equipment.

(Millions of yen)	FY2025/3 Full-year results	FY2026/3 Full-year results	Increase/ decrease	YoY change
Net sales	32,582	35,446	2,863	8.8%
Telecommunication	22,067	25,387	3,320	15.0%
Radio Frequency	10,411	9,952	-458	-4.4%
Operating income	935	1,219	284	30.4%
Operating margin ratio	2.9%	3.4%	-	-
Telecommunication	1,917	2,377	459	23.9%
Radio Frequency	1,743	1,596	-147	-8.4%

*The operating incomes for Telecommunication and Radio Frequency are provided by segment.

1-3. Results by Segment | Telecommunication

Net sales by segment

(Millions of yen)	FY2025/3 Full-year results	FY2026/3 Full-year results	Increase/decrease YoY change	
Mobile Communications	5,971	7,734	1,762 29.5%	Net sales increased due to rising demand for antennas and steel towers toward the improvement of communication quality, as well as the commencement of deliveries of wireless equipment in the 700 MHz band.
Fixed Wireless	4,358	4,744	385 8.8%	Demand for administrative radio systems for disaster prevention use increased due to the impact associated with the final year of the emergency disaster prevention and mitigation bond program.
Defense	2,818	3,703	885 31.4%	Demand for defense equipment and defense facilities remained solid, due to the increase in the defense budget.
Broadcasting	3,270	3,589	319 9.8%	In addition to maintenance demand for existing broadcasting facilities, demand for the replacement and upgrades of digital broadcasting facilities partially recovered.
Solutions	482	357	-125 -26.0%	We secured orders with an eye toward the future by horizontally deploying our pedestrian flow and traffic analysis system and introducing a new AI-powered call handling system.
Others	5,165	5,257	91 1.8%	We have steadily captured demand for surface treatments, including zinc phosphate treatment, as well as demand for LED aviation obstruction lights.

Under the Medium-Term Business Plan “DKK-Plan2028,” we redefined our business portfolio based on two evaluation axes: “market growth potential & attractiveness” and “business profitability.”

The nine segments were then classified into the following three groups, with tailored strategies implemented for each to enhance profitability.

■ Growth business group ■ Restructured business group ■ Introduction-phase business group

1-3. Results by Segment | Radio Frequency

Net sales by segment

(Millions of yen)	FY2025/3 Full-year results	FY2026/3 Full-year results	Increase/decrease YoY change	
Induction Heating Equipment	7,336	6,800	-536 -7.3%	Although demand for capital expenditures in the automotive-related industry remained sluggish, we proactively captured maintenance demand for existing equipment.
Contract Heat Treating Service	3,065	3,146	80 2.6%	While production activities at automobile manufacturers was flat, we steadily captured demand by enhancing our production structure both in Japan and overseas.
New Radio Frequency Areas	9	6	-2 -31.2%	We expanded our paid prototyping service and secured inquiries from a wide range of industries. We secured orders from two flour milling companies.

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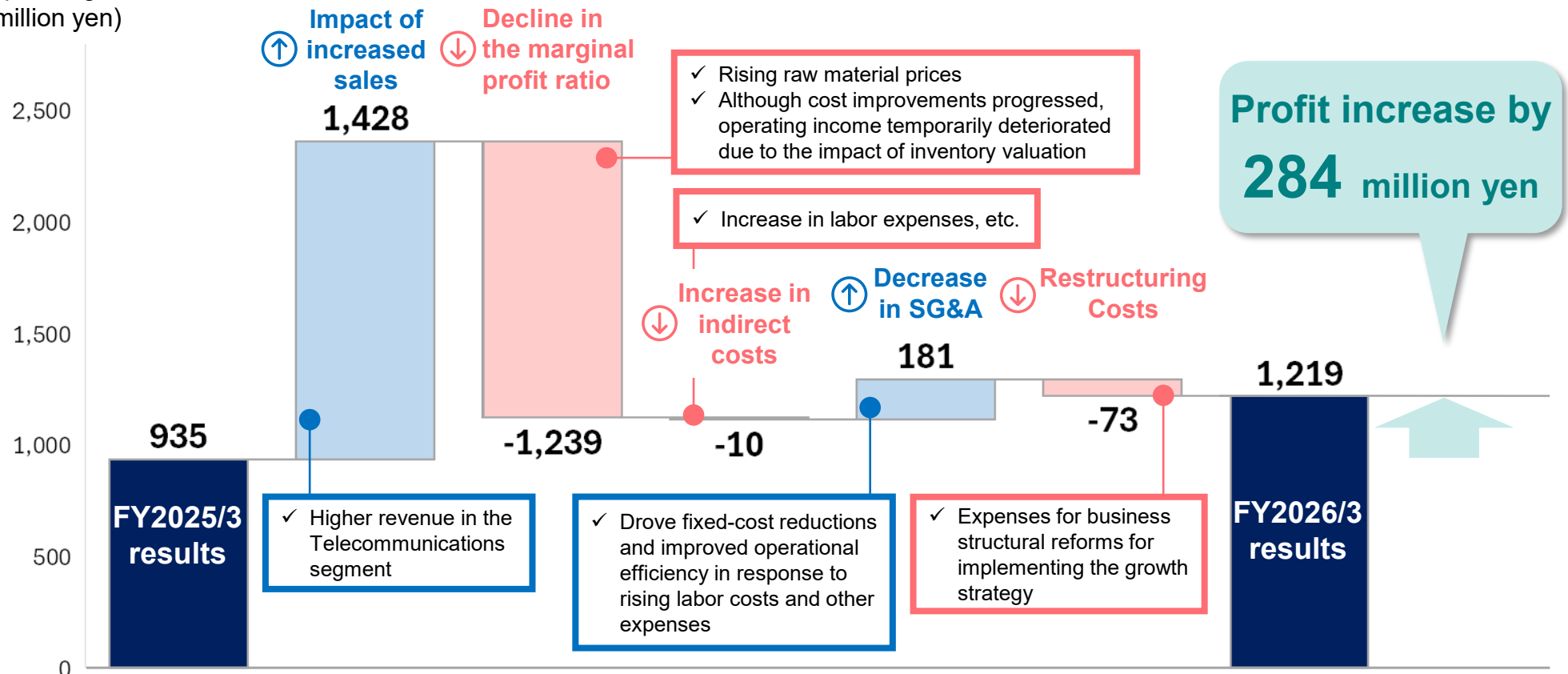
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1-4. Factors of YoY Change in Operating Income

- Operating income increased significantly on the back of higher revenue in the Telecommunications segment. The marginal profit ratio remained high. However, in addition to rising raw material costs, the impact of inventory valuation was temporarily incurred.
- We absorbed higher fixed costs, including personnel expenses, and profit increased by 284 million yen year on year.

Operating Income
(million yen)



2. FY2027/3 Forecasts for Consolidated Results

2-1. Forecasts for FY2027/3



- Net sales is expected to increase due to steady growth in the Telecommunications segment and a recovery in the Radio Frequency segment.
- Operating income and ordinary income are also expected to increase due to the positive impact of higher net sales and improved profit margins.
- We expect to record an extraordinary gain resulting from the handover of fixed assets sold in the fiscal year ended March 2024.

(Millions of yen)	FY2026/3 Full-year results	FY2027/3 Full-year forecasts	Increase/ decrease	YoY change
Net sales	35,446	36,500	1,053	3.0%
Operating income	1,219	1,650	430	35.3%
Ordinary income	1,216	1,650	433	35.6%
Net income attributable to shareholders of parent company	1,903	2,300	396	20.8%
ROE (%)	5.2%	6.1%	-	-

2-2. Net Sales and Operating Income Forecasts

- In the Telecommunications segment, Mobile Communications, Defense, and Broadcasting are expected to remain solid, offsetting the decline in demand for administrative radio systems for disaster prevention use. Accordingly, net sales are expected to increase.
- In the Radio Frequency segment, net sales and profits are expected to increase in response to a recovery in demand for capital expenditures in the automotive-related industry.

(Millions of yen)	FY2026/3 Full-year results	FY2027/3 Full-year forecasts	Increase/ decrease	YoY change
Net sales	35,446	36,500	1,053	3.0%
Telecommunication	25,387	25,600	212	0.8%
Radio Frequency	9,952	10,800	847	8.5%
Operating income	1,219	1,650	430	35.3%
Operating margin ratio	3.4%	4.5%	-	-
Telecommunication	2,377	2,800	423	17.8%
Radio Frequency	1,596	1,700	104	6.5%

*The operating incomes for Telecommunication and Radio Frequency are provided by segment.

2-3. Order Status

- In the Telecommunications segment, we steadily accumulated orders mainly for Defense, and its order backlog remained robust.
- In the Radio Frequency segment, we are seeing signs of recovery in orders from some customers.

	FY2024/3	FY2025/3	FY2026/3			
	Order backlog	Order backlog	Orders received	Net sales	Order backlog	Increase/decrease
(Millions of yen)		(1)	(2)	(3)	(4) = (1)+(2)-(3)	(4)-(1)
Tele-communication	11,464	14,552	28,092	25,387	17,257	2,704
Radio Frequency	3,887	3,097	10,781	9,952	3,926	828
Total	15,352	17,650	38,873	35,446	21,183	3,533

*The total net sales for FY2026/3 include the net sales of 105 million yen for the "Others" segment.

2-4. Forecasts by Segment | Telecommunication

Net sales by segment

(Millions of yen)	FY2026/3 Full-year results	FY2027/3 Full-year forecasts	Increase/decrease YoY change	
Mobile Communications	7,734	8,200	465 6.0%	We plan to continue capital expenditures to improve communications quality. Net sales are expected to increase due to rising demand for antennas, steel towers, and wireless equipment.
Fixed Wireless	4,744	4,000	-744 -15.7%	Although emergency disaster prevention and mitigation bonds are expected to be extended again, net sales is projected to decline due to a rebound from the increased demand in the previous fiscal year.
Defense	3,703	3,800	96 2.6%	Demand for defense equipment and facilities is expected to remain firm. Due to a high proportion of long lead-time projects, net sales are expected to increase slightly.
Broadcasting	3,589	4,000	410 11.4%	In addition to demand for maintenance of digital broadcasting facilities, demand for the replacement and upgrades is expected to increase.
Solutions	357	600	242 68.0%	We plan to further increase orders in AI pedestrian flow and traffic analysis system and actively pursue expansion into the new AI fields.
Others	5,257	5,000	-257 -4.9%	Demand for steel structures is expected to decline. We plan to promote our initiatives such as expanding demand for surface treatments and capturing demand for decorative lighting.

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2-4. Forecasts by Segment | Radio Frequency

Net sales by segment

(Millions of yen)	FY2026/3 Full-year results	FY2027/3 Full-year forecasts	Increase/decrease YoY change	
Induction Heating Equipment	6,800	7,700	899 13.2%	We are seeing signs of recovery in demand for capital expenditures among some customers. We will promote initiatives to capture demand in both existing business areas and maintenance services.
Contract Heat Treating Service	3,146	3,000	-146 -4.7%	We expect automobile production to remain stable. We will work on improving production productivity through various improvement initiatives.
New Radio Frequency Areas	6	100	93 (-)	Through paid prototyping services and PR activities, we will promote the horizontal deployment of our powder sterilization technology and development of new customers and applications.

Under the Medium-Term Business Plan “DKK-Plan2028,” we redefined our business portfolio based on two evaluation axes: “market growth potential & attractiveness” and “business profitability.”

The nine segments were then classified into the following three groups, with tailored strategies implemented for each to enhance profitability.

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2-5. Policy on Shareholder Returns

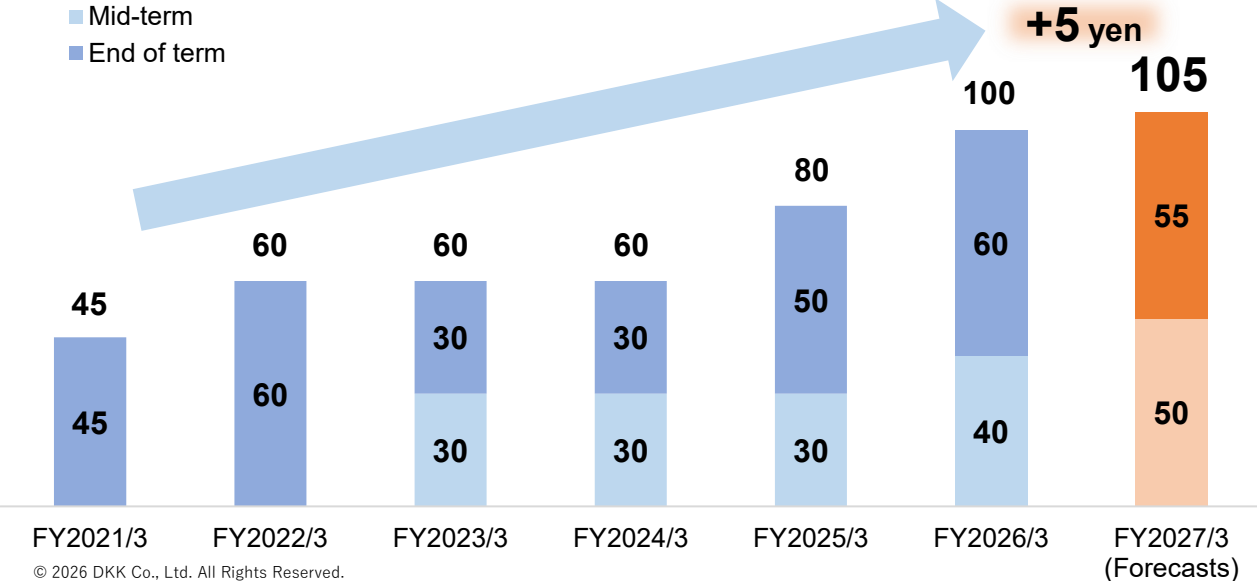


● Dividend Policy

- The target consolidated payout ratio is set at **40%**, with a minimum DOE of approximately **2.5%**. The minimum DOE (consolidated dividend on equity) was raised to **2.5%** from **2.0%** in February 2026.
- Along with the change in the dividend policy, the annual dividend for FY2026/3 raised to 100 yen.

▶ The annual dividend forecast for FY2027/3 is **50 yen** for the interim dividend plus **55 yen** for the year-end dividend (**+5 yen** per share). *Calculated based on a consolidated payout ratio of 40%.

< Dividend per share trends > (yen)



Stable returns to our shareholders will continue

- Under DKK-Plan2028, we formulated a capital strategy focused on business investments for growth and shareholder returns.
- In addition to continuing flexible and opportunistic share repurchases, we will continue to return value to shareholders through increased dividends.

3. Progress of Our Medium-Term Business Plan “DKK-Plan2028”

3-1. Positioning of the DKK-Plan2028



Our Medium-Term Business Plan “DKK-Plan2028” announced in May 2025

Positioned as the second step toward realizing our medium- to long-term vision for FY2031/3; establish a profit-generating structure and achieve growth



FY2023/3 FY2024/3 FY2025/3 **FY2026/3** **FY2027/3** **FY2028/3** FY2029/3 FY2030/3 FY2031/3

3-2. Overview of Progress on Our Medium-Term Business Plan



Progress of the DKK-Plan2028

- There are no changes to the basic policy or priority measures.
- In light of current progress and the business environment, we have updated our numerical targets and our outlook for the revenue composition by business segment.

<p>No changes</p> <ul style="list-style-type: none"> • Basic Policy • Priority Measures 	<p>Basic Policy</p>	<p>Realizing growth by establishing a profit-generating structure</p> <ol style="list-style-type: none"> 1 Business structural reforms 2 Optimizing management resources 3 Advancing sustainability management
	<p>Priority Measures</p>	

<p>Update</p> <ul style="list-style-type: none"> • Numerical targets • Revenue composition by business segment • Capital Allocation 	<p>Numerical targets</p>	<p>Operating income: 2.0 billion yen or more, ROE: 5.0% or more</p> <p>By strengthening our profitability through growth investments, we aim to improve ROE to exceed the cost of shareholder equity, thereby achieving sustainable growth.</p>
	<p>Revenue composition by business segment</p>	<p>Growth business</p> <p>While taking into a short-term market correction, we aim to steadily capture demand with an eye on mid- to long-term demand expansion and market growth.</p>
	<p>Capital Allocation</p>	<p>Restructured business</p> <p>We aim to enhance profitability by responding flexibly and appropriately to fluctuations in demand and pursue further upside potential.</p>
		<p>Revised in response to current progress and changes in the outlook for the business environment</p>

3-3. Progress Toward Numerical Targets



Numerical Targets



	FY2025/3	FY2026/3 1st year(Results)	FY2027/3 2nd year(Forecasts)	FY2028/3 Targets
Net sales	32.5 billion yen	35.4 billion yen	36.5 billion yen	—
Operating Income	0.93 billion yen	1.21 billion yen	1.65 billion yen	Updated 2.0 billion yen or more
(Operating Margin Ratio)	2.9%	3.4%	4.5%	—
ROE	2.1%	5.2%	6.1%	Updated 5.0% or more

DKK-Plan2028 Targets

Updated

DKK-Plan2028 Targets

Updated

3-4. Business Structural Reforms | Progress Status (1)



- We implemented measures in line with the strategies of each business group and these measures progressed smoothly.

Results of Progress for FY2026/3

Growth business group

- Defense
- Induction Heating Equipment
- Contract Heat Treating Service

	<u>FY2025/3</u>	<u>FY2026/3</u>
Orders received	16.5 billion yen	16.6 billion yen
Net sales	13.2 billion yen	13.6 billion yen
Gross profit margin	Up 1.1% YoY	

Business Environment

- Steadily captured demand for defense equipment, following the increase in the defense budget
- Executed a market-aligned segment strategy in the automotive industry
- Set proper prices that reflect actual conditions through enhanced cost visibility

Restructured business group

- Mobile communications
- Fixed Wireless
- Broadcasting
- Others

	<u>FY2025/3</u>	<u>FY2026/3</u>
Orders received	21.9 billion yen	22.0 billion yen
Net sales	18.7 billion yen	21.3 billion yen
Gross profit margin	Up 2.7% YoY	

- Secured orders by proposing high-value-added products
- Strengthened production capacity to capture growing demand for capital investment
- Continued specific initiatives to improve profitability

(*) Gross profit margin does not include inventory valuation losses recorded in the current period.

Introduction-phase business group

- Solutions
- New Radio Frequency Areas

	<u>FY2025/3</u>	<u>FY2026/3</u>
Total number of PR activities *	36	40
Exhibition Number of Visitors	1,675	2,041

- Strengthened PR activities to raise business visibility
- Developed and horizontally deployed AI solution packages
- Established the powder sterilization technology and secured orders through a proposal-based sales

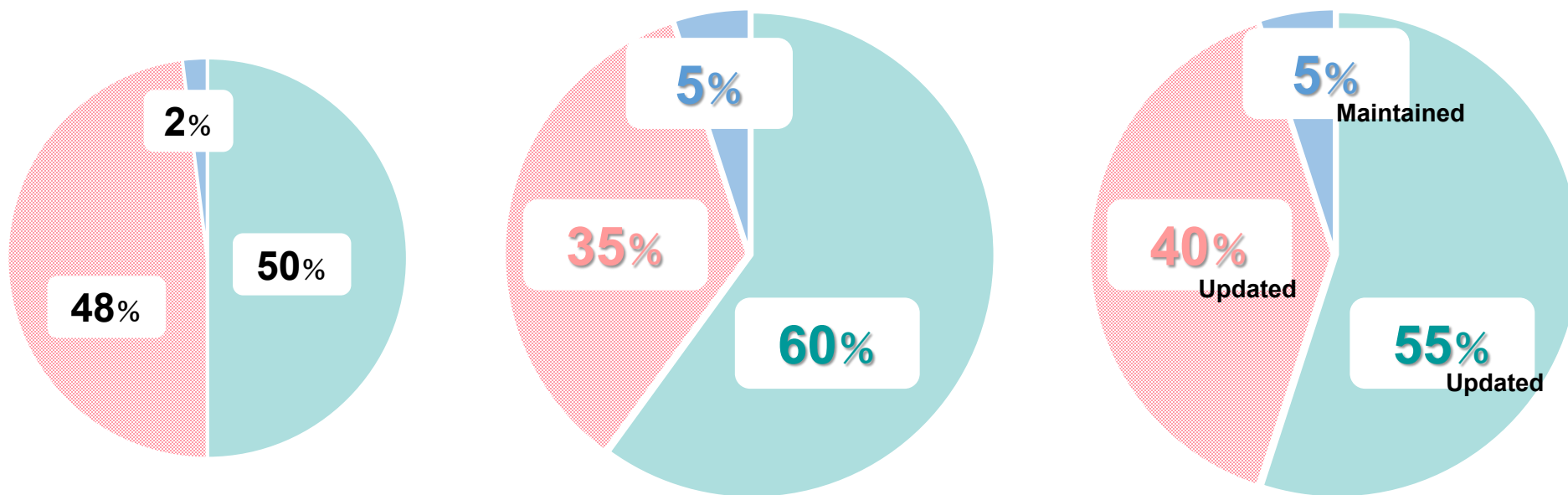
* Total number of PR activities: Total number of press releases, exhibition participations, and media placements

3-4. Business Structural Reforms | Progress Status (2)



- Updated the profit composition by business segment for FY2028/3.
- Respond flexibly to changes in the business environment during the DKK-Plan2028 period to generate revenue.

Profit composition (Outlook under the DKK-Plan2028)



FY2025/3

FY2028/3

As of the disclosure of the DKK-Plan2028

Update

FY2028/3

Current outlook

Growth business group

Restructured business group

Introduction-phase business group

3-4. Business Structural Reforms (1)

Growth business group

Solid demand for defense equipment

Defense

Manufacturing and delivery of defense equipment

- Actively secure orders by leveraging our expertise and track record in delivering defense equipment
- Collaborate with our group company, Denko Seisakusho CO., LTD. in order to respond to increasing demand and ensure stable supply.

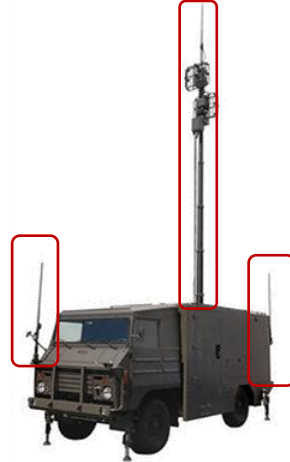


Photo: the Japan Ground Self-Defense Force website (Outdoor Communication System)

Execution of a market-aligned segment strategy

Induction Heating Equipment

Contract Heat Treating Service

Capture demand for maintenance and shorten the lead time required for coil production

- Deliver customer lifetime value through the enhancement of our maintenance services
- Provide customers with prompt service through the shortening of the lead time required for coil production

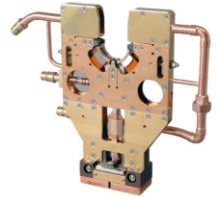


Photo: Heating coil

Maintenance sales ratio (FY2026/3)

Up 9.5% YoY

* Maintenance sales ratio within the Induction Heating Equipment segment

Order backlog (FY2026/3)

9.7 billion yen Up 33% YoY

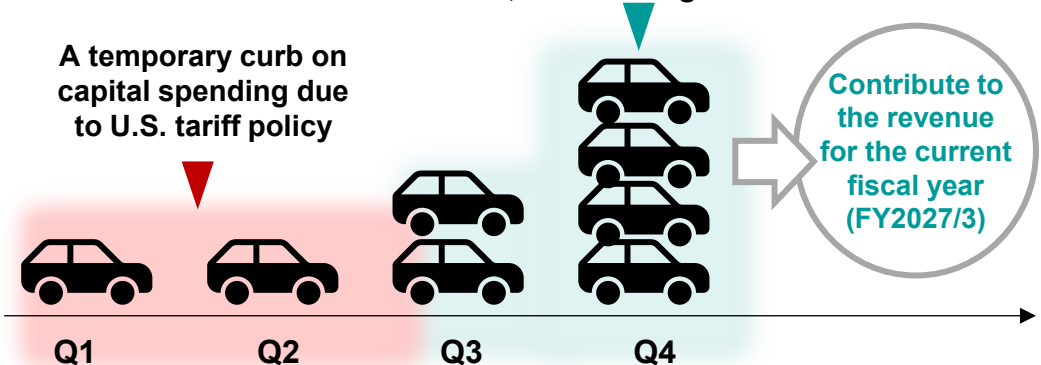
Design consulting, construction, and maintenance of defense-related facilities

- Establish a new specialized department related to the design, procurement, and construction of defense facilities within the construction division

Strengthen our capacity to execute projects

Trends in the Automotive Industry

Inquiries related to induction heating equipment among some customers have recovered, contributing to order intake.



3-4. Business Structural Reforms (2)



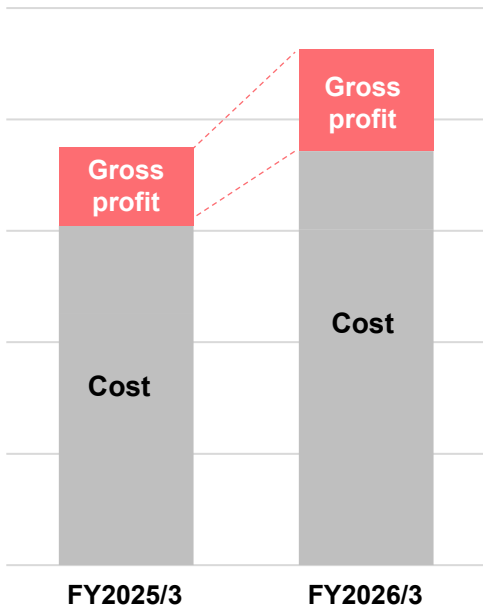
Restructured business group

Initiatives for better profitability Mobile Communications Fixed Wireless Broadcasting Others

Capturing demand for antennas, wireless equipment, steel towers to be newly constructed Mobile Communications

Improvement of “earning power”

Progress on cost structure reforms



Main Initiatives

- Expanding market share in core segments
- Reviewing the product lineup
- Advancing cost-reduction initiatives
- Establishing optimal production systems

Continuing investments aimed at improving communication quality

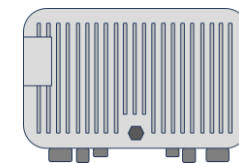
- Capital investment demand from major customers for communication quality improvement has accelerated. **Demand for the delivery of antennas and wireless equipment 106% UP**
- Alongside demand for antenna deliveries, primarily in urban areas, demand for steel towers has also emerged. **Demand for steel towers 55% UP**

Our products and technologies supporting communication environments

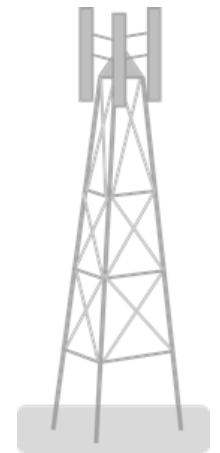
- Provided high value-added antennas and communication technologies with an eye on rising communications traffic
- Started delivery of 700MHz band 5G wireless equipment in December 2025
- Responded to maintenance demand, in addition to the design and construction of steel towers in suburban areas



Multi-band antenna



Wireless equipment



Steel towers for mobile communications

Gross profit margin in the restructured business group (FY2026/3) **Up 2.7% YoY**

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3-5. Optimizing Management Resources | Progress Status



- Updated our capital allocation in response to current progress and changes in the business environment
- Made steady progress in the promotion of human capital management and selection and consolidation of R&D

Capital Allocation

Initiatives progressing well

- Accumulation of future free cash flow (FCF) in line with improved business performance
- Shift toward liquidity on hand focusing on cross-held shares
- Implementation of capital investments toward future growth
- Raising the DOE level to enhance shareholder returns

Initiatives requiring further strengthening

- Promotion of projects aimed at improving CCC
- Collaboration and M&As aimed at expanding our businesses in the growth segments

[We have updated the allocation for strengthening DX investments and shareholder returns in line with the revised strategies for early improvement in business performance and the balance sheet](#)

Promotion of human capital management aligned with business strategy

Initiatives progressing well

- Promotion of education programs aligned with employees' career plans and our DE&I initiatives
- Development of DX talent and expanding the use of generative AI

Initiatives requiring further strengthening

- Improvement of employee engagement
- Development of management talent

Selection and consolidation of R&D

Initiatives progressing well

- Progress in research and development related to future-oriented next-generation communications, such as WPT and Beyond 5G/6G, in addition to 700 MHz wireless equipment, which is contributing to business performance

Initiatives requiring further strengthening

- Establishment and execution of a research and development management and evaluation process aimed at the steady commercialization of research and development outcomes

3-5. Optimizing Management Resources (1)



Progress on Capital Allocation (FY2026/3)

Cash inflow

Cash outflow

<p>Operating cash flow (excl. R&D)</p>	<p>-2.4 billion yen</p>	<p>Profit before income taxes 3.1 billion yen Increase in trade receivables - 2.9 billion yen Increase in inventories - 0.8 billion yen Along with improved business performance, accounts receivable and inventories have also increased. ⇒ Converted to cash in the following period</p>	<p>Growth Investment (M&As, capital spending, R&D)</p>	<p>2.0 billion yen</p>	<p>Growth capital investment 1.07 billion yen Zinc phosphate treatment equipment R&D Investment 0.94 billion yen 700MHz Band Wireless Equipment, WPT etc. M&A Continuing consideration toward expansion of growth businesses</p>
<p>Review owned Assets (liquidity on hand, cross-held shares)</p>	<p>3.0 billion yen (*6.8 billion yen)</p>	<p>Monetization of owned assets 3.0 billion yen Cross-held shares sold 1.3 billion yen Monetization of other assets 1.7 billion yen</p>	<p>Other investments (replacement/DX/ ESG-related investment)</p>	<p>0.5 billion yen</p>	<p>Replacement investment 0.2 billion yen DX investment 0.2 billion yen ESG-related investment 0.1 billion yen</p>
<p>Use of leverage</p>	<p>0.0 billion yen</p>	<p>Prioritizing the use of cash and maintaining current borrowing levels</p>	<p>Shareholder returns (share buybacks, dividends)</p>	<p>1.8 billion yen</p>	<p>Share buybacks: 1.0 billion yen Dividends (annual): 0.88 billion yen</p>

*This figure incorporates 3.8 billion yen in liquidity on hand (cash)

3-5. Optimizing Management Resources (2)

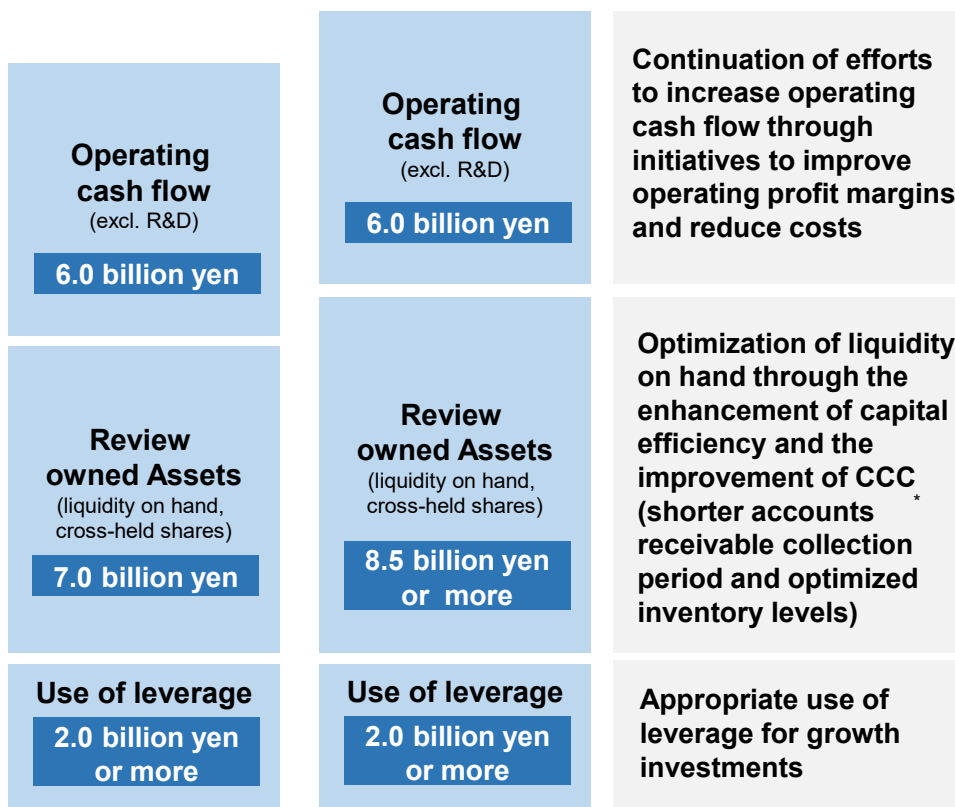


Update on Capital Allocation

- We aim to achieve medium- to long-term growth by allocating cash generated through our business activities and balance sheet management to growth investments. In addition, we will also promote improvement of efficiency through DX investments as well as enhancement of shareholder returns.

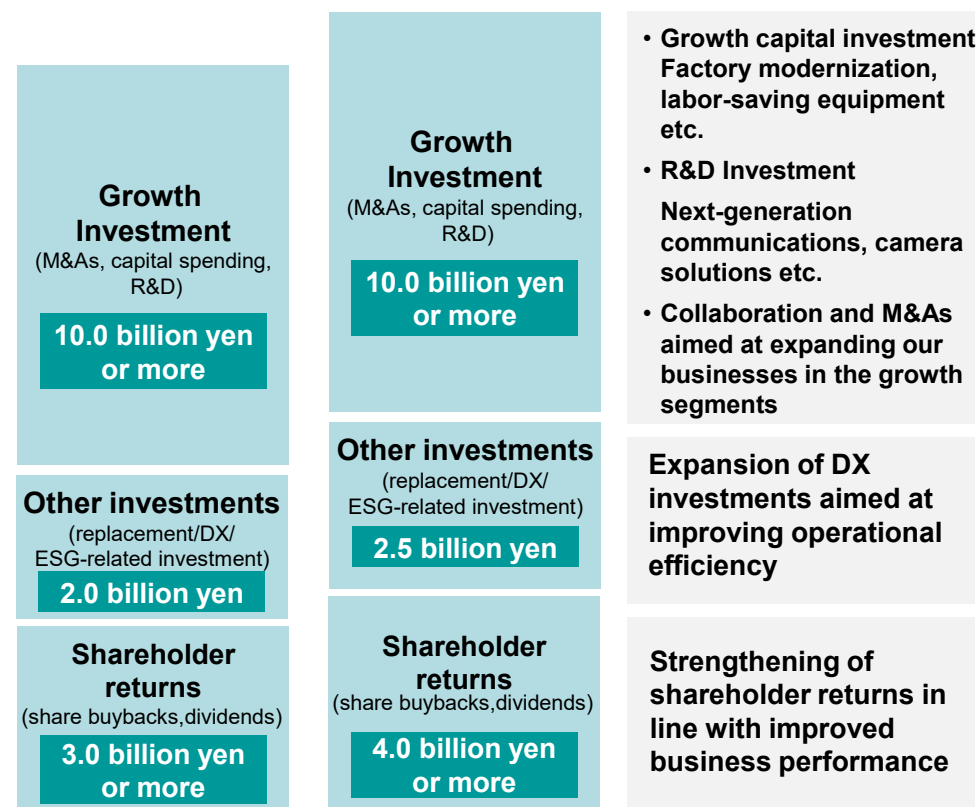
Cash inflow (3-year cumulative total)

Cash outflow (3-year cumulative total)



Initial plan

Update



Initial plan

Update

* Cash Conversion Cycle (CCC) is a metric that represents the number of days it takes for a company to recover cash it invested for procurement.

3-5. Optimizing Management Resources (3)



Progress on the CCC* Improvement Project

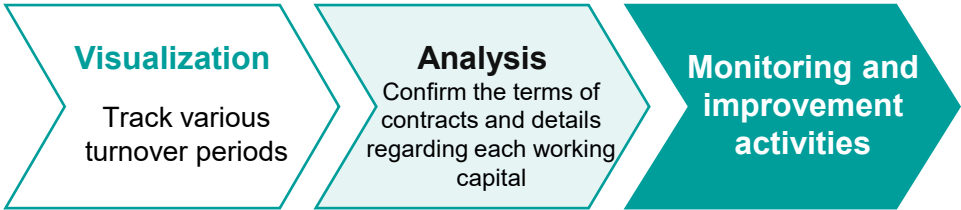
Actual CCC Results

- Positioned CCC as a key initiative and launched an improvement project
- Due to an increase in days sales outstanding and days inventory outstanding, the cash conversion cycle has recently lengthened
- The deterioration in CCC for FY2026/3 was due to an increase in accounts receivable resulting from higher sales particularly around the end of the fiscal year, as well as an increase in work in progress due to a rise in orders received

(Unit: Days)

	FY2024/3	FY2025/3	FY2026/3
Days Sales Outstanding +	152	162	179
Days Inventory Outstanding -	95	97	99
Days Payable Outstanding =	50	47	36
CCC	197	212	242

Key Initiatives aimed at improving CCC



- **Accounts receivable: Promotion of initiatives aimed at shortening of the collection cycle by reviewing contract and collection terms**
 - ➔ Review the terms of contracts with the top 21 companies that account for the highest share of our sales
- **Inventory: Promotion of the optimization of inventory**
 - ➔ Establish a policy and implement monitoring

Future initiatives

Track progress by business unit to enable continuous improvement

* Cash Conversion Cycle (CCC) is a metric that represents the number of days it takes for a company to recover cash it invested for procurement.

3-5. Optimizing Management Resources (4)



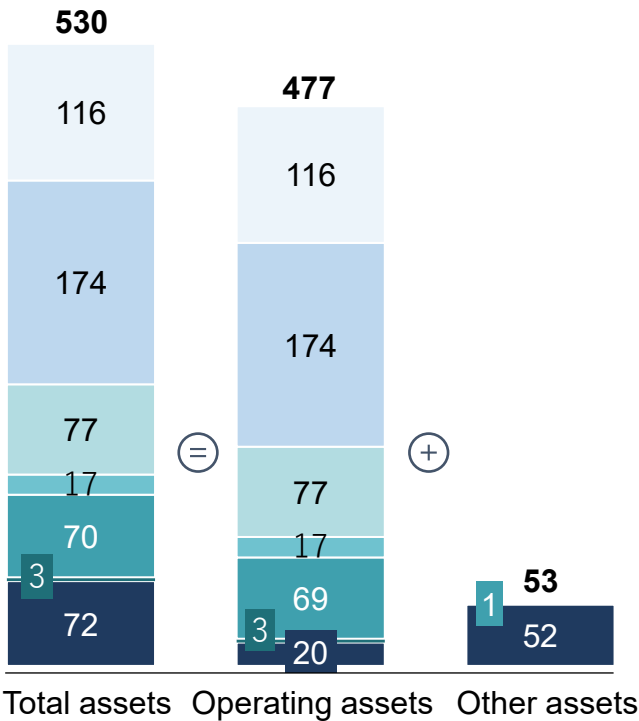
Promotion of an asset-light management

- Classifying assets into operating assets and other assets as part of balance sheet management.
- ### Leveraging other assets for growth investments

Classification of assets into operating assets and other assets (FY2026/3)

Definition of Classification

(Unit: 100 million yen)



	Operating assets	Other assets
Working capital/ Current assets	<ul style="list-style-type: none"> Ongoing working capital required for business operations Cash and deposits, accounts receivable, inventory assets, and other current assets 	
Property, plant and equipment and intangible assets	<ul style="list-style-type: none"> Non-current assets used directly in the core businesses, which are manufacturing, development, sales, and construction Including factories, facilities, business locations, and business systems, etc. 	<ul style="list-style-type: none"> Assets subject to review based on the purposes for which they are held and capital efficiency
Investment and other assets	<ul style="list-style-type: none"> Business investments required for the execution of the core businesses and the operation of group businesses 	<ul style="list-style-type: none"> Assets not directly used for pure investment purposes, asset management, or revenue generation from the core businesses Investment securities, long-term time deposits, and other financial assets

3-5. Optimizing Management Resources (5)



Cultivating human resources who can “think and act for themselves” and optimally allocating them in line with business strategies

Promotion of human capital management aligned with business strategy

Workplace environment where diverse human resource can thrive

DE&I initiatives

- Establish an inclusive organizational culture through the provision of training on diversity and childcare/caregiving leave

Training participation rate **100%**

Strengthen recruitment efforts

- Increase in the recruitment of global talent
- Launch of a project led by young employees to strengthen recruitment efforts

Cultivating human resources and organizations that can “think and act for themselves”

Obtaining qualifications in line with career plans

- Clarify employees' individual goals and encourage them to obtain qualifications in a planned manner

Number of employees who obtained qualifications (compared to the previous period)
Up 11.7%

Enhance tier-based training

- Enhance the content of training programs tailored to each employee level

Tier-based training Number of participants **60**

DX and AI Initiatives

Development of DX and AI Talent

- We are carrying out a talent-development plan to expand our pool of DX talent through the establishment of a dedicated DX department and the provision of training to enhance DX and AI literacy.



DX and AI literacy
Number of employees who took the training **33**

Expanded use of generative AI

- Achieve greater efficiency and productivity by granting generative AI licenses to all departments

Flexible work styles and improved engagement

Conducted engagement surveys

- Implement continuous improvements to the work environment based on the survey results.



36%



50%

Survey Results for FY2026/3

Targets for FY2028/3







Achievement of the DKK-Plan2028

Cultivate human resources who can “think and act for themselves” to achieve transformation

3-5. Optimizing Management Resources (6)



Selection and consolidation of R&D

		Progress in FY2026/3	Medium- to long-term targets
01	 IT Solutions	<ul style="list-style-type: none"> Implemented edge AI in the people flow analysis system Commercialized port DX solutions 	Evolve into data business through big data accumulation and analysis technologies
02	 Wireless Power Transfer	<ul style="list-style-type: none"> Established core technologies for 24 GHz systems Completed a commercial prototype of 5.7 GHz wireless power transfer/ Obtained a commercial license ⇒Refer to P.37 	Realize integrated radio base stations supporting both Beyond 5G/6G communications and wireless power transfer
03	 Defense	<ul style="list-style-type: none"> Developed various radar antennas Developed equipment for enhanced functionality 	Further expand advanced antenna system application areas
04	 Induction Heating Equipment / New Radio Frequency Areas	<ul style="list-style-type: none"> Enhanced energy- and labor-saving technologies Established design methods to improve the durability of coils 	Improve durability Continuously advance energy- and labor-saving technologies
05	 New Radio Frequency Areas	<ul style="list-style-type: none"> Developed a deodorization equipment utilizing radio frequency induction heating technology, improved and enhanced superheated steam equipment ⇒Refer to p. 39 	Expand application areas for radio frequency induction heating technology
06	 Beyond5G/6G, ITS	<ul style="list-style-type: none"> Developed 700MHz Band 5G Wireless Equipment Developed various sub-terahertz antennas 	Develop “ultra-high-speed,” “wideband,” and “low-latency” wireless devices

3-5. Optimizing Management Resources (7)

Toward the Realization of Management with Attention to Cost of Capital and Share Price

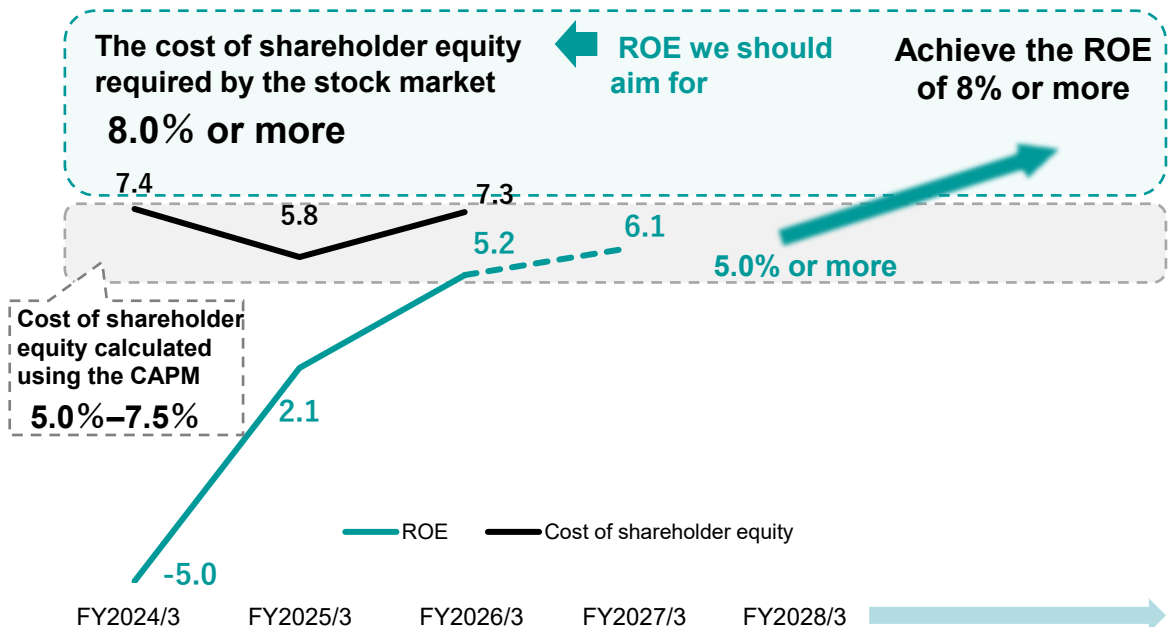
Initiatives to achieve a PBR of 1.0 or more

- **Enhancement of return on capital**
Achieve an ROE level exceeding the cost of shareholder equity
- **Improvement of market valuation**
Enhance expectations for the growth of the company and its businesses

	FY2024/3	FY2025/3	FY2026/3
ROE	- 5.0%	2.1%	5.2%
Cost of shareholder equity	7.4%	5.8%	7.3%
Equity Spread	- 12.4%	- 3.7%	- 2.1%

Trends in ROE and cost of shareholder equity

(Unit: %)



By working to improve our ROE, we will strive to achieve a level of 8% or more, the target we aim to achieve in the medium to long term.

Calculation model for the cost of shareholder equity

$$\text{Risk-free rate} + \text{Beta } (\beta) \times \text{Risk premium} = \text{Cost of shareholder equity}$$

Yield on 10-year government bonds vs. TOPIX, based on 5 years of monthly data Set at 6.0%, based on the rate of change in the TOPIX Using the CAPM

3-6. Advancing Sustainability Management | Progress Status



We have identified five material issues (materiality) and are promoting our sustainability initiatives.

Materialities	Achievement level	Key results for FY2026/3	Relationship with the DKK-Plan2028
Promotion of Human Capital Management	○	<ul style="list-style-type: none"> Percentage of women in managerial positions: 9.17% (as of March 31, 2026) DKK Percentage of male employees taking childcare leave: 60% DKK Overtime: Reduced by 12.5% compared to FY2025/3 Domestic 	Optimizing management resources Cultivating human resources who can “think and act for themselves” and optimally allocating them in line with business strategies ⇒Refer to P.30
Strengthening of Corporate Governance	◎	<ul style="list-style-type: none"> Dialogue between directors and investors (SR meetings): 11 DKK Board members’ attendance rate at board meetings: 100% DKK Training on spear phishing emails: 4 Domestic Conducted surveys of and dialogues with major suppliers Domestic 	Advancing sustainability management Establishing sustainable supply chains ⇒Refer to P.35
Promotion of Environmental Management	○	<ul style="list-style-type: none"> Obtained SBT certification Group-wide Recycling rate of total waste generated: 98.8% Domestic (It represents the combined total for the Kanuma, Atsugi, and Kawagoe plants) 	Advancing sustainability management Addressing to climate change ⇒Refer to P.35
Sustainable Growth & Development of Business	○	<ul style="list-style-type: none"> Effective operation rate: Increased by 11.5% compared to FY2025/3 DKK Gross profit per employee: Increased by 8.68 million yen compared to FY2025/3 DKK Number of new products launched: 5 DKK 	Advancing sustainability management Contributing to society through business ⇒Refer to P.34
Promotion of Innovation	△ The number of industrial property right applications remained low.	<ul style="list-style-type: none"> Selected three research and development themes aimed at addressing social issues DKK Number of industrial property right applications: 6 (4 patents / 2 trademarks) DKK 	Advancing sustainability management Contributing to society through business ⇒Refer to P.34

3-6. Advancing Sustainability Management (1)

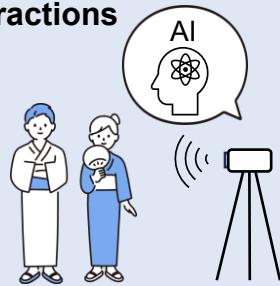
Contributing to society through business

Started providing portable service for AI pedestrian flow and traffic analysis system

- Measures, visualizes, and analyzes pedestrian flow and traffic volumes at event venues, tourist attractions, and on roads using portable AI-enabled cameras in a short period of time

Solving Social Issues

- ✓ Ensuring safety measures and alleviating crowding at events and tourist attractions
- ✓ Promoting circulation within the area and fostering vibrancy
- ✓ Enhancing road planning and transportation policies



News release on November 21, 2025

[Started providing portable service for AI pedestrian flow and traffic analysis system | News | DKK Co., Ltd.](#)

Provided an “AI-powered phone support” to Nasu Town, Tochigi Prefecture

- AI handles initial phone inquiries for the municipality.

Solving Social Issues

- ✓ Enhancing convenience by providing support available 24/7/365
- ✓ Reducing the burden of in-person visits and procedures at municipal offices
- ✓ Enhancing the operational efficiency of municipal employees and promoting digital transformation



News release on April 1, 2026

[Implemented an “AI-powered phone support” for Nasu Town, Tochigi Prefecture | News | DKK Co., Ltd.](#)

We aim to broaden our contribution to society through our business, leveraging our proven track record in the implementation of our products and services.

Our Upcoming Exhibition Schedule

- June 2–5: FOOMA JAPAN 2026 (Tokyo)
- July 23–24: Local × Tech Tohoku (Sendai)
- September 30–October 2: Security & Safety Trade Expo 2026 RISON (Tokyo)

3-6. Advancing Sustainability Management (2)

Establishing sustainable supply chains

Conducted a questionnaire survey of suppliers

Suppliers surveyed Suppliers in the top 80% in terms of transaction volume with our company during the previous fiscal year


Survey content A total of 20 questions across 9 categories based on our “Supply Chain Sustainability Guidelines” (Compliance with laws and regulations, human rights, environmental conservation, occupational safety and health, information security, etc.)

Survey response summary 149 out of 181 companies (**response rate: 82.3%**)
*Up 41.5 percentage points YoY
Average score: 73 points (Benchmark score: 60 points)

Providing feedback on survey results and engaging in dialogue with suppliers

 Provided suppliers with **feedback** on the analysis results of the survey.  Selected five suppliers and **engaged in a dialogue** with them for improvement.

Internal trainings on supply chains

 Participation Rate **100%** (Intended for all group employees)

We will strive to establish a sustainable supply chain through the improvement of our survey content based on the industry sectors (such as manufacturing and construction) and through ongoing dialogue.

Addressing to climate change

Greenhouse Gas (GHG) Emission Reduction Targets (Target Year: FY2030/3)

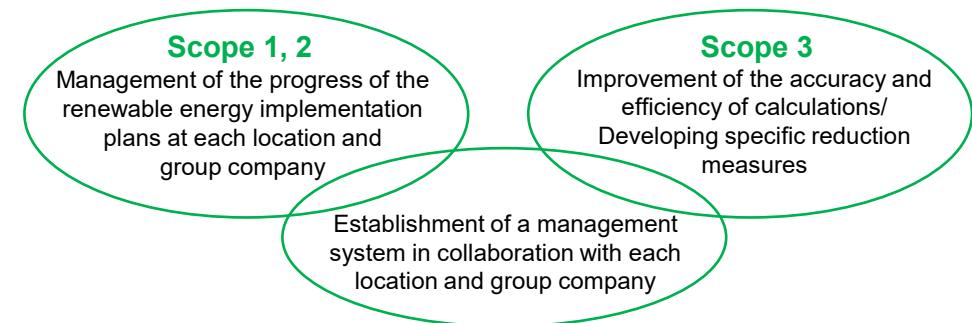
Scope 1 and 2: Reduce emissions by **42.4%** compared to FY2020/3

Scope 3: Reduce emissions by **45%** compared to FY2020/3



Obtained SBT certification in October 2025

Initiatives to ensure the achievement of GHG emission reduction targets



Promotion of green procurement and establishment of the system

Internal training program on green procurement  Participation Rate **100%**

Survey on customer requirements, phased development of rules concerning green procurement operations 

4. Topics

4-1. R&D (Progress in the Wireless Power Transfer (WPT) System)^{*1}

We obtained Japan's first license as on-premises radio station for wireless power transmission equipment for 5.7 GHz band.

Summary of the progress

- Obtained **Japan's first** license^{*2} as a WPT station for the 5.7 GHz Band
 - Date obtained: March 27, 2026
 - Licensed site: Kanuma Plant
- ▼
- Supply power to various sensor devices and compact cameras
 - Aim to launch sales for trial use in the second half of FY2027/3

Illustration of intended use



Leveraging this license as a stepping stone, we will proceed with demonstration and validation efforts and aim to commence sales at the earliest opportunity.

^{*1} Spatial Transmission Wireless Power Transfer (WPT) system: A technology that wirelessly transmits power to remote devices using radio waves (microwaves)

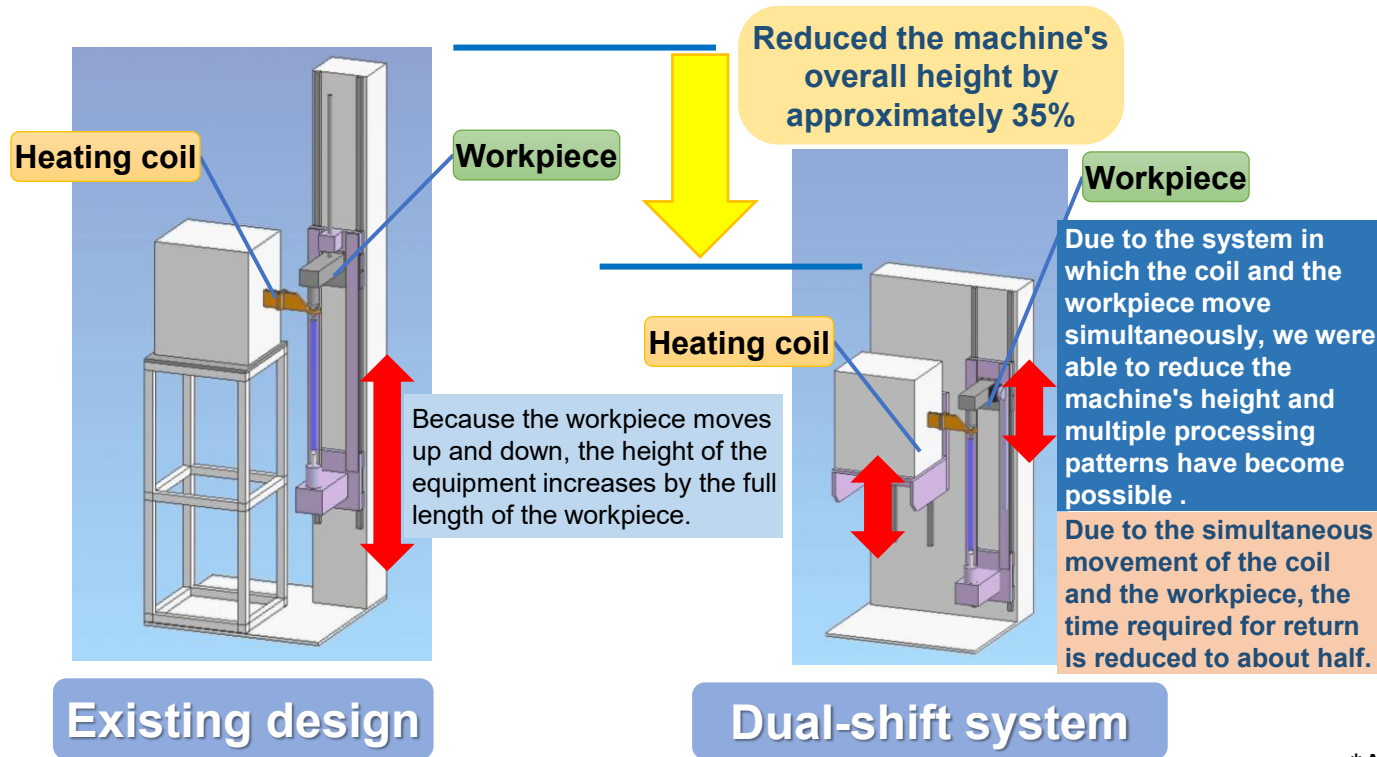
It is expected to serve as a means of supplying power to sensors, displays, and various IoT devices in factories and warehouses.

^{*2} License as On-premises Radio Station for Wireless Power Transmission Equipment: A radio station that intentionally emits radio waves into the air within the premises, such as factories, plants and buildings, in order to supply power safely.

4-2. Development of a New Radio Frequency Induction Heating Equipment

Developed vertical heat-treatment equipment adopting a dual-shift system

- We have introduced the equipment at the Tokai Heat Treatment Research Center to accommodate heat treatment prototyping for long components.
- This equipment employs a “**dual-shift system**,” in which the workpiece and the heating coil are moved simultaneously, thereby reducing the overall height of the machine and shortened processing time.



Length range supported by the new equipment: 100–1000 mm

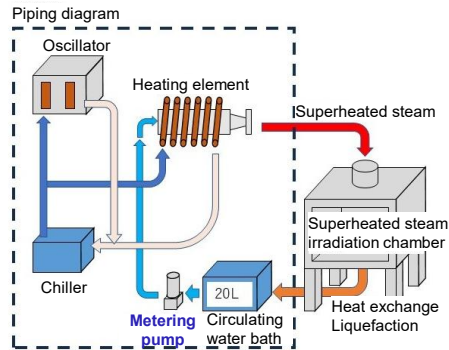
*A patent application is currently pending.

We will strengthen our prototyping capabilities at the Tokai Heat Treatment Research Center and contribute to the development and mass production processes.

4-3. Expansion of Our Product Lineup in New Radio Frequency Areas

Development of new products to meet customer needs

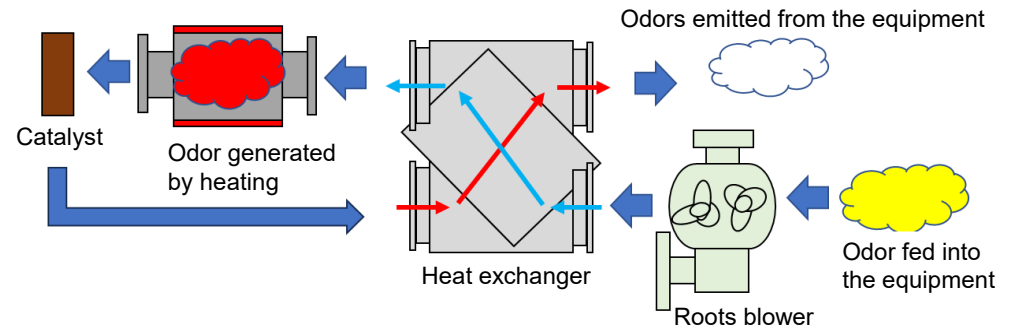
Compact boiler-less superheated steam equipment



- Reduced the burden of installing and setting up a boiler
- Generate superheated steam directly from water using induction heating technology
- As the superheated steam is recovered and recirculated after processing, no exhaust duct is required.

Minimizes installation constraints and is designed for easy implementation

Expansion of the spot-type deodorization equipment lineup



- Developed a unit capable of processing 3 m³/min, compared to the existing capacity of 1 m³/min.
- Achieved high efficiency by incorporating a heat exchanger

*A patent application is currently pending.

Meeting the specific needs of each site

Expansion of our product lineup to respond to diverse needs

For Reference: Disclosure Information



New Products and Services

- 2026/3/30: Obtained Japan's First License as an On-premises Radio Station for Wireless Power Transmission Equipment for 5.7 GHz Band.
- 2026/4/1 : Implemented an "AI-powered Phone Support" for Nasu Town, Tochigi Prefecture
- 2026/4/27: Implemented the "AI pedestrian Flow and Traffic Analysis System" for Fukushima City
- 2026/5/12: Developed a Compact, Boiler-less, Recirculating Superheated Steam system
- 2026/5/12: Expanded the Product Lineup for the "RapidDeodorizer-X™," a spot-type deodorization equipment
- 2026/5/13: Launched "DK-TBX-15," a Gimbal-Mounted Thermal/Surveillance Camera
- 2026/5/19: Developed a Vertical Heat-Treatment Equipment that Enables a Significant Reduction in Machine Height and Operating Time

Published in External Media

- 2026/1/5 : Article on Ministry of Internal Affairs and Communications Commissioned Research (WPT) Published in "Denpa Times"
- 2026/1/13: An Interview With our President Featured in the Project Design Online
- 2026/2/25: An Interview With our President Featured in the Presidents Dictionary
- 2026/3/10: Our Presentation and Participation in a Panel Discussion at the Broadband Wireless Forum (BWF) Featured in "Denpa Times"
- 2026/4/1 : An Article About our Technology was Featured in the April 2026 Issue of the Monthly Magazine "Machinery & Equipment For Food Industry."



△ April Issue of the Monthly Magazine "Machinery & Equipment For Food Industry"

Other assets

- 2026/2/2 : Fukuoka Tower has been recognized by Guinness World Records™ for the pixel animation illumination installed by our company
- 2026/3/25: Revamped our Information Panel Displayed at the Sapporo TV Tower

Appendix

FY2026/3 Consolidated Results



(Millions of yen)	FY2025/3 Full-year results	FY2026/3 Full-year forecasts (Initial projection)	FY2026/3 Full-year results	YoY change		Percentage of forecast	
				Increase/ decrease	Increase/ decrease rate	Increase/ decrease	Increase/ decrease rate
Net sales	32,582	33,000	35,446	2,863	8.8%	2,446	7.4%
Cost of sales	25,567	-	28,255	2,687	10.5%	-	-
Gross profit	7,014	-	7,190	175	2.5%	-	-
Selling, general, and administrative expenses	6,079	-	5,971	-108	-1.8%	-	-
Operating income	935	700	1,219	284	30.4%	519	74.2%
Operating margin ratio	2.9%	2.1%	3.4%	-	-	-	-
Ordinary income	1,024	800	1,216	191	18.7%	416	52.1%
Ordinary income margin	3.1%	2.4%	3.4%	-	-	-	-
Net income attributable to shareholders of parent company	777	600	1,903	1,126	144.9%	1,303	217.3%
ROE (%)	2.1%	1.6%	5.2%	-	-	-	-

FY2027/3 Forecasts for Consolidated Results



(Millions of yen)	FY2026/3 Full-year results	FY2027/3 Full-year forecasts	YoY change	
			Increase/ decrease	Increase/ decrease rate
Net sales	35,446	36,500	1,053	3.0%
Telecommunication	25,387	25,600	212	0.8%
Radio Frequency	9,952	10,800	847	8.5%
Operating income	1,219	1,650	430	35.3%
Operating margin ratio	3.4%	4.5%	-	-
Telecommunication	2,377	2,800	423	17.8%
Operating margin ratio	9.4%	10.9%	-	-
Radio Frequency	1,596	1,700	104	6.5%
Operating margin ratio	16.0%	15.7%	-	-
Ordinary income	1,216	1,650	433	35.6%
Ordinary income margin	3.4%	4.5%	-	-
Net income attributable to shareholders of parent company	1,903	2,300	396	20.8%
ROE (%)	5.2%	6.1%	-	-

*The operating incomes for Telecommunication and Radio Frequency are provided by segment.

*Net sales of the "Others" segment omitted.

Notes on Forecasts



Figures included in this document that are related to descriptions, including plans and policies and not past facts, are forecasts regarding future earnings. They are all calculated based on management assumptions and views based on information grasped by the company at the time of writing.

Therefore, these forecasts include risks and uncertain factors, and actual results may differ from them due to a variety of factors.

Such potential risks and uncertain factors include changes in economic situations and product demand levels in major markets, fluctuations in the exchange rate, changes in regulations in Japan and overseas, and accounting standards and practices.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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