



No. M.D.044 /2026

May 18, 2026

Subject: Notification of management's discussion and analysis for the year 2025

To: President of the Stock Exchange of Thailand

With reference to Kang Yong Electric Public Company Limited's submission of financial statements for the year 2025 (ended March 31, 2026) duly reviewed by a certified public accountant, we would like to give clarification on the Company's operating results and financial position as follows:

Operational Overview and Strategic Direction

In 2025, both the global and Thai economies faced challenges arising from various factors, including exchange rate volatility, interest rates, trade barriers, inflation, and rising household debt. In addition, geopolitical conflicts in the Middle East created structural shocks in the energy sector, resulting in higher production and export costs as well as weakened consumer purchasing power. Consequently, the Company's sales performance declined compared to the previous year, particularly in Japan market which is the Company's major market. Nevertheless, the Company continued to maintain its competitiveness and financial stability through effective internal management and foreign exchange risk management.

Environmental, Social, and Governance (ESG) Performance

The Company commits to sustainable growth under the strategy of "Innovating for a Better Tomorrow", while balancing environmental responsibility, social contribution, and good corporate governance. Key achievements during fiscal year 2025 are summarized as follows:

Environment

The Company is committed to achieving Net Zero Emissions for both factory and office operations by 2030 through the enhancement of its operations toward an Eco Factory model. The Company has implemented measures to control carbon dioxide emissions throughout the production process by adopting energy management standards and installing solar rooftop systems within the Company's facilities. In addition, the Company continues to emphasize research and development of energy-saving products to minimize environmental impacts throughout the entire product life cycle.

Social

The Company is dedicated to fostering a strong safety culture with the objective of achieving Zero Accidents by eliminating risk points and hazardous processes. The Company also prioritizes the physical and mental well-being of all employees, while delivering high-quality and safe products and services that maximize customer satisfaction. At the same time, the Company continues to support and take responsibility for surrounding communities in a sustainable manner.

Governance

The Company conducts its business operations based on the principles of integrity and business ethics throughout the supply chain. The Company continuously promotes awareness among directors,



executives, and employees at all levels to ensure that their duties are carried out with transparency and accountability toward society.

Summary of financial information		Ended March 31	
		(Unit)	2026
Total assets	Baht million	11,416	11,243
Total liabilities	Baht million	1,567	1,655
Shareholders' equity	Baht million	9,848	9,588
Revenues from sales and rendering of services	Baht million	4,656	6,082
Total revenues	Baht million	5,508	6,964
Costs of sales and rendering of services	Baht million	4,195	5,458
Gross profit	Baht million	461	624
Selling and administrative expenses	Baht million	676	802
Net profit	Baht million	618	703
Net profit per shares	Baht	31.20	35.48
Financial ratios			
<i>Liquidity ratios</i>			
Current ratio	time	11.04	9.02
Quick ratio	time	6.94	6.10
Accounts receivable turnover ratio	time	5.98	6.56
Average collection period	day	61	56
Inventory turnover ratio	time	6.85	7.98
Average age of inventories	day	53	46
Accounts payable turnover ratio	time	6.33	7.09
Repayment period	day	58	51
Cash cycle	day	56	51
<i>Profitability ratios</i>			
Gross profit margin	%	9.92	10.27
Net profit to sales ratio	%	13.27	11.55
Return on equity	%	6.36	7.41
<i>Efficiency ratios</i>			
Return on total assets	%	5.45	6.28
Return on fixed assets	%	85.05	78.55
Assets turnover ratio	time	0.49	0.62
<i>Financial policy ratios</i>			
Debt to equity ratio	time	0.16	0.17
Dividend payout ratio	%	*	50.17

* In process of seeking approval from the Annual General Meeting of Shareholders 2026



Summary of operating results for FY2025 in comparison with FY2024:

Unit: Baht million	For the year ended March 31			
	2026	2025	Diff.	%
Revenues from sales and rendering of services	4,656.4	6,082.2	(1,425.8)	-23.4%
Costs of sales and rendering of services	4,194.6	5,457.5	(1,262.9)	-23.1%
%	90.1%	89.7%	0.4%	
Gross profit	461.8	624.7	(162.9)	-26.1%
Selling expenses	210.6	275.1	(64.5)	-23.4%
Administrative expenses	465.7	527.2	(61.5)	-11.7%
Investment income and other	852.3	883.1	(30.8)	-3.5%
Profit before income tax	637.8	705.5	(67.7)	-9.6%
Tax expense	20.1	3.1	17.0	548.4%
Net profit for the year	617.7	702.4	(84.7)	-12.1%

Revenues from sales and services, by business segment

Unit: Baht million	For the year ended March 31			
	2026	2025	Diff.	%
Domestic market	2,302.9	2,717.7	(414.8)	-15.3%
Japan	1,496.9	2,318.4	(821.4)	-35.4%
Others	856.6	1,046.1	(189.5)	-18.1%
Export market	2,353.5	3,364.5	(1,010.9)	-30.0%
Total	4,656.4	6,082.1	(1,425.7)	-23.4%

Other export markets include 16 countries, namely Taiwan, Hong Kong, Singapore, Malaysia, Myanmar, Philippines,

Vietnam, Indonesia, Australia, New Zealand, UAE, Sri Lanka, Brunei, Russia, Qatar and Kuwait.

Revenues from sales and services

For the fiscal year 2025, the Company's revenues from sales and rendering services decreased by 1,425.8 million baht or -23.4% from 6,082.2 million baht in the year 2024 to 4,656.4 million baht in the year 2025, divided into the following three major business groups as follows:

1. In the domestic market, revenue from sales and rendering services decreased by 414.8 million baht or -15.3% from 2,717.7 million baht in 2024 to 2,302.9 million baht in 2025, mainly due to the sales reduction in all products.
2. Export to Japan market, revenue from sales decreased from 2,318.4 million baht in 2024 to 1,496.9 million baht in 2025 or decreased 821.4 million baht or -35.4% due to the sales reduction in all products.
3. Export to markets elsewhere, the sales decreased from 1,046.1 million baht in 2024 to 856.6 million baht in 2025 or decreased 189.5 million baht or -18.1%, mainly due to the sales reduction in all products.



Investment income and other income

Investment income and other income for the fiscal year 2025 was 852.3 million baht, a decrease of 30.8 million baht or -2.5% compared to 2024. The decreased income mainly came from investment income decreased by 55.5 million baht, however, net foreign exchange gains increased by 13.8 million baht and other income increased by 11.8 million baht.

Cost of sales and expenses

The cost of sales and rendering services in 2025 accounted for 90.1% of revenues from sales and rendering services, representing an increase of 0.4% compared to fiscal year 2024. The increase was mainly attributable to the impact of exchange rate fluctuations and higher oil prices resulting from conflicts in the Middle East, which led to higher product costs compared to the previous year.

Selling expenses decreased from 275.1 million baht in 2024 to 210.6 million baht in 2025, representing a decrease of 64.5 million baht or 23.4%. The decrease was primarily due to a reduction in overseas transportation costs of 12.1 million baht, after service expenses of 16.9 million baht, and royalty expenses related to product distribution of 32.8 million baht.

Administrative expenses decreased from 527.2 million baht in 2024 to 465.7 million baht in 2025, decreasing by 61.5 million baht or -11.7%. The major reductions were finished goods storing expenses of 13.3 million baht and product development fee of 22.3 million baht.

Profit

In the fiscal year 2025, the Company posted a gross profit margin of 461.8 million baht or 9.9% of revenues from sales and rendering services, which was a -0.4% decrease compared to the previous year. After considering the reduction of the selling expenses, the reduction of administrative expenses, the growth of investment income and other income, and the increase of income tax; therefore, the net profit for the year 2025 was 617.7 million baht or 13.3% of revenues from sales and rendering services which increased by 1.7% from the year 2024 which was 11.5%. The net profit rate per share dropped from 35.48 baht per share in the year 2024 to 31.20 baht per share in the year 2025. The return on equity in the year 2025 decreased from 7.41% in the year 2024 to 6.36% in the year 2025.



Summary of financial position

Unit: Baht million	For the year ended March 31			
	2026	2025	Diff.	%
Cash and cash equivalents	235.4	243.1	(7.7)	-3.2%
Other current financial assets	3,414.8	3,228.9	185.9	5.8%
Trade accounts receivables and Other receivables	658.1	900.2	(242.1)	-26.9%
Value added tax refundable	37.0	82.2	(45.2)	-55.0%
Short-term loan to related party	1,974.9	1,484.7	490.2	33.0%
Inventories	580.2	645.2	(65.0)	-10.1%
Other current assets	9.7	7.0	2.7	38.6%
Total current assets	6,910.1	6,591.3	318.8	4.8%
Other non-current financial assets	3,382.4	3,356.6	25.8	0.8%
Property, plant and equipment	1,029.1	1,202.8	(173.7)	-14.4%
Other non-current assets	94.0	92.7	1.3	1.4%
Total non-current assets	4,505.5	4,652.1	(146.6)	-3.2%
Total assets	11,415.6	11,243.4	172.2	1.5%
Trade accounts payables and Other payables	609.3	715.3	(106.0)	-14.8%
Deferred tax liabilities	596.5	577.7	18.8	3.3%
Non-current provisions for employee benefits	277.4	271.3	6.1	2.2%
Other liabilities	84.0	90.5	(6.5)	-7.2%
Total liabilities	1,567.2	1,654.8	(87.6)	-5.3%
Total equity	9,848.4	9,588.6	259.8	2.7%
Total liabilities and equity	11,415.6	11,243.4	172.2	1.5%

Total assets

As of March 31, 2026, the Company recorded total assets of 11,415.6 million baht, increased 172.3 million baht or 1.5% from the corresponding period of the previous year, with changes in essential asset items as follows:

- Cash and cash equivalents as of March 31, 2026, was 235.4 million baht, decreased from the previous year by 7.7 million baht or -3.2%.
- Other current financial assets as of March 31, 2026, was 3,414.8 million baht, increased from the previous year by 185.9 million baht or 5.8%. Short-term deposits with financial institutions have increased.
- Trade accounts receivables and other receivables as of March 31, 2026 was 658.1 million baht, a decrease of -242.1 million baht or -26.9% from the previous year, mainly due to a reduction in trade accounts receivable. The trade accounts receivable as of March 31, 2025 accounted for 616.5 million baht, decreased -234.9 million baht from 851.4 million baht in the fiscal year 2024.
- Inventories as of March 31, 2026 amounted to 580.2 million baht, a decrease of 65.0 million baht or -10.1% from the previous year due to a reduction of finished goods, resulting from efficient sales and inventory management; therefore the inventory was lower than the previous year.
- Other non-current financial assets as of March 31, 2026, was 3,382.4 million baht, increased by 25.8 million baht or 0.8 compared to March 31, 2025 due to the fair value adjustment of other investments.



Total liabilities

As of March 31, 2026, the Company had total liabilities of 1,567.2 million baht, a reduction of 87.6 million baht or -5.3% compared to the previous year. The significant changes are as below:

- Trade accounts payable and other payables as of March 31, 2026 was 609.3 million baht, a decrease of -105.0 million baht or -14.8%, mainly due to the trade liabilities declined from 454.5 million baht as of 31 March 2025 to 403.0 million baht as of 31 March 2026, a decrease of 51.5 million baht.
- Deferred tax liabilities as of March 31, 2026 was 596.5 million baht, an increase of 18.8 million baht or 3.3%, mainly due to an increase in Gain on equity securities measured at fair value through other comprehensive income.
- Other liabilities as of March 31, 2026 was 84.0 million baht, declined by -6.5 million baht or -7.2% from the last year due to the estimated damage insurance costs are reduced by -8.2 million baht and a decrease in lease liabilities of 3.6 million baht.

The cash cycle was five days slower, from 51 days in 2024 to 56 days in 2025, mainly due to challenges in production and inventory management efficiency. Nevertheless, the Company's liquidity ratio improved from 9.02 times in year 2024 to 11.04 times in year 2025, reflecting the Company's continued strong financial stability.

Shareholders' equity

As of March 31, 2026, the Company recorded shareholders' equity of 9,848.4 million baht, increased by 259.7 million baht or 2.7% from the previous year, due to various changes as follows:

- Shareholders' equity increased by 259.7 million baht from its comprehensive income for the year 2025 due to net profit of 617.7 million baht and other comprehensive loss of 5.4 million baht.
- Shareholders' equity decreased from dividend payment in August 2025. The Company paid dividends to its shareholders in the total amount of 352.4 million baht at 17.80 baht per share, according to the shareholders' meeting as of July 25, 2025, approved the resolution.

Yours sincerely,

(Mr. Shigeki Kobayashi)
President