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August 7, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

Company name: KYOKUTO KAIHATSU KOGYO CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7226
 URL: <https://www.kyokuto.com/>
 Representative: Tatsuya Nunohara, Representative Director, President, CEO
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three Months ended June 30, 2025	33,457	16.9	966	3.8	1,087	(15.9)	(4,984)	-
June 30, 2024	28,626	9.7	931	-	1,292	208.2	820	272.0

Note: Comprehensive income For the Three Months ended June 30, 2025 (5,756) million yen [- %]
 For the Three Months ended June 30, 2024 1,084 million yen [(43.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three Months ended June 30, 2025	(129.73)	-
June 30, 2024	21.40	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	180,429	108,326	59.4
As of March 31, 2025	187,748	117,271	61.8

Reference: Equity As of June 30, 2025 107,244 million yen
 As of March 31, 2025 116,106 million yen

2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	75.00	-	83.00	158.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (forecast)		70.00	-	70.00	140.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	168,000	19.6	9,600	44.2	9,500	37.9	2,645	(54.6)	68.84

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None

Newly added: None Excluded: None

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

- (4) Number of issued shares (common shares)

- 1) Total Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	40,150,000
As of March 31, 2025	40,150,000

- 2) Number of treasury shares at the end of the period

As of June 30, 2025	1,730,708
As of March 31, 2025	1,729,600

- 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three Months ended June 30, 2025	38,419,464
Three Months ended June 30, 2024	38,335,308

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or auditing firms: None

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information available as of the date of this document's release, and actual results may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	20,291	16,886
Notes and accounts receivable - trade, and contract assets	34,162	25,542
Electronically recorded monetary claims - operating	10,933	11,823
Merchandise and finished goods	2,471	3,092
Work in process	15,339	16,280
Raw materials and supplies	11,052	12,902
Prepaid expenses	612	803
Other	2,181	2,343
Allowance for doubtful accounts	(110)	(107)
Total current assets	96,933	89,567
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,293	17,105
Machinery, equipment and vehicles, net	9,052	8,768
Land	28,249	28,212
Construction in progress	4,836	5,820
Other, net	2,158	2,069
Total property, plant and equipment	61,590	61,975
Intangible assets		
Goodwill	7,629	7,352
Customer-related intangible assets	1,189	1,079
Other	2,166	1,953
Total intangible assets	10,984	10,385
Investments and other assets		
Investment securities	15,379	15,394
Long-term loans receivable	188	223
Long-term prepaid expenses	239	218
Retirement benefit asset	1,094	1,125
Deferred tax assets	371	567
Other	1,670	1,675
Allowance for doubtful accounts	(704)	(704)
Total investments and other assets	18,239	18,500
Total non-current assets	90,814	90,862
Total assets	187,748	180,429

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,653	13,487
Electronically recorded obligations - operating	3,548	3,661
Short-term borrowings	19,113	19,462
Current portion of long-term borrowings	8	8
Income taxes payable	2,665	293
Accrued consumption taxes	1,829	214
Accrued expenses	5,291	3,036
Provision for losses related to the Anti-Monopoly Act	-	5,924
Provisions	1,418	2,484
Other	4,494	4,838
Total current liabilities	52,023	53,412
Non-current liabilities		
Bonds payable	2,800	2,800
Long-term borrowings	7,625	7,611
Retirement benefit liability	53	51
Provisions	85	86
Deferred tax liabilities	6,180	6,508
Other	1,708	1,631
Total non-current liabilities	18,453	18,690
Total liabilities	70,476	72,103
Net assets		
Shareholders' equity		
Share capital	11,899	11,899
Capital surplus	11,880	11,880
Retained earnings	87,481	79,308
Treasury shares	(1,749)	(1,750)
Total shareholders' equity	109,511	101,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,228	6,298
Foreign currency translation adjustment	26	(714)
Remeasurements of defined benefit plans	339	321
Total accumulated other comprehensive income	6,594	5,905
Non-controlling interests	1,165	1,082
Total net assets	117,271	108,326
Total liabilities and net assets	187,748	180,429

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the Nine-month Period)

(Millions of yen)

	Three Months ended June 30, 2024	Three Months ended June 30, 2025
Net sales	28,626	33,457
Cost of sales	23,685	27,643
Gross profit	4,940	5,813
Selling, general and administrative expenses	4,008	4,846
Operating profit	931	966
Non-operating income		
Interest and dividend income	223	259
Foreign exchange gains	176	-
Miscellaneous income	43	49
Total non-operating income	444	308
Non-operating expenses		
Interest expenses	20	107
Share of loss of entities accounted for using equity method	19	11
Foreign exchange losses	-	28
Miscellaneous expenses	42	40
Total non-operating expenses	82	187
Ordinary profit	1,292	1,087
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	-	401
Other	0	0
Total extraordinary income	0	401
Extraordinary losses		
Loss on disposal of non-current assets	7	7
Provision of allowance for losses related to the Anti-Monopoly Act	-	5,924
Other	2	11
Total extraordinary losses	10	5,944
Profit or loss before income taxes	1,283	(4,455)
Income taxes	449	528
Profit or loss	833	(4,983)
Profit attributable to non-controlling interests	13	0
Profit or loss attributable to owners of parent	820	(4,984)

(Quarterly Consolidated Statements of Comprehensive Income)
(For the Nine-month Period)

(Millions of yen)

	Three months ended June 30, 2024	Three Months ended June 30, 2025
Profit	833	(4,983)
Other comprehensive income		
Valuation difference on available-for-sale securities	106	70
Foreign currency translation adjustment	158	(797)
Remeasurements of defined benefit plans, net of tax	(35)	(17)
Share of other comprehensive income of entities accounted for using equity method	21	(27)
Total other comprehensive income	250	(772)
Comprehensive income	1,084	(5,756)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,042	(5,673)
Comprehensive income attributable to non-controlling interests	42	(82)