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November 14, 2025

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Kyosan Electric Manufacturing Co.,Ltd.

Listing: Tokyo Stock Exchange

Securities code: 6742

URL: <https://www.kyosan.co.jp>

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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: December 2, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, President

Financial Management Headquarters

General Manager of Finance & Accounting Dept.

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 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	%
Six months ended September 30, 2025	31,802	21.4	(1,523)	-	(1,123)	-	(611)	-
September 30, 2024	26,186	9.5	(1,412)	-	(1,118)	-	(597)	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 227 million [-%]
For the six months ended September 30, 2024: ¥ (2,116) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	(9.83)	-
September 30, 2024	(9.52)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	123,338	50,310	40.8
March 31, 2025	126,005	51,711	41.0

Reference: Equity

As of September 30, 2025: ¥ 50,310 million

As of March 31, 2025: ¥ 51,711 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	5.00	-	18.00	23.00
Fiscal year ending March 31, 2026	-	5.00			
Fiscal year ending March 31, 2026 (Forecast)			-	18.00	23.00

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

Note: Breakdown of the second quarter dividend for the fiscal year ending March 31, 2026 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated financial result forecasts 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	86,000	0.7	4,700	(23.1)	5,000	(24.8)	3,500	(26.8)	55.81

Note: Revisions to the financial result forecast most recently announced: None

* Notes

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

Newly included: - companies(-)
Excluded: - companies(-)

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

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	62,844,251 shares
As of March 31, 2025	62,844,251 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,121,820 shares
As of March 31, 2025	127,015 shares

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

Six months ended September 30, 2025	62,206,814 shares
Six months ended September 30, 2024	62,717,271 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ materially from these forecasts due to various factors.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	8,170	6,505
Notes and accounts receivable - trade, and contract assets	28,149	20,389
Electronically recorded monetary claims - operating	2,682	445
Finished goods	4,889	5,301
Semi-finished goods	11,947	12,782
Work in process	33,364	37,913
Raw materials and supplies	434	471
Other	3,195	4,143
Total current assets	92,833	87,952
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,406	9,148
Other, net	4,838	4,784
Total property, plant and equipment	14,245	13,932
Intangible assets	449	448
Investments and other assets		
Investment securities	11,991	13,444
Deferred tax assets	4,130	3,967
Retirement benefit asset	0	594
Other	2,363	3,006
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	18,477	21,004
Total non-current assets	33,171	35,385
Total assets	126,005	123,338

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,410	7,245
Electronically recorded obligations - operating	3,021	2,772
Contract liabilities	13,786	12,420
Provision for product warranties	95	183
Short-term borrowings	15,700	22,900
Current portion of long-term borrowings	5,500	2,700
Income taxes payable	2,482	600
Provision for bonuses for directors (and other officers)	250	66
Provision for loss on orders received	1,223	1,483
Other	6,967	5,626
Total current liabilities	58,437	55,997
Non-current liabilities		
Long-term borrowings	11,800	12,250
Retirement benefit liability	3,350	4,005
Asset retirement obligations	123	123
Provision for product warranties	31	29
Provision for share-based payments	-	42
Deferred tax liabilities	6	9
Other	543	569
Total non-current liabilities	15,855	17,030
Total liabilities	74,293	73,027
Net assets		
Shareholders' equity		
Share capital	6,270	6,270
Capital surplus	4,625	4,625
Retained earnings	36,400	34,659
Treasury shares	(45)	(545)
Total shareholders' equity	47,251	45,010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,152	4,102
Foreign currency translation adjustment	614	594
Remeasurements of defined benefit plans	693	602
Total accumulated other comprehensive income	4,460	5,300
Total net assets	51,711	50,310
Total liabilities and net assets	126,005	123,338

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	26,186	31,802
Cost of sales	21,639	26,712
Gross profit	4,547	5,090
Selling, general and administrative expenses		
Salaries and allowances	1,735	1,785
Bonuses	512	696
Provision for bonuses for directors (and other officers)	55	92
Provision for share-based payments	-	42
Retirement benefit expenses	82	76
Depreciation	171	167
Packing and delivery expenses	535	540
Other	2,866	3,211
Total selling, general and administrative expenses	5,959	6,613
Operating loss	(1,412)	(1,523)
Non-operating income		
Dividend income	103	112
Insurance claim income	167	180
Share of profit of entities accounted for using equity method	182	145
Foreign exchange gains	-	95
Other	97	104
Total non-operating income	551	639
Non-operating expenses		
Interest expenses	101	160
Financing expenses	60	55
Foreign exchange losses	78	-
Other	16	24
Total non-operating expenses	257	239
Ordinary loss	(1,118)	(1,123)
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	151	307
Total extraordinary income	151	308
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	2
Loss on sale of investment securities	2	-
Total extraordinary losses	4	2
Loss before income taxes	(971)	(818)
Income taxes	(373)	(206)
Loss	(597)	(611)
Loss attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(597)	(611)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Loss	(597)	(611)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,195)	950
Foreign currency translation adjustment	(161)	26
Remeasurements of defined benefit plans, net of tax	(61)	(91)
Share of other comprehensive income of entities accounted for using equity method	(100)	(46)
Total other comprehensive income	(1,519)	839
Comprehensive income	(2,116)	227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,116)	227
Comprehensive income attributable to non-controlling interests	-	-

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Loss before income taxes	(971)	(818)
Depreciation	928	920
Increase (decrease) in retirement benefit liability	(19)	170
Share of loss (profit) of entities accounted for using equity method	(182)	(145)
Loss (gain) on sale of investment securities	(149)	(307)
Interest and dividend income	(148)	(149)
Interest expenses	101	160
Decrease (increase) in trade receivables	10,246	9,923
Decrease (increase) in inventories	(9,780)	(5,788)
Increase (decrease) in trade payables	(1,479)	(2,378)
Increase (decrease) in contract liabilities	1,672	(1,366)
Other, net	(1,492)	(2,239)
Subtotal	(1,272)	(2,019)
Interest and dividends received	150	174
Interest paid	(100)	(176)
Income taxes paid	(1,540)	(1,937)
Net cash provided by (used in) operating activities	(2,763)	(3,958)
Cash flows from investing activities		
Payments into time deposits	(1,328)	(1,056)
Proceeds from withdrawal of time deposits	308	36
Purchase of investment securities	(10)	(12)
Proceeds from sale of investment securities	229	407
Purchase of property, plant and equipment	(384)	(408)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(23)	(70)
Other, net	(223)	(703)
Net cash provided by (used in) investing activities	(1,431)	(1,806)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,600)	7,200
Proceeds from long-term borrowings	10,000	2,000
Repayments of long-term borrowings	(6,350)	(4,350)
Dividends paid	(941)	(1,129)
Other, net	(96)	(614)
Net cash provided by (used in) financing activities	12	3,106
Effect of exchange rate change on cash and cash equivalents	(17)	(19)
Net increase (decrease) in cash and cash equivalents	(4,199)	(2,678)
Cash and cash equivalents at beginning of period	9,183	8,132
Cash and cash equivalents at end of period	4,983	5,454