FASF MEMBERSHIP

Jan 8, 2026

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Notice of Recording of Extraordinary Income (Gain on Sale of Investment Securities) and Revisions to Operating Results Forecast and Dividend Forecast

As announced in " Notice of Change to Shareholding Ratios of Sumitomo Forestry Co., Ltd. and Kumagai Gumi Co., Ltd." issued today, Kumagai Gumi Co., Ltd. (the "Company") has decided to sell some of is holdings of common stock in Sumitomo Forestry Co., Ltd., and expects to record extraordinary income (gain on sale of investment securities) as a result. Additionally, in connection with this the Company has also revised its full-year operating results forecast and dividend forecast for the fiscal year ending March 31, 2026, which was announced on May 15, 2025, as detailed below.

1. Posting of extraordinary income (gain on sale of investment securities)

(1) Reasons for the sale of investment securities

To improve asset efficiency and strengthen the Company's financial position.

(2) Details of the gain on sale of investment securities

Sold shares: 4,777,600 shares of common stock in Sumitomo Forestry Co., Ltd.
Date of sale: January 8, 2026
Gain on sale of investment securities: 4.0 billion yen (Forecast)

(3) Future outlook

The gain on sale of investment securities (gain on sale of shares of subsidiaries and associates in non-consolidated financial statements) will be recorded as extraordinary income in the consolidated and non-consolidated financial results for the fourth quarter of the fiscal year ending March 31, 2026.

2. Revision to forecast of full-year operating results

(1) Forecast of consolidated operating results for FY2025 (April 1, 2025 - March 31, 2026)

	Net sales of completed construction contracts	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast （A）	493,000	22,800	23,000	15,400	89.65
Revised forecast （B）	493,000	22,800	23,000	18,500	108.38
Change （B－A）	0	0	0	3,100	―――
Change （%）	0.0	0.0	0.0	20.1	―――
(Reference) Results for previous fiscal year (fiscal year ended March 31, 2025)	498,581	14,299	14,411	9,354	54.43

(2) Forecast of non-consolidated operating results for FY2025 (April 1, 2025 - March 31, 2026)

	Net sales of completed construction contracts	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Previous forecast （A）	362,000	19,700	14,100	81.88
Revised forecast （B）	362,000	19,700	17,200	100.51
Change （B－A）	0	0	3,100	――
Change （%）	0.0	0.0	22.0	――
(Reference) Results for previous fiscal year (fiscal year ended March 31, 2025)	372,294	9,041	6,231	36.17

(Notes) 1. No changes were made to the previously announced forecasts (November 13, 2025) from the initial forecasts announced on May 15, 2025.

2. On October 1, 2025, the Company implemented a stock split at a ratio of four shares for every one share of common stock. However, basic earnings per share has been calculated assuming that the stock split took place at the beginning of the fiscal year ended March 31, 2025.

3. Basic earnings per share in this revised forecast reflects the impact of the "Notice of Decision on Matters Related to the Acquisition of Treasury Shares" issued today.

(3) Reason for the revision

The revision will be made chiefly due to the recording of extraordinary income as described in section 1. above.

3. Revision to dividend forecast

(1) Dividend forecast for the fiscal year ending March 31, 2026

	Annual cash dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previous forecast (Dividend based on the ratio before the stock split)	Yen	Yen 20.00 (80.00)	Yen ― (160.00)
Revised forecast (Dividend based on the ratio before the stock split)		25.00 (100.00)	― (180.00)
Dividends paid for current fiscal year	80.00		
(Reference) Results for previous fiscal year (fiscal year ended March 31, 2025)	―	130.00	130.00

(Notes) 1. No changes were made to the previous forecasts (November 13, 2025) from the initial forecasts announced on May 15, 2025.

2. The Company conducted a stock split at a ratio of four shares for every one share of common stock on October 1, 2025, and the forecast dividend amount shown in parentheses is the amount converted to a pre-stock-split basis.

(2) Reason for the revision

The Company's basic policy on the distribution of profits is to enhance retained earnings in order to strengthen the management base and expand operating revenue while returning profits to shareholdings in a fair and stable manner, taking into account factors such as recent operating performance, medium-to-long-term forecasts of operating performance, the management environment, and other factors. In conjunction with this policy, the Company has declared a dividend payout ratio of around 40% as one of its dividend policies in its Mid-term Management Plan (FY2024 - FY2026).

Based on this policy, and as stated in sections 1. and 2. above, the Company will record a gain on sale of investment securities, and profit attributable to owners of parent is expected to exceed the previous forecast. For this reason, the Company will raise the forecast dividend per share from the previous forecast year-end dividend of 20 yen to 25 yen, an increase of 5 yen.