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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]



February 13, 2026

Company name: K & O Energy Group Inc.
Stock exchange listings: Tokyo Stock Exchange
Securities code: 1663
URL: <https://www.k-and-o-energy.co.jp/>
Representative: Akio Midorikawa, Representative Director and President
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Tel: +81-475-27-1011
Annual general meeting of shareholders (as planned): March 26, 2026
Dividend payable date (as planned): March 27, 2026
Annual securities report filing date (as planned): March 27, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2025	91,354	(1.2)	10,594	20.1	11,699	19.0	8,379	35.9
December 31, 2024	92,421	(4.0)	8,820	(8.8)	9,830	(5.6)	6,167	(4.6)

(Note) Comprehensive income: Fiscal year ended December 31, 2025: ¥11,059 million [39.3%]
Fiscal year ended December 31, 2024: ¥7,939 million [2.4%]

	Basic earnings per share	Diluted earnings per share	Return on Equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	313.99	312.85	8.3	9.5	11.6
December 31, 2024	231.38	230.36	6.6	8.5	9.5

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended December 31, 2025: ¥- million

Fiscal year ended December 31, 2024: ¥- million

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	127,773	108,888	82.4	3,945.35
As of December 31, 2024	119,447	99,406	80.6	3,611.43

(Reference) Equity: As of December 31, 2025: ¥105,318 million

As of December 31, 2024: ¥96,291 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2025	15,911	(13,259)	(1,623)	29,857
December 31, 2024	13,842	(6,028)	(1,493)	28,829

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2024	–	20.00	–	22.00	42.00	1,119	18.2	1.2
Fiscal year ended December 31, 2025	–	24.00	–	30.00	54.00	1,441	17.2	1.4
Fiscal year ending December 31, 2026 (Forecast)	–	30.00	–	30.00	60.00		25.4	

(Note) Correction of the year-end dividend forecast for the fiscal year ended December 31, 2025 from the most recent dividend forecast: Yes

We have revised the year-end dividend forecast for the fiscal year ended December 31, 2025 to ¥30.00 per share, an increase of ¥4.00 from the previous dividend forecast of ¥26.00 per share. For details, please refer to “Notice Concerning Revision to Dividend Forecast for Fiscal Year Ended December 31, 2025 (12th Fiscal Year)” announced today, on February 13, 2026.

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
First half	43,900	(9.6)	5,800	(12.2)	6,300	(11.7)	4,000	(27.2)	Yen 149.84
Full year	87,000	(4.8)	9,200	(13.2)	10,300	(12.0)	6,300	(24.8)	236.01

*** Notes**

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

(2) Changes in accounting policies, accounting estimates and retrospective restatement

1) Changes in accounting policies based on revisions of accounting standard: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) For details, please refer to “3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” on page 12 of the attachment (in Japanese).

(3) Number of issued shares (common stock)

1) Number of issued shares at the end of fiscal year (including treasury shares)

December 31, 2025: 28,336,061 shares

December 31, 2024: 28,336,061 shares

2) Number of treasury shares at the end of fiscal year

December 31, 2025: 1,641,754 shares

December 31, 2024: 1,673,141 shares

3) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025: 26,685,764 shares

Fiscal year ended December 31, 2024: 26,654,359 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Notes for using forecasted information and other notes

• Forward-looking statements and other statements about the future in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual performance and other results may differ significantly due to various factors. For the financial results forecast, etc., please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 3 of the attachment (in Japanese).

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	28,498	30,547
Notes and accounts receivable - trade, and contract assets	10,487	10,260
Securities	5,550	8,352
Inventories	2,387	2,478
Other	2,259	1,449
Allowance for doubtful accounts	(4)	(4)
Total current assets	49,178	53,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	29,626	31,552
Accumulated depreciation	(20,208)	(21,109)
Buildings and structures, net	9,417	10,442
Machinery, equipment and vehicles	106,144	111,717
Accumulated depreciation	(87,244)	(90,546)
Machinery, equipment and vehicles, net	18,900	21,171
Land	6,885	6,903
Construction in progress	3,826	2,521
Other	22,221	22,770
Accumulated depreciation	(19,634)	(20,812)
Other, net	2,586	1,957
Total property, plant and equipment	41,615	42,997
Intangible assets	1,850	1,762
Investments and other assets		
Investment securities	15,837	20,045
Long-term loans receivable from subsidiaries and associates	9,074	8,111
Retirement benefit asset	198	207
Deferred tax assets	876	775
Other	848	822
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	26,802	29,929
Total non-current assets	70,268	74,689
Total assets	119,447	127,773

(Million yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,867	5,374
Short-term borrowings	346	331
Accounts payable - other	3,184	2,961
Income taxes payable	1,795	2,426
Provision for bonuses	35	38
Other	1,497	1,200
Total current liabilities	13,728	12,333
Non-current liabilities		
Long-term borrowings	567	546
Deferred tax liabilities	1,111	1,964
Provision for gas holder repairs	262	315
Retirement benefit liability	4,368	3,723
Other	2	2
Total non-current liabilities	6,312	6,551
Total liabilities	20,040	18,884
Net assets		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus	13,979	14,021
Retained earnings	73,100	80,252
Treasury shares	(1,187)	(1,166)
Total shareholders' equity	93,891	101,107
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,116	3,489
Remeasurements of defined benefit plans	283	720
Total accumulated other comprehensive income	2,399	4,210
Share acquisition rights	155	124
Non-controlling interests	2,959	3,445
Total net assets	99,406	108,888
Total liabilities and net assets	119,447	127,773

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Fiscal Year Ended December 31

(Million yen)

	For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	For the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Net sales	92,421	91,354
Cost of sales	72,261	69,569
Gross profit	20,159	21,785
Supply and sales, selling, general and administrative expenses		
Supply and sales expenses	6,281	6,472
Selling, general and administrative expenses	5,057	4,718
Total supply and sales, selling, general and administrative expenses	11,338	11,191
Operating profit	8,820	10,594
Non-operating income		
Interest income	347	467
Dividend income	518	513
Other	164	163
Total non-operating income	1,030	1,144
Non-operating expenses		
Interest expenses	10	13
Miscellaneous losses	–	14
Loss on retirement of inventories	6	6
Other	3	5
Total non-operating expenses	20	39
Ordinary profit	9,830	11,699
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	224
Compensation for forced relocation	267	1,447
Total extraordinary income	267	1,671
Extraordinary losses		
Impairment losses	28	–
Loss on retirement of non-current assets	224	230
Provision for environmental measures	63	–
Other	–	10
Total extraordinary losses	315	240
Profit before income taxes	9,781	13,130
Income taxes - current	3,054	3,814
Income taxes - deferred	(192)	78
Total income taxes	2,861	3,893
Profit	6,920	9,237
Profit attributable to non-controlling interests	753	858
Profit attributable to owners of parent	6,167	8,379

Consolidated Statements of Comprehensive Income

Fiscal Year Ended December 31

(Million yen)

	For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	For the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Profit	6,920	9,237
Other comprehensive income		
Valuation difference on available-for-sale securities	1,013	1,385
Remeasurements of defined benefit plans, net of tax	5	437
Total other comprehensive income	1,019	1,822
Comprehensive income	7,939	11,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,142	10,189
Comprehensive income attributable to non-controlling interests	797	869

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	13,943	68,025	(1,208)	88,761
Changes during period					
Dividends of surplus			(1,092)		(1,092)
Profit attributable to owners of parent			6,167		6,167
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		35		22	58
Net changes in items other than shareholders' equity					
Total changes during period	–	35	5,074	20	5,130
Balance at end of period	8,000	13,979	73,100	(1,187)	93,891

	Accumulated other comprehensive income		
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	1,146	277	1,424
Changes during period			
Dividends of surplus			
Profit attributable to owners of parent			
Purchase of treasury shares			
Disposal of treasury shares			
Net changes in items other than shareholders' equity	969	5	975
Total changes during period	969	5	975
Balance at end of period	2,116	283	2,399

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	177	2,566	92,929
Changes during period			
Dividends of surplus			(1,092)
Profit attributable to owners of parent			6,167
Purchase of treasury shares			(2)
Disposal of treasury shares			58
Net changes in items other than shareholders' equity	(21)	393	1,346
Total changes during period	(21)	393	6,477
Balance at end of period	155	2,959	99,406

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	13,979	73,100	(1,187)	93,891
Changes during period					
Dividends of surplus			(1,227)		(1,227)
Profit attributable to owners of parent			8,379		8,379
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		42		22	65
Net changes in items other than shareholders' equity					
Total changes during period	—	42	7,151	21	7,215
Balance at end of period	8,000	14,021	80,252	(1,166)	101,107

	Accumulated other comprehensive income		
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,116	283	2,399
Changes during period			
Dividends of surplus			
Profit attributable to owners of parent			
Purchase of treasury shares			
Disposal of treasury shares			
Net changes in items other than shareholders' equity	1,373	437	1,810
Total changes during period	1,373	437	1,810
Balance at end of period	3,489	720	4,210

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	155	2,959	99,406
Changes during period			
Dividends of surplus			(1,227)
Profit attributable to owners of parent			8,379
Purchase of treasury shares			(1)
Disposal of treasury shares			65
Net changes in items other than shareholders' equity	(31)	485	2,265
Total changes during period	(31)	485	9,481
Balance at end of period	124	3,445	108,888

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	For the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit before income taxes	9,781	13,130
Depreciation	5,795	6,293
Interest and dividend income	(866)	(981)
Interest expenses	10	13
Decrease (increase) in trade receivables	717	344
Decrease (increase) in inventories	(113)	(69)
Increase (decrease) in trade payables	267	(1,493)
Increase (decrease) in retirement benefit liability	109	(645)
Increase (decrease) in other provisions	16	55
Loss on retirement of non-current assets	52	79
Compensation for forced relocation	(267)	(1,447)
Other, net	(348)	1,808
Subtotal	15,154	17,089
Interest and dividends received	861	961
Interest paid	(10)	(14)
Income taxes paid	(2,847)	(3,156)
Proceeds from compensation for forced relocation	684	1,030
Net cash provided by (used in) operating activities	13,842	15,911
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,884)	(8,202)
Purchase of short-term and long-term investment securities	(76,069)	(78,691)
Proceeds from sale and redemption of short-term and long-term investment securities	75,598	73,166
Other, net	326	468
Net cash provided by (used in) investing activities	(6,028)	(13,259)
Cash flows from financing activities		
Proceeds from long-term borrowings	405	405
Repayments of long-term borrowings	(418)	(441)
Dividends paid	(1,088)	(1,223)
Other, net	(392)	(363)
Net cash provided by (used in) financing activities	(1,493)	(1,623)
Net increase (decrease) in cash and cash equivalents	6,319	1,028
Cash and cash equivalents at beginning of period	22,509	28,829
Cash and cash equivalents at end of period	28,829	29,857