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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Under 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
Inquiries: Takeshi Fujimoto, General Manager, Legal & Corporate Communication Department, Administration Division
Telephone: +81-6-6205-7826
Scheduled date of ordinary general meeting of shareholders: June 24, 2026
Scheduled date to commence dividend payments: June 25, 2026
Scheduled date to file annual securities report: June 23, 2026
Preparation of supplementary materials on financial results: Yes
Holding of financial results briefing: Yes

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

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	161,332	14.9	8,877	33.4	9,478	37.5	3,692	(36.6)
March 31, 2025	140,449	9.7	6,656	38.0	6,890	22.7	5,820	66.2

Note: Comprehensive income For the Fiscal year ended March 31, 2026 2,834 million yen [(30.1)%]
For the Fiscal year ended March 31, 2025 4,053 million yen [(47.5)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	96.04	-	3.2	4.8	5.5
March 31, 2025	151.74	-	5.0	3.8	4.7

Reference: Equity in earnings (losses) of affiliated companies As of March 31, 2026 16 million yen
As of March 31, 2025 (50) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	203,297	114,903	55.7	2,943.08
As of March 31, 2025	187,748	117,271	61.8	3,022.00

Reference: Equity As of March 31, 2026 113,329 million yen
As of March 31, 2025 116,106 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2026	3,374	(7,292)	6,549	22,460
As of March 31, 2025	5,225	(15,472)	11,200	20,253

2. Cash Dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	75.00	-	83.00	158.00	6,065	104.1	5.2
Fiscal year ended March 31, 2026	-	70.00	-	70.00	140.00	5,386	145.8	4.7
Fiscal year ending March 31, 2027 (forecast)	-	60.00	-	60.00	120.00		98.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	180,000	11.6	8,500	(4.3)	7,900	(16.6)	5,000	35.4	129.85

* Notes

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

(2) 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

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

As of March 31, 2026	40,150,000
As of March 31, 2025	40,150,000

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

As of March 31, 2026	1,642,779
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)

Fiscal year ended March 31, 2026	38,446,011
Fiscal year ended March 31, 2025	38,360,578

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	69,902	9.7	3,703	73.8	6,739	78.4	6,039	38.2
March 31, 2025	63,705	7.5	2,130	225.7	3,778	86.9	4,370	200.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	157.10	-
March 31, 2025	113.93	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	140,270	88,948	63.4	2,309.92
As of March 31, 2025	129,103	89,541	69.4	2,330.58

Reference: Equity As of March 31, 2026 88,948 million yen
As of March 31, 2025 89,541 million yen

(Reasons for Differences from the Previous Fiscal Year's Non-Consolidated Financial Results)

Mainly in the Special Purpose Vehicles Business, both sales and profits increased due to steady domestic performance, and effects of ongoing product price revisions began to materialize, and gains from the sale of strategically held shares.

As a result, there are differences between actual figures of the net sales, the profit and so on for the previous fiscal year and the current fiscal year in the non-consolidated financial results.

* Financial results reports are exempt from audit conducted by certified public accountants or a firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts and dividend 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. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	20,291	22,498
Notes receivable trade	3,227	2,623
Accounts receivables - trade	28,172	29,514
Contract assets	2,761	4,347
Electronically recorded monetary claims - operating	10,933	11,977
Merchandise and finished goods	2,471	3,517
Work in process	15,339	16,679
Raw materials and supplies	11,052	11,892
Prepaid expenses	612	794
Other	2,181	3,088
Allowance for doubtful accounts	(110)	(372)
Total current assets	96,933	106,560
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,293	20,984
Machinery, equipment and vehicles, net	9,052	9,398
Land	28,249	33,267
Construction in progress	4,836	3,989
Other, net	2,158	2,096
Total property, plant and equipment	61,590	69,736
Intangible assets		
Goodwill	7,629	7,654
Customer-related intangible assets	1,189	968
Other	2,166	1,927
Total intangible assets	10,984	10,550
Investments and other assets		
Investment securities	15,379	11,990
Long-term loans receivable	188	130
Long-term prepaid expenses	239	723
Retirement benefit asset	1,094	2,156
Deferred tax assets	371	849
Other	1,670	1,313
Allowance for doubtful accounts	(704)	(713)
Total investments and other assets	18,239	16,449
Total non-current assets	90,814	96,736
Total assets	187,748	203,297

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,653	13,363
Electronically recorded obligations - operating	3,548	4,077
Short-term borrowings	19,113	11,295
Current portion of long-term borrowings	8	8
Income taxes payable	2,665	4,307
Accrued consumption taxes	1,829	1,431
Accrued expenses	5,291	6,173
Provision for product warranties	906	812
Provision for loss on construction contracts	465	466
Reserve for directors' bonuses	47	66
Other	4,494	8,966
Total current liabilities	52,023	50,968
Non-current liabilities		
Bonds payable	2,800	2,800
Long-term borrowings	7,625	27,320
Retirement benefit liability	53	68
Provisions	85	107
Deferred tax liabilities	6,180	5,475
Other	1,708	1,654
Total non-current liabilities	18,453	37,425
Total liabilities	70,476	88,393
Net assets		
Shareholders' equity		
Share capital	11,899	11,899
Capital surplus	11,880	12,027
Retained earnings	87,481	85,293
Treasury shares	(1,749)	(1,660)
Total shareholders' equity	109,511	107,560
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,228	5,013
Foreign currency translation adjustment	26	(197)
Remeasurements of defined benefit plans	339	953
Total accumulated other comprehensive income	6,594	5,769
Non-controlling interests	1,165	1,573
Total net assets	117,271	114,903
Total liabilities and net assets	187,748	203,297

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	140,449	161,332
Cost of sales	115,697	131,491
Gross profit	24,752	29,840
Selling, general and administrative expenses	18,096	20,963
Operating profit	6,656	8,877
Non-operating income		
Interest and dividend income	514	494
Foreign exchange gains	13	900
Equity in earnings of affiliates	-	16
Miscellaneous income	234	311
Total non-operating income	763	1,722
Non-operating expenses		
Interest expenses	181	499
Share of loss of entities accounted for using equity method	50	-
Miscellaneous expenses	297	622
Total non-operating expenses	528	1,122
Ordinary profit	6,890	9,478
Extraordinary income		
Gain on sale of non-current assets	11	5
Gain on sale of investment securities	1, 907	5,749
Subsidy income	499	30
Total extraordinary income	2,417	5,784
Extraordinary losses		
Loss on disposal of non-current assets	35	87
Loss on tax purpose reduction entry of non-current assets	498	30
Loss on valuation of investment securities	-	204
Impairment loss	4	97
Losses related to the Anti-Monopoly Act	-	5,925
Other	16	216
Total extraordinary losses	555	6,561
Profit before income taxes	8,753	8,701
Income taxes-current	3,032	5,276
Income taxes-deferred	(148)	(274)
Income taxes	2,884	5,001
Profit	5,868	3,700
Profit attributable to non-controlling interests	47	7
Profit attributable to owners of parent	5,820	3,692

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	5,868	3,700
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,191)	(1,215)
Foreign currency translation adjustment	(319)	(267)
Remeasurements of defined benefit plans, net of tax	(342)	614
Share of other comprehensive income of entities accounted for using equity method	38	2
Total other comprehensive income	(1,815)	(865)
Comprehensive income	4,053	2,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,949	2,866
Comprehensive income attributable to non-controlling interests	104	(32)