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Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]

August 12, 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, President and Chief Executive Officer
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Tel: +81-475-27-1011
Scheduled date to file semi-annual securities report: August 13, 2026
Dividend payable date (as planned): September 1, 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 Six Months Ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	47,937	(1.2)	6,604	(0.0)	7,247	1.6	4,470	(18.7)
June 30, 2025	48,536	(0.6)	6,606	17.8	7,134	20.3	5,496	48.6

(Note) Comprehensive income: Six months ended June 30, 2026: ¥6,148 million [3.6%]
Six months ended June 30, 2025: ¥5,936 million [15.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	83.70	83.42
June 30, 2025	103.01	102.63

(Note) The Company implemented a 2-for-1 common stock split on July 1, 2026. Therefore, the basic earnings per share and the diluted earnings per share were calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of June 30, 2026	132,989	114,022	82.9
As of December 31, 2025	127,773	108,888	82.4

(Reference) Equity As of June 30, 2026: ¥110,242 million
As of December 31, 2025: ¥105,318 million

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	24.00	–	30.00	54.00
Fiscal year ending December 31, 2026	–	30.00			
Fiscal year ending December 31, 2026 (Forecast)			–	29.00	–

(Note) Correction of dividend forecast from the most recent dividend forecast: Yes

We have revised the year-end dividend forecast for the fiscal year ending December 31, 2026 to ¥29.00 per share, an increase of ¥14.00 from the previous dividend forecast of ¥15.00 per share. For details, please refer to "Notice Concerning Revision to Financial Results Forecasts and Revision to Dividend Forecast Due to Partial Change in Dividend Policy" announced today, on August 12, 2026.

The Company implemented a 2-for-1 common stock split, effective July 1, 2026. The fiscal year-end dividend for the fiscal year ending December 31, 2026 (Forecast) is presented in an amount after the stock split. Total annual dividend per share is not presented as it is impossible to simply total the figures due to the stock split. Without taking the stock split into consideration, annual dividend per share is expected to be ¥88.00.

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	%	Yen
Full year	99,900	9.4	9,600	(9.4)	10,900	(6.8)	6,800	(18.8)	127.31

(Note) Correction of financial forecast from the most recent financial forecast: Yes

The Company implemented a 2-for-1 common stock split, effective July 1, 2026. Basic earnings per share for consolidated financial results forecasts for the fiscal year ending December 31, 2026 (full year) take into consideration the effect of the stock split. Without taking the stock split into consideration, basic earnings per share for consolidated financial results forecasts for the fiscal year ending December 31, 2026 (full year) are ¥254.61.

*** Notes**

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

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

(Note) For details, please refer to "2. Semi-annual Consolidated Financial Statements and Principal Notes, (4) Notes to Semi-annual Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)" on page 9 of the attachment (in Japanese).

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

1) Changes in accounting policies based on revisions of accounting standard: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Number of issued shares (common stock)

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

June 30, 2026:	56,672,122 shares
December 31, 2025:	56,672,122 shares

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

June 30, 2026:	3,250,250 shares
December 31, 2025:	3,283,508 shares

3) Average number of shares outstanding during the period

Six months ended June 30, 2026:	53,406,441 shares
Six months ended June 30, 2025:	53,362,143 shares

(Note) The Company implemented a 2-for-1 common stock split on July 1, 2026. Therefore, the number of issued shares at the end of the period (including treasury shares), the number of treasury shares at the end of the period, and the average number of shares outstanding during the period were calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

* These semi-annual consolidated financial results are outside the scope of quarterly review 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. Qualitative Information on Semi-annual Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the attachment (in Japanese).

・Due to the nature of the Group's business, which is heavily weighted toward the gas business, the Group's performance is subject to significant seasonal fluctuations caused by temperatures and other factors.

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	30,547	18,364
Notes and accounts receivable - trade, and contract assets	10,260	8,968
Securities	8,352	23,470
Inventories	2,478	2,498
Other	1,449	1,792
Allowance for doubtful accounts	(4)	(4)
Total current assets	53,083	55,091
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,442	10,290
Machinery, equipment and vehicles, net	21,171	20,506
Other, net	11,383	11,753
Total property, plant and equipment	42,997	42,550
Intangible assets	1,762	1,764
Investments and other assets		
Investment securities	20,045	24,157
Other	9,917	9,459
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	29,929	33,582
Total non-current assets	74,689	77,898
Total assets	127,773	132,989
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,374	5,053
Provisions	38	39
Income taxes payable	2,426	2,259
Other	4,493	4,284
Total current liabilities	12,333	11,636
Non-current liabilities		
Retirement benefit liability	3,723	3,740
Provisions	315	342
Other	2,512	3,247
Total non-current liabilities	6,551	7,329
Total liabilities	18,884	18,966

(Million yen)

	As of December 31, 2025	As of June 30, 2026
Net assets		
Shareholders’ equity		
Share capital	8,000	8,000
Capital surplus	14,021	14,056
Retained earnings	80,252	83,921
Treasury shares	(1,166)	(1,155)
Total shareholders’ equity	101,107	104,822
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,489	4,726
Remeasurements of defined benefit plans	720	693
Total accumulated other comprehensive income	4,210	5,419
Share acquisition rights	124	114
Non-controlling interests	3,445	3,665
Total net assets	108,888	114,022
Total liabilities and net assets	127,773	132,989

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

Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Net sales	48,536	47,937
Cost of sales	36,784	35,904
Gross profit	11,752	12,032
Selling, general and administrative expenses	5,145	5,428
Operating profit	6,606	6,604
Non-operating income		
Interest income	197	288
Dividend income	259	281
Other	84	82
Total non-operating income	541	652
Non-operating expenses		
Interest expenses	6	7
Miscellaneous losses	4	2
Other	1	0
Total non-operating expenses	12	10
Ordinary profit	7,134	7,247
Extraordinary income		
Compensation for forced relocation	1,447	—
Total extraordinary income	1,447	—
Extraordinary losses		
Loss on retirement of non-current assets	163	139
Other	—	3
Total extraordinary losses	163	143
Profit before income taxes	8,418	7,103
Income taxes	2,494	2,176
Profit	5,924	4,927
Profit attributable to non-controlling interests	427	457
Profit attributable to owners of parent	5,496	4,470

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Profit	5,924	4,927
Other comprehensive income		
Valuation difference on available-for-sale securities	16	1,248
Remeasurements of defined benefit plans, net of tax	(4)	(27)
Total other comprehensive income	11	1,220
Comprehensive income	5,936	6,148
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,529	5,679
Comprehensive income attributable to non-controlling interests	406	469

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,418	7,103
Depreciation	3,041	3,253
Interest and dividend income	(457)	(569)
Interest expenses	6	7
Decrease (increase) in trade receivables	1,672	1,336
Decrease (increase) in inventories	24	(19)
Increase (decrease) in trade payables	(1,947)	(321)
Increase (decrease) in retirement benefit liability	(73)	16
Increase (decrease) in other provisions	27	27
Loss on retirement of non-current assets	62	19
Compensation for forced relocation	(1,447)	—
Other, net	442	(244)
Subtotal	9,772	10,609
Interest and dividends received	457	558
Interest paid	(7)	(8)
Income taxes refund (paid)	(1,620)	(2,294)
Proceeds from compensation for forced relocation	1,030	—
Net cash provided by (used in) operating activities	9,631	8,865
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,586)	(3,163)
Purchase of short-term and long-term investment securities	(46,608)	(53,177)
Proceeds from sale and redemption of short-term and long-term investment securities	33,256	36,813
Other, net	90	110
Net cash provided by (used in) investing activities	(17,847)	(19,417)
Cash flows from financing activities		
Proceeds from long-term borrowings	405	390
Repayments of long-term borrowings	(205)	(195)
Dividends paid	(585)	(798)
Other, net	(185)	(227)
Net cash provided by (used in) financing activities	(570)	(830)
Net increase (decrease) in cash and cash equivalents	(8,786)	(11,382)
Cash and cash equivalents at beginning of period	28,829	29,857
Cash and cash equivalents at end of period	20,042	18,474