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August 12, 2026

For immediate release

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Notice Concerning Revision to Financial Results Forecasts and Revision to Dividend Forecast Due to Partial Change in Dividend Policy

K&O Energy Group Inc. (the "Company") hereby announces that it has decided to revise the full-year consolidated financial results forecast for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026), which was announced on February 13, 2026, and to revise its dividend forecast due to a partial change in its dividend policy. Details are as follows.

1. Revision to Financial Results Forecasts

(1) Revision to Full-Year Consolidated Financial Results Forecasts for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 87,000	Million yen 9,200	Million yen 10,300	Million yen 6,300	Yen 118.00
Revised forecast (B)	99,900	9,600	10,900	6,800	127.31
Change (B−A)	12,900	400	600	500	—
Change (%)	14.8	4.3	5.8	7.9	—
Reference: Consolidated results for the previous fiscal year (fiscal year ended December 31, 2025)	91,354	10,594	11,699	8,379	156.99

*The Company implemented a 2-for-1 stock split of common shares effective July 1, 2026. Basic earnings per share in the 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 in the consolidated financial results forecasts for the fiscal year ending December 31, 2026 (full-year) would be ¥254.61.

(2) Reasons for the Revision to Financial Results Forecasts

Net sales are expected to increase due mainly to higher gas selling prices resulting from the impact of imported energy prices. In addition, operating profit in the iodine business is expected to increase due to higher iodine selling prices, driven in part by the yen's depreciation beyond initial expectations. As a result, operating profit, ordinary profit and profit attributable to owners of parent are expected to increase compared with the previous forecast.

For the reasons stated above, the Company has revised its financial results forecasts as shown above.
*The financial results forecasts above are based on information available as of the date of the announcement of this document and actual results could differ from the forecasts due to a variety of factors.
*For details of the financial results for the second quarter of the fiscal year ending December 31, 2026, please refer to the “Consolidated Financial Results for the Six Months Ended June 30, 2026” released today.

2. Revision to Dividend Forecast Due to Partial Change in Dividend Policy

(1) Partial Change in Dividend Policy

1) Reason for the Change

The Company positions the enhancement of shareholder returns as one of our important management priorities and has worked to provide stable and continuous dividend payments based on its progressive dividend policy.

Under these circumstances, while striking a balance between investments in our core business of producing and supplying valuable domestic resources on a stable and long-term basis and investments in future-oriented businesses that pursue growth in new business domains, having comprehensively considered our medium- to long-term consolidated financial results, free cash flow, and other relevant factors in light of current results and future prospects, the Company has determined that it is possible to further enhance shareholder returns through stable and continuous dividend payments.

2) Details of the Change (Underlined portions indicate changes.)

Before change	After change
As a basic policy, the Company aims to enhance shareholder returns through stable and continuous dividend payments, while striking a balance between investments in our core business of producing and supplying valuable domestic resources on a stable and long-term basis through our group companies and investments in future-oriented businesses that pursue growth in new business domains by comprehensively considering our medium- to long-term consolidated results, free cash flow, and other relevant factors. Based on this approach, our Medium-Term Management Plan (MTP 2027)	As a basic policy, the Company aims to enhance shareholder returns through stable and continuous dividend payments, while striking a balance between investments in our core business of producing and supplying valuable domestic resources on a stable and long-term basis through our group companies and investments in future-oriented businesses that pursue growth in new business domains by comprehensively considering our medium- to long-term consolidated results, free cash flow, and other relevant factors. Based on this approach, the Company will maintain the progressive dividend

introduces a “progressive dividend policy” and sets a shareholder return target of a dividend on equity (DOE) ratio of 1.5% for the final year of the plan.	policy set forth in our Medium-Term Management Plan (MTP 2027) and pay dividends targeting a dividend on equity (DOE) ratio of 3.0% in fiscal 2027.

(2) Reasons for the Revision to Dividend Forecast

Based on the revised dividend policy described above and taking into consideration the financial outlook for the fiscal year ending December 31, 2026, the Company has decided to increase the dividend per share while continuing to provide stable dividend payments and plans to increase the year-end dividend per share by ¥14 from the previous forecast of ¥15 to ¥29, as shown below. The year-end dividend will be submitted for approval at the 13th Annual General Meeting of Shareholders, which is scheduled to be held in late March 2027.

(3) Revisions

	Annual dividend per share		
	Second quarter-end	Year-end	Total
Previous forecast (Announced on May 13, 2026)		¥15.00	–
Revised forecast		¥29.00	–
Results for the fiscal year ending December 31, 2026	¥30.00		
Results for the previous fiscal year (Fiscal year ended December 31, 2025)	¥24.00	¥30.00	¥54.00

*The dividend forecast above is based on information currently available and actual dividends could differ from the forecast due to a variety of factors.

*The Company implemented a 2-for-1 stock split of common shares effective July 1, 2026. The previous forecast and the revised forecast for the year-end dividend are presented on a post-stock-split basis. The total annual dividend is not presented because the amounts cannot be simply aggregated due to the implementation of the stock split. On a pre-stock-split basis, the annual dividend under the revised forecast would be ¥88.00 per share.

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