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Consolidated Financial Results for the Three Months Ended September 30, 2026 [Japanese GAAP]

November 13, 2026

Company name: DAI-ICHI CUTTER KOGYO K.K.
Stock exchange listing: Tokyo Stock Exchange
Code number: 1716
URL: https://www.daiichi-cutter.co.jp
Representative: Masashi Adachi, Representative Director and President
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Scheduled date of commencing dividend payments: —
Availability of supplementary explanatory materials on financial results: Not available
Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended September 30, 2026 (July 1, 2026 – September 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	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	4,786	(12.6)	186	(75.3)	318	(60.9)	220	(69.6)
September 30, 2025	5,475	0.2	755	16.3	815	22.2	725	76.3

(Note) Comprehensive income: Three months ended September 30, 2026: ¥287 million [(48.9)%]
Three months ended September 30, 2025: ¥561 million [33.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2026	19.60	–
September 30, 2025	64.48	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2026	23,409	20,125	85.4	1,777.56
As of June 30, 2026	23,405	20,357	86.4	1,798.10

(Reference) Equity: As of September 30, 2026: ¥19,995 million
As of June 30, 2026: ¥20,226 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2026	–	0.00	–	45.00	45.00
Fiscal year ending June 30, 2027	–				
Fiscal year ending June 30, 2027 (Forecast)		0.00	–	45.00	45.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2027 (July 1, 2026 – June 30, 2027)

(% 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
First half	10,700	(1.8)	1,220	(12.6)	1,290	(12.6)	850	(30.0)	75.56
Full year	20,700	3.0	1,950	18.5	2,090	10.8	1,460	(8.8)	129.79

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

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

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, refer to "2. Quarterly Consolidated Financial Statements and Principal Notes, (3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)" on page 8 of the Attachments.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

September 30, 2026:	12,000,000 shares
June 30, 2026:	12,000,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2026:	751,393 shares
June 30, 2026:	751,393 shares

3) Average number of shares during the period:

Three months ended September 30, 2026:	11,248,607 shares
Three months ended September 30, 2025:	11,247,277 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes
Forward-looking statements such as financial results forecast in this document are based on information currently available and certain assumptions that are considered reasonable. Actual results may significantly differ from such estimates due to various factors. For the assumptions used for the financial results forecast and notes on the use of the financial results forecast, refer to "1. Overview of Operating Results, etc., (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the Attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Three Months Ended September 30, 2026

During the three months ended September 30, 2026, the Japanese economy continued trending toward a gradual recovery against the backdrop of improvements in the employment and income environment and resilient corporate earnings, even amid the ongoing impact of rising prices. Meanwhile, it will be necessary to keep a close eye on factors that impact the domestic economy, such as escalating instability in the international situation, chiefly conditions in the Middle East, uncertainties surrounding United States trade policy, and resource and energy price trends.

With regard to investments in domestic construction, public investment continued to be firm, and along with signs of recovery in private-sector capital investment, overall construction investment remained robust. On the other hand, persistently high prices for construction materials and energy, as well as rising labor costs, continue to have an impact. Furthermore, in infrastructure maintenance and repair, a field related to the Group's core business, the Company anticipates medium- to long-term renewal demand to support the maintenance of social infrastructure functions and to extend its service life. At present, although the severe incoming environment continued from the first half to the middle of the three months ended September 30, 2026, particularly regarding highway-related construction projects, there are signs of recovery in the second half of the period. The Company needs to keep a close monitoring of market environment and order trends going forward.

Under these circumstances, the Group's net sales for the three months ended September 30, 2026 amounted to ¥4,786 million (down12.6% year on year) due to a decline in net sales of completed construction contracts, primarily for highway-related construction projects in the mainstay cutting and drilling business, despite efforts to build up orders received in the private and railway sectors, etc. In terms of profit, operating profit was ¥186 million (down 75.3% year on year) due to a decrease in gross profit on completed construction contracts resulting from lower sales in the cutting and drilling business, and an increase in selling, general and administrative expenses associated with initiatives to strengthen the business foundation, such as strengthening the sales structure. Ordinary profit was ¥318 million (down 60.9% year on year) due to an increase in non-operating income including share of profit of entities accounted for using equity method. In addition, profit attributable to owners of parent was ¥220 million (down 69.6% year on year) on account of having recorded a gain on sale of investment securities under extraordinary income in the previous fiscal year.

The status of performance by segment is as follows.

(Cutting and drilling business)

In the cutting and drilling business, net sales of completed construction contracts amounted to ¥4,609 million (down 13.3% year on year) mainly due to a decrease in orders received for highway-related construction works compared to the same period of the previous fiscal year. In addition, segment profit was ¥525 million (down 49.1% year on year) mainly due to a decrease in net sales of completed construction contracts.

(Building maintenance business)

In the building maintenance business, the Company has been striving to develop new projects for major developers, mainly in the Tokyo metropolitan area. As a result, net sales of completed construction contracts amounted to ¥177 million (up 11.0% year on year). In addition, segment profit was ¥16 million (up 2.5% year on year) due to an increase in net sales of completed construction contracts.

(2) Overview of Financial Position for the Three Months Ended September 30, 2026

Total assets at the end of the three months ended September 30, 2026 increased by ¥3 million compared to the end of the previous fiscal year to ¥23,409 million, mainly due to increases in notes receivable, accounts

receivable from completed construction contracts and investment securities, despite a decrease in cash and deposits.

Total liabilities increased by ¥235 million from the end of the previous fiscal year to ¥3,284 million, mainly due to an increase in accounts payable for construction contracts and provision for bonuses, despite a decrease in income taxes payable.

In addition, net assets decreased by ¥232 million compared to the end of the previous fiscal year to ¥20,125 million. As a result, the equity ratio as of the end of the three months ended September 30, 2026 was 85.4%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no change to the full-year financial results forecast for the fiscal year ending June 30, 2027 from the financial results forecast in the “Consolidated Financial Results for the Fiscal Year Ended June 30, 2026” announced on August 14, 2026.

If there are any changes going forward, we will disclose them as appropriate.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	As of June 30, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	10,879,896	10,056,555
Notes receivable, accounts receivable from completed construction contracts	3,330,395	3,755,291
Electronically recorded monetary claims - operating	259,492	308,678
Costs on construction contracts in progress	—	4,429
Raw materials and supplies	150,538	146,310
Other	172,022	233,588
Allowance for doubtful accounts	(6,107)	(7,340)
Total current assets	14,786,238	14,497,512
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,287,663	3,410,007
Accumulated depreciation	(1,044,938)	(1,087,129)
Buildings and structures, net	2,242,724	2,322,878
Machinery, equipment and vehicles	6,321,432	6,519,907
Accumulated depreciation	(5,109,947)	(5,277,243)
Machinery, equipment and vehicles, net	1,211,484	1,242,664
Tools, furniture and fixtures	145,724	156,788
Accumulated depreciation	(110,087)	(115,710)
Tools, furniture and fixtures, net	35,637	41,077
Land	3,101,199	3,101,199
Leased assets	219,825	317,732
Accumulated depreciation	(120,668)	(150,213)
Leased assets, net	99,156	167,518
Construction in progress	39,750	8,650
Total property, plant and equipment	6,729,952	6,883,987
Intangible assets		
Goodwill	11,375	7,583
Other	251,052	256,762
Total intangible assets	262,427	264,346
Investments and other assets		
Investment securities	1,224,212	1,362,868
Deferred tax assets	147,162	134,292
Other	265,089	275,834
Allowance for doubtful accounts	(9,271)	(9,590)
Total investments and other assets	1,627,193	1,763,404
Total non-current assets	8,619,573	8,911,738
Total assets	23,405,811	23,409,250

(Thousand yen)

	As of June 30, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts	774,217	984,023
Current portion of long-term borrowings	34,336	44,782
Lease liabilities	36,040	50,894
Income taxes payable	394,016	87,110
Provision for bonuses	104,041	416,714
Other	1,150,555	1,045,083
Total current liabilities	2,493,207	2,628,608
Non-current liabilities		
Long-term borrowings	121,934	163,677
Lease liabilities	63,521	117,189
Provision for retirement benefits for directors (and other officers)	58,355	60,257
Retirement benefit liability	307,321	311,950
Other	3,882	2,538
Total non-current liabilities	555,015	655,611
Total liabilities	3,048,222	3,284,220
Net assets		
Shareholders' equity		
Share capital	470,300	470,300
Capital surplus	487,104	487,104
Retained earnings	19,499,820	19,202,918
Treasury shares	(326,329)	(326,329)
Total shareholders' equity	20,130,896	19,833,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58,670	125,179
Remeasurements of defined benefit plans	36,503	35,857
Total accumulated other comprehensive income	95,173	161,037
Non-controlling interests	131,519	129,998
Total net assets	20,357,589	20,125,030
Total liabilities and net assets	23,405,811	23,409,250

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three Months Ended September 30

(Thousand yen)

	For the three months ended September 30, 2025	For the three months ended September 30, 2026
Net sales of completed construction contracts	5,475,525	4,786,880
Cost of sales of completed construction contracts	3,621,845	3,416,893
Gross profit on completed construction contracts	1,853,680	1,369,986
Selling, general and administrative expenses	1,098,428	1,183,687
Operating profit	755,252	186,299
Non-operating income		
Interest income	3,285	11,782
Dividend income	78	32
Insurance claim income	8,419	4,050
Share of profit of entities accounted for using equity method	40,271	110,451
Miscellaneous income	12,580	7,895
Total non-operating income	64,635	134,212
Non-operating expenses		
Interest expenses	442	845
Compensation expenses	3,663	680
Miscellaneous losses	191	5
Total non-operating expenses	4,297	1,531
Ordinary profit	815,590	318,980
Extraordinary income		
Gain on sale of non-current assets	476	1,669
Gain on sale of investment securities	230,402	—
Total extraordinary income	230,879	1,669
Extraordinary losses		
Loss on extinguishment of tie-in shares	—	21,233
Loss on sale of non-current assets	—	36
Loss on retirement of non-current assets	4,135	0
Total extraordinary losses	4,135	21,269
Profit before income taxes	1,042,334	299,379
Total income taxes	317,985	78,184
Profit	724,349	221,195
Profit (loss) attributable to non-controlling interests	(906)	670
Profit attributable to owners of parent	725,255	220,524

Quarterly Consolidated Statement of Comprehensive Income

Three Months Ended September 30

(Thousand yen)

	For the three months ended September 30, 2025	For the three months ended September 30, 2026
Profit	724,349	221,195
Other comprehensive income		
Valuation difference on available-for-sale securities	(193,137)	66,509
Remeasurements of defined benefit plans, net of tax	30,629	(645)
Total other comprehensive income	(162,507)	65,864
Comprehensive income	561,841	287,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	562,747	286,389
Comprehensive income attributable to non-controlling interests	(906)	670

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

The Company has adopted the method of calculating tax expenses by making a rational estimate of the effective tax rate after application of tax effect accounting to the profit before income taxes for the consolidated fiscal year including the three months ended September 30, 2026, and multiplying the profit before income taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

Segment information

I. For the three months ended September 30, 2025 (From July 1, 2025 to September 30, 2025)

1. Information on net sales and profit or loss by reportable segment and information on disaggregation of income

(Thousand yen)

	Reportable segments			Total
	Cutting and drilling business	Building maintenance business	Subtotal	
Net sales				
Goods or services that are transferred at a point in time	5,390	—	5,390	5,390
Goods or services that are transferred over time	5,310,397	159,738	5,470,135	5,470,135
Revenue from contracts with customers	5,315,787	159,738	5,475,525	5,475,525
Other revenue	—	—	—	—
Net sales to external customers	5,315,787	159,738	5,475,525	5,475,525
Inter-segment sales or transfers	—	—	—	—
Total	5,315,787	159,738	5,475,525	5,475,525
Segment profit	1,032,438	15,711	1,048,150	1,048,150

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the major components of the difference

(Matters related to adjustments for differences)

(Thousand yen)

Profit	Amount
Reportable segment total	1,048,150
Corporate expenses (Note)	(292,897)
Elimination of inter-segment transactions	—
Operating profit on the quarterly consolidated statement of income	755,252

Note: Corporate expenses are primarily expenses related to the Corporate Management Division, including the general affairs and accounting departments, which are not attributable to reportable segments.

3. Information on assets by reportable segment

Not applicable.

4. Information on impairment loss on non-current assets and goodwill, etc. by reportable segment

Not applicable.

II. For the three months ended September 30, 2026 (From July 1, 2026 to September 30, 2026)

1. Information on net sales and profit or loss by reportable segment and information on disaggregation of income

(Thousand yen)

	Reportable segments			Total
	Cutting and drilling business	Building maintenance business	Subtotal	
Net sales				
Goods or services that are transferred at a point in time	—	—	—	—
Goods or services that are transferred over time	4,609,513	177,366	4,786,880	4,786,880
Revenue from contracts with customers	4,609,513	177,366	4,786,880	4,786,880
Other revenue	—	—	—	—
Net sales to external customers	4,609,513	177,366	4,786,880	4,786,880
Inter-segment sales or transfers	—	—	—	—
Total	4,609,513	177,366	4,786,880	4,786,880
Segment profit	525,772	16,100	541,873	541,873

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the major components of the difference

(Matters related to adjustments for differences)

(Thousand yen)

Profit	Amount
Reportable segment total	541,873
Corporate expenses (Note)	(355,574)
Elimination of inter-segment transactions	—
Operating profit on the quarterly consolidated statement of income	186,299

Note: Corporate expenses are primarily expenses related to the Corporate Management Division, including the general affairs and accounting departments, which are not attributable to reportable segments.

3. Information on assets by reportable segment

Not applicable.

4. Information on impairment loss on non-current assets and goodwill, etc. by reportable segment

Not applicable.

(Notes on statement of cash flows)

Quarterly consolidated statement of cash flows was not prepared for the three months ended September 30, 2026. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended September 30, 2026 are as follows.

(Thousand yen)

	For the three months ended September 30, 2025	For the three months ended September 30, 2026
Depreciation	190,202	184,035
Amortization of goodwill	17,786	3,791

(Significant subsequent events)

(Acquisition of treasury shares)

Based on the resolution at the meeting of the Board of Directors held on August 14, 2026, the Company carried out the acquisition of treasury shares as described below.

1. Reason for the acquisition of treasury shares

As part of its capital policy, to enhance shareholder returns, improve capital efficiency, and further stabilize the shareholder structure.

2. Details of matters concerning the acquisition

(1) Class of shares to be acquired	Common stock of the Company
(2) Total number of shares to be acquired	Up to 700,000 shares (6.09% of total number of issued and outstanding shares (excluding treasury shares))
(3) Total amount of share acquisition costs	Up to 1.0 billion yen
(4) Acquisition period	From August 17, 2026 to December 31, 2026
(5) Acquisition method	Through off-auction treasury share repurchase trading (ToSTNeT-3) on the Tokyo Stock Exchange

3. Details of acquisition

As a result of the acquisition through the above purchase, the Company acquired 700,000 shares of common stock of the Company for ¥910,000,000 on October 21, 2026, completing the acquisition of treasury shares based on the resolution.