Translation

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 13, 2026

Company name: Kyosan Electric Manufacturing Co., Ltd.
(Securities code: 6742; Tokyo Market)
Name of representative: Ryoji Kunisawa
Representative Director, President
Inquiries: Toshiyuki Kondo
Strategy Planning Headquarters
General Manager of Corporate Planning
& Investor Relations Dept.
Telephone: +81-45-330-9712

Notice Regarding Differences Between Earnings Forecasts and Actual Results and Revision of Full-Year Earnings Forecasts and Dividend Forecast

Kyosan Electric Mfg. Co., Ltd. (the "Company") hereby announces differences between consolidated earnings forecasts announced on August 7, 2026 and actual results for the second quarter (interim period) of the fiscal year ending March 31, 2027 (April 1, 2026 to September 30, 2026).

In addition, based on recent business performance trends, the Company has revised its full-year consolidated earnings forecast and dividend forecast announced on May 15, 2026 for the fiscal year ending March 31, 2027. Details are as follows.

1. Differences between consolidated earnings forecasts and actual results for the second quarter (interim period) of the fiscal year ending March 31, 2027 (April 1, 2026 to September 30, 2026).

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecasts (A)	Millions of yen 34,000	Millions of yen 20	Millions of yen 400	Millions of yen 320	yen 5.18
Actual results (B)	33,744	842	1,127	705	11.43
Change (B-A)	(256)	822	727	385	—
Change (%)	(0.8)	—	181.8	120.3	—
(Reference) Results for the second quarter of the previous fiscal year (Second quarter of FY2026/3)	31,802	(1,523)	(1,123)	(611)	(9.83)

2. Reason for difference

For the second quarter (interim period) of the fiscal year ending March 31, 2027, operating profit, ordinary profit and profit attributable to owners of parent exceeded the previously announced forecasts. This was mainly attributable to improved profitability in the Signalling Solutions Business resulting from the advancement of initiatives to improve production efficiency, as well as progress in recognizing sales from the order backlog accumulated since the previous fiscal year in the Power Electronics Business amid a recovery in market conditions.

3. Revisions to consolidated Full-Year Earnings Forecasts for the current fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027).

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecasts (A)	Millions of yen 90,200	Millions of yen 5,600	Millions of yen 6,000	Millions of yen 4,200	yen 68.05
Revised forecasts (B)	100,000	8,000	8,000	5,500	89.11
Change (B-A)	9,800	2,400	2,000	1,300	—
Change (%)	10.9	42.9	33.3	31.0	—
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended Mar. 31, 2026)	93,122	4,503	5,203	5,042	81.37

4. Reason for revision

Net sales are expected to exceed the previously announced forecast. This reflects continued progress in initiatives to improve production efficiency, including shortening lead times, in the Signalling Solutions Business, as well as the capture of demand associated with expanding semiconductor investment, particularly in AI-related applications, and a gradual recovery in demand for power supplies used in flat-panel display manufacturing equipment in the Power Electronics Business.

Operating profit, ordinary profit and profit attributable to owners of parent are also expected to exceed the previously announced forecasts, reflecting the positive impact of higher sales in both businesses and anticipated improvements in profitability through the continued implementation of production-efficiency initiatives.

5. Revision of Dividend Forecast

	Dividend per share (Yen)		
	Second quarter-end	Fiscal-year end	Total
Previous forecasts	yen 5.00	yen 22.00	yen 27.00
Revised forecasts	—	25.00	30.00
Results for the fiscal year ending March 31, 2027	5.00	—	—
Results for the fiscal year ended March 31, 2026	5.00	20.00	25.00

6. Reason for revision

Under its medium-term management plan, "KYOSAN Next Step 2028," the Group's basic policy is to place importance on maintaining an appropriate balance between investments in each business area for future growth and shareholder returns, and to provide stable shareholder returns commensurate with its medium- to long-term profit levels. With respect to dividends from surplus, the Group aims to achieve a dividend on equity (DOE) ratio in the 3% range.

After comprehensively taking this policy and recent business performance into consideration, the Company has revised its year-end dividend forecast for the fiscal year ending March 31, 2027 upward by 3 yen per share, from 22 yen to 25 yen. As a result, the annual dividend for the fiscal year ending March 31, 2027 is expected to be 30 yen per share.

* The forecasts above are based on information currently available to the Company.
Actual results may differ from the forecasts due to various factors.