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November 13, 2026

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: Kyosan Electric Manufacturing Co.,Ltd.
Listing: Tokyo Stock Exchange
Securities code: 6742
URL: https://www.kyosan.co.jp
Representative: Ryoji Kunisawa Representative Director, President
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Telephone: +81-45-503-8106
Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 2, 2026
Preparation of supplementary material 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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	33,744	6.1	842	-	1,127	-	705	-
September 30, 2025	31,802	21.4	(1,523)	-	(1,123)	-	(611)	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 92 million [(59.6) %]
For the six months ended September 30, 2025: ¥ 227 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	11.43	-
September 30, 2025	(9.83)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	113,554	54,526	48.0
March 31, 2026	119,208	55,668	46.7

Reference: Equity
As of September 30, 2026: ¥ 54,526 million
As of March 31, 2026: ¥ 55,668 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	5.00	-	20.00	25.00
Fiscal year ending March 31, 2027	-	5.00			
Fiscal year ending March 31, 2027 (Forecast)			-	25.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial result forecasts 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	100,000	7.4	8,000	77.6	8,000	53.7	5,500	9.1	89.11

Note: Revisions to the financial result forecast most recently announced: Yes

*** Notes**

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

Newly included: - companies(-)

Excluded: - companies(-)

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

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	62,844,251 shares
As of March 31, 2026	62,844,251 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	1,121,879 shares
As of March 31, 2026	1,121,879 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	61,722,372 shares
Six months ended September 30, 2025	62,206,814 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable.

Actual results may differ materially from these forecasts due to various factors.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	6,938	6,308
Notes and accounts receivable - trade, and contract assets	29,983	18,719
Electronically recorded monetary claims - operating	1,354	373
Finished goods	4,511	5,326
Semi-finished goods	10,019	9,399
Work in process	26,345	33,502
Raw materials and supplies	508	620
Other	4,533	4,645
Total current assets	84,195	78,895
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,034	8,846
Other, net	4,706	4,527
Total property, plant and equipment	13,741	13,374
Intangible assets	405	350
Investments and other assets		
Investment securities	12,430	12,178
Deferred tax assets	3,826	4,096
Retirement benefit asset	1,294	1,308
Other	3,323	3,359
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	20,865	20,933
Total non-current assets	35,013	34,658
Total assets	119,208	113,554

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,176	6,416
Electronically recorded obligations - operating	1,612	1,593
Contract liabilities	8,049	7,752
Provision for product warranties	184	100
Short-term borrowings	17,400	19,100
Current portion of long-term borrowings	2,700	7,550
Income taxes payable	1,992	974
Provision for bonuses for directors (and other officers)	153	103
Provision for loss on orders received	1,106	967
Other	6,788	5,226
Total current liabilities	48,162	49,784
Non-current liabilities		
Long-term borrowings	10,900	4,700
Retirement benefit liability	3,733	3,706
Asset retirement obligations	126	127
Provision for product warranties	28	27
Provision for share-based payments	98	244
Deferred tax liabilities	8	0
Other	481	437
Total non-current liabilities	15,377	9,243
Total liabilities	63,539	59,028
Net assets		
Shareholders' equity		
Share capital	6,270	6,270
Capital surplus	4,625	4,625
Retained earnings	40,004	39,474
Treasury shares	(545)	(545)
Total shareholders' equity	50,355	49,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,423	3,145
Foreign currency translation adjustment	681	497
Remeasurements of defined benefit plans	1,209	1,057
Total accumulated other comprehensive income	5,313	4,700
Total net assets	55,668	54,526
Total liabilities and net assets	119,208	113,554

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

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	31,802	33,744
Cost of sales	26,712	26,045
Gross profit	5,090	7,699
Selling, general and administrative expenses		
Salaries and allowances	1,785	1,876
Bonuses	696	681
Provision for bonuses for directors (and other officers)	92	121
Provision for share-based payments	42	146
Retirement benefit expenses	76	49
Depreciation	167	159
Packing and delivery expenses	540	585
Other	3,211	3,236
Total selling, general and administrative expenses	6,613	6,857
Operating profit (loss)	(1,523)	842
Non-operating income		
Dividend income	112	94
Insurance claim income	180	199
Share of profit of entities accounted for using equity method	145	222
Foreign exchange gains	95	-
Other	104	124
Total non-operating income	639	640
Non-operating expenses		
Interest expenses	160	199
Financing expenses	55	47
Foreign exchange losses	-	104
Other	24	5
Total non-operating expenses	239	356
Ordinary profit (loss)	(1,123)	1,127
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	307	2
Total extraordinary income	308	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	0
Total extraordinary losses	2	0
Profit (loss) before income taxes	(818)	1,129
Income taxes	(206)	424
Profit (loss)	(611)	705
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(611)	705

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit (loss)	(611)	705
Other comprehensive income		
Valuation difference on available-for-sale securities	950	(278)
Foreign currency translation adjustment	26	(104)
Remeasurements of defined benefit plans, net of tax	(91)	(151)
Share of other comprehensive income of entities accounted for using equity method	(46)	(78)
Total other comprehensive income	839	(613)
Comprehensive income	227	92
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	227	92
Comprehensive income attributable to non-controlling interests	-	-

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(818)	1,129
Depreciation	920	819
Increase (decrease) in retirement benefit liability	170	(128)
Share of loss (profit) of entities accounted for using equity method	(145)	(222)
Loss (gain) on sale of investment securities	(307)	(2)
Interest and dividend income	(149)	(118)
Interest expenses	160	199
Decrease (increase) in trade receivables	9,923	12,143
Decrease (increase) in inventories	(5,788)	(7,490)
Increase (decrease) in trade payables	(2,378)	(1,727)
Increase (decrease) in contract liabilities	(1,366)	(296)
Other, net	(2,239)	(1,636)
Subtotal	(2,019)	2,668
Interest and dividends received	174	119
Interest paid	(176)	(228)
Income taxes paid	(1,937)	(1,464)
Net cash provided by (used in) operating activities	(3,958)	1,094
Cash flows from investing activities		
Payments into time deposits	(1,056)	(1,054)
Proceeds from withdrawal of time deposits	36	462
Purchase of investment securities	(12)	(12)
Proceeds from sale of investment securities	407	4
Purchase of property, plant and equipment	(408)	(416)
Proceeds from sale of property, plant and equipment	0	1
Purchase of intangible assets	(70)	(34)
Other, net	(703)	(210)
Net cash provided by (used in) investing activities	(1,806)	(1,258)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,200	1,700
Proceeds from long-term borrowings	2,000	-
Repayments of long-term borrowings	(4,350)	(1,350)
Dividends paid	(1,129)	(1,234)
Other, net	(614)	(107)
Net cash provided by (used in) financing activities	3,106	(992)
Effect of exchange rate change on cash and cash equivalents	(19)	(50)
Net increase (decrease) in cash and cash equivalents	(2,678)	(1,206)
Cash and cash equivalents at beginning of period	8,132	6,898
Cash and cash equivalents at end of period	5,454	5,691