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November 11, 2026

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

Company name: KYOKUTO KAIHATSU KOGYO CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 7226
URL https://www.kyokuto.com/
Representative: Tatsuya Nunohara, Representative Director, President, CEO
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Telephone: +81-6-6205-7826
Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 2, 2026
Preparation of supplementary materials 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, 2025	84,735	14.2	3,870	4.6	3,664	(0.7)	2,089	-
September 30, 2025	74,180	15.9	3,701	35.1	3,688	38.0	(1,485)	-

Note: Comprehensive income For the Six months Ended September 30, 2026 3,587 million yen [- %]
For the Six months Ended September 30, 2025 (2,853)million yen [- %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	54.24	-
September 30, 2025	(38.64)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2026	196,278	115,848	58.2
As of March 31, 2026	203,297	114,903	55.7

Reference: Equity As of September 30, 2026 114,319 million yen
As of March 31, 2026 113,329 million yen

2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	70.00	-	70.00	140.00
Fiscal year ending March 31, 2027	-	60.00			
Fiscal year ending March 31, 2027 (forecast)			-	60.00	120.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast 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	180,000	11.6	8,500	(4.3)	7,900	(16.6)	5,000	35.4	129.85

Note: Revisions to the most recently announced consolidated earnings forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly added: None Excluded: 1 company (Company name) Kyokuto Kaihatsu Parking Co., Ltd.

(2) Application of Accounting Treatment Specific to the Preparation of Interim Consolidated Financial Statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement
1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

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

As of September 30, 2026	40,150,000
As of March 31, 2026	40,150,000

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

As of September 30, 2026	1,616,265
As of March 31, 2026	1,642,779

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

Six months Ended September 30, 2026	38,518,389
Six months ended September 30, 2025	38,431,664

* 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 forward-looking statements in this document, including earnings forecasts, are based on information available as of the date of this document's release, and actual results may differ from these forecasts due to various factors in the future.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	22,498	13,856
Notes and accounts receivable - trade, and contract assets	36,485	27,034
Electronically recorded monetary claims - operating	11,977	12,754
Merchandise and finished goods	3,517	4,267
Work in process	16,679	18,304
Raw materials and supplies	11,892	13,355
Prepaid expenses	794	814
Other	3,088	2,721
Allowance for doubtful accounts	(372)	(420)
Total current assets	106,560	92,688
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,984	25,692
Machinery, equipment and vehicles, net	9,398	9,517
Land	33,267	33,220
Construction in progress	3,989	3,105
Other, net	2,096	2,638
Total property, plant and equipment	69,736	74,174
Intangible assets		
Goodwill	7,654	7,621
Customer-related intangible assets	968	858
Other	1,927	1,913
Total intangible assets	10,550	10,393
Investments and other assets		
Investment securities	11,990	14,431
Long-term loans receivable	130	127
Long-term prepaid expenses	723	679
Retirement benefit asset	2,156	2,199
Deferred tax assets	849	974
Other	1,313	1,323
Allowance for doubtful accounts	(713)	(714)
Total investments and other assets	16,449	19,021
Total non-current assets	96,736	103,590
Total assets	203,297	196,278

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,363	12,961
Electronically recorded obligations - operating	4,077	5,398
Short-term borrowings	11,295	11,394
Current portion of long-term borrowings	8	8
Income taxes payable	4,307	1,618
Accrued consumption taxes	1,431	647
Accrued expenses	6,173	5,380
Provisions	1,344	1,554
Other	8,966	3,138
Total current liabilities	50,968	42,103
Non-current liabilities		
Bonds payable	2,800	2,800
Long-term borrowings	27,320	27,316
Retirement benefit liability	68	55
Provisions	107	88
Deferred tax liabilities	5,475	6,091
Other	1,654	1,974
Total non-current liabilities	37,425	38,326
Total liabilities	88,393	80,429
Net assets		
Shareholders' equity		
Share capital	11,899	11,899
Capital surplus	12,027	12,058
Retained earnings	85,293	84,682
Treasury shares	(1,660)	(1,632)
Total shareholders' equity	107,560	107,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,013	6,362
Foreign currency translation adjustment	(197)	86
Remeasurements of defined benefit plans	953	863
Total accumulated other comprehensive income	5,769	7,311
Non-controlling interests	1,573	1,529
Total net assets	114,903	115,848
Total liabilities and net assets	203,297	196,278

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

(Semi-annual Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	74,180	84,735
Cost of sales	60,464	69,420
Gross profit	13,715	15,314
Selling, general and administrative expenses	10,014	11,443
Operating profit	3,701	3,870
Non-operating income		
Interest and dividend income	328	234
Foreign exchange gains	31	-
Miscellaneous income	87	149
Total non-operating income	446	383
Non-operating expenses		
Interest expenses	212	377
Share of loss of entities accounted for using equity method	17	10
Foreign exchange losses	-	71
Miscellaneous expenses	229	131
Total non-operating expenses	459	590
Ordinary profit	3,688	3,664
Extraordinary income		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	3,093	-
Other	0	0
Total extraordinary income	3,095	3
Extraordinary losses		
Loss on disposal of non-current assets	14	16
Provision for product warranties	-	269
Provision of allowance for losses related to the Anti-Monopoly Act	5,925	-
Other	206	0
Total extraordinary losses	6,146	286
Profit or loss before income taxes	637	3,381
Income taxes	2,107	1,302
Profit or loss	(1,470)	2,078
Profit or loss attributable to non-controlling interests	14	(10)
Profit or loss attributable to owners of parent	(1,485)	2,089

(Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit or loss	(1,470)	2,078
Other comprehensive income		
Valuation difference on available-for-sale securities	(439)	1,348
Foreign currency translation adjustment	(872)	230
Remeasurements of defined benefit plans, net of tax	(35)	(90)
Share of other comprehensive income of entities accounted for using equity method	(34)	19
Total other comprehensive income	(1,382)	1,508
Comprehensive income	(2,853)	3,587
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,776)	3,631
Comprehensive income attributable to non-controlling interests	(77)	(44)