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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]



May 13, 2025

Company name: K&O Energy Group Inc.
Stock exchange listings: Tokyo Stock Exchange
Securities code: 1663
URL: <https://www.k-and-o-energy.co.jp/>
Representative: Akio Midorikawa, Representative Director and President
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Dividend payable date (as planned): –
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2025	26,242	1.2	3,393	36.1	3,653	40.6	3,227	90.8
March 31, 2024	25,925	(11.9)	2,493	(6.7)	2,599	(10.9)	1,691	(0.2)

(Note) Comprehensive income: Three months ended March 31, 2025: ¥3,476 million [37.3%]
Three months ended March 31, 2024: ¥2,531 million [36.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	120.98	120.52
March 31, 2024	63.47	63.19

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of March 31, 2025	121,524	102,090	81.5
As of December 31, 2024	119,447	99,406	80.6

(Reference) Equity As of March 31, 2025: ¥99,008 million
As of December 31, 2024: ¥96,291 million

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen 20.00	Yen —	Yen 22.00	Yen 42.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		24.00	—	24.00	48.00

(Note) Correction of dividend forecast from the most recent dividend forecast: None

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(% 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	%	
First half	46,500	(4.8)	5,200	(7.3)	5,700	(3.9)	4,500	21.6	Yen 168.77
Full year	91,900	(0.6)	7,700	(12.7)	8,600	(12.5)	6,200	0.5	232.53

(Note) Correction of financial forecast from the most recent financial forecast: None

*** Notes**

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

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

(Note) For details, please refer to “2. Consolidated Quarterly Financial Statements and Principal Notes, (3) Notes to Consolidated Quarterly Financial Statements (Adoption of accounting treatment specific to the preparation of consolidated quarterly financial statements)” on page 7 of the attachment (in Japanese).

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

1) Changes in accounting policies based on revisions of accounting standard: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) For details, please refer to “2. Consolidated Quarterly Financial Statements and Principal Notes, (3) Notes to Consolidated Quarterly Financial Statements (Changes in accounting policies)” on page 7 of the attachment (in Japanese).

(4) Number of issued shares (common stock)

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

March 31, 2025: 28,336,061 shares

December 31, 2024: 28,336,061 shares

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

March 31, 2025: 1,662,541 shares

December 31, 2024: 1,673,141 shares

3) Average number of shares outstanding during the period

Three months ended March 31, 2025: 26,673,520 shares

Three months ended March 31, 2024: 26,642,627 shares

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

* Notes for using forecasted information and other notes

- Forward-looking statements and other statements about the future in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual performance and other results may differ significantly due to various factors. For the financial results forecast, etc., please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 2 of the attachment (in Japanese).

- Due to the nature of the Group’s business, which is heavily weighted toward gas business, the Group’s performance is subject to significant seasonal fluctuations caused by temperatures and other factors.

(1) Consolidated Quarterly Balance Sheets

(Million yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	28,498	15,257
Notes and accounts receivable - trade, and contract assets	10,487	10,892
Securities	5,550	18,635
Inventories	2,387	2,367
Other	2,259	3,646
Allowance for doubtful accounts	(4)	(5)
Total current assets	49,178	50,793
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,417	9,425
Machinery, equipment and vehicles, net	18,900	18,593
Other, net	13,298	13,196
Total property, plant and equipment	41,615	41,215
Intangible assets	1,850	1,795
Investments and other assets		
Investment securities	15,837	16,949
Other	10,998	10,804
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	26,802	27,720
Total non-current assets	70,268	70,730
Total assets	119,447	121,524
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,867	6,205
Provisions	35	70
Income taxes payable	1,795	1,578
Other	5,029	5,030
Total current liabilities	13,728	12,885
Non-current liabilities		
Retirement benefit liability	4,368	4,263
Provisions	262	276
Other	1,680	2,008
Total non-current liabilities	6,312	6,548
Total liabilities	20,040	19,433

(Million yen)

	As of December 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus	13,979	13,987
Retained earnings	73,100	75,741
Treasury shares	(1,187)	(1,180)
Total shareholders' equity	93,891	96,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,116	2,178
Remeasurements of defined benefit plans	283	280
Total accumulated other comprehensive income	2,399	2,459
Share acquisition rights	155	139
Non-controlling interests	2,959	2,942
Total net assets	99,406	102,090
Total liabilities and net assets	119,447	121,524

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Consolidated Quarterly Statements of Income

Three Months Ended March 31

(Million yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	25,925	26,242
Cost of sales	20,728	20,133
Gross profit	5,196	6,109
Selling, general and administrative expenses	2,703	2,715
Operating profit	2,493	3,393
Non-operating income		
Interest income	67	87
Dividend income	3	137
Other	39	38
Total non-operating income	110	262
Non-operating expenses		
Interest expenses	1	2
Other	2	0
Total non-operating expenses	4	2
Ordinary profit	2,599	3,653
Extraordinary income		
Compensation for forced relocation	162	1,399
Total extraordinary income	162	1,399
Extraordinary losses		
Loss on retirement of non-current assets	23	100
Total extraordinary losses	23	100
Profit before income taxes	2,738	4,952
Income taxes	903	1,522
Profit	1,835	3,430
Profit attributable to non-controlling interests	143	203
Profit attributable to owners of parent	1,691	3,227

Consolidated Quarterly Statements of Comprehensive Income
Three Months Ended March 31

(Million yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	1,835	3,430
Other comprehensive income		
Valuation difference on available-for-sale securities	698	48
Remeasurements of defined benefit plans, net of tax	(2)	(2)
Total other comprehensive income	696	45
Comprehensive income	2,531	3,476
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,377	3,286
Comprehensive income attributable to non-controlling interests	154	189