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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

Company name: Kyosan Electric Manufacturing Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 6742

URL: <https://www.kyosan.co.jp>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

Representative Director, President

Financial Management Headquarters

General Manager of Finance & Accounting Dept.

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	12,251	24.9	(1,644)	-	(1,218)	-	(815)	-
June 30, 2024	9,808	(8.4)	(1,467)	-	(1,138)	-	(1,116)	-

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ (589) million [-%]
Three months ended June 30, 2024: ¥ (1,519) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(13.04)	-
June 30, 2024	(17.81)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	118,632	49,802	42.0
March 31, 2025	126,005	51,711	41.0

(Reference) Equity: As of June 30, 2025: ¥ 49,802 million
As of March 31, 2025: ¥ 51,711 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 March 31, 2025	-	5.00	-	18.00	23.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		5.00	-	18.00	23.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(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
Six months ending September 30, 2025	30,700	17.2	(1,650)	-	(1,350)	-	(920)	-	(14.67)
Full year	86,000	0.7	4,700	(23.1)	5,000	(24.8)	3,500	(26.8)	55.81

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

* Notes:

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

Newly included: - (Company name: -)
Excluded: - (Company name: -)

(2) Adoption of accounting treatment specific to the preparation of quarterly 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):

June 30, 2025: 62,844,251 shares

March 31, 2025: 62,844,251 shares

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

June 30, 2025: 520,420 shares

March 31, 2025: 127,015 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 62,526,597 shares

Three months ended June 30, 2024: 62,717,288 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	8,170	7,766
Notes and accounts receivable - trade, and contract assets	28,149	13,996
Electronically recorded monetary claims - operating	2,682	2,047
Finished goods	4,889	5,958
Semi-finished goods	11,947	12,874
Work in process	33,364	36,171
Raw materials and supplies	434	457
Other	3,195	4,461
Total current assets	92,833	83,734
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,406	9,292
Other, net	4,838	4,827
Total property, plant and equipment	14,245	14,119
Intangible assets	449	431
Investments and other assets		
Investment securities	11,991	12,351
Deferred tax assets	4,130	4,423
Retirement benefit asset	0	635
Other	2,363	2,946
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	18,477	20,346
Total non-current assets	33,171	34,898
Total assets	126,005	118,632

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,410	6,000
Electronically recorded obligations - operating	3,021	3,641
Contract liabilities	13,786	15,124
Short-term borrowings	15,700	18,100
Current portion of long-term borrowings	5,500	2,500
Income taxes payable	2,482	643
Provision for bonuses for directors (and other officers)	250	29
Provision for loss on orders received	1,223	1,396
Provision for product warranties	95	64
Other	6,967	5,433
Total current liabilities	58,437	52,934
Non-current liabilities		
Long-term borrowings	11,800	11,150
Retirement benefit liability	3,350	3,985
Asset retirement obligations	123	123
Provision for product warranties	31	30
Provision for share-based payments	-	12
Deferred tax liabilities	6	13
Other	543	580
Total non-current liabilities	15,855	15,895
Total liabilities	74,293	68,830
Net assets		
Shareholders' equity		
Share capital	6,270	6,270
Capital surplus	4,625	4,625
Retained earnings	36,400	34,455
Treasury shares	(45)	(235)
Total shareholders' equity	47,251	45,116
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,152	3,425
Foreign currency translation adjustment	614	612
Remeasurements of defined benefit plans	693	648
Total accumulated other comprehensive income	4,460	4,686
Total net assets	51,711	49,802
Total liabilities and net assets	126,005	118,632

(2)Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	9,808	12,251
Cost of sales	8,312	10,543
Gross profit	1,496	1,707
Selling, general and administrative expenses		
Salaries and allowances	865	894
Bonuses	239	330
Provision for bonuses for directors (and other officers)	18	54
Provision for share-based payments	-	12
Retirement benefit expenses	42	38
Depreciation	85	82
Packing and delivery expenses	244	255
Other	1,468	1,682
Total selling, general and administrative expenses	2,964	3,352
Operating loss	(1,467)	(1,644)
Non-operating income		
Dividend income	92	99
Insurance claim income	167	180
Share of profit of entities accounted for using equity method	39	65
Foreign exchange gains	66	106
Other	51	53
Total non-operating income	417	505
Non-operating expenses		
Interest expenses	41	71
Financing expenses	36	6
Other	10	2
Total non-operating expenses	88	79
Ordinary loss	(1,138)	(1,218)
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	5	69
Total extraordinary income	5	69
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	0
Total extraordinary losses	1	0
Loss before income taxes	(1,135)	(1,149)
Income taxes	(18)	(333)
Loss	(1,116)	(815)
Loss attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(1,116)	(815)

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Loss	(1,116)	(815)
Other comprehensive income		
Valuation difference on available-for-sale securities	(706)	273
Foreign currency translation adjustment	251	57
Remeasurements of defined benefit plans, net of tax	(30)	(45)
Share of other comprehensive income of entities accounted for using equity method	83	(59)
Total other comprehensive income	(402)	225
Comprehensive income	(1,519)	(589)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,519)	(589)
Comprehensive income attributable to non-controlling interests	-	-

(3)Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Cash flows from operating activities		
Loss before income taxes	(1,135)	(1,149)
Depreciation	475	450
Increase (decrease) in retirement benefit liability	(74)	139
Share of loss (profit) of entities accounted for using equity method	(39)	(65)
Loss (gain) on sale of investment securities	(5)	(69)
Interest and dividend income	(114)	(118)
Interest expenses	41	71
Decrease (increase) in trade receivables	13,667	14,736
Decrease (increase) in inventories	(7,026)	(4,775)
Increase (decrease) in trade payables	(1,259)	(2,762)
Increase (decrease) in contract liabilities	2,097	1,338
Other, net	(2,357)	(3,521)
Subtotal	4,270	4,272
Interest and dividends received	116	120
Interest paid	(58)	(82)
Income taxes paid	(1,310)	(1,798)
Net cash provided by (used in) operating activities	3,017	2,511
Cash flows from investing activities		
Payments into time deposits	(1,173)	(1,026)
Purchase of investment securities	(3)	(2)
Proceeds from sale of investment securities	7	96
Purchase of property, plant and equipment	(142)	(203)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(15)	(32)
Other, net	(118)	(132)
Net cash provided by (used in) investing activities	(1,445)	(1,301)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,100)	2,400
Proceeds from long-term borrowings	5,000	-
Repayments of long-term borrowings	(5,650)	(3,650)
Dividends paid	(941)	(1,129)
Other, net	(48)	(246)
Net cash provided by (used in) financing activities	(5,739)	(2,625)
Effect of exchange rate change on cash and cash equivalents	135	(7)
Net increase (decrease) in cash and cash equivalents	(4,031)	(1,423)
Cash and cash equivalents at beginning of period	9,183	8,132
Cash and cash equivalents at end of period	5,151	6,709