August 7, 2026

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

Company name: Kyosan Electric Manufacturing Co.,Ltd.
Listing: Tokyo Stock Exchange
Securities code: 6742
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	14,794	20.8	97	-	490	-	398	-
June 30, 2025	12,251	24.9	(1,644)	-	(1,218)	-	(815)	-

Note: Comprehensive income
For the three months ended June 30, 2026: ¥ (179) million [-%]
For the three months ended June 30, 2025: ¥ (589) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	6.46	-
June 30, 2025	(13.04)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	107,714	54,254	50.4
March 31, 2026	119,208	55,668	46.7

Reference: Equity
As of June 30, 2026: ¥ 54,254 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	-				
Fiscal year ending March 31, 2027 (Forecast)		5.00	-	22.00	27.00

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

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
Six months ending September 30, 2026	34,000	6.9	20	-	400	-	320	-	5.18
Full year	90,200	(3.1)	5,600	24.4	6,000	15.3	4,200	(16.7)	68.05

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 quarterly 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 June 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 June 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)

Three months ended June 30, 2026	61,722,372 shares
Three months ended June 30, 2025	62,526,597 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, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	6,938	6,938
Notes and accounts receivable - trade, and contract assets	29,983	14,786
Electronically recorded monetary claims - operating	1,354	696
Finished goods	4,511	5,370
Semi-finished goods	10,019	9,745
Work in process	26,345	30,542
Raw materials and supplies	508	472
Other	4,533	4,527
Total current assets	84,195	73,079
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,034	8,889
Other, net	4,706	4,609
Total property, plant and equipment	13,741	13,499
Intangible assets	405	367
Investments and other assets		
Investment securities	12,430	11,741
Deferred tax assets	3,826	4,179
Retirement benefit asset	1,294	1,340
Other	3,323	3,516
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	20,865	20,768
Total non-current assets	35,013	34,635
Total assets	119,208	107,714

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,176	5,442
Electronically recorded obligations - operating	1,612	2,986
Contract liabilities	8,049	8,239
Short-term borrowings	17,400	12,100
Current portion of long-term borrowings	2,700	7,550
Income taxes payable	1,992	878
Provision for bonuses for directors (and other officers)	153	47
Provision for loss on orders received	1,106	1,159
Provision for product warranties	184	167
Other	6,788	5,019
Total current liabilities	48,162	43,590
Non-current liabilities		
Long-term borrowings	10,900	5,400
Retirement benefit liability	3,733	3,707
Asset retirement obligations	126	127
Provision for product warranties	28	28
Provision for share-based payments	98	152
Deferred tax liabilities	8	12
Other	481	441
Total non-current liabilities	15,377	9,869
Total liabilities	63,539	53,459
Net assets		
Shareholders' equity		
Share capital	6,270	6,270
Capital surplus	4,625	4,625
Retained earnings	40,004	39,168
Treasury shares	(545)	(545)
Total shareholders' equity	50,355	49,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,423	2,847
Foreign currency translation adjustment	681	755
Remeasurements of defined benefit plans	1,209	1,133
Total accumulated other comprehensive income	5,313	4,735
Total net assets	55,668	54,254
Total liabilities and net assets	119,208	107,714

(2)Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	12,251	14,794
Cost of sales	10,543	11,344
Gross profit	1,707	3,450
Selling, general and administrative expenses		
Salaries and allowances	894	944
Bonuses	330	311
Provision for bonuses for directors (and other officers)	54	67
Provision for share-based payments	12	54
Retirement benefit expenses	38	25
Depreciation	82	81
Packing and delivery expenses	255	266
Other	1,682	1,601
Total selling, general and administrative expenses	3,352	3,352
Operating profit (loss)	(1,644)	97
Non-operating income		
Dividend income	99	87
Insurance claim income	180	199
Share of profit of entities accounted for using equity method	65	125
Foreign exchange gains	106	24
Other	53	51
Total non-operating income	505	488
Non-operating expenses		
Interest expenses	71	87
Financing expenses	6	6
Other	2	1
Total non-operating expenses	79	95
Ordinary profit (loss)	(1,218)	490
Extraordinary income		
Gain on sale of investment securities	69	-
Total extraordinary income	69	-
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit (loss) before income taxes	(1,149)	490
Income taxes	(333)	92
Profit (loss)	(815)	398
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(815)	398

Quarterly Consolidated Statement of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit (loss)	(815)	398
Other comprehensive income		
Valuation difference on available-for-sale securities	273	(576)
Foreign currency translation adjustment	57	47
Remeasurements of defined benefit plans, net of tax	(45)	(75)
Share of other comprehensive income of entities accounted for using equity method	(59)	26
Total other comprehensive income	225	(577)
Comprehensive income	(589)	(179)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(589)	(179)
Comprehensive income attributable to non-controlling interests	-	-

(3)Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(1,149)	490
Depreciation	450	407
Increase (decrease) in retirement benefit liability	139	(77)
Share of loss (profit) of entities accounted for using equity method	(65)	(125)
Loss (gain) on sale of investment securities	(69)	-
Interest and dividend income	(118)	(103)
Interest expenses	71	87
Decrease (increase) in trade receivables	14,736	15,888
Decrease (increase) in inventories	(4,775)	(4,730)
Increase (decrease) in trade payables	(2,762)	(1,377)
Increase (decrease) in contract liabilities	1,338	189
Other, net	(3,521)	(1,853)
Subtotal	4,272	8,796
Interest and dividends received	120	104
Interest paid	(82)	(89)
Income taxes paid	(1,798)	(1,203)
Net cash provided by (used in) operating activities	2,511	7,607
Cash flows from investing activities		
Payments into time deposits	(1,026)	(1,066)
Proceeds from withdrawal of time deposits	-	467
Purchase of investment securities	(2)	(3)
Proceeds from sale of investment securities	96	-
Purchase of property, plant and equipment	(203)	(138)
Purchase of intangible assets	(32)	(12)
Other, net	(132)	(239)
Net cash provided by (used in) investing activities	(1,301)	(992)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,400	(5,300)
Repayments of long-term borrowings	(3,650)	(650)
Dividends paid	(1,129)	(1,234)
Other, net	(246)	(53)
Net cash provided by (used in) financing activities	(2,625)	(7,238)
Effect of exchange rate change on cash and cash equivalents	(7)	16
Net increase (decrease) in cash and cash equivalents	(1,423)	(606)
Cash and cash equivalents at beginning of period	8,132	6,898
Cash and cash equivalents at end of period	6,709	6,292