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October 30, 2025

**Semi-annual Consolidated Financial Results
for the Six Months Ended September 30, 2025
(Under Japanese GAAP)**

Company name:	Kyokuto Securities Co., Ltd.
Listing:	Tokyo Stock Exchange
Securities code:	8706
URL:	https://www.kyokuto-sec.co.jp
Representative:	Kazuhiro KIKUCHI, President and Chief Executive Officer
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Scheduled date to file semi-annual securities report:	November 13, 2025
Scheduled date to commence dividend payments:	November 21, 2025
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	None

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		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	%	Millions of yen	%
September 30,2025	4,317	0.5	4,256	△0.1	1,730	4.2	2,111	14.1	2,451	△6.6
September 30,2024	4,297	7.1	4,262	7.0	1,660	7.2	1,850	△10.6	2,624	10.0

Note: Comprehensive income	For the six months ended September 30, 2025:	¥3,042 million	[231.6%]
	For the six months ended September 30, 2024:	¥917 million	[△80.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30,2025	76.85	—
September 30,2024	82.28	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	81,862	52,737	64.4	1,653.16
March 31, 2025	78,597	51,609	65.7	1,617.79

Reference: Equity

As of September 30, 2025: ¥52,737 million

As of March 31, 2025: ¥51,609 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, 2025	—	50.00	—	60.00	110.00
Fiscal year ending March 31, 2026	—	50.00			

Note: The forecast of cash dividends are not disclosed.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026

Kyokuto Securities Co., Ltd. and its consolidated subsidiaries do not disclose forecast of financial results.

Please refer to page 5 for further information.

*** Notes**

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

* As of September 30, 2025, Kyokuto Securities Co., Ltd. has two consolidated subsidiaries.

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:
None

(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, 2025	32,779,000 shares
As of March 31, 2025	32,779,000 shares

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

As of September 30, 2025	877,639 shares
As of March 31, 2025	877,639 shares

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

Six months ended September 30, 2025	31,901,361 shares
Six months ended September 30, 2024	31,901,405 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 earnings forecasts are not disclosed. Please refer to page 5 for further information.

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BUSINESS RESULTS

1. Qualitative Information on Business Results

(1) Information on Business Results for Semi-annual Period

During the six months ended September 30, 2025 (from April 1 to September 30, 2025, hereinafter called “semi-annual period”) of the current consolidated fiscal year, for economic conditions both domestic and abroad, there were concerns over the impact of the U.S. announcement of reciprocal tariffs in April, however subsequent reductions in tariff rates and delays in their implementation eased future uncertainties. On the other hand, the ongoing Russia-Ukraine war and the turmoil in the Middle East brought about uncertainties regarding the global economic outlook. Under this situation, the Bank of Japan (BOJ) maintained its policy interest rate unchanged to assess the impact of the U.S. reciprocal tariffs on the Japanese economy. Meanwhile, the U.S. Federal Reserve Board (FRB) lowered its policy interest rate in September for the first time in nine months, responding to deteriorating U.S. employment conditions and slowing inflation rate. The European Central Bank (ECB), which continued to cut policy interest rates until June, decided at its July meeting to keep its policy rate unchanged for the first time in a year, reflecting calming down of inflation and a partial recovery of European economies.

In the stock market, stock prices, which had plummeted globally in April, recovered quickly and then rose further reflecting the favorable situations that negotiations between U.S. and other countries led to reductions in mutual tariff rates and delays in their implementation. Although the Nikkei Stock Average (Nikkei 225) temporarily fell to ¥30,792 in April, it rebounded sharply and renewed all-time high record in August, surpassing the previous record set in July 2024, as corporate earnings for April-June did not deteriorate as much as feared and companies actively conducted share buybacks. Subsequently, Nikkei 225 rose further, driven by strong earnings of U.S. high-tech companies and expectations for fiscal stimulus plan under the new government following the announcement of Prime Minister Ishiba's resignation, and it surpassed the major milestone of ¥45,000 for the first time. Nikkei 225 ended at ¥44,932 at the end of the six months period, a 26.2% increase compared with the end of March.

In the U.S. stock market, the New York Dow Jones Industrial Average (DJIA) temporarily fell to \$36,611 in April due to the announcement of mutual tariffs. However, with progress in tariff negotiations and solid corporate earnings in the financial and IT sectors, the DJIA surpassed its all-time high of December 2024 in August. In September, further growing expectations for an interest rate cut by the FRB due to worsening U.S. employment situations led to continued gains of prices, and the DJIA ended at \$46,397 at the end of the six months period, a 10.5% increase compared with the end of March.

In the bond market, the Japan's 10-year government bond yield temporarily fell to 1.105% in April but then tuned to rise as uncertainty in the external environment eased. Furthermore, concerns over fiscal deterioration have emerged due to persistent rise in domestic prices and the victory of opposition parties pledging a consumption tax cut in the Upper House election in July. As a result, the Japan's 10-year government bond yield at the end of the semi-annual period reached 1.645%, rising to its highest level since July 2008. The U.S. 10-year government bond yield, which had fallen below 4% in April, turned to rise thereafter. However, following the FRB's rate cut in September, The U.S. 10-year government bond yield ended at 4.149% at the end of the semi-annual period, a 0.059% decline compared with the end of March.

In the foreign exchange market, after the Yen appreciated 139.86 yen to the Dollar in April in response to the announcement of mutual tariffs, the Yen weakened to 150.91 yen to the Dollar in August. Subsequently, due to the narrowing interest rate differential between Japan and the US, the Yen ended at 147.87 yen to the Dollar at the end of the semi-annual period, 2.06 yen appreciation from the end of March. The Euro remained in a high range, partly due to the ECB's halting interest rate cuts, and the Yen ended at 173.56 yen to the Euro at the end of the semi-annual period, 11.34 yen depreciation from the end of March.

In this environment, we made efforts to offer "unique in-season financial products" for responding to customers'

varied needs. Also we conducted active financial management from the view point of effective management of shareholders' equity.

For the semi-annual period, operating revenue was 4,317 million yen,(0.5% increase from the semi-annual period of the previous fiscal year), net operating revenue was 4,256 million yen (0.1% decrease), operating income was 1,730 million yen (4.2% increase), ordinary profit was 2,111 million yen (14.1% increase), and net profit attributable to owners of the parent company was 2,451 million yen (6.6% decrease).

Details of the semi-annual period's results are as follows:

① Commission Received

The total commission received resulted 1,804 million yen (15.9% increase from the semi-annual period of previous fiscal year), the details of which are shown below:

(Brokerage Commission)

Brokerage commission on equity securities was 756 million yen (24.4% increase). Total amount of brokerage commission including those on beneficiary securities (Exchange Traded Funds) was 770 million yen (23.7% increase).

(Commission for Underwriting, Secondary Distribution and Solicitation for Selling and Others for Professional Investors)

The amount of commission for underwriting, secondary distribution and solicitation for selling and others for professional investors was 5 million yen (15.7% decrease).

(Fee for Offering, Secondary Distribution and Solicitation for Selling and Others for Professional Investors)

The amount of fees for offering, secondary distribution and solicitation for selling and others for professional investors was 636 million yen (0.6% increase), due to an increase of handling of beneficiary securities (investment trusts).

(Other Commission Received)

The amount of other commission received consisting mainly of trailer fee of beneficiary securities (investment trusts) was 392 million yen (32.6% increase).

② Net trading Income

Net trading income of equities, etc. resulted in a loss of 30 million yen (a loss of 40 million yen in the semi-annual period of previous fiscal year). Net trading income of bonds etc. resulted in a gain of 1,607 million yen (24.7% decrease). Net trading income on other trading, consisting mainly of foreign exchange derivatives resulted in a loss of 9 million yen (a loss of 154 million yen in the semi-annual period of previous fiscal year). As a result, net trading income resulted in a gain of 1,567 million yen (19.2% decrease).

③ Net Financial Income

Net financial income was 875 million yen (12.5% increase from the semi-annual period of previous fiscal year), as a result of deducting 61 million yen (75.1% increase) of financial expenses from 936 million yen (15.2% increase) of financial revenue.

④ Selling, General and Administrative Expenses

Selling, general and administrative expenses were 2,526 million yen (2.9% decrease from the semi-annual period of previous fiscal year).

⑤ Non-operating Income and Expenses

Non-operating income, consisting mainly of dividend received, totaled 434 million yen (7.1% decrease from the semi-annual period of previous fiscal year), while non-operating expenses were 53 million yen (80.6% decrease).

As a result, net non-operating income amounted to 381 million yen (100.4% increase).

⑥ Extraordinary Income and Loss

Extraordinary income was 1,546 million yen (23.6% decrease from the semi-annual period of previous fiscal year), as a result of sales of investment securities, while extraordinary loss was 30 million yen (409.8% increase) including loss on sales of investment securities.

As a result, net extraordinary income amounted to 1,516 million yen (24.9% decrease).

(2) Information on Financial Condition for Semi-annual Period

① Assets

Current assets as of September 30, 2025 were 51,977 million yen, increased by 5,681 million yen from previous fiscal year end. This is mainly because, while trading products decreased by 2,912 million yen, cash and deposits increased by 5,745 million yen and segregated deposits increased by 1,294 million yen and trade date accrual increased by 1,150 million yen. Non-current assets as of September 30, 2025 were 29,885 million yen and decreased by 2,417 million yen from previous fiscal year end. This is because investment securities decreased by 2,450 million yen.

As a result, the total assets of September 30, 2025 were 81,862 million yen, increased by 3,264 million yen from previous fiscal year end.

② Liabilities

Current liabilities as of September 30, 2025 were 26,149 million yen, increased by 1,607 million yen from previous fiscal year end. This is mainly because, while short-term borrowings decreased by 500 million yen and trade date accrual decreased by 494-million-yen, deposit received increased by 3,000 million yen. Non-current liabilities as of September 30, 2025 were 2,953 million yen, increased by 528 million yen from previous fiscal year end. As a result, the total liabilities as of September 30, 2025 were 29,124 million yen, increased by 2,136 million yen from previous fiscal year end.

③ Net Assets

Within net asset, valuation difference on available for sale securities increased by 590 million yen and retained earnings increased by 537 million yen from previous fiscal year end.

As a result, net assets as of September 30, 2025 were 52,737 million yen, increased by 1,128 million yen from previous fiscal year end.

(3) Future Outlook

Consolidated operating revenues are mainly comprised of commissions received and trading income, related to the securities markets, the majority of which are coming from the stock and bond markets. In order to mitigate the impact of favorable or unfavorable conditions in the stock and bond markets on our financial results, we are striving to ensure revenue stability by diversifying our revenue sources. Even so, our business performance may still be affected by trends in the securities markets and may fluctuate significantly. In addition, sharp fluctuations in the domestic and foreign financial instrument markets could result in large valuation gains or losses on financial instruments held by ourselves.

In general, securities markets and foreign exchange markets fluctuate, reflecting variety of factors such as domestic and international political and economic conditions, interest rates, and corporate earnings. Therefore, in order to forecast our consolidated financial results, it is necessary to accurately grasp future market trends while predicting these factors in advance, but the reality is that it is nearly impossible to achieve this. In a situation where such uncertain factors are likely to cause a large discrepancy between forecasts and actual results, daring to disclose forecast of financial results may result in sending a false message to the market, which may impede fair stock price formation.

For the aforementioned reasons, we will not disclose forecast of financial results, but will instead endeavor to disclose financial results as early as possible, and will announce such figures as preliminary figures around the 10th business day after the end of the fiscal year or the end of the quarter, when consolidated financial results are almost finalized.

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	10,767	16,513
Segregated deposits	9,573	10,868
Trading products	22,792	19,880
Trading securities and other	22,785	19,872
Derivatives	6	7
Trade date accrual	—	1,150
Margin transaction assets	2,414	2,594
Margin loans	2,181	2,234
Cash collateral provided for securities borrowed in margin transactions	232	359
Other current assets	755	978
Allowance for doubtful accounts	△7	△6
Total current assets	46,295	51,977
Non-current assets		
Property, plant and equipment	1,897	1,911
Buildings	387	404
Land	1,167	1,167
Other	343	339
Intangible assets	66	69
Investments and other assets	30,338	27,904
Investment securities	28,903	26,452
Other	1,506	1,523
Allowance for doubtful accounts	△71	△71
Total non-current assets	32,302	29,885
Total assets	78,597	81,862

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Trading products	—	131
Trading securities and other	—	131
Trade date accrual	494	—
Margin transaction liabilities	432	656
Margin borrowings	220	311
Cash received for securities sold in margin transactions	211	344
Deposits received	10,078	13,079
Short-term borrowings	11,000	10,500
Income taxes payable	1,290	929
Provision for bonuses	245	264
Other current liabilities	1,000	587
Total current liabilities	24,542	26,149
Non-current liabilities		
Long-term borrowings	1,000	1,000
Retirement benefit liability	103	107
Other noncurrent liabilities	1,321	1,845
Total non-current liabilities	2,425	2,953
Reserves under special laws		
Reserve for financial instruments transaction liabilities	21	21
Total reserves under special laws	21	21
Total liabilities	26,988	29,124
Net assets		
Shareholders' equity		
Share capital	5,251	5,251
Capital surplus	4,771	4,771
Retained earnings	40,575	41,112
Treasury shares	△863	△863
Total shareholders' equity	49,735	50,272
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,874	2,465
Total accumulated other comprehensive income	1,874	2,465
Total net assets	51,609	52,737
Total liabilities and net assets	78,597	81,862

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

(Semi-annual Consolidated Income Statements)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Operating revenue		
Commission received	1,557	1,804
Brokerage commission	622	770
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	6	5
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	632	636
Other commission received	295	392
Net trading income	1,939	1,567
Financial revenue	813	936
Other operating revenue	△13	8
Total operating revenue	4,297	4,317
Financial expenses	34	61
Net operating revenue	4,262	4,256
Selling, general and administrative expenses		
Trading related expenses	344	308
Personnel expenses	1,508	1,404
Real estate expenses	255	283
Office expenses	282	291
Depreciation	39	38
Taxes and dues	114	100
Other	57	98
Total selling, general and administrative expenses	2,602	2,526
Operating profit	1,660	1,730
Non-operating income		
Dividend income	424	381
Other	43	53
Total non-operating income	468	434
Non-operating expenses		
Loss on investments in investment partnerships	164	5
Loss on investments in silent partnerships	—	13
Foreign exchange losses	77	—
Litigation settlement	—	30
mediaton settlement	30	—
Other	5	5
Total non-operating expenses	277	53
Ordinary profit	1,850	2,111

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Extraordinary income		
Gain on sale of investment securities	2,024	1,546
Total extraordinary income	2,024	1,546
Extraordinary losses		
Loss on sale of investment securities	—	27
Loss on retirement of non-current assets	4	2
Provision of reserve for financial instruments transaction liabilities	1	—
Total extraordinary losses	5	30
Profit before income taxes	3,868	3,627
Income taxes - current	1,251	942
Income taxes - deferred	△7	233
Total income taxes	1,243	1,176
Profit	2,625	2,451
Profit attributable to non-controlling interests	0	—
Profit attributable to owners of parent	2,624	2,451

(Semi-annual Consolidated Comprehensive Income Statements)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	2,625	2,451
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,707	590
Total other comprehensive income	△1,707	590
Comprehensive income	917	3,042
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	917	3,042
Comprehensive income attributable to non-controlling interests	0	—

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes in the Event of Substantial Changes in Shareholders' Equity)

None.

(Notes Concerning Going Concern Assumption)

None.

【Referential Data】

1. Referential Data on Consolidated Financial Results for Semi-annual Period

(1) Commission Received

① Commission received by sources

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change		Fiscal year 2024
			Amount	%	
Brokerage commission	622	770	147	23.7	1,193
(Equities)	(608)	(756)	(148)	(24.4)	(1,166)
(Bonds)	(—)	(—)	(—)	(—)	(—)
(Beneficiary securities)	(14)	(13)	(△0)	(△4.7)	(26)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	6	5	△1	△15.7	18
(Equities)	(6)	(5)	(△1)	(△15.7)	(18)
(Bonds)	(—)	(—)	(—)	(—)	(—)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	632	636	4	0.6	1,218
Other commission received	295	392	96	32.6	648
Total	1,557	1,804	246	15.9	3,078

② Commission received by instruments

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change		Fiscal year 2024
			Amount	%	
Equities	616	763	147	23.9	1,187
Bonds	0	0	△0	△27.9	0
Beneficiary securities	925	1,031	106	11.5	1,859
Other	15	9	△6	△41.3	30
Total	1,557	1,804	246	15.9	3,078

(2) Net Trading Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change		Fiscal year 2024
			Amount	%	
Equities, etc.	△40	△30	10	—	△92
Bonds, etc.	2,134	1,607	△527	△24.7	3,496
Other	△154	△9	145	—	△153
Total	1,939	1,567	△371	△19.2	3,249

(3) Consolidated Income Statement for Latest Five Quarters

(Millions of yen)

	Quarter ended September 30, 2024	Quarter ended December 31, 2024	Quarter ended March 31, 2025	Quarter ended June 30, 2025	Quarter ended September 30, 2025
I. Operating revenue	1,655	2,220	1,470	1,763	2,554
1 Commission received	760	746	774	794	1,010
2 Net trading income	595	909	400	526	1,040
3 Financial revenue	316	560	291	437	498
4 Other operating revenue	△17	4	4	4	4
II. Financial expenses	20	18	27	39	22
Net operating revenue	1,635	2,202	1,443	1,724	2,532
III. Selling, general and administrative expenses	1,222	1,339	1,275	1,244	1,281
1 Trading related expenses	165	167	133	147	160
2 Personal expenses	691	804	737	681	723
3 Real estate expenses	125	125	165	151	131
4 Office expenses	144	133	125	141	149
5 Depreciation	19	19	20	18	20
6 Taxes and dues	52	54	44	43	57
7 Provision of allowance for doubtful accounts	△2	—	—	—	—
8 Other	26	34	47	59	38
Operating profit	413	862	167	479	1,250
IV. Non-operating income	△26	482	40	380	54
V. Non-operating expenses	195	△155	106	101	△47
Ordinary profit	191	1,501	102	758	1,352
VI. Extraordinary income	1,264	877	707	748	798
VII. Extraordinary losses	0	0	557	30	—
Profit/Loss before income taxes	1,454	2,378	251	1,477	2,150
Income taxes - current	635	603	373	187	754
Income taxes - deferred	△141	110	△278	291	△57
Profit	961	1,664	156	998	1,453
Profit attributable to non-controlling interests	0	—	—	—	—
Profit attributable to owners of parent	960	1,664	156	998	1,453

2. Referential Data on Kyokuto Securities for Semi-annual Period

(1) Capital Adequacy Ratio

(Millions of yen)

		As of September 30, 2024	As of September 30, 2025	As of March 31, 2025
Basic items (A)		43,241	43,498	42,872
Complementary items	Valuation difference on available for sale securities, etc.	2,235	2,219	1,747
	Reserve for financial products transaction liabilities reserves under special laws	21	21	21
	Allowance for doubtful accounts	7	6	7
	Total (B)	2,263	2,246	1,776
Deductible assets (C)		10,649	9,488	10,241
Unfixed net capital (A) + (B) - (C) (D)		34,855	36,256	34,407
Amount of risk correspondents	Amount of risk correspondents	6,030	5,511	6,199
	Trade party risk equivalent	236	229	220
	Basic risk equivalent	1,247	1,304	1,221
	Total (E)	7,514	7,044	7,641
Capital adequacy ratio (D) / (E) × 100%		463.8%	514.6%	450.2%

(2) Number of Directors/Auditors and Employees

(persons)

	As of September 30, 2024	As of September 30, 2025	As of March 31, 2025
Directors and auditors	10	10	10
Employees	233	233	225