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April 24, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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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 Telephone: +81-03-3666-5130  
 Scheduled date of annual general meeting of shareholders: June 23, 2026  
 Scheduled date to commence dividend payments: June 2, 2026  
 Scheduled date to file annual securities report: June 19, 2026  
 Preparation of supplementary material 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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	8,317	4.1	8,193	3.6	3,039	12.9	4,006	16.0	4,790	7.7
March 31, 2025	7,989	3.3	7,908	3.0	2,691	△8.8	3,453	△6.8	4,446	2.4

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥5,129 million [144.8%]  
 For the fiscal year ended March 31, 2025: ¥2,095 million [△73.2%]

Fiscal year ended	Profit per share	Profit per share(diluted)	Return on equity	Return on assets	Gross profit margin
	Yen	Yen	%	%	%
March 31, 2026	150.37	—	9.2	5.0	36.5
March 31, 2025	139.38	—	8.4	4.3	33.7

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: —

For the fiscal year ended March 31, 2025: —

## (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
March 31, 2026	80,600	52,509	65.1	1,667.06
March 31, 2025	78,597	51,609	65.7	1,617.79

Reference: Equity

As of March 31, 2026: ¥52,509 million

As of March 31, 2025: ¥51,609 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	△2,362	6,013	△2,827	11,531
March 31, 2025	△4,098	4,687	△2,224	10,468

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	—	50.00	—	60.00	110.00	3,509	78.9	6.7
March 31, 2026	—	50.00	—	60.00	110.00	3,484	73.2	6.7

Dividend forecast is not disclosed since forecast of business result is not disclosed.

## 3. Forecast of Consolidated Business Result for the Fiscal Year Ended March 31, 2027 (Year from April 1, 2026 to March 31, 2027)

Kyokuto Securities Co., Ltd. and its consolidated subsidiaries do not disclose forecast of business result. Please refer to page 9 for further information.

**\* Notes**

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

\* As of March 31, 2025, Kyokuto Securities Co., Ltd. had two consolidated subsidiaries.

(2) 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

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	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 March 31, 2026	1,280,686 shares
As of March 31, 2025	877,639 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	31,853,871 shares
Fiscal year ended March 31, 2025	31,901,398 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	8,299	3.8	8,176	3.3	3,029	12.7	3,872	17.9	4,392	10.0
March 31, 2025	7,993	3.7	7,912	3.3	2,688	△7.6	3,284	△8.5	3,993	△2.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	137.89	—
March 31, 2025	125.19	—

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share	Net capital regulation ratio
	Millions of yen	Millions of yen	%	Yen	%
March 31, 2026	74,759	46,871	62.7	1,488.05	453.8
March 31, 2025	72,698	46,534	64.0	1,458.70	450.2

Reference: Equity

As of March 31, 2026: ¥46,871 million

As of March 31, 2025: ¥46,534 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Forecast of business result is not disclosed. Please refer to page 9 for further information.

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## Business Results

### 1. Summary of Business Results, etc.

#### (1) Information on business results

During the current consolidated fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026), although the domestic and global economies were partially affected by reciprocal tariffs imposed by the United States, they followed a path of moderate recovery. Meanwhile, geopolitical risks in the Middle East rose sharply following the military attacks on Iran by the United States and Israel at the end of February. Against this backdrop, the Bank of Japan (BOJ) raised its policy interest rate in December 2025 in response to rising domestic prices, but BOJ kept it unchanged at its Monetary Policy Meeting in March 2026. Meanwhile, the U.S. Federal Reserve Board (FRB) resumed interest rate cuts in response to a deterioration in the U.S. employment situation and a slowdown in inflation rates, implementing three times interest rate cuts in the second half of 2025, but FRB has kept its policy interest rate unchanged since the start of 2026. The European Central Bank (ECB) implemented two additional rate cuts in April and June 2025, but due to subdued inflation and an economic recovery ECB has since kept its policy rate unchanged. In the stock market, share prices, which had plummeted globally in April 2025 due to concern over the impact of mutual tariffs, recovered as the rates of these tariffs were reduced. Even after entering 2026, stock indices in major countries continued to perform well and reached all-time highs. The Nikkei Stock Average (Nikkei 225) broke through the major milestone of ¥50,000, driven by expectations for the Takaichi administration's expansionary fiscal policy and robust corporate earnings, and reached a record high of ¥59,332 in February 2026. Subsequently, although the Nikkei 225 plummeted as the situation in the Middle East deteriorated further such as Iran's closure of the Strait of Hormuz, due to the substantial rise in stock prices up to that point, the Nikkei 225 ended at ¥51,063 yen at the end of the period, a 43% increase compared with the end of March 2025.

In the U.S. stock market, the New York Dow Jones Industrial Average (DJIA) rose steadily until February and reached its all-time high, supported by progress in tariff negotiations, solid corporate earnings and the FRB's interest rate cuts. Although DJIA fell in March following the Iran War, it ended at \$46,341, a 10% increase compared with the end of March 2025.

In the bond market, the Japan's 10-year government bond yield fell into the 1.1% range in April 2025, but it turned to rise following progress in tariff negotiations. Against the backdrop of persistent rise in domestic prices, concerns over fiscal deterioration under the Takashi administration's expansionary fiscal policy and an interest rate hike by BOJ, the yield surpassed the 2% threshold, with the Japan's 10-year government bond yield stood at 2.345% at the end of the period, a 0.86% increase compared with the end of March 2025. The U.S. 10-year government bond yield, which had fallen below 4% in April 2025, turned to rise, however the rise was short-lived and the yield has resumed its downward trend. After the U.S. 10-year government bond yield fell into below 4% again in February, the yield rose due to inflation concerns stemming from soaring crude oil prices, ending at 4.323%, 0.115% increase compared with the end of March 2025.

In the foreign exchange market, after the Yen appreciated below ¥140 to the Dollar in April 2025, it has moved into a weakening trend. Concerns over inflation under the Takaichi administration's expansionary fiscal policy further weakened the Yen, it reached ¥160.46 to the Dollar in March and ended at ¥158.75 to the Dollar at the end of the period, a ¥8.82 depreciation from the end of March 2025. As ECB halted its interest rate cuts in the second half of 2025 and the depreciation of the yen has advanced, the Yen ended at ¥183.43 to the Euro at the end of the period, a ¥21.21 depreciation from the end of March 2025.

In this environment, we made effort to offer "unique in-season financial products" for responding to customers' varied needs. Also, we conducted active financial management from the viewpoint of effective management of shareholders' equity.

For the current fiscal year, operating revenue increased to 8,317 million yen (up 4.1% from previous fiscal year), net

operating revenue increased to 8,193 million yen (up 3.6% from previous fiscal year), operating profit resulted in 3,039 million yen (down 12.9% from previous fiscal year), ordinary profit amounted to 4,006 million yen (down 16.0% from previous fiscal year), and net profit attributable to owners of the parent resulted in 4,790 million yen (up 7.7% from previous year).

Details of the period's results are as follows:

① Commission Received

The total commission received resulted 4,155 million yen (35.0% increase from the same period of previous fiscal year), the details of which are shown below:

(Brokerage Commission)

Brokerage commission on equity securities was 1,816 million yen (35.0% increase). Total amount of brokerage commission including those on beneficiary securities (Exchange Traded Funds) was 1,850 million yen (55.1% 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 14 million yen (20.1% 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 1,412 million yen (15.9% increase), due to an increase of handling of beneficiary securities (investment trusts).

(Other Commission Received)

The amount of other commission received was 878 million yen (35.4% increase), mainly because of an increase in trailer fees of beneficiaries securities (investment trusts).

② Net trading Income

Net trading income of equities, etc. resulted in a loss of 88 million yen (a loss of 92 million yen in the same period of previous fiscal year). Net trading income of bonds etc. resulted in a gain of 2,545 million yen (27.2% decrease). Net trading income on other trading consisting mainly of foreign exchange derivatives resulted in a loss of 150 million yen (a loss of 153 million yen in previous fiscal year).

As a result, net trading income resulted in a gain of 2,306 million yen (29.0% decrease).

③ Net Financial Income

Net financial income was 1,713 million yen (8.1% increase from the same period of previous fiscal year), as a result of deducting 123 million yen (53.0% increase) of financial expenses from 1,836 million yen (10.3% increase) of financial revenue.

④ Selling, General and Administrative Expenses

Selling, general and administrative expenses were 5,154 million yen (1.2% decrease from the same period of previous fiscal year).

⑤ Non-operating Income and Expenses

Non-operating income, consisting mainly of dividend received, totaled 1,038 million yen (4.8% increase from the same period of previous fiscal year), while non-operating expenses were 70 million yen (69.2% decrease).

As a result, net non-operating income amounted to 967 million yen (26.9% increase).

## ⑥ Extraordinary Income and Loss

Extraordinary income was 3,128 million yen (13.3% decrease from the same period of previous fiscal year), as a result of sales of investment securities, while extraordinary loss was 61 million yen (89.2% decrease) loss on sales of investment securities.

As a result, net extraordinary income amounted to 3,067 million yen (0.7% increase).

## (2) Information on Financial Condition

### ① Assets

Current assets as of March 31, 2026 were 50,923 million yen and increased by 4,628 million yen from previous fiscal year-end. This is mainly because margin loans increased by 2,559 million yen, cash and deposits increased by 923 million yen and segregated deposits increased by 447 million yen. Non-current assets as of March 31, 2026 were 29,676 million yen and decreased by 2,625 million yen from previous fiscal year-end. The main factor was investment securities decreased by 2,714 million yen.

As a result, the assets as of March 31, 2026 were 80,600 million yen and increased by 2,002 million yen from previous fiscal year-end.

### ② Liabilities

Current liabilities as of March 31, 2026 were 25,697 million yen and increased by 1,155 million yen from previous fiscal year-end. This is mainly because, while trade date accrual decreased by 494 million yen, "Accounts payable - other" decreased by 448 million-yen and income taxes payable decreased by 399 million yen, short-term borrowings increased by 1,900 million yen and deposit received increased by 791 million yen. Non-current liabilities as of current fiscal year-end were 2,366 million yen decreased by 58 million yen from previous fiscal year end. This is mainly because, while Deferred tax liabilities increased by 434 million-yen, Long-term borrowings decreased by 500 million yen.

As a result, the liabilities as of current fiscal year-end were 28,090 million yen and increased by 1,102 million yen from previous fiscal year-end.

### ③ Net Assets

Within net asset, while Treasury shares decrease by 719 million yen for the acquisition of Treasury shares, valuation difference on available for sale securities increased by 1,280 million yen and retained earnings increased by 339 million yen from previous fiscal year end.

As a result, net assets as of current fiscal year end were 52,509 million yen and increased by 900 million yen from previous fiscal year-end.

## (3) Information on Cash Flow

The amount of cash and cash equivalents as of current fiscal year-end were 11,531 million yen, increased by 1,062 million yen from previous fiscal year-end.

Details of cash flow are as follows:

### ① Cash Flows from Operating Activities

Net cash in operating activities for current fiscal year amounted to a use (out-flow) of 2,362 million yen (out-flow of 4,098 million yen for previous fiscal year). The main factors of out-flows were a result of increase of margin loans.

### ② Cash Flows from Investing Activities

Net cash in investing activities for current fiscal year amounted to a gain (in-flow) of 6,013 million yen (in-flow of 4,654 million yen for previous fiscal year). The main factors of in-flows were a result of investment securities trading.

### ③ Cash Flows from Financing Activities

Net cash in financing activities for current fiscal year amounted to a use (out-flow) of 2,827 million yen (out-flow of 2,224 million yen for previous fiscal year). The main factors of out-flows were dividend payment.

#### (4) Basic Policy on Distribution of Profit and Amount of Dividends for the Current Fiscal Year

As part of its efforts to increase shareholder value, one of the important management policies is to proactively distribute the company's profits to shareholders. Our basic policy is that the amount of dividends is determined, based on the higher of a consolidated dividend payout ratio of 70% or a consolidated dividend on equity ratio (DOE) of 2% as well as by comprehensively evaluating such factors as its equity capital level, medium- to long-term performance trends, stock price and others.

It is decided to pay a year-end ordinary dividend of 60 yen per share (a total annual amount of 110 yen), based on a consolidated dividend payout ratio with comprehensively evaluating other factors.

The dividend is paid from the retained earnings.

#### (5) 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 us.

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, for the purpose of forecasting 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 do 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. Situation of the Corporate Group

Kyokuto Securities Co., Ltd. and its group companies (hereinafter referred to as the "Kyokuto Group") are principally engaged in the purchase and sale of securities and brokerage of purchase and sales of securities, the underwriting and secondary distribution of securities, the handling of a public offering or secondary distribution of securities, etc.

The business description and positioning of the Kyokuto Group are as follows. The Kyokuto Group's businesses consist of (1) financial instruments business, (2) investment business, (3) real estate business and (4) research and study business. The impact of the businesses other than those conducted by Kyokuto Securities Co., Ltd. on the Kyokuto Group's consolidated financial statements is immaterial. Therefore, our business portfolio is regarded as a single segment, "investment and financial services business".

Kyokuto Group consists of FE Invest Co., Ltd. (consolidated), Kyokuto Property Co., Ltd. (consolidated) and Kyokuto Securities Research Institute, Inc. (unconsolidated).

### (1) Financial Instruments Business

(i) Kyokuto Securities Co., Ltd. engages in Type I and Type II financial instruments businesses in Japan.

(ii) FE Invest Co., Ltd. engages in the Type II financial instruments business in Japan, and manages and/or administers the investment funds set up by the company.

### (2) Investment Business

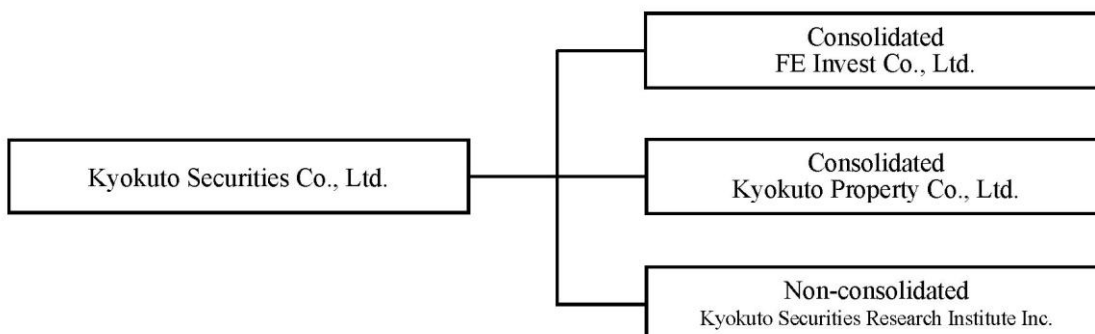
FE Invest Co., Ltd. engages in the investment business, using its own funds, mainly for the purpose of securing stable earnings through long-term investments.

### (3) Real Estate Business

Kyokuto Property Co., Ltd. engages in the real estate business, mainly leasing offices, etc. for the head office and branches of Kyokuto Securities Co., Ltd.

### (4) Research and Study Business

Kyokuto Securities Research Institute, Inc. conducts research and study of economic trends and financial capital markets of both domestic and overseas mainly on behalf of Kyokuto Securities Co., Ltd.



(Note)

1. Kyokuto Securities Research Institute, Inc. is a non-equity method affiliated company.

2. Other than above, there is an investment limited partnership as a non-consolidated subsidiary, which is not accounted for by the equity method.

### 3. Basic Policy Regarding Selection of Accounting Standards

Kyokuto Securities Co., Ltd and its consolidated subsidiaries prepare their financial statements in accordance with Japanese corporate accounting principles and do not consider an application of IFRS (International Financial Reporting Standards).

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	10,767	11,691
Segregated deposits	9,573	10,021
Trading products	22,792	22,994
Trading securities and other	22,785	22,994
Derivatives	6	0
Trade date accrual	—	535
Margin transaction assets	2,414	4,761
Margin loans	2,181	4,740
Cash collateral provided for securities borrowed in margin transactions	232	20
Advances paid	3	1
Short-term guarantee deposits	5	0
Accounts receivable - other	206	204
Accrued revenue	487	627
Other current assets	52	96
Allowance for doubtful accounts	△7	△11
Total current assets	46,295	50,923
Non-current assets		
Property, plant and equipment	1,897	1,949
Buildings	387	393
Vehicles	8	21
Equipment	334	367
Land	1,167	1,167
Intangible assets	66	65
Software	43	42
Other	22	22
Investments and other assets	30,338	27,662
Investment securities	28,903	26,188
Long-term loans receivable	0	0
Long-term guarantee deposits	382	373
Retirement benefit asset	740	880
Deferred tax assets	4	4
Other	377	285
Allowance for doubtful accounts	△71	△71
Total non-current assets	32,302	29,676
Total assets	78,597	80,600

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Trade date accrual	494	—
Margin transaction liabilities	432	109
Margin borrowings	220	67
Cash received for securities sold in margin transactions	211	42
Deposits received	10,078	10,870
Guarantee deposits received	264	333
Payables for securities to receive over due for delivery	0	—
Short-term borrowings	11,000	12,900
Accounts payable - other	640	192
Income taxes payable	1,290	891
Provision for bonuses	245	289
Other current liabilities	95	110
Total current liabilities	24,542	25,697
Non-current liabilities		
Long-term borrowings	1,000	500
Long-term accounts payable - other	429	429
Deferred tax liabilities	892	1,326
Retirement benefit liability	103	110
Other noncurrent liabilities	—	0
Total non-current liabilities	2,425	2,366
Reserves under special laws		
Reserve for financial instruments transaction liabilities	21	25
Total reserves under special laws	21	25
Total liabilities	26,988	28,090
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251	5,251
Capital surplus	4,771	4,771
Retained earnings	40,575	41,856
Treasury shares	△863	△1,583
Total shareholders' equity	49,735	50,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,874	2,213
Total accumulated other comprehensive income	1,874	2,213
Total net assets	51,609	52,509
Total liabilities and net assets	78,597	80,600

## (2) Consolidated Income Statements and Consolidated Comprehensive Income Statements

## Consolidated Income Statements

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenue		
Commission received	3,078	4,155
Brokerage commission	1,193	1,850
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	18	14
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,218	1,412
Other commission received	648	878
Net trading income	3,249	2,306
Financial revenue	1,665	1,836
Other operating revenue	△4	17
Total operating revenue	7,989	8,317
Financial expenses	80	123
Net operating revenue	7,908	8,193
Selling, general and administrative expenses		
Trading related expenses	644	628
Personnel expenses	3,050	2,921
Real estate expenses	547	540
Office expenses	542	596
Depreciation	79	83
Taxes and dues	213	203
Provision of allowance for doubtful accounts	—	4
Other	139	175
Total selling, general and administrative expenses	5,217	5,154
Operating profit	2,691	3,039
Non-operating income		
Dividend income	918	727
Gain on investments in investment partnerships	—	220
Interest on securities	38	23
Other	33	67
Total non-operating income	990	1,038
Non-operating expenses		
Loss on investments in investment partnerships	99	—
Loss on investments in silent partnerships	—	13
Foreign exchange losses	77	—
Litigation settlement	—	42
Mediation Settlement	30	1
Other	21	13
Total non-operating expenses	228	70
Ordinary profit	3,453	4,006

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	3,608	3,128
Total extraordinary income	3,608	3,128
Extraordinary losses		
Loss on sale of investment securities	—	45
Loss on valuation of investment securities	557	6
Loss on retirement of non-current assets	4	4
Provision of reserve for financial instruments transaction liabilities	1	4
Total extraordinary losses	563	61
Profit before income taxes	6,499	7,074
Income taxes - current	2,228	2,008
Income taxes - deferred	△175	276
Total income taxes	2,052	2,284
Profit	4,446	4,790
Profit attributable to non-controlling interests	0	—
Profit attributable to owners of parent	4,446	4,790

## Consolidated Comprehensive Income Statements

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	4,446	4,790
Other comprehensive income		
Valuation difference on available-for-sale securities	△2,351	339
Total other comprehensive income	△2,351	339
Comprehensive income	2,095	5,129
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,094	5,129
Comprehensive income attributable to non-controlling interests	0	—

## (3) Changes in Consolidated Shareholders' Equity

Fiscal Year Ended March 31, 2025 (Year from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,251	4,774	40,276	△863	49,438
Changes during period					
Dividends of surplus			△4,147		△4,147
Profit (loss) attributable to owners of parent			4,446		4,446
Purchase of treasury shares				△0	△0
Change in ownership interest of parent due to transactions with non-controlling interests		△2			△2
Net changes in items other than shareholders' equity					
Total changes during period	—	△2	299	△0	296
Balance at end of period	5,251	4,771	40,575	△863	49,735

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	4,225	4,225	11	53,675
Changes during period				
Dividends of surplus				△4,147
Profit (loss) attributable to owners of parent				4,446
Purchase of treasury shares				△0
Change in ownership interest of parent due to transactions with non-controlling interests				△2
Net changes in items other than shareholders' equity	△2,350	△2,350	△11	△2,362
Total changes during period	△2,350	△2,350	△11	△2,065
Balance at end of period	1,874	1,874	—	51,609

Fiscal Year Ended March 31, 2026 (Year from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,251	4,771	40,575	△863	49,735
Changes during period					
Dividends of surplus			△3,509		△3,509
Profit (loss) attributable to owners of parent			4,790		4,790
Purchase of treasury shares				△719	△719
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,280	△719	561
Balance at end of period	5,251	4,771	41,856	△1,583	50,296

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	1,874	1,874	—	51,609
Changes during period				
Dividends of surplus				△3,509
Profit (loss) attributable to owners of parent				4,790
Purchase of treasury shares				△719
Change in ownership interest of parent due to transactions with non-controlling interests				
Net changes in items other than shareholders' equity	339	339		339
Total changes during period	339	339	—	900
Balance at end of period	2,213	2,213	—	52,509

## (4) Consolidated Cash Flow Statement

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	6,499	7,074
Depreciation	79	83
Increase (decrease) in retirement benefit liability	6	6
Increase (decrease) in allowance for doubtful accounts	△2	4
Increase (decrease) in provision for bonuses	△5	44
Increase (decrease) in reserve for financial instruments transaction liabilities	1	4
Interest and dividend income	△2,485	△2,414
Foreign exchange losses (gains)	114	△275
Interest expenses	80	123
Loss (gain) on sale of investment securities	△3,608	△3,083
Loss (gain) on investments in investment partnerships	99	△220
Loss (gain) on investments in silent partnerships	—	13
Loss (gain) on valuation of investment securities	557	6
Loss on retirement of non-current assets	4	4
Decrease (increase) in segregated deposits	3,440	△447
Decrease (increase) in advance paid	△2	2
Decrease (increase) in trading products (assets)	△5,239	△202
Decrease (increase) in trade date accrual	887	△1,030
Decrease/increase in margin transaction assets/liabilities	△108	△2,669
Decrease (increase) in short-term guarantee deposits	64	5
Decrease (increase) in accounts receivable - other	△75	1
Increase (decrease) in trading products (liabilities)	△27	—
Increase (decrease) in deposits received	△4,241	791
Increase (decrease) in guarantee deposits received	44	68
Decrease (increase) in other assets	239	△100
Increase (decrease) in other liabilities	△157	79
Other, net	22	0
Subtotal	△3,813	△2,127
Interest and dividends received	2,395	2,283
Interest paid	△80	△123
Income taxes paid	△2,599	△2,395
Income taxes refund	—	0
Net cash provided by (used in) operating activities	△4,098	△2,362

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	△83	△137
Purchase of investment securities	△10,467	△5,485
Proceeds from sale of investment securities	13,049	11,211
Proceeds from redemption of investment securities	341	242
Purchase of golf club membership	△38	—
Payments into time deposits	△314	△747
Proceeds from withdrawal of time deposits	2,300	923
Net income/(loss) from settlement of forward exchange contracts	△113	—
Other, net	12	7
<b>Net cash provided by (used in) investing activities</b>	<b>4,687</b>	<b>6,013</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,420	1,900
Proceeds from long-term borrowings	1,500	—
Repayments of long-term borrowings	△1,000	△500
Purchase of treasury shares	△0	△719
Dividends paid	△4,141	△3,507
Payments for acquisition of interests in subsidiaries from non-controlling interests	△2	—
<b>Net cash provided by (used in) financing activities</b>	<b>△2,224</b>	<b>△2,827</b>
Effect of exchange rate change on cash and cash equivalents	△14	239
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>△1,649</b>	<b>1,062</b>
Cash and cash equivalents at beginning of period	12,118	10,468
Cash and cash equivalents at end of period	10,468	11,531

(5) Notes on Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

None.

(Segment Information)

(For the fiscal years ended March 31, 2025 and 2026)

The Kyokuto group are engaged in one single segment of business defined as “investment and financial services”.

Therefore, the description of segment information is omitted.

(Per Share Data)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net asset per share	1,617.79 yen	1,667.06 yen
Profit/Loss per share	139.38 yen	150.37 yen

Notes

1. Diluted net income per share is not shown in the above table, as there are no residual shares.
2. Data used for computation of the profit/loss per share in the above table:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit/Loss attributable to owners of parent (Millions of yen)	4,446	4,790
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit/Loss related to common shares attributable to owners of parent (Millions of yen)	4,446	4,790
Average number of outstanding common shares during the fiscal year	31,901,397	31,853,871

(Material Subsequent Events)

None.

【Referential Data】

Referential Data on Consolidated Business Results for the Fiscal Year Ended March 31, 2026

(1) Commission Received

① Commission received by sources

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	
			yen volume	%
Brokerage commission	1,193	1,850	657	55.1
(Equities)	(1,166)	(1,816)	(649)	(55.7)
(Bonds)	(—)	(—)	(—)	(—)
(Beneficiary securities)	(26)	(34)	(7)	(28.3)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	18	14	△3	△20.1
(Equities)	(18)	(14)	(△3)	(△20.1)
(Bonds)	(—)	(—)	(—)	(—)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,218	1,412	193	15.9
Other commission received	648	878	229	35.4
Total	3,078	4,155	1,077	35.0

② Commission received by instruments

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	
			yen volume	%
Equities	1,187	1,834	646	54.4
Bonds	0	0	△0	△54.6
Beneficiary securities	1,859	2,301	442	23.8
Other	30	19	△11	△36.9
Total	3,078	4,155	1,077	35.0

(2) Net Trading Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	
			yen volume	%
Equities, etc.	△92	△88	4	—
Bonds, etc.	3,496	2,545	△950	△27.2
Other	△153	△150	3	—
Total	3,249	2,306	△942	△29.0

## (3) Consolidated Income Statements for Latest Five Quarters

(Millions of yen)

	Quarter ended March 31, 2025	Quarter ended June 30, 2025	Quarter ended September 30, 2025	Quarter ended December 31, 2025	Quarter ended March 31, 2026
I. Operating revenue	1,470	1,763	2,554	2,295	1,703
1 Commission received	774	794	1,010	1,103	1,247
2 Net trading income	400	526	1,040	709	29
3 Financial revenue	291	437	498	478	421
4 Other operating revenue	4	4	4	4	4
II. Financial expenses	27	39	22	24	38
Net operating revenue	1,443	1,724	2,532	2,271	1,665
III. Selling, general and administrative expenses	1,275	1,244	1,281	1,260	1,367
1 Trading related expenses	133	147	160	137	183
2 Personal expenses	737	681	723	730	786
3 Real estate expenses	165	151	131	129	127
4 Office expenses	125	141	149	150	154
5 Depreciation	20	18	20	21	23
6 Taxes and dues	44	43	57	54	47
7 Provision of allowance for doubtful accounts	—	—	—	2	2
8 Other	47	59	38	34	43
Operating profit/loss	167	479	1,250	1,011	297
IV. Non-operating income	40	380	54	446	157
V. Non-operating expenses	106	101	△47	12	3
Ordinary profit/loss	102	758	1,352	1,444	450
VI. Extraordinary income	707	748	798	860	721
VII. Extraordinary losses	557	30	—	19	11
Profit/Loss before income taxes	251	1,477	2,150	2,286	1,160
Income taxes current	373	187	754	605	459
Income taxes deferred	△278	291	△57	128	△86
Profit/Loss	156	998	1,453	1,551	786
Profit attributable to non-controlling interests	—	—	—	—	—
Profit/Loss attributable to owners of parent	156	998	1,453	1,551	786

## 5. Non-consolidated Financial Statements

### (1) Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	9,382	10,800
Segregated deposits	9,573	10,021
Trading products	22,792	22,994
Trading securities and other	22,785	22,994
Derivatives	6	0
Trade date accrual	—	535
Margin transaction assets	2,414	4,761
Margin loans	2,181	4,740
Cash collateral provided for securities borrowed in margin transactions	232	20
Advances paid	5	1
Other advances paid	5	1
Short-term guarantee deposits	5	0
Short-term loans receivable	24	21
Prepaid expenses	17	28
Accounts receivable - other	205	203
Accrued revenue	486	627
Other current assets	7	42
Allowance for doubtful accounts	△7	△11
Total current assets	44,907	50,028
Non-current assets		
Property, plant and equipment	513	544
Buildings	133	119
Vehicles	8	21
Equipment	316	350
Land	54	54
Intangible assets	65	64
Software	43	41
Telephone subscription right	22	22
Investments and other assets	27,211	24,122
Investment securities	25,072	21,966
Shares of subsidiaries and associates	634	634
Investments in capital	1	1
Long-term loans receivable from subsidiaries and associates	80	60
Long-term loans to employees	0	0
Long-term guarantee deposits	376	366
Claims provable in bankruptcy, claims provable in rehabilitation and other, net	36	36
Long-term prepaid expenses	0	0
Prepaid pension costs	740	880
Other	339	246
Allowance for doubtful accounts	△71	△71
Total non-current assets	27,790	24,731
Total assets	72,698	74,759

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Trade date accrual	494	—
Margin transaction liabilities	432	109
Margin borrowings	220	67
Cash received for securities sold in margin transactions	211	42
Deposits received	10,077	10,869
Deposits from customers	8,954	8,748
Other deposits received	1,123	2,121
Guarantee deposits received	264	333
Payables for securities to receive over due for delivery	0	—
Short-term borrowings	11,000	12,900
Accounts payable - other	61	188
Accrued expenses	95	111
Income taxes payable	1,103	831
Provision for bonuses	236	278
Other current liabilities	1	1
Total current liabilities	23,768	25,623
Non-current liabilities		
Long-term borrowings	1,000	500
Long-term accounts payable - other	429	429
Deferred tax liabilities	844	1,202
Provision for retirement benefits	100	106
Other noncurrent liabilities	—	0
Total non-current liabilities	2,374	2,239
Reserves under special laws		
Reserve for financial instruments transaction liabilities	21	25
Total reserves under special laws	21	25
Total liabilities	26,163	27,888
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251	5,251
Capital surplus		
Legal capital surplus	4,774	4,774
Total capital surplus	4,774	4,774
Retained earnings		
Legal retained earnings	641	641
Other retained earnings		
General reserve	16,271	16,271
Retained earnings brought forward	18,712	19,595
Total retained earnings	35,624	36,507
Treasury shares	△863	△1,583
Total shareholders' equity	44,786	44,950
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,747	1,920
Total valuation and translation adjustments	1,747	1,920
Total net assets	46,534	46,871
Total liabilities and net assets	72,698	74,759

## (2) Income Statements

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenue		
Commission received	3,078	4,155
Brokerage commission	1,193	1,850
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	18	14
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,218	1,412
Other commission received	648	878
Net trading income	3,249	2,306
Financial revenue	1,665	1,836
Total operating revenue	7,993	8,299
Financial expenses	80	123
Net operating revenue	7,912	8,176
Selling, general and administrative expenses		
Trading related expenses	649	634
Personnel expenses	2,933	2,792
Real estate expenses	666	662
Office expenses	583	634
Depreciation	58	59
Taxes and dues	200	190
Provision of allowance for doubtful accounts	—	4
Other	132	168
Total selling, general and administrative expenses	5,224	5,146
Operating profit	2,688	3,029
Non-operating income		
Dividend income	741	592
Gain on investments in investment partnerships	—	220
Interest received from affiliated companies	0	0
Interest on securities	38	23
Other	41	73
Total non-operating income	822	911
Non-operating expenses		
Loss on investments in investment partnerships	99	—
Loss on investments in silent partnerships	—	13
Foreign exchange losses	77	—
Litigation settlement	—	42
Mediation Settlement	30	1
Other	19	11
Total non-operating expenses	226	68
Ordinary profit	3,284	3,872

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	3,083	2,668
Total extraordinary income	3,083	2,668
Extraordinary losses		
Loss on sale of investment securities	—	45
Loss on valuation of investment securities	557	6
Loss on retirement of non-current assets	4	2
Provision of reserve for financial instruments transaction liabilities	1	4
Total extraordinary losses	563	58
Profit before income taxes	5,804	6,482
Income taxes - current	1,973	1,817
Income taxes - deferred	△163	272
Total income taxes	1,810	2,089
Profit	3,993	4,392

### (3) Changes in Shareholders' Equity

Fiscal Year Ended March 31, 2025 (Year from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	5,251	4,774	4,774	641	16,271	18,865	35,777	△863	44,940
Changes during period									
Dividends of surplus						△4,147	△4,147		△4,147
Profit (loss)						3,993	3,993		3,993
Purchase of treasury shares								△0	△0
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	△153	△153	△0	△153
Balance at end of period	5,251	4,774	4,774	641	16,271	18,712	35,624	△863	44,786

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	3,789	3,789	48,730
Changes during period			
Dividends of surplus			△4,147
Profit (loss)			3,993
Purchase of treasury shares			△0
Net changes in items other than shareholders' equity	△2,041	△2,041	△2,041
Total changes during period	△2,041	△2,041	△2,195
Balance at end of period	1,747	1,747	46,534

Fiscal Year Ended March 31, 2026 (Year from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	5,251	4,774	4,774	641	16,271	18,712	35,624	△863	44,786
Changes during period									
Dividends of surplus						△3,509	△3,509		△3,509
Profit (loss)						4,392	4,392		4,392
Purchase of treasury shares								△719	△719
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	883	883	△719	163
Balance at end of period	5,251	4,774	4,774	641	16,271	19,595	36,507	△1,583	44,950

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	1,747	1,747	46,534
Changes during period			
Dividends of surplus			△3,509
Profit (loss)			4,392
Purchase of treasury shares			△719
Net changes in items other than shareholders' equity	173	173	173
Total changes during period	173	173	336
Balance at end of period	1,920	1,920	46,871

**【Referential Data】**

Referential Data on Business Results for the Fiscal Year Ended March 31, 2026

(1) Volume/Value of Equity Trading (Except Trading in Derivatives)

(Million share / Millions of yen)

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Change (%)	
	Number of shares	Trade value	Number of shares	Trade value	Number of shares	Trade value
Total	299	242,878	775	352,857	158.8	45.3
(Agency)	(272)	(204,489)	(753)	(317,031)	(176.1)	(55.0)
(Principal)	(26)	(38,389)	(22)	(35,825)	(△16.8)	(△6.7)
(Agency) / Total (%)	91.0%	84.2%	97.1%	89.8%		
Total / TSE Volume (%)	0.01%	0.01%	0.01%	0.01%		
Commission to consignees per share		4.27 yen		2.41 yen		

(2) Volume of Underwriting, Offering and Selling

(Million share / Millions of yen)

			Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change (%)
Underwriting	Equities	Number of shares	0	0	△56.3
	”	Yen volume	657	359	△45.3
	Bonds	Yen volume at face value	—	—	—
		Yen volume at face value	—	—	—
Offering / Selling (Note)	Equities	Number of shares	0	0	△52.2
	”	Yen volume	584	376	△35.5
	Bonds	Yen volume at face value	86	23	△73.1
		Beneficiary securities	Yen volume at face value	118,071	153,612
	CPs, foreign instruments, etc.	Yen volume at face value	—	—	—

Note: Includes volume of sales and private placements.

### (3) Net Capital Regulation Ratio

(Millions of yen)

		As of March 31, 2025	As of March 31, 2026
Basic items (A)		42,872	43,060
Company items	Valuation difference on available for sale securities, etc.	1,747	1,920
	Reserve for financial products transaction liabilities reserves under special laws	21	25
	Allowance for doubtful accounts	7	11
	Total (B)	1,776	1,957
Deductible assets (C)		10,241	10,261
Unfixed net capital (A)+(B)-(C) (D)		34,407	34,757
Amount of risk correspondents	Market risk correspondence	6,199	6,066
	Trade party risk correspondence	220	297
	Basic risk correspondence	1,221	1,294
	Total (E)	7,641	7,658
Net capital regulation ratio (D) / (E)×100%		450.2%	453.8%

### (4) Number of Directors/Auditors and Employees

(persons)

	As of March 31, 2025	As of March 31, 2026
Directors and auditors	10	10
Employees	225	227