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KOHOKU

May 13, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

Company name: KOHOKU KOGYO CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 6524
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Scheduled date to commence dividend payments: -
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 three months ended March 31, 2026 (from January 1, 2026, to March 31, 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	%
March 31, 2026	4,544	27.7	1,217	81.5	1,327	340.5	897	294.0
March 31, 2025	3,558	4.3	670	5.5	301	(73.3)	227	(68.6)

Note: Comprehensive income For the three months ended March 31, 2026: ¥ 1,146 million [-%]
For the three months ended March 31, 2025: ¥ (128) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	34.66	-
March 31, 2025	8.56	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	28,972	23,733	81.9
December 31, 2025	28,319	23,441	82.8

Reference: Equity
As of March 31, 2026: ¥ 23,733 million
As of December 31, 2025: ¥ 23,441 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 December 31, 2025	-	0.00	-	33.00	33.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		20.00	-	20.00	40.00

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

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026, to December 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 June 30, 2026	9,275	17.8	2,466	36.1	2,287	76.2	1,571	159.8	60.67
Full year	19,613	12.4	5,404	16.9	5,247	15.4	3,536	18.2	136.51

Note: Revisions to the financial result forecast most recently announced: None

*** 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: 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 March 31, 2026	26,000,000 shares
As of December 31, 2025	26,000,000 shares

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

As of March 31, 2026	94,498 shares
As of December 31, 2025	94,498 shares

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

Three months ended March 31, 2026	25,905,502 shares
Three months ended March 31, 2025	26,640,559 shares

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

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements contained in this document, including business performance forecasts, are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to constitute a commitment by the Company to achieve such results. Furthermore, actual results may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and notes regarding the use of such forecasts, please refer to the attached materials, “1. Overview of Business Results, etc. (3) Explanation of Forward-Looking Information, Including Consolidated Earnings Forecasts.”

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1. Overview of Business Results

(1) Overview of operating results for the current quarterly consolidated cumulative period

During the first three months of the fiscal year ending December 31, 2026, the global economy showed some bright signs such as a continued trend of recovery in Japan and the United States. However, on the other hand, global instability remained both politically and economically, including the slowdown of the Chinese economy and the impact of U.S. trade policies, as well as armed conflict in the Middle East in addition to the situation in Russia and Ukraine. In these conditions, a combination of risk factors, including the sharp rise in energy prices, concerns over a slowdown in the US labor market, and fears of global inflation, converged, heightening uncertainty about the outlook going forward. By region, despite some concerns about the outlook, employment and consumer spending remained relatively strong in the U.S. while a gradual recovery was seen in Europe. In China, despite signs of improvement in exports and retail, conditions continued to be challenging as the real estate market remained sluggish. In Japan, public investment remained strong, and there was a trend of gradual recovery in consumer spending and capital investment.

In the electronic components industry, the information and telecommunications equipment market continued to be strong due to the spread of AI and increased investment in data centers. In the automobile market, although some markets such as India remained positive, recovery remained weak as EV sales fell in China and other countries in conjunction with changes to subsidy policies for renewable energy vehicles, and EV policies were also under review in Europe. In other markets, conditions continued to be challenging due to the persistent downturn in the Chinese housing market and other factors.

Under such circumstances, the Company continuously worked to expand business and strengthen profits in order to achieve the medium-term management plan.

In the Lead Terminals Business, the Company worked on developing and expanding sales of new products such as high-performance lead terminals for high-efficiency capacitors, strengthening customer support systems, and streamlining production processes. In the Optical Components and Devices Business, the Company worked on developing new products in line with technological advances in the submarine cable market, expanding production capacity for optical components for the data center market, and strengthening sales activities and production systems for high-purity silica glass, for which inquiries are increasing for use in markets such as semiconductor manufacturing equipment and specialty optical fiber.

In addition, the Company worked on measures aimed at medium- to long-term growth, including commencing sample shipments of single-crystal PLZT thin-film wafers, which are attracting attention as a next-generation material for high-speed communication devices.

For the operating results for the first three months of the fiscal year ending December 31, 2026, the Company posted net sales of 4,544 million yen (up 27.7 % year on year), operating profit of 1,217 million yen (up 81.5% year on year). Ordinary profit was 1,327 million yen (up 340.5 % year on year) and profit attributable to owners of parent was 897 million yen (up 294.0% year on year). The average exchange rate for the first three months of the fiscal year ending December 31, 2026, was 156.96 yen to the U.S. dollar.

Operating results by segment are as follows.

<Lead Terminals Business>

In the Lead Terminals Business, net sales and segment profit (operating profit) for the first three months of the fiscal year ending December 31, 2026, were 2,516 million yen (increase by 27.2% year on year) and 209 million yen (increase by 82.4% year on year), respectively.

In the automotive electronics market, sales increased as a result of positive factors such as advances in the electrification of Advanced Driver Assistance Systems (ADAS) and the expansion of the hybrid vehicle market, despite the slow recovery in the European automobile market and the significant downturn in the Chinese EV market.
In the information and telecommunications market, the AI server and data center markets boomed. In this field, amid growing demand for lower power consumption, the adoption of hybrid capacitors and conductive polymer capacitors has been expanding. As a result, the adoption of high-performance lead terminals, such as products with leakage current countermeasures and low-resistance products, designed to meet these needs has increased.
In other markets, domestic shipments of consumer electronics maintained positive growth, but conditions remained challenging overall owing to sluggish consumption associated with the real estate recession in China and other factors.
Under these circumstances, as globalization of the automotive market and AI server market continues to advance, the Company expanded sales and strengthened sales support systems overseas, including in the Chinese market, the world's largest.
In terms of the production system, the Company worked to improve production efficiency and further enhance quality and reliability by expanding production capacity at the Dongguan plant in China, increasing the number of items produced at the Malaysia plant, and upgrading Overall Equipment Effectiveness (OEE) at individual plants including the plant in Japan and the Suzhou plant.
Moreover, to accelerate improvement in the profit structure, the Company worked to increase management efficiency using ROIC indicators, such as reducing accounts receivable and inventories. In addition, efforts were made to develop laser welding technology as a next-generation welding technology that achieves high efficiency and high precision.

<Optical Components and Devices Business>

In the Optical Components and Devices Business, net sales and segment profit (operating profit) for the first three months of the fiscal year ending December 31, 2026, were 2,028 million yen (increase by 28.3% year on year) and 1,008 million yen (increase by 81.4% year on year), respectively.
In optical devices for submarine cables, sales of small isolators rose in response to the increase in the number of new submarine cable projects and the increase in fiber pair count*1 aimed at expanding telecommunications capacity. Sales of Faraday rotators*2 also increased significantly due to the expansion of the AI server and data center markets. On the other hand, there were temporary inventory adjustments at some customers with the switch to new products.
In terms of development, the Company made preparations for mass production of optical device composite products to meet growing needs in telecommunications capacity, as well as commencing the supply of samples for new optical module products that incorporate the mainstay optical isolators and optical filters with peripheral components. The Company also worked on developing and strengthening the lineup of next-generation finished goods, such as a fan-in/fan-out*3 optical device, to support the shift to multi-core fiber products in submarine cables.
With regard to high-purity silica glass (SSG®) business, an area which is being strengthened as a new business, the Company made efforts to increase production capacity to strengthen its stable supply system amidst a significant increase in inquiries for semiconductor-related quartz components and specialty optical fiber preform.
The Company also worked on developing high-power optical isolators for submarine cables for adoption in the satellite communications market and marketing activities in that market.

*1: Fiber pair count
The number of optical fiber pairs in a submarine cable. The two fibers required for bidirectional communication form a pair. The number of fiber pairs in one submarine cable has increased significantly in line with growing needs for telecommunications capacity.

*2: Faraday rotator

A Faraday rotator is an optical component that rotates the polarization plane of light by utilizing the phenomenon in which a magnetic field rotates the polarization plane of light (the Faraday effect). It is mainly used in optical isolators and helps with the stable operation of lasers and optical communications equipment.

*3: Fan in/fan out (product)

An optical component that connects each core of a multi-core fiber to the core of a single-core fiber. “Fan-in” means combining multiple inputs into a single output, and “fan-out” means branching one input into multiple outputs. For example, when a multi-core fiber with multiple cores built into a single optical fiber cable is used as a submarine cable, the fiber is branched into a single-core fiber in optical repeaters installed every few tens of kilometers to amplify the optical signal and then recombined into a single output.

(2) Overview of the financial position for the current quarterly consolidated cumulative period

(assets)

Current assets increased by 463 million yen from the end of the previous fiscal year, reaching 17,491 million yen. This is mainly due to an increase of 1,299 million yen in cash and deposits, while electronically recorded monetary claims-operating decreased by 719 million yen.

Non-current assets increased by 189 million yen from the end of the previous fiscal year, reaching 11,481 million yen. This is mainly due to increases of 39 million yen in buildings and structures, net, 29 million yen in machinery, equipment and vehicle, net, 27 million yen in leased assets, net, 29 million yen in other intangible fixed assets, and 48 million yen in investment securities.

As a result, total assets increased by 653 million yen from the end of the previous fiscal year, reaching 28,972 million yen.

(liabilities)

Current liabilities increased by 318 million yen from the end of the previous fiscal year, reaching 2,902 million yen. This is mainly due to an increase in accounts payable-trade of 254 million yen, accounts payable-other of 80 million yen, and provision for bonuses of 127 million yen, while Income tax payable and other related expenses decreased by 130 million yen.

Non-current liabilities increased by 43 million yen from the end of the previous fiscal year, reaching 2,336 million yen. This is mainly due to an increase of 34 million yen in lease liabilities.

As a result, total liabilities increased by 361 million yen from the end of the previous fiscal year, reaching 5,239 million yen.

(Net assets)

Net assets increased by 291 million yen from the end of the previous fiscal year, reaching 23,733 million yen. This is mainly due to an increase of 43 million yen in retained earnings and 229 million yen in the foreign currency translation adjustment account.

(3) Explanation of forward-looking information such as consolidated earnings forecasts

During the first three months of the fiscal year ending December 31, 2026, the Lead Terminals Business broadly experienced a steady trend of recovery overall owing to a significant increase in sales of products for use in AI servers despite the gradual pace of recovery in the automotive market, including the slow recovery in the European market. In the Optical Components and Devices Business, progress slightly exceeded the forecast for the first half of the fiscal year due to the completion of inventory adjustments at some customers and a weaker-than-expected exchange rate for the yen.

Under these circumstances, the Company has determined that there is currently no need to change overall outlook for the future, and have therefore not revised our initial forecasts for the second quarter and full-year consolidated financial results. The Company will continue to monitor the situation, and will promptly announce any changes that are deemed necessary.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	8,517	9,816
Notes and accounts receivable - trade, and contract assets	4,144	3,497
Electronically recorded monetary claims - operating	1,179	460
Securities	400	499
Finished goods	956	1,091
Work in process	455	471
Raw materials and supplies	978	1,249
Other	395	404
Total current assets	17,027	17,491
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,406	1,446
Machinery, equipment and vehicles, net	2,930	2,960
Tools, furniture and fixtures, net	745	761
Land	756	756
Leased assets, net	1,853	1,881
Construction in progress	438	432
Total property, plant and equipment	8,132	8,238
Intangible assets		
Other	759	788
Total intangible assets	759	788
Investments and other assets		
Investment securities	1,952	2,000
Deferred tax assets	236	241
Other	210	211
Total investments and other assets	2,400	2,453
Total non-current assets	11,291	11,481
Total assets	28,319	28,972

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	961	1,216
Lease liabilities	133	143
Accounts payable - other	421	501
Income taxes payable	604	473
Provision for bonuses	76	204
Provision for bonuses for directors (and other officers)	34	8
Other	352	354
Total current liabilities	2,584	2,902
Non-current liabilities		
Lease liabilities	1,920	1,954
Deferred tax liabilities	148	154
Retirement benefit liability	149	153
Asset retirement obligations	69	69
Other	5	5
Total non-current liabilities	2,293	2,336
Total liabilities	4,877	5,239
Net assets		
Shareholders' equity		
Share capital	350	350
Capital surplus	3,397	3,397
Retained earnings	17,528	17,572
Treasury shares	(213)	(213)
Total shareholders' equity	21,063	21,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67	87
Foreign currency translation adjustment	2,309	2,539
Total accumulated other comprehensive income	2,377	2,626
Total net assets	23,441	23,733
Total liabilities and net assets	28,319	28,972

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	3,558	4,544
Cost of sales	2,159	2,579
Gross profit	1,398	1,965
Selling, general and administrative expenses	728	747
Operating profit	670	1,217
Non-operating income		
Interest and dividend income	54	34
Foreign exchange gains	-	94
Other	14	4
Total non-operating income	69	133
Non-operating expenses		
Interest expenses	21	22
Foreign exchange losses	412	-
Other	4	-
Total non-operating expenses	438	22
Ordinary profit	301	1,327
Profit before income taxes	301	1,327
Income taxes - current	66	434
Income taxes - deferred	7	(4)
Total income taxes	73	429
Profit	227	897
Profit attributable to owners of parent	227	897

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Profit	227	897
Other comprehensive income		
Valuation difference on available-for-sale securities	17	19
Foreign currency translation adjustment	(373)	229
Total other comprehensive income	(356)	248
Comprehensive income	(128)	1,146
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(128)	1,146

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes regarding the going concern assumption)

There are no applicable items.

(Notes regarding significant changes in the amount of shareholders' equity)

There are no applicable items.

(Notes on the Cash Flow Statement)

We have not prepared a consolidated cash flow statement for the first quarter cumulative period. The depreciation expenses (including amortization expenses related to intangible fixed assets excluding goodwill) and the amortization amount of goodwill for the first quarter of the consolidated fiscal year are as follows:

	Previous first quarter consolidated cumulative period (From January 1, 2025 (to March 31, 2025)	For the first quarter of the consolidated fiscal year (From January 1, 2026 (to March 31, 2026)
Depreciation expenses	241million yen	244million yen
Amortization of goodwill	21 〃	- 〃

(Segment information, etc.)

[Segment Information]

Previous first quarter consolidated cumulative period (from January 1, 2025, to March 31, 2025)

Information on sales and profit or loss amounts by reporting segment, as well as breakdown of revenue.

(Unit: million yen)

	Reporting segments			Adjustment amount	Total (Note)
	Lead terminals business	Optical Components and Devices Business	Total		
Net sales					
Japan	956	143	1,099	-	1,099
China	456	139	596	-	596
Asia	561	4	565	-	565
England	-	725	725	-	725
America	-	505	505	-	505
others	3	61	65	-	65
Revenue generated from contracts with customers	1,978	1,580	3,558	-	3,558
Sales to external customers	1,978	1,580	3,558	-	3,558
Inter-segment sales or transfers	-	-	-	-	-
Total	1,978	1,580	3,558	-	3,558
Segment profit	114	555	670	-	670

(Note) The total segment profit is the same as the operating profit in the quarterly consolidated income statement.

For the first quarter of the consolidated fiscal year (from January 1, 2026, to March 31, 2026)

Information on sales and profit or loss amounts by reporting segment, as well as breakdown of revenue.

(Unit: million yen)

	Reporting segments			Adjustment amount	Total (Note)
	Lead terminals business	Optical Components and Devices Business	Total		
Net sales					
Japan	1,142	516	1,658	-	1,658
China	665	139	804	-	804
Asia	704	10	714	-	714
England	-	460	460	-	460
America	-	875	875	-	875
others	4	27	31	-	31
Revenue generated from contracts with customers	2,516	2,028	4,544	-	4,544
Sales to external customers	2,516	2,028	4,544	-	4,544
Inter-segment sales or transfers	-	-	-	-	-
Total	2,516	2,028	4,544	-	4,544
Segment profit	209	1,008	1,217	-	1,217

(Note) The total segment profit is the same as the operating profit in the quarterly consolidated income statement.