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November 12, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese GAAP)

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Securities code: 6524 URL: https://www.kohokukogyo.co.jp
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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 nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	16,174	29.6	5,145	60.9	5,111	80.8	3,525	100.9
September 30, 2025	12,480	2.8	3,198	0.8	2,827	(15.0)	1,754	(21.1)

Note: Comprehensive income For the nine months ended September 30, 2026: ¥ 3,877 million [154.2%]
For the nine months ended September 30, 2025: ¥ 1,525 million [(35.8) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	136.09	-
September 30, 2025	67.12	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	31,698	25,960	81.9
December 31, 2025	28,319	23,441	82.8

Reference: Equity
As of September 30, 2026: ¥ 25,960 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	-	20.00	-		
Fiscal year ending December 31, 2026 (Forecast)				20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None
Note: Breakdown of the third quarter dividend for the fiscal year ending December 31, 2026 :
Commemorative dividend - yen

Special dividend - yen

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
Full year	22,238	27.4	6,754	46.1	6,888	51.5	4,618	54.3	178.29

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 September 30, 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 September 30, 2026	91,482 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)

Nine months ended September 30, 2026	25,906,971 shares
Nine months ended September 30, 2025	26,145,909 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

(Notes regarding statements about the future)

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 Operating Results, Etc.

(1) Overview of Operating Results during the Period

During the first nine months of the fiscal year ending December 31, 2026, political and economic uncertainty remained elevated globally due to rising interest rates and soaring crude oil prices in addition to the slowdown of the Chinese economy, the impact of U.S. trade policies, the situation in Russia and Ukraine, and armed conflict in the Middle East. However, the economy followed a trend of gradual recovery, with indicators improving across Japan, the U.S., Europe, and Asia.

By region, employment, consumer spending, and capital investment remained relatively strong in the U.S. despite the continued inflationary trend. In Europe, business sentiment improved despite the impact of rising energy prices, and there was a trend of gradual recovery. In China, conditions continued to be challenging due to a slump in consumption as the real estate market remained sluggish, but an improvement was observed mainly in the manufacturing sector in the second half of the period under review. In Japan, the economy remained firm, with consumer spending showing signs of recovery on the back of improving employment conditions and rising incomes.

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, but the PC market remained in an adjustment phase, mainly due to semiconductor shortages. In the automobile market, although challenging conditions persisted for domestic new car sales in China, some markets such as Brazil and the Asia region, including India, were positive while Japan, Europe, and the U.S. also entered a trend of moderate recovery. In addition, the percentage of new energy vehicles, including EVs, increased. In other markets, conditions in the consumer equipment market continued to be challenging due to the downturn in the Chinese retail market and other factors.

The submarine cable market remained strong mainly driven by growth in large-scale projects on the back of an increase in data center investment and the need to expand data transmission capacity in addition to expanded production capacity by submarine cable installation companies and an increase in cable-laying vessels. In addition, technological innovation to meet the need for greater telecommunications capacity in submarine cables accelerated, and the market conditions remained strong.

Under such circumstances, the Company continuously worked to expand business and improve profit in order to achieve the medium-term management plan. In the Lead Terminals Business, the Company worked on developing and expanding sales of new high-performance lead terminal products, such as products with improved leakage current characteristics and copper-wire lead terminals, compatible with high-efficiency, compact aluminum electrolytic capacitors for the AI data center market, while also strengthening customer support systems and streamlining production processes.

In the Optical Components and Devices Business, the Company worked to expand sales of new products such as hybrid optical devices compatible with technological evolution in the submarine cable market and to expand production capacity for optical components for the data center market. The Company also worked on strengthening its production system in preparation for rising orders for high-purity silica glass (SSG®), for which inquiries have been increasing mainly for use in the semiconductor manufacturing equipment and specialty optical fiber markets.

In addition, the Company strengthened the development system for single-crystal PLZT*1 thin-film wafers, which the Company is focusing on as a new device material for the advancement of optoelectronic integration technology. The Company also worked on measures aimed at medium- to long-term growth, including development of products for the satellite communications market and promoting related marketing activities.

For the first nine months of the fiscal year ending December 31, 2026, net sales were 16,174 million yen (up 29.6% year-on-year), operating profit was 5,145 million yen (up 60.9% year-on-year), ordinary profit was 5,111 million yen (up 80.8% year-on-year), and profit attributable to owners of parent was 3,525 million yen (up 100.9% year-on-year). The average exchange rate for the first nine months of the fiscal year was 158.67 yen per US dollar.

Operating results by segment are as follows.

<Lead Terminals Business>

During the first nine months of the fiscal year, sales in the Lead Terminals Business totaled 8,442 million yen (up 32.8%

year-on-year), and segment profit (operating profit) was 1,021 million yen (up 83.8% year-on-year).

In the automotive electronics market, strong car sales in the ASEAN region, improved new car sales in Japan, and positive factors such as advances in the electrification of Advanced Driver Assistance Systems (ADAS) and the expansion of the hybrid vehicle market also contributed to a trend of gradual recovery despite the impact of factors such as the downturn in new vehicle sales in China, the slow recovery in the European automobile market, and intensifying competition in the EV market.

In the information and telecommunications equipment market, the AI server and data center markets were booming, leading to an increase in sales. In this field, amid expectations of growing demand for even lower power consumption going forward, the adoption of hybrid capacitors and conductive polymer capacitors has been expanding. As a result, inquiries about and adoption of high-performance lead terminals that meet these needs, such as products designed to reduce leakage current and low-resistance products, have increased.

In other markets, domestic shipments of consumer electronics maintained positive growth, but conditions remained challenging overall owing to the downturn in the PC market and sluggish consumption associated with the real estate recession in China and other factors.

In terms of costs, in material procurement, prices of key materials such as copper, tin, and aluminum increased. Although the Company has a mechanism in place to pass on increases in material prices to its selling prices, it was temporarily affected by the continued rise in material prices. In terms of the production system, the Company worked on expanding production capacity at the Dongguan plant in China, increasing the number of items produced at the Malaysia plant, and improving Overall Equipment Effectiveness (OEE) and further enhancing quality and reliability at each plant, including the plants 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 trade receivables 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, and shipment of samples to some customers was commenced.

<Optical Components and Devices Business>

During the first nine months of the fiscal year, sales in the Optical Components and Devices Business amounted to 7,731 million yen (up 26.3% year-on-year), and segment profit (operating profit) was 4,124 million yen (up 56.1% year-on-year).

In optical devices for submarine cables, sales of the Company's mainstay products, optical isolators and optical filters, increased owing to an increase in new submarine cable projects and a rise in fiber pair counts*2 to expand telecommunications capacity. Although some customers made temporary inventory adjustments at the beginning of the period in connection with the switch to new products, sales recovered from the second quarter onward. Furthermore, sales of optical components such as Faraday rotators*3 increased with the expansion of the AI server and data center markets.

Among new products, the Company commenced mass production of hybrid optical devices that meet the need for greater telecommunications capacity, and sales grew significantly. The Company also began supplying samples, with a view to mass production, of optical module products incorporating peripheral components such as its mainstay optical isolators and optical filters. Furthermore, the Company proceeded with the development and sample shipment of next-generation products such as fan-in/fan-out*4 optical devices that support the shift to multi-core fiber in submarine cables.

With regard to high-purity silica glass products (SSG®), which the Company is launching as a new business, amid a significant increase in inquiries for semiconductor-related quartz components and next-generation optical fiber preforms, the Company worked to increase production capacity, including adding manufacturing equipment, in order to build a stable supply system.

With regard to PLZT, an electro-optic material under development for the advancement of next-generation optoelectronic integration technology, the Company presented technical results on optical modulators at an international conference and streamlined its development system, including relocating and consolidating its development equipment in the U.S. to its head office. In addition, toward adoption in the satellite communications market, the Company advanced the development of high-power-compatible optical devices for submarine cables, and also responded to inquiries regarding samples.

*1: PLZT

PLZT is a piezoelectric material made from oxides of lanthanum (La), zirconium (Zr), titanium (Ti), and lead (Pb) and used in optical devices that make use of the electro-optic effect. With the proliferation of AI servers, the amount of information processed inside data centers has risen dramatically. As optoelectronic integration advances, better optical modulators are needed, and PLZT is a promising device material thanks to its significant electro-optic effect.

*2: 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.

*3: 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.

*4: 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 Financial Position during the Period

(Assets)

Current assets increased by 2,781 million yen compared to the end of the previous consolidated fiscal year, reaching 19,809 million yen. This is mainly due to an increase of 2,749 million yen in cash and deposits, 324 million yen in notes receivable, accounts receivable and contract assets, and 379 million yen in raw materials and supplies, while electronically recorded monetary claims – operating decreased by 1,126 million yen. Fixed assets increased by 597 million yen compared to the end of the previous consolidated fiscal year, reaching 11,889 million yen. This is mainly due to increases of 381 million yen in construction in progress, 129 million yen in other intangible fixed assets, and 118 million yen in investment securities. As a result, total assets increased by 3,378 million yen compared to the end of the previous consolidated fiscal year, reaching 31,698 million yen.

(Liabilities)

Current liabilities increased by 831 million yen compared to the end of the previous consolidated fiscal year, reaching 3,416 million yen. This is mainly due to an increase of 361 million yen in accounts payable, 286 million yen in income taxes payable and 230 million yen in bonus provisions. Fixed liabilities increased by 27 million yen compared to the end of the previous consolidated fiscal year, reaching 2,321 million yen. As a result, total liabilities increased by 859 million yen compared to the end of the previous consolidated fiscal year, reaching 5,737 million yen.

(Net assets)

Net assets increased by 2,519 million yen compared to the end of the previous consolidated fiscal year, reaching 25,960 million yen. This is mainly due to an increase of 2,152 million yen in retained earnings and 208 million yen in the foreign currency translation adjustment account.

(3) Explanation Regarding Forecast Information Such as Consolidated Earnings Forecasts

During the first nine months of the fiscal year ending December 31, 2026, both the Lead Terminals Business and the Optical Components and Devices Business performed in line with the forecast made in August this year. In the fourth quarter, although the Lead Terminals Business will continue to face challenging conditions in the PC and consumer electronics markets, the AI server and data center markets will remain strong, and the automobile market is also expected to maintain its trend of gradual recovery. In addition, profit is expected to remain solid, owing to increased adoption of lead

terminals for high-performance capacitors, higher selling prices accompanying rising material prices, and continued improvements in production efficiency.

In the Optical Components and Devices Business, we also anticipate business performance will remain strong due to higher sales of new products associated with increasing fiber pairs and the shift to multi-core fiber in submarine cables, improved production efficiency, and other factors in addition to an expected increase in orders for long-distance submarine cable projects over the medium to long term.

In light of the above, the Company believes that its results are progressing generally as planned against the consolidated earnings forecast for the fiscal year ending December 31, 2026 announced on August 6, 2026, and has not revised the forecast at this time.

The Company will promptly make an announcement should any significant change in business conditions occur.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	8,517	11,267
Notes and accounts receivable - trade, and contract assets	4,144	4,469
Electronically recorded monetary claims - operating	1,179	53
Securities	400	696
Finished goods	956	1,136
Work in process	455	536
Raw materials and supplies	978	1,357
Other	395	292
Total current assets	17,027	19,809
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,406	1,435
Machinery, equipment and vehicles, net	2,930	2,961
Tools, furniture and fixtures, net	745	746
Land	756	756
Leased assets, net	1,853	1,821
Construction in progress	438	820
Total property, plant and equipment	8,132	8,542
Intangible assets		
Other	759	888
Total intangible assets	759	888
Investments and other assets		
Investment securities	1,952	2,071
Deferred tax assets	236	172
Other	210	213
Total investments and other assets	2,400	2,457
Total non-current assets	11,291	11,889
Total assets	28,319	31,698

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	961	1,323
Lease liabilities	133	137
Accounts payable - other	421	419
Income taxes payable	604	890
Provision for bonuses	76	307
Provision for bonuses for directors (and other officers)	34	26
Other	352	311
Total current liabilities	2,584	3,416
Non-current liabilities		
Lease liabilities	1,920	1,907
Deferred tax liabilities	148	191
Retirement benefit liability	149	147
Asset retirement obligations	69	69
Other	5	4
Total non-current liabilities	2,293	2,321
Total liabilities	4,877	5,737
Net assets		
Shareholders' equity		
Share capital	350	350
Capital surplus	3,397	3,406
Retained earnings	17,528	19,681
Treasury shares	(213)	(206)
Total shareholders' equity	21,063	23,231
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67	210
Foreign currency translation adjustment	2,309	2,518
Total accumulated other comprehensive income	2,377	2,729
Total net assets	23,441	25,960
Total liabilities and net assets	28,319	31,698

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net sales	12,480	16,174
Cost of sales	7,110	8,650
Gross profit	5,370	7,523
Selling, general and administrative expenses	2,171	2,377
Operating profit	3,198	5,145
Non-operating income		
Interest and dividend income	107	103
Other	10	39
Total non-operating income	118	143
Non-operating expenses		
Interest expenses	65	70
Foreign exchange losses	413	106
Other	10	1
Total non-operating expenses	489	178
Ordinary profit	2,827	5,111
Extraordinary income		
Subsidy income	155	-
Total extraordinary income	155	-
Extraordinary losses		
Impairment losses	310	-
Total extraordinary losses	310	-
Profit before income taxes	2,671	5,111
Income taxes - current	855	1,542
Income taxes - deferred	60	43
Total income taxes	916	1,585
Profit	1,754	3,525
Profit attributable to owners of parent	1,754	3,525

Quarterly Consolidated Statement of Comprehensive Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Profit	1,754	3,525
Other comprehensive income		
Valuation difference on available-for-sale securities	58	143
Foreign currency translation adjustment	(288)	208
Total other comprehensive income	(229)	351
Comprehensive income	1,525	3,877
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,525	3,877

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Notes on Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the nine months ended September 30, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months are as follows.

	For the nine months ended September 2025 (January 1, 2025 - September 30, 2025)	For the nine months ended September 2026 (January 1, 2026 - September 30, 2026)
Depreciation	719 Millions of yen	767 Millions of yen
Amortization of goodwill	39 Millions of yen	- Millions of yen

(Segment Information, Etc.)

【Segment Information】

Previous Nine-Month Period (January 1, 2025, through September 30, 2025)

1. Information regarding net sales, profit or loss, for each reportable segment, and breakdown of revenue

(Millions of yen)

	Reportable segment			Adjustments	Total (Note)
	Lead Terminals Business	Optical Components and Devices Business	Total		
Net sales					
Japan	3,033	957	3,991	—	3,991
China	1,519	507	2,026	—	2,026
Asia	1,787	28	1,816	—	1,816
U.K.	—	2,384	2,384	—	2,384
U.S.A.	—	2,155	2,155	—	2,155
Others	18	87	105	—	105
Revenue from contracts with customers	6,359	6,120	12,480	—	12,480
Sales to outside customers	6,359	6,120	12,480	—	12,480
Inter-segment sales or transfers	—	—	—	—	—
Total	6,359	6,120	12,480	—	12,480
Segment income	555	2,642	3,198	—	3,198

(Note) The total segment income is consistent with operating profit as reported in the Quarterly Consolidated Statements of Income.

2. Information regarding impairment losses on fixed assets or goodwill, etc. by reportable segment

(Significant impairment losses on fixed assets)

In the “Optical Components and Devices” segment, following a review of the development schedules and capital expenditure plans for our consolidated subsidiary, EpiPhotonics Co., Ltd., and its subsidiary, EpiPhotonics USA, Inc., we have recognized impairment losses on property, plant, and equipment and goodwill. The amount of these impairment losses recognized for the current third-quarter consolidated cumulative period is 310 million yen.

(Significant changes in the amount of goodwill)

In the “Optical Components and Devices” segment, as described above (Significant Impairment Losses on Fixed Assets), we have recognized an impairment loss on goodwill.

The reduction in goodwill resulting from this event amounted to 273 million yen for the first three quarters of the current fiscal year.

The current nine-month period (January 1, 2026, through September 30, 2026)

Information regarding net sales, profit or loss for each reportable segment, and breakdown of revenue

(Millions of yen)

	Reportable segment			Adjustments	Total (Note)
	Lead Terminals Business	Optical Components and Devices Business	Total		
Net sales					
Japan	3,821	1,638	5,459	—	5,459
China	2,081	533	2,615	—	2,615
Asia	2,531	36	2,568	—	2,568
U.K.	—	2,841	2,841	—	2,841
U.S.A.	—	2,561	2,561	—	2,561
Others	7	120	127	—	127
Revenue from contracts with customers	8,442	7,731	16,174	—	16,174
Sales to outside customers	8,442	7,731	16,174	—	16,174
Inter-segment sales or transfers	—	—	—	—	—
Total	8,442	7,731	16,174	—	16,174
Segment income	1,021	4,124	5,145	—	5,145

(Note) The total segment income is consistent with operating profit as reported in the Quarterly Consolidated Statements of Income.