November 12, 2026

Company name: Kyokuto Boeki Kaisha, Ltd.
Representative: Shinji Sakuma, Representative Director
President and Chief Executive Officer
(Code number: 8093; TSE Prime)
Inquiries: Yasuhiro Sonoda, General Manager,
Corporate Planning Dept.
(Telephone: +81-3-3244-3516)

Notice Concerning the Recording of an Extraordinary Loss

Kyokuto Boeki Kaisha, Ltd. (the "Company") hereby announces that it recorded an extraordinary loss for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026), as follows.

1. Recording of an Extraordinary Loss

Since the fiscal year ended March 31, 2025, the Company has been contracted to provide wind and oceanographic observation services for offshore wind power generation projects. These services involve installing observation equipment offshore and continuously collecting and providing observation data over a specified period. The observation equipment is procured from an observation service provider (the "Supplier"), which is also responsible under the contract for the operation and maintenance of the equipment after installation and the provision of observation data.

In certain observation services undertaken by the Company, the installed observation equipment malfunctioned and became inoperable, making it impossible to obtain the observation data specified in the contract. The Company requested that the Supplier promptly restore the equipment to working order and implement improvements, while also providing technical support and taking other measures to resume normal observations. However, the causes of the malfunctions could not be identified, and the equipment could not be restored to working order.

In light of these circumstances, the Company determined that it would be difficult to assess the prospects for the fulfillment of its contracted services involving the observation equipment (the "Services"). Accordingly, the Company recorded costs incurred in the procurement, installation, operation and other activities related to the observation equipment totaling ¥736 million as an extraordinary loss (loss on order related operations) for the six months ended September 30, 2026.

2. Future Outlook

The Company will take steps to address the situation with the relevant parties, including discussions with the client that commissioned the Services. The Company will also take appropriate measures with respect to the Supplier. If any matters requiring disclosure arise in the future, including additional costs, the Company will promptly make an announcement.

3. Impact on the Financial Results Forecast

For the full-year consolidated financial results forecast for the fiscal year ending March 31, 2027, reflecting the recording of the above extraordinary loss, please refer to the "Notice Concerning Revisions to the Financial Results Forecast" announced today (November 12, 2026).