Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 29, 2026

Semi-annual Consolidated Financial Results for the Six Months Ended September 30, 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
Inquiries: Kazuhiro NISHIMUKAI, Senior Managing Director
Telephone: +81-03-3666-5130
Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: November 20, 2026
Preparation of supplementary material on financial results: Yes
Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30,2026	4,133	(4.3)	4,039	(5.1)	1,362	(21.3)	1,614	(23.5)	1,911	(22.0)
September 30,2025	4,317	0.5	4,256	(0.1)	1,730	4.2	2,111	14.1	2,451	(6.6)

Note: Comprehensive income For the six months ended September 30, 2026: ¥2,989 million [(1.7)%]
For the six months ended September 30, 2025: ¥3,042 million [231.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30,2026	60.69	—
September 30,2025	76.85	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30,2026	88,969	53,609	60.3	1,701.97
March 31, 2026	80,600	52,509	65.1	1,667.06

Reference: Equity

As of September 30, 2026: ¥53,609 million

As of March 31, 2026: ¥52,509 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	50.00	—	60.00	110.00
Fiscal year ending March 31, 2027	—	50.00			

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

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 5 for further information

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

* As of September 30, 2026, Kyokuto Securities Co., Ltd. has two consolidated subsidiaries.

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As at the end of the current semi-annual period	32,779,000 shares
As at the end of the previous fiscal year	32,779,000 shares

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

As at the end of the current semi-annual period	1,280,686 shares
As at the end of the previous fiscal year	1,280,686 shares

(iii) Average number of shares outstanding during the period (Semi-annual period)

Semi-annual period ended September 30, 2026	31,498,314 shares
Semi-annual period ended September 30, 2025	31,901,361 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

The earnings forecasts are not disclosed. Please refer to page 5 for further information.

Index of Attached Documents

BUSINESS RESULTS
1. Qualitative Information on Business Results for the Semi-annual Period …… 2
(1) Information on Business Results …… 2
(2) Information on Financial Condition …… 4
(3) Future Outlook …… 5
2. Semi-annual Consolidated Financial Statements and Notes …… 6
(1) Semi-annual Consolidated Balance Sheets …… 6
(2) Semi-annual Consolidated Income Statements and Semi-annual Consolidated Comprehensive Income Statements …… 8
(Semi-annual Consolidated Income Statements) …… 8
(Semi-annual Consolidated Comprehensive Income Statements) …… 9
(3) Notes to Semi-annual Consolidated Financial Statements …… 10
(Notes in the Event of Substantial Changes in Shareholders' Equity) …… 10
(Notes Concerning Going Concern Assumption) …… 10

【Referential Data】 …… 11
1. Referential Data on Consolidated Financial Results for the Semi-annual Period …… 11
(1) Commission Received …… 11
(2) Net Trading Income …… 11
(3) Consolidated Income Statement for the Latest Five Quarters …… 12
2. Referential Data for the Semi-annual Period …… 13
(1) Capital Adequacy Ratio …… 13
(2) Number of Directors/Auditors and Employees …… 13

BUSINESS RESULTS

1. Qualitative Information on Business Results for the Semi-annual Period

(1) Information on Business Results

During the six months ended September 30, 2026 (from April 1 to September 30, 2026, hereinafter called “the semi-annual period”) of the current consolidated fiscal year, domestic and global economies were subject to heightened uncertainty regarding the outlook for prices and economic growth, as crude oil prices fluctuated sharply due to the conflict involving the United States-Israel alliance and Iran, which began in late February 2026.

Against this backdrop, the Bank of Japan (BOJ) raised its policy interest rate for the second time in 2026, following its June rate hike, bringing the rate to 1.25% in September. The European Central Bank (ECB) also raised interest rates in September, following its rate hike in June, in response to inflationary pressures and the U.S. Federal Reserve Board (FRB) raised its policy rate in September for the first time in approximately three years in an effort to curb inflation.

In the stock market, the Nikkei Stock Average (Nikkei 225) broke through the ¥70,000 mark in June. However, generative AI and semiconductor-related stocks, which had led the rise in stock prices, declined sharply. Consequently, the Nikkei 225 fell to nearly ¥60,000. On the other hand, supported by gains in stocks of major banks on expectations of wider lending margins resulting from rising long-term interest rates, the Tokyo Stock Price Index (TOPIX) renewed its all-time high in August. The Nikkei 225 also turned upward again on the back of strong corporate earnings for the first quarter and ended at ¥66,753 at the end of the semi-annual period, a 30.7% increase compared with the end of March.

In the U.S. stock market as well, the Dow Jones Industrial Average (DJIA) trended downward after reaching a record high in August, as rising long-term interest rates acted as a headwind. On the other hand, the NASDAQ Composite Index composed of large number of technology stocks, renewed an all-time high in September against the backdrop of strong earnings from semiconductor-related companies. The DJIA ended at $50,906 at the end of the semi-annual period, a 9.8% increase compared with the end of March.

In the bond market, Japan’s 10-year government bond yield rose above the 3.0% level for the first time in 30 years since September 1996, amid growing expectations that the BOJ would continue raising interest rates and concerns over fiscal deterioration resulting from the Japanese government's expansionary fiscal policy. It ended at 3.050% at the end of the semi-annual period, up 0.705 percentage points compared with the end of March.

The U.S. 10-year government bond yield also rose, against the backdrop of persistent inflation concerns due to rising crude oil prices caused by continued uncertainty in the Middle East. In particular, the pace of the increase accelerated after September. It ended at 5.288% at the end of the semi-annual period, up 0.965 percentage points compared with the end of March.

In the foreign exchange market, following the Yen’s depreciation against the Dollar, the Japanese government conducted large-scale yen-buying and dollar-selling market interventions in April and July. In particular, the intervention in July was coordinated by the Japanese and U.S. governments for the first time in 28 years. In September, the Yen temporarily reached ¥152 level against the Dollar. However, the Yen depreciated again amid structural factors driving Yen selling, growing demand for the Dollar due to uncertainty surrounding the situation in the Middle East and increasing expectations of further U.S. interest rate hikes. Amid these developments, it ended at ¥157.34 to the Dollar at the end of the current period, an appreciation of ¥1.41 compared with the end of March.

The Yen also temporarily fell to ¥187.47 to the Euro in July. Subsequently, following Yen-buying interventions by the Japanese and U.S. governments, the Yen appreciated significantly against the Euro and ended at ¥178.26 to the Euro at the end of the semi-annual period, an appreciation of ¥5.17 compared with the end of March.

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

shareholders' equity.
For the six months ended September 30, 2026, operating revenue was 4,133 million yen,(4.3％ decrease from the same period of the previous fiscal year), net operating revenue was 4,039 million yen (5.1％ decrease), operating profit was 1,362 million yen (21.3％ decrease), ordinary profit was 1,614 million yen (23.5％ decrease), and net profit attributable to owners of the parent company was 1,911 million yen (22.0％ decrease).

Details of the semi-annual period’s results are as follows:
① Commission Received
The total commission received resulted 2,661 million yen (47.5％ increase from the same period of previous fiscal year), the details of which are shown below:
(Brokerage Commission)
Brokerage commission on equity securities was 1,062 million yen (40.5% increase). Total amount of brokerage commission including those on beneficiary securities (Exchange Traded Funds) was 1,090 million yen (41.6％ 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 4 million yen (15.4％ 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 869 million yen (36.6％ increase), due to an increase of handling of beneficiary securities (investment trusts).
(Other Commission Received)
The amount of other commission received was 696 million yen (77.6％ increase).mainly because of an increase in trailer fee of beneficiary securities (investment trusts).

② Net trading Income
Net trading income of equities, etc. resulted in a loss of 124 million yen (a loss of 30 million yen in the same period of previous fiscal year). Net trading income of bonds etc. resulted in a gain of 619 million yen (61.5% decrease). Net trading income on other trading consisting mainly of foreign exchange derivatives resulted in a loss of 10 million yen (a loss of 9 million yen in the same period of previous fiscal year). As a result, net trading income resulted in a gain of 484 million yen (69.1％ decrease).

③ Net Financial Income
Net financial income was 857 million yen (2.1% decrease from the same period of previous fiscal year), as a result of deducting 94 million yen (53.5％ increase) of financial expenses from 951 million yen (1.5％ increase) of financial revenue.

④ Selling, General and Administrative Expenses
Selling, general and administrative expenses were 2,676 million yen (5.9％ increase from the same period of previous fiscal year).

⑤ Non-operating Income and Expenses
Non-operating income, consisting mainly of dividend received, totaled 350 million yen (19.4％ decrease from the same period of previous fiscal year), while non-operating expenses were 98 million yen (83.1％ increase).
As a result, net non-operating income amounted to 251 million yen (33.9% decrease).

⑥ Extraordinary Income and Loss

Extraordinary income was 1,108 million yen (28.3% decrease from the same period of previous fiscal year), as a result of sales of investment securities, while extraordinary loss was none (30 million yen in the same period of previous fiscal year).

As a result, net extraordinary income amounted to 1,108 million yen (26.9% decrease).

(2) Information on Financial Condition

① Assets

Current assets as of September 30, 2026 were 58,313 million yen, increased by 7,390 million yen from previous fiscal year end. This is mainly because, while cash and deposits decreased by 423 million yen and trading products decreased by 307 million yen, segregated deposits increased by 6,336 million yen and margin transaction assets increased by 833 million yen. Non-current assets as of September 30, 2026 were 30,655 million yen and increased by 979 million yen from previous fiscal year end. The main factor was investment securities increased by 838 million yen.

As a result, the total assets of September 30, 2026 were 88,969 million yen, increased by 8,369 million yen from previous fiscal year end.

② Liabilities

Current liabilities as of September 30, 2026 were 32,411 million yen, increased by 6,713 million yen from previous fiscal year end. This is mainly because, while short-term borrowings decreased by 2,280 million yen, deposit received increased by 8,661 million yen. Non-current liabilities as of September 30, 2026 were 2,922 million yen, increased by 556 million yen from previous fiscal year end. As a result, the total liabilities as of September 30, 2026 were 35,360 million yen, increased by 7,269 million yen from previous fiscal year end.

③ Net Assets

Within net asset, valuation difference on available for sale securities increased by 1,077 million yen and retained earnings increased by 21 million yen from previous fiscal year end.

As a result, net assets as of September 30, 2026 were 53,609 million yen, increased by 1,099 million yen from previous fiscal year end.

(3) Future Outlook

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

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

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

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	11,691	11,267
Segregated deposits	10,021	16,357
Trading products	22,994	22,686
Trading securities and other	22,994	22,686
Derivatives	0	—
Trade date accrual	535	926
Margin transaction assets	4,761	5,595
Margin loans	4,740	5,532
Cash collateral provided for securities borrowed in margin transactions	20	62
Other current assets	930	1,491
Allowance for doubtful accounts	(11)	(12)
Total current assets	50,923	58,313
Non-current assets		
Property, plant and equipment	1,949	1,965
Buildings	393	372
Land	1,167	1,167
Other	388	425
Intangible assets	65	67
Investments and other assets	27,662	28,622
Investment securities	26,188	27,027
Other	1,544	1,666
Allowance for doubtful accounts	(71)	(71)
Total non-current assets	29,676	30,655
Total assets	80,600	88,969

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Trading products	—	61
Trading securities and other	—	50
Derivatives	—	11
Margin transaction liabilities	109	196
Margin borrowings	67	127
Cash received for securities sold in margin transactions	42	69
Deposits received	10,870	19,531
Short-term borrowings	12,900	10,620
Income taxes payable	891	789
Provision for bonuses	289	296
Other current liabilities	636	915
Total current liabilities	25,697	32,411
Non-current liabilities		
Long-term borrowings	500	500
Retirement benefit liability	110	97
Other noncurrent liabilities	1,756	2,324
Total non-current liabilities	2,366	2,922
Reserves under special laws		
Reserve for financial instruments transaction liabilities	25	25
Total reserves under special laws	25	25
Total liabilities	28,090	35,360
Net assets		
Shareholders' equity		
Share capital	5,251	5,251
Capital surplus	4,771	4,771
Retained earnings	41,856	41,877
Treasury shares	(1,583)	(1,583)
Total shareholders' equity	50,296	50,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,213	3,291
Total accumulated other comprehensive income	2,213	3,291
Total net assets	52,509	53,609
Total liabilities and net assets	80,600	88,969

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

(Semi-annual Consolidated Income Statements)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Operating revenue		
Commission received	1,804	2,661
Brokerage commission	770	1,090
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5	4
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	636	869
Other commission received	392	696
Net trading income	1,567	484
Financial revenue	936	951
Other operating revenue	8	35
Total operating revenue	4,317	4,133
Financial expenses	61	94
Net operating revenue	4,256	4,039
Selling, general and administrative expenses		
Trading related expenses	308	347
Personnel expenses	1,404	1,516
Real estate expenses	283	260
Office expenses	291	311
Depreciation	38	48
Taxes and dues	100	103
Provision of allowance for doubtful accounts	—	0
Other	98	88
Total selling, general and administrative expenses	2,526	2,676
Operating profit	1,730	1,362
Non-operating income		
Dividend income	381	311
Other	53	38
Total non-operating income	434	350
Non-operating expenses		
Loss on investments in investment partnerships	5	52
Loss on investments in silent partnerships	13	3
Litigation settlement	30	30
Other	5	11
Total non-operating expenses	53	98
Ordinary profit	2,111	1,614
Extraordinary income		
Gain on sale of investment securities	1,546	1,108
Total extraordinary income	1,546	1,108
Extraordinary losses		
Loss on sale of investment securities	27	—
Loss on retirement of non-current assets	2	—
Total extraordinary losses	30	—
Profit before income taxes	3,627	2,723
Income taxes - current	942	780
Income taxes - deferred	233	30
Total income taxes	1,176	811
Profit	2,451	1,911
Profit attributable to owners of parent	2,451	1,911

(Semi-annual Consolidated Comprehensive Income Statements)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	2,451	1,911
Other comprehensive income		
Valuation difference on available-for-sale securities	590	1,077
Total other comprehensive income	590	1,077
Comprehensive income	3,042	2,989
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,042	2,989

(3) Notes to Semi-annual Consolidated Financial Statements

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

None.

(Notes Concerning Going Concern Assumption)

None.

【Referential Data】

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

(1) Commission Received

① Commission received by sources

(Millions of yen)

	Semi-annual Period of Previous Fiscal Year (from April 1 to September 30, 2025)	Current Semi-annual Period (from April 1 to September 30, 2026)	Change		FY2025
			Amount	%	
Brokerage commission	770	1,090	320	41.6	1,850
(Equities)	(756)	(1,062)	(306)	(40.5)	(1,816)
(Bonds)	(－)	(－)	(－)	(－)	(－)
(Beneficiary securities)	(13)	(28)	(14)	(104.6)	(34)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5	4	(0)	(15.4)	14
(Equities)	(5)	(4)	((0))	((15.4))	(14)
(Bonds)	(－)	(－)	(－)	(－)	(－)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	636	869	232	36.6	1,412
Other commission received	392	696	304	77.6	878
Total	1,804	2,661	857	47.5	4,155

② Commission received by instruments

(Millions of yen)

	Semi-annual Period of Previous Fiscal Year (from April 1 to September 30, 2025)	Current Semi-annual Period (from April 1 to September 30, 2026)	Change		FY2025
			Amount	%	
Equities	763	1,069	305	40.0	1,834
Bonds	0	0	(0)	(10.5)	0
Beneficiary securities	1,031	1,471	439	42.6	2,301
Other	9	120	111	―	19
Total	1,804	2,661	857	47.5	4,155

(2) Net Trading Income

(Millions of yen)

	Semi-annual Period of Previous Fiscal Year (from April 1 to September 30, 2025)	Current Semi-annual Period (from April 1 to September 30, 2026)	Change		FY2025
			Amount	%	
Equities, etc.	(30)	(124)	(94)	―	(88)
Bonds, etc.	1,607	619	(987)	(61.5)	2,545
Other	(9)	(10)	(1)	―	(150)
Total	1,939	484	(1,083)	(69.1)	2,306

(3) Consolidated Income Statement for the Latest Five Quarters

(Millions of yen)

	Quarter ended September 30, 2025	Quarter ended December 31, 2025	Quarter ended March 31, 2026	Quarter ended June 30, 2026	Quarter ended September 30, 2026
I. Operating revenue	2,554	2,295	1,703	2,899	1,233
1 Commission received	1,010	1,103	1,247	1,393	1,268
2 Net trading income	1,040	709	29	947	(463)
3 Financial revenue	498	478	421	526	424
4 Other operating revenue	4	4	4	31	4
II. Financial expenses	22	24	38	38	55
Net operating revenue	2,532	2,271	1,665	2,860	1,178
III. Selling, general and administrative expenses	1,281	1,260	1,367	1,336	1,340
1 Trading related expenses	160	137	183	156	191
2 Personal expenses	723	730	786	752	763
3 Real estate expenses	131	129	127	138	121
4 Office expenses	149	150	154	155	155
5 Depreciation	20	21	23	23	24
6 Taxes and dues	57	54	47	63	40
7 Provision of allowance for doubtful accounts	—	2	2	0	0
8 Other	38	34	43	45	42
Operating profit / loss	1,250	1,011	297	1,524	(161)
IV. Non-operating income	54	446	157	364	(14)
V. Non-operating expenses	(47)	12	3	11	86
Ordinary profit / loss	1,352	1,444	450	1,877	(263)
VI. Extraordinary income	798	860	721	343	765
VII. Extraordinary losses	—	19	11	—	—
Profit/Loss before income taxes	2,150	2,286	1,160	2,220	502
Income taxes - current	754	605	459	592	188
Income taxes - deferred	(57)	128	(86)	100	(69)
Profit	1,453	1,551	786	1,528	383
Profit attributable to owners of parent	1,453	1,551	786	1,528	383

2. Referential Data for the Semi-annual Period

(1) Capital Adequacy Ratio

(Millions of yen)

			Previous Semi-annual Period End (September 30, 2025)	Current Semi-annual Period End (September 30, 2026)	Previous Fiscal Year End (March 31, 2026)
Basic items		(A)	43,498	42,892	43,060
Complementary items	Valuation difference on available for sale securities, etc.		2,219	3,326	1,920
	Reserve for financial products transaction liabilities reserves under special laws		21	25	25
	Allowance for doubtful accounts		6	12	11
	Total	(B)	2,246	3,364	1,957
Deductible assets		(C)	9,488	10,207	10,261
Unfixed net capital	(A)＋(B)－(C)	(D)	36,256	36,049	34,757
Amount of risk correspondents	Market risk equivalent		5,511	6,043	6,066
	Trade party risk equivalent		229	330	297
	Basic risk equivalent		1,304	1,314	1,294
	Total	(E)	7,044	7,688	7,658
Capital adequacy ratio	(D) / (E)×100%		514.6%	468.8%	453.8%

(2) Number of Directors/Auditors and Employees

(persons)

	Previous Semi-annual Period End (September 30, 2025)	Current Semi-annual Period End (September 30, 2026)	Previous Fiscal Year End (March 31, 2026)
Directors and auditors	10	10	10
Employees	233	239	227