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.

July 29, 2026

Consolidated Financial Results for the Three Months Ended June 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 of commencement of payment of dividends: —
Preparation of supplementary material on quarterly 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 three months ended June 30, 2026 (from April 1, 2026 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	2,899	64.5	2,860	65.9	1,524	217.8	1,877	147.4	1,528	53.1
June 30, 2025	1,763	△33.3	1,724	△34.4	479	△61.5	758	△54.3	998	△40.0

Note: Comprehensive income For the three months ended June 30, 2026: ¥1,683 million [721.9%]
For the three months ended June 30, 2025: ¥204 million [△87.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	48.52	—
June 30, 2025	31.29	—

(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
June 30, 2026	81,911	52,303	63.9	1,660.51
March 31, 2026	80,600	52,509	65.1	1,667.06

Reference: Equity

As of June 30, 2026: ¥52,303million

As of March 31, 2026: ¥52,509million

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	—				

Note: 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 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 June 30, 2026, Kyokuto Securities Co., Ltd. has two consolidated subsidiaries.

(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 June 30, 2026	32,779,000 shares
As of March 31, 2026	32,779,000 shares

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

As of June 30, 2026	1,280,686 shares
As of March 31, 2026	1,280,686 shares

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

Three months ended June 30, 2026	31,498,314 shares
Three months ended June 30, 2025	31,901,361 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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

BUSINESS RESULTS, ETC.

1. Summary of Business Results,

(1) Business Results for Three Months Ended June 30, 2026

During the first three months ended June 30, 2026 of the current consolidated fiscal year (from April 1 to June 30, 2026, hereinafter called "the current period"), domestic and global economies were subject to heightened uncertainty regarding the outlook for prices due to disruptions in logistics networks caused by 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 to 1.0% in June, the highest level since 1995, on the grounds that the risk of accelerating inflation had increased due to rising crude oil prices caused by escalating tensions in the Middle East. The European Central Bank (ECB) also raised interest rates in June in response to rising inflationary pressures stemming from the situation in the Middle East, while the U.S. Federal Reserve Board (FRB) kept its policy rate unchanged.

In the stock market, the Nikkei Stock Average (Nikkei 225) broke through the ¥70,000 mark for the first time in history. The rapid proliferation of generative AI led to a significant increase in data center investments by major IT companies such as Amazon and Microsoft. Consequently, this has led to demand for companies stocks associated with semiconductors, electronic components, optical fiber technologies and other businesses expected to benefit from such investments, driving up their stock prices. Nikkei 225 ended at ¥70,062 at the end of the current period, a 37.2% increase compared with the end of March. In the U.S. stock market as well, against the backdrop of strong earnings from major semiconductor companies such as NVIDIA and Intel, the three major indices–the Dow Jones Industrial Average (DJIA), the S&P 500 Index, and the NASDAQ Composite Index–all reached new all-time highs. DJIA ended at $52,319 at the end of the current period, a 12.9% increase compared with the end of March.

In the bond market, the Japan's 10-year government bonds yield temporarily rose to 2.80% in May amid growing expectations that BOJ would raise interest rates due to inflationary pressures resulting from rising crude oil prices. It subsequently declined gradually, ending at 2.670% at the end of the current period, up 0.325 percentage points compared with the end of March. The U.S. 10-year government bond yield also rose temporarily to 4.685% in May, against the backdrop of pushing up inflation due to rising crude oil prices. Although it subsequently began to decline through June, it ended at 4.460% at the end of the current period, up 0.137 percentage points compared with the end of March.

In the foreign exchange market, following the Yen's depreciation against the Dollar to ¥160 in April, the Japanese government conducted large-scale yen-buying and dollar-selling interventions from late April through early May. As a result, the Yen temporarily appreciated to ¥155.05 to the Dollar. However, amid a global strengthening of the Dollar, primarily attributable to expectations of further U.S. interest rate hikes, and market expectations that the BOJ would delay further interest rate hikes, the Yen resumed its depreciation and ended at ¥162.56 to the Dollar at the end of the current period, a depreciation of ¥3.81 compared to the end of March. The Yen also temporarily fell to ¥187.93 to the Euro in April. Subsequently, following the Japanese government's intervention to buy Yen and sell Dollars, the Yen to the Euro traded within a range of ¥183 to ¥186, and the Yen ended at ¥185.67 to the Euro at the end of the current period, a depreciation of ¥2.24 compared to the end of March.

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 view point of effective management of shareholders’ equity.
For the first three months ended June 30, 2026, operating revenue was 2,899 million yen (64.5% increase from the same period of the previous fiscal year), net operating revenue was 2,860 million yen (65.9% increase), operating income was 1,524 million yen (217.8% increase), ordinary profit was 1,877 million yen (147.4% increase), and net profit attributable to owners of the parent company was 1,528 million yen (53.1% increase).

Details of the period’s results are as follows:
① Commission Received
The total commission received resulted 1,393 million yen (75.5% increase from the same period of previous fiscal year), the details of which are shown below:
(Brokerage Commission)
Brokerage commission on equity securities was 637 million yen (97.2% increase). Total amount of brokerage commission including those on beneficiary securities (Exchange Traded Funds) was 647 million yen (95.4% 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 2 million yen (21.4% 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 379 million yen (36.2% increase), due to an increase in sales of beneficiary securities (investment trusts).
(Other Commission Received)
The amount of other commission received was 363 million yen (101.5% 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 gain of 25 million yen (a loss of 48 million yen in the same period of previous fiscal year). Net trading income of bonds etc. resulted in a gain of 926 million yen (72.3% increase). Net trading income on other trading consisting mainly of foreign exchange derivatives resulted in a loss of 3 million yen. (a gain of 37 million yen in the same period of previous fiscal year).
As a result, net trading income resulted in a gain of 947 million yen (79.9% increase).

③ Net Financial Income
Net financial income was 487 million yen (22.3% increase from the same period of previous fiscal year), as a result of deducting 38 million yen (0.6% decrease) of financial expenses from 526 million yen (20.2% increase) of financial revenue.

④ Selling, General and Administrative Expenses
Selling, general and administrative expenses were 1,336 million yen (7.4% increase from the same period of previous fiscal year).

⑤ Non-operating Income and Expenses

Non-operating income, consisting mainly of dividend received, totaled 364 million yen (4.2% decrease from the same period of previous fiscal year), while non-operating expenses were 11 million yen (88.5% decrease).

As a result, net non-operating income amounted to 352 million yen (26.4% decrease).

⑥ Extraordinary Income and Loss

Extraordinary income was 343 million yen (54.1% decrease from the same period of previous fiscal year), due to 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 343 million yen (52.2% decrease).

(2) Information on Financial Condition

① Assets

Current assets as of June 30, 2026 were 52,020 million yen and increased by 1,097 million yen from previous fiscal year end. This is mainly because, while cash and deposits decreased by 591 million yen, trade date accrual increased by 826 million yen and margin transaction assets increased by 509 million yen. Non-current assets as of June 30, 2026 were 29,891 million yen and increased by 214 million yen from previous fiscal year end. The main factor was investment securities increased by 66 million yen.

As a result, the assets as of June 30, 2026 were 81,911 million yen and increased by 1,311 million yen from previous fiscal year end.

② Liabilities

Current liabilities as of June 30, 2026 were 27,054 million yen and increased by 1,356 million yen from previous fiscal year end. This is mainly because, while short-term borrowings decreased by 1,980 million yen, deposits received increased by 3,465 million yen. Non-current liabilities as of June 30, 2026 were 2,528 million yen and increased by 161 million yen from previous fiscal year end. As a result, the liabilities as of June 30, 2026 were 29,608 million yen and increased by 1,517 million yen from previous fiscal year end.

③ Net Assets

Within net asset, while valuation difference on available-for-sale securities increased by 155 million yen, retained earnings decreased by 361 million yen from previous fiscal year end.

As a result, net assets as of June 30, 2026 were 52,303 million yen and decreased by 206 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.

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. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	11,691	11,099
Segregated deposits	10,021	10,025
Trading products	22,994	22,770
Trading securities and other	22,994	22,770
Derivatives	0	—
Trade date accrual	535	1,362
Margin transaction assets	4,761	5,270
Margin loans	4,740	5,195
Cash collateral provided for securities borrowed in margin transactions	20	75
Other current assets	930	1,503
Allowance for doubtful accounts	△11	△11
Total current assets	50,923	52,020
Non-current assets		
Property, plant and equipment	1,949	1,984
Buildings	393	382
Land	1,167	1,167
Other	388	434
Intangible assets	65	70
Investments and other assets	27,662	27,835
Investment securities	26,188	26,255
Other	1,544	1,651
Allowance for doubtful accounts	△71	△71
Total non-current assets	29,676	29,891
Total assets	80,600	81,911

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Trading products	—	12
Derivatives	—	12
Margin transaction liabilities	109	253
Margin borrowings	67	170
Cash received for securities sold in margin transactions	42	83
Deposits received	10,870	14,336
Short-term borrowings	12,900	10,920
Income taxes payable	891	584
Provision for bonuses	289	177
Other current liabilities	636	769
Total current liabilities	25,697	27,054
Non-current liabilities		
Long-term borrowings	500	500
Retirement benefit liability	110	94
Other noncurrent liabilities	1,756	1,933
Total non-current liabilities	2,366	2,528
Reserves under special laws		
Reserve for financial instruments transaction liabilities	25	25
Total reserves under special laws	25	25
Total liabilities	28,090	29,608
Net assets		
Shareholders' equity		
Share capital	5,251	5,251
Capital surplus	4,771	4,771
Retained earnings	41,856	41,494
Treasury shares	△1,583	△1,583
Total shareholders' equity	50,296	49,934
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,213	2,368
Total accumulated other comprehensive income	2,213	2,368
Total net assets	52,509	52,303
Total liabilities and net assets	80,600	81,911

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

(Quarterly Consolidated Income Statements)

(Three Months Ended June 30, 2026)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Operating revenue		
Commission received	794	1,393
Brokerage commission	331	647
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	3	2
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	278	379
Other commission received	180	363
Net trading income	526	947
Financial revenue	437	526
Other operating revenue	4	31
Total operating revenue	1,763	2,899
Financial expenses	39	38
Net operating revenue	1,724	2,860
Selling, general and administrative expenses		
Trading related expenses	147	156
Personnel expenses	681	752
Real estate expenses	151	138
Office expenses	141	155
Depreciation	18	23
Taxes and dues	43	63
Provision of allowance for doubtful accounts	—	0
Other	59	45
Total selling, general and administrative expenses	1,244	1,336
Operating profit	479	1,524
Non-operating income		
Dividend income	342	303
Other	38	61
Total non-operating income	380	364
Non-operating expenses		
Loss on investments in investment partnerships	53	—
Litigation settlement	30	—
Mediation Settlement	—	8
Other	17	2
Total non-operating expenses	101	11
Ordinary profit	758	1,877
Extraordinary income		
Gain on sale of investment securities	748	343
Total extraordinary income	748	343
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	1,477	2,220
Income taxes - current	187	592
Income taxes - deferred	291	100
Total income taxes	478	692
Profit	998	1,528
Profit attributable to owners of parent	998	1,528

(Quarterly Consolidated Comprehensive Income Statements)

(Three Months Ended June 30, 2026)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	998	1,528
Other comprehensive income		
Valuation difference on available-for-sale securities	△793	155
Total other comprehensive income	△793	155
Comprehensive income	204	1,683
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	204	1,683

(3) Notes to Quarterly Consolidated Financial Statements …

(Notes to Segment Information)

【Segment information】

Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025) and three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

This information is omitted because Kyokuto Securities Co., Ltd. and its group companies are considered to have a single segment, “Investment and financial services business”.

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

None.

(Notes Concerning Going Concern Assumption)

None.

(Notes to Quarterly Consolidated Cash Flow Statement)

Quarterly Consolidated Cash Flow Statement for three months ended June 30, 2025 has not been prepared.

Depreciation and amortization (including amortization related to intangible assets) for three months ended June 30, 2025 is as follows;

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	18	23

【Referential Data】

1. Referential Data on Consolidated Financial Results for the Three Months Ended June 30, 2026

(1) Commission Received

① Commission received by sources

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change		FY2025
			Amount	%	
Brokerage commission	331	647	316	95.4	1,850
(Equities)	(323)	(637)	(314)	(97.2)	(1,816)
(Bonds)	(－)	(－)	(－)	(－)	(－)
(Beneficiary securities)	(8)	(10)	(2)	(25.6)	(34)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	3	2	△0	△21.4	14
(Equities)	(3)	(2)	(△0)	(△21.4)	(14)
(Bonds)	(－)	(－)	(－)	(－)	(－)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	278	379	100	36.2	1,412
Other commission received	180	363	183	101.5	878
Total	794	1,393	599	75.5	4,155

② Commission received by instruments

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change		FY2025
			Amount	%	
Equities	327	640	313	95.8	1,834
Bonds	0	0	0	22.7	0
Beneficiary securities	461	663	202	43.8	2,301
Other	5	89	84	－	19
Total	794	1,393	599	75.5	4,155

(2) Net Trading Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change		FY2025
			Amount	%	
Equities, etc.	△48	25	73	―	△88
Bonds, etc.	537	926	388	72.3	2,545
Other	37	△3	△41	―	△150
Total	526	947	420	79.9	2,306

(3) Consolidated Income Statement for the Latest Five Quarters

(Millions of yen)

	Quarter ended June 30, 2025	Quarter ended September 30, 2025	Quarter ended December 31, 2025	Quarter ended March 31, 2026	Quarter ended June 30, 2026
Ⅰ. Operating revenue	1,763	2,554	2,295	1,703	2,899
1 Commission received	794	1,010	1,103	1,247	1,393
2 Net trading income	526	1,040	709	29	947
3 Financial revenue	437	498	478	421	526
4 Other operating revenue	4	4	4	4	31
Ⅱ. Financial expenses	39	22	24	38	38
Net operating revenue	1,724	2,532	2,271	1,665	2,860
Ⅲ. Selling, general and administrative expenses	1,244	1,281	1,260	1,367	1,336
1 Trading related expenses	147	160	137	183	156
2 Personal expenses	681	723	730	786	752
3 Real estate expenses	151	131	129	127	138
4 Office expenses	141	149	150	154	155
5 Depreciation	18	20	21	23	23
6 Taxes and dues	43	57	54	47	63
7 Provision of allowance for doubtful accounts	―	―	2	2	0
8 Other	59	38	34	43	45
Operating profit	479	1,250	1,011	297	1,524
Ⅳ. Non-operating income	380	54	446	157	364
Ⅴ. Non-operating expenses	101	△47	12	3	11
Ordinary profit	758	1,352	1,444	450	1,877
Ⅵ. Extraordinary income	748	798	860	721	343
Ⅶ. Extraordinary losses	30	―	19	11	―
Profit/Loss before income taxes	1,477	2,150	2,286	1,160	2,220
Income taxes - current	187	754	605	459	592
Income taxes - deferred	291	△57	128	△86	100
Profit	998	1,453	1,551	786	1,528
Profit attributable to non-controlling interests	―	―	―	―	―
Profit attributable to owners of parent	998	1,453	1,551	786	1,528

2. Referential Data on Financial Results for the Three Months Ended June 30, 2026

(1) Capital Adequacy Ratio

(Millions of yen)

			As of June 30, 2025	As of June 30, 2026	As of March 31, 2026
Basic items		(A)	43,774	44,387	43,060
Complementary items	Valuation difference on available for sale securities, etc.		930	2,014	1,920
	Reserve for financial products transaction liabilities reserves under special laws		21	25	25
	Allowance for doubtful accounts		6	12	11
	Total	(B)	957	2,052	1,957
Deductible assets		(C)	9,797	10,357	10,261
Unfixed net capital	(A)＋(B)－(C)	(D)	34,934	36,082	34,757
Amount of risk correspondents	Amount of risk correspondents		5,489	6,166	6,066
	Trade party risk equivalent		285	374	297
	Basic risk equivalent		1,311	1,310	1,294
	Total	(E)	7,086	7,851	7,658
Capital adequacy ratio	(D) / (E)×100%		492.9%	459.5%	453.8%

(2) Number of Directors/Auditors and Employees

(persons)

	As of June 30, 2025	As of June 30, 2026	As of March 31, 2026
Directors and auditors	10	10	10
Employees	226	239	227