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Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

November 14, 2025

Listing: Tokyo Stock Exchange

Company name: DKK Co., Ltd.

Securities code: 6706 URL <https://denkikogyo.co.jp/>

Representative: (Title) President & Representative Director (Name) Tadatoshi Kondo

Inquiries: (Title) Senior Executive Managing Director (Name) Takashi Asai Phone: +81-3-3520-9870

Scheduled date to file first-half securities report: November 14, 2025 Scheduled date to commence dividend payments: December 8, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (For institutional investors and analysts)

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	14,914	13.8	11	-	(61)	-	143	-
Six months ended September 30, 2024	13,108	4.6	(529)	-	(533)	-	(454)	-

Note: Comprehensive income Six months ended September 30, 2025 (284) Million yen (-%) Six months ended September 30, 2024 (373) Million yen (-%)

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2025	16.07	-
Six months ended September 30, 2024	(48.01)	-

(Note) Diluted net income per share is not provided as there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Six months ended September 30, 2025	50,034	35,331	69.8
Fiscal year ended March 31, 2025	53,016	37,107	68.8

(Reference) Net asset excluding non-controlling interests Six months ended September 30, 2025 34,921 Million yen Fiscal year ended March 31, 2025 36,471 Million yen

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2025	-	30.00	-	50.00	80.00
Fiscal year ended March 31, 2026	-	40.00			
Fiscal year ending March 31, 2026 (forecast)			-	40.00	80.00

Note: Revision to the most recently announced forecast for dividends: None

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to shareholders of parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	33,000	1.3	700	(25.2)	800	(21.9)	600	(22.8)	67.15

Note: Revision to the most recently announced forecast of operating results: None

*Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly excluded: One company DKK Sino-Thai Engineering Co., Ltd.
 Note: For details, refer to “2. First-half consolidated financial statements and major notes, (3) Notes to first-half consolidated financial statements (Notes on changes in the scope of consolidation or the scope of application of the equity method)” on page 8 of the attached document.

- (2) Application of accounting procedures particular to the preparation of first-half consolidated financial statements: None

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

- (a) Changes in accounting policies due to revision of accounting standards, etc.: None
 (b) Changes in accounting policies other than (a): None
 (c) Changes in accounting estimates: None
 (d) Restatement: None

- (4) Number of shares issued (common stock)

- (a) Shares issued (including treasury shares) at the end of the period

Six months ended September 30, 2025	10,900,000 shares	Fiscal year ended March 31, 2025	10,900,000 shares
Six months ended September 30, 2025	2,182,034 shares	Fiscal year ended March 31, 2025	1,710,224 shares
Six months ended September 30, 2025	8,934,798 shares	Six months ended September 30, 2024	9,461,792 shares

- (b) Treasury shares at the end of the period

- (c) Average number of shares during the period (six months)

*This Consolidated Financial Results for the Six Months Ended September 30, 2025 report is not subject to review by certified public accountants or an auditing firm.

*Explanation of appropriate use of earnings forecast, and other special notes

The forecast and other future projections in this report are based on information currently available to the Company and certain assumptions the Company believes to be reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. Refer to "1. Explanation of operating results, etc., (3) Explanation of forecast of consolidated operating results and other future projections" on page 3 of the attachment for the assumptions used in earnings forecast and notes on the use of earnings forecast.

The Company will have a live webcast of the financial results briefing for institutional investors and analysts on Tuesday, November 19, 2025. The materials used for the briefing will be posted on the Company's website as soon as the briefing session ends.

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1. Explanation of operating results, etc.

(1) Explanation of operating results

During the consolidated fiscal first half under review, Japanese economy gradually recovered despite some weak trends. Production activities have been fluctuating but consumption has been picking up, though showing weakness in some areas affected by elevated prices, and capital investment remained resilient against the backdrop of high-level corporate income. On the other hand, commodity prices remained high and material costs continued to surge. In addition, revisions to the U.S. trade policies such as tariffs had led to a decline in exports, resulting in a slowdown in production activities. As a result, uncertainty regarding future prospects was increasing.

In the telecommunications-related industry, where our group is involved, there were signs of recovery in capital investment plans of customers in the mobile communications-related field to enhance communication quality. In the fixed wireless communication-related field, demand for administrative radio systems for disaster prevention was recovering due to enhancement of disaster prevention systems by local governments. The defense-related field continued to remain solid, supported by increases in the defense budget. In the broadcasting-related field, demand for maintenance by broadcasters was recovering, although demand for equipment renewal remained stagnated. In the applied high-frequency devices industry, concerns over U.S. tariff policies had led to signs of a slowdown in demand for capital investment in the automotive-related field.

Amid this business environment, the Company promoted “Business structural reforms,” “Optimizing management resources,” and “Advancing sustainability management” as priority measures under its newly formulated medium-term business plan, “DKK-Plan 2028,” aiming to achieve growth by establishing a profit-generating structure.

As a result, the Group posted orders received of 18,645 million yen, up 10.8% from a year earlier, and net sales of 14,914 million yen, up 13.8% year on year, for the six months ended September 30, 2025.

As for profits, the Group posted operating profit of 11 million yen (compared to operating loss of 529 million yen for the year-earlier period) and ordinary loss of 61 million yen (compared to ordinary loss of 533 million yen for the year-earlier period). Net profit attributable to owners of parent company came to 143 million yen (compared to net loss attributable to owners of parent company of 454 million yen for the year-earlier period).

Results by segment are as follows. (Results of reportable segments, etc. include intersegment sales, etc.)

(a) Telecommunication Business

In the mobile communications-related field, there were signs of recovery of demand for steel towers and maintenance in addition to antennas and wireless devices for 5G as capital investment demand aimed at improving communication quality. In the fixed wireless communication-related field, demand on a recovery trend in administrative radio systems for disaster prevention to improve and digitalize disaster prevention system in local governments in anticipation of maturity of emergency disaster prevention and reduction bonds. Demand in the defense-related field also remained on an increasing trend due to increase in defense budget. In the broadcasting-related field, demand for maintenance by broadcasters was recovering, but demand for update of digital broadcasting equipment was still postponed. In the solutions-related field, by combining image AI technology of the subsidiary, Cybercore Co., Ltd., and wireless communication technology cultivated by the Company, the Company has been building a business that helps to solve a variety of social issues, chalking up a track record of solutions including analysis of people movement and traffic. In other fields, the Company’s subsidiary, Denko CO., Ltd., newly established a zinc phosphate processing facility to expand the scope for demand in outdoor construction steel frames and surface treatment for steel structures, and efforts were underway to secure further demand.

Under such business environment, we aggressively worked in this business field to capture demand in the growth business segment, improve productivity, and reduce fixed costs.

As a result, orders received increased 13.0% year on year to 13,850 million yen and net sales increased 20.5% year on year to 9,803 million yen. Segment income (operating profit) came to 796 million yen (compared to segment loss of 43 million yen in the year-earlier period).

(b) Radio Frequency Business

In this business, in the mainstay field of high-frequency induction heating equipment, demand for capital investment in the automotive industry remained generally stagnant, due to the growing uncertainty caused by trade policies, primarily in the United States, which arose from the end of the previous fiscal year. Likewise, in the field of contract heat treating service, parts of production activities at various automakers felt some impact. Under such circumstances, we carefully assessed the capital investment trends in the automotive industry and worked to secure orders, including demand arising from electrification of automobiles, while also uncovering demand for maintenance of existing facilities. Also in the field of

contract heat treating service, we focused to securely obtain demand and worked to improve production systems both in and out of Japan. Furthermore, in the new radio frequency related field, we have stepped up our efforts to develop new business areas by advancing the superheated steam technology, examining issues, accumulating data and expertise, participating in trade shows to raise awareness, and other measures, in a bid to create demand for treatment of food and waste using superheated steam equipment.

In such business environment, we have pursued profit growth through active order acquisition, productivity and quality improvements, and pricing reviews.

As a result, orders received increased 4.9% year on year to 4,795 million yen and net sales increased 2.6% year on year to 5,062 million yen. Segment income (operating profit) decreased 15.2% year on year to 613 million yen.

(2) Explanation of financial position

Total assets came to 50,034 million yen as of September 30, 2025, down 2,981 million yen from the end of the previous fiscal year.

Current assets decreased 3,372 million yen from the end of the previous fiscal year to 34,970 million yen. The main factors were decreases of 1,730 million yen in cash and deposits and 2,286 million yen in accounts receivable including notes receivable, despite an increase of 784 million yen in inventories.

Non-current assets increased 391 million yen from the end of the previous fiscal year to 15,063 million yen. The main factor was an increase of 522 million yen in construction in progress of property, plant, and equipment, despite a decrease of 198 million yen in saving-type insurance premiums included in other businesses of investments and other assets.

Current liabilities increased 158 million yen from the end of the previous fiscal year to 11,512 million yen. The main factor was an increase of 1,774 million yen in unearned revenue, despite decreases of 238 million yen in trade payables including notes payable-trade, 1,000 million yen in current portion of long-term borrowings, and 377 million yen in income taxes payable.

Non-current liabilities decreased 1,364 million yen from the end of the previous fiscal year to 3,191 million yen. The main factor was a decrease of 1,776 million yen in long-term unearned revenue, despite an increase of 496 million yen in long-term borrowings.

Net assets decreased 1,776 million yen from the end of the previous fiscal year to 35,331 million yen. The main factors were decreases of 324 million yen in retained earnings, 284 million yen in foreign currency translation adjustment, 226 million yen in non-controlling interests as well as an increase of 981 million yen in treasury shares due to purchase of treasury shares, which reduced net assets, despite an increase of 135 million yen in valuation difference on available-for-sale securities.

(3) Explanation of forecast of consolidated operating results and other future projections

At this point, the forecast of consolidated operating results for the fiscal year ending March 31, 2026 is unchanged from the forecast announced along with the financial results on May 15, 2025, and no change has been made to the operating results.

2. First-half consolidated financial statements and major notes

(1) First-half consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,180	14,449
Notes receivable - trade	106	77
Electronically recorded monetary claims - operating	2,120	1,527
Accounts receivable from completed construction contracts	4,727	929
Accounts receivable - trade	4,222	3,276
Contract assets	3,228	6,308
Costs on construction contracts in progress	81	175
Other inventories	6,714	7,405
Other	982	839
Allowance for doubtful accounts	(20)	(17)
Total current assets	38,343	34,970
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,439	10,587
Machinery, equipment and vehicles	9,557	9,537
Tools, furniture and fixtures	6,259	6,286
Land	2,272	2,273
Leased assets	371	378
Construction in progress	914	1,436
Accumulated depreciation	(23,526)	(23,638)
Total property, plant and equipment	6,287	6,862
Intangible assets		
Goodwill	13	11
Other	385	334
Total intangible assets	399	346
Investments and other assets		
Investment securities	2,988	2,963
Long-term loans receivable	1	1
Retirement benefit asset	1,461	1,469
Long-term time deposits	1,000	1,000
Deferred tax assets	1,165	1,211
Other	1,416	1,256
Allowance for doubtful accounts	(46)	(46)
Total investments and other assets	7,986	7,855
Total non-current assets	14,672	15,063
Total assets	53,016	50,034

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,214	2,976
Short-term borrowings	4,400	4,400
Current portion of long-term borrowings	1,076	75
Lease liabilities	55	56
Income taxes payable	519	141
Contract liabilities	269	395
Provision for warranties for completed construction	50	44
Provision for product warranties	29	27
Provision for bonuses	486	752
Provision for bonuses for directors (and other officers)	42	-
Provision for loss on construction contracts	18	18
Provision for loss on liquidation of subsidiaries and associates	12	1
Provision for environmental measures and other	-	47
Unearned revenue	-	1,774
Other	1,178	800
Total current liabilities	11,353	11,512
Non-current liabilities		
Long-term borrowings	33	529
Lease liabilities	164	162
Provision for product warranties	1	1
Provision for share awards for directors (and other officers)	115	108
Provision for environmental measures and other	46	-
Retirement benefit liability	2,352	2,325
Asset retirement obligations	40	40
Long-term unearned revenue	1,776	-
Deferred tax liabilities	6	4
Other	18	18
Total non-current liabilities	4,555	3,191
Total liabilities	15,908	14,703
Net assets		
Shareholders' equity		
Share capital	8,774	8,774
Capital surplus	9,688	9,688
Retained earnings	19,775	19,451
Treasury shares	(3,911)	(4,892)
Total shareholders' equity	34,327	33,021
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	735
Foreign currency translation adjustment	1,018	734
Remeasurements of defined benefit plans	525	429
Total accumulated other comprehensive income	2,144	1,900
Non-controlling interests	636	409
Total net assets	37,107	35,331
Total liabilities and net assets	53,016	50,034

(2) First-half consolidated statement of income and first-half consolidated statement of comprehensive income
(First-half consolidated statement of income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales		
Net sales of completed construction contracts	4,745	5,330
Net sales of finished goods	8,304	9,525
Sales in other businesses	57	58
Total net sales	13,108	14,914
Cost of sales		
Cost of sales of completed construction contracts	4,112	4,460
Cost of finished goods sold	6,648	7,345
Cost of sales in other businesses	20	21
Total cost of sales	10,781	11,826
Gross profit		
Gross profit on completed construction contracts	633	869
Gross profit - finished goods	1,655	2,180
Gross profit - other business	36	37
Total gross profit	2,326	3,087
Selling, general and administrative expenses	2,856	3,076
Operating profit (loss)	(529)	11
Non-operating income		
Interest income	15	34
Dividend income	66	43
Other	53	64
Total non-operating income	136	143
Non-operating expenses		
Interest expenses	28	41
Commitment fees	15	85
Loss on investments in investment partnerships	23	56
Other	72	33
Total non-operating expenses	139	215
Ordinary loss	(533)	(61)
Extraordinary income		
Gain on sale of investment securities	-	85
Reversal of foreign currency translation adjustments	-	149
Total extraordinary income	-	235
Extraordinary losses		
Loss on sale of investment securities	10	-
Total extraordinary losses	10	-
Profit (loss) before income taxes	(544)	173
Income taxes - current	86	97
Income taxes - deferred	(135)	(65)
Total income taxes	(49)	32
Profit (loss)	(495)	141
Loss attributable to non-controlling interests	(41)	(1)
Profit (loss) attributable to owners of parent	(454)	143

(First-half consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit (loss)	(495)	141
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	135
Foreign currency translation adjustment	263	(465)
Remeasurements of defined benefit plans, net of tax	(93)	(95)
Total other comprehensive income	121	(425)
Comprehensive income	(373)	(284)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(360)	(100)
Comprehensive income attributable to non-controlling interests	(13)	(183)

(3) Notes to first-half consolidated financial statements

(Notes on going concern assumptions)

There are no matters to be noted.

(Notes on changes in the scope of consolidation or the scope of application of the equity method)

DKK Sino-Thai Engineering Co., Ltd., one of the subsidiaries of the Company was in the middle of the liquidation proceedings as a result of the resolution made by the board of directors meeting held on March 24, 2023. As of June 2025, the distribution of residual assets of the company was completed and the completion of liquidation came within the range. For this reason, the company was excluded from the scope of consolidation since the beginning of the consolidated fiscal first half under review.

(Notes in case of significant changes in shareholders' equity)

There are no matters to be noted.

(Additional information)

There are no matters to be noted.

(Notes on segment information, etc.)

[Segment information]

I Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on amounts of net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segments			Other Businesses (Note) 1	Total	Reconciling items (Note) 2	Per semi-annual consolidated financial statements (Note) 3
	Telecommunication Businesses	Radio Frequency Businesses	Reportable segments				
Sales							
Revenues from external customers	8,116	4,934	13,050	57	13,108	-	13,108
Transactions with other segments	15	-	15	79	95	(95)	-
Net sales	8,132	4,934	13,066	136	13,203	(95)	13,108
Operating profit (loss)	(43)	724	680	68	748	(1,278)	(529)

(Notes) 1 The “Other Businesses” segment, which is not included in reportable segments, includes equipment leasing and electric power sales businesses.

2 The segment profit or loss adjustment of (1,278) million yen includes elimination of intersegment transactions of (30) million yen and corporate expenses of (1,248) million yen that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

3 Adjustments are made to reconcile segment profit (loss) with operating loss in the first-half consolidated statement of income.

2. Information on impairment losses or goodwill, etc. on non-current assets by reportable segment

(Material impairment losses pertaining to non-current assets)

There are no matters to be noted.

(Significant change in the amount of goodwill)

In the consolidated fiscal first half under review, Suzhou Yuankai Electronic Co., Ltd. was included in the scope of consolidation because DKK has acquired shares of this company. This increased goodwill by 14 million yen in the Telecommunication Business segment.

II Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Information on amounts of net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segments			Other Businesses (Note) 1	Total	Reconciling items (Note) 2	Per semi-annual consolidated financial statements (Note) 3
	Telecommunication Businesses	Radio Frequency Businesses	Reportable segments				
Sales							
Revenues from external customers	9,793	5,062	14,855	58	14,914	-	14,914
Transactions with other segments	9	-	9	126	136	(136)	-
Net sales	9,803	5,062	14,865	185	15,050	(136)	14,914
Operating profit (loss)	796	613	1,410	115	1,526	(1,515)	11

(Notes) 1 The “Other Businesses” segment, which is not included in reportable segments, includes equipment leasing and electric power sales businesses.

2 The segment profit or loss adjustment of (1,515) million yen includes elimination of intersegment transactions of (75) million yen and corporate expenses of (1,439) million yen that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

3 Adjustments are made to reconcile segment profit with operating profit in the first-half consolidated statement of income.

2. Information on impairment losses or goodwill, etc. on non-current assets by reportable segment

There are no matters to be noted.

(Notes on significant events after balance-sheet date)

(Cancellation of Treasury Shares and Reversal of General Reserve)

We hereby announce that the Board of Directors, at its meeting held on November 14, resolved to cancellation of treasury shares pursuant to Article 178 of the Companies Act.

We also hereby announce reversal of general reserve based on the provisions of Article 37 of the Company's Articles of Incorporation under the provision of Article 459, paragraph 1 of the Companies Act.

1. Cancellation of treasury shares

(a) Reasons for cancellation:

To strengthen shareholder returns based on the policy of canceling treasury shares

(b) Class of shares to be cancelled:

Common stock of the Company

(c) Total number of shares to be cancelled: 1,000,000 shares

(Representing 11.38% of total number of outstanding shares (excluding treasury shares) before cancellation)

(d) Scheduled date of cancellation:

November 28, 2025

(Reference)

Total number of outstanding shares after cancellation: 9,900,000 shares

(Note)

The above number of treasury shares does not include our shares held as trust assets related to the stock compensation plan for directors.

2. Reversal of general reserve

(a) Reasons for the reversal:

In response to the cancellation of treasury shares

(b) Details of reversal

Item of surplus to be decreased and amount of decrease

General reserve: 2,235,000,000 yen

Item of surplus to be increased and amount of increase

Retained earnings brought forward: 2,235,000,000 yen

(c) Effective date:

November 14, 2025

(d) Future outlook:

As the subject matter is considered an accounting transfer within the net assets section, the Company's net assets will remain unchanged. Consequently, it will not affect the Company's profitability.

3. Supplementary information

(1) Production, orders and sales

(a) Production results

Production results by reportable segment for the six months ended September 30, 2025 are shown below.

Reportable segment	Output (millions of yen)	Year-on-year change (%)
Telecommunication Business	5,210	38.9
Radio Frequency Business	5,073	(0.3)
Total	10,284	16.3

(Notes) 1 Amounts are based on sales prices, and intersegment transactions have been offset.

- 2 In the Telecommunication Business, production results related to construction projects are excluded from the above production results due to difficulty in defining the results.

(b) Results of orders received

Results of orders received by reportable segment for the six months ended September 30, 2025 are shown below.

Reportable segment	Orders received (millions of yen)	Year-on-year change (%)	Order backlog (millions of yen)	Year-on-year change (%)
Telecommunication Business	13,850	13.0	18,608	19.2
Radio Frequency Business	4,795	4.9	2,831	(19.7)
Total	18,645	10.8	21,440	12.1

(c) Sales results

Sales results by reportable segment for the six months ended September 30, 2025 are shown below.

Reportable segment	Net sales (millions of yen)	Year-on-year change (%)
Telecommunication Business		
Construction work	5,330	12.3
Equipment and materials sales	4,463	32.4
Subtotal of Telecommunication Business	9,793	20.7
Radio Frequency Business	5,062	2.6
Total of reportable segments	14,855	13.8
Others	58	1.7
Total	14,914	13.8

(Notes) 1 Intersegment transactions have been offset.

- 2 The “Others” segment, which is not included in reportable segments, includes equipment leasing and electric power sales businesses.