Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

August 7, 2026

Company name:	DKK Co., Ltd.			Listing: Tokyo Stock Exchange
Securities code:	6706	URL https://denkikogyo.co.jp/		
Representative:	(Title)	President & Representative Director	(Name) Tadatoshi Kondo	
Inquiries:	(Title)	Managing Officer and Head of Finance Department	(Name) Yoshiaki Tsuchisawa	Phone: +81-3-3520-9870

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: No

(Yen amounts are rounded down to millions.)

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

(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	%
Three months ended June 30, 2026	7,483	25.1	(4)	-	230	-	1,307	-
Three months ended June 30, 2025	5,983	0.5	(433)	-	(411)	-	(212)	-

Note: Comprehensive income: Three months ended June 30, 2026: 1,102 Million yen (-%); Three months ended June 30, 2025: (483) Million yen (-%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2026	149.93	-
Three months ended June 30, 2025	(23.34)	-

(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	%
Three months ended June 30, 2026	50,693	37,819	73.6
Fiscal year ended March 31, 2026	53,047	37,205	69.2

(Reference) Net asset excluding non-controlling interests: Three months ended June 30, 2026: 37,330 Million yen; Fiscal year ended March 31, 2026: 36,720 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, 2026	-	40.00	-	60.00	100.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (forecast)		50.00	-	55.00	105.00

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

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	36,500	3.0	1,650	35.3	1,650	35.6	2,300	20.8	263.81

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 DENKI KOGYO (CHANGZHOU) HEAT TREATMENT EQUIPMENT CO., LTD.

Note: For details, refer to “2. Quarterly consolidated financial statements and major notes, (3) Notes to quarterly 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 quarterly 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.: No

(b) Changes in accounting policies other than (a): No

(c) Changes in accounting estimates: No

(d) Restatement: No

(4) Number of shares issued (common stock)

(a) Shares issued (including treasury shares) at the end of the period	Three months ended June 30, 2026	9,900,000 shares	Fiscal year ended March 31, 2026	9,900,000 shares
(b) Treasury shares at the end of the period	Three months ended June 30, 2026	1,180,563 shares	Fiscal year ended March 31, 2026	1,182,343 shares
(c) Average number of shares during the period	Three months ended June 30, 2026	8,718,237 shares	Three months ended June 30, 2025	9,107,735 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* 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.

In addition, refer to the “Supplementary material on financial results for the Three Months of the Fiscal Year Ending June 30, 2026,” which the Company has posted on its website for supplementary information.

(https://denkikogyo.co.jp/en/ir/library/presentation/)

○Table of Contents of Attachment

1. Explanation of operating results, etc.

(1) Explanation of operating results for the fiscal quarter

During the three months ended June 30, 2026, Japanese economy gradually recovered despite some weaknesses. Production activities have been picking up, and consumption remained resilient. Capital investment continued to recover against the backdrop of high-level corporate income.

On the other hand, commodity prices remained high and labor costs continued to surge. There were exchange rate fluctuations, geopolitical risks, and, moreover, risks of surges in energy and raw material prices due to tensions in the Middle East situation. As a result, the future prospects of business environment remains uncertain.

In the telecommunications-related, recovery in capital investment demands of some customers continued in the mobile communications-related field to enhance communication quality. In the fixed wireless communication-related field, the cycle of demand came to an end in administrative radio systems for disaster prevention in local governments that was arising from the maturity of emergency disaster prevention and reduction bonds. In terms of the defense-related field, demand for defense equipment and various defense facilities remained steady, against the backdrop of increases in the defense budget. In the broadcasting-related field, demand for update of digital broadcasting equipment as well as maintenance by broadcasters started to show increases in some parts. In the applied high-frequency-related , demand of some customers showed sings of recovery while there remained the impact of a slowdown in demand for capital investment in the automotive-related field, which was stemming from U.S. tariff policies.

Amid this business environment, the Company promoted “Business structural reforms,” “Optimizing management resources,” and “Advancing sustainability management” as priority measures under “DKK-Plan 2028,” its medium-term business plan with the fiscal year ending March 31, 2028 (fiscal year 2027) as its final year, aiming to achieve growth by establishing a profit-generating structure.

As a result, the Group posted orders received of 11,388 million yen, up 33.6% from a year earlier, and net sales of 7,483 million yen, up 25.1% year on year, for the three months ended June 30, 2026.

As for profits, the Group posted operating loss of 4 million yen (compared to operating loss of 433 million yen for the year-earlier period) due to the effects of soaring raw materials costs and increasing logistics costs that have been continuing since the previous fiscal year. Meanwhile, ordinary profit was 230 million yen (compared to operating loss of 411 million yen for the year-earlier period) due mainly to gain on investments in investment partnerships. Profit attributable to owners of parent came to 1,307 million yen (compared to loss attributable to owners of parent of 212 million yen for the year-earlier period) due mainly to extraordinary income from gain on sale of non-current assets.

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 demand recovery of some customers for steel towers and maintenance, in addition to antennas and wireless communication for 5G, reflecting capital investment demand to improve communication quality in response to increasing communication traffic. In the fixed wireless communication-related field, the cycle of demand has come to an end in administrative radio systems for disaster prevention in local governments that was arising from the maturity of emergency disaster prevention and reduction bonds. However, we will work to uncover demand associated with the extension of the bond maturity. In terms of demand in the defense-related field, demand for defense equipment and various defense facilities remained on an increasing trend, supported by increase in defense budget. In the broadcasting-related field, demand for maintenance by broadcasters was recovering, and demand for update of digital broadcasting equipment started to show increases in some parts. 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., expanded the scope for demand in outdoor construction steel frames and surface treatment for steel structures, and efforts are underway to secure further demand through expanding LED lighting-related demand and sale of LED aircraft warning lights.

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 37.4% year on year to 8,458 million yen and net sales increased 30.8% year on year to 4,837 million yen. Segment profit (operating profit) increased 378.4% year on year to 322 million yen.

(b) Radio Frequency Business

In the field of high-frequency induction heating equipment of this business, demand for capital investment in the automotive industry, which had remained sluggish due to trade policies, primarily in the United States, showed sings of recovery among some customers. Under such circumstances, we have carefully assessed the capital investment trends in the automotive industry, uncovered demand for maintenance of existing facilities on top of that for existing mainstay products, and proactively expanded our business field outside the automotive industry. Also in the field related to contract heat treating services, parts of production activities at various automakers felt some impacts, and we focused to securely obtain demand and worked to improve production systems both in and out of Japan. In the new radio frequency related field, we have advanced the superheated steam technology, participated in trade shows to raise awareness, and taken other measures, in a bid to create demand for treatment of food and waste using superheated steam equipment. We have received orders for superheated steam equipment with our powder sterilization technology in the previous fiscal year, and, using is as a springboard, will further expand our sales.

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

As a result, orders received increased 23.6% year on year to 2,930 million yen and net sales increased 15.8% year on year to 2,620 million yen. Segment profit (operating profit) increased 46.6% year on year to 353 million yen.

(2) Explanation of financial position for the fiscal quarter

Total assets came to 50,693 million yen as of June 30, 2026, down 2,354 million yen from the end of the previous fiscal year. Current assets decreased 2,459 million yen from the end of the previous fiscal year to 36,012 million yen. The main factors include decreases of 7,372 million yen in accounts receivable including notes receivable and 711 million yen in accounts receivable included in other, despite increases of 4,666 million yen in cash and deposits, 790 million yen in inventories included in other inventories, and 284 million yen in advance payment for construction.

Non-current assets increased 105 million yen from the end of the previous fiscal year to 14,680 million yen. The main factors include increase 760 million yen increase in property, plant, and equipment, despite a 529 million yen decrease in deferred tax assets.

Current liabilities increased 3,022 million yen from the end of the previous fiscal year to 9,970 million yen. The main factors include decreases of 827 million yen in accrued corporate income tax and similar items, 1,771 million yen in deferred revenue, and 329 million yen in accrued consumption tax and similar items included in “Other,” among others.

Non-current liabilities increased 53 million yen from the end of the previous fiscal year to 2,902 million yen. The main factors include increases of 26 million yen in deferred tax liabilities and 34 million yen in liabilities related to retirement benefits, among others.

Net assets increased 614 million yen from the end of the previous fiscal year to 37,819 million yen. The main factors include a decrease of 220 million yen in the accumulated adjustments related to retirement benefits, offset by an increase of 811 million yen in retained earnings, among other factors.

(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, 2027 is unchanged from the forecast announced along with the financial results on May 15, 2026, and no change has been made to the operating results.

The Company resolved at its board of directors meeting held today to introduce a shareholder benefit program. For details, please refer to the "Notice Regarding Introduction of Shareholder Benefit Program" announced today.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	11,644	16,310
Notes receivable - trade	244	116
Electronically recorded monetary claims - operating	1,457	1,701
Accounts receivable from completed construction contracts	8,488	1,728
Accounts receivable - trade	4,166	2,966
Contract assets	3,018	3,490
Costs on construction contracts in progress	156	327
Other inventories	7,533	8,153
Other	1,785	1,230
Allowance for doubtful accounts	(23)	(12)
Total current assets	38,472	36,012
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,682	12,312
Machinery, equipment and vehicles	9,909	9,999
Tools, furniture and fixtures	6,146	6,194
Land	2,273	2,267
Leased assets	436	446
Construction in progress	1,331	299
Accumulated depreciation	(23,744)	(23,723)
Total property, plant and equipment	7,036	7,796
Intangible assets		
Goodwill	11	11
Other	309	281
Total intangible assets	321	293
Investments and other assets		
Investment securities	2,361	2,316
Long-term loans receivable	2	2
Retirement benefit asset	2,025	1,937
Long-term time deposits	1,000	1,000
Deferred tax assets	805	275
Other	1,068	1,105
Allowance for doubtful accounts	(46)	(46)
Total investments and other assets	7,217	6,590
Total non-current assets	14,575	14,680
Total assets	53,047	50,693

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,824	2,740
Short-term borrowings	4,900	4,900
Current portion of long-term borrowings	7	7
Lease liabilities	74	74
Income taxes payable	906	78
Contract liabilities	544	463
Unearned revenue	1,771	—
Provision for warranties for completed construction	14	2
Provision for product warranties	24	11
Provision for bonuses	640	418
Provision for bonuses for directors (and other officers)	76	—
Provision for loss on construction contracts	7	7
Provision for loss on liquidation of subsidiaries and associates	1	1
Provision for environmental measures and other	50	50
Provision for loss on compensation	—	108
Other	1,149	1,104
Total current liabilities	12,993	9,970
Non-current liabilities		
Long-term borrowings	525	523
Lease liabilities	210	215
Provision for product warranties	0	0
Provision for share awards for directors (and other officers)	121	113
Retirement benefit liability	1,922	1,957
Asset retirement obligations	40	40
Deferred tax liabilities	5	32
Other	22	18
Total non-current liabilities	2,849	2,902
Total liabilities	15,842	12,873
Net assets		
Shareholders' equity		
Share capital	8,774	8,774
Capital surplus	9,688	9,689
Retained earnings	18,625	19,437
Treasury shares	(2,658)	(2,654)
Total shareholders' equity	34,429	35,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	620
Deferred gains or losses on hedges	—	0
Foreign currency translation adjustment	964	932
Remeasurements of defined benefit plans	750	529
Total accumulated other comprehensive income	2,290	2,082
Non-controlling interests	484	489
Total net assets	37,205	37,819
Total liabilities and net assets	53,047	50,693

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales		
Net sales of completed construction contracts	2,074	2,383
Net sales of finished goods	3,879	5,071
Sales in other businesses	29	28
Total net sales	5,983	7,483
Cost of sales		
Cost of sales of completed construction contracts	1,814	2,027
Cost of finished goods sold	3,011	3,958
Cost of sales in other businesses	11	10
Total cost of sales	4,838	5,997
Gross profit		
Gross profit on completed construction contracts	259	355
Gross profit - finished goods	867	1,112
Gross profit - other business	18	17
Total gross profit	1,144	1,485
Selling, general and administrative expenses	1,578	1,490
Operating loss	(433)	(4)
Non-operating income		
Interest income	16	13
Dividend income	42	44
Gain on investments in investment partnerships	―	188
Other	47	32
Total non-operating income	105	279
Non-operating expenses		
Interest expenses	21	27
Other	62	16
Total non-operating expenses	83	44
Ordinary profit (loss)	(411)	230
Extraordinary income		
Gain on sale of non-current assets	―	1,764
Gain on sale of investment securities	85	―
Gain on liquidation of subsidiaries and associates	―	21
Gain on revision of retirement benefit plan	―	144
Total extraordinary income	85	1,930
Extraordinary losses		
Loss on compensation	―	57
Provision of reserve for compensation losses	―	108
Total extraordinary losses	―	166
Profit (loss) before income taxes	(325)	1,995
Income taxes - current	26	39
Income taxes - deferred	(125)	637
Total income taxes	(98)	676
Profit (loss)	(226)	1,318
Profit (loss) attributable to non-controlling interests	(14)	11
Profit (loss) attributable to owners of parent	(212)	1,307

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit (loss)	(226)	1,318
Other comprehensive income		
Valuation difference on available-for-sale securities	(24)	44
Deferred gains or losses on hedges	—	0
Foreign currency translation adjustment	(180)	(40)
Remeasurements of defined benefit plans, net of tax	(52)	(220)
Total other comprehensive income	(257)	(215)
Comprehensive income	(483)	1,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(438)	1,084
Comprehensive income attributable to non-controlling interests	(45)	17

(3) Notes to quarterly consolidated financial statements

(Methods used to prepare quarterly consolidated financial statements)

Quarterly consolidated financial statements are prepared in compliance with Article 4, Paragraph 1 of Tokyo Stock Exchange, Inc.'s Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements generally accepted in Japan (but the omission of statement allowed under Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied).

(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)

DENKI KOGYO (CHANGZHOU) HEAT TREATMENT EQUIPMENT 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 April 25, 2025. As of April 2026, the liquidation procedures completed. For this reason, the company was excluded from the scope of consolidation since of the fiscal year ended June 30, 2026.

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

There are no matters to be noted.

(Additional Information)

(Transition to a Defined Contribution Pension Plan)

As the Company transitioned part of its defined benefit corporate pension plan to a defined contribution pension plan on April 1, 2026, we are applying "Accounting Treatment for Transitions Between Retirement Benefit Plans" (Corporate Accounting Standards Application Guideline No. 1, December 16, 2016) and "Practical Treatment of Accounting for Transitions Between Retirement Benefit Plans" (Practical Response Report No. 2, February 7, 2007), accounted for the portion transferred to the defined contribution pension plan as a partial termination of the retirement benefit plan.

As a result, during the first quarter of the current fiscal year, we recorded a gain of 144 million yen from the revision of the retirement benefit plan as extraordinary income.

(Loss on compensation and Provision of reserve for compensation losses)

Regarding compensation costs associated with steel tower painting work undertaken by the Company, we have recorded a compensation loss of 57 million yen, the amount of which was finalized during the cumulative first quarter of the consolidated fiscal year. In addition, with regard to expenses expected to arise in the future, we have recorded 108 million yen-the amount that can be reasonably estimated at this time- Provision of reserve for compensation losses.

(Notes on quarterly consolidated statement of cash flows)

We did not prepare a quarterly consolidated statement of cash flow for the three months ended June 30, 2026. Depreciation (including amortization of intangible assets) and amortization of goodwill for the three months ended June 30 are shown below.

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Depreciation	173 million yen	220 million yen
Depreciation of goodwill	0 million yen	0 million yen

(Notes on segment information, etc.)

[Segment information]

I Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

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

(Millions of yen)

	Reportable segment			Other Businesses (Note) 1	Total	Reconciling items (Note) 2	Per semi-annual consolidated financial statements (Note) 3
	Telecommunication Business	Radio Frequency Business	Reportable segments				
Sales							
Revenues from external customers	3,691	2,261	5,953	29	5,983	-	5,983
Transactions with other segments	6	-	6	62	68	(68)	-
Net sales	3,697	2,261	5,959	92	6,051	(68)	5,983
Operating profit (loss)	67	240	308	59	367	(800)	(433)

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

2 The segment income adjustment of (800) million yen includes (37) million yen in elimination of intersegment transactions and (763) million yen in corporate expenses 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 income (loss) with operating loss in the 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.

II Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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 Business	Radio Frequency Business	Reportable segments				
Sales							
Revenues from external customers	4,835	2,619	7,454	28	7,483	-	7,483
Transactions with other segments	1	0	2	76	78	(78)	-
Net sales	4,837	2,620	7,457	105	7,562	(78)	7,483
Operating profit (loss)	322	353	675	70	746	(751)	(4)

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

2 The segment income adjustment of (751) million yen includes (48) million yen in elimination of intersegment transactions and (703) million yen in corporate expenses 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 income (loss) with operating loss in the 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.

3. Supplementary information

(1) Production, orders and sales

(a) Production results

Production results by reportable segment for the three months ended June 30, 2026 are shown below.

Reportable segment	Output (millions of yen)	Year-on-year change (%)
Telecommunication Business	3,403	34.8
Radio Frequency Business	2,767	6.6
Total	6,170	20.5

(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 three months ended June 30, 2026 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	8,458	37.4	20,880	22.7
Radio Frequency Business	2,930	23.6	4,237	32.1
Total	11,388	33.6	25,117	24.2

(c) Sales results

Sales results by reportable segment for the three months ended June 30, 2026 are shown below.

Reportable segment	Net sales (millions of yen)	Year-on-year change (%)
Telecommunication Business		
Construction work	2,383	14.9
Equipment and materials sales	2,451	51.6
Subtotal of Telecommunication Business	4,835	31.0
Radio Frequency Business	2,619	15.8
Total of reportable segments	7,454	25.2
Others	28	(5.6)
Total	7,483	25.1

(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.