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November 13, 2025

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



Company name: KATO WORKS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 6390

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Scheduled date to file semi-annual 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: None

President and Representative Director

Executive Officer and General Manager, Finance Control
Department

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		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	%
September 30, 2025	26,756	1.0	(1,615)	-	(1,520)	-	(1,573)	-
September 30, 2024	26,483	(10.4)	845	5.7	1,340	(16.5)	(4,988)	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (1,494) million [-%]
For the six months ended September 30, 2024: ¥ (5,043) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	(137.06)	-
September 30, 2024	(425.60)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	95,897	42,211	44.0
March 31, 2025	102,747	44,603	43.4

Reference: Equity

As of September 30, 2025: ¥ 42,194 million

As of March 31, 2025: ¥ 44,603 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, 2025	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2026	-	35.00			
Fiscal year ending March 31, 2026 (Forecast)			-	35.00	70.00

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

Note: Breakdown of the second quarter dividend for the fiscal year ending March 31, 2026 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated financial result forecasts 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		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	57,000	7.7	(500)	-	(1,000)	-	200	-	17.42

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies()

Excluded: - companies()

(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: Yes

(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 September 30, 2025	11,743,587 shares
As of March 31, 2025	11,743,587 shares

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

As of September 30, 2025	389,507 shares
As of March 31, 2025	10,935 shares

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

Six months ended September 30, 2025	11,478,975 shares
Six months ended September 30, 2024	11,721,322 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

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	14,763	12,349
Notes and accounts receivable - trade	17,983	19,059
Inventories	45,272	41,617
Other	2,621	821
Allowance for doubtful accounts	(347)	(358)
Total current assets	80,292	73,490
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,410	8,221
Machinery, equipment and vehicles, net	1,596	1,471
Land	5,170	5,170
Construction in progress	178	215
Other, net	921	935
Total property, plant and equipment	16,277	16,015
Intangible assets	1,318	1,297
Investments and other assets		
Investment securities	2,823	2,995
Distressed receivables	14,570	14,349
Retirement benefit asset	148	207
Deferred tax assets	1,004	1,014
Other	879	876
Allowance for doubtful accounts	(14,569)	(14,349)
Total investments and other assets	4,858	5,094
Total non-current assets	22,454	22,407
Total assets	102,747	95,897

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,230	4,461
Electronically recorded obligations - operating	6,306	5,727
Short-term borrowings	19,941	19,572
Current portion of bonds payable	524	524
Current portion of long-term borrowings	6,005	5,259
Income taxes payable	-	68
Provision for bonuses	653	642
Provision for product warranties	778	733
Other	2,191	1,576
Total current liabilities	40,630	38,565
Non-current liabilities		
Bonds payable	516	254
Long-term borrowings	16,792	14,667
Retirement benefit liability	40	38
Other	164	159
Total non-current liabilities	17,513	15,120
Total liabilities	58,144	53,686
Net assets		
Shareholders' equity		
Share capital	2,935	2,935
Capital surplus	8,247	8,223
Retained earnings	27,457	25,473
Treasury shares	(16)	(503)
Total shareholders' equity	38,624	36,129
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	230	292
Foreign currency translation adjustment	5,623	5,670
Remeasurements of defined benefit plans	124	101
Total accumulated other comprehensive income	5,978	6,064
Non-controlling interests	-	16
Total net assets	44,603	42,211
Total liabilities and net assets	102,747	95,897

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	26,483	26,756
Cost of sales	21,855	24,386
Gross profit	4,627	2,370
Selling, general and administrative expenses	3,781	3,985
Operating profit (loss)	845	(1,615)
Non-operating income		
Interest income	10	10
Interest income on installment sale	11	13
Dividend income	9	9
Share of profit of entities accounted for using equity method	20	121
Foreign exchange gains	-	31
Rental income	244	246
Reversal of allowance for doubtful accounts	110	233
Reversal of provision for product warranties	85	5
Compensation income	464	-
Other	105	109
Total non-operating income	1,062	782
Non-operating expenses		
Rental expenses	209	220
Interest expenses	210	336
Foreign exchange losses	121	-
Other	26	131
Total non-operating expenses	568	688
Ordinary profit (loss)	1,340	(1,520)
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	6	3
Loss on liquidation of subsidiaries	6,180	-
Total extraordinary losses	6,187	3
Loss before income taxes	(4,847)	(1,523)
Income taxes - current	86	33
Income taxes - deferred	50	25
Total income taxes	137	58
Loss	(4,984)	(1,582)
Profit (loss) attributable to non-controlling interests	3	(9)
Loss attributable to owners of parent	(4,988)	(1,573)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Loss	(4,984)	(1,582)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	53
Foreign currency translation adjustment	(41)	47
Remeasurements of defined benefit plans, net of tax	(16)	(23)
Share of other comprehensive income of entities accounted for using equity method	1	9
Total other comprehensive income	(59)	87
Comprehensive income	(5,043)	(1,494)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,123)	(1,487)
Comprehensive income attributable to non-controlling interests	79	(7)

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Loss before income taxes	(4,847)	(1,523)
Depreciation	658	837
Increase (decrease) in allowance for doubtful accounts	(1,029)	(277)
Increase (decrease) in retirement benefit liability	(61)	(61)
Interest and dividend income	(20)	(20)
Rental income	(244)	(246)
Compensation income	(464)	-
Loss on liquidation of subsidiaries	6,180	-
Interest expenses	210	336
Rent expenses	173	185
Foreign exchange losses (gains)	0	(5)
Share of loss (profit) of entities accounted for using equity method	(20)	(121)
Increase (decrease) in unearned interest on installment sale	23	(0)
Loss (gain) on sale of non-current assets	(1)	(41)
Loss on retirement of non-current assets	1	7
Decrease (increase) in trade receivables	6,822	(1,042)
Decrease (increase) in distressed receivables	(4,700)	287
Decrease (increase) in inventories	(9,146)	3,667
Increase (decrease) in trade payables	823	(430)
Increase (decrease) in advances received	(246)	(47)
Decrease (increase) in advance payments to suppliers	19	(83)
Increase (decrease) in accrued expenses	(262)	(338)
Decrease (increase) in consumption taxes refund receivable	(224)	1,607
Increase (decrease) in accrued consumption taxes	6	158
Loss on valuation of shares of subsidiaries and associates	6	3
Other, net	(351)	(45)
Subtotal	(6,695)	2,805
Interest and dividends received	51	56
Proceeds from compensation	464	-
Interest paid	(210)	(334)
Income taxes paid	(352)	(17)
Income taxes refund	-	125
Net cash provided by (used in) operating activities	(6,741)	2,635
Cash flows from investing activities		
Proceeds from rental of investment property	251	253
Payments from rental of real estate for investment	(173)	(185)
Purchase of property, plant and equipment	(198)	(325)
Proceeds from sale of property, plant and equipment	10	200
Purchase of intangible assets	(380)	(371)
Proceeds from withdrawal of time deposits	200	-
Proceeds from cancellation of insurance funds	179	-
Other, net	1	(0)
Net cash provided by (used in) investing activities	(109)	(430)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(446)	(433)
Proceeds from long-term borrowings	60	-
Repayments of long-term borrowings	(4,748)	(2,880)
Redemption of bonds	(262)	(262)
Purchase of treasury shares	(0)	(515)
Dividends paid	(531)	(416)
Repayments of installment payables	(182)	(159)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	-
Other, net	89	(4)
Net cash provided by (used in) financing activities	(6,021)	(4,671)
Effect of exchange rate change on cash and cash equivalents	9	52
Net increase (decrease) in cash and cash equivalents	(12,862)	(2,414)
Cash and cash equivalents at beginning of period	22,366	14,763
Cash and cash equivalents at end of period	9,503	12,349