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November 12, 2026

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: KATO WORKS CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 6390
URL: http://www.kato-works.co.jp
Representative: Kimiyasu Kato, President and Representative Director,
Inquiries: Hidetada Yanagihara, Executive Officer and General Manager, Finance Control Department
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 7, 2026
Preparation of supplementary material on financial results: Yes
Holding of 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.)

	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, 2026	24,309	(9.1)	(900)	-	(991)	-	(668)	-
September 30, 2025	26,756	1.0	(1,615)	-	(1,520)	-	(1,573)	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥ (1,042) million [-%]
For the six months ended September 30, 2025: ¥ (1,494) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(59.64)	-
September 30, 2025	(137.06)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	91,934	42,698	44.7
March 31, 2026	92,365	42,467	46.0

Reference: Equity
As of September 30, 2026: ¥ 41,084 million
As of March 31, 2026: ¥ 42,467 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	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2027	-	35.00			
Fiscal year ending March 31, 2027 (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, 2027 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated financial result forecasts 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		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	61,000	8.3	600	-	120	-	0	-	0.00

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 companies(ACE KATO PRIVATE LIMITED)

Excluded: 1 companies(KATO SCE (XIAMEN) CONSTRUCTION MACHINERY CO., LTD.)

(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 of September 30, 2026	11,743,587 shares
As of March 31, 2026	11,743,587 shares

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

As of September 30, 2026	509,029 shares
As of March 31, 2026	557,784 shares

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

Six months ended September 30, 2026	11,208,218 shares
Six months ended September 30, 2025	11,478,975 shares

Note:The number of shares of the Company held by the Employee Shareholding Association Support Trust ESOP included in the number of treasury shares at the end of the period is as follows.

(Six Months Ended September 30, 2026: 350,600 shares; Fiscal Year Ended March 31, 2026: 388,200 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, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	11,068	7,504
Notes and accounts receivable - trade	17,332	14,885
Electronically recorded monetary claims - operating	2,135	3,016
Inventories	39,936	41,549
Other	936	1,927
Allowance for doubtful accounts	(362)	(284)
Total current assets	71,047	68,599
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,664	7,445
Machinery, equipment and vehicles, net	1,682	1,822
Land	5,170	5,170
Leased assets, net	23	41
Construction in progress	123	141
Other, net	360	383
Total property, plant and equipment	15,025	15,004
Intangible assets		
Goodwill	-	1,665
Other	1,062	1,008
Total intangible assets	1,062	2,674
Investments and other assets		
Investment securities	3,171	3,631
Distressed receivables	1,639	877
Retirement benefit asset	284	341
Deferred tax assets	893	775
Other	880	906
Allowance for doubtful accounts	(1,639)	(877)
Total investments and other assets	5,230	5,655
Total non-current assets	21,318	23,334
Total assets	92,365	91,934

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,049	4,084
Electronically recorded obligations - operating	2,387	2,554
Lease liabilities	21	21
Short-term borrowings	19,965	22,289
Current portion of bonds payable	516	254
Current portion of long-term borrowings	6,482	5,841
Income taxes payable	44	70
Provision for bonuses	663	489
Provision for product warranties	1,042	961
Other	1,296	1,061
Total current liabilities	36,469	37,629
Non-current liabilities		
Long-term borrowings	13,220	11,382
Retirement benefit liability	44	47
Lease liabilities	2	19
Deferred tax liabilities	17	17
Other	142	139
Total non-current liabilities	13,428	11,605
Total liabilities	49,898	49,235
Net assets		
Shareholders' equity		
Share capital	2,935	2,935
Capital surplus	8,194	8,193
Retained earnings	31,168	30,096
Treasury shares	(720)	(658)
Total shareholders' equity	41,578	40,568
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	372	576
Foreign currency translation adjustment	426	(134)
Remeasurements of defined benefit plans	90	73
Total accumulated other comprehensive income	889	515
Non-controlling interests	-	1,614
Total net assets	42,467	42,698
Total liabilities and net assets	92,365	91,934

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, 2025	For the six months ended September 30, 2026
Net sales	26,756	24,309
Cost of sales	24,386	21,533
Gross profit	2,370	2,775
Selling, general and administrative expenses	3,985	3,676
Operating loss	(1,615)	(900)
Non-operating income		
Interest income	10	5
Interest income on installment sale	13	9
Dividend income	9	10
Share of profit of entities accounted for using equity method	121	141
Foreign exchange gains	31	-
Rental income	246	261
Reversal of allowance for doubtful accounts	233	5
Reversal of provision for product warranties	5	71
Other	109	167
Total non-operating income	782	674
Non-operating expenses		
Rental expenses	220	238
Interest expenses	336	391
Foreign exchange losses	-	105
Other	131	29
Total non-operating expenses	688	765
Ordinary loss	(1,520)	(991)
Extraordinary income		
Gain on sale of shares of subsidiaries	-	393
Total extraordinary income	-	393
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	3	-
Loss on liquidation of subsidiaries	-	6
Total extraordinary losses	3	6
Loss before income taxes	(1,523)	(604)
Income taxes - current	33	31
Income taxes - deferred	25	32
Total income taxes	58	63
Loss	(1,582)	(668)
Loss attributable to non-controlling interests	(9)	-
Loss attributable to owners of parent	(1,573)	(668)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Loss	(1,582)	(668)
Other comprehensive income		
Valuation difference on available-for-sale securities	53	205
Foreign currency translation adjustment	47	(560)
Remeasurements of defined benefit plans, net of tax	(23)	(16)
Share of other comprehensive income of entities accounted for using equity method	9	(1)
Total other comprehensive income	87	(373)
Comprehensive income	(1,494)	(1,042)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,487)	(1,042)
Comprehensive income attributable to non-controlling interests	(7)	-

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Loss before income taxes	(1,523)	(604)
Depreciation	837	808
Increase (decrease) in allowance for doubtful accounts	(277)	(61)
Increase (decrease) in retirement benefit liability	(61)	(57)
Interest and dividend income	(20)	(16)
Rental income	(246)	(261)
Loss (gain) on sale of shares of subsidiaries	-	(393)
Loss on liquidation of subsidiaries	-	6
Interest expenses	336	391
Rent expenses	185	204
Foreign exchange losses (gains)	(5)	21
Share of loss (profit) of entities accounted for using equity method	(121)	(141)
Increase (decrease) in unearned interest on installment sale	(0)	21
Loss (gain) on sale of non-current assets	(41)	(7)
Loss on retirement of non-current assets	7	4
Decrease (increase) in trade receivables	(1,042)	1,514
Decrease (increase) in distressed receivables	287	(16)
Decrease (increase) in inventories	3,667	(1,283)
Increase (decrease) in trade payables	(430)	22
Increase (decrease) in provision for bonuses	(11)	(173)
Increase (decrease) in advances received	(47)	145
Decrease (increase) in advance payments to suppliers	(83)	(55)
Increase (decrease) in accrued expenses	(338)	(24)
Decrease (increase) in consumption taxes refund receivable	1,607	(264)
Increase (decrease) in accrued consumption taxes	158	(302)
Loss on valuation of shares of subsidiaries and associates	3	-
Other, net	(33)	(492)
Subtotal	2,805	(1,015)
Interest and dividends received	56	34
Interest paid	(334)	(398)
Income taxes paid	(17)	(15)
Income taxes refund	125	12
Net cash provided by (used in) operating activities	2,635	(1,383)
Cash flows from investing activities		
Proceeds from rental of investment property	253	271
Payments from rental of real estate for investment	(185)	(204)
Purchase of property, plant and equipment	(325)	(381)
Proceeds from sale of property, plant and equipment	200	16
Purchase of intangible assets	(371)	(114)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(624)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-	(345)
Other, net	(0)	(7)
Net cash provided by (used in) investing activities	(430)	(1,388)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(433)	2,304
Repayments of long-term borrowings	(2,880)	(2,480)
Redemption of bonds	(262)	(262)
Purchase of treasury shares	(515)	(0)
Dividends paid	(416)	(405)
Repayments of installment payables	(159)	-
Proceeds from sale of treasury shares	-	62
Other, net	(4)	-
Net cash provided by (used in) financing activities	(4,671)	(780)
Effect of exchange rate change on cash and cash equivalents	52	(10)
Net increase (decrease) in cash and cash equivalents	(2,414)	(3,563)
Cash and cash equivalents at beginning of period	14,763	11,068
Cash and cash equivalents at end of period	12,349	7,504