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May 13, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

Company name: KITZ CORPORATION
 Listing: Tokyo Stock Exchange
 Stock code: 6498
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes
 (for institutional investors and analysts)

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

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(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								
March 31, 2026	46,625	11.7	3,697	9.4	4,193	4.9	3,657	26.5
March 31, 2025	41,740	3.8	3,378	20.1	3,996	19.6	2,890	15.3

Note: Comprehensive income For the three months ended March 31, 2026: ¥4,764 million [—%]
 For the three months ended March 31, 2025: ¥197 million [(95.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2026	42.06	—
March 31, 2025	33.25	—

(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
March 31, 2026	191,569	121,657	62.6	1,380.42
December 31, 2025	184,325	119,790	64.1	1,358.57

Reference: Equity

As of March 31, 2026: ¥119,993 million

As of December 31, 2025: ¥118,157 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 December 31, 2025	–	21.00	–	32.00	53.00
Fiscal year ending December 31, 2026	–				
Fiscal year ending December 31, 2026 (Forecast)		29.00	–	30.00	59.00

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

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 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
Six months ending June 30, 2026	94,200	9.1	8,000	0.8	8,250	(1.5)	6,400	7.2	73.58
Fiscal year ending December 31, 2026	195,000	10.4	17,000	10.0	17,400	8.3	12,700	10.8	146.02

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, see page 9, “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto, (4) Notes to quarterly consolidated financial statements, Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements.”

(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 March 31, 2026	87,565,611 shares
As of December 31, 2025	87,565,611 shares

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

As of March 31, 2026	640,625 shares
As of December 31, 2025	593,738 shares

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

Three months ended March 31, 2026	86,948,443 shares
Three months ended March 31, 2025	86,930,625 shares

Note: The Company has introduced the “officer compensation BIP trust,” and the Company’s shares held by the said trust are included in the number of treasury shares at the end of the period (297,046 shares as of March 31, 2026, and 297,046 shares as of December 31, 2025).

The Company’s shares held by the said trust are also included in treasury shares that are deducted in the calculation of average number of shares outstanding during the period (cumulative from the beginning of the fiscal year) (297,046 shares for the three months ended March 31, 2026, and 297,046 shares for the three months ended March 31, 2025).

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The future prospects of the business results, etc., described in this document are based on currently available information and certain premises that are judged to be rational at the time of writing, and are not intended as a guarantee that the Company will achieve these targets. Actual performance and other results may differ significantly due to various factors. See page 3, “1. Overview of Operating Results and Others, (3) Explanation of consolidated earnings forecasts and other forward-looking statements” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

(Means of obtaining supplementary material on financial results)

Investor presentation materials relating to our financial results are expected to be published on our corporate website on or after May 14, 2026.

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1. Overview of Operating Results and Others

(1) Overview of operating results for the period

During the first three months of the fiscal year ending December 31, 2026, the global economy continued to face an uncertain outlook, amid factors that included the Russia-Ukraine war and a prolonged slump in China's real estate market, as well as heightened geopolitical risks—such as the tense situation in the Middle East following U.S. and Israeli attacks on Iran—and the resulting surge in energy resource and raw material prices and concerns over supply shortages. The Japanese economy also remained susceptible to adverse conditions amid a persisting scenario of rising prices driven by surging energy resource and raw material prices as well as exchange rate fluctuations, despite continuance of robust inbound demand and other such factors.

Under these circumstances, revenue in the period under review increased. The increase was a result of the effects of price revisions in the Valve Manufacturing Business and foreign exchange effects, as well as growing demand for semiconductor equipment. Also, in the Metal Solutions Business, as a result of increased revenue mainly due to the rise in copper prices, the total net sales amounted to ¥46,625 million, an increase of 11.7% year on year.

In terms of profit and loss, operating profit increased 9.4% year on year to ¥3,697 million. Although operating profit in the Valve Manufacturing Business declined due to a decrease in sales volume to overseas markets, rising costs of raw materials and components, and the recording of acquisition-related expenses from M&A activities, the Metal Solutions Business was able to secure profit margins driven by rising copper prices. Ordinary profit increased 4.9% year on year to ¥4,193 million, and profit attributable to owners of parent was up 26.5% year on year to ¥3,657 million, due to the recording of a gain on sale of property, plant and equipment of the former headquarters by a U.S. subsidiary.

Effective from January 1, 2026, the segment name was changed from “Brass Bar Manufacturing Business” to “Metal Solutions Business.” This change has no impact on segment information because it is a change in segment name.

The operating results by segment are as follows:

(i) Valve Manufacturing Business

In the Valve Manufacturing Business, net sales to external customers increased 9.8% year on year to ¥36,530 million, primarily driven by price revisions, foreign exchange effects, and growing demand for semiconductor equipment. Operating profit decreased 3.0% year on year to ¥4,255 million, mainly due to a decline in sales volume in overseas markets, rising costs of raw materials and components, and the recording of acquisition-related expenses resulting from M&A activities.

(ii) Metal Solutions Business

In the Metal Solutions Business, net sales to external customers increased 20.1% year on year to ¥9,571 million, driven by factors such as rising copper prices. Operating profit increased 383.6% year on year to ¥592 million, driven in part by the ability to secure profit margins due to rising copper prices.

(iii) Other

In Other Businesses, net sales to external customers increased by 1.9% year on year to ¥523 million. The segment posted an operating loss of ¥46 million (compared to an operating loss of ¥60 million in the same period of the previous fiscal year).

(2) Overview of financial position for the period under review

Assets at the end of the period under review increased by ¥7,243 million from the end of the previous fiscal year to ¥191,569 million. This increase was mainly due to increases in inventories, cash and deposits, and trade receivables.

Liabilities increased by ¥5,376 million from the end of the previous fiscal year to ¥69,911 million, primarily due to increases in short-term borrowings and trade payables, despite decreases in provision for bonuses and others.

Net assets increased by ¥1,866 million from the end of the previous fiscal year to ¥121,657 million. This increase was mainly due to the recording of ¥3,657 million in profit attributable to owners of parent and an increase in foreign currency translation adjustment, despite the payment of dividends.

(Cash flows)

Cash and cash equivalents (“cash”) at the end of the period under review increased by ¥1,199 million from the end of the previous fiscal year to ¥29,253 million.

The status of the respective cash flows and their relevant factors during the period under review are as follows.

(i) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥1,838 million (compared to ¥1,658 million provided in the same period of the previous fiscal year). This was mainly due to inflows including profit before income taxes of ¥5,442 million, depreciation of ¥1,865 million, and an increase in trade payables of ¥2,171 million, despite outflows including an increase in inventories of ¥2,658 million, income taxes paid of ¥2,024 million, and a decrease in provision for bonuses of ¥1,707 million.

(ii) Cash flows from investing activities

Net cash used in investing activities amounted to ¥1,259 million (compared to ¥1,494 million used in the same period of the previous fiscal year). This was mainly due to outflows including purchase of property, plant and equipment of ¥1,208 million primarily in the Valve Manufacturing Business, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥1,015 million, despite inflows such as proceeds from sale of property, plant and equipment of ¥1,344 million.

(iii) Cash flows from financing activities

Net cash provided by financing activities was ¥478 million (compared to ¥2,530 million used in the same period of the previous fiscal year). This was mainly due to inflows including a net increase in short-term borrowings of ¥3,999 million, despite outflows including dividends paid of ¥2,792 million and repayments of long-term borrowings of ¥606 million.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

There are no changes in consolidated earnings forecasts for the six months ending June 30, 2026 and for the fiscal year ending December 31, 2026, released on February 12, 2026.

We are currently assessing the impact of the current situation in the Middle East on our consolidated financial results for the current fiscal year. We are also currently analyzing the impact of making V TEX Corporation a subsidiary and have not factored this into our consolidated earnings forecasts at this time. If it becomes necessary to revise the earnings forecasts, we will disclose the revised forecasts promptly.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	28,239	29,447
Notes and accounts receivable - trade, and contract assets	24,102	26,719
Electronically recorded monetary claims - operating	12,539	10,864
Merchandise and finished goods	17,601	18,948
Work in process	9,061	10,805
Raw materials and supplies	15,318	15,839
Other	3,499	4,110
Allowance for doubtful accounts	(81)	(85)
Total current assets	110,281	116,650
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,455	20,389
Machinery, equipment and vehicles, net	18,480	18,514
Land	10,003	9,941
Other, net	12,626	12,526
Total property, plant and equipment	61,566	61,371
Intangible assets		
Goodwill	–	473
Other	2,167	2,344
Total intangible assets	2,167	2,817
Investments and other assets	10,310	10,730
Total non-current assets	74,044	74,918
Total assets	184,325	191,569

KITZ CORPORATION (6498)

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,927	12,412
Current portion of bonds payable	135	67
Short-term borrowings	568	4,799
Current portion of long-term borrowings	2,616	2,624
Income taxes payable	2,475	1,977
Provision for bonuses	3,358	1,653
Provision for bonuses for directors (and other officers)	268	54
Other	7,882	9,485
Total current liabilities	27,232	33,076
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	10,573	10,045
Provision for retirement benefits for directors (and other officers)	254	248
Provision for share awards for directors (and other officers)	158	166
Retirement benefit liability	866	874
Asset retirement obligations	1,135	1,150
Other	4,313	4,349
Total non-current liabilities	37,302	36,834
Total liabilities	64,535	69,911
Net assets		
Shareholders' equity		
Share capital	21,207	21,207
Capital surplus	5,740	5,758
Retained earnings	77,668	78,533
Treasury shares	(497)	(597)
Total shareholders' equity	104,119	104,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,837	2,060
Foreign currency translation adjustment	11,877	12,722
Remeasurements of defined benefit plans	323	308
Total accumulated other comprehensive income	14,038	15,091
Non-controlling interests	1,633	1,664
Total net assets	119,790	121,657
Total liabilities and net assets	184,325	191,569

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

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	41,740	46,625
Cost of sales	30,987	34,703
Gross profit	10,753	11,921
Selling, general and administrative expenses	7,375	8,224
Operating profit	3,378	3,697
Non-operating income		
Interest income	60	51
Dividend income	32	28
Foreign exchange gains	23	60
Subsidy income	126	306
Other	525	224
Total non-operating income	769	671
Non-operating expenses		
Interest expenses	63	107
Other	88	67
Total non-operating expenses	151	175
Ordinary profit	3,996	4,193
Extraordinary income		
Gain on sale of property, plant and equipment	3	1,253
Gain on sale of investment securities	268	–
Other	0	0
Total extraordinary income	272	1,254
Extraordinary losses		
Loss on sale and retirement of property, plant and equipment	19	4
Other	0	0
Total extraordinary losses	20	4
Profit before income taxes	4,247	5,442
Income taxes	1,311	1,701
Profit	2,936	3,741
Profit attributable to non-controlling interests	45	84
Profit attributable to owners of parent	2,890	3,657

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	2,936	3,741
Other comprehensive income		
Valuation difference on available-for-sale securities	(242)	222
Foreign currency translation adjustment	(2,491)	814
Remeasurements of defined benefit plans, net of tax	(4)	(14)
Total other comprehensive income	(2,739)	1,022
Comprehensive income	197	4,764
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	225	4,710
Comprehensive income attributable to non-controlling interests	(27)	53

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,247	5,442
Depreciation	1,648	1,865
Increase (decrease) in provision for bonuses	(1,732)	(1,707)
Increase (decrease) in retirement benefit liability	15	4
Interest and dividend income	(93)	(80)
Interest expenses	63	107
Loss (gain) on sale and retirement of property, plant and equipment	15	(1,249)
Loss (gain) on sale of investment securities	(268)	-
Decrease (increase) in accounts receivable - trade, and contract assets	399	(558)
Decrease (increase) in inventories	(2,362)	(2,658)
Decrease (increase) in other current assets	(146)	(513)
Increase (decrease) in trade payables	1,391	2,171
Increase (decrease) in other current liabilities	853	1,309
Other, net	(406)	(211)
Subtotal	3,624	3,921
Interest and dividends received	99	80
Interest paid	(90)	(139)
Income taxes paid	(1,975)	(2,024)
Net cash provided by (used in) operating activities	1,658	1,838
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,744)	(1,208)
Proceeds from sale of property, plant and equipment	6	1,344
Purchase of intangible assets	(146)	(271)
Purchase of investment securities	(2)	(1)
Proceeds from sale of investment securities	348	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,015)
Other, net	43	(105)
Net cash provided by (used in) investing activities	(1,494)	(1,259)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(41)	3,999
Proceeds from long-term borrowings	10,000	56
Repayments of long-term borrowings	(250)	(606)
Redemption of bonds	(10,067)	(67)
Dividends paid	(2,356)	(2,792)
Purchase of treasury shares	(107)	(100)
Other, net	293	(11)
Net cash provided by (used in) financing activities	(2,530)	478
Effect of exchange rate change on cash and cash equivalents	(924)	141
Net increase (decrease) in cash and cash equivalents	(3,291)	1,199
Cash and cash equivalents at beginning of period	30,440	28,054
Cash and cash equivalents at end of period	27,149	29,253

(4) Notes to quarterly consolidated financial statements***Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements***

Tax expense is calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the quarter under review, and multiplying profit before income taxes by this estimated effective tax rate.

However, in cases where the calculation of tax expenses using the estimated effective tax rate yields a result that is considered not to be reasonable to a significant extent, the statutory effective tax rate is used.

Segment information, etc.**I. Three months ended March 31, 2025****1. Information of net sales and profit (loss) for each reportable segment**

(Millions of yen)

	Valve Manufacturing Business	Metal Solutions Business	Other (Note 1)	Adjustments (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
Net sales					
Sales to external customers	33,260	7,966	513	–	41,740
Intersegment sales and transfers	54	635	17	(706)	–
Total	33,314	8,601	530	(706)	41,740
Segment profit (loss)	4,386	122	(60)	(1,070)	3,378

- Notes:
- The category of “Other” is an operating segment that is not included in the reportable segments and includes the hotel and restaurant businesses, etc.
 - The segment profit (loss) adjustment of ¥(1,070) million includes intersegment eliminations of ¥(11) million and corporate expenses that are not allocated to any reportable segments of ¥(1,058) million. Corporate expenses mainly consist of costs incurred by the Human Resources Department, the General Administration Department, the Accounting and Finance Management Department, and the Corporate Planning Department at the Company’s head office, including administrative expenses for the head office building.
 - Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statement of income.

2. Information concerning impairment losses of non-current assets or goodwill, etc. for each reportable segment

Not applicable.

II. Three months ended March 31, 2026

1. Information of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Valve Manufacturing Business	Metal Solutions Business	Other (Note 1)	Adjustments (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
Net sales					
Sales to external customers	36,530	9,571	523	–	46,625
Intersegment sales and transfers	106	751	18	(876)	–
Total	36,637	10,322	542	(876)	46,625
Segment profit (loss)	4,255	592	(46)	(1,105)	3,697

- Notes:
1. The category of “Other” is an operating segment that is not included in the reportable segments and includes the hotel and restaurant businesses, etc.
 2. The segment profit (loss) adjustment of ¥(1,105) million includes intersegment eliminations of ¥(26) million and corporate expenses that are not allocated to any reportable segments of ¥(1,079) million. Corporate expenses mainly consist of costs incurred by the Human Resources Department, the General Administration Department, the Accounting and Finance Management Department, and the Corporate Planning Department at the Company’s head office, including administrative expenses for the head office building.
 3. Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statement of income.

2. Disclosure of changes, etc. in reportable segments

Effective from January 1, 2026, the segment name was changed from “Brass Bar Manufacturing Business” to “Metal Solutions Business.” This change has no impact on segment information because it is a change in segment name.

The segment information for the first three months of the previous fiscal year is also presented under the new name.

3. Information concerning impairment losses of non-current assets or goodwill, etc. for each reportable segment

Not applicable.

Notes when there are significant changes in amounts of equity

Not applicable.

Notes on premise of going concern

Not applicable.

Notes on significant subsequent events*Borrowing of funds*

At the Board of Directors meeting held on May 13, 2026, the Company resolved to borrow funds for the purpose of acquiring shares of V TEX Corporation and providing loans to the company, as detailed below. Additionally, these funds are planned to be refinanced with long-term financing.

(1)	Name of lender	Mizuho Bank, Ltd.
(2)	Loan amount	¥15,000 million (planned)
(3)	Borrowing rate	Floating interest rate (base rate + spread)
(4)	Date of borrowing	May 25, 2026 (planned)
(5)	Borrowing period	3 months (planned)
(6)	Existence of collateral, etc.	Nil