August 7, 2026

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

Company name: KITZ CORPORATION
Listing: Tokyo Stock Exchange
Stock code: 6498
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Scheduled date to file semi-annual securities report: August 7, 2026
Scheduled date to commence dividend payments: September 18, 2026
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 six months ended June 30, 2026 (from January 1, 2026 to June 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	%
June 30, 2026	98,232	13.7	8,143	2.6	8,654	3.4	6,549	9.7
June 30, 2025	86,380	3.1	7,933	21.9	8,373	14.0	5,968	10.1

Note: Comprehensive income For the six months ended June 30, 2026: ¥8,783 million [150.4%]
For the six months ended June 30, 2025: ¥3,507 million [(64.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	75.30	–
June 30, 2025	68.65	–

(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
June 30, 2026	215,624	125,751	57.6	1,426.30
December 31, 2025	184,325	119,790	64.1	1,358.57

Reference: Equity
As of June 30, 2026: ¥124,098 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	–	29.00			
Fiscal year ending December 31, 2026 (Forecast)			–	33.00	62.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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
Fiscal year ending December 31, 2026	210,000	18.9	18,000	16.5	18,400	14.5	13,400	16.9	154.04

Note: Revisions to the earnings forecasts most recently announced: Yes

* **Notes**

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

Newly included: 5 companies (V TEX Corporation and 4 other companies)

Excluded: – companies

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

Note: For details, see page 9, "2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto, (4) Notes to semi-annual consolidated financial statements, Notes on accounting treatment specific to the preparation of semi-annual 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 June 30, 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 June 30, 2026	558,226 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)

Six months ended June 30, 2026	86,967,303 shares
Six months ended June 30, 2025	86,944,185 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 (268,674 shares as of June 30, 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) (288,991 shares for the six months ended June 30, 2026, and 297,046 shares for the six months ended June 30, 2025).

* 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

(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 August 7, 2026.

[Attached Material]

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1. Overview of Operating Results and Others

(1) Overview of operating results for the period under review

During the first six 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 ¥98,232 million, an increase of 13.7% year on year.

In terms of profit and loss, operating profit increased 2.6% year on year to ¥8,143 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, among other factors. Ordinary profit increased 3.4% year on year to ¥8,654 million, and profit attributable to owners of parent was up 9.7% year on year to ¥6,549 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 10.1% year on year to ¥76,073 million, primarily driven by price revisions, foreign exchange effects, and growing demand for semiconductor equipment. Operating profit decreased 4.9% year on year to ¥9,334 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 30.1% year on year to ¥20,993 million, driven by factors such as rising copper prices. Operating profit increased 242.8% year on year to ¥1,058 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 1.6% year on year to ¥1,165 million, and operating profit decreased by 64.2% year on year to ¥3 million.

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

Assets at the end of the period under review increased by ¥31,298 million from the end of the previous fiscal year to ¥215,624 million. This increase was mainly due to increases in inventories, cash and deposits, and goodwill.

Liabilities increased by ¥25,338 million from the end of the previous fiscal year to ¥89,873 million, primarily due to increases in short-term borrowings and trade payables, despite a decrease in long-term borrowings.

Net assets increased by ¥5,960 million from the end of the previous fiscal year to ¥125,751 million. This increase was mainly due to the recording of ¥6,549 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 ¥4,315 million from the end of the previous fiscal year to ¥32,369 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 ¥5,334 million (compared to ¥5,334 million provided in the same period of the previous fiscal year). This was mainly due to inflows including profit before income taxes of ¥9,907 million and depreciation of ¥3,813 million, despite outflows including an increase in inventories of ¥4,390 million, income taxes paid of ¥2,751 million, and gain on sale and retirement of property, plant and equipment of ¥1,253 million.

(ii) Cash flows from investing activities

Net cash used in investing activities amounted to ¥14,718 million (compared to ¥4,734 million used in the same period of the previous fiscal year). This was mainly due to outflows including purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥12,171 million, and purchase of property, plant and equipment of ¥3,303 million primarily in the Valve Manufacturing Business.

(iii) Cash flows from financing activities

Net cash provided by financing activities was ¥13,250 million (compared to ¥3,566 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 ¥17,829 million, despite outflows including dividends paid of ¥2,792 million and repayments of long-term borrowings of ¥1,262 million.

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

The Company has revised the consolidated earnings forecasts and dividend forecasts for the fiscal year ending December 31, 2026, released on February 12, 2026.

For details regarding the consolidated earnings forecasts and dividend forecasts, please refer to the “Notice Concerning Revision to Consolidated Earnings Forecasts and Dividend Forecasts” announced today.

2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	28,239	33,239
Notes and accounts receivable - trade, and contract assets	24,102	29,521
Electronically recorded monetary claims - operating	12,539	11,365
Merchandise and finished goods	17,601	20,986
Work in process	9,061	13,477
Raw materials and supplies	15,318	17,494
Other	3,499	5,081
Allowance for doubtful accounts	(81)	(89)
Total current assets	110,281	131,076
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,455	22,609
Machinery, equipment and vehicles, net	18,480	19,085
Land	10,003	10,121
Other, net	12,626	14,225
Total property, plant and equipment	61,566	66,041
Intangible assets		
Goodwill	–	4,525
Other	2,167	2,549
Total intangible assets	2,167	7,074
Investments and other assets	10,310	11,433
Total non-current assets	74,044	84,548
Total assets	184,325	215,624

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,927	12,809
Current portion of bonds payable	135	67
Short-term borrowings	568	19,829
Current portion of long-term borrowings	2,616	2,734
Income taxes payable	2,475	3,187
Provision for bonuses	3,358	3,742
Provision for bonuses for directors (and other officers)	268	143
Other	7,882	10,234
Total current liabilities	27,232	52,749
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	10,573	9,727
Provision for retirement benefits for directors (and other officers)	254	136
Provision for share awards for directors (and other officers)	158	161
Retirement benefit liability	866	1,572
Asset retirement obligations	1,135	1,168
Other	4,313	4,357
Total non-current liabilities	37,302	37,124
Total liabilities	64,535	89,873
Net assets		
Shareholders' equity		
Share capital	21,207	21,207
Capital surplus	5,740	5,772
Retained earnings	77,668	81,425
Treasury shares	(497)	(514)
Total shareholders' equity	104,119	107,890
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,837	2,157
Foreign currency translation adjustment	11,877	13,756
Remeasurements of defined benefit plans	323	294
Total accumulated other comprehensive income	14,038	16,208
Non-controlling interests	1,633	1,652
Total net assets	119,790	125,751
Total liabilities and net assets	184,325	215,624

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	86,380	98,232
Cost of sales	63,229	73,205
Gross profit	23,151	25,026
Selling, general and administrative expenses	15,217	16,883
Operating profit	7,933	8,143
Non-operating income		
Interest income	107	98
Dividend income	84	85
Foreign exchange gains	–	11
Gain from insurance claims	400	128
Subsidy income	139	348
Other	347	209
Total non-operating income	1,079	882
Non-operating expenses		
Interest expenses	137	237
Foreign exchange losses	321	–
Other	180	134
Total non-operating expenses	639	371
Ordinary profit	8,373	8,654
Extraordinary income		
Gain on sale of property, plant and equipment	4	1,271
Gain on sale of investment securities	268	–
Other	1	0
Total extraordinary income	274	1,271
Extraordinary losses		
Loss on sale and retirement of property, plant and equipment	24	18
Other	3	0
Total extraordinary losses	27	18
Profit before income taxes	8,620	9,907
Income taxes	2,633	3,258
Profit	5,986	6,648
Profit attributable to non-controlling interests	18	99
Profit attributable to owners of parent	5,968	6,549

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	5,986	6,648
Other comprehensive income		
Valuation difference on available-for-sale securities	(150)	319
Foreign currency translation adjustment	(2,319)	1,844
Remeasurements of defined benefit plans, net of tax	(9)	(29)
Total other comprehensive income	(2,479)	2,134
Comprehensive income	3,507	8,783
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,551	8,718
Comprehensive income attributable to non-controlling interests	(44)	64

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,620	9,907
Depreciation	3,299	3,813
Increase (decrease) in provision for bonuses	(132)	30
Increase (decrease) in retirement benefit liability	10	(22)
Interest and dividend income	(192)	(184)
Interest expenses	137	237
Loss (gain) on sale and retirement of property, plant and equipment	20	(1,253)
Loss (gain) on sale of investment securities	(268)	–
Decrease (increase) in accounts receivable - trade, and contract assets	(447)	449
Decrease (increase) in inventories	(2,729)	(4,390)
Decrease (increase) in other current assets	(447)	(769)
Increase (decrease) in trade payables	1,143	273
Increase (decrease) in other current liabilities	(846)	197
Other, net	(421)	(139)
Subtotal	7,747	8,148
Interest and dividends received	201	184
Interest paid	(140)	(247)
Income taxes paid	(2,473)	(2,751)
Net cash provided by (used in) operating activities	5,334	5,334
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,699)	(3,303)
Proceeds from sale of property, plant and equipment	8	1,365
Purchase of intangible assets	(392)	(526)
Purchase of investment securities	(3)	(4)
Proceeds from sale of investment securities	348	–
Net decrease (increase) in time deposits	123	(92)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(12,171)
Other, net	(119)	15
Net cash provided by (used in) investing activities	(4,734)	(14,718)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(62)	17,829
Proceeds from long-term borrowings	10,000	115
Repayments of long-term borrowings	(906)	(1,262)
Redemption of bonds	(10,067)	(67)
Dividends paid	(2,356)	(2,792)
Purchase of treasury shares	(108)	(100)
Other, net	(64)	(470)
Net cash provided by (used in) financing activities	(3,566)	13,250
Effect of exchange rate change on cash and cash equivalents	(992)	448
Net increase (decrease) in cash and cash equivalents	(3,957)	4,315
Cash and cash equivalents at beginning of period	30,440	28,054
Cash and cash equivalents at end of period	26,482	32,369

(4) Notes to semi-annual consolidated financial statements

Notes on accounting treatment specific to the preparation of semi-annual consolidated financial statements

Calculation of tax expenses

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 period 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. Six months ended June 30, 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 semi-annual consolidated statement of income (Note 3)
Net sales					
Sales to external customers	69,093	16,140	1,147	–	86,380
Intersegment sales and transfers	123	1,470	47	(1,641)	–
Total	69,216	17,611	1,194	(1,641)	86,380
Segment profit	9,815	308	8	(2,198)	7,933

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 adjustment of ¥(2,198) million includes intersegment eliminations of ¥(40) million and corporate expenses that are not allocated to any reportable segments of ¥(2,158) 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 is adjusted to operating profit in the semi-annual consolidated statement of income.

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

Not applicable.

II. Six months ended June 30, 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 semi-annual consolidated statement of income (Note 3)
Net sales					
Sales to external customers	76,073	20,993	1,165	–	98,232
Intersegment sales and transfers	218	1,509	60	(1,787)	–
Total	76,292	22,503	1,225	(1,787)	98,232
Segment profit	9,334	1,058	3	(2,253)	8,143

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 adjustment of ¥(2,253) million includes intersegment eliminations of ¥(53) million and corporate expenses that are not allocated to any reportable segments of ¥(2,199) million. Corporate expenses mainly consist of costs incurred by the Human Resources Department, the General Affairs and Engagement 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 is adjusted to operating profit in the semi-annual 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 six 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

Significant changes in the amount of goodwill

In the “Valve Manufacturing Business,” V TEX Corporation and its four group companies are included in the scope of consolidation because the Company acquired all shares of V TEX Corporation. The increase in goodwill resulting from this event was ¥4,061 million for the period under review. The amount of such goodwill is a provisionally calculated amount based on reasonable information available at the end of the period under review, as the allocation of acquisition costs has not been completed.

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 August 7, 2026, the Company resolved to borrow funds for the purpose of refinancing short-term borrowings procured to acquire shares of V TEX Corporation and provide loans to the company, as well as for the purpose of capital expenditures, etc.

(1)	Name of lender	Sumitomo Mitsui Banking Corporation, Hachijuni Nagano Bank, Ltd.
(2)	Borrowing amount	¥20,000 million (planned)
(3)	Borrowing rate	Fixed interest rates
(4)	Date of borrowing	August 28, 2026 (planned)
(5)	Borrowing period	5 years (planned)
(6)	Existence of collateral, etc.	Nil