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## Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

August 14, 2025

Listing: Tokyo Stock Exchange

Company name: DKK Co., Ltd.

Securities code: 6706 URL <https://denkikogyo.co.jp/>

Representative: (Title) President & Representative Director (Name) Tadatoshi Kondo

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: No

Holding of financial results briefing: No

(Yen amounts are rounded down to millions.)

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

(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, 2025	5,983	0.5	(433)	-	(411)	-	(212)	-
Three months ended June 30, 2024	5,956	6.9	(319)	-	(248)	-	(218)	-

Note: Comprehensive income Three months ended June 30, 2025 (483) Million yen (-%) Three months ended June 30, 2024 (34) Million yen (-%)

	Net income per share	Diluted net income per share
Three months ended June 30, 2025	yen (23.34)	yen -
Three months ended June 30, 2024	yen (22.78)	yen -

(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, 2025	50,427	35,762	69.8
Fiscal year ended March 31, 2025	53,016	37,107	68.8

(Reference) Net asset excluding non-controlling interests Three months ended June 30, 2025 35,190 Million yen Fiscal year ended March 31, 2025 36,471 Million yen

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
Fiscal year ended March 31, 2025	yen -	yen 30.00	yen -	yen 50.00	yen 80.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (forecast)		40.00	-	40.00	80.00

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

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to shareholders of parent company		Net income per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
	33,000	1.3	700	(25.2)	800	(21.9)	600	(22.8)	65.88

Note: Revision to the most recently announced forecast of operating results : None

\*Notes:

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

(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, 2025	10,900,000 shares	Fiscal year ended March 31, 2025	10,900,000 shares
(b) Treasury shares at the end of the period	Three months ended June 30, 2025	1,901,724 shares	Fiscal year ended March 31, 2025	1,710,224 shares
(c) Average number of shares during the period	Three months ended June 30, 2025	9,107,735 shares	Three months ended June 30, 2024	9,578,659 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.

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## 1. Explanation of operating results, etc.

### (1) Explanation of operating results for the fiscal quarter

During the three months ended June 30, 2025, Japanese economy gradually recovered despite some weak trends. Production activities have been fluctuating but consumption has been picking up, though showing weakness in some areas affected by elevated prices, and capital investment remains resilient against the backdrop of high-level corporate income.

On the other hand, commodity prices remain high and material costs continue to surge. In addition, revisions to the U.S. trade policies such as tariffs have led to a decline in exports, resulting in a slowdown in production activities. As a result, uncertainty regarding future prospects is increasing.

In the telecommunications-related industry, where our group is involved, there are signs of a partial recovery in capital investment plans of customers in the mobile communications-related field to enhance communication quality. In the fixed wireless communication-related field, demand for administrative radio systems for disaster prevention is recovering due to enhancement of disaster prevention systems by local governments. The defense-related field has continued to remain solid, supported by increases in the defense budget. In the broadcasting-related field, demand for maintenance by broadcasters is recovering, although demand for equipment renewal remains stagnated. In the applied high-frequency devices industry, concerns over U.S. tariff policies have led to signs of a slowdown in demand for capital investment in the automotive-related field.

Amid this business environment, the Company promoted “Business structural reforms,” “Optimizing management resources,” and “Advancing sustainability management” as priority measures under its newly formulated medium-term business plan, “DKK-Plan 2028,” aiming to achieve growth by establishing a profit-generating structure.

As a result, the Group posted orders received of 8,525 million yen, up 16.9% from a year earlier, and net sales of 5,983 million yen, up 0.5% year on year, for the three months ended June 30, 2025.

As for profits, the Group posted operating loss of 433 million yen (compared to operating loss of 319 million yen for the year-earlier period) and ordinary loss of 411 million yen (compared to ordinary loss of 248 million yen for the year-earlier period), affected by factors including raw material costs remaining elevated since the previous fiscal year and higher logistics costs. Net loss attributable to shareholders of parent company came to 212 million yen (compared to loss attributable to owners of parent of 218 million yen for the year-earlier period).

Results by segment are as follows. (Results of reportable segments, etc. include intersegment sales, etc.)

#### (a) Telecommunication Business

In the mobile communications-related field, although capital investment by mobile communication businesses remains at a low level, there are signs of partial recovery of capital investment demand aimed at improving communication quality. In the fixed wireless communication-related field, demand remains on a recovery trend in administrative radio systems for disaster prevention to improve and digitalize disaster prevention system in local governments in anticipation of maturity of emergency disaster prevention and reduction bonds. Demand in the defense-related field also remains on an increasing trend due to increase in defense budget. In the broadcasting-related field, demand for maintenance by broadcasters is recovering, but demand for update of digital broadcasting equipment is still postponed. 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 is building a business that helps solve a variety of social issues through analysis of people movement and traffic, as well as other solutions, and development of wireless environments. In other fields, the Company’s subsidiary, Denko CO., Ltd., newly established a zinc phosphate processing facility to expand the scope for demand in outdoor construction steel frames and surface treatment for steel structures, and efforts are underway to secure further demand.

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 14.2% year on year to 6,154 million yen and net sales increased 5.8% year on year to 3,697 million yen. Segment income (operating profit) came to 67 million yen (compared to segment loss of 168 million yen in the year-earlier period).

#### (b) Radio Frequency Business

In this business, in the mainstay field of high-frequency induction heating equipment, demand for capital investment in the automotive industry was generally stagnant, due to the growing uncertainty caused by trade policies, primarily in the United States, which arose from the end of the previous fiscal year. Likewise, in the field of contract heat treating service, production activities at various automakers slowed down. Under such circumstances, we carefully assessed the capital investment trends in the automotive industry and worked to secure orders, including demand arising from electrification of automobiles, while also uncovering demand for maintenance of existing facilities. Also in the field of contract heat treating service, we focused to

securely obtain demand and worked to improve production systems both in and out of Japan. Furthermore, in the new radio frequency related field, we have stepped up our efforts to develop new business areas by advancing the superheated steam technology, examining issues, accumulating data and expertise, participating in trade shows to raise awareness, and other measures, in a bid to create demand for treatment of food and waste using superheated steam equipment.

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

As a result, orders received increased 24.4% year on year to 2,370 million yen, and net sales decreased 7.4% year on year to 2,261 million yen. Segment income (operating profit) decreased 45.3% year on year to 240 million yen.

(2) Explanation of financial position for the fiscal quarter

Total assets came to 50,427 million yen as of June 30, 2025, down 2,589 million yen from the end of the previous fiscal year.

Current assets decreased 2,228 million yen from the end of the previous fiscal year to 36,114 million yen. The main factors were a decrease of 5,278 million yen in accounts receivable including notes receivable, despite increases of 1,917 million yen in cash and deposits and 1,025 million yen in inventories.

Non-current assets decreased 360 million yen from the end of the previous fiscal year to 14,312 million yen. The main factors were decreases of 231 million yen in investment securities and 279 million yen in saving-type insurance premiums included in Other Businesses of investments and other assets, despite an increase of 149 million yen in deferred tax assets.

Current liabilities increased 522 million yen from the end of the previous fiscal year to 11,876 million yen. The main factors were an increase of 1,775 million yen in unearned revenue, despite decreases of 655 million yen in trade payables including notes payable-trade, 443 million yen in income taxes payable, and 224 million yen in accrued consumption taxes included in other.

Non-current liabilities decreased 1,767 million yen from the end of the previous fiscal year to 2,788 million yen. The main factor was a decrease of 1,776 million yen in long-term unearned revenue.

Net assets decreased 1,344 million yen from the end of the previous fiscal year to 35,762 million yen. The main factors were decreases of 675 million yen in retained earnings and 149 million yen in foreign currency adjustment as well as an increase of 384 million yen in treasury shares due to purchase of treasury shares, which reduced net assets.

(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, 2026 is unchanged from the forecast announced along with the financial results on May 15, 2025, and no change has been made to the operating results.

## 2. Quarterly consolidated financial statements and major notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	16,180	18,097
Notes receivable - trade	106	89
Electronically recorded monetary claims - operating	2,120	1,962
Accounts receivable from completed construction contracts	4,727	581
Accounts receivable - trade	4,222	2,527
Contract assets	3,228	3,965
Costs on construction contracts in progress	81	164
Other inventories	6,714	7,656
Other	982	1,082
Allowance for doubtful accounts	(20)	(14)
<b>Total current assets</b>	<b>38,343</b>	<b>36,114</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,439	10,574
Machinery, equipment and vehicles	9,557	9,510
Tools, furniture and fixtures	6,259	6,266
Land	2,272	2,272
Leased assets	371	367
Construction in progress	914	889
Accumulated depreciation	(23,526)	(23,574)
<b>Total property, plant and equipment</b>	<b>6,287</b>	<b>6,305</b>
Intangible assets		
Goodwill	13	12
Other	385	353
<b>Total intangible assets</b>	<b>399</b>	<b>366</b>
Investments and other assets		
Investment securities	2,988	2,756
Long-term loans receivable	1	1
Retirement benefit asset	1,461	1,465
Long-term time deposits	1,000	1,000
Deferred tax assets	1,165	1,315
Other	1,416	1,148
Allowance for doubtful accounts	(46)	(46)
<b>Total investments and other assets</b>	<b>7,986</b>	<b>7,640</b>
<b>Total non-current assets</b>	<b>14,672</b>	<b>14,312</b>
<b>Total assets</b>	<b>53,016</b>	<b>50,427</b>

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,214	2,558
Short-term borrowings	4,400	4,400
Current portion of long-term borrowings	1,076	1,075
Lease liabilities	55	53
Income taxes payable	519	76
Contract liabilities	269	446
Provision for warranties for completed construction	50	44
Provision for product warranties	29	24
Provision for bonuses	486	404
Provision for bonuses for directors (and other officers)	42	-
Provision for loss on construction contracts	18	21
Provision for loss on liquidation of subsidiaries and associates	12	10
Unearned revenue	-	1,775
Other	1,178	984
Total current liabilities	11,353	11,876
Non-current liabilities		
Long-term borrowings	33	31
Lease liabilities	164	156
Provision for product warranties	1	1
Provision for share awards for directors (and other officers)	115	117
Provision for environmental measures and other	46	47
Retirement benefit liability	2,352	2,360
Asset retirement obligations	40	40
Long-term unearned revenue	1,776	-
Deferred tax liabilities	6	13
Other	18	18
Total non-current liabilities	4,555	2,788
Total liabilities	15,908	14,664
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,774	8,774
Capital surplus	9,688	9,688
Retained earnings	19,775	19,100
Treasury shares	(3,911)	(4,295)
Total shareholders' equity	34,327	33,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	575
Foreign currency translation adjustment	1,018	869
Remeasurements of defined benefit plans	525	477
Total accumulated other comprehensive income	2,144	1,922
Non-controlling interests	636	572
Total net assets	37,107	35,762
Total liabilities and net assets	53,016	50,427



(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, 2024	Three months ended June 30, 2025
Net sales		
Net sales of completed construction contracts	2,144	2,074
Net sales of finished goods	3,782	3,879
Sales in other businesses	28	29
Total net sales	5,956	5,983
Cost of sales		
Cost of sales of completed construction contracts	1,942	1,814
Cost of finished goods sold	2,885	3,011
Cost of sales in other businesses	9	11
Total cost of sales	4,837	4,838
Gross profit		
Gross profit on completed construction contracts	202	259
Gross profit - finished goods	897	867
Gross profit - other business	19	18
Total gross profit	1,118	1,144
Selling, general and administrative expenses	1,438	1,578
Operating loss	(319)	(433)
Non-operating income		
Interest income	8	16
Dividend income	61	42
Other	40	47
Total non-operating income	111	105
Non-operating expenses		
Interest expenses	15	21
Foreign exchange losses	-	34
Loss on investments in investment partnerships	10	10
Other	15	18
Total non-operating expenses	40	83
Ordinary loss	(248)	(411)
Extraordinary income		
Gain on sale of investment securities	-	85
Total extraordinary income	-	85
Extraordinary losses		
Loss on sale of investment securities	10	-
Total extraordinary losses	10	-
Loss before income taxes	(259)	(325)
Income taxes - current	41	26
Income taxes - deferred	(58)	(125)
Total income taxes	(16)	(98)
Loss	(242)	(226)
Loss attributable to non-controlling interests	(24)	(14)
Loss attributable to owners of parent	(218)	(212)

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Loss	(242)	(226)
Other comprehensive income		
Valuation difference on available-for-sale securities	131	(24)
Foreign currency translation adjustment	123	(180)
Remeasurements of defined benefit plans, net of tax	(46)	(52)
Total other comprehensive income	208	(257)
Comprehensive income	(34)	(483)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(17)	(438)
Comprehensive income attributable to non-controlling interests	(16)	(45)

(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 in case of significant changes in shareholders' equity)

There are no matters to be noted.

(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, 2025. 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, 2024 (from April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation	189 million yen	173 million yen
Depreciation of goodwill	42 million yen	0 million yen

(Notes on segment information, etc.)

[Segment information]

I Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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	3,485	2,441	5,927	28	5,956	-	5,956
Transactions with other segments	10	-	10	39	50	(50)	-
Net sales	3,495	2,441	5,937	68	6,006	(50)	5,956
Operating profit (loss)	(168)	440	271	33	305	(625)	(319)

(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 (625) million yen includes (12) million yen in elimination of intersegment transactions and (613) 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, 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 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	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.

### 3. Supplementary information

#### (1) Production, orders and sales

##### (a) Production results

Production results by reportable segment for the three months ended June 30, 2025 are shown below.

Reportable segment	Output (millions of yen)	Year-on-year change (%)
Telecommunication Business	2,524	24.7
Radio Frequency Business	2,595	1.4
Total	5,119	11.7

(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, 2025 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	6,154	14.2	17,015	27.3
Radio Frequency Business	2,370	24.4	3,206	(4.3)
Total	8,525	16.9	20,222	20.9

##### (c) Sales results

Sales results by reportable segment for the three months ended June 30, 2025 are shown below.

Reportable segment	Net sales (millions of yen)	Year-on-year change (%)
Telecommunication Business		
Construction work	2,074	(3.3)
Equipment and materials sales	1,617	20.6
Subtotal of Telecommunication Business	3,691	5.9
Radio Frequency Business	2,261	(7.4)
Total of reportable segments	5,953	0.4
Others	29	3.4
Total	5,983	0.5

(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.