Consolidated Financial Statements for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 6, 2026

Company name: **TAIHEI DENGYO KAISHA, LTD.**
Stock exchange listing: Tokyo Stock Exchange
Code number: 1968
URL: https://www.taihei-dengyo.co.jp/
Representative: Hiroaki Ito, Representative Director, President and Chief Executive Officer
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Scheduled date of commencing dividend payments: –
Preparation of supplementary explanatory materials: No
Holding of financial results briefing: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Results for the Three Months Ended June 30, 2026 (April 1, 2026 – June 30, 2026)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	36,611	23.8	3,401	116.9	3,697	123.4	2,330	108.8
June 30, 2025	29,572	(1.7)	1,567	(36.9)	1,655	(50.0)	1,115	(50.1)

(Note) Comprehensive income: Three months ended June 30, 2026: 3,219 million yen [53.2%]
Three months ended June 30, 2025: 2,101 million yen [(28.9)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	36.92	–
June 30, 2025	17.74	17.73

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the basic earnings per share and the diluted earnings per share have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of June 30, 2026	173,810	126,711	72.0
As of March 31, 2026	175,365	127,939	72.1

(Reference) Equity: As of June 30, 2026: 125,109 million yen
As of March 31, 2026: 126,418 million yen

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	–	–	–	70.00	70.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (Forecast)		–	–	75.00	75.00

(Note) Changes from the most recent dividends forecast: None

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	160,000	12.9	17,400	17.3	18,400	13.3	12,000	0.8	190.16

(Note) Changes from the most recent results forecast: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (TOEI ENGINEERING CO., LTD. and one other company)

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of shares issued and outstanding (common shares)
1) Number of shares issued and outstanding at the end of the period (including treasury shares):
June 30, 2026: 65,195,940 shares
March 31, 2026: 65,195,940 shares

2) Number of treasury shares at the end of the period:
June 30, 2026: 2,091,560 shares
March 31, 2026: 2,091,554 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):
June 30, 2026: 63,104,381 shares
June 30, 2025: 62,895,834 shares

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the number of shares issued and outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares during the period have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Explanation of the proper use of performance forecast and other notes

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and thus actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Three Months Ended June 30, 2026

During the three months ended June 30, 2026, the Japanese economy continued to recover moderately, with a pickup in corporate profits and capital expenditure against the backdrop of an improved employment and income environment and the effect of various government policies. However, the situation surrounding the economy still remains uncertain, given factors such as the impact of rising prices on consumer spending, on top of the situation in the Middle East and changes in financial and capital markets.

Under these circumstances, for the three months ended June 30, 2026, the TDK Group recorded orders received of 36,399 million yen (an increase of 9.5% YoY) and net sales of 36,611 million yen (an increase of 23.8% YoY) including 1,473 million yen (an increase of 4.8% YoY) for overseas works.

Regarding profits, operating profit amounted to 3,401 million yen (an increase of 116.9% YoY), ordinary profit amounted to 3,697 million yen (an increase of 123.4% YoY), and profit attributable to owners of parent amounted to 2,330 million yen (an increase of 108.8% YoY).

Performance results by business segment are as follows.

(Construction Segment)

Orders received amounted to 8,092 million yen (a decrease of 45.7% YoY, composition ratio: 22.2%). Works for nuclear power plants decreased, resulting in a decrease for the overall segment.

Net sales amounted to 10,629 million yen (an increase of 16.5% YoY, composition ratio: 29.0%). Works for nuclear power plants and works for environmental preservation plants increased, resulting in an increase for the overall segment. Segment profit amounted to 681 million yen (an increase of 119.4% YoY).

(Maintenance and Renovation Segment)

Orders received amounted to 28,307 million yen (an increase of 54.4% YoY, composition ratio: 77.8%). Works for nuclear power plants and works for thermal power plants for private use increased, resulting in an increase for the overall segment.

Net sales amounted to 25,982 million yen (an increase of 27.1% YoY, composition ratio: 71.0%). Works for nuclear power plants increased, resulting in an increase for the overall segment. Segment profit amounted to 4,190 million yen (an increase of 60.3% YoY).

(2) Overview of Financial Position for the Three Months Ended June 30, 2026

(a) Assets

Current assets amounted to 117,981 million yen, down 5,203 million yen from the end of the previous fiscal year. This was due mainly to a decrease of 7,990 million yen in cash and deposits and 2,945 million yen in Notes receivable, accounts receivable from completed construction contracts, and contract assets, despite an increase of 4,470 million yen in costs on construction contracts in progress.

Non-current assets amounted to 55,829 million yen, up 3,648 million yen from the end of the previous fiscal year. This was due mainly to increases of 2,276 million yen in investment securities and 471 million yen in goodwill.

(b) Liabilities

Current liabilities amounted to 26,142 million yen, down 1,179 million yen from the end of the previous fiscal year. This was due mainly to a decrease of 2,865 million yen in income taxes payable, despite an increase of 1,804 million yen in notes payable, accounts payable for construction contracts.

Non-current liabilities amounted to 20,956 million yen, up 851 million yen from the end of the previous fiscal year. This was due mainly to an increase of 765 million yen in deferred tax liabilities.

(c) Net assets

Net assets amounted to 126,711 million yen, down 1,227 million yen from the end of the previous fiscal year.

This was due mainly to a decrease of 2,105 million yen in retained earnings, despite an increase of 745 million yen in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no change to the consolidated financial results forecast for the full year from the forecast in the "Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026" published on May 14, 2026.

Forward-looking statements, such as performance forecasts, made in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results, etc. may differ significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: ¥1 million)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	35,423	27,432
Notes receivable, accounts receivable from completed construction contracts, and contract assets	72,611	69,665
Electronically recorded monetary claims - operating	1,471	1,434
Costs on construction contracts in progress	10,023	14,493
Other	3,758	5,052
Allowance for doubtful accounts	(102)	(97)
Total current assets	123,185	117,981
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,102	20,360
Accumulated depreciation and impairment	(12,721)	(13,022)
Buildings and structures, net	7,380	7,337
Machinery and vehicles	13,103	13,629
Accumulated depreciation	(10,791)	(11,292)
Machinery and vehicles, net	2,312	2,336
Tools, furniture and fixtures	2,865	2,949
Accumulated depreciation and impairment	(2,622)	(2,671)
Tools, furniture and fixtures, net	242	278
Land	9,392	9,630
Leased assets	691	935
Accumulated depreciation	(392)	(444)
Leased assets, net	299	491
Construction in progress	267	622
Total property, plant and equipment	19,895	20,696
Intangible assets		
Goodwill	–	471
Other	263	293
Total intangible assets	263	764
Investments and other assets		
Investment securities	23,060	25,337
Long-term loans receivable	408	511
Retirement benefit asset	–	0
Real estate for rent	6,703	6,702
Accumulated depreciation	(763)	(777)
Real estate for rent, net	5,939	5,925
Deferred tax assets	37	88
Long term-bank cash	50	50
Other	2,776	2,712
Allowance for doubtful accounts	(250)	(258)
Total investments and other assets	32,021	34,368
Total non-current assets	52,180	55,829
Total assets	175,365	173,810

(Unit: ¥1 million)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	10,907	12,711
Electronically recorded obligations - operating	–	103
Current portion of long-term borrowings	1,067	1,067
Lease liabilities	153	197
Income taxes payable	3,782	917
Contract liabilities	6,814	7,473
Provision for bonuses	1,050	440
Provision for bonuses for directors (and other officers)	123	22
Provision for warranties for completed construction	76	109
Provision for loss on construction contracts	1,055	1,173
Other	2,290	1,925
Total current liabilities	27,321	26,142
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	8,858	8,591
Lease liabilities	166	311
Deferred tax liabilities	2,098	2,863
Retirement benefit liability	3,517	3,590
Provision for share awards for directors (and other officers)	232	232
Other	231	365
Total non-current liabilities	20,104	20,956
Total liabilities	47,426	47,098
Net assets		
Shareholders' equity		
Share capital	7,070	7,070
Capital surplus	9,602	9,602
Retained earnings	100,633	98,528
Treasury shares	(1,196)	(1,197)
Total shareholders' equity	116,109	114,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,389	11,135
Foreign currency translation adjustment	(226)	(193)
Remeasurements of defined benefit plans	144	163
Total accumulated other comprehensive income	10,308	11,105
Non-controlling interests	1,520	1,602
Total net assets	127,939	126,711
Total liabilities and net assets	175,365	173,810

(2) Quarterly Consolidated Statement of Income and Comprehensive Income
Three Months Ended June 30, 2025 and 2026

(Unit: ¥1 million)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	29,572	36,611
Cost of sales	25,141	30,216
Gross profit	4,430	6,395
Selling, general and administrative expenses	2,862	2,994
Operating profit	1,567	3,401
Non-operating income		
Interest income	2	3
Dividend income	248	278
Share of profit of entities accounted for using equity method	47	90
Rental income from non-current assets	89	78
Foreign exchange gains	–	34
Other	46	29
Total non-operating income	434	514
Non-operating expenses		
Interest expenses	23	51
Foreign exchange losses	228	–
Rental expenses on non-current assets	35	56
Burial Cultural Asset Investigation Expense NOE	–	48
Other	60	62
Total non-operating expenses	347	218
Ordinary profit	1,655	3,697
Extraordinary income		
Gain on recovery of money transfer scam at overseas branch	3	–
Gain on sale of non-current assets	–	6
Gain on sale of golf club membership	0	4
Other	0	–
Total extraordinary income	4	10
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of golf club membership	–	1
Loss on sale of golf club membership	–	0
Total extraordinary losses	0	2
Profit before income taxes	1,660	3,706

(Unit: ¥1 million)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Income taxes - current	135	916
Income taxes - deferred	459	375
Total income taxes	594	1,291
Profit	1,066	2,414
Profit attributable to		
Profit attributable to owners of parent	1,115	2,330
Profit (loss) attributable to non-controlling interests	(49)	84
Other comprehensive income		
Valuation difference on available-for-sale securities	1,118	741
Foreign currency translation adjustment	(103)	42
Remeasurements of defined benefit plans, net of tax	19	19
Share of other comprehensive income of entities accounted for using equity method	0	2
Total other comprehensive income	1,035	805
Comprehensive income	2,101	3,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,176	3,127
Comprehensive income attributable to non-controlling interests	(75)	92

(3) Notes to Quarterly Consolidated Financial Statements

(Segment information, etc.)

[Segment information]

I Three months from April 1, 2025 to June 30, 2025

1. Information on net sales and profit by reportable segment and information on the breakdown of income

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	2,216	11,579	13,796
Goods transferred over time	6,910	8,866	15,776
Revenue from contracts with customers	9,126	20,445	29,572
Net sales to outside customers	9,126	20,445	29,572
Segment profit	310	2,613	2,924

2. Differences between the total amount of profits for reportable segments and the amount recorded in the quarterly consolidated statement of income and comprehensive income, and main details of such differences (matters relating to reconciliation)

(Unit: ¥1 million)

Profits	Amounts
Total amount for reportable segments	2,924
Corporate expenses (Note)	(1,356)
Operating profit in quarterly consolidated statement of income and comprehensive income	1,567

(Note) Corporate expenses are general and administrative expenses and common expenses which do not belong to any reportable segments.

II Three months from April 1, 2026 to June 30, 2026

1. Information on net sales and profit by reportable segment and information on the breakdown of income

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	1,652	12,306	13,958
Goods transferred over time	8,976	13,676	22,653
Revenue from contracts with customers	10,629	25,982	36,611
Net sales to outside customers	10,629	25,982	36,611
Segment profit	681	4,190	4,871

2. Differences between the total amount of profits for reportable segments and the amount recorded in the quarterly consolidated statement of income and comprehensive income, and main details of such differences (matters relating to reconciliation)

(Unit: ¥1 million)

Profits	Amounts
Total amount for reportable segments	4,871
Corporate expenses (Note)	(1,470)
Operating profit in quarterly consolidated statement of income and comprehensive income	3,401

(Note) Corporate expenses are general and administrative expenses and common expenses which do not belong to any reportable segments.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes to statement of cash flows)

Quarterly consolidated statement of cash flows has not been prepared for the three months ended June 30, 2026. Depreciation and amortization (including amortization related to intangible assets) for the three months ended June 30 are as follows.

	Three months from April 1, 2025 to June 30, 2025	Three months from April 1, 2026 to June 30, 2026
Depreciation	376 million yen	349 million yen

3. Supplemental Information

(1) Orders Received, Net Sales and Order Backlog by Segment

		Three months from April 1, 2025 to June 30, 2025		Three months from April 1, 2026 to June 30, 2026		Increase (decrease)
Segment		Amount (¥ million)	Composition ratio (%)	Amount (¥ million)	Composition ratio (%)	Amount (¥ million)
Orders received	Construction Segment	14,894	44.8	8,092	22.2	(6,802)
	Maintenance and Renovation Segment	18,337	55.2	28,307	77.8	9,969
	Total	33,232	100.0	36,399	100.0	3,166
Net sales	Construction Segment	9,126	30.9	10,629	29.0	1,502
	Maintenance and Renovation Segment	20,445	69.1	25,982	71.0	5,536
	Total	29,572	100.0	36,611	100.0	7,039
Order backlog	Construction Segment	71,515	55.3	108,544	60.0	37,029
	Maintenance and Renovation Segment	57,922	44.7	72,356	40.0	14,433
	Total	129,438	100.0	180,901	100.0	51,462

(Notes) 1. Construction Segment includes businesses such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.

2. Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above as well as operation of the power plants.