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August 8, 2025

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

Company Name: Takasago Thermal Engineering Co., Ltd.
 Stock Exchange Listing: On the Prime Section of the Tokyo Stock Exchange
 Code Number: 1969
 Company URL: <https://www.tte-net.com/>
 Representative: Kazuhito Kojima, President and Representative Director
 Contact: Masatoshi Morino, Director and Executive Officer, General Manager, Finance & Investor Relations Department
 Phone: +81-3-6369-8215
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Fraction less than one million yen has been omitted)

1. Consolidated Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding term)

| | 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 | 94,205 | 33.8 | 10,117 | 433.1 | 10,906 | 274.8 | 8,956 | 341.7 |
| June 30, 2024 | 70,415 | (10.0) | 1,897 | (18.2) | 2,910 | (6.6) | 2,027 | 2.8 |

(Note) Comprehensive income:

For the three months ended June 30, 2025: ¥9,906 million year on year: 291.7%
 For the three months ended June 30, 2024: ¥2,528 million year on year: (50.2)%

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | (Yen) | (Yen) |
| Three months ended June 30, 2025 | 135.96 | — |
| June 30, 2024 | 30.55 | — |

(2) Consolidated Financial Positions

| | Total assets | Net assets | Equity ratio |
|----------------|-------------------|-------------------|--------------|
| As of | (Millions of yen) | (Millions of yen) | (%) |
| June 30, 2025 | 301,085 | 181,126 | 59.0 |
| March 31, 2025 | 334,949 | 184,283 | 53.9 |

(Reference) Equity:

As of June 30, 2025: ¥177,695 million
 As of March 31, 2025: ¥180,667 million

2. Dividends

| | Cash dividends per share | | | | |
|--|--------------------------|--------------------|-------------------|----------|--------|
| | First quarter end | Second quarter end | Third quarter end | Year-end | Annual |
| | (Yen) | (Yen) | (Yen) | (Yen) | (Yen) |
| Fiscal year ended March 31, 2025 | — | 65.00 | — | 102.00 | 167.00 |
| Fiscal year ending March 31, 2026 | — | | | | |
| Fiscal year ending March 31, 2026 (Forecast) | | 86.00 | — | 44.00 | — |

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

(Note) As detailed in the “Notice Concerning Share Split, Partial Amendment of Articles of Incorporation and Revision of Dividend Forecasts for the Fiscal Year Ending March 31, 2026,” announced today (August 8, 2025), the Company plans to conduct a share split at a ratio of two shares for every one common share, effective October 1, 2025. For the fiscal year ending March 31, 2026 (forecast), the year-end dividend per share reflects the impact of this share split, and the total annual dividend is indicated as “—.” If the impact of the share split is ignored, the year-end dividend for the fiscal year ending March 31, 2026 (forecast) would be ¥88.00, and the total annual dividend would be ¥174.00.

3. Forecasts for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

| (% indicates changes from the previous term) | | | | | | | | | |
|--|-------------------|-----|-------------------|------|-------------------|-----|---|-----|--------------------|
| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Yen) |
| Full year | 410,000 | 7.4 | 36,000 | 11.1 | 38,000 | 8.7 | 28,700 | 3.9 | 217.83 |

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

(Reference) Orders received (Forecast): (Full year) ¥430,000 million

(Note) In calculating the earnings per share, “The number of shares to be increased by the share split” as detailed in section “1. (2). (ii).” of the “Notice Concerning Share Split, Partial Amendment of Articles of Incorporation and Revision of Dividend Forecasts for the Fiscal Year Ending March 31, 2026,” announced today (August 8, 2025), has been reflected. If the impact of this share split is ignored, the earnings per share would be ¥435.66.

*** 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
- (3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
 - (i) Changes in accounting policies in accordance with the revision of accounting standards, etc.: None
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None
- (4) Number of Issued Shares (Common Shares)

- (i) Number of issued shares at the end of the period (including treasury shares)

| | |
|-----------------------|-------------------|
| As of June 30, 2025: | 70,239,402 shares |
| As of March 31, 2025: | 70,239,402 shares |

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

| | |
|-----------------------|------------------|
| As of June 30, 2025: | 4,799,401 shares |
| As of March 31, 2025: | 3,833,131 shares |

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

| | |
|-----------------------------------|-------------------|
| Three months ended June 30, 2025: | 65,877,416 shares |
| Three months ended June 30, 2024: | 66,378,286 shares |

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

- * Explanation concerning proper use of the forecasts for the financial results and other special instructions

Forward-looking statements, including the financial results forecasts, in this document are based on currently available information held by the Company and on certain premises considered reasonable by the Company. It is not the intention of the Company to undertake the realization of these statements. Actual business results may differ from the forecasts, depending on various factors.

The Company will hold the annual financial results briefing session for the three months ended June 30, 2025 (for institutional investors and securities analysts) on Friday, August 8, 2025. The information materials to be used at the session will be posted on the Company's website.

Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 47,647 | 37,291 |
| Notes, accounts receivable from completed construction contracts and contract assets | 178,215 | 143,063 |
| Electronically recorded monetary claims - operating | 7,977 | 8,098 |
| Costs on construction contracts in progress | 3,889 | 4,173 |
| Other | 7,758 | 14,370 |
| Allowance for doubtful accounts | (351) | (321) |
| Total current assets | 245,138 | 206,677 |
| Non-current assets | | |
| Property, plant and equipment | 23,919 | 22,312 |
| Intangible assets | | |
| Goodwill | 1,419 | 1,325 |
| Other | 8,209 | 8,126 |
| Total intangible assets | 9,628 | 9,451 |
| Investments and other assets | | |
| Investment securities | 43,220 | 48,806 |
| Retirement benefit asset | 7,001 | 7,036 |
| Guarantee deposits | 3,114 | 3,130 |
| Other | 2,977 | 3,760 |
| Allowance for doubtful accounts | (52) | (90) |
| Total investments and other assets | 56,262 | 62,643 |
| Total non-current assets | 89,810 | 94,408 |
| Total assets | 334,949 | 301,085 |

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 43,590 | 34,692 |
| Electronically recorded obligations - operating | 6,123 | 5,021 |
| Short-term borrowings | 17,737 | 4,434 |
| Current portion of bonds payable | 5,000 | 5,000 |
| Accounts payable - other | 4,083 | 2,646 |
| Income taxes payable | 6,975 | 3,709 |
| Advances received on construction contracts in progress | 20,978 | 15,147 |
| Provision for bonuses | 9,858 | 2,792 |
| Provision for bonuses for directors (and other officers) | 175 | 34 |
| Provision for warranties for completed construction | 934 | 1,236 |
| Provision for loss on construction contracts | 489 | 471 |
| Provision for compensation for damages | 82 | 243 |
| Other | 14,011 | 23,967 |
| Total current liabilities | 130,040 | 99,398 |
| Non-current liabilities | | |
| Bonds payable | 15,000 | 15,000 |
| Retirement benefit liability | 1,045 | 1,042 |
| Provision for share awards | 1,673 | 1,712 |
| Deferred tax liabilities | 2,210 | 2,044 |
| Other | 696 | 761 |
| Total non-current liabilities | 20,625 | 20,560 |
| Total liabilities | 150,665 | 119,959 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 13,134 | 13,134 |
| Capital surplus | 11,639 | 12,645 |
| Retained earnings | 145,846 | 147,903 |
| Treasury shares | (8,408) | (15,577) |
| Total shareholders' equity | 162,212 | 158,106 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 14,249 | 16,121 |
| Foreign currency translation adjustment | 2,285 | 1,574 |
| Remeasurements of defined benefit plans | 1,920 | 1,893 |
| Total accumulated other comprehensive income | 18,455 | 19,589 |
| Non-controlling interests | 3,615 | 3,431 |
| Total net assets | 184,283 | 181,126 |
| Total liabilities and net assets | 334,949 | 301,085 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 70,415 | 94,205 |
| Cost of sales | 60,312 | 74,301 |
| Gross profit | 10,103 | 19,903 |
| Selling, general and administrative expenses | | |
| Employees' salaries and allowances | 2,130 | 2,387 |
| Provision for bonuses | 792 | 1,072 |
| Retirement benefit expenses | 48 | 65 |
| Provision for share awards | 70 | 88 |
| Other | 5,163 | 6,172 |
| Total selling, general and administrative expenses | 8,205 | 9,786 |
| Operating profit | 1,897 | 10,117 |
| Non-operating income | | |
| Interest income | 118 | 141 |
| Dividend income | 525 | 538 |
| Share of profit of entities accounted for using equity method | 53 | — |
| Dividend income of insurance | 102 | 151 |
| Rental income from real estate | 213 | 220 |
| Foreign exchange gains | 61 | 24 |
| Other | 103 | 160 |
| Total non-operating income | 1,177 | 1,236 |
| Non-operating expenses | | |
| Interest expenses | 55 | 84 |
| Share of loss of entities accounted for using equity method | — | 13 |
| Provision for compensation for damages | — | 160 |
| Rental expenses on real estate | 80 | 144 |
| Other | 29 | 42 |
| Total non-operating expenses | 165 | 446 |
| Ordinary profit | 2,910 | 10,906 |
| Extraordinary income | | |
| Gain on sale of investment securities | 37 | — |
| Gain on sale of non-current assets | — | 1,191 |
| Total extraordinary income | 37 | 1,191 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | — |
| Other | 0 | — |
| Total extraordinary losses | 0 | — |
| Profit before income taxes | 2,946 | 12,098 |
| Income taxes - current | 728 | 3,145 |
| Total income taxes | 728 | 3,145 |
| Profit | 2,218 | 8,953 |
| Profit (loss) attributable to non-controlling interests | 190 | (3) |
| Profit attributable to owners of parent | 2,027 | 8,956 |

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit | 2,218 | 8,953 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (795) | 1,861 |
| Foreign currency translation adjustment | 1,009 | (889) |
| Remeasurements of defined benefit plans, net of tax | (34) | (17) |
| Share of other comprehensive income of entities accounted for using equity method | 131 | (1) |
| Total other comprehensive income | 310 | 953 |
| Comprehensive income | 2,528 | 9,906 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,232 | 10,090 |
| Comprehensive income attributable to non-controlling interests | 296 | (184) |