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November 14, 2025

Consolidated Financial Results for the Six Months Ended September 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
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 Phone: +81-3-6369-8215
 Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: December 10, 2025
 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 Six Months Ended September 30, 2025 (April 1, 2025 to September 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	
Six months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
September 30, 2025	194,501	21.6	24,679	152.4	26,111	134.5	20,201	146.6
September 30, 2024	159,910	(2.7)	9,779	19.2	11,134	20.3	8,192	36.0

(Note) Comprehensive income:

For the six months ended September 30, 2025: ¥24,346 million year on year: 201.8%
 For the six months ended September 30, 2024: ¥8,067 million year on year: (24.6)%

	Earnings per share	Diluted earnings per share
Six months ended	(Yen)	(Yen)
September 30, 2025	153.77	—
September 30, 2024	61.70	—

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio
As of	(Millions of yen)	(Millions of yen)	(%)
September 30, 2025	323,725	195,982	59.3
March 31, 2025	334,949	184,283	53.9

(Reference) Equity:

As of September 30, 2025: ¥191,867 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	—	86.00			
Fiscal year ending March 31, 2026 (Forecast)			—	62.00	—

(Notes) 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company conducted a share split at a ratio of two shares for every one common share with a record date of September 30, 2025 and an effective date of October 1, 2025. The year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) shown above reflects the amount after considering the share split. The total annual dividend per share for the fiscal year ending March 31, 2026 (forecast) is not indicated as a simple sum cannot be calculated from the interim and year-end dividends as a result of the share split. If the impact of the share split is ignored, the year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) would be ¥124.00, and the total annual dividend per share would be ¥210.00.

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	421,000	10.3	43,300	33.6	46,000	31.5	34,300	24.1	261.08

(Notes) 1. Revisions to the earnings forecasts most recently announced: None

2. The Company conducted a share split at a ratio of two shares for every one common share with a record date of September 30, 2025 and an effective date of October 1, 2025. Earnings per share shown above were calculated assuming that the share split was conducted at the beginning of the fiscal year ending March 31, 2026. If the impact of the share split is ignored, earnings per share for the full year would be ¥522.16.

(Reference) Orders received (Forecast): (Full year) ¥458,000 million

*** Notes**

(1) Significant Changes in the Scope of Consolidation During the Period: Yes

Newly included: 2 companies (THS INNOVATIONS CO., LTD. and PROMPT TECHNO SERVICE CO., LTD.)

For more details, please refer to “(4) Notes on Semi-annual Consolidated Financial Statements, (Changes in the scope of consolidation or application of equity method)” of “2. Semi-annual Consolidated Financial Statements” on page 12 of the attached materials.

(2) Adoption of Accounting Treatment Specific to the Preparation of Semi-annual Consolidated Financial Statements: Yes

For more details, please refer to “(4) Notes on Semi-annual Consolidated Financial Statements, (Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)” of “2. Semi-annual Consolidated Financial Statements” on page 10 of the attached materials.

(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 September 30, 2025:	140,478,804 shares
As of March 31, 2025:	140,478,804 shares

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

As of September 30, 2025:	9,613,766 shares
As of March 31, 2025:	7,666,262 shares

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

Six months ended September 30, 2025:	131,377,286 shares
Six months ended September 30, 2024:	132,778,349 shares

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, the number of issued shares at the end of the period (including treasury shares), number of treasury shares at the end of the period, and average number of shares outstanding during the period were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* 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. Regarding earnings forecasts, please refer to “(3) Explanation Regarding Forecasts Such as the Forecasts of Consolidated Business Results” of “1. Summary of Business Results, etc.” on page 3 of the attached materials.

The Company will hold the financial results briefing session for the six months ended September 30, 2025 (for institutional investors and securities analysts) on Friday, November 14, 2025. The information materials to be used at the session will be posted on the Company’s website.

(Reference) Forecasts for the Non-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		Profit per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	295,000	7.6	38,400	31.8	41,700	30.1	32,100	22.4	243.36

- (Notes)
1. Revisions to the earnings forecasts most recently announced: None
 2. The Company conducted a share split at a ratio of two shares for every one common share with a record date of September 30, 2025 and an effective date of October 1, 2025. Profit per share shown above was calculated assuming that the share split was conducted at the beginning of the fiscal year ending March 31, 2026. If the impact of the share split is ignored, profit per share for the full year would be ¥486.71.

(Reference) Orders received (Forecast): (Full year) ¥350,000 million

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Interim Period Under Review

During the first six months of the fiscal year ending March 31, 2026, the Japanese economy was on a gradual recovery path, with the factors including the employment and income circumstances showing improvement and personal consumption picking up despite concerns about a downturn due to the matters such as the influence from trade policy of the U.S., fluctuations in financial and capital markets.

In the construction industry and our related air conditioning industry, capital investment by manufacturing and non-manufacturing sectors continued to demonstrate a robust trend, while some cautious attitudes were observed. However, a cautious approach to business operations remained essential as the impact of material and equipment prices, which are staying high, and labor cost hike continued to require close attention.

In this business environment, our Group has been promoting “business model transformation” to establish a solid revenue base from the construction business and promote investments for future growth, and “company and human resource transformation” to invest in human capital and establish a framework for an Environment-Creator™ company, in accordance with the Medium-Term Management Plan.

Our Group’s net sales for the first six months under review totaled ¥194,501 million (up 21.6% year on year).

Profits were boosted by efforts aimed at improving profitability at the order and installation stages. As a result, operating profit was ¥24,679 million (up 152.4% year on year), ordinary profit came to ¥26,111 million (up 134.5% year on year), and profit attributable to owners of parent was ¥20,201 million (up 146.6% year on year).

Orders received totaled ¥218,173 million (up 8.8% year on year).

Segment business results were as follows. (Segment business results include intersegment net sales and transfers.)

(Construction business)

Net sales were ¥190,828 million (up 22.1% year on year), and segment profit (operating profit) was ¥24,431 million (up 155.1% year on year).

(Equipment manufacturing and sales business)

Net sales were ¥3,934 million (up 3.2% year on year), and segment profit (operating profit) was ¥174 million (up 38.0% year on year).

(Other)

Net sales were ¥99 million (up 9.9% year on year) and segment profit (operating profit) was ¥80 million (up 11.2% year on year).

(2) Summary of Financial Position for the Interim Period Under Review

(i) Conditions of Assets, Liabilities and Net Assets

Total assets decreased ¥11,223 million from the end of the previous fiscal year to ¥323,725 million at the end of the interim period under review, mainly due to decreases in notes, accounts receivable from completed construction contracts and contract assets.

Total liabilities fell ¥22,922 million from the end of the previous fiscal year to ¥127,743 million, mainly due to a decrease in short-term borrowings.

Total net assets increased ¥11,699 million from the end of the previous fiscal year to ¥195,982 million, mainly due to the recognition of profit attributable to owners of parent.

(ii) Conditions of Cash Flows

Cash and cash equivalents at the end of the interim period under review decreased ¥10,733 million from the end of the previous fiscal year to ¥30,631 million.

(Cash flows from operating activities)

Cash flows from operating activities resulted in net cash of ¥23,094 million (up ¥1,935 million year on year). This was mainly due to a decrease in trade receivables.

(Cash flows from investing activities)

Cash flows from investing activities resulted in an expenditure of ¥4,774 million (down ¥2,144 million year on year). This was mainly due to expenditures for the purchase of investment securities.

(Cash flows from financing activities)

Cash flows from financing activities resulted in an expenditure of ¥28,457 million (down ¥5,210 million year on year). This was mainly due to a decrease in short-term borrowings.

(3) Explanation Regarding Forecasts Such as the Forecasts of Consolidated Business Results

The full-year forecasts of consolidated and non-consolidated business results for the year ending March 31, 2026, released on May 13, 2025, have been revised in light of the recent trend in business results. For details, please see “Notice Concerning Revisions to Full-Year Financial Results Forecasts and to Dividend Forecasts for the Fiscal Year Ending March 31, 2026” released on October 29, 2025.

2. Semi-annual Consolidated Financial Statements**(1) Semi-annual Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	47,647	35,919
Notes, accounts receivable from completed construction contracts and contract assets	178,215	156,826
Electronically recorded monetary claims - operating	7,977	5,224
Costs on construction contracts in progress	3,889	4,024
Other	7,758	19,108
Allowance for doubtful accounts	(351)	(409)
Total current assets	245,138	220,692
Non-current assets		
Property, plant and equipment	23,919	22,660
Intangible assets		
Goodwill	1,419	2,896
Other	8,209	8,106
Total intangible assets	9,628	11,002
Investments and other assets		
Investment securities	43,220	55,624
Retirement benefit asset	7,001	7,063
Guarantee deposits	3,114	3,189
Other	2,977	3,566
Allowance for doubtful accounts	(52)	(75)
Total investments and other assets	56,262	69,369
Total non-current assets	89,810	103,032
Total assets	334,949	323,725

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	43,590	34,269
Electronically recorded obligations - operating	6,123	4,943
Short-term borrowings	17,737	4,456
Current portion of bonds payable	5,000	5,000
Accounts payable - other	4,083	2,160
Income taxes payable	6,975	7,684
Advances received on construction contracts in progress	20,978	14,796
Provision for bonuses	9,858	6,307
Provision for bonuses for directors (and other officers)	175	67
Provision for warranties for completed construction	934	1,196
Provision for loss on construction contracts	489	308
Provision for compensation for damages	82	312
Other	14,011	22,990
Total current liabilities	130,040	104,496
Non-current liabilities		
Bonds payable	15,000	15,000
Retirement benefit liability	1,045	1,186
Provision for share awards	1,673	1,796
Deferred tax liabilities	2,210	3,485
Other	696	1,778
Total non-current liabilities	20,625	23,246
Total liabilities	150,665	127,743
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	11,639	12,761
Retained earnings	145,846	159,149
Treasury shares	(8,408)	(15,786)
Total shareholders' equity	162,212	169,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,249	19,404
Foreign currency translation adjustment	2,285	1,337
Remeasurements of defined benefit plans	1,920	1,866
Total accumulated other comprehensive income	18,455	22,608
Non-controlling interests	3,615	4,114
Total net assets	184,283	195,982
Total liabilities and net assets	334,949	323,725

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	159,910	194,501
Cost of sales	133,227	150,104
Gross profit	26,683	44,397
Selling, general and administrative expenses		
Employees' salaries and allowances	4,591	4,940
Provision for bonuses	1,759	2,268
Retirement benefit expenses	98	129
Provision for share awards	239	182
Other	10,214	12,196
Total selling, general and administrative expenses	16,903	19,717
Operating profit	9,779	24,679
Non-operating income		
Interest income	245	294
Dividend income	569	582
Dividend income of insurance	107	156
Share of profit of entities accounted for using equity method	125	166
Rental income from real estate	424	419
Foreign exchange gains	–	34
Other	376	445
Total non-operating income	1,847	2,098
Non-operating expenses		
Interest expenses	117	136
Rental expenses on real estate	235	219
Provision for compensation for damages	–	225
Other	138	85
Total non-operating expenses	492	667
Ordinary profit	11,134	26,111
Extraordinary income		
Gain on sale of investment securities	453	–
Gain on sale of non-current assets	–	1,191
Total extraordinary income	453	1,191
Extraordinary losses		
Loss on retirement of non-current assets	9	–
Other	1	–
Total extraordinary losses	11	–
Profit before income taxes	11,576	27,302
Income taxes - current	3,143	6,978
Total income taxes	3,143	6,978
Profit	8,432	20,323
Profit attributable to non-controlling interests	240	121
Profit attributable to owners of parent	8,192	20,201

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	8,432	20,323
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,064)	5,087
Foreign currency translation adjustment	793	(1,075)
Remeasurements of defined benefit plans, net of tax	(68)	(34)
Share of other comprehensive income of entities accounted for using equity method	(25)	46
Total other comprehensive income	(365)	4,023
Comprehensive income	8,067	24,346
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,558	24,355
Comprehensive income attributable to non-controlling interests	508	(8)

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	11,576	27,302
Depreciation	1,481	1,651
Amortization of goodwill	106	104
Increase (decrease) in provision for bonuses	(3,670)	(3,561)
Increase (decrease) in provision for loss on construction contracts	(20)	(175)
Increase (decrease) in provision for dismantling and removal	(115)	–
Decrease (increase) in retirement benefit asset	(225)	(139)
Increase (decrease) in retirement benefit liability	39	36
Interest and dividend income	(814)	(877)
Interest expenses	117	136
Share of loss (profit) of entities accounted for using equity method	(125)	(166)
Loss (gain) on sale of non-current assets	–	(1,191)
Decrease (increase) in trade receivables	40,123	24,498
Decrease (increase) in costs on construction contracts in progress	(0)	(125)
Increase (decrease) in trade payables	(15,358)	(10,005)
Increase (decrease) in advances received on construction contracts in progress	1,390	(5,937)
Decrease (increase) in consumption taxes refund receivable	(1,135)	(7,040)
Increase (decrease) in accrued consumption taxes	(933)	(290)
Foreign exchange losses (gains)	90	(47)
Loss (gain) on sale of investment securities	(453)	–
Other, net	(6,336)	4,353
Subtotal	25,737	28,525
Interest and dividends received	842	912
Interest paid	(138)	(133)
Income taxes paid	(5,828)	(6,641)
Income taxes refund	545	432
Net cash provided by (used in) operating activities	21,159	23,094
Cash flows from investing activities		
Payments into time deposits	(6,286)	(3,916)
Proceeds from withdrawal of time deposits	4,573	4,699
Purchase of property, plant and equipment and intangible assets	(1,951)	(1,795)
Proceeds from sale of property, plant and equipment and intangible assets	–	2,861
Purchase of investment securities	(3)	(4,004)
Proceeds from sale of investment securities	1,013	–
Purchase of shares of subsidiaries and associates	–	(851)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,855)
Other payments	(222)	(440)
Other proceeds	247	529
Net cash provided by (used in) investing activities	(2,629)	(4,774)

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(11,784)	(13,337)
Redemption of bonds	(5,000)	—
Repayments of lease liabilities	(243)	(214)
Proceeds from disposal of treasury shares	1,248	207
Purchase of treasury shares	(1,250)	(8,207)
Dividends paid	(6,120)	(6,899)
Other, net	(95)	(5)
Net cash provided by (used in) financing activities	(23,247)	(28,457)
Effect of exchange rate change on cash and cash equivalents	592	(595)
Net increase (decrease) in cash and cash equivalents	(4,125)	(10,733)
Cash and cash equivalents at beginning of period	49,064	41,364
Cash and cash equivalents at end of period	44,939	30,631

(4) Notes on Semi-annual Consolidated Financial Statements**(Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)**

First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)	
Calculation of tax expenses	Tax expenses are calculated with a method to estimate the effective tax rate for profit before tax after application of tax effect accounting reasonably for the fiscal year including the interim period under review and use the estimated effective tax rate for profit before tax for the interim period. However, if a loss before tax for the interim period is recorded, a method to use the statutory effective tax rate is used for calculation.

(Notes to segment information, etc.)**[Segment information]**

First six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1 Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recognized in semi-annual consolidated statement of income (Note 3)
	Construction business	Equipment manufacturin g and sales business	Subtotal				
Net sales							
Net sales to external customers	156,248	3,571	159,820	90	159,910	—	159,910
Intersegment net sales or transfers	0	238	238	—	238	(238)	—
Subtotal	156,248	3,810	160,058	90	160,149	(238)	159,910
Segment profit	9,575	126	9,702	72	9,774	4	9,779

(Notes) 1. The category “Other” refers to businesses that are not included in the reportable segments, such as the business of insurance agencies, etc.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the semi-annual consolidated statement of income.

2 Information on impairment losses or goodwill, etc. of non-current assets by reportable segment

(Significant impairment losses related to non-current assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1 Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recognized in semi-annual consolidated statement of income (Note 3)
	Construction business	Equipment manufacturin g and sales business	Subtotal				
Net sales							
Net sales to external customers	190,828	3,573	194,401	99	194,501	—	194,501
Intersegment net sales or transfers	—	360	360	—	360	(360)	—
Subtotal	190,828	3,934	194,762	99	194,862	(360)	194,501
Segment profit	24,431	174	24,606	80	24,686	(7)	24,679

(Notes) 1. The category “Other” refers to businesses that are not included in the reportable segments, such as the business of insurance agencies, etc.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the semi-annual consolidated statement of income.

2 Information on impairment losses or goodwill, etc. of non-current assets by reportable segment

(Significant impairment losses related to non-current assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Under the construction business segment, the Company purchased the shares of THS INNOVATIONS CO., LTD. and PROMPT TECHNO SERVICE CO., LTD., which are included in the scope of consolidation. Due to the event, goodwill increased by ¥1,638 million during the interim period under review. The amount of goodwill was tentatively calculated, as the allocation of acquisition cost had not been completed at the end of the interim period under review.

(Significant gain on negative goodwill)

Not applicable.

(Notes in case there are significant fluctuations in the amount of shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Changes in the scope of consolidation or application of equity method)

(1) Significant changes in the scope of consolidation

Since the Company purchased the shares of THS INNOVATIONS CO., LTD. and PROMPT TECHNO SERVICE CO., LTD. during the interim period under review, they are included in the scope of consolidation. The purchase date is June 30, 2025, and the duration between the balance sheet dates of each company and the consolidated closing date of the Company is less than three months. Therefore, only the balance sheet has been consolidated for the interim period under review.

(2) Significant changes in the scope of application of equity method

Since the Company purchased the shares of THS DEVELOPMENT CO., LTD. during the interim period under review, it is included in the scope of consolidation. The purchase date is June 30, 2025 and the duration between the balance sheet date of THS DEVELOPMENT CO., LTD. and the consolidated closing date of the Company is less than three months. Therefore, no share of loss (profit) of entities accounted for using equity method was recorded during the first six months ended September 30, 2025.

(Important subsequent events)

(Share split and partial amendment to the Articles of Incorporation due to share split)

Based on the resolution at a meeting of its Board of Directors held on August 8, 2025, the Company conducted share split and partial amendment to the Articles of Incorporation due to share split on October 1, 2025.

1. Purpose of share split

The Company aims to diversify its investor base by enhancing the liquidity of its shares through the reduced amount per investment unit and creating an environment that makes it easy for investors to invest in the Company using its shares.

2. Overview of share split

(1) Type of the share split

The Company conducted a 2-for-1 share split of its common shares owned by the shareholders listed on the shareholder registry as of the end of September 30, 2025, setting the same day as the record date.

(2) Increase in number of shares due to stock split

Total number of shares issued prior to the share split	70,239,402 shares
Increase in number of shares due to this stock split	70,239,402 shares
Total number of shares issued after the share split	140,478,804 shares
Total number of authorized shares after the share split	400,000,000 shares

(3) Schedule of the share split

Date of public announcement of record date	September 12, 2025 (Friday)
Record date	September 30, 2025 (Tuesday)
Effective date	October 1, 2025 (Wednesday)

(4) Effect on per share information

Under the assumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2025, information per share is as follows:

	First six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Profit per share (yen)	61.70	153.77
Diluted earnings per share (yen)	—	—

3. Partial amendment to the Articles of Incorporation due to share split

(1) Reasons for the amendment to the Articles of Incorporation

On October 1, 2025, the Company amended the total number of authorized shares stipulated in Article 6 of the Articles of Incorporation of the Company along with the share split in accordance with the provisions of Article 184 Paragraph 2 of the Company Act.

(2) Details of amendment

Details of amendment are as follows:

Current Articles of Incorporation	Amended Articles of Incorporation
(Total number of authorized shares) Article 6 Total number of authorized shares of the Company is <u>200,000,000 shares</u> .	(Total number of authorized shares) Article 6 Total number of authorized shares of the Company is <u>400,000,000 shares</u> .

(3) Date of Amendment to the Articles of Incorporation

Effective date October 1, 2025 (Wednesday)

3. (Reference) Semi-annual Financial Statements (Non-consolidated)

Semi-annual non-consolidated financial statements are not subject to review for statutory disclosure. They are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements.”

(1) (Reference) Semi-annual Balance Sheets (Non-consolidated)

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	23,428	11,825
Notes, accounts receivable from completed construction contracts and contract assets	146,620	129,991
Electronically recorded monetary claims - operating	7,178	4,365
Costs on construction contracts in progress	991	1,178
Other	5,528	13,713
Allowance for doubtful accounts	(165)	(135)
Total current assets	183,581	160,939
Non-current assets		
Property, plant and equipment	20,041	18,265
Intangible assets	7,842	7,760
Investments and other assets		
Investment securities	56,198	70,315
Other	7,872	8,774
Allowance for doubtful accounts	(47)	(69)
Total investments and other assets	64,023	79,020
Total non-current assets	91,908	105,045
Total assets	275,489	265,985

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	28,332	19,839
Electronically recorded obligations - operating	5,889	4,725
Short-term borrowings	13,130	780
Current portion of bonds payable	5,000	5,000
Accounts payable - other	3,053	1,552
Income taxes payable	6,403	7,175
Advances received on construction contracts in progress	14,095	7,086
Deposits received	10,610	20,686
Provision for bonuses	8,512	5,504
Provision for bonuses for directors (and other officers)	150	49
Provision for warranties for completed construction	751	1,030
Provision for loss on construction contracts	373	223
Provision for compensation for damages	82	218
Other	347	299
Total current liabilities	96,733	74,173
Non-current liabilities		
Bonds payable	15,000	15,000
Provision for share awards	1,630	1,753
Deferred tax liabilities	1,388	2,701
Other	372	450
Total non-current liabilities	18,392	19,905
Total liabilities	115,125	94,078
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	14,005	15,127
Retained earnings	127,568	140,311
Treasury shares	(8,235)	(15,612)
Total shareholders' equity	146,473	152,960
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,890	18,945
Total valuation and translation adjustments	13,890	18,945
Total net assets	160,364	171,906
Total liabilities and net assets	275,489	265,985

(2) (Reference) Semi-annual Statements of Income (Non-consolidated)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales of completed construction contracts	112,700	144,098
Cost of sales of completed construction contracts	92,575	106,821
Gross profit on completed construction contracts	20,124	37,276
Selling, general and administrative expenses		
Employees' salaries and allowances	2,354	2,579
Provision for bonuses	1,613	2,107
Provision for share awards	228	176
Retirement benefit expenses	42	70
Other	7,502	9,259
Total selling, general and administrative expenses	11,742	14,192
Operating profit	8,382	23,084
Non-operating income		
Interest income	7	12
Dividend income	1,428	1,446
Dividend income of insurance	105	155
Rental income from real estate	412	407
Other	309	333
Total non-operating income	2,263	2,354
Non-operating expenses		
Interest expenses	39	60
Rental expenses on real estate	235	219
Provision for compensation for damages	—	136
Other	76	66
Total non-operating expenses	350	482
Ordinary profit	10,295	24,956
Extraordinary income		
Gain on sale of investment securities	453	—
Gain on sale of non-current assets	—	1,191
Total extraordinary income	453	1,191
Extraordinary losses		
Loss on retirement of non-current assets	8	—
Other	1	—
Total extraordinary losses	9	—
Profit before income taxes	10,738	26,147
Income taxes - current	2,640	6,505
Profit	8,098	19,642

4. Supplementary information

(1) Conditions of Orders Received and Net Sales (Consolidated)

(i) Orders received

(Millions of yen, %)

		First six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General- purpose systems	94,057	46.9	118,038	54.1	23,981	25.5
	Industrial systems	102,827	51.3	95,633	43.8	(7,193)	(7.0)
	Subtotal	196,884	98.2	213,672	97.9	16,787	8.5
Equipment manufacturing and sales business		3,607	1.8	4,401	2.1	794	22.0
Other		90	0.0	99	0.0	9	9.9
Total		200,582	100.0	218,173	100.0	17,590	8.8
[overseas]		[37,256]	[18.6]	[35,025]	[16.1]	[(2,231)]	[(6.0)]
[facility maintenance]		[14,263]	[7.1]	[14,793]	[6.8]	[529]	[3.7]

(ii) Net Sales

(Millions of yen, %)

		First six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General- purpose systems	67,802	42.4	65,902	33.9	(1,900)	(2.8)
	Industrial systems	88,445	55.3	124,925	64.3	36,479	41.2
	Subtotal	156,248	97.7	190,828	98.2	34,579	22.1
Equipment manufacturing and sales business		3,571	2.2	3,573	1.7	1	0.1
Other		90	0.1	99	0.1	9	9.9
Total		159,910	100.0	194,501	100.0	34,590	21.6
[overseas]		[32,023]	[20.0]	[34,761]	[17.9]	[2,738]	[8.6]
[facility maintenance]		[13,030]	[8.1]	[13,446]	[6.9]	[415]	[3.2]

(iii) Amount carried forward

(Millions of yen, %)

		Interim period ended September 30, 2024 (as of September 30, 2024)		Interim period ended September 30, 2025 (as of September 30, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	182,600	47.8	231,231	57.9	48,631	26.6
	Industrial systems	196,701	51.5	164,922	41.4	(31,778)	(16.2)
	Subtotal	379,301	99.3	396,154	99.3	16,853	4.4
Equipment manufacturing and sales business		2,325	0.7	2,958	0.7	632	27.2
Other		—	—	—	—	—	—
Total		381,627	100.0	399,112	100.0	17,485	4.6
[overseas]		[70,891]	[18.6]	[66,678]	[16.7]	[(4,212)]	[(5.9)]
[facility maintenance]		[3,733]	[1.0]	[3,782]	[0.9]	[49]	[1.3]

(Note) Transactions made between segments with respect to orders received, net sales and amounts carried forward are set off and deleted.

(2) Conditions of Orders Received and Net Sales (Non-consolidated)

(i) Orders received

(Millions of yen, %)

		First six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	81,082	55.3	104,798	63.4	23,715	29.2
	Industrial systems	65,669	44.7	60,557	36.6	(5,111)	(7.8)
Total		146,751	100.0	165,355	100.0	18,604	12.7

(ii) Net sales of completed construction contracts

(Millions of yen, %)

		First six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	55,942	49.6	53,878	37.4	(2,064)	(3.7)
	Industrial systems	56,757	50.4	90,219	62.6	33,462	59.0
Total		112,700	100.0	144,098	100.0	31,398	27.9

(iii) Amount carried forward

(Millions of yen, %)

		Interim period ended September 30, 2024 (as of September 30, 2024)		Interim period ended September 30, 2025 (as of September 30, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General- purpose systems	178,875	57.9	227,476	68.9	48,601	27.2
	Industrial systems	130,150	42.1	102,454	31.1	(27,695)	(21.3)
Total		309,025	100.0	329,931	100.0	20,906	6.8

(3) Review of Operations (Consolidated)

(Financial results for the years ended March 31, 2023 to 2025, Financial results for the interim period of the year ended March 31, 2025 and the year ending March 31, 2026, Full-year forecasts for the year ending March 31, 2026)

(Fraction less than one million yen has been omitted)

(Millions of yen, %)

Item	Year	Results										Forecast	
		Year ended March 31, 2023		Year ended March 31, 2024		Year ended March 31, 2025		Year ended March 31, 2025 Interim period		Year ending March 31, 2026 Interim period		Year ending March 31, 2026	
		Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the previous term	(%)
Net sales		338,831		363,366		381,661		159,910		194,501		421,000	
		11.9	100.0	7.2	100.0	5.0	100.0	(2.7)	100.0	21.6	100.0	10.3	100.0
Gross profit		46,363		59,947		71,646		26,683		44,397			
		12.0	13.7	29.3	16.5	19.5	18.8	15.6	16.7	66.4	22.8		
Selling, general and administrative expenses		31,036		35,755		39,231		16,903		19,717			
		14.9	9.2	15.2	9.8	9.7	10.3	13.6	10.6	16.6	10.1		
Operating profit		15,326		24,192		32,415		9,779		24,679		43,300	
		6.6	4.5	57.8	6.7	34.0	8.5	19.2	6.1	152.4	12.7	33.6	10.3
Non-operating income		2,728		3,421		3,628		1,847		2,098			
Non-operating expenses		1,369		1,463		1,073		492		667			
Non-operating income and expenses		+1,358		+1,958		+2,555		+1,354		+1,431			
Ordinary profit		16,685		26,150		34,970		11,134		26,111		46,000	
		6.7	4.9	56.7	7.2	33.7	9.2	20.3	7.0	134.5	13.4	31.5	10.9
Extraordinary income		338		1,309		2,714		453		1,191			
Extraordinary losses		171		407		176		11		—			
Extraordinary income and losses		+166		+902		+2,538		+441		1,191			
Profit before income taxes		16,852		27,053		37,508		11,576		27,302			
		0.8	5.0	60.5	7.4	38.6	9.8	28.0	7.2	135.8	14.0		
Income taxes - current		4,915		8,356		10,618		3,143		6,987			
Income taxes - deferred		(781)		(1,414)		(1,134)		—		—			
Profit		12,719		20,111		28,024		8,432		20,323			
Profit attributable to non-controlling interests		491		498		392		240		121			
Profit attributable to owners of parent		12,227		19,612		27,631		8,192		20,201		34,300	
		6.0	3.6	60.4	5.4	40.9	7.2	36.0	5.1	146.6	10.4	24.1	8.1
Orders received		372,774		403,110		416,147		200,582		218,173		458,000	
		9.6		8.1		3.2		23.2		8.8		10.1	
Amount carried forward at the end of interim period		302,830		340,955		375,440		381,627		399,112		412,440	
		12.6		12.6		10.1		26.7		4.6		9.9	

(Note) Tax effect accounting is applied to income tax expense for the interim period by using a simplified method. Accordingly, income taxes—deferred are presented as part of income taxes—current.

(4) Review of Operations (Non-consolidated)

(Full-year financial results for the years ended March 31, 2023 to 2025, Financial results for the interim period of the year ended March 31, 2025 and the year ending March 31, 2026, Full-year forecasts for the year ending March 31, 2026)

(Fraction less than one million yen has been omitted)

(Millions of yen, %)

Item	Year	Results										Forecast	
		Year ended March 31, 2023		Year ended March 31, 2024		Year ended March 31, 2025		Year ended March 31, 2025 Interim period		Year ending March 31, 2026 Interim period		Year ending March 31, 2026	
		Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the previous term	(%)
Net sales of completed construction contracts		244,149		268,657		274,274		112,700		144,098		295,000	
		10.7	100.0	10.0	100.0	2.1	100.0	(9.8)	100.0	27.9	100.0	7.6	100.0
Gross profit on completed construction contracts		33,865		45,703		56,509		20,124		37,276			
		9.0	13.9	35.0	17.0	23.6	20.6	12.5	17.9	85.2	25.9		
Selling, general and administrative expenses		21,732		24,805		27,373		11,742		14,192			
		18.9	8.9	14.1	9.2	10.4	10.0	18.7	10.4	20.9	9.8		
Operating profit		12,132		20,898		29,135		8,382		23,084		38,400	
		(5.2)	5.0	72.3	7.8	39.4	10.6	4.9	7.4	175.4	16.0	31.8	13.0
Non-operating income		2,715		3,262		3,672		2,263		2,354			
Non-operating expenses		885		1,172		762		350		482			
Non-operating income and expenses		+1,829		+2,090		+2,909		+1,912		+1,872			
Ordinary profit		13,962		22,988		32,045		10,295		24,956		41,700	
		(7.4)	5.7	64.6	8.6	39.4	11.7	8.6	9.1	142.4	17.3	30.1	14.1
Extraordinary income		269		1,366		2,685		453		1,191			
Extraordinary losses		106		378		162		9		—			
Extraordinary income and losses		+162		+988		+2,522		+443		+1,191			
Profit before income taxes		14,125		23,977		34,567		10,738		26,147			
		(12.8)	5.8	69.8	8.9	44.2	12.6	16.1	9.5	143.5	18.1		
Income taxes - current		4,159		7,092		9,168		2,640		6,505			
Income taxes - deferred		(884)		(1,048)		(833)		—		—			
Profit		10,850		17,933		26,232		8,098		19,642		32,100	
		(7.5)	4.4	65.3	6.7	46.3	9.6	18.4	7.2	142.6	13.6	22.4	10.9

Orders received	264,147	301,173	307,974	146,751	165,355	350,000
	9.2	14.0	2.3	23.8	12.7	13.6
Amount carried forward at the end of interim period	242,457	274,974	308,674	309,025	329,931	363,674
	9.0	13.4	12.3	30.9	6.8	17.8

(Note) Tax effect accounting is applied to income tax expense for the interim period by using a simplified method. Accordingly, income taxes—deferred are presented as part of income taxes—current.