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February 13, 2026

Consolidated Financial Results for the Six Months Ended December 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 5074
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 Scheduled date to file semi-annual securities report: February 13, 2026
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes
 (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended December 31, 2025 (from July 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	27,043	50.1	3,272	35.8	2,584	975.6	1,318	120.8
December 31, 2024	18,013	19.5	2,409	36.5	240	(83.5)	597	(31.0)

Note: Comprehensive income For the six months ended December 31, 2025: ¥5,152 million [144.5%]
 For the six months ended December 31, 2024: ¥2,107 million [80.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2025	18.69	18.68
December 31, 2024	8.47	8.46

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	160,157	47,640	29.5
June 30, 2025	151,262	42,853	28.1

Reference: Equity
 As of December 31, 2025: ¥47,268 million
 As of June 30, 2025: ¥42,557 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2025	—	0.00	—	5.12	5.12
Fiscal year ending June 30, 2026	—	0.00			
Fiscal year ending June 30, 2026 (Forecast)			—	5.80	5.80

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2026	47,000	28.1	3,600	41.3	1,800	—	1,200	485.8	17.02

Note: Revisions to the financial results forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: No

Newly included: – companies

Excluded: – companies

- (2) Application of specific accounting for preparing semi-annual consolidated financial statements: Yes

Note: For details, please refer to “2. Semi-annual consolidated financial statements (4) Notes to semi-annual consolidated financial statements (Notes to specific accounting for preparing semi-annual consolidated financial statements)” on page 15 of the attached material.

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations:

None

- (ii) Changes in accounting policies due to other reasons: None

- (iii) Changes in accounting estimates: None

- (iv) Restatement: None

- (4) Number of issued shares (common shares)

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

As of December 31, 2025	70,649,130 shares
As of June 30, 2025	70,646,130 shares

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

As of December 31, 2025	130,156 shares
As of June 30, 2025	130,156 shares

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

Six months ended December 31, 2025	70,517,963 shares
Six months ended December 31, 2024	70,513,974 shares

- * Semi-annual Consolidated Financial Results are exempt from review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that the Company deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to “1. Qualitative information on the semi-annual financial results (3) Explanation of forward-looking statements such as forecast of consolidated financial results” on page 7 of the attached material for the preconditions for the earnings forecasts and items to exercise caution in the use of these earnings forecasts.

Attached Material

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1. Qualitative information on the semi-annual financial results

(1) Explanation of operating results

During the six months ended December 31, 2025, with issues such as sharp rises in global prices for materials and energy, the worsening situation in Ukraine, and the impact of the weaker Japanese yen, the Japanese economy remains difficult to predict business conditions going forward.

In the energy industry in which the Group operates, developments such as the advocacy of the Sustainable Development Goals (SDGs)^{*1} by the United Nations in 2015, and the negotiation of the Paris Agreement^{*2} have led to an acceleration of initiatives to continue the global decarbonization of energy sources. In Japan, the Seventh Strategic Energy Plan^{*3} approved by the Cabinet in February 2025 set out the course for an energy policy directed at realizing carbon neutrality by 2050 and a new target for reducing greenhouse gas emissions (by 73% from their FY2013 level) by FY2040. The Plan calls for the continued and increased pursuit of energy-efficiency maximization and sets the goal of making renewable energy account for 40%–50% of Japan's power source mix by 2040 (from 22.9% in FY2023). Furthermore, the GX2040 Vision^{*4} and the Plan for Global Warming Countermeasures^{*5} were approved by the Cabinet, setting out a long-term strategy to simultaneously achieve ensuring a stable energy supply, economic growth, and decarbonization, in coordination with the Strategic Energy Plan.

In this external environment, the Group has used its “Total Energy Savings & Solutions” management philosophy as a base on which to continue developing its operations, with a focus on the three business areas of “renewable energy as main power source,” “energy-efficiency maximization,” and “intelligent-energy infrastructure.”

As a result of the above, for the six months ended December 31, 2025, net sales were ¥27,043 million (up 50.1% year on year), operating profit was ¥3,272 million (up 35.8% year on year), ordinary profit was ¥2,584 million (up 975.6% year on year), and profit attributable to owners of parent was ¥1,318 million (up 120.8% year on year). For the main factors behind the increase or decrease in operating results, please also refer to the “Financial Results Meeting Materials for the Six Months Ended December 31, 2025 (Interim)” disclosed today.

In addition, operating results by segment are as follows.

1) Engineering Segment

Commissioned type

This segment consists of EPC commissioned by customers, such as engineering services to address customer needs for energy-saving facilities, cost reductions and environmental initiatives. It also includes engineering for power generation facilities and facilities for in-house consumption of generated power, using FIT and FIP certification^{*6} obtained by customers using part of renewable energy facilities. EPC sales were recorded in accordance with the revenue-recognition method over a certain period of time.

In the six months ended December 31, 2025, EPC for co-generation systems^{*7}, fuel conversion facilities^{*8}, utility facilities^{*9}, and other energy-saving facilities remained flat from the same period of the previous year. In addition, renewable energy power generation EPC performed steadily due to an increase in power storage system projects. As a result, for the Engineering Segment (commissioned type), sales increased year on year.

Development type

This segment consists of projects in which the Group proactively engages in land purchasing (or renting), acquiring approvals and rights, and EPC activities, providing customers with a full set of solutions.

In the six months ended December 31, 2025, no sales were posted. This is because the construction of the solar power generation plant in Kagoshima Prefecture (generation capacity: approximately 8.0 MW) utilizing a FIT scheme^{*10}, for which sales were recorded in the same period of the previous year, came to completion during the previous fiscal year, and there were no new development-type EPC projects in the six months ended December 31, 2025.

As a result of the above, the Engineering Segment recorded net sales of ¥12,555 million (up 65.0% year on year) and segment profit of ¥531 million (up 78.1% year on year).

Including intersegment sales and transfers, the Engineering Segment recorded net sales of ¥12,555 million (up 42.1% year on year).

2) Energy Supply Segment

Renewable energy power plant ownership, operation and electricity sales

This segment generates sales from the ownership, operation, and sale of electricity from renewable energy power plants, primarily solar power generation plants, utilizing the FIT scheme or the FIP scheme^{*11}, as well as from on-site PPA model^{*12} renewable energy plants that use neither the FIT scheme or FIP scheme for in-house consumption.

During the previous fiscal year, the Company acquired all of the silent partnership equity interest in the silent partnership where Fukuoka Miyako Solar Power LLC is the operator of the Fukuoka Miyako Mega Solar Plant (located in Miyako-machi, Miyako-gun, Fukuoka Prefecture, generation capacity of approximately 67.0 MW), converting the silent partnership into a consolidated subsidiary. Furthermore, the Saga Imari Biomass Power Plant (located in Imari-shi, Saga Prefecture, generation capacity of 46.0 MW) began commercial operation, and the total power generation of electricity supply services by on-site PPA model projects increased by approximately 19.9 MW compared with the same period of the previous year (17 electricity supply services added). Accordingly, in the six months ended December 31, 2025, there was an increase in both the number of renewable energy power plants owned by the Group's consolidated subsidiaries and the total power generation capacity, resulting in an increase in sales in accordance with the increase in sales of electricity compared with the same period of the previous year.

	As of December 31, 2024		As of December 31, 2025		Change	
	Number of plants (plants)	Power generation capacity (MW)	Number of plants (plants)	Power generation capacity (MW)	Number of plants (plants)	Power generation capacity (MW)
Plants owned by consolidated Group companies	103	306.5	122	374.2	19	67.7
Plants using FIT or FIP schemes	66	263.7	68	311.4	2	47.7
Plants using onsite PPA model	37	42.9	54	62.8	17	19.9
Plants invested in by Group companies*	10	21.1	11	29.2	1	8.0
Total	113	327.7	133	403.4	20	75.7

* Plants invested in by Group companies are equity-method affiliates as well as silent partnerships where a limited liability company investing in the silent partnership is the operator. Additionally, all of the plants invested in by Group companies are the number of plants and power generation capacity for renewable energy power plants utilizing the FIT scheme.

Operation and maintenance (O&M)

In addition to maintenance services and 24-hour remote monitoring services based on fixed-term contracts with customers, the Group provides maintenance operations that occur on an irregular basis (such as replacement of consumables, statutory inspections and other foreseeable needs, along with unforeseeable needs such as maintenance and replacement caused by failures of customer equipment).

In the six months ended December 31, 2025, due to the year-on-year decline in maintenance services due to the expiration of a major O&M project contract, operation and maintenance sales declined year on year.

Electricity retailing

The Group provides electricity to corporate customers in nine regions of Japan: Hokkaido, Tohoku, Tokyo, Chubu, Hokuriku, Kansai, Chugoku, Shikoku and Kyushu. In addition, the Group offers ERAB^{*16} services which provide supply-demand adjustment capacity by utilizing demand response (DR)^{*13} technologies and virtual power plant (VPP)^{*14} technologies to integrate distributed energy resources^{*15} on the customer side, along with fuel supply services to customers operating co-generation systems.

In the six months ended December 31, 2025, supply volume increased as a result of a market-linked plan under which the electricity prices offered to customers are linked to the spot prices on the Japan Electric Power Exchange (JEPX), and as a result, electricity retailing sales increased year on year.

Resource recycling biomass fuel supply

The Group is engaged in the sale of PKS fuels^{*17} to biomass power plants in Japan.

In the six months ended December 31, 2025, no sales were recorded, as no sales of PKS fuels were made outside the consolidated group, while the sale of PKS fuels to the Saga Imari Biomass Power Plant, part of the consolidated group, progressed steadily (elimination in consolidation due to intercompany transactions).

As a result of the above, net sales for the Energy Supply Segment were ¥14,487 million (up 39.2% year on year), and segment profit came to ¥2,748 million (up 22.6% year on year).

Including intersegment sales and transfers, the Energy Supply Segment recorded net sales of ¥14,502 million (up 39.3% year on year).

***1 Sustainable Development Goals (SDGs):**

These are shared goals for international society to be addressed by both developing and developed nations as part of the 2030 Agenda for Sustainable Development adopted by the United Nations in September 2015, and consist of 17 goals whose initiatives cover energy, economic growth, employment, and climate change, amongst other matters.

***2 The Paris Agreement:**

An international treaty adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in December 2015, based on the approval of 196 countries, including Japan, as a global framework for determining targets for reductions in CO2 emissions in order to combat global warming.

***3 Strategic Energy Plan:**

A basic plan on energy supply and demand formulated in order to promote measures on energy supply and demand on a long-term, comprehensive and systematic basis, as set forth in Article 12 of the Basic Act on Energy Policy.

***4 GX2040 Vision:**

Amid growing uncertainty regarding future outlooks, this serves to present a longer-term direction in order to enhance the predictability of investments aimed at achieving GX (Green Transformation).

***5 Plan for Global Warming Countermeasures:**

The government's comprehensive plan based on the Act on Promotion of Global Warming Countermeasures, which outlines targets for the reduction and absorption of greenhouse gas emissions, basic measures to be taken by businesses and the public, and policies to be implemented by national and local governments to achieve these targets.

***6 FIT and FIP certification:**

The certification of renewable energy power generation business plans granted by the Minister of Economy, Trade and Industry, as set forth in the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources.

***7 Co-generation system (CGS):**

A type of distributed energy resource, consisting of a combined heat and electricity supply system that uses the heat emitted during power generation for air conditioning and heating or in production processes. It may also be referred to as Combined heat & power (CHP).

***8 Fuel conversion facilities:**

Facilities to convert fuel used for heat sources in a factory from oil to natural gas.

***9 Utility facilities:**

Facilities that provide the electricity, steam, water, compressed air, fuel, and so forth required for the operation of a factory's production facilities.

***10 FIT scheme:**

A system, based on the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources, under which the state promises that electricity utilities will purchase electricity generated from renewable energy, such as solar, wind, or biomass, at a set price and for a set period of time.

***11 FIP scheme:**

A system where the amount equivalent to difference between the standard price (FIP price) and market price shall be paid as a premium in the case that electricity produced by renewable energy electricity utilities is sold on the wholesale electricity market or in direct dealings.

- *12 On-site PPA model:
A form of contract in which the Group acts as a power generation company, owning, maintaining, and managing solar power generation plants for in-house consumption, and providing the electricity generated by these plants to customers.
- *13 Demand response (DR):
Refers to changes in electric power demand patterns made by the owners of customer-side energy resources^{*18}, or third parties, through the regulation of those energy resources.
- *14 Virtual power plant (VPP):
Use of IoT technology to remotely perform integrated regulation of distributed energy resources, so that they appear to function as a single power generation plant, allowing the balance between supply and demand of electric power to be adjusted.
- *15 Energy resources:
Facilities enabling the supply or storage of various types of energy, including electricity and heat (power generation systems, storage battery systems, boilers).
- *16 Energy resource aggregation businesses (ERAB):
The use of DR and VPP to provide a variety of services to business partners such as general power transmission and distribution operators, electricity retailers, customers, and renewable energy power generation companies, with the aim of securing supply-demand adjustment capacity, avoiding imbalances^{*19}, reducing electricity charges, avoiding output suppression, etc.
- *17 PKS fuels:
An abbreviation for Palm Kernel Shell, referring to the shells of the palm tree that remain after palm oil has been extracted.
- *18 Customer-side energy resources:
A general term for energy resources that are connected at the customer's side ("behind the meter") on the supply connection (such as power generation facilities, power storage facilities, and demand facilities).
- *19 Imbalance:
The difference between the demand and procurement plan for the retail provision of electricity formulated by the electricity retailer, and the actual figures.

(2) Explanation of financial position

(i) Financial position

Current assets

Total current assets as of the end of the six months under review amounted to ¥44,982 million, an increase of ¥2,996 million compared with the end of the previous fiscal year. The principal contributory factors were an increase in accounts receivable from completed construction contracts of ¥3,476 million and an increase in contract assets of ¥3,130 million in relation to EPC of the Engineering Segment, as well as a decrease in cash and deposits of ¥5,769 million.

Non-current assets

Total non-current assets as of the end of the six months under review amounted to ¥115,175 million, an increase of ¥5,898 million compared with the end of the previous fiscal year. The principal contributory factors were an increase in property, plant and equipment (an increase in machinery, equipment and vehicles of ¥29,334 million and a decrease in construction in progress of ¥28,361 million) due to the completion of the Saga Imari Biomass Power Plant, and an increase in investments and other assets (an increase in derivatives of ¥4,993 million related to long-term foreign exchange forward contracts).

Current liabilities

Total current liabilities as of the end of the six months under review amounted to ¥34,201 million, an increase of ¥4,204 million compared with the end of the previous fiscal year. The principal contributory factors were an increase in short-term borrowings of ¥5,014 million and a decrease in contract liabilities of ¥1,277 million in relation to EPC of the Engineering Segment.

Non-current liabilities

Total non-current liabilities as of the end of the six months under review amounted to ¥78,315 million, a decrease of ¥96 million compared with the end of the previous fiscal year. The principal contributory factors were a decrease in long-term borrowings of ¥2,243 million, an increase in asset retirement obligations of ¥780 million, and a decrease in derivative liabilities of ¥172 million and an increase in deferred tax liabilities of ¥1,528 million related to long-term foreign exchange forward contracts.

Net assets

Net assets as of the end of the six months under review amounted to ¥47,640 million, an increase of ¥4,787 million compared with the end of the previous fiscal year. The principal contributory factors were an increase in retained earnings of ¥957 million and an increase in deferred gains or losses on hedges related to long-term foreign exchange forward contracts of ¥3,710 million.

(ii) Overview of cash flows

Cash and cash equivalents (hereinafter “cash”) as of December 31, 2025 was ¥11,278 million, a decrease of ¥5,152 million (31.4%) from the end of the previous fiscal year.

The respective cash flow positions and the factors thereof in the six months under review are as follows.

Cash flows from operating activities

Net cash used in operating activities totaled ¥4,293 million (compared to ¥5,001 million provided in the same period of the previous fiscal year) in the six months under review. The principal factor contributing to the cash outflow was an increase in trade receivables of ¥4,240 million related to commissioned-type EPC in the Engineering Segment, etc.

Cash flows from investing activities

Net cash used in investing activities totaled ¥3,862 million (compared to ¥6,266 million used in the same period of the previous fiscal year) in the six months under review. The principal factor contributing to the cash outflow was purchase of property, plant and equipment of ¥3,855 million.

Cash flows from financing activities

Net cash provided by financing activities totaled ¥3,029 million (compared to ¥2,736 million provided in the same period of the previous fiscal year) in the six months under review. The principal factors contributing to the cash inflow were proceeds from long-term borrowings of ¥5,200 million and net increase in short-term borrowings of ¥5,014 million while the principal factor contributing to the cash outflow was repayments of long-term borrowings of ¥7,243 million.

(3) Explanation of forward-looking statements such as forecast of consolidated financial results

Forecast for consolidated financial results for the full year is unchanged from that disclosed in “Consolidated Financial Results for the Fiscal Year Ended June 30, 2025” released on August 14, 2025.

Moreover, the forecast of consolidated financial results incorporates judgments based on information available to the Group at the time that material was released and may differ from actual results, etc. for various reasons.

2. Semi-annual consolidated financial statements and major notes

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of June 30, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	22,875	17,106
Notes receivable - trade	86	327
Accounts receivable - trade	2,661	3,191
Accounts receivable from completed construction contracts	278	3,754
Contract assets	4,190	7,321
Merchandise and finished goods	73	70
Work in process	47	713
Costs on construction contracts in progress	138	356
Costs on real estate business	1,529	1,562
Raw materials and supplies	487	832
Advance payments to suppliers	7,726	5,822
Other	1,898	3,934
Allowance for doubtful accounts	(6)	(11)
Total current assets	41,986	44,982
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,196	6,317
Accumulated depreciation	(1,475)	(1,610)
Accumulated impairment	(751)	(750)
Buildings and structures, net	2,969	3,955
Machinery, equipment and vehicles	60,921	93,004
Accumulated depreciation	(17,680)	(20,428)
Accumulated impairment	(3,212)	(3,213)
Machinery, equipment and vehicles, net	40,029	69,363
Tools, furniture and fixtures	308	309
Accumulated depreciation	(196)	(192)
Accumulated impairment	(0)	(0)
Tools, furniture and fixtures, net	111	116
Land	5,217	5,217
Leased assets	2,277	2,277
Accumulated depreciation	(1,654)	(1,713)
Accumulated impairment	(20)	(20)
Leased assets, net	602	544
Construction in progress	29,808	1,446
Total property, plant and equipment	78,738	80,643
Intangible assets		
Goodwill	526	510
Contract-based intangible assets	10,687	10,317
Other	3,995	3,931
Total intangible assets	15,209	14,759

(Millions of yen)

	As of June 30, 2025	As of December 31, 2025
Investments and other assets		
Investment securities	971	941
Shares of subsidiaries and associates	674	663
Investments in capital of subsidiaries and associates	22	22
Deferred tax assets	3,330	2,802
Derivatives	7,139	12,133
Other	3,190	3,209
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	15,328	19,771
Total non-current assets	109,276	115,175
Total assets	151,262	160,157

(Millions of yen)

	As of June 30, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	894	1,976
Accounts payable for construction contracts	1,993	1,238
Short-term borrowings	13,916	18,930
Current portion of long-term borrowings	7,059	7,122
Lease liabilities	379	383
Income taxes payable	415	864
Contract liabilities	3,952	2,674
Provision for bonuses	364	16
Provision for contract loss	9	9
Provision for warranties for completed construction	23	35
Other	989	950
Total current liabilities	29,996	34,201
Non-current liabilities		
Long-term borrowings	66,515	64,271
Lease liabilities	4,905	4,895
Deferred tax liabilities	2,886	4,414
Derivative liabilities	172	–
Asset retirement obligations	3,041	3,822
Long-term deposits received	483	483
Retirement benefit liability	403	423
Other	3	3
Total non-current liabilities	78,411	78,315
Total liabilities	108,408	112,517
Net assets		
Shareholders' equity		
Share capital	6,760	6,760
Capital surplus	19,608	19,608
Retained earnings	13,778	14,735
Treasury shares	(0)	(0)
Total shareholders' equity	40,146	41,104
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	(9)
Deferred gains or losses on hedges	2,238	5,949
Foreign currency translation adjustment	205	223
Total accumulated other comprehensive income	2,410	6,163
Non-controlling interests	296	372
Total net assets	42,853	47,640
Total liabilities and net assets	151,262	160,157

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

(Semi-annual consolidated statement of income)

(Millions of yen)

	Six months ended December 31, 2024	Six months ended December 31, 2025
Net sales	18,013	27,043
Cost of sales	13,282	21,250
Gross profit	4,730	5,792
Selling, general and administrative expenses	2,321	2,520
Operating profit	2,409	3,272
Non-operating income		
Interest income	12	70
Dividend income	5	0
Rental income	41	48
Insurance claim income	36	27
Share of profit of entities accounted for using equity method	65	–
Foreign exchange gains	–	138
Gain on investments in silent partnerships	329	1
Surrender value of insurance policies	7	1
Subsidy income	136	21
Other	41	25
Total non-operating income	676	334
Non-operating expenses		
Interest expenses	560	823
Loss on valuation of derivatives	1,816	76
Share of loss of entities accounted for using equity method	–	34
Loss on tax purpose reduction entry of non-current assets	89	–
Foreign exchange losses	150	–
Commission expenses	184	28
Other	45	58
Total non-operating expenses	2,845	1,021
Ordinary profit	240	2,584
Extraordinary income		
Gain on sale of investment securities	513	–
Gain on bargain purchase	471	–
Total extraordinary income	985	–
Extraordinary losses		
Loss on step acquisitions	292	–
Total extraordinary losses	292	–
Profit before income taxes	934	2,584
Income taxes	259	1,185
Profit	674	1,399
Profit attributable to non-controlling interests	77	80
Profit attributable to owners of parent	597	1,318

(Semi-annual consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended December 31, 2024	Six months ended December 31, 2025
Profit	674	1,399
Other comprehensive income		
Valuation difference on available-for-sale securities	–	25
Deferred gains or losses on hedges	1,418	3,710
Foreign currency translation adjustment	39	(15)
Share of other comprehensive income of entities accounted for using equity method	(25)	33
Total other comprehensive income	1,432	3,753
Comprehensive income	2,107	5,152
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,031	5,071
Comprehensive income attributable to non-controlling interests	75	80

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended December 31, 2024	Six months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	934	2,584
Depreciation	2,027	3,483
Loss on tax purpose reduction entry of non-current assets	89	—
Amortization of goodwill	16	16
Increase (decrease) in allowance for doubtful accounts	2	4
Increase (decrease) in provision for bonuses	(249)	(347)
Gain on bargain purchase	(471)	—
Increase (decrease) in retirement benefit liability	15	20
Increase (decrease) in provision for contract loss	(21)	—
Increase (decrease) in provision for warranties for completed construction	9	12
Interest and dividend income	(18)	(70)
Interest expenses	560	823
Foreign exchange losses (gains)	75	(128)
Loss (gain) on valuation of derivatives	1,816	76
Share of loss (profit) of entities accounted for using equity method	(65)	34
Loss (gain) on sale of investment securities	(513)	—
Decrease (increase) in trade receivables	(1,048)	(4,240)
Decrease (increase) in contract asset	2,457	(3,130)
Decrease (increase) in inventories	(333)	(1,263)
Decrease (increase) in advance payments to suppliers	(235)	(367)
Decrease (increase) in advances paid	(2)	(73)
Increase (decrease) in trade payables	(134)	162
Loss (gain) on step acquisitions	292	—
Increase (decrease) in accrued consumption taxes	198	306
Increase (decrease) in accounts payable - other	0	(34)
Increase (decrease) in contract liabilities	449	(1,277)
Other, net	71	(109)
Subtotal	5,921	(3,516)
Interest and dividends received	18	34
Interest paid	(602)	(822)
Income taxes paid	(492)	(227)
Income taxes refund	156	239
Net cash provided by (used in) operating activities	5,001	(4,293)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,094)	(3,855)
Purchase of intangible assets	(40)	(60)
Purchase of investment securities	—	(3)
Proceeds from sale of investment securities	521	—
Proceeds from redemption of investment securities	—	50
Payments into time deposits	(625)	—
Payments for investments in capital of subsidiaries and associates	(11)	—
Payments for investments in capital	—	(0)
Proceeds from share of profits on investments in capital	6	—
Purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	(29)	—
Other, net	7	7
Net cash provided by (used in) investing activities	(6,266)	(3,862)

(Millions of yen)

	Six months ended December 31, 2024	Six months ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	790	5,014
Repayments of lease liabilities	(171)	(192)
Proceeds from long-term borrowings	6,061	5,200
Repayments of long-term borrowings	(2,789)	(7,243)
Dividends paid	(1,128)	(361)
Dividends paid to non-controlling interests	(43)	(4)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	—	0
Net decrease (increase) in restricted deposits	16	616
Net cash provided by (used in) financing activities	2,736	3,029
Effect of exchange rate change on cash and cash equivalents	(30)	(26)
Net increase (decrease) in cash and cash equivalents	1,441	(5,152)
Cash and cash equivalents at beginning of period	14,098	16,431
Cash and cash equivalents at end of period	15,539	11,278

(4) Notes to semi-annual consolidated financial statements

Notes to specific accounting for preparing semi-annual consolidated financial statements

Tax expense calculation

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the six months ended December 31, 2025.

Income taxes - deferred is included in income taxes.

Segment information, etc.

I Six months ended December 31, 2024 (from July 1, 2024 to December 31, 2024)

1. Disclosure of sales and profit (loss) for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments			Adjustment (Note 1)	Total (Note 2)
	Engineering Segment	Energy Supply Segment	Total		
Net sales					
Goods transferred at a point in time	514	8,318	8,832	—	8,832
Goods transferred over time	7,093	2,088	9,181	—	9,181
Revenue from contracts with customers	7,607	10,406	18,013	—	18,013
Revenues from external customers	7,607	10,406	18,013	—	18,013
Intersegment sales and transfers	1,229	1	1,230	(1,230)	—
Total	8,837	10,407	19,244	(1,230)	18,013
Segment profit (loss)	298	2,242	2,541	(131)	2,409

Notes: 1. Adjustment for segment profit (loss) includes eliminations of intersegment transactions and corporate expenses that are not allocated to reportable segments.

2. Segment profit (loss) has been reconciled with operating profit in the semi-annual consolidated statement of income.

2. Information regarding impairment losses on non-current assets and goodwill for each reportable segment

(Material impairment loss on non-current assets)

Not applicable.

(Material change in amount of goodwill)

Not applicable.

(Material gain on bargain purchase)

In the Energy Supply Segment, negative goodwill was recorded as a result of the acquisition of all of the interests in the silent partnership operated by Fukuoka-Miyako Solar Power LLC and making the silent partnership a consolidated subsidiary of the Company. Based on this, in the six months ended December 31, 2024, the Company recorded extraordinary income of ¥471 million from gain on bargain purchase.

II Six months ended December 31, 2025 (from July 1, 2025 to December 31, 2025)

1. Disclosure of sales and profit (loss) for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments			Adjustment (Note 1)	Total (Note 2)
	Engineering Segment	Energy Supply Segment	Total		
Net sales					
Goods transferred at a point in time	1,130	13,024	14,155	—	14,155
Goods transferred over time	11,425	1,462	12,887	—	12,887
Revenue from contracts with customers	12,555	14,487	27,043	—	27,043
Revenues from external customers	12,555	14,487	27,043	—	27,043
Intersegment sales and transfers	—	14	14	(14)	—
Total	12,555	14,502	27,057	(14)	27,043
Segment profit (loss)	531	2,748	3,280	(7)	3,272

Notes: 1. Adjustment for segment profit (loss) includes eliminations of intersegment transactions and corporate expenses that are not allocated to reportable segments.

2. Segment profit (loss) has been reconciled with operating profit in the semi-annual consolidated statement of income.

2. Information regarding impairment losses on non-current assets and goodwill for each reportable segment

(Material impairment loss on non-current assets)

Not applicable.

(Material change in amount of goodwill)

Not applicable.

(Material gain on bargain purchase)

Not applicable.

Notes when there are significant changes in amounts of equity

Not applicable.

Notes to uncertainties of entity's ability to continue as going concern

Not applicable.