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MAEZAWA
Holdings

July 14, 2026

Company name: MAEZAWA Holdings CO., LTD.
Name of representative: Kazumasa Miyagawa, Representative Director and President Executive Officer
(Securities code: 575A; TSE Prime Market)
Inquiries: Hiroshi Nakatani, Chief of Corporate Management Headquarters
(Telephone: +81-3-5005-1781)

Notice Regarding the Disclosure of Financial Results of Delisted Subsidiary, Maezawa Industries, Inc.

MAEZAWA Holdings CO., LTD. (the “Company”) hereby announces “Consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Under Japanese GAAP)” of Maezawa Industries, Inc., which became a wholly owned subsidiary of the Company on June 1, 2026, as set forth in the attached document.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

July 14, 2026

Consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Under Japanese GAAP)

Company name: MAEZAWA Holdings CO., LTD.
(For Maezawa Industries, Inc.)
Listing: Tokyo Stock Exchange
Securities code: 575A
URL: https://maezawa-hd.co.jp/
Representative: Kazumasa Miyagawa, Representative Director and President, Maezawa Industries, Inc.
Inquiries: Mika Maejima, General Manager of Accounting Department, Administration Headquarters, Maezawa Industries, Inc.
Telephone: +81-48-251-5511

Scheduled date of ordinary general meeting of shareholders: August 28, 2026
Scheduled date to commence dividend payments: August 31, 2026
Scheduled date to file annual securities report: –
Preparation of supplementary material on financial results: No
Holding of financial results briefing: No

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

1. Consolidated financial results for the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	39,920	6.5	5,476	17.7	5,636	18.2	3,715	20.7
May 31, 2025	37,499	2.7	4,654	(4.5)	4,768	(4.5)	3,077	(12.8)

Note: Comprehensive income For the fiscal year ended May 31, 2026: ¥4,210 million [36.3%]
For the fiscal year ended May 31, 2025: ¥3,088 million [(25.3)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2026	211.07	–	11.8	12.4	13.7
May 31, 2025	174.43	–	10.6	11.4	12.4

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended May 31, 2026: ¥– million
For the fiscal year ended May 31, 2025: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	48,207	33,156	68.8	1,883.23
May 31, 2025	42,661	29,919	70.1	1,699.94

Reference: Equity
As of May 31, 2026: ¥33,156 million
As of May 31, 2025: ¥29,919 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2026	3,543	(2,647)	(1,128)	10,073
May 31, 2025	5,546	(4,565)	(1,135)	10,305

2. Cash dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended May 31, 2025	–	18.00	–	30.00	48.00	868	28.2	3.0
Fiscal year ended May 31, 2026	–	24.00	–	28.00	52.00	940	25.3	3.0
Fiscal year ending March 31, 2027 (Forecast)	–	–	–	–	–		–	

Note: As announced on December 16, 2025, the Company and MAEZAWA KASEI INDUSTRIES CO., LTD. completed their management integration by establishing MAEZAWA Holdings CO., LTD., which became the wholly owning parent company of both companies through a joint share transfer effective June 1, 2026. As a result of this transaction, the shares of the Company were delisted on May 28, 2026. Therefore, the dividend forecast for the fiscal year ending March 31, 2027 is not provided.

3. Consolidated financial results forecast for the fiscal year ending March 31, 2027 (from June 1, 2026 to March 31, 2027)

As announced on December 16, 2025, the Company and MAEZAWA KASEI INDUSTRIES CO., LTD. completed their management integration by establishing MAEZAWA Holdings CO., LTD., which became the wholly owning parent company of both companies through a joint share transfer effective June 1, 2026. As a result of this transaction, the shares of common stock of the Company were delisted on May 28, 2026. Therefore, the financial results forecast for the fiscal year ending March 31, 2027 is not provided.

*** Notes**

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

Newly included: – companies
Excluded: – companies

(2) 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: Yes
(iv) Restatement: None

(3) Number of shares issued (common shares)

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

As of May 31, 2026	20,790,248 shares
As of May 31, 2025	20,790,248 shares

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

As of May 31, 2026	3,184,140 shares
As of May 31, 2025	3,189,713 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended May 31, 2026	17,604,427 shares
Fiscal year ended May 31, 2025	17,646,106 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	28,535	6.7	2,199	41.7	4,442	28.1	3,548	26.4
May 31, 2025	26,741	0.9	1,552	(32.7)	3,467	(10.1)	2,806	(11.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 31, 2026	201.56	–
May 31, 2025	159.04	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	42,141	30,394	72.1	1,726.37
May 31, 2025	37,016	27,325	73.8	1,552.54

Reference: Equity
As of May 31, 2026: ¥30,394 million
As of May 31, 2025: ¥27,325 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements including financial results forecast contained in this document are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, the Company does not guarantee the achievement of the forecast, and the actual results may differ materially due to various factors.

As announced on December 16, 2025, the Company and MAEZAWA KASEI INDUSTRIES CO., LTD. completed their management integration by establishing MAEZAWA Holdings CO., LTD., which became the wholly owning parent company of both companies through a joint share transfer effective June 1, 2026. As a result of this transaction, the shares of common stock of the Company were delisted on May 28, 2026. Therefore, the financial results forecast for the fiscal year ending March 31, 2027 is not provided.

Contents of Attached Materials

1. Overview of Financial Performance

(1) Operating results for the fiscal year under review

(i) Operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy showed a moderate recovery, supported by improvements in employment and income conditions. However, the outlook remained uncertain due to the need to closely monitor inflationary pressures, fluctuations in financial and capital markets, and the impact of developments in U.S. trade policy and the situation in the Middle East.

In this environment, the Group worked to secure and expand its order intake in new and existing markets. As a result, for the fiscal year under review, orders received totaled 41,432 million yen (up 1.9% year-on-year), while net sales totaled 39,920 million yen (up 6.5% year-on-year).

In terms of profit, as a result of its efforts to reduce costs, ordinary profit amounted to 5,636 million yen (up 18.2% year-on-year), and profit attributable to owners of parent amounted to 3,715 million yen (up 20.7% year-on-year).

(ii) Operating results by segment for the fiscal year under review

Environment Business

In the Environment Business, the Group promoted sales activities for water treatment machinery and equipment with a focus on demand for upgrading and rebuilding aging equipment and facilities. In addition, we endeavored to enhance our business foundation through solution-based sales to meet demand for industrial wastewater treatment and organic waste recycling.

For the fiscal year under review, despite a challenging business environment, the Group promoted proposal-based sales activities and strengthened management across all operational processes. As a result, orders received totaled 14,441 million yen (down 8.2% year-on-year), while net sales totaled 14,429 million yen (up 5.2% year-on-year), and segment profit amounted to 730 million yen (up 27.0% year-on-year).

Valve Business

In the Valve Business, the Group engaged in a wide range of sales activities to meet demand for various types of valves, hydrants, and gates used in the construction, upgrading, and seismic reinforcement of water treatment plants, distribution reservoirs, water distribution pipelines, sewage treatment plants, pump stations, agricultural main irrigation canals, and irrigation and drainage pumping stations.

For the fiscal year under review, despite a challenging business environment, the Group promoted proposal-based sales activities and improved production efficiency. As a result, orders received totaled 13,564 million yen (up 6.2% year-on-year), while net sales totaled 12,375 million yen (up 10.4% year-on-year), and segment profit amounted to 1,469 million yen (up 50.3% year-on-year).

Maintenance Business

In the Maintenance Business, the Group promoted sales activities to meet demand for the maintenance of equipment and machinery in sectors such as water supply, sewerage, and agricultural water, and river infrastructure projects.

For the fiscal year under review, the Group worked to respond to demand for the upgrading and life extension of aging equipment and facilities. As a result, orders received totaled 13,426 million yen (up 10.3% year-on-year), while net sales totaled 13,115 million yen (up 4.4% year-on-year), and segment profit amounted to 3,136 million yen (up 5.5% year-on-year).

(2) Financial position for the fiscal year under review

(i) Assets, liabilities, and net assets

a. Assets

Total assets as of May 31, 2026 increased by 5,545 million yen from the end of the previous fiscal year to 48,207 million yen. Current assets increased by 2,639 million yen to 32,543 million yen, while non-current assets increased by 2,906 million yen to 15,664 million yen. The increase was primarily attributable to increases in securities of 1,997 million yen and notes and accounts receivable - trade, and contract assets of 1,288 million yen, which were partially offset by decreases in cash and deposits of 2,230 million yen and construction in progress of 554 million yen.

b. Liabilities

Total liabilities as of May 31, 2026 increased by 2,309 million yen from the end of the previous fiscal year to 15,051 million yen. Current liabilities increased by 2,361 million yen to 12,533 million yen, while non-current liabilities decreased by 52 million yen to 2,518 million yen. The increase was primarily attributable to increases in contract liabilities of 1,221 million yen and notes and accounts payable - trade of 343 million yen, which were partially offset by a decrease in accounts payable - other of 407 million yen.

c. Net assets

Net assets as of May 31, 2026 increased by 3,236 million yen from the end of the previous fiscal year to 33,156 million yen. The increase was primarily attributable to an increase in retained earnings of 2,739 million yen.

(3) Cash flows for the fiscal year under review

(i) Cash flows

Cash and cash equivalents (“net cash”) as of May 31, 2026 amounted to 10,073 million yen, a decrease of 232 million yen from the end of the previous fiscal year.

Cash flows for the fiscal year under review and the principal factors affecting them are as follows.

a. Cash flows from operating activities

Net cash provided by operating activities amounted to 3,543 million yen (as compared with 5,546 million yen provided for the previous fiscal year). This was primarily attributable to cash inflows, such as profit before income taxes of 5,459 million yen and an increase in contract liabilities of 1,221 million yen, which more than offset cash outflows, such as an increase in trade receivables of 2,115 million yen and income taxes paid of 1,725 million yen.

b. Cash flows from investing activities

Net cash used in investing activities amounted to 2,647 million yen (as compared with 4,565 million yen used in the previous fiscal year). This was primarily attributable to purchase of securities of 2,994 million yen and purchase of property, plant and equipment of 2,237 million yen.

c. Cash flows from financing activities

Net cash used in financing activities amounted to 1,128 million yen (as compared with 1,135 million yen used in the previous fiscal year). This was primarily attributable to dividends paid of 975 million yen and repayments of long-term borrowings of 695 million yen, which were partially offset by proceeds from long-term borrowings of 600 million yen.

Reference: Trends in cash flow-related indicators

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Equity-to-asset ratio (%)	61.7	61.5	67.8	70.1	68.8
Equity-to-asset ratio based on market value (%)	30.7	31.8	58.5	63.4	62.8
Interest-bearing debt to cash flow ratio (Year)	1.1	0.9	3.0	0.4	0.6
Interest coverage ratio (Times)	121.7	159.9	44.8	206.0	96.2

Equity-to-asset ratio: Equity / Total assets
Equity-to-asset ratio based on market value: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow
Interest coverage ratio: Cash flow / Interest payments

Notes: 1. All figures in the table were calculated on a consolidated basis.
2. Market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of shares issued at the end of the period (excluding treasury shares).
3. Cash flow refers to cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt refers to all debt recorded on the consolidated balance sheets for which interest is paid. Interest payments refer to interest paid in the consolidated statements of cash flows.

(4) Basic policy on distribution of profits and dividends for the fiscal year under review and the next fiscal year

The Company regards returning profits to shareholders as one of its key management issues.

With the medium- to long-term target dividend payout ratio of 30%, the Company has continued paying dividends by taking into consideration business performance for the relevant fiscal year and thereafter and financial conditions, among other factors.

For the fiscal year under review, the Company plans to pay an annual dividend of 52 yen per share, including an interim dividend of 24 yen per share, which has already been paid, and a year-end dividend of 28 yen per share.

2. Basic Rationale for Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group’s policy is to prepare its consolidated financial statements based on Japanese GAAP for the time being.

We will respond appropriately regarding whether to apply the IFRS Accounting Standards in light of developments in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	10,342	8,111
Notes and accounts receivable - trade, and contract assets	4,277	5,565
Electronically recorded monetary claims - operating	5,192	6,018
Securities	2,995	4,993
Merchandise and finished goods	2,916	3,142
Work in process	2,483	2,688
Raw materials and supplies	1,454	1,377
Prepaid expenses	64	69
Other	180	578
Allowance for doubtful accounts	(2)	(3)
Total current assets	29,903	32,543
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,927	9,142
Accumulated depreciation	(6,099)	(6,273)
Buildings and structures, net	1,828	2,869
Machinery, equipment and vehicles	3,051	4,057
Accumulated depreciation	(1,972)	(2,267)
Machinery, equipment and vehicles, net	1,079	1,790
Tools, furniture and fixtures	2,416	2,466
Accumulated depreciation	(1,700)	(1,683)
Tools, furniture and fixtures, net	715	782
Land	3,566	3,762
Construction in progress	598	44
Total property, plant and equipment	7,788	9,249
Intangible assets	471	717
Investments and other assets		
Investment securities	4,198	4,849
Long-term loans receivable	9	8
Long-term prepaid expenses	25	26
Retirement benefit asset	–	398
Deferred tax assets	49	180
Other	221	240
Allowance for doubtful accounts	(6)	(5)
Total investments and other assets	4,497	5,697
Total non-current assets	12,757	15,664
Total assets	42,661	48,207

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,388	1,731
Electronically recorded obligations - operating	1,315	1,176
Current portion of long-term borrowings	680	806
Lease liabilities	55	54
Accounts payable - other	1,496	1,089
Accrued bonuses	1,158	1,960
Income taxes payable	1,045	1,100
Contract liabilities	2,537	3,758
Asset retirement obligations	–	11
Provision for bonuses for directors (and other officers)	16	28
Provision for loss on construction contracts	19	1
Provision for warranties for completed construction	54	137
Other	404	675
Total current liabilities	10,171	12,533
Non-current liabilities		
Long-term borrowings	1,503	1,281
Lease liabilities	184	138
Asset retirement obligations	–	109
Deferred tax liabilities	243	512
Provision for warranties for completed construction	30	36
Provision for share awards for directors (and other officers)	255	307
Provision for share awards for employees	16	37
Retirement benefit liability	332	88
Long-term accounts payable - other	4	5
Total non-current liabilities	2,570	2,518
Total liabilities	12,742	15,051
Net assets		
Shareholders' equity		
Share capital	5,233	5,233
Capital surplus	4,794	4,794
Retained earnings	20,017	22,756
Treasury shares	(1,745)	(1,742)
Total shareholders' equity	28,300	31,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,619	2,113
Total accumulated other comprehensive income	1,619	2,113
Total net assets	29,919	33,156
Total liabilities and net assets	42,661	48,207

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Net sales	37,499	39,920
Cost of sales	26,234	27,082
Gross profit	11,265	12,837
Selling, general and administrative expenses	6,611	7,361
Operating profit	4,654	5,476
Non-operating income		
Interest income	2	9
Dividend income	127	181
Outsourcing service income	4	–
Other	12	9
Total non-operating income	147	200
Non-operating expenses		
Interest expenses	27	36
Sales discounts	3	3
Other	1	0
Total non-operating expenses	32	41
Ordinary profit	4,768	5,636
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on liquidation of subsidiaries	–	6
Total extraordinary income	0	6
Extraordinary losses		
Loss on retirement of non-current assets	182	34
Loss on sale of non-current assets	4	0
Provision for warranties for completed construction	–	148
Total extraordinary losses	186	183
Profit before income taxes	4,582	5,459
Income taxes - current	1,492	1,762
Income taxes - deferred	12	(18)
Total income taxes	1,504	1,743
Profit	3,077	3,715
Profit attributable to owners of parent	3,077	3,715

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Profit	3,077	3,715
Other comprehensive income		
Valuation difference on available-for-sale securities	11	494
Total other comprehensive income	11	494
Comprehensive income	3,088	4,210
Comprehensive income attributable to:		
Owners of parent	3,088	4,210
Non-controlling interests	–	–

(3) Consolidated statements of changes in equity

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	5,233	4,794	17,686	(1,427)	26,287	1,608	1,608	27,895
Changes during period								
Dividends of surplus			(725)		(725)			(725)
Profit attributable to owners of parent			3,077		3,077			3,077
Purchase of treasury shares				(535)	(535)			(535)
Disposal of treasury shares		109		86	195			195
Cancellation of treasury shares		(109)	(21)	130	–			–
Net changes in items other than shareholders' equity						11	11	11
Total changes during period	–	–	2,331	(318)	2,012	11	11	2,023
Balance at end of period	5,233	4,794	20,017	(1,745)	28,300	1,619	1,619	29,919

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	5,233	4,794	20,017	(1,745)	28,300	1,619	1,619	29,919
Changes during period								
Dividends of surplus			(976)		(976)			(976)
Profit attributable to owners of parent			3,715		3,715			3,715
Purchase of treasury shares				(0)	(0)			(0)
Disposal of treasury shares				3	3			3
Net changes in items other than shareholders' equity						494	494	494
Total changes during period	–	–	2,739	2	2,741	494	494	3,236
Balance at end of period	5,233	4,794	22,756	(1,742)	31,042	2,113	2,113	33,156

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,582	5,459
Depreciation	679	938
Increase (decrease) in provisions	68	161
Decrease (increase) in net retirement benefit asset/liability	(55)	(642)
Interest and dividend income	(129)	(191)
Interest expenses	27	36
Commission expenses	1	0
Foreign exchange losses (gains)	(0)	(0)
Loss (gain) on sale of non-current assets	3	(0)
Loss on retirement of non-current assets	182	34
Decrease (increase) in trade receivables	2,524	(2,115)
Decrease (increase) in inventories	(760)	(354)
Increase (decrease) in trade payables	(1,167)	(589)
Increase (decrease) in contract liabilities	(63)	1,221
Increase (decrease) in accounts payable - bonuses	108	801
Decrease (increase) in other current assets	500	(348)
Increase (decrease) in other current liabilities	26	706
Subtotal	6,528	5,119
Interest and dividends received	129	186
Interest paid	(26)	(36)
Income taxes paid	(1,084)	(1,725)
Net cash provided by (used in) operating activities	5,546	3,543
Cash flows from investing activities		
Purchase of securities	(2,995)	(2,994)
Proceeds from sale of securities	–	3,000
Purchase of property, plant and equipment	(1,164)	(2,237)
Payments for retirement of property, plant and equipment	(118)	(12)
Proceeds from sale of property, plant and equipment	4	0
Purchase of intangible assets	(291)	(372)
Proceeds from collection of loans receivable	1	1
Other, net	(1)	(32)
Net cash provided by (used in) investing activities	(4,565)	(2,647)

(Millions of yen)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	3,800	4,000
Repayments of short-term borrowings	(3,800)	(4,000)
Proceeds from long-term borrowings	900	600
Repayments of long-term borrowings	(886)	(695)
Redemption of bonds	(60)	–
Commission expenses paid	(1)	(0)
Repayments of lease liabilities	(20)	(56)
Decrease (increase) in treasury shares	(341)	(0)
Dividends paid	(725)	(975)
Net cash provided by (used in) financing activities	(1,135)	(1,128)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(153)	(232)
Cash and cash equivalents at beginning of period	10,459	10,305
Cash and cash equivalents at end of period	10,305	10,073

(5) Notes to consolidated financial statements

Going concern assumption

Not applicable.

Changes in accounting estimates

Asset retirement obligations

During the fiscal year under review, the Company changed its accounting estimates to newly recognize asset retirement obligations for restoration obligations under real estate lease agreements and asbestos disposal costs, as the estimated amounts were expected to become material following the acquisition of new information, including the latest actual costs for property restoration.

As a result of the change in accounting estimates, buildings and asset retirement obligations increased by 121 million yen, while operating profit, ordinary profit, and profit before income taxes decreased by 3 million yen.

Segment information and other related information

Segment information

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

The Company has established business divisions for each product and service, which formulate comprehensive strategies for the products and services they handle and conduct their business operations. In addition, the Company's consolidated subsidiaries conduct business operations related to the products and services they handle as independent business units in cooperation with those business divisions.

Therefore, the Group consists of segments by product and service in the Company and its consolidated subsidiaries and has three reportable segments: Environment Business, Valve Business, and Maintenance Business.

The Environment Business mainly engages in businesses related to water and sewage treatment machinery and equipment, industrial water treatment machinery and equipment, and organic waste recycling facilities. The Valve Business mainly engages in businesses related to water and sewage valves, hydrants, and gates. The Maintenance Business mainly engages in businesses related to the repair, installation, and maintenance and management of water and sewage treatment machinery, facilities, and equipment.

2. Method for calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

The method of accounting treatment for reportable segments is identical to the accounting treatment adopted to prepare consolidated financial statements.

Profits of reportable segments represent figures based on operating profit. Intersegment revenue and transfers are based on current market prices.

3. Information on amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

	Reportable segments				Reconciliation (Note 1)	Carrying amount on consolidated financial statements (Note 2)
	Environment Business	Valve Business	Maintenance Business	Total		
Net sales						
Goods transferred at a point in time	2,586	11,214	7,582	21,382	–	21,382
Goods transferred over time	11,132	–	4,984	16,117	–	16,117
Revenue from contracts with customers	13,719	11,214	12,566	37,499	–	37,499
Other revenue	–	–	–	–	–	–
Sales to external customers	13,719	11,214	12,566	37,499	–	37,499
Intersegment sales or transfers	305	1,502	28	1,836	(1,836)	–
Total	14,024	12,716	12,594	39,335	(1,836)	37,499
Segment profit	575	977	2,972	4,524	129	4,654
Segment assets	2,869	13,324	661	16,855	25,806	42,661
Other items						
Depreciation and amortization	127	542	10	679	–	679
Increase in property, plant and equipment and intangible assets	47	1,050	8	1,106	578	1,684

Notes: 1. Reconciliations are as follows:

(1) Reconciliation of 129 million yen in segment profit includes the elimination of intersegment transactions of negative 11 million yen and corporate revenue of 140 million yen. Corporate revenue mainly consists of technical support fee income from Group subsidiaries.

(2) Reconciliation of 25,806 million yen in segment assets includes the elimination of intersegment transactions of negative 1,036 million yen and corporate assets not allocated to any reportable segment of 26,843 million yen. Corporate assets mainly consist of cash and deposits, investment securities, and assets related to administrative departments.

(3) Corporate assets are not allocated to business segments, while depreciation and amortization are allocated to business segments.

(4) Reconciliation of 578 million yen in increase in property, plant and equipment and intangible assets represents corporate assets not allocated to any reportable segment.

2. Segment profit was reconciled with operating profit in the consolidated statements of income.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

	Reportable segments				Reconciliation (Note 1)	Carrying amount on consolidated financial statements (Note 2)
	Environment Business	Valve Business	Maintenance Business	Total		
Net sales						
Goods transferred at a point in time	3,547	12,375	7,596	23,520	–	23,520
Goods transferred over time	10,881	–	5,518	16,400	–	16,400
Revenue from contracts with customers	14,429	12,375	13,115	39,920	–	39,920
Other revenue	–	–	–	–	–	–
Sales to external customers	14,429	12,375	13,115	39,920	–	39,920
Intersegment sales or transfers	412	1,317	21	1,752	(1,752)	–
Total	14,842	13,693	13,137	41,672	(1,752)	39,920
Segment profit	730	1,469	3,136	5,335	140	5,476
Segment assets	4,074	15,255	1,074	20,405	27,802	48,207
Other items						
Depreciation and amortization	155	771	11	938	–	938
Increase in property, plant and equipment and intangible assets	28	1,933	16	1,979	389	2,369

Notes: 1. Reconciliations are as follows:

(1) Reconciliation of 140 million yen in segment profit includes the elimination of intersegment transactions of negative 11 million yen and corporate revenue of 152 million yen. Corporate revenue mainly consists of technical support fee income from Group subsidiaries.

(2) Reconciliation of 27,802 million yen in segment assets includes the elimination of intersegment transactions of negative 917 million yen and corporate assets not allocated to any reportable segment of 28,720 million yen. Corporate assets mainly consist of cash and deposits, investment securities, and assets related to administrative departments.

(3) Corporate assets are not allocated to business segments, while depreciation and amortization are allocated to business segments.

(4) Reconciliation of 389 million yen in increase in property, plant and equipment and intangible assets represents corporate assets not allocated to any reportable segment.

2. Segment profit was reconciled with operating profit in the consolidated statements of income.

Related information

Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

1. Information by product and service

(Millions of yen)

	Environment Business	Valve Business	Maintenance Business	Total
Sales to external customers	13,719	11,214	12,566	37,499

2. Information by geographical area

(1) Net sales

Disclosure is omitted as sales to external customers in Japan accounted for more than 90% of the total net sales reported in the consolidated statements of income.

(2) Property, plant and equipment

Disclosure is omitted as property, plant and equipment located in Japan accounted for more than 90% of the total amount of property, plant and equipment reported in the consolidated balance sheets.

3. Information by major customer

Of sales to external customers, there were no customers that accounted for 10% or more of total net sales reported in the consolidated statements of income. Therefore, information by major customer is not provided.

Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

1. Information by product and service

(Millions of yen)

	Environment Business	Valve Business	Maintenance Business	Total
Sales to external customers	14,429	12,375	13,115	39,920

2. Information by geographical area

(1) Net sales

Disclosure is omitted as sales to external customers in Japan accounted for more than 90% of the total net sales reported in the consolidated statements of income.

(2) Property, plant and equipment

Disclosure is omitted as property, plant and equipment located in Japan accounted for more than 90% of the total amount of property, plant and equipment reported in the consolidated balance sheets.

3. Information by major customer

Of sales to external customers, there were no customers that accounted for 10% or more of total net sales reported in the consolidated statements of income. Therefore, information by major customer is not provided.

Information on impairment losses of non-current assets by reportable segment

Not applicable.

Information on amortization and unamortized balance of goodwill by reportable segment

Not applicable.

Information on gain on bargain purchase by reportable segment

Not applicable.

Revenue recognition

Information on disaggregation of revenue from contracts with customers is as provided in "*Segment information and other related information*" in the notes to consolidated financial statements.

Per share information

(Yen)

Fiscal year ended May 31, 2025		Fiscal year ended May 31, 2026	
Net assets per share	1,699.94	Net assets per share	1,883.23
Basic earnings per share	174.43	Basic earnings per share	211.07

Notes: 1. Diluted earnings per share are not included since there were no potential shares.

2. The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP) are included in treasury shares deducted from the total number of shares issued at the end of the period in the calculation of net assets per share (487,516 shares in the fiscal year ended May 31, 2025, and 481,451 shares in the fiscal year ended May 31, 2026).
The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the BBT and J-ESOP are included in treasury shares deducted from the average number of common shares outstanding during the period in the calculation of basic earnings per share (421,322 shares in the fiscal year ended May 31, 2025, and 483,427 shares in the fiscal year ended May 31, 2026).

3. The basis for calculation of net assets per share is as follows:

(Millions of yen, unless otherwise noted)

	As of May 31, 2025	As of May 31, 2026
Total net assets	29,919	33,156
Net assets attributable to common shares at the end of the period	29,919	33,156
Number of common shares at the end of the period used for the calculation of net assets per share (Thousands of shares)	17,600	17,606

4. The basis for calculation of basic earnings per share is as follows:

(Millions of yen, unless otherwise noted)

	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Basic earnings per share		
Profit attributable to owners of parent	3,077	3,715
Amount not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	3,077	3,715
Average number of shares outstanding during the period (Thousands of shares)	17,646	17,604

Note: Diluted earnings per share are not included since there were no potential shares.

Subsequent events

Not applicable.