

2. Dividends

	Annual dividends					Total dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY ended March 31, 2025	—	35.00	—	56.00	91.00	4,910	60.3	5.8
FY ending March 31, 2026	—	45.00	—	72.00	117.00	6,319	60.4	7.2
FY ending March 31, 2026 (Forecast)	—	58.00	—	59.00	117.00		70.2	

(Note) Revision of the most recently announced dividend forecast: Yes

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	84,000	(6.0)	4,550	(42.4)	4,700	(41.4)	3,150	(39.5)	58.34
Full year	175,000	0.3	13,000	(11.6)	13,250	(11.2)	9,000	(14.0)	166.67

*Notes:

(1) Significant changes in scope of consolidation during the period: Yes

Newly included - companies (Company name:) - ,

Excluded 1 companies (Company name:) Keihin Kako Co., Ltd.

(Note) For details, please refer to "3. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Significant changes in scope of consolidation during the current fiscal year)" on page 17 of the attached materials.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to revisions of accounting standards, etc. : None
- 2) Changes in accounting policies other than 1) above : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatement : None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	Nine months ended	54,168,053 shares	March 31, 2025	54,168,053 shares
2) Number of treasury shares at the end of the period	Nine months ended	159,809 shares	March 31, 2025	208,723 shares
3) Average number of shares outstanding during the period	Nine months ended	53,998,080 shares	March 31, 2025	53,685,653 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended March 31, 2025	163,757	10.1	13,133	32.0	13,565	26.2	9,963	23.0
	148,769	12.2	9,948	9.0	10,750	11.8	8,099	20.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended March 31, 2025	184.51	—
	150.87	—

Notes on non-consolidated operating results

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Nine months ended	116,511	85,230	73.2	1,578.10
March 31, 2025	110,824	79,459	71.7	1,472.59

(Reference) Equity Nine months ended 85,230 Million yen
March 31, 2025 79,459 Million yen

<Reasons for the difference between non-consolidated results and the previous period results>

Since the Group's business is centered on Raise Next Corporation, the reasons for the differences in non-consolidated results are almost the same as the reasons for the differences in consolidated results. Therefore, for details, please refer to the attached "1. Overview of Business Results, etc. (1) Overview of Business Results for the Fiscal Year Ended March 31, 2026".

(Note) These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

○Table of Contents - Attachments

1. Overview of Business Results, etc.....	2
(1) Overview of Business Results for the Fiscal Year Ended March 31, 2026.....	2
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026.....	3
(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2026.....	4
(4) Forecast for the Next Fiscal Year	5
(5) Basic Policy on Profit Distribution and Dividends for This and Next Fiscal Years.....	6
2. Basic Stance Concerning Choice of Accounting Standards	6
3. Consolidated Financial Statements and Primary Notes.....	7
(1) Consolidated Balance Sheets.....	7
(2) Consolidated Statements of Income and Comprehensive Income.....	9
Consolidated Statement of Income	9
Consolidated Statement of Comprehensive Income.....	10
(3) Consolidated Statement of Changes in Equity	11
(4) Consolidated Statement of Cash Flows	13
(5) Notes to the Consolidated Financial Statements	14
(Notes on premise of a going concern)	14
(Significant matters that serve as the basis for preparation of the consolidated financial statements).....	14
(Significant changes in the scope of consolidation during the current fiscal year)	17
(Notes to Consolidated Statement of Income)	17
(Notes in case of significant changes in shareholders' equity)	17
(Segment Information, etc.)	17
(Per share information)	19
(Business Combinations, etc.).....	20
(Significant subsequent events)	20

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Ended March 31, 2026

The economy of Japan for the fiscal year ended March 31, 2026 (the “current fiscal year”) has been recovering moderately due to the effects of various policies under the improving employment and income environment. On the other hand, the outlook remains uncertain due to factors such as the impact of the situation in the Middle East, fluctuations in financial and capital markets, and developments surrounding U.S. trade policy.

Regarding the Group’s business environment, while we must be mindful of fluctuations in resource and energy prices and uncertainties in investment trends toward carbon neutrality, the need for stable operation of domestic manufacturing facilities, driven by economic security and business continuity planning (BCP) measures, remains robust, and maintenance demand continues to be strong. Furthermore, we are seeing new business opportunities, such as increased demand due to plant consolidation in the petrochemical sector and increased demand for equipment in the high-performance materials sector, particularly in semiconductor-related fields.

For the Group, while orders in the engineering sector decreased compared to the previous period, orders increased in the maintenance and tank sectors due to strong demand, resulting in an overall increase. The main factors for this increase are periodic repair work in the maintenance field and maintenance work in the tank field. Net sales of completed construction contracts increased across all sectors compared to the previous year. The main factors for this increase are periodic repair work in the maintenance field, maintenance work in the tank field, and large-scale work in the engineering field. In addition to an increase in net sales of completed construction contracts, improved efficiency in construction execution also contributed to increased profitability in individual projects, resulting in higher gross profit on completed construction contracts and operating profit.

For the Company group’s consolidated performance, new contracts were 188,205 million yen (up 16.4% YoY), net sales of completed construction contracts were 174,531 million yen (up 10.9% YoY), operating profit 14,713 million yen (up 35.5% YoY), ordinary profit was 14,920 million yen (up 34.5% YoY), and profit attributable to owners of parent was 10,459 million yen (up 29.1% YoY). For the Company’s non-consolidated performance, new contracts were 177,446 million yen (up 16.4% YoY) and net sales of completed construction contracts were 163,757 million yen (up 10.1% YoY). Operating profit was 13,133 million yen (up 32.0% YoY), ordinary profit was 13,565 million yen (up 26.2% YoY), and profit was 9,963 million yen (up 23.0% YoY).

Effective from the current fiscal year ended March 31, 2026, “Tank,” which was previously included in “Maintenance” and “Engineering,” has been presented independently due to the increased importance of the tank field. As a result, new contracts and net sales of completed construction contracts for the previous fiscal year ended March 31, 2025 are presented based on the classification after the change.

Breakdown of new contracts by construction type

(Unit: Million yen)

New contracts	Previous FY (FY ended Mar. 31, 2025)	Current FY (FY ended Mar. 31, 2026)	YoY	Percentage change
Maintenance	92,291	114,205	21,913	23.7%
Tank	24,558	32,327	7,768	31.6%
Engineering	44,896	41,673	(3,223)	(7.2)%
Engineering work	161,747	188,205	26,458	16.4%

Breakdown of net sales of completed construction contracts by construction type

(Unit: Million yen)

Net sales of completed construction contracts	Previous FY (FY ended Mar. 31, 2025)	Current FY (FY ended Mar. 31, 2026)	YoY	Percentage change
Maintenance	91,887	101,179	9,291	10.1%
Tank	23,300	28,061	4,761	20.4%
Engineering	42,148	45,249	3,100	7.4%
Engineering work	157,336	174,489	17,153	10.9%
Other business	35	41	5	16.4%
Total	157,371	174,531	17,159	10.9%

(Note) “Other businesses” refers to temporary staffing and transportation services, etc.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026

Total assets as of the end of the fiscal year ended March 31, 2026 increased 5,984 million yen from the end of the previous fiscal year to 121,180 million yen. This was mainly due to an increase of 2,221 million yen in cash and deposits, buildings and structures of 2,181 million yen, cash and investment securities of 1,694 million yen.

Total liabilities as of the end of the fiscal year ended March 31, 2026 decreased 990 million yen from the end of the previous fiscal year to 28,550 million yen. This was mainly due to increases of 1,767 million yen in current liabilities and other, 291 million yen in advances received on construction contracts in progress, and 222 million yen in provision for bonuses, while short-term borrowings decreased by 1,500 million yen.

Total net assets as of the end of the fiscal year ended March 31, 2026 increased 6,974 million yen from the end of the previous fiscal year to 92,629 million yen. This was mainly due to increases of 5,007 million yen in retained earnings and 1,184 million yen in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2026

The consolidated balance of cash and cash equivalents as of March 31, 2026 increased 2,221 million yen, or 62.1%, from the end of the previous fiscal year to 5,797 million yen.

(Cash flows from operating activities)

Cash flows from operating activities increased 14,496 million yen year on year to 14,388 million yen. The main cash inflow was 14,995 million yen in profit before income taxes and minority interests.

(Cash flows from investing activities)

Cash flows from investing activities increased 2,825 million yen year on year to an outflow of 5,129 million yen. The major outflow was purchase of property, plant and equipment and intangible assets of 5,193 million yen, while the major inflow was proceeds from sale of property, plant and equipment and intangible assets of 4 million yen and 234 million yen in proceeds from sales of investment securities.

(Cash flows from financing activities)

Cash flows from financing activities decrease 527 million yen year on year to an outflow of 7,017 million yen. The major outflow was 5,451 million yen in dividends paid, and a 1,500 million yen decrease in short-term borrowings.

(Reference) Trends in cash flows-related indicators

	(FY ended March 31, 2024)	March 31, 2025	Nine months ended
Equity-to-asset ratio (%)	75.2	73.8	75.5
Equity-to-asset ratio based on fair value (%)	104.5	70.8	100.5
Years of debt redemption (years)	0.0	-	0.0
Interest coverage ratio (times)	330.0	-	125.2

Equity-to-asset ratio: $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio based on fair value: $\text{Total market value of shares} / \text{Total assets}$

Years of debt redemption: $\text{Interest-bearing liabilities} / \text{Cash flow}$

Interest coverage ratio: $\text{Cash flow} / \text{Interest paid}$

* The indicators were calculated using consolidated financial figures.

* The total market value of shares was calculated by multiplying the closing price at the end of the fiscal year by the number of issued shares (excluding treasury shares) on that day.

* Operating cash flow is used for cash flow.

Operating cash flow is the figure of net cash provided by (used in) operating activities recorded in the consolidated statement of cash flows. Interest-bearing liabilities include all liabilities recorded on the consolidated balance sheet for which interest is paid. Interest paid is equal to the amount of interest paid shown in the consolidated statement of cash flows.

* The debt redemption period and interest coverage ratio for the fiscal year ended March 31, 2025 are not shown due to negative operating cash flow.

(4) Forecast for the Next Fiscal Year

For the next fiscal year (ending March 31, 2027), the economy is expected to pick up as the effect of deflation diminishes with further wage increases and service price hikes. On the other hand, there are downside factors to the economy, such as a labor shortage, which is a social issue, and high prices, which suppress real wages, and we expect the economy to continue to be uncertain. Therefore, the situation is expected to remain uncertain.

As for the consolidated financial results forecast, we forecast new contracts at 167,000 million yen, net sales of completed construction contracts at 175,000 million yen, operating profit at 13,000 million yen, ordinary profit at 13,200 million yen, and profit attributable to owners of parent at 9,000 million yen.

In addition to continuing to increase orders for conventional maintenance work such as routine maintenance work, periodic repair work, and refurbishment work, we will actively participate in the planning and review stages of future facilities at closed refineries and handle everything up to construction work, as well as work to secure new orders by responding to changes in the business environment, including plants for manufacturing high-performance products related to general chemicals, electronic materials, and semiconductors, and carbon neutral projects such as solar power generation. We will also strive to secure orders for new construction projects by responding to changes in the business environment, such as carbon neutral projects, and as announced in “The Third Medium Term Management Plan” released on May 14, 2025, we will position this period as a time to challenge all kinds of reforms without being bound by conventional methods under the theme of “RAIZNEXT X CHALLENGE.” We will position this period as a time to take on the challenge of making all kinds of changes, without being bound by conventional methods, and aim to achieve our goals.

(5) Basic Policy on Profit Distribution and Dividends for This and Next Fiscal Years

(Basic Policy)

We position profit distribution to shareholders as the most important management issue. Taking into consideration the commitment to implementing continuous and stable dividends in line with revenues and profits, we are targeting a consolidated dividend payout ratio of 60% or a dividend on equity (DOE) ratio of 7%, with a minimum actual dividend of 117 yen for the fiscal year ended March 31, 2026. The timing of dividends will be basically twice a year, at the interim and at the year-end.

(Dividend for the current fiscal year)

The year-end dividend for the current fiscal year is scheduled to be 72 yen per share. Adding the interim dividend of 45 yen per share, the total annual dividend is scheduled to be 117 yen per share.

(Dividend for the next fiscal year)

For the next fiscal year, the annual dividend of 117 yen per share consisting of 58 yen per share as the interim dividend and 59 yen per share as the year-end dividend is scheduled, based on the above dividend policy.

2. Basic Stance Concerning Choice of Accounting Standards

For the time being, the Group's policy is to prepare its consolidated financial statements under Japanese GAAP in consideration of period comparability and inter-company comparability of consolidated financial statements.

The Group will take into consideration various circumstances in Japan and overseas and will adopt IFRS as appropriate.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Unit: Million yen)

	Previous FY (As of March 31, 2025)	Current FY (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	3,575	5,797
Notes receivable, accounts receivable from completed construction contracts and contract assets	80,979	79,502
Electronically recorded monetary claims - operating	1,012	1,292
Costs on construction contracts in progress	799	727
Other	947	978
Total current assets	87,315	88,297
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,012	16,281
Accumulated depreciation	(6,568)	(6,656)
Buildings and structures, net	7,443	9,624
Machinery, equipment and vehicles	5,198	5,511
Accumulated depreciation	(4,237)	(4,220)
Machinery, equipment and vehicles, net	960	1,291
Tools, furniture and fixtures	2,173	2,296
Accumulated depreciation	(1,480)	(1,566)
Tools, furniture and fixtures, net	692	730
Land	8,806	8,806
Leased assets	263	333
Accumulated depreciation	(158)	(171)
Lease assets, net	105	161
Construction in progress	471	1,499
Total property, plant and equipment	18,480	22,113
Intangible assets		
Other	1,684	2,112
Total intangible assets	1,684	2,112
Investments and other assets		
Investment securities	4,711	6,406
Shares of subsidiaries and associates	736	736
Long-term prepaid expenses	9	93
Deferred tax assets	1,653	861
Other	775	608
Allowance for doubtful accounts	(170)	(50)
Total investments and other assets	7,716	8,656
Total non-current assets	27,881	32,882
Total assets	115,196	121,180

(Unit: Million yen)

	Previous FY (As of March 31, 2025)	Current FY (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	14,083	13,459
Electronically recorded obligations - operating	132	64
Short-term borrowings	1,500	—
Income taxes payable	2,460	2,140
Advances received on construction contracts in progress	611	903
Provision for loss on construction contracts	656	366
Provision for warranties for completed construction	168	143
Provision for bonuses	2,402	2,624
Provision for bonuses for directors (and other officers)	34	27
Provision for shareholders' benefits	—	43
Other	4,365	6,133
Total current liabilities	26,414	25,906
Non-current liabilities		
Deferred tax liabilities	129	174
Provision for retirement benefits for directors (and other officers)	1	1
Retirement benefit liability	2,817	2,233
Other	178	234
Total non-current liabilities	3,127	2,643
Total liabilities	29,541	28,550
Net assets		
Shareholders' equity		
Share capital	2,754	2,754
Capital surplus	11,687	11,422
Retained earnings	68,007	73,015
Treasury shares	(434)	(331)
Total shareholders' equity	82,015	86,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,721	2,906
Deferred gains or losses on hedges	15	7
Foreign currency translation adjustment	158	85
Remeasurements of defined benefit plans	1,135	1,617
Total accumulated other comprehensive income	3,031	4,616
Non-controlling interests	608	1,152
Total net assets	85,654	92,629
Total liabilities and net assets	115,196	121,180

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Unit: Million yen)

	Previous FY (From April 1, 2024 to March 31, 2025)	Current FY (From April 1, 2025 to March 31, 2026)
Net sales of completed construction contracts	157,371	174,531
Cost of sales of completed construction contracts	138,445	150,042
Gross profit on completed construction contracts	18,926	24,488
Selling, general and administrative expenses	8,067	9,775
Operating profit	10,858	14,713
Non-operating income		
Interest income	7	11
Dividend income	203	220
Rental income	36	28
Foreign exchange gains	3	26
Other	44	45
Total non-operating income	294	332
Non-operating expenses		
Interest expenses	29	114
Provision for allowance for doubtful accounts	1	—
Other	26	10
Total non-operating expenses	58	124
Ordinary profit	11,094	14,920
Extraordinary income		
Gain on sale of non-current assets	65	2
Gain on sale of investment securities	428	149
Other	—	1
Total extraordinary income	494	153
Extraordinary losses		
Loss on sale of non-current assets	9	2
Loss on retirement of non-current assets	93	72
Other	—	2
Total extraordinary losses	103	78
Profit before income taxes	11,485	14,995
Income taxes - current	3,908	4,226
Income taxes - deferred	(579)	24
Total income taxes	3,328	4,250
Profit	8,156	10,744
Profit attributable to non-controlling interests	55	284
Profit attributable to owners of parent	8,100	10,459

Consolidated Statement of Comprehensive Income

(Unit: Million yen)

	Previous FY (From April 1, 2024 to March 31, 2025)	Current FY (From April 1, 2025 to March 31, 2026)
Profit	8,156	10,744
Other comprehensive income		
Valuation difference on available-for-sale securities	(190)	1,184
Deferred gains or losses on hedges	12	(7)
Foreign currency translation adjustment	42	(29)
Remeasurements of defined benefit plans, net of tax	40	479
Total other comprehensive income	(95)	1,626
Comprehensive income	8,061	12,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,007	12,074
Comprehensive income attributable to noncontrolling interests	54	296

(3) Consolidated Statement of Changes in Equity
Previous FY (from April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,754	11,839	67,390	(1,833)	80,151
Changes during period					
Dividends of surplus			(7,483)		(7,483)
Profit attributable to owners of parent			8,100		8,100
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		(152)		1,417	1,265
Net changes in items other than shareholders' equity					—
Total changes during period	—	(152)	617	1,399	1,863
Balance at end of period	2,754	11,687	68,007	(434)	82,015

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,910	3	116	1,094	3,124	847	84,123
Changes during period							
Dividends of surplus					—		(7,483)
Profit attributable to owners of parent					—		8,100
Purchase of treasury shares					—		(18)
Disposal of treasury shares					—		1,265
Net changes in items other than shareholders' equity	(188)	12	42	40	(93)	(239)	(332)
Total changes during period	(188)	12	42	40	(93)	(239)	1,531
Balance at end of period	1,721	15	158	1,135	3,031	608	85,654

Current FY (from April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,754	11,687	68,007	(434)	82,015
Changes during period					
Dividends of surplus			(5,452)		(5,452)
Profit attributable to owners of parent			10,459		10,459
Purchase of treasury shares				(21)	(21)
Disposal of treasury shares		(13)		124	111
Net changes in items other than shareholders' equity		(251)			(251)
Total changes during period	—	(265)	5,007	103	4,845
Balance at end of period	2,754	11,422	73,015	(331)	86,860

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,721	15	158	1,135	3,031	608	85,654
Changes during period							
Dividends of surplus					—	(68)	(5,520)
Profit attributable to owners of parent					—		10,459
Purchase of treasury shares					—		(21)
Disposal of treasury shares					—		111
Net changes in items other than shareholders' equity	1,184	(7)	(73)	481	1,585	612	1,946
Total changes during period	1,184	(7)	(73)	481	1,585	544	6,975
Balance at end of period	2,906	7	85	1,617	4,616	1,152	92,629

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	Previous FY (From April 1, 2024 to March 31, 2025)	Current FY (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	11,485	14,995
Depreciation	1,226	1,762
Amortization of goodwill	27	27
Share-based payment expenses	1,247	90
Increase (decrease) in allowance for doubtful accounts	1	(119)
Increase (decrease) in advances received on construction contracts in progress	341	292
Increase (decrease) in provision for loss on construction contracts	75	(290)
Increase (decrease) in provision for warranties for completed construction	(17)	(25)
Increase (decrease) in provision for bonuses	457	222
Increase (decrease) in provision for bonuses for directors (and other officers)	3	(6)
Increase (decrease) in provision for shareholders' benefit	—	43
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3)	—
Increase (decrease) in retirement benefit liability	(45)	131
Interest and dividend income	(210)	(231)
Interest expense and loss on sale of notes receivable - trade	29	114
Foreign exchange losses (gains)	(3)	0
Loss (gain) on sale of non-current assets	(56)	0
Loss (gain) on sale of investment securities	(428)	(149)
Loss on retirement of non-current assets	93	72
Decrease (increase) in trade receivables	(12,945)	1,173
Decrease (increase) in costs on construction contracts in progress	262	72
Increase (decrease) in trade payables	31	(687)
Increase (decrease) in accrued consumption taxes	857	(683)
Other	444	2,182
Subtotal	2,874	18,990
Interest and dividends received	210	231
Interest paid	(29)	(114)
Income taxes paid	(3,162)	(4,718)
Net cash provided by (used in) operating activities	(107)	14,388
Cash flows from investing activities		
Proceeds from withdrawal of long-time deposits	46	—
Purchase of property, plant and equipment and intangible assets	(3,453)	(5,193)
Proceeds from sale of property, plant and equipment and intangible assets	686	4
Purchase of investment securities	(0)	(11)
Proceeds from sale of investment securities	695	234
Other	(277)	(164)
Cash flows from investing activities	(2,304)	(5,129)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500	(1,500)
Repayments of long-term borrowings	(0)	—
Expenditures due to purchase of treasury shares	(0)	(0)
Dividends paid	(7,650)	(5,451)
Dividends paid to non-controlling interests	(293)	(68)
Other	(44)	3
Cash flows from financing activities	(6,490)	(7,017)
Effect of exchange rate change on cash and cash equivalents	31	(19)
Net increase (decrease) in cash and cash equivalents	(8,870)	2,221
Cash and cash equivalents at beginning of period	12,446	3,575
Cash and cash equivalents at end of period	3,575	5,797

(5) Notes to the Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Significant matters that serve as the basis for preparation of the consolidated financial statements)

1. Scope of consolidation

Number of consolidated subsidiaries: 7

Names of consolidated subsidiaries:

RAIZNEXT Sogo Service Co., Ltd.

SMS Co., Ltd.

Tokai Engineering & Construction Co., Ltd.

RAIZAQT Co., Ltd.

Kounan Tsusho Co., Ltd.

Kashima Engineering Co., Ltd.

PT. SHINKO PLANTECH

Change in scope of consolidation

RAIZAQT Co., Ltd., our consolidated subsidiary, merged with Keihin Kako Co., Ltd. during this consolidated fiscal year. As a result, Keihin Kako Co., Ltd. has been excluded from the scope of consolidation for the current fiscal year.

Since this is a merger between wholly-owned subsidiaries of the Company, the impact of the merger on the consolidated financial results of the Company is minor.

2. Application of equity method

Names, etc., of affiliates not accounted for by the equity method

Number of affiliated companies: 4

Names of main companies:

Ibaraki Nikko Kensetsu Co., Ltd.

JX Nippon Mining & Metals Plant Saganoseki Co., Ltd.

FUTABA MANUFACTURING CO., LTD.

Saikai Engineering Services Co., Ltd.

Reason for exclusion from the scope of consolidation

The affiliated companies not accounted for by the equity method are excluded from the scope of consolidation as the impact of the exclusion of each of them in terms of profit (amount corresponding to equity) and retained earnings (amount corresponding to equity), etc., is minimal on the consolidated financial statements, and their overall materiality is insignificant.

3. Fiscal years, etc., of consolidated subsidiaries

Consolidated subsidiary PT. SHINKO PLANTECH has its closing date on December 31, and RAIZNEXT Sogo Service Co., Ltd., SMS Co., Ltd., Tokai Engineering & Construction Co., Ltd., RAIZAQT Co., Ltd., Kounan Tsusho Co., and Kashima Engineering Co., Ltd. have their closing dates on March 31. In preparing the consolidated financial statements, financial statements for the individual companies as of their closing dates are used. Adjustments necessary for consolidation are made for material transactions that occurred from the next day of such closing dates to March 31, the consolidated closing date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a) Securities

Bonds held to maturity

Stated at amortized cost (straight-line method)

Other securities

Securities other than shares, etc., without a market price

Market value method based on market prices, etc., on the closing date of the fiscal year

(Valuation differences are reported directly as a component of net assets and the cost of securities sold is calculated using the moving average method.)

Shares, etc., without a market price

Stated at cost using the moving average method

b) Derivative transactions

Stated at market value.

c) Inventory assets

Costs on construction contracts in progress

Stated at cost using the specific identification method

(2) Depreciation and amortization methods for significant assets

a) Property, plant and equipment (excluding leased assets)

Declining balance method is applied. However, the straight-line method is applied to buildings (excluding their attached facilities), as well as facilities attached to buildings and structures acquired on or after April 1, 2016.

The principal useful lives of property, plant and equipment are as follows:

Buildings and structures 2 to 55 years

Machinery, equipment and vehicles 2 to 12 years

b) Intangible assets (excluding leased assets)

Straight-line method is applied.

In addition, the straight-line method is applied based on the estimated useful life within the Company (5 years) for software for internal use.

c) Leased assets

Leased assets from finance lease transactions where ownership is not transferred

Leased assets from finance lease transactions where ownership is not transferred are depreciated by the straight-line method over the lease terms with no residual value.

(3) Accounting standards for significant allowance and provisions

a) Allowance for doubtful accounts

To prepare for potential credit losses from accounts receivable for completed construction contracts, etc., allowance for doubtful accounts is recorded based on past experience for general receivables and on an estimated uncollectable amount for specific doubtful receivables where individual recoverability is considered.

b) Provision for loss on construction contracts

To prepare for potential losses on construction contracts, potential losses on undelivered construction work at the end of the current fiscal year are estimated and recorded where the amount of the construction can be reasonably estimated.

c) Provision for warranties for completed construction

To prepare for potential expenses arising from guarantee for defects, etc., related to completed construction, aside from the amount based on past results of construction expenses for warranties to net sales of completed construction contracts in the past fiscal years, the estimated amount for specific constructions is recorded where construction expenses for warranties are anticipated to occur.

d) Provision for bonuses

To provide for the payment of employees' bonuses, the estimated payment amount for the current fiscal year is recorded.

e) Provision for bonuses for directors (and other officers)

For consolidated subsidiaries, to provide for the payment of Directors' bonuses, the estimated payment amount for the current fiscal year is recorded.

f) Provision for shareholders' benefits

The amount expected to be accrued as a result of future utilization is recorded as a provision for shareholders' benefits.

g) Provision for retirement benefits for directors (and other officers)

For consolidated subsidiaries, to prepare for the payment of retirement benefits for directors and other officers, the amount payable at the end of the fiscal year is recorded in accordance with internal rules.

(4) Accounting treatment for retirement benefits

(i) Method for attributing estimated retirement benefits to periods

To calculate retirement benefit obligations, the straight-line attribution method is used to allocate the estimated retirement benefits to the period up to the end of the current fiscal year.

(ii) Actuarial difference and treatment for past service costs

Past service costs are recognized by the straight-line method over a certain period within the average remaining service period of employees (5 years) at the time of its occurrence.

The resulted actuarial differences are each recognized in the following fiscal year by the straight-line method over a certain period within the average remaining service period of employees (1 to 11 years) at the time of its occurrence.

(5) Basis for recording significant revenues and expenses

Details of the main performance obligations in the main business relating to revenues from contracts with customers

(i) Maintenance work

In the maintenance business, the Company and its consolidated subsidiaries provide routine maintenance work and periodic repair work for customers' plants.

(2) Tank Business

In the tank business, the Company and its consolidated subsidiaries provide tank construction, modification and refurbishment, and routine maintenance work.

(3) Engineering work

In the engineering business, the Company and its consolidated subsidiaries provide plant construction, modification and refurbishment services.

(6) The normal point in time at which the performance obligation with respect to revenue from a contract with a customer is satisfied.

(i) Construction work where the progress of the fulfillment of performance obligations can be reasonably estimated

The Company recognizes revenue based on the degree of progress made in satisfying performance obligations over a specified period of time. Progress is measured by comparing the accumulated cost already incurred through the end of the current fiscal year to the estimated total cost to complete the construction. (Input method)

(ii) Construction work where the progress of the fulfillment of performance obligations cannot be reasonably estimated

Cost recovery method

(iii) Maintenance work where the construction period is short

Revenue is recognized when performance obligations are fully satisfied.

(7) Hedge accounting

(i) Hedge accounting

Deferred hedge accounting is applied.

However, the shortcut method (“furiate-shori”) is applied to forward exchange transactions that satisfy the criteria thereof.

(ii) Hedging instruments and hedged items

Hedging instruments: Forward exchange transactions

Hedged items: Forward transactions denominated in foreign currencies

(iii) Hedging policies

In accordance with the Company’s internal control system regulating derivative transactions, derivative transactions are conducted to hedge the risks of fluctuating exchange rates of forward transactions denominated in foreign currencies.

(iv) Assessment of hedge effectiveness

For forward exchange contracts, as the hedging instruments and hedged items involve the same currencies and with the same due dates, the assessment of their hedge effectiveness is omitted.

(8) Standards for converting assets and liabilities denominated in foreign currencies into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the consolidated balance sheet date, with translation differences recognized as gains or losses.

Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate on the date of account settlement, while revenues and expenses are translated into yen at the average exchange rate during the period, with translation differences included in foreign currency translation adjustments and non-controlling interests in net assets.

(9) Amortization method and period of goodwill

Goodwill is amortized over 8 years by the straight-line method.

(10) Scope of funds in the consolidated statement of cash flows

The scope of funds consists of cash on hand, readily available deposits that can be withdrawn at any time, and short-term

investments which can be readily convertible to cash or cash equivalents with maturities of three months or less from the date of acquisition and bear only an insignificant risk of changes in value.

(Significant changes in the scope of consolidation during the current fiscal year)

RAIZAQT Co., Ltd., our consolidated subsidiary, merged with Keihin Kako Co., Ltd. during the current fiscal year. As a result, Keihin Kako Co., Ltd. has been excluded from the scope of consolidation for the current fiscal year.

Since this is a merger between wholly-owned subsidiaries of the Company, the impact of the merger on the consolidated financial results of the Company is minor.

(Notes to Consolidated Statement of Income)

Major items and amounts of selling, general and administrative expenses are as follows

	Previous FY (From April 1, 2024 to March 31, 2025)	Current FY (From April 1, 2025 to March 31, 2026)
Provision for bonuses for directors (and other officers)	30 Million yen	22 Million yen
Employees' salaries and allowances	1,628 Million yen	1,750 Million yen
Provision for bonuses	442 Million yen	509 Million yen
Provision for shareholders' benefits	— Million yen	91 Million yen
Retirement benefit expenses	56 Million yen	68 Million yen
Miscellaneous expenses	1,007 Million yen	1,295 Million yen
Research and development expenses	85 Million yen	172 Million yen

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

Not applicable.

(Segment Information, etc.)

[Segment information]

The Group's only reportable segment is the engineering business, and "Other" is not significant in the Group's results of operations. So the explanation is omitted. "Other" includes temporary staffing and transportation services.

[Related information]

Previous FY (from April 1, 2024 to March 31, 2025)

1. Information by product and service

This information is omitted because net sales from engineering work account for more than 90% of the net sales on the consolidated statement of income.

2. Information by geographical area

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

(Unit: Million yen)

Customer name	Net sales	Related segment
ENEOS Corporation	66,882	Engineering work

Current FY (from April 1, 2025 to March 31, 2026)

1. Information by product and service

This information is omitted because net sales from engineering work account for more than 90% of the net sales on the consolidated statement of income.

2. Information by geographical area

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of the net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

(Unit: Million yen)

Customer name	Net sales	Related segment
ENEOS Corporation	65,985	Engineering work

[Information concerning impairment loss of non-current assets by reportable segment]

Previous FY (from April 1, 2024 to March 31, 2025)

Not applicable.

Current FY (from April 1, 2025 to March 31, 2026)

Not applicable.

[Information concerning amortization of goodwill and balance of unamortized goodwill by reportable segment]

Previous FY (from April 1, 2024 to March 31, 2025)

This information is omitted as it does not have material significance.

Current FY (from April 1, 2025 to March 31, 2026)

This information is omitted as it does not have material significance.

[Information concerning gain on bargain purchase by reportable segment]

Previous FY (from April 1, 2024 to March 31, 2025)

Not applicable.

Current FY (from April 1, 2025 to March 31, 2026)

Not applicable.

(Per share information)

The basis for calculation of net assets per share and profit per share is as follows:

Previous FY (As of March 31, 2025)		Current FY (As of March 31, 2026)	
Net assets per share	1,576.12 yen	Net assets per share	1,693.76 yen
(Basis for calculation)		(Basis for calculation)	
Total net assets in consolidated balance sheets	85,654 million yen	Total net assets in consolidated balance sheets	92,629 million yen
Net assets for common shares	¥85,046 million	Net assets for common shares	91,476 million yen
Breakdown of difference		Breakdown of difference	
Non-controlling interests	608 million yen	Non-controlling interests	1,152 million yen
Number of common shares issued	54,168,053 shares	Number of common shares issued	54,168,053 shares
Number of common shares held in treasury shares	208,723 shares	Number of common shares held in treasury shares	159,809 shares
Number of common shares used for calculating the amounts of net assets	53,959,330 shares	Number of common shares used for calculating the amounts of net assets	54,008,244 shares

Previous FY (From April 1, 2024 to March 31, 2025)		Current FY (From April 1, 2025 to March 31, 2026)	
Basic earnings per share	150.89 yen	Basic earnings per share	193.71 yen
Diluted earnings per share are not presented because diluted shares did not exist.		Diluted earnings per share are not presented because diluted shares did not exist.	
(Basis for calculation)		(Basis for calculation)	
Profit attributable to owners of parent on consolidated statement of income	8,100 million yen	Profit attributable to owners of parent on consolidated statement of income	10,459 million yen
Profit attributable to owners of parent for common shares	8,100 million yen	Profit attributable to owners of parent for common shares	10,459 million yen
Major breakdown of amount not attributable to ordinary shareholders		Major breakdown of amount not attributable to ordinary shareholders	
Not applicable.		Not applicable.	
Average number of common shares outstanding during the period	53,685,653 shares	Average number of common shares outstanding during the period	53,998,080 shares

(Business Combinations, etc.)

(Transactions under common control)

Effective April 1, 2025, the Company group implemented an absorption-type merger between consolidated subsidiaries, with RAIZAQT Co., Ltd. as a surviving company.

1. Overview of the business

(1) Name of the combined entity and its business

(1) Merged company (surviving company)

Company name: RAIZAQT Co., Ltd.

Business: Maintenance services

(2) Company to be combined (absorbed company)

Company name: Keihin Kako Co., Ltd.

Business: Maintenance services

(2) Date of merger

April 1, 2025

(3) Legal form of business merger

Absorption-type merger with RAIZAQT Co., Ltd. as a surviving company and Keihin Kako Co., Ltd. as an absorbed company

(4) Name of company after merger

RAIZAQT Co., Ltd.

(5) Purpose of the business

The purpose is to further strengthen construction execution and sales capabilities by utilizing the regionally integrated resources of both companies, which operate in Ehime and Okayama prefectures, respectively.

2. Overview of accounting procedures

In accordance with the “Accounting Standard for Business Combinations” and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures,” the business combination was accounted for as a transaction under common control.

(Significant subsequent events)

Not applicable.