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May 14, 2026

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



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 Listing: Tokyo Stock Exchange
 Securities code: 6458
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 Scheduled date of annual general meeting of shareholders: June 24, 2026
 Scheduled date to commence dividend payments: June 25, 2026
 Scheduled date to file annual securities report: June 22, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

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

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	59,339	4.1	9,444	(5.4)	10,061	(5.2)	6,826	(12.8)
March 31, 2025	57,005	9.7	9,986	15.8	10,615	16.4	7,829	19.0

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 10,800 million [32.9%]

For the fiscal year ended March 31, 2025: ¥ 8,124 million [(9.7)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	99.59	—	11.0	11.3	15.9
March 31, 2025	107.68	—	12.8	12.3	17.5

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ 77 million

For the fiscal year ended March 31, 2025: ¥ 165 million

Note: The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024.

Accordingly, basic earnings per share is calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	93,288	66,847	67.9	943.32
March 31, 2025	84,997	64,280	71.7	862.26

Reference: Equity

As of March 31, 2026: ¥ 63,340 million

As of March 31, 2025: ¥ 60,968 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
March 31, 2026	8,010	(3,772)	(2,496)	17,401
March 31, 2025	5,740	261	(8,151)	15,638

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (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 March 31, 2025	—	54.00	—	32.00	—	3,608	46.4	5.9
Fiscal year ended March 31, 2026	—	20.00	—	30.00	50.00	3,429	50.2	5.5
Fiscal year ending March 31, 2027 (Forecast)	—	20.00	—	30.00	50.00		46.6	

Note: The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. The year-end dividend for the fiscal year ended March 31, 2025 is stated based on the post-stock-split amount. The total annual dividend is not shown, as the stock split prevents a simple aggregation. Assuming that the stock split was conducted at the beginning of the previous fiscal year, the second quarter-end dividend for the fiscal year ending March 31, 2025 would be ¥18 and the annual dividend would be ¥50.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Six months ending September 30, 2026	25,000	(3.4)	2,800	(21.7)	3,100	(20.2)	2,100	(19.6)	31.28
Full year	63,000	6.2	10,000	5.9	10,600	5.3	7,200	5.5	107.23

* Notes

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

(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: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	72,543,000 shares
As of March 31, 2025	77,373,705 shares

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

As of March 31, 2026	5,396,879 shares
As of March 31, 2025	6,665,957 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	68,543,422 shares
Fiscal Year ended March 31, 2025	72,711,161 shares

Notes: 1 The Company's shares held by the Executive Compensation BIP Trust Account and the ESOP are included in treasury shares which are deducted from the total number of issued shares at the end of the period. These shares are also included in treasury shares to be deducted in the calculation of the average number of shares during the period. The Company's shares held by the Executive Compensation BIP Trust Account and the ESOP are as follows.

Number of issued shares at the end of the period:

As of March 31, 2026: 940,945 shares

As of March 31, 2025: 722,418 shares

Average number of shares during the period:

Fiscal Year ended March 31, 2026: 857,475 shares

Fiscal Year ended March 31, 2025: 730,319 shares

2 The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, average number of shares outstanding during the period are calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	30,194	(0.8)	4,760	(23.8)	7,235	(12.6)	5,637	(16.0)
March 31, 2025	30,428	7.6	6,251	16.4	8,277	19.2	6,710	20.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	82.25	—
March 31, 2025	92.29	—

(Note) The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, basic earnings per share is calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	69,793	51,496	73.8	766.93
March 31, 2025	65,063	51,257	78.8	724.92

Reference: Equity

As of March 31, 2026: ¥ 51,496 million

As of March 31, 2025: ¥ 51,257 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 in this document, including earnings forecasts, are based on information currently available to the Company and on assumptions it considers reasonable. They do not constitute a guarantee of future results. Actual results may differ significantly due to a range of factors. For the assumptions behind the earnings forecast and important notes on its use, see page 2 of the attached materials, "1. Overview of Operating Results."

The Company plans to hold a briefing for institutional investors on Thursday, June 11, 2026. Materials to be used on the day will be posted on our website before the event.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year Under Review

During the fiscal year under review, Japan's economy remained on a moderate recovery path as the country pursued realization of a strong economy driven by responses to rising prices, risk management investment, growth investment, etc. On the other hand, the outlook remains uncertain, as it is necessary to closely monitor the impact of trends in international trade policies and the situation in the Middle East on domestic industries.

In our industry, the business environment continued to be favorable, with order volumes for plumbing and equipment construction firms remaining at a high level due to strong demand for building air conditioning (including large redevelopment projects), industrial air conditioning for domestic manufacturing sites, and data center investments. Meanwhile, due to work-style reforms in construction and logistics industries, rising building costs, and trends in international trade policies, Japan's construction market has begun to be affected by prolonged installation project timelines and reviews of investment plans. Close attention to future market trends is needed.

Against this backdrop, the Group launched its new Medium-term Management Plan, "move.2027," in the previous fiscal year, covering the period through the fiscal year ending March 31, 2027. Under this Medium-term Management Plan, we are pursuing management that is conscious of cost of capital and stock price. This Medium-term Management Plan sets new target management indicators such as return on equity (ROE) and price-to-book ratio (PBR), in addition to the existing indicators of consolidated net sales and consolidated operating profit, clearly positioning capital cost management at the core of business operations. With this in mind, we have strengthened initiatives to boost production capacity through digital transformation and streamlining of production processes, while also enhancing sales strategies to capture the target markets defined in the Medium-term Management Plan.

Segment performance is as follows.

<Japan>

The volume of sales of air conditioning equipment decreased due to a decrease in the number of units shipped in the central air conditioning market, while we made efforts to capture strong demand for air conditioning installation projects and maintenance. As a result, net sales rose to ¥51,332 million, up 3.1% year on year. On the profit side, decreased equipment sales led to a decrease in profit, and labor costs and logistics costs increased. As a result, segment profit (operating profit) came to ¥9,535 million, down 6.8% year on year.

<Asia>

In China, worsening business sentiment and a stagnant real estate market have made conditions tougher and added to uncertainty. Amid these conditions, net sales for the fiscal year under review rose to ¥8,092 million, up 10.9% year on year, reflecting increased sales and installation projects of air conditioning equipment. On the profit side, although progress was made in recording profit from installation projects, fierce price competition in equipment sales persisted. As a result, the segment posted a segment loss (operating loss) of ¥116 million, compared with a segment loss of ¥283 million in the previous fiscal year.

As a result, the Group's net sales reached ¥59,339 million, up 4.1% year on year. On the profit front, operating profit totaled ¥9,444 million, down 5.4% year on year, and ordinary profit decreased to ¥10,061 million, down 5.2% year on year. Profit attributable to owners of parent fell to ¥6,826 million, down 12.8% year on year.

The Group has set targets under its Medium-term Management Plan "move.2027" to keep ROE at 10% or higher and PBR at 1 or above, as benchmarks for cost of capital management. In the fiscal year under review, we bought back a total of ¥4,892 million in treasury shares, and in April 2025 issued bonds with stock acquisition rights to raise funds for purchase of treasury shares, as we overhauled our capital structure through greater use of debts to improve capital efficiency.

As described above, as a result of its efforts to implement management with an awareness of capital costs and share price, the Group's ROE for the fiscal year under review decreased to 11.0%, down 1.8 points year on year. At the end of March 2026, the PBR stood at 1.3.

(2) Overview of Financial Position for the Fiscal Year Under Review

Total assets at the end of the fiscal year under review stood at ¥93,288 million, up ¥8,290 million from the end of the previous fiscal year. This was mainly due to a ¥1,756 million increase in cash and deposits, a ¥1,514 million increase in notes and accounts receivable - trade, and contract assets, a ¥2,999 million decrease in securities, a ¥2,254 million increase in buildings and structures, and a ¥5,424 million increase in investment securities.

Liabilities stood at ¥26,441 million, up ¥5,724 million from the end of the previous fiscal year. This was mainly due to a ¥541 million decrease in electronically recorded obligations - operating, a ¥866 million decrease in income taxes payable, a ¥6,000 million increase in convertible-bond-type bonds with share acquisition rights, and a ¥1,755 million increase in deferred tax liabilities.

Net assets were ¥66,847 million, up ¥2,566 million from the end of the previous fiscal year. This was mainly due to the recording of profit attributable to owners of parent of ¥6,826 million, dividends of surplus of ¥3,673 million, purchase of treasury shares of ¥4,892 million, and a ¥3,707 million increase in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents (“cash”) at the end of the fiscal year under review were ¥17,401 million, up ¥1,762 million (11.3%) from the end of the previous fiscal year.

The status of cash flows and main factors for the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year under review was ¥8,010 million, up ¥2,270 million from the previous fiscal year. This was mainly due to profit before income taxes of ¥9,981 million, depreciation of ¥1,838 million, and income taxes paid of ¥3,878 million.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review was ¥3,772 million, compared with ¥261 million provided in the previous fiscal year. This was mainly due to an inflow of ¥3,000 million in proceeds from redemption of securities, and an outflow of ¥6,240 million in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities in the fiscal year under review totaled ¥2,496 million, down ¥5,654 million from the previous fiscal year. This was mainly due to an inflow of ¥5,885 million in proceeds from issuance in convertible-bond-type bonds with share acquisition rights, and outflows of ¥4,927 million in purchase of treasury shares and ¥3,670 million in dividends paid.

(4) Future Outlook

Estimated amount of construction starts, as reported by the Ministry of Land, Infrastructure, Transport and Tourism, and order volumes for plumbing and equipment construction remain high. Demand for building air conditioning (including large redevelopment projects), industrial air conditioning at domestic manufacturing sites, and data center investment is expected to remain strong. Meanwhile, work-style reforms in construction and logistics industries, rising building costs, and the impact of global trade policy and the situation in the Middle East may affect the domestic construction market, resulting in longer installation project timelines, surging prices of construction materials, and difficulties in procurement. Close attention to future market trends will be needed.

Amid these conditions, in the Japan segment, we will strengthen sales promotion activities and project management, and improve profitability through increased sales volume and price pass-through measures, in light of the decline in profitability during the current fiscal year due to decreased sales volume of central air-conditioning equipment. In the target markets identified in the Medium-term Management Plan, meanwhile, sales of equipment for data centers and split AC systems have remained strong. In the data center market, we are carrying out sales promotion activities utilizing the comprehensive testing building “SINKO AIR DEVELOPMENT LAB” and the large-scale cooling tower exhibition facility “BAC BASE,” both established in the fiscal year ended March 31, 2025. We will continue working to secure projects through close collaboration within the Group. In the split AC system market, sales have expanded mainly for outdoor-air processing for data centers and industrial use, and business performance has been growing faster than our plan. Beginning with the fiscal year ending March 31, 2027, we will launch new products focused on heat countermeasures and aim to further expand our business by offering tailored solutions to meet customers’ needs.

In addition, under the DX strategy supporting the Group’s business transformation, we are continuing to pursue medium- to long-term investments and initiatives in light of current management challenges. Under the SIMA Project, we began operating the second phase of a new production system in April 2026, designed to innovate manufacturing processes by cutting lead times in manufacturing and raising quality, initially for certain products. This will allow us to build a system that delivers highly reliable products quickly as we strive to increase value for our customers. Furthermore, we will work toward the realization of our long-term vision, “VISION 2030: By Air, to the Future” by launching a new DX initiative, “SWA (SINKO Web Architecture),” aimed at deepening group management, and will drive operational transformation and create group synergies in the areas of marketing and after-sales services.

In the Asia segment, the business climate is expected to remain tough. We will seek to sharpen our sales strategy by setting our products and services apart from rivals. We will also review quality and production processes to cut costs and protect profits, aiming to improve profitability.

Based on the above, our earnings forecast for the fiscal year ending March 31, 2027 is as follows.

Net sales: ¥63,000 million (up 6.2% year on year)

Operating profit: ¥10,000 million (up 5.9% year on year)

Ordinary profit: ¥10,600 million (up 5.3% year on year)

Profit attributable to owners of parent: ¥7,200 million (up 5.5% year on year)

Due to the recent escalation of tensions in the Middle East, adverse impacts have arisen, including deterioration in the availability of raw materials used in the manufacture of air-conditioning equipment and increases in their prices. The Group will continue to respond promptly and appropriately by closely monitoring the status of raw material procurement and rising costs, while promoting measures such as passing on increased costs to selling prices and reviewing supply chains, including overseas production bases.

At this time, no material impact on the earnings forecast has been identified as a result of this matter. However, if future changes in circumstances are determined to have a material impact on the Group's business performance, the Company will promptly make an announcement.

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Under Review and the Next Fiscal Year

In the previous fiscal year, the Group launched its Medium-term Management Plan "move.2027," which runs through the fiscal year ending March 31, 2027. Regarding profit distribution, we have focused on managing our business with an eye to cost of capital and stock price. We plan to invest in and pursue new initiatives for growth by expanding production capacity, improving customer service, and raising added value through research and development. At the same time, we will return profits to shareholders based on clear policies. From the previous fiscal year, we have raised our target payout ratio to 50%. Even during periods of weak earnings, we will maintain a minimum DOE of 3.5%. Under the Medium-term Management Plan "move.2027," we will buy back up to ¥10.0 billion of our treasury shares and raise the total return ratio, strengthening shareholder returns.

For the fiscal year under review, we plan to pay a year-end dividend of ¥30 per share. Combined with the interim dividend of ¥20 per share, the total annual dividend will be ¥50 per share. For the next fiscal year, in line with the dividend policy of the Medium-term Management Plan "move.2027," we plan to pay an interim dividend of ¥20 and a year-end dividend of ¥30, for a total of ¥50.

2. Basic Policy on Selection of Accounting Standards

The Group applies Japanese accounting standards to ensure that our consolidated financial statements are comparable over time and across companies. Regarding the future adoption of International Financial Reporting Standards (IFRS), we will continue to monitor both domestic and international developments and respond as appropriate.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	15,669	17,425
Notes and accounts receivable - trade, and contract assets	19,249	20,764
Electronically recorded monetary claims - operating	6,810	5,758
Securities	2,999	—
Merchandise and finished goods	1,100	910
Work in process	972	731
Raw materials	2,070	1,573
Other	563	619
Allowance for doubtful accounts	(1,283)	(1,469)
Total current assets	48,153	46,313
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,153	23,926
Accumulated depreciation	(12,166)	(12,685)
Buildings and structures, net	8,986	11,240
Machinery, equipment and vehicles	6,725	7,536
Accumulated depreciation	(5,517)	(5,736)
Machinery, equipment and vehicles, net	1,208	1,800
Tools, furniture and fixtures	5,176	5,821
Accumulated depreciation	(4,080)	(4,482)
Tools, furniture and fixtures, net	1,095	1,338
Land	9,204	10,405
Construction in progress	282	291
Total property, plant and equipment	20,777	25,077
Intangible assets		
Software	789	955
Other	374	616
Total intangible assets	1,163	1,572
Investments and other assets		
Investment securities	13,212	18,637
Deferred tax assets	158	114
Other	1,553	1,499
Allowance for doubtful accounts	(22)	(18)
Total investments and other assets	14,903	20,233
Total non-current assets	36,844	46,883
Deferred assets	—	91
Total assets	84,997	93,288

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,664	6,309
Electronically recorded obligations - operating	1,163	622
Short-term borrowings	745	900
Current portion of long-term borrowings	376	312
Income taxes payable	2,207	1,341
Accrued consumption taxes	545	465
Provision for bonuses	795	831
Provision for shareholder benefit program	18	19
Other	2,863	2,483
Total current liabilities	15,379	13,285
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	—	6,000
Long-term borrowings	1,291	1,175
Deferred tax liabilities	1,836	3,591
Deferred tax liabilities for land revaluation	863	863
Provision for retirement benefits for directors (and other officers)	8	10
Provision for share awards	273	311
Retirement benefit liability	878	932
Long-term accounts payable - other	51	72
Other	133	198
Total non-current liabilities	5,336	13,155
Total liabilities	20,716	26,441
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	3,215	1,516
Retained earnings	51,716	51,907
Treasury shares	(5,572)	(5,452)
Total shareholders' equity	55,181	53,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,419	9,127
Revaluation reserve for land	(748)	(748)
Foreign currency translation adjustment	1,115	1,166
Total accumulated other comprehensive income	5,786	9,545
Non-controlling interests	3,312	3,506
Total net assets	64,280	66,847
Total liabilities and net assets	84,997	93,288

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	57,005	59,339
Cost of sales	35,208	36,717
Gross profit	21,797	22,622
Selling, general and administrative expenses	11,810	13,177
Operating profit	9,986	9,444
Non-operating income		
Interest income	20	28
Dividend income	348	425
Share of profit of entities accounted for using equity method	165	77
Rental income	169	179
Miscellaneous income	98	153
Total non-operating income	801	865
Non-operating expenses		
Interest expenses	28	39
Rental expenses	46	65
Commission for purchase of treasury shares	51	35
Non-deductible consumption taxes	—	47
Miscellaneous expenses	47	60
Total non-operating expenses	173	248
Ordinary profit	10,615	10,061
Extraordinary income		
Gain on sale of non-current assets	487	75
Gain on sale of investment securities	531	—
Gain on liquidation of subsidiaries and associates	—	34
Total extraordinary income	1,018	110
Extraordinary losses		
Loss on retirement of non-current assets	152	189
Total extraordinary losses	152	189
Profit before income taxes	11,481	9,981
Income taxes - current	3,454	3,038
Income taxes - deferred	(91)	16
Total income taxes	3,362	3,055
Profit	8,119	6,926
Profit attributable to non-controlling interests	289	100
Profit attributable to owners of parent	7,829	6,826

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	8,119	6,926
Other comprehensive income		
Valuation difference on available-for-sale securities	(507)	3,709
Revaluation reserve for land	(24)	—
Foreign currency translation adjustment	447	238
Share of other comprehensive income of entities accounted for using equity method	89	(73)
Total other comprehensive income	5	3,873
Comprehensive income	8,124	10,800
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,610	10,584
Comprehensive income attributable to non-controlling interests	513	215

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,822	6,096	46,959	(3,793)	55,085
Changes during period					
Dividends of surplus			(3,071)		(3,071)
Profit attributable to owners of parent			7,829		7,829
Purchase of treasury shares				(4,715)	(4,715)
Disposal of treasury shares		24		30	54
Cancellation of treasury shares		(2,905)		2,905	—
Reversal of revaluation reserve for land			(1)		(1)
Net changes in items other than shareholders' equity					
Total changes during period	—	(2,881)	4,756	(1,779)	95
Balance at end of period	5,822	3,215	51,716	(5,572)	55,181

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	5,928	(725)	801	6,004	2,817	63,907
Changes during period						
Dividends of surplus						(3,071)
Profit attributable to owners of parent						7,829
Purchase of treasury shares						(4,715)
Disposal of treasury shares						54
Cancellation of treasury shares						—
Reversal of revaluation reserve for land						(1)
Net changes in items other than shareholders' equity	(508)	(22)	313	(217)	494	277
Total changes during period	(508)	(22)	313	(217)	494	373
Balance at end of period	5,419	(748)	1,115	5,786	3,312	64,280

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,822	3,215	51,716	(5,572)	55,181
Changes during period					
Dividends of surplus			(3,673)		(3,673)
Profit attributable to owners of parent			6,826		6,826
Purchase of treasury shares				(4,892)	(4,892)
Disposal of treasury shares		115		236	352
Cancellation of treasury shares		(4,776)		4,776	—
Transfer from retained earnings to capital surplus		2,962	(2,962)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,698)	191	120	(1,386)
Balance at end of period	5,822	1,516	51,907	(5,452)	53,794

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	5,419	(748)	1,115	5,786	3,312	64,280
Changes during period						
Dividends of surplus						(3,673)
Profit attributable to owners of parent						6,826
Purchase of treasury shares						(4,892)
Disposal of treasury shares						352
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	3,707	—	50	3,758	194	3,953
Total changes during period	3,707	—	50	3,758	194	2,566
Balance at end of period	9,127	(748)	1,166	9,545	3,506	66,847

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	11,481	9,981
Depreciation	1,576	1,838
Amortization of goodwill	144	—
Increase (decrease) in provisions	92	219
Increase (decrease) in retirement benefit liability	18	54
Interest and dividend income	(368)	(454)
Interest expenses	28	39
Foreign exchange losses (gains)	7	17
Gain on sale of non-current assets	(487)	(75)
Loss on retirement of non-current assets	152	189
Loss (gain) on sale of investment securities	(531)	—
Loss (gain) on liquidation of subsidiaries and associates	—	(34)
Decrease (increase) in trade receivables	731	(185)
Decrease (increase) in inventories	(371)	951
Increase (decrease) in trade payables	(3,761)	(825)
Increase (decrease) in accrued consumption taxes	(154)	(82)
Other, net	(30)	(159)
Subtotal	8,527	11,476
Interest and dividends received	368	454
Interest paid	(28)	(41)
Income taxes refund (paid)	(3,127)	(3,878)
Net cash provided by (used in) operating activities	5,740	8,010
Cash flows from investing activities		
Proceeds from redemption of securities	2,000	3,000
Purchase of investment securities	(43)	—
Proceeds from sale and redemption of investment securities	1,573	—
Purchase of property, plant and equipment	(3,046)	(6,240)
Proceeds from sale of property, plant and equipment	498	77
Purchase of intangible assets	(274)	(581)
Payments for retirement of non-current assets	(111)	(149)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(335)	—
Proceeds from liquidation of subsidiaries and associates	—	111
Other, net	0	9
Net cash provided by (used in) investing activities	261	(3,772)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100	155
Proceeds from long-term borrowings	—	200
Repayments of long-term borrowings	(395)	(380)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	—	5,885
Purchase of treasury shares	(4,767)	(4,927)
Proceeds from sale of treasury shares	—	307
Dividends paid	(3,068)	(3,670)
Dividends paid to non-controlling interests	(18)	(66)
Net cash provided by (used in) financing activities	(8,151)	(2,496)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Effect of exchange rate change on cash and cash equivalents	52	20
Net increase (decrease) in cash and cash equivalents	(2,097)	1,762
Cash and cash equivalents at beginning of period	17,735	15,638
Cash and cash equivalents at end of period	15,638	17,401

(5) Notes to Consolidated Financial Statements

(Premise of going concern)

Not applicable.

(Segment information)

[Segment information]

1 Description of reportable segments

Reportable segments of the Group are defined as components of the Group for which discrete financial information is available and which are subject to regular review by the Board of Directors to determine the allocation of management resources and to evaluate operating performance.

The Group primarily manufactures and sells air conditioning equipment. In Japan, the Company and its Japanese consolidated subsidiaries are responsible, while overseas, local Asian entities (mainly China) take charge. Each local entity is an independent business unit formulating comprehensive regional strategies for the products it handles and conducting business activities accordingly.

Therefore, the Group consists of segments by region based on the manufacturing and sales structure. The reportable segments are categorized as “Japan” and “Asia.”

2 Calculation of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting methods used for the reported business segments are largely the same as those applied in preparing the consolidated financial statements. The figures for reportable segment profit are based on operating profit. Intersegment revenues and transfers are calculated at prevailing market prices.

3 Amounts of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

For the fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 2)
	Japan	Asia	Total		
Net sales					
Net sales to external customers	49,768	7,237	57,005	—	57,005
Intersegment net sales and transfers	—	61	61	(61)	—
Total	49,768	7,298	57,067	(61)	57,005
Segment profit (loss)	10,228	(283)	9,945	41	9,986
Segment assets	62,809	10,896	73,706	11,291	84,997
Other items					
Depreciation	1,365	224	1,589	(13)	1,576
Amortization of goodwill	144	—	144	—	144
Increase in property, plant and equipment and intangible assets (Note 3)	3,014	45	3,059	—	3,059

(Notes) 1. The figures are adjusted as follows.

- (1) The adjustment of ¥41 million for segment profit (loss) and the adjustment of ¥ (13) million for depreciation are eliminations for intersegment transactions.
- (2) The adjustment of ¥11,291 million for segment assets includes ¥ 11,306 million of corporate assets not allocated to each reportable segment. Corporate assets are mainly long-term investment funds (including a portion of investment securities) of the Group not attributed to reportable segments.
2. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.
3. Increases in property, plant and equipment and intangible assets do not include amounts arising from newly consolidated subsidiaries.

For the fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 2)
	Japan	Asia	Total		
Net sales					
Net sales to external customers	51,332	8,006	59,339	—	59,339
Intersegment net sales and transfers	—	85	85	(85)	—
Total	51,332	8,092	59,425	(85)	59,339
Segment profit (loss)	9,535	(116)	9,419	25	9,444
Segment assets	67,157	10,893	78,051	15,236	93,288
Other items					
Depreciation	1,638	200	1,838	—	1,838
Increase in property, plant and equipment and intangible assets	6,543	46	6,590	—	6,590

(Notes) 1. The figures are adjusted as follows.

- (1) The adjustment of ¥25million for segment profit (loss) is eliminations for intersegment transactions.
 - (2) The adjustment of ¥15,236million for segment assets includes ¥ 15,244 million of corporate assets not allocated to each reportable segment. Corporate assets are mainly long-term investment funds (including a portion of investment securities) of the Group not attributed to reportable segments.
2. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.

[Information associated with reportable segments]

1 Information for each product or service

For the fiscal year ended March 31, 2025

(Millions of yen)

	Air conditioning equipment manufacturing and sales business	Building management business, etc.	Total
Net sales to external customers	51,600	5,405	57,005

For the fiscal year ended March 31, 2026

(Millions of yen)

	Air conditioning equipment manufacturing and sales business	Building management business, etc.	Total
Net sales to external customers	53,711	5,627	59,339

2 Information for each region

For the fiscal year ended March 31, 2025

(1) Net sales

(Millions of yen)

Japan	Asia		Other	Total
	China	Other		
49,158	7,237	538	72	57,005

(Note) Net sales are classified by country or region based on the location of the customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Total
20,002	774	20,777

For the fiscal year ended March 31, 2026

(1) Net sales

(Millions of yen)

Japan	Asia		Other	Total
	China	Other		
50,662	8,006	598	72	59,339

(Note) Net sales are classified by country or region based on the location of the customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Total
24,420	656	25,077

3 Information on major customers

This information is not presented as there is no external customer that accounts for 10% or more of net sales on the consolidated statement of income.

[Impairment losses on non-current assets for each reportable segment]

Not applicable.

[Amortization and unamortized balance of goodwill for each reportable segment]

For the fiscal year ended March 31, 2025

This information is not presented due to immateriality.

For the fiscal year ended March 31, 2026

Not applicable.

[Gain on bargain purchase for each reportable segment]

Not applicable.

(Per share information)

(Yen)

	As of / For the fiscal year ended March 31, 2025	As of / For the fiscal year ended March 31, 2026
Net assets per share	862.26	943.32
Basic earnings per share	107.68	99.59

- (Notes) 1 Diluted earnings per share is not presented, as there were no potential shares for the previous consolidated fiscal year and no potential shares with dilutive effect for the current consolidated fiscal year.
- 2 The Company's shares held by the Executive Compensation BIP Trust Account and the ESOP are included in treasury shares which are deducted from the total number of issued shares at the end of the period for the purpose of calculating net assets per share. These shares are also included in treasury shares to be deducted in the calculation of the average number of shares during the period for the purpose of calculating basic earnings per share.
Number of the Company's shares held by the Executive Compensation BIP Trust Account and the ESOP
Number of issued shares at the end of the period:
As of March 31, 2025: 722 thousand shares
As of March 31, 2026: 940 thousand shares
Average number of shares during the period:
For the fiscal year ended March 31, 2025: 730 thousand shares
For the fiscal year ended March 31, 2026: 857 thousand shares
- 3 The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, basic earnings per share is calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.
- 4 Basis for the calculation of net assets per share is as follows.

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent (Millions of yen)	7,829	6,826
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	7,829	6,826
Average number of common shares outstanding during the year (Thousand shares)	72,711	68,543

(Significant subsequent events)

Not applicable.