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August 6, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

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Listing: Tokyo Stock Exchange
Securities code: 6458
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	11,445	(6.4)	1,175	(29.1)	1,535	(19.9)	1,072	(18.3)
June 30, 2025	12,227	4.9	1,657	(15.4)	1,917	(14.0)	1,312	(16.0)

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 4,180 million [77.0 %]
For the three months ended June 30, 2025: ¥ 2,361 million [(13.1) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	15.97	—
June 30, 2025	18.79	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	94,996	68,953	68.9	974.94
March 31, 2026	93,288	66,847	67.9	943.32

Reference: Equity
As of June 30, 2026: ¥ 65,461 million
As of March 31, 2026: ¥ 63,340 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	20.00	—	30.00	50.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		20.00	—	30.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	72,543,000 shares
As of March 31, 2026	72,543,000 shares

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

As of June 30, 2026	5,398,322 shares
As of March 31, 2026	5,396,879 shares

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

Three months ended June 30, 2026	67,146,487 shares
Three months ended June 30, 2025	69,851,679 shares

Notes: 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 June 30, 2026: 938,428 shares

As of March 31, 2026: 940,945 shares

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

For the three months ended June 30, 2026: 939,559 shares

For the three months ended June 30, 2025: 720,937 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.”

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1. Overview of Operating Results

(1) Overview of Operating Results for the Three Months Under Review

During the three months ended June 30, 2026, 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 rising tensions in the Middle East on domestic industries.

In our industry, demand centered on air conditioning installation projects remained strong, driven by 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 and rising building costs, Japan’s construction market has been 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 fiscal year ended March 31, 2025, 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 advanced sale promotion to improve profitability in the sales of central air-conditioning equipment and promoted digital transformation of production processes, while also enhancing sales strategies to expand performance in the target markets defined in the Medium-term Management Plan.

Segment performance is as follows.

<Japan>

In the overall central air-conditioning market, the number of units shipped decreased compared to the same period of the previous fiscal year. The Company’s sales of air conditioning equipment also remained sluggish. As a result, net sales came to ¥10,460 million, down 4.9% 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 ¥1,336 million, down 21.9% 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 three months under review were ¥1,001 million, down 19.6% year on year, due to decreased sales of air conditioning equipment. On the profit side, despite efforts to raise profit margins in both production and sales, fierce price competition persisted. The segment posted a segment loss (operating loss) of ¥167 million, compared with a segment loss of ¥60 million in the same period of the previous fiscal year.

As a result, the Group’s net sales came to ¥11,445 million, down 6.4% year on year. On the profit front, operating profit totaled ¥1,175 million, down 29.1% year on year, and ordinary profit decreased to ¥1,535 million, down 19.9% year on year. Profit attributable to owners of parent fell to ¥1,072 million, down 18.3% year on year.

(2) Overview of Financial Position for the Three Months Under Review

Total assets as of June 30, 2026 stood at ¥94,996 million, up ¥1,708 million from the end of the previous fiscal year. This was mainly due to a ¥4,625 million decrease in notes and accounts receivable - trade, and contract assets, a ¥1,207 million increase in merchandise and finished goods, and a ¥4,389 million increase in investment securities.

Liabilities stood at ¥26,042 million, down ¥398 million from the end of the previous fiscal year. This was mainly due to a ¥724 million decrease in notes and accounts payable - trade, a ¥981 million decrease in income taxes payable, and a ¥1,680 million increase in other of non-current liabilities.

Net assets were ¥68,953 million, up ¥2,106 million from the end of the previous fiscal year. This was mainly due to the recording of profit attributable to owners of parent of ¥1,072 million, dividends of surplus of ¥2,042 million, and a ¥2,975 million increase in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

Performance for the three months ended June 30, 2026 progressed generally as initially planned. In the Japan segment moving forward, demand for building air conditioning and industrial air conditioning is expected to remain strong and growth in projects for data centers is also expected. In this environment, although equipment sales were slow to start, affected by supply constraints in the construction industry in the first quarter under review, we will steadily proceed with product shipments from the second quarter onwards against the backdrop of order backlogs remaining at record-high level and aim to shift toward profitability. In addition, we will continue sales enhancement to capture the target markets defined in the Medium-term Management Plan and passing on costs to selling prices, aiming to improve profitability. On the other hand, in the Asia segment, we recognize that the slowdown in the Chinese market is structural and expect the highly competitive environment focusing on pricing to continue, and we will strive to improve profitability by thoroughly reducing costs and differentiating sales strategies. In light of the above, at the present, there are no changes to the consolidated financial results forecasts for the six months ending September 30, 2026, and for the full-year of the fiscal year ending March 31, 2027, from those announced on May 14, 2026.

Going forward, the Company will promptly announce any revisions to its financial results forecast that it determines necessary.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	17,425	17,697
Notes and accounts receivable - trade, and contract assets	20,764	16,139
Electronically recorded monetary claims - operating	5,758	5,393
Merchandise and finished goods	910	2,117
Work in process	731	985
Raw materials	1,573	1,853
Other	619	815
Allowance for doubtful accounts	(1,469)	(1,514)
Total current assets	46,313	43,489
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,240	11,069
Land	10,405	10,405
Other, net	3,430	3,642
Total property, plant and equipment	25,077	25,117
Intangible assets	1,572	1,688
Investments and other assets		
Investment securities	18,637	23,027
Other	1,614	1,606
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	20,233	24,615
Total non-current assets	46,883	51,421
Deferred assets	91	85
Total assets	93,288	94,996

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,309	5,585
Electronically recorded obligations - operating	622	456
Short-term borrowings	900	1,300
Current portion of long-term borrowings	312	307
Income taxes payable	1,341	359
Provision for bonuses	831	560
Provision for shareholder benefit program	19	7
Other	2,949	2,711
Total current liabilities	13,285	11,288
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	6,000	6,000
Long-term borrowings	1,175	1,100
Provision for retirement benefits for directors (and other officers)	10	12
Provision for share awards	311	323
Retirement benefit liability	932	911
Other	4,725	6,405
Total non-current liabilities	13,155	14,753
Total liabilities	26,441	26,042
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	1,516	1,516
Retained earnings	51,907	50,937
Treasury shares	(5,452)	(5,450)
Total shareholders' equity	53,794	52,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,127	12,102
Revaluation reserve for land	(748)	(748)
Foreign currency translation adjustment	1,166	1,281
Total accumulated other comprehensive income	9,545	12,636
Non-controlling interests	3,506	3,492
Total net assets	66,847	68,953
Total liabilities and net assets	93,288	94,996

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the three months ended June 30, 2026

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	12,227	11,445
Cost of sales	7,600	7,019
Gross profit	4,627	4,425
Selling, general and administrative expenses	2,970	3,250
Operating profit	1,657	1,175
Non-operating income		
Interest income	10	8
Dividend income	225	315
Share of profit of entities accounted for using equity method	30	15
Miscellaneous income	62	83
Total non-operating income	329	423
Non-operating expenses		
Interest expenses	9	11
Rental expenses	9	21
Loss on sale of non-current assets	—	16
Miscellaneous expenses	49	14
Total non-operating expenses	68	64
Ordinary profit	1,917	1,535
Profit before income taxes	1,917	1,535
Income taxes - current	433	312
Income taxes - deferred	181	239
Total income taxes	615	551
Profit	1,301	983
Loss attributable to non-controlling interests	(10)	(88)
Profit attributable to owners of parent	1,312	1,072

Quarterly Consolidated Statements of Comprehensive Income

For the three months ended June 30, 2026

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,301	983
Other comprehensive income		
Valuation difference on available-for-sale securities	1,414	2,975
Foreign currency translation adjustment	(289)	210
Share of other comprehensive income of entities accounted for using equity method	(65)	9
Total other comprehensive income	1,059	3,196
Comprehensive income	2,361	4,180
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,516	4,163
Comprehensive income attributable to non-controlling interests	(154)	17

(3) Notes to Quarterly Consolidated Financial Statements

(Segment Information)

For the three-month period ended June 30, 2025

Amounts of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Adjustment	Amount recorded on quarterly consolidated financial statements
	Japan	Asia	Total	(Note 1)	(Note 2)
Net sales					
Net sales to external customers	11,001	1,226	12,227	—	12,227
Intersegment net sales and transfers	—	19	19	(19)	—
Total	11,001	1,246	12,247	(19)	12,227
Segment profit (loss)	1,710	(60)	1,650	6	1,657

Notes:1. The adjustment of ¥ 6 million for segment profit (loss) is the elimination for intersegment transactions.
2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

For the three-month period ended June 30, 2026

Amounts of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Adjustment	Amount recorded on quarterly consolidated financial statements
	Japan	Asia	Total	(Note 1)	(Note 2)
Net sales					
Net sales to external customers	10,460	984	11,445	—	11,445
Intersegment net sales and transfers	—	17	17	(17)	—
Total	10,460	1,001	11,462	(17)	11,445
Segment profit (loss)	1,336	(167)	1,169	6	1,175

Notes:1. The adjustment of ¥ 6 million for segment profit (loss) is the elimination for intersegment transactions.
2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Premise of Going Concern)

Not applicable.

(Notes related to Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared the quarterly consolidated statement of cash flows for the three months ended June 30, 2026. Information regarding depreciation, including the amortization of intangible assets, for the three months ended June 30, 2025 and 2026, is as follows:

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	403	501