May 15, 2026

Summary of Financial Results for the Year Ended March 2026 [Japan GAAP] (Consolidated)

Name of Company: Yashima & Co., Ltd.
Stock Exchange Listing: TSE
Stock Code: 7677
URL: https://www.yashima-co.co.jp
Representative: Title: President and Representative Director
Name: Shoichiro Seki
Contact Person: Title: Representative Director, Executive Vice President, and General Manager of Administrative Division
Name: Masahiro Abe
Phone: +81-3-4218-0096

Date of ordinary general meeting of shareholders: June 26, 2026
Date of commencement of dividend payment: June 12, 2026
Date of filing of securities report: June 25, 2026
Preparation of supplementary materials: Yes (in Japanese)
Convening of a results meeting: Yes (in Japanese) (For analysts)

(Note: Amounts are rounded to nearest million yen.)

1. Financial results for the current fiscal year (April 1, 2025 - March 31, 2026)

(1) Operating results (consolidated) (Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2026	33,864	16.6	727	–	758	–	502	–
Year ended March 2025	29,046	4.7	(44)	–	(511)	–	(509)	–

(Note) Comprehensive income Year ended March 2026 994 million yen (–%)
Year ended March 2025 (353) million yen (–%)

	Net income per share	Net income per share fully diluted	Return on equity	Ratio of ordinary profit to assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 2026	174.94	–	5.1	2.9	2.1
Year ended March 2025	(177.73)	–	(5.3)	(2.0)	(0.2)

(Note) Equity in income (losses) of affiliates Year ended March 2026 – million yen
Year ended March 2025 0 million yen

(2) Financial position (consolidated)

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 2026	27,783	10,296	37.1	3,583.56
Year ended March 2025	25,394	9,364	36.9	3,263.42

(Note) Shareholders' equity Year ended March 2026 10,296 million yen
Year ended March 2025 9,364 million yen

(3) Cash flow position (consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 2026	763	(1,623)	(80)	9,470
Year ended March 2025	430	(114)	(77)	10,349

2. Dividends

	Dividend per share					Total annual dividend	Payout ratio (consolidated)	Dividends/ net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 2025	–	0.00	–	25.00	25.00	71	–	0.7
Year ended March 2026	–	0.00	–	25.00	25.00	71	14.3	0.7
Year ending March 2027 (forecast)	–	0.00	–	25.00	25.00		–	

3. Forecast for the fiscal year ending March 2027 (April 1, 2026 - March 31, 2027)

(Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profitattributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	32,000	(5.5)	600	(17.5)	710	(6.4)	460	(8.4)	160.10

*Notice:

(1) Significant changes in the scope of consolidation during the period: None
New consolidations: – Exclusions: –

(2) Changes in accounting policies, accounting estimates, and restatements
(a) Changes in accounting policies due to revision of accounting standards: None
(b) Changes in accounting policies other than those in (a): None
(c) Changes in accounting estimates: None
(d) Restatements: None

(3) Number of shares outstanding (common shares)
(a) Shares outstanding (including treasury shares)

Year ended March 2026	2,880,000 shares	Year ended March 2025	2,880,000 shares

(b) Treasury shares

Year ended March 2026	6,865 shares	Year ended March 2025	10,596 shares

(c) Average number of shares during the term

Year ended March 2026	2,871,700 shares	Year ended March 2025	2,867,554 shares

(Reference) Non-consolidated Financial Results

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

(1) Operating results (non-consolidated) (Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2026	33,443	17.7	758	–	814	–	502	–
Year ended March 2025	28,418	3.4	(212)	–	(677)	–	(691)	–

	Net income per share	Net income per share fully diluted
	Yen	Yen
Year ended March 2026	174.82	–
Year ended March 2025	(241.28)	–

(2) Financial position (non-consolidated)

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 2026	26,034	8,755	33.6	3,047.37
Year ended March 2025	23,648	7,890	33.4	2,749.82

(Note) Shareholders' equity Year ended March 2026 8,755 million yen
Year ended March 2025 7,890 million yen

< Reason for difference from the non-consolidated financial results of the previous fiscal year >

Net sales outperformed the previous fiscal year due to project deadlines on some projects being moved up, in addition to firm orders received, mainly from demand related to maintenance and upgrades boosted by a rebound in capital investment among domestic railway operators, the Group's main customers.

On the profit front, operating profit, ordinary profit, and profit exceeded the previous fiscal year due to growth in profit along with growth in sales while provisions for allowances associated with overseas projects decreased.

*Financial results summaries are not subject to audit.

*Cautionary statement regarding business results forecasts and special notes

(Disclaimer regarding forward-looking statements)

The financial forecasts and other forward-looking statements in this release are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ substantially due to various factors. Refer to "(4) Future Outlook" under "1. Analysis of Operating Performance and Financial Position" on page 7 of the supplementary material for the assumptions underlying the forecasts and precautions for using the forecasts.

(Method of obtaining supplementary information to financial results and details of the presentation of financial results)

The Company intends to hold a presentation of its financial results on Tuesday, June 2, 2026.

The Company intends to upload the meeting (stream video) together with the financial results presentation materials to its website immediately after the meeting concludes.

○ Contents

1. Analysis of Operating Performance and Financial Position

(1) Overview of Operating Results

During the consolidated fiscal year under review, the Japanese economy sustained a gradual rebound owing to firm consumer spending and to improvement in corporate earnings and capital investment. However, the economic outlook remains uncertain, mainly due to concerns over the risk of downward pressure on the economy caused by fluctuation in foreign exchange rates, deceleration of the Chinese economy, and trends in monetary policy in various countries, in addition to the negative impact from heightened geopolitical tension overseas, energy supply shortages accompanying the geopolitical tension, high prices due to soaring material prices, and higher logistics costs.

Amid this backdrop, the Group formulated a three-year medium-term business plan extending from fiscal year ended March 31, 2025 to fiscal year ending March 31, 2027 and is pursuing three basic goals in the new medium-term business plan to address issues in light of the business environment surrounding our Group: 1) put the Group back on the path to stable growth, 2) generate new corporate value, and 3) achieve an ROE exceeding 5% in fiscal year ending March 31, 2027.

Consolidated financial results for the fiscal year ended March 31, 2026 were strong, producing net sales of ¥33,864 million (up 16.6% year on year), operating profit of ¥727 million (compared to a loss of ¥44 million in the previous fiscal year), ordinary profit of ¥758 million (compared to a loss of ¥511 million in the previous fiscal year), and profit attributable to owners of parent of ¥502 million (compared to a loss of ¥509 million in the previous fiscal year). This improvement resulted from strong earnings recorded by domestic railway operators, the Group's main customers, mainly boosted by increased inbound demand due to Expo 2025 Osaka, Kansai, Japan and the trend in foreign exchange rates. Growth in investment demand accompanying the increase in inbound demand and the positive impact from some customers moving up manufacturing schedules and repair plans which had been scheduled for the next fiscal year and beyond, thereby concentrating such projects in the fiscal year under review, also contributed to the strong results.

Business results by segment are presented below:

(Railway Business)

The segment's main products include electrical components for railway cars and body equipment, which the Company sells to railway operators and railway car manufacturers. The order environment surrounding the Group was firm, underpinned by increased interest in capital investment to facilitate improvement in labor savings, labor optimization, operating efficiency, and other areas with an eye toward trends in the economy and labor market, in addition to safety improvements and aging equipment upgrades accompanying the improvement in transportation revenue of railway operators, our main customers. This, combined with the positive impact from the acceleration of project timelines by some customers, led to firm net sales.

As a result, net sales for the consolidated fiscal year ended March 31, 2026 came to ¥31,362 million (up 17.9% year on year), and operating profit came to ¥804 million (up 770.7% year on year).

(General Business)

This segment includes all of the Group's non-railway businesses. For that reason, transactions span a wide range of industries, and customers include industrial equipment manufacturers, power equipment manufacturers, and automotive manufacturers, among others. The segment's main products are connectors and electronic components. While improvement was seen on the demand front as the cycle of inventory adjustments by industrial equipment manufacturers and other customers came to an end, the destabilization of supply for connectors and electronic components toward the end of the fiscal year and sluggish demand from power equipment manufacturers due to delays in restarting nuclear power plants acted as breaks, resulting in sluggish net sales overall.

As a result, net sales for the consolidated fiscal year ended March 31, 2026 came in at ¥2,502 million (up 2.5% year on year), and an operating loss of ¥76 million (compared to an operating loss of ¥136 million for the previous fiscal year) was recorded.

(2) Overview of Financial Position

(Assets)

The balance of assets at the end of the consolidated fiscal year under review was ¥27,783 million, an increase of ¥2,389 million compared to the end of the previous consolidated fiscal year. This was mainly due to increases in investment securities (up ¥1,875 million from ¥2,128 million to ¥4,004 million), notes and accounts receivable - trade, and contract assets (up ¥1,371 million from ¥5,847 million to ¥7,218 million), and trade accounts receivable (up ¥454 million from ¥808 million to ¥1,263 million); and decreases in securities (down ¥1,000 million from ¥2,000 million to ¥1,000 million), electronically recorded monetary claims - operating (down ¥582 million from ¥1,114 million to ¥532 million), and deferred tax assets (down ¥190 million from ¥202 million to ¥11 million).

(Liabilities)

The balance of liabilities at the end of the consolidated fiscal year under review was ¥17,487 million, an increase of ¥1,457 million from the end of the previous consolidated fiscal year. This was mainly due to increases in accounts payable - trade (up ¥687 million from 10,978 million to ¥11,665 million), operating accounts payable (up ¥634 million from ¥1,116 million to ¥1,750 million), and income taxes payable (up ¥322 million from ¥18 million to ¥341 million); and decreases in contract liabilities (down ¥402 million from ¥487 million to ¥85 million).

(Net assets)

The balance of net assets at the end of the consolidated fiscal year under review was ¥10,296 million, an increase of ¥931 million compared to the end of the previous consolidated fiscal year. This was mainly due to increases in the valuation difference on available-for-sale securities (up ¥425 million from ¥652 million to ¥1,078 million), and retained earnings (up ¥430 million from ¥7,441 million to ¥7,871 million).

(3) Overview of Cash Flows

Operating cash flows increased ¥763 million year on year, investing cash flows decreased ¥1,623 million, and financing cash flows decreased ¥80 million. As a result, cash and cash equivalents were down ¥879 million (down 8.5% year on year) to ¥9,470 million.

(Cash flows from operating activities)

Net cash provided by operating activities in the consolidated fiscal year under review amounted to ¥763 million (compared to a net inflow of ¥430 million in the previous fiscal year).

Main cash inflows included profit before income taxes of ¥823 million, an increase in operating accounts payable of ¥634 million, and an increase in trade payables of ¥602 million. Main cash outflows included an increase in trade receivables of ¥790 million, an increase in trade accounts receivable of ¥454 million, and a decrease in contract liabilities of ¥403 million.

(Cash flows from investing activities)

Net cash used in investing activities in the consolidated fiscal year under review amounted to ¥1,623 million (compared to a cash outflow of ¥114 million in the previous fiscal year).

The main cash inflow was proceeds from rental of investment property of ¥59 million. Main cash outflows were purchase of investment securities of ¥1,306 million and payments into time deposits of ¥250 million.

(Cash flows from financing activities)

Net cash used in financing activities in the consolidated fiscal year under review amounted to ¥80 million (compared to an outflow of ¥77 million the previous fiscal year).

The main cash outflow was ¥71 million in dividends paid.

(4) Future Outlook

While we can expect the Japanese economy to maintain signs of a gradual rebound mainly due to rising wages stemming from a resurgence in corporate earnings and changes in the employment situation, and inbound demand, we expect the outlook to remain uncertain as a result of continued geopolitical tension, energy supply shortages accompanying such tension, rising prices due to steep increases in raw material prices, persistently high logistics costs, and global monetary tightening and fluctuation in foreign exchange rates on top of those factors.

Amid this environment, we expect the business environment surrounding the Group to remain firm, supported by demand for capital investment focused on the increasing need for labor savings and labor optimization, in addition to the anticipated continuing upgrade demand and investment in safety measures in railway-related and other areas of social infrastructure. Despite this, passenger transport volume is declining due to changes in people's behavior and values in a post-pandemic society, and the trend of decline in commuter passes due to an aging society and declining birthrate. Such factors are causing railway operators to debate whether to abandon railway lines that are in the red, and is accelerating movement toward securing alternative sources of revenue such as real estate development. In addition to these factors, rising costs from persistently high prices and labor shortages, supply chain limitations, and other factors could impact the Group's earnings environment and we therefore expect the business environment to remain tough.

To achieve our goals of putting our businesses back on the path of stable growth and creating new corporate value amid this business environment, as we enter the final year of our three-year medium-term business plan, which started in the fiscal year ended March 31, 2025, we will strive to stabilize and expand our earnings base by strengthening the provision of high value-added products and services while focusing on expanding transactions with existing customers and securing new customers, and improving organizational resilience to enhance the Group's sustainable development and performance.

Based on this, our outlook for next year (consolidated fiscal year ending March 31, 2027) is for net sales of ¥32,000 million (down 5.5% year on year), operating profit of ¥600 million (down 17.5% year on year), ordinary profit of ¥710 million (down 6.4% year on year), and profit attributable to owners of parent of ¥460 million (down 8.4% year on year).

2. Basic Policy Regarding Selection of Accounting Standards

The Group intends to prepare the consolidated financial statements according to Japan GAAP for the present time, in consideration of the comparability of the consolidated financial statements for different fiscal years and comparability among companies.

We will consider adoption of the International Financial Reporting Standards after considering our management policy and various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	Previous consolidated fiscal year (ended March 31, 2025)	Current consolidated fiscal year (ended March 31, 2026)
Assets		
Current assets		
Cash and deposits	9,571,185	9,692,051
Notes and accounts receivable - trade, and contract assets	5,847,651	7,218,933
Trade accounts receivable	808,773	1,263,141
Electronically recorded monetary claims - operating	1,114,926	532,381
Securities	2,000,000	1,000,000
Inventories	1,702,136	1,828,407
Accounts receivable - other	140,918	188,431
Other	734,084	656,812
Allowance for doubtful accounts	(122,853)	(219,340)
Total current assets	21,796,823	22,160,820
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,168	26,997
Machinery, equipment and vehicles, net	1,703	1,135
Leased assets, net	12,971	13,582
Other, net	6,406	22,648
Total property, plant and equipment	33,250	64,364
Intangible assets		
Software	53,932	35,070
Total intangible assets	53,932	35,070
Investments and other assets		
Investment securities	2,128,210	4,004,065
Deferred tax assets	202,059	11,073
Long-term accounts receivable	333,172	232,123
Other	1,282,869	1,596,398
Allowance for doubtful accounts	(435,950)	(320,300)
Total investments and other assets	3,510,361	5,523,359
Total non-current assets	3,597,544	5,622,794
Total assets	25,394,367	27,783,614

(Thousands of yen)

	Previous consolidated fiscal year (ended March 31, 2025)	Current consolidated fiscal year (ended March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	10,978,021	11,665,855
Operating accounts payable	1,116,004	1,750,511
Electronically recorded obligations - operating	1,007,604	923,083
Income taxes payable	18,688	341,237
Contract liabilities	487,753	85,664
Lease liabilities	8,126	6,800
Provision for bonuses	246,051	264,758
Provision for loss on orders received	362,331	423,969
Other	214,493	422,808
Total current liabilities	14,439,074	15,884,689
Non-current liabilities		
Deferred tax liabilities	171,390	114,994
Retirement benefit liability	826,512	899,793
Provision for retirement benefits for directors (and other officers)	138,412	138,412
Provision for loss on guarantees	385,000	376,200
Asset retirement obligations	40,868	43,393
Lease liabilities	8,921	8,666
Other	20,122	21,425
Total non-current liabilities	1,591,227	1,602,885
Total liabilities	16,030,301	17,487,575
Net assets		
Shareholders' equity		
Share capital	99,900	99,900
Capital surplus	755,479	763,988
Retained earnings	7,441,080	7,871,729
Treasury shares	(2,228)	(1,444)
Total shareholders' equity	8,294,230	8,734,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	652,746	1,078,306
Foreign currency translation adjustment	417,088	483,558
Total accumulated other comprehensive income	1,069,834	1,561,864
Total net assets	9,364,065	10,296,038
Total liabilities and net assets	25,394,367	27,783,614

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)	Current consolidated fiscal year (April 1, 2025 - March 31, 2026)
Net sales	29,046,781	33,864,554
Cost of sales	25,414,451	29,208,201
Gross profit	3,632,329	4,656,352
Selling, general and administrative expenses	3,676,342	3,928,708
Operating profit (loss)	(44,012)	727,644
Non-operating income		
Interest income	9,043	14,136
Dividend income	43,583	52,345
Lease income	56,947	59,921
Gain on reversal of provision for loss on guarantees	–	8,800
Secondment income	58,328	41,977
Other	21,965	10,738
Total non-operating income	189,868	187,918
Non-operating expenses		
Interest expenses	18	18
Share of loss of entities accounted for using equity method	771	–
Provision of allowance for doubtful accounts	226,081	25,325
Provision for loss on guarantees	385,000	–
Cost of lease revenue	13,698	11,648
Foreign exchange losses	14,832	28,482
Loss on valuation of investment securities	16,999	89,315
Other	423	2,212
Total non-operating expenses	657,826	157,002
Ordinary profit (loss)	(511,970)	758,560
Extraordinary income		
Reversal of allowance for doubtful accounts	67,360	64,542
Total extraordinary income	67,360	64,542
Extraordinary losses		
Impairment losses	43,460	–
Total extraordinary losses	43,460	–
Profit (Loss) before income taxes	(488,070)	823,102
Income taxes - current	143,771	419,635
Income taxes - deferred	(122,204)	(98,917)
Total income taxes	21,566	320,717
Profit (Loss)	(509,637)	502,384
Profit (Loss) attributable to owners of parent	(509,637)	502,384

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)	Current consolidated fiscal year (April 1, 2025 - March 31, 2026)
Profit (Loss)	(509,637)	502,384
Other comprehensive income		
Valuation difference on available-for-sale securities	41,009	425,560
Foreign currency translation adjustment	114,965	66,469
Total other comprehensive income	155,975	492,029
Comprehensive income	(353,661)	994,414
(Breakdown)		
Comprehensive income attributable to owners of parent	(353,661)	994,414

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	99,900	746,401	8,022,332	(3,240)	8,865,393	611,736	302,122	913,859	9,779,252
Changes in items during period									
Dividends of surplus			(71,614)		(71,614)				(71,614)
Profit (Loss) attributable to owners of parent			(509,637)		(509,637)				(509,637)
Disposal of treasury shares		9,077		1,011	10,089				10,089
Net changes in items other than shareholders’ equity						41,009	114,965	155,975	155,975
Total changes in items during period	–	9,077	(581,252)	1,011	(571,162)	41,009	114,965	155,975	(415,187)
Balance at end of period	99,900	755,479	7,441,080	(2,228)	8,294,230	652,746	417,088	1,069,834	9,364,065

Current consolidated fiscal year (April 1, 2025 - March 31, 2026)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity Total	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	99,900	755,479	7,441,080	(2,228)	8,294,230	652,746	417,088	1,069,834	9,364,065
Changes in items during period									
Dividends of surplus			(71,735)		(71,735)				(71,735)
Profit (Loss) attributable to owners of parent			502,384		502,384				502,384
Disposal of treasury shares		8,509		784	9,293				9,293
Net changes in items other than shareholders’ equity						425,560	66,469	492,029	492,029
Total changes in items during period	–	8,509	430,649	784	439,943	425,560	66,469	492,029	931,973
Balance at end of period	99,900	763,988	7,871,729	(1,444)	8,734,174	1,078,306	483,558	1,561,864	10,296,038

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)	Current consolidated fiscal year (April 1, 2025 - March 31, 2026)
Cash flows from operating activities		
Profit (Loss) before income taxes	(488,070)	823,102
Depreciation	45,098	42,333
Increase (decrease) in allowance for doubtful accounts	157,803	(27,499)
Increase (decrease) in provision for bonuses	17,191	18,707
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(7,314)	–
Increase (decrease) in retirement benefit liability	72,337	73,280
Interest and dividend income	(52,626)	(66,482)
Interest expenses	53	158
Loss (gain) on sales of investment securities	(1,553)	–
Decrease (increase) in trade receivables	383,876	(790,539)
Decrease (increase) in operating accounts receivable	(89,274)	(454,368)
Decrease (increase) in inventories	330,956	(115,094)
Increase (decrease) in trade payables	(128,384)	602,106
Increase (decrease) in provision for loss on orders received	356,018	61,638
Increase (decrease) in provision for loss on guarantees	385,000	–
Increase (decrease) in operating accounts payable	(34,366)	634,506
Increase (decrease) in accounts payable - other	(56,059)	14,521
Increase (decrease) in contract liabilities	324,883	(403,575)
Decrease (increase) in accounts receivable - other	249,144	(42,293)
Decrease (increase) in long-term accounts receivable - other	(191,990)	16,800
Increase (decrease) in accrued consumption taxes	(91,545)	230,254
Other	(344,183)	179,263
Subtotal	836,992	796,821
Interest and dividends received	52,626	66,482
Interest paid	(53)	(158)
Income taxes paid	(320,461)	(99,680)
Expenditures for fulfillment of guarantee obligations	(138,655)	–
Cash flows from operating activities	430,449	763,464
Cash flows from investing activities		
Payments into time deposits	–	(250,000)
Proceeds from rental of investment property	57,233	59,939
Payments for rental of investment property	(6,378)	(4,320)
Purchase of property, plant and equipment	(15,856)	(49,757)
Purchase of intangible assets	(5,276)	(2,015)
Purchase of investment securities	(18,799)	(1,306,102)
Proceeds from sales of investment securities	2,453	–
Loan advances	(91,000)	–
Other	(36,560)	(71,386)
Cash flows from investing activities	(114,184)	(1,623,642)
Cash flows from financing activities		
Dividends paid	(71,614)	(71,735)
Repayments of lease liabilities	(6,251)	(8,924)
Cash flows from financing activities	(77,866)	(80,659)
Effect of exchange rate change on cash and cash equivalents	53,425	61,702
Net increase (decrease) in cash and cash equivalents	291,823	(879,134)
Cash and cash equivalents at beginning of period	10,057,362	10,349,185
Cash and cash equivalents at end of period	10,349,185	9,470,051

(5) Notes to the Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Change in Presentation Method)

(Notes related to Consolidated Statement of Income)

The method of presentation of "Loss on valuation of investment securities," which was included in "Other" under "Non-operating expenses in the previous consolidated fiscal year, has been changed from the consolidated fiscal year ended March 31, 2026 because its significance has increased. The consolidated financial statements for the previous consolidated fiscal year have been restated to reflect this change in the method of presentation.

As a result, the ¥17,423 thousand, which was recorded in "Other" under "Non-operating expenses" in the consolidated statement of income for previous consolidated fiscal year, has been restated to ¥16,999 thousand in "Loss on valuation of investment securities" and ¥423 thousand in "Other."

(Notes related to Consolidated Statement of Income)

(Provision of allowance for doubtful accounts, Provision for loss on guarantees)

Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)

In the consolidated fiscal year under review, the Group expended ¥138,655 thousand to fulfill its guarantee obligation on a loan made to Quatro Yashima Private Limited (hereafter, "QYPL"), an equity method affiliate. We therefore recognized accounts receivable – other in an amount equivalent to the fulfillment amount in the consolidated fiscal year under review. After estimating the potential for recovery of the accounts receivable – other, a provision of allowance for doubtful accounts of ¥141,181 thousand was recognized as a non-operating expense.

The Company provides financing assistance by issuing standby letters of credit for RENMAKCH India Private Limited (hereafter, "RENMAKCH"), our corporate partner in the Indian market, when RENMAKCH undertakes Indian subway projects and other projects that will provide a track record for participating in future ODA projects. Guarantee obligations for standby letters of credit for RENMAKCH stood at INR 220 million as of March 31, 2025.

After we provided our partner RENMAKCH with financial assistance, we continued to monitor the status of project order receipt and fulfillment, financial status, and other factors. Amid that, RENMAKCH's cash flow deteriorated and we received a request for additional assistance with funds. When we confirmed the details, we found that RENMAKCH had a high amount of accounts receivable from the railway operators and other entities under the umbrella of the India government, but had not collected on these over a long period of time. We determined that there were concerns that RENMAKCH could not fulfill the projects without additional assistance from the Group and therefore lent RENMAKCH operating capital. The loan balance stood at INR 50 million as of March 31, 2025. We examined the potential of recovering the receivables from RENMAKCH and determined that it was appropriate to estimate a provision of allowance for doubtful accounts and the guarantee via standby letters of credit for RENMAKCH when viewed conservatively from a system accounting perspective, given the potential that, even though a plan for payment dates had been presented, RENMAKCH could again encounter concerns over cash management, due in part to the fact that it has customers for which there are long delays in collection. We therefore recognized a provision of allowance for doubtful accounts of ¥87 million (INR 50 million) and a provision of loss on guarantees of ¥385 million (INR 220 million) for loan guarantees via standby letters of credit as non-operating expenses.

Current consolidated fiscal year (April 1, 2025 - March 31, 2026)

In the previous consolidated fiscal year ended March 31, 2025, the Group expended ¥138,655 thousand to fulfill its guarantee obligation on a loan made to QYPL, an equity method affiliate. We therefore recognized accounts receivable – other in an amount equivalent to the fulfillment amount in the previous fiscal year. In the consolidated fiscal year under review, we recovered INR 10 million, part of that amount, and recognized a reversal of allowance for doubtful accounts of ¥20,327 thousand, which included the revaluation according to the exchange rate we used.

The Company provides financing assistance by issuing standby letters of credit for RENMAKCH, our corporate partner in the Indian market, when RENMAKCH undertakes Indian subway projects and other projects that will provide a track record for participating in future ODA projects. Guarantee obligations for standby letters of credit for RENMAKCH stood at INR 220 million as of March 31, 2026.

After considering RENMAKCH's business situation in the previous consolidated fiscal year, we recognized a provision of allowance for doubtful accounts of ¥87 million (INR 50 million) and a provision of loss on guarantees of ¥385 million (INR 220 million) for loan guarantees via standby letters of credit. Although the INR-denominated loan guarantees had not changed as of March 31, 2026, we recognized a reversal of allowance for doubtful accounts of ¥2,000 thousand and a gain on reversal of provision for loss on guarantees due to the revaluation according to the exchange rate we used.

The amount recorded for provision of allowance for doubtful accounts on the consolidated statement of income was ¥25,325 thousand, as a result of recognizing the provision of allowance for doubtful accounts for companies other than the two described above as non-operating expenses.

(Reversal of allowance for doubtful accounts)

Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)

During the investigation of improprieties at Yashima (Shanghai) Trading Co., Ltd. ("Yashima (Shanghai)"), a consolidated subsidiary in China, in fiscal year ended March 31, 2023, it became clear that the vendor and customer were effectively operating as one entity and the Group identified transactions suspected of lacking substantiveness. However, we were not able to obtain sufficient cooperation from the customer and could not sufficiently verify that the transactions were substantive. The Group therefore recognized the transactions reviewed as improper transactions. We cancelled the sales transactions and Yashima (Shanghai) ceased transactions with the vendor and customer in June 2023.

A provision of allowance for doubtful accounts was made for all net expenditures that could not be confirmed as recoverable. This amount was calculated by deducting payments received from payments made through June 2023, the period during which Yashima (Shanghai) engaged in such transactions.

We continued to support business by providing a grace period on the accounts receivable collection date and reducing the cash management burden for the customer with the aim of recovering the entire amount of net expenditures.

Due to this policy, we reversed the allowance for doubtful accounts by ¥67,360 thousand, the net amount recovered by the date of the financial results announcement (May 15, 2025).

Current consolidated fiscal year (April 1, 2025 - March 31, 2026)

During the investigation of improprieties at Yashima (Shanghai), a consolidated subsidiary in China, in fiscal year ended March 31, 2023, it became clear that the vendor and customer were effectively operating as one entity and the Group identified transactions suspected of lacking substantiveness. However, we were not able to obtain sufficient cooperation from the customer and could not sufficiently verify that the transactions were substantive. The Group therefore recognized the transactions reviewed as improper transactions. We cancelled the sales transactions and Yashima (Shanghai) ceased transactions with the vendor and customer in June 2023.

A provision of allowance for doubtful accounts was made for all net expenditures that could not be confirmed as recoverable. This amount was calculated by deducting payments received from payments made through June 2023, the period during which Yashima (Shanghai) engaged in such transactions.

We continued to support business through a grace period on the accounts receivable collection date and reducing the cash management burden for the customer with the aim of recovering the entire amount of net expenditures.

Due to this policy, we reversed the allowance for doubtful accounts by ¥64,542 thousand, the net amount recovered by the date of the financial results announcement (May 15, 2026), and recognized it as extraordinary income.

(Segment Information)

[Segment Information]

1. Overview of Reporting Segments

(1) Method of Determining Reporting Segments

The reporting segments of the Company are constituent units for which separate financial information is available and that are subject to periodic review by the Board of Directors to determine the allocation of management resources and assess their respective operating results.

The Company has two reporting segments, namely the Railway Business and the General Business, based on target industries.

(2) Types of Products and Services in Each Reporting Segment

In the Railway Business, the main products are electrical components for railway cars, body equipment, built-in equipment, connectors, and electronic components, which we sell to the markets of railway operators, railway car manufacturers, and manufacturers of electrical components for railway cars.

The main products in the General Business are connectors, which we sell to customers outside the railway industry. Our customers in the General Business include industrial equipment manufacturers, automotive manufacturers, and commercial equipment mail order business operators. Because it is a catch-all for everything outside the Railway Business, the industries and markets are not limited to a single field, and the customers are diverse.

2. Method Used for Calculating Net Sales, Profit, Loss, Assets, Liabilities, and Other Items for Each Reporting Segment

Accounting treatment of the reported business segments is, for the most part, as set forth in "Notes - Significant accounting policies for preparation of consolidated financial statements."

Figures for reporting segment profit are based on operating profit.

3. Information Regarding Amounts of Net Sales, Profit, Loss, Assets, Liabilities, and Other Items in Each Reporting Segment

Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)

(Thousands of yen)

	Reporting Segment			Adjustment *1	Total
	Railway Business	General Business	Total		
Net sales					
Net sales to unaffiliated customers	26,605,672	2,441,108	29,046,781	–	29,046,781
Transactions with other segments	–	–	–	–	–
Total	26,605,672	2,441,108	29,046,781	–	29,046,781
Segment profit (loss)	92,347	(136,359)	(44,012)	–	(44,012)
Segment assets	15,286,605	1,402,898	16,689,503	8,704,863	25,394,367
Other items					
Depreciation	36,841	3,732	40,574	4,524 *2	45,098
Increase in property, plant and equipment and intangible assets	19,188	1,944	21,133	1,964	23,097

*1 The adjustment for segment assets includes the Company's surplus funds (securities), long-term investments (investment securities), unallocated accounts receivable - other, and assets related to real estate for investment and administrative operations.

*2 The ¥4,524 thousand in depreciation is related to real estate for investment.

Current consolidated fiscal year (April 1, 2025 - March 31, 2026)

(Thousands of yen)

	Reporting Segment			Adjustment *1	Total
	Railway Business	General Business	Total		
Net sales					
Net sales to unaffiliated customers	31,362,256	2,502,297	33,864,554	–	33,864,554
Transactions with other segments	–	–	–	–	–
Total	31,362,256	2,502,297	33,864,554	–	33,864,554
Segment profit (loss)	804,113	(76,468)	727,644	–	727,644
Segment assets	16,727,809	1,340,002	18,067,812	9,715,802	27,783,614
Other items					
Depreciation	33,831	3,969	37,800	4,532 *2	42,333
Increase in property, plant and equipment and intangible assets	46,336	5,436	51,772	–	51,772

*1 The adjustment for segment assets includes the Company's surplus funds (securities), long-term investments (investment securities), unallocated accounts receivable - other, and assets related to real estate for investment and administrative operations.

*2 The ¥4,532 thousand in depreciation is related to real estate for investment.

4. Differences between total amount of reporting segment and the amount in the consolidated financial statements as well as the details these differences (items in relation to adjustment of differences)

Not applicable.

(Per Share Information)

	Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)	Current consolidated fiscal year (April 1, 2025 - March 31, 2026)
Net assets per share	3,263.42 yen	3,583.56 yen
Net income (loss) per share	(177.73) yen	174.94 yen

*1 Diluted net income per share is not provided because there are no dilutive shares.

*2 The basis for calculating net income per share is as follows:

Item	Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)	Current consolidated fiscal year (April 1, 2025 - March 31, 2026)
Net income per share		
Profit (Loss) attributable to owners of parent (thousands of yen)	(509,637)	502,384
Income not attributable to common shareholders (thousands of yen)	–	–
Profit (Loss) attributable to owners of parent associated with common shares (thousands of yen)	(509,637)	502,384
Average number of shares during the term (shares)	2,867,554	2,871,700

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

Item	Previous consolidated fiscal year (ended March 31, 2025)	Current consolidated fiscal year (ended March 31, 2026)
Total net assets (thousands of yen)	9,364,065	10,296,038
Net assets associated with common shares (thousands of yen)	9,364,065	10,296,038
Number of common shares used for calculation of net assets per share (shares)	2,869,404	2,873,135

(Significant Subsequent Events)

Not applicable.