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May 15, 2026

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

Company name: MAEZAWA KASEI INDUSTRIES CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7925
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 Scheduled date of ordinary general meeting of shareholders: June 23, 2026
 Scheduled date to commence dividend payments: June 24, 2026
 Scheduled date to file annual securities report: TBD
 Preparation of supplementary material on financial results: No
 Holding of financial results briefing: No

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

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	25,152	4.1	2,323	7.3	2,780	10.9	1,858	8.4
March 31, 2025	24,166	1.0	2,164	22.1	2,507	21.0	1,714	25.9

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥2,957 million [54.5%]
 For the fiscal year ended March 31, 2025: ¥1,914 million [(31.3)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
	Yen	Yen	%	%	%
March 31, 2026	125.19	–	4.4	5.6	9.2
March 31, 2025	115.53	–	4.2	5.1	9.0

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	50,218	43,391	86.2	2,913.60
March 31, 2025	49,901	41,513	83.0	2,790.42

Reference: Equity
 As of March 31, 2026: ¥43,275 million
 As of March 31, 2025: ¥41,407 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	1,937	(2,451)	(1,107)	10,184
March 31, 2025	1,874	(459)	(850)	11,805

2. Cash dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2025	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
	–	30.00	–	39.00	69.00	1,030	59.7	2.5
Fiscal year ended March 31, 2026	–	35.00	–	40.00	75.00	1,120	59.9	2.6
Fiscal year ending March 31, 2027 (Forecast)	–	–	–	–	–		–	

Note: As announced on December 16, 2025, the Company and Maezawa Industries, Inc. have agreed to integrate their management by establishing MAEZAWA Holdings CO., LTD., which will become the wholly owning parent company of both companies through a joint share transfer scheduled to take effect on June 1, 2026. As a result of this transaction, the shares of common stock of the Company will be delisted on May 28, 2026. Therefore, the dividend forecast for the fiscal year ending March 2027 is not provided.

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

As announced on December 16, 2025, the Company and Maezawa Industries, Inc. have agreed to integrate their management by establishing MAEZAWA Holdings CO., LTD., which will become the wholly owning parent company of both companies through a joint share transfer scheduled to take effect on June 1, 2026. As a result of this transaction, the shares of common stock of the Company will be delisted on May 28, 2026. Therefore, the financial results forecast for the fiscal year ending March 31, 2027 is not provided.

* **Notes**

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

Newly included: – companies

Excluded: 1 company (NIIGATA MOLDING CO., LTD.)

(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 shares issued (common shares)

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

As of March 31, 2026	15,732,000 shares
As of March 31, 2025	15,732,000 shares

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

As of March 31, 2026	879,009 shares
As of March 31, 2025	892,755 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	14,847,641 shares
Fiscal year ended March 31, 2025	14,839,318 shares

[Reference] Overview of non-consolidated financial results

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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	23,316	4.3	2,131	8.5	2,577	11.9	1,812	14.2
March 31, 2025	22,356	1.0	1,965	17.7	2,304	17.3	1,587	23.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	122.10	–
March 31, 2025	106.99	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	48,996	42,692	87.1	2,874.35
March 31, 2025	48,281	40,944	84.8	2,759.19

Reference: Equity

As of March 31, 2026: ¥42,692 million

As of March 31, 2025: ¥40,944 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

Disclaimer with respect to forward-looking statements

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

As announced on December 16, 2025, the Company and Maezawa Industries, Inc. have agreed to integrate their management by establishing MAEZAWA Holdings CO., LTD., which will become the wholly owning parent company of both companies through a joint share transfer scheduled to take effect on June 1, 2026. As a result of this transaction, the shares of common stock of the Company will be delisted on May 28, 2026. Therefore, the financial results forecast for the fiscal year ending March 31, 2027 is not provided. In addition, as the Company plans to submit an application for exemption from the submission of its annual securities report, the scheduled date to file annual securities report has been left undecided.

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1. Overview of Financial Performance

The Forward-looking statements contained in this document are based on our assessment as of the end of the fiscal year ended March 31, 2026 (the “fiscal year under review”).

(1) Operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy was in a moderate recovery trend thanks to improved employment and income conditions. However, due to factors such as price increases attributable to the weakened yen, real wages have remained negative for a prolonged period, and consumer spending continues to lack momentum. The outlook of the domestic economy has remained uncertain as we have to carefully watch the impact of unstable overseas conditions, such as domestic and international interest rate trends, U.S. trade policies, and the growing tension in the Middle East.

The water supply and sewerage industry and the housing equipment industry, which the Group engages in, are facing the situation where demand from residential purchasers has been supported to a certain extent by the government’s housing acquisition support measures and continued low interest rates. However, their motivation to purchase a home has been slackened noticeably by soaring housing prices and a sense of alert over a further rising policy interest rate by the Bank of Japan. Under these circumstances, we are facing a challenging business environment as the number of new single-family housing starts, which is closely related to the Company’s financial results, continued to decline.

In light of such a business environment, the Group announced on May 14, 2024 a new medium-term management plan “SHIFT 2026” that covers a three-year period from fiscal 2024 to fiscal 2026. We have positioned the coming three years as “a phase for establishing foundations for growth” in order to carve out a steady future growth trajectory, while confronting our ongoing business challenges identified in the previous medium-term management plan “Look Forward 2023.” To this end, we have set out four basic policies: “Enhancing the Group’s earning power and creating new corporate value,” “Strengthening revenue base,” “Implementing strategic investment for growth and improving capital efficiency,” and “Promoting sustainability management” as well as key strategies to achieve these policies. We will work to achieve sustainable growth and improve our corporate value by steadily implementing the key strategies based on these basic policies.

Amid the tough circumstances in which the number of new single-family housing starts significantly declined year-on-year, the operating results for the fiscal year under review outperformed those for the previous fiscal year. This was mainly attributable to the effect of price revisions implemented in 2024 and solid results in the Water/Environmental Engineering segment which is positioned as a growth segment in the medium-term management plan SHIFT 2026.

As a result, the Group posted net sales of 25,152 million yen (up 4.1% year-on-year) with operating profit of 2,323 million yen (up 7.3% year-on-year), ordinary profit of 2,780 million yen (up 10.9% year-on-year), and profit attributable to owners of parent of 1,858 million yen (up 8.4% year-on-year).

Operating results for each segment are as follows.

(i) Pipes and Engineering Plastic

In the Pipes and Engineering Plastic segment, while the number of new single-family housing starts remained sluggish, we continued to work hard to strengthen sales of key sales products in the areas of building equipment, exterior, and disaster prevention and secure sales of mainstay product lines. We also worked on improving profitability by aggregating logistics centers as part of efforts to limit the cost of logistics. As for the key sales products, sales remained firm as a result of our active sales activities mainly targeting developers and housing manufacturers and efforts to uncover new demand. In mainstay product lines, despite the impacts of rising raw material prices for auxiliary materials, we saw the lingering effect of price revisions carried out in 2024 and new adoption of our products by housing manufacturers, leading to steady growth.

As a result of the above, net sales amounted to 22,222 million yen (up 2.1% year-on-year) with segment profit of 2,019 million yen (up 1.9% year-on-year).

(ii) Water/Environmental Engineering

In the Water/Environmental Engineering segment, we have proposed and constructed a diversity of water treatment systems designed to allow customers to improve operating efficiency and protect the environment in their water treatment. We have also been engaged in receiving orders and performing construction work for various works in the public and private sectors, such as plumbing and sanitary equipment, and agricultural irrigation/drainage pump plants. In the fiscal year under review, the facts such as that large-scale public and private works ordered in the previous fiscal year progressed as scheduled, and that we steadily gained orders throughout the year for repair and maintenance works led to results exceeding those in the previous fiscal year.

As a result of the above, net sales amounted to 2,034 million yen (up 38.0% year-on-year) with segment profit of 299 million yen (up 81.8% year-on-year).

(iii) Plastic Molding

In the Plastic Molding segment, we have focused on development and sales of own-label products in order to continue promoting management with an emphasis on profitability and create new revenue sources. Under the severe business environment in which the number of orders continued to decrease, we constantly worked on improving productive efficiency and reducing fixed costs to strengthen profitability, but due to the impacts of a decrease in sales and an increase in outsourcing costs, the operating results decreased year on year.

As a result of the above, net sales amounted to 1,077 million yen (down 2.5% year-on-year) with segment profit of 18 million yen (down 40.7% year-on-year).

(2) Financial position for the fiscal year under review

Total assets as of March 31, 2026 increased by 316 million yen from the end of the previous fiscal year to 50,218 million yen. This increase can be explained primarily by a 450 million yen increase in investment securities due to the rise in the market value of stock.

Total liabilities decreased by 1,561 million yen from the end of the previous fiscal year to 6,826 million yen. This decrease can be explained primarily by a decrease in trade payables of 1,126 million yen due mainly to the shortening of payment terms to comply with the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields.

Net assets increased by 1,878 million yen from the end of the previous fiscal year to 43,391 million yen. This is primarily attributable to an increase in valuation difference on available-for-sale securities of 1,014 million yen due to a rise in the stock price of investment securities and an increase in retained earnings of 753 million yen mainly due to profit attributable to owners of parent.

(3) Cash flows for the fiscal year under review

Cash and cash equivalent (“net cash”) as of March 31, 2026 amounted to 10,184 million yen, a decrease of 1,621 million yen from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to 1,937 million yen (as compared with 1,874 million yen provided for the previous fiscal year). This is primarily attributable to profit before income taxes of 2,593 million yen.

Cash flows from investing activities

Net cash used in investing activities amounted to 2,451 million yen (as compared with 459 million yen used in the previous fiscal year). This is primarily attributable to purchase of property, plant and equipment of 854 million yen and purchase of investment securities of 712 million yen.

Cash flows from financing activities

Net cash used in financing activities amounted to 1,107 million yen (as compared with 850 million yen used in the previous fiscal year). This is primarily attributable to dividends paid of 1,104 million yen.

Reference: Trends in cash flow-related indicators

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio	83.0%	86.2%
Equity-to-asset ratio based on market value	54.6%	62.7%
Interest-bearing debt to cash flow ratio	17.6%	—
Interest coverage ratio	352	329

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

Equity-to-asset ratio based on market value: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt} / \text{Cash flow}$

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

*1 All of the figures in the table were calculated on a consolidated basis.

*2 Market capitalization was calculated based on shares issued at the end of the period less treasury shares.

*3 The figure used for cash flow refers to operating cash flow.

*4 Interest-bearing debt refers to all debt recorded on the consolidated balance sheets for which interest is paid.

(4) Future outlook

The Company handles products used for the maintenance of water supply and sewerage mainly related to housing plumbing; thus, the Company’s sales are significantly affected by the number of new construction starts of dwellings, particularly the number of new single-family housing starts. For the number of new single-family housing starts for the next fiscal year, we believe residential purchasers’ motivation to purchase a home will continue to be supported to a certain extent by the government’s ongoing housing acquisition support measures. However, people’s awareness of maintaining their standards of living is predicted to further rise due to the continued surge in housing prices driven by factors such as the impact of price increases resulting from the weaker yen and other reasons and the growing tension in the Middle East, as well as their wariness toward the risk of interest rate hikes and overseas economic slowdown. Accordingly, it is assumed that the number of new construction starts for the next fiscal year will remain sluggish. In light of such a business environment, the Group formulated the new medium-term management plan “SHIFT 2026” that covers a three-year period from fiscal 2024 to fiscal 2026. We will enhance the Group’s earning power by steadily implementing measures in the key strategies under the SHIFT 2026.

As announced on December 16, 2025, the Company and Maezawa Industries, Inc. have agreed to integrate their management by establishing MAEZAWA Holdings CO., LTD. (the “Joint Holding Company”), which will become the wholly owning parent company of both companies through a joint share transfer scheduled to take effect on June 1, 2026, and the shares of common stock of the Company will be delisted on May 28, 2026. Therefore, the financial results forecast for the next fiscal year, which

is currently under review, will be announced by the newly listed Joint Holding Company. Once finalized, it will be announced promptly.

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

The Company has adopted a basic policy regarding the profit distribution of proactively returning profits to shareholders, while securing the capital needed for the investments that will ensure sustainable growth and gains in medium- and long-term corporate value. Comprehensively considering the performance and financial conditions, the Company has positioned meeting its responsibility to provide high income and high dividends to shareholders while maintaining a stable business foundation as one important objective in management. Based on this dividend policy, we have set 50 yen per share as the minimum annual dividend during three years under the medium-term management plan “SHIFT 2026.” We aim to raise the level of dividends that links to our performance by paying dividends during said three years with a target dividend payout ratio at around 60%, in accordance with a profit level in each fiscal year.

After comprehensively considering our dividend policy and the achievement of our business results, we will increase the year-end ordinary dividend by 5 yen per share from 35 yen per share stated in the dividend forecast announced on May 14, 2025 to 40 yen per share. When combined with the interim dividend of 35 yen per share, this will bring the total annual dividends to 75 yen per share.

As announced on December 16, 2025, the Company and Maezawa Industries, Inc. have agreed to integrate their management by establishing the “Joint Holding Company,” which will become the wholly owning parent company of both companies through a joint share transfer scheduled to take effect on June 1, 2026, and the shares of common stock of the Company will be delisted on May 28, 2026. The dividends for the next fiscal year ending March 2027 as the Joint Holding Company will be determined by taking into account the dividend policies and historical dividend levels of both companies, as well as the future performance of the Joint Holding Company, but they have not yet been decided at this time.

2. Basic Rationale for Selection of Accounting Standards

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

We will respond appropriately regarding whether to apply the IFRS Accounting Standards based on the situation in Japan and overseas.

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	12,905	12,684
Notes and accounts receivable - trade, and contract assets	4,868	3,705
Electronically recorded monetary claims - operating	4,691	5,543
Securities	1,300	2,700
Merchandise and finished goods	2,334	2,278
Work in process	784	788
Raw materials and supplies	887	819
Other	635	672
Allowance for doubtful accounts	(0)	(0)
Total current assets	28,409	29,191
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,360	12,690
Accumulated depreciation and impairment	(8,716)	(8,371)
Buildings and structures, net	4,643	4,319
Machinery, equipment and vehicles	12,136	11,085
Accumulated depreciation and impairment	(11,251)	(10,258)
Machinery, equipment and vehicles, net	884	827
Tools, furniture and fixtures	17,774	17,642
Accumulated depreciation and impairment	(17,517)	(17,326)
Tools, furniture and fixtures, net	257	315
Other	240	33
Accumulated depreciation and impairment	(167)	(29)
Other, net	73	3
Land	4,357	4,008
Construction in progress	411	252
Total property, plant and equipment	10,628	9,726
Intangible assets		
Goodwill	117	102
Software	321	249
Other	87	1
Total intangible assets	527	353
Investments and other assets		
Investment securities	9,629	10,080
Deferred tax assets	17	-
Retirement benefit asset	237	365
Other	600	503
Allowance for doubtful accounts	(148)	(2)
Total investments and other assets	10,336	10,947
Total non-current assets	21,492	21,027
Total assets	49,901	50,218

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,865	1,738
Electronically recorded obligations - operating	1,672	672
Short-term borrowings	330	–
Income taxes payable	523	353
Provision for bonuses	439	402
Provision for bonuses for directors (and other officers)	38	65
Provision for shareholder benefit program	11	23
Other	1,997	1,657
Total current liabilities	6,879	4,912
Non-current liabilities		
Deferred tax liabilities	1,046	1,529
Provision for share awards for directors (and other officers)	71	116
Asset retirement obligations	229	223
Other	161	43
Total non-current liabilities	1,509	1,913
Total liabilities	8,388	6,826
Net assets		
Shareholders' equity		
Share capital	3,387	3,387
Capital surplus	6,368	6,378
Retained earnings	29,434	30,187
Treasury shares	(1,014)	(998)
Total shareholders' equity	38,175	38,955
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,962	3,976
Remeasurements of defined benefit plans	270	344
Total accumulated other comprehensive income	3,232	4,320
Non-controlling interests	105	116
Total net assets	41,513	43,391
Total liabilities and net assets	49,901	50,218

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	24,166	25,152
Cost of sales	15,393	15,988
Gross profit	8,772	9,164
Selling, general and administrative expenses	6,607	6,840
Operating profit	2,164	2,323
Non-operating income		
Interest income	30	86
Dividend income	177	232
Rental income	91	91
Other	63	64
Total non-operating income	363	475
Non-operating expenses		
Interest expenses	5	5
Commission expenses	0	1
Rental expenses	10	10
Other	3	0
Total non-operating expenses	20	19
Ordinary profit	2,507	2,780
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on sale of investment securities	114	312
Total extraordinary income	115	313
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	2	7
Loss on sale of shares of subsidiaries and associates	-	381
Loss on valuation of investment securities	-	107
Loss on cancellation of leases	0	0
Loss on valuation of membership	-	0
Total extraordinary losses	3	500
Profit before income taxes	2,619	2,593
Income taxes - current	832	739
Income taxes - deferred	62	(15)
Total income taxes	895	724
Profit	1,724	1,869
Profit attributable to non-controlling interests	10	10
Profit attributable to owners of parent	1,714	1,858

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,724	1,869
Other comprehensive income		
Valuation difference on available-for-sale securities	145	1,014
Remeasurements of defined benefit plans, net of tax	44	73
Total other comprehensive income	189	1,087
Comprehensive income	1,914	2,957
Comprehensive income attributable to:		
Owners of parent	1,904	2,946
Non-controlling interests	10	10

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,387	6,368	28,541	(1,014)	37,282
Changes during period					
Dividends of surplus			(821)		(821)
Profit attributable to owners of parent			1,714		1,714
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	892	(0)	892
Balance at end of period	3,387	6,368	29,434	(1,014)	38,175

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,816	226	3,042	95	40,420
Changes during period					
Dividends of surplus					(821)
Profit attributable to owners of parent					1,714
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	145	44	189	10	199
Total changes during period	145	44	189	10	1,092
Balance at end of period	2,962	270	3,232	105	41,513

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,387	6,368	29,434	(1,014)	38,175
Changes during period					
Dividends of surplus			(1,105)		(1,105)
Profit attributable to owners of parent			1,858		1,858
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		10		16	26
Net changes in items other than shareholders' equity					
Total changes during period	–	10	753	16	780
Balance at end of period	3,387	6,378	30,187	(998)	38,955

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,962	270	3,232	105	41,513
Changes during period					
Dividends of surplus					(1,105)
Profit attributable to owners of parent					1,858
Purchase of treasury shares					(0)
Disposal of treasury shares					26
Net changes in items other than shareholders' equity	1,014	73	1,087	10	1,098
Total changes during period	1,014	73	1,087	10	1,878
Balance at end of period	3,976	344	4,320	116	43,391

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,619	2,593
Depreciation	1,014	1,065
Amortization of goodwill	15	15
Increase (decrease) in allowance for doubtful accounts	(1)	0
Increase (decrease) in provision for bonuses	(20)	(15)
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	26
Increase (decrease) in provision for share awards for directors (and other officers)	12	44
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(154)	–
Interest and dividend income	(207)	(319)
Rental income	(91)	(91)
Interest expenses	5	5
Loss (gain) on sale of investment securities	(114)	(312)
Loss (gain) on sale of shares of subsidiaries and associates	–	381
Loss (gain) on valuation of investment securities	–	107
Decrease (increase) in retirement benefit asset	1	7
Retirement benefit expenses	(14)	(27)
Decrease (increase) in trade receivables	20	103
Decrease (increase) in inventories	(39)	(41)
Increase (decrease) in trade payables	(249)	(953)
Other, net	(409)	(144)
Subtotal	2,377	2,448
Interest and dividends received	202	314
Interest paid	(5)	(5)
Income taxes refund (paid)	(780)	(901)
Proceeds from rental income	81	82
Other, net	(0)	(2)
Net cash provided by (used in) operating activities	1,874	1,937
Cash flows from investing activities		
Payments into time deposits	(3,100)	(5,500)
Proceeds from withdrawal of time deposits	4,000	4,100
Purchase of securities	(1,800)	(1,500)
Proceeds from redemption of securities	2,710	1,500
Purchase of investment securities	(1,474)	(712)
Proceeds from sale of investment securities	132	341
Proceeds from redemption of investment securities	–	200
Purchase of property, plant and equipment	(806)	(854)
Proceeds from sale of property, plant and equipment	0	4
Purchase of intangible assets	(109)	(61)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(420)
Proceeds from collection of loans receivable	–	450
Other, net	(12)	2
Net cash provided by (used in) investing activities	(459)	(2,451)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	3,960	3,960
Repayments of short-term borrowings	(3,960)	(3,960)
Dividends paid	(820)	(1,104)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	–	26
Other, net	(29)	(29)
Net cash provided by (used in) financing activities	(850)	(1,107)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	564	(1,621)
Cash and cash equivalents at beginning of period	11,241	11,805
Cash and cash equivalents at end of period	11,805	10,184

(5) Notes to consolidated financial statements

Going concern assumption

Not applicable.

Segment information and other related information

Segment information

1. Overview of reportable segments

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

The Company has established divisions for each product and service that it handles, and its consolidated subsidiaries operate as independent business units.

Therefore, the Group consists of segments by product and service based on divisions and companies and has three reportable segments: Pipes and Engineering Plastic, Water/Environmental Engineering, and Plastic Molding.

The Pipes and Engineering Plastic mainly manufactures and sells water supply- and sewerage-related products such as a fitting and a PVC catch basin with an invert. The Water/Environmental Engineering mainly designs, constructs, maintains, and manages large combined wastewater treatment plants, industrial wastewater treatment facilities, plumbing and sanitary equipment, and pump plants. The Plastic Molding produces and sells parts for housing equipment and various parts for plastic products on a build-to-order basis.

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

The method of accounting treatment for reportable operating segments conforms to the accounting policies adopted to prepare consolidated financial statements.

Profits of reportable segments represent figures based on operating profit.

Intersegment revenue and transfers are based on current market prices.

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

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Pipes and Engineering Plastic	Water/ Environmental Engineering	Plastic Molding	Total	Reconciliation (Note 1)	Carrying amount on consolidated financial statements (Note 2)
Net sales						
Revenue from external customers	21,739	1,474	951	24,166	–	24,166
Intersegment sales or transfers	16	–	153	169	(169)	–
Total	21,756	1,474	1,105	24,336	(169)	24,166
Segment profit	1,982	164	31	2,178	(13)	2,164
Segment assets	49,812	106	1,557	51,477	(1,575)	49,901
Other items						
Depreciation	945	6	62	1,014	–	1,014
Amortization of goodwill	–	–	–	–	15	15
Increase in property, plant and equipment and intangible assets	894	5	68	968	–	968

Notes: 1. Reconciliations are as follows:

- (1) Reconciliation of negative 13 million yen in segment profit represents the elimination of intersegment transactions.
 - (2) Reconciliation of negative 1,575 million yen in segment assets represents the elimination of intersegment transactions.
2. Segment profit was reconciled with operating profit in the consolidated financial statements.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Pipes and Engineering Plastic	Water/ Environmental Engineering	Plastic Molding	Total	Reconciliation (Note 1)	Carrying amount on consolidated financial statements (Note 2)
Net sales						
Revenue from external customers	22,203	2,034	913	25,152	–	25,152
Intersegment sales or transfers	18	–	163	182	(182)	–
Total	22,222	2,034	1,077	25,335	(182)	25,152
Segment profit	2,019	299	18	2,338	(14)	2,323
Segment assets	48,890	1,989	–	50,879	(661)	50,218
Other items						
Depreciation	986	6	72	1,065	–	1,065
Amortization of goodwill	–	–	–	–	15	15
Increase in property, plant and equipment and intangible assets	677	7	–	684	–	684

Notes: 1. Reconciliations are as follows:

- (1) Reconciliation of negative 14 million yen in segment profit represents the elimination of intersegment transactions.
 - (2) Reconciliation of negative 661 million yen in segment assets represents the elimination of intersegment transactions.
2. Segment profit was reconciled with operating profit in the consolidated financial statements.

Related information

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

Disclosure is omitted since the same information is provided in “Segment information.”

2. Information by geographical area

(1) Net sales

Not applicable since there is no sales amount to external customers outside Japan.

(2) Property, plant and equipment

Not applicable since there are no property, plant and equipment located outside Japan.

3. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment
Watanabe Pipe Co., Ltd.	3,157	Pipes and Engineering Plastic

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

Disclosure is omitted since the same information is provided in “Segment information.”

2. Information by geographical area

(1) Net sales

Not applicable since there is no sales amount to external customers outside Japan.

(2) Property, plant and equipment

Not applicable since there are no property, plant and equipment located outside Japan.

3. Information by major customer

(Millions of yen)

Name of customer	Net sales	Related segment
Watanabe Pipe Co., Ltd.	3,330	Pipes and Engineering Plastic

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

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

Information on amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Pipes and Engineering Plastic	Water/ Environmental Engineering	Plastic Molding	Corporate/ Elimination	Total
Amortization during the period	–	–	–	15	15
Balance at the end of the period	–	–	–	117	117

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Pipes and Engineering Plastic	Water/ Environmental Engineering	Plastic Molding	Corporate/ Elimination	Total
Amortization during the period	–	–	–	15	15
Balance at the end of the period	–	–	–	102	102

Information on gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

Per share information

(Yen)

Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
Net assets per share	2,790.42	Net assets per share	2,913.60
Basic earnings per share	115.53	Basic earnings per share	125.19

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

2. The Company's shares held in share trust are included in treasury shares deducted from the number of shares issued at the end of the period in the calculation of net assets per share (96,611 shares in the fiscal year ended March 31, 2025, and 82,825 shares in the fiscal year ended March 31, 2026).

The Company's shares held in share trust are included in treasury shares deducted from the average number of common shares outstanding during the period in the calculation of basic earnings per share (96,611 shares in the fiscal year ended March 31, 2025, and 88,188 shares in the fiscal year ended March 31, 2026).

3. The basis for calculation is as follows.

(1) Net assets per share

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Total net assets	41,513	43,391
Amount deducted from total net assets	105	116
[Of which, non-controlling interests]	[105]	[116]
Net assets attributable to common shares at the end of the period	41,407	43,275
Number of common shares at the end of the period used for the calculation of net assets per share (Shares)	14,839,245	14,852,991

(2) Basic earnings per share

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent	1,714	1,858
Amount not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	1,714	1,858
Average number of shares outstanding during the period (Shares)	14,839,318	14,847,641

Subsequent events

Not applicable.