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November 12, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 8093
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 Scheduled date to file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: December 8, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	31,817	49.5	1,275	60.1	1,418	38.9	937	22.1
September 30, 2024	21,277	5.5	796	134.7	1,020	56.5	767	64.8

Note: Comprehensive income For the six months ended September 30, 2025: ¥799 million [(39.9)%]
 For the six months ended September 30, 2024: ¥1,330 million [(22.2)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	77.57	-
September 30, 2024	62.29	-

(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
September 30, 2025	55,792	29,437	52.8	2,445.98
March 31, 2025	58,010	29,356	50.6	2,401.99

Reference: Equity
 As of September 30, 2025: ¥29,437 million
 As of March 31, 2025: ¥29,356 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, 2025	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2026	-	35.00			
Fiscal year ending March 31, 2026 (Forecast)			-	37.00	72.00

Note: Revision to the forecast for dividends announced most recently: Yes

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

(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
Full year	62,000	17.0	2,200	7.9	2,350	(6.9)	1,700	(54.3)	140.68

Note: Revision to the financial results forecast announced most recently: Yes

Reference: The year-on-year change in profit attributable to owners of parent in the consolidated financial results forecast for the fiscal year ending March 31, 2026 is 7.6%, based on the comparison with profit attributable to owners of parent for the fiscal year ended March 31, 2025, excluding the impact of gain on bargain purchase recorded in that year.

*** Notes**

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

Newly included: - companies

(Company name) -

Excluded: 1 company

(Company name) Vahle Japan Co., Ltd.

(2) Accounting methods adopted particularly for the preparation of semi-annual 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 September 30, 2025	12,152,736 shares
As of March 31, 2025	12,471,836 shares

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

As of September 30, 2025	117,651 shares
As of March 31, 2025	250,074 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2025	12,084,451 shares
Six months ended September 30, 2024	12,329,126 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as the financial results forecast contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable. These statements are not intended as a guarantee of future performance. Actual results may differ significantly from these forecasts due to various factors. For the assumptions underlying the financial results forecasts and notes regarding the use of such forecasts, please refer to “1. Qualitative Information on Semi-annual Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the [Attachments].

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

As the Group entered the final year of the medium-term management plan “KBK Plus-One 2025,” which aims to realize a sustainable society and enhance corporate value, we have been promoting the strengthening of its business foundation by optimizing its business portfolio in line with the strategies set forth in the plan and allocating resources to new business fields. As a result, consolidated results have been improving steadily. Regarding the planned M&A investments totaling ¥5.0 billion, we executed the acquisitions in the previous fiscal year of Sanko Shokai Co., Ltd., which engages in the commodity plastics and engineering plastics business, and Wellston Trading Corporation, which engages in the vessel repair parts business. Both have contributed to the Group’s consolidated results.

For the first half (April-September 2025), both net sales and operating profit of the Group increased significantly year on year and exceeded our projections at the beginning of the fiscal year. The increases in revenue and profits were driven by strong performances in the plant equipment business for overseas clients, resource and measurement device-related business, etc. in addition to the contributions from Sanko Shokai Co., Ltd. and Wellston Trading Corporation, which joined the Group in the previous fiscal year. In addition, in non-operating income and losses, ordinary profit also increased significantly year on year, driven by an increase in share of profit of entities accounted for using equity method and other factors. Furthermore, profit attributable to owners of parent also increased compared to the same period of the previous fiscal year, as a result of improvement in extraordinary income and losses, due mainly to the absence of the impairment loss recorded in the same period of the previous fiscal year.

Results for the six months ended September 30, 2025 are as follows.

	First six months of the fiscal year ended March 31, 2025 (Consolidated cumulative)	First six months of the fiscal year ending March 31, 2026 (Consolidated cumulative)	Increase/decrease
Net sales	¥21,277 million	¥31,817 million	+ ¥10,540 million
Gross profit	¥4,863 million	¥5,837 million	+ ¥974 million
Operating profit	¥796 million	¥1,275 million	+ ¥478 million
Ordinary profit	¥1,020 million	¥1,418 million	+ ¥397 million
Profit attributable to owners of parent	¥767 million	¥937 million	+ ¥169 million

Business results of each segment are as follows.

Industrial Systems Division

	First six months of the fiscal year ended March 31, 2025 (Consolidated cumulative)	First six months of the fiscal year ending March 31, 2026 (Consolidated cumulative)	Increase/decrease
Net sales	¥5,701 million	¥8,112 million	+ ¥2,410 million
Operating profit	¥295 million	¥523 million	+ ¥227 million

In the industrial infrastructure-related business sector, the business for heavy electric machinery for overseas plants continued to perform strongly from the previous fiscal year. In addition, both the resource drilling and exploration-related business and the aviation and aeronautics and defense-related business recorded growth. Furthermore, the lithium-ion battery business in Europe increased profits against a backdrop of growing demand.

Industrial Materials Division

	First six months of the fiscal year ended March 31, 2025 (Consolidated cumulative)	First six months of the fiscal year ending March 31, 2026 (Consolidated cumulative)	Increase/decrease
Net sales	¥6,818 million	¥13,891 million	+ ¥7,072 million
Operating profit	¥140 million	¥328 million	+ ¥187 million

In the functional materials-related business, the commodity plastics and engineering plastics business that was consolidated as a subsidiary in the previous fiscal year contributed to results. In the lifestyle and environment-related business, performance also remained firm, due to additional orders for adhesives for aircraft, supported by strong demand.

Mechanical Parts Division

	First six months of the fiscal year ended March 31, 2025 (Consolidated cumulative)	First six months of the fiscal year ending March 31, 2026 (Consolidated cumulative)	Increase/decrease
Net sales	¥8,756 million	¥9,814 million	+ ¥1,057 million
Operating profit	¥355 million	¥418 million	+ ¥63 million

In the precision fasteners (screw)-related business, performance continued to remain firm, and the vessel repair parts business that was consolidated as a subsidiary in the previous fiscal year also contributed to results. In addition, the special spring-related business also improved in performance, supported by contributions from products such as CONSTON (constant force spring).

(2) Explanation of Financial Position

Total assets as of September 30, 2025 were ¥55,792 million, a decrease of ¥2,217 million from March 31, 2025. This was primarily due to a decrease of ¥2,820 million in notes and accounts receivable - trade, and contract assets.

Total liabilities were ¥26,355 million, a decrease of ¥2,298 million from March 31, 2025. This was primarily due to a decrease of ¥4,884 million in short-term borrowings.

Total net assets were ¥29,437 million, an increase of ¥81 million from March 31, 2025. This was primarily due to an increase of ¥92 million in retained earnings.

Cash Flow

The balance of cash and cash equivalents in the six months ended September 30, 2025, was ¥8,490 million, an increase of ¥50 million from March 31, 2025. The primary factors causing the increase or decrease were as follows.

Cash flows from operating activities

Cash flows from operating activities resulted in a cash inflow of ¥3,282 million (cash inflow of ¥261 million a year earlier). This was primarily due to the recording of profit before income taxes of ¥1,576 million and a decrease of ¥2,603 million in trade receivables.

Cash flows from investing activities

Cash flows from investing activities resulted in a cash inflow of ¥434 million (cash inflow of ¥1,299 million a year earlier). This was primarily due to proceeds from withdrawal of time deposits of ¥346 million and proceeds from sale of investment securities of ¥239 million.

Cash flows from financing activities

Cash flows from financing activities resulted in a cash outflow of ¥3,362 million (cash outflow of ¥1,055 million a year earlier). This was primarily due to the outflow of ¥5,054 million for repayments of borrowings.

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

Revisions to the Financial Results Forecast

Revisions to the Consolidated Financial Results Forecast Figures for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

	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
Previously announced forecast (A)	57,000	1,800	2,100	1,600	129.85
Revised forecast (B)	62,000	2,200	2,350	1,700	140.68
Change (B - A)	5,000	400	250	100	—
Change rate (%)	8.8	22.2	11.9	6.3	—
(Reference) Consolidated results for the previous fiscal year (Fiscal year ended March 31, 2025)	52,982	2,038	2,525	3,717 [1,580]	301.69

Figures in brackets represent profit attributable to owners of parent excluding gain on bargain purchase of ¥2,137 million.

Reasons for Revision

In the Industrial Systems Division, heavy electric machinery for overseas plants continued to perform strongly from the previous fiscal year. In addition, both the resource drilling and exploration-related business and the aviation and aeronautics and defense-related business recorded growth. Furthermore, in the Industrial Materials Division, the resin business for automobile parts destined for the North American market continued to perform well.

As a result, full-year net sales, operating profit, ordinary profit, and profit attributable to owners of parent are expected to exceed the previous forecast. Based on the above, we are revising upward our full-year consolidated financial results forecast.

Revisions to the Dividends Forecast

	Dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previous forecast (announced on May 14, 2025)	Yen 35.00	Yen 35.00	Yen 70.00
Revised forecast	35.00	37.00	72.00
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2025)	35.00	35.00	70.00

Reasons for Revision

To continuously provide our shareholders with returns from our business activities and sustainably increase our corporate value, our basic policy on profit distribution is to pay dividends by comprehensively considering

the prospect of our business development, financial position, and profit trends, along with other factors, under an appropriate capital policy. Based on this policy, with regard to dividends from the fiscal year ending March 31, 2026 onward, the Company will adopt a progressive dividend policy whereby dividends, in principle, will not be reduced and will be maintained or increased. The target dividend payout ratio is 50%.

Regarding consolidated financial results for the fiscal year ending March 31, 2026, performance in the six months ended September 30, 2025 has progressed favorably, exceeding our initial forecasts. Accordingly, we are expected to revise upward our full-year financial results forecast.

In line with this, the year-end dividend forecast for the fiscal year ending March 31, 2026 will be revised from ¥35.00 per share to ¥37.00 per share. As a result, the annual dividend is expected to total ¥72.00 per share.

The above financial results forecast and dividends forecast are based on information available to the Company as of the date of publication of this document, and actual financial and other results may differ from expected figures due to various factors going forward.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	8,834	8,576
Notes and accounts receivable - trade, and contract assets	20,891	18,071
Electronically recorded monetary claims - operating	3,574	3,494
Merchandise and finished goods	6,749	6,678
Work in process	81	134
Raw materials and supplies	645	667
Advance payments to suppliers	1,513	1,668
Other	1,535	1,649
Allowance for doubtful accounts	(137)	(133)
Total current assets	43,688	40,806
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,954	1,979
Accumulated depreciation	(1,349)	(1,368)
Buildings and structures, net	604	610
Machinery, equipment and vehicles	856	858
Accumulated depreciation	(688)	(714)
Machinery, equipment and vehicles, net	168	143
Tools, furniture and fixtures	1,264	1,219
Accumulated depreciation	(1,073)	(1,038)
Tools, furniture and fixtures, net	190	180
Leased assets	74	74
Accumulated depreciation	(52)	(56)
Leased assets, net	21	18
Right of use assets	351	352
Accumulated depreciation	(140)	(148)
Right of use assets, net	211	204
Land	1,301	1,301
Construction in progress	3	7
Total property, plant and equipment	2,501	2,466
Intangible assets		
Goodwill	240	214
Other	201	202
Total intangible assets	442	417
Investments and other assets		
Investment securities	9,405	10,269
Other	1,988	1,849
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	11,377	12,102
Total non-current assets	14,321	14,986
Total assets	58,010	55,792

(Unit: Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,641	12,250
Electronically recorded obligations - operating	2,050	2,217
Short-term borrowings	6,577	1,692
Lease liabilities	117	124
Income taxes payable	543	636
Contract liabilities	1,553	1,751
Provision for bonuses	380	360
Other	937	815
Total current liabilities	24,801	19,849
Non-current liabilities		
Bonds payable	100	1,700
Long-term borrowings	731	1,480
Lease liabilities	120	103
Long-term accounts payable - other	65	60
Retirement benefit liability	1,265	1,225
Deferred tax liabilities	1,562	1,929
Asset retirement obligations	6	6
Total non-current liabilities	3,852	6,505
Total liabilities	28,653	26,355
Net assets		
Shareholders' equity		
Share capital	5,496	5,496
Capital surplus	7,935	7,935
Retained earnings	10,760	10,853
Treasury shares	(277)	(151)
Total shareholders' equity	23,914	24,133
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,709	3,251
Deferred gains or losses on hedges	8	44
Foreign currency translation adjustment	2,707	1,989
Remeasurements of defined benefit plans	16	18
Total accumulated other comprehensive income	5,441	5,304
Total net assets	29,356	29,437
Total liabilities and net assets	58,010	55,792

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income

Semi-annual Consolidated Statement of Income

(Unit: Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	21,277	31,817
Cost of sales	16,413	25,980
Gross profit	4,863	5,837
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	1,695	1,884
Employees' bonuses	52	51
Provision for bonuses	206	271
Retirement benefit expenses	85	84
Depreciation	128	133
Provision of allowance for doubtful accounts	(2)	5
Other	1,900	2,132
Total selling, general and administrative expenses	4,066	4,562
Operating profit	796	1,275
Non-operating income		
Interest income	51	33
Dividend income	210	196
Share of profit of entities accounted for using equity method	35	97
Other	19	42
Total non-operating income	317	370
Non-operating expenses		
Interest expenses	20	52
Bond issuance costs	-	40
Foreign exchange losses	53	84
Other	18	49
Total non-operating expenses	93	226
Ordinary profit	1,020	1,418
Extraordinary income		
Gain on sale of investment securities	108	158
Total extraordinary income	108	158
Extraordinary losses		
Impairment losses	79	-
Total extraordinary losses	79	-
Profit before income taxes	1,050	1,576
Income taxes - current	312	577
Income taxes - deferred	(27)	61
Total income taxes	284	639
Profit	765	937
Loss attributable to non-controlling interests	(2)	-
Profit attributable to owners of parent	767	937

Semi-annual Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	765	937
Other comprehensive income		
Valuation difference on available-for-sale securities	(285)	542
Deferred gains or losses on hedges	(14)	36
Foreign currency translation adjustment	772	(664)
Remeasurements of defined benefit plans, net of tax	15	1
Share of other comprehensive income of entities accounted for using equity method	77	(53)
Total other comprehensive income	565	(137)
Comprehensive income	1,330	799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,333	799
Comprehensive income attributable to non-controlling interests	(2)	-

(3) Semi-annual Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,050	1,576
Depreciation	180	195
Impairment losses	79	-
Amortization of goodwill	-	26
Share of loss (profit) of entities accounted for using equity method	(35)	(97)
Increase (decrease) in provision for bonuses	(16)	(19)
Increase (decrease) in allowance for doubtful accounts	(2)	(2)
Increase (decrease) in retirement benefit liability	(47)	(37)
Interest and dividend income	(262)	(230)
Interest expenses	20	52
Loss (gain) on sale of investment securities	(108)	(158)
Increase (decrease) in contract liabilities	(261)	206
Decrease (increase) in trade receivables	(1,598)	2,603
Decrease (increase) in inventories	(1,427)	(160)
Decrease (increase) in advance payments to suppliers	732	(157)
Decrease (increase) in accounts receivable - other	249	(331)
Decrease (increase) in other current assets	157	249
Increase (decrease) in trade payables	1,971	(146)
Increase (decrease) in accounts payable - other	(61)	(70)
Increase (decrease) in other current liabilities	(329)	(16)
Other, net	(1)	83
Subtotal	288	3,564
Interest and dividends received	228	252
Interest paid	(19)	(53)
Income taxes paid	(236)	(481)
Net cash provided by (used in) operating activities	261	3,282
Cash flows from investing activities		
Payments into time deposits	(343)	(44)
Proceeds from withdrawal of time deposits	1,628	346
Purchase of investment securities	(2)	(9)
Proceeds from sale of investment securities	121	239
Purchase of non-current assets	(115)	(120)
Proceeds from sale of non-current assets	2	-
Decrease (increase) in guarantee deposits	4	(7)
Proceeds from liquidation of subsidiaries	10	-
Other, net	(7)	31
Net cash provided by (used in) investing activities	1,299	434

(Unit: Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(268)	(5,054)
Proceeds from long-term borrowings	300	1,100
Repayments of long-term borrowings	(333)	(170)
Proceeds from issuance of bonds	-	1,559
Purchase of treasury shares	(0)	(302)
Dividends paid	(688)	(422)
Other, net	(65)	(72)
Net cash provided by (used in) financing activities	(1,055)	(3,362)
Effect of exchange rate change on cash and cash equivalents	177	(303)
Net increase (decrease) in cash and cash equivalents	682	50
Cash and cash equivalents at beginning of period	7,065	8,439
Cash and cash equivalents at end of period	7,747	8,490

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

(Purchase of treasury shares)

Based on the resolution at the Board of Directors meeting held on February 13, 2025, the Company purchased 201,300 treasury shares during the six months ended September 30, 2025. As a result, treasury shares increased by ¥302 million during the six months ended September 30, 2025.

(Cancellation of treasury shares)

Based on the resolutions at the Board of Directors meetings held on February 13, 2025 and September 22, 2025, the Company cancelled 319,100 treasury shares on September 30, 2025. As a result, capital surplus and treasury shares each decreased by ¥409 million during the six months ended September 30, 2025. Furthermore, due to the cancellation of treasury shares, the balance of other capital surplus became negative. Therefore, other capital surplus was set to zero, and this negative amount was deducted from other retained earnings.

As a result of the above purchase, cancellation, and other transactions, the balance of capital surplus at the end of the six months ended September 30, 2025 was ¥7,935 million, the balance of retained earnings was ¥10,853 million, and the balance of treasury shares was ¥151 million.

(Changes in accounting policies)

Not applicable.

(Segment information, etc.)

[Segment information]

I. For the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

1. Information on net sales and income (loss) by reportable segment and the breakdown of revenue

(Millions of yen)

	Reported segment				Adjustment (Note 1)	Amount recorded in semi-annual consolidated statement of income (Note 2)
	Industrial Systems Division	Industrial Materials Division	Mechanical Parts Division	Total		
Net sales						
Revenue from sales, etc. of goods	4,765	5,959	8,754	19,479	—	19,479
Revenue from services, etc.						
Commissions on brokerage transactions	436	838	2	1,277	—	1,277
Revenue from other services	499	20	—	520	—	520
Revenue from contracts with customers	5,701	6,818	8,756	21,277	—	21,277
Sales to external customers	5,701	6,818	8,756	21,277	—	21,277
Intersegment internal sales or transfers	33	101	349	484	(484)	—
Total	5,735	6,919	9,106	21,761	(484)	21,277
Operating income	295	140	355	792	4	796

(Notes) 1. ¥4 million of the adjustment for operating income is due to the adjustment in inventories.

2. Operating income corresponds to the operating profit on the semi-annual consolidated statement of income.

2. Information on impairment loss of fixed assets or goodwill, etc. by reportable segment

For the Company's recreational facilities included in companywide assets not allocated to each reportable segment, the decision to sell and a significant decline in market value led to a reduction of the book value to the recoverable amount, and the reduced amount was recorded as an impairment loss under extraordinary losses.

The amount of impairment loss recorded in the six months ended September 30, 2024 was ¥79 million.

II. For the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

1. Information on net sales and income (loss) by reportable segment and the breakdown of revenue

(Millions of yen)

	Reported segment				Adjustment (Note 1)	Amount recorded in semi-annual consolidated statement of income (Note 2)
	Industrial Systems Division	Industrial Materials Division	Mechanical Parts Division	Total		
Net sales						
Revenue from sales, etc. of goods	7,312	13,424	9,810	30,547	—	30,547
Revenue from services, etc.						
Commissions on brokerage transactions	350	463	3	818	—	818
Revenue from other services	449	2	—	452	—	452
Revenue from contracts with customers	8,112	13,891	9,814	31,817	—	31,817
Sales to external customers	8,112	13,891	9,814	31,817	—	31,817
Intersegment internal sales or transfers	14	220	288	522	(522)	—
Total	8,126	14,111	10,102	32,340	(522)	31,817
Operating income	523	328	418	1,270	4	1,275

(Notes) 1. ¥4 million of the adjustment for operating income is due to the adjustment in inventories.

2. Operating income corresponds to the operating profit on the semi-annual consolidated statement of income.

Main lineup of products or services of each reportable segment is as follows:

Name of segment	Main products and/or contents of services
Industrial Systems Division	Sales of mechanical equipment related to steel, non-ferrous metals, automobiles, chemicals, shipbuilding and plant engineering, etc., electromechanical equipment, inspection equipment, oil drilling-related equipment, and resource development equipment including exploration technology services, etc. for oil and natural gas, electronic devices, electronic components and software, instrumentation control systems, seismometers and vibration meters, image processing equipment, electronic devices installed in aircraft, ground support electronic devices, aircraft equipment, and navigation equipment, etc.
Industrial Materials Division	Sales of composite material manufacturing equipment, textile processing machines, food processing machines, resin processing machines, painting equipment, measuring/analyzing equipment, food auxiliary materials, engineering plastics, resins, paints, thermal spraying materials, construction materials, synthetic composite materials, and cast and forged products, etc.
Mechanical Parts Division	Sales of precision fasteners (screws) and related machinery, equipment, and tools, vessel repair parts, constant load springs, spiral springs, and various stainless steel springs, etc.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

Not applicable.

(Revenue recognition)

(1) Breakdown of revenue

The Group establishes business divisions classified based on product and service in the headquarters, each of which formulates its own comprehensive strategies for both domestic and overseas markets with respect to its products and services, and operates its business activities.

Accordingly, the Group is organized into segments based on the business divisions by product and service. Revenue recorded by the three business divisions, namely, the Industrial Systems Division, the Industrial Materials Division, and the Mechanical Parts Division, is presented as “net sales.”

Revenue by business division is as stated in “(Segment information, etc.) 1. Information on net sales and income (loss) by reportable segment and the breakdown of revenue.”

(Business combinations, etc.)

(Finalization of provisional accounting treatment concerning business combinations)

The provisional accounting treatment implemented in the previous fiscal year for the business combination with Sanko Shokai Co., Ltd., which was conducted on October 1, 2024, was finalized during the six months ended September 30, 2025. There were no changes to the amount of negative goodwill provisionally calculated in the previous fiscal year.

The provisional accounting treatment implemented in the previous fiscal year for the business combination with Wellston Trading Corporation, which was conducted on November 1, 2024, was finalized during the six months ended September 30, 2025. There were no changes to the amount of goodwill provisionally calculated in the previous fiscal year.

(Significant subsequent events)

Not applicable.