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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



August 8, 2025

Company name: Totech Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 9960
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 - June 30, 2025)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	36,161	14.0	2,960	32.9	3,282	25.5	2,195	9.6
June 30, 2024	31,729	14.4	2,228	572.8	2,615	397.0	2,002	681.2

(Note) Comprehensive income: Three months ended June 30, 2025: ¥3,419 million [21.0%]

Three months ended June 30, 2024: ¥2,826 million [40.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	53.33	—
June 30, 2024	48.69	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	100,181	60,869	60.8
As of March 31, 2025	105,229	61,229	58.2

(Reference) Equity: As of June 30, 2025: ¥60,870 million

As of March 31, 2025: ¥61,228 million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	24.00	—	92.00	116.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		35.00	—	69.00	104.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	160,000	2.6	15,000	2.1	15,800	1.5	10,700 (4.4)	259.92

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

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

Newly included: 1 company (SANNOU KIKOU CO., LTD.)

Excluded: – ()

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to the revision of accounting standards and other regulations: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

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

As of June 30, 2025: 41,964,000 shares

As of March 31, 2025: 41,964,000 shares

2) Total number of treasury shares at the end of the period:

As of June 30, 2025: 794,133 shares

As of March 31, 2025: 808,875 shares

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

Three months ended June 30, 2025: 41,158,811 shares

Three months ended June 30, 2024: 41,130,302 shares

(Note) The total number of treasury shares at the end of the period includes the shares of the Company (148,494 shares as of June 30, 2025) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of Board Benefit Trust (J-ESOP). The shares of the Company (159,551 shares as of June 30, 2025) held by Custody Bank of Japan, Ltd. (Trust Account E) are included in the treasury shares that are deducted in the calculation of the average number of shares outstanding during the period.

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

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements such as financial results forecast included in this document are based on the information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in any way guarantee the achievement of these projections. Actual results may differ significantly due to various factors. For the assumptions underlying the financial forecasts and notes on the use of the financial forecasts, please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

(Access to supplementary explanatory materials on quarterly financial results)

Supplementary explanatory materials on financial results will be posted on the Company’s website on Friday, August 8, 2025.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the Japanese economy during the three months ended June 30, 2025, consumer spending tended to recover amid continuous improvements in employment and wages conditions. In corporate activities, revenues and employment situation headed for improvements, and business showed a gradual recovery trend as a whole. On the other hand, the world economy has been getting more uncertain, and materials and energy prices remaining high and concern over a rise in commodity prices may have impacts on consumer spending and corporate business performance. Therefore, we continuously need to pay close attention to them.

In the construction industry, order intake generally went well owing to a steady growth in public investments, as well as a strong momentum of private sectors with projects such as urban redevelopment, capital investment for responding to GX (Green Transformation), and establishment of new datacenters, etc. Meanwhile, as supply issues have continued such as a shortage of engineers and the sustained high construction material prices, the entire industry is required to be capable to flexibly respond to the issues.

For the three months ended June 30, 2025, against the backdrop of steady construction demand, sales steadily grew in each business segment. As a result, the Totech Group's net sales were ¥36,161 million (up 14.0% year on year). On the profit front, gross profit further accumulated as a result of striving to increase added value through deepening sales with proposals. Accordingly, operating profit was ¥2,960 million (up 32.9% year on year), ordinary profit and profit attributable to owners of parent amounted to ¥3,282 million (up 25.5% year on year) and ¥2,195 million (up 9.6% year on year), respectively.

We will proceed with management pursuing both profitability and sustainability as exactly keeping up with changes in external environment.

<Product sales business>

The product sales business primarily sells equipment with a focus on air conditioners, controllers, and facilities equipment, and provides maintenance service. Owing to steady order intake including redevelopment projects especially in urban areas, net sales and gross profit amounted to ¥21,079 million (up 15.3% year on year) and ¥4,518 million (up 12.5% year on year), respectively.

<Construction business>

The construction business engages in design and execution of instrumentation and plumbing work, etc., and provision of regular and spot maintenance. Thanks to brisk construction demand and sales with proposals in the field of regular maintenance, net sales and gross profit amounted to ¥15,714 million (up 11.7% year on year) and ¥5,547 million (up 19.9% year on year), respectively.

(2) Explanation of Financial Position

(Assets)

Total assets as of June 30, 2025 amounted to ¥100,181 million, a decrease of ¥5,048 million from the end of the previous fiscal year. This was primarily attributable to a decrease of ¥11,867 million in current assets due in part to net decreases in trade receivable and inventories, as well as decreases in cash and deposits, and accounts receivable - other, despite an increase of ¥4,461 million in land, as well as an increase of ¥2,252 million in investment securities due to factors such as a rise in the market value of held securities

(Liabilities)

Total liabilities as of June 30, 2025 amounted to ¥39,311 million, a decrease of ¥4,688 million from the end of the previous fiscal year. This was primarily attributable to a decrease of ¥7,265 million in notes and accounts payable - trade and electronically recorded obligations - operating, a decrease of ¥2,980 million in income taxes payable, and a decrease of ¥2,352 million in provision for bonuses due to bonus payments, despite an increase

of ¥5,460 million in interest-bearing liabilities, an increase of ¥1,389 million in deferred tax liabilities, and an increase of ¥921 million in other current liabilities.

(Net assets)

Total net assets as of June 30, 2025 amounted to ¥60,869 million, a decrease of ¥ 359 million from the end of the previous fiscal year. This was primarily attributable to dividends paid of ¥3,801 million, despite the recording of ¥2,195 million in profit attributable to owners of parent, and an increase of ¥1,520 million in valuation difference on available-for-sale securities resulting from a rise in the market value of held securities.

As a result, equity ratio as of June 30, 2025 stood at 60.8%, a 2.6% increase from the end of the previous fiscal year.

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

Regarding the consolidated financial results forecast for the fiscal year ending March 31, 2026, there have been no changes to the full-year consolidated financial results forecast announced on May 15, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	13,078	10,184
Notes and accounts receivable - trade, and contract assets	33,414	24,753
Electronically recorded monetary claims - operating	7,448	7,506
Inventories	4,632	4,552
Accounts receivable - other	1,321	900
Other	391	522
Allowance for doubtful accounts	(0)	(0)
Total current assets	60,285	48,418
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,327	14,397
Land	8,386	12,847
Leased assets	1,210	1,203
Construction in progress	523	171
Other	1,241	1,282
Accumulated depreciation	(4,750)	(4,932)
Total property, plant and equipment	20,938	24,968
Intangible assets		
Goodwill	1,058	1,869
Software	658	531
Software in progress	184	192
Other	1,005	934
Total intangible assets	2,906	3,527
Investments and other assets		
Investment securities	15,055	17,307
Deferred tax assets	463	309
Retirement benefit asset	717	809
Other	4,937	4,970
Allowance for doubtful accounts	(75)	(130)
Total investments and other assets	21,098	23,266
Total non-current assets	44,943	51,762
Total assets	105,229	100,181

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,561	9,739
Electronically recorded obligations - operating	6,716	6,273
Short-term borrowings	2,998	8,782
Income taxes payable	3,274	294
Provision for bonuses	3,960	1,608
Provision for bonuses for directors (and other officers)	15	1
Other	5,706	6,628
Total current liabilities	39,235	33,327
Non-current liabilities		
Long-term borrowings	819	497
Deferred tax liabilities	1,966	3,355
Provision for retirement benefits for directors (and other officers)	179	185
Retirement benefit liability	137	233
Other	1,662	1,712
Total non-current liabilities	4,764	5,984
Total liabilities	44,000	39,311
Net assets		
Shareholders' equity		
Share capital	1,857	1,857
Capital surplus	2,319	2,328
Retained earnings	48,660	47,054
Treasury shares	(210)	(197)
Total shareholders' equity	52,626	51,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,065	8,586
Foreign currency translation adjustment	1,285	1,022
Remeasurements of defined benefit plans	250	220
Total accumulated other comprehensive income	8,601	9,828
Non-controlling interests	0	(1)
Total net assets	61,229	60,869
Total liabilities and net assets	105,229	100,181

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	31,729	36,161
Cost of sales	23,075	26,087
Gross profit	8,653	10,074
Selling, general and administrative expenses	6,425	7,113
Operating profit	2,228	2,960
Non-operating income		
Interest income	13	16
Dividend income	169	210
Purchase discounts	96	117
Miscellaneous income	152	93
Total non-operating income	431	437
Non-operating expenses		
Interest expenses	16	29
Guarantee commission	20	21
Miscellaneous losses	7	65
Total non-operating expenses	44	115
Ordinary profit	2,615	3,282
Extraordinary income		
Gain on sale of investment securities	262	-
Total extraordinary income	262	-
Profit before income taxes	2,878	3,282
Income taxes - current	86	179
Income taxes - deferred	790	910
Total income taxes	877	1,089
Profit	2,001	2,193
Loss attributable to non-controlling interests	(1)	(1)
Profit attributable to owners of parent	2,002	2,195

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	2,001	2,193
Other comprehensive income		
Valuation difference on available-for-sale securities	636	1,520
Foreign currency translation adjustment	229	(263)
Remeasurements of defined benefit plans, net of tax	(41)	(30)
Total other comprehensive income	825	1,226
Comprehensive income	2,826	3,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,827	3,421
Comprehensive income attributable to non-controlling interests	(1)	(1)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Notes to statements of cash flows)

Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2025 were not prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30 are as follows.

	(Million yen)	
	For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation	414	449
Amortization of goodwill	50	99

(Notes to segment information, etc.)

[Segment Information]

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Product Sales Business	Construction Business	Total				
Net sales							
Net sales to outside customers	17,670	14,048	31,719	9	31,729	-	31,729
Inter-segment net sales or transfers	606	16	622	-	622	(622)	-
Total	18,276	14,065	32,342	9	32,351	(622)	31,729
Segment profit	4,015	4,626	8,642	4	8,646	7	8,653

(Notes) 1. The category of “Others” represents an operating segment not included in reportable segments, which operates a solar power business.

2. The adjustment of segment profit of ¥7 million mainly represents elimination of inter-segment transactions.

3. Segment profit is adjusted against gross profit in quarterly consolidated statements of income.

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

Not applicable.

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Product Sales Business	Construction Business	Total				
Net sales							
Net sales to outside customers	20,486	15,669	36,156	5	36,161	-	36,161
Inter-segment net sales or transfers	592	45	638	-	638	(638)	-
Total	21,079	15,714	36,794	5	36,800	(638)	36,161
Segment profit	4,518	5,547	10,066	0	10,067	7	10,074

(Notes) 1. The category of “Others” represents an operating segment not included in reportable segments, which operates a solar power business.

2. The adjustment of segment profit of ¥7 million mainly represents elimination of inter-segment transactions.

3. Segment profit is adjusted against gross profit in quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment
(Significant change in amount of goodwill)

In the construction business, SANNOU KIKOU CO., LTD. became our consolidated subsidiary.
Goodwill increased by ¥954 million arising from this event for the three months ended June 30, 2025.

Since the allocation of acquisition cost has not been completed as of June 30, 2025, provisional accounting treatment was implemented based on available and reasonable information.