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Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 7, 2026

Company name: Totech Corporation
Stock exchange listing: Tokyo Stock Exchange
Securities code: 9960
URL: https://www.totech.co.jp/
Representative: Kaoru Koyama, Representative Director and President
Contact: Minoru Aoki, Senior Executive Officer and General Manager of Administration Division
Phone: +81-3-6632-7000
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, 2026 (April 1, 2026 - June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	36,691	1.5	2,601	(12.4)	2,977	(9.5)	1,978	(10.4)
June 30, 2025	36,161	14.0	2,968	33.2	3,290	25.8	2,207	10.2

(Note) Comprehensive income: Three months ended June 30, 2026: ¥4,806 million [40.0%]
Three months ended June 30, 2025: ¥3,432 million [21.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	48.24	–
June 30, 2025	53.63	–

(Note) In the previous fiscal year, the Company finalized provisional accounting treatment related to business combination. The figures for the three months ended June 30, 2025 reflect contents of the finalization of provisional accounting treatment.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	113,018	74,667	66.1
As of March 31, 2026	115,120	73,670	64.0

(Reference) Equity: As of June 30, 2026: ¥74,666 million
As of March 31, 2026: ¥73,669 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, 2026	–	35.00	–	93.00	128.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		42.00	–	86.00	128.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% 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	180,000	5.9	18,000	5.1	18,500	2.9	13,700	4.3	334.03

(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: -
Excluded: 1 company (Quantum Automation (Shanghai) Co., Ltd.)

(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, 2026:	41,964,000 shares
As of March 31, 2026:	41,964,000 shares

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

As of June 30, 2026:	947,077 shares
As of March 31, 2026:	957,793 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2026:	41,008,886 shares
Three months ended June 30, 2025:	41,158,811 shares

(Note) The total number of treasury shares at the end of the period includes the shares of the Company (133,638 shares as of June 30, 2026) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of Board Benefit Trust (J-ESOP). The shares of the Company (141,675 shares as of June 30, 2026) 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 7, 2026.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

The Japanese economy during the three months ended June 30, 2026 was on a moderate recovery trend. Despite a gradual rise in consumer prices, personal spending showed signs of picking up against a backdrop of an improvement in employment conditions. In the corporate sector, although it is necessary to pay close attention to unclear overseas economy including the Middle East situation, corporate earnings showed an upward trend and private capital investment also recovered. Public investment remained robust, partly due to the effects of a supplementary budget.

In the business environment related to the Group, at the present moment, direct impacts on purchase, execution and sales activities from the Middle East situation have remained minor. In the construction industry in which the Group’s main customers operate, an appetite for investment steadily increased in fields related to datacenters and renewable energy, in addition to redevelopment projects mainly in urban areas, supported by a recovery in capital investment against a backdrop of a business recovery trend. On the other hand, construction material prices hovered high, and a sense of labor shortage has remained at high level, which is peculiar to the construction industry that is a labor-intensive industry. Accordingly, management of construction period and ensuring of execution systems have become ongoing issues in business management.

Under such circumstances, the Group has put emphasis on acquisition of demand in each business domain in the first year of the Second Medium-term Management Plan. As for the Totech Group’s business results for the three months ended June 30, 2026, net sales were ¥36,691 million (up 1.5% year on year) and operating profit was ¥2,601 million (down 12.4% year on year).

Major factors of the decrease in operating profit are as follows: Although product sales were strong in both revenue and profit, revenue will be posted behind schedule in instrumentation construction which is a mainstay for creating profit, since the progress of the current first quarter shifted to the next quarter and beyond due to the larger and longer projects, despite solid order intake. In addition, general and administrative expenses increased with an expansion in the number of new graduates employed by Totech Corporation and a rise in base pay in group companies for the purpose of building a foundation for a medium- and long-term growth based on the Second Medium-term Management Plan.

As stated in “Supplementary Material” disclosed on August 7, 2026, orders received and order backlog grew steadily, and we will aim to achieve the performance targets for a full year with an advance in future progress of constructions, etc. Furthermore, under the Second Medium-term Management Plan which started in FY2026, we will continue to deepen a business foundation and further strengthen a financial foundation in each business in an effort to increase our corporate value.

<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 ¥21,626 million (up 2.6% year on year) and ¥4,871 million (up 7.8% year on year), respectively.

<Construction business>

The construction business engages in design and execution of instrumentation work, plumbing and electric work, etc., as well as 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 ¥16,171 million (up 2.9% year on year) and ¥5,570 million (up 0.4% year on year), respectively.

(2) Explanation of Financial Position

(Assets)

Total assets as of June 30, 2026 amounted to ¥113,018 million, a decrease of ¥2,102 million from the end of the previous fiscal year. This was primarily attributable to decreases of ¥6,953 million in trade receivable and inventories, despite an increase of ¥4,073 million in investment securities due to a rise in the market value of held securities, and an increase of ¥776 million in cash and deposits.

(Liabilities)

Total liabilities as of June 30, 2026 amounted to ¥38,350 million, a decrease of ¥3,099 million from the end of the previous fiscal year. This was primarily attributable to decreases of ¥3,554 million in notes and accounts payable - trade and electronically recorded obligations - operating, a decrease of ¥2,679 million in income taxes payable, and a decrease of ¥2,602 million in provision for bonuses arising from payment of bonuses, despite an increase of ¥2,136 million in deferred tax liabilities, an increase of ¥2,049 million in other current liabilities, and an increase of ¥1,509 million in interest-bearing liabilities.

(Net assets)

Total net assets as of June 30, 2026 amounted to ¥74,667 million, an increase of ¥997 million from the end of the previous fiscal year. This was primarily attributable to an increase of ¥2,775 million in valuation difference on available-for-sale securities resulting from a rise in the market value of held securities, despite a net decrease of ¥1,848 million in retained earnings in which dividends paid and other items were deducted from the recording of profit attributable to owners of parent.

As a result, equity ratio as of June 30, 2026 stood at 66.1%, a 2.1% 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, 2027, there have been no changes to the full-year consolidated financial results forecast announced on May 14, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	11,303	12,079
Notes and accounts receivable - trade, and contract assets	32,792	26,677
Electronically recorded monetary claims - operating	6,964	6,276
Inventories	3,796	3,645
Accounts receivable - other	821	424
Other	644	875
Allowance for doubtful accounts	(0)	–
Total current assets	56,321	49,979
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,908	15,283
Land	13,050	13,052
Leased assets	1,903	1,981
Construction in progress	579	544
Other	1,366	1,403
Accumulated depreciation	(5,383)	(5,521)
Total property, plant and equipment	26,425	26,743
Intangible assets		
Goodwill	885	843
Customer-related intangible assets	1,165	1,125
Software	361	382
Software in progress	788	732
Other	402	412
Total intangible assets	3,604	3,496
Investments and other assets		
Investment securities	21,278	25,351
Deferred tax assets	310	234
Retirement benefit asset	2,383	2,479
Other	4,931	4,866
Allowance for doubtful accounts	(133)	(133)
Total investments and other assets	28,770	32,798
Total non-current assets	58,799	63,038
Total assets	115,120	113,018

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,365	10,896
Electronically recorded obligations - operating	2,176	1,090
Short-term borrowings	4,960	6,499
Income taxes payable	2,840	160
Provision for bonuses	4,351	1,748
Provision for bonuses for directors (and other officers)	17	–
Other	6,978	9,027
Total current liabilities	34,689	29,423
Non-current liabilities		
Long-term borrowings	333	303
Lease liabilities	1,380	1,406
Deferred tax liabilities	4,231	6,368
Provision for retirement benefits for directors (and other officers)	210	217
Retirement benefit liability	424	436
Other	179	192
Total non-current liabilities	6,760	8,926
Total liabilities	41,449	38,350
Net assets		
Shareholders’ equity		
Share capital	1,857	1,857
Capital surplus	2,352	2,361
Retained earnings	56,546	54,697
Treasury shares	(972)	(963)
Total shareholders’ equity	59,783	57,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,446	14,222
Foreign currency translation adjustment	1,572	1,679
Remeasurements of defined benefit plans	866	812
Total accumulated other comprehensive income	13,886	16,714
Non-controlling interests	0	1
Total net assets	73,670	74,667
Total liabilities and net assets	115,120	113,018

(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, 2025	For the three months ended June 30, 2026
Net sales	36,161	36,691
Cost of sales	26,087	26,260
Gross profit	10,074	10,430
Selling, general and administrative expenses	7,106	7,829
Operating profit	2,968	2,601
Non-operating income		
Interest income	16	9
Dividend income	210	300
Purchase discounts	117	107
Miscellaneous income	93	75
Total non-operating income	437	493
Non-operating expenses		
Interest expenses	29	24
Rental costs on real estate	23	24
Guarantee commission	21	19
Miscellaneous losses	41	48
Total non-operating expenses	115	117
Ordinary profit	3,290	2,977
Profit before income taxes	3,290	2,977
Income taxes - current	179	56
Income taxes - deferred	905	942
Total income taxes	1,084	998
Profit	2,205	1,978
Profit (loss) attributable to non-controlling interests	(1)	0
Profit attributable to owners of parent	2,207	1,978

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	2,205	1,978
Other comprehensive income		
Valuation difference on available-for-sale securities	1,520	2,775
Foreign currency translation adjustment	(263)	106
Remeasurements of defined benefit plans, net of tax	(30)	(54)
Total other comprehensive income	1,226	2,827
Comprehensive income	3,432	4,806
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,434	4,806
Comprehensive income attributable to non-controlling interests	(1)	0

(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, 2026 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.

The amounts of depreciation and amortization of goodwill for the three months ended June 30, 2025 reflect the significant revision to an initially allocated amount of acquisition cost due to the finalization of provisional accounting treatment stated in Notes to Quarterly Consolidated Financial Statements (Matters related to business combination, etc.).

(Million yen)

	For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Depreciation	463	386
Amortization of goodwill	77	55

(Notes to segment information, etc.)

[Segment Information]

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 ¥526 million arising from this event for the three months ended June 30, 2025.

The amount of goodwill reflects the significant revision to an initially allocated amount of acquisition cost due to the finalization of provisional accounting treatment stated in Notes to Quarterly Consolidated Financial Statements (Matters related to business combination, etc.).

For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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	20,521	16,156	36,678	12	36,691	–	36,691
Inter-segment net sales or transfers	1,104	15	1,119	–	1,119	(1,119)	–
Total	21,626	16,171	37,798	12	37,810	(1,119)	36,691
Segment profit	4,871	5,570	10,441	5	10,446	(15)	10,430

(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 ¥(15) 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.

(Matters related to business combination, etc.)

(Significant revision to initially allocated amount of acquisition cost in comparative information)

Regarding the business combination with SANNOU KIKOU CO., LTD. implemented April 1, 2025, the provisional accounting treatment, which was conducted in the three months ended June 30, 2025, was finalized at the end of the previous fiscal year.

With this finalization of provisional accounting treatment, the significant revision to the initially allocated amount of acquisition cost was reflected in the comparative information included in the quarterly consolidated financial statements for the three months ended June 30, 2026.

As a result, the provisionally calculated amount of goodwill of ¥954 million decreased by ¥427 million to ¥526 million due to the finalization of accounting treatment. The decrease in goodwill is attributable to an increase of ¥661 million in customer-related intangible assets and an increase of ¥233 million in deferred tax liabilities.