

Financial Report for the Fiscal Year ended March 31, 2025

May 15, 2025

The following statements are an English translation of the original Japanese document.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of company... Taikisha Ltd.

Stock Exchange..... Tokyo Stock Exchange

Code..... 1979

Representative..... Masashi Osada, President and Representative Director

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Scheduled date for annual general meeting of shareholders : June 26, 2025

Scheduled date to commence dividends payments : June 27, 2025

Scheduled date to submit securities report : June 26, 2025

Supplemental materials prepared for financial results : Yes

Briefing session of financial results : Yes (for institutional investors and analysts)

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2024 through March 31, 2025)

(1) Consolidated operating results

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Year ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2025	276,212	(5.9)	17,971	(1.6)	19,938	0.4	11,026	(29.3)
March 31, 2024	293,556	36.7	18,270	58.1	19,852	52.7	15,602	97.1

(Note) Comprehensive income Year ended March 31, 2025 12,387 million yen (51.6)%
Year ended March 31, 2024 25,597 million yen 166.4 %

	Basic earnings per share	Diluted earnings per share	Ratio of Profit to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
Year ended	yen	yen	%	%	%
March 31, 2025	169.44	—	7.6	7.5	6.5
March 31, 2024	235.97	—	11.6	7.9	6.2

(Note) 1 Equity in earnings of affiliates Year ended March 31, 2025 3 million yen
Year ended March 31, 2024 22 million yen

2 The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. "Basic earnings per share" is calculated assuming that the share split was executed at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	million yen	million yen	%	yen
March 31, 2025	268,448	156,486	55.2	2,282.91
March 31, 2024	266,494	151,562	54.0	2,194.04

(Note) 1 Shareholders' Equity As of March 31, 2025 148,053 million yen
As of March 31, 2024 144,029 million yen

2 The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. "Net assets per share" is calculated assuming that the share split was executed at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and cash equivalents at the end of period
Year ended	million yen	million yen	million yen	million yen
March 31, 2025	(21,219)	(4,982)	1,907	42,013
March 31, 2024	20,738	2,148	(5,545)	63,265

2. Dividends

	Dividends per share					Dividends Paid (Total)	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1Q	2Q	3Q	Year End	Total (annually)			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
March 31, 2024	—	50.00	—	81.00	131.00	4,334	27.8	3.2
March 31, 2025	—	60.00	—	84.00	144.00	4,690	42.5	3.2
Year ending March 31, 2026 (Forecast)	—	40.00	—	54.00	94.00		50.8	

(Note) 1 Dividends Paid (Total) for the fiscal year ended March 31, 2024 and March 31, 2025 includes dividends of 19 million yen and of 21 million yen for treasury shares owned by trust assets of "Board Benefit Trust (BBT)" respectively.

2 The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. The amounts shown for the fiscal year ended March 31, 2024 and March 31, 2025 are the actual amount of dividends paid before the share split. The amounts shown for the fiscal year ending March 31, 2026 (forecast) are the figures after the share split.

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2026

(April 1, 2025 through March 31, 2026)

(% indicates increase ratio over previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	279,000	1.0	17,100	(4.9)	18,200	(8.7)	12,000	8.8	185.03

(Note) The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. The impact of the share split has been considered in calculating "Basic earnings per share" in the consolidated earnings forecast for the fiscal year ending March 31, 2026.

4. Others

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Changes in accounting policies, changes in accounting estimates and restatements : None
 - (i) Changes in accounting policies due to revisions of accounting standards etc. : None
 - (ii) Changes in accounting policies other than (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatements : None
- (3) Number of shares issued (common shares)
 - (i) Number of shares issued at end of period (including treasury shares)

As of March 31, 2025	67,164,018 shares
As of March 31, 2024	67,164,018 shares
 - (ii) Number of treasury shares at end of period

As of March 31, 2025	2,311,280 shares
As of March 31, 2024	1,518,248 shares
 - (iii) Average number of shares during the period

Year ended March 31, 2025	65,076,530 shares
Year ended March 31, 2024	66,120,867 shares

(Note) 1 The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. "Number of shares issued (common shares)" is calculated assuming that the share split was executed at the beginning of the previous consolidated fiscal year.

2 The Company has introduced the "Board Benefit Trust (BBT)" as its performance-linked and share-based compensation plan and its own shares remaining in the Trust are included as treasury shares. The number of treasury shares owned by the Trust as of March 31, 2025 and as of March 31, 2024 are 298,800 and 299,000, respectively. The average number of treasury shares owned by the Trust for the year ended March 31, 2025 and for the year ended March 31, 2024 are 298,862 and 297,954, respectively.

(Reference) Summary of Non-Consolidated Operating Performance**1. Non-Consolidated Operating Performance (April 1, 2024 through March 31, 2025)****(1) Non-Consolidated operating result**

(% indicates increase ratio over previous year)

Year ended	Sales		Operating income		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2025	144,624	(8.8)	9,893	6.0	17,087	15.4	10,266	(24.6)
March 31, 2024	158,553	18.9	9,330	29.8	14,810	39.4	13,624	59.4
	Basic earnings per share		Diluted earnings per share					
Year ended	yen		yen					
March 31, 2025	157.75		—					
March 31, 2024	206.05		—					

(Note) The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. “Basic earnings per share” is calculated assuming that the share split was executed at the beginning of the previous fiscal year.

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	million yen	million yen	%	yen
March 31, 2025	172,965	115,842	67.0	1,786.24
March 31, 2024	174,236	114,856	65.9	1,749.64

(Note) 1 Shareholders' Equity As of March 31, 2025 115,842 million yen
As of March 31, 2024 114,856 million yen

2 The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. “Net assets per share” is calculated assuming that the share split was executed at the beginning of the previous fiscal year.

2. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2026**(April 1, 2025 through March 31, 2026)**

(% indicates increase ratio over previous year)

	Sales		Ordinary income		Profit		Basic earnings per share
Full year	million yen	%	million yen	%	million yen	%	yen
	138,900	(4.0)	11,500	(32.7)	8,800	(14.3)	135.69

(Note) The Company conducted a 2-for-1 share split of shares of common share, with an effective date of April 1, 2025. The impact of the share split has been considered in calculating “Basic earnings per share” in the non-consolidated earnings forecast for the fiscal year ending March 31, 2026.

※ This financial report is not subject to audit procedures.

※ Explanation about the proper use of consolidated forecasts and other notes

The data and forward-looking statements disclosed herein are based on current information as of today, and may change depending upon various factors. The data and assumptions do not mean guaranteeing accomplishment of goals and projections, and may be changed at any time without notice. Consequently, the Company ask you to use this information at your discretion based upon your own judgment and information you may obtain through other sources. The company will not be liable for any damages that result from the use of this information.

1 Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	55,462	47,556
Notes receivable, accounts receivable from completed construction contracts and other	125,357	151,900
Securities	9,000	—
Costs on uncompleted construction contracts	2,274	2,437
Raw materials and supplies	1,092	1,011
Other	11,209	9,270
Allowance for doubtful accounts	(1,023)	(1,240)
Total current assets	<u>203,374</u>	<u>210,935</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,636	12,829
Machinery, vehicles, tools, furniture and fixtures	8,562	10,394
Land	1,782	2,102
Other	3,996	881
Accumulated depreciation	(11,282)	(12,464)
Total property, plant and equipment	<u>11,694</u>	<u>13,742</u>
Intangible assets		
Goodwill	3,528	715
Customer-related assets	1,146	—
Other	1,275	1,232
Total intangible assets	<u>5,949</u>	<u>1,947</u>
Investments and other assets		
Investment securities	30,879	26,324
Deferred tax assets	846	832
Net defined benefit asset	11,582	11,792
Other	2,875	2,975
Allowance for doubtful accounts	(708)	(101)
Total investments and other assets	<u>45,475</u>	<u>41,822</u>
Total non-current assets	<u>63,119</u>	<u>57,513</u>
Total assets	<u>266,494</u>	<u>268,448</u>

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	64,867	49,590
Short-term loans payable	3,747	13,200
Income taxes payable	4,472	1,892
Advances received on uncompleted construction contracts	13,899	19,668
Provision for warranties for completed construction	698	689
Provision for loss on construction contracts	364	356
Provision for directors' bonuses	173	172
Other	15,281	15,461
Total current liabilities	103,504	101,030
Non-current liabilities		
Long-term loans payable	143	116
Deferred tax liabilities	9,053	8,306
Provision for directors' retirement benefits	39	42
Provision for share awards	30	54
Provision for share awards for directors	270	439
Net defined benefit liability	1,377	1,473
Other	511	498
Total non-current liabilities	11,427	10,931
Total liabilities	114,932	111,962
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus	3,620	3,772
Retained earnings	111,869	118,270
Treasury shares	(2,969)	(4,969)
Total shareholders' equity	118,974	123,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,373	11,688
Deferred gains or losses on hedges	(57)	(5)
Foreign currency translation adjustment	7,757	10,383
Accumulated remeasurements of defined benefit plans	2,981	2,458
Total accumulated other comprehensive income	25,054	24,524
Non-controlling interests	7,532	8,433
Total net assets	151,562	156,486
Total liabilities and net assets	266,494	268,448

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

	Millions of yen	
	Year ended	Year ended
	March 31, 2024 Apr. 1, 2023 - Mar. 31, 2024	March 31, 2025 Apr. 1, 2024 - Mar. 31, 2025
Net sales of completed construction contracts	293,556	276,212
Cost of sales of completed construction contracts	250,244	231,207
Gross profit on completed construction contracts	43,312	45,005
Selling, general and administrative expenses		
Directors' compensations	886	922
Employees' salaries and allowances	10,449	10,885
Provision for directors' bonuses	173	174
Retirement benefit expenses	294	208
Provision for directors' retirement benefits	10	9
Provision for share awards for directors	171	169
Provision for share awards	30	30
Correspondence and transportation expenses	1,375	1,599
Provision of allowance for doubtful accounts	587	(0)
Rents	1,289	1,380
Depreciation	1,098	1,365
Amortization of goodwill	484	503
Other	8,189	9,786
Total selling, general and administrative expenses	25,041	27,034
Operating income	18,270	17,971
Non-operating income		
Interest income	897	781
Dividend income	681	677
Dividend income of insurance	188	191
Real estate rent	113	151
Foreign exchange gains	—	201
Share of profit of entities accounted for using equity method	22	3
Other	283	464
Total non-operating income	2,186	2,471
Non-operating expenses		
Interest expenses	240	301
Rent expenses on real estates	15	16
Foreign exchange losses	274	—
Provision of allowance for doubtful accounts	0	1
Other	72	185
Total non-operating expenses	604	504
Ordinary income	19,852	19,938

	Millions of yen	
	Year ended March 31, 2024 Apr. 1, 2023 - Mar. 31, 2024	Year ended March 31, 2025 Apr. 1, 2024 - Mar. 31, 2025
Extraordinary income		
Gain on disposal of non-current assets	13	42
Gain on sales of investment securities	3,167	2,388
Total extraordinary income	3,180	2,431
Extraordinary losses		
Loss on disposal of non-current assets	31	8
Impairment loss	0	3,339
Loss on valuation of investment securities	0	—
Loss on liquidation of subsidiaries and associates	—	2
Total extraordinary losses	31	3,349
Profit before income taxes	23,001	19,020
Income taxes-current	6,733	6,003
Income taxes-deferred	(491)	504
Total income taxes	6,242	6,507
Profit	16,759	12,512
Profit attributable to non-controlling interests	1,156	1,485
Profit attributable to owners of parent	15,602	11,026

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Year ended March 31, 2024	Year ended March 31, 2025
	Apr. 1, 2023 - Mar. 31, 2024	Apr. 1, 2024 - Mar. 31, 2025
Profit	16,759	12,512
Other comprehensive income		
Valuation difference on available-for-sale securities	3,837	(2,684)
Deferred gains or losses on hedges	5	52
Foreign currency translation adjustment	3,382	2,951
Remeasurements of defined benefit plans	1,583	(499)
Share of other comprehensive income of entities accounted for using equity method	28	55
Total other comprehensive income	8,838	(125)
Comprehensive income	25,597	12,387
Comprehensive income attributable to :		
Owners of parent	23,999	10,496
Non-controlling interests	1,597	1,890

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	3,540	100,296	(1,158)	109,133
Changes of items during the period					
Dividends of surplus			(4,029)		(4,029)
Profit attributable to owners of parent			15,602		15,602
Purchase of treasury shares				(2,201)	(2,201)
Disposal of treasury shares		79		390	470
Purchase of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	79	11,572	(1,810)	9,841
Balance at the end of current period	6,455	3,620	111,869	(2,969)	118,974

Millions of yen

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	10,535	(63)	4,779	1,405	16,657	6,201	131,992
Changes of items during the period							
Dividends of surplus							(4,029)
Profit attributable to owners of parent							15,602
Purchase of treasury shares							(2,201)
Disposal of treasury shares							470
Purchase of shares of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	3,837	5	2,977	1,576	8,397	1,330	9,727
Total changes of items during the period	3,837	5	2,977	1,576	8,397	1,330	19,569
Balance at the end of current period	14,373	(57)	7,757	2,981	25,054	7,532	151,562

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	3,620	111,869	(2,969)	118,974
Changes of items during the period					
Dividends of surplus			(4,625)		(4,625)
Profit attributable to owners of parent			11,026		11,026
Purchase of treasury shares				(2,000)	(2,000)
Disposal of treasury shares				0	0
Purchase of shares of consolidated subsidiaries		152			152
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	152	6,401	(2,000)	4,553
Balance at the end of current period	6,455	3,772	118,270	(4,969)	123,528

Millions of yen

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	14,373	(57)	7,757	2,981	25,054	7,532	151,562
Changes of items during the period							
Dividends of surplus							(4,625)
Profit attributable to owners of parent							11,026
Purchase of treasury shares							(2,000)
Disposal of treasury shares							0
Purchase of shares of consolidated subsidiaries							152
Net changes of items other than shareholders' equity	(2,684)	52	2,626	(523)	(530)	901	370
Total changes of items during the period	(2,684)	52	2,626	(523)	(530)	901	4,924
Balance at the end of current period	11,688	(5)	10,383	2,458	24,524	8,433	156,486

(4) Consolidated Statements of Cash Flows

Millions of yen

	Year ended March 31, 2024 Apr. 1, 2023 - Mar. 31, 2024	Year ended March 31, 2025 Apr. 1, 2024 - Mar. 31, 2025
Cash flows from operating activities		
Profit before income taxes	23,001	19,020
Depreciation and amortization	1,469	1,850
Impairment losses	0	3,339
Amortization of goodwill	484	503
Increase (decrease) in allowance for doubtful accounts	484	(540)
Increase (decrease) in provision for warranties for completed construction	49	(48)
Increase (decrease) in provision for loss on construction contracts	55	(15)
Increase (decrease) in provision for directors' retirement benefits	(16)	3
Increase (decrease) in provision for share awards	30	24
Increase (decrease) in provision for share awards for directors	58	169
Increase (decrease) in net defined benefit asset and liability	(782)	(994)
Interest and dividends income	(1,578)	(1,458)
Interest expenses	240	301
Share of (profit) loss of entities accounted for using equity method	(22)	(3)
Loss (gain) on disposal of non-current assets	18	(34)
Loss (gain) on sales of investment securities	(3,167)	(2,388)
Loss (gain) on valuation of investment securities	0	—
Decrease (increase) in notes and accounts receivable-trade	1,159	(22,905)
Decrease (increase) in inventories	(10)	74
Decrease (increase) in accounts receivable-other	181	(48)
Increase (decrease) in notes and accounts payable-trade	8,182	(17,345)
Increase (decrease) in advances received on uncompleted construction contracts	(10,381)	4,683
Increase (decrease) in accrued consumption taxes	(437)	21
Increase (decrease) in deposits received	(485)	217
Increase (decrease) in accrued expenses	767	(527)
Other, net	4,039	1,943
Subtotal	23,342	(14,159)
Interest and dividends income received	1,578	1,459
Interest expenses paid	(240)	(303)
Income taxes paid	(3,941)	(8,215)
Net cash provided by (used in) operating activities	20,738	(21,219)

	Millions of yen	
	Year ended March 31, 2024	Year ended March 31, 2025
	Apr. 1, 2023 - Mar. 31, 2024	Apr. 1, 2024 - Mar. 31, 2025
Cash flows from investing activities		
Payments into time deposits	(7,956)	(5,624)
Proceeds from withdrawal of time deposits	9,996	1,560
Purchase of securities	(3,000)	(1,500)
Proceeds from redemption of securities	3,000	1,500
Purchase of property, plant and equipment and intangible assets	(3,885)	(3,953)
Proceeds from sales of property, plant and equipment and intangible assets	24	129
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	4,224	3,350
Payments of long-term loans receivable	(74)	(95)
Collection of long-term loans receivable	195	73
Purchase of insurance funds	(0)	(0)
Proceeds from maturity of insurance funds	1	—
Purchase of long-term prepaid expenses	(474)	(434)
Other, net	98	12
Net cash provided by (used in) investing activities	2,148	(4,982)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	532	9,424
Proceeds from long-term loans payable	205	125
Repayment of long-term loans payable	(139)	(138)
Repayments of lease obligations	(117)	(129)
Net decrease (increase) in treasury shares	(1,731)	(2,000)
Cash dividends paid	(4,030)	(4,624)
Cash dividends paid to non-controlling interests	(264)	(631)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(117)
Net cash provided by (used in) financing activities	(5,545)	1,907
Effect of exchange rate change on cash and cash equivalents	1,977	3,042
Net increase (decrease) in cash and cash equivalents	19,319	(21,252)
Cash and cash equivalents at beginning of period	43,946	63,265
Cash and cash equivalents at end of period	63,265	42,013

(Segment information)

1. Sales, profits or losses, assets, liabilities and other items by reportable segments

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	216,519	77,036	293,556	—	293,556
Intersegment	15	4	20	(20)	—
Total	216,535	77,041	293,577	(20)	293,556
Segment profit	17,027	2,804	19,832	19	19,852
Segment assets	143,027	69,474	212,501	53,992	266,494
Other items					
Depreciation expenses	914	737	1,651	(181)	1,469
Amortization of goodwill	417	66	484	—	484
Interest income	352	541	894	2	897
Interest expenses	5	213	219	21	240
Share of profit of entities accounted for using equity method	—	22	22	—	22
Investments in associates accounted for using the equity method	—	642	642	—	642
Increase in tangible and intangible assets	3,339	583	3,923	351	4,274

(Note) 1. The amount of Eliminations/ Corporate is as follows:

(1) Eliminations/ Corporate of Segment profit of 19 million yen includes non-allocatable common profits (net amount of common profit and loss) of 20 million yen and other adjustment of minus 1 million yen.

Non-allocatable common profits are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 53,992 million yen are elimination of receivable and payable etc. of minus 4,265 million yen and non-allocatable common assets those are not allocated to any segments of 58,258 million yen.

Non-allocatable common assets are mainly cash and deposit, securities, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 351 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

2. Segment profit is adjusted in the ordinary income of the consolidated income statement.

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Sales					
Sales to customers	169,420	106,792	276,212	—	276,212
Intersegment	23	163	186	(186)	—
Total	169,443	106,956	276,399	(186)	276,212
Segment profit	15,299	4,256	19,555	382	19,938
Segment assets	134,943	98,086	233,029	35,418	268,448
Other items					
Depreciation expenses	1,266	853	2,119	(269)	1,850
Amortization of goodwill	431	72	503	—	503
Interest income	366	407	773	8	781
Interest expenses	31	219	250	51	301
Share of profit of entities accounted for using equity method	—	3	3	—	3
Investments in associates accounted for using the equity method	—	701	701	—	701
Increase in tangible and intangible assets	2,395	913	3,308	391	3,700

(Note) 1. The amount of Eliminations/ Corporate is as follows:

(1) Eliminations/ Corporate of Segment profit of 382 million yen includes non-allocatable common profits (net amount of common profit and loss) of 408 million yen and other adjustment of minus 26 million yen.

Non-allocatable common profits are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 35,418 million yen are elimination of receivable and payable etc. of minus 3,807 million yen and non-allocatable common assets those are not allocated to any segments of 39,226 million yen.

Non-allocatable common assets are mainly cash and deposit, securities, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 391 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

2. Segment profit is adjusted in the ordinary income of the consolidated income statement.

2. Impairment loss on non-current assets or goodwill etc. by reportable segment

In the Green Technology System Division, Customer-related assets and Goodwill related to Nicomac Taikisha Clean Rooms Private Limited have been impaired and recognized as extraordinary loss in the consolidated financial statements. In the consolidated fiscal year, the total amount of decrease in Customer-related assets and Goodwill due to the impairment is 3,337 million yen.

3. Sales by regions

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
155,764	20,613	20,596	32,515	27,415	18,293	17,779	578	293,556

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Millions of yen

Japan	North America	South East Asia		East Asia		India	Other	Total
		Thailand	Other South East Asia	China	Other East Asia			
144,577	33,052	19,224	35,343	17,566	4,302	19,888	2,257	276,212

4. Property, plant and equipment

As of March 31, 2024

Millions of yen

Japan	Thailand	Indonesia	China	India	Other	Total
6,594	386	245	645	3,233	588	11,694

As of March 31, 2025

Millions of yen

Japan	Thailand	Indonesia	China	India	Other	Total
7,626	393	269	653	4,159	640	13,742

5. Impairment loss of the non-current assets by reportable segments

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	—	—	—	0	0

(Note) Eliminations/ Corporate is generated from impairment loss of idle assets.

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Impairment loss	3,339	—	3,339	0	3,339

(Note) Eliminations/ Corporate is generated from impairment loss of idle assets.

6. Amortization of goodwill and the unamortized balance by reportable segments

As of March 31, 2024

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2024	2,819	708	3,528	—	3,528

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

As of March 31, 2025

Millions of yen

	Reportable segments			Eliminations/ Corporate	Consolidated
	Green Technology System Division	Paint Finishing System Division	Total		
Balance as of March 31, 2025	—	715	715	—	715

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

(Significant subsequent events)

(Share split and corresponding partial amendment to the Articles of Incorporation)

The Company resolved at a meeting of its Board of Directors held on February 10, 2025 to implement a share split and corresponding partial amendment to the Articles of Incorporation.

1. Purpose of the share split

By implementing the share split, the Company aims to reduce the minimum investment price for the Company's shares, to increase the liquidity of the shares, and to further expand the investor base.

2. Overview of the share split

(1) Split method

The Company will split the shares of common share owned by all recorded shareholders as of March 31, 2025, in the proportion of 1 share into 2 shares.

(2) Number of shares increased through share split

Total number of shares issued before share split	33,582,009 shares
Number of shares increased through share split	33,582,009 shares
Total number of shares issued after share split	67,164,018 shares
Total number of shares authorized after share split	200,000,000 shares

(3) Schedule

Date of public notice of record date	March 14, 2025
Record date	March 31, 2025
Effective date	April 1, 2025

(4) Effect on per share information

The impact on per share information is presented in the relevant section.

3. Partial Amendment to the Articles of Incorporation

(1) Reason for the amendment

In accordance with the provisions of the Article 184, Paragraph 2 of the Companies Act, the Company will change the total number of shares authorized stipulated in Article 6 of the Articles of Incorporation as of April 1, 2025, in response to the implementation of the share split.

(2) Details of amendment

(Amended parts are underlined)

Current Articles of Incorporation	Amendments
(Total Number of Shares Authorized) Article 6 The total number of shares the Company is authorized to issue shall be <u>one hundred million (100,000,000)</u> shares.	(Total Number of Shares Authorized) Article 6 The total number of shares the Company is authorized to issue shall be <u>two hundred million (200,000,000)</u> shares.

(3) Schedule

Effective date of amendment of the Articles of Incorporation	April 1, 2025
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4. Other

(1) Change in share capital

The above share split shall not change the Company's share capital.

(2) Dividends

As the effective date of the share split is April 1, 2025, year-end dividends for the fiscal year ending March 2025, to all shareholders with a record date of March 31, 2025, will be implemented based on the number of shares issued prior to the share split.

2 Non-consolidated Financial Statements

(1) Balance Sheets (Non-consolidated)

Millions of yen

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,923	5,308
Notes receivable-trade	90	160
Electronically recorded monetary claims	2,209	2,419
Accounts receivable from completed construction contracts	77,261	102,898
Securities	9,000	—
Costs on uncompleted construction contracts	53	33
Raw materials and supplies	263	308
Prepaid expenses	638	752
Accounts receivable-other	2,725	2,695
Other	2,015	2,087
Allowance for doubtful accounts	(262)	(59)
Total current assets	111,917	116,603
Non-current assets		
Property, plant and equipment		
Buildings	4,421	6,816
Accumulated depreciation	(2,116)	(2,119)
Buildings, net	2,305	4,697
Structures	112	314
Accumulated depreciation	(86)	(96)
Structures, net	26	218
Machinery and equipment	1,054	1,625
Accumulated depreciation	(838)	(922)
Machinery and equipment, net	216	702
Vehicles	2	2
Accumulated depreciation	(1)	(2)
Vehicles, net	0	0
Tools, furniture and fixtures	872	1,066
Accumulated depreciation	(700)	(786)
Tools, furniture and fixtures, net	171	279
Land	1,015	1,005
Leased assets	9	17
Accumulated depreciation	(4)	(6)
Leased assets, net	5	11
Construction in progress	2,244	15
Total property, plant and equipment	5,984	6,931
Intangible assets		
Software	771	848
Other	411	274
Total intangible assets	1,182	1,122

	As of March 31, 2024	As of March 31, 2025
Investments and other assets		
Investment securities	30,224	25,609
Shares of subsidiaries and associates	15,787	12,482
Investments in capital	0	0
Long-term loans receivable	348	292
Long-term loans receivable from employees	10	11
Lease and guarantee deposits	1,246	1,304
Long-term prepaid expenses	345	491
Prepaid pension cost	7,382	8,259
Other	15	15
Allowance for doubtful accounts	(206)	(158)
Total investments and other assets	55,152	48,308
Total non-current assets	62,319	56,362
Total assets	174,236	172,965
Liabilities		
Current liabilities		
Notes payable-trade	1,971	458
Electronically recorded obligations - operating	23,148	11,957
Accounts payable for construction contracts	10,388	13,807
Short-term loans payable	1,816	12,051
Lease liabilities	1	2
Accounts payable-other	8,762	8,391
Accrued expenses	937	775
Income taxes payable	3,526	1,325
Advances received on uncompleted construction contracts	1,126	1,028
Deposits received	255	294
Unearned revenue	51	17
Provision for warranties for completed construction	220	140
Provision for loss on construction contracts	294	237
Provision for directors' bonuses	171	169
Other	711	861
Total current liabilities	53,386	51,518
Non-current liabilities		
Long-term loans payable	140	100
Lease liabilities	3	8
Deferred tax liabilities	5,237	4,705
Provision for retirement benefits	133	99
Provision for share awards	30	54
Provision for share awards for directors	270	439
Other	177	195
Total non-current liabilities	5,993	5,604
Total liabilities	59,380	57,123

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Capital stock	6,455	6,455
Capital surplus		
Legal capital surplus	7,297	7,297
Other capital surplus	79	79
Total capital surpluses	7,376	7,376
Retained earnings		
Legal retained earnings	1,613	1,613
Other retained earnings		
Reserve for reduction entry	0	0
Reserve for investment on information technology	1,200	1,400
General reserve	35,720	35,720
Retained earnings brought forward	51,145	56,585
Total retained earnings	89,678	95,319
Treasury shares	(2,969)	(4,969)
Total shareholders' equity	100,541	104,181
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,373	11,688
Deferred gains or losses on hedges	(57)	(27)
Total valuation and translation adjustments	14,315	11,660
Total net assets	114,856	115,842
Total liabilities and net assets	174,236	172,965

(2) Income Statements (Non-consolidated)

	Millions of yen	
	Year ended	Year ended
	March 31, 2024	March 31, 2025
	Apr. 1, 2023 - Mar. 31, 2024	Apr. 1, 2024 - Mar. 31, 2025
Net sales of completed construction contracts	158,553	144,624
Cost of sales of completed construction contracts	133,236	117,228
Gross profit on completed construction contracts	25,317	27,396
Selling, general and administrative expenses		
Directors' compensations	342	353
Employees' salaries and allowances	7,562	7,857
Provision for directors' bonuses	171	169
Retirement benefit expenses	196	131
Provision for share awards	30	30
Provision for share awards for directors	171	169
Legal welfare expenses	1,006	1,031
Welfare expenses	420	413
Repair and maintenance	159	236
Stationery expenses	682	1,044
Correspondence and transportation expenses	746	847
Power utilities expenses	55	64
Research study expenses	433	508
Advertising expenses	164	207
Provision of allowance for doubtful accounts	(1)	33
Entertainment expenses	135	117
Donation	3	4
Rents	816	885
Depreciation	536	741
Taxes and dues	570	569
Insurance expenses	70	86
Miscellaneous expenses	1,711	2,000
Total selling, general and administrative expenses	15,986	17,503
Operating income	9,330	9,893
Non-operating income		
Interest income	5	33
Interest on securities	3	4
Dividends income	3,392	5,201
Dividends income of insurance	188	191
Real estate rent	182	220
Technical advisory fee	1,739	1,623
Reversal of allowance for doubtful accounts	29	70
Other	60	81
Total non-operating income	5,604	7,427
Non-operating expenses		
Interest expenses	27	58
Rent expenses on real estates	35	34
Foreign exchange losses	19	99
Other	40	41
Total non-operating expenses	123	233
Ordinary income	14,810	17,087

	Millions of yen	
	Year ended March 31, 2024 Apr. 1, 2023 - Mar. 31, 2024	Year ended March 31, 2025 Apr. 1, 2024 - Mar. 31, 2025
Extraordinary income		
Gain on disposal of non-current assets	—	38
Gain on sales of investment securities	3,167	2,388
Total extraordinary income	<u>3,167</u>	<u>2,426</u>
Extraordinary losses		
Loss on disposal of non-current assets	12	3
Impairment loss	0	1
Loss on valuation of investment securities	0	—
Loss on valuation of shares of subsidiaries and associates	117	4,932
Total extraordinary losses	<u>129</u>	<u>4,937</u>
Income before income taxes	<u>17,847</u>	<u>14,577</u>
Income taxes-current	4,685	3,886
Income taxes-deferred	(461)	424
Total income taxes	<u>4,223</u>	<u>4,311</u>
Profit	<u>13,624</u>	<u>10,266</u>

(3) Statements of Changes in Net Assets (Non-consolidated)

Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

Millions of yen

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry	Reserve for investment on information technology	General reserve
Balance at the beginning of current period	6,455	7,297	—	7,297	1,613	0	1,000	35,720
Changes of items during the period								
Provision of reserve for investment on information technology							200	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares			79	79				
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	79	79	—	—	200	—
Balance at the end of current period	6,455	7,297	79	7,376	1,613	0	1,200	35,720

Millions of yen

	Shareholders' equity				Valuation and translation adjustments			Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Other retained earnings	Total Retained earnings						
	Retained earnings brought forward							
Balance at the beginning of current period	41,751	80,084	(1,158)	92,678	10,535	(63)	10,472	103,151
Changes of items during the period								
Provision of reserve for investment on information technology	(200)	—		—				—
Dividends of surplus	(4,029)	(4,029)		(4,029)				(4,029)
Profit	13,624	13,624		13,624				13,624
Purchase of treasury shares			(2,201)	(2,201)				(2,201)
Disposal of treasury shares			390	470				470
Net changes of items other than shareholders' equity					3,837	5	3,842	3,842
Total changes of items during the period	9,394	9,594	(1,810)	7,862	3,837	5	3,842	11,705
Balance at the end of current period	51,145	89,678	(2,969)	100,541	14,373	(57)	14,315	114,856

Year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Millions of yen

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry	Reserve for investment on information technology	General reserve
Balance at the beginning of current period	6,455	7,297	79	7,376	1,613	0	1,200	35,720
Changes of items during the period								
Provision of reserve for investment on information technology							200	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	—	—	200	—
Balance at the end of current period	6,455	7,297	79	7,376	1,613	0	1,400	35,720

Millions of yen

	Shareholders' equity				Valuation and translation adjustments			Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Other retained earnings	Total Retained earnings						
	Retained earnings brought forward							
Balance at the beginning of current period	51,145	89,678	(2,969)	100,541	14,373	(57)	14,315	114,856
Changes of items during the period								
Provision of reserve for investment on information technology	(200)	—		—				—
Dividends of surplus	(4,625)	(4,625)		(4,625)				(4,625)
Profit	10,266	10,266		10,266				10,266
Purchase of treasury shares			(2,000)	(2,000)				(2,000)
Disposal of treasury shares			0	0				0
Net changes of items other than shareholders' equity					(2,684)	30	(2,654)	(2,654)
Total changes of items during the period	5,440	5,640	(2,000)	3,640	(2,684)	30	(2,654)	985
Balance at the end of current period	56,585	95,319	(4,969)	104,181	11,688	(27)	11,660	115,842

(Supplementary information)

1.Changes of Directors / Audit & Supervisory Board Members

(1) Changes of Representatives

None

(2) Changes of Other Directors (as of June 26, 2025)

1.Candidates for New Directors

Director : Hiramasa Nakata

(Executive Vice President and Member of the Board, NEC Solution Innovators, Ltd. (current position))

2.Retiring Director

Director : Masasuke Kishi

3.Candidates for New Audit & Supervisory Board Members

Audit & Supervisory Board Members : Yasuhiro Sato

(Assistant to Corporate Planning Headquarters Chief Executive (current position))

4.Retiring Audit & Supervisory Board Members

Audit & Supervisory Board Members : Hiroyuki Matsunaga

(Note)

A Candidate for New Director Hiramasa Nakata is Outside Director defined in Article 2, Item 15 of the Companies Act.

2. Statement for orders-received, net sales of completed construction contracts, and construction carried forward by each division (consolidated)

Millions of yen

	Year ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)		Year ended March 31, 2025 (Apr. 1, 2024 - Mar. 31, 2025)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	36,205	13.7	53,795	19.4	17,590	48.6
Industrial HVAC	135,697	51.5	125,402	45.2	(10,295)	(7.6)
Total	171,902	65.2	179,197	64.6	7,295	4.2
[Overseas]	[45,909]	[17.4]	[60,386]	[21.8]	[14,476]	[31.5]
Paint Finishing System Division	91,646	34.8	98,205	35.4	6,558	7.2
[Overseas]	[69,232]	[26.3]	[79,757]	[28.8]	[10,524]	[15.2]
Total	263,549	100.0	277,403	100.0	13,853	5.3
[Overseas]	[115,142]	[43.7]	[140,143]	[50.6]	[25,001]	[21.7]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	40,756	13.9	36,839	13.3	(3,916)	(9.6)
Industrial HVAC	175,763	59.9	132,580	48.0	(43,182)	(24.6)
Total	216,519	73.8	169,420	61.3	(47,098)	(21.8)
[Overseas]	[74,025]	[25.2]	[60,630]	[22.0]	[(13,394)]	[(18.1)]
Paint Finishing System Division	77,036	26.2	106,792	38.7	29,755	38.6
[Overseas]	[63,766]	[21.7]	[71,004]	[25.7]	[7,237]	[11.4]
Total	293,556	100.0	276,212	100.0	(17,343)	(5.9)
[Overseas]	[137,792]	[46.9]	[131,635]	[47.7]	[(6,156)]	[(4.5)]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	39,059	16.7	56,015	23.4	16,955	43.4
Industrial HVAC	102,343	43.8	97,208	40.5	(5,135)	(5.0)
Total	141,403	60.5	153,223	63.9	11,819	8.4
[Overseas]	[40,573]	[17.4]	[42,371]	[17.7]	[1,798]	[4.4]
Paint Finishing System Division	92,163	39.5	86,648	36.1	(5,515)	(6.0)
[Overseas]	[56,476]	[24.2]	[68,300]	[28.5]	[11,823]	[20.9]
Total	233,567	100.0	239,871	100.0	6,303	2.7
[Overseas]	[97,049]	[41.6]	[110,671]	[46.2]	[13,622]	[14.0]

(Note) 1. The amounts of orders received, net sales of completed construction contracts, and construction carried forward are the transacted amount with external customers.

2. In the previous consolidated fiscal year, there is 15 million yen difference between net sales of completed construction contracts of 216,519 million yen and total sales of 216,535 million yen in the segment information by the Green Technology System Division.

There is 4 million yen difference between net sales of completed construction contracts of 77,036 million yen and total sales of 77,041 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the consolidated fiscal year, there is 23 million yen difference between net sales of completed construction contracts of 169,420 million yen and total sales of 169,443 million yen in the segment information by the Green Technology System Division.

There is 163 million yen difference between net sales of completed construction contracts of 106,792 million yen and total sales of 106,956 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

4.Regarding foreign exchange translation of contracts carried forward from previous year in foreign consolidated subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of construction contracts carried forward.

Beginning balance of construction contracts carried forward after adjustment in the fiscal year is as follows.

Green Technology System Division

HVAC for buildings	39,059 million yen		
Industrial HVAC	104,386 million yen	[overseas	42,615 million yen]
Sub total	143,446 million yen	[overseas	42,615 million yen]
Paint Finishing System Division	95,234 million yen	[overseas	59,547 million yen]
Total	238,680 million yen	[overseas	102,163 million yen]

3. Statement for orders-received, net sales of completed construction contracts, and construction carried forward by each division (Non-consolidated)

Millions of yen

	Year ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)		Year ended March 31, 2025 (Apr. 1, 2024 - Mar. 31, 2025)		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Orders-received						
Green Technology System Division						
HVAC for buildings	29,933	20.5	51,308	35.8	21,375	71.4
Industrial HVAC	90,040	61.8	64,763	45.3	(25,276)	(28.1)
Total	119,973	82.3	116,072	81.1	(3,901)	(3.3)
[Overseas]	[665]	[0.5]	[289]	[0.2]	[(376)]	[(56.5)]
Paint Finishing System Division	25,710	17.7	27,066	18.9	1,356	5.3
[Overseas]	[4,953]	[3.4]	[10,687]	[7.5]	[5,734]	[115.8]
Total	145,684	100.0	143,138	100.0	(2,545)	(1.7)
[Overseas]	[5,619]	[3.9]	[10,977]	[7.7]	[5,358]	[95.4]
Net sales of completed construction contracts						
Green Technology System Division						
HVAC for buildings	37,321	23.5	33,619	23.2	(3,701)	(9.9)
Industrial HVAC	101,871	64.3	72,198	50.0	(29,673)	(29.1)
Total	139,192	87.8	105,818	73.2	(33,374)	(24.0)
[Overseas]	[508]	[0.3]	[818]	[0.6]	[310]	[61.0]
Paint Finishing System Division	19,360	12.2	38,806	26.8	19,445	100.4
[Overseas]	[7,695]	[4.9]	[4,794]	[3.3]	[(2,900)]	[(37.7)]
Total	158,553	100.0	144,624	100.0	(13,928)	(8.8)
[Overseas]	[8,203]	[5.2]	[5,612]	[3.9]	[(2,590)]	[(31.6)]
Construction carried forward						
Green Technology System Division						
HVAC for buildings	35,207	25.7	52,895	39.1	17,688	50.2
Industrial HVAC	62,362	45.6	54,927	40.5	(7,434)	(11.9)
Total	97,569	71.3	107,823	79.6	10,254	10.5
[Overseas]	[636]	[0.4]	[107]	[0.1]	[(528)]	[(83.1)]
Paint Finishing System Division	39,307	28.7	27,567	20.4	(11,739)	(29.9)
[Overseas]	[4,202]	[3.1]	[10,096]	[7.5]	[5,893]	[140.2]
Total	136,877	100.0	135,391	100.0	(1,485)	(1.1)
[Overseas]	[4,838]	[3.5]	[10,203]	[7.6]	[5,364]	[110.9]