

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 13, 2025

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company Name:	Takasago Thermal Engineering Co., Ltd.	
Stock Exchange Listing:	On the Prime Section of the Tokyo Stock Exchange	
Code Number:	1969	
Company URL:	<a href="https://www.tte-net.com/">https://www.tte-net.com/</a>	
Representative:	Kazuhito Kojima, President and Representative Director	
Contact:	Masatoshi Morino, Director and Executive Officer, General Manager, Finance & Investor Relations Department	
Phone:	+813-6369-8215	
Scheduled date of ordinary general meeting of shareholders:	June 18, 2025	
Scheduled date to commence dividend payment:	June 19, 2025	
Scheduled date to submit the Securities Report:	June 17, 2025	
Preparation of supplementary material on financial results:	Yes	
Holding of financial results briefing:	Yes (for institutional investors and securities analysts)	

(Fraction less than one million yen has been omitted)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

#### (1) Consolidated Results of Operations

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended								
March 31, 2025	381,661	5.0	32,415	34.0	34,970	33.7	27,631	40.9
March 31, 2024	363,366	7.2	24,192	57.8	26,150	56.7	19,612	60.4

(Note) Comprehensive income:

Fiscal year ended March 31, 2025: ¥27,556 million year on year: (5.7)%

Fiscal year ended March 31, 2024: ¥29,212 million year on year: 106.5%

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended					
March 31, 2025	416.15	—	16.0	10.4	8.5
March 31, 2024	295.68	—	12.8	8.0	6.7

(Reference) Share of profit of entities accounted for using equity method:

Fiscal year ended March 31, 2025: ¥400 million

Fiscal year ended March 31, 2024: ¥183 million

#### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of				
March 31, 2025	334,949	184,283	53.9	2,720.64
March 31, 2024	340,106	167,231	48.3	2,476.38

(Reference) Equity:

As of March 31, 2025: ¥180,667 million

As of March 31, 2024: ¥164,355 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
Fiscal year ended March 31, 2025	(Millions of yen) 5,885	(Millions of yen) (1,405)	(Millions of yen) (12,713)	(Millions of yen) 41,364
March 31, 2024	(13,100)	(8,103)	(491)	49,064

## 2. Dividends

	Cash dividends per share					Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year-end	Annual			
Fiscal year ended March 31, 2024	(Yen) –	(Yen) 38.00	(Yen) –	(Yen) 91.00	(Yen) 129.00	(Millions of yen) 8,675	(%) 43.6	(%) 5.6
Fiscal year ended March 31, 2025	(Yen) –	(Yen) 65.00	(Yen) –	(Yen) 102.00	(Yen) 167.00	(Millions of yen) 11,288	(%) 40.1	(%) 6.4
Fiscal year ending March 31, 2026 (Forecast)	(Yen) –	(Yen) 86.00	(Yen) –	(Yen) 87.00	(Yen) 173.00	(Millions of yen) 28,700	(%) 40.0	(%) 3.9

(Note) Breakdown of year-end dividends for the fiscal year ended March 31, 2024:

Ordinary dividend: ¥119.00

Commemorative dividend to celebrate the 100th anniversary of our founding: ¥10.00

## 3. Forecasts for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	410,000	7.4	36,000	11.1	38,000	8.7	28,700	3.9	432.25

(Reference) Orders received (Forecast): (Full year) ¥430,000 million

\* Notes

- (1) Significant Changes in the Scope of Consolidation During the Period: None
- (2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
  - (i) Changes in accounting policies in accordance with the revision of accounting standards, etc.: Yes
  - (ii) Changes in accounting policies other than (i) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatements: None

For more details, please refer to “(5) Notes on Consolidated Financial Statements, (Notes to changes in accounting policies)” of “3. Consolidated Financial Statements” on page 14 of the attached materials.

(3) Number of Issued Shares (Common Shares)

- (i) Number of issued shares at fiscal year end (including treasury shares)

As of March 31, 2025:	70,239,402 shares
As of March 31, 2024:	70,239,402 shares

- (ii) Number of treasury shares at fiscal year end

As of March 31, 2025:	3,833,131 shares
As of March 31, 2024:	3,870,133 shares

- (iii) Average number of shares during the period

Fiscal year ended March 31, 2025:	66,397,195 shares
Fiscal year ended March 31, 2024:	66,331,857 shares

**(References) Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)**

**(1) Non-consolidated Results of Operations**

	Net sales		Operating profit		Ordinary profit		Profit	
	(Millions of yen)	(%)						
Fiscal year ended March 31, 2025	274,274	2.1	29,135	39.4	32,045	39.4	26,232	46.3
March 31, 2024	268,657	10.0	20,898	72.2	22,988	64.6	17,933	65.3

	Earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Fiscal year ended March 31, 2025	393.52	—
March 31, 2024	269.29	—

**(2) Non-consolidated Financial Positions**

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2025	275,489	160,364	58.2	2,405.32
March 31, 2024	288,135	146,217	50.7	2,194.36

(Reference) Equity:

As of March 31, 2025: ¥160,364 million  
As of March 31, 2024: ¥146,217 million

**2. Forecasts for the Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2026  
(April 1, 2025 to March 31, 2026)**

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	(Millions of yen)	(%)	(Yen)						
Full year	300,000	9.4	31,600	8.5	34,200	6.7	26,900	2.5	403.53

(Reference) Orders received (Forecast): (Full year) ¥330,000 million

- \* Financial results reports are exempt from review conducted by certified public accountants or an audit corporation.
- \* Explanation concerning proper use of the forecasts for the financial results and other special instructions  
Forward-looking statements, including the financial results forecasts, in this document are based on currently available information held by the Company and on certain premises considered reasonable by the Company. It is not the intention of the Company to undertake the realization of these statements. Actual business results may differ from the forecasts, depending on various factors. For the assumptions used as the basis for the financial results forecast and notes on the use of the forecast, please refer to "Future Outlook" on page 3 of the attached document.  
The Company will hold the annual financial results briefing session for the fiscal year ended March 31, 2025 (for institutional investors and securities analysts) on Wednesday, May 14, 2025. The information materials to be used at the session will be posted on the Company's website.

## ○ Table of Attachments

Index

1.	Summary of Business Results, etc.....	2
(1)	Summary of Business Results for the Year Ended March 31, 2025 .....	2
(2)	Summary of Financial Position for the Period Under Review .....	2
(3)	Summary of Cash Flows for the Period Under Review .....	3
(4)	Future Outlook .....	3
(5)	Policy for the Appropriation of Retained Earnings and Dividends for the Period Under Review and the Next Period.....	4
2.	Basic Approach to the Selection of Accounting Standards.....	4
3.	Consolidated Financial Statements .....	5
(1)	Consolidated Balance Sheets.....	5
(2)	Consolidated Statements of Income and Comprehensive Income.....	7
(3)	Consolidated Statement of Changes in Equity .....	10
(4)	Consolidated Statements of Cash Flows .....	12
(5)	Notes on Consolidated Financial Statements .....	14
	(Notes on going concern assumption) .....	14
	(Notes to changes in accounting policies) .....	14
	(Notes to segment information, etc.) .....	15
	(Notes on per share information).....	19
	(Notes on important subsequent events).....	19
4.	Non-consolidated Financial Statements.....	20
(1)	Non-consolidated Balance Sheets .....	20
(2)	Non-consolidated Statements of Income .....	24
(3)	Non-consolidated Statement of Changes in Equity .....	26
5.	Other .....	30
(1)	Conditions of Production, Orders Received and Sales (Consolidated) .....	30
(2)	Conditions of Orders Received and Sales (Non-consolidated) .....	32
(3)	Review of Operations (Consolidated) .....	33
(4)	Review of Operations (Non-consolidated).....	34

## 1. Summary of Business Results, etc.

### (1) Summary of Business Results for the Year Ended March 31, 2025

During the year ended March 31, 2025 (hereinafter, the “period under review”), the Japanese economy was on a gradual recovery path, with corporate profits and the employment and income environment showing improvement, despite concerns about a downturn due to the rise in prices and fluctuations in financial and capital markets.

In the construction industry and our related air conditioning industry, demand for construction remained strong as the manufacturing and non-manufacturing sectors continued to make capital investment against the background of the firm trend of corporate earnings, etc. However, a cautious approach to business operations remained required as response to reform work styles and the uncertain outlook for the global economy, caused by the movement of policies overseas, continued to require close attention.

In these circumstances, our Group has been promoting “business model transformation” to establish a solid revenue base from the construction business and promote investments for future growth, and “company and human resource transformation” to invest in human capital and establish a framework for transformation to an Environment-Creator™ company, in accordance with the long-term Vision and the Medium-Term Management Plan under Purpose.

Our Group’s net sales for the period under review totaled ¥381,661 million (up 5.0% year on year). Profits were also boosted by steady progress in construction through efficient project management initiatives and efforts to improve profitability at the order and installation stages. As a result, operating profit was ¥32,415 million (up 34.0% year on year), ordinary profit came to ¥34,970 million (up 33.7% year on year), and profit attributable to owners of parent was ¥27,631 million (up 40.9% year on year).

Orders received totaled ¥416,147 million (up 3.2% year on year).

Segment business results were as follows. (Segment business results include intersegment net sales and transfers.)

#### (Construction business)

Net sales were ¥373,683 million (up 5.1% year on year), and segment profit (operating profit) was ¥31,738 million (up 33.7% year on year).

#### (Equipment manufacturing and sales business)

Net sales were ¥8,535 million (up 3.2% year on year) and segment profit (operating profit) was ¥579 million (up 43.0% year on year).

#### (Other)

Net sales were ¥119 million (up 32.2% year on year) and segment profit (operating profit) was ¥82 million (up 62.3% year on year).

### (2) Summary of Financial Position for the Period Under Review

Total assets decreased ¥5,157 million from the end of the previous fiscal year to ¥334,949 million at the end of the period under review, mainly due to a decrease in cash and deposits.

Total liabilities fell ¥22,209 million from the end of the previous fiscal year to ¥150,665 million, mainly due to a decrease in notes payable, accounts payable for construction contracts and other.

Total net assets increased ¥17,051 million from the end of the previous fiscal year to ¥184,283 million, mainly due to an increase in retained earnings resulting from the recognition of profit attributable to owners of parent.

### (3) Summary of Cash Flows for the Period Under Review

Cash and cash equivalents at the end of the period under review decreased by ¥77 million from the end of the previous period to ¥41,364 million.

#### (Cash flows from operating activities)

Cash flows from operating activities amounted to net cash of ¥5,885 million (expenditure of ¥13,100 million in the previous period). This is mainly due to an increase in profit before income taxes.

#### (Cash flows from investing activities)

Cash flows from financing activities amounted to an expenditure of ¥1,405 million (up ¥6,698 million from the end of the previous period). This was mainly due to an increase in expenditures for purchase of property, plant and equipment and intangible assets.

#### (Cash flows from financing activities)

Cash flows from financing activities amounted to an expenditure of ¥12,713 million (down ¥12,222 million from the end of the previous period). This was mainly due to the payment of dividends.

#### (Reference) Trends in cash flow indicators

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Equity ratio (%)	48.7	44.2	45.5	48.3	53.9
Equity ratio based on market value (%)	44.0	38.2	44.6	95.2	110.1
Ratio of interest-bearing debt to cash flow (annual)	1.1	6.4	0.9	(4.8)	2.4
Interest coverage ratio (times)	106.3	21.7	116.3	(29.0)	54.9

(Notes) 1. Each indicator is calculated based on the following criteria, all of which are financial measures on a consolidated basis.

Equity ratio: Equity/Total assets

Equity ratio based on market value: Total market capitalization/Total assets

Ratio of interest-bearing debt to cash flow (annual): Interest-bearing debt/

Operating cash flow (before interest and taxes)

Interest coverage ratio:

Operating cash flow (before interest and taxes)/Interest payments

- Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding (excluding treasury shares) at the end of the period.
- Operating cash flows (before interest and income taxes paid) are the cash flows from operating activities (before interest and income taxes paid) in the consolidated statements of cash flows. Interest-bearing debt is all liabilities on the consolidated balance sheet for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.

### (4) Future Outlook

As for the future business environment, although the gradual recovery trend is expected to be supported by improvements such as in corporate profits, and the employment and income environments, we will continue to monitor the effects of rising prices, countries' trade policies, and fluctuations in financial and capital markets.

In the construction industry and our related air conditioning industry, while capital investment is expected to remain stable in the manufacturing and non-manufacturing sectors, we anticipate rises in material and equipment prices and labor costs, and delays in construction project schedules mainly due to brisk demand for construction. The Company will strive to improve the profitability and productivity of construction projects by implementing a series of initiatives to pursue the strategy for company-wide optimum order capture and boost earning capability. In addition, with initiatives toward sustainability and carbon neutrality gaining significance, the response is required to be further driven by a sense of urgency.

In this business environment, we are pushing forward with the “2026 Medium-Term Management Plan: Step for the FUTURE -Four years to embark on the future-,” having led the business performance for the fiscal year ended March 31, 2025 to exceed part of Target Management Indicators primarily as a result of more successful efforts to strengthen earning capability we had made up to now. Taking into account the future business environment, the progress status of the growth strategy and others, we will revise main Target Management Indicators. For details, please refer to the separately announced “Notice Concerning Revision of Target for the 2026 Medium-Term Management Plan.”

For the consolidated business forecast for the year ending March 31, 2026 (hereinafter, the “next period”), we expect net sales of ¥410 billion, operating profit of ¥36 billion, ordinary profit of ¥38 billion, profit attributable to owners of parent of ¥28.7 billion and orders received of ¥430 billion.

#### **(5) Policy for the Appropriation of Retained Earnings and Dividends for the Period Under Review and the Next Period**

The Company’s earnings distribution policy is based on returning profits to shareholders through dividends, taking into account the balance between financial soundness and investments for growth. The Company pursues a progressive dividend policy of increasing dividends in line with sustainable earnings growth with a target payout ratio of 40%. Also, share repurchases are flexibly implemented from the perspective of increasing shareholder value over the medium to long term, taking into account “soundness” and “capital efficiency,” while comprehensively considering market conditions, capital levels, business investment opportunities, and other factors.

The Company’s basic policy is to pay dividends from retained earnings twice a year, an interim dividend and a year-end dividend. Decisions on dividends are made by the Board of Directors for interim dividends and by the General Meeting of Shareholders for year-end dividends.

The Company plans to pay a year-end dividend of ¥102 per common share for the period under review. Since the Company paid an interim dividend of ¥65, the annual dividend per share will be ¥167.

The Company plans to pay an annual dividend of ¥173 per common share for the next period (interim dividend of ¥86 and year-end dividend of ¥87).

## **2. Basic Approach to the Selection of Accounting Standards**

The Group’s current policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into account the comparability of the consolidated financial statements from period to period and from company to company.

For the application of the International Financial Reporting Standards (IFRS), our policy is to respond as appropriate, taking into account various conditions in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
<b>Cash and deposits</b>	53,298	47,647
Notes, accounts receivable from completed construction contracts and contract assets	178,305	178,215
<b>Electronically recorded monetary claims - operating</b>	7,585	7,977
Costs on construction contracts in progress	4,057	3,889
Other	5,370	7,758
Allowance for doubtful accounts	(230)	(351)
<b>Total current assets</b>	<u>248,386</u>	<u>245,138</u>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	16,378	15,893
Machinery, equipment and vehicles	2,655	3,112
Tools, furniture and fixtures	4,956	5,264
Land	9,731	9,826
Construction in progress	265	318
Right-of-use assets	1,304	1,488
Accumulated depreciation	(11,808)	(11,983)
<b>Total property, plant and equipment</b>	<u>23,483</u>	<u>23,919</u>
<b>Intangible assets</b>		
Software	7,371	8,111
Goodwill	1,703	1,419
Other	98	97
<b>Total intangible assets</b>	<u>9,173</u>	<u>9,628</u>
<b>Investments and other assets</b>		
Investment securities	46,530	43,220
Long-term loans receivable	242	228
Retirement benefit asset	6,551	7,001
Deferred tax assets	1,187	1,400
Guarantee deposits	3,072	3,114
Insurance funds	785	572
Other	800	776
Allowance for doubtful accounts	(107)	(52)
<b>Total investments and other assets</b>	<u>59,063</u>	<u>56,262</u>
<b>Total non-current assets</b>	<u>91,720</u>	<u>89,810</u>
<b>Total assets</b>	<u>340,106</u>	<u>334,949</u>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	58,253	43,590
Electronically recorded obligations - operating	19,026	6,123
Short-term borrowings	14,133	17,737
Current portion of bonds payable	5,000	5,000
Accounts payable - other	5,416	4,083
Income taxes payable	6,008	6,975
Advances received on construction contracts in progress	12,593	20,978
Provision for bonuses	8,727	9,858
Provision for bonuses for directors (and other officers)	159	175
Provision for warranties for completed construction	1,095	934
Provision for loss on construction contracts	404	489
Provision for dismantling and removal	310	–
Provision for compensation for damages	–	82
Other	15,621	14,011
Total current liabilities	146,750	130,040
Non-current liabilities		
Bonds payable	20,000	15,000
Retirement benefit liability	1,126	1,045
Provision for share awards	865	1,673
Deferred tax liabilities	3,388	2,210
Other	744	696
Total non-current liabilities	26,125	20,625
Total liabilities	172,875	150,665
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	10,488	11,639
Retained earnings	128,724	145,846
Treasury shares	(7,307)	(8,408)
Total shareholders' equity	145,040	162,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,822	14,249
Foreign currency translation adjustment	1,671	2,285
Remeasurements of defined benefit plans	1,821	1,920
Total accumulated other comprehensive income	19,315	18,455
Non-controlling interests	2,875	3,615
Total net assets	167,231	184,283
Total liabilities and net assets	340,106	334,949

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	363,366	381,661
Cost of sales	303,419	310,015
Gross profit	59,947	71,646
Selling, general and administrative expenses		
Employees' salaries and allowances	10,598	11,149
Provision for bonuses	3,233	3,542
Retirement benefit expenses	312	223
Provision for share awards	234	708
Stationery expenses	3,631	3,716
Provision of allowance for doubtful accounts	3	122
Rent expenses on land and buildings	2,674	2,740
Depreciation	2,086	2,615
Other	12,980	14,412
Total selling, general and administrative expenses	35,755	39,231
Operating profit	24,192	32,415
Non-operating income		
Interest income	413	549
Dividend income	784	926
Dividend income of insurance	174	129
Share of profit of entities accounted for using equity method	183	400
Rental income from real estate	862	861
Other	1,002	761
Total non-operating income	3,421	3,628
Non-operating expenses		
Interest expenses	288	269
Provision of allowance for doubtful accounts	–	23
Provision for dismantling and removals	310	–
Rental expenses on real estate	392	407
Provision for compensation for damages	–	82
Foreign exchange losses	–	108
Other	472	182
Total non-operating expenses	1,463	1,073
Ordinary profit	26,150	34,970
Extraordinary income		
Gain on sale of investment securities	1,295	2,712
Other	14	2
Total extraordinary income	1,309	2,714
Extraordinary losses		
Impairment losses	288	–
Loss on retirement of non-current assets	96	27
Loss on valuation of investment securities	17	143
Other	5	5
Total extraordinary losses	407	176
Profit before income taxes	27,053	37,508
Income taxes - current	8,356	10,618
Income taxes - deferred	(1,414)	(1,134)
Total income taxes	6,942	9,484

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	20,111	28,024
Profit attributable to non-controlling interests	498	392
Profit attributable to owners of parent	19,612	27,631

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	20,111	28,024
Other comprehensive income		
Valuation difference on available-for-sale securities	5,558	(1,617)
Foreign currency translation adjustment	1,266	1,006
Remeasurements of defined benefit plans, net of tax	2,052	109
Share of other comprehensive income of entities accounted for using equity method	224	33
Total other comprehensive income	9,101	(467)
Comprehensive income	29,212	27,556
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,638	26,771
Comprehensive income attributable to non-controlling interests	573	785

**(3) Consolidated Statement of Changes in Equity**

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	12,691	113,913	(7,567)	132,172
Changes during period					
Dividends of surplus			(4,774)		(4,774)
Profit attributable to owners of parent			19,612		19,612
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				262	262
Change in scope of consolidation			(27)		(27)
Change in ownership interest of parent due to transactions with non-controlling interests		(2,202)			(2,202)
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,202)	14,810	260	12,867
Balance at end of period	13,134	10,488	128,724	(7,307)	145,040

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,181	493	(376)	10,298	4,694	147,165
Changes during period						
Dividends of surplus						(4,774)
Profit attributable to owners of parent						19,612
Purchase of treasury shares						(2)
Disposal of treasury shares						262
Change in scope of consolidation						(27)
Change in ownership interest of parent due to transactions with non-controlling interests						(2,202)
Net changes in items other than shareholders' equity	5,641	1,178	2,197	9,017	(1,818)	7,198
Total changes during period	5,641	1,178	2,197	9,017	(1,818)	20,066
Balance at end of period	15,822	1,671	1,821	19,315	2,875	167,231

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	10,488	128,724	(7,307)	145,040
Changes during period					
Dividends of surplus			(10,508)		(10,508)
Profit attributable to owners of parent			27,631		27,631
Purchase of treasury shares				(1,939)	(1,939)
Disposal of treasury shares		1,151		838	1,989
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	1,151	17,122	(1,101)	17,172
Balance at end of period	13,134	11,639	145,846	(8,408)	162,212

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	15,822	1,671	1,821	19,315	2,875	167,231
Changes during period						
Dividends of surplus						(10,508)
Profit attributable to owners of parent						27,631
Purchase of treasury shares						(1,939)
Disposal of treasury shares						1,989
Change in ownership interest of parent due to transactions with non-controlling interests						
Net changes in items other than shareholders' equity	(1,573)	614	98	(860)	739	(120)
Total changes during period	(1,573)	614	98	(860)	739	17,051
Balance at end of period	14,249	2,285	1,920	18,455	3,615	184,283

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	27,053	37,508
Depreciation	2,505	3,074
Impairment losses	288	—
Amortization of goodwill	227	218
Increase (decrease) in allowance for doubtful accounts	(216)	64
Increase (decrease) in provision for warranties for completed construction	78	(174)
Increase (decrease) in provision for loss on construction contracts	(524)	78
Increase (decrease) in provision for bonuses	3,115	1,131
Increase (decrease) in provision for bonuses for directors (and other officers)	69	15
Increase (decrease) in provision for dismantling and removal	91	(310)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(109)	—
Decrease (increase) in retirement benefit asset	(94)	(426)
Increase (decrease) in retirement benefit liability	39	89
Increase (decrease) in provision for share awards	32	807
Interest and dividend income	(1,198)	(1,475)
Interest expenses	288	269
Share of loss (profit) of entities accounted for using equity method	(183)	(400)
Foreign exchange losses (gains)	(171)	90
Loss (gain) on sale of investment securities	(1,295)	(2,712)
Loss (gain) on valuation of investment securities	17	143
Loss (gain) on sale of non-current assets	(8)	2
Decrease (increase) in trade receivables	(32,286)	238
Decrease (increase) in costs on construction contracts in progress	(629)	122
Increase (decrease) in trade payables	(10,310)	(28,610)
Increase (decrease) in advances received on construction contracts in progress	(2,512)	8,038
Increase (decrease) in accrued expenses	527	(336)
Increase (decrease) in accrued consumption taxes	979	(691)
Decrease (increase) in consumption taxes refund receivable	3,341	(445)
Other, net	1,468	(2,075)
Subtotal	(9,417)	14,233
Interest and dividends received	1,227	1,506
Interest paid	(282)	(286)
Income taxes paid	(5,268)	(10,150)
Income taxes refund	640	582
Net cash provided by (used in) operating activities	(13,100)	5,885

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from investing activities</b>		
Payments into time deposits	(9,601)	(11,905)
Proceeds from withdrawal of time deposits	7,711	10,467
Purchase of property, plant and equipment and intangible assets	(3,347)	(4,337)
Purchase of investment securities	(5,179)	(7)
Proceeds from sale of investment securities	2,284	4,354
Purchase of shares of subsidiaries and associates	(42)	(32)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	103	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(270)	–
Payments of guarantee deposits	(361)	(236)
Proceeds from refund of guarantee deposits	153	263
Proceeds from collection of loans receivable	109	105
Purchase of insurance funds	(24)	(22)
Proceeds from maturity of insurance funds	444	232
Other payments	(248)	(352)
Other proceeds	164	66
<b>Net cash provided by (used in) investing activities</b>	<b>(8,103)</b>	<b>(1,405)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	9,179	3,427
Redemption of bonds	–	(5,000)
Repayments of long-term borrowings	(127)	(70)
Repayments of lease liabilities	(465)	(511)
Purchase of treasury shares	(2)	(1,939)
Proceeds from sale of treasury shares	–	1,934
Dividends paid	(4,774)	(10,508)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(4,288)	–
Dividends paid to non-controlling interests	(12)	(45)
<b>Net cash provided by (used in) financing activities</b>	<b>(491)</b>	<b>(12,713)</b>
Effect of exchange rate change on cash and cash equivalents	789	533
Net increase (decrease) in cash and cash equivalents	(20,906)	(7,700)
Cash and cash equivalents at beginning of period	69,971	49,064
<b>Cash and cash equivalents at end of period</b>	<b>49,064</b>	<b>41,364</b>

**(5) Notes on Consolidated Financial Statements**

**(Notes on going concern assumption)**

Not applicable.

**(Notes to changes in accounting policies)**

**Application of Accounting Standard for Current Income Taxes**

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27. October 28, 2022; hereinafter referred to as the “accounting standard revised in 2022”) and others have been applied since the beginning of the period under review.

For the revision of the categories to record income taxes, etc. (taxation on other comprehensive income), we follow the transitional treatment defined in the proviso to Section 20-3 of the accounting standard revised in 2022 and the transitional treatment defined in the proviso to Section 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28. October 28, 2022; hereinafter referred to as the “implementation guideline revised in 2022”). This change in accounting policies has no impact on the consolidated financial statements.

As for the revision related to the review of the treatment of consolidated financial statements when the gains or losses on sales of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the implementation guideline revised in 2022 has been applied since the beginning of the period under review. The changes in accounting policies are applied retrospectively, and the consolidated financial statements for the previous fiscal year are after the retrospective application. These changes in accounting policies have no effect on the consolidated financial statements for the previous fiscal year.

**(Notes to segment information, etc.)**

## [Segment information]

## 1. Overview of reportable segments

The Company's reportable segments are components of the Company and its consolidated subsidiaries for which discrete financial information is available, and whose operating results are reviewed regularly by the Company's Board of Directors to allocate management resources and assess performance.

The Group consists of the construction business, which is engaged in the design, construction and maintenance of general-purpose systems and industrial systems, with a focus on air conditioning technology, and an equipment manufacturing and sales business, which is engaged in the design, manufacture and sale of air conditioning and other equipment.

Therefore, the Group has two reportable segments: the construction business and the equipment manufacturing and sales business.

## 2. Calculation method of net sales, income or loss, assets and other items by reportable segment

The method of accounting for reportable segments is consistent with the accounting policies and procedures used in the preparation of the consolidated financial statements. Intersegment net sales or transfers are transactions between consolidated companies and are based on prevailing market prices.

## 3. Information on net sales, income or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2) (Note 4)	Amount recognized in consolidated financial statements (Note 3)
	Construction business	Equipment manufacturing and sales business	Subtotal				
Net sales							
Net sales to external customers	355,493	7,782	363,276	90	363,366	–	363,366
Intersegment net sales or transfers	–	484	484	–	484	(484)	–
Subtotal	355,493	8,267	363,760	90	363,851	(484)	363,366
Segment profit	23,745	405	24,151	51	24,202	(10)	24,192
Segment assets	332,096	8,072	340,168	66	340,235	(128)	340,106
Other items							
Depreciation	2,403	98	2,501	6	2,508	(3)	2,505
Increase in property, plant and equipment and intangible assets	3,534	156	3,690	3	3,694	–	3,694

(Notes) 1. The category "Other" refers to businesses that are not included in the reportable segments, such as insurance agencies.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the consolidated statement of income.

4. The adjustment to segment assets is the elimination of transactions made between segments.

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

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2) (Note 4)	Amount recognized in consolidated financial statements (Note 3)
	Construction business	Equipment manufacturing and sales business	Subtotal				
Net sales							
Net sales to external customers	373,683	7,859	381,542	119	381,661	–	381,661
Intersegment net sales or transfers	0	675	675	–	675	(675)	–
Subtotal	373,683	8,535	382,218	119	382,337	(675)	381,661
Segment profit	31,738	579	32,317	82	32,400	14	32,415
Segment assets	326,642	8,481	335,124	71	335,195	(246)	334,949
Other items							
Depreciation	2,961	109	3,071	6	3,077	(3)	3,074
Increase in property, plant and equipment and intangible assets	4,495	132	4,627	7	4,635	–	4,635

(Notes) 1. The category “Other” refers to businesses that are not included in the reportable segments, such as insurance agencies.

2. The adjustment to segment profit is the elimination of transactions made between segments.
3. Segment profit is reconciled with operating profit in the consolidated statement of income.
4. The adjustment to segment assets is the elimination of transactions made between segments.

## [Related information]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

## 1 Information by product and service

Description is omitted as the product and service categories are the same as the reportable segment categories.

## 2 Information by region

## (1) Net sales

(Millions of yen)				
Japan	Southeast Asia	Other	Total	
304,516	26,528	32,322		363,366

(Notes) 1. Net sales are classified by country or region based on the location of the customer.

2. Southeast Asia includes Thailand, Singapore, Malaysia, Vietnam, and Myanmar.

## (2) Property, plant and equipment

(Millions of yen)				
Japan	Southeast Asia	India	Other	Total
20,868	402	1,999	213	23,483

(Notes) 1. Property, plant and equipment are classified by country or region based on the location of the assets.

2. Southeast Asia includes Thailand, Singapore, Malaysia, and Vietnam.

## 3 Information by major customer

Description is omitted as there are no sales to external customers that represent 10% or more of net sales in the consolidated statements of income.

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

## 1 Information by product and service

Description is omitted as the product and service categories are the same as the reportable segment categories.

## 2 Information by region

## (1) Net sales

(Millions of yen)				
Japan	Southeast Asia	Other	Total	
310,082	27,335	44,244		381,661

(Notes) 1. Net sales are classified by country or region based on the location of the customer.

2. Southeast Asia includes Thailand, Singapore, Malaysia, Vietnam, and Myanmar.

## (2) Property, plant and equipment

(Millions of yen)				
Japan	Southeast Asia	India	Other	Total
21,156	426	2,190	145	23,919

(Notes) 1. Property, plant and equipment are classified by country or region based on the location of the assets.

2. Southeast Asia includes Thailand, Singapore, Malaysia, and Vietnam.

## 3 Information by major customer

Description is omitted as there are no sales to external customers that represent 10% or more of net sales in the consolidated statements of income.

[Information on impairment of non-current assets by reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Reportable segment			Other	Total	Corporate / Elimination	Amount recognized in consolidated financial statements
	Construction business	Equipment manufacturing and sales business	Subtotal				
Impairment losses	288	—	288	—	288	—	288

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

Not applicable.

[Information on the balance of amortized and unamortized goodwill by reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Reportable segment			Other	Total	Corporate / Elimination	Amount recognized in consolidated financial statements
	Construction business	Equipment manufacturing and sales business	Subtotal				
Amortization for the year ended March 31, 2024	227	—	227	—	227	—	227
Balance at the end of the year ended March 31, 2024	1,703	—	1,703	—	1,703	—	1,703

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

	Reportable segment			Other	Total	Corporate / Elimination	Amount recognized in consolidated financial statements
	Construction business	Equipment manufacturing and sales business	Subtotal				
Amortization for the year ended March 31, 2025	218	—	218	—	218	—	218
Balance at the end of the year ended March 31, 2025	1,419	—	1,419	—	1,419	—	1,419

[Information on gain on negative goodwill by reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

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

Not applicable.

**(Notes on per share information)**

(Yen)

Item	Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Net assets per share	2,476.38	2,720.64
Profit per share	295.68	416.15

(Notes) 1. Diluted profit per share is not presented as there are no dilutive shares.

2. The Company has established an "Officers' Compensation BIP Trust" and a "Stock Benefit Trust (J-ESOP)," and the shares of the Company held by the trusts are recorded as treasury shares in the consolidated balance sheet. Accordingly, the shares held by the trusts are included in treasury shares as a deduction in the calculation of "the number of common shares at the end of the period used to calculate net assets per share" (619,316 shares in the previous period and 970,242 shares in the period under review). In addition, for the purpose of calculating profit per share, these shares are included in treasury shares as a deduction from the "average number of common shares outstanding during the period" (657,025 shares in the previous period and 793,325 shares in the period under review).
3. The basis for the calculation of profit per share is as follows.

**(1) Net assets per share**

Item	Year ended March 31, 2024 (as of March 31, 2024)	Year ended March 31, 2025 (as of March 31, 2025)
Total net assets (Millions of yen)	167,231	184,283
Amount deducted from total net assets (Millions of yen)	2,875	3,615
(Non-controlling interests) (Millions of yen)	(2,875)	(3,615)
Net assets related to common share at the end of the period (Millions of yen)	164,355	180,667
Number of common shares at the end of the period used in the calculation of net assets per share (Shares)	66,369,269	66,406,271

**(2) Profit per share**

Item	Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Profit per share		
Profit attributable to owners of parent (Millions of yen)	19,612	27,631
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	19,612	27,631
Number of average common shares outstanding during the period (Shares)	66,331,857	66,397,195

**(Notes on important subsequent events)**

Not applicable.

## 4. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	33,458	23,428
Notes receivable - trade	237	53
Electronically recorded monetary claims - operating	6,443	7,178
Accounts receivable from completed construction contracts	103,481	85,971
Contract assets	46,767	60,594
Costs on construction contracts in progress	361	299
Merchandise and finished goods	11	9
Raw materials and supplies	508	681
Prepaid expenses	648	1,050
Accounts receivable - other	762	2,664
Advances paid	446	683
Other	264	1,129
Allowance for doubtful accounts	(157)	(165)
<b>Total current assets</b>	<u>193,233</u>	<u>183,581</u>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings	12,312	11,858
Accumulated depreciation	(4,019)	(3,623)
Buildings, net	8,292	8,235
Structures	764	764
Accumulated depreciation	(305)	(283)
Structures, net	458	481
Machinery and equipment	448	700
Accumulated depreciation	(285)	(309)
Machinery and equipment, net	163	390
Tools, furniture and fixtures	2,969	3,216
Accumulated depreciation	(1,399)	(1,540)
Tools, furniture and fixtures, net	1,569	1,675
Land	9,038	9,038
Construction in progress	207	220
<b>Total property, plant and equipment</b>	<u>19,729</u>	<u>20,041</u>
Intangible assets		
Software	6,970	7,748
Telephone subscription right	94	94
Other	0	0
<b>Total intangible assets</b>	<u>7,064</u>	<u>7,842</u>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Investments and other assets</b>		
Investment securities	39,064	35,342
Shares of subsidiaries and associates	20,822	20,855
Investments in capital	5	5
Long-term loans receivable	984	171
Distressed receivables	103	36
Long-term prepaid expenses	329	305
Prepaid pension costs	3,827	4,253
Guarantee deposits	2,305	2,462
Insurance funds	590	444
Other	175	192
Allowance for doubtful accounts	(102)	(47)
<b>Total investments and other assets</b>	<b>68,106</b>	<b>64,023</b>
<b>Total non-current assets</b>	<b>94,901</b>	<b>91,908</b>
<b>Total assets</b>	<b>288,135</b>	<b>275,489</b>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	2,027	41
Electronically recorded obligations - operating	18,547	5,889
Accounts payable for construction contracts	41,998	28,291
Short-term borrowings	12,196	13,130
Current portion of bonds payable	5,000	5,000
Accounts payable - other	4,454	3,053
Accrued expenses	543	263
Income taxes payable	5,405	6,403
Advances received on construction contracts in progress	6,433	14,095
Deposits received	12,221	10,610
Provision for bonuses	7,593	8,512
Provision for bonuses for directors (and other officers)	128	150
Provision for warranties for completed construction	941	751
Provision for loss on construction contracts	286	373
Provision for dismantling and removal	310	–
Provision for compensation for damages	–	82
Other	66	84
<b>Total current liabilities</b>	<b>118,158</b>	<b>96,733</b>
<b>Non-current liabilities</b>		
Bonds payable	20,000	15,000
Long-term accounts payable - other	38	24
Lease liabilities	59	80
Provision for share awards	816	1,630
Deferred tax liabilities	2,544	1,388
Other	299	267
<b>Total non-current liabilities</b>	<b>23,758</b>	<b>18,392</b>
<b>Total liabilities</b>	<b>141,917</b>	<b>115,125</b>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	13,134	13,134
Capital surplus		
Legal capital surplus	12,853	12,853
Other capital surplus	—	1,151
Total capital surplus	12,853	14,005
Retained earnings		
Legal retained earnings	3,283	3,283
Other retained earnings		
Reserve for dividend equalization	656	656
Reserve for retirement allowance	940	940
Reserve for tax purpose reduction to promote open innovation	174	174
General reserve	42,878	42,878
Retained earnings brought forward	63,911	79,635
Total retained earnings	111,844	127,568
Treasury shares	(7,133)	(8,235)
Total shareholders' equity	130,699	146,473
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	15,518	13,890
Total valuation and translation adjustments	15,518	13,890
Total net assets	146,217	160,364
<b>Total liabilities and net assets</b>	<b>288,135</b>	<b>275,489</b>

## (2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales of completed construction contracts	268,657	274,274
Cost of sales of completed construction contracts	222,953	217,765
Gross profit on completed construction contracts	45,703	56,509
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	285	299
Provision for bonuses for directors (and other officers)	128	150
Employees' salaries and allowances	5,541	5,999
Provision for bonuses	2,959	3,256
Retirement benefit expenses	193	82
Provision for share awards	222	685
Legal welfare expenses	981	978
Welfare expenses	885	533
Repair and maintenance expenses	165	164
Stationery expenses	3,153	3,243
Communication and transportation expenses	858	995
Power utilities expenses	150	186
Research study expenses	1,676	2,157
Advertising expenses	1,092	1,137
Provision of allowance for doubtful accounts	(22)	3
Entertainment expenses	404	502
Donations	69	57
Rent expenses on land and buildings	2,227	2,288
Depreciation	1,518	1,946
Taxes and dues	765	1,042
Insurance expenses	325	391
Miscellaneous expenses	1,221	1,270
Total selling, general and administrative expenses	24,805	27,373
Operating profit	20,898	29,135
Non-operating income		
Interest income	14	17
Dividend income	1,605	2,018
Insurance claim income	103	33
Dividend income of insurance	173	123
Rental income from real estate	836	836
Other	528	643
Total non-operating income	3,262	3,672
Non-operating expenses		
Interest expenses	110	103
Provision of allowance for doubtful accounts	—	23
Provision for dismantling and removals	310	—
Rental expenses on real estate	392	407
Provision for compensation for damages	—	82
Other	358	145
Total non-operating expenses	1,172	762
Ordinary profit	22,988	32,045

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Extraordinary income</b>		
Gain on sale of investment securities	1,366	2,685
<b>Total extraordinary income</b>	<b>1,366</b>	<b>2,685</b>
<b>Extraordinary losses</b>		
Impairment losses	288	–
Loss on retirement of non-current assets	67	17
Loss on valuation of investment securities	17	143
Other	5	1
<b>Total extraordinary losses</b>	<b>378</b>	<b>162</b>
<b>Profit before income taxes</b>	<b>23,977</b>	<b>34,567</b>
Income taxes - current	7,092	9,168
Income taxes - deferred	(1,048)	(833)
<b>Total income taxes</b>	<b>6,043</b>	<b>8,334</b>
<b>Profit</b>	<b>17,933</b>	<b>26,232</b>

**(3) Non-consolidated Statement of Changes in Equity**

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Share capital	Shareholders' equity				
	Capital surplus				
	Legal capital surplus	Other capital surplus	Total capital surplus		
Balance at beginning of period	13,134	12,853	—	12,853	
Changes during period					
Dividends of surplus					
Profit					
Provision of reserve for tax purpose reduction to promote open innovation					
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	—	—	
Balance at end of period	13,134	12,853	—	12,853	

Legal retained earnings	Shareholders' equity						
	Retained earnings						
	Other retained earnings				Total retained earnings		
Reserve for dividend equalization	Reserve for retirement allowance	Reserve for tax purpose reduction to promote open innovation	General reserve	Retained earnings brought forward			
Balance at beginning of period	3,283	656	940	124	42,878	50,802	
Changes during period							
Dividends of surplus					(4,774)	(4,774)	
Profit					17,933	17,933	
Provision of reserve for tax purpose reduction to promote open innovation			49		(49)	—	
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	49	—	13,108	
Balance at end of period	3,283	656	940	174	42,878	63,911	
						111,844	

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7,394)	117,280	10,043	10,043	127,324
Changes during period					
Dividends of surplus		(4,774)			(4,774)
Profit		17,933			17,933
Provision of reserve for tax purpose reduction to promote open innovation		–			–
Purchase of treasury shares	(2)	(2)			(2)
Disposal of treasury shares	262	262			262
Net changes in items other than shareholders' equity		–	5,475	5,475	5,475
Total changes during period	260	13,418	5,475	5,475	18,893
Balance at end of period	(7,133)	130,699	15,518	15,518	146,217

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

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	13,134	12,853	—	12,853
Changes during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			1,151	1,151
Net changes in items other than shareholders' equity				
Total changes during period	—	—	1,151	1,151
Balance at end of period	13,134	12,853	1,151	14,005

	Shareholders' equity						
	Retained earnings						
	Legal retained earnings	Other retained earnings					Total retained earnings
		Reserve for dividend equalization	Reserve for retirement allowance	Reserve for tax purpose reduction to promote open innovation	General reserve	Retained earnings brought forward	
Balance at beginning of period	3,283	656	940	174	42,878	63,911	111,844
Changes during period							
Dividends of surplus						(10,508)	(10,508)
Profit						26,232	26,232
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	15,723	15,723
Balance at end of period	3,283	656	940	174	42,878	79,635	127,568

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7,133)	130,699	15,518	15,518	146,217
Changes during period					
Dividends of surplus		(10,508)			(10,508)
Profit		26,232			26,232
Purchase of treasury shares	(1,939)	(1,939)			(1,939)
Disposal of treasury shares	838	1,989			1,989
Net changes in items other than shareholders' equity			(1,627)	(1,627)	(1,627)
Total changes during period	(1,101)	15,773	(1,627)	(1,627)	14,146
Balance at end of period	(8,235)	146,473	13,890	13,890	160,364

## 5. Other

### (1) Conditions of Production, Orders Received and Sales (Consolidated)

#### (i) Orders received

		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	174,933	43.4	185,920	44.7	10,987	6.3
	Industrial systems	220,130	54.6	222,408	53.4	2,277	1.0
	Subtotal	395,063	98.0	408,328	98.1	13,265	3.4
Equipment manufacturing and sales business		7,956	2.0	7,699	1.9	(256)	(3.2)
Other		90	0.0	119	0.0	29	32.2
Total [overseas] [facility maintenance]		403,110 [64,787] [31,109]	100.0 [16.1] [7.7]	416,147 [72,336] [30,753]	100.0 [17.4] [7.4]	13,037 [7,549] [(356)]	3.2 [11.7] [(1.1)]

#### (ii) Sales

		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	161,961	44.6	163,170	42.8	1,209	0.7
	Industrial systems	193,532	53.3	210,512	55.1	16,980	8.8
	Subtotal	355,493	97.9	373,683	97.9	18,189	5.1
Equipment manufacturing and sales business		7,782	2.1	7,859	2.1	76	1.0
Other		90	0.0	119	0.0	29	32.2
Total [overseas] [facility maintenance]		363,366 [58,850] [30,466]	100.0 [16.2] [8.4]	381,661 [71,579] [30,818]	100.0 [18.8] [8.1]	18,295 [12,729] [351]	5.0 [21.6] [1.2]

## (iii) Amount carried forward

		Year ended March 31, 2024 (as of March 31, 2024)		Year ended March 31, 2025 (as of March 31, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	156,345	45.8	179,095	47.7	22,749	14.6
	Industrial systems	182,319	53.5	194,214	51.7	11,895	6.5
	Subtotal	338,664	99.3	373,310	99.4	34,645	10.2
Equipment manufacturing and sales business		2,290	0.7	2,130	0.6	(159)	(7.0)
Other		—	—	—	—	—	—
Total		340,955	100.0	375,440	100.0	34,485	10.1
[overseas]		[65,657]	[19.3]	[66,414]	[17.7]	[757]	[1.2]
[facility maintenance]		[2,500]	[0.7]	[2,435]	[0.6]	[(64)]	[(2.6)]

(Notes) 1. Transactions made between segments with respect to orders received, net sales and amounts carried forward are set off and deleted.

2. Amounts carried forward for Companies that were removed from the scope of consolidation as of the end of the previous fiscal year have been excluded from the amount carried forward for the end of the previous fiscal year.

**(2) Conditions of Orders Received and Sales (Non-consolidated)****(i) Orders received**

		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	144,501	48.0	157,627	51.2	13,126	9.1
	Industrial systems	156,672	52.0	150,347	48.8	(6,324)	(4.0)
Total		301,173	100.0	307,974	100.0	6,801	2.3

**(ii) Net sales of completed construction contracts**

		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	133,240	49.6	134,805	49.1	1,564	1.2
	Industrial systems	135,416	50.4	139,469	50.9	4,053	3.0
Total		268,657	100.0	274,274	100.0	5,617	2.1

**(iii) Amount carried forward**

		Year ended March 31, 2024 (as of March 31, 2024)		Year ended March 31, 2025 (as of March 31, 2025)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Category		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	153,735	55.9	176,557	57.2	22,821	14.8
	Industrial systems	121,238	44.1	132,116	42.8	10,878	9.0
Total		274,974	100.0	308,674	100.0	33,700	12.3

**(3) Review of Operations (Consolidated)****(Financial results for the years ended March 31, 2021 to 2025 Forecasts for the year ending March 31, 2026)**

(Fraction less than one million yen has been omitted)

Year Item		Results								(Millions of yen, %)	
		Year ended March 31, 2021		Year ended March 31, 2022		Year ended March 31, 2023		Year ended March 31, 2024		Year ended March 31, 2025	
		Changes from the previous term	(%)								
Net sales		275,181		302,746		338,831		363,366		381,661	
		(14.2)	100.0	10.0	100.0	11.9	100.0	7.2	100.0	5.0	100.0
Gross profit		36,845		41,396		46,363		59,947		71,646	
		(15.1)	13.4	12.4	13.7	12.0	13.7	29.3	16.5	19.5	18.8
Selling, general and administrative expenses		24,545		27,012		31,036		35,755		39,231	
		(3.7)	8.9	10.1	8.9	14.9	9.2	15.2	9.8	9.7	10.3
Operating profit		12,300		14,383		15,326		24,192		32,415	
		(31.3)	4.5	16.9	4.8	6.6	4.5	57.8	6.7	34.0	8.5
Non-operating income		3,015		2,429		2,728		3,421		3,628	
Non-operating expenses		1,412		1,173		1,369		1,463		1,073	
Non-operating income and expenses		+1,602		+1,256		+1,358		+1,958		+2,555	
Ordinary profit		13,902		15,639		16,685		26,150		34,970	
		(27.9)	5.1	12.5	5.2	6.7	4.9	56.7	7.2	33.7	9.2
Extraordinary income		1,183		1,161		338		1,309		2,714	
Extraordinary losses		470		74		171		407		176	
Extraordinary income and losses		+713		+1,086		+166		+902		+2,538	
Profit before income taxes		14,616		16,726		16,852		27,053		37,508	
		(23.2)	5.3	14.4	5.5	0.8	5.0	60.5	7.4	38.6	9.8
Income taxes - current		4,230		4,985		4,915		8,356		10,618	
Income taxes - deferred		297		160		(781)		(1,414)		(1,134)	
Profit		10,087		11,581		12,719		20,111		28,024	
Profit (loss) attributable to non-controlling interests		(28)		45		491		498		392	
Profit attributable to owners of parent		10,116		11,535		12,227		19,612		27,631	
		(23.5)	3.7	14.0	3.8	6.0	3.6	60.4	5.4	40.9	7.2
Orders received		287,501		340,184		372,774		403,110		416,147	
		(3.5)		18.3		9.6		8.1		3.2	
Amount carried forward		233,581		268,887		302,830		340,955		375,440	
		5.6		15.1		12.6		12.6		10.1	
											5.3

(Note) Amounts carried forward for Companies that were removed from the scope of consolidation as of the end of the fiscal year ended March 31, 2024 have been excluded from the amount carried forward for the fiscal year ended March 31, 2024.

**(4) Review of Operations (Non-consolidated)****(Financial results for the years ended March 31, 2021 to 2025, Forecasts for the year ending March 31, 2026)**

(Fraction less than one million yen has been omitted)

Year		Results								(Millions of yen, %)	
		Year ended March 31, 2021		Year ended March 31, 2022		Year ended March 31, 2023		Year ended March 31, 2024			
Item	Changes from the previous term	(%)	Changes from the previous term	(%)							
Net sales of completed construction contracts	211,731		220,622		244,149		268,657		274,274		300,000
	(12.9)	100.0	4.2	100.0	10.7	100.0	10.0	100.0	2.1	100.0	9.4
Gross profit on completed construction contracts	27,261		31,075		33,865		45,703		56,509		
	(13.7)	12.9	14.0	14.1	9.0	13.9	35.0	17.0	23.6	20.6	
Selling, general and administrative expenses	16,390		18,280		21,732		24,805		27,373		
	(1.8)	7.7	11.5	8.3	18.9	8.9	14.1	9.2	10.4	10.0	
Operating profit	10,870		12,794		12,132		20,898		29,135		31,600
	(26.9)	5.1	17.7	5.8	(5.2)	5.0	72.3	7.8	39.4	10.6	8.5
Non-operating income	3,239		3,260		2,715		3,262		3,672		
Non-operating expenses	1,102		969		885		1,172		762		
Non-operating income and expenses	+2,137		+2,291		+1,829		+2,090		+2,909		
Ordinary profit	13,008		15,085		13,962		22,988		32,045		34,200
	(24.2)	6.1	16.0	6.8	(7.4)	5.7	64.6	8.6	39.4	11.7	6.7
Extraordinary income	836		1,161		269		1,366		2,685		
Extraordinary losses	97		40		106		378		162		
Extraordinary income and losses	+739		+1,121		+162		+988		+2,522		
Profit before income taxes	13,747		16,207		14,125		23,977		34,567		
	(18.7)	6.5	17.9	7.3	(12.8)	5.8	69.8	8.9	44.2	12.6	
Income taxes - current	3,398		4,341		4,159		7,092		9,168		
Income taxes - deferred	385		134		(884)		(1,048)		(833)		
Profit	9,964		11,731		10,850		17,933		26,232		26,900
	(18.8)	4.7	17.7	5.3	(7.5)	4.4	65.3	6.7	46.3	9.6	2.5
Orders received		222,444		241,917		264,147		301,173		307,974	
		(0.0)		8.8		9.2		14.0		2.3	
Amount carried forward		203,275		222,460		242,457		274,974		308,674	
		5.6		9.4		9.0		13.4		12.3	
											9.7