

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets
	Million yen	Million yen	%
As of December 31, 2025	193,549	84,588	41.4
As of March 31, 2025	196,783	85,350	41.3

Note: Shareholders' equity: As of December 31, 2025 80,090 million yen
As of March 31, 2025 81,304 million yen

2. Dividends

Period	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	24.00	—	26.00	50.00
Fiscal year ending March 31, 2026	—	35.00	—		
Fiscal year ending March 31, 2026 (Forecast)				35.00	70.00

Note: Revision of forecast for dividends from the latest announcement: No

3. Forecast for consolidated operating results for the fiscal year ending March 31, 2026

(Percentages are year-to-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share - Basic -
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2026	210,000	17.3	13,000	22.3	12,800	28.6	8,900	29.9	203.85

Note: Revision of forecast for operating results from the latest announcement: No

Notes:

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2025: Yes
Newly included: 2 companies (Schwing Bioset, Inc., Revinu, Inc.)
- (2) Application of accounting method specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - (a) Changes by a newly issued or amended accounting pronouncement: No
 - (b) Changes other than (3)-(a) above: No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatement: No
- (4) Number of shares issued and outstanding (common stock)
 - (a) Number of shares issued and outstanding at the end of the period (including treasury stock): 44,258,500 shares as of March 31, 2025 and 44,258,500 shares as of December 31, 2025.
 - (b) Number of treasury stock at the end of the period: 619,714 shares as of March 31, 2025 and 598,014 shares as of December 31, 2025.
 - (c) Average number of shares outstanding for the period: 43,629,148 shares for the nine months ended December 31, 2024 and 43,651,569 shares for the nine months ended December 31, 2025.

* Review of the accompanying quarterly consolidated financial statements performed by certified public accountants or accounting firm: No

* Appropriate use of forecasts and other matters

Descriptions and statements in relation to estimates and other forward-looking projections disclosed in this document are based on judgments and assumptions using information currently available to the Company. Actual results may differ significantly from such projections due to risks of uncertainty inherent in such judgments and assumptions as well as changes in business operations and the internal and external environment of the Company. As such, the Company does not guarantee the accuracy of any forward-looking projections disclosed.

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1. Qualitative Information Regarding Consolidated Results for the Nine Months Ended December 31, 2025

(1) Explanation of Operating Results

Although the Japanese economy recovered modestly during the nine months ended December 31, 2025, uncertainties remained due to factors such as the impact of continued rise in prices, U.S. trade policy, and fluctuations in the financial and capital markets. In addition, the global economy showed signs of a slower recovery, with stagnation in some regions and growing concerns about downside risks to the economy driven by the policy trends in the U.S. and other factors.

Under such circumstances, the Group has been making company-wide efforts to achieve the Midterm Business Plan 2027 (through the fiscal year ending March 31, 2028), by focusing on the following priority measures: i) growth strategies in each business field, ii) investment and financing strategies to enhance corporate value and iii) sustainability efforts.

The operating results of the Group for the nine months ended December 31, 2025 are as the table below.

Both net sales and operating income increased year on year mainly driven by the steady performance in the Environmental Engineering Business, the System Solution Business, and the International Business.

Our business consists mostly of the domestic public work projects for government agencies, which are typically developed and completed intensively in the fourth quarter. As a result, operating results for the first nine months tend to be low, and this fiscal year is no exception.

	Nine months ended December 31, 2024 (Million yen)	Nine months ended December 31, 2025 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	98,456	122,980	24,524	24.9
Operating income	(352)	3,248	3,601	—
Ordinary income	(338)	3,645	3,984	—
Profit attributable to owners of parent	(984)	2,284	3,269	—
Order received	167,082	180,009	12,926	7.7
Order backlog	343,697	379,567	35,870	10.4

The Group's business consists of four segments: Environmental Engineering Business, System Solution Business, Operation Business, and International Business. Operating results by segment are as follows.

(Environmental Engineering Business)

The Environmental Engineering Business Segment, which consists of the Water Environmental Business and the Resource and Environmental Business, is primarily engaged in the design, construction, maintenance and inspection of mechanical equipment for domestic water and sewage treatment plants and resource recycling facilities.

In the Water Environmental Business, both net sales and operating income increased year on year driven by the steady performance of large-scale construction work.

In the Resource and Environmental Business, both net sales and operating income increased year on year driven by the steady performance of repair work.

	Nine months ended December 31, 2024 (Million yen)	Nine months ended December 31, 2025 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	27,943	34,223	6,279	22.5
Operating income	(92)	1,371	1,463	—
Order received	41,006	43,604	2,597	6.3
Order backlog	115,025	110,894	(4,130)	(3.6)

(System Solution Business)

The System Solution Business Segment, which consists of the System Engineering Business and the Customer Engineering Businesses, is primarily engaged in the design, manufacture, maintenance and management of electrical equipment for domestic water and sewage treatment plants.

In the System Engineering Business, both net sales and operating income increased year on year driven by the steady performance of large-scale construction work.

In the Customer Engineering Business, both net sales and operating income were at the same level year on year driven by the steady performance of repair work.

	Nine months ended December 31, 2024 (Million yen)	Nine months ended December 31, 2025 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	26,679	28,826	2,146	8.0
Operating income	(2,284)	(2,148)	135	—
Order received	45,952	58,635	12,683	27.6
Order backlog	84,355	101,135	16,780	19.9

(Operation Business)

The Operation Business Segment is primarily engaged in the operation of domestic water and sewage treatment plants and resource recycling facilities.

Net sales increased year on year driven by the steady performance, while operating income decreased year on year due to the impact of some low gross margin projects.

	Nine months ended December 31, 2024 (Million yen)	Nine months ended December 31, 2025 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	18,233	18,803	570	3.1
Operating income	859	623	(235)	(27.4)
Order received	49,915	33,393	(16,522)	(33.1)
Order backlog	110,628	117,609	6,980	6.3

(International Business)

The International Business Segment is primarily engaged in the design, construction, maintenance, and management of facilities and equipment for international water and sewage treatment plants, as well as private sector business.

Both net sales and operating income increased year on year, supported by the steady performance of subsidiaries in North America and Europe.

	Nine months ended December 31, 2024 (Million yen)	Nine months ended December 31, 2025 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	25,599	41,126	15,527	60.7
Operating income	1,164	3,401	2,237	192.2
Order received	30,208	44,376	14,168	46.9
Order backlog	33,687	49,927	16,240	48.2

(2) Explanation of Financial Position

Total assets as of December 31, 2025 decreased by ¥3,233 million compared to March 31, 2025 to ¥193,549 million.

Current assets decreased by ¥15,163 million compared to March 31, 2025 to ¥145,014 million due to a decrease in accounts receivable - trade, offsetting an increase in cash and deposits and work in process.

Non-current assets increased by ¥11,945 million compared to March 31, 2025 to ¥48,462 million due to an increase in construction in progress, leased assets, and goodwill.

Current liabilities decreased by ¥3,898 million compared to March 31, 2025 to ¥61,986 million due to a decrease in accounts payable - trade, offsetting an increase in contract liabilities.

Non-current liabilities increased by ¥1,426 million compared to March 31, 2025 to ¥46,974 million due to an increase in lease obligations.

Total net assets decreased by ¥762 million compared to March 31, 2025 to ¥84,588 million due to a decrease in foreign currency translation adjustment and the payment of dividends.

(3) Explanation of Consolidated Business Forecast

There is no change in the forecast for the fiscal year ending March 31, 2026 announced on October 27, 2025.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	36,278	39,582
Notes and accounts receivable - trade, and contract assets	109,214	71,044
Work in process	1,497	11,406
Supplies	9,501	11,811
Other current assets	3,685	11,169
Total current assets	160,178	145,014
Non-current assets		
Property, plant and equipment	6,674	12,171
Intangible assets		
Goodwill	2,255	6,449
Customer-related assets	4,446	3,899
Right to operate public facilities	850	812
Other intangible assets	10,155	10,599
Total intangible assets	17,706	21,761
Investments and other assets	12,135	14,529
Total non-current assets	36,516	48,462
Deferred assets	88	73
Total assets	196,783	193,549

(1) Quarterly Consolidated Balance Sheets (continued)

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	21,988	16,511
Electronically recorded obligations	8,817	6,257
Current portion of PFI and other project finance loans	805	764
Income taxes payable	2,414	1,043
Contract liabilities	12,944	22,250
Provision for warranties for completed construction	1,391	1,869
Provision for loss on construction contracts	1,269	1,296
Other current liabilities	16,253	11,993
Total current liabilities	65,885	61,986
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	5,000	5,017
PFI and other project finance loans	14,620	13,900
Liability for retirement benefit	4,753	4,906
Other non-current liabilities	1,174	3,149
Total non-current liabilities	45,547	46,974
Total liabilities	111,433	108,961
Net assets		
Shareholders' equity		
Capital stock	11,946	11,946
Capital surplus	9,406	9,416
Retained earnings	54,733	54,355
Treasury stock	(1,052)	(1,015)
Total shareholders' equity	75,033	74,703
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	151	179
Deferred gains or losses on hedges	83	148
Foreign currency translation adjustment	5,158	4,205
Remeasurements of defined benefit plans	876	854
Total accumulated other comprehensive income	6,270	5,387
Non-controlling interests	4,046	4,497
Total net assets	85,350	84,588
Total liabilities and net assets	196,783	193,549

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

Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	98,456	122,980
Cost of sales	79,242	95,512
Gross profit	19,213	27,467
Selling, general and administrative expenses	19,566	24,219
Operating income/(loss)	(352)	3,248
Non-operating income		
Interest income	137	205
Dividends income	76	169
Share of profit of entities accounted for using equity method	—	63
Foreign exchange gain	215	409
Miscellaneous income	12	13
Total non-operating income	441	861
Non-operating expenses		
Interest expenses	199	384
Share of loss of entities accounted for using equity method	11	—
Loss on disposal of non-current assets	63	2
Miscellaneous loss	152	77
Total non-operating expenses	427	464
Ordinary income/(loss)	(338)	3,645
Extraordinary income		
Gain on revision of retirement benefit plan	—	92
Total extraordinary income	—	92
Extraordinary losses		
System migration costs	—	13
Total extraordinary losses	—	13
Income/(loss) before income taxes	(338)	3,724
Income taxes	314	1,177
Net income/(loss)	(653)	2,547
Profit attributable to non-controlling interests	330	262
Profit/(loss) attributable to owners of parent	(984)	2,284

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

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net income/(loss)	(653)	2,547
Other comprehensive income		
Valuation difference on available-for-sale securities	6	28
Deferred gains or losses on hedges	74	185
Foreign currency translation adjustment	60	(953)
Remeasurements of defined benefit plans	117	(22)
Total other comprehensive income	260	(762)
Comprehensive income	(393)	1,784
(Details)		
Comprehensive income attributable to owners of parent	(772)	1,401
Comprehensive income attributable to non-controlling interests	379	383

(3) Notes to Quarterly Consolidated Financial Statements

Notes on Going Concern Assumption

No items to report.

Notes on Significant Changes in Shareholders' Equity

No items to report.

Application of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements

(Calculation of Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate applied to income before income taxes for the consolidated fiscal year including the nine months ended December 31, 2025 after applying tax effect accounting, and multiplying income before income taxes for the quarter by such effective tax rate. For the Group companies where the estimated effective tax rate cannot be used, the statutory effective tax rate is used instead.

Segment Information

1-1. Net sales and income or loss by reportable segment for the nine months ended December 31, 2024

(Millions of yen)

	Reportable segments					Adjustments	Consolidated
	Environmental Engineering Business	System Solution Business	Operation Business	International Business	Total		
Net Sales							
Sales to third parties	27,943	26,679	18,233	25,599	98,456	—	98,456
Inter-segment transactions and transfers	—	—	—	—	—	—	—
Total	27,943	26,679	18,233	25,599	98,456	—	98,456
Segment income/(loss)	(92)	(2,284)	859	1,164	(352)	—	(352)

Note: Segment income/(loss) is based on operating loss. There is no difference between segment loss and operating loss recorded on the quarterly consolidated statement of income.

1-2. Net sales and income or loss by reportable segment for the nine months ended December 31, 2025

(Millions of yen)

	Reportable segments					Adjustments	Consolidated
	Environmental Engineering Business	System Solution Business	Operation Business	International Business	Total		
Net Sales							
Sales to third parties	34,223	28,826	18,803	41,126	122,980	—	122,980
Inter-segment transactions and transfers	—	—	—	—	—	—	—
Total	34,223	28,826	18,803	41,126	122,980	—	122,980
Segment income/(loss)	1,371	(2,148)	623	3,401	3,248	—	3,248

Note: Segment income/(loss) is based on operating income. There is no difference between segment income and operating income recorded on the quarterly consolidated statement of income.

Notes to Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the nine months ended December 31, 2025 has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as follows.

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	1,867	2,363
Amortization of goodwill	244	373