

TOTECH Group Supplementary Material for Q3 FY3/26

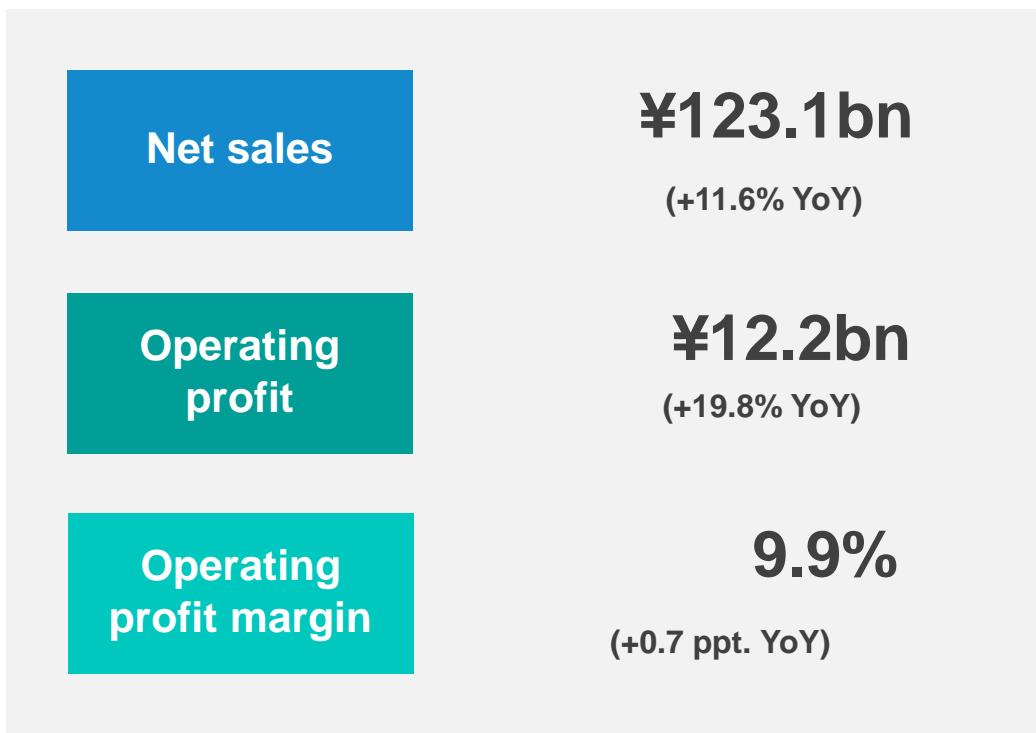
TOTECH CORPORATION

February 13, 2026

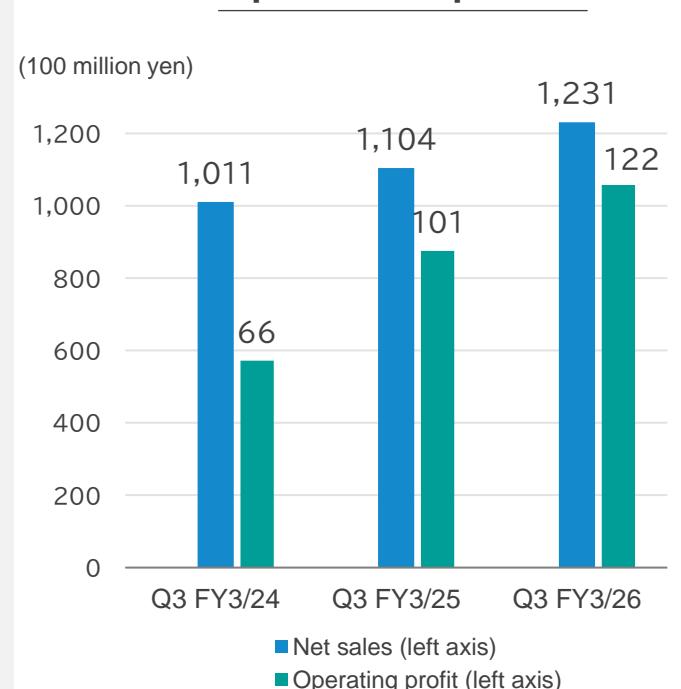


Performance: Record-high nine-month sales and profits

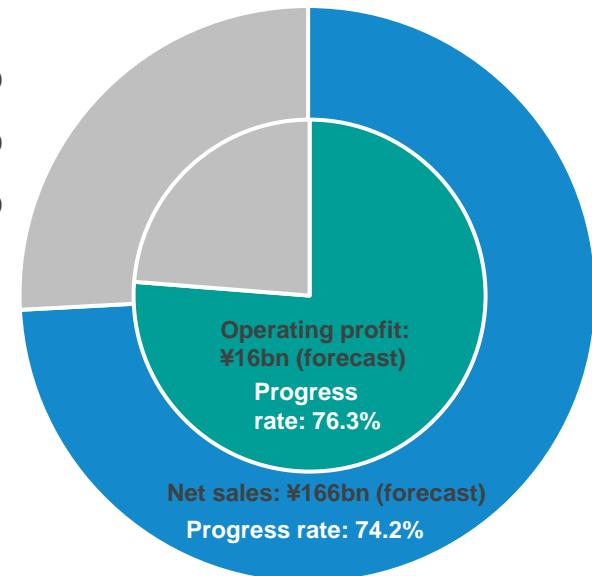
- In addition to new construction demand from redevelopment projects concentrated in major metropolitan areas, the Company successfully captured demand from private-sector investment projects (including data centers, factories, and hotels) as well as public-sector projects. As a result, in addition to the Product Sales segment, the Construction segment in particular recorded strong double-digit growth, rising 18.6% YoY. Supported by the positive impact of higher sales and improved profitability at the time of order intake, profit at each level reached record highs.
- All three core businesses achieved revenue growth, with the HVAC Business up 7.1% YoY, the Instrumentation Work Business up 16.0% YoY, and the Energy Solution Business up 44.8% YoY, reflecting strong overall performance.



3-period comparison



Progress rate
(Outside: Net sales, Inside: Operating profit)



Consolidated Statements of Income (Q3)



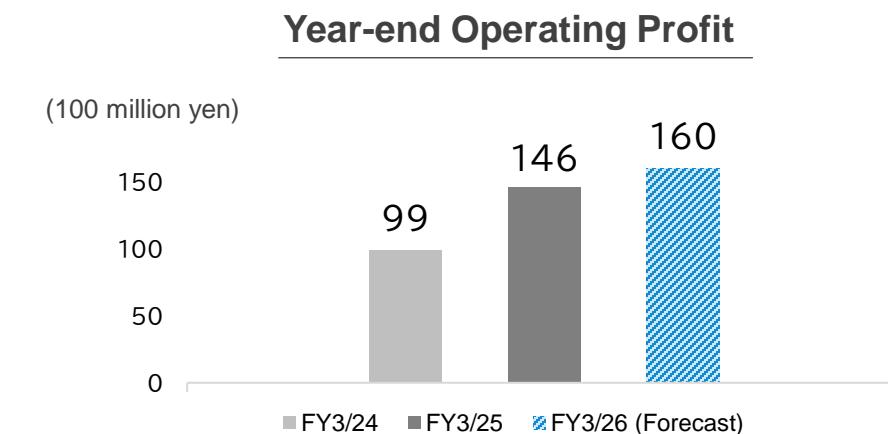
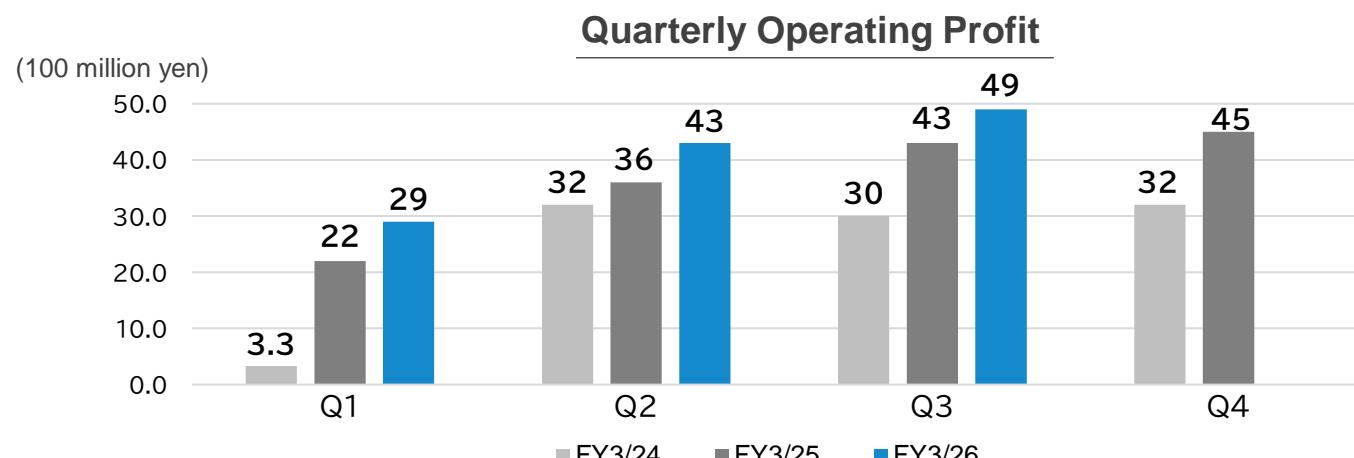
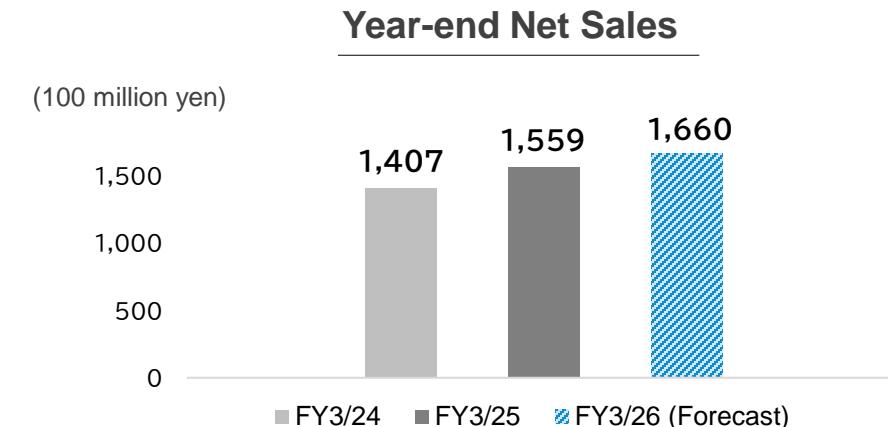
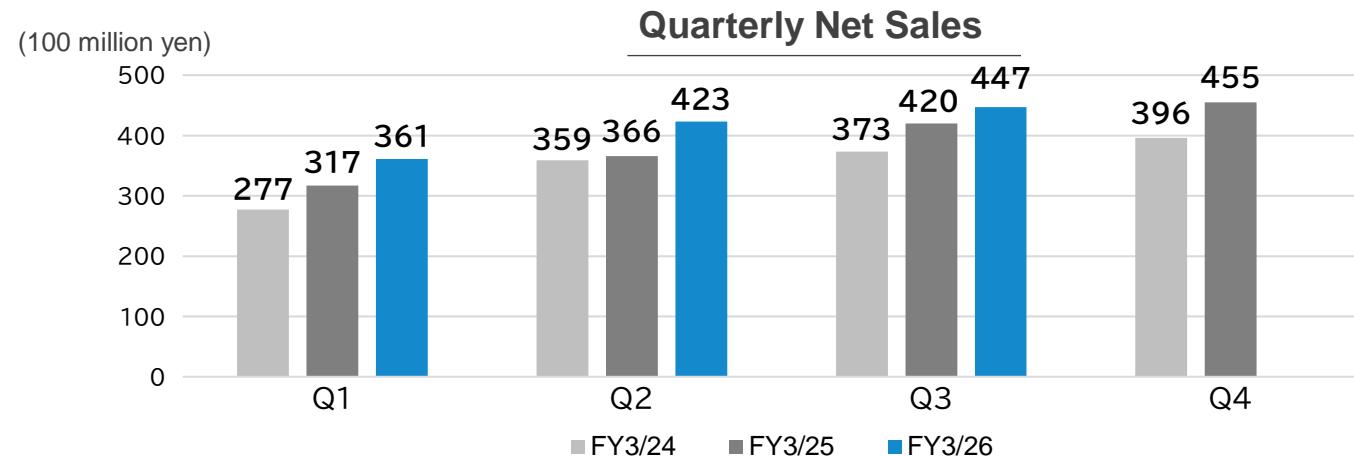
- Net sales increased 11.6% YoY (+12.7 billion yen), achieving double-digit growth.
- Amid strong demand, an increase in construction projects with a focus on profitability drove performance, resulting in operating profit rising 19.8% YoY to 12.2 billion yen. Ordinary profit reached 12.9 billion yen, and profit also reached a record high of 9.1 billion yen.

(100 million yen)	Q3 FY3/24 Results	Q3 FY3/25 Results	Q3 FY3/26 Results	Profit margin %	YoY Change
Net sales	1,011	1,104	1,231	—	+127 (+11.6%)
Operating profit	66	101	122	9.9%	+20 (+19.8%)
Ordinary profit	73	110	129	10.5%	+19 (+17.6%)
Profit attributable to owners of parent	49	76	91	7.4%	+14 (+19.0%)

Quarterly Performance



- On a quarterly basis, both net sales and operating profit reached record highs.
- Continued improvements in profitability at the time of order intake, along with steady progress in instrumentation work projects, led to a further increase in profit contribution in Q3, following Q2.

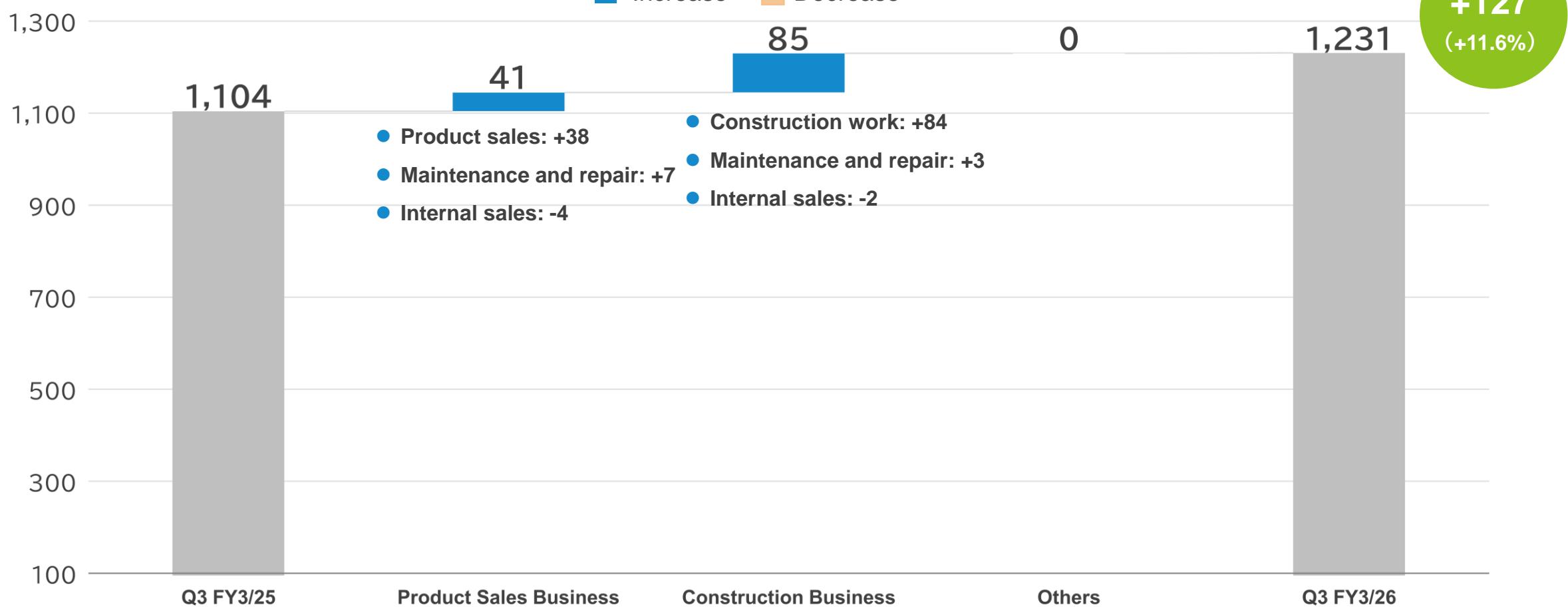


Change Factors for Net sales by Segment



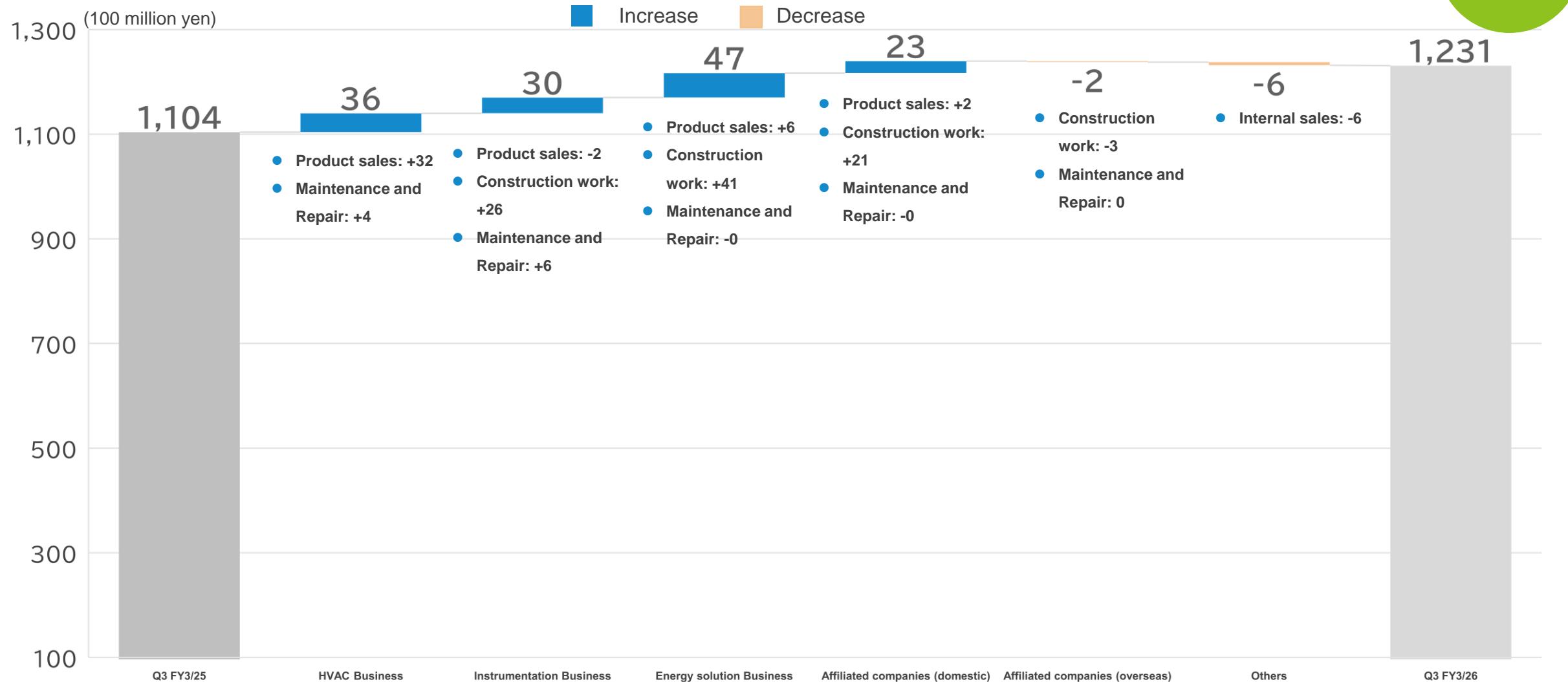
- In the Product Sales segment, product sales increased. In the Construction segment, strong growth was driven by instrumentation work projects as well as a significant expansion in energy-related construction projects, resulting in an increase in net sales of 12.7 billion yen YoY (+11.6%).
- Maintenance and repair operations remained solid in both the Product Sales and Construction segments.

(100 million yen)



Change Factors for Net sales by Business Field

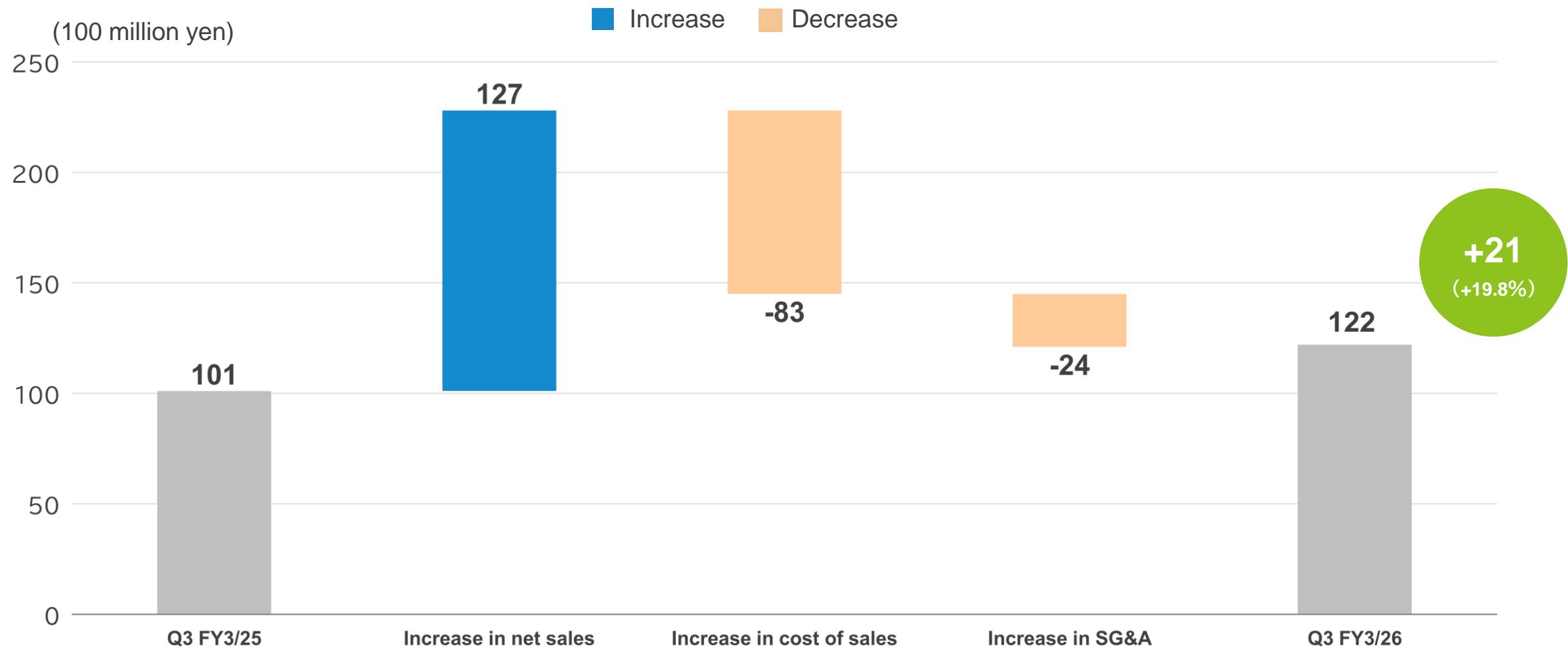
- The Energy business recorded substantial growth, while the other core businesses—the HVAC and Instrumentation Work businesses—as well as domestic group companies, also performed steadily.
- Construction works increased in a well-balanced manner across the Instrumentation Work business, the Energy Solution business, and domestic group companies.



Change Factors for Operating Profit



- In addition to higher net sales (+11.6% YoY), improvements in gross profit absorbed the increase in SG&A expenses, resulting in an increase in operating profit of 2.1 billion yen YoY.
- Although SG&A expenses increased due to higher personnel costs from base salary increases, the Company achieved higher operating profit by offsetting these costs through revenue growth and an improvement in gross profit margin of 0.9 percentage points.



Sales Breakdown by Segment



- The Product Sales segment performed steadily, increasing 6.5% YoY, while the Construction segment recorded significant growth of 18.6% YoY, contributing to overall revenue growth and an improvement in the gross profit margin.
- Maintenance and repair operations also expanded steadily in both the Product Sales and Construction segments.

	Q3 FY3/25		Q3 FY3/26	
	(100 million yen)	Net sales	Net sales	YoY %
Product Sales Segment		641	683	+6.5%
Product sales		550	589	+7.0%
Regular and spot maintenance		124	131	+5.8%
Internal sales		-33	-37	-
Construction Segment		462	548	+18.6%
Construction work		380	465	+22.3%
Regular and spot maintenance		83	86	+4.2%
Internal sales		-1	-4	-

* Segment sales figures are stated net of intersegment internal sales.

Sales Breakdown by Business



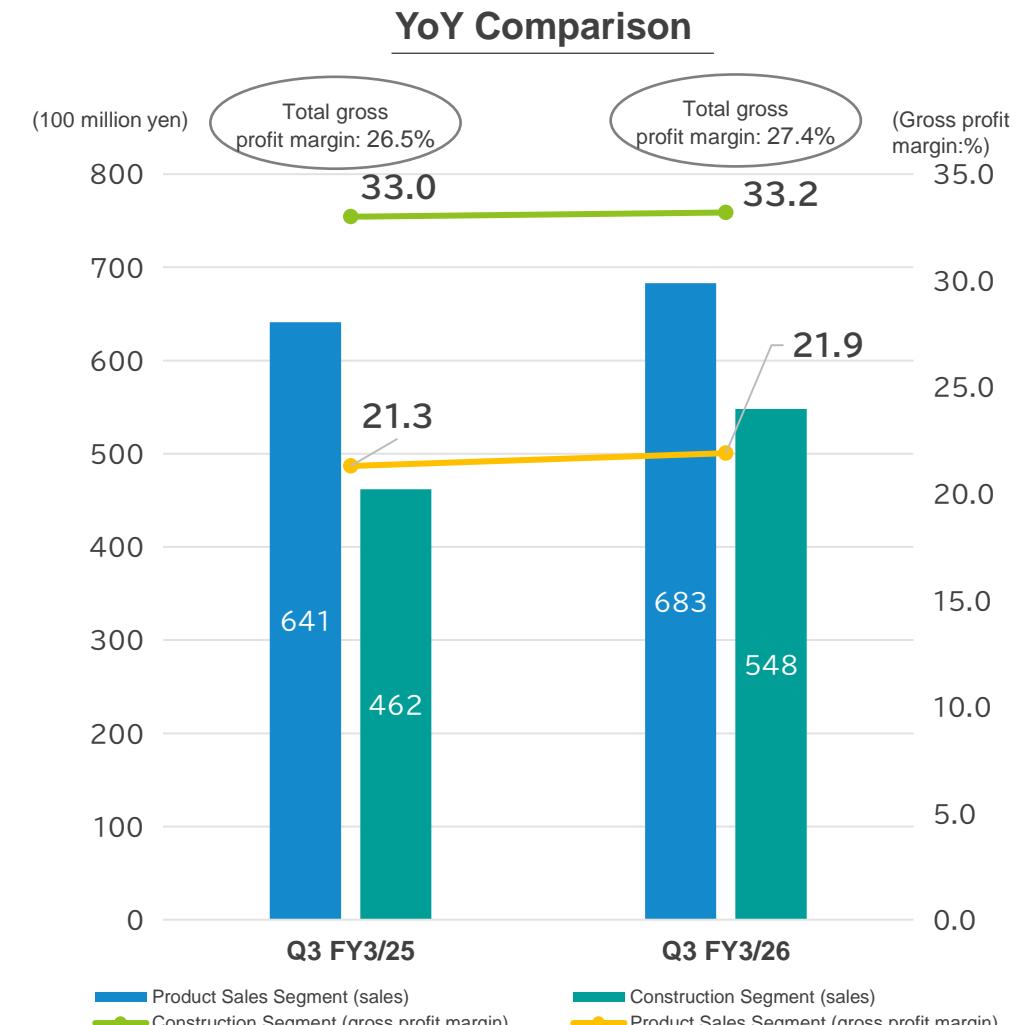
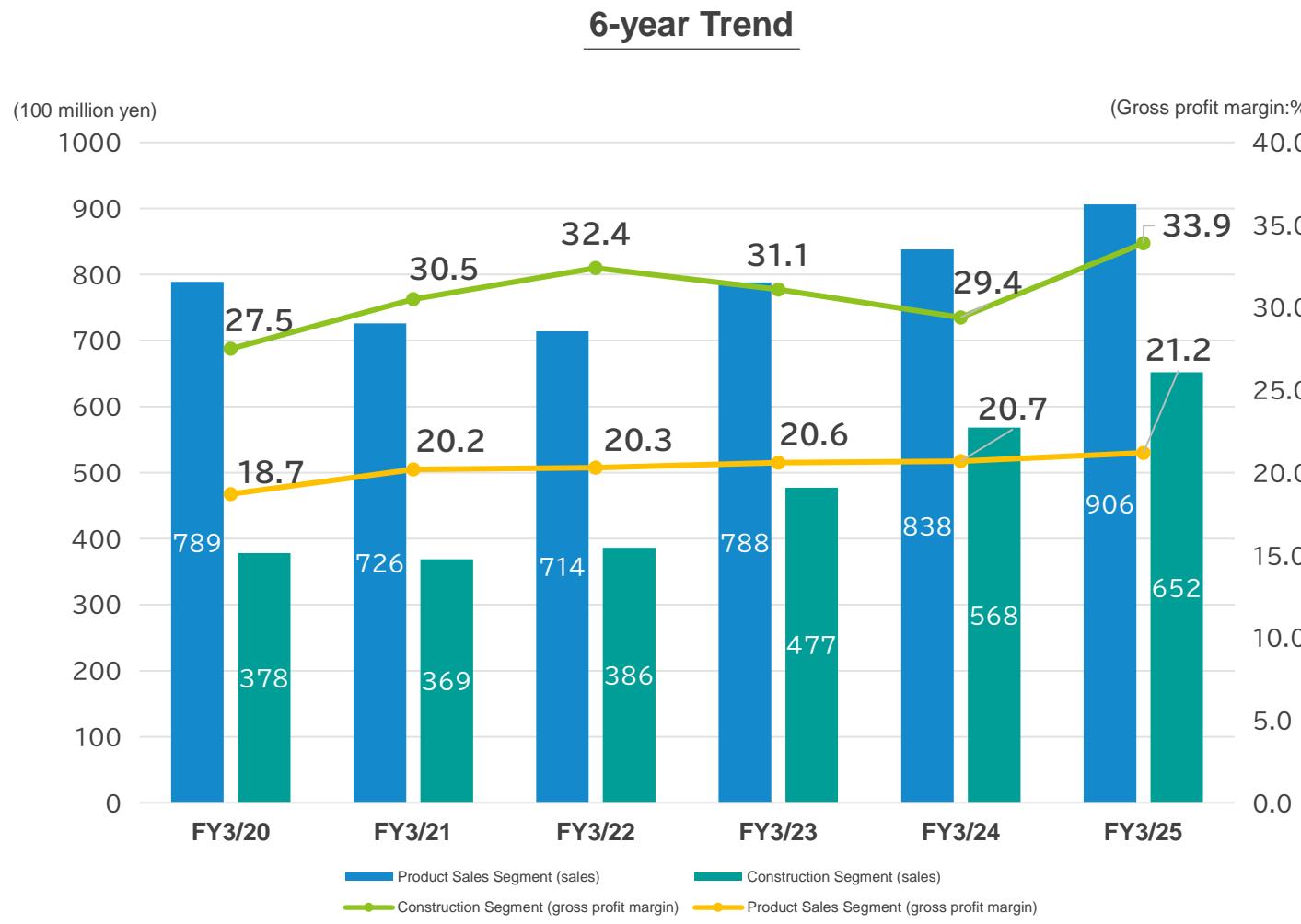
- In addition to a 7.1% YoY increase in the HVAC business, the Instrumentation Work business grew 16.0% YoY, and the Energy Solution business expanded sharply by 44.8% YoY.
- Domestic group companies also recorded higher sales, while overseas subsidiaries posted a slight decline.

	Q3 FY3/25	Q3 FY3/26	YoY
	Net sales (100 million yen)	Net sales (100 million yen)	
HVAC Business	507	544	+7.1%
Product sales	483	515	+6.7%
Regular and spot maintenance	24	28	+16.6%
Instrumentation Business	189	219	+16.0%
Product sales	10	7	-24.0%
Construction work	154	180	+16.9%
Regular and spot maintenance	24	30	+26.5%
Energy Solution Business	105	153	+44.8%
Product sales	13	19	+47.7%
Construction work	67	108	+61.5%
Regular and spot maintenance	25	25	-0.7%
Affiliated companies (domestic)	293	316	+8.0%
Product sales	43	46	+6.1%
Construction work	132	153	+15.9%
Regular and spot Maintenance	116	116	-0.2%
Affiliated companies (overseas)	435	405	-6.9%
Construction work	26	22	-14.1%
Regular and spot maintenance	17	17	+4.3%
Internal sales	-35	-41	-

Segment Sales and Gross Profit Margin



- The gross profit margin in Q3 reached 27.4%, an improvement of 0.9 percentage points YoY.
- Both the Product Sales segment and the Construction segment achieved revenue growth, with gross profit margins improving in both segments.

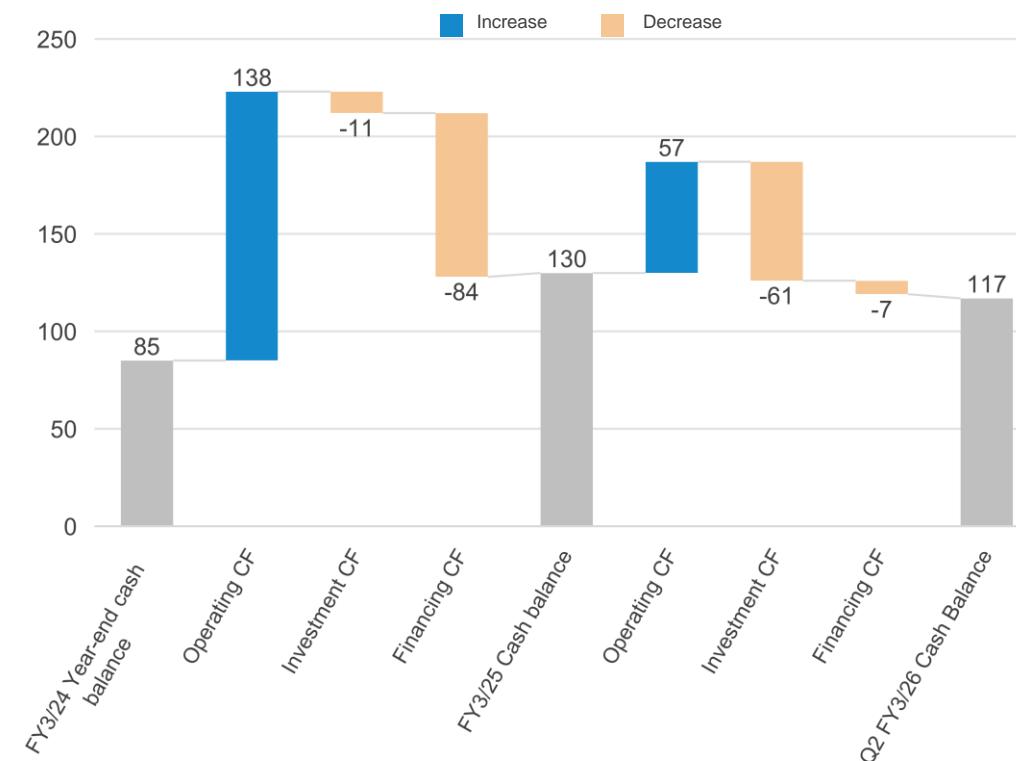


Balance Sheet / Cash Flow



(100 million yen)	FY3/25	Q3 FY3/26	Change
Current assets	602	612	+9
Cash and deposits	130	120	-10
Notes and accounts receivable-trade, contract assets, and electronically recorded monetary claims	408	435	+27
Inventories	46	42	-8
Other	17	13	+2
Non-current assets	449	574	+124
Property, plant and equipment	209	262	+52
Intangible assets	29	35	+5
Investments and other assets	210	276	+65
Total assets	1,052	1,186	+134
Current liabilities	392	417	+25
Notes and accounts payable-trade, electronically recorded obligations-operating	232	190	-42
Short-term borrowings + current portion of long-term borrowings	29	124	+94
Other	129	102	-26
Non-current liabilities	47	73	+25
Long-term debt	8	3	-4
Other	39	69	+30
Net assets	612	695	+83
Total shareholders' equity	526	565	+39
Accumulated other comprehensive income, etc.	86	130	+44
Total liabilities and net assets	1,052	1,186	+134
Shareholders' equity ratio	58.2%	58.6%	+0.4%

(100 million yen)	Q2 FY3/25	Q2 FY3/26	(Ref.)
Operating CF	43	57	
Investment CF	0	-61	
Free CF	43	-4	
Finance CF	-42	-7	
Cash balance	87	117	



Orders Received

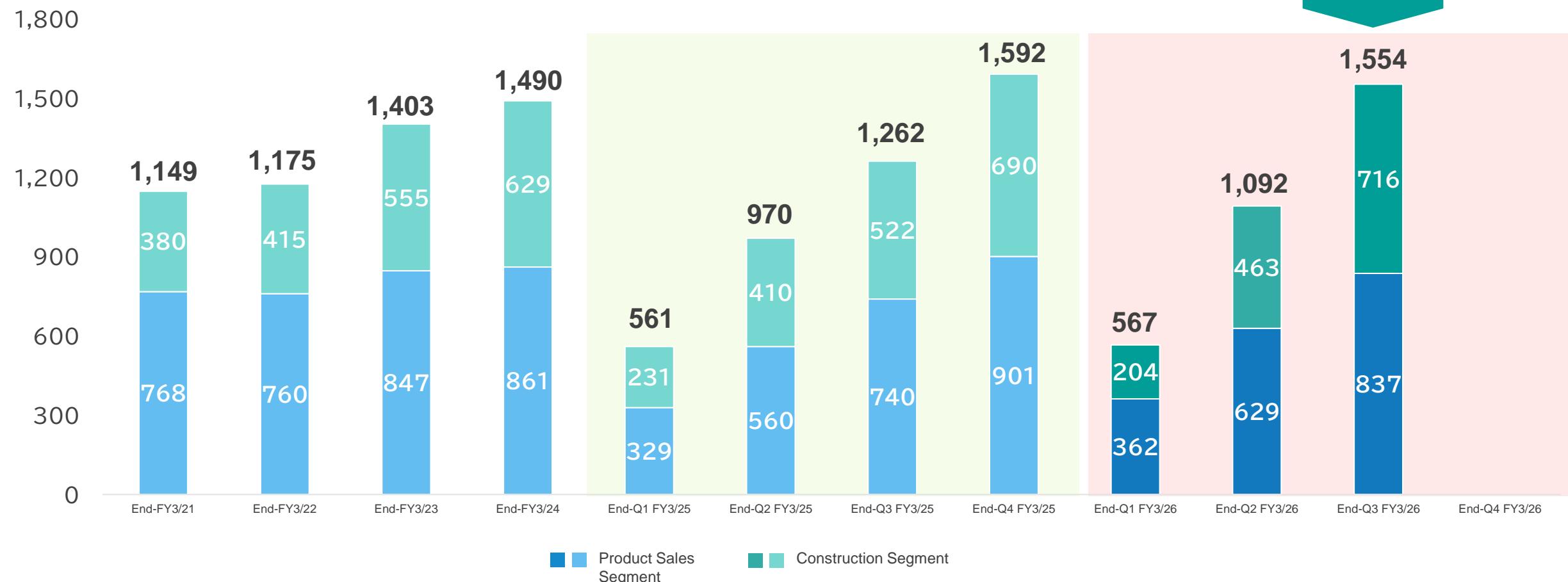


- Through strategic order acquisition that takes supply conditions into account, order intake also progressed steadily, increasing 23.1% YoY.
- Orders in the Construction segment, which carries a higher gross profit margin, grew 37.1% YoY, while orders in the Product Sales segment increased 13.2% YoY.

(100 million yen)

Orders Received

YoY
+23.1%



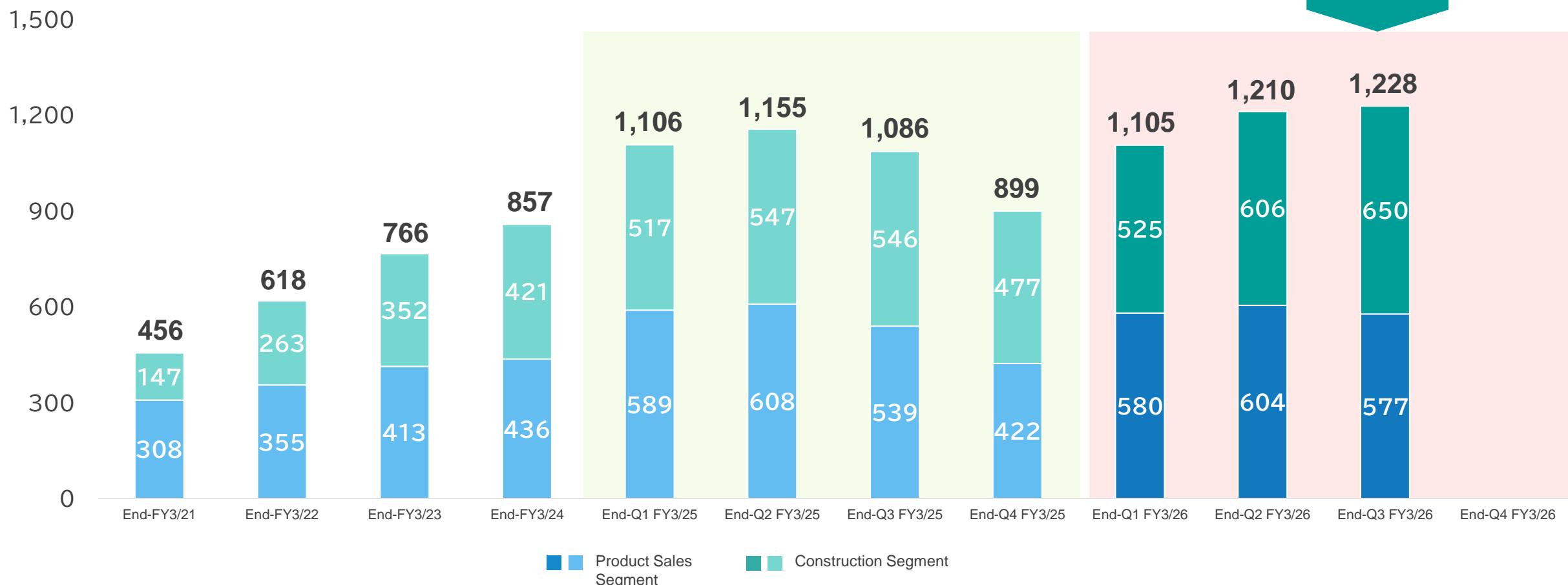
*Including overseas subsidiaries (QA) from FY3/22

- Order backlog also remained solid, supported by strategic order acquisition that considers supply constraints, with total backlog increasing 13.1% YoY.
- Backlog in the higher-margin Construction segment increased 19.1% YoY, while backlog in the Product Sales segment rose 6.9% YoY.

(100 million yen)

Order Backlog

YoY
+13.1%



*Including overseas subsidiaries (QA) from FY3/22

Full-year Business Forecasts: FY3/26



(100 million yen)	FY3/25 (Results)	FY3/26 (Revised Forecasts)	Pct. change
Net sales	1,559	1,660	+6.4%
Operating profit	146	160	+8.9%
Ordinary profit	155	168	+7.9%
Profit attributable to owners of parent	111	120	+7.2%

[Business Environment Outlook]

The construction industry surrounding our group is expected to continue seeing large-scale redevelopment projects, especially in urban areas. However, rising costs of goods and increasing logistics expenses are anticipated. Additionally, to boost employee motivation and attract top talent, we plan to raise our group-wide salary levels, which will lead to higher SG&A expenses. While the business environment remains uncertain, we will aim for sales growth through the execution of our business expansion strategy in line with our medium-term management plan.

Dividend Policy: Dividends Paid and Forecasts



- With a basic policy of maintaining a consolidated payout ratio of around 40%, we paid an annual dividend of 109 yen for FY3/25, plus a 70th anniversary commemorative dividend of 7 yen, bringing the total dividend to 116 yen.
- For FY3/26, we forecast an annual dividend of 117 yen, increasing by 13 yen compared to the initial forecast, with the payout ratio at 40.0%.

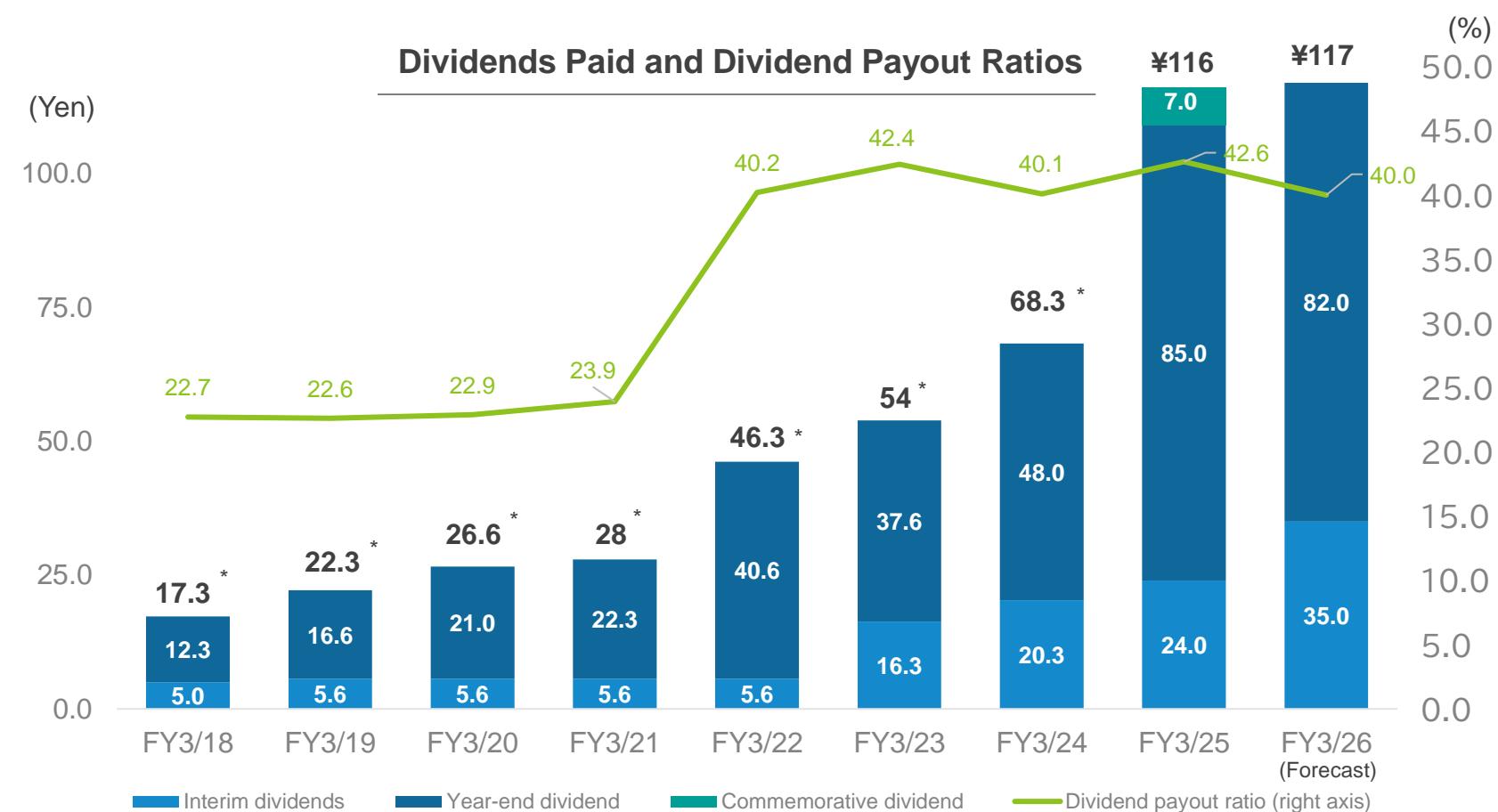


Profit return policy

We regard the return of profits to shareholders as an important management policy. We allocate profits based on business performance while improving profitability through effective business operations and strengthening our financial position.

Specific Indicators

Aiming for a consolidated dividend payout ratio of 40% as a specific indicator, continuously and stably pay dividends in line with business performance.

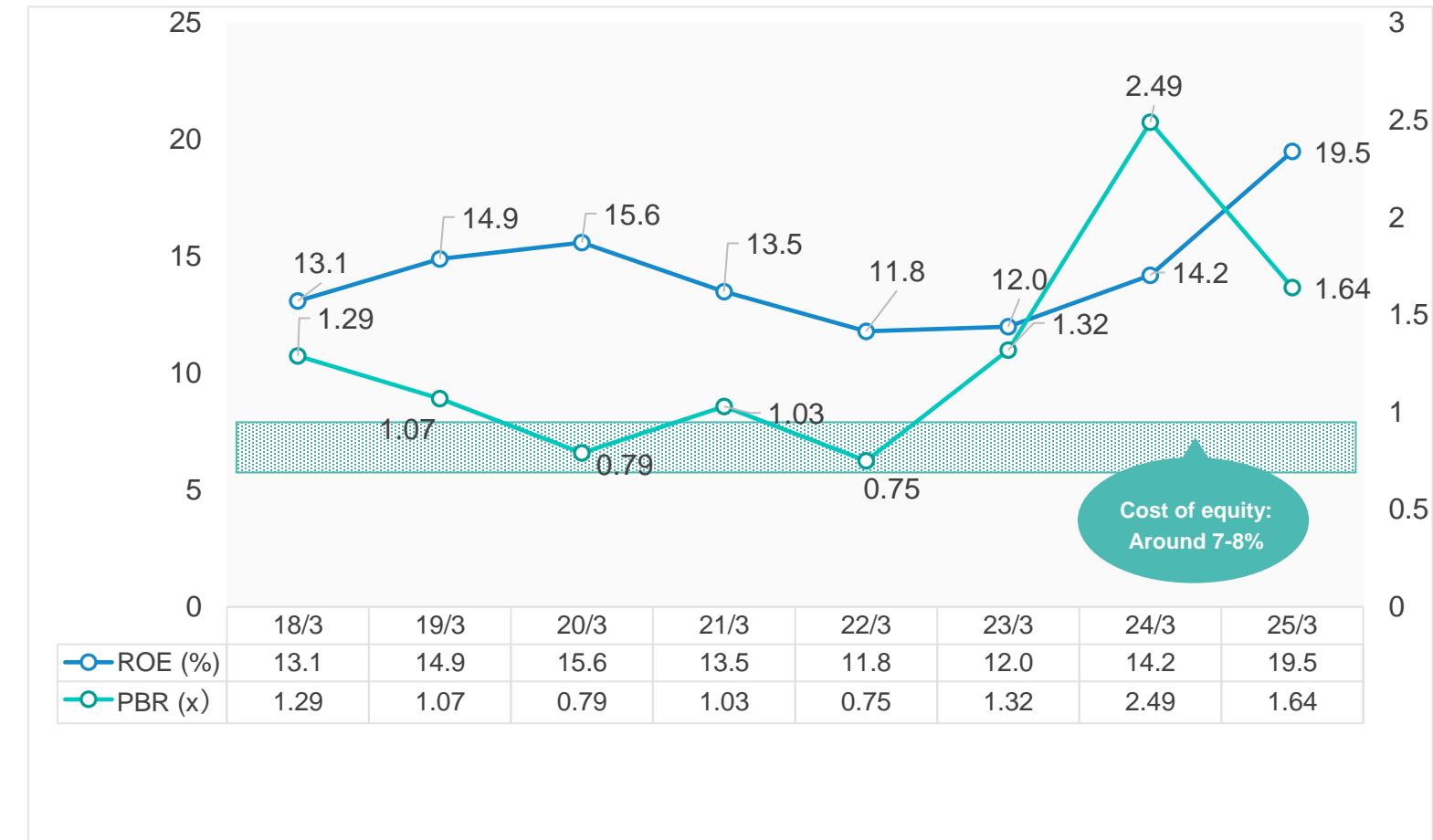


* The Company conducted a 3-for-1 stock split as of April 1, 2024. Dividends for the past fiscal years are calculated based on the number of shares after the stock split.

- We recognize that our assumed cost of equity is around 7-8%, based also on investors' expected returns.
- ROE has remained above 10% annually for the last five years, and equity spreads have remained positive.
- Starting this fiscal year, we set a new target for cross-shareholdings to be less than 20% of consolidated net assets.

Key Financial Indicators	
Shareholders' equity ratio : Around 50%	
PBR : 1x or more	
ROE : 12% or more	

Cost of Equity	$<$	ROE
PBR	Maintain at least 1 times in a stable and continuous manner	



CDP Climate Change Rating: Awarded a “B” Score for the Second Consecutive Year

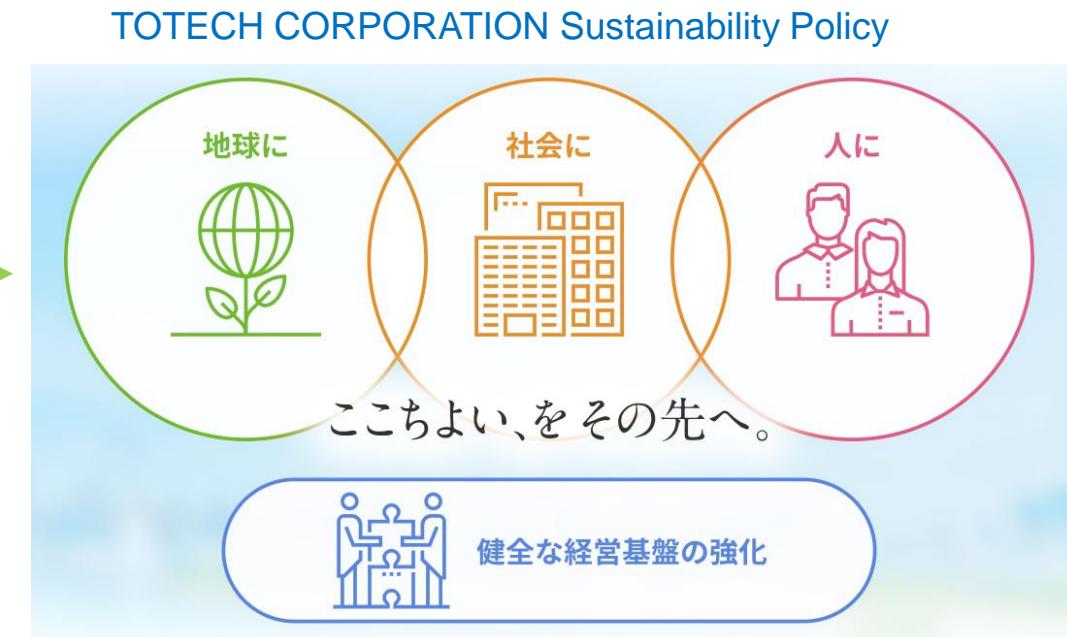


- TOTECH was awarded a “B” score for the second consecutive year in the Climate Change category of the 2025 CDP survey conducted by CDP, an international non-profit organization.
- CDP evaluates and discloses corporate and municipal strategies and initiatives related to climate change, forests, and water security, analyzing environmental data collected globally and rating performance on an eight-level scale (A, A-, B, B-, C, C-, D, D-).



“B” Score

Aims to achieve both the realization of a sustainable decarbonized society and a comfortable living environment for people.



Acquisition of Treasury Shares: Refer to the February 13 Press Release



- The Company acquired treasury shares through off-auction own share repurchase trading (ToSTNeT-3).

Maximum number of shares to be acquired: 180,000 shares (equivalent to 0.44% of shares outstanding)


February 13, 2026

To Whom It May Concern:

Company Name:	TOTECH CORPORATION
Name of Representative:	Kaoru Koyama, Representative Director and President (Securities Code: 9960)
Contact:	Tomoaki Horinouchi, Executive Officer, Division General Manager of Head of Business Strategy Division (TEL:03-6632-7058)

Notice Concerning Acquisition of Own Share Through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

(Share Repurchase Based on the Provisions of the Articles of Incorporation as Prescribed in Article 165, paragraph 2 of the Companies Act and Purchase of Treasury Shares Through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3))

The Company hereby announces that at the Board of Directors meeting held today, it has resolved to repurchase its own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph 3 of the same Act. The details are described below.

1. Purpose of the acquisition of treasury shares

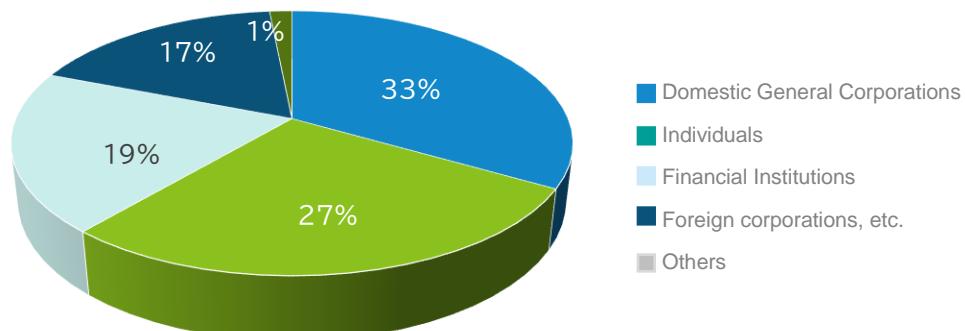
The Company will acquire treasury shares as part of flexible capital policy measures responsive to changes in the business environment and as part of shareholder return initiatives.

<APPENDIX>

Company name	TOTECH CORPORATION (Tokyo Stock Exchange Prime Market; 9960)
Established	July 6, 1955
Business	Sales of Air Conditioning and other Equipment Business, Instrumentation work Business, Energy Business, etc.
Head Office	3-11-11, Nihonbashi, Honcho, Chuo-ku, Tokyo
Capital Stock	1,857 million yen (Number of shareholders: 9,087) (As of March 31, 2025)
Fiscal Year-end	March 31
Number of employees	2,648 (Consolidated); 1,089 (Non-consolidated) (As of March 31, 2025)
Directors	<p>Katsumi Nagao, Director and Chairman Kaoru Koyama, President and Representative Director Seiken Saito, Director; Atsuko Usami Director; Toshiro Nakamizo, Audit & Supervisory Board Member; Kazuhito Arata, Audit & Supervisory Board Member; Seira Kubota, Audit & Supervisory Board Member</p> <p>*Company with an Audit Committee and Nomination and Compensation Committee</p>
Consolidated Subsidiaries	7 in Japan; 6 overseas (As of March 31, 2025)

Shareholder Composition as of March 31, 2025 (%)

Number of shareholders: 9,087



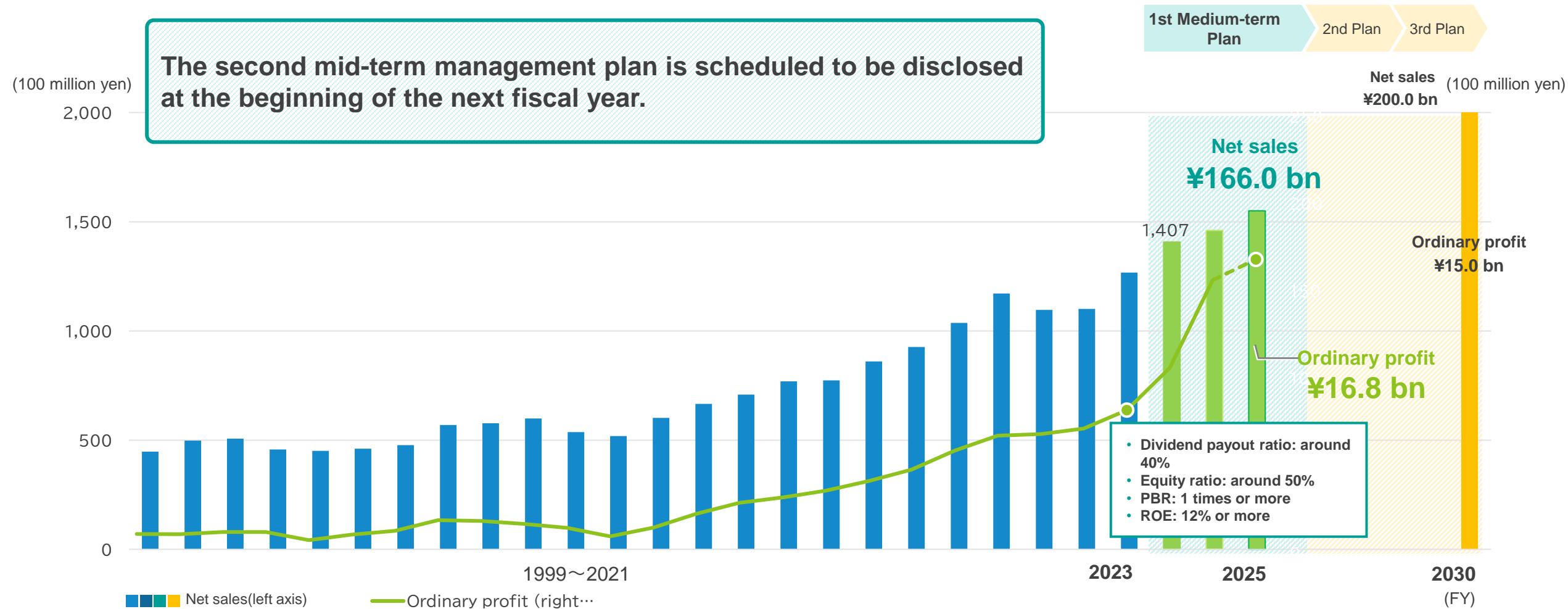
Kaoru Koyama,
President and Representative Director

April 1978: Joined the Company
April 2001: General Manager of TA System Sales Department, Osaka Branch
April 2010: General Manager of Osaka Branch
April 2016: Senior Executive Officer and General Manager of Osaka Branch
June 2018: Director and General Manager of Instrumentation Business Management Department of the Company
April 2019: Director, Managing Executive Officer and General Manager of Instrumentation Business Management Department of the Company
April 2023: Director, Senior Managing Executive Officer, General Manager of Engineering Headquarters and General Manager of Instrumentation Business Management Department General Manager of Engineering Headquarters and General Manager of Instrumentation Business Supervisory Div.
April 2025: Appointed as President and Representative Director

Medium- to Long-term Growth Targets of the TOTECH Group

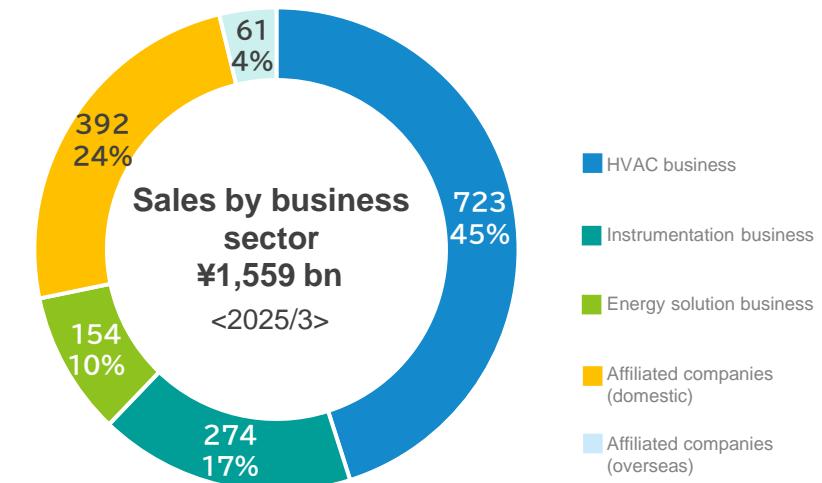
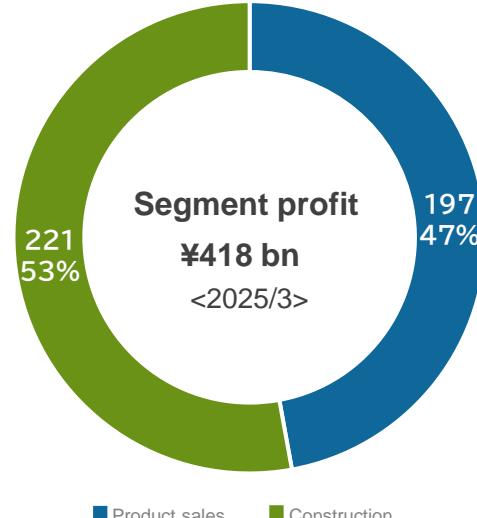
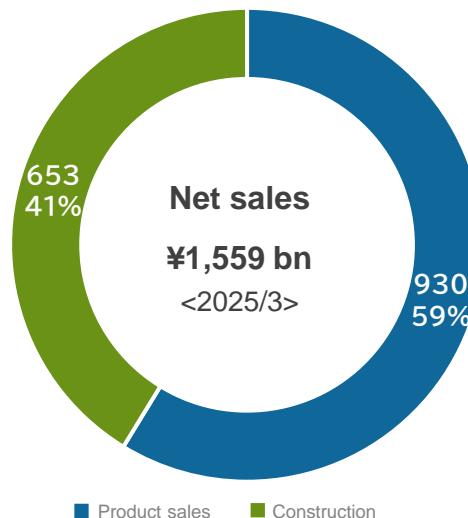


We aim to achieve net sales of 200 billion yen and ordinary profit of 15 billion yen in FY2030 as the 1st Medium- Term Management Plan, and in FY2025 we achieved net sales of 155 billion yen and ordinary profit of 12 billion yen one year ahead of schedule. This time (November 11, 2025), the targets have been revised upward to 166 billion yen in sales and 16.8 billion yen in ordinary profit.



- Our company conducts business activities in the Product sales and Construction business segments, while focusing on the air conditioning, instrumentation, and energy fields.
- Group-wide one-stop services: From product sales, instrumentation work to regular and spot maintenance

Segments: Product Sales business/Construction business		
HVAC Business	Instrumentation business	Energy solution business
<ul style="list-style-type: none"> ● Purchase, sales, installation, and maintenance and repair of commercial HVAC equipment, etc. ● Large domestic distributor of Daikin's commercial air conditioning equipment 	<ul style="list-style-type: none"> ● Design, installation, purchase, sales, construction, and maintenance and repair of instrumentation equipment (building automation and management systems) ● Azbil's major distributor 	<ul style="list-style-type: none"> ● Purchase, sales, installation, and Maintenance and repair of energy-saving And energy-production equipment (solar Panels and storage batteries) and generators ● Energy solutions such as ESCO business



PURPOSE

Our raison d'etre

The Totech Group creates a comfortable environment that is rich in spirit.

Our mission is to seek not only economic efficiency and convenience, but also the spiritual richness that lies beyond them.

First Medium-term Management Plan

FY2023-FY2025

Net sales: 166 billion yen*

Ordinary profit: 16.8 billion yen*

**Upward revision announced on Nov 11, 2025

Good for people

Fostering a culture of taking on challenges
and accepting failure

■ Slogan of the long-term vision

Taking comfort to the next level.

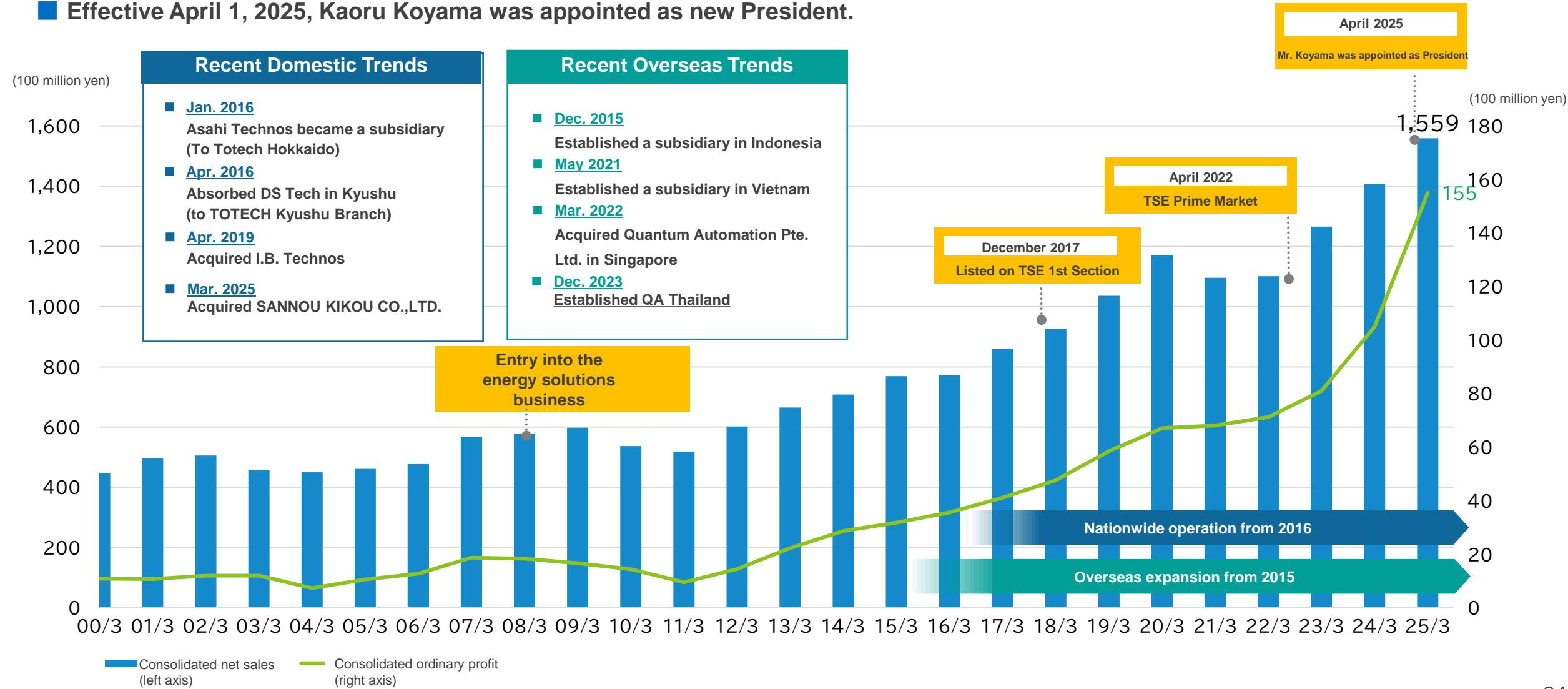
Comfort to people, society, and the earth.

We pursue that "comfort" of a new era
by capturing the changes in technological innovation
and social organization,
and aim to be a group that creates a comfortable
environment that is one step ahead.

TOTECH Group: Our Growth History



- July 2025 marked the 70th anniversary of our founding. In addition to organic growth, we have been promoting sales and profit growth through M&As (domestic and overseas).
- Effective April 1, 2025, Kaoru Koyama was appointed as new President.



Overall Strategic Framework



In the First Medium-term Management Plan, we aim to realize a corporate group which is "good for people" and strategically promote the creation of social and economic values.



The diagram illustrates the Gist of the First Medium-term Management Plan, which is centered around the "Good for people" culture. This culture is defined as fostering a culture of taking on challenges and accepting failure. The diagram shows a green arrow pointing from the Gist to the culture, with a downward-pointing arrow indicating the flow from the culture to the strategic framework.

Strategic framework	Creation of social value	Creation of economic value
1 Investment in human resources	○	○
2 ESG-focused Management	○	
3 Strengthen core business		○
4 Expand overseas Business		○

We will further strengthen the comprehensive strengths of the TOTECH Group, which can provide a wide range of solutions in an integrated package, and enhance our profitability and growth potential.

Economic value

Expanding sales and strengthening profitability

Focusing on large-scale and high-profit projects

Cementing relationships with existing customers and increasing new customers



Comprehensive strengths as a total solution planner

Further strengthening of our ability to propose

Strengthening of the competitiveness of products and services

Improvement of human resources and operational efficiency



Air conditioning × Instrumentation × Energy × Regular and spot maintenance

Strengthening Core Businesses

Domestic Market Environment

- Demand for redevelopment projects centered in major metropolitan areas
- Demand from factories and data centers driven by private-sector investment
- Demand for energy-saving and carbon-neutral solutions



All business units are actively responding to market needs and steadily building track record, contributing to the expansion of core businesses.

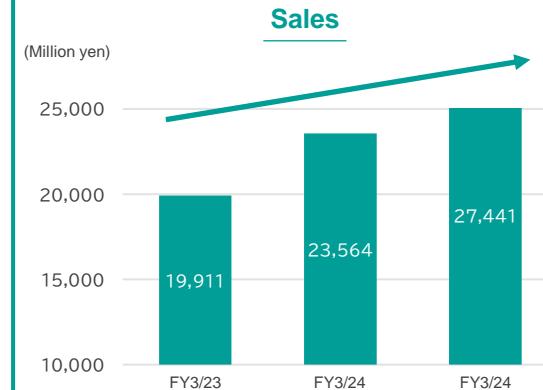
HVAC Business

- Joint sales activities through cross-divisional collaboration utilizing full TOTECH product lineup
- Expanding value-added solutions



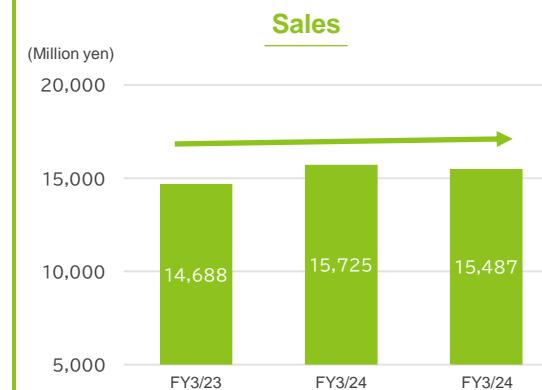
Instrumentation Business

- Expansion of solution-based business
- Expansion of maintenance and service business



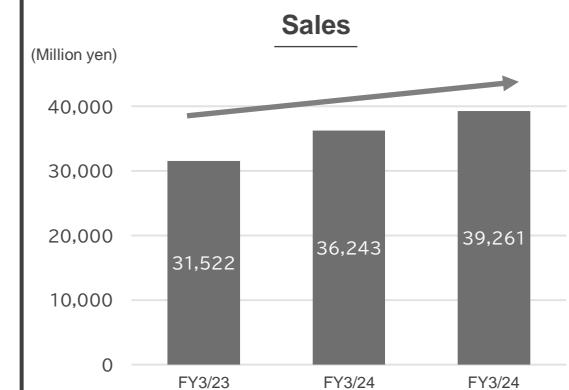
Energy Solution Business

- Strengthening of energy-saving solution proposals and solar + storage battery offerings
- Expanding the range of products and services handled



Affiliated Companies (Domestic)

- Nippon Builcon: Expanding maintenance and service proposals
- IB Technos: Promoting sales to data centers and foreign-affiliated companies
- TOTECH Hokkaido: Expanding total solution offerings



Human Resource Investment: Active Recruitment

- We plan to hire 135 new graduates across the Group next fiscal year (compared with 115 in the this year).
- we plan to hire 108 mid-career employees during the current fiscal year.

→ We continue active recruitment of both new graduates and mid-career professionals, building a foundation for sustainable growth through workforce expansion.

Job Offer Ceremony (October 1, 2025)



The ceremony for 80 new graduates as TOTECH Corporation candidates was held online, connecting the head office and branch offices nationwide.

Trends in Number of Employees

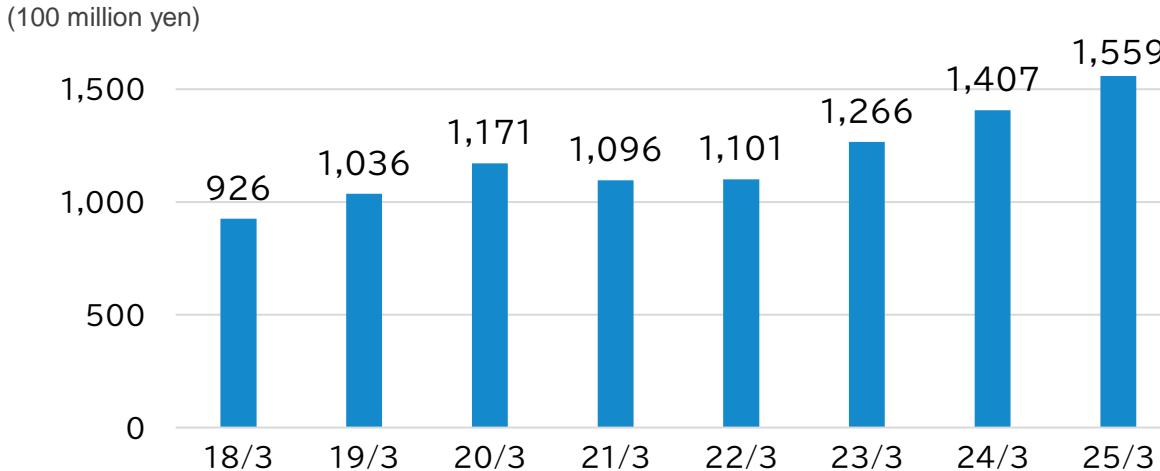


[APPENDIX] Financial Indicators

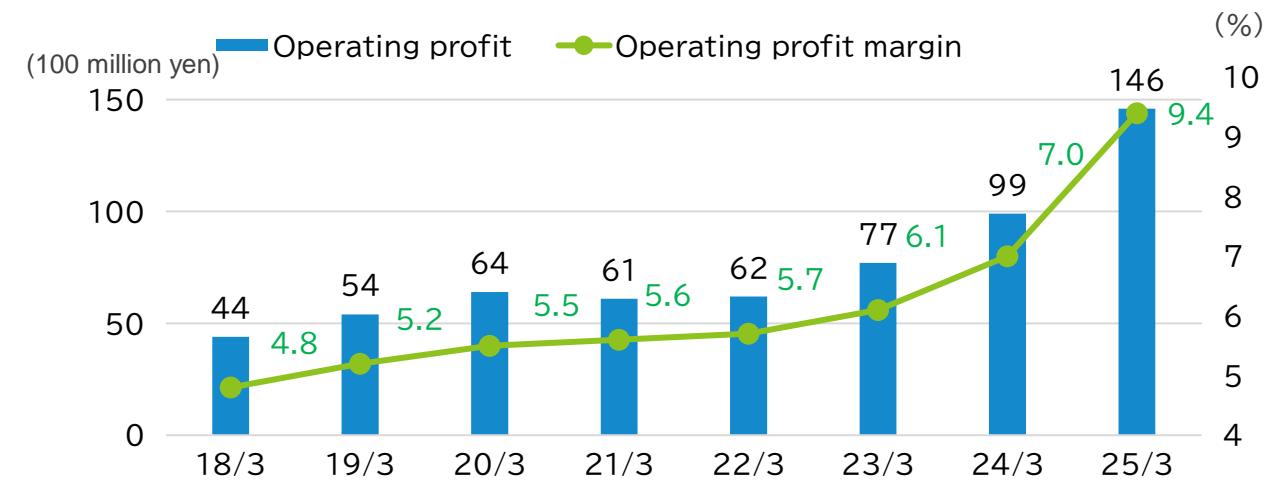


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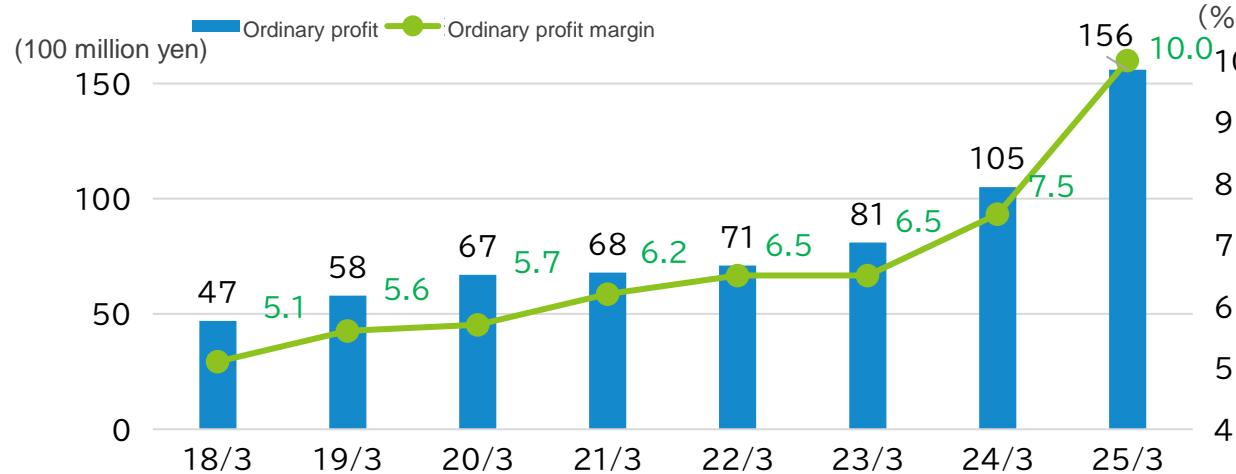
Net sales



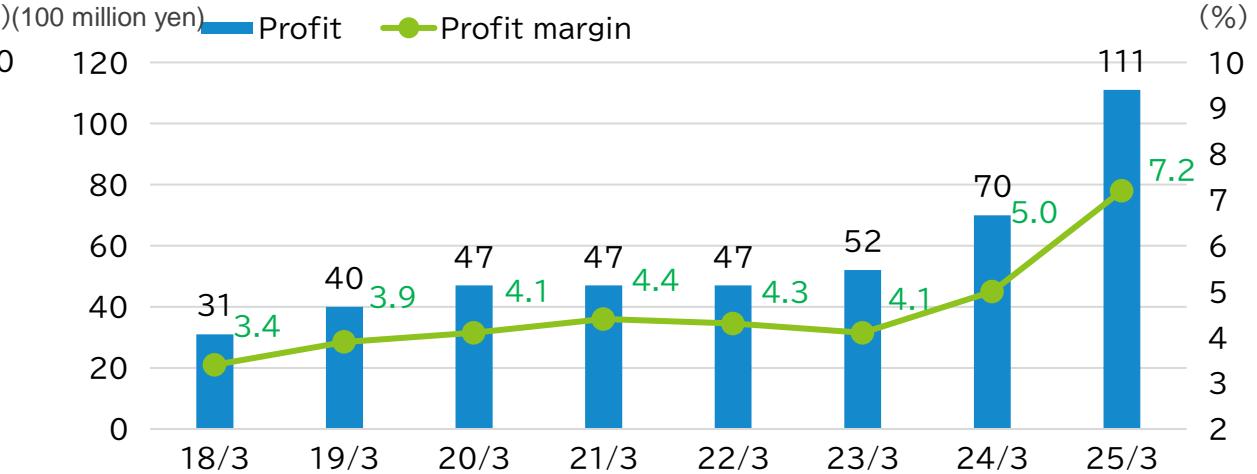
Operating profit



Ordinary profit

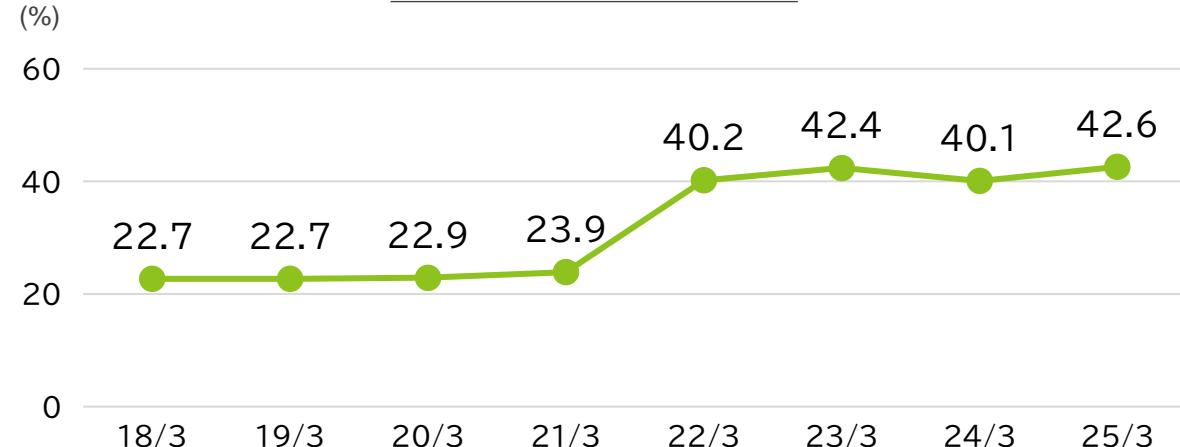


Profit

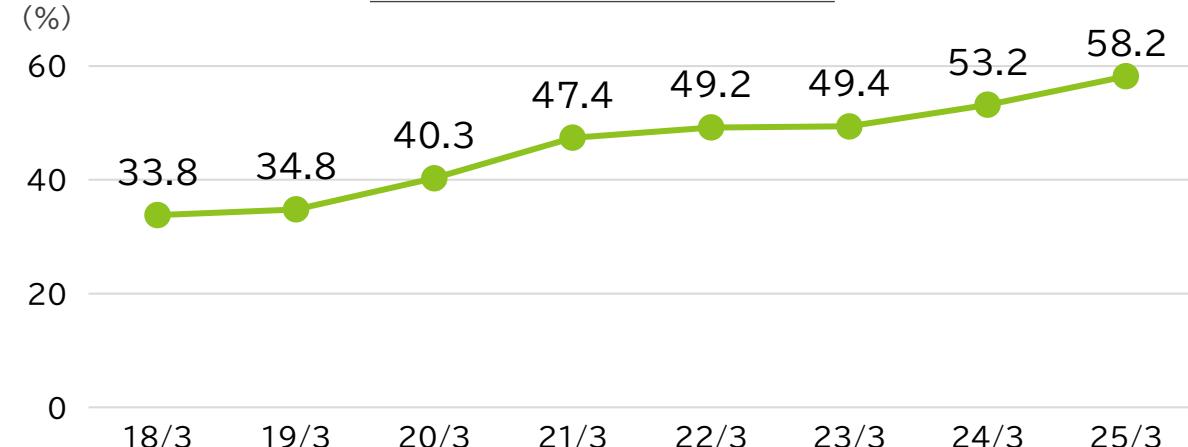


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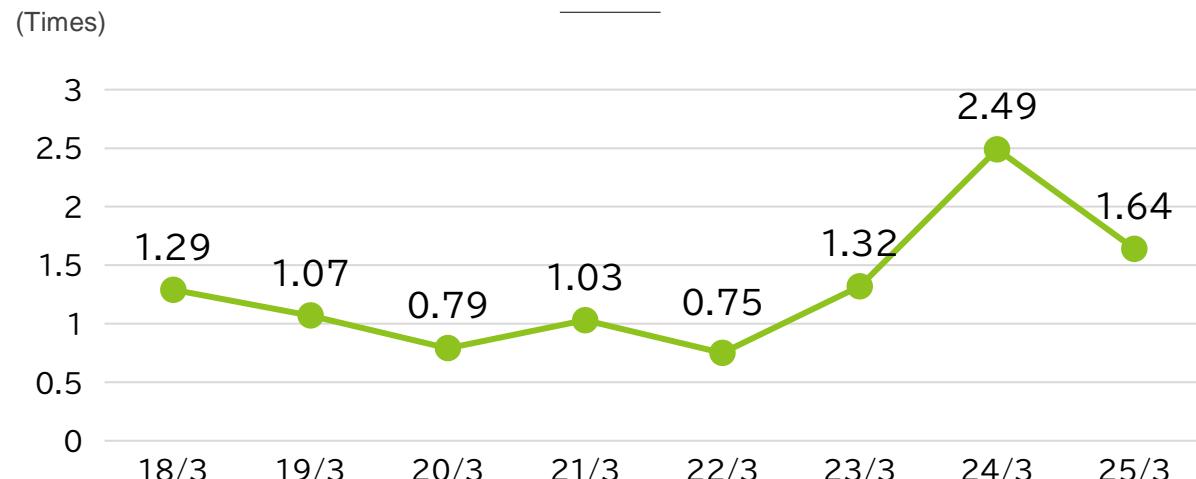
Dividend payout ratios



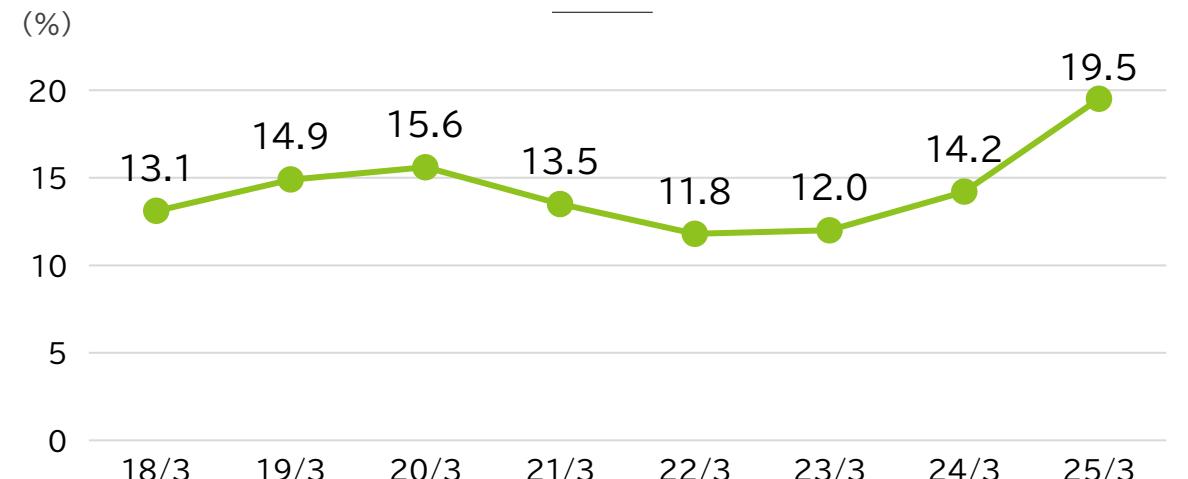
Shareholders' equity ratio



PBR



ROE



Pursuing Materiality (Key Issues) to "Contribute to the Realization of a Sustainable Society"

Materiality	Action plan	Corresponding SDGs
 <p>Good for earth Aiming to realize a sustainable decarbonized society and achieve comfort for the people living</p>	<ul style="list-style-type: none"> ■ Promotion of energy saving ■ Promotion of renewable energy ■ Recycling and appropriate disposal of resources ■ Reducing environmental loads in business activities 	
 <p>Good for society Aiming to create safe, secure and comfortable spaces that realize a resilient society</p>	<ul style="list-style-type: none"> ■ Creating safe, secure, and high-quality Spaces ■ Maintaining performance and extending life of buildings and equipment 	
 <p>Good for people Aiming to be a corporate group that attracts and enables a diverse range of people to play an active role</p>	<ul style="list-style-type: none"> ■ Enhancing the active participation and productivity of all personnel ■ Improving quality and technological capabilities ■ Maintaining and improving safety and health 	
 <p>Enhance the sound management foundation Responding to the expectations of society and stakeholders and striving to be a trusted corporate group</p>	<ul style="list-style-type: none"> ■ Strengthening corporate governance ■ Compliance ■ Dialogues with stakeholders 	



Results of initiatives are posted on our website on "Sustainability."

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