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Supplementary Materials: Financial Results for FY 2025

May 12, 2026

TSUKISHIMA HOLDINGS CO., LTD.

Consolidated results for FY2025

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Net sales and all profit items hit record highs

- **Orders received decreased** due to a transitional period between large-scale projects in the Water Environmental Business, although the Industrial Business performed strongly (however, order backlog hit a record high).
- **Net sales increased** as projects progressed steadily in both businesses.
- **Operating profit increased**, driven by improved profitability in the Industrial Business as well as higher revenue.
- **Profit attributable to owners of parent significantly increased** due to gains from the sale of logistics facilities and cross-shareholdings.

【Unit：100 million yen】	YoY Change			vs. Previous Forecast	
	FY2024 Actual	FY2025 Actual	Change	FY2025 Forecast	Change
Orders received	1,822	1,542	△280	1,500	+42
Order backlog	3,183	3,235	+52	3,243	△8
Net sales	1,392	1,490	+98	1,440	+50
Operating profit	89	98	+9	95	+3
Operating profit margin	6.4%	6.6%	+0.2%	6.6%	+0.0%
Profit attributable to owners of parent	67	169	+102	150	+19
EBITDA	127	135	+8	130	+5
ROIC	5.2%	6.0%	+0.8%	Upper 5% range	-
ROE	7.4%	17.7%	+10.3%	About 16%	-

【Orders Received, Net Sales, Operating profit by Segment 】

【Unit：100 million yen】		YoY Change			vs. Previous Forecast	
		FY2024 Actual	FY2025 Actual	Change	FY2025 Forecast	Change
Orders received	Water Environmental	1,369	936	△433	900	+36
	Industrial	439	600	+161	594	+6
Net sales	Water Environmental	927	986	+59	940	+46
	Industrial	452	497	+45	494	+3
Operating profit	Water Environmental	61	58	△3	60	△2
	(Operating profit margin)	6.6%	5.9%	△0.7%	6.4%	△0.5%
	Industrial	21	41	+20	32	+9
	(Operating profit margin)	4.7%	8.2%	+3.5%	6.5%	+1.7%

Note: As figures related to "Other Business" are excluded, totals do not match consolidated figures.

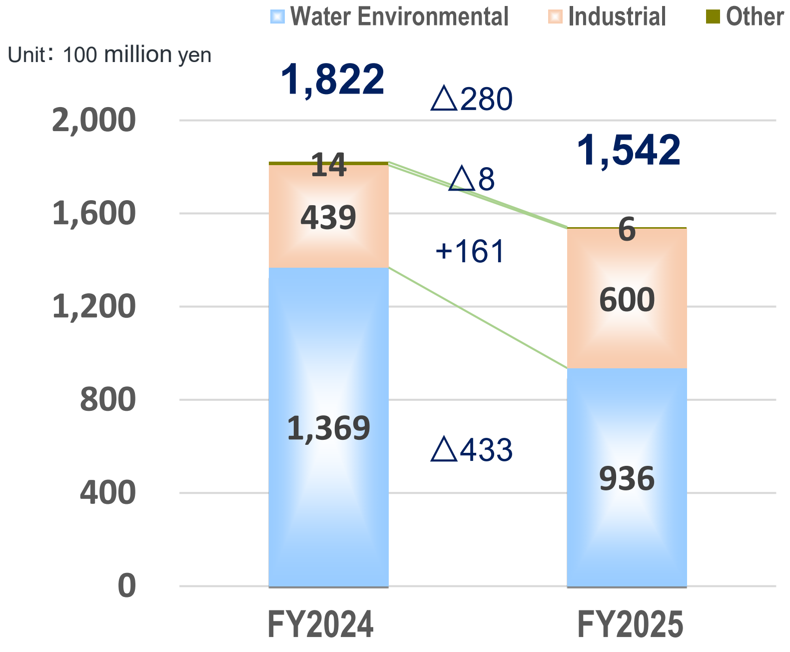
Consolidated results for FY2025（Orders received, Net sales)

Orders received

【Water Environmental】Results decreased.
Due to a transitional period between large-scale projects, orders received decreased significantly (although in line with initial assumptions).
Water infrastructure: Secured 1 sewage sludge incinerator project (3 projects in FY2024).
Life cycle business: Secured 1 PFI/DBO project (5 projects in FY2024).

【Industrial】Results increased.
Industrial infrastructure: Secured orders for equipment such as filters and dryers for chemical applications.
Environment: Increased significantly, securing Large-scale projects including waste fluid incineration and solid waste treatment facilities.

【Other】
Orders received decreased due to the sale of logistics facilities.



Comparison of the Number of Large-Scale Projects (Water Environmental)

FY2024	FY2025
10 projects	3 projects
EPC 4 projects O&M 6 projects	EPC 1 project O&M 2 projects

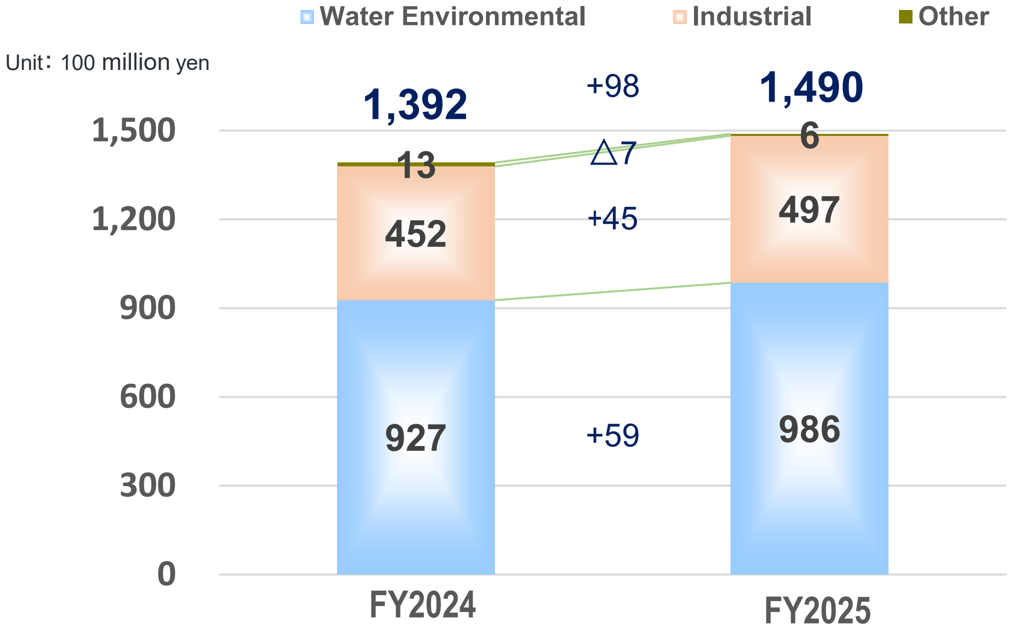
Net sales

Other : Segment related to real estate management and leasing

【Water Environmental 】Net sales increased.
Water infrastructure: Multiple sewage sludge incinerator projects progressed, and the sewage sludge-to-fuel system for Chiba City was completed.
Life cycle business: Large-scale comprehensive O&M commission projects progressed steadily, while repair works also showed solid performance

【Industrial】Net sales increased.
Industrial infrastructure: Plants for chemical and foodstuff applications progressed, with orders for dryers for chemical applications and mixers for cosmetics contributing to results.
Environment: Waste incineration projects progressed, and wastewater treatment projects for the semiconductor sector contributed to results.

【Other】
Net sales decreased due to the sale of logistics facilities.



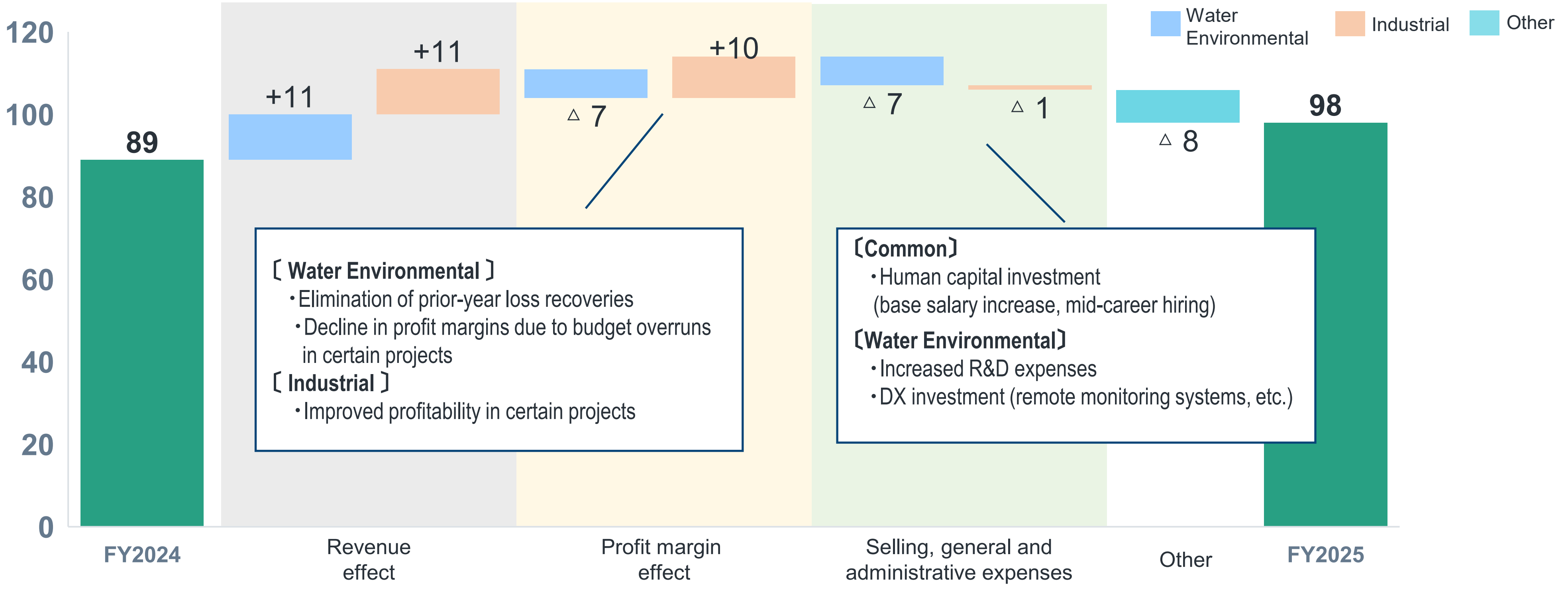
Operating profit

【Water Environmental】 Despite increased revenue, profit decreased due to increased SG&A resulting from increased human capital investment and R&D expenses, the elimination of prior-year loss recoveries, and budget overruns in certain projects.

【Industrial】 Profit increased due to higher revenue and contributions from certain projects with improved profitability.

【Other】 Profit declined due to the sale of logistics facilities (in 2Q, September 2025) and temporary factors such as size-based enterprise tax.

Unit：100 million yen



Forecast for FY2026

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Orders received, net sales, and operating profit are expected to hit record highs

- **Orders received are expected to increase**, supported by large-scale projects in the Water Environmental Business and continued strong performance in the Industrial Business.
- **Net sales are expected to increase** as projects in the order backlog progress in both businesses.
- **Operating profit is expected to increase**, mainly due to higher profit in the Water Environmental Business.
- **Profit attributable to owners of parent is expected to decrease** due to the absence of gains from the sale of logistics facilities in the previous fiscal year.

【Unit：100 million yen】	FY2025 Actual	FY2026 Forecast	Change
Orders received	1,542	1,900	+358
Order backlog	3,235	3,615	+380
Net sales	1,490	1,520	+30
Operating profit	98	110	+12
Operating profit margin	6.6%	7.2%	+0.6%
Profit attributable to owners of parent	169	85	△84
EBITDA	135	146	+11
ROIC	6.0%	around 7%	–
ROE	17.7%	mid 8% range	–

Impact of military conflict in the Middle East

Although we do not expect a significant impact on overall business performance, we are closely monitoring the situation, as the potential impacts listed below are anticipated.

[Orders received]
- Potential impact on customers' capital investment decisions in the Industrial Business.

[Net sales, Operating profit]
- Increased costs due to rising prices and delivery delays due to procurement difficulties of petroleum-derived products
- Challenges in securing utilities (chemicals, etc.) for operation and maintenance business in the Water Environmental Business, as well as rising costs.
  ⇒Although we plan to recover costs through negotiations with customers, the magnitude and outlook of the impact remain difficult to estimate at this point.

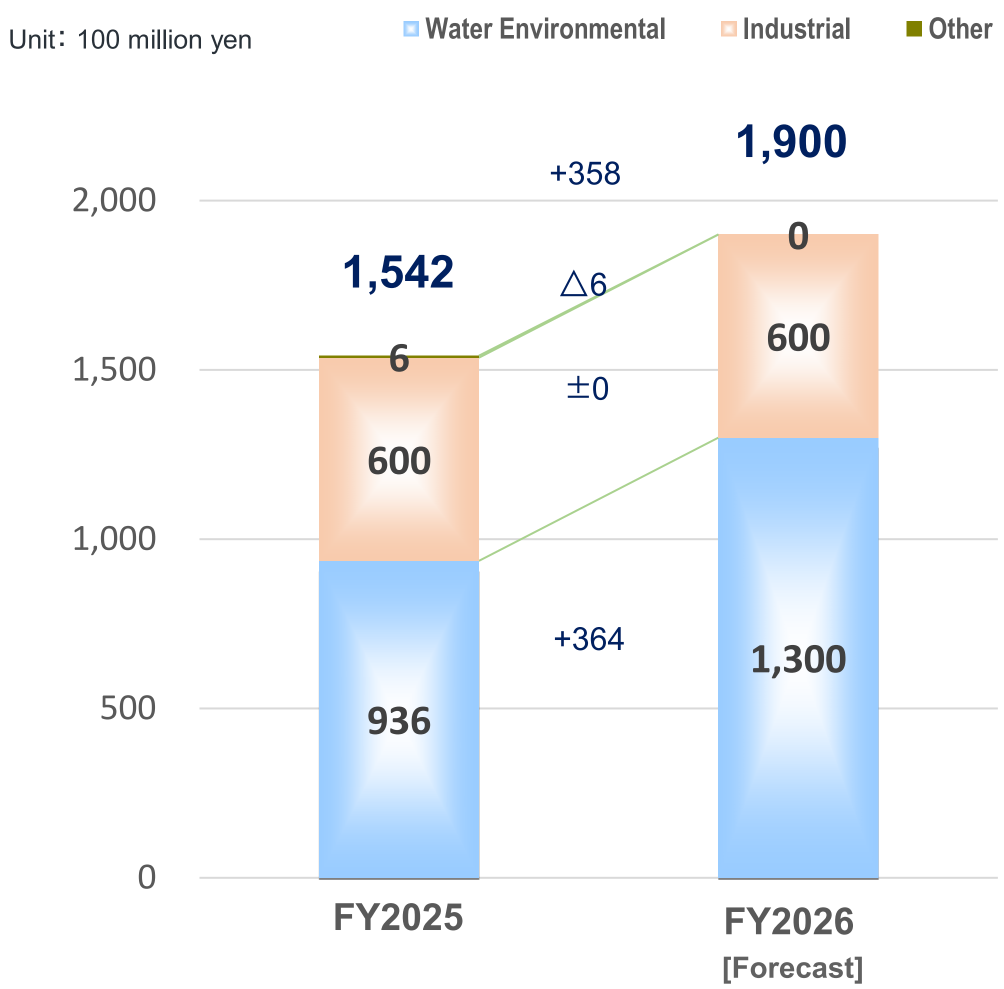
【Orders Received, Net Sales, Operating profit by Segment】

【Unit：100 million yen】		FY2025 Actual	FY2026 Forecast	Change
Orders received	Water Environmental	936	1,300	+364
	Industrial	600	600	±0
Net sales	Water Environmental	986	1,000	+14
	Industrial	497	520	+23
Operating profit	Water Environmental	58	70	+12
	(Operating profit margin)	5.9%	7.0%	+1.1%
	Industrial	41	43	+2
	(Operating profit margin)	8.2%	8.3%	+0.1%

Note: As figures related to "Other Business" are excluded, totals do not match consolidated figures.

Forecast for FY2026（Orders received）

Orders received



【Water Environmental】

- Demand for facility upgrades remains strong in response to aging of domestic water and wastewater infrastructure.
- The transitional period between large-scale projects seen in the previous term is expected to be resolved and a significant increase is expected.

  Water infrastructure: Large-scale projects are expected, including sewage sludge incinerators and equipment for water purification plants.
  Life cycle business: Multiple large-scale comprehensive O&M projects are expected.

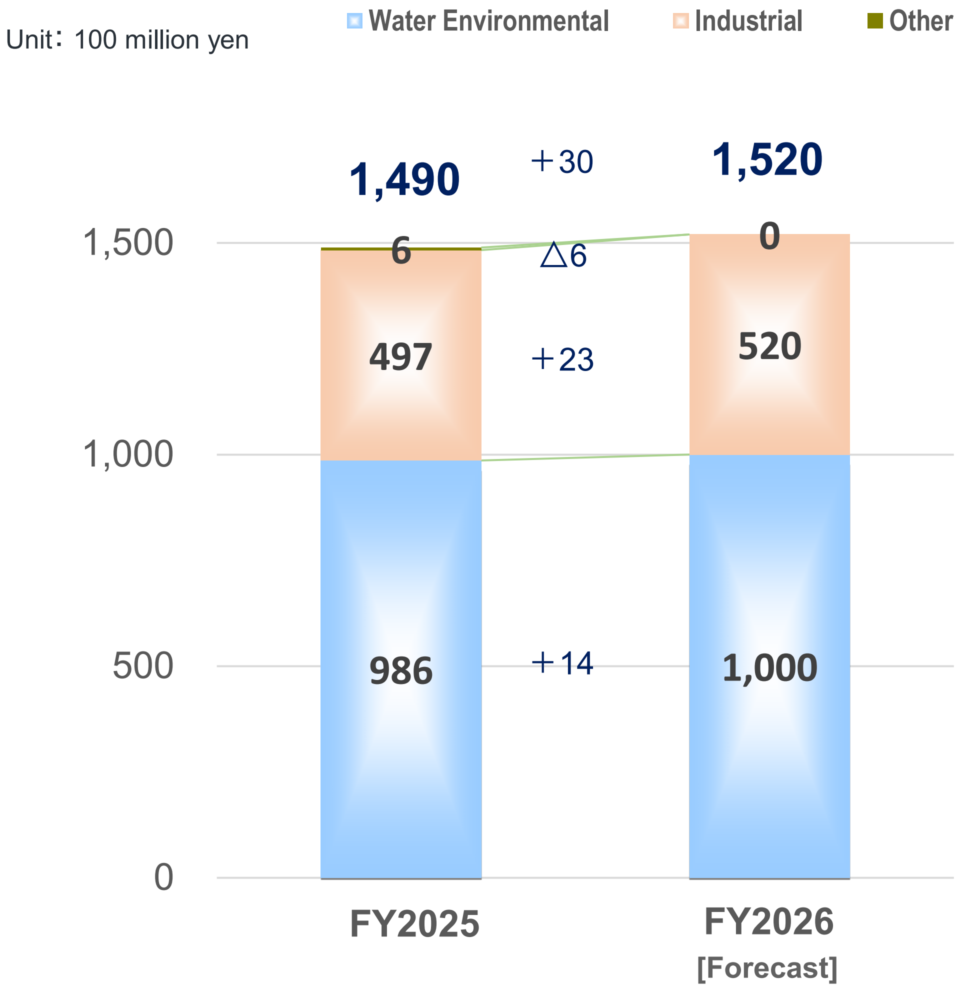
【Industrial】

- The favorable demand environment observed in chemical, life science and environmental fields in the previous term is expected to continue.
- In the chemical field, demand remains strong for higher value-added products as well as environmentally friendly products, including those that address defossilization driven by geopolitical developments in the Middle East and promote recycling. Demand for waste treatment facilities also continues to be robust.

  Industrial infrastructure: Orders are expected to continue for chemical plants, as well as equipment such as filters and mixers.
  Environment: Orders are expected for waste incineration facilities, construction and repair works of incinerators.
- As the situation in the Middle East may affect our customers' capital investment decisions, we are closely monitoring the situation.

Forecast for FY2026 （Net Sales）

Net Sales



【Water Environmental】

- Order backlog at beginning of term remains at a high level. With sufficient secured revenue base, sales growth is expected.
- Major sales projects are expected to include multiple sewage sludge incinerator projects.
- Orders for PPP projects such as PFI and DBO are strong, and with the increasing scale of these projects, the proportion of long-term contracts is on the rise (Please see page 9).

【Industrial】

- Net sales are expected to increase as progress is made on secured orders.
- Key sales projects in the industrial infrastructure segment include equipment such as dryers and filters, as well as chemical plants. In the environmental segment, net sales are expected from waste liquid incineration and solid waste treatment facilities.

【Sales Composition (Common)】

- For both businesses, approx. 60% of the sales mix is expected to be derived from already secured orders.
- Including after-sales services and operation & maintenance, around 80% of net sales is expected to be secured.

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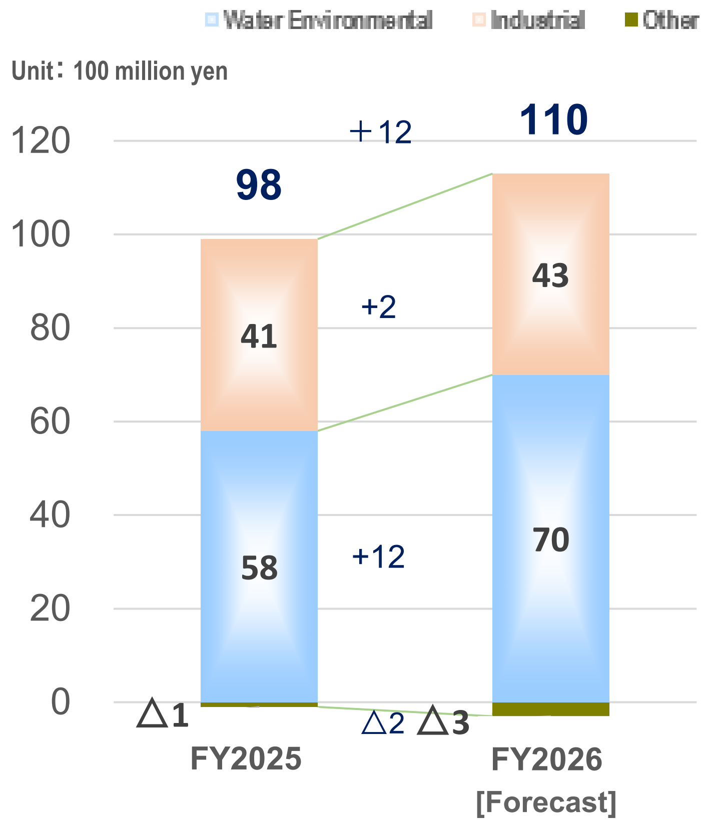
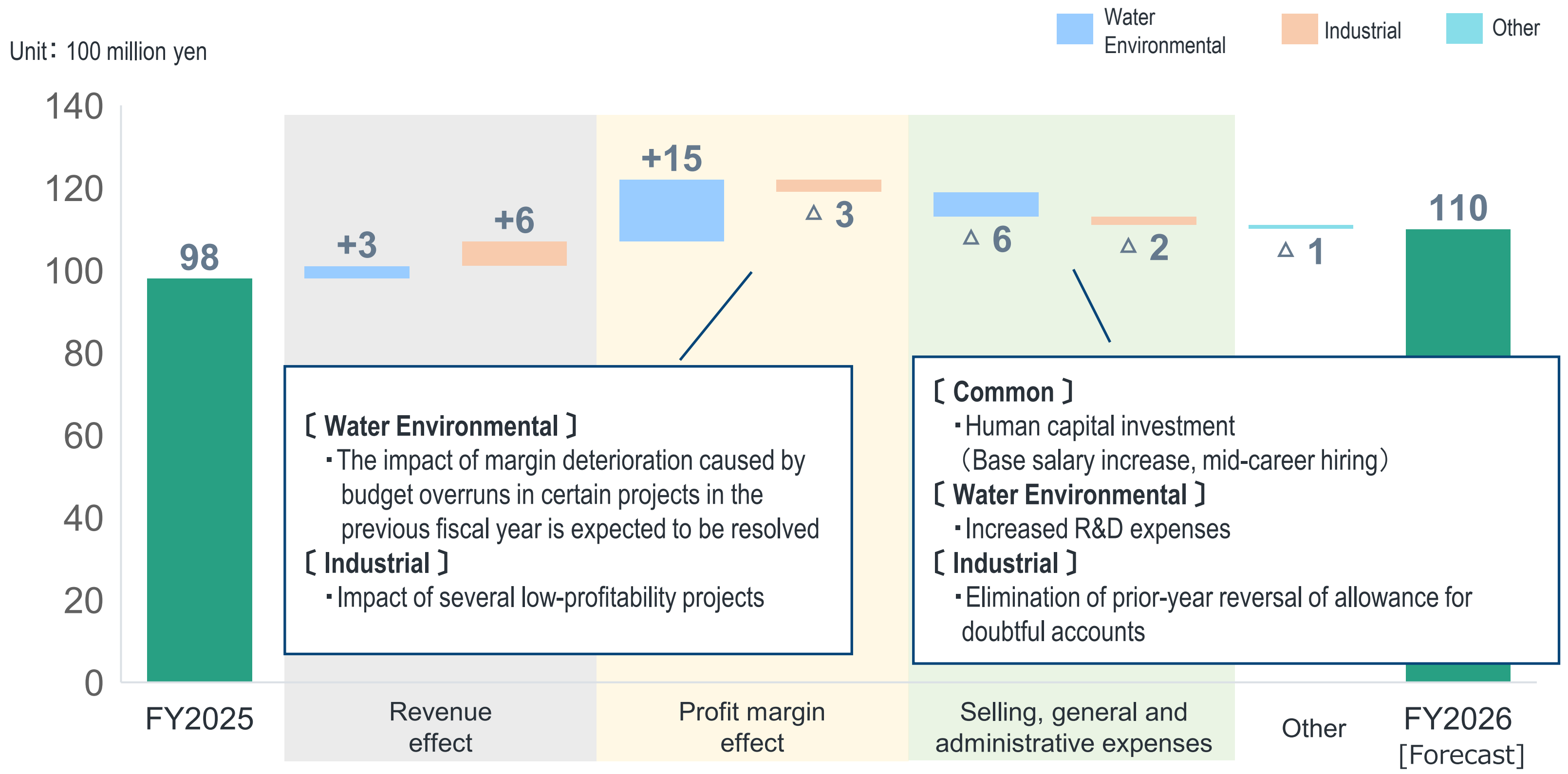
Operating Profit

【Water Environmental】 Profit is expected to increase due to improved profitability, despite continuing investments in human capital (including base salary increases) and increased research and development expenses.

【Industrial】 Profit is expected to increase due to revenue growth, despite the impact of increased investments in human capital and a decrease of the prior-year reversal of allowance for doubtful accounts.

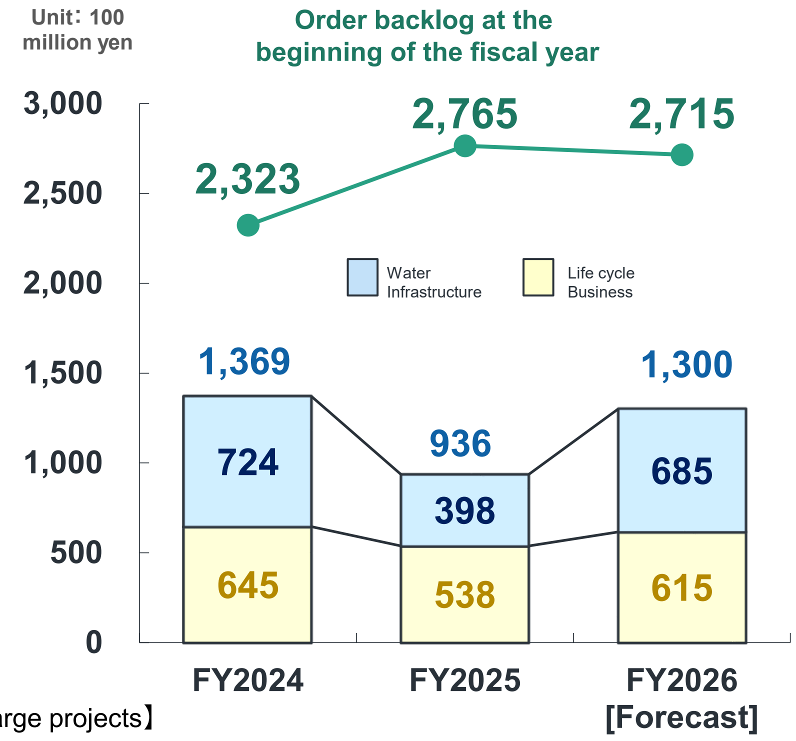




Forecast for FY2026 : Order trend and order backlog for Water Environmental Business

Order Trends

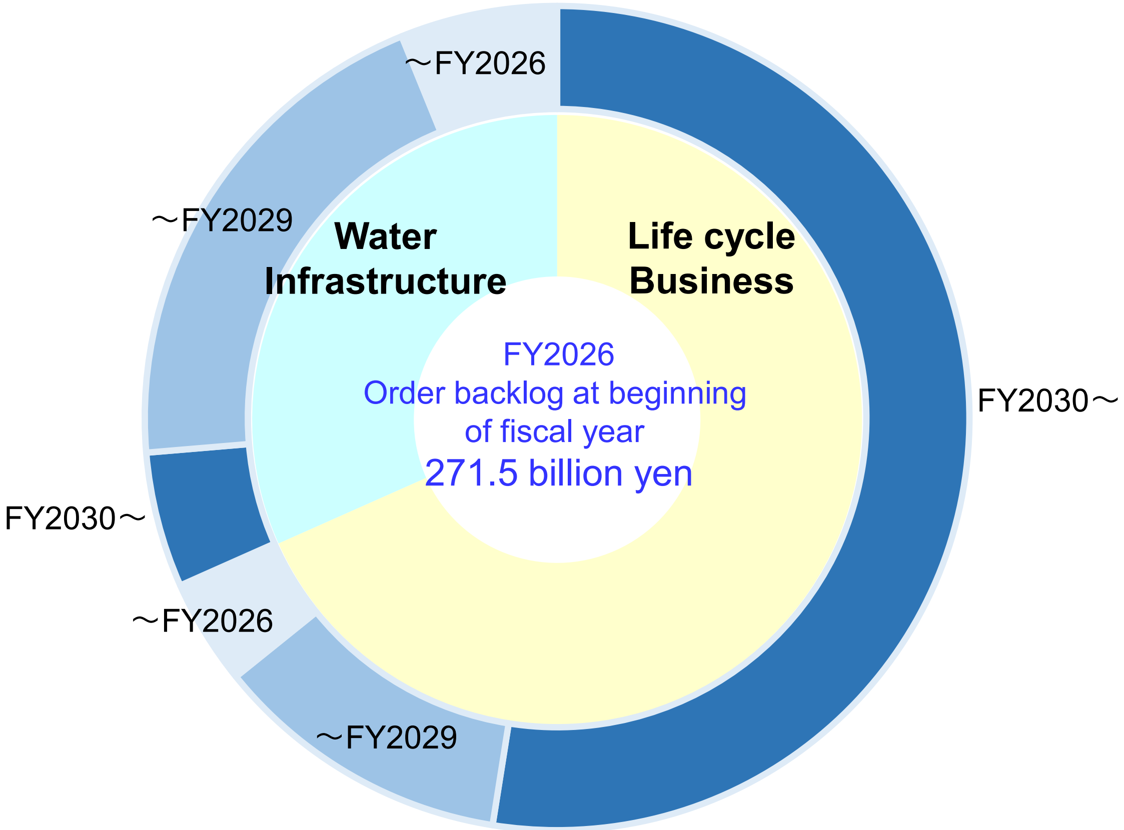
- Orders received decreased in FY2025 due to a transitional period between large-scale projects.
- In FY2026, a significant increase is expected, including multiple large-scale projects.
- Order backlog remains at a high level, ensuring that sufficient resources for sales have been secured.



【Large projects】	FY2024	FY2025	FY2026 [Forecast]
EPC(incineration etc)	4 items	1 item	An increase is expected year on year.
Comprehensive O&M、PPP	6 items	2 items	

Breakdown of Order backlog

- Order backlog at beginning of fiscal year remains at a high level of 271.5 billion yen
- The ratio of water infrastructure (EPC) to life cycle business (O&M) is approx. 30:70
- In Water infrastructure, construction periods tend to become longer due to delays in separately contracted civil engineering works, growing scale of projects and restrictions on overtime work.
- In Life cycle business, the proportion of long-term projects is on the rise as orders for PPP projects such as PFI and DBO remain strong, with the increasing volume of these projects.



Capital Allocation（Cumulative over 4 years）

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- Disposal of non-operating assets・・The real estate (logistics facilities) has been sold, and the sale of cross-shareholdings is being promoted.
- The generated cash will be utilized for shareholder returns, strategic investments, M&A, human capital investment, etc.

Cash inflows	Cash outflows
Cash flow from operations	Capital investment
	Shareholder returns
Sale of cross-shareholdings 12 billion yen or more	Strategic investment 15 - 22 billion yen
Sale of real estate assets Sold logistics facilities	＋
Debt funding etc.	Investment in growth strategy (M&A)

・Actual sale proceeds（3 years）: 9.3 billion yen

- The logistics facility was sold to Mitsui Fudosan, our partner in its joint development.
- Transfer Price 21.7 billion yen
  Gain on sale 12.0 billion yen

※If external funding is required, respond flexibly, including through debt financing.

8～10 billion yen

- Working to flexibly acquire treasury shares through balance sheet management
  ⇒FY25: Acquired 12.8 billion yen of treasury shares (approx. 4.3 million shares)
- ・Actual acquisition of treasury shares (3 years) : 13.9 billion yen
- ・Total dividends paid（3 years*) : 8.6 billion yen
  * Including FY25 year-end dividends

[Cancellation of Treasury Shares]
In FY25, 4 million shares of treasury stock were cancelled.

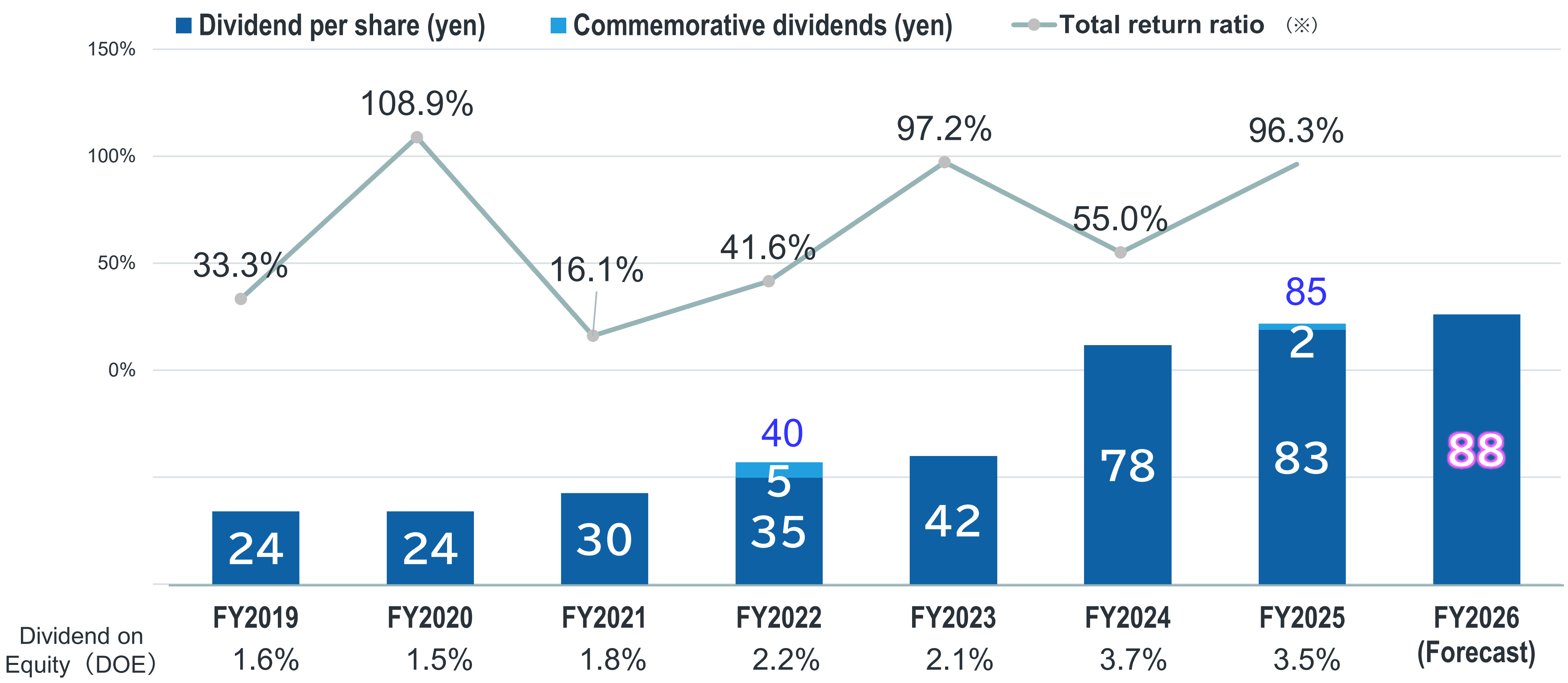
- R&D investment , human capital investment
- DX investment, etc.
- Actual result（3 years）: 14.3 billion yen

[Track Record of DX and IT Investments]
A new centralized monitoring center for water and sewage facilities has been established.
(Tsukishima JFE Aqua Solution）

【M&A（Water Environmental Business ）】
- Acquired a company engaged in operation and management of water and wastewater treatment facilities（Expansion of the stock-based business）
- The integration of JFE Engineering's water supply steel pipe business is under continued discussion, with the execution of the final agreement postponed.

Shareholder Return policy（Enhancing Returns to Shareholders）

- Shareholder return policy: “The level of stable dividends will be set with a minimum DOE of 3.5%, and a total return ratio will be 50% or more.”
- Dividend for FY2025: 83 yen per share plus a commemorative dividend of 2 yen, totaling 85 yen per share.
- Dividend for FY2026: The Company aims to maintain stable dividends and continue increasing dividends, with a planned dividend of 88 yen per share.



(※) (Average number of shares outstanding during the period × dividend per share + amount of treasury share acquisition) ÷ profit attributable to owners of parent