Note:	This document has been translated from a part of 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 12, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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:	https://www.tte-net.com/
Representative:	Kazuhito Kojima, President and Representative Director
Contact:	Isao Nakamura, Manager, IR Office, Corporate Planning Division
Phone:	+81-3-6369-8215

Scheduled date of ordinary general meeting of shareholders:	June 25, 2026
Scheduled date to commence dividend payment:	June 26, 2026
Scheduled date to submit the Securities Report:	June 18, 2026
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, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Results of Operations

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
March 31, 2026	423,923	11.1	47,745	47.3	50,642	44.8	37,470	35.6
March 31, 2025	381,661	5.0	32,415	34.0	34,970	33.7	27,631	40.9

(Note) Comprehensive income:

Fiscal year ended March 31, 2026: ¥49,053 million year on year: 78.0%

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

	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
Fiscal year ended	(Yen)	(Yen)	(%)	(%)	(%)
March 31, 2026	285.73	–	19.2	14.1	11.3
March 31, 2025	208.07	–	16.0	10.4	8.5

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

Fiscal year ended March 31, 2026: ¥821 million

Fiscal year ended March 31, 2025: ¥400 million

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2026	381,823	215,056	55.0	1,603.89
March 31, 2025	334,949	184,283	53.9	1,360.32

(Reference) Equity:
As of March 31, 2026: ¥209,889 million
As of March 31, 2025: ¥180,667 million

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, net assets per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
Fiscal year ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
March 31, 2026	29,284	(11,400)	(16,956)	42,537
March 31, 2025	5,885	(1,405)	(12,713)	41,364

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			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended March 31, 2025	–	65.00	–	102.00	167.00	11,288	40.1	6.4
Fiscal year ended March 31, 2026	–	86.00	–	72.00	–	15,336	40.2	7.3
Fiscal year ending March 31, 2027 (Forecast)	–	61.00	–	62.00	123.00		40.3	

(Note) The Company conducted a share split at a ratio of two shares for every one common share with a record date of September 30, 2025 and an effective date of October 1, 2025. The year-end dividend per share for the fiscal year ended March 31, 2026 shown above reflects the amount after considering the share split. The total annual dividend per share for the fiscal year ended March 31, 2026 is not indicated as a simple sum cannot be calculated from the interim and year-end dividends as a result of the share split. If the impact of the share split is ignored, the year-end dividend per share for the fiscal year ended March 31, 2026 would be ¥144.00, and the total annual dividend per share would be ¥230.00.

3. Forecasts for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% 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	440,000	3.8	50,000	4.7	52,000	2.7	40,000	6.7	305.02

(Reference) Orders received (Forecast): (Full year) ¥520,000 million

* Notes

(1) Significant Changes in the Scope of Consolidation During the Period: Yes

Newly included: 2 companies (THS INNOVATIONS CO., LTD. and PROMPT TECHNO SERVICE CO., LTD.)

(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.: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of Issued Shares (Common Shares)

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

As of March 31, 2026:	140,478,804 shares
As of March 31, 2025:	140,478,804 shares

(ii) Number of treasury shares at fiscal year end

As of March 31, 2026:	9,615,980 shares
As of March 31, 2025:	7,666,262 shares

(iii) Average number of shares during the period

Fiscal year ended March 31, 2026:	131,139,942 shares
Fiscal year ended March 31, 2025:	132,794,390 shares

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, the number of issued shares at fiscal year end (including treasury shares), number of treasury shares at fiscal year end, and average number of shares outstanding during the period were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(References) Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Results of Operations

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
March 31, 2026	294,497	7.4	41,892	43.8	44,815	39.9	34,068	29.9
March 31, 2025	274,274	2.1	29,135	39.4	32,045	39.4	26,232	46.3

	Earnings per share	Diluted earnings per share
Fiscal year ended	(Yen)	(Yen)
March 31, 2026	258.75	–
March 31, 2025	196.76	–

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2026	302,559	182,942	60.5	1,392.34
March 31, 2025	275,489	160,364	58.2	1,202.66

(Reference) Equity:
As of March 31, 2026: ¥182,942 million
As of March 31, 2025: ¥160,364 million

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, net assets per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

2. Forecasts for the Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	320,000	8.7	44,300	5.7	47,100	5.1	36,700	7.7	278.73

(Reference) Orders received (Forecast): (Full year) ¥380,000 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.

The Company will hold the annual financial results briefing session for the fiscal year ended March 31, 2026 (for institutional investors and securities analysts) on Tuesday, May 12, 2026. The information materials to be used at the session will be posted on the Company’s website.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	47,647	48,228
Notes, accounts receivable from completed construction contracts and contract assets	178,215	196,670
Electronically recorded monetary claims - operating	7,977	6,504
Costs on construction contracts in progress	3,889	4,161
Other	7,758	9,732
Allowance for doubtful accounts	(351)	(1,251)
Total current assets	245,138	264,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,893	16,249
Machinery, equipment and vehicles	3,112	3,438
Tools, furniture and fixtures	5,264	5,158
Land	9,826	8,591
Construction in progress	318	1,440
Right-of-use assets	1,488	1,915
Accumulated depreciation	(11,983)	(12,953)
Total property, plant and equipment	23,919	23,840
Intangible assets		
Software	8,111	8,285
Goodwill	1,419	2,696
Other	97	476
Total intangible assets	9,628	11,458
Investments and other assets		
Investment securities	43,220	64,166
Long-term loans receivable	228	539
Retirement benefit asset	7,001	11,404
Deferred tax assets	1,400	1,523
Guarantee deposits	3,114	3,303
Insurance funds	572	167
Other	776	1,451
Allowance for doubtful accounts	(52)	(76)
Total investments and other assets	56,262	82,478
Total non-current assets	89,810	117,777
Total assets	334,949	381,823

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	43,590	46,283
Electronically recorded obligations - operating	6,123	5,198
Short-term borrowings	17,737	27,406
Current portion of bonds payable	5,000	5,000
Accounts payable - other	4,083	6,823
Income taxes payable	6,975	9,938
Advances received on construction contracts in progress	20,978	17,993
Provision for bonuses	9,858	10,163
Provision for bonuses for directors (and other officers)	175	216
Provision for warranties for completed construction	934	1,795
Provision for loss on construction contracts	489	252
Provision for compensation for damages	82	265
Other	14,011	14,390
Total current liabilities	130,040	145,726
Non-current liabilities		
Bonds payable	15,000	10,000
Retirement benefit liability	1,045	1,743
Provision for share awards	1,673	1,942
Deferred tax liabilities	2,210	5,261
Other	696	2,092
Total non-current liabilities	20,625	21,040
Total liabilities	150,665	166,766
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	11,639	12,761
Retained earnings	145,846	170,683
Treasury shares	(8,408)	(15,802)
Total shareholders' equity	162,212	180,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,249	21,883
Foreign currency translation adjustment	2,285	2,562
Remeasurements of defined benefit plans	1,920	4,665
Total accumulated other comprehensive income	18,455	29,112
Non-controlling interests	3,615	5,167
Total net assets	184,283	215,056
Total liabilities and net assets	334,949	381,823

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	381,661	423,923
Cost of sales	310,015	330,203
Gross profit	71,646	93,719
Selling, general and administrative expenses		
Employees' salaries and allowances	11,149	13,165
Provision for bonuses	3,542	3,642
Retirement benefit expenses	223	498
Provision for share awards	708	316
Stationery expenses	3,716	4,514
Provision of allowance for doubtful accounts	122	934
Rent expenses on land and buildings	2,740	2,877
Depreciation	2,615	2,994
Other	14,412	17,030
Total selling, general and administrative expenses	39,231	45,974
Operating profit	32,415	47,745
Non-operating income		
Interest income	549	624
Dividend income	926	982
Dividend income of insurance	129	166
Share of profit of entities accounted for using equity method	400	821
Rental income from real estate	861	814
Other	761	1,037
Total non-operating income	3,628	4,448
Non-operating expenses		
Interest expenses	269	423
Provision of allowance for doubtful accounts	23	0
Rental expenses on real estate	407	407
Provision for compensation for damages	95	483
Foreign exchange losses	108	32
Other	169	202
Total non-operating expenses	1,073	1,551
Ordinary profit	34,970	50,642
Extraordinary income		
Gain on sale of investment securities	2,712	799
Gain on sale of non-current assets	–	1,517
Other	2	–
Total extraordinary income	2,714	2,316
Extraordinary losses		
Loss on retirement of non-current assets	27	–
Loss on valuation of investment securities	143	112
Other	5	20
Total extraordinary losses	176	132
Profit before income taxes	37,508	52,826
Income taxes - current	10,618	16,508
Income taxes - deferred	(1,134)	(1,694)
Total income taxes	9,484	14,813
Profit	28,024	38,013
Profit attributable to non-controlling interests	392	542
Profit attributable to owners of parent	27,631	37,470

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	28,024	38,013
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,617)	7,503
Foreign currency translation adjustment	1,006	604
Remeasurements of defined benefit plans, net of tax	109	2,707
Share of other comprehensive income of entities accounted for using equity method	33	224
Total other comprehensive income	(467)	11,039
Comprehensive income	27,556	49,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,771	48,127
Comprehensive income attributable to non-controlling interests	785	925

(3) Consolidated Statement of Changes in Equity

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
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
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

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	11,639	145,846	(8,408)	162,212
Changes during period					
Dividends of surplus			(12,634)		(12,634)
Profit attributable to owners of parent			37,470		37,470
Purchase of treasury shares				(8,315)	(8,315)
Disposal of treasury shares		1,121		921	2,043
Net changes in items other than shareholders' equity					
Total changes during period	–	1,121	24,836	(7,393)	18,564
Balance at end of period	13,134	12,761	170,683	(15,802)	180,776

	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	14,249	2,285	1,920	18,455	3,615	184,283
Changes during period						
Dividends of surplus						(12,634)
Profit attributable to owners of parent						37,470
Purchase of treasury shares						(8,315)
Disposal of treasury shares						2,043
Net changes in items other than shareholders' equity	7,634	276	2,745	10,656	1,551	12,208
Total changes during period	7,634	276	2,745	10,656	1,551	30,773
Balance at end of period	21,883	2,562	4,665	29,112	5,167	215,056

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	37,508	52,826
Depreciation	3,074	3,444
Amortization of goodwill	218	314
Increase (decrease) in allowance for doubtful accounts	64	922
Increase (decrease) in provision for warranties for completed construction	(174)	854
Increase (decrease) in provision for loss on construction contracts	78	(239)
Increase (decrease) in provision for bonuses	1,131	293
Increase (decrease) in provision for bonuses for directors (and other officers)	15	41
Increase (decrease) in provision for dismantling and removal	(310)	–
Decrease (increase) in retirement benefit asset	(426)	(532)
Increase (decrease) in retirement benefit liability	89	596
Increase (decrease) in provision for share awards	807	268
Interest and dividend income	(1,475)	(1,607)
Interest expenses	269	423
Share of loss (profit) of entities accounted for using equity method	(400)	(821)
Foreign exchange losses (gains)	90	(85)
Loss (gain) on sale of investment securities	(2,712)	(786)
Loss (gain) on valuation of investment securities	143	112
Loss (gain) on sale of non-current assets	2	(1,508)
Decrease (increase) in trade receivables	238	(14,697)
Decrease (increase) in costs on construction contracts in progress	122	(329)
Increase (decrease) in trade payables	(28,610)	1,158
Increase (decrease) in advances received on construction contracts in progress	8,038	(3,159)
Increase (decrease) in accrued expenses	(336)	936
Increase (decrease) in accrued consumption taxes	(691)	2,467
Decrease (increase) in consumption taxes refund receivable	(445)	(763)
Other, net	(2,075)	1,868
Subtotal	14,233	41,999
Interest and dividends received	1,506	1,644
Interest paid	(286)	(420)
Income taxes paid	(10,150)	(14,421)
Income taxes refund	582	482
Net cash provided by (used in) operating activities	5,885	29,284

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(11,905)	(9,108)
Proceeds from withdrawal of time deposits	10,467	10,155
Purchase of property, plant and equipment and intangible assets	(4,337)	(5,066)
Proceeds from sale of property, plant and equipment and intangible assets	–	3,195
Purchase of investment securities	(7)	(8,508)
Proceeds from sale of investment securities	4,354	1,011
Purchase of shares of subsidiaries and associates	(32)	(925)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,855)
Payments of guarantee deposits	(236)	(255)
Proceeds from refund of guarantee deposits	263	108
Proceeds from collection of loans receivable	105	34
Purchase of insurance funds	(22)	(22)
Proceeds from maturity of insurance funds	232	426
Other payments	(352)	(757)
Other proceeds	66	167
Net cash provided by (used in) investing activities	(1,405)	(11,400)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,427	9,124
Redemption of bonds	(5,000)	(5,000)
Repayments of lease liabilities	(511)	(544)
Purchase of treasury shares	(1,939)	(8,209)
Proceeds from sale of treasury shares	1,934	207
Dividends paid	(10,508)	(12,634)
Dividends paid to non-controlling interests	(45)	(5)
Other, net	(70)	104
Net cash provided by (used in) financing activities	(12,713)	(16,956)
Effect of exchange rate change on cash and cash equivalents	533	245
Net increase (decrease) in cash and cash equivalents	(7,700)	1,172
Cash and cash equivalents at beginning of period	49,064	41,364
Cash and cash equivalents at end of period	41,364	42,537

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	23,428	17,205
Notes receivable - trade	53	38
Electronically recorded monetary claims - operating	7,178	5,609
Accounts receivable from completed construction contracts	85,971	101,297
Contract assets	60,594	57,332
Costs on construction contracts in progress	299	416
Merchandise and finished goods	9	23
Raw materials and supplies	681	1,190
Prepaid expenses	1,050	1,475
Accounts receivable - other	2,664	1,287
Advances paid	683	1,174
Other	1,129	497
Allowance for doubtful accounts	(165)	(469)
Total current assets	183,581	187,081
Non-current assets		
Property, plant and equipment		
Buildings	11,858	12,099
Accumulated depreciation	(3,623)	(3,972)
Buildings, net	8,235	8,126
Structures	764	747
Accumulated depreciation	(283)	(316)
Structures, net	481	430
Machinery and equipment	700	701
Accumulated depreciation	(309)	(283)
Machinery and equipment, net	390	417
Tools, furniture and fixtures	3,216	2,829
Accumulated depreciation	(1,540)	(1,790)
Tools, furniture and fixtures, net	1,675	1,038
Land	9,038	7,815
Construction in progress	220	1,149
Total property, plant and equipment	20,041	18,978
Intangible assets		
Software	7,748	7,896
Telephone subscription right	94	94
Other	0	0
Total intangible assets	7,842	7,991

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Investments and other assets		
Investment securities	35,342	54,297
Shares of subsidiaries and associates	20,855	23,689
Investments in capital	5	5
Long-term loans receivable	171	2,073
Distressed receivables	36	54
Long-term prepaid expenses	305	649
Prepaid pension costs	4,253	4,771
Guarantee deposits	2,462	2,611
Insurance funds	444	17
Other	192	409
Allowance for doubtful accounts	(47)	(70)
Total investments and other assets	64,023	88,508
Total non-current assets	91,908	115,477
Total assets	275,489	302,559

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable - trade	41	–
Electronically recorded obligations - operating	5,889	5,123
Accounts payable for construction contracts	28,291	24,603
Short-term borrowings	13,130	23,780
Current portion of bonds payable	5,000	5,000
Accounts payable - other	3,053	6,127
Accrued expenses	263	406
Income taxes payable	6,403	8,783
Advances received on construction contracts in progress	14,095	9,725
Deposits received	10,610	9,981
Provision for bonuses	8,512	8,462
Provision for bonuses for directors (and other officers)	150	157
Provision for warranties for completed construction	751	1,531
Provision for loss on construction contracts	373	207
Provision for compensation for damages	82	228
Other	84	56
Total current liabilities	96,733	104,176
Non-current liabilities		
Bonds payable	15,000	10,000
Long-term accounts payable - other	24	72
Lease liabilities	80	77
Provision for share awards	1,630	1,776
Deferred tax liabilities	1,388	3,177
Other	267	336
Total non-current liabilities	18,392	15,440
Total liabilities	115,125	119,617

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders’ equity		
Share capital	13,134	13,134
Capital surplus		
Legal capital surplus	12,853	12,853
Other capital surplus	1,151	2,273
Total capital surplus	14,005	15,127
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	79,635	101,069
Total retained earnings	127,568	149,003
Treasury shares	(8,235)	(15,629)
Total shareholders’ equity	146,473	161,636
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,890	21,305
Total valuation and translation adjustments	13,890	21,305
Total net assets	160,364	182,942
Total liabilities and net assets	275,489	302,559

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales of completed construction contracts	274,274	294,497
Cost of sales of completed construction contracts	217,765	220,280
Gross profit on completed construction contracts	56,509	74,216
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	299	319
Provision for bonuses for directors (and other officers)	150	157
Employees' salaries and allowances	5,999	7,240
Provision for bonuses	3,256	3,361
Retirement benefit expenses	82	139
Provision for share awards	685	302
Legal welfare expenses	978	1,160
Welfare expenses	533	1,269
Repair and maintenance expenses	164	188
Stationery expenses	3,243	3,984
Communication and transportation expenses	995	1,191
Power utilities expenses	186	208
Research study expenses	2,157	2,222
Advertising expenses	1,137	1,514
Provision of allowance for doubtful accounts	3	331
Entertainment expenses	502	536
Donations	57	608
Rent expenses on land and buildings	2,288	2,413
Depreciation	1,946	2,248
Taxes and dues	1,042	1,354
Insurance expenses	391	413
Miscellaneous expenses	1,270	1,153
Total selling, general and administrative expenses	27,373	32,323
Operating profit	29,135	41,892
Non-operating income		
Interest income	17	26
Dividend income	2,018	2,267
Insurance claim income	33	11
Dividend income of insurance	123	164
Rental income from real estate	836	790
Gain on investments in silent partnerships	320	422
Other	322	419
Total non-operating income	3,672	4,101
Non-operating expenses		
Interest expenses	103	203
Provision of allowance for doubtful accounts	23	0
Rental expenses on real estate	407	407
Provision for compensation for damages	95	343
Other	132	223
Total non-operating expenses	762	1,178
Ordinary profit	32,045	44,815

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	2,685	799
Gain on sale of non-current assets	–	1,516
Total extraordinary income	2,685	2,316
Extraordinary losses		
Loss on retirement of non-current assets	17	–
Loss on sale of non-current assets	–	8
Loss on valuation of investment securities	143	62
Other	1	11
Total extraordinary losses	162	82
Profit before income taxes	34,567	47,049
Income taxes - current	9,168	14,508
Income taxes - deferred	(833)	(1,527)
Total income taxes	8,334	12,980
Profit	26,232	34,068

(3) Non-consolidated Statement of Changes in Equity

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

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	1,151	14,005
Changes during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			1,121	1,121
Net changes in items other than shareholders' equity				
Total changes during period	–	–	1,121	1,121
Balance at end of period	13,134	12,853	2,273	15,127

	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	79,635	127,568
Changes during period							
Dividends of surplus						(12,634)	(12,634)
Profit						34,068	34,068
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	21,434	21,434
Balance at end of period	3,283	656	940	174	42,878	101,069	149,003

	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	(8,235)	146,473	13,890	13,890	160,364
Changes during period					
Dividends of surplus		(12,634)			(12,634)
Profit		34,068			34,068
Purchase of treasury shares	(8,315)	(8,315)			(8,315)
Disposal of treasury shares	921	2,043			2,043
Net changes in items other than shareholders' equity			7,415	7,415	7,415
Total changes during period	(7,393)	15,162	7,415	7,415	22,577
Balance at end of period	(15,629)	161,636	21,305	21,305	182,942