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Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]



May 14, 2026

Company name: **TAIHEI DENGYO KAISHA, LTD.**

Stock exchange listing: Tokyo Stock Exchange

Code number: 1968

URL: <https://www.taihei-dengyo.co.jp/>

Representative: Hiroaki Ito, Representative Director, President and Chief Executive Officer

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Scheduled date of annual general meeting of shareholders: June 26, 2026

Scheduled date of commencing dividend payments: June 29, 2026

Scheduled date of filing securities report: June 25, 2026

Preparation of supplementary explanatory materials: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	141,657	12.7	14,839	13.8	16,246	17.7	11,902	22.0
March 31, 2025	125,670	(2.9)	13,037	29.7	13,808	19.9	9,753	16.2

(Note) Comprehensive income: Year ended March 31, 2026: 15,724 million yen [46.6%]

Year ended March 31, 2025: 10,726 million yen [(9.9)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2026	188.77	188.75	9.9	9.8	10.5
March 31, 2025	160.94	160.40	9.2	9.0	10.4

(Reference) Equity in earnings of affiliated companies: Year ended March 31, 2026: 144 million yen

Year ended March 31, 2025: 104 million yen

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the basic earnings per share and the diluted earnings per share have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	175,365	127,939	72.1	2,003.32
As of March 31, 2025	155,076	115,057	73.3	1,817.56

(Reference) Equity: As of March 31, 2026: 126,418 million yen

As of March 31, 2025: 113,660 million yen

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the net assets per share have been calculated assuming that the share split had been implemented 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 end of period
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	(5,817)	746	(1,983)	35,169
March 31, 2025	(2,525)	51	2,622	42,104

2. Cash Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2025	-	-	-	175.00	175.00	3,663	36.2	3.3
March 31, 2026	-	-	-	70.00	70.00	4,435	37.1	3.7
Year ending March 31, 2027 (Forecast)	-	-	-	75.00	75.00		39.4	

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Therefore, the year-end dividend per share for the fiscal year ended March 31, 2026 reflects the effect of the share split. The year-end dividend per share for the fiscal year ended March 31, 2026 without considering the share split would be 210.00 yen.

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	160,000	12.9	17,400	17.3	18,400	13.3	12,000	0.8	190.16

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Murakami Green Power LLC.)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding at the end of the period (including treasury shares):

March 31, 2026: 65,195,940 shares

March 31, 2025: 64,625,940 shares

2) Number of treasury shares at the end of the period:

March 31, 2026: 2,091,554 shares

March 31, 2025: 2,091,027 shares

3) Average number of shares during the period:

Year ended March 31, 2026: 63,052,539 shares

Year ended March 31, 2025: 60,601,971 shares

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the number of shares issued and outstanding at the end of the period, the number of

treasury shares at the end of the period, and the average number of shares during the period have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

(Reference) Summary of Non-consolidated Results

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

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	133,886	14.6	14,944	16.8	15,527	15.7	11,516	20.5
March 31, 2025	116,849	(4.4)	12,798	33.8	13,417	23.4	9,557	18.1

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	182.62	182.61
March 31, 2025	157.69	157.17

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the basic earnings per share and the diluted earnings per share have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	167,925	122,530	73.0	1,941.42
As of March 31, 2025	148,272	110,089	74.2	1,760.18

(Reference) Equity: As of March 31, 2026: 122,530 million yen

As of March 31, 2025: 110,089 million yen

* The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the net assets per share have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

2. Forecast of Non-Consolidated Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

Full year	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
	150,000	12.0	17,500	12.7	11,600	0.7	183.80

* These financial results are outside the scope of audit procedures by certified public accountants or audit corporations.

* Explanation of the proper use of performance forecast and other notes

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and thus actual results may differ significantly from these forecasts due to a wide range of factors.

For details, please see “1. Overview of Operating Results, etc., (4) Future Outlook” on page 5 of the attached materials.

(How to obtain materials for the financial results briefing and contents of the financial results briefing)

The Company plans to hold a financial results briefing targeting institutional investors and analysts on Thursday, May 21, 2026. Materials for the briefing will later be posted on the Company’s website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2026 (the “fiscal year under review” or “FY2025”), the Japanese economy continued on a gradual recovery trajectory as a whole, with a rebound in consumer spending, against the backdrop of improved corporate profits and a pickup in capital expenditure alongside an improvement in employment situation. However, the economy also showed a lack in dynamism due to the rising prices, mainly of food items. Owing to the impact of U.S. trade policies, the situation in the Middle East, changes in financial and capital markets, and other factors, the situation surrounding the economy remains uncertain.

In the electric power industry, the main area of business for the TAIHEI DENGYO KAISHA Group (the TDK Group), with the formulation and actualization of the 7th Strategic Energy Plan and the GX2040 Vision, the direction has been set more clearly towards utilizing renewable energy, nuclear power, and thermal power generation according to the characteristics of each energy source, while working to achieve both energy security and decarbonization. In the field of nuclear power, initiatives are under way, with safety assurance as a major premise, towards stable operation and restart of existing reactors, along with continued efforts to address challenges including those on the back-end of the cycle, such as the completion of Rokkasho Reprocessing Plant, management of used nuclear fuel, and final disposal of high-level radioactive waste, among others. In the thermal power generation field, keeping in view its role as an important power source that underpins stable supply, progress has been made in discussions on securing stable supply of LNG, achieving decarbonization with the use of hydrogen, ammonia, CCUS, etc., and establishing systems and financial environment that supports large scale investments in power sources. The industry as a whole is shifting into a phase of policy actualization and implementation.

Under these circumstances, the TDK Group reached the final year of its Mid-Term Business Plan (FY2023 – FY2025), which was designed to respond to the changes in the operating environment and to achieve sustainable growth. Throughout the plan period, we have been focusing efforts on winning more orders for nuclear power plant restarts and new and replacement works for LNG-fired power plants, while also foraying into maintenance business as well as expanding into the new domains of data centers and semiconductor facilities, and further expanding our overseas businesses. With regard to the strengthening of work structure in order to keep pace with business expansion, we made increased efforts to this end while placing “safety and quality” among the top priority matters. In addition to carrying out fundamental reform of safety awareness through stay-on-site patrols, we also introduced training programs based on intuitive methods that utilize virtual reality technology and videos on safety and quality management, in our effort to further enhance the quality of works. We are also working to keep our employees and those of our partner companies safe and healthy, for example, by developing a cooling vest to be worn on site as a protection against heatstroke, with the aim of improving work environments. Furthermore, we have concluded a share transfer agreement to acquire shares of TOEI ENGINEERING CO., LTD., a company that has sophisticated welding technology and an abundant track record of offering repair and maintenance services, to make it our wholly owned subsidiary. The agreement, which enables us to secure expert talents and enhance construction structure, represents our effort to actively utilize M&A as a means to further improve our earning capacity and to continuously create corporate value.

As a result, in the fiscal year under review, the TDK Group recorded orders received of 196,992 million yen (an increase of 28.1% YoY) and net sales of 141,657 million yen (an increase of 12.7% YoY) including 6,925 million yen (an increase of 15.9% YoY) for overseas works.

Regarding profits, operating profit amounted to 14,839 million yen (an increase of 13.8% YoY), ordinary profit amounted to 16,246 million yen (an increase of 17.7% YoY) and profit attributable to owners of parent amounted to 11,902 million yen (an increase of 22.0% YoY).

At the Board of Directors meeting held on February 6, 2026, the Board decided to pay a year-end dividend of 70 yen (210 yen before the stock split) per share for the fiscal year under review, with an increase of 11.67 yen per share compared with the previous fiscal year, in accordance with a distribution policy of surplus with long-term and stable return of profit as a basis and in full consideration of the TDK Group’s financial results

for the fiscal year under review, the current operating environment and other factors.

Performance results by business segment are as follows.

(Construction Segment)

Orders received amounted to 89,865 million yen (an increase of 65.7% YoY, composition ratio: 45.6%). Works for nuclear power plants and works for environmental preservation plants increased, resulting in an increase for the overall segment.

Net sales amounted to 44,531 million yen (an increase of 13.7% YoY, composition ratio: 31.4%). Works for nuclear power plants increased, resulting in an increase for the overall segment. Segment profit amounted to 2,966 million yen (an increase of 94.7% YoY).

(Maintenance and Renovation Segment)

Orders received amounted to 107,127 million yen (an increase of 7.6% YoY, composition ratio: 54.4%). Works for thermal power plants for business use and works for iron and steel-related plants increased, resulting in an increase for the overall segment.

Net sales amounted to 97,125 million yen (an increase of 12.3% YoY, composition ratio: 68.6%). Works for nuclear power plants and works for iron and steel-related plants increased, resulting in an increase for the overall segment. Segment profit amounted to 16,113 million yen (an increase of 3.8% YoY).

(2) Overview of Financial Position for the Fiscal Year under Review

(a) Assets

Current assets amounted to 123,185 million yen, up 14,575 million yen from the end of the previous fiscal year. This was due mainly to an increase of 23,071 million yen in notes receivable, accounts receivable from completed construction contracts, and contract assets, despite a decrease of 7,184 million yen in cash and deposits.

Non-current assets amounted to 52,180 million yen, up 5,714 million yen from the end of the previous fiscal year. This was due mainly to an increase of 5,424 million yen in investment securities

(b) Liabilities

Current liabilities amounted to 27,321 million yen, up 3,829 million yen from the end of the previous fiscal year. This was due mainly to an increase of 1,527 million yen in notes payable, accounts payable for construction contracts and 1,651 million yen in contract liabilities.

Non-current liabilities amounted to 20,104 million yen, up 3,578 million yen from the end of the previous fiscal year. This was due mainly to an increase of 2,131 million yen in long-term borrowings and 1,338 million yen in deferred tax liabilities.

(c) Net assets

Net assets amounted to 127,939 million yen, up 12,881 million yen from the end of the previous fiscal year. This was due mainly to increases of 8,239 million yen in retained earnings, and 3,844 million yen in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents as of the end of the current fiscal year amounted to 35,169 million yen, down 6,935 million yen from the end of the previous fiscal year. Cash flows by activity type and factors behind the results are summarized below.

(a) Cash Flows from Operating Activities

Net cash used in operating activities amounted to 5,817 million yen (an outflow of 2,525 million yen in the previous fiscal year). This is due mainly to an increase of 20,170 million yen in increase in trade receivables, contract assets and contract liabilities, and 4,612 million yen in income taxes paid, despite 17,596 million yen in profit before income taxes.

(b) Cash Flows from Investing Activities

Net cash provided by investing activities amounted to 746 million yen (an inflow of 51 million yen in the previous fiscal year). This is due mainly to 1,559 million yen in proceeds from sale of investment securities, despite 886 million yen in purchase of property, plant and equipment.

(c) Cash Flows from Financing Activities

Net cash used in financing activities amounted to 1,983 million yen (an inflow of 2,622 million yen in the previous fiscal year). This is due mainly to 2,037 million yen in repayments of long-term borrowings, and 3,647 million yen in dividends paid, despite 3,198 million yen in proceeds from long-term borrowings.

(Reference) Trends in indicators of cash flows

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio (%)	60.1	60.0	64.8	73.3	72.1
Equity-to-asset ratio based on market value (%)	38.1	52.5	58.3	64.3	104.1
Interest-bearing liabilities to cash flow ratio (%)	2,452.2	48.0	-	-	-
Interest coverage ratio (times)	19.1	640.6	-	-	-

Equity-to-asset ratio: $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio based on market value: $\text{Market capitalization} / \text{Total asset}$

Interest-bearing liabilities to cash flow ratio: $\text{Interest-bearing liabilities} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payments}$

* All indicators are calculated using financial figures on a consolidated basis.

* Market capitalization is calculated by multiplying the stock price at the end of the period by the number of shares issued and outstanding at the end of the period (excluding treasury shares).

* For the cash flows, the cash flows from operating activities are used.

* Interest-bearing liabilities include all liabilities recorded on the Consolidated Balance Sheet for which interest is paid. In addition, for interest payments, interest paid stated on the Consolidated Statement of Cash Flows is used.

* Interest-bearing liabilities to cash flow ratio and interest coverage ratio are not stated for fiscal years during which cash flow from operating activities was negative.

(4) Future Outlook

As for the future outlook, the Japanese economy is expected to see an increase in private consumption and further growth in capital expenditure driven by crisis management investments and growth investments, against the backdrop of continued improvement in income environment and propped up by the effects of various government policies. Consequently, a continued moderate growth led by domestic demand is anticipated, although uncertainty in overseas economies, the situation in the Middel East, trends in the U.S. trade policies, changes in financial and capital markets, and other issues still need to be watched with caution.

Meanwhile, in the electric power industry, in which the TDK Group has its main business, it is becoming increasingly important to secure decarbonized power sources without fail in the medium to long run, in light of the advancement in DX and GX, the growth in semiconductor-related fields, and other factors. Accordingly, there are needs for maximum utilization of renewable energy and nuclear power, along with the maintenance and utilization of existing thermal power generating equipment as well as decarbonization, in addition to the restarting of nuclear power plants, future rebuilding of plants including installation of next-generation advanced reactors, and development of effective schemes that support new investments in large-scale power sources. In order to steadily implement these initiatives, it is important to maintain and strength human resources, construction capabilities and the supply chain including manufacturers, in addition to enhancing the predictability of investment returns and improving financing environment. In times to come, development of a business environment that underpin the construction, renewal and maintenance of power plants is expected to grow even more critical.

For the fiscal year ending March 31, 2027, the TDK Group will work under the new Mid-Term Business Plan (FY2026 – FY2028), which was newly formulated with the key concepts of “strengthening corporate base to ensure and accelerate solid growth in a turbulent time,” “developing and expanding areas of business to stay in tune with the changing times,” and “increasing corporate value by taking up the challenge of solving social issues,” with the targets of consolidated net sales of 180 billion yen or more and an ROE of 9.5% or more in FY2028. Towards these goals, we will bring together all our strengths to achieve continuous enhancement of corporate value and further growth through such efforts as securing and developing human resources and promoting DX in order to strengthen business base, expanding areas of business in nuclear power, decarbonization, semiconductors, data centers and other fields, as well as actively making business investments including M&As, in addition to our contribution in solving social issues through “Green Projects” that aim to realize a regional circular society with our own power plants at the core.

2. Basic Policy Regarding Selection of Accounting Standards

Taking into account the comparability of periods and among companies of consolidated financial statements, the TDK Group intends to prepare consolidated financial statements in accordance with Japanese GAAP for the time being. Also, as a policy, the TDK Group will appropriately respond to adoption of IFRS in consideration of conditions inside and outside of Japan.

3. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheet

(Unit: ¥1 million)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	42,607	35,423
Notes receivable, accounts receivable from completed construction contracts, and contract assets	49,539	72,611
Electronically recorded monetary claims - operating	2,755	1,471
Costs on construction contracts in progress	10,610	10,023
Raw materials and supplies	82	45
Other	3,013	3,712
Allowance for doubtful accounts	-	(102)
Total current assets	108,609	123,185
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,953	20,102
Accumulated depreciation and impairment	(12,272)	(12,721)
Buildings and structures, net	7,681	7,380
Machinery and vehicles	13,457	13,103
Accumulated depreciation	(10,945)	(10,791)
Machinery and vehicles, net	2,511	2,312
Tools, furniture and fixtures	2,894	2,865
Accumulated depreciation and impairment	(2,615)	(2,622)
Tools, furniture and fixtures, net	279	242
Land	9,181	9,392
Leased assets	688	691
Accumulated depreciation	(357)	(392)
Leased assets, net	330	299
Construction in progress	223	267
Total property, plant and equipment	20,207	19,895
Intangible assets		
Other	225	263
Total intangible assets	225	263
Investments and other assets		
Investment securities	17,635	23,060
Long-term loans receivable	275	408
Real estate for rent	6,654	6,703
Accumulated depreciation	(684)	(763)
Real estate for rent, net	5,969	5,939
Deferred tax assets	34	37
Long term-bank cash	50	50
Other	2,342	2,776
Allowance for doubtful accounts	(273)	(250)
Total investments and other assets	26,033	32,021
Total non-current assets	46,466	52,180
Total assets	155,076	175,365

(Unit: ¥1 million)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	9,379	10,907
Current portion of long-term borrowings	2,039	1,067
Lease liabilities	159	153
Income taxes payable	2,768	3,782
Contract liabilities	5,162	6,814
Provision for bonuses	1,051	1,050
Provision for bonuses for directors (and other officers)	90	123
Provision for warranties for completed construction	75	76
Provision for loss on construction contracts	131	1,055
Other	2,632	2,290
Total current liabilities	23,491	27,321
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	6,726	8,858
Lease liabilities	184	166
Deferred tax liabilities	760	2,098
Retirement benefit liability	3,408	3,517
Provision for share awards for directors (and other officers)	200	232
Provision for retirement benefits for directors (and other officers)	38	-
Other	207	231
Total non-current liabilities	16,526	20,104
Total liabilities	40,018	47,426
Net assets		
Shareholders' equity		
Share capital	6,657	7,070
Capital surplus	9,190	9,602
Retained earnings	92,394	100,633
Treasury shares	(1,195)	(1,196)
Total shareholders' equity	107,046	116,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,545	10,389
Foreign currency translation adjustment	(89)	(226)
Remeasurements of defined benefit plans	157	144
Total accumulated other comprehensive income	6,613	10,308
Share acquisition rights	0	-
Non-controlling interests	1,396	1,520
Total net assets	115,057	127,939
Total liabilities and net assets	155,076	175,365

(2) Consolidated Statement of Income and Comprehensive Income

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	125,670	141,657
Cost of sales	102,325	116,085
Gross profit	23,344	25,572
Selling, general and administrative expenses	10,307	10,732
Operating profit	13,037	14,839
Non-operating income		
Interest income	23	10
Dividend income	458	567
Share of profit of entities accounted for using equity method	104	144
Rental income from non-current assets	360	355
Foreign exchange gains	-	338
Insurance claim income	188	62
Insurance return	44	45
Gain on investments in silent partnerships	-	183
Other	121	178
Total non-operating income	1,301	1,886
Non-operating expenses		
Interest expenses	79	120
Bond issuance costs	78	-
Foreign exchange losses	12	-
Loss on investments in silent partnerships	111	-
Rental expenses on non-current assets	119	132
Borrowing fee	14	113
Other	115	112
Total non-operating expenses	530	479
Ordinary profit	13,808	16,246
Extraordinary income		
Gain on sale of non-current assets	863	6
Gain on sale of investment securities	61	1,356
Gain on recovery of money transfer scam at overseas branch	10	3
Other	0	0
Total extraordinary income	936	1,368
Extraordinary losses		
Loss on retirement of non-current assets	45	18
Other	0	-
Total extraordinary losses	45	18

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit before income taxes	14,699	17,596
Income taxes - current	4,888	5,824
Income taxes - deferred	66	(287)
Total income taxes	4,955	5,537
Profit	9,743	12,058
Profit attributable to		
Profit attributable to owners of parent	9,753	11,902
Profit (loss) attributable to non-controlling interests	(9)	156
Other comprehensive income		
Valuation difference on available-for-sale securities	328	3,847
Foreign currency translation adjustment	200	(172)
Remeasurements of defined benefit plans, net of tax	454	(13)
Share of other comprehensive income of entities accounted for using equity method	(0)	3
Total other comprehensive income	982	3,665
Comprehensive income	10,726	15,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,686	15,594
Comprehensive income attributable to non-controlling interests	39	129

(3) Consolidated Statement of Changes in Equity

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

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	5,881	85,270	(1,621)	93,530
Changes during period					
Issuance of new shares	2,656	2,656			5,313
Dividends of surplus			(2,628)		(2,628)
Profit attributable to owners of parent			9,753		9,753
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				29	29
Disposal of treasury shares-exercise of subscription rights to shares		652		399	1,052
Net changes in items other than shareholders' equity					
Total changes during period	2,656	3,309	7,124	425	13,515
Balance at end of period	6,657	9,190	92,394	(1,195)	107,046

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,222	(243)	(296)	5,682	17	1,361	100,592
Changes during period							
Issuance of new shares							5,313
Dividends of surplus							(2,628)
Profit attributable to owners of parent							9,753
Purchase of treasury shares							(2)
Disposal of treasury shares							29
Disposal of treasury shares-exercise of subscription rights to shares							1,052
Net changes in items other than shareholders' equity	323	154	454	931	(17)	35	949
Total changes during period	323	154	454	931	(17)	35	14,465
Balance at end of period	6,545	(89)	157	6,613	0	1,396	115,057

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

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,657	9,190	92,394	(1,195)	107,046
Changes during period					
Issuance of new shares	412	412			825
Dividends of surplus			(3,663)		(3,663)
Profit attributable to owners of parent			11,902		11,902
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	412	412	8,239	(1)	9,063
Balance at end of period	7,070	9,602	100,633	(1,196)	116,109

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,545	(89)	157	6,613	0	1,396	115,057
Changes during period							
Issuance of new shares							825
Dividends of surplus							(3,663)
Profit attributable to owners of parent							11,902
Purchase of treasury shares							(1)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	3,844	(136)	(13)	3,694	(0)	124	3,817
Total changes during period	3,844	(136)	(13)	3,694	(0)	124	12,881
Balance at end of period	10,389	(226)	144	10,308	-	1,520	127,939

(4) Consolidated Statement of Cash Flows

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	14,699	17,596
Depreciation	1,482	1,435
Increase (decrease) in allowance for doubtful accounts	(0)	76
Increase (decrease) in other provisions	(675)	941
Increase (decrease) in retirement benefit liability	211	94
Interest and dividend income	(481)	(578)
Interest expenses	79	120
Borrowing fee	14	113
Foreign exchange losses (gains)	(23)	(198)
Share of loss (profit) of entities accounted for using equity method	(104)	(144)
Bond issuance costs	78	-
Other non-operating expenses (income)	(413)	(289)
Loss (gain) on sale and retirement of property, plant and equipment	(808)	12
Loss (gain) on sale of investment securities	(61)	(1,356)
Loss (gain) on investments in silent partnerships	111	(183)
Gain on recovery of money transfer scam at overseas branch	(10)	(3)
(Increase) decrease in trade receivables, contract assets and contract liabilities	(122)	(20,170)
Decrease (increase) in costs on construction contracts in progress	(381)	596
Increase (decrease) in trade payables	(13,125)	1,530
Decrease (increase) in consumption taxes refund receivable	1,305	(1,038)
Increase (decrease) in accrued consumption taxes	7	(7)
Other, net	(1,296)	(303)
Subtotal	482	(1,757)
Interest and dividends received	494	593
Interest paid	(74)	(116)
Subsidies received	200	1
Income taxes paid	(3,815)	(4,612)
Amount for recovery of money transfer scam at overseas branches	10	3
Other, net	177	70
Net cash provided by (used in) operating activities	(2,525)	(5,817)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(278)	(328)
Proceeds from withdrawal of time deposits	328	575
Purchase of property, plant and equipment	(769)	(886)
Proceeds from sale of property, plant and equipment	900	10
Purchase of intangible assets	(46)	(84)
Purchase of investment securities	(398)	(14)
Proceeds from sale of investment securities	314	1,559
Payments of loans receivable	-	(120)
Proceeds from cancellation of insurance funds	44	45
Other, net	(44)	(9)
Net cash provided by (used in) investing activities	51	746
Cash flows from financing activities		
Proceeds from long-term borrowings	135	3,198
Repayments of long-term borrowings	(948)	(2,037)
Payments of borrowing fee	(13)	(113)
Proceeds from issuance of bonds	4,921	-
Redemption of bonds	(5,000)	-
Purchase of treasury shares	(2)	(1)
Proceeds from sale of treasury shares	14	0
Repayments of lease liabilities	(191)	(201)
Dividends paid	(2,637)	(3,647)
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	1,045	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	5,302	824
Dividends paid to non-controlling interests	(4)	(4)
Net cash provided by (used in) financing activities	2,622	(1,983)
Effect of exchange rate change on cash and cash equivalents	36	118
Net increase (decrease) in cash and cash equivalents	185	(6,935)
Cash and cash equivalents at beginning of period	41,919	42,104
Cash and cash equivalents at end of period	42,104	35,169

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

(Consolidated statement of income and comprehensive income)

“Borrowing fee,” which was included in “other” under “non-operating expenses” in the previous fiscal year, is stated as a separate item in the fiscal year under review due to increased significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, “other” expenses of 130 million yen under “non-operating expenses” in the consolidated statement of income and comprehensive income for the previous fiscal year have been reclassified as “borrowing fee” expenses of 14 million yen and “other” expenses of 115 million yen.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

(1) Method for determining reportable segments

The Company’s reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the Company’s Board of Directors to decide how to allocate management resources and assess performance.

The Company establishes control departments by the types of works which it operates and engages in businesses related to construction, repair and maintenance of various plants and facilities inside and outside of Japan as well as the power generation business. Two segments, the “Construction Segment” and “Maintenance and Renovation Segment,” comprise the TDK Group’s reportable segments.

(2) Types of products and services belonging to each reportable segment

Construction Segment includes businesses inside and outside of Japan such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.

Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above.

The power generation business is included in the Maintenance and Renovation Segment.

2. Method of measurement for the amounts of net sales, profit (loss), assets, liabilities and other items for each reportable segment

The method of accounting for the reportable business segments is the same as those employed for preparing the consolidated financial statements.

Profits for the reportable segments are operating profit-based figures.

3. Information on net sales, profit (loss), assets, liabilities and other items by reportable segment and information on the breakdown of income

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	8,412	58,304	66,717
Goods transferred over time	30,739	28,213	58,952
Revenue from contracts with customers	39,152	86,518	125,670
Net sales to outside customers	39,152	86,518	125,670
Segment profit	1,523	15,523	17,047

(Note) Segment assets are not stated since assets are not allocated to the business segments.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	7,968	58,884	66,853
Goods transferred over time	36,563	38,241	74,804
Revenue from contracts with customers	44,531	97,125	141,657
Net sales to outside customers	44,531	97,125	141,657
Segment profit	2,966	16,113	19,079

(Note) Segment assets are not stated since assets are not allocated to the business segments.

4. Differences between the total amount for reportable segments and the amount recorded in the consolidated financial statements and main details of the differences (matters relating to reconciliation)

(Unit: ¥1 million)

Profits	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Total amount for reportable segments	17,047	19,079
Corporate expenses (Note)	(4,009)	(4,240)
Operating profit in the consolidated financial statements	13,037	14,839

(Note) Corporate expenses are general and administrative expenses and common expenses which do not belong to any reportable segments.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥1,817.56	¥2,003.32
Basic earnings per share	¥160.94	¥188.77
Diluted earnings per share	¥160.40	¥188.75

(Notes) 1. The Company conducted a 3-for-1 share split of its common shares, effective October 1, 2025. Accordingly, for the purposes of calculation, the net assets per share, the basic earnings per share and the diluted earnings per share have been calculated assuming that the share split had been implemented at the beginning of the previous fiscal year.

2. The Company's shares held by trust banks (officer compensation BIP trust account) which were recorded as treasury shares under shareholders' equity are included in the number of treasury shares excluded from the total number of shares issued and outstanding at the end of the period for calculating net assets per share (252 thousand shares for the previous fiscal year and 252 thousand shares for the current fiscal year). In addition, in calculating the average number of common shares during the period that serves as the basis for calculating basic earnings per share, the Company's shares held by trust banks (officer compensation BIP trust account) are included in the treasury shares to be excluded (260 thousand shares for the previous fiscal year and 252 thousand shares for the current fiscal year).

3. Basis of calculation of basic earnings per share and diluted earnings per share is as follows:

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (million yen)	9,753	11,902
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent relating to common shares (million yen)	9,753	11,902
Average number of common shares during the period (shares)	60,601,971	63,052,539
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in common shares (shares)	201,369	4,314
(Of which, share acquisition rights) (shares)	201,369	4,314
Outline of potentially dilutive shares not included in calculation of diluted earnings per share due to the absence of dilutive effects	-	-

(Significant subsequent events)

(Business combination through acquisition)

The Company resolved, at the meeting of the Board of Directors held on March 6, 2026, to acquire all shares of TOEI ENGINEERING CO., LTD. in order to make it a wholly-owned subsidiary, and executed the acquisition of all its shares with effect on April 17, 2026.

(1) Overview of business combination

1) Name and business description of acquired company

Name of acquired company

TOEI ENGINEERING CO., LTD.

Business description

Welding, repair, and maintenance of large components/parts of power stations, plants, and ships, and other services

2) Reason for business combination

Since its foundation in 1947, the Company has been engaged in the construction and maintenance of plants, such as thermal and nuclear power plants in Japan and overseas, and environment and other equipment while recognizing the significance and mission of the plant construction business and based on an active and progressive spirit.

TOEI ENGINEERING CO., LTD., the target of stock purchase, has offered maintenance services using sophisticated welding technology for more than fifty years focusing on electric power and other land-based plants as well as the marine vessel industry. It therefore has an abundant track record and talented engineers.

The Company understands that making TOEI ENGINEERING CO., LTD. its subsidiary will promote securing excellent human resources with expertise, enhance the construction capability of the entire group, and hence improve its profitability, thereby contributing to the improvement of its corporate value.

3) Date of business combination

April 17, 2026

4) Legal form of business combination

Share acquisition with cash as consideration

5) Name of company after combination

The company name stays the same.

6) Percentage of voting rights acquired

100%

7) Grounds for determination of acquirer

The Company has acquired all of the shares with cash as consideration.

(2) Acquisition cost for the acquired company and breakdown of cost by type of consideration

Consideration for acquisition	Cash	1,250 million yen
Acquisition cost		1,250 million yen

(3) Details and amount of major costs related to acquisition

Not decided at present.

(4) Amount and cause of goodwill that occurred, cause of occurrence, amortization method, and amortization period

Not decided at present.

(5) Amount of assets accepted and liabilities assumed on date of business combination and their principal components

Not decided at present.

(Establishment of a subsidiary)

The Company decided, at the meeting of the Board of Directors held on April 10, 2026, to establish “Rokkasho Plant Engineering Co., Ltd.” in July 2026, jointly with NISHIKAWA KEISOKU Co., Ltd. (Headquarters in Shibuya-ku, Tokyo, President and Representative Director: Katsuhiko Tanaka) and Seika Corporation (Headquarters in Chiyoda-ku, Tokyo, President and Chief Executive Officer: Akihiko Sakurai).

(1) Purpose of establishing subsidiary

With the establishment of the new company, the Company, NISHIKAWA KEISOKU Co., Ltd., and Seika Corporation aim to contribute to a long-term and stable maintenance and management of energy-related facilities in Aomori Prefecture, as well as to bring together the expertise and technological capabilities each company has built over time to work towards solving issues facing the local communities.

(2) Overview of subsidiary to be established

- | | | |
|----------------------------|---|-----|
| 1) Name | : Rokkasho Plant Engineering Co., Ltd. | |
| 2) Location | : 139-8 Kurauchi Michinoshimo, Rokkasho-mura, Kamikita-gun, Aomori Prefecture | |
| 3) Name of representative | : Ryoji Makita, Representative Director, President | |
| 4) Description of business | : Design and construction of plant facilities, others | |
| 5) Share capital | : 40 million yen | |
| 6) Timing of establishment | : July 2026 (scheduled) | |
| 7) Share ownership | : TAIHEI DENGYO KAISHA, LTD. | 80% |
| | : NISHIKAWA KEISOKU Co., Ltd. | 10% |
| | : Seika Corporation | 10% |

4. Others

(1) Orders Received, Net Sales and Order Backlog by Segment

Segment		For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Increase (decrease)
		Amount (¥ million)	Composition ratio (%)	Amount (¥ million)	Composition ratio (%)	Amount (¥ million)
Orders received	Construction Segment	54,231	35.3	89,865	45.6	35,634
	Maintenance and Renovation Segment	99,542	64.7	107,127	54.4	7,585
	Total	153,773	100.0	196,992	100.0	43,219
Net sales	Construction Segment	39,152	31.2	44,531	31.4	5,379
	Maintenance and Renovation Segment	86,518	68.8	97,125	68.6	10,607
	Total	125,670	100.0	141,657	100.0	15,987
Order backlog	Construction Segment	65,747	52.3	111,081	61.3	45,333
	Maintenance and Renovation Segment	60,030	47.7	70,032	38.7	10,001
	Total	125,778	100.0	181,113	100.0	55,335

(Notes) 1. Construction Segment includes businesses such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.

2. Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above as well as operation of the power plants.

(2) Changes in Officers

1) Changes in Representative Directors

Not applicable.

2) Changes in other officers

(scheduled for June 26, 2026)

New candidate for Director

Director (Outside)

Eiki Enomoto

Director to be retired

Director (Outside)

Fuyuki Kojima

New candidate for Audit & Supervisory Board Member

Audit & Supervisory Board Member (Outside)

Toshiyuki Ono

Audit & Supervisory Board Member to be retired

Audit & Supervisory Board Member (Outside)

Yoshiyuki Higuchi