Translation

Note: This document has been translated from 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.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 14, 2026

Company name:	Torishima Pump Mfg. Co., ltd.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	6363
URL:	https://www.torishima.co.jp
Representative:	Kotaro Harada, Representative Director, CEO
Contact:	James Timmers, Senior Executive Officer, CFO
TEL:	+81-72-695-0551
Scheduled date for ordinary general meeting of shareholders:	June 24, 2026
Scheduled date for dividend payment:	June 4, 2026
Scheduled date for submission of securities report:	June 22, 2026
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 01, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	92,927	7.4	5,005	(8.2)	5,204	14.6	5,945	46.1
March 31, 2025	86,501	6.7	5,449	(20.1)	4,540	(27.9)	4,068	(34.6)

(Note) Comprehensive income Fiscal year ending March 2026: 6,652 million yen (22.8%) Fiscal year ended March 2025: 5,415 million yen ((39.7)%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Net sales Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	224.94	224.36	10.2	4.4	5.4
March 31, 2025	152.96	152.57	7.5	4.2	6.3

(Reference) Investment profit (loss) on equity method For the fiscal year ending March 31, 2026: 40 million yen For the fiscal year ended March 31, 2025: 76 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	120,224	60,620	50.0	2,284.64
March 31, 2025	115,621	56,417	48.4	2,100.97

(Reference) Owner's equity Fiscal year ending March 2026: 60,124 million yen Fiscal year ended March 2025: 55,954 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	4,533	(260)	(3,999)	17,770
March 31, 2025	(668)	(1,557)	5,848	17,083

2. Cash dividends

	Dividends per share					Total dividends (aggregate)	Payout ratio (Consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	-	30.00	-	30.00	60.00	1,606	39.3	3.0
Fiscal year ended March 31, 2026	-	31.00	-	32.00	63.00	1,657	28.0	2.9
Fiscal year ending March 31, 2027 (Forecast)	-	32.00	-	32.00	64.00		43.5	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to March 31, 2027)

(Percentages indicate YoY changes)

	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
Fiscal year ending March 31, 2027	95,500	2.8	5,200	3.9	4,400	(15.4)	3,800	(36.1)	144.39

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (company names), Excluded: - companies (company names)

(2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards: None

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

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(Note) For details, please refer to the attached document on P.14, "3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)."

(3) Number of shares issued (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	29,045,679 shares
As of March 31, 2025	29,045,679 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	2,729,107 shares
As of March 31, 2025	2,412,759 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	26,429,615 shares
Fiscal year ended March 31, 2025	26,598,314 shares

(Note) The number of treasury stock at the period end for the fiscal year ending March 2025 includes treasury shares held by the stock grant trust (ESOP).

Note: The number of treasury shares held by the stock benefit trust (ESOP) is 149,200 shares for the fiscal year ending March 2025.

(Reference) Summary of Non-consolidated Results

Non-consolidated results for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	69,224	7.8	1,622	(33.2)	2,061	27.8	3,892	25.4
March 31, 2025	64,226	2.1	2,427	(43.5)	1,613	(53.8)	3,103	(16.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	147.29	146.91
March 31, 2025	116.66	116.37

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	85,395	39,054	45.6	1,481.27
March 31, 2025	87,936	38,215	43.4	1,432.18

(Reference) Owner's equity Fiscal year ending March 2026: 38,982 million yen Fiscal year ended March 2025: 38,143 million yen

* Financial results reports are not subject to audits by certified public accountants or audit corporations.

* Notes regarding the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. They are not intended as a guarantee of achievement by the Company. Actual results may differ significantly due to various factors.

Table of Contents for Attached Materials

1. Overview of Operating Results, etc.

(1) Explanation of operating results

	Previous fiscal year	For the fiscal year	Increase (decrease)	Change (%)
Orders received (Million yen)	95,633	94,857	(775)	(0.8)
Net sales (Million yen)	86,501	92,927	6,425	7.4
Operating profit (Million yen)	5,449	5,005	(444)	(8.2)
Ordinary profit (Million yen)	4,540	5,204	664	14.6
Attributable to owners of the parent Net income (Million yen)	4,068	5,945	1,876	46.1
Per share Net income (Yen)	152.96	224.94	71.98	47.1
Net assets per share (Yen)	2,100.97	2,284.64	183.67	8.7

During this consolidated fiscal year, the global economy generally showed a moderate recovery trend, driven by a shift to monetary easing following the easing of inflation in major countries. However, uncertainties persist, including changes in US trade policy and expanding geopolitical risks in Ukraine, and more recently, Iran and the Middle East.
Within this context, the various sectors related to our group's high-performance pump business experienced the following environments:

<Addressing Energy Challenges Towards a Decarbonized Society>
Demand for pumps for power generation and general industry remained strong, driven by a surge in electricity demand due to the development of generation AI and the growing need for energy conservation and decarbonization. This also led to our first order for a superconducting motor liquefied hydrogen pump.

<Constructing a Safe and Secure Society>
Demand for pumps for seawater desalination plants, rainwater drainage, and water and sewage systems remained strong, driven by accelerating drinking water shortages due to population growth, the expansion of heavy rain disasters due to climate change and the increasing need for proactive disaster prevention, and the growing demand for renewal due to aging water and sewage infrastructure.

Orders received by our group for the fiscal year ended amounted to 94,857 million yen (99.2% compared to 95,633 million yen in the previous fiscal year).
Looking at this by customer segment, public sector demand was 20,189 million yen (81.8% compared to 24,676 million yen in the previous fiscal year), private sector demand was 14,554 million yen (125.3% compared to 11,614 million yen in the previous fiscal year), and overseas demand was 60,113 million yen (101.3% compared to 59,341 million yen in the previous fiscal year).
Net sales for the fiscal year ended amounted to 92,927 million yen (107.4% compared to 86,501 million yen in the previous fiscal year), and the order backlog at the end of the fiscal year was 106,199 million yen (101.9% compared to 104,269 million yen in the previous fiscal year), which will be carried over to the next fiscal year and beyond.
(For the fiscal year) Fiscal year ending March 2026 Orders received by customer, Net sales, Order backlog

Advance payments	Order intake		Net sales		Order Backlog	
	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)
Government demand	20,189	21.3	22,542	24.2	27,148	25.6
Civil demand	14,554	15.3	13,900	15.0	11,064	10.4
External demand	60,113	63.4	56,483	60.8	67,985	64.0
Total	94,857	100.0	92,927	100.0	106,199	100.0

(Previous consolidated fiscal year) Fiscal year ending March 2025 Orders received by customer, Net sales, Order backlog

Advance payments	Order intake		Net sales		Order Backlog	
	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)
Government and public demand	24,676	25.8	21,687	25.1	29,502	28.3
Civil demand	11,614	12.1	10,953	12.6	10,411	10.0
External demand	59,341	62.1	53,860	62.3	64,355	61.7
Total	95,633	100.0	86,501	100.0	104,269	100.0

Operating profit for the fiscal year ended was 5,005 million yen (a decrease of 444 million yen compared to the previous fiscal year), despite an increase in sales, due to higher costs such as outsourcing expenses and an increase in fixed costs such as labor expenses.
Ordinary profit was 5,204 million yen (an increase of 664 million yen compared to the previous fiscal year), partly due to a decrease in foreign exchange losses as non-operating expenses to 465 million yen.
Profit attributable to owners of parent was 5,945 million yen (an increase of 1,876 million yen compared to the previous fiscal year) due to the progress in the sale of held securities.

(2) Overview of the financial position for the period

As for assets at the end of the fiscal year, they increased by 4,603 million yen compared to the end of the previous fiscal year, reaching 120,224 million yen. This was mainly due to a decrease in work in process (a decrease of 3,538 million yen compared to the previous fiscal year) as a result of increased net sales, an increase in notes and accounts receivable - trade, and contract assets (an increase of 5,543 million yen compared to the previous fiscal year), and an increase in property, plant and equipment (an increase of 1,419 million yen compared to the previous fiscal year) due to new consolidations, among other factors.
Liabilities increased by 399 million yen compared to the end of the previous consolidated fiscal year, reaching 59,604 million yen. This was mainly due to a decrease in notes and accounts payable - trade (a decrease of 2,636 million yen compared to the previous consolidated fiscal year), as well as an increase in income taxes payable (an increase of 651 million yen compared to the previous consolidated fiscal year) and an increase in contract liabilities (an increase of 1,842 million yen compared to the previous consolidated fiscal year).
Net assets increased by 4,203 million yen compared to the end of the previous consolidated fiscal year, reaching 60,620 million yen.

(3) Overview of Cash Flows for the Period

At the end of the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as "funds") increased by 686 million yen compared to the end of the previous consolidated fiscal year, amounting to 17,770 million yen. In addition, "Cash and deposits" on the consolidated balance sheet includes time deposits with maturities over three months, amounting to 558 million yen at the end of the previous consolidated fiscal year and 31 million yen at the end of the current consolidated fiscal year.

The cash flows for the fiscal year and their respective factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was an increase of 4,533 million yen (compared to a decrease of 668 million yen in the previous fiscal year). Although there were cash outflows such as a decrease in trade payables of 2,834 million yen (compared to an increase of 2,476 million yen in the previous fiscal year) and an increase in trade receivables of 5,062 million yen (compared to an increase of 2,942 million yen in the previous fiscal year), this was mainly due to cash inflows such as an increase in contract liabilities of 1,712 million yen (compared to a decrease of 81 million yen in the previous fiscal year), a decrease in inventories of 3,346 million yen (compared to an increase of 5,017 million yen in the previous fiscal year), and a decrease in advance payments to suppliers of 1,058 million yen (compared to an increase of 23 million yen in the previous fiscal year).

(Cash flows from investing activities)

Net cash used in investing activities was a decrease of 260 million yen (compared to a decrease of 1,557 million yen in the previous consolidated fiscal year). This was due to an increase in cash from proceeds from sale of investment securities of 3,210 million yen (compared to proceeds of 2,469 million yen in the previous consolidated fiscal year), despite decreases in cash from purchase of property, plant and equipment of 1,928 million yen (compared to an outflow of 4,117 million yen in the previous consolidated fiscal year) and payments into time deposits of 606 million yen (compared to an outflow of 484 million yen in the previous consolidated fiscal year).

(Cash flows from financing activities)

Net cash used in financing activities was 3,999 million yen (compared to net cash provided of 5,848 million yen in the previous fiscal year). This was mainly due to repayments of long-term borrowings of 928 million yen (compared to an outflow of 3,060 million yen in the previous fiscal year), and purchase of treasury shares of 1,000 million yen.

This was due to factors such as a decrease in funds resulting from expenditures of 0 million yen in the previous consolidated fiscal year and dividends paid of 1,617 million yen (1,605 million yen in the previous consolidated fiscal year).

(4) Future Outlook

The current earnings forecast for the fiscal year ending March 2027 is as follows.

[Consolidated Operating Results]

Net sales 95,500 million yen

Operating profit 5,200 million yen

Ordinary profit 4,400 million yen

Profit attributable to owners of parent 3,800 million yen

(The exchange rate is assumed to be 1 USD = 155 yen.)

The above outlook does not include Shin Nihon Zoki Co., Ltd., which is scheduled to be acquired in July 2026 as disclosed on February 10, 2026.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

As for dividends for the current period, an interim ordinary dividend of 31 yen per share was paid.

Regarding the year-end dividend, we plan to pay an ordinary dividend of 32 yen, placing emphasis on returning profits to shareholders, and the annual dividend per share is planned to be 63 yen.

In addition, for the next fiscal year, we plan to pay an ordinary dividend of 64 yen per share for the full year.

Our dividend policy is based on the principle of continuing stable dividends to our shareholders. While allocating profits for investments in new growth, we aim to further clarify our commitment to shareholder returns by targeting a ratio of dividends to net assets (DOE) of 3% and a payout ratio of 35%, with the goal of achieving progressive dividends.

With regard to retained earnings, aiming for new growth, we intend to make effective investments in (i) the development of new technologies and new finished goods for increasingly sophisticated pumps and related equipment, (ii) software development and expansion of service networks to address the service market for pumps and related products, (iii) capital investment to improve productivity and expand production capacity, and (iv) the development of environmental businesses for global environmental conservation.

2. Basic policy regarding the selection of accounting standards

Although our group operates globally, all of our overseas subsidiaries are unlisted companies, and we currently have no plans to raise funds overseas. Therefore, we have decided to continue adopting Japanese GAAP for the time being. However, we are considering the adoption of IFRS (International Financial Reporting Standards) while monitoring trends in IFRS adoption and the interests of our stakeholders.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: Million yen)

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Assets		
Current assets		
Cash and deposits	17,115	18,329
Notes and accounts receivable - trade, and contract assets	38,974	44,518
Merchandise and finished goods	417	469
Work in process	17,819	14,281
Raw materials and supplies	3,011	3,330
Advance payments to suppliers	1,977	920
Other	2,754	2,455
Allowance for doubtful accounts	(879)	(715)
Total current assets	81,190	83,591
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,718	17,721
Accumulated depreciation	(7,616)	(8,169)
Buildings and structures, net	9,101	9,551
Machinery, equipment and vehicles	15,151	14,225
Accumulated depreciation	(11,397)	(10,203)
Machinery, equipment and vehicles, net	3,754	4,022
Tools, furniture and fixtures	4,414	5,176
Accumulated depreciation	(3,856)	(4,418)
Tools, furniture and fixtures, net	558	758
Land	2,909	3,507
Leased assets	4,017	4,051
Accumulated depreciation	(1,231)	(1,401)
Leased assets, net	2,785	2,649
Construction in progress	918	959
Total property, plant and equipment, net	20,029	21,448
Intangible assets	974	820
Investments and other assets		
Investment securities	10,463	10,027
Long-term loans receivable	25	85
Retirement benefit assets	2,473	3,774
Deferred tax assets	123	136
Other	1,247	1,338
Allowance for doubtful accounts	(905)	(998)
Total investments and other assets	13,428	14,364
Total non-current assets	34,431	36,633
Total assets	115,621	120,224

(Unit: Million yen)

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,520	11,883
Short-term borrowings	6,524	6,431
Income taxes payable	620	1,271
Contract liabilities	6,541	8,383
Provision for bonuses	1,021	1,040
Provision for product warranties	1,002	1,522
Provision for loss on construction contracts	1,269	805
Others	5,840	7,004
Total current liabilities	37,338	38,342
Non-current liabilities		
Long-term borrowings	16,204	15,770
Deferred tax liabilities	2,866	3,281
Retirement benefit liability	428	478
Other	2,366	1,731
Total non-current liabilities	21,865	21,261
Total liabilities	59,204	59,604
Net assets		
Shareholders' equity		
Share capital	1,592	1,592
Capital surplus	6,424	6,460
Retained earnings	40,917	45,243
Treasury shares	(1,802)	(2,639)
Total shareholders' equity	47,132	50,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,363	4,303
Deferred gains or losses on hedges	(480)	(1,050)
Foreign currency translation adjustment	4,021	4,348
Remeasurements of defined benefit plans	917	1,865
Total accumulated other comprehensive income	8,822	9,466
Share acquisition rights	72	72
Non-controlling interests	390	424
Total net assets	56,417	60,620
Total liabilities and net assets	115,621	120,224

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

(Unit: Million yen)

	Previous fiscal year (From April 1, 2024 until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Net sales	86,501	92,927
Cost of sales	62,959	68,615
Gross profit	23,542	24,311
Selling, general and administrative expenses	18,093	19,306
Operating profit	5,449	5,005
Non-operating income		
Interest income	127	114
Dividend income	307	394
Share of profit of entities accounted for using equity method	76	40
Rental income	114	118
Insurance claim income	3	16
Gain on sale of non-current assets	31	12
Others	483	409
Total non-operating income	1,145	1,106
Non-operating expenses		
Interest expenses	204	291
Foreign exchange losses	1,711	465
Loss on retirement of non-current assets	10	42
Others	128	107
Total non-operating expenses	2,054	906
Ordinary profit	4,540	5,204
Extraordinary income		
Gain on sale of investment securities	1,331	2,844
Gain on sale of shares of subsidiaries and associates	36	-
Total extraordinary income	1,367	2,844
Net income before income taxes	5,908	8,049
Income taxes - current	1,515	1,905
Income taxes - deferred	239	156
Total income taxes	1,754	2,062
Net income	4,153	5,986
Net income attributable to non-controlling interests	85	41
Profit attributable to owners of parent	4,068	5,945

(Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 until March 31, 2026
Net income	4,153	5,986
Other comprehensive income		
Valuation difference on available-for-sale securities	18	(62)
Deferred gains or losses on hedges	518	(570)
Foreign currency translation adjustment	1,090	347
Remeasurements of defined benefit plans, net of tax	(365)	947
Share of other comprehensive income of entities accounted for using equity method	0	3
Total other comprehensive income	1,261	666
Comprehensive income	5,415	6,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,306	6,590
Comprehensive income attributable to non-controlling interests	109	62

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	1,592	6,369	38,546	(1,863)	44,644
Changes during period					
Cash dividends			(1,605)		(1,605)
Profit attributable to owners of parent			4,068		4,068
Acquisitions of treasury shares				(0)	(0)
Treasury shares sold		55		61	117
Changes in the scope of consolidation			(90)		(90)
Changes during period (net) for items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	55	2,371	60	2,488
Balance at end of period	1,592	6,424	40,917	(1,802)	47,132

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	4,344	(999)	2,955	1,283	7,584	77	326	52,632
Changes during period								
Cash dividends					-			(1,605)
Profit attributable to owners of parent					-			4,068
Acquisitions of treasury shares					-			(0)
Treasury shares sold					-			117
Changes in the scope of consolidation					-			(90)
Changes during period (net) for items other than shareholders' equity	18	518	1,066	(365)	1,237	(4)	63	1,296
Total changes during period	18	518	1,066	(365)	1,237	(4)	63	3,785
Balance at end of period	4,363	(480)	4,021	917	8,822	72	390	56,417

For the fiscal year ending March 31, 2026

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	1,592	6,424	40,917	(1,802)	47,132
Changes during period					
Cash dividends			(1,619)		(1,619)
Profit attributable to owners of parent			5,945		5,945
Acquisitions of treasury shares				(1,000)	(1,000)
Treasury shares sold		35		163	198
Changes in the scope of consolidation					-
Changes during period (net) for items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	35	4,325	(837)	3,524
Balance at end of period	1,592	6,460	45,243	(2,639)	50,657

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	4,363	(480)	4,021	917	8,822	72	390	56,417
Changes during period								
Cash dividends					-			(1,619)
Profit attributable to owners of parent					-			5,945
Acquisitions of treasury shares					-			(1,000)
Treasury shares sold					-			198
Changes in the scope of consolidation					-			-
Changes during period (net) for items other than shareholders' equity	(59)	(570)	326	947	644	-	34	679
Total changes during period	(59)	(570)	326	947	644	-	34	4,203
Balance at end of period	4,303	(1,050)	4,348	1,865	9,466	72	424	60,620

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Cash flows from operating activities		
Net income before income taxes	5,908	8,049
Depreciation	2,683	2,719
Increase (decrease) in allowance for doubtful accounts	(55)	(76)
Increase (decrease) in provision for bonuses	(97)	19
Increase (decrease) in provision for product warranties	(212)	519
Increase (decrease) in provision for loss on construction contracts	369	(463)
Decrease (increase) in retirement benefit asset	43	(1)
Increase (decrease) in liabilities for retirement benefits	(364)	95
Interest income and dividends income	(435)	(508)
Interest expenses	204	291
Share of loss (profit) of investments accounted for using the equity method	(76)	(40)
Loss (gain) on sale of investment securities	(1,367)	(2,844)
Loss (gain) on sale and retirement of property, plant and equipment	(21)	30
Decrease (increase) in trade receivables	(2,942)	(5,062)
(Increase) decrease in inventories	(5,017)	3,346
Decrease (increase) in advance payments to suppliers	(23)	1,058
Increase (decrease) in trade payables	2,476	(2,834)
Increase (decrease) in contract liabilities	(81)	1,712
Increase (decrease) in accounts payable (negative indicates decrease)	496	(78)
Other	(144)	(348)
Subtotal	1,338	5,583
Interest and dividends received	438	514
Interest paid	(193)	(292)
Income taxes paid	(2,251)	(1,339)
Income taxes refund	-	67
Cash flows from operating activities	(668)	4,533
Cash flows from investing activities		
Payments into time deposits	(484)	(606)
Proceeds from withdrawal of time deposits	1,054	38
Purchase of property and equipment	(4,117)	(1,928)
Payments for retirement of property, plant and equipment	(43)	(368)
Proceeds from sales of property and equipment	46	70
Purchase of intangible assets	(472)	(51)
Purchase of investment securities	(1)	(1)
Proceeds from the sale of investment securities	2,469	3,210
Payment for acquisition of subsidiaries resulting in change in scope of consolidation	-	(479)
Other	(8)	(144)
Cash flows from investing activities	(1,557)	(260)

(Unit: Million yen)

	Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,935	(50)
Proceeds from long-term borrowings	8,000	-
Repayment of long-term borrowings	(3,060)	(928)
Proceeds from sale of treasury shares	121	268
Acquisition of treasury shares	(0)	(1,000)
Cash dividends paid	(1,605)	(1,617)
Repayments of lease liabilities	(473)	(543)
Payment for acquisition of subsidiaries resulting in no change in scope of consolidation	(23)	-
Other	(46)	(128)
Cash flows from financing activities	5,848	(3,999)
Effect of exchange rate change on cash and cash equivalents	514	412
Increase (decrease) in cash and cash equivalents	4,137	686
Cash and cash equivalents at the beginning of the period	12,831	17,083
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	115	-
Cash and cash equivalents at end of the period	17,083	17,770

(5) Notes to Consolidated Financial Statements

(Notes regarding the assumption of a going concern)
There are no applicable matters.

(Notes on changes in accounting policies)
There are no applicable items.

(Notes to the Consolidated Balance Sheet)

*1 Of notes and accounts receivable - trade, and contract assets, the amounts of receivables and contract assets arising from contracts with customers are as follows.

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Notes receivable - trade	1,800 million yen	2,503 million yen
Accounts receivable - trade	29,841	35,437
Contract assets	7,332	6,576
Total	38,974	44,518

*2 Secured assets and secured liabilities

(1) The assets pledged as collateral are as follows.

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Buildings and structures	179 million yen	332 million yen
Leased assets	71	71
Total	251	404

(Note) There are no liabilities related to the above.

*3 Amount of deferred gain on replacement of fixed assets
The amounts deducted from the consolidated balance sheet due to the application of compressed accounting for the receipt of national subsidies are as follows.

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Machinery, equipment and vehicles	523 million yen	- million yen
Intangible assets	6	-
Total	529	-

*4 The amounts pertaining to non-consolidated subsidiaries and affiliates are as follows.

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Investment securities (stocks)	1,084 million yen	1,110 million yen

*5 Inventories and Provision for loss on construction contracts related to construction contracts expected to incur losses are presented on a gross basis without offsetting. The amount of Inventories related to construction contracts expected to incur losses corresponding to Provision for loss on construction contracts is as follows.

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Merchandise and finished goods	1 million yen	0 million yen
Work in process	1,161	753
Total	1,162	753

*6 Financial covenants

Previous fiscal year (from April 1, 2024 to March 31, 2025)

Of the Company's borrowings, the monetary loan agreements for 2,500 million yen through syndicated loans and term loans are subject to financial covenants.

If any of the following provisions are violated, you may lose the benefit of time upon the lender's request and may be required to repay the principal and interest.

(1) Maintain an amount of Net assets on the consolidated Balance sheet as of the end of each fiscal year that is at least 75% of the greater of (a) the amount of Net assets on the consolidated Balance sheet as of the end of the immediately preceding fiscal year, or (b) the amount of Net assets on the consolidated Balance sheet as of the end of the fiscal year immediately preceding the fiscal year in which the loan agreement was executed.

(2) The ordinary profit or loss on the consolidated statement of income for each fiscal year must not result in a loss for two consecutive periods.

For the fiscal year ending March 31, 2026

Of the Company's borrowings, the monetary loan agreements for 2,500 million yen through syndicated loans and term loans are subject to financial covenants.

If any of the following provisions are violated, you may lose the benefit of time upon the lender's request and be required to repay the principal and interest.

(1) Maintain an amount of Net assets on the consolidated Balance sheet as of the end of each fiscal year that is at least 75% of the greater of (a) the amount of Net assets on the consolidated Balance sheet as of the end of the immediately preceding fiscal year, or (b) the amount of Net assets on the consolidated Balance sheet as of the end of the fiscal year immediately preceding the fiscal year in which the loan agreement was executed.

(2) The ordinary profit or loss on the consolidated statement of income for each fiscal year must not result in a loss for two consecutive periods.

(Notes to the Consolidated Statement of Income)

※1 revenue from contracts with customers

Net sales are not separately presented as revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is disclosed in the consolidated financial statements under 'Notes (Revenue Recognition) 1. Disaggregated information of revenue from contracts with customers.'

*2 Amount of provision for loss on construction contracts included in cost of sales

Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
369 million yen	(463) million yen

*3 Total amount of research and development expenses included in general and administrative expenses and manufacturing costs for the period

Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
804 million yen	626 million yen

*4 The major items and amounts included in selling, general and administrative expenses are as follows.

	Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Sales commission	1,285 million yen	1,104 million yen
Packing and transportation expenses	1,095	662
Employees' salaries Allowance	6,803	7,965
Provision for bonuses	432	445
Retirement benefit expenses	231	208
Welfare and benefit expenses	854	970
Provision for retirement benefits for directors (and other officers)	0	-
Travel expenses Transportation expenses	847	858
Depreciation	1,097	1,265
Rent expenses	874	813
Provision of allowance for doubtful accounts	165	(86)
Amortization of goodwill	52	174

(Notes on segment information, etc.)

[Segment Information]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

Since the pump business accounts for more than 90% of the total net sales and total operating profit of all segments in our group, the details are omitted.

For the fiscal year ending March 31, 2026

As the pump business accounts for over 90% of the total net sales and total operating profit of all segments in our group, the details are omitted.

[Related Information]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

1. Information by finished goods and services

As net sales to external customers in a single category of finished goods and services account for more than 90% of the consolidated statement of income's net sales, the disclosure has been omitted.

2. Information by region

(1) Net sales

(Unit: Million yen)

Japan	Asia	Middle East	Europe and the United States	Africa	Other	Total
32,641	14,258	15,893	6,653	14,750	2,304	86,501

(Note) Net sales are classified by country or region based on the location of the final customer.

(2) Property, plant and equipment

(Unit: Million yen)

Japan	Asia	Middle East	Other	Total
13,473	2,345	2,409	1,800	20,029

3. Information by major customer

As there were no customers accounting for 10% or more of total sales during the fiscal year, this information is not disclosed.

Omitted.

For the fiscal year ending March 31, 2026

1. Information by finished goods and services

As net sales to external customers in a single category of finished goods and services account for more than 90% of the consolidated statement of income's net sales, the disclosure has been omitted.

2. Information by region

(1) Net sales

(Unit: Million yen)

Japan	Asia	Middle East	Europe and the United States	Africa	Other	Total
36,443	11,937	24,833	8,533	7,353	3,826	92,927

(Note) Net sales are classified by country or region based on the location of the final customer.

(2) Property, plant and equipment

(Unit: Million yen)

Japan	Asia	Middle East	Others	Total
12,811	3,417	2,228	2,991	21,448

3. Information by major customer

As there were no customers accounting for 10% or more of total sales during the fiscal year, this information is not disclosed.

Omitted.

[Information on Impairment Losses on Non-current Assets by Reportable Segment]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

There are no applicable matters.

For the fiscal year ending March 31, 2026

There are no applicable items.

[Information on Amortization and Unamortized Balances of Goodwill by Reportable Segment]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Pump Business
Depreciation for the period	52
Balance at end of period	144

For the fiscal year ending March 31, 2026

(Unit: Million yen)

	Pump Business
Depreciation for the period	174
Balance at end of period	107

[Information on Gain on Bargain Purchase by Reportable Segment]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

There are no applicable items.

For the fiscal year ending March 31, 2026

There are no applicable matters.

(Notes on per share information)

	Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Net assets per share	2,100.97 yen	2,284.64 yen
Basic earnings per share	152.96 yen	224.94 yen
Diluted earnings per share	152.57 yen	224.36 yen

(Note) The basis for the calculation of Basic earnings per share and Diluted earnings per share is as follows.

	Previous fiscal year (From April 1, 2024 until March 31, 2025	For the fiscal year From April 1, 2025 until March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (million yen)	4,068	5,945
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	4,068	5,945
Average number of common shares (shares)	26,598,314	26,429,615
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (shares)	67,980	67,972
(of which, Share acquisition rights (shares))	(67,980)	(67,972)
Overview of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	―――――	

(Note) For the calculation of Net assets per share at the end of the previous consolidated fiscal year and the Average number of shares used as the basis for the calculation of Basic earnings per share, the shares of the Company held by the stock grant trust under the "Stock Grant Trust (ESOP)" system are included as Treasury shares to be deducted as trust assets.

For the previous consolidated fiscal year, the number of treasury shares deducted in the calculation of net assets per share at the end of the period was 149,200 shares, and the average number of treasury shares deducted in the calculation of basic earnings per share was 173,953 shares.

(Additional information)

(Acquisition of a company through share purchase)

At the meeting of its Board of Directors held on February 10, 2026, it resolved to acquire the shares of Shin Nippon Machinery Co., Ltd. ("SNM") from Sumitomo Heavy Industries, Ltd., and to make SNM a subsidiary of the Company as described below. Furthermore, since SNM's capital will be equivalent to 10% or more of the Company's capital, SNM will qualify as a specified subsidiary of the Company.

1. Reasons for the acquisition of shares

In FY2021, the Company formulated its Medium-Term Management Plan, "Beyond 110," and has been advancing its strategic objectives with the long-term vision of becoming a "Company indispensable to society" and realising a decarbonised society by 2050. The Company views the achievement of consolidated sales of ¥100 billion by fiscal year 2029 as a milestone which is nearly within reach, and will now look to establish a framework for sustainable growth beyond that original Medium-Term target.

For over 100 years since its founding, the Company has provided high-tech pumps primarily for social infrastructure fields such as water and sewage, energy, and seawater desalination. In particular, the Company possesses strengths in the design and manufacture of pumps used under harsh and challenging conditions—such as high temperature, high pressure, and large flow rates—and has an extensive track record both in Japan and overseas.

SNM is a globally recognised Japanese manufacturer, engaged in the design, manufacture, sale, and after-sales service of engineered steam turbines and pumps, primarily in the petrochemical sector. SNM has established a renowned position globally, backed by high-end design and manufacturing technologies cultivated over many years. SNM boasts an extensive delivery record, both in its domestic Japanese market and with many Tier 1 customers internationally.

We believe that the integration of SNM's exceptional API product lines and technical capabilities with the Company's global sales and service network, as well as our operational expertise across a wide range of business areas, is the best fit for both organisations. The technical and product portfolios of both businesses are highly complementary and will enhance our joint ability to effectively support our customers. We have determined that by effectively utilizing these resources, we can further strengthen our competitiveness in the global market as a comprehensive manufacturer of rotating machinery.

The two corporate groups will continue to strive for increased corporate value by enhancing our position as a "global top player" that continues to be chosen by customers around the world.

2. Counterparty of Share Acquisition

Sumitomo Heavy Industries, Ltd.

3. Name, business description, and scale of the company to be acquired

(1) Shin Nihon Zoki Co., Ltd. (Specified Subsidiary)

(1)	Name	Shin Nippon Machinery Co., Ltd.
(2)	Location	2-1-1 Osaki, Shinagawa-ku, Tokyo
(3)	Title and Name of Representative	President and CEO Hirotaka Sakoda
(4)	Business Description	Manufacturing and sales of steam turbines and process pumps
(5)	Share capital	2,408 million yen
(6)	Date of establishment	November 1, 1973
(7)	Major Shareholders and Shareholding Ratios	Sumitomo Heavy Industries, Ltd. 100.0%

(Note) The acquisition includes three subsidiaries of the relevant company.

4. Timing of Share Acquisition

The scheduled execution date for this transaction is July of fiscal year 2026 (fiscal year ending March 2027).

5. Number of shares acquired, acquisition cost, and status of shareholdings before and after acquisition

(1)	Number of shares held before the change	0 shares (0.0% of the total number of shares issued) (Voting rights ownership ratio: 0.0%)
(2)	Number of shares acquired	17,397,200 shares
(3)	Acquisition cost	Shin Nihon Zoki Co., Ltd.: 14.9 billion yen (forecast) Advisory fees, etc.: 0.1 billion yen (forecast) In considering the acquisition price, in order to ensure fairness and appropriateness, proper due diligence was conducted by external experts, and a stock valuation was performed by a third-party valuation institution. After discussions between both parties, a reasonable price was calculated and determined. The acquisition price is based on the target company's current deposits as of the end of December 2025, on the assumption that adjustments such as extra dividends will be made so that the cash on hand will be 6 billion yen.
(4)	Number of shares held after the change	17,397,200 shares (Voting rights ownership ratio: 100.0%)

(Notes on significant subsequent events)

There are no applicable matters.

4. Non-consolidated Financial Statements and Main Notes

(1) Balance sheet

(Unit: Million yen)

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Assets		
Current assets		
Cash and deposits	7,554	6,250
Notes receivable - trade	1,405	1,967
Accounts receivable - trade, and contract assets	30,030	34,404
Merchandise and finished goods	188	209
Work in process	14,370	10,970
Raw materials and supplies	2,128	1,487
Advance payments to suppliers	1,692	718
Prepaid expenses	421	340
Short-term loans receivable	44	179
Others	1,480	694
Allowance for doubtful accounts	(514)	(340)
Total current assets	58,802	56,883
Non-current assets		
Property, plant and equipment		
Buildings	7,218	7,039
Structures	379	351
Machinery and equipment	2,781	2,342
Vehicles	33	20
Tools, furniture and fixtures	335	385
Land	2,141	2,141
Leased assets	284	255
Construction in progress	169	144
Total property, plant and equipment, net	13,344	12,681
Intangible assets		
Software	633	485
Other	13	31
Intangible Total non-current assets	647	517
Investments and other assets		
Investment securities	9,368	8,916
Shares of subsidiaries and associates / Investments in capital	3,501	3,906
Long-term loans receivable	1,361	1,741
Prepaid pension costs	1,191	1,087
Other	1,160	1,190
Allowance for doubtful accounts	(1,441)	(1,528)
Total investments and other assets	15,141	15,313
Total non-current assets	29,134	28,511
Total assets	87,936	85,395

(Unit: Million yen)

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Liabilities		
Current liabilities		
Notes payable - trade	185	27
Trade payables	13,065	10,052
Short-term borrowings	6,026	5,406
Lease liabilities	96	100
Accounts payable	899	766
Accrued expenses	883	805
Income taxes payable	90	692
Contract liabilities	5,301	6,026
Deposits received	58	68
Provision for bonuses	960	987
Provision for product warranties	974	1,358
Provision for loss on construction contracts	1,269	770
Other	1,003	1,943
Total current liabilities	30,814	29,005
Non-current liabilities		
Long-term borrowings	16,204	15,698
Lease liabilities	215	180
Deferred tax liabilities	1,722	1,372
Others	763	83
Total non-current liabilities	18,906	17,335
Total liabilities	49,720	46,341
Net assets		
Shareholders' equity		
Share capital	1,592	1,592
Capital surplus		
Legal capital surplus	4,610	4,610
Other capital surplus	2,794	2,829
Total capital surplus	7,404	7,440
Retained earnings		
Legal retained earnings	398	398
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	390	390
Reserve for dividend equalization	1,400	1,400
General reserve	11,470	11,470
Retained earnings brought forward	13,410	15,683
Total retained earnings	27,069	29,343
Treasury shares	(1,802)	(2,639)
Total shareholders' equity	34,264	35,736
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,359	4,296
Deferred gains or losses on hedges	(480)	(1,050)
Total valuation and translation adjustments	3,879	3,245
Share acquisition rights	72	72
Total net assets	38,215	39,054
Total liabilities and net assets	87,936	85,395

(2) Statement of income

(Unit: Million yen)

	Previous fiscal year (From April 1, 2024 until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Net sales	64,226	69,224
Cost of sales	51,327	57,315
Gross profit	12,899	11,909
Selling, general and administrative expenses	10,471	10,286
Operating profit	2,427	1,622
Non-operating income		
Interest income	60	62
Dividend income	582	718
Rental income	129	135
Subsidy income	147	58
Gain on sale of non-current assets	24	1
Other	230	265
Total non-operating income	1,176	1,241
Non-operating expenses		
Interest expenses	138	225
Foreign exchange losses	1,737	460
Commission for syndicated loans	29	1
Loss on retirement of non-current assets	5	39
Other	79	76
Total non-operating expenses	1,990	802
Ordinary profit	1,613	2,061
Extraordinary income		
Gain on sale of investment securities	1,331	2,844
Gain on sale of shares of subsidiaries and associates	945	-
Total extraordinary income	2,277	2,844
Income before income taxes	3,891	4,906
Income taxes - current	712	1,062
Income taxes - deferred	75	(49)
Total income taxes	787	1,013
Net income	3,103	3,892

(3) Statement of changes in equity

Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Net assets									
	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance at the beginning of the period	1,592	4,610	2,738	7,348	398	395	1,400	11,470	11,908	25,572
Changes during period										
Adjustment to reserve due to change in tax rate				-		(5)			5	-
Cash dividends				-					(1,605)	(1,605)
Net income				-					3,103	3,103
Acquisitions of treasury shares				-						-
Treasury shares sold			55	55						-
Changes during period (net) for items other than shareholders' equity				-						-
Total changes during period	-	-	55	55	-	(5)	-	-	1,502	1,497
Balance at end of period	1,592	4,610	2,794	7,404	398	390	1,400	11,470	13,410	27,069

	Net assets						
	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the period	(1,863)	32,650	4,341	(999)	3,342	77	36,069
Changes during period							
Adjustment to reserve due to change in tax rate		-					-
Cash dividends		(1,605)					(1,605)
Net income		3,103					3,103
Acquisitions of treasury shares	(0)	(0)					(0)
Treasury shares sold	61	117					117
Changes during period (net) for items other than shareholders' equity		-	18	518	537	(4)	532
Total changes during period	60	1,613	18	518	537	(4)	2,146
Balance at end of period	(1,802)	34,264	4,359	(480)	3,879	72	38,215

For the fiscal year ending March 31, 2026

(Unit: Million yen)

	Net assets									
	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,592	4,610	2,794	7,404	398	390	1,400	11,470	13,410	27,069
Changes during period										
Adjustment to reserve due to change in tax rate				-					-	-
Cash dividends				-					(1,619)	(1,619)
Net income				-					3,892	3,892
Acquisitions of treasury shares				-					-	-
Treasury shares sold			35	35					-	-
Changes during period (net) for items other than shareholders' equity				-					-	-
Total changes during period	-	-	35	35	-	-	-	-	2,273	2,273
Balance at end of period	1,592	4,610	2,829	7,440	398	390	1,400	11,470	15,683	29,343

	Net assets						
	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the period	(1,802)	34,264	4,359	(480)	3,879	72	38,215
Changes during period							
Adjustment to reserve due to change in tax rate		-					-
Cash dividends		(1,619)					(1,619)
Net income		3,892					3,892
Acquisitions of treasury shares	(1,000)	(1,000)					(1,000)
Treasury shares sold	163	198					198
Changes during period (net) for items other than shareholders' equity		-	(62)	(570)	(633)		(633)
Total changes during period	(837)	1,471	(62)	(570)	(633)	-	838
Balance at end of period	(2,639)	35,736	4,296	(1,050)	3,245	72	39,054

(4) Notes to Non-consolidated Financial Statements

(Notes to the balance sheet)

*1 Monetary claims and monetary liabilities to affiliated companies (excluding those presented separately)

	Previous fiscal year (March 31, 2025)	For the fiscal year (March 31, 2026)
Short-term monetary claims	2,138 million yen	4,533 million yen
Long-term monetary claims	1,361	1,741
Short-term monetary liabilities	1,556	1,062

*2 Financial covenants

Previous fiscal year (from April 1, 2024 to March 31, 2025)

Of the Company's borrowings, the monetary loan agreements for 2,500 million yen through syndicated loans and term loans are subject to financial covenants.

If any of the following provisions are violated, you may lose the benefit of time and be required to repay the principal and interest upon the lender's demand.

(1) Maintain an amount equivalent to 75% of the higher of (a) the amount of Net assets on the consolidated Balance sheet as of the end of each fiscal year, or (b) the amount of Net assets on the consolidated Balance sheet as of the end of the fiscal year immediately preceding either the most recent fiscal year-end or the fiscal year in which the loan agreement was executed.

(2) The ordinary profit or loss on the consolidated statement of income for each fiscal year must not record a loss for two consecutive periods.

For the fiscal year ending March 31, 2026

Of the Company's borrowings, the monetary loan agreements for 2,500 million yen through syndicated loans and term loans are subject to financial covenants.

If any of the following provisions are violated, you may lose the benefit of time upon the lender's request and be required to repay the principal and interest.

(1) Maintain an amount equivalent to 75% of the greater of (a) the amount of Net assets on the consolidated Balance sheet as of the end of each fiscal year, or (b) the amount of Net assets on the consolidated Balance sheet as of the end of the immediately preceding fiscal year or the fiscal year immediately preceding the fiscal year in which the loan agreement date falls.

(2) The ordinary profit or loss on the consolidated statement of income for each fiscal year must not result in a loss for two consecutive periods.

(Notes to the Statement of Income)

*1 The following items include transactions with affiliated companies.

	Previous fiscal year From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 until March 31, 2026
Transaction volume from business operations		
Net sales	3,450 million yen	6,920 million yen
Purchases	5,101	5,687
Other	601	704
Transaction volume other than operating transactions	388	367

*2 The approximate ratio of expenses classified as selling expenses was 24% in the previous fiscal year and 19% in the current fiscal year, while the approximate ratio of expenses classified as general and administrative expenses was 76% in the previous fiscal year and 81% in the current fiscal year.

The major items and amounts included in selling, general and administrative expenses are as follows.

	Previous fiscal year (From April 1, 2024 Until March 31, 2025	For the fiscal year From April 1, 2025 Until March 31, 2026
Sales commission	1,525 million yen	1,486 million yen
Employees' salaries Allowance	3,308	3,700
Provision for bonuses	416	434
Depreciation	319	349
Provision of allowance for doubtful accounts	4	(200)

5. Others

(1) Changes in Directors

1. Changes in Directors (excluding those who are Audit and Supervisory Committee Members) (scheduled as of June 24, 2026)

Director scheduled to retire: Koichiro Hamu

2. Changes in Directors Who Are Audit and Supervisory Committee Members (Scheduled as of June 24, 2026)

Director scheduled to retire: Hiroshi Akiyama

Newly appointed Outside Director: Junko Uemura

(2) Others

Status of Orders Received and Sales by Segment

	Classification required	Previous fiscal year (From April 1, 2024 Until March 31, 2025		For the fiscal year From April 1, 2025 until March 31, 2026		Increase (decrease)	
		Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Increase (decrease) rate (%)
Orders received	Government demand	24,676	25.8	20,189	21.3	(4,487)	(18.2)
	Private demand	11,614	12.1	14,554	15.3	2,939	25.3
	Overseas demand	59,341	62.1	60,113	63.4	772	1.3
	Total	95,633	100.0	94,857	100.0	(775)	(0.8)
Net sales	Government demand	21,687	25.1	22,542	24.2	855	3.9
	Private demand	10,953	12.6	13,900	15.0	2,947	26.9
	External demand	53,860	62.3	56,483	60.8	2,622	4.9
	Total	86,501	100.0	92,927	100.0	6,425	7.4
Orders received Balance	Government demand	29,502	28.3	27,148	25.6	(2,353)	(8.0)
	Private demand	10,411	10.0	11,064	10.4	653	6.3
	External demand	64,355	61.7	67,985	64.0	3,629	5.6
	Total	104,269	100.0	106,199	100.0	1,929	1.9

End