

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <under Japanese GAAP>



May 8, 2026

Company name: **MEISEI INDUSTRIAL CO., LTD.**
Listing: Tokyo Stock Exchange, Prime
Securities code: 1976
URL: <https://www.meisei-kogyo.co.jp/en/>
Representative: Tetsuji Yanase, Representative Director, President
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Scheduled date of annual general meeting of shareholders: June 25, 2026
Scheduled date to commence dividend payments: June 26, 2026
Scheduled date to file annual securities report: June 22, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes

(Note: Millions of yen with fractional amounts discarded, unless otherwise noted)

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	60,299	(9.0)	7,675	(27.7)	8,306	(26.1)	5,494	(35.0)
March 31, 2025	66,283	9.8	10,613	31.6	11,235	31.4	8,454	35.4

Note: Comprehensive income

Fiscal year ended March 31, 2026: ¥5,956 million [(40.5)%]
Fiscal year ended March 31, 2025: ¥10,018 million [34.0%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	116.92	–	8.0	9.5	12.7
March 31, 2025	174.68	–	12.8	13.0	16.0

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

Fiscal year ended March 31, 2026: –
Fiscal year ended March 31, 2025: –

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	85,597	69,522	80.6	1,503.30
March 31, 2025	88,583	69,206	77.4	1,440.69

Reference: Shareholders' equity

As of March 31, 2026: ¥69,004 million
As of March 31, 2025: ¥68,570 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	6,497	2,285	(5,639)	36,696
March 31, 2025	6,937	(500)	(4,692)	33,449

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	First quarter-end Yen	Second quarter-end Yen	Third quarter-end Yen	Fiscal year-end Yen	Annual Yen			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	–	21.00	–	39.00	60.00	2,889	34.3	4.4
March 31, 2026	–	20.00	–	45.00	65.00	3,026	55.6	4.4
Fiscal year ending March 31, 2027 (Forecast)	–	25.00	–	40.00	65.00		53.3	

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027
(from April 1, 2026 to March 31, 2027)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	28,000	(1.1)	2,600	(7.1)	3,200	2.4	2,400	26.3	52.29
Fiscal year ending March 31, 2027	61,000	1.2	7,000	(8.8)	7,650	(7.9)	5,600	1.9	122.00

*** Notes**

- (1) Significant changes in scope on consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements after error corrections
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatements of prior period financial statements after error corrections: None

(3) Number of issued shares (common shares)**a. Total number of issued shares at end of period (including treasury shares)**

As of March 31, 2026	55,117,218 shares
As of March 31, 2025	55,117,218 shares

b. Number of treasury shares at end of period

As of March 31, 2026	9,215,122 shares
As of March 31, 2025	7,521,865 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2026	46,989,889 shares
Fiscal year ended March 31, 2025	48,401,177 shares

Notes: 1. For the number of shares used for the calculation of consolidated net income per share, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Per-share Information” on page17.

2. The figures stated for the number of treasury shares at end of period include shares of the Company that are held by a trust established to distribute shares to officers (Officers’ Share Distribution Trust). The calculation used to calculate the average number of outstanding shares during period excludes treasury shares, which include shares of the Company held by the Officers’ Share Distribution Trust.

(Reference) Overview of Non-consolidated operating results1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2026
(from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	41,198	(10.2)	5,724	(27.2)	7,419	(22.3)	7,034	0.6
March 31, 2025	45,858	17.3	7,860	51.9	9,546	61.9	6,994	65.7

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2026	149.70	–
March 31, 2025	144.51	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	61,933	52,716	85.1	1,148.46
March 31, 2025	62,940	51,376	81.6	1,079.44

Reference: Shareholders' equity

As of March 31, 2026: ¥52,716 million

As of March 31, 2025: ¥51,376 million

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

(Percentages indicate year-on-year changes.)

Six months ending	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
September 30, 2026	18,500	(4.9)	2,050	(8.3)	3,100	(14.9)	2,300	(13.5)	50.11
Fiscal year ending March 31, 2027	42,000	1.9	5,500	(3.9)	6,600	(11.0)	4,800	(31.8)	104.57

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special notes

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport to be a promise by the Company to realize such statements.

Actual business and other results may differ substantially due to various factors.

Please refer to “1. Overview of Results of Operations, (3) Outlook” on page 4 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

1) Overview

During the current fiscal year ended March 31, 2026, the Japanese economy continued to show a moderate recovery backed by improvements in employment and personal income as well as a recovery in corporate capital investment. However, the outlook remains uncertain because of U.S. tariff policies, rising prices and other factors.

Orders received by the Meisei Industrial Group increased 2.0% from the previous fiscal year to 63,536 million yen. This was the result of strong orders in Japan both in the construction business and the boiler business. Net sales decreased 9.0% to 60,299 million yen due to a decline in ongoing large-scale projects both in the construction business and the boiler business.

Due to lower sales and higher labor and other costs, operating profit decreased 27.7% to 7,675 million yen, ordinary profit decreased 26.1% to 8,306 million yen, and profit attributable to owners of parent was down 35.0% to 5,494 million yen.

2) Business segment overview

Construction Business

Net sales decreased 8.1% to 54,145 million yen due to a decrease in large projects in Japan and other countries despite strong performance at maintenance work in Japan. Segment profit was down 27.3% to 7,343 million yen due to lower sales.

Boiler Business

Net sales decreased 16.1% to 6,154 million yen primarily due to a decrease in large-scale projects. Segment profit decreased 52.5% to 237 million yen, reflecting higher costs associated with the start-up of the new plant.

(2) Financial Position

Overview

1) Assets, liabilities, and net assets

Total assets at the end of the current fiscal year decreased by 2,986 million yen from the end of the previous fiscal year to 85,597 million yen.

Current assets totaled 61,199 million yen, a decrease of 37 million yen from the end of the previous fiscal year. The main factors include an increase of 3,253 million yen in cash and deposits and decreases of 1,172 million yen in accounts receivable from completed construction contracts and 1,200 million yen in contract assets. Non-current assets decreased 2,949 million yen from the end of the previous fiscal year to 24,397 million yen. The main factors include a decrease of 3,166 million yen in property, plant and equipment.

Current liabilities totaled 12,872 million yen, a decrease of 1,759 million yen from the end of the previous fiscal year. The main factors include increases of 1,050 million yen in contract liabilities and 600 million yen in current portion of long-term borrowings, and decreases of 1,685 million yen in notes payable – trade, 643 million yen in electronically recorded obligations – operating and 475 million yen in accounts payable for construction contracts. Non-current liabilities totaled 3,202 million yen, a decrease of 1,543 million yen. The main factors include decreases of 943 million yen in deferred tax liabilities and 600 million yen in long-term borrowings.

As a result, total liabilities decreased 3,302 million yen to 16,074 million yen.

Net assets totaled 69,522 million yen, an increase of 315 million yen from the end of the previous fiscal year. This was mainly due to an increase of 5,494 million yen in profit attributable to owners of parent and decreases of 2,816 million yen due to dividends of surplus and 2,744 million yen due to purchase of treasury shares.

Consequently, the capital adequacy ratio was 80.6% (compared with 77.4% at the end of the previous fiscal year).

2) Cash Flows

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026	Change
Cash flows from operating activities	6,937	6,497	(440)
Cash flows from investing activities	(500)	2,285	2,785
Cash flows from financing activities	(4,692)	(5,639)	(947)
Cash and cash equivalents at end of period	33,449	36,696	3,247

Net cash provided by operating activities was 6,497 million yen, compared with net cash provided of 6,937 million yen in the previous fiscal year.

Major positive factors include profit before income taxes of 7,359 million yen, impairment losses of 2,880 million yen and a 2,671 million yen decrease in trade receivables. Major negative factors include income taxes paid of 3,271 million yen, a 2,776 million yen decrease in trade payables and gain on sale of investment securities of 1,818 million yen.

Net cash provided by investing activities was 2,285 million yen, compared with net cash used of 500 million yen in the previous fiscal year.

Major positive factors include proceeds from sale and redemption of investment securities of 2,221 million yen, proceeds from distributions from investment partnerships of 157 million yen and proceeds from sale of investment property of 106 million yen. Major negative factors include purchase of property, plant and equipment of 463 million yen.

Net cash used in financing activities was 5,639 million yen, compared with net cash used of 4,692 million yen in the previous fiscal year.

Major negative factors include dividends paid of 2,812 million yen and purchase of treasury shares of 2,744 million yen.

As a result, cash and cash equivalents at the end of the fiscal year increased 3,247 million yen from the end of the previous fiscal year to 36,696 million yen.

Reference: Cash flow indicators

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Equity ratio (%)	78.1	76.2	75.1	77.4	80.6
Equity ratio based on market value (%)	48.3	49.7	75.9	69.5	92.1
Interest-bearing debt to cash flow ratio (years)	0.1	0.2	0.1	0.1	0.1
Interest coverage ratio (times)	1,647.7	919.4	1,495.9	1,197.9	924.2

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

* All indicators are calculated based on consolidated figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

* Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest.

* Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows.

* Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

* For the fiscal year when operating cash flow was negative, the interest-bearing debt to cash flow ratio and interest coverage ratio are not stated.

(3) Outlook

Regarding the outlook, the Japanese economy is expected to continue on a moderate recovery trend. However, the economic outlook remained uncertain due to numerous unpredictable factors that could impact both domestic and global economies, including geopolitical risks such as conflicts in the Middle East and sharp fluctuations in the financial and capital markets.

Currently, we expect consolidated net sales of 61,000 million yen, operating profit of 7,000 million yen, ordinary profit of 7,650 million yen, and profit attributable to owners of parent of 5,600 million yen for the fiscal year ending March 31, 2027. In addition, we forecast non-consolidated net sales of 42,000 million yen, operating profit of 5,500 million yen, ordinary profit of 6,600 million yen, and profit of 4,800 million yen.

(4) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

We believe that increasing earnings while maintaining financial soundness will result in the growth of corporate value. With regard to our basic policy on profit distribution, to further demonstrate our commitment to stable shareholder returns, we set a DOE (Dividend on Equity) target of 4% or higher and aim for a dividend payout ratio of approximately 30% to 40%. In addition, we will distribute earnings to shareholders by repurchasing stock at times determined by cash flows, the efficient use of equity and other applicable considerations.

We plan to pay a fiscal year-end dividend of 45 yen per share.

With the 20 yen interim dividend, this will result in a fiscal year dividend of 65 yen.

In accordance with this basic policy, we plan to pay a dividend per share of 65 yen for the fiscal year ending in March 2027.

2. Basic Approach for the Selection of Accounting Standards

The Meisei Industrial Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being to facilitate comparisons with prior-year performance and the performance of other companies in Japan.

We will consider the use of International Financial Reporting Standards (IFRS) in the future based on changes in foreign ownership of our stock, the growth of our overseas operations and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	33,258	36,512
Notes receivable - trade	346	40
Electronically recorded monetary claims - operating	2,552	2,559
Accounts receivable from completed construction contracts	16,662	15,490
Contract assets	6,135	4,934
Securities	399	300
Costs on construction contracts in progress	647	586
Merchandise and finished goods	461	315
Raw materials and supplies	144	188
Other	633	275
Allowance for doubtful accounts	(4)	(4)
Total current assets	61,236	61,199
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,246	12,216
Machinery and vehicles	6,280	6,287
Land	10,986	8,121
Construction in progress	74	17
Other	2,729	2,928
Accumulated depreciation	(14,103)	(14,523)
Total property, plant and equipment	18,214	15,047
Intangible assets	188	167
Investments and other assets		
Investment securities	6,297	6,403
Investment property	1,638	1,562
Retirement benefit asset	467	785
Deferred tax assets	41	39
Other	545	437
Allowance for doubtful accounts	(46)	(45)
Total investments and other assets	8,944	9,183
Total non-current assets	27,347	24,397
Total assets	88,583	85,597

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable - trade	1,685	0
Electronically recorded obligations - operating	1,594	951
Accounts payable for construction contracts	5,282	4,807
Accounts payable - trade	227	205
Current portion of long-term borrowings	100	700
Income taxes payable	1,920	1,631
Contract liabilities	488	1,538
Provision for bonuses	540	608
Provision for bonuses for directors (and other officers)	65	52
Provision for warranties for completed construction	109	80
Provision for loss on construction contracts	1	–
Other	2,615	2,296
Total current liabilities	14,631	12,872
Non-current liabilities		
Long-term borrowings	700	100
Retirement benefit liability	157	167
Provision for retirement benefits for directors (and other officers)	126	135
Provision for share awards for directors (and other officers)	65	84
Deferred tax liabilities	3,025	2,082
Deferred tax liabilities for land revaluation	498	498
Asset retirement obligations	12	12
Other	159	122
Total non-current liabilities	4,745	3,202
Total liabilities	19,377	16,074
Net assets		
Shareholders' equity		
Share capital	6,889	6,889
Capital surplus	999	1,005
Retained earnings	60,358	63,036
Treasury shares	(4,996)	(7,736)
Total shareholders' equity	63,251	63,194
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,797	3,126
Revaluation reserve for land	944	944
Foreign currency translation adjustment	1,332	1,300
Remeasurements of defined benefit plans	244	437
Total accumulated other comprehensive income	5,319	5,809
Non-controlling interests	636	518
Total net assets	69,206	69,522
Total liabilities and net assets	88,583	85,597

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales of completed construction contracts	66,283	60,299
Cost of sales of completed construction contracts	50,543	47,090
Gross profit on completed construction contracts	15,739	13,208
Selling, general and administrative expenses	5,125	5,532
Operating profit	10,613	7,675
Non-operating income		
Interest income	111	135
Dividend income	206	220
Rental income from real estate	231	224
Foreign exchange gains	24	88
Gain on investments in investment partnerships	136	73
Reversal of allowance for doubtful accounts	28	0
Other	100	114
Total non-operating income	839	857
Non-operating expenses		
Interest expenses	5	7
Rental costs on real estate	147	137
Loss on investments in investment partnerships	14	11
Commission for purchase of treasury shares	1	2
Other	49	68
Total non-operating expenses	217	226
Ordinary profit	11,235	8,306
Extraordinary income		
Gain on sale of non-current assets	81	68
Subsidy income	523	47
Gain on sale of investment securities	29	1,818
Total extraordinary income	635	1,934
Extraordinary losses		
Loss on sale of non-current assets	15	-
Impairment losses	-	2,880
Total extraordinary losses	15	2,880
Profit before income taxes	11,855	7,359
Income taxes - current	2,912	3,061
Income taxes - deferred	283	(1,167)
Total income taxes	3,195	1,893
Profit	8,660	5,466
Profit attributable to non-controlling interests	205	(28)
Profit attributable to owners of parent	8,454	5,494

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	8,660	5,466
Other comprehensive income		
Valuation difference on available-for-sale securities	1,058	328
Revaluation reserve for land	(14)	-
Foreign currency translation adjustment	323	(32)
Remeasurements of defined benefit plans, net of tax	(9)	193
Total other comprehensive income	1,358	490
Comprehensive income	10,018	5,956
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,813	5,984
Comprehensive income attributable to non-controlling interests	205	(28)

(3) Consolidated Statements of Changes in Equity**Fiscal year ended March 31, 2025**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	1,000	55,739	(4,201)	59,426
Changes during period					
Dividends of surplus			(3,035)		(3,035)
Profit attributable to owners of parent			8,454		8,454
Purchase of treasury shares				(1,650)	(1,650)
Disposal of treasury shares		36		27	63
Cancellation of treasury shares		(36)	(800)	836	—
Purchase of treasury shares by stock benefit trust				(63)	(63)
Disposal of treasury shares by stock benefit trust				55	55
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	4,619	(795)	3,824
Balance at end of period	6,889	999	60,358	(4,996)	63,251

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,738	958	1,008	253	3,960	480	63,868
Changes during period							
Dividends of surplus							(3,035)
Profit attributable to owners of parent							8,454
Purchase of treasury shares							(1,650)
Disposal of treasury shares							63
Cancellation of treasury shares							—
Purchase of treasury shares by stock benefit trust							(63)
Disposal of treasury shares by stock benefit trust							55
Net changes in items other than shareholders' equity	1,058	(14)	323	(9)	1,358	155	1,514
Total changes during period	1,058	(14)	323	(9)	1,358	155	5,338
Balance at end of period	2,797	944	1,332	244	5,319	636	69,206

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	999	60,358	(4,996)	63,251
Changes during period					
Dividends of surplus			(2,816)		(2,816)
Profit attributable to owners of parent			5,494		5,494
Purchase of treasury shares				(2,744)	(2,744)
Disposal of treasury shares		5		4	10
Cancellation of treasury shares					
Purchase of treasury shares by stock benefit trust					
Disposal of treasury shares by stock benefit trust					
Net changes in items other than shareholders' equity					
Total changes during period	—	5	2,677	(2,739)	(56)
Balance at end of period	6,889	1,005	63,036	(7,736)	63,194

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,797	944	1,332	244	5,319	636	69,206
Changes during period							
Dividends of surplus							(2,816)
Profit attributable to owners of parent							5,494
Purchase of treasury shares							(2,744)
Disposal of treasury shares							10
Cancellation of treasury shares							
Purchase of treasury shares by stock benefit trust							
Disposal of treasury shares by stock benefit trust							
Net changes in items other than shareholders' equity	328		(32)	193	490	(118)	372
Total changes during period	328		(32)	193	490	(118)	315
Balance at end of period	3,126	944	1,300	437	5,809	518	69,522

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	11,855	7,359
Depreciation	732	963
Amortization of goodwill	25	25
Impairment losses	—	2,880
Subsidy income	(523)	(47)
Increase (decrease) in allowance for doubtful accounts	(70)	(0)
Increase (decrease) in provision for loss on construction contracts	1	(1)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(19)	8
Increase (decrease) in provision for share awards for directors (and other officers)	(26)	18
Increase (decrease) in other provisions	73	25
Decrease (increase) in retirement benefit asset	(107)	(317)
Increase (decrease) in retirement benefit liability	14	292
Interest and dividend income	(318)	(356)
Interest expenses	5	7
Foreign exchange losses (gains)	11	(85)
Loss (gain) on sale of investment securities	(29)	(1,818)
Decrease (increase) in trade receivables	846	2,671
Decrease (increase) in costs on construction contracts in progress	(110)	60
Decrease (increase) in other inventories	(70)	101
Increase (decrease) in contract liabilities	(2,049)	1,050
Increase (decrease) in trade payables	(695)	(2,776)
Other, net	(867)	(927)
Subtotal	8,676	9,134
Subsidies received	285	285
Interest and dividends received	319	354
Interest paid	(5)	(7)
Income taxes paid	(2,337)	(3,271)
Net cash provided by (used in) operating activities	6,937	6,497

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(107)	(107)
Proceeds from withdrawal of time deposits	307	107
Purchase of investment securities	(40)	(38)
Proceeds from sale and redemption of investment securities	40	2,221
Purchase of property, plant and equipment	(2,000)	(463)
Proceeds from sale of property, plant and equipment	549	31
Proceeds from collection of loans receivable	389	–
Proceeds from sale of investment property	219	106
Proceeds from distributions from investment partnerships	161	157
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	5	–
Payments for acquisition of businesses	(130)	–
Other, net	103	271
Net cash provided by (used in) investing activities	(500)	2,285
Cash flows from financing activities		
Proceeds from long-term borrowings	700	100
Repayments of long-term borrowings	(700)	(100)
Purchase of treasury shares	(1,714)	(2,744)
Proceeds from disposal of treasury shares	110	5
Dividends paid	(3,028)	(2,812)
Dividends paid to non-controlling interests	(59)	(88)
Net cash provided by (used in) financing activities	(4,692)	(5,639)
Effect of exchange rate change on cash and cash equivalents	308	104
Net increase (decrease) in cash and cash equivalents	2,053	3,247
Cash and cash equivalents at beginning of period	31,371	33,449
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	24	–
Cash and cash equivalents at end of period	33,449	36,696

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

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

1. Purchase of treasury shares

On November 22, 2024, the repurchase of treasury shares based on the resolution of the Board of Directors meeting held on November 21, 2024 was completed. As a result, the Company repurchased 1,269,000 treasury shares in the fiscal year ended March 31, 2025, resulting in an increase in treasury shares of 1,650 million yen.

2. Cancellation of treasury shares

The Board of Directors of the Company approved a resolution on November 21, 2024 to cancel shares in accordance with Article 178 of the Companies Act. The Company cancelled 1,269,000 treasury shares on December 27, 2024. As a result, there were decreases of 836 million yen in treasury shares, 36 million yen in capital surplus and 800 million yen in retained earnings.

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

1. Purchase of treasury shares

On November 21, 2025, the repurchase of treasury shares based on the resolution of the Board of Directors meeting held on November 20, 2025 was completed. As a result, the Company repurchased 1,700,000 treasury shares in the fiscal year ended March 31, 2026, resulting in an increase in treasury shares of 2,743 million yen.

Additional Information

Distribution of stock to directors using a trust

The Company has a stock remuneration program using a trust for directors (excluding directors who are Audit & Supervisory Committee members and outside directors). The purpose of this remuneration is to give the directors an added incentive to contribute to the medium to long-term growth of sales and earnings and of corporate value.

The accounting method used for trust contracts with directors is based on Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(1) Summary

The Company makes monetary contributions to the director remuneration trust and the trust uses the funds to purchase the Company's stock. This stock is subsequently distributed from the trust to directors when they leave the Board of Directors based on points granted in accordance with stock distribution rules established by the Board of Directors.

(2) Stock held by the trust

The trust book value (excluding associated expenses) of the Company's stock held by the trust is included in treasury shares in net assets. The book value and number of shares of stock in the trust were 132 million yen and 140,000 shares and 132 million yen and 140,000 shares as of March 31, 2025 and 2026, respectively.

Restricted Stock Compensation Plan

At the 83rd Ordinary General Meeting of Shareholders held on June 26, 2025, the Company resolved to introduce a restricted stock compensation plan as a new compensation system for directors (excluding directors who are Audit & Supervisory Committee members and outside directors; hereinafter referred to as "Eligible Directors"). The purpose of this remuneration is to give the Eligible Directors an incentive to continuously improve the Company's corporate value and to share more value with shareholders.

Pursuant to the resolution by the Board of Directors on June 26, 2025, the Company disposed of 7,000 treasury shares for use as restricted stock compensation on July 25, 2025.

Segment and Other Information

Segment Information

1. Overview of reportable segment

The Meisei Industrial Group's segments used for financial reporting are the constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The main activities of the group are the construction business, which primarily involves thermal insulation, and the boiler business, which primarily involves the manufacture and installation of boilers.

As a result, the Meisei Industrial Group has two reportable segments: the Construction Business and the Boiler Business.

2. Calculation methods for net sales, profit or loss, assets, liabilities, and other items of each reportable segment

The accounting method used for reportable operating segments is generally the same as the methods adopted in the preparation of consolidated financial statements.

Profits for reportable segments are operating profit figures.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets and other items of each reportable segment, and information on disaggregation of revenue

I. The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Information on net sales and profit or loss on each reportable segment, and information on disaggregation of revenue
(Millions of yen)

	Construction	Boiler	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statements of income (Note 4)
Net sales:					
Japan	52,642	7,262	59,904	—	59,904
Asia	6,302	71	6,373	—	6,373
Other	—	4	4	—	4
Revenue from contracts with customers	58,944	7,338	66,283	—	66,283
Sales to external customers	58,944	7,338	66,283	—	66,283
Intersegment sales or transfers	10	315	326	(326)	—
Total	58,955	7,653	66,609	(326)	66,283
Segment profit	10,102	499	10,602	11	10,613
Segment assets	48,323	8,506	56,830	31,753	88,583
Other items:					
Depreciation	513	152	665	67	732
Increase in property, plant and equipment and intangible assets	587	2,001	2,589	—	2,589

Notes: 1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.

2. Adjustment for segment assets consists of negative 233 million yen of adjustment of intersegment transactions and 31,986 million yen of corporate assets, which are primarily surplus funds (cash and deposits) of the Company, long-term investment funds (investment securities and investments in capital), and headquarters buildings.

3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).

4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

5. Net sales are based on the construction site and are categorized by country or region.

II. The fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Information on net sales and profit or loss on each reportable segment, and information on disaggregation of revenue
(Millions of yen)

	Construction	Boiler	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statements of income (Note 4)
Net sales:					
Japan	50,448	6,105	56,553	—	56,553
Asia	3,696	45	3,741	—	3,741
Other	1	3	4	—	4
Revenue from contracts with customers	54,145	6,154	60,299	—	60,299
Sales to external customers	54,145	6,154	60,299	—	60,299
Intersegment sales or transfers	55	330	386	(386)	—
Total	54,200	6,485	60,686	(386)	60,299
Segment profit	7,343	237	7,581	94	7,675
Segment assets	43,970	8,414	52,385	33,211	85,597
Other items:					
Depreciation	561	341	903	60	963
Impairment losses	2,719	161	2,880	—	2,880
Increase in property, plant and equipment and intangible assets	652	7	660	—	660

Notes: 1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.

2. Adjustment for segment assets consists of negative 236 million yen of adjustment of intersegment transactions and 33,448 million yen of corporate assets, which are primarily surplus funds (cash and deposits) of the Company, long-term investment funds (investment securities and investments in capital), and headquarters buildings.

3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).

4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

5. Net sales are based on the construction site and are categorized by country or region.

Related information

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

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of net sales on the consolidated statements of income.

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

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of net sales on the consolidated statements of income.

Information related to impairment of non-current assets for each reportable segment

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

Not applicable.

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

This information is omitted since the same information is presented in segment information.

Information related to goodwill amortization and the unamortized balance for each reportable segment

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

(Millions of yen)

	Construction	Boiler	Elimination or corporate	Total
Amortization for the period	25	—	—	25
Balance at end of period	100	—	—	100

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

(Millions of yen)

	Construction	Boiler	Elimination or corporate	Total
Amortization for the period	25	—	—	25
Balance at end of period	75	—	—	75

Information related to gain on bargain purchase for each reportable segment

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

Not applicable.

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

Not applicable.

Revenue Recognition

Information on revenue from contracts with customers broken down is described in Segment Information.

Per-share Information

(Yen)

	Fiscal year ended March 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)	Fiscal year ended March 31, 2026 (Apr. 1, 2025 – Mar. 31, 2026)
Net assets per share	1,440.69	1,503.30
Net income per share	174.68	116.92

Notes: 1. Diluted net income per share is not presented because there are no potentially dilutive shares.

2. The basis for calculating net income per share is as follows.

	Fiscal year ended March 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)	Fiscal year ended March 31, 2026 (Apr. 1, 2025 – Mar. 31, 2026)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	8,454	5,494
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent applicable to common shareholders (Millions of yen)	8,454	5,494
Average number of common shares outstanding during period (Thousand shares)	48,401	46,989

Note: The Company's stock held by a trust established to distribute shares to officers (Officers' Share Distribution Trust) is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (deductions of 140,000 shares and 140,000 shares in the fiscal years ended March 31, 2025 and 2026, respectively).

In addition, this trust stock is included in treasury shares that is deducted from the average number of shares outstanding during the period that was used to calculate net income per share (deductions of 134,000 shares and 140,000 shares in the fiscal years ended March 31, 2025 and 2026, respectively).

Omission of Disclosure

Disclosure of the notes other than the above was omitted due to the minor necessity of disclosure.

Status of Orders Received, Net Sales and Balance of Orders**(1) Orders received**

Segment	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	56,778	91.2	55,628	87.6	(1,149)	(2.0)
Boiler	5,493	8.8	7,908	12.4	2,414	44.0
Total	62,271	100.0	63,536	100.0	1,265	2.0

(2) Net sales

Segment	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	58,944	88.9	54,145	89.8	(4,799)	(8.1)
Boiler	7,338	11.1	6,154	10.2	(1,184)	(16.1)
Total	66,283	100.0	60,299	100.0	(5,983)	(9.0)

(3) Balance of orders

Segment	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	16,252	84.4	17,735	78.9	1,483	9.1
Boiler	2,996	15.6	4,751	21.1	1,754	58.5
Total	19,249	100.0	22,486	100.0	3,237	16.8

Material Subsequent Events

Not applicable.