

May 13, 2026

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

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 Listing: Tokyo Stock Exchange
 Securities code: 5631
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 Scheduled date of annual general meeting of shareholders: June 22, 2026
 Scheduled date to commence dividend payments: June 23, 2026
 Scheduled date to file annual securities report: June 19, 2026
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

(Yen amounts are rounded down to millions, 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.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	274,852	10.6	25,306	10.9	26,051	10.9	19,239	7.1
March 31, 2025	248,556	(1.6)	22,824	26.7	23,495	17.8	17,961	25.8

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥26,053 million [21.4%]
 For the fiscal year ended March 31, 2025: ¥21,464 million [(3.9)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	261.38	-	9.5	6.3	9.2
March 31, 2025	244.03	-	9.7	6.1	9.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥(1) million
 For the fiscal year ended March 31, 2025: ¥16 million

(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	429,983	213,831	49.4	2,885.87
March 31, 2025	398,122	195,101	48.5	2,625.13

Reference: Equity
 As of March 31, 2026: ¥212,431 million
 As of March 31, 2025: ¥193,220 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	(16,893)	(17,103)	36,089	77,387
March 31, 2025	(4,567)	(12,272)	(5,723)	75,150

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	38.00	-	48.00	86.00	6,329	35.2	3.4
Fiscal year ended March 31, 2026	-	44.00	-	48.00	92.00	6,772	35.2	3.3
Fiscal year ending March 31, 2027 (Forecast)		46.00		46.00	92.00		35.6	

3. Forecast of consolidated financial results 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	310,000	12.8	27,000	6.7	26,000	(0.2)	19,000	(1.2)	258.11

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2026	74,415,909 shares
As of March 31, 2025	74,408,985 shares

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

As of March 31, 2026	805,130 shares
As of March 31, 2025	804,900 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	73,608,860 shares
Fiscal year ended March 31, 2025	73,601,588 shares

[Reference] Overview of non-consolidated financial results

1. 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.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	156,584	9.2	11,740	30.6	18,494	30.1	15,553	41.1
March 31, 2025	143,370	(10.7)	8,988	(10.4)	14,218	2.7	11,021	13.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	211.30	-
March 31, 2025	149.75	-

(2) Non-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	339,474	157,712	46.5	2,142.52
March 31, 2025	299,839	145,694	48.6	1,979.43

Reference: Equity

As of March 31, 2026: ¥157,712 million

As of March 31, 2025: ¥145,694 million

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

* Proper use of earnings forecasts, and other special matters

(Explanation of Appropriate Use of Forward-Looking Information)

Forward-looking statements, such as earnings forecasts, contained in this material are forecasts judged by the Company based on information available at the time of publication, and are not intended to be a promise by the Company to realize them. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to Appendix "1. Please refer to "Summary of Business Results (4) Future Outlook".

(Other special notes)

The Company plans to hold an earnings briefing for securities analysts and institutional investors on Tuesday, May 19, 2026. The financial results briefing materials used in the briefing are scheduled to be posted on the Company's website after 11:30 a.m. on the day of the meeting.

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1. Overview of Operating Results and Others

(1) Overview of operating results for the current fiscal year

During the current fiscal year, the business environment surrounding the Group saw delays in investment decisions stemming from U.S. tariff policies spread to the plastic production and processing machinery sector within the Industrial Machinery Business. Meanwhile, demand for defense-related equipment has increased under the government's policy to strengthen national defense capabilities. In the Material and Engineering Business, we saw rapid growth in AI and data centers, as well as an expansion of power-related investments driven by concerns over energy security.

Given these circumstances, the Group has defined its vision for the fiscal year ending March 31, 2034—ten years from now—under the banner of “Purpose.” We aim to simultaneously achieve our sustainability goal of “contributing to the realization of a sustainable and prosperous world through the development and implementation of industrial machinery and new materials that solve social issues” and our financial goal of “growing into a corporate group with sales of 500.0 billion yen.” We have set targets for the fiscal year ending March 31, 2029, which marks the midpoint of this journey. To address material issues and enhance sustainable corporate value, we formulated the mid-term management plan “JGP2028” and have been advancing our business activities based on this plan.

Regarding the Group's performance for the current fiscal year, total orders received amounted to 309,423 million yen (down 0.3% year-on-year), remaining at the same level as the previous year. This was due to a decrease in orders received in the Industrial Machinery Business, offset by an increase in the Material and Engineering Business. Net sales totaled 274,852 million yen (up 10.6% year-on-year), as an increase in the Industrial Machinery Business offset a decline in the Material and Engineering Business. In terms of profit, operating profit was 25,306 million yen (up 10.9% year-on-year), ordinary profit was 26,051 million yen (up 10.9% year-on-year), and profit attributable to owners of parent was 19,239 million yen (up 7.1% year-on-year).

The results by segment are as follows.

(Industrial Machinery Business)

Orders received totaled 248,213 million yen (down 4.0% year-on-year), as while orders for other industrial machinery, such as ELA equipment for FPD, increased, orders for defense-related equipment decreased due to a decline following a large-scale order in the same period of the previous year. Net sales and operating profit were 226,248 million yen (up 13.7% year-on-year) and 20,039 million yen (up 14.0% year-on-year), respectively, driven by a robust order backlog across the board.

(Unit: million yen)

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Change	
	Orders received	Net sales	Orders received	Net sales	Orders received	Net sales
Plastic production and processing machinery	51,458	72,299	46,213	72,910	(5,245)	610
Molding machines	65,748	66,950	63,707	64,844	(2,040)	(2,106)
Defense-related equipment	115,849	32,225	87,384	46,930	(28,465)	14,704
Other industrial machinery	25,486	27,570	50,908	41,563	25,421	13,992
Total	258,542	199,045	248,213	226,248	(10,329)	27,202
Operating profit	17,576		20,039		2,463	

(Material and Engineering Business)

Orders received totaled 58,184 million yen (up 17.8% year-on-year), driven by strong demand for high-efficiency thermal power generation and nuclear power generation. Net sales were 45,795 million yen (down 2.8% year-on-year), and operating profit was 8,874 million yen (up 2.0% year-on-year).

(Unit: million yen)

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Change	
	Orders received	Net sales	Orders received	Net sales	Orders received	Net sales
Steel forgings and plates	42,701	38,412	52,727	39,708	10,026	1,296
Engineering, etc	6,678	8,706	5,456	6,087	(1,221)	(2,619)
Total	49,380	47,118	58,184	45,795	8,804	(1,323)

Operating profit	8,699	8,874	174
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(Other Businesses)

Orders received totaled 3,024 million yen, net sales totaled 2,808 million yen, and operating profit was 88 million yen.

(2) Overview of the financial position for the current fiscal year

Total assets at the end of the current fiscal year increased by 31,860 million yen compared to the end of the previous fiscal year, reaching 429,983 million yen. This was primarily due to an increase in current assets, such as work in process, as well as an increase in non-current assets resulting from capital expenditures.

Total liabilities at the end of the current fiscal year increased by 13,131 million yen compared to the end of the previous fiscal year, reaching 216,151 million yen. This was primarily due to an increase in non-current liabilities, such as long-term borrowings.

Net assets at the end of the current fiscal year increased by 18,729 million yen compared to the end of the previous fiscal year, reaching 213,831 million yen. This is primarily due to an increase in retained earnings. The equity ratio stood at 49.4% (compared to 48.5% at the end of the previous fiscal year).

(3) Overview of cash flows for the current fiscal year

(Unit: million yen)

	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026	Change
Cash flows from operating activities	22,325	(986)	21,707	(4,567)	(16,893)	(12,325)
Cash flows from investing activities	(2,976)	947	(6,841)	(12,272)	(17,103)	(4,830)
Cash flows from financing activities	(2,860)	(20,112)	(4,899)	(5,723)	36,089	41,813
Effect of exchange rate change on cash and cash equivalents	551	752	535	812	144	(667)
Change in cash and cash equivalents	17,040	(19,399)	10,502	(21,751)	2,237	23,988
Cash and cash equivalents at end of period	105,799	86,400	96,902	75,150	77,387	2,237
Borrowings and bonds payable at end of period	57,493	42,547	42,476	42,213	86,123	43,910

As of the end of the current fiscal year, the balance of cash and cash equivalents (hereinafter referred to as “cash”) increased by 2,237 million yen compared to the end of the previous fiscal year, reaching 77,387 million yen.

The status of cash flows for the current fiscal year and the factors affecting them are as follows.

(Cash flows from operating activities)

Net cash used in operating activities amounted to 16,893 million yen. This was primarily due to an increase in working capital resulting from the implementation of the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment and an increase in sales, despite the recognition of profit before income taxes. For comparison, expenses for the same period last year totaled 4,567 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 17,103 million yen. This was primarily due to expenditures related to the purchase of non-current assets. For comparison, expenses for the same period last year totaled 12,272 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 36,089 million yen. This was primarily due to proceeds from long-term borrowings. For comparison, expenses for the same period last year totaled 5,723 million yen.

The trends in the Group's cash flow indicators are as follows.

	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026
Equity ratio (%)	44.0	45.7	48.3	48.5	49.4
Equity-to-asset ratio on a market value basis (%)	82.7	52.4	68.0	96.8	143.3
Interest-bearing debt to cash flow ratio (years)	2.6	—	2.0	—	—
Interest coverage ratio (times)	79.5	—	102.2	—	—

Equity ratio: Equity / Total assets

Equity ratio on a market value basis: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debts/ Cash flows

Interest coverage ratio: Cash flows / Interest payment

* All indicators are calculated based on consolidated financial figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of issued shares at the end of the fiscal year (excluding treasury shares).

* Cash flow is derived from "Cash flows from operating activities" in the consolidated statement of cash flows, and interest-bearing debt refers to liabilities recorded on the consolidated balance sheet for which interest is paid. In addition, the amount of interest paid is based on the figure reported in the consolidated statement of cash flows.

* The interest-bearing debt to cash flow ratio (years) and interest coverage ratio (times) for the fiscal years ended March 31, 2023, March 31, 2025, and March 31, 2026 have been omitted because cash flows from operating activities were negative.

(4) Future outlook

In the medium term, the business environment surrounding the Group is expected to remain favorable. In the Industrial Machinery Business, demand for defense-related equipment is expected to remain strong, and we anticipate steady demand for various types of plastic processing machinery as society works toward achieving a low-carbon society, promoting energy conservation, and realization of a plastic resource-recycling society. In the Material and Engineering Business, we anticipate steady demand for material products used in power generation equipment, which will help ensure a stable supply and reduce carbon emissions in response to growing global electricity demand.

For the fiscal year ending March 31, 2027, we forecast consolidated orders received of 340.0 billion yen, net sales of 310.0 billion yen, operating profit of 27.0 billion yen, ordinary profit of 26.0 billion yen, and profit attributable to owners of parent of 19.0 billion yen.

<Impact of the situation in the Middle East on our business and financial performance>

At this time, we expect the current situation in the Middle East to have only a limited direct impact on the Group's business and financial performance. However, supply constraints are currently emerging for production materials such as lubricants and paints; while these could have an impact if they persist over the long term, such effects have not been factored into the consolidated earnings forecast.

Should any events occur that could have a material impact on the Group's business or financial results due to future developments, we will disclose such information promptly.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

Our basic policy regarding the distribution of profits is to provide stable and consistent dividends and to increase them over time. Furthermore, to enhance corporate value and shareholder value, we will work to secure stable profitability in our existing businesses and invest in capital expenditures and research and development to drive the growth of new businesses and products, while also striving to improve our financial position.

With regard to dividends for each fiscal year, the Company generally pays an interim dividend in addition to a year-end dividend, taking into account both the performance for the period and our recognition of our responsibilities to shareholders. The decision-making bodies for these

dividend distributions are the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

In addition, during the term of our mid-term management plan, “JGP2028,” we have established a policy to “pay dividends with a target consolidated dividend payout ratio of 35% or higher, while maintaining a minimum DOE (dividend on equity ratio) of 2.5%.”

We plan to pay a year-end dividend of 48 yen per share for the current fiscal year.

Regarding the next fiscal year, we plan to pay an annual dividend of 92 yen per share, consisting of an interim dividend of 46 yen and a year-end dividend of 46 yen.

2. Basic Policy Regarding Selection of Accounting Standards

The group has decided to adopt Japanese accounting standards for the time being; however, with regard to IFRS, we intend to closely monitor developments in the regulatory environment and respond appropriately.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	75,899	77,763
Notes receivable - trade	507	233
Electronically recorded monetary claims - operating	7,729	3,792
Accounts receivable - trade	59,891	63,581
Merchandise and finished goods	5,894	4,532
Work in process	113,654	123,325
Raw materials and supplies	10,980	11,499
Other	21,276	27,074
Allowance for doubtful accounts	(237)	(204)
Total current assets	295,595	311,599
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,427	32,886
Machinery, equipment and vehicles, net	13,533	18,218
Tools, furniture and fixtures, net	3,176	3,115
Land	8,089	11,733
Leased assets, net	1,059	1,839
Construction in progress	3,335	1,960
Total property, plant and equipment	55,622	69,754
Intangible assets		
Leased assets	10	79
Other	2,229	3,654
Total intangible assets	2,240	3,734
Investments and other assets		
Investment securities	24,629	26,484
Long-term loans receivable	356	341
Distressed receivables	219	218
Retirement benefit asset	6,171	8,775
Deferred tax assets	10,071	5,746
Other	3,528	3,638
Allowance for doubtful accounts	(313)	(309)
Total investments and other assets	44,664	44,895
Total non-current assets	102,527	118,384
Total assets	398,122	429,983

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,545	24,559
Electronically recorded obligations - operating	29,647	3,787
Short-term borrowings	12,473	11,683
Current portion of long-term borrowings	10,299	299
Lease liabilities	335	608
Income taxes payable	4,604	3,517
Contract liabilities	56,596	56,751
Provision for bonuses for directors (and other officers)	51	35
Provision for warranties for completed construction	286	213
Provision for loss on construction contracts	579	2,715
Provision for loss on wind power generator business	486	486
Provision for business restructure	1,455	1,372
Other	21,275	23,024
Total current liabilities	167,637	129,052
Non-current liabilities		
Long-term borrowings	19,440	74,141
Lease liabilities	980	1,623
Deferred tax liabilities	306	281
Provision for retirement benefits for directors (and other officers)	39	35
Retirement benefit liability	7,791	5,370
Long-term guarantee deposits	4,867	3,760
Asset retirement obligations	1,446	1,455
Other	511	429
Total non-current liabilities	35,383	87,099
Total liabilities	203,020	216,151
Net assets		
Shareholders' equity		
Share capital	19,837	19,865
Capital surplus	5,569	5,580
Retained earnings	154,059	166,527
Treasury shares	(2,317)	(2,320)
Total shareholders' equity	177,149	189,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,845	11,552
Deferred gains or losses on hedges	7	147
Foreign currency translation adjustment	3,117	3,319
Remeasurements of defined benefit plans	5,101	7,759
Total accumulated other comprehensive income	16,071	22,778
Non-controlling interests	1,881	1,400
Total net assets	195,101	213,831
Total liabilities and net assets	398,122	429,983

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	248,556	274,852
Cost of sales	187,562	210,593
Gross profit	60,993	64,259
Selling, general and administrative expenses		
Freight and packing costs	7,146	6,242
Sales commission	3,626	4,079
Other direct selling expenses	960	1,014
Personnel expenses	11,562	12,230
Retirement benefit expenses	293	170
Travel expenses	1,158	1,335
Research and development expenses	4,478	4,726
Other indirect selling, general and administrative expenses	8,943	9,152
Total selling, general and administrative expenses	38,169	38,952
Operating profit	22,824	25,306
Non-operating income		
Interest income	124	180
Dividend income	716	797
Foreign exchange gains	-	361
Gain on non-current assets rent	255	244
Gain on adjustment of insurance	114	372
Share of profit of entities accounted for using equity method	16	-
Miscellaneous income	392	362
Total non-operating income	1,619	2,318
Non-operating expenses		
Interest expenses	274	728
Foreign exchange losses	277	-
Commission expenses	2	368
Share of loss of entities accounted for using equity method	-	1
Miscellaneous losses	394	475
Total non-operating expenses	948	1,573
Ordinary profit	23,495	26,051

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	272	12
Gain on sale of investment securities	1,170	3,123
Total extraordinary income	1,443	3,135
Extraordinary losses		
Loss on sale of non-current assets	227	-
Loss on retirement of non-current assets	807	809
Loss on valuation of investment securities	6	3
Loss on sales of investments in capital	54	-
Loss on inappropriate conduct in quality inspections	535	542
Total extraordinary losses	1,631	1,355
Profit before income taxes	23,307	27,831
Income taxes - current	6,941	7,139
Income taxes - deferred	(1,787)	1,314
Total income taxes	5,153	8,454
Profit	18,153	19,377
Profit attributable to non-controlling interests	192	137
Profit attributable to owners of parent	17,961	19,239

Consolidated statement of comprehensive income

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	18,153	19,377
Other comprehensive income		
Valuation difference on available-for-sale securities	493	3,707
Deferred gains or losses on hedges	652	139
Foreign currency translation adjustment	1,266	170
Remeasurements of defined benefit plans, net of tax	898	2,657
Total other comprehensive income	3,311	6,675
Comprehensive income	21,464	26,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,203	25,947
Comprehensive income attributable to non-controlling interests	260	106

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,818	5,550	141,103	(2,316)	164,155
Changes during period					
Issuance of new shares	19	19			38
Dividends of surplus			(5,004)		(5,004)
Profit attributable to owners of parent			17,961		17,961
Purchase of shares of consolidated subsidiaries					
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					-
Total changes during period	19	19	12,956	(0)	12,994
Balance at end of period	19,837	5,569	154,059	(2,317)	177,149

	Accumulated other comprehensive income					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 beginning of period	7,351	(644)	1,919	4,202	12,828	1,629	178,613
Changes during period							
Issuance of new shares					-		38
Dividends of surplus					-		(5,004)
Profit attributable to owners of parent					-		17,961
Purchase of shares of consolidated subsidiaries							
Purchase of treasury shares					-		(1)
Disposal of treasury shares					-		0
Net changes in items other than shareholders' equity	493	652	1,198	898	3,242	251	3,494
Total changes during period	493	652	1,198	898	3,242	251	16,488
Balance at end of period	7,845	7	3,117	5,101	16,071	1,881	195,101

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,837	5,569	154,059	(2,317)	177,149
Changes during period					
Issuance of new shares	27	27			54
Dividends of surplus			(6,771)		(6,771)
Profit attributable to owners of parent			19,239		19,239
Purchase of shares of consolidated subsidiaries		(16)			(16)
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					-
Total changes during period	27	11	12,467	(2)	12,503
Balance at end of period	19,865	5,580	166,527	(2,320)	189,653

	Accumulated other comprehensive income					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 beginning of period	7,845	7	3,117	5,101	16,071	1,881	195,101
Changes during period							
Issuance of new shares					-		54
Dividends of surplus					-		(6,771)
Profit attributable to owners of parent					-		19,239
Purchase of shares of consolidated subsidiaries					-		(16)
Purchase of treasury shares					-		(2)
Disposal of treasury shares					-		0
Net changes in items other than shareholders' equity	3,707	139	202	2,657	6,707	(481)	6,226
Total changes during period	3,707	139	202	2,657	6,707	(481)	18,729
Balance at end of period	11,552	147	3,319	7,759	22,778	1,400	213,831

(4) Consolidated statement of cash flows

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	23,307	27,831
Depreciation	7,895	9,055
Amortization of goodwill	80	-
Interest and dividend income	(840)	(978)
Interest expenses	274	728
Share of loss (profit) of entities accounted for using equity method	(16)	1
Loss (gain) on valuation of investment securities	6	3
Loss (gain) on sale of investment securities	(1,170)	(3,123)
Loss (gain) on sales of investments in capital	54	-
Loss (gain) on sale of property, plant and equipment and intangible assets	(44)	(12)
Loss on retirement of property, plant and equipment and intangible assets	807	809
Decrease (increase) in trade receivables	17,244	(158)
Increase (decrease) in trade payables	(11,497)	(35,936)
Decrease (increase) in inventories	(32,276)	(8,768)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(2,517)	(296)
Increase (decrease) in retirement benefit liability	(70)	(454)
Decrease (increase) in retirement benefit asset	(363)	(419)
Increase (decrease) in provision for warranties for completed construction	233	(72)
Increase (decrease) in provision for loss on construction contracts	(4)	2,136
Other, net	(894)	497
Subtotal	208	(9,156)
Interest and dividends received	860	979
Interest paid	(268)	(468)
Income taxes refund (paid)	(5,368)	(8,247)
Net cash provided by (used in) operating activities	(4,567)	(16,893)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(15,110)	(23,693)
Proceeds from sale of property, plant and equipment and intangible assets	658	13
Purchase of investment securities	(23)	(24)
Proceeds from sale of investment securities	2,612	6,675
Net decrease (increase) in time deposits	(27)	336
Payments for retirement of property, plant and equipment	(721)	(784)
Proceeds from sale of investments in capital	210	-
Other, net	127	373
Net cash provided by (used in) investing activities	(12,272)	(17,103)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	113	(790)
Proceeds from long-term borrowings	4,500	55,000
Repayments of long-term borrowings	(4,876)	(10,299)
Dividends paid	(5,004)	(6,771)
Dividends paid to non-controlling interests	(9)	(2)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(601)
Repayments of finance lease liabilities	(446)	(444)
Net cash provided by (used in) financing activities	(5,723)	36,089
Effect of exchange rate change on cash and cash equivalents	812	144
Net increase (decrease) in cash and cash equivalents	(21,751)	2,237
Cash and cash equivalents at beginning of period	96,902	75,150
Cash and cash equivalents at end of period	75,150	77,387

(5) Notes to the consolidated financial statements

(Note on premise of going concern)

Not applicable.

(Notes to the consolidated balance sheet)

(Contingent liabilities)

In May 2022, an internal investigation revealed that, with regard to certain products manufactured by our subsidiary, Japan Steel Works M&E, Inc., inappropriate practices had occurred during some of the inspections required in the manufacturing process. Specifically, inspection values that deviated from customer specifications were falsely reported as falling within the relevant specification ranges. We received the investigation report from a special investigation committee composed of external attorneys in November 2022.

Consequently, while this matter may affect our future financial position and operating results, we have not reflected it in the consolidated financial statements for the current fiscal year because it is difficult to reasonably estimate the extent of such impact at this time.

(Notes to the consolidated statement of income)

(Losses related to quality non-compliance)

In May 2022, an internal investigation revealed that, with respect to certain products manufactured by our subsidiary, Japan Steel Works M&E, Inc. (hereinafter referred to as “M&E”), inappropriate practices such as reporting inspection results that deviated from customer specifications as values within the relevant specification ranges (hereinafter referred to as “inappropriate practices”) had been carried out in relation to certain inspections required during the manufacturing process.

In response to the recent discovery of inappropriate conduct at M&E, we have been reviewing not only M&E’s quality assurance system but also that of our entire group. In addition, we established a special investigation committee composed of outside attorneys and conducted an investigation. We have recorded these and related expenses as losses related to quality non-compliance.

Please note that, depending on how this matter progresses, compensation costs to customers and other related expenses may affect our consolidated financial results; however, as it is difficult to reasonably estimate the amount of such impact at this time, we have not reflected this in the consolidated financial statements for the current fiscal year.

(Notes to segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

We are developing our business as a comprehensive manufacturer of materials and machinery.

Accordingly, the Company has three reporting segments: Industrial Machinery Business, Materials & Engineering Business, and Other Business.

The Industrial Machinery segment covers resin manufacturing and processing machinery, molding machines, defense-related equipment, and other industrial machinery.

The "Raw Materials & Engineering Business" covers raw material products, engineering, and other businesses.

"Other businesses" covers the photonics business.

2. Method of calculating the amount of sales, profits or losses, assets and other items for each reporting segment

The accounting practices for the reported business segments are generally identical to the accounting policies employed to prepare the consolidated financial statements.

The profit of the reporting segment is operating income.

In addition, internal sales or transfers between segments are based on third-party transaction prices.

3. Information on the amount of sales, profits or losses, assets and other items for each reported segment, and information on the breakdown of revenues

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

(Unit: million yen)

	Reportable segments				Adjustment amount (Note)	Per consolidated financial statements
	Industrial Machinery Products	Steel and Engineering Products	Other Businesses	Total		
Sales						
Plastic production and processing machinery	72,299	-	-	72,299	-	72,299
Molding Machine	66,950	-	-	66,950	-	66,950
Defense-related equipment	32,225	-	-	32,225	-	32,225
Other Industrial Machinery	27,570	-	-	27,570	-	27,570
Steel forgings and plates	-	38,412	-	38,412	-	38,412
Engineering, etc.	-	8,706	-	8,706	-	8,706
other	-	-	2,391	2,391	-	2,391
Revenue generated from customer contracts	199,045	47,118	2,391	248,556	-	248,556
(1) Sales to external customers	199,045	47,118	2,391	248,556	-	248,556
(2) Internal sales or transfers between segments	1,439	7,372	1,975	10,786	(10,786)	-
Total	200,484	54,491	4,367	259,342	(10,786)	248,556
Segment profit (operating income)	17,576	8,699	112	26,388	(3,564)	22,824
Segment Assets	242,694	64,152	6,827	313,674	84,448	398,122
Other items						
Depreciation	4,229	2,282	1,000	7,512	383	7,895
Increase in property, plant and equipment and intangible assets	12,502	4,547	508	17,558	591	18,150

Note: 1 The adjustment to segment profit of (3,564) million yen includes corporate expenses that have not been allocated to each reporting segment and the amount of inventory adjustments related to inter-segment transactions.

2 The adjustment amount of 84,448 million yen in segment assets includes the offset of receivables and liabilities related to company-wide assets and inter-segment transactions that have not been allocated to each reporting segment.

3 The adjustment amount of 383 million yen for depreciation and amortization of other items is depreciation and amortization of company-wide assets. The adjustment for the increase in property, plant and equipment and intangible assets of 591 million yen is the increase in company-wide assets and the adjustment of fixed assets related to inter-segment transactions.

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

(Unit: million yen)

	Reportable segments				Adjustment amount (Note)	Per consolidated financial statements
	Industrial Machinery Products	Steel and Engineering Products	Other Businesses	Total		
Sales						
Plastic production and processing machinery	72,910	-	-	72,910	-	72,910
Molding Machine	64,844	-	-	64,844	-	64,844
Defense-related equipment	46,930	-	-	46,930	-	46,930
Other Industrial Machinery	41,563	-	-	41,563	-	41,563
Steel forgings and plates	-	39,708	-	39,708	-	39,708
Engineering, etc.	-	6,087	-	6,087	-	6,087
other	-	-	2,808	2,808	-	2,808
Revenue generated from customer contracts	226,248	45,795	2,808	274,852	-	274,852
(1) Sales to external customers	226,248	45,795	2,808	274,852	-	274,852
(2) Internal sales or transfers between segments	2,241	8,797	2,094	13,132	(13,132)	-
Total	228,489	54,593	4,903	287,985	(13,132)	274,852
Segment profit (operating income)	20,039	8,874	88	29,003	(3,696)	25,306
Segment Assets	259,896	75,539	6,027	341,463	88,519	429,983
Other items						
Depreciation	4,908	2,686	1,043	8,639	416	9,055
Increase in property, plant and equipment and intangible assets	13,029	6,306	552	19,887	4,395	24,283

Note: 1 The adjustment to segment profit of (3,696) million yen includes corporate expenses that have not been allocated to each reporting segment and the amount of inventory adjustments related to inter-segment transactions.

2 The adjustment amount of 88,519 million yen in segment assets includes the offset of receivables and liabilities related to company-wide assets and inter-segment transactions that have not been allocated to each reporting segment.

3 The adjustment for depreciation and amortization of other items of 416 million yen is depreciation and amortization of company-wide assets. The adjustment for the increase in property, plant and equipment and intangible assets of 4,395 million yen is the increase in company-wide assets and the adjustment of fixed assets related to inter-segment transactions.

(Notes to per-share information)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Net assets per share	2,625.13 yen	2,885.87 yen
Basic earnings per share	244.03 yen	261.38 yen

(Notes) 1. Diluted earnings per share are not presented because there are no potential shares.

2. The basis for calculating basic earnings per share is as follows.

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	17,961	19,239
Amounts not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	17,961	19,239
Average number of shares outstanding during the period (shares)	73,601,588	73,608,860

(Notes on significant subsequent events)

(Merger by absorption of a wholly-owned subsidiary)

At a meeting of the Board of Directors held on January 19, 2026, the Company resolved an absorption-type merger of Japan Steel Works M&E, Inc. (hereinafter referred to as “M&E”), a wholly owned subsidiary of the Company, and completed the merger effective April 1, 2026.

1. Overview of the business combination

(1) Name and business descriptions of the merging company

Name of the merging company: Japan Steel Works M&E, Inc.

Business descriptions: Manufacture and sale of material products, engineering services, and other related businesses

(2) Date of execution of the merger agreement

January 19, 2026

(3) Date of the business combination

April 1, 2026

(4) Legal forms of business combinations

A merger by absorption in which the Company is the surviving entity and M&E is the dissolving entity

(5) Name of the post-merger entity

The Japan Steel Works, Ltd.

(6) Other matters concerning the overview of the transaction

(i) The purpose and current status of the organizational restructuring implemented in April 2020

Following the Great East Japan Earthquake in March 2011, the business environment for the Group’s Material and Engineering Business (formerly the “Material and Energy Business”) deteriorated significantly, and improving profitability became a key challenge. To maintain the scale of this business while establishing a stable, profitable structure, we carried out a reorganization in April 2020 centered on the Muroran Plant, incorporating four subsidiaries that had previously been spun off as separate entities, and established M&E.

Subsequently, M&E proceeded with reforms to its earnings structure, including streamlining production through integrated business operations and reviewing its product portfolio to enhance the profitability of its Material and Engineering Business. As a result, the return on capital in the Material and Engineering Business improved significantly, and the company has established the stable, profitable structure that was the objective of the reorganization.

(ii) Purpose of the merger

- Sustained growth in the Material and Engineering Business
- Accelerating the creation of synergies within the Group
- Further strengthening of corporate governance

2. Overview of accounting treatment

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the Company accounted for the business combination as a transaction under common control.

4. Other

(1) Additional information

Status of orders received, net sales, and backlog

(i) Orders received

(Unit: million yen)

Segment	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Industrial Machinery Business	258,542	248,213
Material and Engineering Business	49,380	58,184
Other businesses	2,372	3,024
Total	310,295	309,423

(ii) Net sales

(Unit: million yen)

Segment	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Industrial Machinery Business	199,045	226,248
Material and Engineering Business	47,118	45,795
Other businesses	2,391	2,808
Total	248,556	274,852

(iii) Backlog

(Unit: million yen)

Segment	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Industrial Machinery Business	338,945	360,910
Material and Engineering Business	57,857	70,246
Other businesses	104	320
Total	396,906	431,477

(2) Changes in officers (Effective June 22, 2026)

[Board of Directors]

Candidates for re-election as Directors

Toshio Matsuo (current Representative Director & President)

Hiroki Kikuchi (current Representative Director & Executive Vice President

CFO, in charge of Export Control Administration, in charge of Finance & Accounting Department, and General Manager, Corporate Planning Office)

Shigeki Inoue (current Director, Senior Managing Executive Officer

CTO, in charge of Quality Management, in charge of Intellectual Property Department, in charge of Photonics Office, and Director of Innovation Management Headquarters)

Seiji Umamoto (current Director, Senior Managing Executive Officer

CISO, in charge of Office of Information Technology & Office of Digital Transformation, and General Manager, Business Development Office)

Hideo Nakanishi (current Director, Executive Officer

in charge of Export Control Administration, in charge of Affairs Department, and General Manager, Global Business Management Department, Global Strategy Headquarters)

Yoshiyuki Nakanishi (current Outside Director)

Hisao Mitsui (current Outside Director)

Junko Kawamura (current Outside Director)

Yasuyuki Kuriki (current Outside Director)

Nobuko Mizumoto (current Outside Director)

With respect to the Directors following the Annual General Meeting of Shareholders on June 22, 2026, there will be no changes to the positions of Representative Director, executive officers, or assigned duties from those listed above.

[Substitute Audit & Supervisory Board Member]

Candidate for re-election as substitute Audit & Supervisory Board Member

Aya Fujimatsu (current substitute Audit & Supervisory Board Member)

[Number of executive officers by gender and percentage of women following the reorganization]

11 men and 3 women (female officers account for 21.4% of the executive officers)