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Consolidated Financial Results for the Three Months Ended June 30, 2025 [under Japanese GAAP]

August 8, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 6351
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 Scheduled date for commencement of dividend payments: -
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: None

(amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
June 30, 2025	18,111	19.8	3,001	42.0	2,345	(38.3)	1,231	(51.1)
June 30, 2024	15,115	7.0	2,114	19.9	3,801	0.5	2,518	(3.9)

Note: Comprehensive income

Three months ended June 30, 2025: ¥1,454 million [(69.4)%]

Three months ended June 30, 2024: ¥4,749 million [0.9%]

	Basic earnings per share	Diluted earnings per share
Three months ended	¥	¥
June 30, 2025	51.02	-
June 30, 2024	102.37	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	¥ million	¥ million	%
June 30, 2025	126,215	95,836	74.7
March 31, 2025	131,509	95,852	71.8

Reference: Equity

As of June 30, 2025 : ¥94,318 million

As of March 31, 2025 : ¥94,399 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended/ending	¥	¥	¥	¥	¥
March 31, 2025	-	24.00	-	30.00	54.00
March 31, 2026	-				
March 31, 2026 (Forecast)		26.00	-	15.00	-

(Note) Revisions to the forecast of cash dividends most recently announced: Yes
As disclosed in the notice titled “Stock Split and Revision of the Dividend Forecast” on June 9, 2025, the Company plans to split its common shares at a ratio of two shares for every one share on October 1, 2025. For the fiscal year ending March 31, 2026 (forecast), the amount given for the second quarter-end is before the split and the amount given for the fiscal year-end is after the split. An annual dividend forecast is not given because it is not possible to calculate a simple total due to this stock split. The annual dividend without taking into account this stock split will be ¥56.

Notes: 1. Breakdown of the second quarter-end dividend for the fiscal year ended March 31, 2025

Ordinary dividend: ¥22.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid having made ZENIT INTERNATIONAL S.P.A. a wholly-owned subsidiary.

2. Breakdown of the fiscal year-end dividend for the fiscal year ended March 31, 2025

Ordinary dividend: ¥28.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid for the completion of the motor production building at the Kyoto Plant.

3. Breakdown of the second quarter-end dividend for the fiscal year ending March 31, 2026

Ordinary dividend: ¥24.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend will be paid for the completion of the new casting plant at Alloy Technology’s Nanbu-cho facility.

3. Consolidated financial results forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending September 30, 2025	31,000	7.3	4,500	1.9	4,500	21.0	3,200	(24.5)	133.20
Fiscal year ending March 31, 2026	71,000	4.3	10,400	1.5	10,800	2.9	7,600	(13.5)	158.18

(Note) Revisions to the forecast of consolidated financial results most recently announced: None

As disclosed in the notice titled “Stock Split and Revision of the Dividend Forecast” on June 9, 2025, the Company plans to split its common shares at a ratio of two shares for every one share on October 1, 2025. The amount taking into consideration this stock split is given for the above basic earnings per share. It would be ¥316.35 without taking into consideration this stock split.

Notes:

- (1) Significant changes in the scope of consolidation during the quarterly period under review: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
 - 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. Restatements: None
- (4) Number of issued shares (common shares)
 - i. Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025:	25,413,486 shares
As of March 31, 2025:	27,500,000 shares
 - ii. Number of treasury shares at the end of the period

As of June 30, 2025:	1,389,574 shares
As of March 31, 2025:	3,256,838 shares
 - iii. Average number of shares outstanding during the period (quarterly cumulative)

Three months ended June 30, 2025:	24,130,050 shares
Three months ended June 30, 2024:	24,596,522 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or audit firm:
None

* Explanations about the appropriate use of results forecasts and other remarks

The earnings forecasts and other forward-looking statements in this document are based on information currently available and certain assumptions the Company considers reasonable. The Company offers no guarantee that such forecasts will be achieved. Actual results may differ significantly due to various factors.

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1. Operating Results

(1) Overview of operating results for the three months ended June 30, 2025

In the period under review, the Japanese economy experienced strong inbound tourism demand. Nevertheless, the outlook for the Japanese and international economies is becoming increasingly uncertain. This uncertainty is a result of factors such as persistently high raw material prices, labor shortages and declining consumer confidence due to continuing price increases in Japan. Moreover, the global economy is facing market turmoil due to U.S. tariff policies; growing geopolitical risks, including the intensifying situation in the Middle East and the prolonged situation in Ukraine; the slowdown in the Chinese economy; and other factors.

In this environment, the Group sought to further strengthen its management foundation for the next 100 years by pressing ahead with reforms centered on manufacturing in the second year of its Transformation 2027 three-year medium-term management plan. In recognizing the responsibility that comes with the Group's products playing an essential role in social infrastructure, the Group has strived to maintain an infallible system so that it can continue to reliably supply products.

As a result, net sales for the period under review increased by ¥2,996 million (+19.8%) year on year to ¥18,111 million. Operating profit rose by ¥887 million (+42.0%) year on year to ¥3,001 million. Ordinary profit came to ¥2,345 million year-on-year decrease of ¥1,456 million (-38.3%). This was because, despite recording foreign exchange gains of ¥1,405 million in non-operating income in the first three months of the fiscal year ended March 31, 2025, the trend for the yen to depreciate has subsided and so foreign exchange losses of ¥930 million were recorded in the period under review. Profit attributable to owners of parent decreased by ¥1,286 million (-51.1%) year on year to ¥1,231 million.

Results by business segment were as follows.

Japan

In the construction machinery market, sales of electrode-type submersible pumps and small residue pumps increased due to the growing importance of environmental considerations. However, soaring material and personnel costs, labor shortages, and other issues led to stagnation in the construction market. That reduced demand for pumps and resulted in a slight decline in the overall market. In the plant equipment market, sales increased significantly due to factors including increased attention on the high-efficiency submersible pump products equipped with a smashing mechanism that has outstanding solid matter passing capability. This product series has also been praised for its ability to operate continuously at low water levels in projects such as rerouting work accompanying work to repair collapsed roads. That led to this series contributing to an increase in sales in the overall market. Moreover, large submersible pumps sales increased in the tool factory market and dehydrator-related sales rose in the plant market. Accordingly, net sales over the whole of the Japanese division increased.

As a result, net sales increased by ¥1,532 million (+13.1%) year on year to ¥13,189 million and segment profit rose by ¥808 million (+55.9%) year on year to ¥2,254 million.

North America

In the North American region, purchasing was restrained due to the impact of the Trump administration's mutual tariffs. However, demand in the construction and plant/factory markets is recovering. That meant net sales remained almost flat.

As a result, net sales increased by ¥83 million (+2.4%) year on year to ¥3,516 million and segment profit decreased by ¥44 million (-9.8%) year on year to ¥405 million.

Asia

In the Asian region, the number of orders received for high-efficiency submersible pump products equipped with a smashing mechanism increased just as they did in the Japan segment. This and other factors meant that demand for the plant/factory market in Thailand and Vietnam remained solid. On the other hand, net sales declined in general in Hong Kong due in part to construction demand levelling off and reduced rainfall during the rainy season.

As a result, net sales increased by ¥182 million (+4.9%) year on year to ¥3,948 million and segment profit fell by ¥19 million (-4.4%) year on year to ¥423 million.

Europe

In the European region, demand decreased due to the sluggish construction market in Germany. Nevertheless, demand in other European countries was healthy and overall net sales remained strong.

As a result, net sales were ¥1,403 million, and segment profit was -¥105 million due to the recording of goodwill amortization and amortization of customer-related intangible assets. This region has been included in the scope of consolidation since the end of the semi-annual accounting period of the previous fiscal year and is now managed as the Europe segment. Therefore, there is no comparative information.

Other

In other regions, although the Chinese market was affected by the downturn in real estate, U.S.-China trade friction and other factors, the steady accumulation of orders received led to a decrease in net sales.

As a result, net sales decreased by ¥12 million (-0.7%) year on year to ¥1,855 million and segment profit rose by ¥173 million (+66.1%) to ¥435 million.

(2) Overview of financial position as of June 30, 2025

(Assets)

Assets totaled ¥126,215 million at the end of the period under review, down ¥5,293 million from the end of the previous fiscal year.

This was mainly due to increases in cash and deposits by ¥485 million and decreases in notes and accounts receivable—trade, and contract assets by ¥5,313 million and in securities by ¥504 million.

(Liabilities)

Liabilities totaled ¥30,379 million at the end of the period under review, down ¥5,277 million from the end of the previous fiscal year.

This was mainly due to decreases in short-term borrowings ¥3,200 million, in notes and accounts payable—trade by ¥904 million, and other current liabilities by ¥1,417 million due to a decrease in accounts payable other, and an increase in provision for bonuses by ¥360 million.

(Net assets)

Net assets totaled ¥95,836 million at the end of the period under review, down ¥16 million from the end of the previous fiscal year.

This was mainly due to an increase of ¥1,231 million in profit attributable to owners of parent, a decrease of ¥727 million in dividends from surplus, an increase of ¥257 million in valuation difference on available-for-sale securities, and the acquisition of ¥743 million in treasury stock.

As a result, the equity-to-asset ratio was 74.7% (71.8% at the end of the previous fiscal year).

(3) Explanation about consolidated results forecasts and other forward-looking information

As mentioned above, the uncertain economic outlook for the Japanese and international economies is expected to continue for a certain period of time.

The Group sought to further strengthen its management foundation for the next 100 years by pressing ahead with reforms centered on manufacturing in the second year of its Transformation 2027 three-year medium-term management plan. In recognizing the responsibility that comes with the Group's products playing an essential role in social infrastructure, the Group will strive to maintain an infallible system so that it can continue to reliably supply products. Furthermore, as outlined in the information the Company released in March 2025 regarding how it intends to achieve a style of management that is conscious of capital costs and the share price, it plans to steadily execute capital policies and growth strategies, deliver timely and appropriate shareholder returns, and allocate management resources accordingly.

There are no changes to the consolidated results forecast for the fiscal year ending March 31, 2026 from the results forecast announced on May 13, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(¥ million)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	31,145	31,631
Notes and accounts receivable - trade, and contract assets	26,416	21,102
Securities	1,405	900
Inventories	20,301	20,241
Other	2,460	2,746
Allowance for doubtful accounts	(72)	(79)
Total current assets	81,657	76,543
Non-current assets		
Property, plant and equipment		
Land	9,122	9,204
Other (net)	18,779	18,540
Total property, plant and equipment	27,901	27,745
Intangible assets		
Goodwill	3,184	3,042
Customer-related intangible assets	899	860
Other	1,987	1,890
Total intangible assets	6,071	5,794
Investments and other assets		
Investment securities	12,662	12,955
Other	3,217	3,177
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	15,878	16,132
Total non-current assets	49,852	49,672
Total assets	131,509	126,215

(¥ million)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,478	7,574
Short-term borrowings	6,700	3,500
Current portion of long-term borrowings	1,696	1,692
Income taxes payable	1,168	1,192
Provision for bonuses	1,249	1,609
Other	6,535	5,118
Total current liabilities	25,828	20,687
Non-current liabilities		
Long-term borrowings	7,283	7,160
Provision for retirement benefits for directors	15	15
Retirement benefit liability	136	140
Other	2,393	2,375
Total non-current liabilities	9,828	9,692
Total liabilities	35,657	30,379
Net assets		
Shareholders' equity		
Share capital	5,188	5,188
Capital surplus	8,369	8,005
Retained earnings	76,003	73,900
Treasury shares	(4,423)	(2,195)
Total shareholders' equity	85,138	84,898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,329	3,587
Foreign currency translation adjustment	5,677	5,617
Remeasurements of defined benefit plans	253	214
Total accumulated other comprehensive income	9,261	9,419
Non-controlling interests	1,452	1,517
Total net assets	95,852	95,836
Total liabilities and net assets	131,509	126,215

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

(¥ million)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	15,115	18,111
Cost of sales	9,601	10,956
Gross profit	5,513	7,155
Selling, general and administrative expenses	3,399	4,153
Operating profit	2,114	3,001
Non-operating income		
Interest income	142	117
Dividend income	171	238
Foreign exchange gains	1,405	-
Other	82	77
Total non-operating income	1,802	433
Non-operating expenses		
Interest expenses	14	29
Foreign exchange losses	-	930
Share of loss of entities accounted for using equity method	23	-
Loss on swap valuation	60	87
Other	16	42
Total non-operating expenses	114	1,090
Ordinary profit	3,801	2,345
Extraordinary losses		
Impairment losses	-	257
Total extraordinary losses	-	257
Profit before income taxes	3,801	2,087
Income taxes - current	1,276	857
Income taxes - deferred	(75)	(130)
Income taxes	1,200	726
Profit	2,601	1,361
Profit attributable to non-controlling interests	83	129
Profit attributable to owners of parent	2,518	1,231

(Quarterly Consolidated Statement of Comprehensive Income)

(¥ million)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	2,601	1,361
Other comprehensive income		
Valuation difference on available-for-sale securities	527	257
Foreign currency translation adjustment	1,554	(124)
Remeasurements of defined benefits plans, net of tax	(39)	(39)
Share of other comprehensive income of entities accounted for using equity method	106	-
Total other comprehensive income	2,148	93
Comprehensive income	4,749	1,454
Comprehensive income attributable to		
Owners of parent	4,608	1,389
Non-controlling interests	141	65

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information)

[Segment information]

I. First three months of the fiscal year ended March 31, 2025 (From April 1, 2024 to June 30, 2024)

Information on net sales and profit or loss for each reportable segment, as well as disaggregated revenue information

(¥ million)

	Reportable segments					Other *1	Total	Adjustments *2	Amount in the quarterly consolidated statement of income *3
	Japan	North America	Asia	Europe	Total				
Net sales									
Goods and services transferred at a point in time	8,092	3,432	1,990	-	13,515	1,286	14,801	-	14,801
Goods and services transferred over time	284	-	-	-	284	-	284	-	284
Revenue from contracts with customers	8,377	3,432	1,990	-	13,800	1,286	15,086	-	15,086
Other income	28	-	-	-	28	-	28	-	28
Sales to external customers	8,406	3,432	1,990	-	13,829	1,286	15,115	-	15,115
Intersegment sales or transfers	3,251	-	1,775	-	5,026	582	5,608	(5,608)	-
Total	11,657	3,432	3,766	-	18,856	1,868	20,724	(5,608)	15,115
Segment profit	1,446	449	442	-	2,339	262	2,601	(487)	2,114

Notes: 1. The “Other” category denotes business segments not included in the reportable segments, encompassing the business activities of local subsidiaries in China and other regions.

2. The adjustment amount for segment profit of -¥487 million includes Company-wide expenses of -¥317 million not allocated to any reportable segment, an adjustment of -¥170 million for inventories, and other adjustments of ¥0 million.

Company-wide expenses mainly consist of costs related to the administrative departments of the Company that do not belong to any reportable segment.

3. Segment profit is reconciled with the operating profit in the quarterly consolidated statement of income.

II. First three months of the fiscal year ending March 31, 2026 (from April 1, 2025 to June 30, 2025)

Information on net sales and profit or loss for each reportable segment, as well as disaggregated revenue information

(¥ million)

	Reportable segments					Other *1	Total	Adjustments *2	Amount in the quarterly consolidated statement of income *3
	Japan	North America	Asia	Europe	Total				
Net sales									
Goods and services transferred at a point in time	9,180	3,516	2,083	1,331	16,111	1,249	17,360	-	17,360
Goods and services transferred over time	729	-	-	-	729	-	729	-	729
Revenue from contracts with customers	9,909	3,516	2,083	1,331	16,840	1,249	18,089	-	18,089
Other income	21	-	-	-	21	-	21	-	21
Sales to external customers	9,931	3,516	2,083	1,331	16,862	1,249	18,111	-	18,111
Intersegment sales or transfers	3,258	-	1,865	72	5,196	606	5,802	(5,802)	-
Total	13,189	3,516	3,948	1,403	22,058	1,855	23,914	(5,802)	18,111
Segment profit	2,254	405	423	(105)	2,978	435	3,413	(412)	3,001

Notes: 1. The “Other” category denotes business segments not included in the reportable segments, encompassing the business activities of local subsidiaries in China and other regions.

2. The adjustment amount for segment profit of -¥412 million includes Company-wide expenses of -¥382 million not allocated to any reportable segment, an adjustment of -¥32 million for inventories, and other adjustments of ¥2 million.

Company-wide expenses mainly consist of costs related to the administrative departments of the Company that do not belong to any reportable segment.

3. Segment profit is reconciled with the operating profit in the quarterly consolidated statement of income.

(Notes in the event of a significant change in the amount of shareholders’ equity)

Based on the resolution of the Board of Directors meeting held on May 13, 2025, the Company cancelled 2,086,514 shares of treasury stock on May 20, 2025. As a result, capital surplus decreased by ¥364 million, retained earnings decreased by ¥2,606 million, and treasury stock decreased by ¥2,971 million.

(Notes on going-concern assumptions)

None.

(Notes on statement of cash flows)

A quarterly consolidated statement of cash flows for the period under review has not been prepared. Depreciation (including amortization for intangible assets other than goodwill and customer-related intangible assets) and amortization of goodwill and customer-related intangible assets for the period under review is as follows.

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	¥324 million	¥582 million
Goodwill amortization	¥8 million	¥89 million
Amortization of customer-related intangible assets	- million	¥23 million

(Additional information)

(Stock split)

The Company's Board of Directors, at its meeting held on June 9, 2025, resolved to perform a stock split at a ratio of two shares for every one share of its common shares to take effect on October 1, 2025.

1. Purpose of the stock split

The Company is performing the stock split to lower the amount per investment unit with the aim of improving the liquidity of its shares and to further expand its investor base.

2. Overview of the stock split

(1) Method of the stock split

The Company will split its common shares held by shareholders recorded or registered in the final shareholder register on the record date of September 30 (Tue), 2025 at a ratio of two shares for every one share.

(2) Number of shares to be increased by the stock split

(i) Total number of shares issued before the stock split	25,413,486 shares
(ii) Number of shares to be increased by the stock split	25,413,486 shares
(iii) Total number of shares issued after the stock split	50,826,972 shares
(iv) Total number of authorized shares after the stock split	100,000,000 shares

(3) Schedule for the stock split

(i) Announcement date of the record date (planned)	September 12 (Fri), 2025
(ii) Record date	September 30 (Tue), 2025
(iii) Effective date	October 1 (Wed), 2025

(4) Impact on per share information

The per share information assuming that the stock split was performed at the beginning of the previous fiscal year is as follows.

	As of June 30, 2024	As of June 30, 2025
Net assets per share	¥1,881.00	¥1,963.01

	Three months ended June 30, 2024	Three months ended June 30, 2025
Basic earnings per share	¥51.19	¥25.51

3. Other

There will be no change in the amount of share capital when this stock split is performed.