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October 13, 2026

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



Company name: Shinwa Co., Ltd.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Securities code: 7607

URL: <https://www.shinwa-jpn.co.jp/>

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President & CEO

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Scheduled date of annual general meeting of shareholders: November 19, 2026

Scheduled date to commence dividend payments: November 20, 2026

Scheduled date to file annual securities report: November 18, 2026

Preparation of supplementary material on financial results: Yes

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

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended August 31, 2026 (from September 1, 2025 to August 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2026	87,512	1.6	4,448	(1.9)	4,703	(2.2)	3,269	(1.3)
August 31, 2025	86,146	10.7	4,536	27.5	4,809	23.3	3,312	21.3

Note: Comprehensive income For the fiscal year ended August 31, 2026: ¥ 5,531 million [81.3%]
For the fiscal year ended August 31, 2025: ¥ 3,050 million [(17.0)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended August 31, 2026	243.80	-	7.2	6.6	5.1
August 31, 2025	247.22	-	7.8	6.9	5.3

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

For the fiscal year ended August 31, 2026: ¥ - million

For the fiscal year ended August 31, 2025: ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2026	68,461	47,437	69.0	3,523.67
August 31, 2025	74,409	43,609	58.4	3,243.38

Reference: Equity

As of August 31, 2026: ¥ 47,268 million

As of August 31, 2025: ¥ 43,466 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended August 31, 2026	(2,917)	(3,324)	(1,788)	21,760
August 31, 2025	11,336	(810)	(1,493)	28,786

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 August 31, 2025	-	56.00	-	68.00	124.00	1,661	50.2	3.9
Fiscal year ended August 31, 2026	-	62.00	-	62.00	124.00	1,663	50.9	3.7
Fiscal year ending August 31, 2027 (Forecast)	-	64.00	-	64.00	128.00		52.3	

3. Consolidated financial result forecasts for the fiscal year ending August 31, 2027 (from September 1, 2026 to August 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
Six months ending February 28, 2027	45,000	0.5	2,300	(21.1)	2,400	(20.3)	1,660	(19.2)	123.75
Full year	88,000	0.6	4,530	1.8	4,730	0.6	3,280	0.3	244.51

*** Notes**

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

None

Newly included: - companies()

Excluded: - companies()

(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 August 31, 2026	13,815,319 shares
As of August 31, 2025	13,815,319 shares

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

As of August 31, 2026	400,759 shares
As of August 31, 2025	413,755 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended August 31, 2026	13,410,926 shares
Fiscal Year ended August 31, 2025	13,398,208 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended August 31, 2026 (from September 1, 2025 to August 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	%
August 31, 2026	69,274	(2.9)	2,807	(0.6)	3,694	(9.0)	2,760	(10.5)
August 31, 2025	71,333	17.7	2,825	101.6	4,059	63.6	3,082	59.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
August 31, 2026	205.84	-
August 31, 2025	230.11	-

(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
August 31, 2026	48,584	33,854	69.7	2,523.71
August 31, 2025	56,438	32,195	57.0	2,402.37

Reference: Equity

As of August 31, 2026: ¥ 33,854 million

As of August 31, 2025: ¥ 32,195 million

2. Non-consolidated financial result forecasts for the fiscal year ending August 31, 2027 (from September 1, 2026 to August 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending February 28, 2027	33,500	(8.1)	1,960	(28.0)	1,470	(26.2)	109.58
Full year	66,000	(4.7)	3,480	(5.8)	2,600	(5.8)	193.82

* 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

The forward-looking statements, including financial results forecast, contained in this document are based on information currently available to the company and certain assumptions that are deemed reasonable. Actual performance may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and important considerations when using these forecasts, please refer to page 4 of "Attachments", "Overview of Operating Results, etc. (4) Future Outlook"

The Company plans to hold a financial results briefing for institutional investors and securities analysts on October 20, 2026. The presentation materials distributed at the briefing will be made available on the Company's website.

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1. Overview of Operating Results, etc.

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

During the fiscal year ended August 31, 2026, the Japanese economy maintained a gradual recovery trend, supported by signs of improvement in exports, which had stagnated due to the impact of the U.S. tariff policies, and against the backdrop of improvement in the employment and income environment and increased demand for capital investment. However, the outlook remains uncertain due to factors putting downward pressure on domestic and international economies, including rising energy prices associated with the escalating tensions in the Middle East and persistently high raw material prices.

In the automotive industry, which is the primary user of the Group's products, demand for capital investment remained solid, driven by the need to address the prolonged demand for hybrid vehicles as well as the need for automation and labor-saving initiatives in production operations.

In this business environment, during the final year of the 4th Medium-term Management Plan, the Group strengthened its engineering capabilities with metal joining technologies as its core competence, and also worked to improve customers' productivity and create added value by proposing production equipment, materials, and solutions. In addition, the Group strived to deepen its existing businesses and develop new markets by responding to the shift toward smart factories and expanding its business in the electronics sector.

As a result, for the fiscal year ended August 31, 2026, the Group posted net sales of ¥87,512 million (up 1.6% from the previous fiscal year), ordinary profit of ¥4,703 million (down 2.2% from the previous fiscal year), and profit attributable to owners of parent of ¥3,269 million (down 1.3% from the previous fiscal year).

Operating results by reportable segment were as follows.

1) Japan

The Group generated sales associated with DX in manufacturing, such as laser welding and inspection equipment and production instruction systems for automobile manufacturers, and captured demand, mainly in the area of smart factories, such as automation and labor-saving initiatives using autonomous mobile robots (AMRs). In addition, the Group received new orders from beverage and food manufacturers for automation and labor-saving projects using AMRs. However, due to the postponement and downscaling of large-scale equipment projects and the impact of increased related costs, net sales amounted to ¥71,918 million (down 2.6% from the previous fiscal year), and segment profit amounted to ¥3,039 million (down 1.3% from the previous fiscal year).

2) Americas

Sales of inspection equipment and other items for Japanese automobile manufacturers made a significant contribution. However, due to a reactionary decline following a highly profitable project recorded in the same period of the previous fiscal year and the impact of U.S. foreign economic policies, net sales amounted to ¥11,371 million (up 20.1% from the previous fiscal year), and segment profit amounted to ¥365 million (down 45.1% from the previous fiscal year).

3) Asia Pacific

Sales of robotic systems for automation and labor-saving initiatives on production lines, body production equipment, and welding-related components for Japanese automobile manufacturers and automotive components manufacturers remained solid. In addition to securing maintenance and overhaul projects, the Group also developed local supply chains in collaboration with local equipment manufacturers, which led to orders for capital expenditure projects and improved profitability in India and Southeast Asia. As a result of the foregoing factors, net sales amounted to ¥6,637 million (up 14.3% from the previous fiscal year), and segment profit amounted to ¥842 million (up 25.9% from the previous fiscal year).

4) China

Sales from large-scale production equipment projects for Japanese automobile manufacturers made a contribution. However, due to lower profit margins resulting from China's economic slowdown and intensified competition, among other factors, net sales amounted to ¥5,120 million (up 11.3% from the previous fiscal year), and segment profit amounted to ¥20 million (down 80.4% from the previous fiscal year).

5) Other

Sales from large-scale equipment projects for Japanese electrical equipment manufacturers, as well as sales of materials, drove business performance. In particular, in Europe, demand for equipment renewal and the number of projects related to inspection equipment, among others, increased. However, due to factors such as a decrease in highly profitable projects compared to the previous fiscal year, net sales amounted to ¥913 million (up 15.6% from the previous fiscal year), and segment loss amounted to ¥28 million (segment loss of ¥5 million in the previous fiscal year).

Net sales by reportable segment are presented inclusive of intersegment net sales.

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

Total assets at the end of fiscal year under review amounted to ¥68,461 million, a decrease of ¥5,948 million compared to the end of the previous fiscal year.

Current assets decreased by ¥9,145 million from the end of the previous fiscal year to ¥53,145 million. This was mainly due to a decrease of ¥7,028 million in cash and deposits, a decrease of ¥31 million in notes receivable - trade, a decrease of ¥275 million in accounts receivable - trade, a decrease of ¥926 million in merchandise and finished goods, and a decrease of ¥1,708 million in other under current assets, mainly due to a decrease in advance payments to suppliers, despite an increase of ¥169 million in electronically recorded monetary claims - operating, an increase of ¥99 million in securities, an increase of ¥462 million in work in process, and an increase of ¥90 million in raw materials and supplies.

Non-current assets increased by ¥3,197 million from the end of the previous fiscal year to ¥15,315 million. This was mainly due to an increase of ¥982 million in land and an increase of ¥920 million in construction in progress under property, plant and equipment, and an increase of ¥919 million in investment securities under investments and other assets.

Current liabilities decreased by ¥9,978 million from the end of the previous fiscal year to ¥18,919 million. This was mainly due to a decrease of ¥6,871 million in notes and accounts payable - trade, a decrease of ¥2,617 million in electronically recorded obligations - operating, a decrease of ¥107 million in income taxes payable, and a decrease of ¥749 million in contract liabilities, despite an increase of ¥309 million in other under current liabilities, mainly due to an increase in accrued consumption taxes.

Non-current liabilities increased by ¥201 million from the end of the previous fiscal year to ¥2,103 million.

Total net assets increased by ¥3,828 million from the end of the previous fiscal year to ¥47,437 million.

As a result, the capital adequacy ratio increased by 10.6 points from 58.4% at the end of the previous fiscal year to 69.0%.

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

Cash and cash equivalents at the end of fiscal year under review decreased by ¥7,026 million from the end of the previous fiscal year to ¥21,760 million.

(Cash flows from operating activities)

Net cash used in operating activities was ¥2,917 million (net cash provided by operating activities was ¥11,336 million in the previous fiscal year). This was mainly due to a decrease in net cash due to a decrease of ¥9,881 million in trade payables, a decrease of ¥1,214 million in contract liabilities, and income taxes paid of ¥1,593 million, despite an increase in net cash due to profit before income taxes of ¥4,694 million, depreciation of ¥1,204 million, and a decrease of ¥1,535 million in advance payments to suppliers.

(Cash flows from investing activities)

Net cash used in investing activities was ¥3,324 million (net cash used in investing activities was ¥810 million in the previous fiscal year). This was mainly due to a decrease in net cash due to payments into time deposits of ¥1,548 million, purchase of property, plant and equipment of ¥2,818 million, and purchase of intangible assets of ¥175 million, despite an increase in net cash due to proceeds from withdrawal of time deposits of ¥1,377 million and proceeds from sale and redemption of investment securities of ¥100 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1,788 million (net cash used in financing activities was ¥1,493 million in the previous fiscal year). This was mainly due to a decrease in net cash due to dividends paid of ¥1,741 million.

(4) Future Outlook

Regarding the future outlook, gradual growth is expected to continue, supported by improvement in the employment and income environment, as well as AI- and digital-related investment. However, the outlook is expected to remain uncertain due to concerns stemming from factors such as prolonged turmoil in Ukraine and the Middle East, rising energy prices and raw material costs, and trade friction and supply constraints triggered by the spread of protectionism.

In the automotive industry, where the primary users of the Group's products operate, business performance is expected to depend on various factors: continued demand for hybrid vehicles amid a slowdown in demand for electric vehicles; development of markets in the Global South, including India; competition with Chinese manufacturers, which have been increasing their presence through overseas exports; and response to the shift toward electrified and software-defined vehicles (SDVs). In addition, in the manufacturing industry in Japan, including the automotive industry, amid labor shortages due to a declining labor force, investment in automation, labor-saving, and optimization initiatives using AI, IoT, and robots is expected to remain solid. Furthermore, in the semiconductor industry, where the Group's ultra-high precision dispenser business, which is expected to be a growth driver, operates, AI-related investment, including AI data centers, GPUs, HBM, and advanced packaging, is expected to continue to drive market expansion.

Under these circumstances, the Group has newly formulated the 5th Medium-term Management Plan "Shinwa moving forward 2029" spanning the period from September 2026 to August 2029. We aim to become an outstanding solution provider with a deep understanding of manufacturing operations. To achieve this goal, the Group will integrate its technological capabilities and its manufacturing and trading functions, thereby strengthening its business for the automotive industry, which is its existing revenue base. It also aims to cultivate new growth drivers, including businesses for the semiconductor, aerospace, beverage and food, and healthcare industries, thereby diversifying its business portfolio. At the same time, the Group aims to enhance profitability by strengthening its development capabilities through deepening its core metal joining technologies, and by expanding its business into growth markets such as the Global South. In our business for the semiconductor industry, in addition to our proprietary ultra-precision dispensing system, "Quspa," we will establish a framework capable of providing solutions for all semiconductor manufacturing processes through alliances with new partner companies. Furthermore, leveraging our proprietary metal joining technology, we will capture new demand in areas such as cooling systems for AI data centers.

Consolidated Financial Results Forecast

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Plan for the fiscal year ending August 31, 2027	88,000	4,530	4,730	3,280
Actual results for the fiscal year ended August 31, 2026 (current fiscal year)	87,512	4,448	4,703	3,269
Rate of change from the current fiscal year	0.6%	1.8%	0.6%	0.3%

2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and between companies, the Group's policy for the time being is to prepare consolidated financial statements in accordance with Japanese GAAP.

Regarding the application of international accounting standards, the Group intends to respond appropriately while taking various domestic and international circumstances into consideration.

3. Consolidated Financial Statements and Principal Notes**(1) Consolidated Balance Sheets**

(Thousands of yen)

	As of August 31, 2025	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	29,636,513	22,607,853
Notes receivable - trade	31,974	805
Accounts receivable - trade	11,300,962	11,025,372
Electronically recorded monetary claims - operating	4,594,786	4,764,034
Securities	-	99,910
Merchandise and finished goods	10,698,585	9,772,483
Work in process	2,083,750	2,545,964
Raw materials and supplies	665,029	755,728
Other	3,281,122	1,572,895
Allowance for doubtful accounts	(2,329)	-
Total current assets	62,290,395	53,145,047
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,803,918	8,004,050
Accumulated depreciation	(4,764,161)	(5,084,699)
Buildings and structures, net	3,039,757	2,919,350
Machinery, equipment and vehicles	5,310,423	5,769,230
Accumulated depreciation	(3,912,150)	(4,325,288)
Machinery, equipment and vehicles, net	1,398,273	1,443,942
Land	2,748,179	3,730,740
Construction in progress	233,400	1,154,016
Other	2,708,626	3,224,247
Accumulated depreciation	(1,874,722)	(2,213,582)
Other, net	833,904	1,010,665
Total property, plant and equipment	8,253,514	10,258,715
Intangible assets	696,277	551,335
Investments and other assets		
Investment securities	2,680,182	3,600,022
Deferred tax assets	100,847	68,015
Other	388,923	838,802
Allowance for doubtful accounts	(900)	(900)
Total investments and other assets	3,169,053	4,505,940
Total non-current assets	12,118,845	15,315,990
Total assets	74,409,241	68,461,038

(Thousands of yen)

	As of August 31, 2025	As of August 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,310,600	7,438,784
Electronically recorded obligations - operating	4,566,144	1,948,487
Lease liabilities	104,654	113,519
Income taxes payable	917,952	810,299
Contract liabilities	7,206,437	6,456,636
Provision for bonuses	405,463	456,110
Provision for bonuses for directors (and other officers)	44,756	44,887
Other	1,341,520	1,650,613
Total current liabilities	28,897,530	18,919,340
Non-current liabilities		
Lease liabilities	558,531	483,989
Deferred tax liabilities	838,671	1,036,260
Deferred tax liabilities for land revaluation	201,936	201,936
Retirement benefit liability	67,881	83,209
Provision for retirement benefits for directors (and other officers)	-	40,940
Other	235,372	257,366
Total non-current liabilities	1,902,394	2,103,702
Total liabilities	30,799,924	21,023,043
Net assets		
Shareholders' equity		
Share capital	951,106	951,106
Capital surplus	1,310,712	1,341,493
Retained earnings	38,761,751	40,288,343
Treasury shares	(311,706)	(302,483)
Total shareholders' equity	40,711,863	42,278,460
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,093,627	1,773,862
Deferred gains or losses on hedges	-	1,497
Revaluation reserve for land	(646,954)	(646,954)
Foreign currency translation adjustment	2,307,825	3,861,674
Total accumulated other comprehensive income	2,754,499	4,990,080
Non-controlling interests	142,953	169,454
Total net assets	43,609,317	47,437,995
Total liabilities and net assets	74,409,241	68,461,038

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Net sales	86,146,486	87,512,860
Cost of sales	72,281,158	73,274,516
Gross profit	13,865,327	14,238,343
Selling, general and administrative expenses		
Freight and packing costs	557,975	385,033
Salaries and bonuses	3,706,704	4,008,739
Provision for bonuses	304,047	342,626
Retirement benefit expenses	114,980	127,558
Provision for bonuses for directors (and other officers)	44,829	44,951
Depreciation	588,878	645,088
Rent expenses	484,096	508,987
Provision of allowance for doubtful accounts	(1,563)	(2,329)
Provision for retirement benefits for directors (and other officers)	-	40,940
Other	3,529,327	3,687,998
Total selling, general and administrative expenses	9,329,276	9,789,595
Operating profit	4,536,051	4,448,748
Non-operating income		
Interest income	100,799	122,573
Dividend income	63,570	74,029
Rental income	36,945	41,183
Purchase discounts	5,871	2,700
Other	94,598	95,978
Total non-operating income	301,786	336,466
Non-operating expenses		
Interest expenses	1,480	1,393
Foreign exchange losses	12,833	71,192
Other	13,552	9,110
Total non-operating expenses	27,865	81,696
Ordinary profit	4,809,972	4,703,519

(Thousands of yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Extraordinary income		
Gain on sale of non-current assets	3,734	4,475
Total extraordinary income	3,734	4,475
Extraordinary losses		
Loss on retirement of non-current assets	6,276	11,935
Loss on sale of non-current assets	299	1,654
Total extraordinary losses	6,575	13,590
Profit before income taxes	4,807,131	4,694,404
Income taxes - current	1,581,049	1,505,687
Income taxes - deferred	(88,064)	(81,333)
Total income taxes	1,492,985	1,424,353
Profit	3,314,145	3,270,050
Profit attributable to non-controlling interests	1,800	449
Profit attributable to owners of parent	3,312,345	3,269,601

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Profit	3,314,145	3,270,050
Other comprehensive income		
Valuation difference on available-for-sale securities	102,009	680,234
Deferred gains or losses on hedges	(7,021)	1,497
Revaluation reserve for land	(5,769)	-
Foreign currency translation adjustment	(352,947)	1,579,953
Total other comprehensive income	(263,729)	2,261,685
Comprehensive income	3,050,416	5,531,736
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,061,555	5,505,182
Comprehensive income attributable to non-controlling interests	(11,139)	26,554

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended August 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	951,106	1,735,112	36,554,566	(771,685)	38,469,098
Changes during period					
Dividends of surplus			(1,446,755)		(1,446,755)
Profit attributable to owners of parent			3,312,345		3,312,345
Purchase of treasury shares				(786)	(786)
Disposal of treasury shares		26,800		9,565	36,366
Cancellation of treasury shares		(451,200)		451,200	-
Change in scope of consolidation			341,594		341,594
Net changes in items other than shareholders' equity					
Total changes during period	-	(424,399)	2,207,185	459,978	2,242,764
Balance at end of period	951,106	1,310,712	38,761,751	(311,706)	40,711,863

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	991,618	7,021	(641,184)	2,647,833	3,005,289	153,956	41,628,345
Changes during period							
Dividends of surplus							(1,446,755)
Profit attributable to owners of parent							3,312,345
Purchase of treasury shares							(786)
Disposal of treasury shares							36,366
Cancellation of treasury shares							-
Change in scope of consolidation							341,594
Net changes in items other than shareholders' equity	102,009	(7,021)	(5,769)	(340,008)	(250,790)	(11,002)	(261,792)
Total changes during period	102,009	(7,021)	(5,769)	(340,008)	(250,790)	(11,002)	1,980,972
Balance at end of period	1,093,627	-	(646,954)	2,307,825	2,754,499	142,953	43,609,317

For the fiscal year ended August 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	951,106	1,310,712	38,761,751	(311,706)	40,711,863
Changes during period					
Dividends of surplus			(1,743,009)		(1,743,009)
Profit attributable to owners of parent			3,269,601		3,269,601
Purchase of treasury shares				(751)	(751)
Disposal of treasury shares		30,781		9,975	40,756
Cancellation of treasury shares					
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	-	30,781	1,526,592	9,223	1,566,596
Balance at end of period	951,106	1,341,493	40,288,343	(302,483)	42,278,460

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,093,627	-	(646,954)	2,307,825	2,754,499	142,953	43,609,317
Changes during period							
Dividends of surplus							(1,743,009)
Profit attributable to owners of parent							3,269,601
Purchase of treasury shares							(751)
Disposal of treasury shares							40,756
Cancellation of treasury shares							
Change in scope of consolidation							
Net changes in items other than shareholders' equity	680,234	1,497		1,553,849	2,235,581	26,500	2,262,081
Total changes during period	680,234	1,497	-	1,553,849	2,235,581	26,500	3,828,678
Balance at end of period	1,773,862	1,497	(646,954)	3,861,674	4,990,080	169,454	47,437,995

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,807,131	4,694,404
Depreciation	1,119,583	1,204,911
Amortization of goodwill	4,200	4,200
Increase (decrease) in allowance for doubtful accounts	(2,763)	(2,329)
Increase (decrease) in provision for bonuses	30,823	44,867
Increase (decrease) in provision for bonuses for directors (and other officers)	9,829	(135)
Increase (decrease) in retirement benefit liability	9,392	12,630
Interest and dividend income	(164,370)	(196,603)
Foreign exchange losses (gains)	(65,318)	326
Interest expenses	1,480	1,393
Loss (gain) on sale of property, plant and equipment	(3,435)	(2,821)
Loss on retirement of property, plant and equipment	6,276	11,935
Decrease (increase) in trade receivables	3,978,002	547,938
Decrease (increase) in inventories	(3,733,244)	807,136
Increase (decrease) in trade payables	2,123,612	(9,881,447)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	40,940
Increase (decrease) in accrued consumption taxes	22,903	439,651
Decrease (increase) in advance payments to suppliers	61,137	1,535,654
Increase (decrease) in contract liabilities	3,934,316	(1,214,568)
Other, net	89,192	410,224
Subtotal	12,228,748	(1,541,690)
Interest and dividends received	146,857	183,649
Interest paid	(1,480)	(1,409)
Income taxes paid	(1,056,315)	(1,593,739)
Income taxes refund	19,122	35,366
Net cash provided by (used in) operating activities	11,336,933	(2,917,822)

(Thousands of yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Cash flows from investing activities		
Payments into time deposits	(681,044)	(1,548,801)
Proceeds from withdrawal of time deposits	351,698	1,377,074
Purchase of property, plant and equipment	(760,960)	(2,818,149)
Proceeds from sale of property, plant and equipment	30,854	7,222
Payments for retirement of property, plant and equipment	(48)	(43)
Purchase of intangible assets	(49,236)	(175,210)
Proceeds from sale and redemption of investment securities	300,000	100,000
Purchase of shares of subsidiaries and associates	-	(121,300)
Payments for investments in capital of subsidiaries and associates	-	(138,571)
Payments of guarantee deposits	(15,229)	(8,022)
Proceeds from refund of guarantee deposits	8,168	8,253
Other, net	5,393	(7,241)
Net cash provided by (used in) investing activities	(810,404)	(3,324,790)
Cash flows from financing activities		
Repayments of lease liabilities	(46,531)	(45,958)
Purchase of treasury shares	(786)	(751)
Proceeds from disposal of treasury shares	56	408
Dividends paid	(1,445,804)	(1,741,821)
Dividends paid to non-controlling interests	(82)	(53)
Net cash provided by (used in) financing activities	(1,493,147)	(1,788,176)
Effect of exchange rate change on cash and cash equivalents	(173,815)	1,004,551
Net increase (decrease) in cash and cash equivalents	8,859,565	(7,026,238)
Cash and cash equivalents at beginning of period	19,623,491	28,786,255
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	303,197	-
Cash and cash equivalents at end of period	28,786,255	21,760,016

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Information on net sales, income (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Thousands of yen)

	Reportable segments					Other (Note)	Total
	Japan	Americas	Asia Pacific	China	Total		
Net sales							
Net sales to external customers	67,160,265	8,649,927	5,674,652	4,155,797	85,640,642	505,844	86,146,486
Intersegment net sales or transfers	6,690,297	816,011	132,952	443,610	8,082,870	284,238	8,367,109
Total	73,850,562	9,465,938	5,807,604	4,599,407	93,723,513	790,083	94,513,596
Segment profit (loss)	3,079,471	665,442	668,775	106,729	4,520,418	(5,239)	4,515,179
Segment assets	58,072,871	6,548,188	5,412,005	7,320,192	77,353,257	885,164	78,238,422
Other items							
Depreciation	970,833	33,424	42,314	71,826	1,118,399	1,183	1,119,583
Amortization of goodwill	4,200	-	-	-	4,200	-	4,200
Increases in property, plant and equipment and intangible assets	1,019,083	121,406	17,300	43,683	1,201,473	294	1,201,768

(Note) "Other" is a business segment not included in any reportable segments and includes business activities of local subsidiaries in Europe.

For the fiscal year ended August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Thousands of yen)

	Reportable segments					Other (Note)	Total
	Japan	Americas	Asia Pacific	China	Total		
Net sales							
Net sales to external customers	65,885,500	10,258,912	6,525,751	4,333,746	87,003,911	508,948	87,512,860
Intersegment net sales or transfers	6,032,650	1,112,397	111,721	786,956	8,043,724	404,339	8,448,064
Total	71,918,150	11,371,309	6,637,473	5,120,702	95,047,636	913,288	95,960,924
Segment profit (loss)	3,039,082	365,148	842,271	20,959	4,267,462	(28,387)	4,239,074
Segment assets	50,688,351	7,067,860	6,015,849	7,502,700	71,274,761	750,929	72,025,691
Other items							
Depreciation	1,036,786	59,020	41,551	66,263	1,203,621	1,289	1,204,910
Amortization of goodwill	4,200	-	-	-	4,200	-	4,200
Increases in property, plant and equipment and intangible assets	2,120,477	52,963	9,885	20,800	2,204,127	135	2,204,262

(Note) “Other” is a business segment not included in any reportable segments and includes business activities of local subsidiaries in Europe.

2. Difference between the total amount in reportable segments and the amount recorded in the consolidated financial statements, and main components of the difference
(Matters related to difference adjustment)

(Thousands of yen)

Income	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Reportable segments total	4,515,179	4,239,074
Elimination of intersegment transfers	225,683	281,755
Unrealized gain adjustment	(204,811)	(72,081)
Operating profit in the consolidated financial statements	4,536,051	4,448,748

(Thousands of yen)

Assets	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Reportable segments total	78,238,422	72,025,691
Elimination of intersegment transfers	(3,557,176)	(3,245,717)
Unrealized gain adjustment	(272,004)	(318,935)
Total assets in the consolidated financial statements	74,409,241	68,461,038

(Per share information)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Net assets per share	¥3,243.38	¥3,523.67
Basic earnings per share	¥247.22	¥243.80

(Notes) 1. Diluted earnings per share is not stated as there are no dilutive shares.

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

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Profit attributable to owners of parent (Thousands of yen)	3,312,345	3,269,601
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent relating to common shares (Thousands of yen)	3,312,345	3,269,601
Average number of common shares during the period (Shares)	13,398,208	13,410,926

(Significant subsequent events)

Not applicable.

