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November 13, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company Name: Takasago Thermal Engineering Co., Ltd.
Stock Exchange Listing: On the Prime Section of the Tokyo Stock Exchange
Code Number: 1969
Company URL: https://www.tte-net.com/
Representative: Kazuhito Kojima, President and Representative Director
Contact: Isao Nakamura, Manager, IR Office, Corporate Planning Division
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 10, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Fraction less than one million yen has been omitted)

1. Consolidated Results for the Six Months Ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(1) Consolidated Results of Operations

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
September 30, 2026	181,710	(6.6)	18,101	(26.7)	19,728	(24.4)	11,559	(42.8)
September 30, 2025	194,501	21.6	24,679	152.4	26,111	134.5	20,201	146.6

(Note) Comprehensive income:
For the six months ended September 30, 2026: ¥8,635 million year on year: (64.5)%
For the six months ended September 30, 2025: ¥24,346 million year on year: 201.8%

	Earnings per share	Diluted earnings per share
Six months ended	(Yen)	(Yen)
September 30, 2026	88.31	–
September 30, 2025	153.77	–

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio
As of	(Millions of yen)	(Millions of yen)	(%)
September 30, 2026	337,756	214,057	61.8
March 31, 2026	381,823	215,056	55.0

(Reference) Equity:
As of September 30, 2026: ¥208,687 million
As of March 31, 2026: ¥209,889 million

2. Dividends

	Cash dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2026	–	86.00	–	72.00	–
Fiscal year ending March 31, 2027	–	61.00			
Fiscal year ending March 31, 2027 (Forecast)			–	62.00	123.00

(Notes) 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company conducted a share split at a ratio of two shares for every one common share with a record date of September 30, 2025 and an effective date of October 1, 2025. For the fiscal year ended March 31, 2026, the year-end dividend per share reflects the impact of this share split, and the total annual dividend is indicated as "–." If the impact of the share split is reflected, the Second quarter end dividend for the fiscal year ended March 31, 2026 would have been ¥43.00, and the total annual dividend would have been ¥115.00.

3. Forecasts for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	470,000	10.9	60,000	25.7	63,000	24.4	40,000	6.7	305.60

(Note) Revisions to the earnings forecasts most recently announced: Yes

(Reference) Orders received (Forecast): (Full year) ¥620,000 million

*** Notes**

(1) Significant Changes in the Scope of Consolidation During the Period: None

(2) Adoption of Accounting Treatment Specific to the Preparation of Semi-annual Consolidated Financial Statements: Yes

For more details, please refer to "(4) Notes on Semi-annual Consolidated Financial Statements, (Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)" of "2. Semi-annual Consolidated Financial Statements and Accompanying Notes" on page 10 of the attached materials.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements

(i) Changes in accounting policies in accordance with the revision of accounting standards, etc.: None

(ii) Changes in accounting policies other than (i) above: 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 September 30, 2026:	140,478,804 shares
As of March 31, 2026:	140,478,804 shares

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

As of September 30, 2026:	9,566,993 shares
As of March 31, 2026:	9,615,980 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026:	130,891,667 shares
Six months ended September 30, 2025:	131,377,286 shares

(Note) The Company conducted a share split at a ratio of two shares for every one common share, effective October 1, 2025. Therefore, the number of issued shares at the end of the period (including treasury shares), number of treasury shares at the end of the period, and average number of shares outstanding during the period were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Explanation concerning proper use of the forecasts for the financial results and other special instructions

Forward-looking statements, including the financial results forecasts, in this document are based on currently available information held by the Company and on certain premises considered reasonable by the Company. It is not the intention of the Company to undertake the realization of these statements. Actual business results may differ from the forecasts, depending on various factors. Regarding earnings forecasts, please refer to "(3) Explanation Regarding Forecasts Such as the Forecasts of Consolidated Business Results" of "1. Summary of Business Results, etc." on page 3 of the attached materials.

The Company will hold the financial results briefing session for the six months ended September 30, 2026 (for institutional investors and securities analysts) on Friday, November 13, 2026. The information materials to be used at the session will be posted on the Company's website.

(Reference) Forecasts for the Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	339,000	15.1	54,000	28.9	58,000	29.4	39,000	14.5	296.76

(Note) Revisions to the earnings forecasts most recently announced: Yes

(Reference) Orders received (Forecast): (Full year) ¥460,000 million

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Interim Period Under Review

During the first six months of the fiscal year ending March 31, 2027, the Japanese economy continued on a gradual recovery path with employment circumstances and the income environment showing improvement, and the effects of various policies, despite concerns about the impact of policy trends in foreign countries, diplomatic situations, and fluctuations in financial and capital markets.

In the construction industry and our related air conditioning industry, capital investment trends, particularly in AI-related investments, was steady against the backdrop of solid corporate earnings in both the manufacturing and non-manufacturing sectors. On the other hand, a cautious approach to business operations became necessary, as close attention continued to be required regarding the persistently high material and equipment prices and labor costs, as well as the impact on supply chains associated with the instability of the situation in the Middle East.

In this business environment, our Group has been promoting “business model transformation” to establish a solid revenue base from the construction business and promote investments for future growth, and “company and human resource transformation” through investing in human capital and establishing a framework that is aimed at becoming an Environment-Creator™ company, in accordance with the Medium-Term Management Plan.

Our Group’s net sales for the first six months under review totaled ¥181,710 million (down 6.6% year on year).

As for profits, operating profit was ¥18,101 million (down 26.7% year on year), ordinary profit came to ¥19,728 million (down 24.4% year on year), and profit attributable to owners of parent was ¥11,559 million (down 42.8% year on year).

Orders received totaled ¥296,259 million (up 35.8% year on year).

Segment business results were as follows. (Segment business results include intersegment net sales and transfers.)

(Construction business)

Net sales were ¥177,722 million (down 6.9% year on year), and segment profit (operating profit) was ¥17,555 million (down 28.1% year on year).

(Equipment manufacturing and sales business)

Net sales were ¥4,428 million (up 12.6% year on year), and segment profit (operating profit) was ¥474 million (up 171.7% year on year).

(Other)

Net sales were ¥112 million (up 12.4% year on year), and segment profit (operating profit) was ¥82 million (up 3.0% year on year).

(2) Summary of Financial Position for the Interim Period Under Review

(i) Conditions of Assets, Liabilities and Net Assets

Total assets decreased ¥44,067 million from the end of the previous fiscal year to ¥337,756 million at the end of the interim period under review, mainly due to decreases in notes, accounts receivable from completed construction contracts and contract assets.

Total liabilities fell ¥43,068 million from the end of the previous fiscal year to ¥123,698 million, mainly due to a decrease in short-term borrowings.

Total net assets decreased ¥999 million from the end of the previous fiscal year to ¥214,057 million, mainly due to the payment of dividends.

(ii) Conditions of Cash Flows

Cash and cash equivalents at the end of the interim period under review increased ¥7,538 million from the end of the previous fiscal year to ¥50,075 million.

(Cash flows from operating activities)

Cash flows from operating activities resulted in net cash of ¥47,528 million (up ¥24,434 million year on year). This was mainly due to a decrease in trade receivables.

(Cash flows from investing activities)

Cash flows from investing activities resulted in an expenditure of ¥993 million (up ¥3,781 million year on year). This was mainly due to payments into time deposits.

(Cash flows from financing activities)

Cash flows from financing activities resulted in an expenditure of ¥39,321 million (down ¥10,863 million year on year). This was mainly due to a decrease resulting from repayment of short-term borrowings.

(3) Explanation Regarding Forecasts Such as the Forecasts of Consolidated Business Results

The full-year forecasts of consolidated and non-consolidated business results for the year ending March 31, 2027, released on May 12, 2026, have been revised in light of the recent trend in business results. For details, please see “Notice Concerning Revisions to Full-Year Financial Results Forecasts” released today (November 13, 2026).

2. Semi-annual Consolidated Financial Statements and Accompanying Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	48,228	58,173
Notes, accounts receivable from completed construction contracts and contract assets	196,670	145,082
Electronically recorded monetary claims - operating	6,504	3,232
Costs on construction contracts in progress	4,161	5,283
Other	9,732	20,075
Allowance for doubtful accounts	(1,251)	(1,828)
Total current assets	264,045	230,018
Non-current assets		
Property, plant and equipment	23,840	24,293
Intangible assets		
Goodwill	2,696	2,421
Other	8,761	8,783
Total intangible assets	11,458	11,205
Investments and other assets		
Investment securities	64,166	54,233
Retirement benefit asset	11,404	11,528
Guarantee deposits	3,303	3,319
Other	3,681	3,233
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	82,478	72,238
Total non-current assets	117,777	107,737
Total assets	381,823	337,756

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	46,283	36,192
Electronically recorded obligations - operating	5,198	4,635
Short-term borrowings	27,406	3,328
Current portion of bonds payable	5,000	5,000
Accounts payable - other	6,823	2,821
Income taxes payable	9,938	6,219
Advances received on construction contracts in progress	17,993	22,555
Provision for bonuses	10,163	6,002
Provision for bonuses for directors (and other officers)	216	73
Provision for warranties for completed construction	1,795	1,827
Provision for loss on construction contracts	252	23
Provision for compensation for damages	265	251
Other	14,390	20,264
Total current liabilities	145,726	109,196
Non-current liabilities		
Bonds payable	10,000	5,000
Retirement benefit liability	1,743	1,848
Provision for share awards	1,942	2,007
Deferred tax liabilities	5,261	3,822
Other	2,092	1,823
Total non-current liabilities	21,040	14,502
Total liabilities	166,766	123,698
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	12,761	12,761
Retained earnings	170,683	172,640
Treasury shares	(15,802)	(15,731)
Total shareholders' equity	180,776	182,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,883	18,867
Foreign currency translation adjustment	2,562	2,628
Remeasurements of defined benefit plans	4,665	4,385
Total accumulated other comprehensive income	29,112	25,881
Non-controlling interests	5,167	5,370
Total net assets	215,056	214,057
Total liabilities and net assets	381,823	337,756

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	194,501	181,710
Cost of sales	150,104	141,546
Gross profit	44,397	40,163
Selling, general and administrative expenses		
Employees' salaries and allowances	4,940	5,575
Provision for bonuses	2,268	2,137
Retirement benefit expenses	129	70
Provision for share awards	182	172
Other	12,196	14,105
Total selling, general and administrative expenses	19,717	22,062
Operating profit	24,679	18,101
Non-operating income		
Interest income	294	292
Dividend income	582	705
Dividend income of insurance	156	159
Share of profit of entities accounted for using equity method	166	161
Rental income from real estate	419	400
Foreign exchange gains	34	–
Other	445	520
Total non-operating income	2,098	2,239
Non-operating expenses		
Interest expenses	136	181
Rental expenses on real estate	219	282
Provision for compensation for damages	225	3
Other	85	144
Total non-operating expenses	667	612
Ordinary profit	26,111	19,728
Extraordinary income		
Gain on sale of investment securities	–	3,127
Gain on sale of non-current assets	1,191	–
Total extraordinary income	1,191	3,127
Extraordinary losses		
Loss on valuation of investment securities	–	4,899
Total extraordinary losses	–	4,899
Profit before income taxes	27,302	17,956
Income taxes - current	6,978	6,203
Total income taxes	6,978	6,203
Profit	20,323	11,752
Profit attributable to non-controlling interests	121	192
Profit attributable to owners of parent	20,201	11,559

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	20,323	11,752
Other comprehensive income		
Valuation difference on available-for-sale securities	5,087	(3,127)
Foreign currency translation adjustment	(1,075)	205
Remeasurements of defined benefit plans, net of tax	(34)	(272)
Share of other comprehensive income of entities accounted for using equity method	46	76
Total other comprehensive income	4,023	(3,117)
Comprehensive income	24,346	8,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,355	8,328
Comprehensive income attributable to non-controlling interests	(8)	306

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	27,302	17,956
Depreciation	1,651	2,032
Amortization of goodwill	104	202
Increase (decrease) in provision for bonuses	(3,561)	(4,158)
Increase (decrease) in provision for loss on construction contracts	(175)	(228)
Decrease (increase) in retirement benefit asset	(139)	(482)
Increase (decrease) in retirement benefit liability	36	125
Interest and dividend income	(877)	(998)
Interest expenses	136	181
Share of loss (profit) of entities accounted for using equity method	(166)	(161)
Loss (gain) on sale of non-current assets	(1,191)	–
Loss (gain) on valuation of investment securities	–	4,899
Decrease (increase) in trade receivables	24,498	53,759
Decrease (increase) in costs on construction contracts in progress	(125)	(1,062)
Increase (decrease) in trade payables	(10,005)	(11,089)
Increase (decrease) in advances received on construction contracts in progress	(5,937)	4,600
Decrease (increase) in consumption taxes refund receivable	(7,040)	(4,755)
Increase (decrease) in accrued consumption taxes	(290)	(2,730)
Foreign exchange losses (gains)	(47)	(1)
Loss (gain) on sale of investment securities	–	(3,127)
Other, net	4,353	1,543
Subtotal	28,525	56,506
Interest and dividends received	912	1,123
Interest paid	(133)	(182)
Income taxes paid	(6,641)	(9,919)
Income taxes refund	432	–
Net cash provided by (used in) operating activities	23,094	47,528
Cash flows from investing activities		
Payments into time deposits	(3,916)	(8,324)
Proceeds from withdrawal of time deposits	4,699	6,093
Purchase of property, plant and equipment and intangible assets	(1,795)	(2,428)
Proceeds from sale of property, plant and equipment and intangible assets	2,861	1
Purchase of investment securities	(4,004)	(5)
Proceeds from sale of investment securities	–	4,161
Purchase of shares of subsidiaries and associates	(851)	(382)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,855)	–
Purchase of shares of subsidiaries	–	(22)
Other payments	(440)	(402)
Other proceeds	529	316
Net cash provided by (used in) investing activities	(4,774)	(993)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(13,337)	(24,149)
Redemption of bonds	–	(5,000)
Repayments of lease liabilities	(214)	(325)
Proceeds from disposal of treasury shares	207	–
Purchase of treasury shares	(8,207)	(0)
Dividends paid	(6,899)	(9,602)
Other, net	(5)	(242)
Net cash provided by (used in) financing activities	(28,457)	(39,321)
Effect of exchange rate change on cash and cash equivalents	(595)	324
Net increase (decrease) in cash and cash equivalents	(10,733)	7,538
Cash and cash equivalents at beginning of period	41,364	42,537
Cash and cash equivalents at end of period	30,631	50,075

(4) Notes on Semi-annual Consolidated Financial Statements

(Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)

First six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)	
Calculation of tax expenses	Tax expenses are calculated with a method to estimate the effective tax rate for profit before tax after application of tax effect accounting reasonably for the fiscal year including the interim period under review and use the estimated effective tax rate for profit before tax. However, if a loss before tax is recorded, a method to use the statutory effective tax rate is used for calculation.

(Notes to segment information, etc.)

[Segment information]

First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1 Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recognized in semi-annual consolidated statement of income (Note 3)
	Construction business	Equipment manufacturing and sales business	Subtotal				
Net sales							
Net sales to external customers	190,828	3,573	194,401	99	194,501	–	194,501
Intersegment net sales or transfers	–	360	360	–	360	(360)	–
Subtotal	190,828	3,934	194,762	99	194,862	(360)	194,501
Segment profit	24,431	174	24,606	80	24,686	(7)	24,679

(Notes) 1. The category “Other” refers to businesses that are not included in the reportable segments, such as the business of insurance agencies, etc.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the semi-annual consolidated statement of income.

2 Information on impairment losses or goodwill, etc. of non-current assets by reportable segment

(Significant impairment losses related to non-current assets)
Not applicable.

(Significant fluctuations in the amount of goodwill)
Under the construction business segment, the Company purchased the shares of THS INNOVATIONS CO., LTD. and PROMPT TECHNO SERVICE CO., LTD., which are included in the scope of consolidation. Due to the event, goodwill increased by ¥1,638 million during the interim period under review. The amount of goodwill was tentatively calculated, as the allocation of acquisition cost had not been completed at the end of the interim period under review.

(Significant gain on negative goodwill)
Not applicable.

First six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

1 Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recognized in semi-annual consolidated statement of income (Note 3)
	Construction business	Equipment manufacturing and sales business	Subtotal				
Net sales							
Net sales to external customers	177,722	3,875	181,598	112	181,710	–	181,710
Intersegment net sales or transfers	–	552	552	–	552	(552)	–
Subtotal	177,722	4,428	182,151	112	182,263	(552)	181,710
Segment profit	17,555	474	18,030	82	18,113	(11)	18,101

(Notes) 1. The category "Other" refers to businesses that are not included in the reportable segments, such as the business of insurance agencies, etc.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the semi-annual consolidated statement of income.

2 Information on impairment losses or goodwill, etc. of non-current assets by reportable segment

(Significant impairment losses related to non-current assets)
Not applicable.

(Significant fluctuations in the amount of goodwill)
Not applicable.

(Significant gain on negative goodwill)
Not applicable.

(Notes in case there are significant fluctuations in the amount of shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Changes in the scope of consolidation or application of equity method)

Not applicable.

(Important subsequent events)

Not applicable.

3. (Reference) Semi-annual Financial Statements (Non-consolidated)

Semi-annual non-consolidated financial statements are not subject to review for statutory disclosure. They are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements."

(1) (Reference) Semi-annual Balance Sheets (Non-consolidated)

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	17,205	32,273
Notes, accounts receivable from completed construction contracts and contract assets	158,668	108,795
Electronically recorded monetary claims - operating	5,609	2,941
Costs on construction contracts in progress	1,631	2,350
Other	4,435	14,020
Allowance for doubtful accounts	(469)	(437)
Total current assets	187,081	159,945
Non-current assets		
Property, plant and equipment	18,978	19,117
Intangible assets	7,991	8,090
Investments and other assets		
Investment securities	77,986	67,996
Other	10,592	11,030
Allowance for doubtful accounts	(70)	(91)
Total investments and other assets	88,508	78,935
Total non-current assets	115,477	106,143
Total assets	302,559	266,088

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	24,603	21,769
Electronically recorded obligations - operating	5,123	4,541
Short-term borrowings	23,780	720
Current portion of bonds payable	5,000	5,000
Accounts payable - other	6,127	2,362
Income taxes payable	8,783	5,378
Advances received on construction contracts in progress	9,725	11,430
Deposits received	9,981	17,230
Provision for bonuses	8,462	5,111
Provision for bonuses for directors (and other officers)	157	51
Provision for warranties for completed construction	1,531	1,607
Provision for loss on construction contracts	207	0
Provision for compensation for damages	228	212
Other	463	303
Total current liabilities	104,176	75,719
Non-current liabilities		
Bonds payable	10,000	5,000
Provision for share awards	1,776	1,845
Deferred tax liabilities	3,177	1,844
Other	487	502
Total non-current liabilities	15,440	9,193
Total liabilities	119,617	84,913
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	15,127	15,127
Retained earnings	149,003	150,381
Treasury shares	(15,629)	(15,558)
Total shareholders' equity	161,636	163,085
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21,305	18,089
Total valuation and translation adjustments	21,305	18,089
Total net assets	182,942	181,175
Total liabilities and net assets	302,559	266,088

(2) (Reference) Semi-annual Statements of Income (Non-consolidated)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales of completed construction contracts	144,098	126,268
Cost of sales of completed construction contracts	106,821	95,892
Gross profit on completed construction contracts	37,276	30,376
Selling, general and administrative expenses		
Employees' salaries and allowances	2,579	2,794
Provision for bonuses	2,107	1,990
Provision for share awards	176	164
Retirement benefit expenses	70	(45)
Other	9,259	10,087
Total selling, general and administrative expenses	14,192	14,991
Operating profit	23,084	15,385
Non-operating income		
Interest income	12	33
Dividend income	1,446	2,134
Dividend income of insurance	155	157
Rental income from real estate	407	388
Other	333	361
Total non-operating income	2,354	3,076
Non-operating expenses		
Interest expenses	60	105
Rental expenses on real estate	219	282
Provision for compensation for damages	136	3
Other	66	144
Total non-operating expenses	482	536
Ordinary profit	24,956	17,925
Extraordinary income		
Gain on sale of investment securities	–	3,127
Gain on sale of non-current assets	1,191	–
Total extraordinary income	1,191	3,127
Extraordinary losses		
Loss on valuation of investment securities	–	4,899
Total extraordinary losses	–	4,899
Profit before income taxes	26,147	16,152
Income taxes - current	6,505	5,172
Profit	19,642	10,980

4. Supplementary information

(1) Conditions of Orders Received and Net Sales (Consolidated)

(i) Orders received

(Millions of yen, %)

Category		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		First six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	118,038	54.1	110,147	37.2	(7,891)	(6.7)
	Industrial systems	95,633	43.8	181,057	61.1	85,423	89.3
	Subtotal	213,672	97.9	291,204	98.3	77,532	36.3
Equipment manufacturing and sales business		4,401	2.1	4,942	1.7	540	12.3
Other		99	0.0	112	0.0	12	12.4
Total		218,173	100.0	296,259	100.0	78,085	35.8
[overseas]		[35,025]	[16.1]	[76,521]	[25.8]	[41,495]	[118.5]
[facility maintenance]		[14,793]	[6.8]	[31,178]	[10.5]	[16,385]	[110.8]

(ii) Net sales

(Millions of yen, %)

Category		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)		First six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	65,902	33.9	80,689	44.4	14,786	22.4
	Industrial systems	124,925	64.3	97,032	53.4	(27,892)	(22.3)
	Subtotal	190,828	98.2	177,722	97.8	(13,105)	(6.9)
Equipment manufacturing and sales business		3,573	1.7	3,875	2.1	302	8.5
Other		99	0.1	112	0.1	12	12.4
Total		194,501	100.0	181,710	100.0	(12,790)	(6.6)
[overseas]		[34,761]	[17.9]	[38,888]	[21.4]	[4,126]	[11.9]
[facility maintenance]		[13,446]	[6.9]	[14,011]	[7.7]	[565]	[4.2]

(iii) Amount carried forward

(Millions of yen, %)

Category		Interim period ended September 30, 2025 (as of September 30, 2025) Amount	(%)	Interim period ended September 30, 2026 (as of September 30, 2026) Amount	(%)	Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Construction business	General-purpose systems	231,231	57.9	284,250	54.0	53,018	22.9
	Industrial systems	164,922	41.4	237,981	45.3	73,058	44.3
	Subtotal	396,154	99.3	522,232	99.3	126,077	31.8
Equipment manufacturing and sales business		2,958	0.7	3,890	0.7	932	31.5
Other		–	–	–	–	–	–
Total		399,112	100.0	526,122	100.0	127,009	31.8
[overseas]		[66,678]	[16.7]	[87,457]	[16.6]	[20,779]	[31.2]
[facility maintenance]		[3,782]	[0.9]	[20,278]	[3.9]	[16,495]	[436.1]

(Note) Transactions made between segments with respect to orders received, net sales and amounts carried forward are set off and deleted.

(2) Conditions of Orders Received and Net Sales (Non-consolidated)

(i) Orders received

(Millions of yen, %)

Category		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025) Amount	(%)	First six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026) Amount	(%)	Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Construction business	General-purpose systems	104,798	63.4	76,466	42.2	(28,331)	(27.0)
	Industrial systems	60,557	36.6	104,666	57.8	44,109	72.8
Total		165,355	100.0	181,133	100.0	15,777	9.5

(ii) Net sales of completed construction contracts

(Millions of yen, %)

Category		First six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025) Amount	(%)	First six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026) Amount	(%)	Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Construction business	General-purpose systems	53,878	37.4	68,110	53.9	14,232	26.4
	Industrial systems	90,219	62.6	58,157	46.1	(32,062)	(35.5)
Total		144,098	100.0	126,268	100.0	(17,829)	(12.4)

(iii) Amount carried forward

(Millions of yen, %)

Category		Interim period ended September 30, 2025 (as of September 30, 2025)		Interim period ended September 30, 2026 (as of September 30, 2026)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	227,476	68.9	260,365	63.2	32,888	14.5
	Industrial systems	102,454	31.1	151,311	36.8	48,857	47.7
Total		329,931	100.0	411,677	100.0	81,745	24.8

(3) Review of Operations (Consolidated)

(Financial results for the years ended March 31, 2024 to 2026, Financial results for the interim period of the year ended March 31, 2026 and the year ending March 31, 2027, Full-year forecasts for the year ending March 31, 2027)

(Fraction less than one million yen has been omitted)

(Millions of yen, %)

Year / Item	Results										Forecast	
	Year ended March 31, 2024		Year ended March 31, 2025		Year ended March 31, 2026		Year ended March 31, 2026 Interim period		Year ending March 31, 2027 Interim period		Year ending March 31, 2027	
	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the previous term	(%)
Net sales		363,366		381,661		423,923		194,501		181,710		470,000
	7.2	100.0	5.0	100.0	11.1	100.0	21.6	100.0	(6.6)	100.0	10.9	100.0
Gross profit		59,947		71,646		93,719		44,397		40,163		
	29.3	16.5	19.5	18.8	30.8	22.1	66.4	22.8	(9.5)	22.1		
Selling, general and administrative expenses		35,755		39,231		45,974		19,717		22,062		
	15.2	9.8	9.7	10.3	17.2	10.8	16.6	10.1	11.9	12.1		
Operating profit		24,192		32,415		47,745		24,679		18,101		60,000
	57.8	6.7	34.0	8.5	47.3	11.3	152.4	12.7	(26.7)	10.0	25.7	12.8
Non-operating income		3,421		3,628		4,448		2,098		2,239		
Non-operating expenses		1,463		1,073		1,551		667		612		
Non-operating income and expenses		+1,958		+2,555		+2,896		+1,431		+1,627		
Ordinary profit		26,150		34,970		50,642		26,111		19,728		63,000
	56.7	7.2	33.7	9.2	44.8	11.9	134.5	13.4	(24.4)	10.9	24.4	13.4
Extraordinary income		1,309		2,714		2,316		1,191		3,127		
Extraordinary losses		407		176		132		–		4,899		
Extraordinary income and losses		+902		+2,538		+2,184		+1,191		(1,772)		
Profit before income taxes		27,053		37,508		52,826		27,302		17,956		
	60.5	7.4	38.6	9.8	40.8	12.5	135.8	14.0	(34.2)	9.9		
Income taxes - current		8,356		10,618		16,508		6,987		6,203		
Income taxes - deferred		(1,414)		(1,134)		(1,694)		–		–		
Profit		20,111		28,024		38,013		20,323		11,752		
Profit attributable to non-controlling interests		498		392		542		121		192		
Profit attributable to owners of parent		19,612		27,631		37,470		20,201		11,559		40,000
	60.4	5.4	40.9	7.2	35.6	8.8	146.6	10.4	(42.8)	6.4	6.7	8.5

Orders received		403,110		416,147		460,057		218,173		296,259		620,000
	8.1		3.2		10.6		8.8		35.8		34.8	
Amount carried forward at the end of interim period		340,955		375,440		411,573		399,112		526,122		561,573
	12.6		10.1		9.6		4.6		31.8		36.4	

(Note) Tax effect accounting is applied to income tax expense for the interim period by using a simplified method. Accordingly, income taxes - deferred are presented as part of income taxes - current.

(4) Review of Operations (Non-consolidated)

(Full-year financial results for the years ended March 31, 2024 to 2026, Financial results for the interim period of the year ended March 31, 2026 and the year ending March 31, 2027, Full-year forecasts for the year ending March 31, 2027)

(Fraction less than one million yen has been omitted)

(Millions of yen, %)

Year / Item	Results										Forecast	
	Year ended March 31, 2024		Year ended March 31, 2025		Year ended March 31, 2026		Year ended March 31, 2026 Interim period		Year ending March 31, 2027 Interim period		Year ending March 31, 2027	
	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the interim period of the previous term	(%)	Changes from the previous term	(%)
Net sales of completed construction contracts	268,657		274,274		294,497		144,098		126,268		339,000	
	10.0	100.0	2.1	100.0	7.4	100.0	27.9	100.0	(12.4)	100.0	15.1	100.0
Gross profit on completed construction contracts	45,703		56,509		74,216		37,276		30,376			
	35.0	17.0	23.6	20.6	31.3	25.2	85.2	25.9	(18.5)	24.1		
Selling, general and administrative expenses	24,805		27,373		32,323		14,192		14,991			
	14.1	9.2	10.4	10.0	18.1	11.0	20.9	9.8	5.6	11.9		
Operating profit	20,898		29,135		41,892		23,084		15,385		54,000	
	72.3	7.8	39.4	10.6	43.8	14.2	175.4	16.0	(33.4)	12.2	28.9	15.9
Non-operating income	3,262		3,672		4,101		2,354		3,076			
Non-operating expenses	1,172		762		1,178		482		536			
Non-operating income and expenses	+2,090		+2,909		+2,922		+1,872		+2,539			
Ordinary profit	22,988		32,045		44,815		24,956		17,925		58,000	
	64.6	8.6	39.4	11.7	39.9	15.2	142.4	17.3	(28.2)	14.2	29.4	17.1
Extraordinary income	1,366		2,685		2,316		1,191		3,127			
Extraordinary losses	378		162		82		—		4,899			
Extraordinary income and losses	+988		+2,522		+2,233		+1,191		(1,772)			
Profit before income taxes	23,977		34,567		47,049		26,147		16,152			
	69.8	8.9	44.2	12.6	36.1	16.0	143.5	18.1	(38.2)	12.8		
Income taxes - current	7,092		9,168		14,508		6,505		5,172			
Income taxes - deferred	(1,048)		(833)		(1,527)		—		—			
Profit	17,933		26,232		34,068		19,642		10,980		39,000	
	65.3	6.7	46.3	9.6	29.9	11.6	142.6	13.6	(44.1)	8.7	14.5	11.5
Orders received	301,173		307,974		342,635		165,355		181,133		460,000	
	14.0		2.3		11.3		12.7		9.5		34.3	
Amount carried forward at the end of interim period	274,974		308,674		356,812		329,931		411,677		477,812	
	13.4		12.3		15.6		6.8		24.8		33.9	

(Note) Tax effect accounting is applied to income tax expense for the interim period by using a simplified method. Accordingly, income taxes - deferred are presented as part of income taxes - current.