

*** 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

(3) 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 : Yes
- (iv) Restatement : None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of December 31, 2025	7,800,000 shares	As of March 31, 2025	7,800,000 shares
As of December 31, 2025	562,675 shares	As of March 31, 2025	459,009 shares
Nine months ended December 31, 2025	7,256,821 shares	Nine months ended December 31, 2024	7,359,795 shares

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	4,392	6,726
Notes and accounts receivable—trade, and contract assets	29,720	24,419
Inventories	1,731	2,424
Other	137	283
Allowance for doubtful accounts	(0)	(1)
Total current assets	35,982	33,850
Non-current assets		
Property, plant and equipment	5,053	5,911
Intangible assets	208	206
Investments and other assets		
Investment securities	6,533	5,764
Other	979	1,072
Allowance for doubtful accounts	(20)	(15)
Total investments and other assets	7,492	6,820
Total non-current assets	12,754	12,938
Total assets	48,736	46,788
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	899	879
Accounts payable—trade	7,441	4,480
Short-term loans borrowings	2,569	2,466
Provision	166	456
Other	4,155	4,782
Total current liabilities	15,233	13,064
Non-current liabilities		
Long-term borrowings	2,938	2,608
Retirement benefit liability	141	175
Other	1,814	1,798
Total non-current liabilities	4,893	4,581
Total liabilities	20,127	17,646

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Share capital	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	17,845	19,077
Treasury shares	(1,023)	(1,425)
Total shareholders' equity	<u>24,542</u>	<u>25,373</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,350	3,029
Deferred gains or losses on hedges	7	78
Foreign currency translation adjustment	217	211
Remeasurements of defined benefit plans	209	181
Total accumulated other comprehensive income	<u>3,785</u>	<u>3,501</u>
Non-controlling interests	<u>280</u>	<u>267</u>
Total net assets	<u>28,609</u>	<u>29,142</u>
Total liabilities and net assets	<u>48,736</u>	<u>46,788</u>

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

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025	(Millions of yen)
Net sales	22,219	23,784	
Cost of sales	18,418	19,325	
Gross profit	3,800	4,459	
Selling, general and administrative expenses	3,526	3,839	
Operating Profit	274	619	
Non-operating income			
Dividend income	242	236	
Miscellaneous income	55	39	
Total non-operating income	298	276	
Non-operating expenses			
Interest expenses	43	58	
Foreign exchange losses	30	10	
Other	5	9	
Total non-operating expenses	80	78	
Ordinary Profit	492	816	
Extraordinary income			
Gain on sale of investment securities	1,036	2,645	
Total extraordinary income	1,036	2,645	
Profit before income taxes	1,529	3,461	
Total income taxes	490	1,136	
Profit	1,039	2,325	
Profit attributable to non-controlling interests / Loss attributable to non-controlling interests	33	(8)	
Profit attributable to owners of parent	1,005	2,333	

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	1,039	2,325
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,285)	(321)
Deferred gains or losses on hedges	(5)	70
Foreign currency translation adjustment	4	(10)
Remeasurements of defined benefit plans, net of tax	(51)	(28)
Total other comprehensive income	(1,338)	(288)
Comprehensive income	(298)	2,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(343)	2,049
Comprehensive income attributable to non-controlling interests	44	(13)

Segment information

[Segment information]

(i) Fiscal year ended March 31, 2025 (From April 1, 2024 to December 31, 2024)

1. Information on net sales and profit (loss) and breakdown information on income by reportable segment

	Reportable Segment				Others ※1	Total	Adjustment ※2	Reported in consolidated financial statements ※3
	Heat Treatment Business	Plant Business	Development Business	Total				
Domestic	11,278	4,355	1,288	16,922	1,674	18,597	(1,420)	17,176
Overseas	687	2,337	246	3,271	3,250	6,522	(1,479)	5,042
Sales	11,966	6,693	1,535	20,194	4,925	25,119	(2,900)	22,219
Other income	—	—	—	—	—	—	—	—
Net sales	11,966	6,693	1,535	20,194	4,925	25,119	(2,900)	22,219
Segment profit (loss)	436	(57)	(277)	102	221	323	(48)	274

※1 Others is a business segment that is not included in the reporting segments, and includes the business of subsidiaries such as industrial furnaces, environmental protection equipment, combustion equipment, and temporary staffing.

※2 Adjustment is intersegment elimination.

※3 Segment profit (loss) is adjusted to operating loss in reported in consolidated statement of income.

(ii) Fiscal year ending March 31, 2026 (From April 1, 2025 to December 31, 2025)

1. Information on net sales and profit (loss) and breakdown information on income by reportable segment

	Reportable Segment				Others ※1	Total	Adjustment ※2	Reported in consolidated financial statements ※3
	Heat Treatment Business	Plant Business	Development Business	Total				
Domestic	12,085	6,007	1,227	19,320	2,319	21,639	(2,260)	19,379
Overseas	383	2,495	7	2,886	2,836	5,722	(1,317)	4,405
Sales	12,469	8,502	1,234	22,207	5,155	27,362	(3,578)	23,784
Other income	—	—	—	—	—	—	—	—
Net sales	12,469	8,502	1,234	22,207	5,155	27,362	(3,578)	23,784
Segment profit (loss)	289	581	(227)	643	(24)	619	(0)	619

※1 Others is a business segment that is not included in the reporting segments, and includes the business of subsidiaries such as industrial furnaces, environmental protection equipment, combustion equipment, and temporary staffing.

※2 Adjustment is intersegment elimination.

※3 Segment profit (loss) is adjusted to operating profit in reported in consolidated statement of income.

Others**Status of orders received and sales**

(i) Net sales

Segment	For the nine months ended December 31, 2024		For the nine months ended December 31, 2025		Increase (decrease)
	Amount	%	Amount	%	
Heat Treatment Business	11,966	53.9	12,469	52.4	503
Plant Business	6,693	30.1	8,502	35.7	1,809
Development Business	1,535	6.9	1,234	5.2	(300)
Others	4,925	22.2	5,155	21.7	229
Intersegment elimination	(2,900)	(13.1)	(3,578)	(15.0)	(678)
Total	22,219	100.0	23,784	100.0	1,564
[Overseas]	[5,042]	[22.7]	[4,405]	[18.5]	[(637)]

(ii) Orders received

Segment	For the nine months ended December 31, 2024		For the nine months ended December 31, 2025		Increase (decrease)
	Amount	%	Amount	%	
Heat Treatment Business	10,907	44.3	11,699	41.6	792
Plant Business	11,575	47.0	13,369	47.6	1,794
Development Business	333	1.4	1,051	3.7	717
Others	5,129	20.8	5,181	18.4	51
Intersegment elimination	(3,329)	(13.5)	(3,194)	(11.4)	135
Total	24,616	100.0	28,108	100.0	3,492
[Overseas]	[3,483]	[14.2]	[5,713]	[20.3]	[2,230]

(iii) Backorder

Segment	For the nine months ended December 31, 2024		For the nine months ended December 31, 2025		Increase (decrease)
	Amount	%	Amount	%	
Heat Treatment Business	13,648	37.1	13,666	32.4	17
Plant Business	17,507	47.6	24,291	57.7	6,784
Development Business	2,037	5.5	1,370	3.3	(667)
Others	5,025	13.7	3,591	8.5	(1,433)
Intersegment elimination	(1,443)	(3.9)	(800)	(1.9)	643
Total	36,774	100.0	42,118	100.0	5,344
[Overseas]	[12,768]	[34.7]	[12,475]	[29.6]	[(293)]