

Translation

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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

February 9, 2026

Company name: EBARA JITSUGYO CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6328 URL <https://www.ejk.co.jp/>
 Representative: President and COO Takashi Ishii
 Senior Managing Executive Officer, Shuji Ohno
 Head of Planning & Strategy Office TEL +81-3-5565-2885
 Scheduled date of annual general meeting of shareholders: March 24, 2026
 Scheduled date to commence dividend payments: March 25, 2026
 Scheduled date to file annual securities report: March 9, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	%
Year ended December 31, 2025	41,211	9.9	6,121	44.0	6,316	42.2	4,384	38.8
Year ended December 31, 2024	37,503	3.4	4,251	5.6	4,443	6.7	3,157	0.5

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥5,811 million [59.7%]
 For the fiscal year ended December 31, 2024: ¥3,639 million [(13.5%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2025	184.24	–	17.1	13.8	14.9
Year ended December 31, 2024	132.11	–	14.2	10.5	11.3

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

For the fiscal year ended December 31, 2025: ¥– million

For the fiscal year ended December 31, 2024: ¥– million

Note: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026. Basic earnings per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(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 December 31, 2025	48,385	27,941	57.7	1,172.56
As of December 31, 2024	42,996	23,461	54.6	983.94

Reference: Equity As of December 31, 2025: ¥27,941 million

As of December 31, 2024: ¥23,461 million

Note: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026. Net assets per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(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
Year ended December 31, 2025	1,413	(205)	(752)	14,524
Year ended December 31, 2024	1,968	(187)	(1,566)	14,068

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2024	–	47.50	–	47.50	95.00	1,135	36.0	5.1
Year ended December 31, 2025	–	60.00	–	60.00	120.00	1,436	32.6	5.6
Year ending December 31, 2026 (Forecast)	–	37.50	–	37.50	75.00		39.7	

Note 1: Breakdown of annual dividends for the fiscal year ended December 31, 2025: ordinary dividend of ¥100 and commemorative dividend of ¥20 (commemorative dividend for the Company's 80th anniversary).

Note 2: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026, and the annual dividend for the fiscal year ending December 31, 2026 (forecast) is presented after giving effect to the stock split. If the stock split is not taken into consideration, the annual dividend for the fiscal year ending December 31, 2026 (forecast) would be ¥150.

3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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
Full year	44,000	6.8	6,300	2.9	6,500	2.9	4,500	2.6	189.09

Note: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026. Basic earnings per share in the consolidated earnings forecast for the fiscal year ending December 31, 2026 has been presented after giving effect to the stock split.

4. Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For details, please refer to page 13 of the attached materials, "3. Consolidated Financial Statements and Main Notes (5) Notes on the Consolidated Financial Statements (Notes on changes in accounting policies)."

(3) Number of issued shares (common shares)

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

As of December 31, 2025	25,860,000 shares	As of December 31, 2024	25,860,000 shares
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(ii) Number of treasury shares at the end of the period

As of December 31, 2025	2,030,516 shares	As of December 31, 2024	2,015,908 shares
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(iii) Average number of shares outstanding during the period

Year ended December 31, 2025	23,797,985 shares	Year ended December 31, 2024	23,904,566 shares
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Note 1: Number of treasury shares at the end of the period and number of treasury shares to be deducted in calculating the average number of shares outstanding during the period include the Company's shares held by the trust account of the employee stock ownership plan (ESOP) trust.

Note 2: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026. The number of shares issued at the end of the period (including treasury shares), the number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2025	38,327	8.4	5,646	37.6	5,866	35.8	4,111	35.5
Year ended December 31, 2024	35,372	5.5	4,103	9.0	4,320	9.8	3,033	4.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended December 31, 2025	172.77	—
Year ended December 31, 2024	126.91	—

Note: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026. Basic earnings per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	44,443	25,118	56.5	1,054.10
As of December 31, 2024	41,125	22,223	54.0	932.02

Reference: Equity As of December 31, 2025: ¥25,118 million

As of December 31, 2024: ¥22,223 million

Note: The Company conducted a two-for-one stock split of its common stock, effective January 1, 2026. Net assets per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

* 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 forecasts and other forward-looking statements of the Company Group contained in this document are based on information currently available and reasonable assumptions regarding economic conditions, market trends, and other factors at the time of this document's announcement and are subject to change due to various factors that may arise in the future. For information on the assumptions used to forecast financial results and precautionary statements when using the forecast of financial results, please refer to "1. Business Results and Others (4) Future Outlook" on page 4 of the accompanying document.

* Method of obtaining supplementary materials on financial results, etc.

Supplementary materials on financial results are disclosed on TDnet the same day and posted on the Company's website.

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1. Business Results and Others

(1) Business Results for the Fiscal Year under Review

During the fiscal year under review (January 1, 2025, to December 31, 2025), a moderate recovery continued in the Japanese economy backed by corporate capital investments. However, the economic outlook remained uncertain due to sluggish growth in personal consumption caused by rising prices, impacts of the US trade policy, and other factors.

In the environmental equipment and machinery industry where the Company operates, the public sector experienced expansion in demand for the renewal and maintenance of water infrastructure facilities and for work on disaster prevention and mitigation for rainwater drainage facilities, while the private sector saw stable capital investment.

In this business environment, the Company Group aims to improve its corporate value by focusing on the three core areas of disaster prevention and mitigation, storage batteries, and the fisheries business. Underlying these efforts is the following basic policy, based on the Company Group's "EJ2027" Medium-Term Management Plan:

- Strengthening existing businesses
- Exploring new areas
- Enhancing the management base

As a result, in the fiscal year under review, the Company recorded ¥43,598 million in orders received (up 9.5% year on year), ¥41,211 million in net sales (up 9.9% year on year), ¥6,121 million in operating profit (up 44.0% year on year), ¥6,316 million in ordinary profit (up 42.2% year on year), and ¥4,384 million in profit attributable to owners of parent (up 38.8% year on year).

The following shows segment-specific information.

Manufacturing

In the Manufacturing segment that manufactured and sold environment-related products, the Company posted ¥7,517 million in orders received, down 2.9% year on year. This was due to the backlash from orders for large projects in the deodorizing domain that was recorded in the previous fiscal year as well as the decrease in private-sector water treatment facilities in the water treatment plants domain, despite a rebound in demand from the semiconductor industry in the measuring domain. Meanwhile, net sales increased 5.6% year on year to ¥7,506 million due that both deodorizing and water treatment plants domains remained strong. Segment profit decreased 5.0% year on year to ¥1,247 million due to the increase in personnel expenses and other factors despite increase in net sales.

Engineering

In the Engineering segment that designed and constructed waterworks and sewerage facilities, orders received rose 18.8% year on year to ¥24,358 million due to the expanding demand for the renewal and maintenance of public water infrastructure facilities as well as demand for disaster prevention and mitigation. The Company posted net sales of ¥22,450 million, up 19.0% year on year, due to the steady progress of construction works accompanying the high level of orders backlog at the beginning of the period. Segment profit rose 76.8% year on year to ¥4,332 million on the back of the increase in net sales.

Trading

In the Trading segment that mainly sold pumps, freezers, and air-conditioning equipment as a trading company, orders received rose 1.1% year on year to ¥11,721 million, reflecting stable private-sector capital investment as well as demand for capacity expansion and renewal at domestic plants. Net sales remained at a high level despite a slight decline, decreasing 2.3% year on year to ¥11,254 million. Segment profit rose 7.6% year on year to ¥1,883 million due to the recognition of net sales of highly profitable projects.

Orders received

	Fiscal year ended December 31, 2024		Fiscal year ended December 31, 2025	
	Orders received (millions of yen)	Orders backlog (millions of yen)	Orders received (millions of yen)	Orders backlog (millions of yen)
Manufacturing	7,743	4,744	7,517	4,755
Engineering	20,500	23,176	24,358	25,084
Trading	11,589	5,828	11,721	6,296
Total	39,833	33,750	43,598	36,136

Sales

	Fiscal year ended December 31, 2024		Fiscal year ended December 31, 2025	
	Amount (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Manufacturing	7,111	19.0	7,506	18.2
Engineering	18,872	50.3	22,450	54.5
Trading	11,520	30.7	11,254	27.3
Total	37,503	100.0	41,211	100.0

(2) Financial Position for the Fiscal Year under Review

The Company Group's total assets at the end of the fiscal year under review (December 31, 2025) was ¥48,385 million, an increase of ¥5,388 million from the end of the previous fiscal year (December 31, 2024). This was mainly due to a ¥3,157 million increase in notes and accounts receivable–trade and contract assets as a result of higher net sales and a ¥1,946 million increase in investment securities, primarily driven by the rising market value of the Company's investment securities.

Total liabilities at the end of the fiscal year under review was ¥20,443 million, an increase of ¥908 million from the end of the previous fiscal year. This was mainly due to a ¥702 million increase in deferred tax liabilities driven by the rising market value of the Company's investment securities and a ¥540 million increase in income taxes payable, despite a ¥1,549 million decrease in notes and accounts payable–trade.

Total net assets at the end of the fiscal year under review was ¥27,941 million, an increase of ¥4,480 million from the end of the previous fiscal year. This was largely attributable to an increase of ¥4,384 million due to the posting of profit attributable to owners of parent and an increase of ¥1,426 million in valuation difference on available-for-sale securities due to the rising market value of the Company's investment securities, although there was a drop of ¥1,280 million related to dividends of surplus.

(3) Cash Flows for the Fiscal Year under Review

The Company Group's total cash and cash equivalents as of the end of the fiscal year under review (December 31, 2025) was ¥14,524 million, an increase of ¥455 million from the end of the previous fiscal year (December 31, 2024). The status of each cash flow and contributing factors are as follows.

(i) Cash flows from operating activities

Net cash gained from operating activities was ¥1,413 million (compared to ¥1,968 million gained in the same period of the previous fiscal year). In addition to the recording of ¥6,161 million in profit before income taxes, a ¥3,157 million increase in accounts receivable and contract assets, and a ¥1,549 million decrease in trade payables affected operating activities, resulting in a net increase of ¥1,413 million.

(ii) Cash flows from investing activities

Net cash used in investing activities was ¥205 million (compared to ¥187 million used in the previous fiscal year). This was mainly due to expenditure of ¥377 million for the purchase of property, plant, and equipment.

(iii) Cash flows from financial activities

Net cash used in financial activities was ¥752 million (compared to ¥1,566 million used in the same period of the previous fiscal year). This expenditure mainly consisted of ¥1,281 million in dividends paid and ¥514 million in proceeds from long-term borrowings.

Changes in the Company Group's cash flow-related indicators were as follows.

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Equity-to-asset ratio (%)	53.6	54.9	50.2	54.6	57.7
Equity-to-asset ratio based on market value (%)	85.1	79.8	84.2	108.6	105.8
Interest-bearing debt to cash flow ratio (years)	0.4	0.7	0.2	0.5	1.1
Interest coverage ratio (times)	467.0	309.0	865.4	267.3	130.1

Equity-to-asset ratio: Equity/Total assets

Equity-to-asset ratio based on market value: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payments

(Notes) 1. Indicators are calculated based on consolidated financial figures.

2. Market capitalization is calculated using the closing price at the end of the period multiplied by the number of issued shares at the end of the period (minus treasury shares).
3. Operating cash flow refers to cash flows from operating activities as shown in the consolidated statement of cash flows. Interest-bearing debt refers to all liabilities reported on the consolidated balance sheet on which interest is payable. Interest payments refer to the interest paid as presented in the consolidated statement of cash flows.

(4) Future Outlook

Regarding the market condition in the public sector, the Company expects that demand will continue expanding for renewal and maintenance of water infrastructure facilities reaching the end of their life cycle and for disaster prevention and mitigation in urban areas to prepare for intensifying disasters caused by torrential downpours. In the private sector, capital investments by companies are expected to continue, with the Japanese economy remaining on a recovery track.

Under such circumstances, the Company Group's outlook for the consolidated business results for the fiscal year ending December 31, 2026 is ¥46.0 billion in orders received (up 5.5% year on year), ¥44.0 billion in net sales (up 6.8% year on year), ¥6.3 billion in operating profit (up 2.9% year on year), ¥6.5 billion in ordinary profit (up 2.9% year on year), and ¥4.5 billion in profit attributable to owners of parent (up 2.6% year on year).

It should be noted that projects from the public sector account for a large percentage of the Company Group's orders received and net sales and that bidding schedules and the progress of work tend to be fluid for these projects in the short term. Therefore, the Company Group manages its business results annually and provides forecasts of its business results only on a full-year basis to emphasize the appropriate and effective provision of information.

2. Basic Concept Regarding Selection of Accounting Standards

Considering the comparability of consolidated financial statements across periods and between companies, the Company Group intends to prepare its consolidated financial statements according to Japanese GAAP for the time being.

With regard to the application of International Financial Reporting Standards (IFRS), the Company Group plans to appropriately take action in light of moves related to the application by other Japanese companies in the same industry.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	14,862	15,170
Notes and accounts receivable - trade, and contract assets	13,910	17,067
Merchandise and finished goods	1,426	1,286
Work in process	433	387
Costs on construction contracts in progress	109	207
Raw materials and supplies	599	571
Other	676	534
Allowance for doubtful accounts	(56)	(56)
Total current assets	31,962	35,168
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,811	3,830
Accumulated depreciation	(2,228)	(2,322)
Buildings and structures, net	1,583	1,508
Machinery, equipment and vehicles	212	117
Accumulated depreciation	(155)	(87)
Machinery, equipment and vehicles, net	56	29
Tools, furniture and fixtures	790	851
Accumulated depreciation	(669)	(675)
Tools, furniture and fixtures, net	120	175
Land	1,356	1,526
Construction in progress	14	7
Other	34	38
Accumulated depreciation	(10)	(17)
Other, net	23	21
Total property, plant and equipment	3,154	3,269
Intangible assets	90	101
Investments and other assets		
Investment securities	6,437	8,384
Insurance funds	482	540
Investment property, net	634	623
Deferred tax assets	29	28
Other	308	373
Allowance for doubtful accounts	(103)	(103)
Total investments and other assets	7,788	9,846
Total non-current assets	11,034	13,216
Total assets	42,996	48,385

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,041	11,491
Short-term borrowings	1,010	1,010
Current portion of long-term borrowings	—	85
Income taxes payable	696	1,237
Accrued consumption taxes	242	397
Contract liabilities	1,326	1,834
Provision for loss on construction contracts	49	44
Other	1,139	1,282
Total current liabilities	17,506	17,383
Non-current liabilities		
Long-term borrowings	—	428
Deferred tax liabilities	1,535	2,237
Provision for retirement benefits for directors (and other officers)	158	146
Retirement benefit liability	173	94
Other	161	153
Total non-current liabilities	2,029	3,059
Total liabilities	19,535	20,443
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	896	1,179
Retained earnings	19,895	22,998
Treasury shares	(2,124)	(2,457)
Total shareholders' equity	19,668	22,722
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,776	5,203
Remeasurements of defined benefit plans	15	15
Total accumulated other comprehensive income	3,792	5,219
Total net assets	23,461	27,941
Total liabilities and net assets	42,996	48,385

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

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales		
Net sales of finished goods and construction sales	29,875	33,812
Net sales of goods	7,628	7,399
Total net sales	37,503	41,211
Cost of sales		
Cost of finished goods sold and construction sales	20,271	22,001
Cost of goods sold	5,505	5,282
Total cost of sales	25,776	27,283
Gross profit		
Gross profit-finished goods and construction sales	9,604	11,810
Gross profit - merchandise	2,123	2,116
Total gross profit	11,727	13,927
Selling, general and administrative expenses	7,475	7,806
Operating profit	4,251	6,121
Non-operating income		
Interest income	0	2
Dividend income	124	141
Rental income from investment property	104	109
Other	25	34
Total non-operating income	255	287
Non-operating expenses		
Interest expenses	7	10
Rental expenses on real estate	46	56
Foreign exchange losses	6	12
Commission expenses	1	1
Other	1	12
Total non-operating expenses	63	92
Ordinary profit	4,443	6,316
Extraordinary income		
Gain on sale of investment securities	116	103
Total extraordinary income	116	103
Extraordinary losses		
Loss on disposal of non-current assets	7	58
Loss on redemption of investment securities	12	-
Loss on valuation of investment securities	-	199
Total extraordinary losses	20	258
Profit before income taxes	4,539	6,161
Income taxes - current	1,276	1,801
Income taxes - deferred	104	(24)
Total income taxes	1,381	1,777
Profit	3,157	4,384
Profit attributable to owners of parent	3,157	4,384

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	3,157	4,384
Other comprehensive income		
Valuation difference on available-for-sale securities	482	1,426
Remeasurements of defined benefit plans, net of tax	(1)	(0)
Total other comprehensive income	481	1,426
Comprehensive income	3,639	5,811
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,639	5,811
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statement of Changes in Equity
Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	844	17,814	(1,943)	17,717
Changes during period					
Dividends of surplus			(1,077)		(1,077)
Profit attributable to owners of parent			3,157		3,157
Purchase of treasury shares				(312)	(312)
Disposal of treasury shares		51		131	182
Net changes in items other than shareholders' equity					
Total changes during period	–	51	2,080	(180)	1,951
Balance at end of period	1,001	896	19,895	(2,124)	19,668

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,294	17	3,311	21,028
Changes during period				
Dividends of surplus				(1,077)
Profit attributable to owners of parent				3,157
Purchase of treasury shares				(312)
Disposal of treasury shares				182
Net changes in items other than shareholders' equity	482	(1)	481	481
Total changes during period	482	(1)	481	2,432
Balance at end of period	3,776	15	3,792	23,461

Fiscal year ended December 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	896	19,895	(2,124)	19,668
Changes during period					
Dividends of surplus			(1,280)		(1,280)
Profit attributable to owners of parent			4,384		4,384
Purchase of treasury shares				(678)	(678)
Disposal of treasury shares		283		345	629
Net changes in items other than shareholders' equity					
Total changes during period	–	283	3,103	(332)	3,053
Balance at end of period	1,001	1,179	22,998	(2,457)	22,722

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,776	15	3,792	23,461
Changes during period				
Dividends of surplus				(1,280)
Profit attributable to owners of parent				4,384
Purchase of treasury shares				(678)
Disposal of treasury shares				629
Net changes in items other than shareholders' equity	1,426	(0)	1,426	1,426
Total changes during period	1,426	(0)	1,426	4,480
Balance at end of period	5,203	15	5,219	27,941

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,539	6,161
Depreciation	261	234
Share-based payment expenses	45	58
Increase (decrease) in allowance for doubtful accounts	54	(0)
Increase (decrease) in provision for loss on construction contracts	23	(5)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	–	(12)
Increase (decrease) in retirement benefit liability	(88)	(79)
Interest and dividend income	(125)	(143)
Interest expenses	7	10
Loss (gain) on sale of investment securities	(116)	(103)
Loss (gain) on redemption of investment securities	12	–
Loss (gain) on valuation of investment securities	–	199
Loss (gain) on disposal of non-current assets	7	54
Decrease (increase) in accounts receivable - trade, and contract assets	362	(3,157)
Decrease (increase) in inventories	(245)	117
Increase (decrease) in trade payables	452	(1,549)
Increase (decrease) in contract liabilities	(1,805)	508
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(32)	154
Other, net	(16)	174
Subtotal	3,337	2,621
Interest and dividends received	125	144
Proceeds from insurance income	25	27
Interest paid	(7)	(10)
Income taxes paid	(1,511)	(1,368)
Net cash provided by (used in) operating activities	1,968	1,413
Cash flows from investing activities		
Net decrease (increase) in restricted deposits	(149)	147
Purchase of property, plant and equipment	(163)	(377)
Purchase of intangible assets	(44)	(14)
Proceeds from sale and redemption of investment securities	249	112
Proceeds from collection of loans receivable	0	0
Purchase of investment property	(10)	(9)
Other, net	(68)	(64)
Net cash provided by (used in) investing activities	(187)	(205)

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Proceeds from long-term borrowings	–	514
Repayments of long-term borrowings	(80)	–
Repayments of lease liabilities	(12)	(8)
Dividends paid	(1,076)	(1,281)
Purchase of treasury shares	(500)	(1)
Proceeds from disposal of treasury shares	103	23
Net cash provided by (used in) financing activities	(1,566)	(752)
Net increase (decrease) in cash and cash equivalents	214	455
Cash and cash equivalents at beginning of period	13,854	14,068
Cash and cash equivalents at end of period	14,068	14,524

(5) Notes on the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on changes in accounting policies)

Application of the Accounting Standard for Current Income Taxes, etc.

Effective from the beginning of the fiscal year under review (January 1, 2025), the Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) and others.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). This change in accounting policy had no impact on the consolidated financial statements for the fiscal year under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated group companies are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year under review. The Company applied the change in accounting policy retrospectively, and the consolidated financial statements for the previous fiscal year have been restated to reflect the retrospective application. This change in accounting policy had no impact on the consolidated financial statements for the previous fiscal year.

(Notes on segment information)

1. Overview of reporting segments

The Company Group’s reporting segments are segments for which separate financial information is available among the units constituting the Company and its consolidated subsidiaries and which are subject to regular reviews by the Board of Directors for evaluating the management resource allocation method and business results.

Based primarily on the similarities in the product type, manufacturing method, sales market, and sales method, the Company Group has defined three reporting segments: Manufacturing, Engineering, and Trading. The Manufacturing segment focuses on the manufacture, sale, etc. of environment-related products; the Engineering segment deals mainly with the design and construction of waterworks and sewerage facilities; and the Trading segment sells pumps, boilers, energy-efficient air-conditioning equipment, etc. as a trading company.

Major goods, products, and construction services offered in each segment are as follows.

Reporting segment	Major items
Manufacturing	Manufacture and sale of ozone level meters, industrial deodorants/deodorizers, energy-efficient blowers, various types of equipment for water treatment, infectious disease control equipment, ZEB/ZEH-related products, etc. Planning, design, and construction of private-sector wastewater treatment facilities, fisheries facilities, waterscape facilities, etc.
Engineering	Design and construction of waterworks and sewerage facilities (water purification plants, sewage plants, various pump stations, etc.), and design, construction, and maintenance of associated machines, electrical facilities, etc.
Trading	Purchase and sale of wind and water power equipment, heating and cooling equipment, and other equipment related to air-conditioning facilities, water supply/drainage facilities, sanitary facilities, etc., and construction works related to these facilities

2. Calculation method for net sales, profit/loss, assets, liabilities, and other items of each reporting segment

The accounting method used for the reporting segments is generally the same as that used to prepare consolidated financial statements. Profit of the reporting segments is based on operating profit.

3. Net sales, profit/loss, assets, liabilities, and other items of each reporting segment and breakdown of revenue
Fiscal year ended December 31, 2024

(In millions of yen)

	Reporting segments			Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Manufacturing	Engineering	Trading			
Net sales						
Public sector	3,444	18,320	1,661	23,426	-	23,426
Private sector	3,666	551	9,858	14,077	-	14,077
Revenue from customer contracts	7,111	18,872	11,520	37,503	-	37,503
Other revenue	-	-	-	-	-	-
Net sales to external customers	7,111	18,872	11,520	37,503	-	37,503
Internal net sales or transfers between segments	-	-	-	-	-	-
Total	7,111	18,872	11,520	37,503	-	37,503
Segment profit	1,313	2,450	1,749	5,514	(1,262)	4,251
Segment assets	5,788	8,714	5,006	19,509	23,487	42,996
Other items						
Depreciation	88	87	12	188	72	261
Increase in property, plant and equipment and intangible assets	92	111	5	210	11	222

(Notes) 1. Details of the adjustments are described below.

- (i) The adjustment to segment profit mainly represents general and administrative expenses that do not belong to the reporting segments.
- (ii) Of the segment assets, major corporate assets included in the adjustment item are surplus funds (cash and deposits), long-term investment funds (investment securities, insurance funds, etc.), investment property, and assets related to administrative departments at the parent company.

2. Segment profits are adjusted for operating profit posted on the consolidated financial statements.

Fiscal year ended December 31, 2025

(In millions of yen)

	Reporting segments			Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Manufacturing	Engineering	Trading			
Net sales						
Public sector	4,246	21,861	1,206	27,314	-	27,314
Private sector	3,259	589	10,047	13,896	-	13,896
Revenue from customer contracts	7,506	22,450	11,254	41,211	-	41,211
Other revenue	-	-	-	-	-	-
Net sales to external customers	7,506	22,450	11,254	41,211	-	41,211
Internal net sales or transfers between segments	-	-	-	-	-	-
Total	7,506	22,450	11,254	41,211	-	41,211
Segment profit	1,247	4,332	1,883	7,463	(1,342)	6,121
Segment assets	6,323	11,147	5,302	22,774	25,610	48,385
Other items						
Depreciation	83	81	10	175	58	234
Increase in property, plant and equipment and intangible assets	76	92	6	175	257	432

(Notes) 1. Details of the adjustments are described below.

- (i) The adjustment to segment profit mainly represents general and administrative expenses that do not belong to the reporting segments.
- (ii) Of the segment assets, major corporate assets included in the adjustment item are surplus funds (cash and deposits), long-term investment funds (investment securities, insurance funds, etc.), investment property, and assets related to administrative departments at the parent company.

2. Segment profits are adjusted for operating profit posted on the consolidated financial statements.

(Notes on per share information)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net assets per share	¥983.94	¥1,172.56
Basic earnings per share	¥132.11	¥184.24

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

2. The number of treasury shares used as the basis for calculating net assets per share and basic earnings per share includes the Company's stock held by the trust account of the Trust-type Employee Stock Ownership Plan (ESOP) (4,400 shares in the previous fiscal year and 234,600 shares in the fiscal year under review).
3. The Company conducted a stock split of its common stock at a ratio of two shares for each share, effective January 1, 2026. Net assets per share and basic earnings per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.
4. The basis for calculating net assets per share and basic earnings per share is as follows.

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net assets per share		
Total net assets (millions of yen)	23,461	27,941
Amount deducted from total net assets (millions of yen)	-	-
Net assets at the end of the fiscal year attributable to common stock (millions of yen)	23,461	27,941
Number of common shares at the end of the fiscal year used for calculating net assets per share (shares)	23,844,092	23,829,484
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	3,157	4,384
Amount not attributable to common stockholders (millions of yen)	-	-
Profit attributable to common stock owners of parent (millions of yen)	3,157	4,384
Average number of shares outstanding during the period (shares)	23,904,566	23,797,985

(Notes on significant subsequent events)

Stock split and partial amendment to the Articles of Incorporation due to the stock split

Based on the resolution by its Board of Directors meeting held on November 6, 2025, the Company conducted a stock split effective January 1, 2026, and partial amendment to the Articles of Incorporation due to the stock split.

(1) Purpose of the stock split

The purpose of the stock split is to create an environment in which investors can invest more easily, improve the liquidity of the Company's shares, and expand the investor base by lowering the amount per investment unit of the Company's shares.

(2) Overview of the stock split

(i) Method of stock split

Each share of the Company's common stock owned by shareholders recorded in the final shareholder registry on the record date of December 31, 2025 (which falls on a non-business day for the Company's shareholder registry administrator and it therefore will be effectively December 30, 2025), will be split into two shares.

(ii) Number of shares to be increased by stock split	
Total number of issued shares before the stock split	12,930,000 shares
Number of shares to be increased by the stock split	12,930,000 shares
Total number of issued shares after the stock split	25,860,000 shares
Total number of shares authorized to be issued after the stock split	80,000,000 shares

(iii) Timetable of the stock split

Date of public notice of the record date	December 16, 2025
Record date	December 31, 2025
Effective date	January 1, 2026

(3) Partial amendment to the Articles of Incorporation due to the stock split

(i) Reason for the amendment

Along with the stock split, the Company amended part of the Articles of Incorporation effective January 1, 2026, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

(ii) Details of the amendment

Before amendment	After amendment
Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>40,000,000</u> shares.	Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>80,000,000</u> shares.

(iii) Timetable for the amendment

Date of resolution at the meeting of the Board of Directors	November 6, 2025
Effective date	January 1, 2026

(4) Other

(i) Change in the amount of share capital

There is no change to the amount of share capital due to the stock split.

(ii) Year-end dividend for the fiscal year under review

The effective date of the stock split is January 1, 2026, and the year-end dividend for the fiscal year under review shall be paid based on the shares before the stock split with the record date of December 31, 2025.

4. Financial Statements

(1) Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	13,645	13,666
Notes receivable - trade	106	55
Electronically recorded monetary claims - operating	1,754	1,220
Accounts receivable - trade	11,654	15,025
Merchandise and finished goods	1,426	1,113
Work in process	433	-
Costs on construction contracts in progress	63	151
Raw materials and supplies	597	118
Prepaid expenses	176	131
Other	490	367
Allowance for doubtful accounts	(56)	(56)
Total current assets	30,293	31,793
Non-current assets		
Property, plant and equipment		
Buildings	1,477	1,214
Structures	81	48
Machinery and equipment	56	29
Tools, furniture and fixtures	127	152
Land	1,351	1,314
Construction in progress	14	7
Other	23	20
Total property, plant and equipment	3,131	2,788
Intangible assets		
Leasehold interests in land	8	8
Software	73	66
Telephone subscription right	7	7
Patent right	0	0
Total intangible assets	89	82
Investments and other assets		
Investment securities	6,437	8,383
Shares of subsidiaries and associates	49	149
Insurance funds	480	538
Investment property	481	475
Long-term loans receivable	96	96
Other	163	234
Allowance for doubtful accounts	(99)	(98)
Total investments and other assets	7,610	9,779
Total non-current assets	10,832	12,650
Total assets	41,125	44,443

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	7,716	7,548
Electronically recorded obligations - operating	4,970	3,443
Short-term borrowings	1,000	1,000
Current portion of long-term borrowings	–	85
Accounts payable - other	285	273
Accrued expenses	270	289
Income taxes payable	637	1,100
Accrued consumption taxes	228	348
Advances received	1,256	1,651
Provision for loss on construction contracts	4	–
Other	522	586
Total current liabilities	16,891	16,328
Non-current liabilities		
Long-term borrowings	–	428
Deferred tax liabilities	1,528	2,173
Provision for retirement benefits for directors (and other officers)	146	146
Provision for retirement benefits	182	105
Long-term guarantee deposits	27	28
Other	126	113
Total non-current liabilities	2,010	2,996
Total liabilities	18,901	19,325
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus		
Legal capital surplus	831	831
Other capital surplus	64	348
Total capital surplus	896	1,179
Retained earnings		
Legal retained earnings	141	141
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	152	–
General reserve	13,175	15,175
Retained earnings brought forward	5,204	4,874
Total retained earnings	18,673	20,191
Treasury shares	(2,124)	(2,457)
Total shareholders' equity	18,446	19,915
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,776	5,203
Total valuation and translation adjustments	3,776	5,203
Total net assets	22,223	25,118
Total liabilities and net assets	41,125	44,443

(2) Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	35,372	38,327
Cost of sales	24,267	25,636
Gross profit	11,104	12,690
Selling, general and administrative expenses	7,000	7,043
Operating profit	4,103	5,646
Non-operating income		
Interest and dividend income	177	192
Rental income from investment property	71	71
Other	20	30
Total non-operating income	269	293
Non-operating expenses		
Interest expenses	7	10
Rental expenses on real estate	35	37
Foreign exchange losses	6	12
Commission expenses	1	1
Other	1	11
Total non-operating expenses	52	73
Ordinary profit	4,320	5,866
Extraordinary income		
Gain on sale of investment securities	116	103
Total extraordinary income	116	103
Extraordinary losses		
Loss on disposal of non-current assets	7	58
Loss on redemption of investment securities	12	–
Loss on valuation of investment securities	–	199
Loss on valuation of shares of subsidiaries	20	–
Total extraordinary losses	40	258
Profit before income taxes	4,395	5,712
Income taxes - current	1,183	1,624
Income taxes - deferred	177	(24)
Total income taxes	1,361	1,600
Profit	3,033	4,111

(3) Statement of Changes in Equity

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,001	831	13	844	141	154	12,175	4,246	16,717
Changes during period									
Provision of general reserve							1,000	(1,000)	-
Dividends of surplus								(1,077)	(1,077)
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	-
Profit								3,033	3,033
Purchase of treasury shares									
Disposal of treasury shares			51	51					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	51	51	-	(1)	1,000	958	1,956
Balance at end of period	1,001	831	64	896	141	152	13,175	5,204	18,673

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(1,943)	16,619	3,294	19,913
Changes during period				
Provision of general reserve		-		-
Dividends of surplus		(1,077)		(1,077)
Reversal of reserve for tax purpose reduction entry of non-current assets		-		-
Profit		3,033		3,033
Purchase of treasury shares	(312)	(312)		(312)
Disposal of treasury shares	131	182		182
Net changes in items other than shareholders' equity			482	482
Total changes during period	(180)	1,826	482	2,309
Balance at end of period	(2,124)	18,446	3,776	22,223

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,001	831	64	896	141	152	13,175	5,204	18,673
Changes during period									
Provision of general reserve							2,000	(2,000)	-
Dividends of surplus								(1,280)	(1,280)
Profit								4,111	4,111
Purchase of treasury shares									
Disposal of treasury shares			283	283					
Decrease by corporate division						(152)		(1,160)	(1,312)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	283	283	-	(152)	2,000	(329)	1,518
Balance at end of period	1,001	831	348	1,179	141	-	15,175	4,874	20,191

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(2,124)	18,446	3,776	22,223
Changes during period				
Provision of general reserve		-		-
Dividends of surplus		(1,280)		(1,280)
Profit		4,111		4,111
Purchase of treasury shares	(678)	(678)		(678)
Disposal of treasury shares	345	629		629
Decrease by corporate division		(1,312)		(1,312)
Net changes in items other than shareholders' equity			1,426	1,426
Total changes during period	(332)	1,468	1,426	2,895
Balance at end of period	(2,457)	19,915	5,203	25,118