

CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025
[IFRS]

February 13, 2026

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 Stock exchange listings: Tokyo
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Scheduled date of General Meeting of Shareholders: March 26, 2026
 Scheduled date for dividend payment: March 27, 2026
 Scheduled date of submission of annual securities report: March 23, 2026

Preparing supplementary material on financial results: Yes
 Holding financial results presentation meeting: Yes (for institutional investors and analysts)
 (Monetary amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended December 31, 2025

(1) Consolidated Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit	
Fiscal Year Ended December 31, 2025	958,285	10.6%	113,802	16.2%	110,977	11.1%	79,592	6.8%
Fiscal Year Ended December 31, 2024	866,668	14.1%	97,953	13.9%	99,852	17.8%	74,491	16.8%

	Profit Attributable to Owners of Parent		Total Comprehensive Income		Basic Earnings per Share (Yen)	Basic Earnings per Share, Diluted (Yen)
Fiscal Year Ended December 31, 2025	76,633	7.3%	85,651	(4.4)%	166.31	166.15
Fiscal Year Ended December 31, 2024	71,401	18.4%	89,607	24.1%	154.62	154.43

	Return on Equity Attributable to owners of Parent (%)	Profit before Tax to Total Assets (%)	Operating Profit to Revenue (%)
Fiscal Year Ended December 31, 2025	15.6	10.6	11.9
Fiscal Year Ended December 31, 2024	16.2	10.4	11.3

Note: Share of profit (loss) of investments Fiscal year ended December 31, 2025; 1,080 million yen
 accounted for using the equity method: Fiscal year ended December 31, 2024; 2,186 million yen

The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Basic earnings per share and Basic earnings per share, diluted are calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

Millions of yen

	Total Assets	Total Equity	Total Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent (%)	Total Equity Attributable to Owners of Parent per Share (Yen)
As of December 31, 2025	1,082,201	521,666	508,875	47.0	1,114.52
As of December 31, 2024	1,005,085	485,336	473,277	47.1	1,024.60

The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Total equity attributable to owners of parent per share is calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

Millions of yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Fiscal Year Ended December 31, 2025	40,755	(91,232)	16,836	143,485
Fiscal Year Ended December 31, 2024	100,940	(48,554)	(31,915)	171,031

2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Payout Ratio (Consolidated) (%)	Dividend to Equity Attributable to Owners of the Parent (Consolidated) (%)
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual			
Fiscal Year Ended December 31, 2024	—	115.00	—	32.00	—	25,404	35.6	5.8
Fiscal Year Ended December 31, 2025	—	28.00	—	31.00	59.00	27,091	35.5	5.5
Fiscal Year Ending December 31, 2026 (Forecast)	—	33.00	—	33.00	66.00		34.8	

Note: Revisions to forecast of dividends in this quarter: Yes

The year-end dividend forecast for the year ended December 31, 2025, announced on November 13, 2025, has been revised. For details, please refer to the "Notice of Dividends (Increase)" announced today (February 13, 2026)

The Company conducted a 5-for-1 stock split of shares of common stock, effective July 1, 2024. The year-end dividend per share for the fiscal year ended December 31, 2024 is the amount after such stock split, and the total annual dividend is shown as "—" . Assuming that the stock split was conducted at the beginning of the previous fiscal year, the second quarter-end dividend for the fiscal year ending December 31, 2024 would be 23.00 yen and the annual dividend would be 55.00 yen.

3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2026

% represents percentage change from the previous fiscal year

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
		%		%		%		%		%	
Six Months Ending June 30, 2026	478,000	6.5%	50,500	0.9%	48,400	4.9%	33,000	0.8%	31,800	1.5%	69.65
Fiscal Year Ending December 31, 2026	1,020,000	6.4%	125,000	9.8%	121,900	9.8%	89,300	12.2%	86,600	13.0%	189.67

4. Other Information

- (1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

Included: — (—)

Excluded: — (—)

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than (i) above: Yes

(iii) Changes in accounting estimates: None

Note: For details, please refer to "2. Condensed Consolidated Financial Statements and Primary Notes (5) Notes to Condensed Consolidated Financial Statements (Changes in Accounting Policies)" on page 27.

- (3) Number of shares outstanding (Common Shares)

(i) Number of common shares (Including treasury shares)	As of December 31, 2025	462,199,185	As of December 31, 2024	462,055,735
(ii) Number of treasury shares	As of December 31, 2025	5,612,828	As of December 31, 2024	140,410
(iii) Average number of common shares	Fiscal Year Ended December 31, 2025	460,791,393	Fiscal Year Ended December 31, 2024	461,796,625

Note: The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. The "number of common shares", "number of treasury shares", and "average number of common shares" are calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

(Reference Information)

1. Non-Consolidated Results for the Fiscal Year Ended December 31, 2025

(1) Financial Results

(% represents percentage change from a comparable previous fiscal year)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal Year Ended December 31, 2025	420,326	17.2%	28,580	(1.4)%	52,756	(1.8)%	41,984	(9.8)%
Fiscal Year Ended December 31, 2024	358,668	9.1%	28,998	15.1%	53,716	7.8%	46,524	3.9%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)
Fiscal Year Ended December 31, 2025	91.11	91.03
Fiscal Year Ended December 31, 2024	100.75	100.63

The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Net income per share and Net income per share, diluted are calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

(2) Financial Position

Millions of yen

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
As of December 31, 2025	692,024	347,019	50.1	759.56
As of December 31, 2024	649,607	352,547	54.2	762.73

Note: Shareholders' Equity (Net assets excluding subscription rights to shares):

As of December 31, 2025; 346,805 million yen

As of December 31, 2024; 352,318 million yen

The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Net assets per share is calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

< Reasons for differences compared with the previous fiscal year >

Net sales increased by 17.2% compared with the previous fiscal year, mainly due to performance in the Precision Machinery.

This financial result is exempt from auditing by certified public accountants or accounting firms.

Explanation of the Appropriate Use of Performance Forecast and Other Related Matters

1. The forecast of performance and other forward-looking statements contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group's performance. Actual performance may differ substantially from these forecast owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecast of performance, please refer to "Forecast of Performance" on page 13.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, the Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Qualitative Information Regarding Consolidated Financial Results

(1) Explanation of Financial Results

	Millions of yen			
	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025	Change	Change Ratio (%)
Orders Received	860,579	949,683	89,103	10.4
Revenue	866,668	958,285	91,617	10.6
Operating Profit	97,953	113,802	15,848	16.2
Operating Profit on Revenue Ratio (%)	11.3	11.9	—	—
Profit Attributable to Owners of Parent	71,401	76,633	5,232	7.3
Basic Earnings per Share (Yen)	154.62	166.31	11.69	7.6

Note: The Company conducted a 5-for-1 stock split with an effective date of July 1, 2024. Basic earnings per share is calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

During the fiscal year ended December 31, 2025, the Japanese economy continued to recover moderately in terms of personal consumption and corporate capital investment. The global economy showed signs of picking up, although there was a downside risk due to the stagnation in the Chinese economy. On the other hand, geopolitical risks such as U.S. policy trends, tightening of semiconductor export control regulations due to conflicts between the U.S. and China, the situation in Ukraine and the Middle East require close monitoring.

Under these circumstances, we are working on a three-year medium-term management plan E-Plan2025 starting in 2023, with the theme of "creating value from the customer's perspective," we have shifted to a face-to-face market structure to further strengthen competitiveness in each of our businesses, and we have moved forward with various measures to achieve our management indicators.

Orders received for the fiscal year ended December 31, 2025, decreased year on year in the Energy Business due to a lack of the large-scale projects. On the other hand, in the Environmental Business, orders received increased year on year due to orders for large-scale projects. Orders received increased year on year in the Precision Machinery Business reflecting an increase in plant utilization rates at some customers and the resumption of capital expenditures for increased production, due to a rebound in demand for semiconductors for generative AI and other applications. As a result, overall orders increased year on year. Revenue increased year on year in all Business Segments, and operating income increased year on year due to contributions from the Precision Machinery, Environmental, and Infrastructure Business, as well as the absence of an impairment loss on goodwill recorded in Building Service & Industrial Business in the same period of the previous fiscal year.

As a result, in the Fiscal Year ended December 31, 2025, consolidated orders received amounted to ¥949,683 million (an increase of 10.4% year-on-year), revenue amounted to ¥958,285 million (an increase of 10.6% year-on-year), operating profit amounted to ¥113,802 million (an increase of 16.2% year-on-year), profit attributable to owners of parent amounted to ¥76,633 million (an increase of 7.3% year-on-year). All of them replaced the past highest records.

Operating Results by Business Segment

Millions of yen

Segment	Orders Received			Revenue			Segment Profit		
	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025	Change Ratio (%)	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025	Change Ratio (%)	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025	Change Ratio (%)
Building Service & Industrial	244,401	249,285	2.0	238,182	241,938	1.6	10,341	15,251	47.5
Energy	222,743	194,777	(12.6)	210,434	217,845	3.5	28,008	25,943	(7.4)
Infrastructure	60,559	62,973	4.0	51,118	57,143	11.8	3,697	4,680	26.6
Environmental	71,594	135,392	89.1	87,438	97,864	11.9	8,445	13,003	54.0
Precision Machinery	260,059	303,447	16.7	278,378	342,267	23.0	50,133	57,773	15.2
Reportable Segment Total	859,359	945,875	10.1	865,552	957,059	10.6	100,625	116,652	15.9
Others	1,220	3,808	212.2	1,115	1,225	9.9	(2,826)	(2,294)	—
Adjustment	—	—	—	—	—	—	153	(556)	—
Total	860,579	949,683	10.4	866,668	958,285	10.6	97,953	113,802	16.2

Outline of Business Environment and Situation by Business Segment

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Building Service & Industrial	<p>(Overseas)</p> <ul style="list-style-type: none"> Markets in North America continue to stagnate as construction costs rise and labor shortages continue to weigh on. In Europe, labile of energy supply and geopolitical risk restrain investment appetite, and the construction equipment market continues to be sluggish. In China, the real estate market continues to adjust, private investment in the residential and commercial sectors is being restrained, and the building equipment market is declining. <p>(Japan)</p> <ul style="list-style-type: none"> In the Building equipment market, the number of construction starts has decreased due to the impact of the rise in construction costs. Demand in the service market continues to be on an upward trend. In the industrial market, major changes are anticipated in the medium to long term, such as the consideration of capital investment with an eye to decarbonization and the conversion of the business structure, but they are currently trending steadily. On the other hand, capital investment has been stagnant due to sluggish domestic and overseas manufacturing and construction industries, resulting in a decline in demand for steel, and a slump in the domestic steel industry caused by an increase in imports. 	<p>(Overseas)</p> <ul style="list-style-type: none"> Orders received are firm in Europe, the U.S. and Asia, but whole orders received decreased year on year due to an economic downturn in China.  <p>(Japan)</p> <ul style="list-style-type: none"> Orders received for services and support were firm, and whole orders received increased year on year.
Energy	<ul style="list-style-type: none"> In the new apparatus field, demand in the oil & gas market is trending upward in the Middle East region, while the petrochemical market is generally calm. In the LNG market, customer investment appetite is recovering in North America. The Chinese electricity market continues to be active. In the service field, demand for maintenance has run its course and there are signs that it will return to its normal level, but it has recently been firm. 	<ul style="list-style-type: none"> Orders received in the new apparatus decreased year on year. Orders received in the service field decreased year on year. 
Infrastructure	<p>(Overseas)</p> <ul style="list-style-type: none"> In the water infrastructure market, demand in Southeast Asia is driven by demand for pumps driven by economic growth. In North America, demand is robust due to improvements such as the aging of facilities. In China, there is a tendency toward a slowdown in public investment due to the government's fiscal stimulus, but a certain level of demand continues. <p>(Japan)</p> <ul style="list-style-type: none"> Investment in the renewal and repair of social infrastructure has been firm. The public sector construction market is moving in line with the usual year. Demand for after-sales of existing facilities continues to be firm. 	<p>(Overseas)</p> <ul style="list-style-type: none"> Orders received for water infrastructure is almost flat year on year. <p>(Japan)</p> <ul style="list-style-type: none"> Orders received for the public sector increased year on year due to steady progress from ongoing measures, such as comprehensive evaluation projects and an increase in orders for aftersales services. 

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Environmental (Note 2)	<p>(Japan)</p> <ul style="list-style-type: none"> • Demand for new construction of waste treatment facilities for the public sector is trending as usual. • Orders for O&M at existing facilities are trending as usual. • Construction demand for woody biomass power generation facilities for the private sector and industrial waste treatment facilities such as waste plastics continues at a certain level. 	<p>(Japan)</p> <ul style="list-style-type: none"> • Owing to orders for large-scale projects, EPC remained flat, O&M grew significantly and greatly exceeded the previous year. <p>[Status of orders for large-scale projects]</p> <ul style="list-style-type: none"> • Construction to improve basic facilities for waste treatment facilities for the public sector (2 projects)  • One long-term comprehensive management contract and a core facility improvement project for a public waste treatment facility (2 project)
Precision Machinery	<ul style="list-style-type: none"> • Customer factory utilization rates continue to recover, mainly due to demand for generative AI, but the full-scale resumption of capacity expansion investments is delayed from initial expectations. 	<ul style="list-style-type: none"> • Product orders are performing well for logic/foundry applications, and while orders for memory applications exceeded the previous year, full-scale resumption of customer investment is expected from 2026 onwards. In addition, Service & Support orders exceeded the previous year as customer factory utilization rates recovered. 

Note 1: Arrows indicate a year-on-year increase/decrease in orders received:



in the case of +5% or more increase



in the case of -5% or greater decrease



in the case of movement within the -5% and +5% range

- 2: O&M(Operation & Maintenance) The operation and maintenance of plants
EPC (Engineering, Procurement, Construction) The engineering, procurement, construction of plants

(2) Explanation of Financial Position

(i) Assets

Total assets as of December 31, 2025 were ¥1,082,201 million, ¥77,115 million higher than as of December 31, 2024. Principal changes included a decrease of ¥27,546 million in cash and cash equivalents, a decrease of ¥8,265 million in inventories, an increase of ¥56,040 million in tangible fixed assets, an increase of ¥38,897 million in trade and other receivables, an increase of ¥7,676 million in goodwill and intangible assets, and an increase of ¥7,565 million in other current assets.

(ii) Liabilities

Total liabilities as of December 31, 2025 were ¥560,534 million, ¥40,785 million higher than as of December 31, 2024. Principal changes included a decrease of ¥26,280 million in contract liabilities, a decrease of ¥19,276 million in trade and other payables, an increase of ¥74,303 million in bonds, borrowings and lease liabilities, an increase of ¥8,644 million in other current liabilities, and an increase of ¥3,200 million in provisions.

(iii) Equity

Equity as of December 31, 2025 amounted to ¥521,666 million, ¥36,329 million higher than as of December 31, 2024. Principal changes are dividends paid of ¥27,718 million, a purchase of treasury stock of ¥20,077 million, profit attributable to owners of parent of ¥76,633 million, and an increase of ¥7,500 million in exchange differences on translation of foreign operations. Total equity attributable to owners of parent amounted to ¥508,875 million, and the ratio of equity attributable to owners of the parent was 47.0 %.

(3) Overview of Cash Flows

Net cash used in operating activities amounted to a net inflow of ¥40,755 million for the fiscal year ended December 31, 2025, a decrease of ¥60,184 million in net inflow compared to the previous year. Although profit before tax increased by 11.1% year on year to ¥110,977 million, this is primarily attributable to an increase in trade and other receivables, a decrease in contract liabilities, and a decrease in trade and other payables.

Net cash used in investing activities amounted to a net outflow of ¥91,232 million for the fiscal year ended December 31, 2025, an increase of ¥42,677 million in net outflow compared to the previous year. This is primarily due to the acquisition of fixed assets of ¥92,214 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to a net outflow of ¥50,476 million for the fiscal year ended December 31, 2025, a decrease of ¥102,862 million in net inflow compared to the previous year.

Net cash used in financing activities amounted to a net inflow of ¥16,836 million for the fiscal year ended December 31, 2025, an increase of ¥48,752 million in net inflow compared to the previous year. This is primarily due to a net increase of ¥88,662 million in short-term loans payable and long-term loans payable, cash dividends paid of ¥27,718 million, purchase of treasury shares of ¥20,077 million and redemption of bonds of ¥15,000 million.

As a result, cash and cash equivalents as of December 31, 2025 amounted to ¥143,485 million, ¥27,545 million decrease compared to the previous year.

(Reference) Recent trends in cash flow indicators are 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
Ratio of Equity Attributable to Owners of Parent (%)	43.4	43.5	44.8	47.1	47.0
Ratio of Equity Attributable to Owners of Parent at Market Value (%)	84.8	52.5	84.3	112.9	155.4
Years to Repay Debt (Year)	1.5	3.2	2.0	1.4	5.5
Interest Coverage Ratio (Times)	53.2	18.8	18.5	27.9	10.3

*Ratio of Equity Attributable to Owners of Parent: $\text{Equity Attributable to Owners of Parent} / \text{Total assets}$

*Ratio of Equity Attributable to Owners of Parent at Market Value: $\text{Stock market capitalization} / \text{Total assets}$

*Years to Repay Debt: $\text{Interest-bearing debt} / \text{Operating cash flow}$

*Interest Coverage Ratio: $\text{Operating cash flow} / \text{Interest expenses paid}$

Notes:

- All indicators in the table above were computed with consolidated financial data.
- Stock market capitalization was computed by multiplying the closing stock price at the end of the period by the number of shares outstanding (minus treasury shares) at the end of the period
- Operating cash flow is "Net cash provided by operating activities" displayed in the Consolidated Statements of Cash Flows. Interest expenses are the amounts displayed in the item "Interest expenses paid" in the Consolidated Statements of Cash Flows.

(4) Forecast of Performance

Regarding the business environment surrounding the Company, there are concerns such as U.S. policy trends including tariffs, tightening of semiconductor export control regulations due to U.S. and China tensions, impacts on resource prices from the prolonged situations in Ukraine and the Middle East, and foreign exchange fluctuations, and the uncertain situation is expected to continue. However, supported by long-term expansion of semiconductor demand and stable demand for social infrastructure, the Company expects its business to perform steadily.

Under these conditions, the Group has set the objective of reaching orders received of ¥1,070,000 million, revenues of ¥1,020,000 million, operating income of ¥125,000 million, profit before taxes of ¥121,900 million, and profit attributable to owners of parent of ¥86,600 million for the next fiscal year.

Assumptions regarding foreign currency exchange rates forecast are as follows: US\$1 = ¥145, EUR1 = ¥175, RMB1 = ¥20.

Actual performance may differ from these forecasts owing to factors such as changing market environment.

Forecast for the Fiscal Year Ending December 31, 2026

	Billions of yen	
	Six Months Ending June 30, 2026	Fiscal Year Ending December 31, 2026
Orders Received	518.0	1,070.0
Revenue	478.0	1,020.0
Operating Profit	50.5	125.0
Profit Before Tax	48.4	121.9
Profit Attributable to Owners of Parent	31.8	86.6

Forecast of Financial Results for the Fiscal Year Ending December 31, 2026 by Business Segment

Six Months Ending June 30, 2026

	Billions of yen		
Segment	Orders Received	Revenue	Operating Profit
Building Service & Industrial	130.0	120.0	9.0
Energy	90.0	100.0	6.0
Infrastructure	28.0	33.0	5.0
Environmental	80.0	45.0	4.5
Precision Machinery	190.0	180.0	28.0
Others, Adjustment	0.0	0.0	(2.0)
Total	518.0	478.0	50.5

Fiscal Year Ending December 31, 2026

	Billions of yen		
Segment	Orders Received	Revenue	Operating Profit
Building Service & Industrial	265.0	260.0	20.0
Energy	210.0	205.0	21.0
Infrastructure	60.0	60.0	5.5
Environmental	130.0	95.0	8.5
Precision Machinery	405.0	400.0	73.5
Others, Adjustment	0.0	0.0	(3.5)
Total	1,070.0	1,020.0	125.0

Forecast of Business Environment by Business Segment

Segment	Business Environment
Building Service & Industrial	<p>(Overseas)</p> <ul style="list-style-type: none"> • In North America, a cautious stance toward investment is expected to continue due to the impact of tariff policies. On the other hand, solid growth is expected in some areas such as data centers. • In Europe, a sense of economic stagnation remains, and the building equipment market is expected to remain flat. • In China, the decline in the building equipment market is expected to continue due to restrained investment in residential and commercial sectors. <p>(Japan)</p> <ul style="list-style-type: none"> • In the Building equipment market, while construction demand is firm, moves to postpone construction and revise plans that fear rising material prices and labor costs are expected to continue. • In the industrial market, particularly in the chemical market, market changes are expected to be significant, with reorganization momentum in the petrochemical field and growth investment in downstream functional chemicals. The overall market is expected to see continued demand for capital investment and other items, but the steel industry is expected to remain sluggish. <p><Market Forecast for the Fiscal Year Ending December 2026> Overseas: Expect growth in the 2% range Japan: Flat</p>
Energy	<ul style="list-style-type: none"> • In the new apparatus field, demand in the petrochemical market is expected to remain steady, mainly in North America, Asia, and the Middle East. On the other hand, a sense of slowdown is expected to continue in China. In the LNG market, particularly in North America, customer investment appetite continues to recover, and solid growth is expected. • The decarbonization-related market is progressing toward commercialization, centered on ammonia, hydrogen, CCUS (Carbon dioxide Capture, Utilization and Storage), etc. • In the electricity market, there are some delays in ammonia conversion project plans, mainly in Japan and Asia. In China, demand for new thermal power plants and high-efficiency retrofit projects is expected to continue. • In the service field, demand for maintenance and repair is expected to return to normal levels. <p><Market Forecast for the Fiscal Year Ending December 2026> LNG: Expected to grow in the 6% range Ethylene: Expect growth in the 3% range</p>
Infrastructure	<p>(Overseas)</p> <ul style="list-style-type: none"> • The overall market is expected to continue moderate growth due to water demand accompanying population growth in Asia and maintenance of aging facilities in North America. • Although China is affected by the economic slowdown trend, a certain level of demand is expected to continue due to government-led public investment. • In addition, flood damage is increasing year by year worldwide due to global warming and abnormal weather, and demand for drainage pump installation is expected, particularly in Southeast Asia and the Middle East. <p>(Japan)</p> <ul style="list-style-type: none"> • Demand is expected to remain robust due to watershed flood control initiatives in response to intensifying and frequent natural disasters, response to accelerating aging of infrastructure facilities, and the promotion of digital transformation in the infrastructure field. <p>(Market Forecast for the fiscal year ending December 31, 2026) Overseas: 4% range growth expected Japan: Flat</p>
Environmental	<p>(Japan)</p> <ul style="list-style-type: none"> • Demand for new construction of waste treatment facilities for the public sector is expected to be generally in line with normal years. • Demand for construction of woody biomass power generation facilities for the private sector and industrial waste treatment facilities such as waste plastics is expected to continue. • Demand for prolonging the life of aging facilities is increasing, but it is expected to be about the same level as usual in the short term. <p>(Market Forecast for the fiscal year ending December 31, 2026) Japan: Flat</p>

Precision Machinery (Note 1)	<ul style="list-style-type: none"> • Customer factory utilization rates are on a recovery trend, and strong performance is expected mainly for advanced devices. Overall market growth is expected, centered on generative AI-related applications, with investment expansion anticipated in logic/foundry and memory. (Market Forecast for the fiscal year ending December 31, 2026) WFE: 10% or more growth expected (Note 1) WFE.....Wafer Fab Equipment
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(5) Basic Policy for Shareholder Return for the Fiscal Years Ended December 31, 2025 and Ending December 31, 2026

Under E-Plan 2028, the Group's fundamental policy for shareholder returns is to prioritize growth investments that contribute to maximizing corporate value over the medium to long term, while allocating residual cash to shareholder returns in principle to maintain an optimal capital structure. Regarding dividends, we target a consolidated payout ratio of 35% or higher, with payments linked to business performance for the relevant period. Furthermore, provided that we make necessary investments and maintain financial discipline, we will continuously conduct the acquisition of treasury shares to adjust our equity to an appropriate level in line with our ROE targets. Based on these principles, we will implement shareholder returns (dividends and acquisition of treasury shares) totaling 100% or more of the cumulative three-year free cash flow (excluding cash inflows from asset sales or divestments).

For the fiscal year ended December 31, 2025, the Company plans to pay a year-end dividend of ¥31.00 per share, in addition to the interim dividend of ¥28.00 per share. For the fiscal year ending December 31, 2026, the Company plans to pay an annual dividend of ¥66.00 per share (including an interim dividend of ¥33.00 per share).

2. Basic Approach to Selection of Accounting Standards

The Group has optionally adopted IFRS from the three months ended March 31, 2021 for its consolidated financial statements in consideration of the need for international comparability of consolidated financial statements in the capital market.

3. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statement of Financial Position

	Millions of yen	
	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	171,031	143,485
Trade and other receivables	170,282	209,180
Contract assets	116,792	119,684
Inventories	205,960	197,695
Income taxes receivable	2,104	860
Other financial assets	3,798	3,581
Other current assets	35,339	42,905
Total current assets	705,309	717,392
Non-current assets		
Property, plant and equipment	201,991	258,032
Goodwill and intangible assets	53,796	61,472
Investments accounted for using the equity method	8,683	8,001
Deferred tax assets	19,266	23,444
Other financial assets	5,983	5,086
Other non-current assets	10,054	8,770
Total non-current assets	299,775	364,808
Total assets	1,005,085	1,082,201

	Millions of yen	
	As of December 31, 2024	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	167,452	148,175
Contract liabilities	108,778	82,498
Bonds, borrowings and lease liabilities	55,607	131,746
Income taxes payable	13,915	15,420
Provisions	11,895	14,437
Other financial liabilities	1,383	1,112
Other current liabilities	46,308	54,953
Total current liabilities	405,340	448,343
Non-current liabilities		
Bonds, borrowings and lease liabilities	94,825	92,989
Retirement benefit liability	8,917	8,855
Provisions	3,289	3,947
Deferred tax liabilities	2,423	2,153
Other financial liabilities	594	80
Other non-current liabilities	4,357	4,164
Total non-current liabilities	114,408	112,191
Total liabilities	519,748	560,534
Equity		
Share capital	80,639	80,751
Capital surplus	76,707	77,701
Retained earnings	272,382	319,262
Treasury shares	(323)	(20,326)
Other components of equity	43,871	51,486
Total equity attributable to owners of parent	473,277	508,875
Non-controlling interests	12,059	12,790
Total equity	485,336	521,666
Total liabilities and equity	1,005,085	1,082,201

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

Condensed Consolidated Statement of Income

For the Fiscal Year Ended December 31, 2024 and 2025

	Millions of yen	
	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Revenue	866,668	958,285
Cost of sales	579,699	646,341
Gross profit	286,969	311,944
Selling, general and administrative expenses	183,201	197,892
Other income	4,085	3,884
Other expenses	9,899	4,134
Operating profit	97,953	113,802
Finance income	3,897	2,864
Finance costs	4,185	6,769
Share of profit (loss) of investments accounted for using the equity method	2,186	1,080
Profit before tax	99,852	110,977
Income tax expense	25,361	31,384
Profit	74,491	79,592
Profit attributable to		
Owners of parent	71,401	76,633
Non-controlling interests	3,089	2,959
Earnings per share		
Basic earnings per share	154.62	166.31
Basic earnings per share, diluted	154.43	166.15

Note: The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Basic earnings per share and Basic earnings per share, diluted are calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

Condensed Consolidated Statement of Comprehensive Income

For the Fiscal Year Ended December 31, 2024 and 2025

Millions of yen

	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Profit	74,491	79,592
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(339)	(899)
Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	(85)	(1,123)
Share of other comprehensive income of investments accounted for using the equity method	(145)	(56)
Total of items that will not be reclassified to profit or loss	(570)	(2,079)
Items that may be reclassified to profit or loss		
Cash flow hedges	(262)	232
Exchange differences on translation of foreign operations	15,950	7,905
Total of items that may be reclassified to profit or loss	15,687	8,138
Total other comprehensive income, net of tax	15,116	6,058
Total comprehensive income	89,607	85,651
Comprehensive income attributable to		
Owners of parent	85,919	82,287
Non-controlling interests	3,688	3,363

(3) Condensed Consolidated Statement of Changes in Equity
For the Fiscal Year Ended December 31, 2024

Millions of yen

	Equity attributable to owners of parent								
					Other components of equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans	
As of January 1, 2024	80,489	76,593	224,267	(306)	28,243	592	(5)		—
Changes during the period									
Comprehensive income									
Profit	—	—	71,401	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	15,352	(207)	(262)		(364)
Total comprehensive income	—	—	71,401	—	15,352	(207)	(262)		(364)
Transactions with owners									
Dividends	—	—	(22,763)	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	(17)	—	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—	—
Share-based payment transactions	149	377	—	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—	—
Acquisition or disposal of non controlling interests	—	(264)	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(522)	—	—	157	—	—	364
Total transactions with owners	149	113	(23,285)	(16)	—	157	—	—	364
As of December 31, 2024	80,639	76,707	272,382	(323)	43,596	543	(268)		—

Millions of yen

	Equity attributable to owners of parent		Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Total other components of equity				
As of January 1, 2024		28,830	409,875	11,697	421,572
Changes during the period					
Comprehensive income					
Profit		—	71,401	3,089	74,491
Other comprehensive income		14,518	14,518	598	15,116
Total comprehensive income		14,518	85,919	3,688	89,607
Transactions with owners					
Dividends		—	(22,763)	(3,217)	(25,980)
Purchase of treasury shares		—	(17)	—	(17)
Disposal of treasury shares		—	0	—	0
Share-based payment transactions		—	527	—	527
Change in scope of consolidation		—	—	22	22
Acquisition or disposal of non controlling interests		—	(264)	(131)	(396)
Transfer from other components of equity to retained earnings		522	—	—	—
Total transactions with owners		522	(22,516)	(3,326)	(25,843)
As of December 31, 2024		43,871	473,277	12,059	485,336

For the Fiscal Year Ended December 31, 2025

Millions of yen

	Equity attributable to owners of parent								
	Equity attributable to owners of parent				Other components of equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans	
As of January 1, 2025	80,639	76,707	272,382	(323)	43,596	543	(268)	—	—
Changes during the period									
Comprehensive income									
Profit	—	—	76,633	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	7,500	(1,155)	232	(923)	
Total comprehensive income	—	—	76,633	—	7,500	(1,155)	232	(923)	
Transactions with owners									
Dividends	—	—	(27,718)	—	—	—	—	—	—
Purchase of treasury shares	—	—	(74)	(20,003)	—	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—	—
Share-based payment transactions	112	1,097	—	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—	—
Acquisition or disposal of non controlling interests	—	(103)	—	—	—	—	—	—	—
Capital increase of subsidiary with non-controlling Interests	—	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(1,961)	—	—	1,037	—	923	
Total transactions with owners	112	994	(29,754)	(20,003)	—	1,037	—	923	
As of December 31, 2025	80,751	77,701	319,262	(20,326)	51,097	425	(36)	—	—

	Millions of yen			
	Equity attributable to owners of parent	Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Total other components of equity			
As of January 1, 2025	43,871	473,277	12,059	485,336
Changes during the period				
Comprehensive income				
Profit	—	76,633	2,959	79,592
Other comprehensive income	5,653	5,653	404	6,058
Total comprehensive income	5,653	82,287	3,363	85,651
Transactions with owners				
Dividends	—	(27,718)	(2,390)	(30,109)
Purchase of treasury shares	—	(20,077)	—	(20,077)
Disposal of treasury shares	—	0	—	0
Share-based payment transactions	—	1,210	—	1,210
Change in scope of consolidation	—	—	—	—
Acquisition or disposal of non controlling interests	—	(103)	(244)	(347)
Capital increase of subsidiary with non-controlling Interests	—	—	2	2
Transfer from other components of equity to retained earnings	1,961	0	—	0
Total transactions with owners	1,961	(46,688)	(2,632)	(49,321)
As of December 31, 2025	51,486	508,875	12,790	521,666

(4) Condensed 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 tax	99,852	110,977
Depreciation and amortization	30,011	34,804
Impairment loss	7,220	1,435
Interest and dividend income	(1,703)	(2,170)
Interest expenses	3,754	4,022
Foreign exchange loss (gain)	1,947	(1,967)
Share of loss (profit) of investments accounted for using the equity method	(2,186)	(1,080)
Loss (gain) on sales of fixed assets	(1,214)	(66)
Decrease (increase) in trade and other receivables	508	(35,608)
Decrease (increase) in contract assets	(12,306)	(1,453)
Decrease (increase) in inventories	(162)	11,598
Increase (decrease) in trade and other payables	(12,696)	(25,140)
Increase (decrease) in contract liabilities	11,360	(27,327)
Increase (decrease) in provisions	258	2,639
Increase / decrease in retirement benefit assets and liabilities	(991)	(633)
Decrease/increase in consumption taxes receivable/payable	(2,300)	(2,096)
Other	3,694	5,859
Subtotal	125,043	73,792
Interest income received	1,489	1,891
Dividend income received	588	1,723
Interest expenses paid	(3,606)	(3,921)
Income taxes paid	(22,574)	(32,730)
Net cash provided by operating activities	100,940	40,755
Cash flows from investing activities		
Payments into time deposits	(3,499)	(4,324)
Proceeds from withdrawal of time deposits	3,969	5,045
Purchase of investment securities	(0)	(600)
Proceeds from sales and redemption of investment securities	8	315
Purchase of property, plant and equipment, and intangible assets	(50,892)	(92,214)
Proceeds from sale of property, plant and equipment	1,941	699
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(325)	—
Other	243	(152)
Net cash used in investing activities	(48,554)	(91,232)

	Millions of yen	
	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,054)	66,546
Proceeds from long-term borrowings	1,595	36,178
Repayments of long-term borrowings	(2,491)	(14,062)
Repayments of lease liabilities	(6,571)	(6,523)
Proceeds from issuance of bonds	10,000	—
Proceeds from issuance of common shares	0	0
Redemption of bonds	—	(15,000)
Purchase of treasury shares	(17)	(20,077)
Dividends paid	(22,763)	(27,718)
Dividends paid to non-controlling interests	(3,217)	(2,390)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(397)	(118)
Other	0	2
Net cash used in financing activities	(31,915)	16,836
Effect of exchange rate changes on cash and cash equivalents	4,310	3,780
Hyperinflation adjustment	(1,809)	2,312
Net increase (decrease) in cash and cash equivalents	22,971	(27,546)
Cash and cash equivalents at beginning of period	148,059	171,031
Cash and cash equivalents at end of period	171,031	143,485

(5) Notes to Condensed Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Changes in Accounting Policies)

(Change in Inventory Valuation Method)

Previously, the Company and certain consolidated subsidiaries allocated the cost of inventories mainly based on the weighted average method (or the moving average method for "Precision Machinery"). From the first quarter of the fiscal year under review, however, the Company have also changed the allocation method for "Precision Machinery" mainly based on the weighted average method. This change in the valuation method was made with the purpose of calculating profit and loss for a more appropriate period on the occasion of the renewal of the core system.

The impact of this change in accounting policy on the Company's historical period and condensed consolidated financial statements is immaterial.

(Segment Information)

Fiscal Year Ended December 31, 2024

Millions of yen

	Reportable segments						Others (Note 1)	Total	Adjustment (Note 2,3)	Consolidated (Note 4)
	Building Service & Industrial	Energy	Infrastructure	Environmental	Precision Machinery	Total				
Revenue										
External customers	238,182	210,434	51,118	87,438	278,378	865,552	1,115	866,668	—	866,668
Intersegment and transfers	1,446	444	272	115	1	2,280	1,067	3,347	(3,347)	—
Total	239,628	210,879	51,391	87,554	278,379	867,833	2,183	870,016	(3,347)	866,668
Segment profit (loss)	10,341	28,008	3,697	8,445	50,133	100,625	(2,826)	97,799	153	97,953
Finance income										3,897
Finance costs										4,185
Share of profit (loss) of investments accounted for using the equity method										2,186
Profit before tax										99,852
Other items										
Depreciation amortization And amortization	7,929	5,199	971	879	8,367	23,347	6,731	30,079	(67)	30,011
Impairment loss	7,142	1	2	2	18	7,166	54	7,220	(0)	7,220
Capital expenditures	8,883	7,671	1,383	4,281	19,989	42,210	16,511	58,721	(91)	58,630
Affiliates Accounted for by Equity Method Amount invested	—	—	—	8,683	—	8,683	—	8,683	—	8,683

Notes 1: The "Others" item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2: The "Adjustment" item for segment profit (loss) shows eliminations of intersegment transactions.

3: The adjustments of Other Items are the elimination of intersegment transactions.

4: Segment profit (loss) is adjusted with operating profit in the condensed consolidated statement of income.

Fiscal Year Ended December 31, 2025

Millions of yen

	Reportable segments						Others (Note 1)	Total	Adjustment (Note 2,3)	Consolidated (Note 4)
	Building Service & Industrial	Energy	Infrastructure	Environmental	Precision Machinery	Total				
Revenue										
External customers	241,938	217,845	57,143	97,864	342,267	957,059	1,225	958,285	—	958,285
Intersegment and transfers	1,549	1,049	49	117	1	2,766	1,342	4,109	(4,109)	—
Total	243,488	218,894	57,192	97,981	342,268	959,826	2,568	962,395	(4,109)	958,285
Segment profit (loss)	15,251	25,943	4,680	13,003	57,773	116,652	(2,294)	114,358	(556)	113,802
Finance income										2,864
Finance costs										6,769
Share of profit (loss) of investments accounted for using the equity method										1,080
Profit before tax										110,977
Other items										
Depreciation amortization And amortization	7,533	5,573	1,426	1,264	9,974	25,773	9,101	34,874	(69)	34,804
Impairment loss	697	4	4	251	174	1,132	303	1,436	(0)	1,435
Capital expenditures	15,095	14,535	1,590	2,106	34,009	67,338	33,851	101,189	(454)	100,735
Affiliates Accounted for by Equity Method Amount invested	—	—	—	8,001	—	8,001	—	8,001	—	8,001

Notes 1: The "Others" item in the table above is the business segment for operations that are not included among reportable segments.

It contains business support services and other activities.

2: The "Adjustment" item for segment profit shows eliminations of intersegment transactions.

3: The adjustments of Other Items are the elimination of intersegment transactions.

4: Segment profit is adjusted with operating profit in the condensed consolidated statement of income.

(Per Share Data of Common Shares)

1. Computation of Basic earnings per Share

	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Profit attributable to owners of parent (Millions of yen)	71,401	76,633
Weighted average number of common shares outstanding (in thousands)	461,796	460,791
Basic earnings per share (Yen)	154.62	166.31

Note: The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Basic earnings per share is calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

2. Computation of Diluted earnings per Share

	As of December 31, 2024	As of December 31, 2025
Profit attributable to owners of parent (Millions of yen)	71,401	76,633
Adjustment to net income (Millions of yen)	—	—
Net income used to calculate basic earnings per share, diluted (millions of yen)	71,401	76,633
Weighted average number of common shares outstanding (in thousands)	461,796	460,791
Adjusted number of shares related to stock options (Thousands of shares)	548	440
Weighted average number of diluted common shares outstanding (in thousands)	462,345	461,232
Basic earnings per share, diluted (yen)	154.43	166.15

Notes 1: None were excluded from the calculation of the average number of diluted common shares outstanding during the period as anti-dilutive.

2: The Company conducted a 5-for-1 stock split of its common stock with an effective date of July 1, 2024. Basic earnings per share, diluted is calculated on the assumption that the stock split was executed at the beginning of the previous fiscal year.

(Contingency)

Progress of Dispute Regarding Fire Accident at Bulky Waste Treatment Facility at the Gifu City Eastern Clean Center

On October 23, 2015, a fire broke out at the bulky waste treatment facility at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, when Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. EEP is responsible for the operation and management of a waste incinerating facility that is located adjacent to the bulky waste treatment facility where the fire occurred.

Regarding this incident, while the Company had been discussing with Gifu City the compensation for related damages, a lawsuit against EEP was filed by Gifu City at the Gifu District Court on January 31, 2019 claiming compensation for damages of ¥4,362 million and late charges for such compensation. Afterwards, Gifu City amended its amount of the compensation claim for damages to ¥4,474 million and late charges for such compensation on July 22, 2019 (received on July 25, 2019).

On July 17, 2020, the amount of the compensation claim for damages was amended to ¥4,582 million and late charges for such compensation (received on July 20, 2020), and on August 10, 2021, the compensation claim for damages was amended to ¥4,692 million and late charges for such compensation (received on August 25, 2021).

On May 31, 2023, the Gifu District Court rendered a judgment ordering EEP to pay ¥748 million and late charges at the rate of 5% per annum from October 23, 2015 until the payment has been made, and judgment rejecting Gifu City's remaining claims.

On June 12, 2023, EEP filed an appeal to the Nagoya High Court against the part of the judgment that allowed the claim of Gifu City and the part that did not allow the claim of EEP and was tried in the same court. ① On May 17, 2024, the judgment of the first instance was amended and EEP was ordered to pay Gifu City ¥605 million and late charges at the rate of 5% per annum from October 23, 2015. ② Separately, regarding the provisional expenses for disposal of bulky waste for which EEP filed a claim against Gifu City and which had been tried jointly with the case mentioned in ①, the judgment of the first instance rejecting the claim was amended, and Gifu City was ordered to pay EEP ¥122 million and late charges at the rate of 6% per annum from May 19, 2018.

After careful examination of the judgment, EEP accepted the judgment of the appellate instance and decided not to file a final appeal or petition for acceptance of a final appeal.

However, Gifu City delivered a notification of the submission of the appeal and a notification of the receipt of the appeal to EEP indicating that a request for the receipt of the appeal was made.

Based on the content of the judgement, in the previous consolidated fiscal year EEP recorded ¥836 million in compensation for damages and late payment charges to Gifu City in EEP in the provision for loss on litigation and the same amount that we expect to allocate in the future in light of the insurance policies insured in the case in other non-current assets. The impact of this lawsuit on the Company's consolidated financial results is considered immaterial.

Dispute over fire taking place on the petrochemicals platform of Naphtachimie in France.

On December 22, 2012, a fire broke out at the Naphtachimie ethylene plant located in France, shortly after the plant underwent an overhaul. At the time of the incident, Naphtachimie, which operates the plant, was a joint venture between Total Refining Chemicals and INEOS. Elliott Turbomachinery S.A., a subsidiary of Elliott Company, one of our consolidated subsidiaries, conducted the overhaul work on the compressor installed at the plant.

Following the fire, Naphtachimie, Total Refining Chemicals, INEOS, their group companies, and their insurance companies filed a lawsuit in France against multiple parties involved in the overhaul, including Elliott Turbomachinery S.A., Elliott Company, and its subsidiary Elliott Turbomachinery Ltd. (hereinafter collectively referred to as "Elliott Entities").

In this lawsuit, Elliott Entities deny any responsibility. Non-binding reports on technical and financial aspects were submitted by an expert appointed by the court; however, Elliott is challenging the contents of the reports in the legal proceedings.

After the submission of the report, a schedule for the lawsuit was established, and the proceedings are ongoing. At this time, it is difficult to reasonably estimate the losses, and therefore, no provisions have been recorded.

Dispute over Claim for Damages etc. based on Breach of Non-Competition in India

On January 31, 2025, the Company and its two Indian subsidiaries (Ebara Machinery India Private Limited and Elliott Ebara Turbomachinery India Private Limited) received an arbitration claim from Indian companies, Kirloskar Brothers Limited (KBL) and Kirloskar Ebara Pumps Limited (KEPL), which was established as a joint venture between the Company and KBL. KBL and KEPL allege that the business of the Company and the two Indian subsidiaries breached the non-competition obligations under the joint venture agreement for KEPL between the Company and KBL, and seeking compensation for damages and an injunction against business operations in India and so on. At this time, it is difficult to reasonably estimate the losses, and therefore, no provisions have been recorded.

4. Others

(1) Changes of Directors and Executive Officers

Please refer to the "Notice of Changes of Directors and Executive Officers" announced today.

(2) Segment Information

(i) Actual Results and Forecast of Orders Received, Revenue, Operating Profit, and Backlog of Orders Received by Business Segment

Billions of yen

	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025			Six Months Ending June 30, 2026	Fiscal Year Ending December 31, 2026
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Building Service & Industrial	244.4	249.2	4.8	2.0	130.0	265.0
Energy	222.7	194.7	(27.9)	(12.6)	90.0	210.0
Infrastructure	60.5	62.9	2.4	4.0	28.0	60.0
Environmental	71.5	135.3	63.7	89.1	80.0	130.0
Precision Machinery	260.0	303.4	43.3	16.7	190.0	405.0
Others	1.2	3.8	2.5	212.2	0.0	0.0
Total	860.5	949.6	89.1	10.4	518.0	1,070.0
Revenue						
Building Service & Industrial	238.1	241.9	3.7	1.6	120.0	260.0
Energy	210.4	217.8	7.4	3.5	100.0	205.0
Infrastructure	51.1	57.1	6.0	11.8	33.0	60.0
Environmental	87.4	97.8	10.4	11.9	45.0	95.0
Precision Machinery	278.3	342.2	63.8	23.0	180.0	400.0
Others	1.1	1.2	0.1	9.9	0.0	0.0
Total	866.6	958.2	91.6	10.6	478.0	1,020.0
Operating Profit						
Building Service & Industrial	10.3	15.2	4.9	47.5	9.0	20.0
Energy	28.0	25.9	(2.0)	(7.4)	6.0	21.0
Infrastructure	3.6	4.6	0.9	26.6	5.0	5.5
Environmental	8.4	13.0	4.5	54.0	4.5	8.5
Precision Machinery	50.1	57.7	7.6	15.2	28.0	73.5
Others & Adjustment	(2.6)	(2.8)	(0.1)	6.6	(2.0)	(3.5)
Total	97.9	113.8	15.8	16.2	50.5	125.0
Backlog of Orders Received						
Building Service & Industrial	68.7	75.7	7.0	10.3	85.7	80.7
Energy	239.0	213.7	(25.2)	(10.6)	203.7	218.7
Infrastructure	76.9	83.4	6.5	8.5	78.4	83.4
Environmental	344.4	384.6	40.2	11.7	419.6	419.6
Precision Machinery	187.9	151.5	(36.3)	(19.3)	161.5	156.5
Others	0.1	2.7	2.5	—	2.7	2.7
Total	917.1	912.0	(5.1)	(0.6)	952.0	962.0

(ii) Actual Results and Forecast of Orders Received and Revenue in the Precision Machinery Business Segment

Billions of yen

	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025			Six Months Ending June 30, 2026	Fiscal Year Ending December 31, 2026
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Components	102.9	109.6	6.7	6.5	58.0	122.0
CMP Systems	143.0	181.3	38.3	26.8	128.0	270.0
Others	14.0	12.3	(1.7)	(12.1)	4.0	13.0
Total of PM	260.0	303.4	43.3	16.7	190.0	405.0
Revenue						
Components	110.0	114.9	4.8	4.4	55.0	121.0
CMP Systems	157.3	212.6	55.2	35.1	121.0	267.0
Others	10.9	14.7	3.7	34.2	4.0	12.0
Total of PM	278.3	342.2	63.8	23.0	180.0	400.0

(3) Area Information

(i) Geographical Segment Compiled on the basis of the geographical location of the company reporting the revenue

Billions of yen

	Fiscal Year Ended December 31, 2024		Fiscal Year Ended December 31, 2025		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	418.3	48.3	487.4	50.9	69.0
North America	166.5	19.2	180.9	18.9	14.4
Asia (except Japan)	209.0	24.1	215.7	22.5	6.6
Others	72.7	8.4	74.1	7.7	1.4
Total	866.6	100.0	958.2	100.0	91.6
Operating Profit					
Japan	49.3	50.3	55.8	49.1	6.5
North America	19.4	19.8	19.3	17.0	(0.0)
Asia (except Japan)	30.2	30.9	28.6	25.2	(1.5)
Others	1.1	1.2	8.8	7.8	7.7
Adjustment	(2.2)	(2.3)	1.0	0.9	3.2
Total	97.9	100.0	113.8	100.0	15.8

(ii) Regional Segment Compiled on the basis of the geographical location where the goods are sold

Billions of yen

	Fiscal Year Ended December 31, 2024		Fiscal Year Ended December 31, 2025		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	290.6	33.5	320.3	33.4	29.6
China	190.2	21.9	181.1	18.9	(9.0)
Taiwan, Korea Other Asia	129.1	14.9	193.5	20.2	64.4
North America	123.6	14.3	116.6	12.2	(7.0)
Europe	53.9	6.2	58.0	6.1	4.0
Middle East	45.5	5.3	52.8	5.5	7.2
Others	33.3	3.8	35.7	3.7	2.3
Total	866.6	100.0	958.2	100.0	91.6

(4) Employees

	As of December 31, 2024	As of December 31, 2025	
	Numbers	Numbers	Change
Employees			
Building Service & Industrial	7,608	7,654	46
Energy	3,449	3,585	136
Infrastructure	1,585	1,581	(4)
Environmental	2,824	2,830	6
Precision Machinery	3,660	4,000	340
Others & Corporate	1,384	1,498	114
Total	20,510	21,148	638
Ebara Corporation	5,109	5,489	380
Domestic Consolidated Subsidiaries	4,130	4,260	130
Overseas Consolidated Subsidiaries	11,271	11,399	128