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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2026 <under Japanese GAAP>

August 4, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 6368
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2026 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	38,110	20.5	6,953	73.8	6,471	48.1	3,642	36.1
June 30, 2024	31,619	6.8	4,001	39.8	4,368	40.8	2,676	67.5

Note: Comprehensive income: Three months ended June 30, 2025 ¥2,530 million [(23.6)%]
 Three months ended June 30, 2024 ¥3,313 million [64.1%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	79.25	—
June 30, 2024	58.25	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	190,392	119,381	62.7
March 31, 2025	194,396	121,194	62.2

(Reference) Equity: As of June 30, 2025 ¥119,381 million As of March 31, 2025 ¥120,947 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	71.00	—	89.00	160.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		85.00	—	85.00	170.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 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
Six months ending September 30, 2025	82,000	10.3	14,800	28.9	14,800	23.9	9,700	19.2	211.03
Fiscal year ending March 31, 2026	175,000	7.2	34,000	9.3	34,500	9.0	26,100	8.1	567.81

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

*** Notes**

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

Newly included: –

Excluded: 1 company (PT Lautan Organo Water)

Note: For more details, please refer to “Significant changes in the scope of consolidation during the period” on page 9 of the attached material.

- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

Note: For more details, please refer to “Application of specific accounting for preparing the quarterly consolidated financial statements” on page 9 of the attached material.

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement: None

- (4) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	46,359,700 shares
As of March 31, 2025	46,359,700 shares

- b. Number of treasury shares at the end of the period

As of June 30, 2025	393,743 shares
As of March 31, 2025	393,638 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the three months ended June 30, 2025	45,965,994 shares
For the three months ended June 30, 2024	45,944,116 shares

Note: The Company has introduced an Officer Share Delivery Trust, and shares of the Company held by the Trust have been included in treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period (cumulative from the beginning of the fiscal year).

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

- * Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” in “1. Qualitative information regarding financial results for the first three months” on page 3 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached Material

Index

1. Qualitative information regarding financial results for the first three months.....	2
(1) Explanation regarding operating results.....	2
(2) Explanation regarding financial position	3
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements	3
2. Quarterly consolidated financial statements and significant notes thereto	5
(1) Consolidated balance sheet.....	5
(2) Consolidated statement of income and consolidated statement of comprehensive income.....	7
Consolidated statement of income (cumulative)	7
Consolidated statement of comprehensive income (cumulative).....	8
(3) Notes to quarterly consolidated financial statements.....	9
Notes on premise of going concern.....	9
Notes on substantial changes in the amount of shareholders' equity.....	9
Significant changes in the scope of consolidation during the period.....	9
Application of specific accounting for preparing the quarterly consolidated financial statements.....	9
Notes to quarterly consolidated statement of cash flows.....	9
Segment information, etc.	10

1. Qualitative information regarding financial results for the first three months

(1) Explanation regarding operating results

During the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025), the global economy faced increased uncertainty about the economic outlook against the backdrop of the trends in U.S. tariff policy and geopolitical risks including escalating tensions in the Middle East surrounding Iran. The Japanese economy continued to recover gradually, but concerns about downside risks to the economy arose due to the impact of global economic trends and a slowdown in private consumption caused by continued price increases.

In the electronics industry, the Organo Group's main market, demand for advanced semiconductors, particularly those for servers supporting generative artificial intelligence (AI), remained strong, although there was a tendency to curb investment related to semiconductors, including memory and power semiconductors, due to a slowdown in sales of electric vehicles (EV). In the general industry, such as pharmaceuticals and food, as well as electronics peripherals, and in the social infrastructure field, such as electric power/water supply and sewage, steady growth has been seen mainly driven by demand for maintenance services.

Under these conditions, while promoting order-taking and delivery activities for large-scale projects in Japan and overseas, the Organo Group has advanced various measures, including expanding production and delivery capacities through the recruitment and training of engineers worldwide, strengthening its engineering capabilities through digital-driven operational efficiency improvements, promoting technology development and intellectual property strategies aligned with its business strategy, and reorganizing its domestic and overseas bases and networks to strengthen its customer relations. In addition, the Organo Group has been promoting various measures to strengthen its management foundation, including reinforcing human capital, enhancing sustainability and governance, and renewing the enterprise system.

As a result, for the first three months ended June 30, 2025, orders received increased by 13.0% year on year to ¥59,584 million, net sales increased by 20.5% year on year to ¥38,110 million, operating profit increased by 73.8% to ¥6,953 million, ordinary profit increased by 48.1% to ¥6,471 million, profit attributable to owners of parent increased by 36.1% to ¥3,642 million, and the carry-over balance for order backlog as of June 30, 2025 was down 11.9% to ¥122,711 million.

Results by segment are as follows.

[Water Treatment Engineering Business Unit]

■Orders received

Orders received increased 14.1% year on year to ¥53,096 million. In the electronics industry, orders received increased, reflecting large-scale projects ordered for semiconductors in the U.S. and Europe as well as the expansion of projects for solutions, such as facility-owned services and various maintenance services. In the general industry and the social infrastructure field, orders received decreased due to a reactionary decline from large orders received in the same period of the previous fiscal year, but the demand for solutions projects such as various maintenance services remained strong.

■Net sales

Net sales increased 26.1% year on year to ¥32,101 million. In the electronics industry, net sales increased, reflecting steady progress of construction work of semiconductor-related plant projects carried over from the previous fiscal year in Japan and Taiwan, as well as strong sales of solutions projects such as facility-owned services and various maintenance services. In the general industry, sales were strong for both plant and service solutions mainly for electronics peripherals and pharmaceuticals. In the social infrastructure field, net sales increased, reflecting higher sales of solutions projects for nuclear power plants.

■Operating profit

Operating profit increased 89.7% year on year to ¥6,110 million. This was attributable to expanded net sales, mainly in the electronics industry, as well as the steady recording of sales from highly profitable plant projects for which orders were received in previous fiscal year and earlier.

[Performance Products Business Unit]

■Orders received/Net sales

Orders received increased 5.3% year on year to ¥6,488 million and net sales decreased 2.4% year on year to ¥6,009 million. Despite the impact of streamlining low-margin transactions in the Food Products Division, orders and sales of water treatment chemicals, small-scale pure and ultrapure water production systems, filters, functional materials, etc. remained strong overall, which enabled us to maintain the same level of orders received and net sales as the same period of the previous fiscal year.

■Operating profit

Operating profit increased 8.1% year on year to ¥843 million. This was attributable to factors such as growth in sales of relatively high-margin products such as water treatment chemicals and functional materials for the electronics industry, and improved profitability resulting from the streamlining of low-margin transactions in the Food Products Division.

(2) Explanation regarding financial position

Assets, liabilities and net assets

Assets

Assets as of June 30, 2025 amounted to ¥190,392 million, a decrease of ¥4,003 million from the previous fiscal year end. This was mainly due to a decrease of ¥13,185 million in notes and accounts receivable - trade, and contract assets, despite an increase of ¥3,815 million in cash and deposits and an increase of ¥4,110 million in inventories.

Liabilities

Liabilities as of June 30, 2025 amounted to ¥71,011 million, a decrease of ¥2,190 million from the previous fiscal year end. This was mainly due to a decrease of ¥6,490 million in notes and accounts payable – trade, despite an increase of ¥4,920 million in long-term borrowings.

Net Assets

Net assets as of June 30, 2025 amounted to ¥119,381 million, a decrease of ¥1,813 million from the previous fiscal year end. This was mainly due to a decrease of ¥1,074 million in foreign currency translation adjustment.

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

In light of recent performance trends and other factors, the Company has revised the consolidated earnings forecasts, which were announced on May 13, 2025.

(i) Consolidated earnings forecasts for the six months ending September 30, 2025

Orders received are expected to exceed the initial forecast and amount to ¥101,500 million (up 4.6% from the previous forecast), mainly due to the impact of the earlier than expected timing of orders received for large-scale plant projects in the electronics industry in Taiwan. Net sales are expected to exceed the initial forecast, mainly due to the fact that construction work on large-scale plant projects in the electronics industry overseas progressed faster than initially expected during the first half of the fiscal year. Profits are expected to exceed initial forecasts due to the increase in net sales as well as cost reductions and improvement in profitability of plant projects, etc.

(ii) Consolidated earnings forecast for the full fiscal year

Orders received and net sales are expected to be in line with the initial forecasts, but profits are expected to exceed initial forecasts also for the full year, mainly due to the effect of cost reduction and improvement in profitability in the first half.

Revisions to the consolidated earnings forecasts for the six months ending September 30, 2025 (April 1, 2025 to September 30, 2025)

	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
Previous forecast (A)	77,500	11,500	11,500	7,500	163.16
Revised forecast (B)	82,000	14,800	14,800	9,700	211.03
Change (B-A)	4,500	3,300	3,300	2,200	
Change (%)	5.8	28.7	28.7	29.3	
Reference: Consolidated results for the six months ended September 30, 2024	74,323	11,480	11,946	8,134	176.97

Revisions to the consolidated earnings forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	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
Previous forecast (A)	175,000	31,500	32,000	24,200	526.48
Revised forecast (B)	175,000	34,000	34,500	26,100	567.81
Change (B-A)	—	2,500	2,500	1,900	
Change (%)	—	7.9	7.8	7.9	
Reference: Consolidated results for the fiscal year ended March 31, 2025	163,269	31,120	31,639	24,150	525.37

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,751	20,566
Notes and accounts receivable - trade, and contract assets	79,450	66,265
Electronically recorded monetary claims - operating	4,502	7,344
Investments in leases	35,512	34,375
Merchandise and finished goods	8,010	8,174
Work in process	11,169	13,134
Raw materials and supplies	3,345	5,327
Other	5,719	5,186
Allowance for doubtful accounts	(94)	(90)
Total current assets	164,367	160,284
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,937	19,727
Accumulated depreciation	(13,992)	(14,014)
Buildings and structures, net	5,944	5,713
Machinery, equipment and vehicles	7,298	7,145
Accumulated depreciation	(6,206)	(6,152)
Machinery, equipment and vehicles, net	1,091	993
Land	12,437	12,359
Construction in progress	690	812
Other	7,078	7,053
Accumulated depreciation	(5,726)	(5,738)
Other, net	1,352	1,315
Total property, plant and equipment	21,516	21,193
Intangible assets	1,120	1,274
Investments and other assets		
Investment securities	2,373	2,495
Retirement benefit asset	2,260	2,294
Deferred tax assets	2,391	2,499
Other	505	488
Allowance for doubtful accounts	(138)	(138)
Total investments and other assets	7,391	7,639
Total non-current assets	30,028	30,107
Total assets	194,396	190,392

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,438	16,948
Electronically recorded obligations - operating	4,648	4,605
Short-term borrowings	18,877	19,553
Income taxes payable	5,042	3,847
Contract liabilities	2,564	5,615
Provision for bonuses	2,161	908
Provision for product warranties	1,349	1,316
Provision for loss on construction contracts	34	38
Provision for share awards for directors (and other officers)	103	130
Other	6,180	4,404
Total current liabilities	64,401	57,368
Non-current liabilities		
Long-term borrowings	3,680	8,600
Deferred tax liabilities	25	19
Retirement benefit liability	4,984	4,940
Other	110	83
Total non-current liabilities	8,799	13,643
Total liabilities	73,201	71,011
Net assets		
Shareholders' equity		
Share capital	8,225	8,225
Capital surplus	7,508	7,508
Retained earnings	100,982	100,529
Treasury shares	(746)	(747)
Total shareholders' equity	115,969	115,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	256	251
Foreign currency translation adjustment	3,397	2,323
Remeasurements of defined benefit plans	1,323	1,290
Total accumulated other comprehensive income	4,978	3,865
Non-controlling interests	246	—
Total net assets	121,194	119,381
Total liabilities and net assets	194,396	190,392

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

Consolidated statement of income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Net sales	31,619	38,110
Cost of sales	21,759	24,980
Gross profit	9,859	13,130
Selling, general and administrative expenses	5,858	6,176
Operating profit	4,001	6,953
Non-operating income		
Interest income	26	32
Dividend income	25	8
Foreign exchange gains	335	–
Share of profit of entities accounted for using equity method	7	1
Other	43	26
Total non-operating income	438	69
Non-operating expenses		
Interest expenses	65	65
Foreign exchange losses	–	483
Other	5	2
Total non-operating expenses	71	551
Ordinary profit	4,368	6,471
Extraordinary income		
Gain on sale of non-current assets	4	0
Gain on sale of shares of subsidiaries and associates	–	40
Total extraordinary income	4	41
Extraordinary losses		
Loss on abandonment of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	4,372	6,511
Income taxes	1,689	2,868
Profit	2,683	3,642
Profit attributable to non-controlling interests	7	–
Profit attributable to owners of parent	2,676	3,642

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Profit	2,683	3,642
Other comprehensive income		
Valuation difference on available-for-sale securities	111	(5)
Foreign currency translation adjustment	541	(1,063)
Remeasurements of defined benefit plans, net of tax	(23)	(32)
Share of other comprehensive income of entities accounted for using equity method	1	(10)
Total other comprehensive income	630	(1,112)
Comprehensive income	3,313	2,530
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,296	2,530
Comprehensive income attributable to non-controlling interests	16	—

(3) Notes to quarterly consolidated financial statements

Notes on premise of going concern

No items to report

Notes on substantial changes in the amount of shareholders' equity

No items to report

Significant changes in the scope of consolidation during the period

The Company transferred part of its shareholding in the consolidated subsidiary PT Lautan Organo Water (hereinafter, "LOW") to PT Lautan Air Indonesia, a subsidiary of PT Lautan Luas Tbk that is the Company's partner in the joint venture LOW on April 11, 2025.

With this transfer of shares, LOW ceased to be a consolidated subsidiary and has become an equity-method affiliate of the Company.

Application of specific accounting for preparing the quarterly consolidated financial statements

Calculation of tax expenses

The Company and some of its consolidated subsidiaries have reasonably estimated the effective tax rate after the application of tax effect accounting to the profit before income taxes for the fiscal year including the first quarter ended June 30, 2025, and tax expenses are calculated by multiplying profit before income taxes by this estimated effective tax rate. However, in cases where the calculation of tax expenses using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the amount of significant difference other than temporary differences, etc. is added to or deducted from the profit before income taxes, and the result is multiplied by the statutory income tax rate.

Notes to quarterly consolidated statement of cash flows

No quarterly consolidated statement of cash flows for the three months ended June 30, 2025 has been prepared. Depreciation (including amortization of intangible assets) for the three months ended June 30, 2025 is as follows.

	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Depreciation	426 million yen	451 million yen

Segment information, etc.

[Segment information]

I Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

1. Information relating to net sales and profit by each reportable segment

(Millions of yen)

	Reportable Segment			Adjustment	Amount recorded in the consolidated statement of income (Note)
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	25,464	6,155	31,619	–	31,619
Intersegment sales or transfers	0	90	90	(90)	–
Total	25,464	6,246	31,710	(90)	31,619
Segment profit	3,221	779	4,001	–	4,001

Note: The figures for segment profit are based on operating profit, and there are no discrepancies with the operating profit shown in the consolidated statement of income.

II Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

1. Information relating to net sales and profit by each reportable segment

(Millions of yen)

	Reportable Segment			Adjustment	Amount recorded in the consolidated statement of income (Note)
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	32,101	6,009	38,110	–	38,110
Intersegment sales or transfers	0	94	94	(94)	–
Total	32,102	6,103	38,205	(94)	38,110
Segment profit	6,110	843	6,953	–	6,953

Note: The figures for segment profit are based on operating profit, and there are no discrepancies with the operating profit shown in the consolidated statement of income.