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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <under Japanese GAAP>

May 13, 2026

Company name: ORGANO CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6368
 URL: <https://www.organo.co.jp/english/>
 Representative: Masayuki Yamada, Representative Director and President
 Inquiries: Minoru Ando, General Manager of Accounting Dept., Corporate Management and Planning
 TEL: +81-3-5635-5111
 Scheduled date of ordinary general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 25, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	%
Fiscal year ended								
March 31, 2026	177,654	8.8	37,648	21.0	38,130	20.5	28,401	17.6
March 31, 2025	163,269	8.6	31,120	38.0	31,639	35.1	24,150	39.5

Note: Comprehensive income: Fiscal year ended March 31, 2026 ¥30,378 million [19.7%]
 Fiscal year ended March 31, 2025 ¥25,376 million [32.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	617.74	–	21.5	18.2	21.2
March 31, 2025	525.37	–	21.7	16.8	19.1

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

Fiscal year ended March 31, 2026 ¥163 million
 Fiscal year ended March 31, 2025 ¥122 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	224,867	142,962	63.6	3,109.08
March 31, 2025	194,396	121,194	62.2	2,631.24

(Reference) Equity: As of March 31, 2026 ¥142,962 million
 As of March 31, 2025 ¥120,947 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	13,099	(2,743)	3,118	31,055
March 31, 2025	21,100	(2,130)	(20,821)	16,751

2. Cash dividends

	Annual dividends per share					Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	71.00	–	89.00	160.00	7,363	30.5	6.6
Fiscal year ended March 31, 2026	–	95.00	–	105.00	200.00	9,204	32.4	7.0
Fiscal year ending March 31, 2027 (Forecast)	–	110.00	–	22.00	–		33.7	

Note: As the Company will implement a five-for-one share split of its common shares effective October 1, 2026, the year-end dividend per share for the fiscal year ending March 31, 2027 (forecast) is stated to reflect the impact of this share split, and the total amount of cash dividends (annual) is indicated as “–”. Excluding the impact of the share split, for the fiscal year ending March 31, 2027 (forecast), the year-end dividend per share would be ¥110 and annual dividends per share would be ¥220.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2026 (cumulative)	90,000	8.7	17,500	0.7	17,500	0.9	12,000	4.1	260.97
Fiscal year ending March 31, 2027	200,000	12.6	40,000	6.2	40,000	4.9	30,000	5.6	130.48

Note: The consolidated earnings forecast for the fiscal year ending March 31, 2027 includes the impact of the share split on basic earnings per share. Excluding the impact of the share split, basic earnings per share would be ¥652.42.

*** 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 fiscal year under review” on page 16 of the attached material.

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	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 March 31, 2026	377,352 shares
As of March 31, 2025	393,638 shares

c. Average number of shares outstanding during the period

For the fiscal year ended March 31, 2026	45,976,677 shares
For the fiscal year ended March 31, 2025	45,968,156 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.

[Reference] Overview of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026
(from April 1, 2025 to March 31, 2026)**

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	106,796	8.6	20,151	10.3	27,818	19.1	22,503	8.7
March 31, 2025	98,305	6.3	18,273	41.8	23,348	45.0	20,698	63.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	489.45	–
March 31, 2025	450.28	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	167,137	106,574	63.8	2,317.72
March 31, 2025	142,595	92,369	64.8	2,009.51

(Reference) Equity: As of March 31, 2026 ¥106,574 million
As of March 31, 2025 ¥92,369 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* 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 “(4) Future outlook” in “1. Overview of operating results, etc.” on page 7 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Index

- 1. Overview of operating results, etc. 2
 - (1) Overview of operating results for the fiscal year under review 2
 - (2) Overview of financial position for the fiscal year under review 6
 - (3) Overview of cash flows for the fiscal year under review 6
 - (4) Future outlook..... 7
- 2. Basic policy regarding the selection of accounting standards..... 7
- 3. Consolidated financial statements and significant notes thereto 8
 - (1) Consolidated balance sheet 8
 - (2) Consolidated statement of income and consolidated statement of comprehensive income..... 10
 - Consolidated statement of income..... 10
 - Consolidated statement of comprehensive income 11
 - (3) Consolidated statement of changes in equity 12
 - (4) Consolidated statement of cash flows 14
 - (5) Notes to consolidated financial statements 16
 - Notes on premise of going concern..... 16
 - Significant changes in the scope of consolidation during the fiscal year under review 16
 - Segment information, etc. 16
 - Per share information 20
 - Significant subsequent events 21

1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026), the global economy continued to face uncertainty due to concerns over geopolitical risks, including energy supply instability, rising prices, and impacts on supply chains stemming from the escalating situation in the Middle East, in addition to the impact of U.S. trade policy and the slowdown in the Chinese economy. However, the global economy remained on a gradual recovery trend overall.

In the electronics industry, the Organo Group's main market, demand for power semiconductors, including those for automotive applications, remained sluggish due to the slowdown in the growth of the electric vehicle (EV) market. However, capital investment for mass production of cutting-edge semiconductors remained at a high level throughout the year, driven by the rapid expansion of demand for generative artificial intelligence (AI) and the full-scale ramp-up of investment in data centers. In the general industry, 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 strove to expand production and delivery capacities. Initiatives included establishment of a local engineering structure in the U.S., strengthening of our solutions structure in Japan and overseas, and establishment of a new site in India. In addition to promoting technology development and intellectual property strategies aligned with our business strategy, we worked to strengthen our management foundation by expanding investment in human resources in Japan and overseas, enhancing sustainability and governance, and renewing the core systems.

As a result, for the fiscal year ended March 31, 2026, orders received increased by 11.0% year on year to ¥167,956 million, net sales increased by 8.8% year on year to ¥177,654 million, operating profit increased by 21.0% year on year to ¥37,648 million, ordinary profit increased by 20.5% year on year to ¥38,130 million, profit attributable to owners of parent increased by 17.6% year on year to ¥28,401 million, and return on equity (ROE) was 21.5%, compared to 21.7% for the previous fiscal year. Orders received were lower than the initial plan but remained at a level exceeding the previous fiscal year's result. Net sales and all kinds of profits surpassed the actual results of the previous fiscal year and the levels of the initial plan across the board and achieved record highs as in the previous fiscal year. The carry-over balance for the order backlog, which will form the basis for sales from the next fiscal year onward, was ¥96,503 million (down 8.8% year on year), remaining at a high level.

(Millions of yen)

Category	80th term Fiscal year ended March 31, 2025	81st term (Fiscal year under review)		Year-on-year	Actual-to- forecast
		Fiscal year ended March 31, 2026			
		Initial plan	Actual result		
Orders received	151,272	180,000	167,956	11.0%	(6.7)%
Carry-over balance for order backlog	105,778	110,778	96,503	(8.8)%	(12.9)%
Net sales	163,269	175,000	177,654	8.8%	1.5%
Operating profit	31,120	31,500	37,648	21.0%	19.5%
Operating profit ratio (%)	19.1	18.0	21.2	–	–
Ordinary profit	31,639	32,000	38,130	20.5%	19.2%
Profit attributable to owners of parent	24,150	24,200	28,401	17.6%	17.4%
Return on equity (ROE) (%)	21.7	18.8	21.5	–	–

Results by segment are as follows.

[Water Treatment Engineering Business Unit]

Net sales ratio 84.6%	Orders received	¥141,685 million (Up 12.2% year on year)
	Net sales	¥151,961 million (Up 10.0% year on year)
	Operating profit	¥34,339 million (Up 25.4% year on year)

Major Business		Customers and Markets		
● Major Business and Products		Electronics industry	Electric power/ water supply and sewage	General industry
Plant Division	Service Solutions Division	Semiconductors	Power plants	Pharmaceuticals, cosmetics
Pure and ultrapure water production facilities	Replacement of expendable items	Flat panel display	Water purification plants	Food and beverage
Industrial process water treatment facilities	Maintenance	Electronic parts	Sewage treatment plants	Machinery and chemicals
Wastewater treatment and recovery facilities	Operational support services			
Valuable material recovery facilities	Renovation and reconditioning			
Production processing-related facilities	Contract water treatment			
	Comprehensive maintenance			

■ Orders received

Orders received increased 12.2% year on year to ¥141,685 million. In the electronics industry, although orders received were lower than the initial forecast because the timing of the receiving of orders for some large-scale projects was delayed to the next fiscal year, orders received increased year on year due to securing large semiconductor projects in Taiwan, the U.S., and Europe, as well as strong performance of the Service Solutions Division, such as facility-owned services and various maintenance services. In the general industry, orders received decreased, reflecting the trend of orders for some large projects, but solutions projects such as various maintenance services remained strong. In the social infrastructure field, orders received increased due to securing of orders for new and expanded thermal power plant projects.

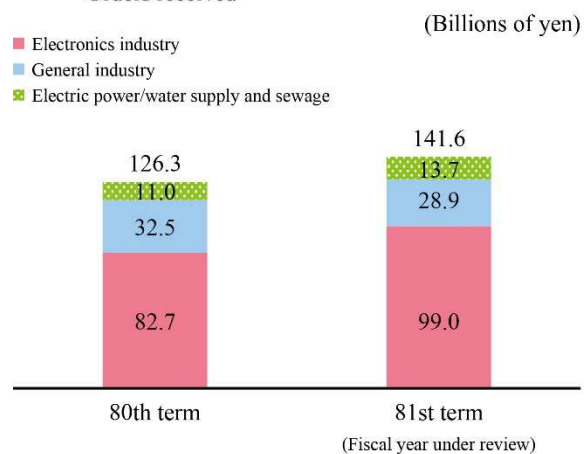
■ Net sales

Net sales increased 10.0% year on year to ¥151,961 million. In the electronics industry, net sales increased, reflecting strong performance of the Service Solutions Division, such as facility-owned services and various maintenance services, in addition to steady progress in plant projects in Japan, Taiwan, and the U.S. In the general industry, net sales increased, reflecting steady progress in plant projects in the electronics peripherals field and strong performance of the Service Solutions Division. In the social infrastructure field, sales were robust centering on maintenance of thermal and nuclear power plants.

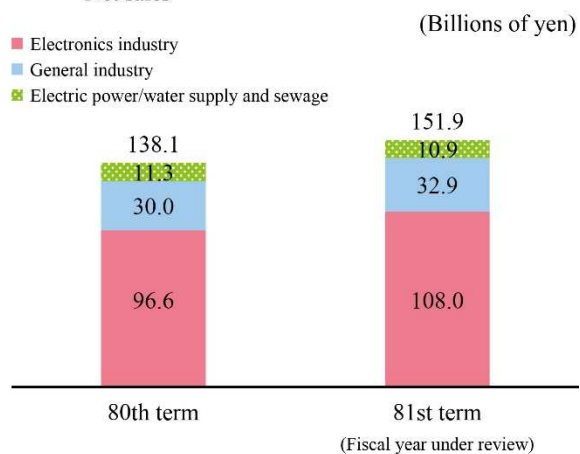
■ Operating profit

Operating profit increased 25.4% year on year to ¥34,339 million. Factors contributing to the increase in operating profit include expanded net sales, primarily in the electronics industry, and increased sales in the relatively high-margin Service Solutions Division. Furthermore, steady progress in profitable plant projects and improved gross profit margin resulting from efforts to improve profitability, mainly in overseas plant projects, as well as cost reductions had a large impact on offsetting an increase in selling, general and administrative expenses, primarily composed of personnel expenses and IT-related expenses.

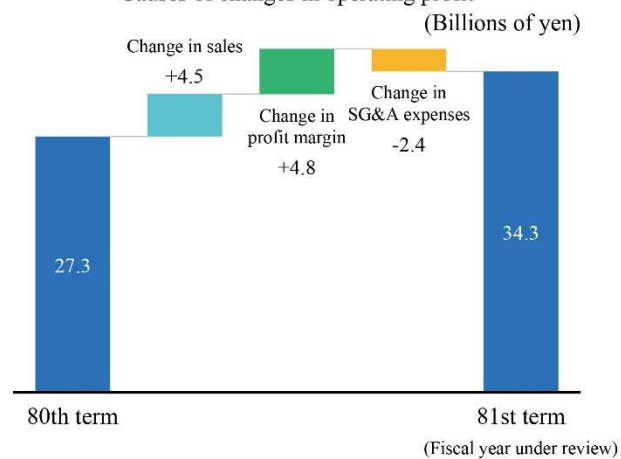
Water Treatment Engineering Business Unit
Orders received



Water Treatment Engineering Business Unit
Net sales



Water Treatment Engineering Business Unit
Causes of changes in operating profit



[Performance Products Business Unit]

Net sales ratio 15.4%	Orders received	¥26,270 million (Up 5.3% year on year)
	Net sales	¥25,693 million (Up 2.2% year on year)
	Operating profit	¥3,309 million (Down 11.5% year on year)

Major Business

●Major Business and Products

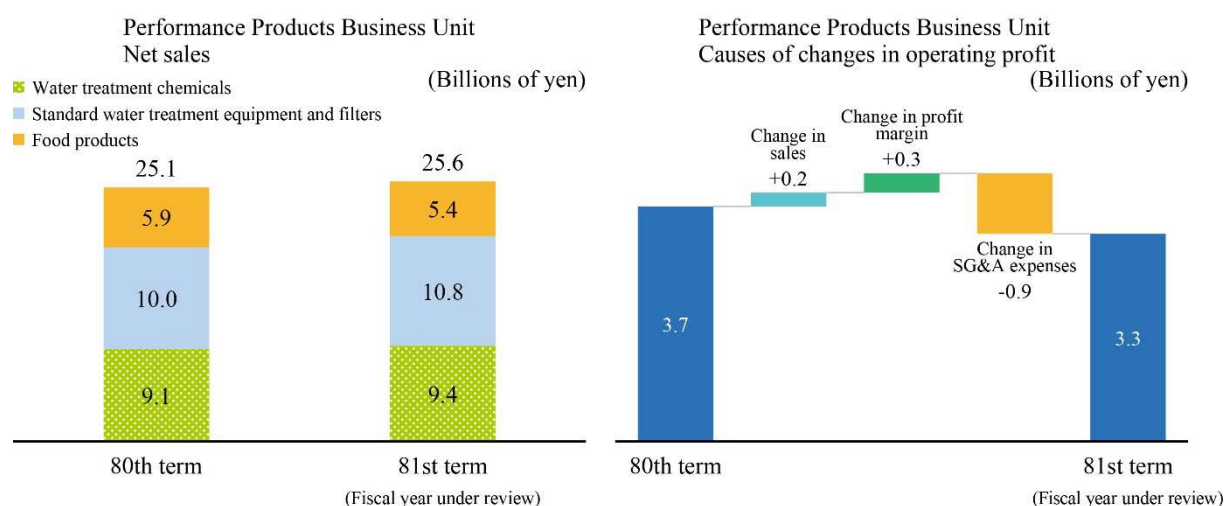
Water Treatment Chemicals Division	Standard Water Equipment and Functional Materials Division	Food Products Division
RO membrane protection chemicals, Wastewater treatment chemicals, Cooling water treatment chemicals, Cleaning chemicals, Boiler water treatment chemicals ●Customers and Markets Various manufacturing industries Buildings and commercial facilities	Pure and ultrapure water production systems Filters Functional materials (separation and refinement materials) ●Customers and Markets Medical institutions, research institutions Various manufacturing industries Food and beverage, convenience stores	Food ingredients Food processing agents ●Customers and Markets Food factories, food processing industry Beverage manufacturing Nursing care food, health food manufacturing

■Orders received/Net sales

Orders received increased 5.3% year on year to ¥26,270 million and net sales increased 2.2% year on year to ¥25,693 million. Despite the impact of streamlining low-margin transactions in the Food Products Division, in the Standard Water Equipment and Functional Materials Division, orders and sales increased for small-scale pure water production systems for medical and research institutions and functional materials for advanced separation and refinement of electronic materials used in semiconductor manufacturing. In the Water Treatment Chemicals Division, orders and sales for RO membrane protection chemicals and wastewater treatment chemicals for the electronics industry were strong. As a result, both orders received and net sales of the Performance Products Business Unit increased.

■Operating profit

Operating profit decreased 11.5% year on year to ¥3,309 million. Gross profit margin improved due to increased net sales and factors such as growth in sales of relatively high-margin products such as water treatment chemicals and functional materials for the electronics industry and the streamlining of low-margin transactions in the Food Products Division. However, the increase in selling, general, and administrative expenses, primarily composed of personnel expenses, was not fully offset, resulting in a slight decrease in operating profit.



(2) Overview of financial position for the fiscal year under review

Current assets

Current assets as of March 31, 2026 amounted to ¥192,002 million, an increase of ¥27,635 million from the previous fiscal year end. This was mainly due to an increase of ¥18,344 million in investments in leases.

Non-current assets

Non-current assets as of March 31, 2026 amounted to ¥32,864 million, an increase of ¥2,835 million from the previous fiscal year end. This was mainly due to an increase of ¥1,075 million in buildings and structures.

Current liabilities

Current liabilities as of March 31, 2026 amounted to ¥70,939 million, an increase of ¥6,537 million from the previous fiscal year end. This was mainly due to an increase of ¥9,525 million in short-term borrowings, despite a decrease of ¥5,174 million in notes and accounts payable – trade.

Non-current liabilities

Non-current liabilities as of March 31, 2026 amounted to ¥10,965 million, an increase of ¥2,165 million from the previous fiscal year end. This was mainly due to an increase of ¥2,320 million in long-term borrowings.

Net Assets

Net assets as of March 31, 2026 amounted to ¥142,962 million, an increase of ¥21,767 million from the previous fiscal year end. This was mainly due to an increase of ¥19,934 million in retained earnings resulting from the recording of profit attributable to owners of parent.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter, “cash”) as of March 31, 2026 increased by ¥14,303 million from the previous fiscal year end to ¥31,055 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥13,099 million. This was mainly because there was an increase in cash due to profit before income taxes despite a decrease in cash related to construction of facilities for facility-owned services. (Net cash of ¥21,100 million was provided in the fiscal year ended March 31, 2025.)

Cash flows from investing activities

Net cash used in investing activities was ¥2,743 million. This was mainly because there was a decrease in cash due to the purchase of property, plant and equipment of ¥2,072 million. (Net cash of ¥2,130 million was used in the fiscal year ended March 31, 2025.)

Cash flows from financing activities

Net cash provided by financing activities was ¥3,118 million. The main items were a net increase in short-term borrowings of ¥8,121 million and proceeds from long-term borrowings of ¥6,900 million, despite dividends paid of ¥8,467 million. (Net cash of ¥20,821 million was used in the fiscal year ended March 31, 2025.)

(4) Future outlook

Looking ahead, there are concerns about shortages and price increases of petrochemical products and other goods against the backdrop of geopolitical risks such as the situation in the Middle East. If these impacts persist for an extended period, they are expected to affect procurement of various raw materials and transportation costs. However, at this point in time, no circumstances have arisen that would significantly affect our earnings, and we anticipate a high level of capital investment, particularly in cutting-edge semiconductors, in the electronics industry, our core market.

Based on these assumptions, with respect to the earnings forecasts for the fiscal year ending March 31, 2027, plans call for orders received of ¥230,000 million (up 36.9% year on year), net sales of ¥200,000 million (up 12.6% year on year), operating profit of ¥40,000 million (up 6.2% year on year), ordinary profit of ¥40,000 million (up 4.9% year on year), profit attributable to owners of parent of ¥30,000 million (up 5.6% year on year), and return on equity (ROE) of 20.0%.

Regarding orders received, we anticipate receiving orders for large-scale projects for cutting-edge semiconductors in Japan, Taiwan, and the U.S. Regarding net sales, we anticipate steady progress mainly in large-scale projects for cutting-edge semiconductors overseas. We also expect expansion of the Service Solutions Division's business, such as facility-owned services and various maintenance services, and robust performance of the Performance Products Business Unit. In terms of profit, we anticipate increases in profits due to the expansion of sales.

(Millions of yen, %)

Category	Fiscal year ended March 31,	Fiscal year ending March 31,	Change
	2026	2027 Initial plan	
Orders received	167,956	230,000	36.9%
Carry-over balance for order backlog	96,503	126,503	31.1%
Net sales	177,654	200,000	12.6%
Operating profit	37,648	40,000	6.2%
Operating profit ratio (%)	21.2	20.0	–
Ordinary profit	38,130	40,000	4.9%
Profit attributable to owners of parent	28,401	30,000	5.6%
Return on equity (ROE) (%)	21.5	20.0	–

2. Basic policy regarding the selection of accounting standards

The Organo Group will prepare its consolidated financial statements in accordance with Japanese GAAP for the time being.

Meanwhile, we will remain attentive to developments in Japan and overseas with respect to the International Financial Reporting Standards (IFRS).

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	16,751	31,055
Notes receivable - trade	677	203
Accounts receivable - trade	42,549	47,786
Electronically recorded monetary claims - operating	4,502	3,991
Contract assets	36,223	33,202
Investments in leases	35,512	53,856
Merchandise and finished goods	8,010	8,552
Work in process	11,169	5,386
Raw materials and supplies	3,345	4,625
Other	5,719	3,426
Allowance for doubtful accounts	(94)	(82)
Total current assets	164,367	192,002
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,937	21,376
Accumulated depreciation	(13,992)	(14,356)
Buildings and structures, net	5,944	7,019
Machinery, equipment and vehicles	7,298	7,551
Accumulated depreciation	(6,206)	(6,464)
Machinery, equipment and vehicles, net	1,091	1,087
Land	12,437	12,570
Construction in progress	690	246
Other	7,078	7,483
Accumulated depreciation	(5,726)	(6,004)
Other, net	1,352	1,478
Total property, plant and equipment	21,516	22,402
Intangible assets	1,120	1,572
Investments and other assets		
Investment securities	2,373	2,723
Retirement benefit asset	2,260	3,262
Deferred tax assets	2,391	2,535
Other	505	509
Allowance for doubtful accounts	(138)	(141)
Total investments and other assets	7,391	8,889
Total non-current assets	30,028	32,864
Total assets	194,396	224,867

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,438	19,953
Electronically recorded obligations - operating	4,648	2,959
Short-term borrowings	18,877	28,402
Income taxes payable	5,042	6,512
Contract liabilities	2,564	3,516
Provision for bonuses	2,161	2,338
Provision for product warranties	1,349	1,324
Provision for loss on construction contracts	34	18
Provision for share awards for directors (and other officers)	103	90
Other	6,180	5,823
Total current liabilities	64,401	70,939
Non-current liabilities		
Long-term borrowings	3,680	6,000
Deferred tax liabilities	25	90
Retirement benefit liability	4,984	4,702
Other	110	172
Total non-current liabilities	8,799	10,965
Total liabilities	73,201	81,904
Net assets		
Shareholders' equity		
Share capital	8,225	8,225
Capital surplus	7,508	7,508
Retained earnings	100,982	120,916
Treasury shares	(746)	(642)
Total shareholders' equity	115,969	136,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	256	324
Foreign currency translation adjustment	3,397	4,624
Remeasurements of defined benefit plans	1,323	2,005
Total accumulated other comprehensive income	4,978	6,954
Non-controlling interests	246	-
Total net assets	121,194	142,962
Total liabilities and net assets	194,396	224,867

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

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Net sales	163,269	177,654
Cost of sales	108,087	112,570
Gross profit	55,182	65,084
Selling, general and administrative expenses	24,061	27,435
Operating profit	31,120	37,648
Non-operating income		
Interest income	120	263
Dividend income	31	18
Foreign exchange gains	383	271
Share of profit of entities accounted for using equity method	122	163
Other	123	94
Total non-operating income	780	811
Non-operating expenses		
Interest expenses	246	298
Other	15	31
Total non-operating expenses	262	330
Ordinary profit	31,639	38,130
Extraordinary income		
Gain on sale of non-current assets	4	4
Gain on sale of investment securities	724	150
Gain on sale of shares of subsidiaries and associates	–	40
Total extraordinary income	728	195
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on abandonment of non-current assets	9	15
Total extraordinary losses	9	15
Profit before income taxes	32,358	38,309
Income taxes - current	8,107	10,360
Income taxes - deferred	63	(452)
Total income taxes	8,171	9,908
Profit	24,186	28,401
Profit attributable to non-controlling interests	36	–
Profit attributable to owners of parent	24,150	28,401

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit	24,186	28,401
Other comprehensive income		
Valuation difference on available-for-sale securities	(517)	64
Foreign currency translation adjustment	1,486	1,232
Remeasurements of defined benefit plans, net of tax	220	683
Share of other comprehensive income of entities accounted for using equity method	(0)	(5)
Total other comprehensive income	1,189	1,976
Comprehensive income	25,376	30,378
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,322	30,378
Comprehensive income attributable to non-controlling interests	53	–

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,225	7,508	82,907	(518)	98,122
Changes during period					
Dividends of surplus			(6,074)		(6,074)
Profit attributable to owners of parent			24,150		24,150
Purchase of treasury shares				(330)	(330)
Disposal of treasury shares				101	101
Net changes in items other than shareholders' equity					
Total changes during period	-	-	18,075	(228)	17,846
Balance at end of period	8,225	7,508	100,982	(746)	115,969

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	774	1,923	1,108	3,805	219	102,147
Changes during period						
Dividends of surplus						(6,074)
Profit attributable to owners of parent						24,150
Purchase of treasury shares						(330)
Disposal of treasury shares						101
Net changes in items other than shareholders' equity	(517)	1,474	215	1,172	27	1,200
Total changes during period	(517)	1,474	215	1,172	27	19,046
Balance at end of period	256	3,397	1,323	4,978	246	121,194

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,225	7,508	100,982	(746)	115,969
Changes during period					
Dividends of surplus			(8,467)		(8,467)
Profit attributable to owners of parent			28,401		28,401
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares				110	110
Net changes in items other than shareholders' equity					
Total changes during period	-	-	19,934	104	20,038
Balance at end of period	8,225	7,508	120,916	(642)	136,008

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	256	3,397	1,323	4,978	246	121,194
Changes during period						
Dividends of surplus						(8,467)
Profit attributable to owners of parent						28,401
Purchase of treasury shares						(5)
Disposal of treasury shares						110
Net changes in items other than shareholders' equity	67	1,226	682	1,976	(246)	1,729
Total changes during period	67	1,226	682	1,976	(246)	21,767
Balance at end of period	324	4,624	2,005	6,954	-	142,962

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	32,358	38,309
Depreciation	1,925	1,981
Increase (decrease) in provisions	2	221
Increase (decrease) in retirement benefit liability	(22)	30
Decrease (increase) in retirement benefit asset	(312)	(242)
Interest and dividend income	(151)	(282)
Interest expenses	246	298
Foreign exchange losses (gains)	(225)	77
Share of loss (profit) of entities accounted for using equity method	122	(163)
Loss (gain) on sale of shares of subsidiaries and associates	-	(40)
Loss (gain) on sale of non-current assets	(4)	(4)
Loss on abandonment of non-current assets	9	15
Loss (gain) on sale of investment securities	(724)	(150)
Decrease (increase) in trade receivables and contract assets	603	(689)
Decrease (increase) in investments in leases	(7,697)	(18,344)
Decrease (increase) in inventories	(472)	4,025
Increase (decrease) in trade payables	4,166	(5,498)
Other, net	(1,608)	2,702
Subtotal	27,970	22,247
Interest and dividends received	163	316
Interest paid	(249)	(320)
Proceeds from insurance income	9	4
Income taxes refund (paid)	(6,793)	(9,150)
Other, net	-	3
Net cash provided by (used in) operating activities	21,100	13,099
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,262)	(2,072)
Proceeds from sale of property, plant and equipment	4	4
Purchase of intangible assets	(427)	(804)
Purchase of investment securities	(303)	-
Proceeds from sale of investment securities	858	170
Other, net	(1)	(41)
Net cash provided by (used in) investing activities	(2,130)	(2,743)

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(15,796)	8,121
Proceeds from long-term borrowings	3,100	6,900
Repayments of long-term borrowings	(1,495)	(3,200)
Purchase of treasury shares	(330)	(5)
Dividends paid	(6,074)	(8,467)
Dividends paid to non-controlling interests	(25)	–
Other, net	(199)	(229)
Net cash provided by (used in) financing activities	(20,821)	3,118
Effect of exchange rate change on cash and cash equivalents	960	827
Net increase (decrease) in cash and cash equivalents	(891)	14,303
Cash and cash equivalents at beginning of period	17,642	16,751
Cash and cash equivalents at end of period	16,751	31,055

(5) Notes to consolidated financial statements

Notes on premise of going concern

No items to report

Significant changes in the scope of consolidation during the fiscal year under review

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.

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic reviews to determine the distribution of management resources and evaluate their business results.

Based on a system of separate business units according to the product and service, the Company formulates comprehensive strategies for Japan and overseas for products and services handled by each business unit, etc., and carries out its business activities.

Therefore, the Company is comprised of product and service segments based on the business units, etc., and the two reportable segments, Water Treatment Engineering Business Unit and Performance Products Business Unit, handle products with similar qualities and economic characteristics and services with similar contents.

Each reportable segment and the major products and businesses in the segments are as follows.

Reportable Segment	Major Products and Business	
Water Treatment Engineering Business Unit	Plant Division	Pure and ultrapure water production facilities, Industrial process water treatment facilities, Wastewater treatment and recovery facilities, Valuable material recovery facilities, Production processing-related facilities
	Service Solutions Division	Replacement of expendable items, Maintenance, Operational support services, Renovation and reconditioning, Contract water treatment, Comprehensive maintenance
Performance Products Business Unit	Water Treatment Chemicals Division	RO membrane protection chemicals, Wastewater treatment chemicals, Cooling water treatment chemicals, Cleaning chemicals, Boiler water treatment chemicals
	Standard Water Equipment and Functional Materials Division	Pure and ultrapure water production systems, Filters Functional materials (separation and refinement materials)
	Food Products Division	Food ingredients, Food processing agents

2. Calculation of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting methods used for reportable segments are the same as the accounting methods adopted for the preparation of consolidated financial statements.

Intersegment sales or transfers are determined by referencing general trading conditions in consideration of market prices, etc.

Moreover, 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.

3. Net sales, profit (loss), assets, liabilities, and other items by reportable segment

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

(Millions of yen)

	Reportable Segment			Adjustment (Note 1)	Reported in consolidated financial statements
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	138,130	25,139	163,269	–	163,269
Intersegment sales or transfers	0	357	357	(357)	–
Total	138,130	25,496	163,627	(357)	163,269
Segment profit	27,382	3,738	31,120	–	31,120
Segment assets	169,371	18,086	187,457	6,938	194,396
Other items					
Depreciation	1,608	316	1,925	–	1,925
Investment in entities accounted for using equity method	1,610	–	1,610	–	1,610
Increase in property, plant and equipment and intangible assets	2,433	369	2,803	–	2,803

Notes: 1. The adjustments of ¥6,938 million for segment assets are mainly deferred tax assets, retirement benefit asset, and prepaid expenses.

2. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include amortization of and an increase in long-term prepaid expenses.

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment			Adjustment (Note 1)	Reported in consolidated financial statements
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	151,961	25,693	177,654	–	177,654
Intersegment sales or transfers	0	393	393	(393)	–
Total	151,961	26,086	178,048	(393)	177,654
Segment profit	34,339	3,309	37,648	–	37,648
Segment assets	196,949	19,355	216,304	8,562	224,867
Other items					
Depreciation	1,562	418	1,981	–	1,981
Investment in entities accounted for using equity method	1,885	–	1,885	–	1,885
Increase in property, plant and equipment and intangible assets	2,920	599	3,520	–	3,520

Notes: 1. The adjustments of ¥8,562 million for segment assets are mainly deferred tax assets, retirement benefit asset, and prepaid expenses.

2. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include amortization of and an increase in long-term prepaid expenses.

[Related information]

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

1. Information by product and service

This information has been omitted, as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Taiwan	U.S.	China	Southeast Asia	Other	Total
100,225	27,854	2,324	20,543	12,112	208	163,269

Note: Net sales are classified into countries or regions based on customers' location.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan is more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Taiwan Semiconductor Manufacturing Company, Ltd.	22,785	Water Treatment Engineering Business Unit

Note: Net sales comprise sales to Taiwan Semiconductor Manufacturing Company, Ltd. and to its corporate group.

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

1. Information by product and service

This information has been omitted, as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Taiwan	U.S.	China	Southeast Asia	Other	Total
111,128	44,220	9,710	6,185	5,601	808	177,654

Note: Net sales are classified into countries or regions based on customers' location.

(Change in the method of presentation)

In the previous fiscal year, "U.S." was included in "Other." However, due to its increased materiality, it is presented separately from the current fiscal year. To reflect this change in presentation, "2. Information by region (1) Net sales" for the fiscal year ended March 31, 2025 has been reclassified. As a result, the 2,533 million yen previously reported under "Other" for the fiscal year ended March 31, 2025 has been reclassified as 2,324 million yen under "U.S." and 208 million yen under "Other."

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan is more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Taiwan Semiconductor Manufacturing Company, Ltd.	44,818	Water Treatment Engineering Business Unit

Note: Net sales comprise sales to Taiwan Semiconductor Manufacturing Company, Ltd. and to its corporate group.

[Information relating to impairment loss of non-current assets by each reportable segment]

No items to report

[Information relating to amortization of goodwill and unamortized balance by each reportable segment]

No items to report

[Information relating to gain on bargain purchase by each reportable segment]

No items to report

Per share information

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Net assets per share	¥2,631.24	¥3,109.08
Basic earnings per share	¥525.37	¥617.74

Notes: 1. Diluted earnings per share is not presented since no potential shares exist.

2. When calculating net assets per share in the fiscal year ended March 31, 2026, common shares of the Company held by the Officer Share Delivery Trust have been included in treasury shares excluded from the total number of issued shares at the end of the period (54 thousand shares at the end of the fiscal year ended March 31, 2025; 38 thousand shares at the end of the fiscal year ended March 31, 2026). Moreover, when calculating basic earnings per share, they have been included in treasury shares excluded from the calculation of the average number of shares outstanding during the period (53 thousand shares in the fiscal year ended March 31, 2025; 43 thousand shares in the fiscal year ended March 31, 2026).

3. The basis for the calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent (millions of yen)	24,150	28,410
Amounts not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent related to common shares (millions of yen)	24,150	28,410
Average number of common shares outstanding during the period (thousands of shares)	45,968	45,976

4. The basis for the calculation of net assets per share is as follows.

	As of March 31, 2025	As of March 31, 2026
Total net assets (millions of yen)	121,194	142,962
Amount subtracted from total net assets (millions of yen)	246	–
[Of which non-controlling interests (millions of yen)]	[246]	[–]
Net assets at the end of period attributable to common share (millions of yen)	120,947	142,962
Number of common shares at the end of period used to calculate net assets per share (thousands of shares)	45,966	45,982

Significant subsequent events

Share split and partial amendments to the Articles of Incorporation in relation to the share split

At a meeting of the Board of Directors held on May 13, 2026, the Company resolved to implement a share split and make partial amendments to the Articles of Incorporation in relation to the share split.

1. Purpose of the share split

The purpose of the share split is to create a more investment-friendly environment by reducing the price per investment unit of the Company's shares so as to improve liquidity of the shares and broaden the investor base.

2. Outline of the share split

(1) Method of share split

The Company will implement a five-for-one share split of its common shares owned by shareholders recorded in the closing register of shareholders with a record date of September 30, 2026.

(2) Increase in the number of shares due to the share split

(i)	Total number of issued shares before the share split	46,359,700 shares
(ii)	Increase in the number of shares due to the share split	185,438,800 shares
(iii)	Total number of issued shares after the share split	231,798,500 shares
(iv)	Total number of shares authorized to be issued after the share split	507,840,000 shares

(3) Schedule of the share split

Public notice of record date:	September 14, 2026 (scheduled)
Record date:	September 30, 2026
Effective date:	October 1, 2026

(4) Impact on per share information

The per-share information, assuming that the share split had been implemented at the beginning of the fiscal year ended March 31, 2025 is as follows.

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Net assets per share	¥526.25	¥621.82
Basic earnings per share	¥105.07	¥123.55

3. Partial amendments to the Articles of Incorporation in relation to the share split

(1) Reason for the amendments to the Articles of Incorporation

In conjunction with the share split, pursuant to Article 184, paragraph 2 of the Companies Act, the Company will amend the total number of authorized shares prescribed in Article 6 (Total Number of Shares Authorized to Be Issued) of the current Articles of Incorporation on October 1, 2026.

(2) Details of the amendments to the Articles of Incorporation

The details of the amendments are as follows.

(Underlines indicate amended sections.)

Current Articles of Incorporation	Proposed Amendments
Article 6. (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be <u>101,568,000 shares</u> .	Article 6. (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be <u>507,840,000 shares</u> .

(3) Schedule of the amendments to the Articles of Incorporation

Date of Board of Directors resolution:	May 13, 2026
Effective date:	October 1, 2026

4. Other

The amount of the Company's share capital will not change as a result of the share split.