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Consolidated Financial Results for the Nine Months Ended December 31, 2025 [under Japanese GAAP]

February 13, 2026

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 Listing: Tokyo Stock Exchange
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 Scheduled date for commencement of dividend payments: –
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: None

(amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended								
December 31, 2025	53,315	13.6	7,370	11.8	9,384	18.3	5,973	(15.2)
December 31, 2024	46,912	7.0	6,591	4.7	7,929	(6.3)	7,047	22.3

Note: Comprehensive income

For the nine months ended December 31, 2025: ¥9,334 million [24.1%]

For the nine months ended December 31, 2024: ¥7,522 million [(15.9)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	¥	¥
December 31, 2025	124.18	–
December 31, 2024	143.57	–

Notes 1: The Company split its common shares at a ratio of two shares for every one share on October 1, 2025. It has calculated its basic earnings per share on the assumption that it conducted this stock split at the beginning of the previous fiscal year.

2: The provisional accounting treatment for the business combinations was finalized at the end of the fiscal year ended March 31, 2025. The figures for the nine months ended December 31, 2024 have been adjusted to reflect the contents of finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	¥ million	¥ million	%
December 31, 2025	133,447	102,758	75.9
March 31, 2025	131,509	95,852	71.8

Reference: Equity

As of December 31, 2025: ¥101,332 million

As of March 31, 2025: ¥94,399 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended/ending	¥	¥	¥	¥	¥
March 31, 2025	–	24.00	–	30.00	54.00
March 31, 2026	–	26.00	–		
March 31, 2026 (Forecast)				16.00	–

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

As disclosed in the notice titled “Stock Split and Revision of the Dividend Forecast” on June 9, 2025, the Company split its common shares at a ratio of two shares for every one share on October 1, 2025. For the fiscal year ending March 31, 2026(forecast), the amount presented for the second quarter-end is before the split and the amount presented for the fiscal year-end (forecast) is after the split. An annual dividend forecast is not presented because it is not possible to calculate a simple total due to this stock split. The annual dividend for the fiscal year ending March 31, 2026 (forecast) without taking this stock split into account will be ¥58.

Notes: 1. Breakdown of the second quarter-end dividend for the fiscal year ended March 31, 2025

Ordinary dividend: ¥22.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid having made ZENIT INTERNATIONAL S.P.A. a wholly-owned subsidiary.

2. Breakdown of the fiscal year-end dividend for the fiscal year ended March 31, 2025

Ordinary dividend: ¥28.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid for the completion of the motor production building at the Kyoto Plant.

3. Breakdown of the second quarter-end dividend for the fiscal year ending March 31, 2026

Ordinary dividend: ¥24.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid for the completion of the new casting plant at Alloy Technology’s Nanbu-cho facility.

4. Breakdown of the fiscal year-end dividend for the fiscal year ending March 31, 2026

Ordinary dividend: ¥15.00 per share

Commemorative dividend*: ¥1.00 per share

* To further expand our global operations, we have established a local subsidiary in the Republic of Chile and a representative office in the Kingdom of Thailand for Southeast Asia (liquid-sealed vacuum pumps). This marks our first entry into the South American region, aiming to develop the mining market and expand our share there. It also seeks to grow our liquid-sealed vacuum pump and compressor business across diverse markets in Southeast Asia region, particularly in the energy sector. To commemorate this, the Company will distribute a commemorative dividend.

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

(percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year ending March 31, 2026	74,000	8.7	11,000	7.3	11,300	7.7	7,800	(11.2)	162.61

(Note) Revisions to the forecast of consolidated financial results most recently announced: None

As disclosed in the notice titled “Stock Split and Revision of the Dividend Forecast” on June 9, 2025, the Company split its common shares at a ratio of two shares for every one share on October 1, 2025. The amount taking this stock split into consideration is presented for the above Basic earnings per share. It would be ¥325.23 without taking this stock split into consideration.

Notes:

- (1) Significant changes in the scope of consolidation during the quarterly period under review: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
 - i. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: None
 - iv. Restatements: None

(4) Number of issued shares (common shares)

- i. Number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025:	50,826,972 shares
As of March 31, 2025:	55,000,000 shares
- ii. Number of treasury shares at the end of the period

As of December 31, 2025:	2,860,318 shares
As of March 31, 2025:	6,513,676 shares
- iii. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025:	48,105,284 shares
Nine months ended December 31, 2024:	49,084,928 shares

(Note) The Company split its common shares at a ratio of two shares for every one share on October 1, 2025. The Company has calculated the number of issued shares at the end of the period, the number of treasury shares at the end of the period and the average number of shares outstanding during the period on the assumption that this stock split has been conducted at the beginning of the previous fiscal year.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or audit firm: None

* Explanations about the appropriate use of results forecasts and other remarks

The earnings forecasts and other forward-looking statements in this document are based on information currently available and certain assumptions the Company considers reasonable. The Company offers no guarantee that such forecasts will be achieved. Actual results may differ significantly due to various factors.

Index of the Appendix

1. Operating Results.....	2
(1) Overview of operating results for the nine months ended December 31, 2025	2
(2) Overview of financial position as of December 31, 2025.....	3
(3) Explanation about consolidated results forecasts and other forward-looking information.....	4
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheets.....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	7
(Quarterly Consolidated Statement of Income).....	7
(Quarterly Consolidated Statements of Comprehensive Income).....	8
(3) Notes to Quarterly Consolidated Financial Statements	9
(Notes on segment information)	9
(Notes in the event of a significant change in the amount of shareholders' equity)	11
(Notes on going-concern assumptions).....	11
(Notes on the quarterly consolidated statements of cash flows)	11
(Business combinations and related matters).....	11
(Notes on significant events after the reporting period).....	11

1. Operating Results

(1) Overview of operating results for the nine months ended December 31, 2025

For the nine months ended December 31, 2025, the Japanese economy experienced strong inbound tourism demand, a recovery in the employment and income environment and capital investment, and other positive indicators. Nevertheless, the outlook for the Japanese and international economies is becoming increasingly uncertain. This uncertainty is a result of factors such as persistently high raw material prices, labor shortages, and declining consumer confidence due to prolonged price increases in Japan. Moreover, the global economy is facing market turmoil due to U.S. tariff policies; growing geopolitical risks, such as in the Middle East, Ukraine, and the situation between China and Taiwan; the slowdown in the Chinese economy; and other factors.

In this environment, for the second year of the three-year medium-term management plan, Transformation 2027, the Group sought to further strengthen its management foundation for the next 100 years by pressing ahead with reforms centered on manufacturing. In recognizing the responsibility that comes with the Group's products playing an essential role in social infrastructure, the Group has strived to maintain an infallible system so that the Group can continue to reliably supply products.

As a result, for the nine months ended December 31, 2025, net sales increased by ¥6,402 million (+13.6%) year on year to ¥53,315 million. This increase was attributable to strong performance in each segment as well as the fact that the statement of income for ZENIT INTERNATIONAL S.P.A. was included in the scope of consolidation from the third quarter of the previous fiscal year. Also, operating profit increased by ¥779 million (+11.8%) year on year to ¥7,370 million. This increase is driven by the significant effect of higher revenue despite the recording of goodwill amortization and amortization of customer-related intangible assets in the European region.

Moreover, foreign exchange gains of ¥1,016 million were recorded for the nine months ended December 31, 2025 due to a weakening of the yen toward the end of the period under review. That resulted in an increase in ordinary profit by ¥1,454 million (+18.3%) year on year to ¥9,384 million. However, while a gain on step acquisitions of ¥1,721 million was recorded as extraordinary income for the nine months ended December 31, 2024, no extraordinary income was recorded for the nine months ended December 31, 2025. As a result, profit attributable to owners of parent decreased by ¥1,073 million (-15.2%) year on year to ¥5,973 million.

Results by business segment were as follows.

Japan

The Group saw an increase in sales of large sprinklers, electrode-type submersible pumps, and small residue pumps due to the strengthening of occupational safety measures and the growing importance of environmental considerations in the construction machinery market. However, soaring material and personnel costs, labor shortages, and other issues led to stagnation in the construction market. That reduced demand for pumps across this market. Therefore, net sales declined slightly. In the plant equipment market, sales increased significantly due to factors including increased attention on the high-efficiency submersible pumps equipped with a smashing mechanism (submersible smashing cutter pumps) that has outstanding solid matter passing capability. This product series has also been praised for its ability to operate continuously at low water levels in projects such as rerouting work accompanying work to repair collapsed roads. That led to this series contributing to an increase in sales. In addition, large submersible pump sales increased in the tool factory market and dehydrator-related sales rose in the plant market. Accordingly, net sales across the Japanese market increased.

As a result, net sales increased by ¥732 million (+1.9%) year on year to ¥39,325 million and segment profit rose by ¥914 million (+18.4%) year on year to ¥5,885 million.

North America

Net sales in the North American region increased because the U.S. economy remained solid and demand in the mining market in Canada and the U.S. continued to be strong despite restrained purchasing caused by the impact of the Trump administration's mutual tariffs.

As a result, net sales increased by ¥1,864 million (+20.1%) year on year to ¥11,157 million and segment profit rose by ¥130 million (+12.6%) year on year to ¥1,164 million.

Asia

In the Asian region, domestic demand in ASEAN countries remained stable. Demand for infrastructure is also increasing in each country. Moreover, net sales increased because there was an expansion in orders received for submersible smashing cutter pumps in the plant/factory market and livestock-related market.

As a result, net sales increased by ¥565 million (+4.6%) year on year to ¥12,834 million while segment profit fell by ¥47 million (-3.3%) year on year to ¥1,399 million.

Europe

In the European region, demand for construction pumps in the infrastructure market for tunnel construction and other applications increased. However, factors such as reduced demand for portable products due to a lack of rain resulted in overall weakness in net sales.

As a result, net sales were ¥4,591 million and segment loss was ¥325 million including ¥260 million in goodwill amortization and ¥75 million in amortization of customer-related intangible assets. The statements of income for this region have been consolidated since the third quarter of the previous fiscal year. Therefore, year-on-year comparison information is not presented.

Other

In other regions, although there was a steady accumulation of orders received, net sales increased only slightly due to factors such as the downturn in real estate in the Chinese market, U.S.-China trade friction.

As a result, net sales increased by ¥58 million (+1.2%) year on year to ¥4,842 million and segment profit rose by ¥119 million (+16.5%) year on year to ¥845 million.

(2) Overview of financial position as of December 31, 2025

(Assets)

Assets totaled ¥133,447 million at the end of the period under review, an increase of ¥1,937 million from the end of the previous fiscal year.

This was mainly due to increases of ¥3,579 million in inventories, ¥2,494 million in investment securities, and ¥1,834 million in cash and deposits, and decreases of ¥5,240 million in notes and accounts receivable - trade and contract assets and ¥354 million in securities.

(Liabilities)

Liabilities totaled ¥30,688 million at the end of the period under review, a decrease of ¥4,968 million from the end of the previous fiscal year.

This was due to an increase of ¥771 million in long-term borrowings, and decreases of ¥2,149 million in other current liabilities resulting mainly from decreased accounts payable – other, ¥1,413 million in notes and accounts payable - trade, ¥1,255 million in current portion of long-term borrowings, and ¥892 million in provision for bonuses.

(Net assets)

Net assets totaled ¥102,758 million at the end of the period under review, an increase of ¥6,906 million from the end of the previous fiscal year.

This was mainly due to an increase of ¥5,973 million from recording quarterly profit attributable to owners of parent while there was a decrease of ¥1,351 million from payment of dividends and an increase of ¥1,497 million in the valuation difference on available-for-sale securities and ¥1,840 million in foreign currency translation adjustment as well as the acquisition of ¥987 million in treasury stock.

As a result, the equity-to-asset ratio was 75.9% (71.8% at the end of the previous fiscal year).

(3) Explanation about consolidated results forecasts and other forward-looking information

As mentioned above, the uncertain economic outlook for the Japanese and international economies is expected to continue for a certain period of time.

In such an environment, for the second year of the three-year medium-term management plan, Transformation 2027, the Group will seek to further strengthen its management foundation for the next 100 years by pressing ahead with reforms centered on manufacturing. In recognizing the responsibility that comes with the Group's products playing an essential role in social infrastructure, the Group will strive to maintain an infallible system so that it can continue to reliably supply products. Furthermore, as outlined in the information released in March 2025 regarding how it intends to achieve a style of management that is conscious of capital costs and the share price, the Group plans to steadily execute capital policies and growth strategies, deliver timely and appropriate shareholder returns, and allocate management resources accordingly.

The consolidated earnings forecasts for the fiscal year ending March 31, 2026 remain unchanged from those announced on November 11, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(¥ million)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	31,145	32,980
Notes and accounts receivable - trade, and contract assets	26,416	21,176
Securities	1,405	1,051
Inventories	20,301	23,881
Other	2,460	2,284
Allowance for doubtful accounts	(72)	(102)
Total current assets	81,657	81,270
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	12,916	12,926
Land	9,122	9,245
Other (net)	5,863	5,733
Total property, plant and equipment	27,901	27,906
Intangible assets		
Goodwill	3,184	3,079
Customer-related intangible assets	899	876
Other	1,987	1,870
Total intangible assets	6,071	5,826
Investments and other assets		
Investment securities	12,662	15,156
Other	3,217	3,287
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	15,878	18,443
Total non-current assets	49,852	52,176
Total assets	131,509	133,447

(¥ million)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,478	7,065
Short-term borrowings	6,700	6,471
Current portion of long-term borrowings	1,696	440
Income taxes payable	1,168	773
Provision for bonuses	1,249	357
Other	6,535	4,386
Total current liabilities	25,828	19,494
Non-current liabilities		
Long-term borrowings	7,283	8,055
Provision for retirement benefits for directors	15	16
Retirement benefit liability	136	133
Other	2,393	2,988
Total non-current liabilities	9,828	11,194
Total liabilities	35,657	30,688
Net assets		
Shareholders' equity		
Share capital	5,188	5,188
Capital surplus	8,369	8,005
Retained earnings	76,003	78,068
Treasury shares	(4,423)	(2,398)
Total shareholders' equity	85,138	88,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,329	4,827
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	5,677	7,517
Remeasurements of defined benefit plans	253	122
Total accumulated other comprehensive income	9,261	12,467
Non-controlling interests	1,452	1,426
Total net assets	95,852	102,758
Total liabilities and net assets	131,509	133,447

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

(¥ million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	46,912	53,315
Cost of sales	28,890	32,810
Gross profit	18,022	20,505
Selling, general and administrative expenses	11,431	13,134
Operating profit	6,591	7,370
Non-operating income		
Interest income	408	383
Dividend income	334	403
Foreign exchange gains	451	1,016
Other	303	360
Total non-operating income	1,498	2,164
Non-operating expenses		
Interest expenses	56	101
Share of loss of entities accounted for using equity method	60	-
Other	42	49
Total non-operating expenses	160	151
Ordinary profit	7,929	9,384
Extraordinary income		
Gain on step acquisitions	1,721	-
Subsidy income	176	-
Total extraordinary income	1,898	-
Extraordinary losses		
Impairment losses	198	401
Total extraordinary losses	198	401
Profit before income taxes	9,629	8,982
Income taxes – current	1,995	2,344
Income taxes – deferred	415	457
Income taxes	2,411	2,802
Profit	7,217	6,179
Profit attributable to non-controlling interests	170	206
Profit attributable to owners of parent	7,047	5,973

(Quarterly Consolidated Statements of Comprehensive Income)

(¥ million)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	7,217	6,179
Other comprehensive income		
Valuation difference on available-for-sale securities	436	1,497
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	181	1,788
Remeasurements of defined benefits plans, net of tax	(118)	(131)
Share of other comprehensive income of entities accounted for using equity method	(195)	–
Total other comprehensive income	304	3,154
Comprehensive income	7,522	9,334
Comprehensive income attributable to:		
Owners of parent	7,393	9,179
Non-controlling interests	129	154

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information)

[Segment information]

I. Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

- Information on net sales and profit or loss for each reportable segment, as well as disaggregated revenue information

(¥ million)

	Reportable segments					Other *1	Total	Adjustments *2	Amount in the quarterly consolidated statement of income *3
	Japan	North America	Asia	Europe	Total				
Net sales									
Goods and services transferred at a point in time	25,227	9,293	5,298	1,586	41,405	2,645	44,051	–	44,051
Goods and services transferred over time	2,783	–	–	–	2,783	–	2,783	–	2,783
Revenue from contracts with customers	28,011	9,293	5,298	1,586	44,189	2,645	46,835	–	46,835
Other income	77	–	–	–	77	–	77	–	77
Sales to external customers	28,089	9,293	5,298	1,586	44,267	2,645	46,912	–	46,912
Intersegment sales or transfers	10,504	–	6,971	110	17,585	2,137	19,723	(19,723)	–
Total	38,593	9,293	12,269	1,697	61,853	4,783	66,636	(19,723)	46,912
Segment profit or (loss)	4,971	1,033	1,447	124	7,576	725	8,302	(1,710)	6,591

- (Notes)
- The “Other” category denotes business segments not included in the reportable segments, encompassing the business activities of local subsidiaries in China and other regions.
 - The adjustment amount for segment loss of ¥1,710 million includes Company-wide expenses of ¥1,008 million not allocated to any reportable segment, an adjustment of ¥703 million in inventories, and a ¥1 million positive adjustment included in other adjustments.
Company-wide expenses mainly consist of costs related to the administrative departments of the Company that do not belong to any reportable segment.
 - Segment profit is reconciled with the operating profit in the quarterly consolidated statement of income.
 - Due to a significant revision to the figures of the initial allocation of the acquisition costs disclosed in “(Business combinations and related matters),” the figures presented above are adjusted to reflect this revision.

2. Matters relating to changes to reportable segments

ZENIT INTERNATIONAL S.P.A., previously an equity-method affiliate, has been included in the scope of consolidation from the interim consolidated accounting period after the Company acquired additional shares in the company to make it a wholly owned subsidiary. Due to the significance and strong identity of this regional segment, the Company has decided to manage it as the "Europe" segment for management purposes and have therefore made changes to list it as a reportable segment.

Also, June 30, 2024 has been designated as the deemed acquisition date. For the interim consolidated accounting period, only the balance sheet was consolidated. The income statement has been consolidated from the third quarter onwards.

3. Information on assets by reportable segment

ZENIT INTERNATIONAL S.P.A., previously an equity-method affiliate, has been included in the scope of consolidation from the interim consolidated accounting period after the Company acquired additional shares in the company to make it a wholly owned subsidiary.

As a result, compared to the end of the previous fiscal year, the asset amounts for the reportable segments at the end of the fiscal year under review had increased by ¥4,761 million in the Japan segment and by

¥12,439 million in the Europe segment.

Due to a significant revision to the figures of the initial allocation of the acquisition costs disclosed in “(Business combinations and related matters),” the figures presented above are adjusted to reflect this revision.

4. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant changes in the amount of goodwill)

ZENIT INTERNATIONAL S.P.A., previously an equity-method affiliate, has been included in the scope of consolidation from the interim consolidated accounting period after the Company acquired additional shares in the company to make it a wholly owned subsidiary.

As a result, goodwill increased by ¥3,096 million in the Europe segment.

Due to a significant revision to the figures of the initial allocation of the acquisition costs disclosed in “(Business combinations and related matters),” the figures presented above are adjusted to reflect this revision.

II. Nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)

1. Information on net sales and profit or loss for each reportable segment, as well as disaggregated revenue information

(¥ million)

	Reportable segments					Other *1	Total	Adjustments *2	Amount in the quarterly consolidated statement of income *3
	Japan	North America	Asia	Europe	Total				
Net sales									
Goods and services transferred at a point in time	25,324	11,157	6,322	4,258	47,062	2,764	49,826	–	49,826
Goods and services transferred over time	3,397	–	–	–	3,397	–	3,397	–	3,397
Revenue from contracts with customers	28,721	11,157	6,322	4,258	50,460	2,764	53,224	–	53,224
Other income	91	–	–	–	91	–	91	–	91
Sales to external customers	28,813	11,157	6,322	4,258	50,551	2,764	53,315	–	53,315
Intersegment sales or transfers	10,512	–	6,512	332	17,357	2,078	19,435	(19,435)	–
Total	39,325	11,157	12,834	4,591	67,908	4,842	72,751	(19,435)	53,315
Segment profit or (loss)	5,885	1,164	1,399	(325)	8,124	845	8,969	(1,598)	7,370

- (Notes)
- The “Other” category denotes business segments not included in the reportable segments, encompassing the business activities of local subsidiaries in China and other regions.
 - The adjustment amount for segment loss of ¥1,598 million includes Company-wide expenses of ¥1,259 million not allocated to any reportable segment, an adjustment of ¥352 million for inventories, and a ¥13 million positive adjustment included in other adjustments.
Company-wide expenses mainly consist of costs related to the administrative departments of the Company that do not belong to any reportable segment.
 - Segment profit is reconciled with the operating profit in the quarterly consolidated statement of income.

(Notes in the event of a significant change in the amount of shareholders' equity)

Based on a resolution made at the Board of Directors' meeting held on May 13, 2025, the Company canceled 2,086,514 shares of treasury stock on May 20, 2025. Based on a resolution made at the Board of Directors' meeting held on June 27, 2025, the Company disposed of 25,625 shares of treasury stock as restricted stock compensation. As a result, capital surplus decreased by ¥364 million, retained earnings decreased by ¥2,556 million, and treasury stock decreased by ¥3,013 million.

(Notes on going-concern assumptions)

None.

(Notes on the quarterly consolidated statements of cash flows)

A quarterly consolidated statement of cash flows for the period under review has not been prepared. Depreciation (including amortization relating to intangible assets other than goodwill and customer-related intangible assets), goodwill amortization, and amortization of customer-related intangible assets for the nine months ended December 31, 2025 are as follows.

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	¥1,239 million	¥1,849 million
Goodwill amortization	¥104 million	¥285 million
Amortization of customer-related intangible assets	¥22 million	¥75 million

(Note) The provisional accounting treatment for the business combinations was finalized at the end of the fiscal year ended March 31, 2025. The figures for the nine months ended December 31, 2024 have been adjusted to reflect the contents of finalization of the provisional accounting treatment.

(Business combinations and related matters)

The allocation of the acquisition costs for making ZENIT INTERNATIONAL S.P.A. into a wholly owned subsidiary in July 2024 was not completed in the nine months ended December 31, 2024. Therefore, a provisional amount was reported. However, this allocation was completed at the end of the previous fiscal year.

As a result of finalizing the provisional accounting treatment, a significant revision to the initial allocation of acquisition costs has been reflected in the comparative information included in the quarterly consolidated financial statements for the period under review. The provisional amount of goodwill, which had been calculated at ¥3,740 million, was adjusted to ¥3,096 million upon the final allocation of the acquisition costs. The decrease in goodwill was mainly attributable to an increase of ¥893 million in customer-related assets and an increase of ¥249 million in deferred tax liabilities included in other non-current liabilities.

As a result, operating profit, ordinary profit, and profit before income taxes respectively decreased by ¥6 million on the quarterly consolidated statements of income for the nine months ended December 31, 2024.