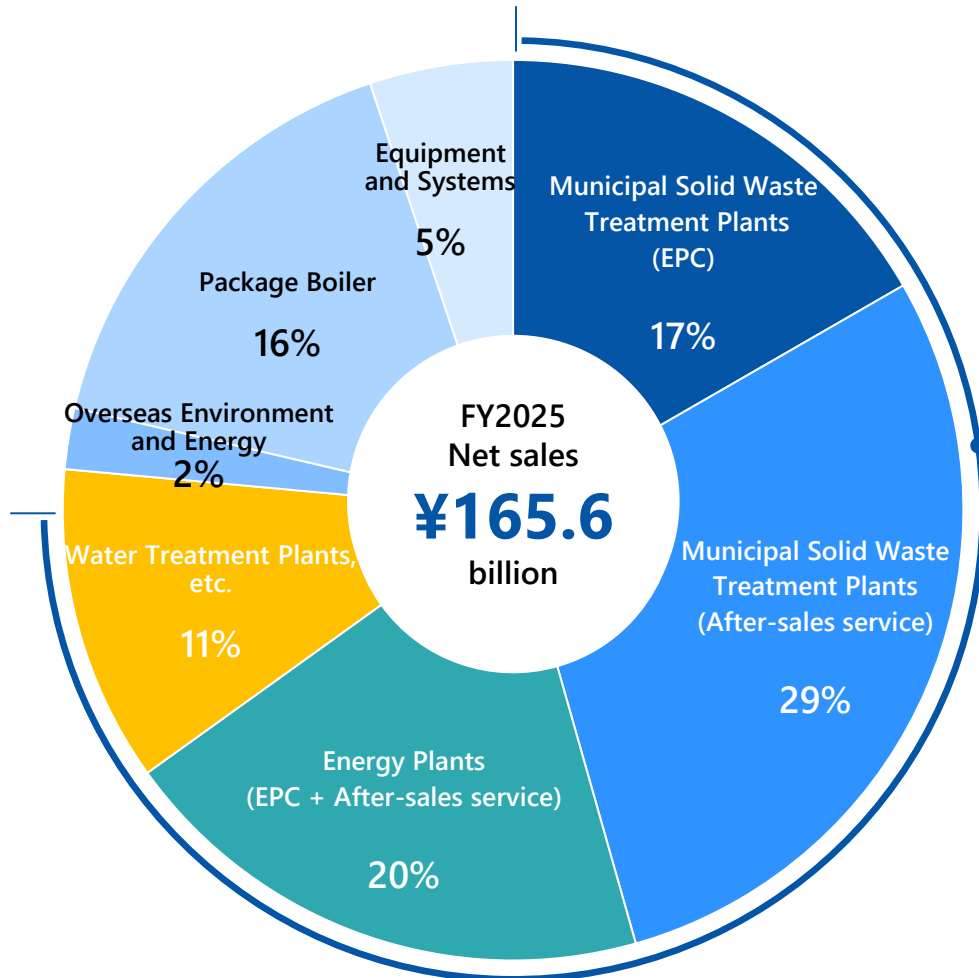








Financial Briefing Materials for FY2025

Takuma Co., Ltd. | May 29, 2026

TAKUMA

- ✓ The flagship Domestic Environment and Energy Business, including engineering, procurement, and construction (EPC) and after-sales service for municipal solid waste treatment plants, accounts for most net sales and operating profit.



Business Segment	Key Businesses
Domestic Environment and Energy 77%	Municipal Solid Waste Treatment Plants (EPC) Municipal solid waste treatment plant EPC (engineering, procurement, and construction) for municipalities 
	Municipal Solid Waste Treatment Plants (After-sales service) Plant operation management, maintenance and improvement 
	Energy Plants Biomass power plant, large boiler and industrial waste treatment plant EPC and after-sales service for private enterprises 
	Water Treatment Plants, etc. Sewage treatment facility EPC and after-sales service for municipalities, as well as power retail business, etc. 
Overseas Environment and Energy	Energy from Waste plant and Energy plant EPC and after-sale service primarily in Thailand and Taiwan, where Takuma has local subsidiaries 
Package Boiler	Manufacture and sale of and after-sale service related to heat source equipment such as general-purpose boilers and vacuum-type water heaters 
Equipment and Systems	Sale of and after-sales service related to building equipment (air conditioning, water supply and drainage work, etc.) and products for the semiconductor manufacturing industry 

Key Highlights

FY2025 Results

- ✓ Orders received reached 333 billion yen, significantly exceeding the initial target (250 billion yen), and set a record high for the second consecutive period.
- ✓ Profit attributable to owners of parent reached a record high for the second consecutive period due to the recognition of a gain on sale of investment securities in addition to an increase in operating profit.

FY2026 Forecast

- ✓ Although orders received will decrease due to a reaction to the previous fiscal year, they will continue to remain at a high level of 200 billion yen.
- ✓ Net sales are expected to reach a record high since FY2001, and profit attributable to owners of parent is also expected to reach a record high for the third consecutive period.

FY2025 (Ended 3/2026) Results

FY2026 (Ending 3/2027) Forecast

		YoY change		YoY change
Orders received	¥333.0 billion	+¥86.7 billion +35.2%	¥200.0 billion	(¥133 billion) (39.9%)
Net sales	¥165.6 billion	+¥14.4 billion +9.6%	¥191.0 billion	+¥25.3 billion +15.3%
Operating profit	¥15.4 billion	+¥1.8 billion +13.9%	¥17.8 billion	+¥2.3 billion +15.5%
Profit attributable to owners of parent	¥13.7 billion	+¥3.3 billion +32.1%	¥15.4 billion	+¥1.6 billion +12.1%

1. Financial Results of FY2025 (Ended 3/2026)

2. Financial Forecast for FY2026 (Ending 3/2027)

3. Progress of Management Strategies

4. Appendix

1. Financial Results of FY2025 (Ended 3/2026)

Orders received

Received orders for 5 reconstruction projects and 2 refurbishment projects for waste treatment plants and achieved 333.0 billion yen, significantly exceeding the initial target of 250.0 billion yen, setting a new record high for the second consecutive period.

Net Sales / Profit

Higher both net sales and profit. Net sales rose due to significant progress in previously ordered plants and the consolidation of IHI Packaged Boiler Co., Ltd. as a subsidiary. Profit attributable to owners of parent reached a record high for the second consecutive period, due to the recognition of a gain on sale of investment securities in addition to the increase in operating profit.

	(Millions of yen)	FY2024 (FYE 3/2025) Results	FY2025 (FYE 3/2026) Initial Forecast (May 14, 2025)	FY2025 (FYE 3/2026) Revised Forecast (February 13, 2026)	FY2025 (FYE 3/2026) Results	YoY change
Orders received		246,301	250,000	330,000	333,026	+35.2%
Order backlog		577,752	662,752	740,752	745,158	+29.0%
Net sales		151,161	165,000	167,000	165,620	+9.6%
Operating profit		13,532	14,500	15,200	15,409	+13.9%
Operating margin		9.0%	8.8%	9.1%	9.3%	+0.3pt
Ordinary profit		14,095	15,000	16,000	16,279	+15.5%
Profit attributable to owners of parent		10,391	11,700	12,900	13,732	+32.1%
Basic earnings per share (yen)		132.24	158.00	174.00	185.04	+39.9%

(Millions of yen)	FY2024	FY2025	YoY change		Key Factors for Increase/Decrease
Orders received					
Total	246,301	333,026	+ 86,725	+35.2%	
Domestic Environment and Energy	214,792	288,709	+ 73,916	+34.4%	Increase due to orders for 5 reconstruction projects and 2 refurbishment projects for waste treatment plants.
Overseas Environment and Energy	2,347	1,561	(786)	(33.5%)	Decrease due to an absence of orders for new plants in addition to a fall in maintenance services.
Package Boiler	20,266	30,865	+ 10,598	+52.3%	Increase due to the consolidation of IHI Packaged Boiler Co., Ltd. as a subsidiary.
Equipment and Systems	9,343	12,300	+ 2,957	+31.7%	Increase due to a rising in the building equipment business.
Net sales					
Total	151,161	165,620	+ 14,458	+9.6%	
Domestic Environment and Energy	113,650	126,935	+ 13,284	+11.7%	Increase due to progress in previously ordered projects.
Overseas Environment and Energy	5,546	3,635	(1,910)	(34.5%)	Decrease due to a difference from the previous period, where several ordered projects made significant progress.
Package Boiler	19,845	26,846	+ 7,000	+35.3%	Increase due to the consolidation of IHI Packaged Boiler Co., Ltd. as a subsidiary.
Equipment and Systems	12,557	8,524	(4,033)	(32.1%)	Decrease due to a fall both in the building equipment business and in the semiconductor industrial equipment business.
Operating profit					
Total	13,532	15,409	+ 1,877	+13.9%	
Domestic Environment and Energy	13,081	15,624	+ 2,543	+19.4%	Increase due to a rising in net sales.
Overseas Environment and Energy	1,069	102	(967)	(90.4%)	Decrease due to a fall in net sales.
Package Boiler	1,394	1,844	+ 450	+32.3%	Increase due to the consolidation of IHI Packaged Boiler Co., Ltd. as a subsidiary.
Equipment and Systems	890	1,048	+ 157	+17.7%	Increase due to the operating margin improvement in the building equipment business.

*Adjustments are omitted.

Domestic Environment and Energy Business

Orders received / Order backlog

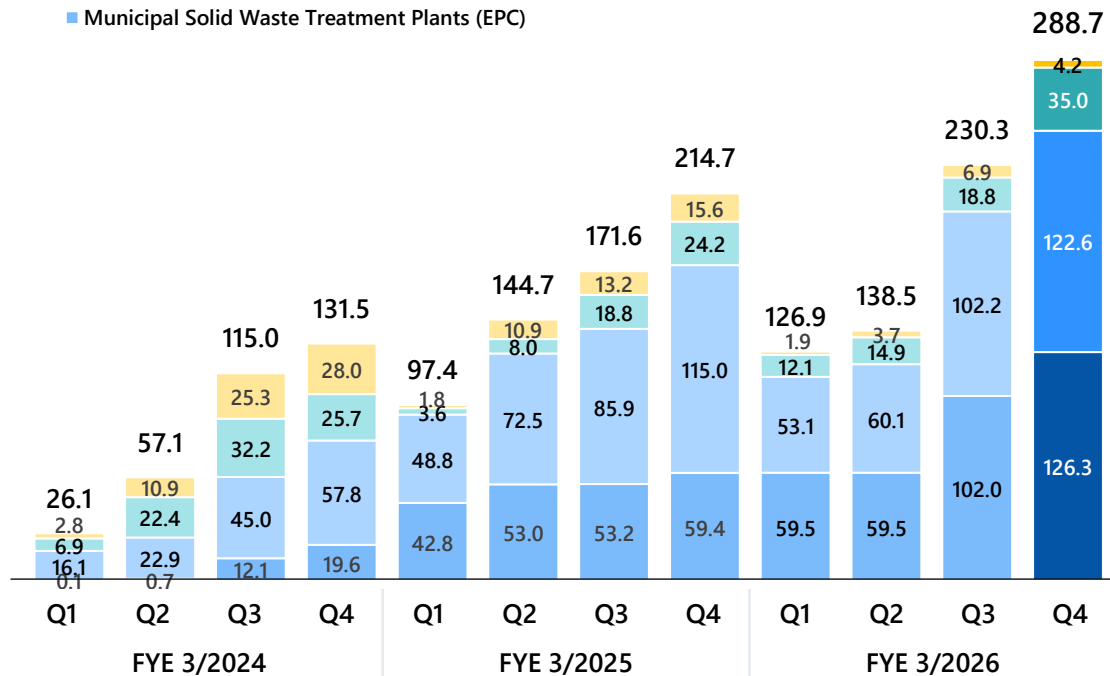
- Orders received and order backlog reached record highs, due to orders for 5 reconstruction projects (including 4 DBO projects) and 2 refurbishment projects for waste treatment plants, as well as 4 new energy plants construction projects.

Orders received

(Billions of yen)

- Water Treatment Plants, etc.
- Energy Plants (EPC and after-sales services)
- Municipal Solid Waste Treatment Plants (After-sales service)
- Municipal Solid Waste Treatment Plants (EPC)

YoY +34.4%
+¥73.9 billion



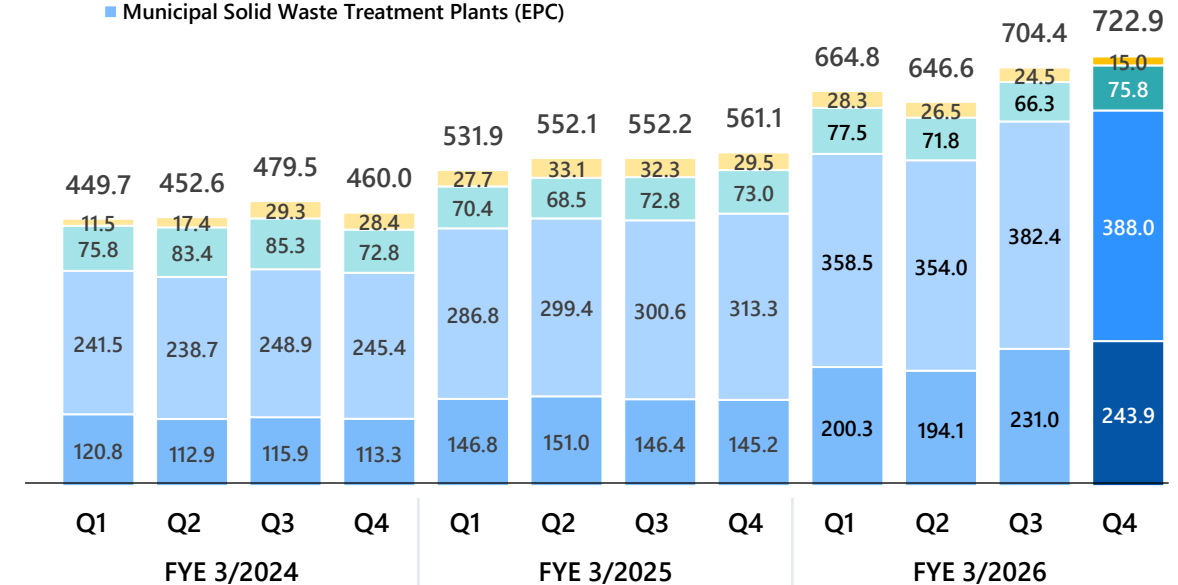
Order backlog

(Billions of yen)

- Water Treatment Plants, etc.
- Energy Plants (EPC and after-sales services)
- Municipal Solid Waste Treatment Plants (After-sales service)
- Municipal Solid Waste Treatment Plants (EPC)

Long-term O&M* ratio
Approx. 55%

* including energy plants



Major projects in the order backlog for municipal solid waste treatment plants [as of March 31, 2026]
[EPC] 16 projects (including refurbishment projects) are in progress, of which 1 project is scheduled for delivery in FYE 3/2027.
[Long-term O&M] 22 projects are ongoing, 1 project is scheduled to start in FYE 3/2027, 11 projects are scheduled to start in FYE 3/2028 or later.

✓ In FYE 3/2026, received for 5 reconstruction projects (including 4 DBO projects) and 2 refurbishment projects for waste treatment plants.

		Year	Delivered to:	Notes		Capacity	Scheduled Completion
Municipal solid waste treatment plants	FYE 3/2024	Q3	Ashikaga City	EPC & After-sales service	DBO	152t/day	3/2028 (20 years of operations starting 4/2028)
		Q4	Sapporo City	EPC & After-sales service (Crushing facility)	DBO	140t/5h	3/2028 (20 years of operations starting 4/2028)
	FYE 3/2025	Q1	Amagasaki City	EPC & After-sales service	DBO	447t/day	3/2031 (20 years of operations starting 4/2031)
			Clean Authority of TOKYO	EPC	Refurbishment project	1,800t/day	1/2029
		Q2	Gyoda Hanyu Resources and Environment Association	EPC & After-sales service	DBO	126t/day	6/2028 (20 years of operations starting 7/2028)
	FYE 3/2026	Q1	Numazu City	EPC & After-sales service	DBO	210t/day	12/2029 (20 years 3 months of operations starting 1/2030)
			Ichikawa City	EPC & After-sales service	DBO	423t/day	12/2030 (20 years of operations starting 1/2031)
		Q3	Suita City	EPC	Refurbishment project	480t/day	3/2031
			Togane City and Three Municipalities Cleaning Association	EPC & After-sales service	DBO	125t/day	9/2029 (20 years of operations starting 10/2029)
			Nagoya City	EPC	Refurbishment project	600t/day	7/2029
Q4		Kakegawa City and Kikugawa City Sanitation Facilities Association	EPC	Facility reconstruction project	120t/day	3/2030	
	Ichinoseki Regional Administrative Association	EPC & After-sales service	DBO	101t/day	7/2030 (20 years of operations starting 8/2030)		
Water treatment plants	FYE 3/2024	Q3	Osaka Prefecture Chuo Mizu Mirai Center	EPC (sludge treatment plant) & After-sales service	DBM	sewage sludge incineration 100t/day	7/2027 (About 11 years of long-term maintenance starting 7/2027)
	FYE 3/2025	Q2	Kyoto City Water Supply and Sewerage Bureau	EPC (sludge incineration plant)	-	sewage sludge incineration 150t/day	3/2028

✓ In FYE 3/2026, orders were received for 4 new energy plants construction projects.

	Year	Delivered to:		Notes	Capacity	Scheduled Completion	
Energy plants	FYE 3/2024	Q1	Furusato FIC Energy LLC	EPC	Power generation business (Biomass, FIT)	1,990kW	1/2026
			Mogami Biomass Power Generation2 (KK)	EPC	Power generation business (Biomass, FIT)	7,100kW	10/2026
		Q2	Shin Tokai Paper Co., Ltd. Shimada Plant	EPC	Self-consumption (Biomass and others, Non-FIT)	-	9/2027
			Kennan Biomass Power Inc.	EPC	Power generation business (Biomass, FIT)	7,100kW	12/2026
			Green Power Tono (KK)	EPC	Power generation business (Biomass, FIT)	1,990kW	11/2026
			Q3	Tochigi High Trust Co., Ltd.	EPC	Industrial waste treatment	93.6t/day
		Hachimantai Next Energy Co.		EPC	Power generation business (Biomass, FIT)	7,100kW	12/2026
		Q4	Company A	EPC	Power generation business (Biomass, FIT)	1,990kW	-
	FYE 3/2025	Q2	Hiroshima Gas Co., Ltd.	EPC	Power generation business (Biomass, FIP)	1,990kW	6/2026
		Q3	Company B	EPC	Self-consumption (Biomass and others, Non-FIT)	-	-
			Joetsu Biomass Power Generation LLC	EPC	Power generation business (Biomass, FIT)	1,990kW	3/2027
		Q4	Daishou Co., Ltd.	EPC	Power generation business (Biomass, Non-FIT)	1,990kW	6/2027
	FYE 3/2026	Q1	Clean Wood Energy K.K.	EPC	Power generation business (Biomass, FIT)	1,990kW	11/2027
			Nihon Kaisui Co., Ltd. Sanuki Plant	EPC	Self-consumption (Biomass, Non-FIT)	9,400kW	1/2029
		Q3	Sano Biomass Power Generation LLC	EPC	Power generation business (Biomass, FIT)	7,100kW	9/2028
		Q4	Company C	EPC	Self-consumption (Biomass and others, Non-FIT)	-	-

*Self-consumption: Steam (heat) and electricity produced by a plant installed within the factory are used within the factory without being supplied externally.

Domestic Environment and Energy Business

Net Sales / Operating Profit

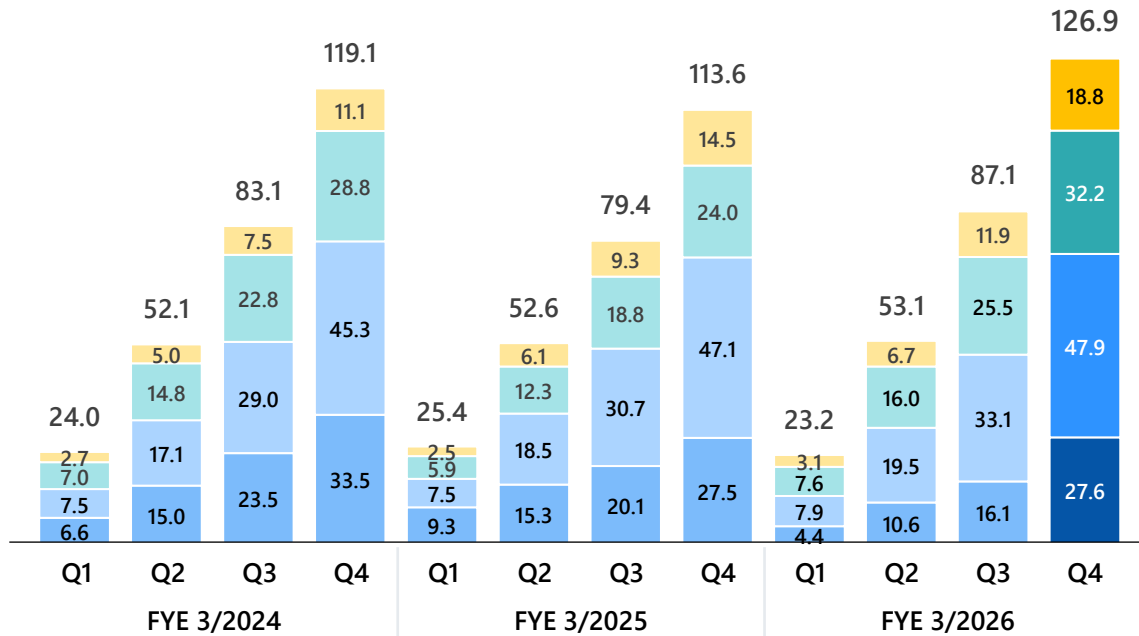
- ✓ Net sales rose mainly due to significant progress in previously ordered plants.
- ✓ Operating profit rose reflecting the increase in net sales.

Net sales

(Billions of yen)

- Water Treatment Plants, etc.
- Energy Plants (EPC and after-sales services)
- Municipal Solid Waste Treatment Plants (After-sales service)
- Municipal Solid Waste Treatment Plants (EPC)

YoY +11.7%
+¥13.2 billion

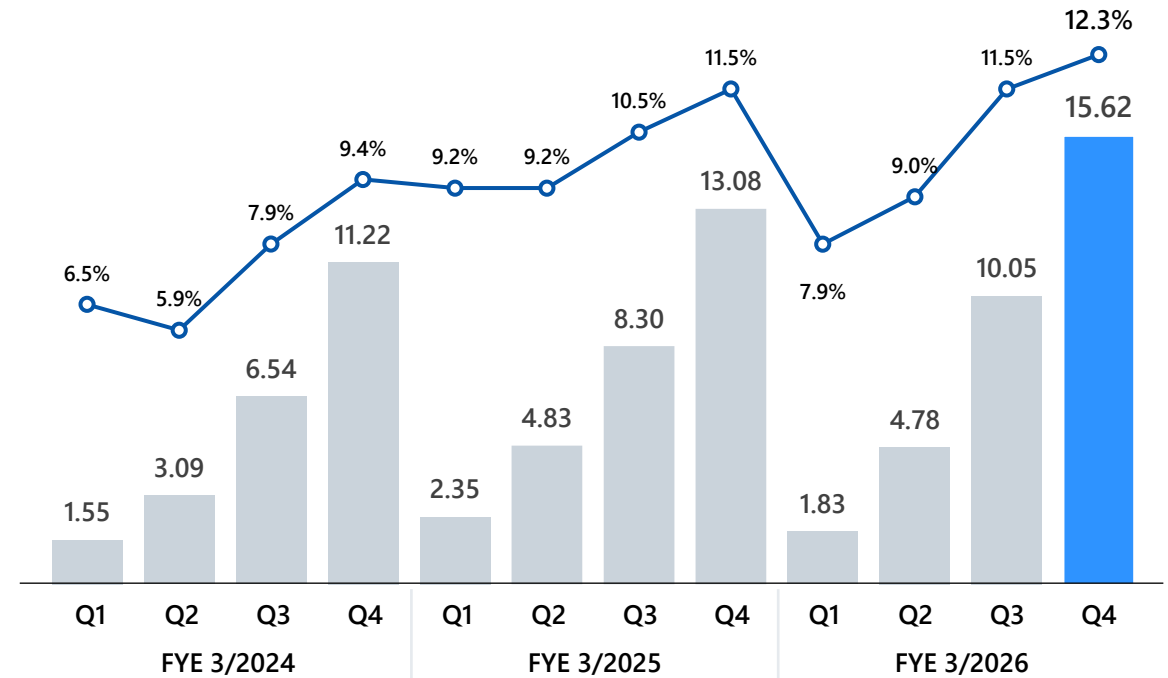


Operating profit

(Billions of yen)

- Operating profit
- Operating Margin

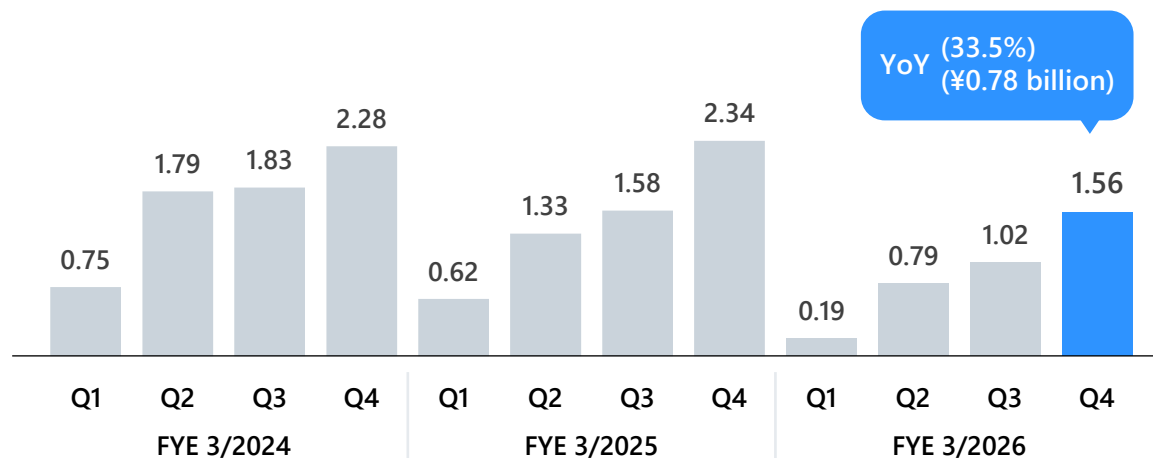
YoY +19.4%
+¥2.5 billion



- ✓ Orders received declined due to the absence of orders for new plants in addition to a decrease in maintenance services.

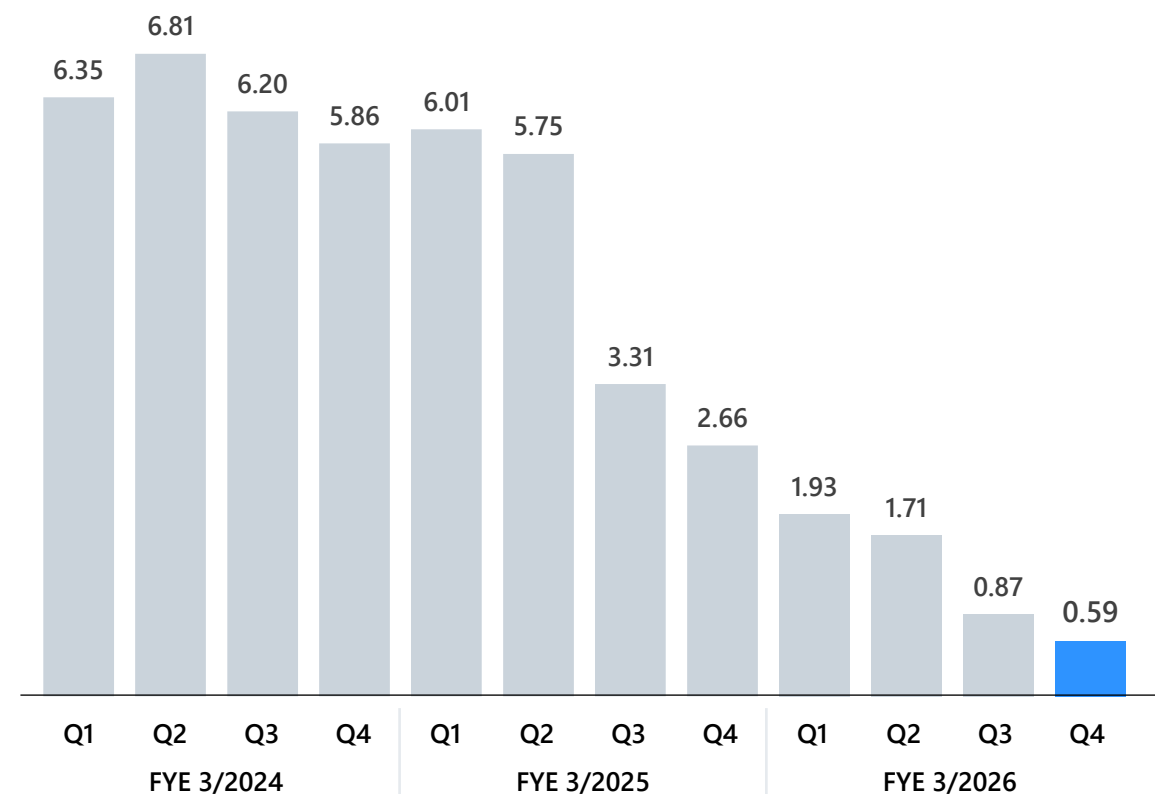
Orders received

(Billions of yen)



Order backlog

(Billions of yen)



Overseas Environment and Energy Business

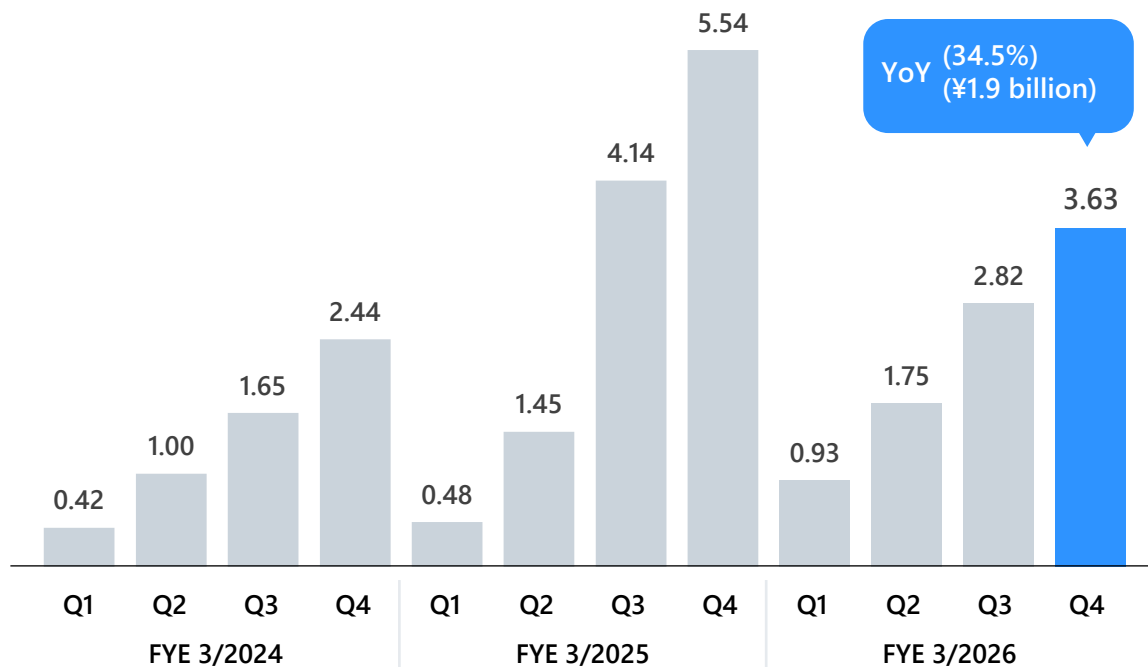
Net sales /
Operating profit

TAKUMA

- ✓ Net sales decreased compared to the previous fiscal year, where several ordered projects made significant progress.
- ✓ Operating profit decreased due to a decline in net sales.

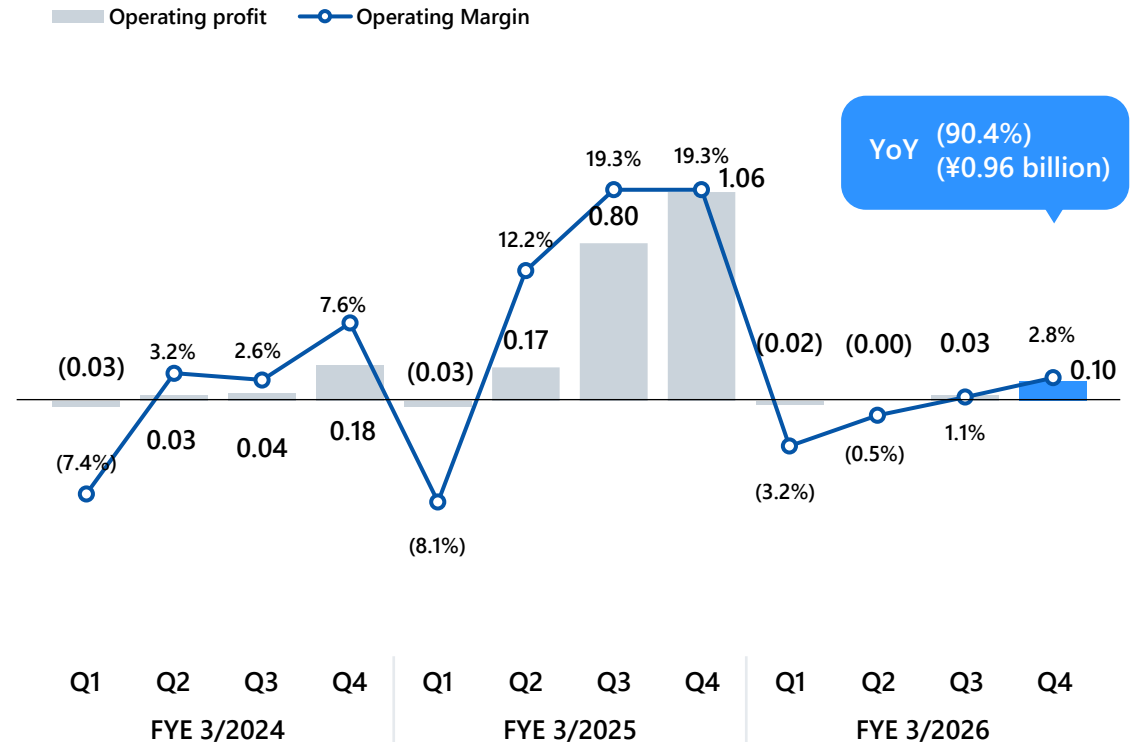
Net sales

(Billions of yen)



Operating profit

(Billions of yen)

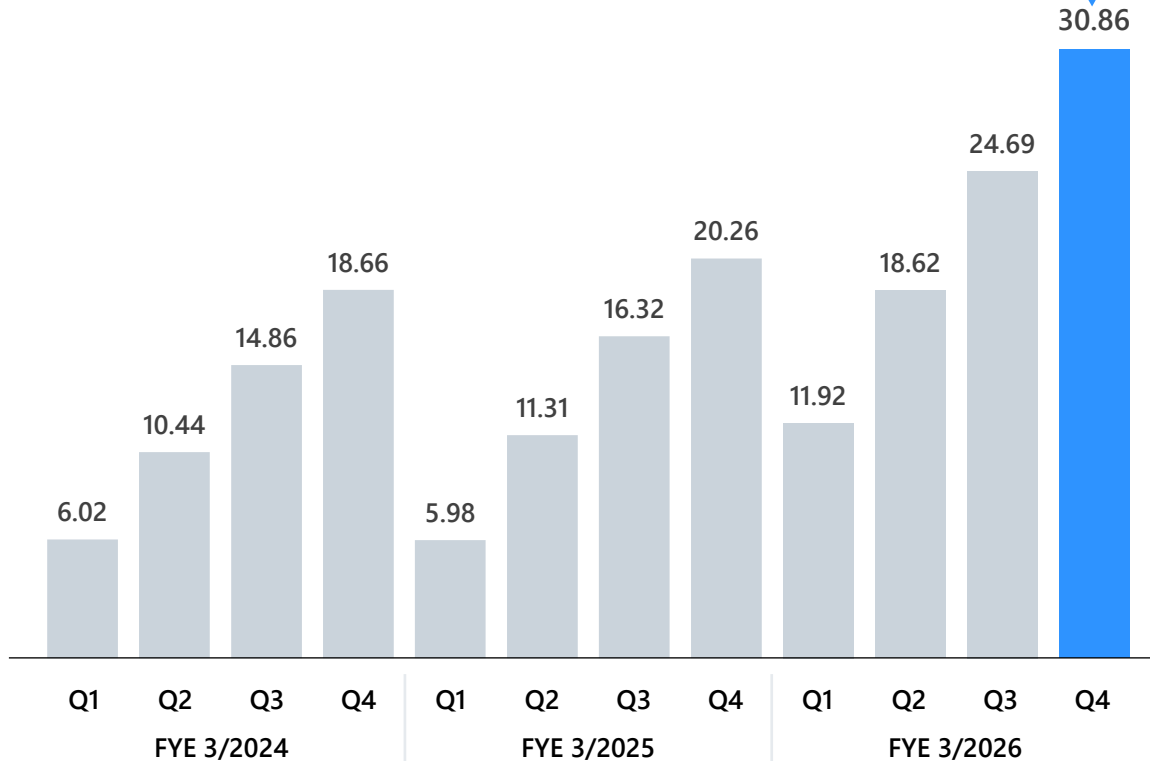


- ✓ Orders received rose significantly due to the consolidation of IHI Packaged Boiler Co., Ltd. as a subsidiary in April 2025.

Orders received

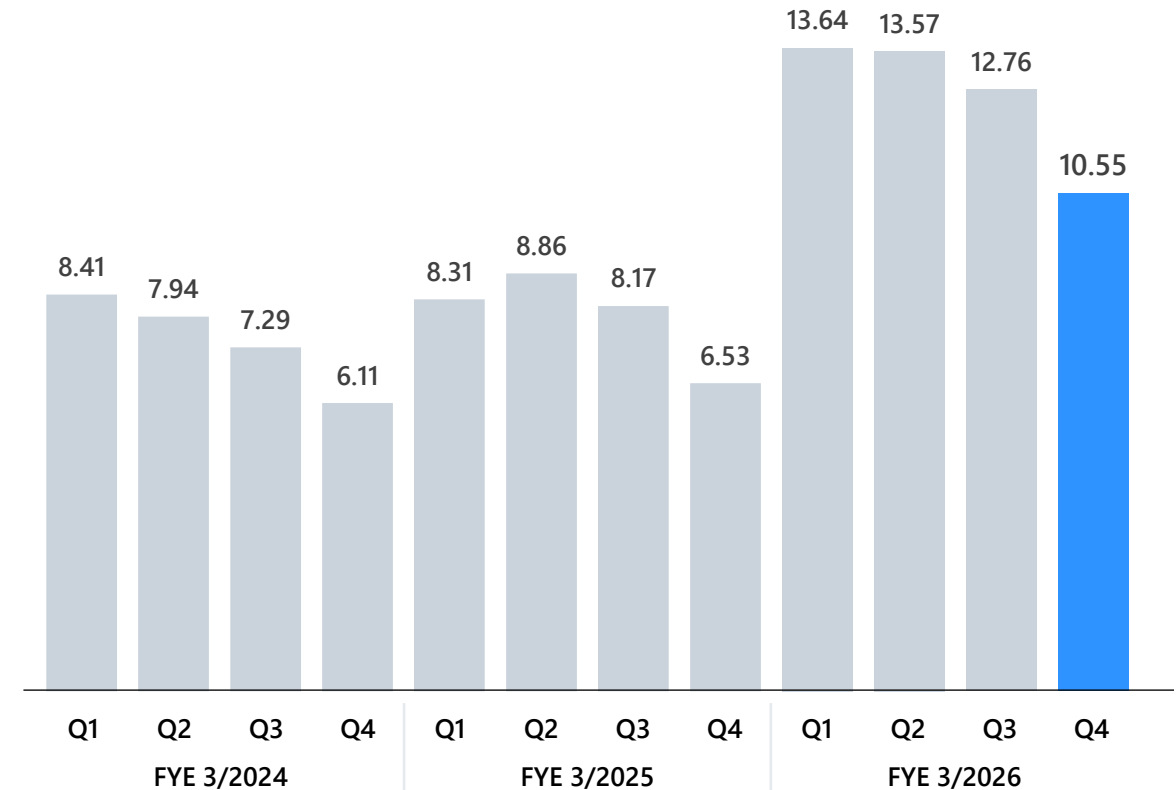
(Billions of yen)

YoY +52.3%
+¥10.5 billion



Order backlog

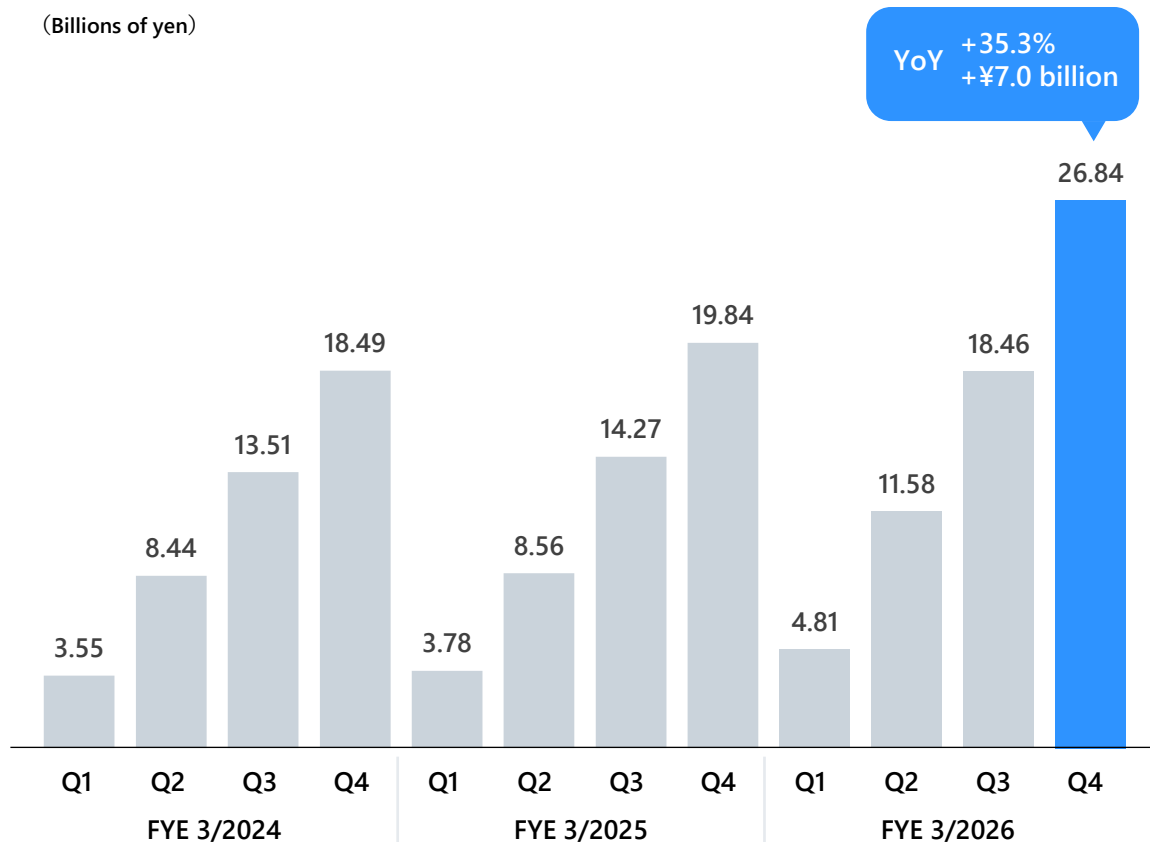
(Billions of yen)



- ✓ Net sales were up significantly owing an increase in orders received as well as much progress in previously ordered projects.
- ✓ Operating profit increased reflecting the increase in net sales, despite the occurrence of integration costs with IHI Packaged Boiler Co., Ltd.

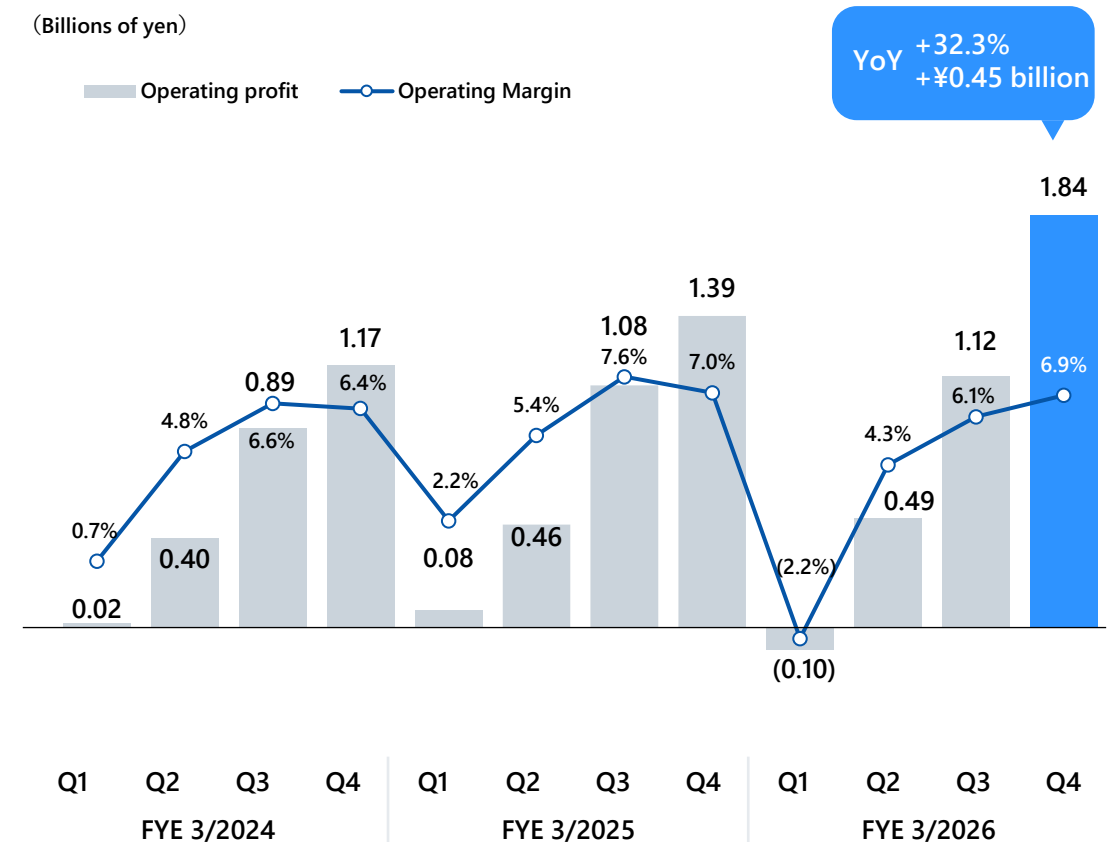
Net sales

(Billions of yen)



Operating profit

(Billions of yen)

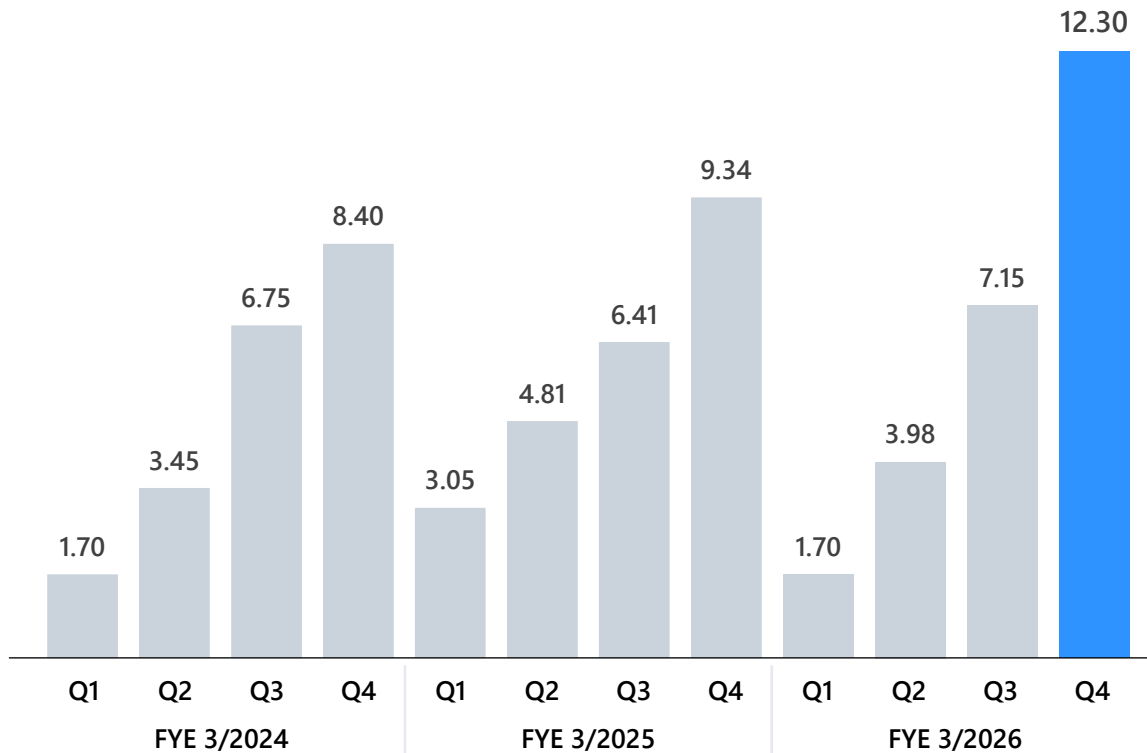


- ✓ Orders received rose, mainly driven by an increase in the building equipment business.

Orders received

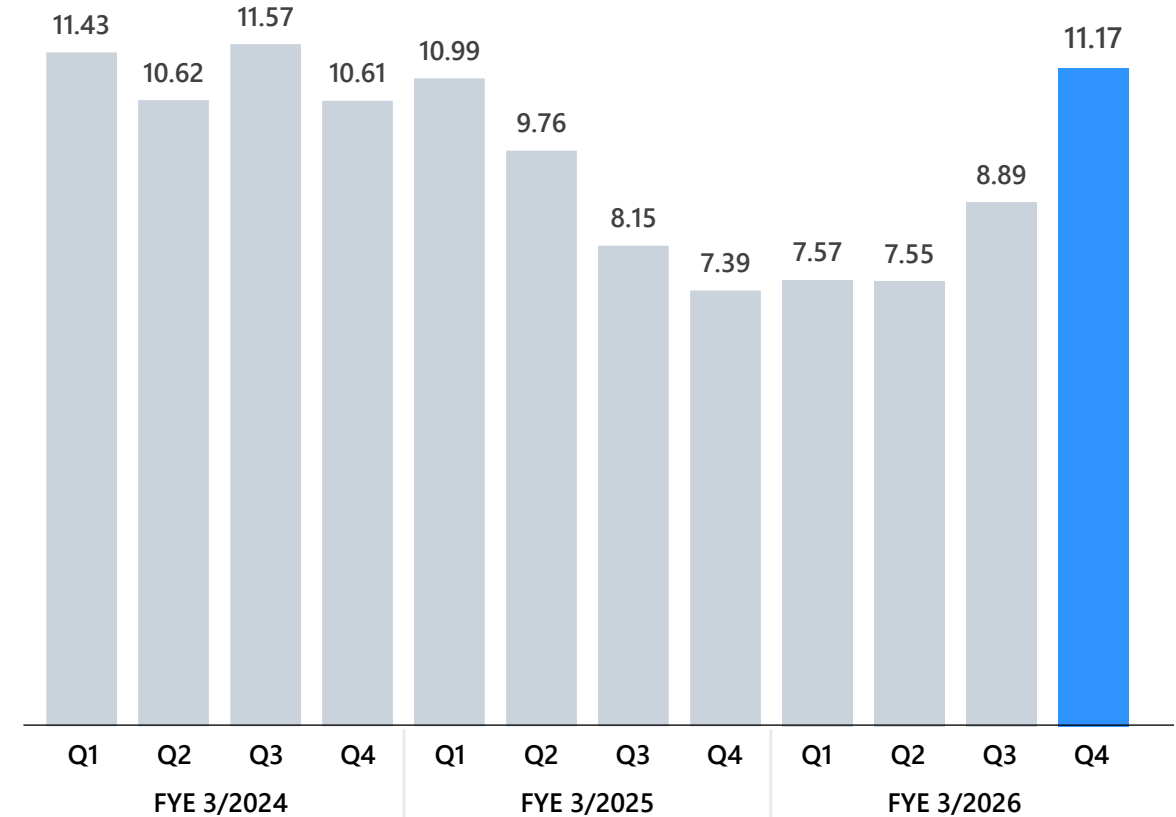
(Billions of yen)

YoY +31.7%
+¥0.29 billion



Order backlog

(Billions of yen)



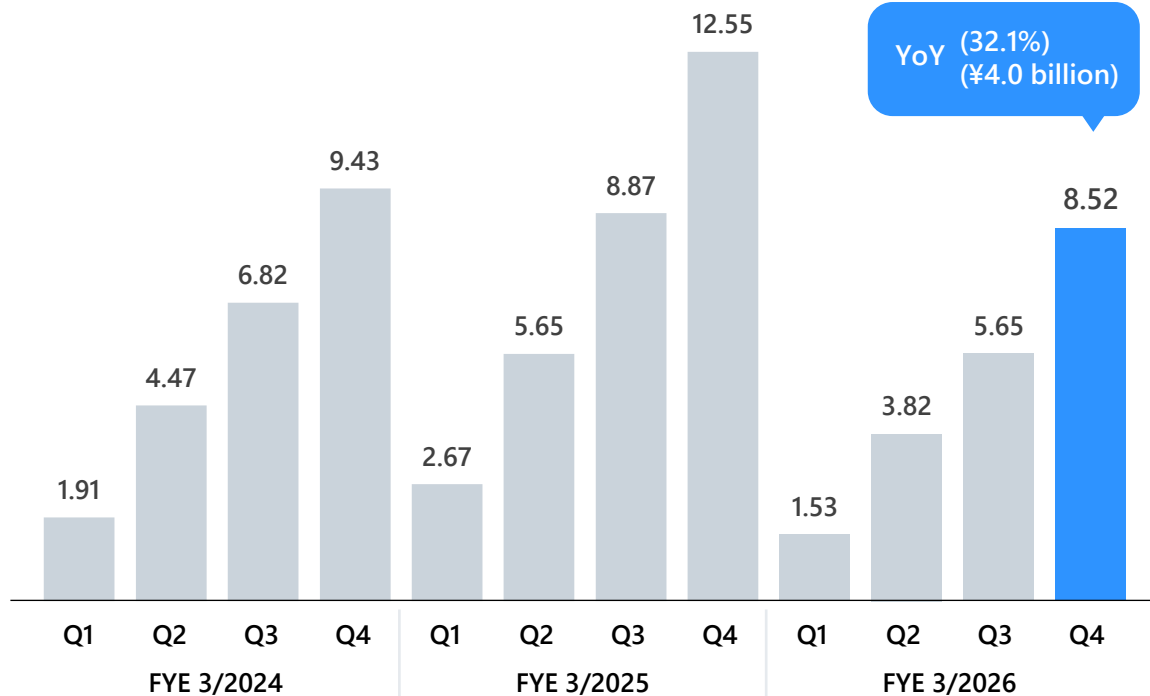
Equipment and Systems Business

Net sales / Operating profit

- ✓ Net sales decreased as both the building equipment business and the semiconductor industrial equipment business fell.
- ✓ Operating profit increased mainly due to the improvement in operating margin for the building equipment business.

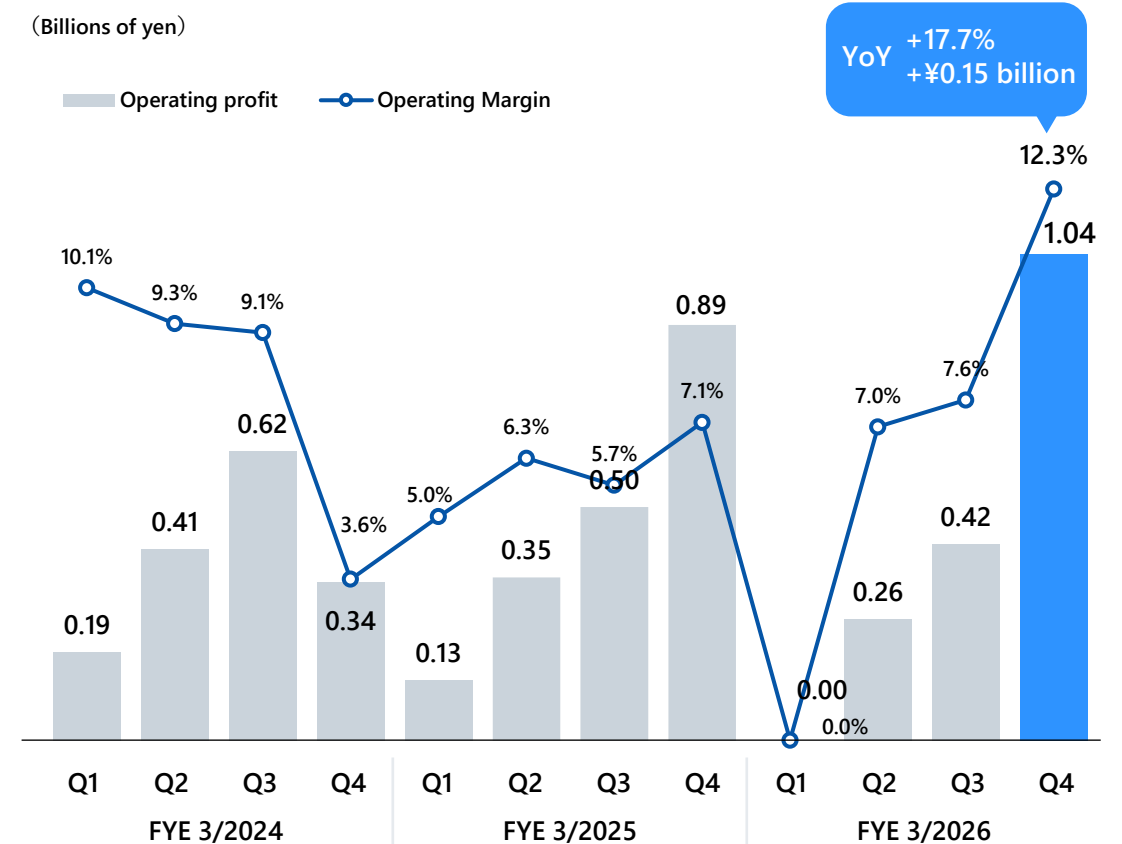
Net sales

(Billions of yen)



Operating profit

(Billions of yen)



2. Financial Forecast for FY2026 (Ending 3/2027)

Orders received

Although orders received will decrease due to a reaction to the previous fiscal year, they will continue to remain at a high level of 200 billion yen, supported by solid demand.

Net Sales / Profit

Net sales and operating profit are expected to increase due to the progress of orders received projects. Net sales are expected to reach a record high since FY2001. Profit attributable to owners of parent is also expected to reach a record high for the third consecutive period.

(Millions of yen)	FY2024 (FYE 3/2025) Results	FY2025 (FYE 3/2026) Results	FY2026 (FYE 3/2027) Initial Forecast	YoY Change
Orders received	246,301	333,026	200,000	(39.9%)
Order backlog	577,752	745,158	754,158	+1.2%
Net sales	151,161	165,620	191,000	+15.3%
Operating profit	13,532	15,409	17,800	+15.5%
Operating margin	9.0%	9.3%	9.3%	+0.0pt
Ordinary profit	14,095	16,279	18,500	+13.6%
Profit attributable to owners of parent	10,391	13,732	15,400	+12.1%
Basic earnings per share (yen)	132.24	185.04	215.00	+16.2%

(Millions of yen)	FY2025 Results	FY2026 Forecast	YoY change		Key Factors for Increase/Decrease
Orders received					
Total	333,026	200,000	(133,026)	(39.9%)	
Domestic Environment and Energy	288,709	160,500	(128,209)	(44.4%)	Decrease due to differences in planned projects.
Overseas Environment and Energy	1,561	5,000	+3,438	+220.3%	Increase due to expected orders for new projects.
Package Boiler	30,865	27,000	(3,865)	(12.5%)	Decrease due to a disappearance in the consolidation impact of order backlog of IHI Packaged Boiler Co., Ltd. as of the end of FY ended 3/2025.
Equipment and Systems	12,300	11,000	(1,300)	(10.6%)	Decrease due to a fall in the building equipment business.
Net sales					
Total	165,620	191,000	+25,379	+15.3%	
Domestic Environment and Energy	126,935	153,000	+26,064	+20.5%	Increase due to progress of ordered projects mainly in waste treatment plants.
Overseas Environment and Energy	3,635	1,500	(2,135)	(58.7%)	Decrease due to a fall in order backlog at the start of the period.
Package Boiler	26,846	27,000	+153	+0.6%	Similar to the previous period.
Equipment and Systems	8,524	10,000	+1,475	+17.3%	Increase due to progress of ordered projects mainly in the building equipment business.
Operating profit					
Total	15,409	17,800	+2,390	+15.5%	
Domestic Environment and Energy	15,624	18,600	+2,975	+19.0%	Increase due to a rising in net sales.
Overseas Environment and Energy	102	(100)	(202)	-	Decrease due to a fall in net sales.
Package Boiler	1,844	2,100	+255	+13.9%	Increase due to an elimination of integration costs with IHI Packaged Boiler Co., Ltd.
Equipment and Systems	1,048	1,000	(48)	(4.6%)	Decrease mainly due to an increase in fixed costs.

*Adjustments are omitted.

3. Progress of Management Strategies

Management Policy

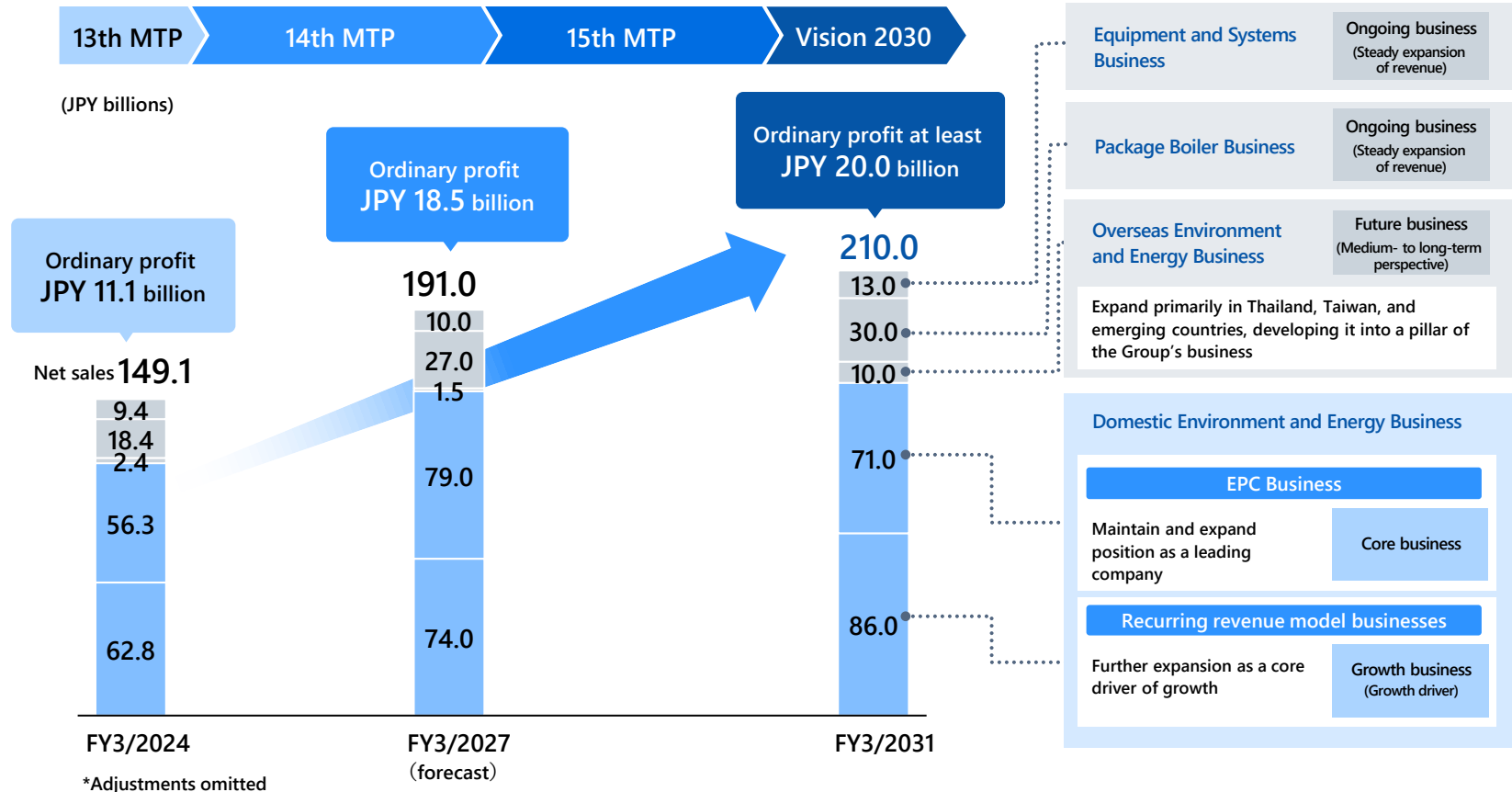
- ✓ The Group aims to contribute to solving social issues (ESG challenges) and enhance corporate value through businesses founded on its strengths, namely technological capabilities and strong trust-based relationships with customers.
- ✓ Achieve further expansion with recurring revenue model businesses as the core driver of growth for Vision2030. Work on expanding the EPC business at the same time as recurring revenue will increase to achieve ordinary profit of JPY 20.0 billion by FY3/2031.

Management Principles

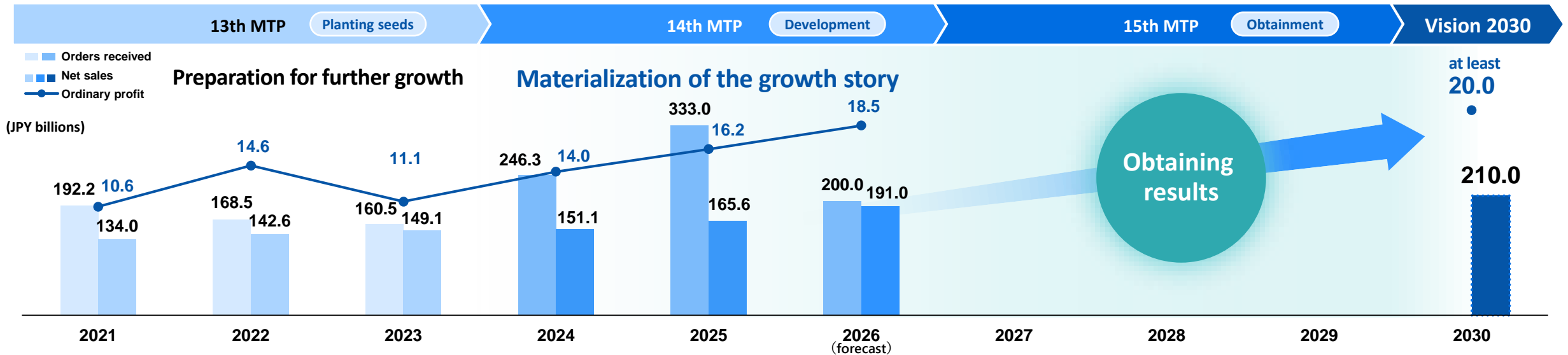
Takuma will strive for social contribution, corporate value enhancement, long-term corporate development and the satisfaction of all stakeholders by providing goods and services that are needed and recognized as valuable in society.

Vision2030

We aim to maintain our role of being an indispensable presence in society as a leading company in the field of renewable energy utilization and environmental protection and reach an ordinary profit level of JPY 20.0 billion.



- ✓ The 14th Medium-Term Management Plan is positioned to materialize the growth story for realizing the vision by prioritizing investment of management resources into receiving orders for municipal solid waste treatment plants (renewals and primary equipment improvement) and establishing a revenue model that maximizes the use of recurring revenue.



Business Strategy

- Further strengthening of existing businesses
- Addressing future changes in the environment

Management foundation enhancement

Basic Policy

- 1 Maintaining and expanding our market position in the EPC Business
- 2 Establishing a revenue model that fully utilizes recurring revenue
- 3 Steadily expanding revenue in the Package Boiler Business and Equipment and Systems Business
- 4 Building a track record for the future in international business
- 5 Promoting strategic M&As and creating new businesses

- 1 Securing and development of human resources
- 2 Knowledge management
- 3 Compliance and risk management

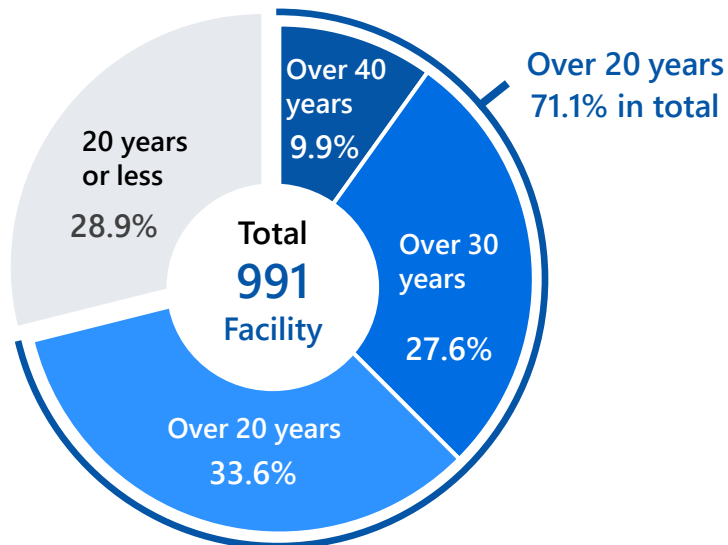
✓ Takuma expects the market environment for its business to be generally favorable and strong.

		14th Medium-Term Management Plan period (FY2024-2026)	Future
Domestic Environment and Energy	Municipal solid waste treatment plants	EPC <ul style="list-style-type: none"> + Steady demand for renewal (rebuids) + Ongoing demand for service life extension (primary equipment improvement) 	<ul style="list-style-type: none"> - Decreased demand for renewal due to low birth rate and aging society + Increased demand for decarbonized facilities
		After-sale services <ul style="list-style-type: none"> + Increase in operations businesses (DBO Business and O&M contracts) 	<ul style="list-style-type: none"> - Decrease in number of facilities in operation (reorganization) + Ongoing demand for operations businesses + Further development of projects outsourced to the private sector
	Energy plants	EPC: FIT/FIP/Non-FIT <ul style="list-style-type: none"> - Decrease in large-scale projects due to changes in the FIT program + Ongoing demand for small to medium-sized FIP and non-FIT projects 	+ Ongoing renewable energy policy support for achieving carbon neutrality
		EPC: For private consumption and industrial waste treatment <ul style="list-style-type: none"> + Ongoing demand for renewal due to aging plants and decarbonization 	+ Certain level of ongoing demand
		After-sale services <ul style="list-style-type: none"> + Increase in maintenance demand associated with increase in deliveries 	+ Ongoing maintenance demand at facilities in operation
	Water treatment plants <ul style="list-style-type: none"> + Ongoing demand for renewal due to aging plants + Increased demand for products with high environmental performance + Progress and increase in private sector utilization 	<ul style="list-style-type: none"> + Ongoing needs for energy conservation, energy creation, and resource utilization + Increase in comprehensive contracting of plant construction and operation 	
Power retail business <ul style="list-style-type: none"> + Increased demand for renewable energy and non-fossil fuel-based power associated with decarbonization 	+ Certain level of ongoing demand		
Overseas Environment and Energy * Southeast Asia	<ul style="list-style-type: none"> - Continued intense competition in the biomass power generation market + Increased needs for utilization of diverse fuels - Sluggish start in waste power generation market (Caused by system, funding, and other issues) 	+ Increased demand for waste disposal and electric power due to economic growth and urbanization	
Package Boiler	<ul style="list-style-type: none"> + Japan: Certain level of ongoing renewal demand despite market maturity + Emerging countries: Increased demand for energy-saving products 	<ul style="list-style-type: none"> - Japan: Market shrinkage due to low birth rate and aging society along with population decline + Japan: Ongoing demand for energy-saving and decarbonization products + Emerging countries: Market expansion with economic growth 	
Equipment and Systems	<ul style="list-style-type: none"> + Certain level of ongoing demand from construction demand and increased semiconductor capital investment 	<ul style="list-style-type: none"> + Certain level of ongoing demand (building equipment) + Expansion of demand for semiconductor equipment with utilization and development of AI, etc. 	

- ✓ Of approx. 1,000 waste treatment facilities in Japan, more than 70% have been in operation for over 20 years, facing aging. Therefore, demand for reconstruction, maintenance, and refurbishment work continues.
- ✓ It is expected that demand both for the reconstruction and refurbishment will continue at a rate of around 15-20 facilities per year.
- ✓ Demand for DBO projects, which comprise order for both EPC and plant operation, also continues.

Percentage by age of operating waste incineration facilities

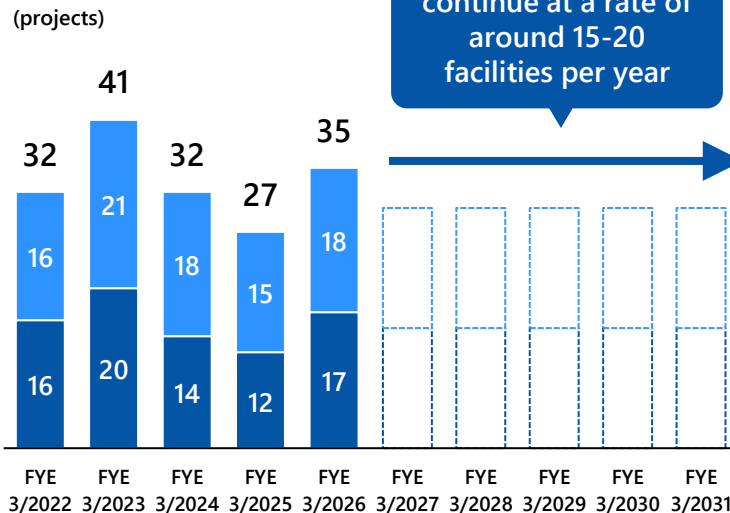
More than 70% of the facilities are over 20 years old, facing aging



*Prepared by the Company based on the "2024 Survey of Municipal Solid Waste Treatment" by the Ministry of the Environment of Japan.

Number of reconstruction and refurbishment orders

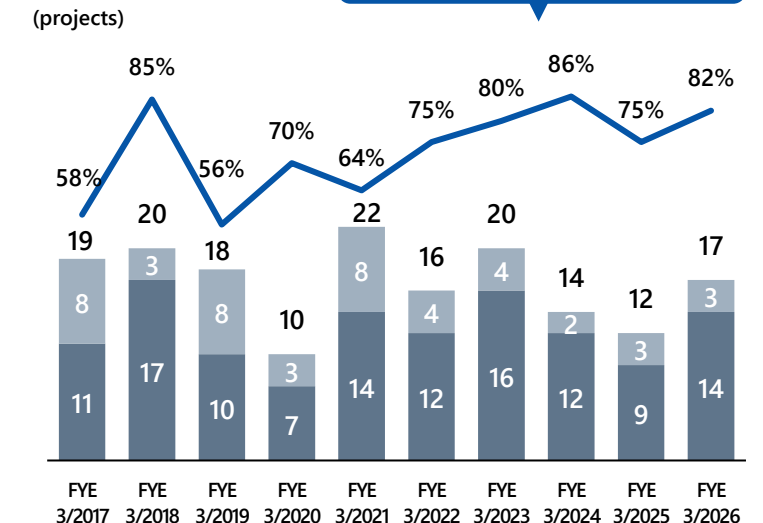
■ Refurbishment
■ Reconstruction



* Based on contract date, according to the internal research.

Ratio of DBO project in the reconstruction market

■ Only EPC
■ DBO, etc.
— DBO ratio



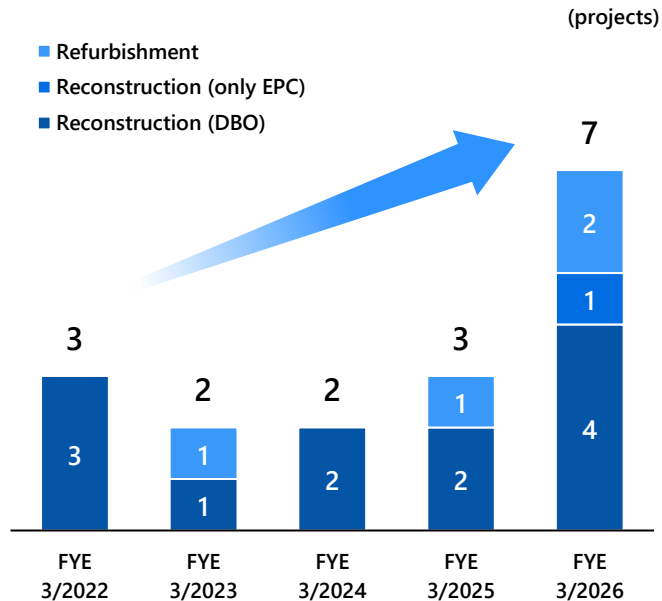
* Based on contract date, according to the internal research.

- ✓ Aiming to secure strong demand by focusing on recruitment and development of personnel.
- ✓ Net sales from after-sales services, consist of operation management, maintenance and O&M, are also on the rise, driven by a steady stream of orders for DBO projects and maintenance work.

Municipal solid waste treatment plants (EPC)

Number of orders for reconstruction and refurbishment

Aiming to expand order share
(three or more DBO projects per year;
multiple refurbishment projects)

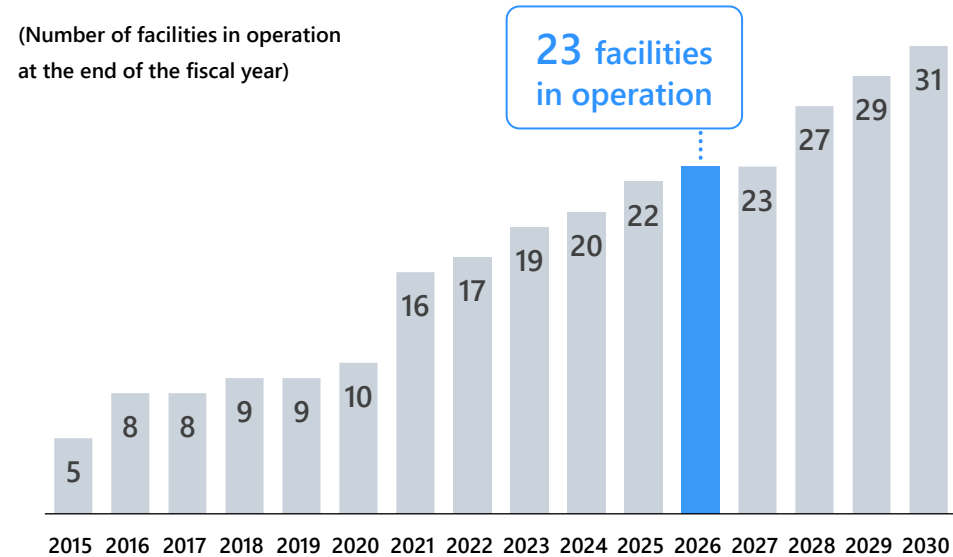


Municipal Solid Waste Treatment Plants (After-sales service)

Number of long-term O&M contracts

Increasing due to steady orders
for DBO projects

(Number of facilities in operation
at the end of the fiscal year)

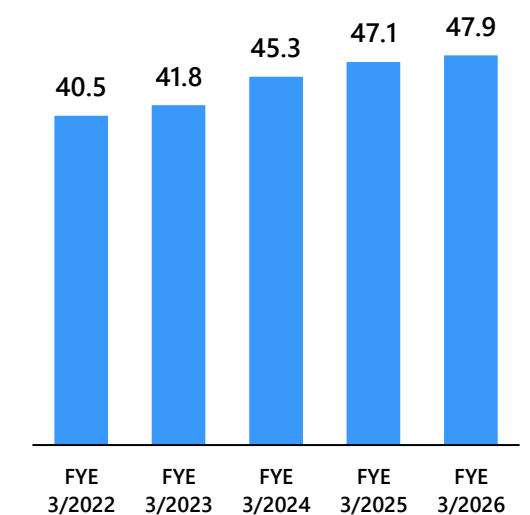


*More than 10 years, including DBO and BTO projects etc.
*Calculated based on the contract period of existing orders.

Changes in Net Sales

Increasing due to launches of
operations at DBO projects and
growing maintenance needs

(JPY billions)



Strengthening the Management Foundation

Securing and development of human resources

- ✓ Approx. 1,200 personnel will be required for Takuma on a standalone basis by FY2030. Strengthen recruitment and training mainly in the technical, construction and maintenance divisions. While the number of employees continues to increase steadily, the number of resignations has also risen slightly. The Company will continue proactive recruitment activities for both new graduates and mid-career hires.

HR Initiatives

1. Securing a diverse workforce that matches the business strategy

- ✓ Enhancing brand recognition through initiatives such as acquiring naming rights at university facilities (Kobe University) and conducting school visits
- ✓ Promoting mid-career recruitment through various methods, including recruitment agencies and referral hiring

2. Strengthening the foundation for human resource development

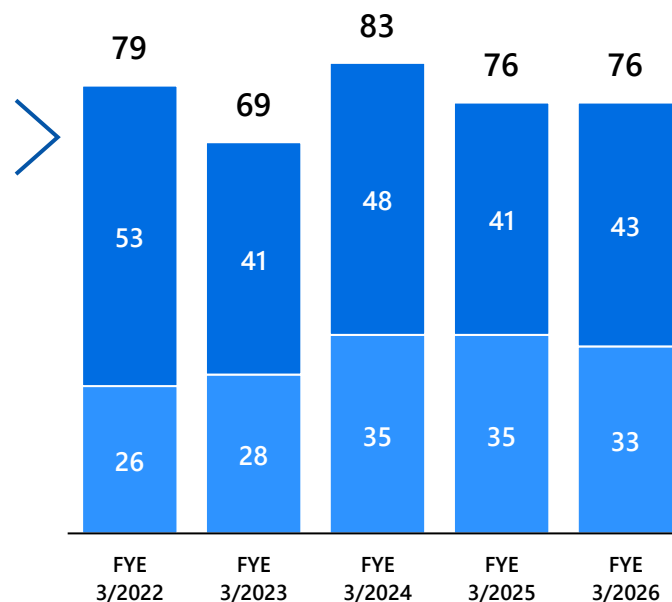
- ✓ Expansion of training programs such as tier-based communication training, training for mid-career hires, and management training

3. Further improvement of job satisfaction and work environment

- ✓ Wage increases (over 5% in FY2024, over 7% in FY2025, over 6% in FY2026)
- ✓ Career development support through individual interviews between young employees and the HR Department
- ✓ One-on-one meetings, improvement of office environments, etc.

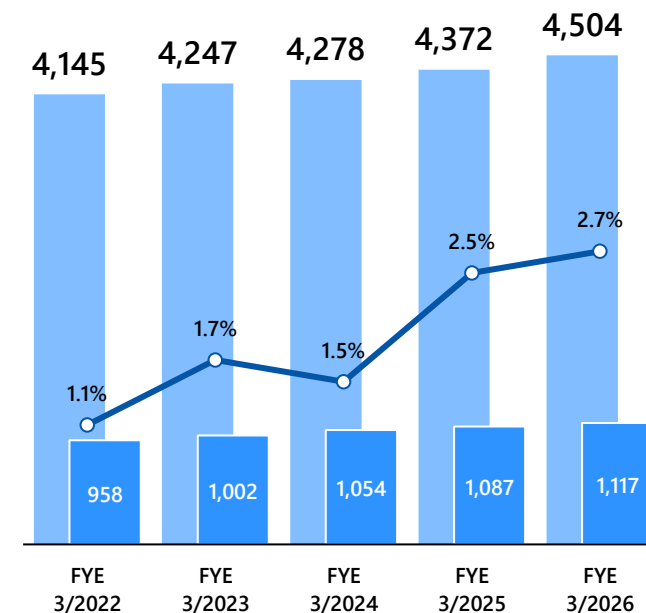
Changes in numbers of hires

(Persons) ■ Mid-Career Recruitment (non-consolidated)
■ New Graduate Recruitment (non-consolidated)



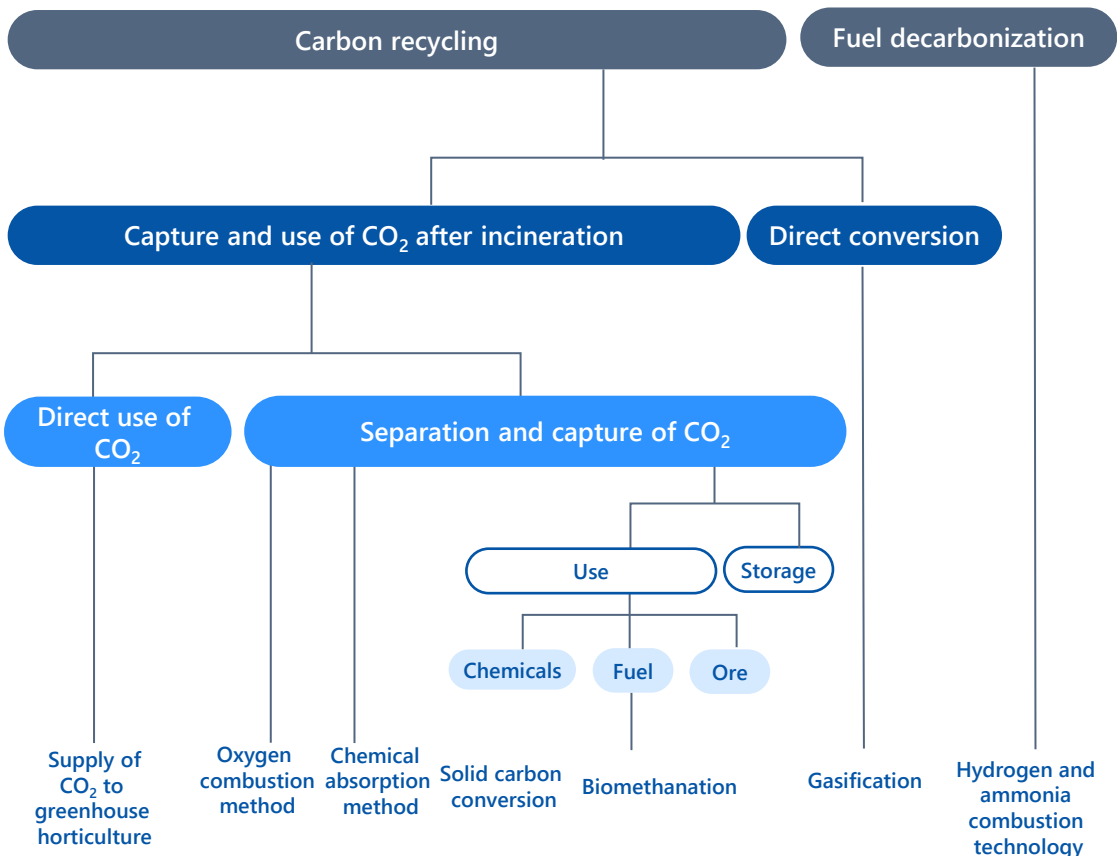
Changes in numbers of employees

(Persons) ■ Number of employees (consolidated)
■ Number of employees (non-consolidated)
○ Voluntary resignation rate (non-consolidated)



- ✓ Demand for decarbonization technologies at waste treatment facilities is expected to emerge toward achieving carbon neutrality by 2050.
- ✓ Takuma will strengthen its research and development efforts, focusing on CCUS and carbon recycling technologies, and work toward technological development and commercialization.

R&D roadmap for decarbonization technologies



Examples of technology and R&D initiatives

Energy-efficient CO₂ capture and separation system

- A system is currently under development to separate and capture CO₂ from flue gas using a proprietary chemical absorption method based on a non-aqueous absorbent, enabling energy-efficient recovery.
- A demonstration unit with a daily CO₂ capture capacity of six tons is being developed, featuring energy-saving and space-saving design. Starting in FY2027, performance evaluations will begin at the Senboku Clean Center in collaboration with the Association for environmental improvement facilities in the Senboku and the Universal Energy Research Institute, Inc.

Solid carbonization

- In collaboration with Smart City Planning Co., Ltd. and Tokai Carbon Co., Ltd., Takuma is working to develop technology that separates and captures CO₂ to produce solid carbon, which is then commercialized as conductive carbon materials.

Agricultural use of CO₂ from flue gas purification

- In collaboration with Aeon Agri Creation Co., Ltd., Takuma conducted a demonstration test at the Machida City Bioenergy Center (Machida City, Tokyo) to utilize CO₂ from combustion gases generated at a waste treatment facility for strawberry cultivation. The test demonstrated benefits such as increased yields and reduced costs.

- ✓ Mainly in the Domestic Environment and Energy Business, Takuma is proactively gathering information on M&A opportunities that contribute to strengthening its capabilities, including human resources, and expanding its business domains.

Priority field

Segment (Business field)		Purpose/category		
		Functional enhancement	Expansion of business domain	In-house production of key devices
Domestic Environment and Energy	Municipal solid waste treatment plants	Strengthening of existing businesses and expansion of personnel	Expansion of peripheral businesses and creation of new businesses	Manufacturers and engineering companies
	Water treatment plants			
	Energy plants			
	Power retail business	Expansion of service lineup and personnel		
Overseas Environment and Energy		Local partners in EPC Business		
Package Boiler		Supplementation of producing functions	New heat source systems	
Equipment and Systems		Securing of human resources and area expansion (Equipment business)		

Major M&A Deals in Recent Years

	Announcement Year	Date of Share Transfer	Subsidiary/Sub-subsidiary Subject to Transfer	Business Description	Company Acquiring Shares
Domestic Environment and Energy	FYE 3/2021	April 30, 2020	TECHNO LINKS Inc.	Design, manufacture, and sale of environmental recycling equipment, as well as maintenance and inspection	Takuma Co., Ltd.
Package Boiler	FYE 3/2025	September 30, 2024	Daiichi Sanki Sanki Engineering	Manufacture, sale, and maintenance of biomass boilers and related equipment	Nippon Thermoener Co., Ltd.
Package Boiler	FYE 3/2025	April 1, 2025	IHI Packaged Boiler Co., Ltd.	Design, manufacturing, sales, installation, operation, and maintenance of small- and medium-sized boilers and related equipment	Takuma Co., Ltd.
Domestic Environment and Energy	FYE 3/2026	April 1, 2026	Kan-ei Maintenance Corporation	Operation and maintenance of municipal solid waste treatment plants and similar facilities	Takuma Technos Co., Ltd.

- ✓ April 1, 2026, IHI Packaged Boiler Co., Ltd. was merged with Nippon Thermoener Co., Ltd.
- ✓ April 1, 2026, Takuma group acquired shares of Kan-ei Maintenance Corporation, making it a consolidated subsidiary.

Merged IHI Packaged Boiler with Nippon Thermoener

Business environment and future plans

- ✓ Domestic market has matured, but Takuma group expects a certain level of demand for renewal and other work to continue for the time being.
- ✓ By combining the product lineups and technological capabilities of both companies, which have high shares in the domestic general-purpose boiler market, the group will establish a supply system for products and services with higher added value.
- ✓ To maximize the benefits of integration as quickly as possible, the group will promote the integration of company-wide organizational, human, and business resources to strengthen our market competitiveness.
- ✓ In addition to new heating businesses (hydrogen, biomass, electric heat sources, decarbonized products, etc.), the group aims to expand the scale of orders by expanding its overseas business in Southeast Asia, particularly in Thailand.

(JPY millions)	FYE 3/2025	FYE 3/2026	FYE 3/2027 Target
Orders received	20,266	Became a consolidated subsidiary 30,865	Aiming to realize synergistic effects through the merger 27,000
Net sales	19,845	26,846	27,000
Operating profit	1,394	1,844	2,100

Share Acquisition of Kan-ei Maintenance Corporation

Overview of Kan-ei Maintenance Corporation

- ✓ Established in 1984, there are 400 employees as of March 1, 2026.
- ✓ The company is primarily engaged in the operation and maintenance of municipal solid waste treatment plants, sewage treatment facilities, water supply facilities, and similar infrastructure (approximately 30 facilities), mainly in Kanto region.

Purpose of the Share Acquisition

- ✓ Takuma Technos (a subsidiary of Takuma, handles plant operation and management) and Kan-ei Maintenance will share operational and maintenance know-how, as well as management resources including human resources, thereby establishing an organization that will enable the provision of higher-quality operation and maintenance services to customers such as local governments.
- ✓ Contributing to strengthening the plant after-sales service business (recurring revenue model businesses) in the domestic environment and energy business, which the Takuma Group positions as a growth driver.

- ✓ Takuma will establish a quantitative policy based on an analysis of the current situation related to cost of capital and stock price.
- ✓ The company will enhance corporate value by balancing business growth and shareholder returns that meet market expectations with a solid financial foundation.

1

Establishment of ROE targets mindful of cost of capital

Based on the understanding that the cost of equity has been around 6% over the past 10 years, but is currently on an upward trend, Takuma has set its ROE target.

FYE 3/2027 ROE

At least **13.5%**

Excluding the effect of gains from sale of cross-shareholdings

At least **11.0%**

2

Establishment of appropriate cash allocation

Secure a working capital and business risk buffer of roughly 2-3 months' worth of sales (JPY 30-40 billion).

For cash and deposits above that level (operating CF + cash and balance in account), implement **appropriate allocation** between investment in growth and shareholder return.

3

Establishment of new shareholder return policy

Dividends

Establish as a target **amount whichever is higher calculated based on dividend payout ratio of 50% or dividend on equity (DOE) ratio of 4.0%**

Share repurchase

Share repurchase **totaling approximately JPY 18 billion over three years** to improve capital efficiency

4

Maintenance of solid financial foundation to support the EPC and long-term O&M businesses

Equity ratio Maintain at the **50%** level

5

Reduce Cross-share Holdings

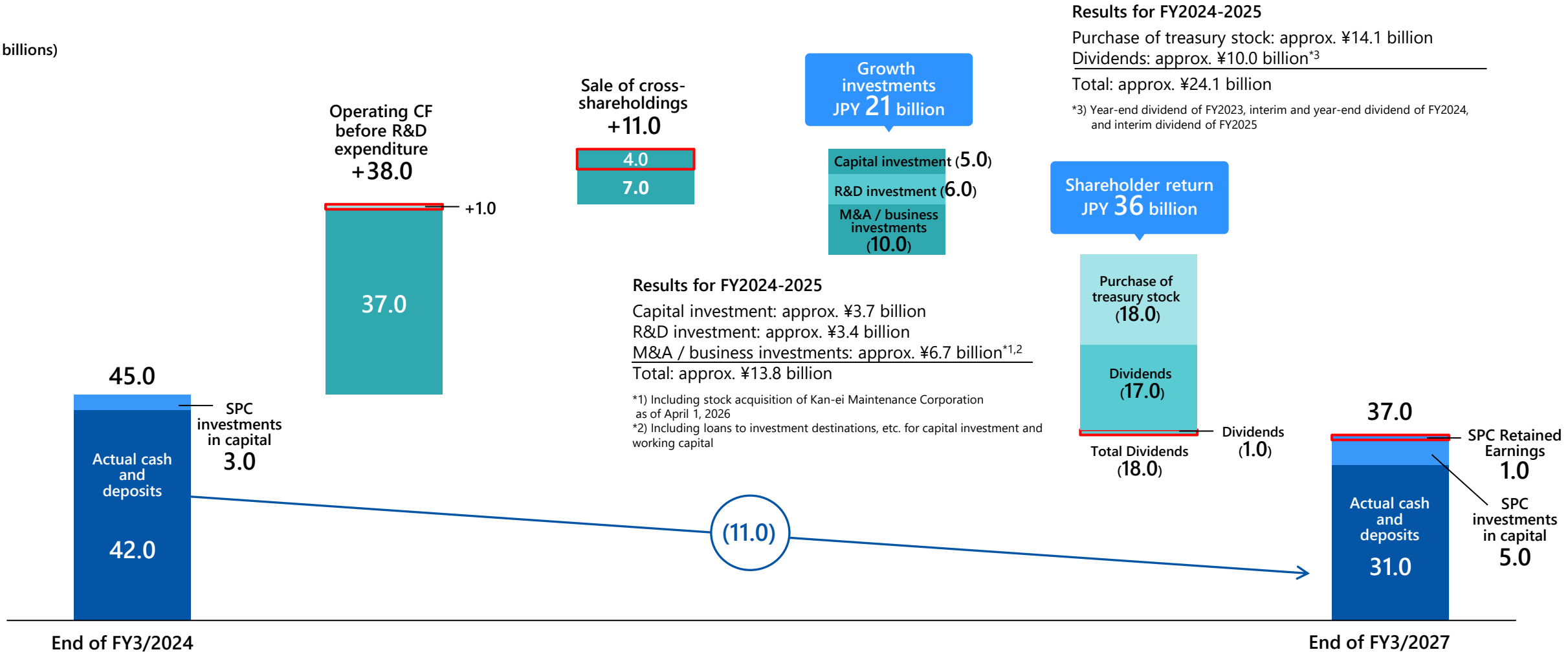
Ratio of cross-shareholdings to consolidated net assets

Less than **15%** by the end of FYE 3/2027

Less than **10%** by the end of FYE 3/2029

✓ Focus on growth investments and shareholder returns and execute appropriate cash allocation to increase corporate value.

(JPY billions)

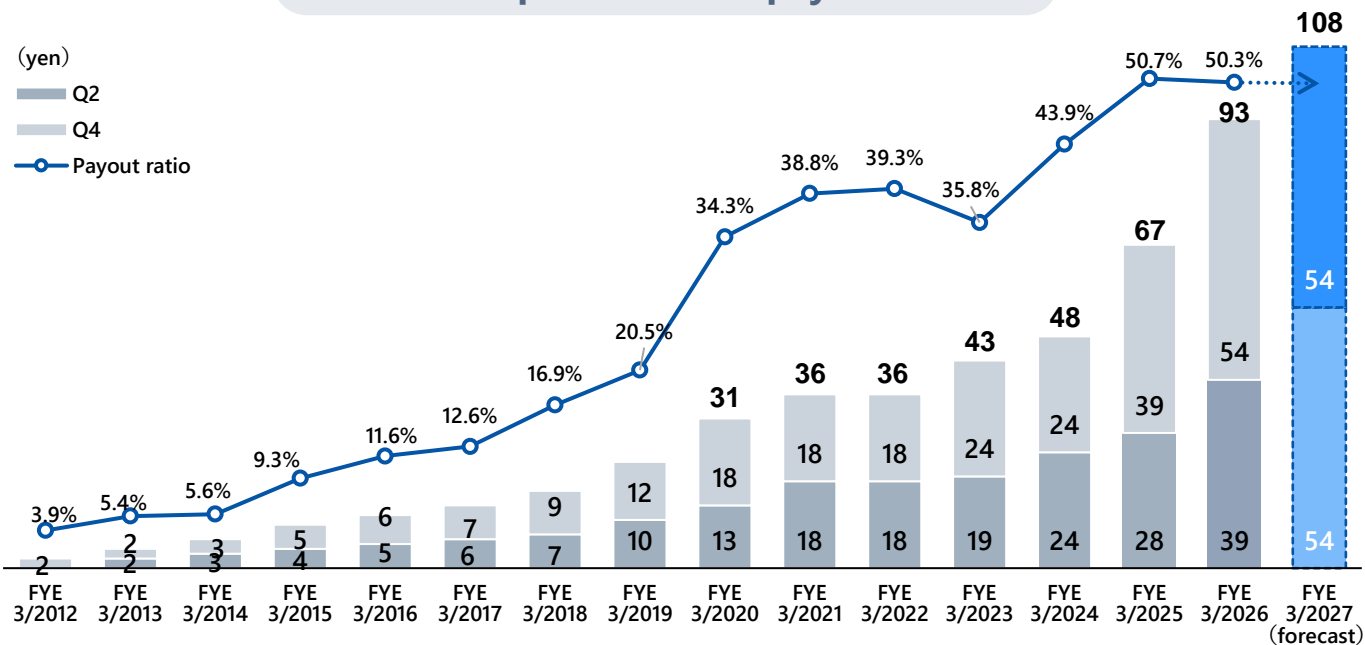


- ✓ In line with the shareholder return policy, the annual dividend per share for FY2025 is expected to be 93 yen (upwardly revised from the previous dividend forecast of 87 yen), as well as it for FY2026 is expected to be 108 yen (increase of 15 yen), a record high.
- ✓ Matters related to share repurchase up to 4 billion yen and cancellation of these treasury shares have been decided at the meeting of the Board of Directors held on May 14, 2026. (Period of repurchase is from May 15, 2026 to September 7, 2026. Scheduled date of cancellation is October 30, 2026.)

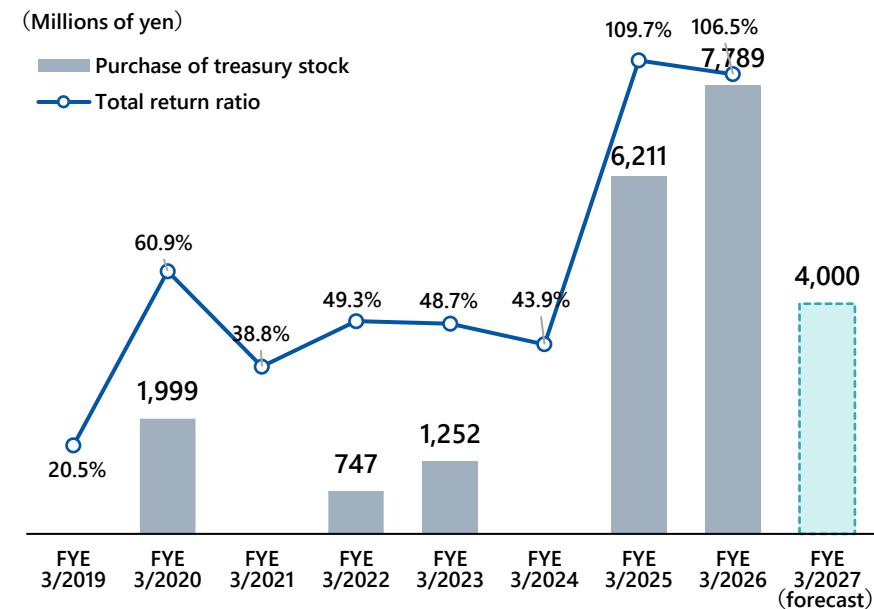
14th MTP Shareholder return policy

- 1 Enhancing shareholder returns and improving capital efficiency through stable dividends and share repurchase
- 2 Establish as a target amount whichever is higher calculated based on dividend payout ratio of 50% or dividend on equity (DOE) ratio of 4.0%
- 3 Share repurchase totaling approximately JPY 18 billion over three years to improve capital efficiency

Dividend per share and payout ratio

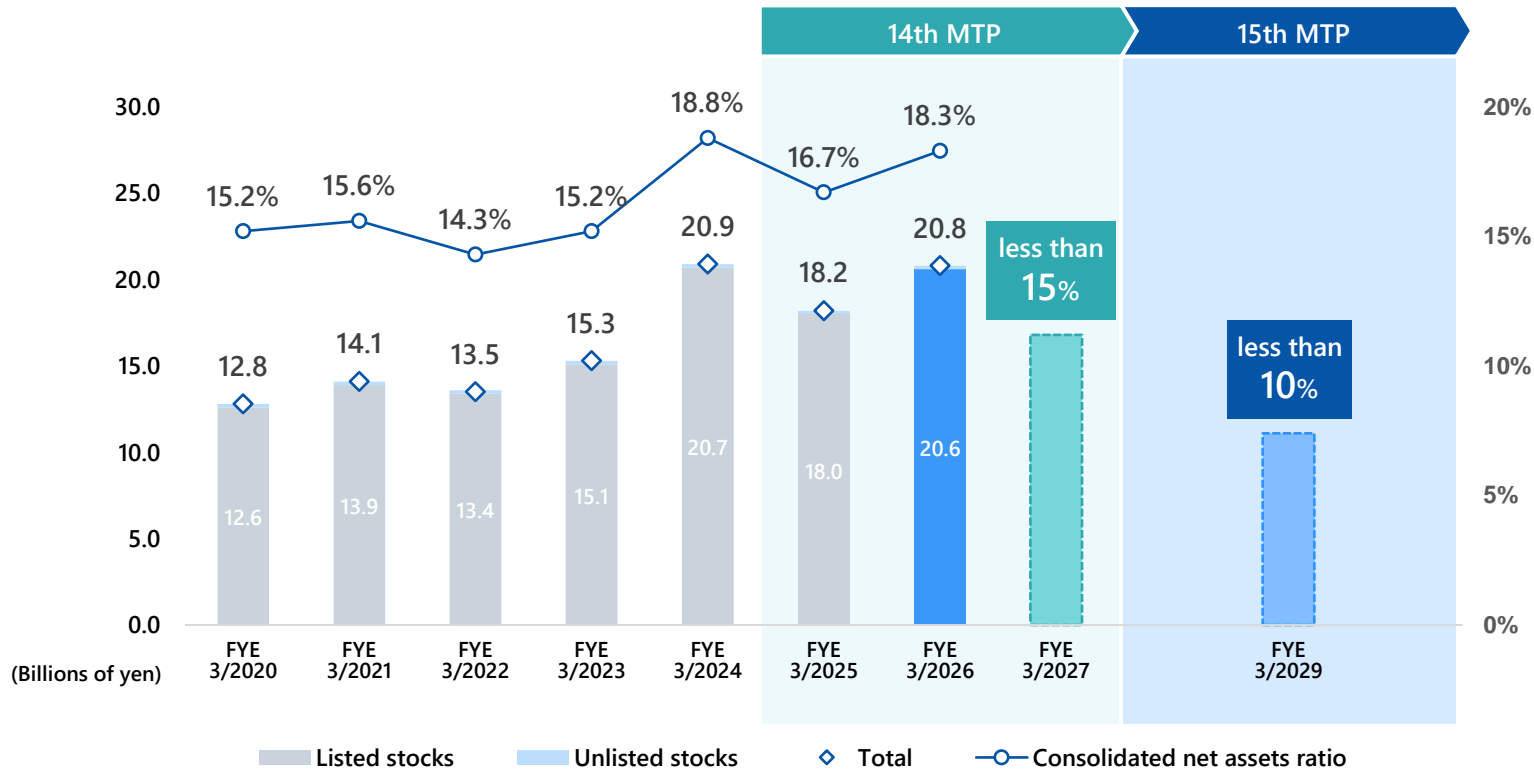


Share Repurchase

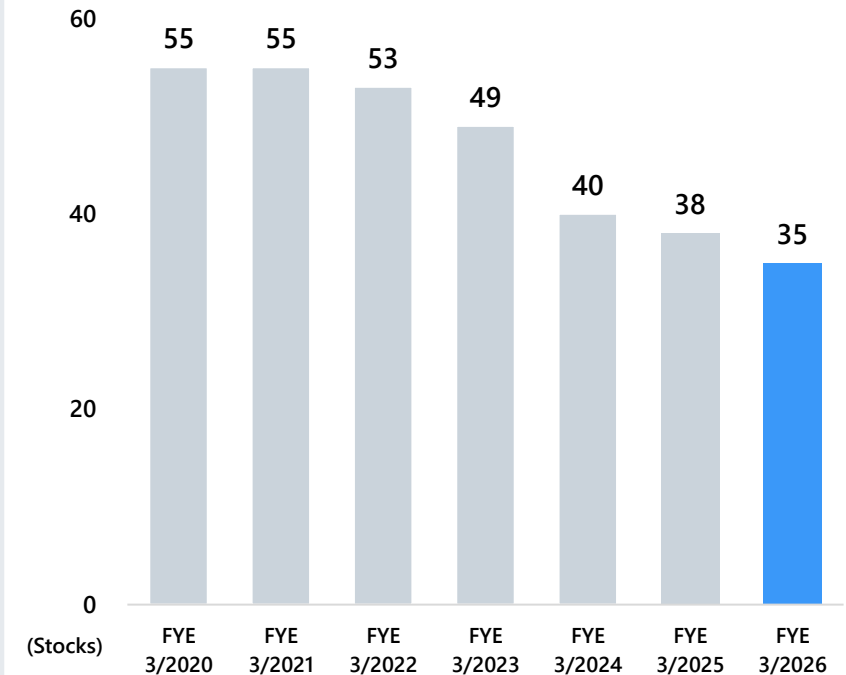


- ✓ Takuma has established the policy to reduce its cross-shareholdings to less than 15% of its consolidated net assets by the end of the fiscal year ending March 2027, and will further reduce them to less than 10% by the end of the fiscal year ending March 2029.
- ✓ Although the consolidated net asset ratio as of the end of FY ended March 2026 increased in line with the rise in stock prices, the company sold all shares of three listed stocks as well as part of shares of six stocks during the same period, reducing 4.9 billion yen in total (with a gain of approx. 3.8 billion yen from the sale of these stocks). The company plans to accelerate its reduction efforts also in FY ending March 2027 in order to realize its policy.

Amount on the balance sheet and consolidated net assets ratio



Number of listed stocks held



Last fiscal year, we secured seven orders for municipal solid waste treatment plants, achieving a very high level of order intake, and we expect this strong performance to continue this fiscal year. We believe this is due to our customers' appreciation of our Group's proposals and achievement, as well as the results of our efforts to strengthen our management foundation, including the recruitment and development of talent.

While we will continue our efforts to secure orders, from a medium- to long-term perspective, we will advance initiatives such as R&D and M&A, primarily in the fields of renewable energy utilization and environmental conservation, to ensure that we remain an indispensable presence in society as a leading company.

We sincerely appreciate your continued support.

**TAKUMA**

May 29, 2026

Takuma Co., Ltd.

President and CEO

Kunio Hamada

4. Appendix

- ✓ Our principal business involves plant engineering in the environmental and energy fields, such as design and construction of plant, as well as after-sales services of facilities essential to daily life and industry, like waste treatment facilities, biomass power plants, sewage treatment facilities.

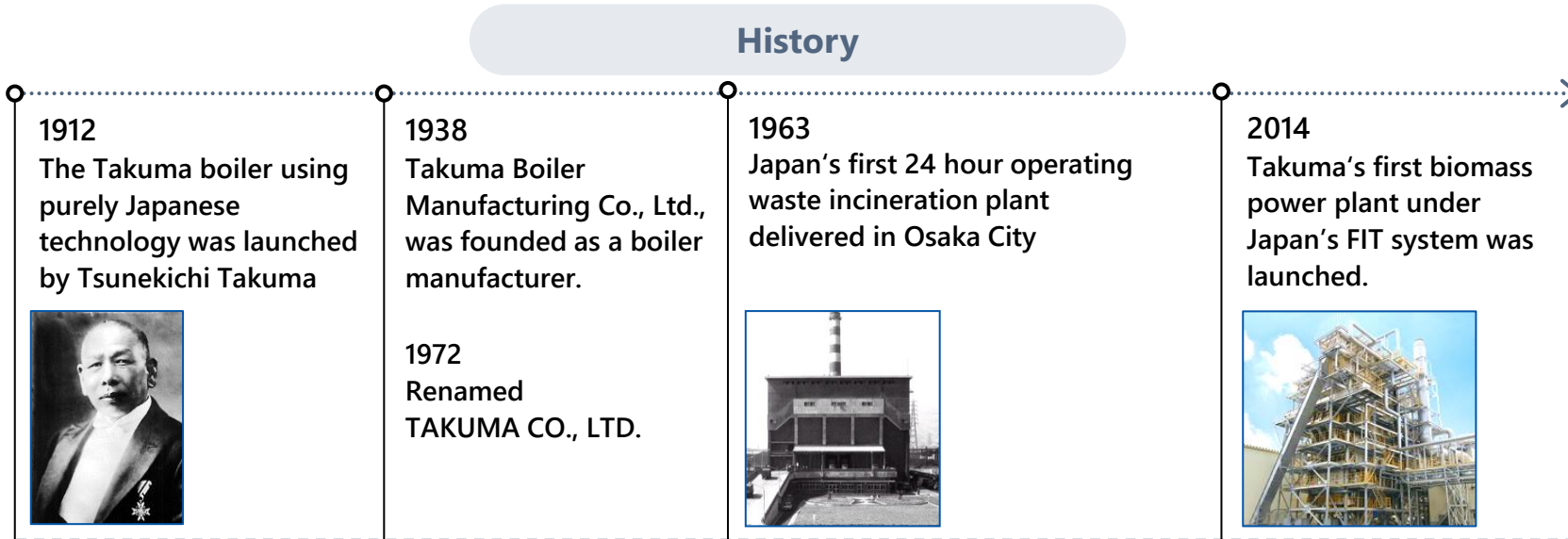
Company Outline

Name	Takuma Co., Ltd.
Established	June 10, 1938
Representative Director	Kunio Hamada, President and CEO
Head Office	2-2-33 Kinrakuji-cho, Amagasaki, Hyogo 660-0806, Japan
Capital	¥ 13.3 billion
Stock Listing	Tokyo Stock Exchange Prime Market (code: 6013)
Number of Employees as of March 2026	4,504 (consolidated) 1,117 (non-consolidated)
Business Results FYE 3/2026, consolidated	Net sales: ¥165.6 billion Operating profit: ¥15.4 billion







Our Business Fields



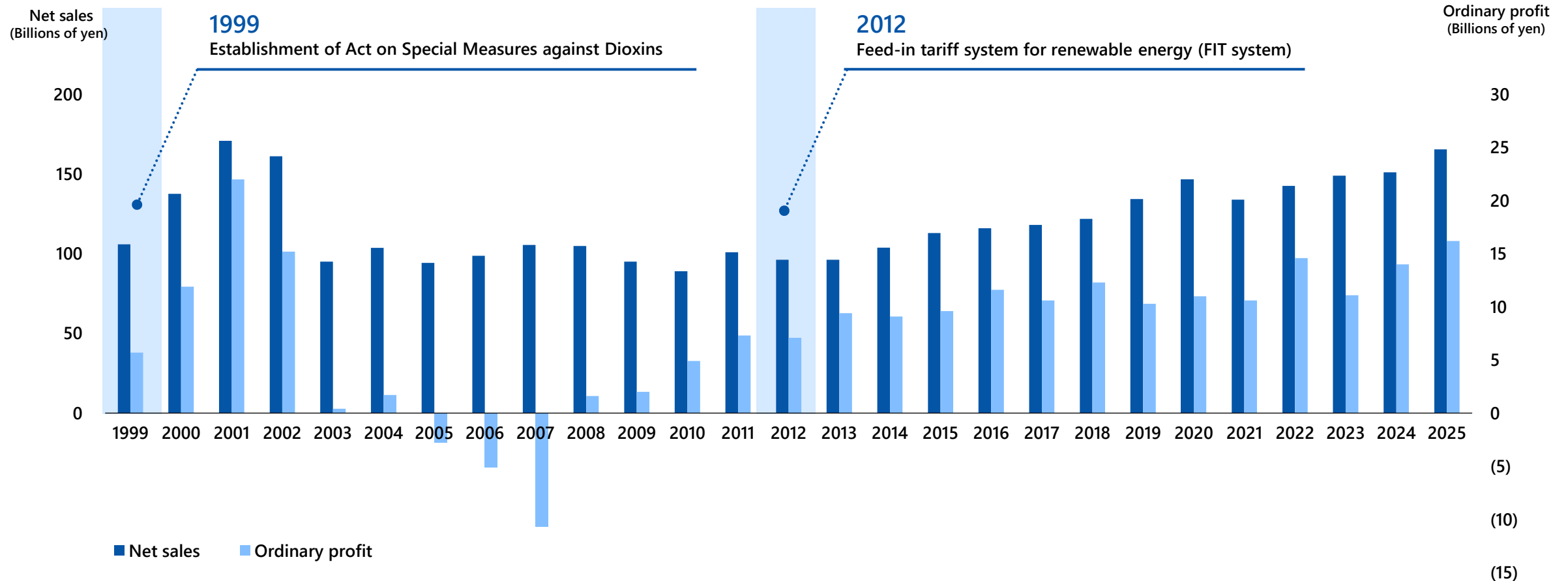
- ✓ In 1912, founder Tsunekichi Takuma invented the first boiler to be entirely produced in Japan and founded Takuma Co., Ltd. in 1938 as a boiler manufacturer. In 1963, we delivered Japan's first fully continuous mechanical waste incineration plant by leveraging our combustion and engineering technology cultivated through boiler improvement and entered the environmental field.
- ✓ Since then, we have accumulated extensive experience and expertise in plant EPC and after-sales services, primarily in the fields of environment and energy, establishing this as our core strength.



Achievements as of march 2026

<p>Municipal solid waste treatment plant Over 370 plants, Worldwide</p> 	<p>Recycling plant Over 90 plants, Japan</p> 
<p>Biomass power plant Over 650 plants, Worldwide</p> 	<p>Industrial waste treatment plant Over 120 plants, Worldwide</p> 
<p>Step grate stoker type sewage sludge incineration Over 20 plants, Japan</p> 	<p>Upflow moving-bed sand filtration system Over 3,000 units, Japan</p> 

- ✓ In the latter half of the 2000s, we focused on after-sales service, which would provide its earnings base.
- ✓ There has been steady demand for renewal and service life improvement of waste treatment plants and an increase in demand for biomass power plants, resulting in stable net sales and profits.



Plant Completion

←..... Approx. 2-5 years

←..... Approx. 20-30 years

EPC

After-sales service (O&M)

Recurring revenue model businesses

Plant design, manufacturing, procurement, and construction



Number of operational waste incineration facilities

Over 100



● Facilities in operation as of the end of March 2025



Plant Operation Management and Maintenance (O&M)



EPC
Approx. 2-5 years

After-sales service
Approx. 20-30 years

Reconstruction

New construction on vacant land:
Construct both a waste incineration
plant and an enclosing building for
the plant.

Refurbishment

Refurbishment of an operational facility:
Main equipment of the plant is replaced
or modified, in contrast the building is
continued to use.

Operation and Maintenance

Inspection, operation, monitoring, and simple
repairs/replacements

Directly operation

Operating directly by
the local government

Operation contract

Operating outsourced
for one to multiple
years

O&M contract

- Outsourcing both
Operation and
Maintenance and
Maintenance work
- Contract terms
range from 10 to 20
years
- Increasing trend due
to DBO contracts,
which comprise
order for both EPC
and O&M

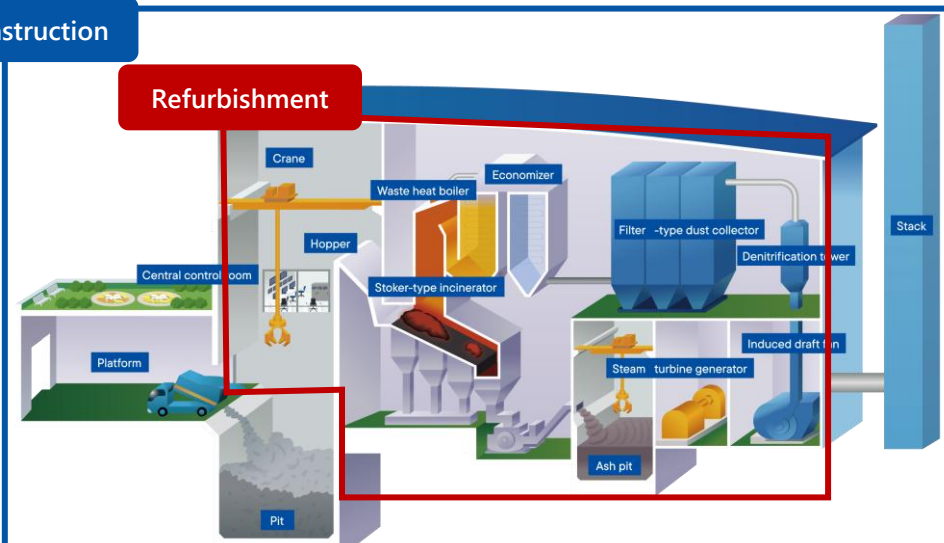
Maintenance work

Technical support from plant manufacturers,
emergency/scheduled inspections, repairs,
replacements, and maintenance

Differences in order scope

Reconstruction

Refurbishment



Flowchart of a waste incineration facility

- ✓ For EPC orders, sales are recorded according to the progress of construction. Assuming that the plant construction period is 4 years, sales will make significant progress in the 3rd year and the first half of the 4th year (see “construction” period in the diagram below).
- ✓ Total sales fluctuate depending on the composition of EPC projects progressing during the relevant period (✕referred to as “changes in the EPC project mix”).

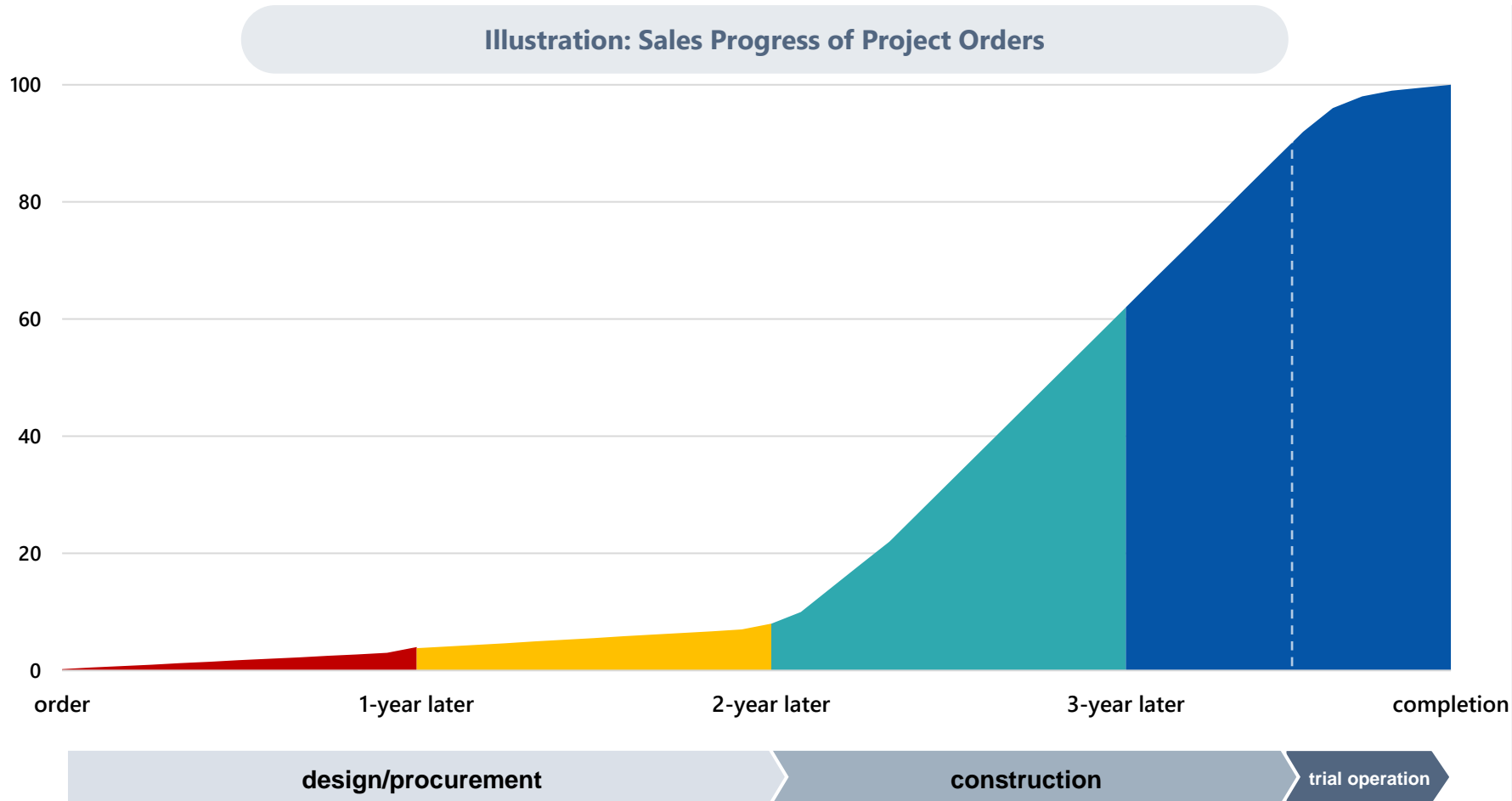
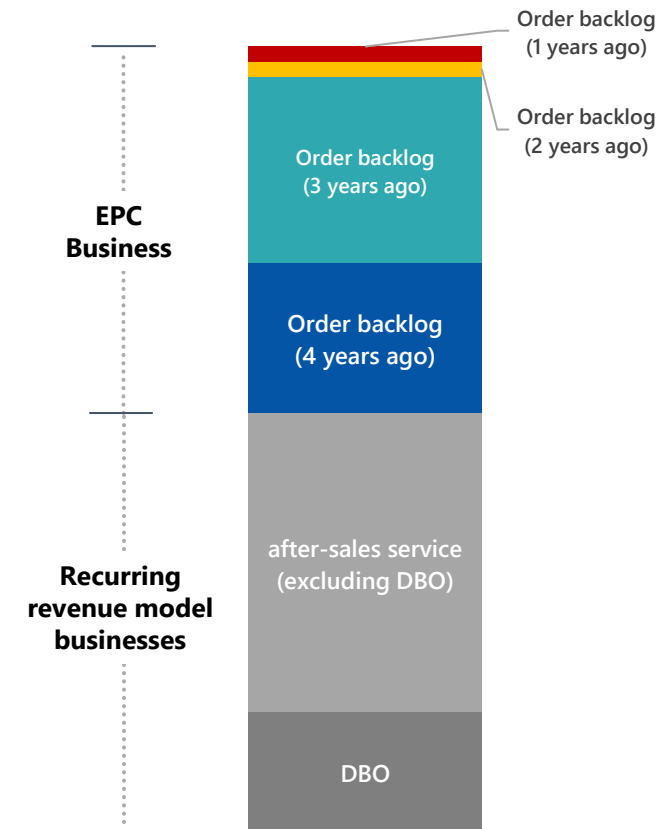


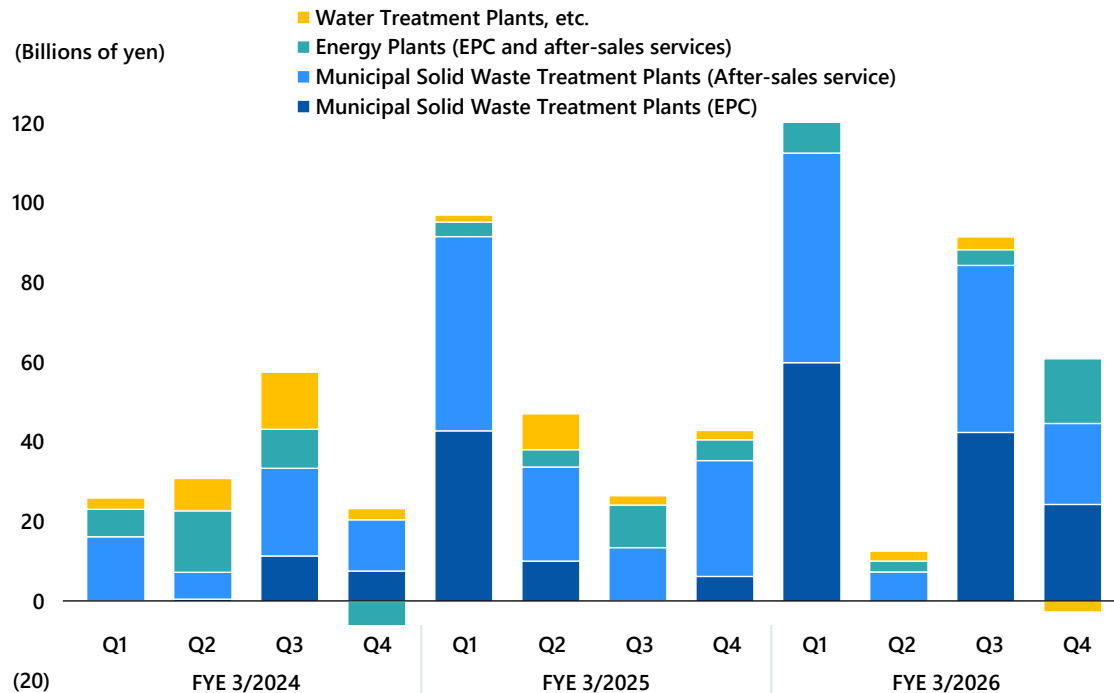
Illustration: Sales Composition of Domestic Environment and Energy Business



- ✓ Orders received vary significantly depending on the timing that municipal solid waste treatment plants projects are recorded.
- ✓ Net sales tend to increase going into the fourth quarter, although it fluctuates due to changes in the EPC project mix.

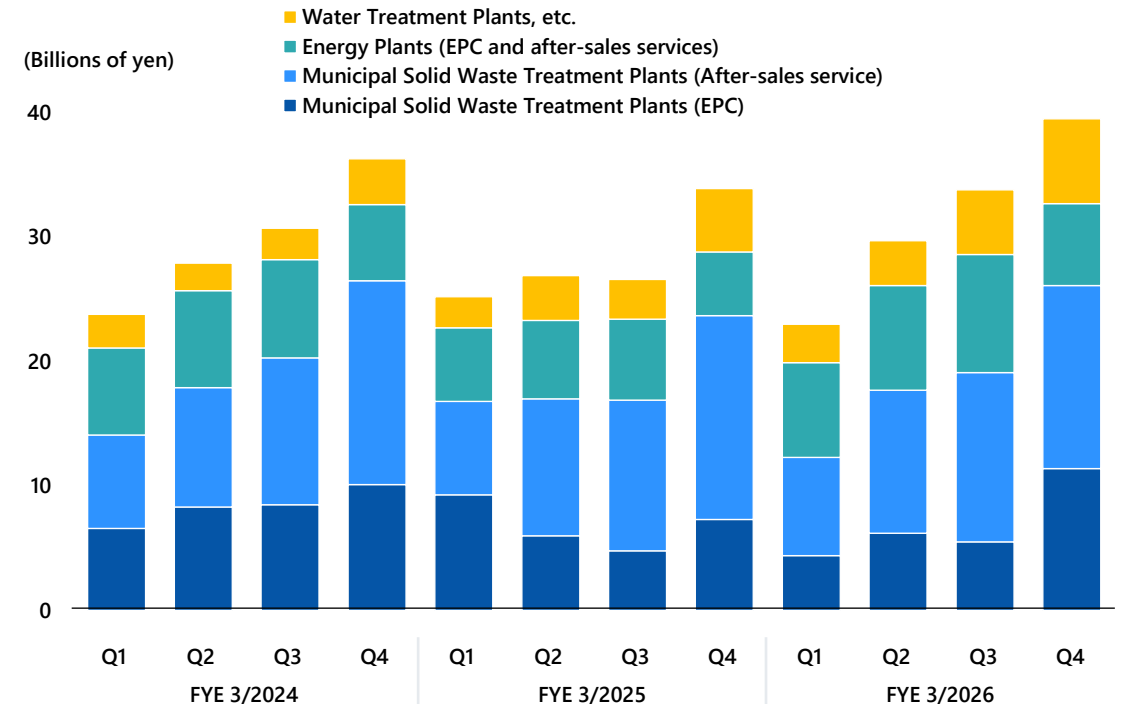
Orders received (quarterly)

The amount of each EPC project is large, so orders received tend to vary significantly depending on the timing of the contract.



Net sales (quarterly)

Although net sales vary depending on progress on construction of EPC projects for the period, municipal solid waste treatment plants (after-sales service) increases going into the fourth quarter, so overall net sales also tend to increase going into the fourth quarter.



- ✓ We provide local governments with the construction of facilities for processing municipal solid waste (such as household waste) through incineration and recycling, as well as after-sales services (including operation management and maintenance), thereby contributing to environmental conservation in the region.

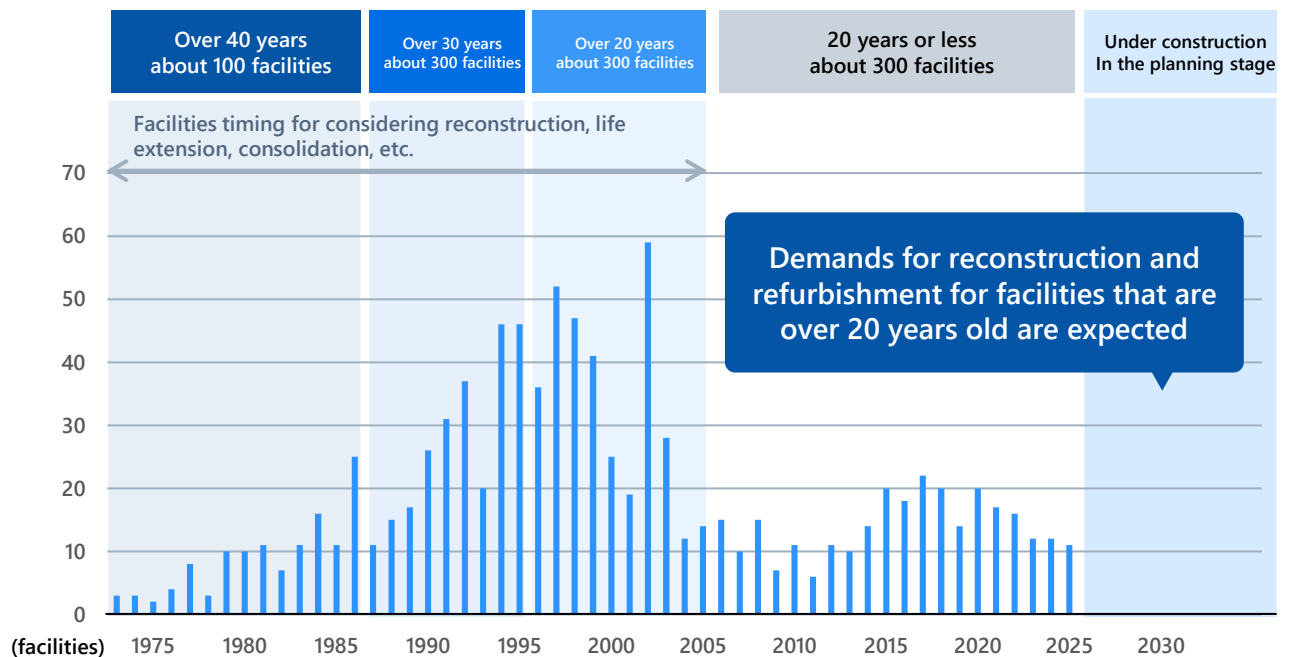
Market environment

Aging is progressing. As a result, steady demand for the renewal of facilities per is expected to continue. From the perspective of life cycle cost, demand for maintenance and primary equipment improvement to extend the lifespan of existing facilities is also expected to continue.

Future policy

We aim to win at least three renewal orders per year on an ongoing basis and steadily meet the demand for service life extension by enhancing our proposal capabilities and expanding our ability to respond to projects by increasing resources. Through proposal-based sales, we will maintain and expand orders for after-sale services every year. We aim to achieve growth of recurring revenue model businesses.

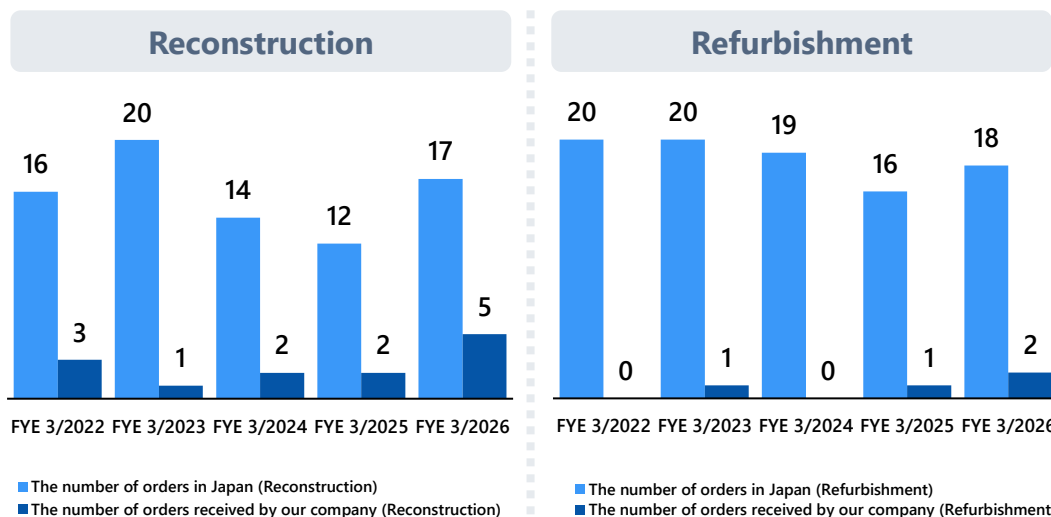
Number of waste incineration facilities in operation by operating year (991 facilities in total)



Source: Prepared by the Company based on the "2024 Survey of Municipal Solid Waste Treatment" by the Ministry of the Environment. *Includes facilities under construction and where operations have been suspended.

Changes in numbers of orders of facilities in Japan and numbers of orders received by our company

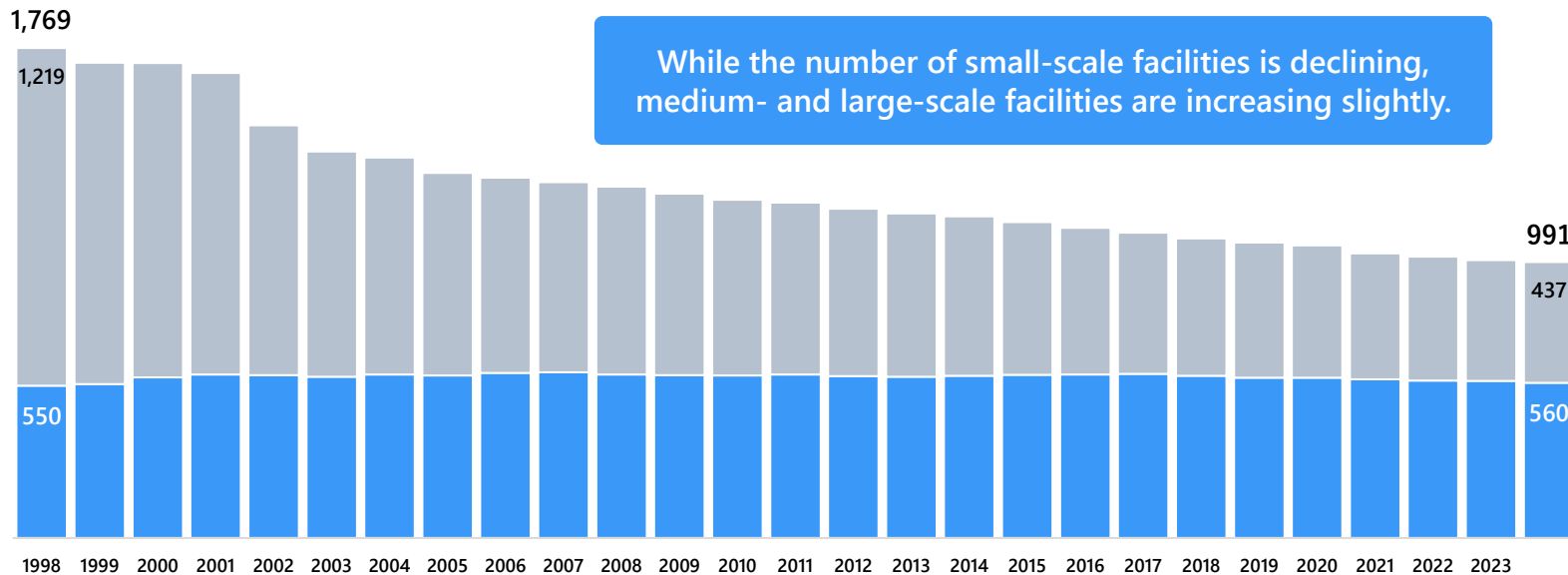
Demand both for reconstruction and refurbishment will continue at a rate of around 15-20 facilities per year, we aim to expand order share (three or more DBO projects per year)



- ✓ In land-scarce Japan, landfill disposal is difficult, and incineration remains essential from a sanitation standpoint. As a result, demand for facility replacement and improvement is expected to continue over the medium to long term. With the expansion of wide-area waste management, the number of small-scale waste incineration facilities is decreasing, while medium- and large-scale facilities with capacities of 100 tons/day or more are increasing slightly.
- ✓ Going forward, driven by climate change measures and the promotion of private-sector involvement, facilities are expected to become more multifunctional and expand their roles, including the installation of power generation equipment and CO₂ separation and recovery systems, as well as outsourcing operation and maintenance (O&M) services to private companies, thereby increasing added value.

Changes in numbers of waste incineration facilities by treatment capacity

- Number of Facilities with Less Than 100 Tons/Day Capacity
- Number of Facilities with 100 Tons/Day or More Capacity



Source: Ministry of the Environment "Survey Results on Municipal Waste Treatment." Prepared by the Company. Includes facilities under construction and temporarily suspended.

1997: Former Ministry of Health and Welfare "Guidelines for the Prevention of Dioxin Emissions in Waste Treatment"

Promoting wide-area waste management
(facility scale: minimum of 100 tons/day or more)

2019: Ministry of the Environment "Notice on Wide-Area Waste Management and the Consolidation of Waste Treatment Facilities to Ensure Sustainable and Appropriate Disposal."

Climate change measures and disaster preparedness are becoming increasingly important factors in waste treatment policies.

2020: "2050 Carbon Neutral Declaration"

Promotion of decarbonization in the fields of waste management and resource circulation



Facilities are expected to become more multifunctional and expand their roles.

- The installation of power generation equipment and CO₂ separation and recovery systems.
- Role as disaster prevention and energy hubs
- Outsourcing operation and maintenance (O&M) services to private companies

✓ We contribute to our customers' decarbonization through biomass power plants and large-scale plants that supply electricity and heat to their factories.

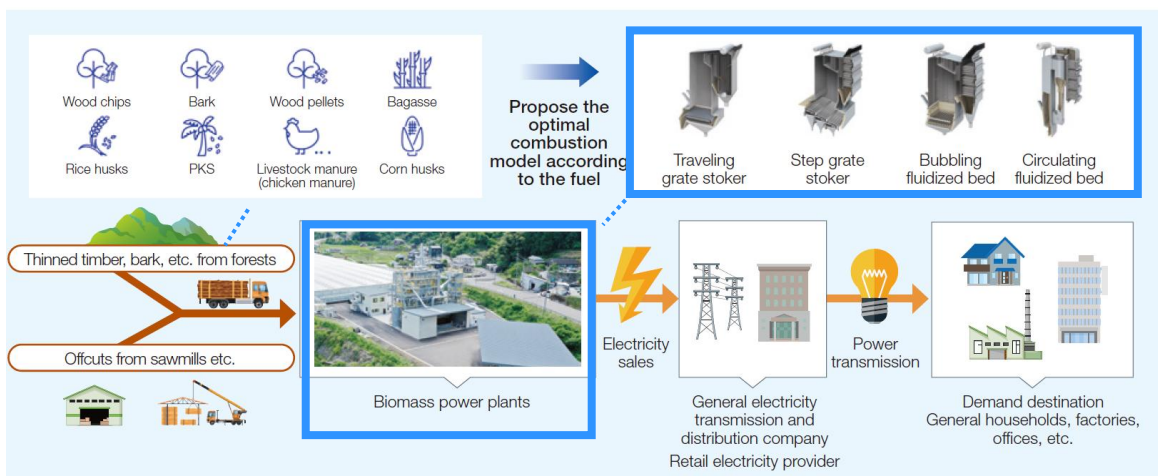
Market Environment

Demand for small- and medium-sized biomass power plants, mainly from domestic fuels (such as unused timber), continues, driven primarily by policies to promote renewable energy and decarbonization. In particular, we expect to see demand for renewal of existing plants (fuel conversion) in the paper and lumber industries and demand for new small- and medium-sized power plants (FIT/FIP, Non-FIT).

Future policy

In the EPC Business, the aim is to continue winning orders, particularly for small- to medium-sized biomass power generation plants, including renewal of existing plants and proposals for new power plants. In after-sales service, we aim for recurring revenue model business growth by proposing solutions for energy savings, functional improvement, and service life extension, in addition to maintenance.

Our main product

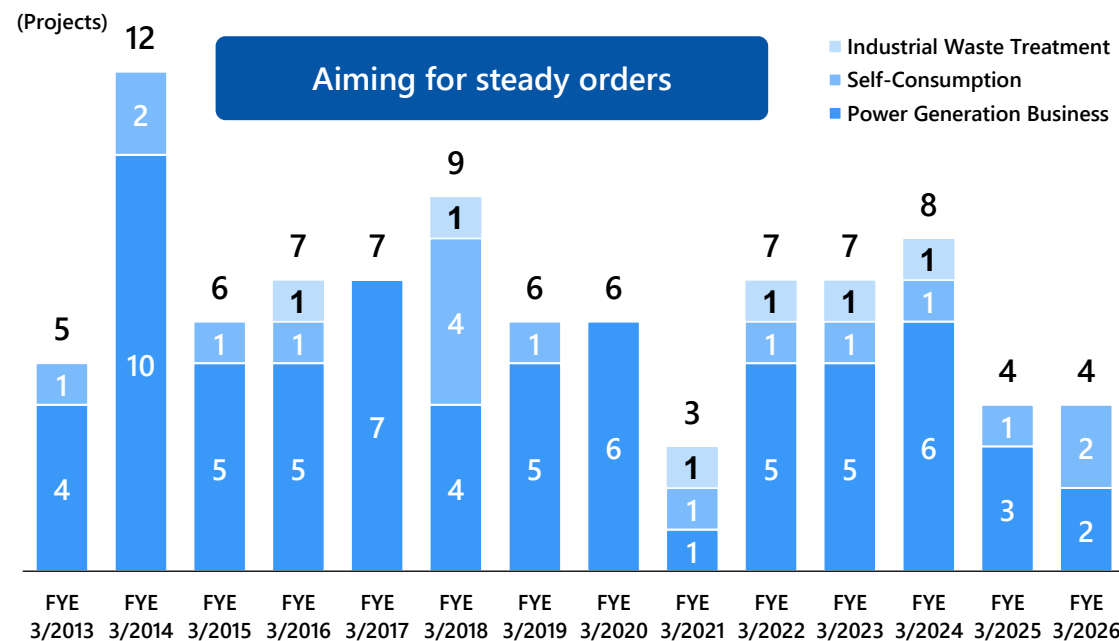


Our Achievements

Biomass plants
Over **650** plants

Industrial Waste Treatment plants
Over **120** plants

Changes in EPC orders



- ✓ Contribute to the effective use of energy and decarbonization of sewage treatment facilities through greenhouse gas-reducing and highly energy-saving products.

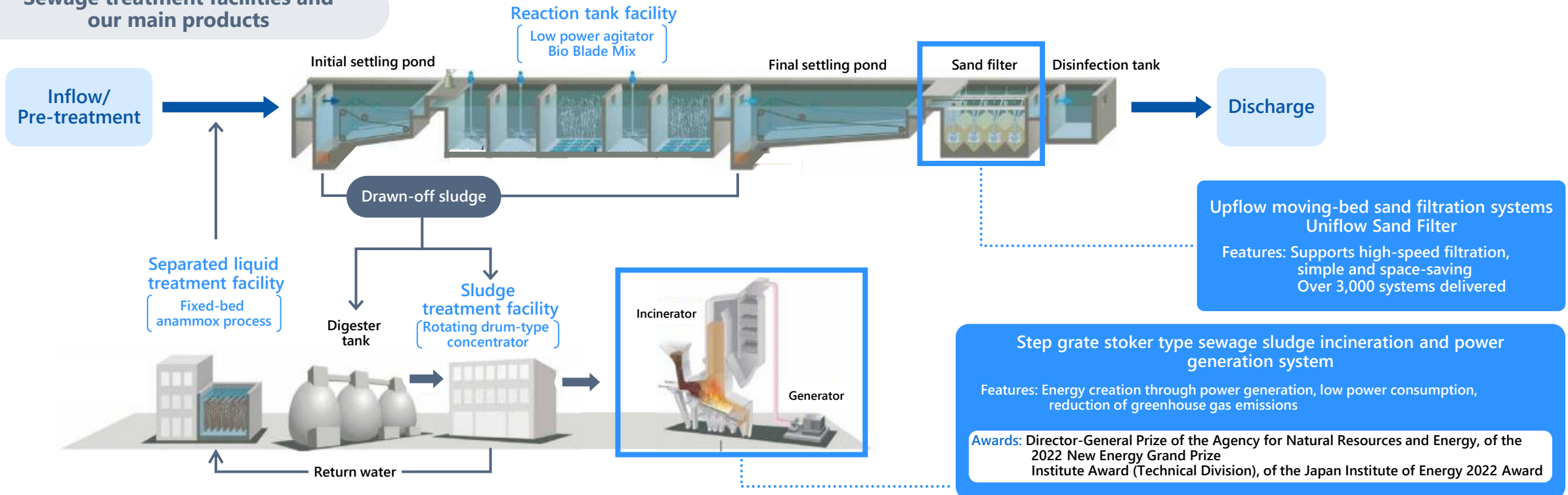
Market Environment

In addition to renewal and service life improvement demand due to aging sewage treatment plants, demand for reduction of greenhouse gas emissions and effective utilization of biomass sewage sludge is growing in the sewage treatment field. Our step grate stoker type sewage sludge incineration and power generation system received two awards in FY2022 for CO₂ reduction, energy saving, and energy creation.

Future policy

Focus on securing ongoing orders with mainstay products (step grate stoker type sewage sludge incineration and power generation system and sand filtration systems) that have high environmental performance and meet customer needs.

Sewage treatment facilities and our main products



- ✓ Contribute to solving issues such as power shortages and sanitation in Southeast Asian countries due to economic growth and urbanization by supplying waste and biomass power plants.

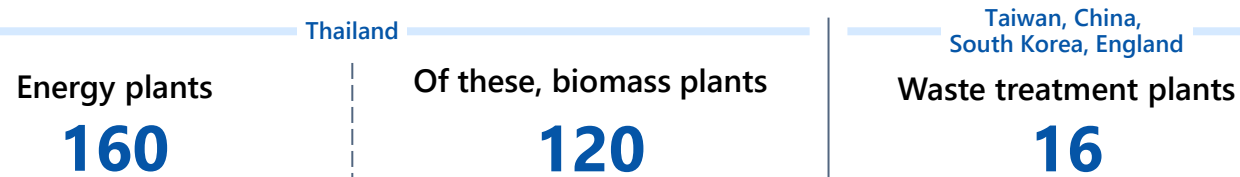
Market Environment

In Thailand, demand for Energy from Waste and for biomass power generation, including fuel conversion, is expected to grow against the backdrop of government promotion of renewable energy. In Taiwan, demand for facility renewal and service life extension is expanding due to the aging of Energy from Waste plants. In Taiwan and Vietnam, the need for in-house processing of industrial waste generated in manufacturing plants is also increasing.

Future policy

Aim to expand collaboration with local subsidiaries and partnerships with local companies to increase orders in Southeast Asia and Taiwan. In addition to reducing costs and shortening construction periods, the Company aims to differentiate itself in terms of performance and quality, including stable operation and high-efficiency technology, and to achieve stable profitability and growth by continuing to receive at least one to two new construction orders per year.

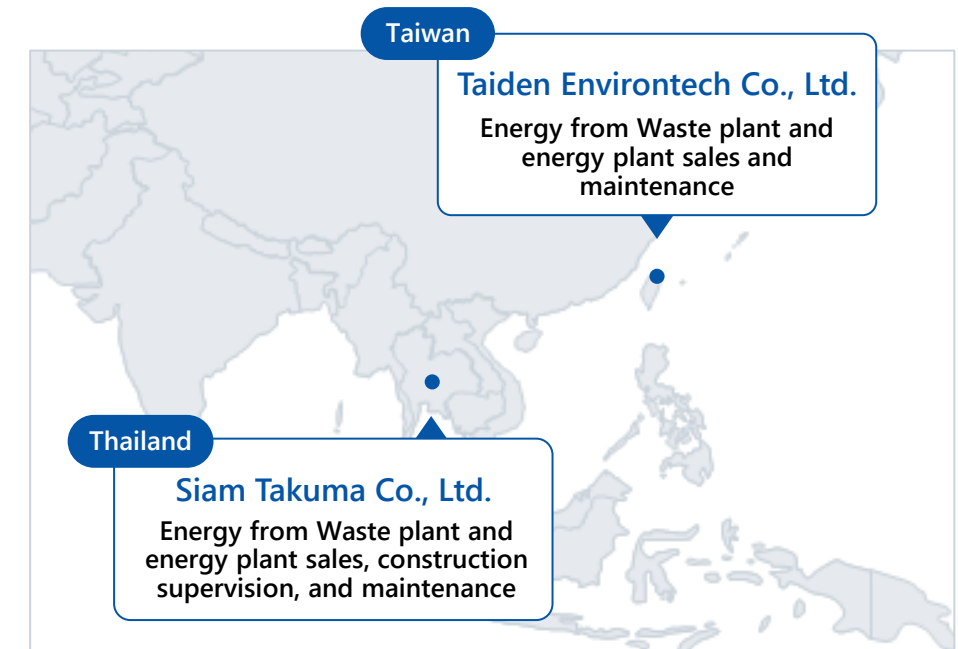
Deliveries (cumulative)



Main project in Recent Years

	Year		Delivered to (Honorifics omitted)	Description	Scale	Scheduled Completion
Energy from Waste plant	FYE 3/2022	Q3	TA-HO LU-TSAO ENVIRONMENT CO., LTD. (Taiwan)	Stoker upgrade	900 t/day	Nov 2024
Waste treatment plant	FYE 3/2023	Q4	Company A (Vietnam)	New construction	427 t/day	Sep 2025
Energy plant	FYE 3/2023	Q4	Company B (Thailand)	New construction		Mar 2025

Local subsidiaries (2 companies)



Package Boiler Business

Domestic market has matured, but we expect a certain level of demand for renewal and other work to continue for the time being.

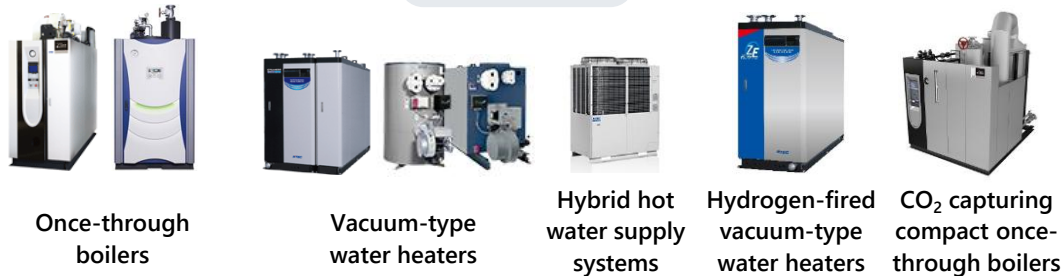
In addition to new heating businesses (hydrogen, biomass, electric heat sources, decarbonized products, etc.), the Company aims to expand the scale of orders by expanding its overseas business in Southeast Asia, particularly in Thailand.

Group company



Manufacture and sale of and after-sale services for steam boilers, hot water heaters, and other heating products

Main products



Once-through boilers

Vacuum-type water heaters

Hybrid hot water supply systems

Hydrogen-fired vacuum-type water heaters

CO₂ capturing compact once-through boilers

Equipment and Systems Business

Building equipment business

Strong demand is expected to continue due to urban redevelopment and new construction and renewal of medical and welfare facilities. The Company will continue to further strengthen its sales and construction capabilities by securing and training human resources, thereby maintaining and expanding the scale.

Semiconductor industrial equipment business

The semiconductor and electronic device manufacturing equipment market is growing over the medium to long term due to the trend toward digitalization. Aim to maintain and expand the scale by providing products that create and maintain a highly clean environment required for the manufacturing process.

Group companies



Design and construction of air conditioning and plumbing equipment for buildings

Main equipment



Air conditioning equipment

Plumbing



Sale of and after-sale services for various semiconductor industrial systems

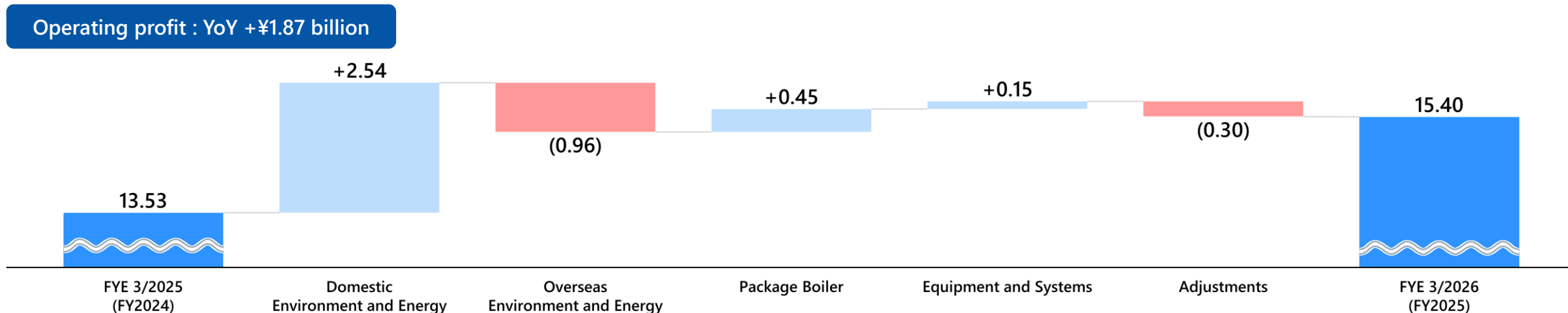
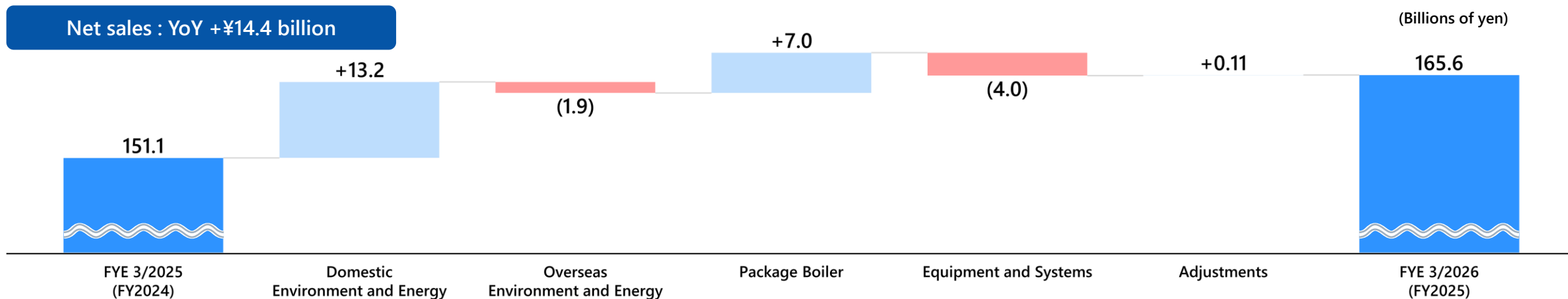
Main products



Chemical filters

AMC environmental concentration analyzers

Variance Analysis by Segment for FY2025 (Ended 3/2026)



Operating Profit Variance Analysis

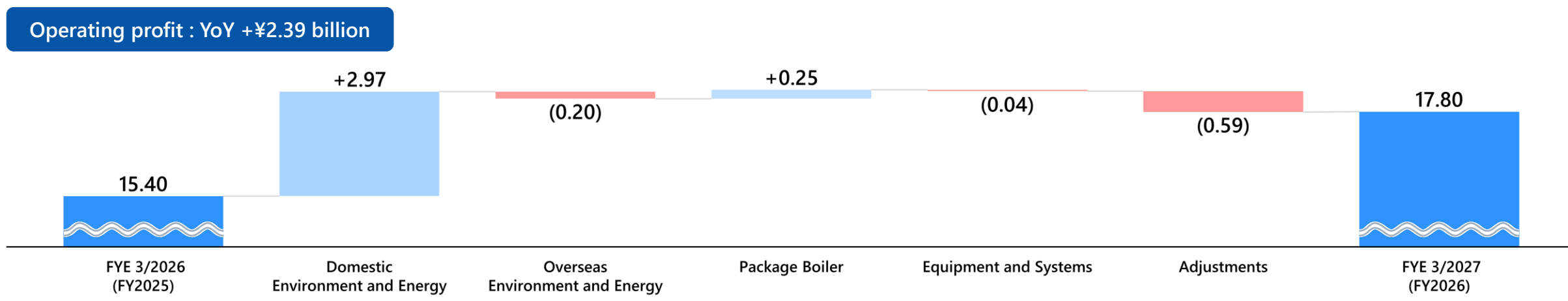
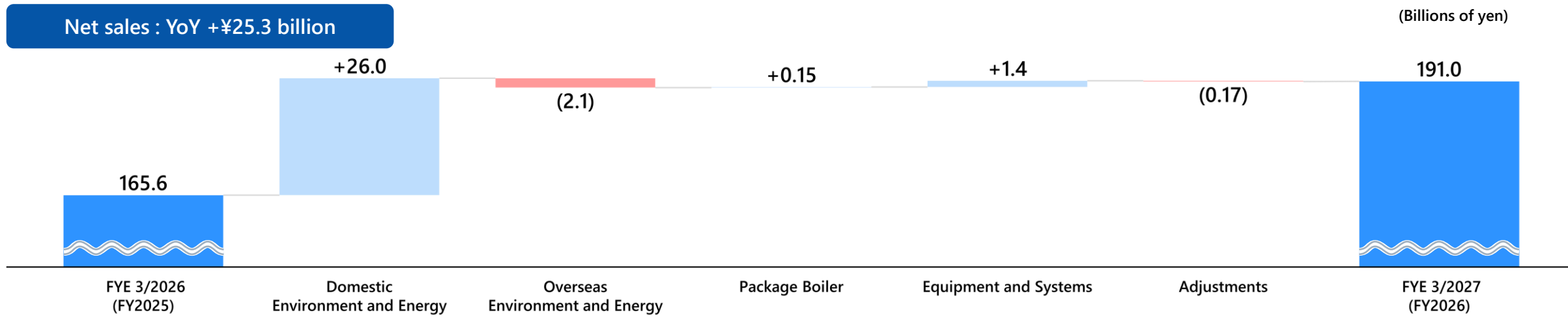
Profit increased due to higher sales.

Profit decreased due to decline in sales.

Profit increased due to the consolidation of IHI Packaged Boiler Co., Ltd. as a subsidiary.

Profit increased mainly due to the improvement in OP margin for the building equipment business.

Variance Analysis by Segment for FY2026 (Ending 3/2027, forecast)



Operating Profit Variance Analysis

Profit will increase due to higher sales.

Profit will decrease due to decline in sales.

Profit will increase due to the stripping of integration costs with IHI Packaged Boiler Co., Ltd.

Profit will decrease mainly due to an increase in fixed costs.

Financial Targets for 14th MTP (Summary)

■ Main target

(JPY billions)	FY2024		FY2025			FY2026			3-year total		
	May 2024 Initial Plan	Results (Differences from the Initial Plan)	May 2024 Initial Plan	May 2025 Revised Plan (Differences from the Initial Plan)	Results (Differences from the Revised Plan)	May 2024 Initial Plan	May 2025 Revised Plan (Differences from the Initial Plan)	May 2026 Initial Forecast (Differences from the Revised Plan)	May 2024 Initial Plan	May 2025 Revised Plan (Differences from the Initial Plan)	May 2026 Initial Forecast (Differences from the Revised Plan)
Orders received	230.0	246.3 +16.3	180.0	250.0 +70.0	333.0 +83.0	190.0	210.0 +20.0	200.0 (10.0)	600.0	706.3 +106.3	779.3 +73.0
Net sales	143.0	151.1 +8.1	152.0	165.0 +13.0	165.6 +0.6	165.0	173.0 +8.0	191.0 +18.0	460.0	489.1 +29.1	507.7 +18.6
Operating profit	11.2	13.5 +2.3	11.2	14.5 +3.3	15.4 +0.9	13.2	15.5 +2.3	17.8 +2.3	35.6	43.5 +7.9	46.7 +3.2
Ordinary profit	12.0	14.0 +2.0	12.0	15.0 +3.0	16.2 +1.2	14.0	16.0 +2.0	18.5 +2.5	38.0	45.0 +7.0	48.8 +3.7
ROE	8.0%	9.5% +1.5pt	8.0%	10.5% +2.5pt	12.4% +1.9pt	9.1%	11.5% +2.4pt	13.5% +2.0pt	at least 9.0% (FY3/2027)	at least 11.5% (FY3/2027)	13.5% (FY3/2027)

Financial Targets for 14th MTP by Segment

(JPY millions)	FY2024		FY2025			FY2026			3-year total		
	May 2024 Initial Plan	Results	May 2024 Initial Plan	May 2025 Revised Plan	Results	May 2024 Initial Plan	May 2025 Revised Plan	May 2026 Initial Forecast	May 2024 Initial Plan	May 2025 Revised Plan	May 2026 Initial Forecast
Orders received											
Total	230,000	246,301	180,000	250,000	333,026	190,000	210,000	200,000	600,000	706,301	779,327
Domestic Environment and Energy	198,700	214,792	146,700	208,500	288,709	155,000	168,500	160,500	500,400	591,792	664,001
Overseas Environment and Energy	4,000	2,347	4,000	3,000	1,561	4,000	4,000	5,000	12,000	9,347	8,908
Package Boiler	18,800	20,266	19,300	29,000	30,865	20,000	27,000	27,000	58,100	76,266	78,132
Equipment and Systems	9,000	9,343	10,500	10,000	12,300	11,500	11,000	11,000	31,000	30,343	32,643
Net sales											
Total	143,000	151,161	152,000	165,000	165,620	165,000	173,000	191,000	460,000	489,161	507,781
Domestic Environment and Energy	109,400	113,650	118,900	126,500	126,935	130,000	133,500	153,000	358,300	373,650	393,585
Overseas Environment and Energy	5,000	5,546	4,000	3,000	3,635	4,000	2,000	1,500	13,000	10,546	10,681
Package Boiler	18,600	19,845	19,100	26,000	26,846	19,700	27,000	27,000	57,400	72,845	73,692
Equipment and Systems	10,500	12,557	10,500	10,000	8,524	11,800	11,000	10,000	32,800	33,557	31,081
Operating profit											
Total	11,200	13,532	11,200	14,500	15,409	13,200	15,500	17,800	35,600	43,532	46,742
Domestic Environment and Energy	12,300	13,081	12,600	15,400	15,624	14,400	16,000	18,600	39,300	44,481	47,305
Overseas Environment and Energy	300	1,069	0	100	102	0	0	(100)	300	1,169	1,072
Package Boiler	1,000	1,394	1,050	1,400	1,844	1,100	1,800	2,100	3,150	4,594	5,338
Equipment and Systems	700	890	700	700	1,048	900	900	1,000	2,300	2,490	2,938

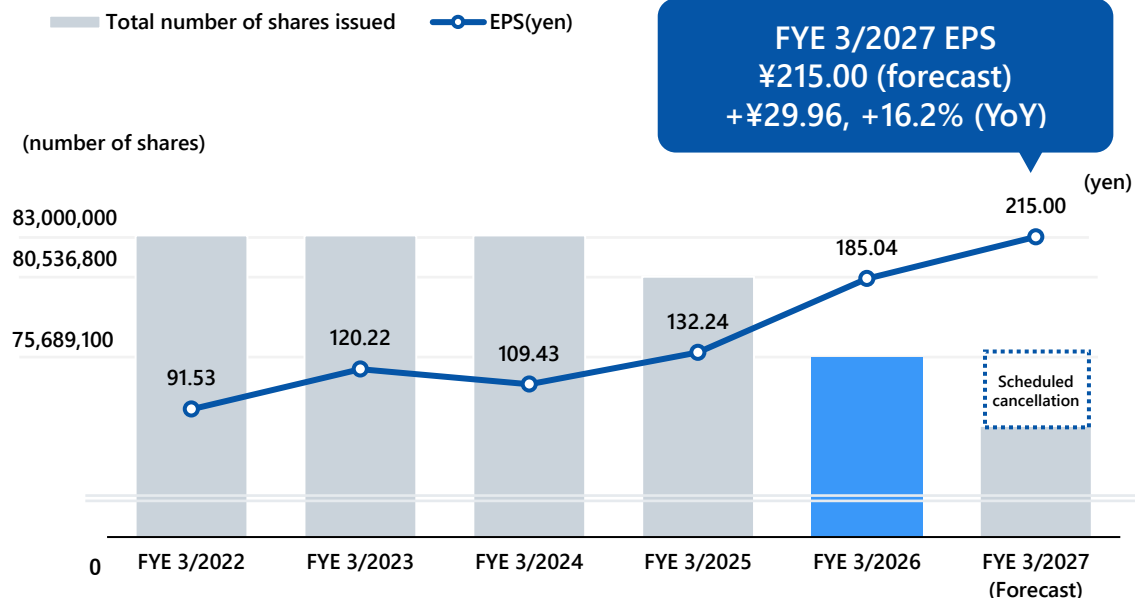
*Adjustments omitted

Shareholder Return, Share Repurchase

✓ We plan to repurchase approximately 18 billion yen of treasury shares over the three-year period of the 14th MTP (FY2024-2026).

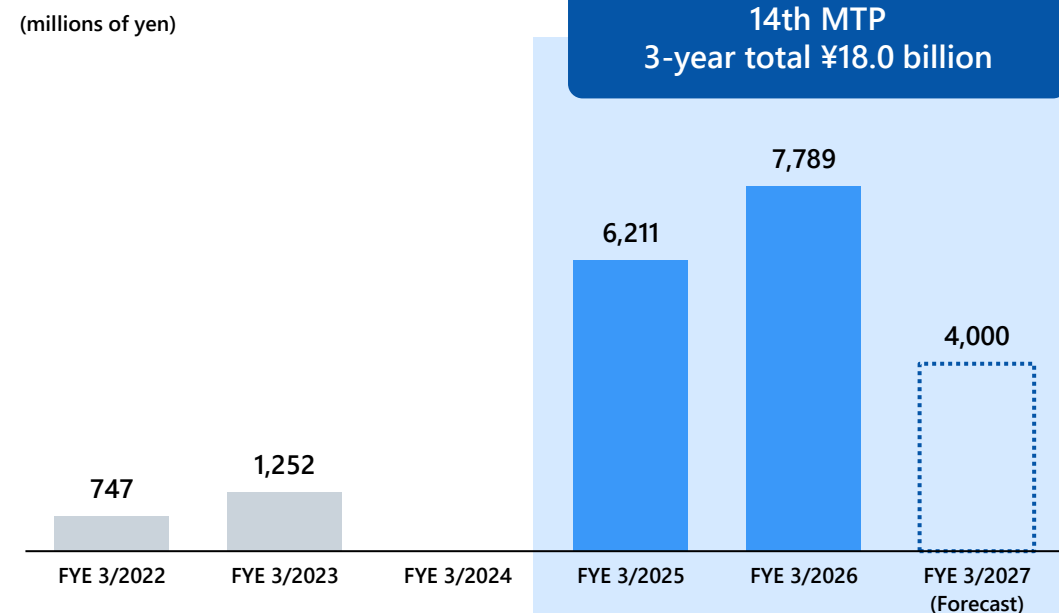
Period of repurchase	Method of repurchase	Total number of shares to be repurchased	Total amount to be paid for repurchase	Treatment of Repurchased Treasury Stock
From May 15, 2024 to January 15, 2025	Market purchase	2,463,200	about 4 billion yen	Cancelled all shares (2.97% of the total outstanding shares before cancellation)
From February 17, 2025 to February 16, 2026	Market purchase	4,847,700	about 10 billion yen	Cancelled all shares (6.02% of the total outstanding shares before cancellation)
From May 15, 2026 to September 7, 2026	Market purchase	2,000,000 (maximum)	4 billion yen (maximum)	Scheduled date of cancellation

Total number of shares issued and EPS



* The forecast of EPS takes into account the effect of the acquisition and disposal of treasury stock, decided at the Board of Directors meeting on May 14, 2026

Amount of share repurchase



Human Resources, Capital Investment and R&D

- ✓ Continue to strengthen human capital investment, such as recruitment and development, focusing on the engineering, construction, and maintenance departments.
- ✓ Major capital investments for FY ending March 2027 are planned to include demonstration facilities for energy-efficient CO₂ capture and separation technology, and a new research building (tentative name) at the Harima Factory.

	FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025	FYE 3/2026	FYE 3/2027 (Forecast)
Number of employees (people, consolidated)	4,145	4,247	4,278	4,372	4,504	-
Number of employees (people, non-consolidated)	958	1,002	1,054	1,087	1,117	-
Hires (people, non-consolidated)	79	69	83	76	76	60-70

(Millions of yen)	FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025	FYE 3/2026	FYE 3/2027 (Forecast)
Capital investment	3,844	7,100	3,527	1,329	1,520	4,500
Depreciation	961	1,136	1,797	1,934	2,008	1,900
Research and development expenses	1,006	1,150	1,629	1,782	1,406	1,500

(Millions of yen)	FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025	FYE 3/2026	FYE 3/2027 (Forecast)
Selling, general and administrative expenses (consolidated)	16,254	17,741	19,309	20,160	23,856	25,000

Balance Sheet (BS)

- ✓ Toward Q4, the number of construction progress and deliveries increases, resulting in higher trade receivables (notes receivable, accounts receivable, and contract assets). Meanwhile, cash and deposits tend to decrease as payments to suppliers progress.
- ✓ In Q1 of the following fiscal year, the collection of trade receivables progresses, leading to an increase in cash and deposits.

Assets (JPY millions)	FYE 3/2026 Q1	FYE 3/2026 Q2	FYE 3/2026 Q3	FYE 3/2026 Q4
Current assets	118,871	122,211	126,823	132,899
Cash and Deposits	61,531	48,698	48,511	40,325
Trade receivables	39,173	51,827	57,195	82,850
Inventories	14,875	15,182	17,640	7,065
Other	3,290	6,503	3,475	2,658
Non-current assets	56,313	57,264	58,687	57,576
Property, Plant and Equipment	18,747	18,519	18,256	18,748
Non-current assets	1,515	1,482	1,415	1,396
Investments and other assets	36,051	37,261	39,014	37,431
Total assets	175,185	179,476	185,510	190,475

Liabilities and Net Assets (JPY millions)	FYE 3/2026 Q1	FYE 3/2026 Q2	FYE 3/2026 Q3	FYE 3/2026 Q4
Current liabilities	56,760	58,224	62,952	64,674
Trade payables	29,170	32,792	39,702	28,871
Short-term borrowings	583	483	770	773
Other	27,006	24,948	22,479	35,028
Non-current liabilities	12,461	12,915	13,712	12,214
Total liabilities	69,222	71,139	76,665	76,888
Net assets	105,963	108,336	108,845	113,586
Total Liabilities and Net Assets	175,185	179,476	185,510	190,475
Capital adequacy ratio	59.9%	59.9%	58.2%	59.1%

* "Trade receivables" under Current assets includes Notes and accounts receivable - trade, and contract assets, Electronically Recorded Monetary Claims.

* "Other" under Current assets includes Allowance for Doubtful Accounts.

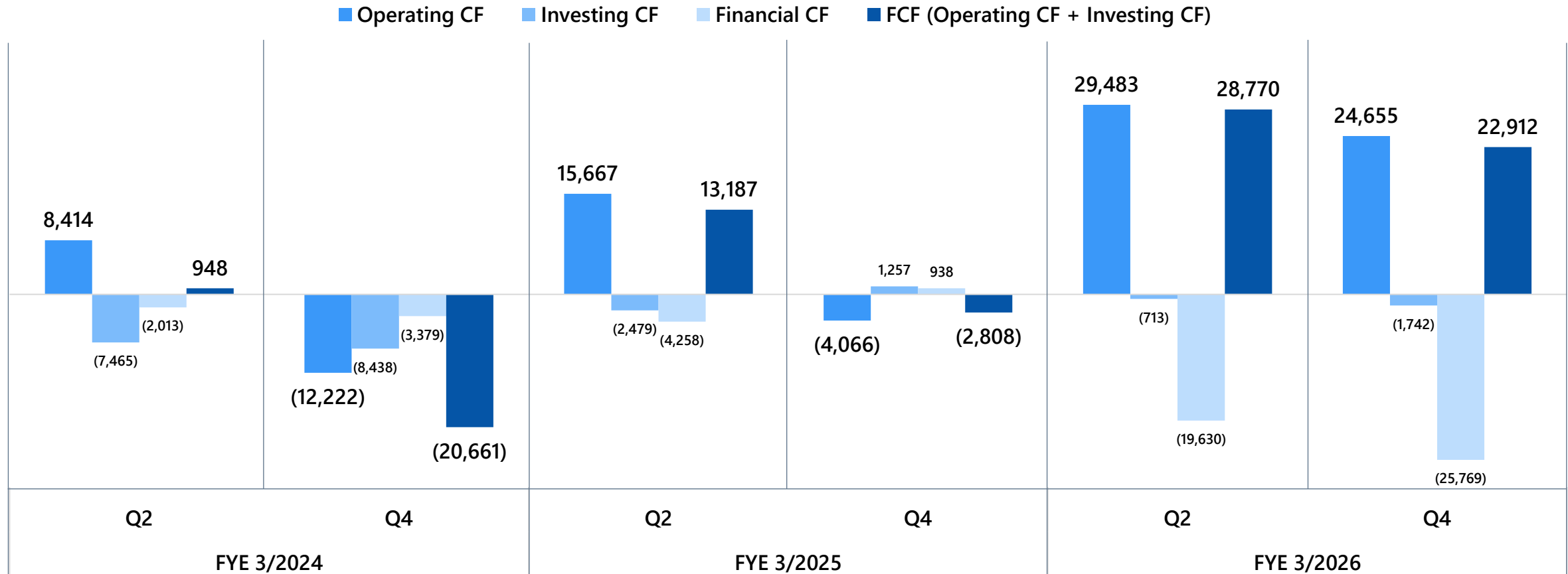
* "Trade payables" under Current liabilities includes Notes and Accounts Payable, Electronically Recorded Obligations.

* "Short-term borrowings" under Current liabilities includes Current portion of long-term loans payable.

* "Other" represents the total of corporate taxes payable, contract liabilities, provision for bonuses, provision for product warranties, provision for loss on construction contracts, and other items.

Statement of Cash Flows (CF)

- ✓ Similar to net sales and profit, results fluctuate depending on the EPC project mix (municipal/private-sector projects and the progress of each EPC project).
- ✓ For municipal EPC projects, cash outflows increase toward Q4 because of payments to suppliers, while cash inflows are generally recorded around Q1 of the following fiscal year based on the work completed in the current fiscal year. A larger number of project handovers tends to result in higher cash inflows.



Term	Definition
EPC	Engineering, procurement, and construction; one approach we use in our plant construction business.
O&M	Operation and maintenance; one approach we use in our plant operation business.
DBO	Design, build, and operate; one approach we use in our plant construction and operation businesses (EPC + O&M).
DBM	Design, Build, and Maintenance. These projects take the form of EPC + long-term maintenance agreements.
BTO	Build, transfer, and operate; one approach we use in our plant construction and operation businesses (EPC + O&M).
Refurbishment [Primary equipment improvement project]	A method that aims to restore functionality and extend the lifespan of facilities by updating and improving deteriorated equipment while maintaining the existing buildings, etc. which have a long useful life, from the standpoint of reducing life cycle costs.
FIT	A feed-in tariff for renewable energy.
FIP	Feed-in Premium; a system in which a certain premium (subsidy amount) is added to the price at which electricity is sold in the market.

Information related to performance forecasts, business plans, and related topics included in this document is based on data currently available to the Company and on certain assumptions that are deemed to be reasonable. This information includes elements of risk and uncertainty.

Please note that actual performance may diverge significantly from these forecasts for a variety of reasons.

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