

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets:		
Cash and deposits	63,542	70,339
Notes receivable - trade	12,718	11,137
Electronically recorded monetary claims - trade	61,894	56,482
Accounts receivable - trade	249,353	179,239
Contract assets	93,830	128,178
Merchandise and finished goods	84,472	103,306
Work in process	55,156	63,826
Raw materials and supplies	99,021	103,134
Other	57,083	83,963
Allowance for doubtful accounts	(10,401)	(9,708)
Total Current assets	766,672	789,899
Non-current assets:		
Net Property, plant and equipment	347,074	352,241
Intangible assets	30,318	35,758
Investments and other assets		
Investment securities	108,713	148,132
Retirement benefit asset	26,052	26,311
Other	36,904	30,431
Allowance for doubtful accounts	(3,627)	(3,675)
Total Investments and other assets	168,042	201,199
Total Non-current assets	545,435	589,200
Deferred assets	67	52
Total Assets	1,312,175	1,379,152

	(Millions of yen)	
	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities:		
Notes and accounts payable - trade	192,834	180,263
Short-term borrowings	10,716	23,801
Commercial papers	-	35,000
Income taxes payable	28,121	15,536
Contract liabilities	67,129	79,982
Provision for product warranties	3,706	3,818
Other	128,959	110,006
Total Current liabilities	<u>431,466</u>	<u>448,409</u>
Non-current liabilities:		
Bonds payable	30,000	30,000
Long-term borrowings	30,073	15,064
Provision for retirement benefits for directors (and other officers)	95	117
Retirement benefit liability	66,797	70,149
Other	23,083	21,934
Total Non-current liabilities	<u>150,050</u>	<u>137,267</u>
Total Liabilities	<u>581,517</u>	<u>585,676</u>
Net Assets		
Shareholders' equity:		
Share capital	47,586	47,586
Capital surplus	64,573	63,783
Retained earnings	493,885	516,412
Treasury shares	(4,273)	(3,684)
Total shareholders' equity	<u>601,771</u>	<u>624,097</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	49,318	76,805
Deferred gains or losses on hedges	(2)	1,035
Foreign currency translation adjustment	40,046	50,410
Remeasurements of defined benefit plans	633	235
Total Accumulated other comprehensive income	<u>89,995</u>	<u>128,486</u>
Non-controlling interests	<u>38,891</u>	<u>40,891</u>
Total Net assets	<u>730,658</u>	<u>793,476</u>
Total Liabilities and Net assets	<u>1,312,175</u>	<u>1,379,152</u>

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

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	791,064	851,055
Cost of sales	573,800	624,124
Gross profit	217,263	226,930
Selling, general and administrative expenses	148,832	152,903
Operating profit	68,431	74,027
Non-operating income		
Interest income	490	545
Dividend income	1,557	1,605
Subsidy income	1,200	—
Foreign exchange gains	122	490
Other	938	1,170
Total Non-operating income	4,308	3,812
Non-operating expenses		
Interest expenses	2,524	2,339
Share of loss of entities accounted for using equity method	425	76
Depreciation of inactive non-current assets	83	976
Business conversion expenses	201	—
Other	1,134	241
Total Non-operating expenses	4,369	3,633
Ordinary profit	68,370	74,206
Extraordinary income		
Gain on sale of non-current assets	117	1,427
Gain on sale of investment securities	16,618	62
Total Extraordinary income	16,736	1,490
Extraordinary losses		
Loss on disposal of non-current assets	550	1,094
Impairment losses	—	426
Extra retirement payments	—	446
Total Extraordinary losses	550	1,967
Profit before income taxes	84,556	73,728
Income taxes	25,384	23,028
Profit	59,171	50,700
Profit attributable to non-controlling interests	3,756	2,193
Profit attributable to owners of parent	55,415	48,506

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	59,171	50,700
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,558)	27,481
Deferred gains or losses on hedges	(284)	1,038
Foreign currency translation adjustments	9,643	11,516
Remeasurements of defined benefit plans	(421)	(408)
Share of other comprehensive income of associates accounted for using equity method	84	(6)
Total other comprehensive Income	2,463	39,622
Comprehensive income	61,635	90,322
Comprehensive income attributable to owners of parent	57,027	86,997
Comprehensive income attributable to non-controlling interests	4,607	3,324

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	84,556	73,728
Depreciation and amortization	42,578	46,455
Increase (decrease) in allowance for doubtful accounts	1,373	(1,254)
Increase (decrease) in provision for product warranties	(154)	107
Interest and dividend income	(2,047)	(2,150)
Interest expenses	2,524	2,339
Foreign exchange losses (gains)	(139)	140
Loss (gain) on sale of non-current assets	(117)	(1,427)
Loss (gain) on sale of investment securities	(16,618)	(62)
Loss (gain) on disposal of non-current assets	550	1,094
Impairment losses	—	426
Extra retirement payments	—	446
Decrease (increase) in accounts receivable - trade, and contract assets	48,179	47,460
Decrease (increase) in inventories	(24,795)	(26,276)
Increase (decrease) in trade payables	(15,846)	(13,457)
Increase (decrease) in contract liabilities	22,105	12,323
Other, net	(26,510)	(24,579)
Subtotal	115,636	115,316
Interest and dividends received	2,057	2,157
Interest paid	(2,536)	(2,400)
Income taxes paid	(18,978)	(34,711)
Extra retirement payments	—	(446)
Net cash provided by (used in) operating activities	96,178	79,914
Cash flows from investing activities		
Purchase of property, plant and equipment	(55,992)	(56,448)
Proceeds from sale of property, plant and equipment	233	465
Purchase of intangible assets	(6,376)	(10,124)
Purchase of investment securities	(176)	(76)
Proceeds from sale of investment securities	18,466	65
Loan advances	(7,729)	(18,569)
Proceeds from collection of loans receivable	5,949	14,370
Other, net	3,822	2,479
Net cash provided by (used in) investing activities	(41,802)	(67,838)

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,212)	(2,695)
Increase (decrease) in commercial papers	(16,000)	35,000
Proceeds from long-term loans borrowings	15,115	—
Repayments of long-term loans borrowings	(28,011)	(19)
Proceeds from issuance of bonds	10,000	—
Repayments of lease obligations	(16,339)	(11,941)
Proceeds from sale of treasury shares	2,320	0
Purchase of treasury shares	(2,336)	(18)
Purchase of treasury shares of subsidiaries	(20)	(13)
Dividends paid	(21,424)	(25,980)
Dividends paid to non-controlling interests	(3,542)	(1,301)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(787)
Net cash provided by (used in) financing activities	<u>(61,451)</u>	<u>(7,757)</u>
Effect of exchange rate changes on cash and cash equivalents	1,801	2,362
Net increase (decrease) in cash and cash equivalents	(5,273)	6,680
Cash and cash equivalents at beginning of year	65,543	62,675
Increase in cash and cash equivalents resulting from change in scope of consolidation	1,205	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	11
Cash and cash equivalents at end of year	<u>61,475</u>	<u>69,367</u>

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes Regarding Adoption of Accounting Treatment Specific to the Preparation of the Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying deferred tax accounting to the profit before income taxes for the consolidated fiscal year, including the third quarter of the current fiscal year, and multiplying the estimated effective tax rate by the profit before income taxes.

For some consolidated companies where the estimated effective tax rate cannot be used, the statutory effective tax rate is used instead.

(Notes on Substantial Changes in the Amount of Shareholder's Equity)

None

(Notes Regarding Assumption of Going Concern)

None

(Segment Information)

1. Information on Net Sales and Profit or Loss by Each Reporting Segment

Nine months ended December 31, 2024

(Millions of yen)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Net sales								
Sales to third parties	229,553	286,756	164,028	83,991	26,733	791,064	—	791,064
Inter-segment sales and transfers	4,416	2,055	2,621	1,498	14,908	25,499	(25,499)	—
Total sales	233,969	288,811	166,650	85,490	41,641	816,563	(25,499)	791,064
Segment profits (losses)	20,269	17,126	21,543	12,274	2,427	73,640	(5,209)	68,431

Notes:

1. "Others" segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.
2. The (5,209) million yen of adjustments for segment profit (loss) includes (5,244) million yen of corporate expenses that are not allocated to each reporting segment. Corporate expenses are mainly expenses related to the Company's administrative department that are not attributable to the reportable segments.
3. Segment profits (losses) were reconciled to operating profit (loss) in the consolidated statements of income.

Nine months ended December 31, 2025

(Millions of yen)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Net sales								
Sales to third parties	255,690	319,128	170,552	77,936	27,746	851,055	—	851,055
Inter-segment sales and transfers	5,412	2,130	2,100	1,679	14,772	26,095	(26,095)	—
Total sales	261,103	321,259	172,653	79,616	42,518	877,150	(26,095)	851,055
Segment profits (losses)	33,085	19,749	14,987	9,319	2,539	79,682	(5,655)	74,027

Notes:

1. "Others" segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.
2. The (5,655) million yen of adjustments for segment profit (loss) includes (5,695) million yen of corporate expenses that are not allocated to each reporting segment. Corporate expenses are mainly expenses related to the Company's administrative department that are not attributable to the reportable segments.
3. Segment profits (losses) were reconciled to operating profit (loss) in the consolidated statements of income.

2. Changes in Reporting Segments

Effective April 1, 2025, a reorganization was undertaken resulting in changes to the businesses included within the Energy and Industry reportable segments.

The reporting segment information for the Nine months ended December 31, 2024 has been reclassified to reflect this change.