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(Stock Exchange Code 8061)
June 5, 2026
(Start date of electronic provision: May 29, 2026)

To Shareholders with Voting Rights:

Akihiko Sakurai
President and Chief Executive Officer
Seika Corporation
3-3-1 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF THE 103RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 103rd Annual General Meeting of Shareholders of Seika Corporation (the "Company") will be held for the purposes as described below. Please also review the Annual Securities Report to be disclosed on Friday, June 5, before the Annual General Meeting of Shareholders.

Measures for electronic provision are taken for the Meeting, and matters to be provided electronically are posted as "NOTICE OF THE 103RD ANNUAL GENERAL MEETING OF SHAREHOLDERS" on the websites below.

The Company's website https://www.seika.com/en/news/

It is also posted on the website below besides the above one.

The Tokyo Stock Exchange's website
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the website of the Tokyo Stock Exchange above and enter the Company name or the securities code to search, then select "Basic information" followed by "Documents for public inspection/PR information" to peruse the information.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Tuesday, June 23, 2026, Japan time.

1. **Date and Time:** Wednesday, June 24, 2026 at 10:00 a.m. Japan time

2. **Place:** LEVEL XXI Tokyo Kaikan Star Room at Urbannet Otemachi Building 21F located at
2-2-2 Otemachi, Chiyoda-ku, Tokyo

3. **Meeting Agenda:**
Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 103rd Fiscal Year

(April 1, 2025 - March 31, 2026)

Proposals to be resolved:

Proposal 1:	Dividend of Surplus
Proposal 2:	Election of eight (8) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)
Proposal 3:	Election of three (3) Directors Serving as Members of the Audit and Supervisory Committee
Proposal 4:	Election of one (1) Substitute Director Serving as a Member of the Audit and Supervisory Committee

◎ We will not be giving out souvenirs to attending shareholders.

◎ When attending the meeting, please bring the enclosed Voting Rights Exercise Form without detaching it and submit at the reception desk.

◎ "Systems for Ensuring the Appropriateness of Business Operations" and "Summary of the Status of Operation of the System to Ensure the Appropriateness of Operations" in the Business Report, "Notes to the Consolidated Financial Statements" in Consolidated Financial Statements, and "Notes to the Non-consolidated Financial Statements" in Non-consolidated Financial Statements are not included in the paper copy to be sent to the shareholders who have requested it, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company. Accordingly, the said paper copy is a part of the documents that have been audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.

◎ In the event of any amendments being made to the matters to be provided electronically, the amended contents will be posted on the websites where the original contents are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Dividend of Surplus

Matters related to year-end dividends

The Company considers the return of profits to shareholders one of the most important management issues, and has a basic policy of paying a stable dividend.

While strengthening business foundations through efficient business operations across both an operational and financial perspective, and flexibly responding to funding needs for new business development, etc., the Company pays dividend with the target of a total return ratio of 45%.

Based on this policy for dividend, and as a result of comprehensive consideration of shareholder returns based on the financial results and financial conditions for the fiscal year, the Company proposes to pay a year-end dividend of 45 yen per share for the fiscal year ended March 31, 2026.

<Matters related to the year-end dividend>

(1) Type of dividend property
Cash

(2) Matters related to allocation of dividend property to shareholders and total amount thereof
45 yen per share of the Company's common stock and total 1,634,061,285 yen

(3) Effective date of dividends from surplus
June 25, 2026

The Company implemented a 3-for-1 stock split of shares of common stock with an effective date of October 1, 2025. When the interim dividend (110 yen per share) based on the record date of September 30, 2025, prior to the stock split, is converted on a post-split basis, it amounts to 36.66 yen per share, and the annual dividend for the fiscal year under review, including the interim dividend, is 81.66 yen per share.

Proposal 2: Election of Eight (8) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)

The terms of office of all eight (8) Directors (excluding Directors Serving as members of the Audit and Supervisory Committee) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors (excluding Directors serving as members of the Audit and Supervisory Committee) including four (4) Outside Directors is proposed.

The candidates for Directors (excluding Directors Serving as members of the Audit and Supervisory Committee) are as follows:

No.	Name		Current positions and responsibilities at the Company
1	[Reappointment]	Akihiko Sakurai	Representative Director President and CEO Chairman of the Board of Directors Member of the Remuneration Examination Committee
2	[Reappointment]	Yasumasa Kawana	Director Senior Managing Executive Officer in charge of administration
3	[Reappointment]	Noriyuki Takahashi	Director Managing Executive Officer in charge of sales and marketing General Manager, Business Operation Division
4	[New appointment]	Takuji Kawai	Managing Executive Officer in charge of planning
5	[Reappointment] [Outside] [Independent]	Masanori Kagami	Outside Director Chairperson of the Remuneration Examination Committee Member of the Nomination Examination Committee
6	[New appointment] [Outside] [Independent]	Hitoshi Murayama	–
7	[Reappointment] [Outside] [Independent]	Mayumi Noguchi	Outside Director Member of the Nomination Examination Committee Member of the Remuneration Examination Committee
8	[Reappointment] [Outside] [Independent]	Sachiyo Kosugi	Outside Director Member of the Nomination Examination Committee Member of the Remuneration Examination Committee

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	 Akihiko Sakurai (January 10, 1959) [Reappointment]	February 1989 April 2005 April 2009 April 2011 April 2013 April 2014 June 2014 April 2015 April 2016 April 2018	Joined the Company General Manager, Machinery Department II, Osaka Operations Division II President, Seika Shanghai Co., Ltd. General Manager, Strategical Planning Department, Corporate Planning Division and General Manager, Asian Market Department, the Company Executive Officer; General Manager, Tokyo Operations Division I Executive Officer; Deputy General Manager, Business Control Division, Industrial Machinery Region Director; Senior Executive Officer; Deputy General Manager, Business Control Division, Industrial Machinery Region Director; Managing Executive Officer; General Manager, Business Control Division, Industrial Machinery Region Director; Managing Executive Officer; General Manager, Business Control Division Representative Director; President and CEO (to present)	74,433
		[Reason for nomination as candidate for Director] Mr. Akihiko Sakurai has been in charge of the corporate management as Representative Director, President and CEO since April 2018. The Company believes that he has properly led the Company by making calm and appropriate judgments and actions while maintaining a challenging mindset, even in difficult matters that arose from time to time. Although the current long-term growth strategy and the medium-term management plan have delivered certain achievements, the Company recognizes that the time has come to present and lead the next management plan and business strategy to solidify the perpetual enhancement of corporate value. Thus, the Company has nominated him so that he can continue to fulfill his responsibilities as Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
2	 Yasumasa Kawana (September 29, 1960) [Reappointment]	April 1984 April 2010 April 2011 April 2013 July 2013 April 2015 April 2016 April 2017 June 2017 April 2019 October 2020 November 2020 October 2021 April 2022 April 2026 (to present)	Joined the Company General Manager, Strategical Planning Department, Corporate Planning Division and Deputy General Manager, Internal Audit Division and Deputy General Manager, Affiliated Company Supervision Division General Manager, Nagoya Branch, Osaka Operations Division II Director and Deputy President, Nippon Daiya Valve Co., Ltd. (seconded) President and CEO, Nippon Daiya Valve Co., Ltd. (seconded) Executive Officer, the Company President and CEO, Nippon Daiya Valve Co., Ltd. (seconded) Senior Executive Officer, the Company President and CEO, Nippon Daiya Valve Co., Ltd. (seconded) Senior Executive Officer, the Company; General Manager, Subsidiary and Affiliate Business Strategy Division and General Manager, Subsidiary and Affiliate Administration Department Director; Senior Executive Officer, the Company; General Manager, Subsidiary and Affiliate Business Strategy Division and General Manager, Subsidiary and Affiliate Administration Department Director; Managing Executive Officer; General Manager, Subsidiary and Affiliate Business Strategy Division Director; Managing Executive Officer; General Manager, Subsidiary and Affiliate Business Strategy Division and General Manager, Business Strategy Department Director; Managing Executive Officer; General Manager, Subsidiary and Affiliate Business Strategy Division Director; Managing Executive Officer; General Manager, Corporate Planning Division and General Manager, Subsidiary and Affiliate Business Strategy Division Director; Senior Managing Executive Officer in charge of planning Director; Senior Managing Executive Officer in charge of administration (to present)	37,095
		[Reason for nomination as candidate for Director] Mr. Yasumasa Kawana has been a Director of the Company since June 2017 and played a part in the management of the Company. In terms of business execution, he has served as an officer in charge and General Manager relating to group strategy and corporate planning, and also as President of the Company's consolidated subsidiary. Based on his broad experience and in-depth insight, he has a global and group-wide strategic mindset with a higher perspective, as well as excellent capabilities in organizational development and personnel training, and the Company believes that he is capable of driving innovation and growth for the Company. Thus, the Company has nominated him again as a Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	 Noriyuki Takahashi (February 7, 1961) [Reappointment]	April 1985 April 2011 April 2012 April 2013 April 2014 April 2015 April 2016 April 2018 April 2019 April 2021 April 2022 April 2024 June 2024	Joined the Company General Manager, Business Administration Department, Business Control Division; Manager, Shanghai Office General Manager, Business Administration Department, Business Control Division, the Company General Manager, Business Promotion Department, Business Control Division, the Company; President, Seika Shanghai Co., Ltd. Deputy General Manager, Corporate Planning Division; General Manager, Business Development Department, the Company; President, Seika Shanghai Co., Ltd. Executive Officer; Deputy General Manager, Corporate Planning Division, the Company; President, Seika Shanghai Co., Ltd. Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region, the Company; President, Seika Shanghai Co., Ltd. Executive Officer, the Company; Director and Deputy President, Shikishimakiki Corporation (seconded) Executive Officer, the Company; Representative Director and President, Shikishimakiki Corporation (seconded) Senior Executive Officer, the Company; Representative Director and President, Shikishimakiki Corporation (seconded) Senior Executive Officer; Deputy General Manager, Business Operation Division (responsible for the energy field), the Company Managing Executive Officer in charge of sales and marketing; General Manager, Business Operation Division Director; Managing Executive Officer in charge of sales and marketing; General Manager, Business Operation Division (to present)	19,122
		[Reason for nomination as candidate for Director] Mr. Noriyuki Takahashi assumed the position of Director in June 2024 and has played a part in the management of the Company. In terms of business execution, most recently he led the entire sales department as General Manager of the Business Operation Division, and until the end of March 2022, he had been involved in the management of Shikishimakiki Corporation, a consolidated subsidiary of the Company, as President, making achievements in improvement of the management practices of the company. As shown above, he has excellent conceptual abilities and leadership. Believing that he is capable of contributing to the enhancement of the corporate value of the Company, the Company has nominated him again as a Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	 Takuji Kawai (April 14, 1968) [New appointment]	April 1991	Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)	4,600
		February 2007	Senior Vice President, Investment Banking Division for the Americas (seconded to BTMU Leasing & Finance) , The Bank of Tokyo-Mitsubishi UFJ , Ltd. (currently MUFG Bank, Ltd.)	
		April 2013	General Manager, Strategic Alliance Office, Corporate Planning Division, seconded to Mitsubishi UFJ Securities Holdings Co., Ltd.	
		August 2015	Deputy General Manager, Structured Finance Division, The Bank of Tokyo-Mitsubishi UFJ , Ltd. (currently MUFG Bank, Ltd.)	
		April 2018	Seconded to Mitsubishi Heavy Industries, Ltd. General Manager, Business Finance Department, MHI FINANCIAL Ltd.	
		April 2020	Senior Vice President, Global Corporate & Investment Banking Division, MUFG Bank, Ltd.	
		February 2021	Seconded from MUFG Bank, Ltd General Manager, Corporate Planning Division, the Company	
		August 2021	Joined the Company General Manager, Corporate Planning Division	
		April 2022	General Manager, Corporate Planning Division, and General Manager, Business Reform Office	
		April 2024	Executive Officer; General Manager, Corporate Planning Division	
		April 2025	Senior Executive Officer; General Manager, Corporate Planning Division	
		April 2026	Managing Executive Officer in charge of planning (to present)	
		[Reason for nomination as candidate for Director] Mr. Takuji Kawai previously worked at the Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.) before joining the Company in 2021. From the earliest stage of his tenure, he has made significant contributions to the Company's new business development by leading the corporate planning division, leveraging his extensive knowledge informed by his banking experience, strong analytical capabilities, and exceptional drive and negotiating skills. As he is considered a key talent who should play a central role in activities aimed at the Company's growth and perpetual enhancement of corporate value, thus, the Company has nominated him as a new Director so that he can fulfill his responsibilities in this regard.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	 Masanori Kagami (January 6, 1952) [Reappointment] [Outside] [Independent]	January 1980 June 2010 April 2013 June 2015 October 2017 June 2020 June 2021 June 2022	Joined Nippon Yusoki Co., Ltd. (currently LOGISNEXT CO., LTD.) Director, Executive Officer Representative Director and President, Nichiyu MHI Forklift Co., Ltd. Director, Kitakanto Nichiyu Co., Ltd. (to present) Director, Senior Executive Officer, Mitsubishi Nichiyu Forklift Co., Ltd. (currently LOGISNEXT CO., LTD.) Director, Managing Executive Officer Director, Executive Vice President, Mitsubishi Logisnext Co., Ltd. (currently LOGISNEXT CO., LTD.) Director and Chairman; Chairman of the Board of Directors Senior Executive Advisor Vice Chairperson, Japan Industrial Vehicles Association Member, Kyoto Chamber of Commerce and Industry Outside Director, the Company (to present)	2,910
		[Reason for nomination as candidate for Outside Director and expected roles] Mr. Masanori Kagami has monitored and supervised the Company's management from an independent perspective as Outside Director since June 2022. He has also been active as the Chairperson of the Remuneration Examination Committee and a member of advisory bodies, fulfilling his duties appropriately. He has held important positions such as Director and Chairman of Mitsubishi Logisnext Co., Ltd. (currently LOGISNEXT CO., LTD.). With his practical sense and a higher viewpoint backed by his experience, he can be expected to make proposals from a perspective different from internal directors. Thus, the Company believes that he is capable of contributing to the enhancement of management structure of the Company, and has nominated him again as an Outside Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	 Hitoshi Murayama (February 2, 1954) [New appointment] [Outside] [Independent]	April 1980 June 2008 June 2009 June 2010 December 2011 June 2012 June 2015 April 2019 June 2020 June 2023	Joined Electric Power Development Co., Ltd. Department Director, Thermal Power Department Executive Officer; Department Director, Thermal Power Department Executive Officer; Department Director, Thermal Power Engineering Department Executive Officer; Department Director, Thermal Power Engineering Department (Japanese name changed; English name unchanged) Director and Executive Managing Officer Executive Vice President and Representative Director Representative Director and Executive Officer Vice President Chairman and Representative Director Special Advisor (to present)	–
		[Reason for nomination as candidate for Outside Director and expected roles] Mr. Hitoshi Murayama has practical expertise in the energy sector, as demonstrated by his career at Electric Power Development Co., Ltd. (J-POWER), where he held multiple leadership positions in thermal power and related divisions and served as Representative Director, Executive Vice President and Chairman. With his practical sense and a higher viewpoint backed by his experience, he can be expected to make proposals from a perspective different from internal directors. Thus, the Company believes that he is capable of contributing to the enhancement of the management structure of the Company and enhancement of corporate value, and has nominated him as a new Outside Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
7	 Mayumi Noguchi (September 3, 1968) [Reappointment] [Outside] [Independent]	April 1991 March 1993 October 1998 April 2008 November 2014 April 2015 March 2018 June 2021 October 2022 June 2024 June 2025 April 2026	Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.) Joined Citibank, N.A. Japan Branch Joined Asahi & Co. (currently KPMG AZSA LLC) Head of Noguchi Accounting Office (to present) Outside Auditor, Phone Appli Inc. Auditor, The National Archives of Japan, Incorporated Administrative Agency Outside Director, Fenwal Controls of Japan, Ltd. Outside Audit & Supervisory Committee Member, Concordia Financial Group, Ltd. (currently Yokohama Financial Group, Inc.) (to present) Outside Auditor, Japan Green Investment Corp. for Carbon Neutrality (to present) Outside member of Audit & Supervisory Board, JSP Corporation (to present) Outside Director, the Company (to present) Auditor, Japan Gender Equality Promotion Agency (to present)	169
		[Reason for nomination as candidate for Outside Director and expected roles] Ms. Mayumi Noguchi possesses specialized knowledge she has developed as a certified public accountant. She is also well-versed in corporate management, as she has experience of serving as an outside director or an outside auditor for multiple companies and institutions. Since assuming office as Outside Director of the Company in June 2025, she has monitored and supervised the Company's management from an independent perspective and has also been active as a member of both the Nomination Examination Committee and the Remuneration Examination Committee, fulfilling her duties appropriately. The Company expects her to provide advice and supervision from a perspective different from internal directors, and thus has nominated her again as an Outside Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">8</td><td>
Sachiyo Kosugi
(July 9, 1972)

[Reappointment]
[Outside]
[Independent]</td><td>October 2004 Registered as attorney (Dai-Ichi Tokyo Bar Association)
Associate, Nagashima Ohno & Tsunematsu
April 2009 Chief of Legal Affairs, Payment and Settlement Systems Department, Bank of Japan
July 2011 Worked for SoftBank Mobile Corp. (currently SoftBank Corp.)
October 2014 Deputy Associate Director, NISSIN FOODS HOLDINGS CO., LTD.
January 2016 Associate, Tokyo Aoi Law Office
July 2019 Counsel, T&K Partners
July 2023 Outside Director, TOA Xible Co., Ltd.
June 2025 Outside Director, the Company (to present)
July 2025 Partner, Inaba & Partners (to present)</td><td>–</td></tr>
<tr><td colspan="2">[Reason for nomination as candidate for Outside Director and expected roles]
Ms. Sachiyo Kosugi possesses expertise as an attorney especially in the fields of finance, M&A, real estate and corporate legal affairs, etc. Since assuming office as Outside Director of the Company in June 2025, she has monitored and supervised the Company’s management from an independent perspective and has also been active as a member of both the Nomination Examination Committee and the Remuneration Examination Committee, fulfilling her duties appropriately. As an independent Outside Director with the legal backbone, the Company has judged that she will contribute to securing the transparency and fairness of the Company, and thus has nominated her again as an Outside Director.</td></tr>
</table>

(Notes)

1. There are no special interests between the candidates and the Company.
2. Mr. Masanori Kagami, Mr. Hitoshi Murayama, Ms. Mayumi Noguchi, and Ms. Sachiyo Kosugi are candidates for Outside Director.
3. Mr. Masanori Kagami, Ms. Mayumi Noguchi, and Ms. Sachiyo Kosugi are currently Outside Directors of the Company.
4. The term of office of Mr. Masanori Kagami as Outside Director will be four years at the conclusion of this Annual General Meeting of Shareholders.
5. The term of office of Ms. Mayumi Noguchi and Ms. Sachiyo Kosugi as Outside Directors will be one year at the conclusion of this Annual General Meeting of Shareholders.
6. The Company has entered into an agreement with Mr. Masanori Kagami, Ms. Mayumi Noguchi and Ms. Sachiyo Kosugi to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
7. If Mr. Hitoshi Murayama is appointed as an Outside Director, the Company plans to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
8. The Company has registered Mr. Masanori Kagami, Ms. Mayumi Noguchi and Ms. Sachiyo Kosugi as independent directors with the Tokyo Stock Exchange.
9. If Mr. Hitoshi Murayama is appointed as an Outside Director, the Company plans to register him as an independent director with the Tokyo Stock Exchange.
10. The Company has entered into a directors and officers liability insurance agreement with an insurance company, which covers legal damages and litigation expenses borne by the insured. All candidates are expected to be included as insured parties under the agreement. The Company intends to renew the agreement with the same terms and conditions at the next renewal.

Proposal 3: Election of Three (3) Directors Serving as Members of the Audit and Supervisory Committee

The terms of office of all three (3) Directors Serving as Members of the Audit and Supervisory Committee will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors Serving as Members of the Audit and Supervisory Committee.

This proposal has been approved by the Audit and Supervisory Committee.

The candidates for Directors serving as members of the Audit and Supervisory Committee are as follows:

No.	Name		Current positions and responsibilities at the Company
1	[Reappointment]	Tatsuhiko Hirayama	Director (Member of the Audit and Supervisory Committee) Chairperson of the Audit and Supervisory Committee
2	[Reappointment] [Outside] [Independent]	Yoshihiko Nakamura	Outside Director (Member of the Audit and Supervisory Committee)
3	[New appointment] [Outside] [Independent]	Yoshiko Tonoike	–

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Tatsuhiko Hirayama (December 12, 1958) [Reappointment]	April 1984 Joined the Company April 2009 General Manager, Takamatsu Branch, Osaka Operations Division I April 2012 General Manager, Seika Shanghai Co., Ltd.; Manager, Shanghai Office, the Company (seconded) April 2014 General Manager, Hiroshima Branch, the Company April 2015 General Manager, Hiroshima Branch; General Manager, Tokuyama Branch April 2018 Assistant to General Manager, Business Control Division June 2018 Full-time Auditor June 2020 Senior Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region March 2021 Senior Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region, the Company; President, Meinan Kyodo Energy April 2021 Senior Executive Officer, the Company; Representative Director and President, Meinan Kyodo Energy (seconded) April 2022 Executive Partner, the Company; Representative Director and President, Meinan Kyodo Energy (seconded) June 2024 Director (Member of the Audit and Supervisory Committee), the Company (to present)	31,205
		[Reason for nomination as candidate for Director serving as a member of the Audit and Supervisory Committee] Mr. Tatsuhiko Hirayama has served as a person responsible for sales, a Full-Time Auditor of the Company, President of Meinan Kyodo Energy, an affiliate of the Company, and a Full-Time Director serving as a member of the Audit and Supervisory Committee of the Company since June 2024, participating in the Company's decision-making and auditing and supervising the legality and appropriateness of the execution of duties by Directors, thereby contributing to ensuring the soundness of management. He has background and aptitude for auditing and supervising, in addition to being well versed in the Company's business. Thus, the Company has nominated him again as a Director and a member of the Audit and Supervisory Committee.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
2	 Yoshihiko Nakamura (November 28, 1956) [Reappointment] [Outside] [Independent]	October 2003 June 2019 July 2019 June 2020 June 2020 June 2022 June 2023 	Partner, KPMG AZSA & Co. (currently KPMG AZSA LLC) Retired Established Certified Public Accountant Yoshihiko Nakamura Accounting Office (to present) Outside Director, MITSUBISHI MOTORS CORPORATION Outside Auditor, the Company Outside Director (Member of the Audit and Supervisory Committee), the Company (to present) Outside Director (Audit Committee chair), MITSUBISHI MOTORS CORPORATION (to present)	600
		[Reason for nomination as candidate for Director serving as a member of the Audit and Supervisory Committee and expected roles] Mr. Yoshihiko Nakamura has served as an Outside Auditor of the Company since June 2020 and as an Outside Director serving as a member of the Audit and Supervisory Committee since June 2022. He has audited and supervised the legality and appropriateness of the Directors' execution of their duties, and contributed to ensuring the soundness of the management. As a certified public accountant, he has been involved in a number of corporate accounting audits and M&A projects, and has a high level of expertise in corporate accounting and auditing. The Company expects him to provide advice and supervision from a perspective different from internal directors, and thus nominated him again as an Outside Director and a member of the Audit and Supervisory Committee.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	 Yoshiko Tonoike (January 26, 1971) [New appointment] [Outside] [Independent]	April 1997 April 2017 June 2021 November 2021 June 2023 October 2023 October 2025	Appointed as Prosecutor Instructor, Meiji University Legal Laboratory Outside Director, Daitoh Trading Co., Ltd. Registered as an attorney (Daini Tokyo Bar Association) Joined Minaki & Kitazawa Law Office Visiting Attorney Outside Director, Maruha Nichiro Corporation (currently Umios Corporation) (to present) Partner, Minaki & Kitazawa Law Office (to present) Refugee examination counselor, Immigration Services Agency of Japan (to present)	800
		[Reason for nomination as candidate for Director serving as a member of the Audit and Supervisory Committee and expected roles] Ms. Yoshiko Tonoike has broad knowledge and extensive experience beyond legal expertise, as demonstrated by her career background, having served as a prosecutor for 15 years before becoming a university instructor and subsequently transitioning to a career as an attorney, as well as her track record of serving as an outside director and other roles at multiple companies. The Company expects her to provide recommendations and advice from a perspective different from internal directors, and also expects her to play an effective role in auditing and supervising the legality and appropriateness of the execution of duties by Directors. Thus, the Company has nominated her as a new Outside Director serving as a member of the Audit and Supervisory Committee.		

(Notes)

1. There are no special interests between the candidates and the Company.
2. Mr. Yoshihiko Nakamura and Ms. Yoshiko Tonoike are candidates for Outside Directors.
3. Mr. Yoshihiko Nakamura is currently an Outside Director of the Company.
4. The term of office of Mr. Yoshihiko Nakamura as Outside Director serving as a member of the Audit and Supervisory Committee will be four years at the conclusion of this Annual General Meeting of Shareholders
5. The Company has entered into agreements with Mr. Yoshihiko Nakamura to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
6. If Ms. Yoshiko Tonoike assumes the office of Outside Director serving as a member of the Audit and Supervisory Committee, the Company plans to enter into an agreement with her to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
7. The Company has registered Mr. Yoshihiko Nakamura as independent director with the Tokyo Stock Exchange.
8. Ms. Yoshiko Tonoike is a candidate for an Outside Director serving as a member of the Audit and Supervisory Committee, and if she assumes the office, the Company plans to register her as an independent director with the Tokyo Stock Exchange.
9. The Company has entered into a directors and officers liability insurance agreement with an insurance company, which covers legal damages and litigation expenses borne by the insured. All candidates are expected to be included as insured parties under the agreement. The Company intends to renew the agreement with the same terms and conditions at the next renewal.

Proposal 4: Election of One (1) Substitute Director Serving as a Member of the Audit and Supervisory Committee

In order to prepare for a shortfall in the number of Directors serving as members of the Audit and Supervisory Committee prescribed by laws and regulations, the Company proposes the election of Mr. Yasutaka Keno as a Substitute Director serving as a member of the Audit and Supervisory Committee.

Furthermore, this resolution for election may be canceled by resolution of the Board of Directors with the consent of the Audit and Supervisory Committee, only before Mr. Yasutaka Keno's assumption of office.

This proposal has been approved by the Audit and Supervisory Committee.

The candidate for Substitute Director Serving as a Member of the Audit and Supervisory Committee is as follows:

Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
Yasutaka Keno (February 9, 1961)	April 1994	Registered as attorney (Daini Tokyo Bar Association) Joined Miyake & Yamazaki	–
	July 2002	Partner	
	July 2014	Outside Auditor, the Company	
	December 2016	Partner, King & Wood Mallesons Tokyo (Foreign Law Joint Enterprise) (currently King & Wood Law Offices (Foreign Law Joint Enterprise)) (to present)	
	June 2022	Senior Advisor, the Company	
	November 2025	Outside Director (Member of the Audit and Supervisory Committee) (to present)	

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Yasutaka Keno is a candidate for a substitute Outside Director serving as a member of the Audit and Supervisory Committee, and if he assumes the office, the Company plans to register him as an independent director with the Tokyo Stock Exchange.
3. The term of office of Mr. Yasutaka Keno as Director serving as a member of the Audit and Supervisory Committee is six months.
4. Mr. Yasutaka Keno possesses specialized knowledge and a wealth of experience as an attorney especially in corporate legal affairs and, the Company expects that he will contribute to securing the transparency and fairness of the Company from a perspective different from internal directors. In addition, having served as the Company's Auditor from July 2014 to June 2022, and as a Director and a member of the Audit and Supervisory Committee since November 30, 2025, he is well-versed in the Company's business and management, and is judged to be able to play the expected roles immediately if he is formally appointed. Thus, the Company nominated him as a substitute Director and a member of the Audit and Supervisory Committee.
   Although he has no past experience involved in corporate management directly, the Company has judged that he will appropriately perform his duties as an Outside Director serving as a member of the Audit and Supervisory Committee for the reasons described above.
5. If Mr. Yasutaka Keno assumes the office of Outside Director serving as a member of the Audit and Supervisory Committee, the Company plans to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
6. The Company has entered into a directors and officers liability insurance agreement with an insurance company, which covers legal damages and litigation expenses borne by the insured. If Mr. Yasutaka Keno assumes the office of Outside Director serving as a member of the Audit and Supervisory Committee, he will be included as the insured under the agreement.

(Reference) Diversity of the Board of Directors

If Proposal 2 and Proposal 3 as described in this Notice of Convocation are approved as proposed, the skill matrix of the Company's Board of Directors will be as follows.

Name		Independence	■Male ◆Female	Skills expected by the Company (knowledge, experience, abilities)					
				Corporate management/ business strategy	Finance / Accounting	Legal affairs / compliance	Industry knowledge / marketing	ESG, sustainability	International
Directors (excluding Members of the Audit and Supervisory Committee)	Akihiko Sakurai		■	●		●	●	●	●
	Yasumasa Kawana		■	●	●		●	●	
	Noriyuki Takahashi		■	●		●	●		●
	Takuji Kawai		■	●	●			●	●
	Masanori Kagami	●	■	●				●	●
	Hitoshi Murayama	●	■	●			●	●	
	Mayumi Noguchi	●	◆	●	●			●	
	Sachiyo Kosugi	●	◆	●		●		●	
Directors Serving as Members of the Audit and Supervisory Committee	Tatsuhiko Hirayama		■	●		●	●		●
	Yoshihiko Nakamura	●	■		●				●
	Yoshiko Tonoike	●	◆	●		●	●		

Note: The table above does not present all skills possessed by each candidate.

(Appendix)

Business Report

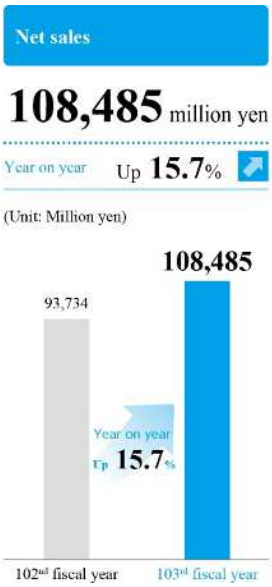
(April 1, 2025 – March 31, 2026)

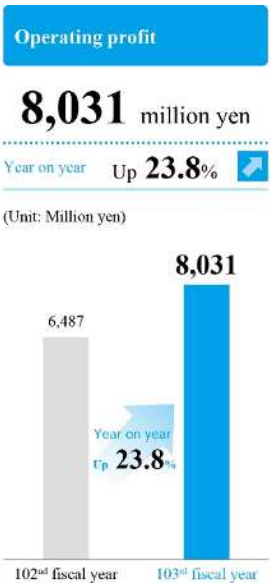
1. Overview of the Corporate Group

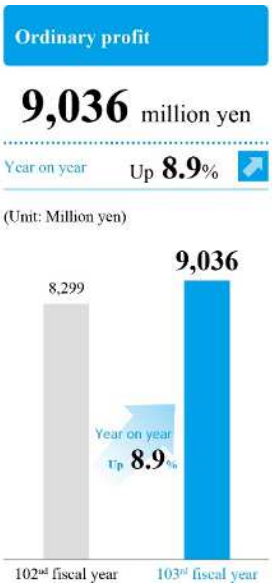
(1) Business Progress and Results

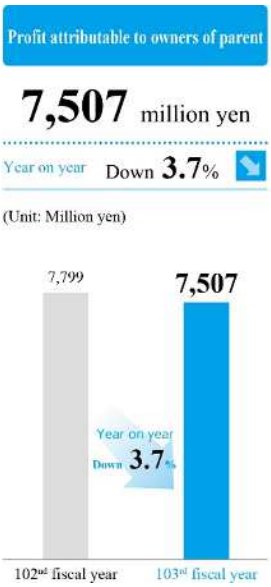
During the fiscal year under review, the Japanese economy continued on a moderate recovery trend mainly due to a pickup in personal consumption resulting from the improved employment and income environment. On the other hand, the future outlook remained uncertain due to concerns about the impact on the economy of rising prices, the situation in the Middle East, and developments in U.S. trade policy.

In this economic environment, earnings figures for the Group for the fiscal year under review were driven by the favorable performance of the Energy Business and at consolidated subsidiaries in the Product Business. Net sales increased 15.7% year on year to 108,485 million yen, operating profit increased 23.8% year on year to 8,031 million yen, ordinary profit increased 8.9% year on year to 9,036 million yen, and profit attributable to owners of parent decreased 3.7% year on year to 7,507 million yen due to a decrease in gains on the sale of cross-shareholdings compared to the previous fiscal year.









The results by segment are as follows.

From the fiscal year under review, the Company revised the calculation method for segment income, taking into account the profit and loss of equity method affiliates, from the conventional operating income to an amount adjusted by adding equity in earnings of affiliates to operating income.

The year-on-year comparison for the fiscal year under review is based on the revised segment income calculation method.

[Energy Business]

Due to the smooth progress of delivery of periodic maintenance work for thermal power plants and nuclear power plants in the regions of Western Japan and construction of new thermal power plants in the Kyushu region, net sales increased 9.5% year on year to 38,492 million yen. On the other hand, segment income decreased 11.9% year on year to 4,011 million yen from the previous fiscal year, in which negative goodwill was recorded due to conversion into an equity method affiliate. Excluding the negative goodwill, segment income increased 11.5% year on year compared to 3,597 million yen in the previous fiscal year.

[Industrial Machinery Business]

At the Company on a non-consolidated basis, due to deliveries of functional film manufacturing plants for chemical companies and various environmental load reduction equipment, among other factors, net sales increased 43.4% year on year to 35,595 million yen, and segment income was 146 million yen (loss of 325 million yen for the previous fiscal year), making an improvement in performance.

[Product Business]

As the performance of Nippon Daiya Valve Co., Ltd. and the Tsurumi (Europe) GmbH Group, consolidated subsidiaries, remained favorable, net sales increased 1.9% year on year to 34,397 million yen, and segment income increased 23.8% year on year to 4,452 million yen.



(1) to (4) belong to the Product Business, and (5) belongs to the Industrial Machinery Business.

Notes:
1. The performance of Tsurumi (Europe) GmbH is based on the consolidated figures of its group.
2. In conjunction with ASAHI SUNAC CORPORATION becoming a subsidiary in December 2025, ASAHI SUNAC CORPORATION changed its fiscal year-end to December. As a result, the performance included in the Company's consolidated results for the fiscal year ended March 2026 covers the one-month period from December 1 to December 31, 2025.

Overseas sales of the Group increased 46.2% year on year to 23,497 million yen, and accounted for 21.7% of the total net sales of the Group.

The amount of orders received and net sales of the Group by segment are as follow:

Segment	102nd fiscal year (FY2024)				103rd fiscal year (FY2025)			
	Amount of orders received		Net sales		Amount of orders received		Net sales	
	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)
Energy	35,927	34.8	35,158	37.5	42,722	36.0	38,492	35.5
Industrial Machinery	33,518	32.5	24,818	26.5	41,355	34.9	35,595	32.8
Product	33,789	32.7	33,757	36.0	34,482	29.1	34,397	31.7
Total	103,235	100.0	93,734	100.0	118,560	100.0	108,485	100.0

(2) Capital Investments

There are no special matters to be noted.

(3) Financing

Funds required for the fiscal year under review were self-financed or financed through borrowings. Specifically, the Company procured a total of 19.0 billion yen in long-term borrowings from four financial institutions for the purpose of acquiring shares in ASAHI SUNAC CORPORATION, making it a consolidated subsidiary.

Funds were not procured through capital increase or bond issue.

In addition, to efficiently procure necessary funds, the Company has entered into a commitment line agreement of 5.0 billion yen in total with major financial institutions.

The Company has also established an uncommitted overdraft facility totaling 13.3 billion yen.

(4) Issues to Be Addressed

In the Medium-Term Management Plan, the Company has set “green environment” as a theme and made it the most significant mission to support the sustainable generation of energy and industrial activities in harmony with the global environment and to bring about sustainable growth of the Company itself and enhancement of its corporate value by taking advantage of these efforts as a growth driver.

In pursuing its business based on the Medium-Term Management Plan, the Company enhanced its earnings foundation through various activities such as becoming an agent of Mitsubishi Heavy Industries for the nuclear energy business, and performance of the consolidated subsidiaries remained favorable. As a result, the Company achieved the numerical targets for the final year of operating profit and ordinary profit under the Medium-Term Management Plan in the current fiscal year.

Accordingly, the Company revised upward the numerical targets of the Medium-Term Management Plan, which enters its final year in the next fiscal year, and is working towards further enhancement of its corporate value based on the following strategies.

1) Business Strategy

Improve profitability by setting strategies based on the characteristic of each business segment, developing structures to analyze business environment and monitor growth effectively, and promoting optimization of business from a medium- to long-term perspective.

i. Business expansion in growing areas

Accelerate complementary M&A in the existing businesses.

ii. Bold implementation of structural reform of low-growth and low-profit businesses

Invest necessary management resources flexibly to improve profitability.

iii. Enhance resilience of the Group companies

Always be conscious of improvement of return on invested capital and implement reform of management, strategic resource allocation, risk management, and appropriate information disclosure.

2) Management Strategy

Manage invested capital efficiently for "realization of the management conscious of capital cost and stock price."

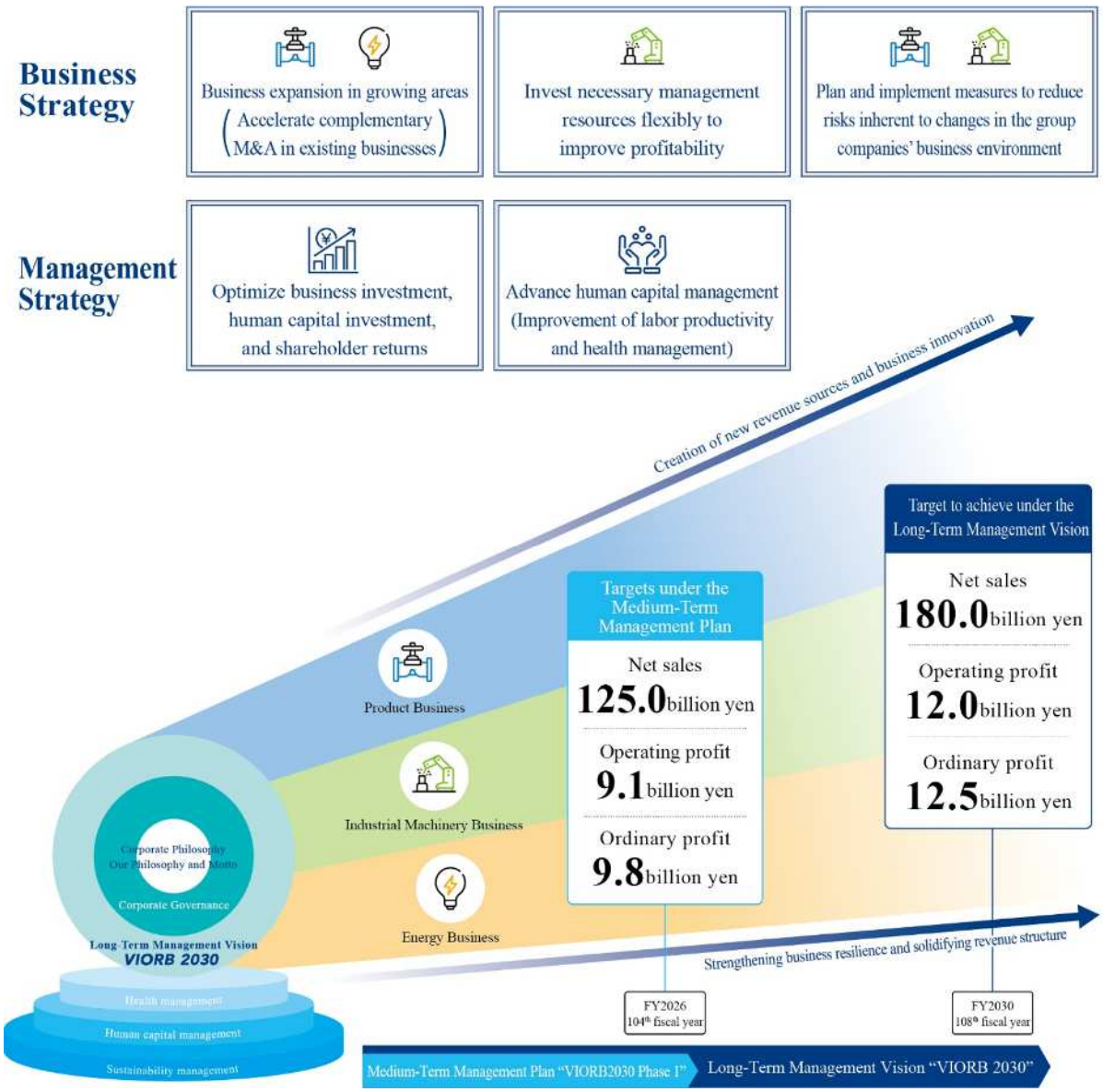
iv. Verification of cash allocation

Optimize business investment, human capital investment, and shareholder returns.

v. Upgrading of the human resources strategy

Implement recruitment of diverse talent, realization of health management, and development of human resources in a planned manner.

The Company's medium- to long-term growth strategies and the revised numerical targets under the Long-Term Management Vision and of the Medium-Term Management Plan are as shown in the model diagram below.



In addition, the Group has identified four “Themes of Materiality” and 11 important issues and it should address on a prioritized basis by analyzing how various social issues relate to and affect the Company’s business. By correlating materiality to management strategies and measures taken by the Sustainability Committee, the Company aims to resolve these issues through its business activities.

Subcommittees under the Sustainability Committee take responsibility for issues by theme, set specific initiatives to resolve them and KPIs to measure the achievement, and report the progress to the Sustainability Committee. The Sustainability Committee gives instructions on the policies to subcommittees and monitors their activities, in order to establish a system that will ensure that the purposes and sustainability management will be put into practice.



Theme of Materiality	Important Issues
1 Contributing to the global environment for the next generation	•Expansion of clean energy •Decarbonization of thermal power generation
2 Contributing to sustainable growth of industry	•Promotion of energy saving and automation •Promotion of Digital Transformation •Contributing to the sustainability of marine resources
3 Prosperous coexistence with Shareholders	•Improvement of employee engagement •Promotion of diversity •Coexistence with local society
4 Practicing transparent governance	•Enhancement of corporate governance •Reinforcement of compliance system •Enhancement of data security

Results of initiatives in FY2024	Results of initiatives in FY2025	Initiatives in FY2026 and beyond (our aim)	Relevant SDGs
• Stable operation of Mitsubishi nuclear energy business • Proposals and concrete implementation for decarbonization of existing thermal power plants • Initiatives to reduce CO_2 emissions by promoting the sale and widespread use of solar panels and small-scale hydropower generation equipment	• Stable operation of Mitsubishi nuclear energy business • Proposals and concrete implementation for decarbonization of existing thermal power plants • Initiatives to reduce CO_2 emissions by promoting the sale and widespread use of solar panels and small-scale hydropower generation equipment • Expanding sales of green innovation-related products **KPI: FY2026 250.0 billion yen (FY2025 result 223.8 billion yen)**	• Strengthening of operational structure for periodic inspections and aging countermeasure work for nuclear power generation facilities • Participation in the nuclear fuel recycling business • Expansion of sales of power generation equipment related to LNG thermal power, positioned as a transitional power source from coal-fired power • Backup support for zero-emission fuel supply systems (Proposals for safety measuring instruments toward ammonia conversion in the industrial sector) **KPI: FY2026 Transaction value for green innovation of 250.0 billion yen**	
• Continue promoting smart conservation using UT drones • Promote material recycling business, sell new materials such as plastic substitutes derived from organic waste, and disseminate information • Initiatives for seaweed forest creation off the coast of Takashima, Matsuura City, Nagasaki Prefecture • Create revenue opportunities by promoting operational efficiency and sophistication through DX	• Further promote DX smart conservation using drones and develop new applications • Promote material recycling business, sell new materials such as plastic substitutes derived from organic waste, and disseminate information • Initiatives for seaweed forest creation off the coast of Takashima, Matsuura City, Nagasaki Prefecture • Promote providing automation solutions leveraging robots and unmanned transportation systems to achieve labor-saving in manufacturing and logistics processes	• Further promote DX smart conservation using drones and develop new applications • Expansion of sales of environmentally contributing products, including low-temperature pyrolysis waste treatment equipment • Initiatives for seaweed forest creation off the coast of Takashima, Matsuura City, Nagasaki Prefecture • Proposals for automation solutions to achieve labor-saving in manufacturing and logistics processes and improve the labor environment	
• Evaluation and rationalization of new personnel system • Expansion of the human resource training program • Welfare package (1) Increase the financial incentive for employee stock ownership plan to 20% (2) Awarded "Hataraku Yell 2025" designation for efforts to strengthen recruiting competitiveness and enhance engagement (3) Introduced corporate health support services (4) Introduced light-meal services for offices (5) Partially expanded outsourcing services for welfare benefits (6) Increased maternity allowance • Promotion of diversity (1) Monitored participants in female executive candidate training project (WEP). (2) Conducted training for employees of overseas subsidiaries (3) Initiatives to employ people with disabilities • Participation in various volunteering and coexistence-with-local community activities	• Strengthen proper operation of new personnel system • Recruitment that underpins business strategy **KPI: Lift five-year retention rate of new graduates and midcareer employees to at least 90% (FY2025 result 95.1%)** • Promotion of health management **KPI: Receive recognition as Outstanding Organizations of KENKO Investment for Health (Received in March 2026)** • Monitor implementation of human resource training programs and attendance status • Initiatives for diversity and inclusion (1) Continuous monitoring of participants in female executive candidate training project (WEP) (2) Continuous implementation of measures to lift sense of belonging to the Group for employees of overseas subsidiaries (3) Workplace improvement for employment of people with disabilities (including employee education) • Major renovations for head office, and inspections and upgrades to branch workplaces • Upgrade head office telephone system partly to respond to major disasters and verify benefits of adoption	• Improvement of personnel systems (evaluation system, grading system, and compensation system) • Completion of talent management • Aiming for recognition as KENKO Investment for Health White 500 • Systematization and expansion of training programs • Initiatives for diversity and inclusion (1) Acceleration of female executive candidate training (2) Implementation of measures to lift sense of belonging to the Group for employees of overseas subsidiaries (3) Promotion of employment of people with disabilities and improvement of the working environment • Coexistence with local communities (corporate-version hometown tax, participation in local cleanup activities and events, etc.) • Promotion of human capital management through various initiatives **KPI: FY2028 engagement survey score of 75 points**	
• Obtained "A- (stable)" credit rating from Japan Credit Rating Agency, Ltd. • Establish systems and hold awareness-raising activities to bolster compliance • Strengthen information security governance and improve security awareness among employees • Participated in the Partnership Building Declaration • Initiatives to address climate change (1) Obtained "B" CDP score (2) Endorsed the TCFD Recommendations and participated in the TCFD Consortium	• Obtained "A- (stable)" credit rating from Japan Credit Rating Agency, Ltd. • Establish systems and hold awareness-raising activities to bolster compliance (1) Formulation of recurrence prevention measures based on case analysis and internal awareness-raising (2) Introduction of whistleblowing systems at group companies • Formulation of "risk maps" for each group company • Formulation of "Human Rights Policy" and "Procurement Policy"	• Maintenance and improvement of external evaluations (1) Maintain "A- (stable)" credit rating from Japan Credit Rating Agency, Ltd. (2) Increase in corporate reports • Renewal of cyber defense posture • Advancement of group management and group internal controls (1) Formulation of response policy for revision of Corporate Governance Code (2) Streamlining and sharing of corporate operations of domestic group companies • Support for building compliance frameworks at group companies	

(Reference) Status of balance and reduction of cross-shareholdings

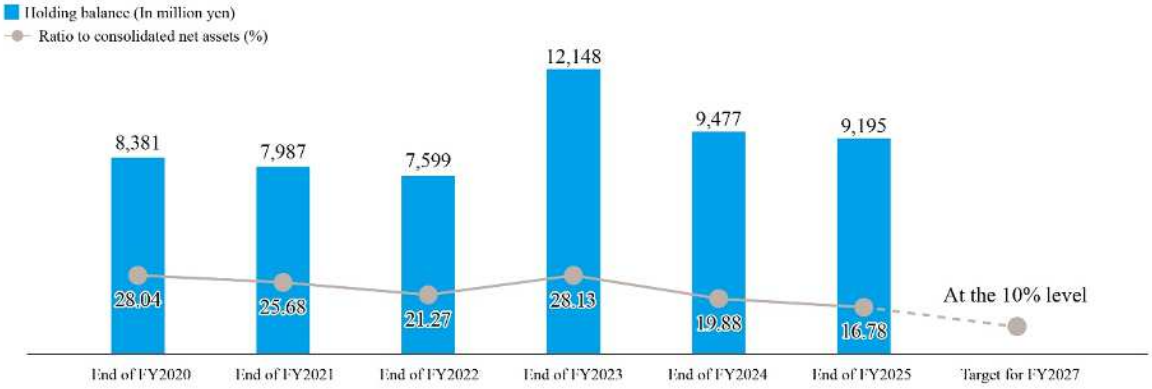
The Company holds shares of companies that it deems necessary to maintain and strengthen business relationships.

The Company's basic policy is to dispose of and reduce cross-shareholdings, as soon as possible, when they are deemed to have little significance in holding them. Each year, the Board of Directors closely examines whether the purpose of holding individual cross-shareholdings is appropriate and whether the benefits and risks associated with holding them are commensurate with the cost of capital, and discloses the results of the verification in the Annual Securities Report.

The Company promoted sale of cross-shareholdings, aiming at improving capital efficiency. As a result, the ratio of cross-shareholdings to consolidated net assets at the end of the fiscal year under review was 16.78%.

In addition, at the meeting of the Board of Directors held on January 16, 2025, a resolution was made to set it a target to have the ratio of at a 10% level at the end of FY2027. In FY2026, the Company also plans to sell 4 issues.

The funds obtained through the reduction of cross-shareholdings will be utilized mainly for investment for growth.



(5) Trends in Assets and Income

The trends in the business results and assets of the Group are as follow:

(In million yen, unless otherwise specified.)

Item	100th fiscal year (FY2022)	101st fiscal year (FY2023)	102nd fiscal year (FY2024)	103rd fiscal year (FY2025)
Net sales	93,311	86,785	93,734	108,485
Operating profit	4,636	5,580	6,487	8,031
Ordinary profit	6,286	6,255	8,299	9,036
Profit attributable to owners of parent	5,001	4,489	7,799	7,507
Profit per share (yen)	415.79	372.46	216.56	208.44
Net assets	35,736	43,180	47,667	54,784
Net assets per share (yen)	2,907.20	3,507.42	1,307.05	1,504.24
Total assets	79,990	118,543	129,533	197,520

Notes: 1. From the 102nd fiscal year, the Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for distributing stock to officers are treated as treasury shares in calculating profit per share and net assets per share. Accordingly, these shares are included in the number of treasury shares excluded from the calculation of the average number of shares during the period and the number of outstanding shares at the end of the period.

2. The Company implemented a 3-for-1 stock split of shares of common stock on October 1, 2025. Profit per share and net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the 102nd consolidated fiscal year.

(6) Parent Company and Major Subsidiaries

1) Relations with parent company
Not applicable.

2) Major subsidiaries

Name	Capital	Percentage of voting rights holding (or held)	Principal business
Nippon Daiya Valve Co., Ltd.	96 million (JPY)	100%	Manufacture and sale of industrial valves
Seika Digital Image CORPORATION	95 million (JPY)	100%	Sales of advanced measuring instruments and software
Shikishimakiki Corporation	96 million (JPY)	100%	Sales and installation of ships, internal combustion engines, fishing equipment, power generation equipment, etc.
Seika Daiya Engine Co., Ltd.	96 million (JPY)	100%	Sales and servicing of marine engines in Japan, and sales of related products
Shipyard Tanaka Co., Ltd.	10 million (JPY)	100% (100%)	Manufacture, repair, sale, maintenance, and management of FRP boats and repair and sale of marine equipment
ASAHI SUNAC CORPORATION	255 million (JPY)	100%	Development, manufacture, sale, and after-sales service of coating machinery, forging machinery, and precision cleaning and coating equipment, and others
Seika Sangyo GmbH	1,533 thousand (EUR)	100%	Sales of forging machinery for the automotive industry, automotive robots, and industrial equipment related to surface mounting
Tsurumi (Europe) GmbH	550 thousand (EUR)	95%	Sales of submersible pumps
Tsurumi France S.A.S.	375 thousand (EUR)	95% (95%)	Sales and rental of submersible pumps and wastewater treatment and other environmental equipment
Tsurumi Pump Spain S.A.U.	60 thousand (EUR)	95% (95%)	Sales of submersible pumps and wastewater treatment and other environment-related equipment
MMPumps nv	158 thousand (EUR)	95% (95%)	Sales and rental of submersible pumps
Tsurumi UK Limited	100 (GBP)	95% (95%)	Holding company of Tsurumi Pumps UK Limited
Tsurumi Pumps UK Limited	50 thousand (GBP)	95% (95%)	Sales of submersible pumps
SEIKA MACHINERY, INC.	1,000 thousand (USD)	100%	Sales of industrial machinery mainly electronics board mounting equipment
SEIKA SHANGHAI CO., LTD.	25,000 thousand (CNY)	100%	Sale and import/export of various plants, machinery and equipment and environmental protection equipment
TIANJIN DAIYA VALVE CO., LTD.	16,175 thousand (CNY)	100% (100%)	Manufacture and sale of industrial valves
SC Group Asia Co., Ltd.	2,000 thousand (THB)	49%	Holding company of Seika Sangyo (Thailand) Co., Ltd.

Name	Capital	Percentage of voting rights holding (or held)	Principal business
Seika Sangyo (Thailand) Co., Ltd.	20,500 thousand (THB)	73.88% (25.10%)	Sale of industrial machinery, electrical equipment and related materials, and after-sales service for these products
NDV (Thailand) Co., Ltd.	20,000 thousand (THB)	86.68% (86.68%)	Manufacture and sale of industrial valves
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	62,532 million (VND)	100%	Sales of industrial machinery, electrical equipment and related materials, and after-sales service for these products
FORMOSA SEIKA CORPORATION	30,000 thousand (NTD)	100%	Sale and import/export of various plants, machinery and equipment and environmental protection equipment

Notes: 1. Figures in parentheses in the "percentage of voting rights holding" column indicate the indirect holding ratio.
2. There are no subsidiaries that fall under the category of a specified wholly owned subsidiary.
3. As for ASAHI SUNAC CORPORATION, following the Company's acquisition of its shares, it has been included in the scope of consolidation from the fiscal year under review.
4. HYDREUTES, S.A.U. changed its name to Tsurumi Pump Spain S.A.U. on July 1, 2025.
5. On April 7, 2025, Tsurumi (Europe) GmbH acquired an additional 20% of the shares of Tsurumi UK Limited.
As a result, the capital investment ratio of Tsurumi UK Limited and Tsurumi Pumps UK Limited increased from 76% to 95%.

(7) Principal Business

The Group classifies its business into Energy, Industrial Machinery, and Product segments. Each segment is developing businesses related to the sale, maintenance, and servicing mainly of key facilities, ancillary equipment related to key facilities, and environmental protection equipment that are needed in respective fields, both in Japan and overseas.

The segments and their main products and services are as follows:

Segment	Main products and services
Energy	• Sales and maintenance of commercial power generation equipment for thermal, nuclear, hydroelectric, biomass, etc. • Sales and maintenance of private power generation facilities for oil, chemical, steelmaking, and other key industries • Sales and maintenance of power plant peripheral equipment for environmental protection, security, etc.
Industrial Machinery	• Sales and after-sales maintenance of equipment and products that contribute to improved production efficiency and reduced environmental impact, such as energy saving, labor saving, and digitalization at factories across a variety of industries • Development, manufacture, and sale of coating equipment, forging machinery, and precision cleaning and coating systems, and after-sales service
Product	• Sales of top niche advanced measuring instruments • Sale of surface mounting equipment, circuit boards and other materials for electronics industry • Sale of highly unique and competitive products such as submersible pumps, fishing boat engines and valves

(8) Principal Business Locations

1) Principal offices of the Company
Head office: Chiyoda-ku, Tokyo
Branch office: Osaka
Other branches: Nagoya, Hiroshima, Fukuoka, and other major cities in Japan and overseas

2) Principal offices of major subsidiaries
Nippon Daiya Valve Co., Ltd. (Shinagawa-ku, Tokyo)
Seika Digital Image CORPORATION (Bunkyo-ku, Tokyo)
Shikishimakiki Corporation (Sapporo, Hokkaido)
Seika Daiya Engine Co., Ltd. (Shinjuku-ku, Tokyo)
Shipyard Tanaka Co., Ltd. (Matsuura, Nagasaki)
ASAHI SUNAC CORPORATION (Owariasahi, Aichi)
Seika Sangyo GmbH (Germany)
Tsurumi (Europe) GmbH (Germany)
Tsurumi France S.A.S. (France)
Tsurumi Pump Spain S.A.U. (Spain)
MMPumps nv (Belgium)
Tsurumi UK Limited (U.K.)
Tsurumi Pumps UK Limited (U.K.)
SEIKA MACHINERY, INC. (U.S.A.)
SEIKA SHANGHAI CO., LTD. (China)
TIANJIN DAIYA VALVE CO., LTD. (China)
SC Group Asia Co., Ltd. (Thailand)
Seika Sangyo (Thailand) Co., Ltd. (Thailand)
NDV (Thailand) Co., Ltd. (Thailand)
SEIKA SANGYO (VIETNAM) COMPANY LIMITED (Vietnam)
FORMOSA SEIKA CORPORATION (Taiwan)

(9) Employees

Department category	Number of employees (persons)	YoY change (persons)
Energy	169	+8
Industrial Machinery	596	+429
Product	613	+4
Corporate (common)	180	+40
Total	1,558	+481

Notes: 1. The number of employees excludes employees seconded from the Group to companies outside the Group but includes employees seconded from companies outside the Group to the Group.
2. The number of employees in the "Corporate (common)" row is the number of those belonging to administrative departments that cannot be categorized into specific departments.
3. The increase in the number of employees in the Industrial Machinery Business is mainly due to ASAHI SUNAC CORPORATION becoming a consolidated subsidiary of the Company.

(10) Main Lenders

Lender	Amount of borrowings
MUFG Bank, Ltd.	9,340 million yen
Sumitomo Mitsui Banking Corporation	8,966 million yen

2. Status of Shares

(1) Total Number of Authorized Shares 113,117,400 shares

(Note) Pursuant to a resolution of the Board of Directors meeting held on August 7, 2025, the Articles of Incorporation were amended in conjunction with the stock split effective October 1, 2025, increasing the total number of authorized shares by 75,411,600 shares to 113,117,400 shares.

(2) Total Number of Outstanding Shares 36,312,473 shares
(excluding 649,477 treasury shares)

(Note) Pursuant to a resolution of the Board of Directors meeting held on August 7, 2025, the Company implemented a 3-for-1 stock split of shares of common stock effective October 1, 2025. As a result, the total number of outstanding shares increased by 24,641,300 shares to 36,961,950 shares.

(3) Number of Shareholders 20,279 persons
(an increase of 7,232 from the previous fiscal year-end)

(4) Major Shareholders

Shareholder	Number of shares held (thousand shares)	Equity ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,427	12.19
Hikari Tsushin K.K.	2,674	7.37
Custody Bank of Japan, Ltd. (Trust Account)	2,454	6.76
UH Partners 2, Inc.	2,369	6.53
Mitsubishi Heavy Industries, Ltd.	1,239	3.41
Tsurumi Manufacturing Co., Ltd.	801	2.21
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE−AC)	724	1.99
TAIHEI DENGYO KAISHA, LTD.	702	1.93
NIKKISO CO., LTD.	475	1.31
Seika Sangyo Employee Stock Ownership Association	457	1.26

Notes: 1. Quantities of less than one thousand shares are rounded down.
2. The Company holds 649,477 treasury shares, which are excluded from the above list of major shareholders.
In addition, equity ownership is calculated excluding treasury shares.
These treasury shares do not include 167,196 shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for distributing stock to officers.

(5) Other Important Matters Concerning Shares
There are no special matters to be noted.

3. Company's Stock Acquisition Rights, etc.

(1) Stock Acquisition Rights Held by the Company's Directors (as of March 31, 2026)

Name (date of resolution)	Exercise period	Number of stock acquisition rights and number of holders	Class and number of shares	Issue price (yen)	Amount to be paid in upon exercise
1st series of stock acquisition rights (June 24, 2016)	From August 10, 2016 to August 9, 2046	734 units 4 persons	44,040 shares of common stock	22,420 per unit	1 yen per share
2nd series of stock acquisition rights (June 27, 2017)	From July 15, 2017 to July 14, 2047	514 units 4 persons	30,840 shares of common stock	38,420 per unit	1 yen per share
3rd series of stock acquisition rights (June 26, 2018)	From July 14, 2018 to July 13, 2048	451 units 4 persons	27,060 shares of common stock	42,000 per unit	1 yen per share
4th series of stock acquisition rights (June 25, 2019)	From July 13, 2019 to July 12, 2049	1,062 units 4 persons	63,720 shares of common stock	24,180 per unit	1 yen per share
5th series of stock acquisition rights (June 24, 2020)	From July 23, 2020 to July 22, 2050	1,058 units 4 persons	63,480 shares of common stock	21,880 per unit	1 yen per share
6th series of stock acquisition rights (June 24, 2021)	From July 17, 2021 to July 16, 2051	712 units 4 persons	42,720 shares of common stock	30,820 per unit	1 yen per share
7th series of stock acquisition rights (June 28, 2022)	From July 16, 2022 to July 15, 2052	1,016 units 4 persons	60,960 shares of common stock	29,140 per unit	1 yen per share
8th series of stock acquisition rights (June 27, 2023)	From July 15, 2023 to July 14, 2053	768 units 4 persons	46,080 shares of common stock	34,820 per unit	1 yen per share

Notes: 1. Stock acquisition rights are granted to Directors (excluding Members of the Audit and Supervisory Committee and Outside Directors) as stock remuneration-type stock options.
2. Stock acquisition rights may be exercised only for a period of 10 days from the day immediately following the day on which the position of Director or Executive Officer of the Company was forfeited, and on a lump-sum basis.

(2) Stock Acquisition Rights Allotted to the Company's Executive Officers Who Are Not Directors during the Fiscal Year under Review

There are no special matters to be noted.

The Company implemented a consolidation of shares at a ratio of one share for every five shares of its common stock with an effective date of October 1, 2017, and a 3-for-1 stock split of shares of common stock with an effective date of October 1, 2025. The number of shares for the purpose of stock acquisition rights has been adjusted accordingly.

4. Company Officers

(1) Names, etc. of Directors

Position	Name	Responsibilities and significant concurrent positions
Representative Director	Akihiko Sakurai	President and CEO Chairman of the Board of Directors Member of the Remuneration Examination Committee
Director	Yasumasa Kawana	Senior Managing Executive Officer in charge of planning
Director	Hirohisa Masuda	Managing Executive Officer in charge of administration Member of the Remuneration Examination Committee
Director	Noriyuki Takahashi	Managing Executive Officer in charge of sales and marketing General Manager, Business Operation Division
Outside Director	Kiyomi Miyata	Chairperson of the Nomination Examination Committee Member of the Remuneration Examination Committee
Outside Director	Masanori Kagami	Chairperson of the Remuneration Examination Committee Member of the Nomination Examination Committee Outside Director, Kitakanto Nichiyu Co., Ltd.
Outside Director	Mayumi Noguchi	Member of the Nomination Examination Committee Member of the Remuneration Examination Committee Head of Noguchi Accounting Office Outside Audit & Supervisory Committee Member, Yokohama Financial Group, Inc. Outside Auditor, Japan Green Investment Corp. for Carbon Neutrality Outside member of Audit & Supervisory Board, JSP Corporation Auditor, Japan Gender Equality Promotion Agency
Outside Director	Sachiyo Kosugi	Member of the Nomination Examination Committee Member of the Remuneration Examination Committee Partner, Inaba & Partners
Director Member of the Audit and Supervisory Committee	Tatsuhiko Hirayama	Chairperson of the Audit and Supervisory Committee
Outside Director Member of the Audit and Supervisory Committee	Yoshihiko Nakamura	Certified Public Accountant Yoshihiko Nakamura Accounting Office Outside Director, MITSUBISHI MOTORS CORPORATION
Outside Director Member of the Audit and Supervisory Committee	Yasutaka Keno	Partner, King & Wood Law Offices (Foreign Law Joint Enterprise)

Notes: 1. Outside Director; Member of the Audit and Supervisory Committee Ms. Yuko Shirai resigned for personal reasons effective November 30, 2025. As this resulted in the number of Members of the Audit and Supervisory Committee falling below the legally required minimum, Mr. Yasutaka Keno, a substitute Outside Director; Member of the Audit and Supervisory Committee, assumed office as Outside Director; Member of the Audit and Supervisory Committee on the same date.
Ms. Yuko Shirai also served concurrently as an Independent Director, ANEST IWATA Corporation.

2. The Company appointed Mr. Tatsuhiko Hirayama as a Full-time Member of the Audit and Supervisory Committee in order to strengthen the auditing and supervisory functions of the Members of the Audit and Supervisory Committee, gather information from Directors (excluding Members of the Audit and Supervisory Committee), share information in the important meetings inside the company and enable sufficient coordination between the Internal Audit Division and the Audit and Supervisory Committee.
3. Outside Director; Member of the Audit and Supervisory Committee Mr. Yoshihiko Nakamura is a certified public accountant and has considerable knowledge of finance and accounting.
4. Outside Director; Member of the Audit and Supervisory Committee Mr. Yasutaka Keno is a qualified attorney.
5. The Company has registered Outside Directors Mr. Kiyomi Miyata, Mr. Masanori Kagami, Ms. Mayumi Noguchi, Ms. Sachiyo Kosugi, Mr. Yoshihiko Nakamura and Mr. Yasutaka Keno as Independent Officers with the Tokyo Stock Exchange.

(2) Summary of Agreements on Limitation of Liability

The Company has entered into an agreement with its Outside Directors and Directors Serving as Members of the Audit and Supervisory Committee to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.

(3) Outline of the Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance (D&O Insurance) agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers damages and litigation costs to be borne by the insured persons in the event of claims for damages as a result of actions taken by the insured in the course of execution of their duties. However, the insurance does not cover damage arising from the insured's criminal acts, or acts committed with the knowledge that they violate laws and regulations.

The scope of the insured under such insurance agreement includes Directors, Executive Officers, significant employees, and other persons of the Company, as well as officers of named subsidiaries, and the insured do not bear the premiums.

(4) Remuneration, etc. of Directors

1) Decision policy regarding the details of remuneration, etc. for individual Directors

Remuneration, etc. for Directors (with the exception of Directors Serving as Members of the Audit and Supervisory Committee) of the Company consists of basic remuneration (fixed remuneration) based on internal regulations, as well as (with the exception of Outside Directors) bonuses linked to short-term performance, and (with the exclusion of Outside Directors) stock remuneration linked to medium- to long-term performance.

In order to conduct the management conscious of expanding Group revenue, bonuses are calculated by multiplying consolidated operating profit and consolidated profit before income taxes, without consideration for the amount of size-based corporate taxes, by a calculation rate based on the achievement of the numerical targets for consolidated operating profit under the Medium-Term Management Plan and a factor depending on rank for payment.

In order to clarify the linkage between remuneration for Directors and the Company's performance and share value, and thereby to increase Directors' awareness of contribution to enhancing performance and increasing corporate value in the medium to long term, stock remuneration is calculated by multiplying a performance-linked factor based on the Company's market capitalization by the amount of stock remuneration depending on rank for payment, as well as considering the achievement levels of the consolidated ROE among the numerical management targets under the Medium-Term Management Plan and items set forth in the Medium-Term Management Plan.

Under the decision policy described above, remuneration, etc. for Directors (with the exception of Directors Serving as Members of the Audit and Supervisory Committee) of the Company is paid based on regulations resolved by the Board of Directors after extensive discussions, and within the limit approved by resolution of the General Meeting of Shareholders.

Remuneration, etc. for Directors (with the exception of Directors Serving as Members of the Audit and Supervisory Committee) for the fiscal year under review is therefore deemed to be in accordance with the decision policy described above.

In order to reinforce fairness, objectivity, transparency and accountability, the Company has established the Remuneration Examination Committee as a voluntary body under the Board of Directors. A majority of the members of the Remuneration Examination Committee are Independent Officers (Outside Directors).

Remuneration, etc. for individual Directors is decided by the Board of Directors after deliberation and recommendations by the Remuneration Examination Committee.

(Reference)
At the Board of Directors meeting held on March 12, 2026, the Company revised the bonus calculation method under item 1) "Decision policy regarding the details of remuneration, etc. for individual Directors" above, and changed it to the following.

The performance-linked remuneration for the fiscal year under review was determined based on the policy prior to the revision.

[Revised bonus calculation formula]
In order to conduct management conscious of expanding Group revenue, bonuses are calculated by multiplying consolidated ordinary profit (excluding negative goodwill) by a coefficient set forth in a matrix table using the consolidated operating profit achievement rate and the total shareholder return (TSR) relative to the closing share price at the end of the previous fiscal year, to arrive at the total bonus amount, which is then used to calculate individual bonuses based on the number of eligible Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee) and a factor depending on rank for payment.

2) Resolutions of the General Meeting of Shareholders regarding remuneration, etc. for Directors

Remuneration for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee) of the Company was limited to a maximum of 500 million yen per annum (including up to 50 million yen for Outside Directors) by resolution of the General Meeting of Shareholders held on June 24, 2025. At the time, eight (8) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee; including four (4) Outside Directors) were subject to this resolution, but the limit of 500 million yen per annum was calculated on the premise of a maximum of eleven (11) Directors, which is the maximum number allowed under the Company's Articles of Incorporation.

Stock remuneration was limited to a maximum of 240 million yen or 160,000 shares for four consecutive fiscal years (a maximum of 60 million yen or 40,000 shares per fiscal year) by resolution of the General Meeting of Shareholders held on June 26, 2024. At this time, four (4) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee and Outside Directors) are subject to this resolution, but the limit of 240 million yen or 160,000 shares for four consecutive fiscal years is calculated on the premise of a maximum of eleven (11) Directors, which is the maximum number allowed under the Company's Articles of Incorporation, reduced by the number of Outside Directors.

Remuneration for Directors Serving as Members of the Audit and Supervisory Committee of the Company was limited to a maximum of 80 million yen per annum by resolution of the General Meeting of Shareholders held on June 24, 2025. While three (3) Directors Serving as Members of the Audit and Supervisory Committee were subject to this resolution at the time, the limit of 80 million yen per annum was calculated on the premise of a maximum of four (4) Directors Serving as Members of the Audit and Supervisory Committee, which is the maximum number allowed under the Company's Articles of Incorporation.

3) Total amounts of remuneration, etc. for Directors

Office	Total remuneration (in million yen)	Total remuneration by type (in million yen)			Number of eligible recipients
		Fixed remuneration	Performance-linked remuneration	Performance-linked stock remuneration (Non-monetary remuneration)	
Directors (excluding Members of the Audit and Supervisory Committee)	428	166	222	39	8
(of whom, Outside Directors)	(40)	(40)	(-)	(-)	(4)

Office	Total remuneration (in million yen)	Total remuneration by type (in million yen)			Number of eligible recipients
		Fixed remuneration	Performance-linked remuneration	Performance-linked stock remuneration (Non-monetary remuneration)	
Directors (Members of the Audit and Supervisory Committee)	44	44			4
(of whom, Outside Directors)	(22)	(22)	-	-	(3)

Notes: 1. Bonuses are paid to Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee and Outside Directors) as performance-linked remuneration. In order to conduct the management conscious of expanding Group revenue, bonuses are calculated by multiplying consolidated operating profit and consolidated profit before income taxes, without consideration for the amount of size-based corporate taxes, by a calculation rate based on the achievement of the numerical targets for consolidated operating profit under the Medium-Term Management Plan (excluding stock remuneration) and a factor depending on rank for payment.

The target amount for consolidated operating profit of the fiscal year under review under the Medium-Term Management Plan is 6,600 million yen, and the actual record is 8,106 million yen. (Achievement rate 122.82%)

In addition, the actual record for consolidated profit before income taxes without consideration for the amount of size-based corporate taxes of the fiscal year under review is 11,245 million yen.

2. At the 101st Annual General Meeting of Shareholders held on June 26, 2024, a performance-linked stock remuneration plan using the structure of the Board Incentive Plan (BIP) trust for remuneration for officers was introduced for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee, Outside Directors, and non-residents of Japan). The Company abolished the stock remuneration-type stock options system and shall not newly grant share acquisition rights to Directors.

3. Performance-linked stock remuneration (Non-monetary remuneration) column for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee and Outside Directors) shows the amount of expenses associated with the performance-linked stock remuneration.

(5) Outside Directors and Outside Auditors

1) Significant concurrent positions and relationship with the Company

Category	Name	Significant concurrent positions
Director	Masanori Kagami	Outside Director, Kitakanto Nichiyu Co., Ltd.
Director	Mayumi Noguchi	Head of Noguchi Accounting Office Outside Audit & Supervisory Committee Member, Yokohama Financial Group, Inc. Outside Auditor, Japan Green Investment Corp. for Carbon Neutrality Outside member of Audit & Supervisory Board, JSP Corporation Auditor, Japan Gender Equality Promotion Agency
Director	Sachiyo Kosugi	Partner, Inaba & Partners
Director (Member of the Audit and Supervisory Committee)	Yuko Shirai	Independent Director, ANEST IWATA Corporation
Director (Member of the Audit and Supervisory Committee)	Yoshihiko Nakamura	Certified Public Accountant Yoshihiko Nakamura Accounting Office Outside Director, MITSUBISHI MOTORS CORPORATION
Director (Member of the Audit and Supervisory Committee)	Yasutaka Keno	Partner, King & Wood Law Offices (Foreign Law Joint Enterprise)

Note: The Company has business transactions with MITSUBISHI MOTORS CORPORATION, where Director (Member of the Audit and Supervisory Committee) Yoshihiko Nakamura holds a significant concurrent position.
There are no special relationships between the Company and any other companies where each of the other Directors and Directors (Members of the Audit and Supervisory Committee) hold significant concurrent positions.

2) Main Activities

Category	Name	Main activities
Director	Kiyomi Miyata	Mr. Kiyomi Miyata attended 13 of 14 meetings of the Board of Directors held during the fiscal year under review, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on his extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value. He also serves as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system, and as the Chairperson of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors. During the fiscal year under review, the Nomination Examination Committee met four times, all of which he attended, and he attended seven of the eight meetings of the Remuneration Examination Committee.

Category	Name	Main activities
Director	Masanori Kagami	Mr. Masanori Kagami attended 13 of 14 meetings of the Board of Directors held during the fiscal year under review, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on his extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value. He also serves as the Chairperson of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system, and as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors. During the fiscal year under review, the Nomination Examination Committee met four times and the Remuneration Examination Committee met eight times, and Mr. Masanori Kagami attended all of these meetings.
Director	Mayumi Noguchi	Ms. Mayumi Noguchi attended all of the meetings of the Board of Directors held after assuming office as Outside Director, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on her extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value. She also serves as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system, and as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors. During the fiscal year under review, the Nomination Examination Committee met four times and the Remuneration Examination Committee met eight times, and Ms. Mayumi Noguchi attended all of these meetings.
Director	Sachiyo Kosugi	Ms. Sachiyo Kosugi attended all of the meetings of the Board of Directors held after assuming office as Outside Director, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on her extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value. She also serves as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system, and as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors. During the fiscal year under review, the Nomination Examination Committee met four times and the Remuneration Examination Committee met eight times, and Ms. Sachiyo Kosugi attended all of these meetings.
Director (Member of the Audit and Supervisory Committee)	Yuko Shirai	Ms. Yuko Shirai attended all of the meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held during her term of office as Outside Director, and provided advice not only from her professional perspective as an attorney but also from an objective perspective overlooking society in general, to ensure the transparency and fairness of the decisions made by the Board of Directors.

Category	Name	Main activities
Director (Member of the Audit and Supervisory Committee)	Yoshihiko Nakamura	Mr. Yoshihiko Nakamura attended all of the meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held during the fiscal year under review, and made comments from his professional perspective as a certified public accountant, to ensure the legality and validity of the decisions made by the Board of Directors as a member of the Audit and Supervisory Committee. In addition, he gave advice on the development of internal control of overseas subsidiaries of the Company based on his experience in auditing global companies at a leading auditing firm.
Director (Member of the Audit and Supervisory Committee)	Yasutaka Keno	Mr. Yasutaka Keno attended all of the meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held after assuming office as Outside Director, and provided advice not only from his professional perspective as an attorney but also from an objective perspective overlooking society in general, to ensure the transparency and fairness of the decisions made by the Board of Directors.

Note: The attendance record of Ms. Yuko Shirai, Director (Member of the Audit and Supervisory Committee), covers the period up to her resignation on November 30, 2025, and that of Mr. Yasutaka Keno, Director (Member of the Audit and Supervisory Committee), covers the period following his appointment on November 30, 2025.

5. Accounting Auditor

(1) Accounting Auditor's Name
Meiko Audit Corporation

(2) Summary of Agreement on Limitation of Liability
The Company has entered into an agreement with the Accounting Auditor to limit said firm's liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.

(3) Accounting Auditor's Compensation, etc.

1) Amount of compensation, etc. for the fiscal year under review	59 million yen
2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to the Accounting Auditor	59 million yen

Notes:
1. The Audit and Supervisory Committee, based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, confirmed the details of the audit, the status of execution of duties, and changes in audit compensation of the Accounting Auditor, and examined the appropriateness of the audit time by item and the amount of compensation for the fiscal year under review. As a result, the Audit and Supervisory Committee has given its consent to the Accounting Auditor's compensation, etc. as prescribed in Article 399, Paragraph 1 of the Companies Act.
2. In the audit contract between the Company and the Accounting Auditor, it is not possible to make a reasonable differentiation between audit compensation based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the aggregate amount is shown in 1) above.
3. In addition to the above, 3 million yen was paid during the fiscal year under review as additional compensation for the previous fiscal year.

(4) Status of audit of subsidiaries' financial statements by auditing firms other than the Company's Accounting Auditor

Company name	Name of auditing firm, etc.
Seika Sangyo GmbH	PricewaterhouseCoopers
Tsurumi (Europe) GmbH	PricewaterhouseCoopers
Tsurumi France S.A.S.	PricewaterhouseCoopers
Tsurumi Pump Spain S.A.U.	Etl Spain Audit Services, S.L.
MMPumps nv	HLB Dodemont-Van Impe & Co BV CVBA
Tsurumi UK Limited	Kreston Reeves LLP
Tsurumi Pumps UK Limited	Kreston Reeves LLP
SEIKA MACHINERY, INC.	Century CPA & Co.
SEIKA SHANGHAI CO., LTD.	Shu Lun Pan CPAs LLP
Seika Sangyo (Thailand) Co., Ltd.	Professional Auditing Service Co., Ltd.
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	Crowe Vietnam Co., Ltd.
FORMOSA SEIKA CORPORATION	EVEN Accounting Firm
ASAHI SUNAC CORPORATION	Crowe Toyo & Co.

(5) Policy on Determination of Dismissal or Non-reappointment of Accounting Auditor
When the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor subject to the consent of all Members of the Audit and Supervisory Committee.

In this case, the Member selected by the Audit and Supervisory Committee shall report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be held after the dismissal.

In addition to the above, when it is recognized that there is a problem with the Accounting Auditor's execution of duties or that it is deemed reasonable to change the Accounting Auditor, the Audit and Supervisory Committee shall decide the content of a proposal for dismissal or non-reappointment of the Accounting Auditor.

6. Systems for Ensuring the Appropriateness of Business Operations

In order to ensure compliance with laws, regulations and the Articles of Incorporation, and to enhance corporate value through proper and efficient execution of business, under its corporate philosophy, "Contribute to Society Through the Expansion of Business," the Company has established the systems to ensure proper business operations by the corporate group (hereinafter the "Group") comprising the Company and its subsidiaries, as stipulated in the Companies Act and the Regulation for the Enforcement of the Companies Act. The details of the systems are as follows:

(1) Systems to ensure that the execution of duties by Directors, Executive Officers and employees complies with laws, regulations and the Articles of Incorporation

i) Systems related to compliance

- The Company shall establish a Compliance Manual and related regulations as a code of conduct for Directors, Executive Officers and employees, and the President and other Directors and Executive Officers shall take the lead in practicing this code of conduct, while also establishing a Compliance Managing Office under the direct control of the President, and striving to enhance awareness and understanding among employees.
- The Company shall establish an Export Control Committee under the direct control of the President and Export Control Regulations, and appropriately implement security export controls.
- The Company shall construct an internal reporting system, to ensure early detection of any compliance violation by a Director, Executive Officer or employee. The Company shall also establish and appropriately operate Internal Reporting System Regulations, to ensure that whistleblowers are not treated disadvantageously.

ii) Systems related to internal audit

- The Company shall establish an Internal Audit Division under the direct control of the President, and Internal Controls and Audit Regulations, and conduct internal audits to evaluate the appropriateness of internal controls and their operation within the Group.

iii) Systems related to the elimination of antisocial forces

- The Company shall stipulate in its Compliance Manual that it shall confront antisocial activities or forces and have no relationship with them. Should it be contacted by such groups, the Company shall respond systematically in cooperation with attorneys, the police, and other pertinent parties.

iv) Systems related to ensuring proper financial reporting

- The Company shall establish a Basic Policy on Financial Reporting, and construct systems to ensure proper financial reporting in accordance with the requirements of the Financial Instruments and Exchange Act and other relevant laws and regulations.
- The Company shall establish a Basic Policy on Tax Affairs, and construct systems to ensure compliance with laws and regulations related to taxes and appropriately fulfil the tax payment obligations.

(2) System for the storage and management of information related to the execution of duties by Directors

i) System for the storage and management of information

- The Company record in documentary or electronic form, and shall appropriately store and manage information related to the execution of duties by Directors in accordance with the Regulations of the Board of Directors, the Corporate Management Meeting Regulations and the Document Management Regulations, and make them available for inspection by Directors at all times.

(3) Regulations and other systems for managing the risk of loss

i) Establishment of duties and authority

- The Company shall establish Regulations of the Board of Directors, Corporate Management Meeting Regulations and Regulations on Various Sales Requests, etc., clarify the duties and necessary authority of Directors, Executive Officers and employees, and appropriately manage the risk associated with the execution of these duties.

ii) Risk management systems in each division
- The Company shall establish an Organization Table, and construct systems to enable risk to be managed in accordance with the duties and responsibilities of each division.

iii) Information security systems
- The Company shall establish a Basic Policy on Information Security to ensure confidentiality, integrity and availability of information the Group handles, and construct systems where effectiveness of information security is ensured and maintained.

iv) Company-wide risk management systems
- Company-wide risks and individual risks that affects the entire Company shall be comprehensively managed by the Corporate Management Meeting, including risk countermeasures and subsequent evaluation, etc.

v) Auditing and monitoring systems
- The Internal Audit Division, under the direct control of the President, shall provide advice and recommendations to improve management systems for company-wide risks and individual risks, through auditing and monitoring.

(4) Systems to ensure the efficient execution of duties by Directors
i) Board of Directors
- In accordance with the Regulations of the Board of Directors, a meeting of the Board of Directors shall be held once a month, in principle, and extraordinary meetings shall be held as necessary.

ii) Corporate Management Meeting
- In order to expedite the decision-making, the Company shall establish a Corporate Management Meeting, which shall be held at least twice a month in principle, to deliberate and make decisions on matters determined by the Board of Directors.

iii) Executive Officer System
- The Company shall promote efficient management by strengthening the decision-making and supervisory functions of the Board of Directors through the use of the Executive Officer System and the delegation of Directors' authority for business execution to Executive Officers.

(5) Systems to ensure the appropriateness of operations in the Group
i) Systems for reporting to the Company on the execution of duties by Directors of subsidiaries
- The Company shall establish Regulations for the Support and Operation of Subsidiaries and Affiliates, designating the responsibilities and authority of each subsidiary, to achieve smoother Group operation and promote business.
- The Company shall require the supervisor in charge of each subsidiary to report to the Company on matters related to the execution of business, based on the Regulations for the Support and Operation of Subsidiaries and Affiliates.

ii) Regulations for managing the risk of loss at subsidiaries
- The Company shall require subsidiaries to construct risk management systems based on their individual businesses forms, management environments, etc.

iii) Systems to ensure that the execution of duties by Directors of subsidiaries are efficiently executed
- Corporate departments and each department of the Business Operation Division of the Company shall support corporate management by the Directors of the subsidiaries collaboratively and in accordance with respective responsibilities. The Company shall designate through regulations the scope of authority that it retains over the execution of business by Directors of subsidiaries.

iv) Systems to ensure that the execution of duties by Directors and employees of subsidiaries complies with laws, regulations and the Articles of Incorporation
- The Company shall establish compliance systems at each subsidiary, based on each country's laws and regulations, etc., and endeavor to ensure thorough compliance across the Group.
- In addition to dispatching its Directors and Auditors to oversee compliance, the Company shall construct systems to report to the Company promptly and appropriately on any issues that might arise.

(6) Matters concerning the system for Directors and employees to assist the duties of the Audit and Supervisory Committee and the ensuring of independence of such Directors and employees from Directors excluding Members of the Audit and Supervisory Committee, and the effectiveness of instructions by the Audit and Supervisory Committee to, such Directors and employees

i) Assisting employees and their independence

- When requested by the Audit and Supervisory Committee to assign employees to assist in their duties, the Company shall assign employees for this purpose, and the said employees shall follow the instructions of the Audit and Supervisory Committee.

ii) Personnel decisions regarding assisting employees

- The Company shall obtain the consent of the Audit and Supervisory Committee for the appointment of employees to assist the Audit and Supervisory Committee in their duties.

iii) Directors to assist

- The Company shall not assign Directors to assist the duties of the Audit and Supervisory Committee.

(7) System for reporting to the Audit and Supervisory Committee, guidelines to arrange and process advance payment and refund of expenses incurred in the execution of duties by the Audit and Supervisory Committee and expenses or liabilities incurred in the execution of other duties, and other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

i) Reporting systems

- The Company shall secure systems so that, in the event that any Director, Executive Officer, employee or supervisor in charge of a subsidiary discovers any matter that may cause serious loss to the Group, or any compliance violation or improper act, the matter shall be reported to the Audit and Supervisory Committee.

ii) Audit expenses

- Members of Audit and Supervisory Committee shall have the ability to arrange and process advance payment and refund of expenses incurred in the execution of their duties and liabilities.

iii) Other systems to ensure effective execution of duties by the Audit and Supervisory Committee

- The Company shall develop systems to enable Members of Audit and Supervisory Committee to attend meetings of the Board of Directors and other important meetings to gain an understanding of the management decision-making process and the status of business execution.
- Members of Audit and Supervisory Committee may, as necessary, request access to documents concerning important matters, etc., and request explanations from Directors, Executive Officers and employees.
- The Company shall endeavor to secure and strengthen an effective auditing system for the Members of Audit and Supervisory Committee so that they can regularly exchange opinions with the President and Outside Directors, and regularly receive audit reports and cooperation from the Accounting Auditor and the Internal Audit Division.
- The Audit and Supervisory Committee may instruct the Internal Audit Division on matters of auditing operation to assist its duties and the instructions shall not be affected by command and order of Directors other than the Members of Audit and Supervisory Committee.
- The Company shall secure the system under which the status of the internal reporting within the Group is regularly reported to the Audit and Supervisory Committee.

(8) System to ensure that persons who reported to the Audit and Supervisory Committee shall never receive disadvantageous treatment on the ground of the reporting

i) System to prevent the reporter from receiving disadvantageous treatment

- The Company shall stipulate that any Director, Executive Officer and employee of the Group shall never receive disadvantageous treatment on the ground of reporting to the Audit and Supervisory Committee and make this stipulation thoroughly known.

7. Summary of the Status of Operation of the System to Ensure the Appropriateness of Operations

The status of the development and operation of the Group's internal control system during the fiscal year under review is as described below. The Board of Directors of the Company makes efforts to develop and supervise an effective system.

In addition, the Company has established a system to ensure the appropriateness of operations of its subsidiaries by having them inquire in advance or report important matters of each company to the Company in accordance with the Regulations for the Support and Operation of Subsidiaries and Affiliates.

1) Status of operations related to compliance

The Company's Compliance Managing Office conducted awareness building activities, mainly through education, to raise the compliance awareness of individuals and organizations belonging to the Group. The Internal Audit Division of the Company audited the status of compliance-related operations of the Group as appropriate, and provided guidance on any areas for improvement. In addition, the Company's Export Control Committee conducted appropriate security export control through prior examination of export projects based on laws and regulations, as well as internal education and audits for each of the Company's business departments.

As for the internal reporting system of the Group, in addition to the internal reporting contact point, we have established an external reporting contact point at an external law firm independent of the management team to ensure independence, and the system is operating appropriately.

2) Status of execution of duties by Directors and Executive Officers

The Company's Board of Directors comprises eleven Directors (including three Directors Serving as Members of the Audit and Supervisory Committee), including six Outside Directors. During the fiscal year under review, the Board of Directors held 14 meetings, made decisions on important matters and supervised the execution of business by Directors and Executive Officers. Specific deliberation matters included resolution on acquisition of shares in and making ASAHI SUNAC CORPORATION a consolidated subsidiary, resolution on bank borrowings, resolution on reduction of cross-shareholdings, resolution on performance-linked remuneration based on recommendations by the Remuneration Examination Committee, resolution on stock split, resolution on capital reduction of Seika Shanghai Co., Ltd., information sharing and discussion on litigation arising from past business negotiations in China, and information sharing on corrective and improvement measures following reflection on misconduct and inappropriate cases, and decisions on all these matters were made after careful and open discussions. The Company therefore considers that the Board of Directors is appropriately operated and the function it should have is working effectively.

The Nomination Examination Committee and the Remuneration Examination Committee, which the Company established as advisory bodies to the Board of Directors, assessed and deliberated on matters including the selection process and evaluation details of candidates for positions of Representative Director and Director, the selection process of candidates for positions of Executive Officer and evaluation details of candidates for positions of Executive Officer with titles among them, and revisions to and assessment of systems relating to the executive remuneration. The results of these deliberations were reported to the Board of Directors.

In addition, based on the results of the evaluation of the effectiveness of the Board of Directors, we held the "Meeting of Directors for Intensive Deliberations" to further enhance the effectiveness of the Board of Directors, and continued to deepen discussions on the direction of management strategy.

Furthermore, the Corporate Management Meeting, participated by Directors and Executive Officers appointed by the Board of Directors, was held 22 times, mainly engaging in discussions on growth strategy and other aspects of the Group, and contributed to the promotion of business management.

3) Status of administration and promotion of business of Group companies

The Company's Subsidiary and Affiliate Administration Department played a central role in administrating and promoting the business of subsidiaries and affiliates in Japan and overseas. In addition, in accordance with the Regulations for the Support and Operation of Subsidiaries and Affiliates, the Company required subsidiaries to report periodically on their operating results and financial position, and to inquire in advance important matters of the subsidiaries, which were implemented after deliberation and approval by the Company.

4) Status of internal control audits

As the management and supervision of subsidiaries in the Group is becoming increasingly important, the Company's Internal Audit Division conducted internal audits of all Company locations and major subsidiaries in Japan and overseas.

During the fiscal year under review, we focused on auditing the status of compliance and adherence to internal rules related to the work environment and sales management.

The results of the audits were compiled by the General Manager of the Internal Audit Division and reported to the President and the Audit and Supervisory Committee, and the President in turn reported them to the Board of Directors of the Company, which deliberated on the effectiveness of internal controls.

5) Status of execution of duties by the Audit and Supervisory Committee

Pursuant to laws and regulations, the Articles of Incorporation, the Rules of the Audit and Supervisory Committee and the Audit and Supervisory Standards of the Audit and Supervisory Committee, and based on the audit policy, the audit plan, the audit manner and division of roles which were resolved at the meeting of the Audit and Supervisory Committee, the Audit and Supervisory Committee, which comprises two Outside Directors Serving as Members of the Audit and Supervisory Committee and one internal Director, audits the appropriateness of the execution of duties by Directors by attending meetings of the Board of Directors and other important meetings, inspecting documents related to important matters, auditing the operations of the Company and its major subsidiaries, regularly receiving reports from and exchanging opinions with the Accounting Auditor and the Internal Audit Division, periodically meeting with the Representative Director and Outside Directors, and confirming the execution of duties by Directors in writing.

In addition, a meeting of the Audit and Supervisory Committee is held twice a month, in principle, to report, discuss and resolve important matters related to audit and supervisory.

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1【Consolidated Financial Statements, etc.】

(1)【Consolidated Financial Statements】

1)【Consolidated Balance Sheet】

(In million yen)

	Current fiscal year (As of March 31, 2026)
(Assets)	197,520
Current assets	149,762
Cash and deposits	19,737
Notes and accounts receivable - trade, and contract assets	67,035
Investments in leases	228
Securities	101
Merchandise and finished goods	9,100
Work in process	2,610
Raw materials and supplies	2,000
Advance payments to suppliers	47,654
Other	1,451
Allowance for doubtful accounts	(157)
Non-current assets	47,757
Property, plant and equipment	12,075
Buildings and structures	3,594
Machinery, equipment and vehicles	1,014
Tools, furniture and fixtures	571
Fixed assets for rent, net	711
Leased assets	139
Land	6,014
Construction in progress	30
Intangible assets	11,922
Goodwill	11,464
Right to use facilities	116
Software	241
Other	98
Investments and other assets	23,759
Investment securities	21,736
Long-term loans receivable	27
Deferred tax assets	729
Other	1,303
Allowance for doubtful accounts	(37)
Total assets	197,520

(In million yen)

	Current fiscal year (As of March 31, 2026)
(Liabilities)	142,736
Current liabilities	117,237
Notes and accounts payable - trade	55,866
Short-term borrowings	8
Current portion of long-term borrowings	3,600
Lease liabilities	71
Accounts payable - other	2,327
Income taxes payable	2,227
Advances received	49,409
Provision for product warranties	33
Provision for bonuses	1,471
Provision for bonuses for directors	222
Other	1,999
Non-current liabilities	25,499
Long-term borrowings	19,577
Lease liabilities	264
Retirement benefit liability	2,244
Provision for retirement benefits for directors	167
Provision for share awards	139
Asset retirement obligations	20
Deferred tax liabilities	2,593
Other	491
(Net Assets)	54,784
Shareholders' equity	44,435
Share capital	6,728
Capital surplus	2,107
Retained earnings	36,208
Treasury shares	(608)
Accumulated other comprehensive income	9,750
Valuation difference on available-for-sale securities	6,836
Foreign currency translation adjustment	2,709
Remeasurements of defined benefit plans	204
Share acquisition rights	207
Non-controlling interests	390
Total liabilities and net assets	197,520

2)【Consolidated Statement of Income】

(In million yen)

	Current fiscal year (From April 1, 2025 to March 31, 2026)
Net sales	108,485
Cost of sales	80,059
Gross profit	28,426
Selling, general and administrative expenses	20,394
Operating profit	8,031
Non-operating income	
Interest and dividend income	384
Gain on sale of securities	1
Share of profit of entities accounted for using equity method	579
Foreign exchange gains	64
Other	110
Total non-operating income	1,141
Non-operating expenses	
Interest expenses	87
Other	48
Total non-operating expenses	136
Ordinary profit	9,036
Extraordinary income	
Gain on sale of investment securities	2,130
Total extraordinary income	2,130
Extraordinary losses	
Loss on retirement of non-current assets	33
Loss on valuation of investment securities	45
Settlement payments	107
Total extraordinary losses	186
Profit before income taxes	10,980
Income taxes - current	3,623
Income taxes - deferred	(223)
Total income taxes	3,400
Profit	7,580
Profit attributable to non-controlling interests	73
Profit attributable to owners of parent	7,507

3)【Consolidated Statement of Changes in Equity】

Current fiscal year (From April 1, 2025 to March 31, 2026)

(In million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,728	2,097	31,613	(645)	39,793
Changes during period					
Dividends of surplus			(2,903)		(2,903)
Purchase of shares of consolidated subsidiaries		(14)			(14)
Profit attributable to owners of parent			7,507		7,507
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		25		13	39
Exercise of share acquisition rights			(8)	26	17
Net changes in items other than shareholders' equity					
Total changes during period	—	10	4,594	36	4,642
Balance at end of period	6,728	2,107	36,208	(608)	44,435

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,221	1,918	52	7,192	225	455	47,667
Changes during period							
Dividends of surplus							(2,903)
Purchase of shares of consolidated subsidiaries							(14)
Profit attributable to owners of parent							7,507
Purchase of treasury shares							(3)
Disposal of treasury shares							39
Exercise of share acquisition rights							17
Net changes in items other than shareholders' equity	1,615	790	152	2,557	(18)	(65)	2,474
Total changes during period	1,615	790	152	2,557	(18)	(65)	7,116
Balance at end of period	6,836	2,709	204	9,750	207	390	54,784

Notes to the Consolidated Financial Statements

1. Notes, etc., to the Basis for Preparation of Consolidated Financial Statements

(1) Scope of consolidation

1) Number of consolidated subsidiaries: 21

Names of consolidated subsidiaries:
Nippon Daiya Valve Co., Ltd.
Seika Digital Image CORPORATION
Shikishimakiki Corporation
Seika Daiya Engine Co., Ltd.
Shipyard Tanaka Co., Ltd.
ASAHI SUNAC CORPORATION
Seika Sangyo GmbH
Tsurumi (Europe) GmbH
Tsurumi France S.A.S.
Tsurumi Pump Spain S.A.U.
MMPumps nv
Tsurumi UK Limited
Tsurumi Pumps UK Limited
SEIKA MACHINERY, INC.
Seika Shanghai Co., Ltd.
TIANJIN DAIYA VALVE CO., LTD.
SC Group Asia Co., Ltd.
Seika Sangyo (Thailand) Co., Ltd.
NDV (Thailand) Co., Ltd.
SEIKA SANGYO (VIETNAM) COMPANY LIMITED
FORMOSA SEIKA CORPORATION

As for ASAHI SUNAC CORPORATION, following the Company's acquisition of its shares, it has been included in the scope of consolidation from the fiscal year under review.
HYDREUTES, S.A.U. changed its name to Tsurumi Pump Spain S.A.U. on July 1, 2025.

2) Names, etc., of principal non-consolidated subsidiaries
Not applicable.

(2) Application of the equity method

1) Number of non-consolidated subsidiaries to which the equity method is applied: 0
Not applicable.

2) Number of affiliates to which the equity method is applied: 5
Company names: S-Tec Co., Ltd., Ten Feet Wright Inc., Meinan Kyodo Energy, TVE Co., Ltd., Fenwal Controls of Japan, Ltd.

3) Non-consolidated subsidiaries and affiliates to which the equity method is not applied
Company name: JAPAN EJECTOR ENGINEERING CO., LTD. and others

Reason for not applying the equity method: As the effect of the non-consolidated subsidiaries and affiliates to which the equity method is not applied on consolidated net income or loss and retained earnings, etc., is insignificant, and they have no significant effect on the consolidated financial statements as a whole, they have been excluded from the scope of application of the equity method.

4) Of the equity-method affiliates, with regard to companies with closing dates that differ from the consolidated closing date, financial statements regarding the fiscal years of each company are adopted.

(3) Fiscal years of consolidated subsidiaries

1) Of the consolidated subsidiaries, companies with closing dates that differ from the consolidated closing date are as follows.

Name of consolidated subsidiary	Closing date
Shikishimakiki Corporation	December 31
Seika Daiya Engine Co., Ltd.	December 31
Shipyard Tanaka Co., Ltd.	December 31
ASAHI SUNAC CORPORATION	December 31
Seika Sangyo GmbH	December 31
Tsurumi (Europe) GmbH	December 31
Tsurumi France S.A.S.	December 31
Tsurumi Pump Spain S.A.U.	December 31
MMPumps nv	December 31
Tsurumi UK Limited	December 31
Tsurumi Pumps UK Limited	December 31
SEIKA MACHINERY, INC.	December 31
Seika Shanghai Co., Ltd.	December 31
TIANJIN DAIYA VALVE CO., LTD.	December 31
SC Group Asia Co., Ltd.	December 31
Seika Sangyo (Thailand) Co., Ltd.	December 31
NDV (Thailand) Co., Ltd.	December 31
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	December 31
FORMOSA SEIKA CORPORATION	December 31

For the preparation of consolidated financial statements, as the differences with the consolidated closing date do not exceed three months, the financial statements of these consolidated subsidiaries are used.

2) Necessary adjustments are made for significant discrepancies arising during transactions with consolidated subsidiaries due to differences in closing dates.

(4) Accounting policies

1) Evaluation standards and evaluation methods for significant assets

A. Securities

i. Securities - trading

Market value method

Additionally, the cost of sales is calculated based on the moving average method.

ii. Held-to-maturity bonds

Amortized cost method (straight-line method)

iii. Available-for-sale securities

a Securities other than shares, etc. that do not have a market price

Market value method

Additionally, valuation differences are treated entirely as a component of net assets, and cost of sales is calculated based on the moving average method.

b Shares, etc. that do not have a market price

Cost method based on the moving average method

Additionally, regarding investments in investment business partnerships, etc., valuations are made based on the corresponding amount of assets held in the partnership.

B. Derivatives

Market value method

C. Inventories

Cost method based on the first-in, first-out method (calculations for balance sheet amounts are made after write-downs on book value based on declines in profitability)

However, overseas consolidated subsidiaries primarily utilize the lower of cost or market value method on an individual basis, and domestic consolidated subsidiaries primarily utilize the cost method on a weighted-average basis (calculations for balance sheet amounts are made after write-downs on book value based on declines in profitability).

2) Method of depreciation and amortization for significant depreciable assets

A. Property, plant, and equipment (excluding leased assets)

Declining-balance method

However, of rental assets, those based on lease agreements (uniform rental fee revenue), and buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), as well as facilities attached to buildings and structures acquired on or after April 1, 2016, and some consolidated subsidiaries utilize the straight-line method.

B. Intangible assets (excluding leased assets)

Straight line method

Additionally, regarding software for internal use, the straight line method is used over the internal useful life (five years).

C. Leased assets

Regarding finance lease transactions without transfer of ownership, the lease term is considered as the useful life, and the straight line method is adopted with residual value as zero.

3) Recording standards for significant allowances

A. Allowance for doubtful accounts

To prepare for losses resulting from irrecoverable receivables, ordinary receivables are accounted for based on the historical write-off rate, and for specified receivables such as doubtful accounts, the estimated amount of irrecoverable debt based on recoverability are recorded individually.

B. Provision for bonuses

To prepare for payment of employee bonuses and bonuses for non-Director executive officers, the estimated amount of payment to be borne during the consolidated fiscal year under review is recorded.

C. Provision for bonuses for directors

To prepare for the payment of Directors' bonuses, the estimated amount of payment is recorded.

D. Provision for product warranties

To prepare for the occurrence of product warranty costs, the estimated amount based on historical results is recorded.

E. Provision for retirement benefits for directors

To prepare for the payment of retirement benefits to Directors at some of the consolidated subsidiaries, the estimated amount of payment based on internal regulations as of the end of the consolidated fiscal year under review is recorded.

F. Provision for share awards

To prepare for the delivery of the Company's shares, etc. to Directors and non-Director executive officers, the estimated amount of share award obligations is recorded.

4) Amortization method and amortization period for goodwill

Amortization is made in the straight line method over a reasonable period of up to 20 years, as determined on a case-by-case basis.

5) Other significant matters for the preparation of consolidated financial statements

A. Accounting treatment for consumption taxes that are outside the scope of elimination, etc.

Consumption taxes and local consumption taxes that are outside the scope of elimination are processed as expenses for the consolidated fiscal year under review.

B. Recording standards for revenue and expenses

i. Details of main performance obligations in principal businesses and the timing at which the Company recognizes revenue

The Group is engaged in the sale, maintenance, and servicing of machinery and equipment in the fields of energy, industrial machinery and product as well as related equipment and ancillary products, both in Japan and overseas.

In the businesses in which the Company engages in the sale of products, the Company is obligated to deliver the ordered products under the contract with a customer, and as for the timing at which these performance obligations are satisfied, the Company determines that control of products is transferred to customers when the products are delivered to the customer based on the contract with the customer. Accordingly, revenue from sales of products is recognized when such products are delivered to the customer. For transactions involving the provision of services, revenue is recognized at the completion of the service delivery when the Company satisfies the performance obligations based on the contract with the customer.

In addition, revenue from sales of products in which the Group acts as an agent is recognized at the net amount of the amount received.

Furthermore, revenue is measured at the amount of consideration promised with the customer under the contract less discounts, rebates, and returns.

ii. Recording standards regarding revenue for finance lease transactions

Revenue is recorded by the method of reporting net sales and cost of sales at the time of receiving lease fees.

In addition, for subleasing transactions, the sublease margin is recorded as net sales at the time of receiving lease fees.

C. Method of account treatment for retirement benefits

To prepare for payment of retirement expenses of employees, retirement benefit liability is recorded based on the estimated amounts as of the end of the consolidated fiscal year under review after elimination of the amount of pension assets from retirement benefit obligations. Actuarial differences are recorded as one-time expenses during the following consolidated fiscal year. Past service costs are recorded as one-time expenses during the fiscal year in which they are incurred. Unrecognized actuarial differences are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets net of tax.

Additionally, in calculation of retirement benefit obligations, concerning the attribution of estimated retirement benefit expenses to the period until the end of the consolidated fiscal year under review, the benefit formula standard is used.

Furthermore, certain consolidated subsidiaries adopt the simplified method.

2. Notes on accounting estimates

Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statement for the consolidated fiscal year under review: 729 million yen

(2) Other information

Deferred tax assets are recognized for unused tax losses carried forward and future deductible temporary differences, to the extent that it is probable that future taxable income will be available. In the judgement of the probability of taxable income, the Company reasonably estimates the timing and amount of taxable income that may be available in the future and calculates the amount accordingly.

These estimates are subject to the influence of uncertain future economic situation and operating status of the Company. If the actual timing when the taxable income becomes available and the amount thereof differ from the estimates, the amount to be recognized in the consolidated financial statements in and after the following consolidated fiscal year may be significantly affected. In addition, changes in effective tax rates due to revisions of the taxation system may also significantly affect the amount to be recognized in the consolidated financial statements in and after the following consolidated fiscal year.

3. Notes to the consolidated balance sheet

(1) Assets pledged as collateral

Buildings and structures	1,816 million yen
Land	3,905 million yen
Total	5,721 million yen
(Debts related to the above)	
Short-term borrowings	8 million yen
Current portion of long-term borrowings	480 million yen
Long-term borrowings	4,065 million yen

Payment guarantees, etc.

In addition to the above, time deposits of 53 million yen have been pledged as collateral for the execution of forward exchange contracts at certain consolidated subsidiaries.

(2) Total accumulated depreciation of property, plant, and equipment 10,805 million yen

4. Notes to the consolidated statement of income

Settlement Payments

A customer filed a lawsuit for damages against the Company, claiming for payment of a restoration cost of 479 million yen as a result of contract termination due to a failure to achieve the required performance for equipment. On July 22, 2025, the Tokyo District Court issued a judgment ordering the Company to pay damages of 454 million yen and delay damages thereon.

The Company filed an appeal with the Tokyo High Court against this judgment. However, following a recommendation for settlement by the court, a settlement was reached on March 13, 2026, under which the Company agreed to pay a settlement amount of 120 million yen. As part of the settlement amount claimed included advance payments previously received from the counterparty in prior fiscal years, the amount net of such advance payments, being 107 million yen, has been recorded as an extraordinary loss.

5. Notes to the consolidated statement of changes in equity

(1) Type and total number of issued shares as of March 31, 2026

Common shares 36,961,950 shares

(2) Dividends from surplus

1) Amount of dividends paid

A. The following was resolved at the Annual General Shareholders' Meeting on June 24, 2025.

Type of shares	Common shares
Total amount of dividends	1,571 million yen
Dividends per share	130 yen
Record date	March 31, 2025
Effective date	June 25, 2025

(Notes) 1. The total amount of dividends as resolved at the Annual General Shareholders' Meeting on June 24, 2025 includes dividends of 7 million yen for the Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for the "Stock Delivery Trust for Officers."

2. The Company implemented a 3-for-1 stock split of shares of common stock with an effective date of October 1, 2025. The dividend per share presented is the amount prior to the stock split.

B. The following was resolved at the Board of Directors meeting on November 7, 2025.

Type of shares	Common shares
Total amount of dividends	1,331 million yen
Dividends per share	110 yen
Record date	September 30, 2025
Effective date	December 5, 2025

(Notes) 1. The total amount of dividends as resolved at the Board of Directors meeting on November 7, 2025 includes dividends of 6 million yen for the Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for the "Stock Delivery Trust for Officers."

2. The Company implemented a 3-for-1 stock split of shares of common stock with an effective date of October 1, 2025. The dividend per share presented is the amount prior to the stock split.

2) Of dividends with a record date in the consolidated fiscal year under review, those with an effective date in the following consolidated fiscal year

The following is planned to be resolved at the Annual General Shareholders' Meeting on June 24, 2026.

Type of shares	Common shares
Total amount of dividends	1,634 million yen

Source of dividends	Retained earnings
Dividends per share	45 yen
Record date	March 31, 2026
Effective date	June 25, 2026

(Notes) 1. The total amount of dividends as resolved at the Annual General Shareholders' Meeting on June 24, 2026 includes dividends of 7 million yen for the Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for the "Stock Delivery Trust for Officers."

2. The Company implemented a 3-for-1 stock split of shares of common stock with an effective date of October 1, 2025. The dividend per share presented is the amount prior to the stock split.

(3) The type and number of shares subject to subscription rights to shares issued by the Company as of March 31, 2026

Common shares 426,900 shares

6. Notes on financial instruments

(1) Status of financial instruments

For funds required for the performance of business, the Group conducts procurement primarily via indirect financing from bank borrowings.

Additionally, derivative transactions are used to avoid foreign exchange fluctuation risk on foreign currency-denominated debts and credits based on actual demand, and are not for speculative purposes.

Customer credit risk regarding notes and accounts receivable - trade and contract assets are managed by appropriately ascertaining the status of key transaction partners and managing balances and due dates on a per-partner basis, with the intent of early discovery and reduction of recoverability concerns resulting from deterioration, etc., in financial conditions.

Additionally, although foreign currency-denominated sales receivables and payables are subject to foreign exchange fluctuation risk, hedging is made in principle via utilization of forward exchange contracts.

Securities and investment securities are primarily shares, and investment trusts, and are held for the purposes of strengthening relationships with transaction partners, stabilizing capital, and trading. Although some of these securities are subject to market price fluctuation risk, their market values are ascertained on an ongoing basis.

The purpose of borrowings is to procure funds necessary for the acquisition of shares and business operations.

The Company prepares for liquidity risk by striving to ascertain the capital status of the overall Group on an ongoing basis, and via methods such as adjustment of long-term and short-term procurement balances in consideration of the market environment. The Company also secures means to conduct stable financing by establishing commitment lines and overdraft facilities, etc.

(2) Market value, etc., of financial instruments

Amounts recorded on the consolidated balance sheet as of March 31, 2026, market values, and differences are as follows. “Cash and deposits,” “notes and accounts receivable - trade, and contract assets,” “notes and accounts payable - trade,” and “short-term borrowings” are omitted because the settlement periods are short and the market values are essentially equal to the book values.

(In million yen)

	Amount recorded on the consolidated balance sheet	Market value	Difference
(1) Securities and investment securities (Note 1)	19,783	18,325	(1,458)
(2) Current portion of long-term borrowings	3,600	3,600	-
(3) Long-term borrowings	19,577	19,577	0
(4) Derivative transactions (Note 2)	(48)	(48)	-

(Note 1) Investment securities include the shares of the listed affiliates applicable to the equity method and the difference arose from the valuation of market value of the said shares.
Furthermore, unlisted securities (amount recorded on the consolidated balance sheet: 1,921 million yen) and investments (65 million yen) that do not have market values, and investments to partnerships and equivalent business entities which is recorded with the net amount corresponding to equity interests on the consolidated balance sheet (67 million yen) are not included in (1) Securities and investment securities above.

(Note 2) Derivative transactions are scheduled transactions such as forward exchange contracts, and debts and credits accrued from derivative transactions are presented on a net basis, whereas net debts in total are indicated in parentheses.

(Note 3) Market value information by level within the market value hierarchy
The market value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure market value.
Level 1 market value: Market value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.
Level 2 market value: Market value measured using observable inputs other than Level 1 inputs.
Level 3 market value: Market value measured using unobservable inputs.
If multiple inputs are used that are significant to the market value measurement, the market value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

Assets

(1) Securities and investment securities
The market value of listed shares is measured using quoted prices. As listed shares are traded in active markets, their market value is classified as Level 1.
The market value of investment trusts is measured using benchmark prices. As the investment trusts are not frequently traded in markets and their prices are not regarded as the quoted prices in active markets, their market value is classified as Level 2.

Liabilities

(2) Current portion of long-term borrowings, (3) Long-term borrowings
The market value of long-term borrowings is calculated by discounting the estimated interest rate from the total amount of principal and interest categorized by certain period of time, assuming similar new borrowings, and is classified as Level 2.

Derivative transactions

(4) Derivative transactions
The market value of derivative transactions is measured using prices presented by counterparty financial institutions, and is classified as Level 2.

7. Notes on real estate for rent, etc.

(1) Status of real estate for rent, etc.

In Ageo City, Saitama Prefecture and in other regions, the Company holds land and buildings, etc., for rent. Rent income for the consolidated fiscal year under review was 17 million yen (rent revenue is recorded in non-operating income, and rent expenses are recorded in non-operating expenses).

(2) Market value of real estate for rent, etc.

Amount recorded on the consolidated balance sheet	570 million yen
Market value	387 million yen

Additionally, the amounts recorded on the consolidated balance sheet are amounts with accumulated depreciation and impairment loss eliminated from the cost of acquisition, and market values as of the end of the consolidated fiscal year under review are primarily amounts calculated by the Company based on assessed values of non-current assets for property tax purposes.

8. Notes on per share information

(1) Net assets per share	1,504.24 yen
(2) Profit per share	208.44 yen

(Notes) 1. The Company implemented a 3-for-1 stock split of shares of common stock on October 1, 2025. Net assets per share and profit per share are calculated on the assumption that the stock split was conducted at the beginning of the 102nd consolidated fiscal year.

2. The Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for the "Stock Delivery Trust for Officers" are treated as treasury shares in calculating net assets per share and profit per share. Accordingly, the number of outstanding shares at the end of the period and the average number of shares during the period are calculated by including these shares in treasury shares excluded from the calculation (167 thousand shares in the total number of outstanding shares at the end of the consolidated fiscal year under review and 167 thousand shares in the average number of shares during the consolidated fiscal year under review).

9. Notes on revenue recognition

(1) Disaggregation of revenue from contracts with customers

(In million yen)

	Energy	Industrial Machinery	Product	Total
Revenue from contracts with customers	38,492	35,595	34,397	108,485
Net sales to external customers	38,492	35,595	34,397	108,485

(2) Useful information in understanding revenue

The useful information in understanding revenue is as described in "1. Notes, etc., to the Basis for Preparation of Consolidated Financial Statements; (4) Accounting policies; 5) Other significant matters for the preparation of consolidated financial statements; B. Recording standards for revenue and expenses."

(3) Information in understanding revenue amounts for the current fiscal year and subsequent fiscal years

Balance of contract assets and contract liabilities, etc.

(In million yen)

	Current fiscal year	
	Balance at beginning of year	Balance at end of year
Obligations from contracts with customers	58,664	67,035
Contract assets	-	-
Contract liabilities	16,028	50,113

Obligations from contracts with customers are recorded as "notes and accounts receivable - trade, and contract assets" on the consolidated balance sheet.

Contract liabilities primarily represent consideration received from customers prior to delivery of

products or provision of services, and are included in “advances received” and “other” under current liabilities on the consolidated balance sheet. Additionally, during the fiscal year ended March 31, 2026, the Company recognized revenue of 5,055 million yen that was included in the contract liabilities balance at the beginning of the fiscal year.

10. Notes on significant subsequent events

At a meeting of the Board of Directors held on May 13, 2026, the Company passed a resolution on matters pertaining to the acquisition of the Company’s treasury shares in accordance with the provisions of Article 156 of the Companies Act, as applied mutatis mutandis pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, as follows.

(1) Reason for treasury share repurchase

The objective of the treasury share repurchase is to allow the Company to improve the efficiency of its capital, and the return of profits to shareholders while also allowing it to implement a capital policy that can respond dynamically to changes in the business environment.

(2) Details of matters pertaining to treasury share repurchase

1) Repurchase method	Market purchase
2) Class of shares to be repurchased	Common shares of the Company
3) Total number of shares to be repurchased	1,050,000 shares (maximum)
4) Total cost of repurchase	3.0 billion yen (maximum)
5) Repurchase period	From May 14, 2026 to August 31, 2026

11. Other notes

(1) Amounts recorded on the consolidated financial statements

Displayed with amounts rounded down to the nearest display unit.

(2) Accounting treatment for notes matured on the final day of the fiscal year

Notes matured on the final day of the fiscal year are settled on their clearing days. As the final day of certain consolidated subsidiaries with closing dates that differ from the consolidated closing date fell on a holiday for financial institutions, the following notes matured as of the final day of the fiscal year have been included in the balance.

Notes receivable	176 million yen
Notes payable	26 million yen

(3) A stock remuneration plan, "Stock Delivery Trust for Officers"

Based on the resolution of the 101st Annual General Shareholders' Meeting held on June 26, 2024, the Company introduced a new stock remuneration plan, "Stock Delivery Trust for Officers" (hereinafter the "Plan") for the Company's Directors (excluding Directors serving as members of the Audit and Supervisory Committee, Outside Directors, and non-residents of Japan).

Accounting treatment for the Plan is in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015).

1) Overview of the transaction

The Plan is a stock remuneration plan, in which a trust established by cash contribution of the Company (hereinafter, the "Trust") shall acquire the Company's shares and a number of shares corresponding to the number of points that the Company grants to Directors shall be delivered to the Directors through the Trust. A Director shall receive the Company's shares, etc. at the time of his/her retirement as a Director.

2) The Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets at the book value in the Trust (excluding the amount of incidental expenses). The book value and the number of said treasury shares as of the end of the consolidated fiscal year under review were 230 million yen and 167,196 shares, respectively.

2【Non-Consolidated Financial Statements, etc.】

(1)【Non-Consolidated Financial Statements】

1)【Non-Consolidated Balance Sheet】

(In million yen)

	Current fiscal year (As of March 31, 2026)
(Assets)	163,119
Current assets	117,679
Cash and deposits	9,904
Notes receivable - trade	1,619
Accounts receivable - trade	55,361
Investments in leases	228
Securities	101
Merchandise	1,844
Advance payments to suppliers	47,164
Current portion of long-term loans receivable	800
Other	674
Allowance for doubtful accounts	(20)
Non-current assets	45,440
Property, plant and equipment	1,402
Buildings	534
Tools, furniture and fixtures	148
Fixed assets for rent, net	570
Leased assets	57
Land	78
Other	13
Intangible assets	193
Right to use facilities	116
Software	66
Other	9
Investments and other assets	43,844
Investment securities	13,503
Shares of subsidiaries and associates	25,900
Investments in capital of subsidiaries and associates	444
Long-term loans receivable from employees	3,220
Other	804
Allowance for doubtful accounts	(29)
Total assets	163,119

(In million yen)

	Current fiscal year (As of March 31, 2026)
(Liabilities)	130,372
Current liabilities	110,961
Notes payable - trade	2,531
Accounts payable - trade	46,852
Short-term borrowings	7,042
Current portion of long-term borrowings	3,120
Lease liabilities	48
Accounts payable - other	875
Income taxes payable	1,199
Advances received	47,398
Provision for bonuses	894
Provision for bonuses for directors	222
Other	776
Non-current liabilities	19,411
Long-term borrowings	15,512
Lease liabilities	204
Provision for retirement benefits	1,787
Provision for share awards	139
Deferred tax liabilities	1,725
Other	41
(Net assets)	32,746
Shareholders' equity	26,164
Share capital	6,728
Capital surplus	2,096
Legal capital surplus	2,096
Retained earnings	17,919
Other retained earnings	17,919
General reserve	6,600
Retained earnings brought forward	11,319
Treasury shares	(579)
Valuation and translation adjustments	6,374
Valuation difference on available-for-sale securities	6,374
Share acquisition rights	207
Total liabilities and net assets	163,119

2)【Non-Consolidated Statement of Income】

(In million yen)

	Current fiscal year (From April 1, 2025 to March 31, 2026)
Net sales	73,043
Cost of sales	59,631
Gross profit	13,412
Selling, general and administrative expenses	9,493
Operating profit	3,918
Non-operating income	
Interest and dividend income	1,674
Foreign exchange gains	106
Gain on sale of securities	1
Other	49
Total non-operating income	1,833
Non-operating expenses	
Interest expenses	110
Other	23
Total non-operating expenses	133
Ordinary profit	5,618
Extraordinary income	
Gain on sale of investment securities	2,130
Total extraordinary income	2,130
Extraordinary losses	
Loss on retirement of non-current assets	31
Settlement payments	107
Total extraordinary losses	139
Profit before income taxes	7,609
Income taxes - current	2,195
Income taxes - deferred	(154)
Total income taxes	2,040
Profit	5,569

3)【Non-Consolidated Statement of Changes in Equity】

Current fiscal year (From April 1, 2025 to March 31, 2026)

(In million yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward	
Balance at beginning of period	6,728	2,096	2,096	6,600	8,662	15,262
Changes during period						
Dividends of surplus					(2,903)	(2,903)
Profit					5,569	5,569
Purchase of treasury shares						
Disposal of treasury shares						
Exercise of share acquisition rights					(8)	(8)
Net changes in items other than shareholders' equity						
Total changes during period	—	—	—	—	2,657	2,657
Balance at end of period	6,728	2,096	2,096	6,600	11,319	17,919

	Shareholders' equity		Valuation and translation adjustments	Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at beginning of period	(607)	23,480	4,992	225	28,698
Changes during period					
Dividends of surplus		(2,903)			(2,903)
Profit		5,569			5,569
Purchase of treasury shares	(3)	(3)			(3)
Disposal of treasury shares	4	4			4
Exercise of share acquisition rights	26	17			17
Net changes in items other than shareholders' equity			1,381	(18)	1,363
Total changes during period	27	2,684	1,381	(18)	4,048
Balance at end of period	(579)	26,164	6,374	207	32,746

Notes to the Non-consolidated Financial Statements

1. Notes to significant accounting policies

(1) Evaluation standards and evaluation methods for securities

1) Securities - trading

Market value method

Additionally, the cost of sales is calculated based on the moving average method.

2) Held-to-maturity bonds

Amortized cost method (straight-line method)

3) Shares of subsidiaries and associates

Cost method based on the moving average method

4) Available-for-sale securities

i. Securities other than shares, etc. that do not have a market price

Market value method

Additionally, valuation differences are treated entirely as a component of net assets, and cost of sales is calculated based on the moving average method.

ii. Shares, etc. that do not have a market price

Cost method based on the moving average method

Additionally, regarding investments in investment business partnerships, etc., valuations are made based on the corresponding amount of assets held in the partnership.

(2) Evaluation standards and evaluation methods for derivatives

Market value method

(3) Evaluation standards and evaluation methods for inventories

Cost method based on the first-in, first-out method (calculations for balance sheet amounts are made after write-downs on book value based on declines in profitability)

(4) Method of depreciation and amortization for non-current assets

1) Property, plant, and equipment (excluding leased assets)

Declining-balance method. However,

i. Low value depreciable assets acquired at a cost of 100 thousand yen or more and less than 200 thousand yen are evenly depreciated over three years.

ii. Of rental assets, those based on lease agreements (uniform rental fee revenue), and buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), as well as facilities attached to buildings and structures acquired on or after April 1, 2016 utilize the straight-line method.

2) Intangible assets (excluding leased assets)

Straight line method. Additionally, regarding software for internal use, the straight line method is used over the internal useful life (five years).

3) Leased assets

Regarding finance lease transactions without transfer of ownership, the lease term is considered as the useful life, and the straight line method is adopted with residual value as zero.

(5) Recording standards for allowances

1) Allowance for doubtful accounts

To prepare for losses resulting from irrecoverable receivables, ordinary receivables are accounted for based on the historical write-off rate, and for specified receivables such as doubtful accounts, the estimated amount of irrecoverable debt based on recoverability are recorded individually.

2) Provision for bonuses

To prepare for payment of employee bonuses and bonuses for non-Director executive officers, the estimated amount of payment to be borne during the fiscal year under review is recorded.

3) Provision for bonuses for directors

To prepare for the payment of Directors' bonuses, the estimated amount of payment is recorded.

4) Provision for retirement benefits

To prepare for the payment of retirement expenses of employees, provision for retirement benefits is recorded based on the estimated amounts of retirement benefit obligations and pension assets as of the end of the fiscal year under review.

In calculation of retirement benefit obligations, concerning the attribution of estimated retirement benefit expenses to the period until the end of the fiscal year under review, the benefit formula standard is used.

Actuarial differences are recorded as one-time expenses during the following fiscal year. Past service costs are recorded as one-time expenses during the fiscal year in which they are incurred.

5) Provision for share awards

To prepare for the delivery of the Company's shares, etc. to Directors and non-Director executive officers, the estimated amount of share award obligations is recorded.

(6) Other significant matters forming the basis of preparation of non-consolidated financial statements

1) Accounting treatment for consumption taxes that are outside the scope of elimination, etc.

Consumption taxes and local consumption taxes that are outside the scope of elimination are processed as expenses for the fiscal year under review.

2) Recording methods of revenue and expenses

i. Details of main performance obligations in principal businesses and the timing at which the Company recognizes revenue

The Company is engaged in the sale, maintenance, and servicing of machinery and equipment in the fields of energy, industrial machinery and product, as well as related equipment and ancillary products, both in Japan and overseas.

In the businesses in which the Company engages in the sale of products, the Company is obligated to deliver the ordered products under the contract with a customer, and as for the timing at which these performance obligations are satisfied, the Company determines that control of products is transferred to customers when the products are delivered to the customer based on the contract with the customer. Accordingly, revenue from sales of products is recognized when such products are delivered to the customer. For transactions involving the provision of services, revenue is recognized at the completion of the service delivery when the Company satisfies the performance obligations based on the contract with the customer.

In addition, revenue from sales of products in which the Company acts as an agent is recognized at the net amount of the amount received.

Furthermore, revenue is measured at the amount of consideration promised with the customer under the contract less discounts, rebates, and returns.

ii. Recording standards regarding revenue for finance lease

Revenue is recorded by the method of reporting net sales and cost of sales at the time of receiving lease fees.

In addition, for subleasing transactions, the sublease margin is recorded as net sales at the time of receiving lease fees.

3) Accounting treatment for retirement benefits

The method of accounting for unrecognized actuarial differences related to retirement benefits differs from the accounting methods in the consolidated financial statements.

2. Notes on accounting estimates

Recoverability of deferred tax assets

(1) Amount recorded in the non-consolidated financial statement for the fiscal year under review:

Deferred tax liabilities: 1,725 million yen

The amount of deferred tax assets before offsetting with deferred tax liabilities was 1,273 million yen.

(2) Other information

Deferred tax assets are recognized for unused tax losses carried forward and future deductible temporary differences, to the extent that it is probable that future taxable income will be available.

In the judgement of the probability of taxable income, the Company reasonably estimates the timing and amount of taxable income that may be available in the future and calculates the amount accordingly. These estimates are subject to the influence of uncertain future economic situation and operating status of the Company. If the actual timing when the taxable income becomes available and the amount thereof differ from the estimates, the amount to be recognized in the non-consolidated financial statements in and after the following fiscal year may be significantly affected. In addition, changes in effective tax rates due to revisions of the taxation system may also significantly affect the amount to be recognized in the non-consolidated financial statements in and after the following fiscal year.

3. Notes to the non-consolidated balance sheet

(1) Total accumulated depreciation of property, plant, and equipment: 649 million yen

(2) Guarantee obligations

Guarantees for transactions with financial institutions, etc., of subsidiaries and associates

Seika Shanghai Co., Ltd.	239 million yen
Seika Digital Image CORPORATION	30 million yen
Seika Sangyo (Thailand) Co., Ltd.	1 million yen

(3) Monetary claims and obligations of subsidiaries and associates

Short-term monetary claims	3,025 million yen
Long-term monetary claims	3,200 million yen
Short-term monetary obligations	7,789 million yen
Long-term monetary obligations	0 million yen

4. Notes to the non-consolidated statement of income

(1) Transaction amounts with subsidiaries and associates

1) Net sales	6,038 million yen
2) Amount of purchase	6,230 million yen
3) Transaction amounts other than business transactions	
Dividend income	1,340 million yen
Other	540 million yen

(2) Settlement payments

A customer filed a lawsuit for damages against the Company, claiming for payment of a restoration cost of 479 million yen as a result of contract termination due to a failure to achieve the required performance for equipment. On July 22, 2025, the Tokyo District Court issued a judgment ordering the Company to pay damages of 454 million yen and delay damages thereon.

The Company filed an appeal with the Tokyo High Court against this judgment. However, following a recommendation for settlement by the court, a settlement was reached on March 13, 2026, under which the Company agreed to pay a settlement amount of 120 million yen. As part of the settlement amount claimed included advance payments previously received from the counterparty in prior fiscal years, the amount net of such advance payments, being 107 million yen, has been recorded as an extraordinary loss.

5. Notes to the non-consolidated statement of changes in equity

Type and total number of treasury shares as of March 31, 2026

Common shares 816,673 shares

(Note) The number of treasury shares at the end of the fiscal year under review includes the Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for the "Stock Delivery Trust for Officers."

6. Notes on tax effect accounting

Breakdown of major components of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Provision for retirement benefits	563 million yen
Loss on valuation of shares of subsidiaries and associates	435 million yen
Impairment losses	125 million yen
Provision for bonuses	281 million yen
Advances received	213 million yen
Loss on valuation of investment securities	30 million yen
Provision for share awards	19 million yen
Share-based payment expenses	65 million yen
Loss on valuation of golf club membership	58 million yen
Accrued business taxes	75 million yen
Allowance for doubtful accounts	15 million yen
Other	170 million yen
Deferred tax assets - Subtotal	2,056 million yen
Valuation allowance	(782) million yen
Deferred tax assets - Total	1,273 million yen
Deferred tax liabilities	
Valuation difference on available-for-sale securities	2,934 million yen
Accrued dividends receivable	65 million yen
Deferred tax liabilities - Total	2,999 million yen
Net deferred tax liabilities	1,725 million yen

7. Notes on revenue recognition

(1) Disaggregation of revenue from contracts with customers

(In million yen)

	Energy	Industrial Machinery	Product	Total
Revenue from contracts with customers	38,563	28,276	6,204	73,043
Net sales to external customers	38,563	28,276	6,204	73,043

(2) Useful information in understanding revenue

The useful information in understanding revenue is as described in "1. Notes to significant accounting policies; (6) Other significant matters forming the basis of preparation of non-consolidated financial statements; 2) Recording methods of revenue and expenses."

(3) Information in understanding revenue amounts for the current fiscal year and subsequent fiscal years

Balance of contract assets and contract liabilities, etc.

(In million yen)

	Current fiscal year	
	Balance at beginning of year	Balance at end of year
Obligations from contracts with customers	53,869	56,981
Contract assets	-	-
Contract liabilities	15,035	48,051

Obligations from contracts with customers are recorded as "notes receivable - trade" and "accounts receivable - trade" on the non-consolidated balance sheet.

Contract liabilities primarily represent consideration received from customers prior to delivery of products or provision of services, and are included in "advances received" and "other" under current liabilities on the non-consolidated balance sheet. Additionally, during the fiscal year ended March 31, 2026, the Company recognized revenue of 4,167 million yen that was included in the contract liabilities balance at the beginning of the fiscal year.

8. Notes on per share information

(1) Net assets per share 900.24 yen

(2) Profit per share 154.09 yen

(Notes) 1. The Company implemented a 3-for-1 stock split of shares of common stock on October 1, 2025. Net assets per share and profit per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year under review.

2. The Company's shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) as trust assets for the "Stock Delivery Trust for Officers" are treated as treasury shares in calculating net assets per share and profit per share. Accordingly, the number of outstanding shares at the end of the period and the average number of shares during the period are calculated by including these shares in treasury shares excluded from the calculation (167 thousand shares in the total number of outstanding shares at the end of the fiscal year under review and 167 thousand shares in the average number of shares during the fiscal year under review).

9. Notes on significant subsequent events

At a meeting of the Board of Directors held on May 13, 2026, the Company passed a resolution on matters pertaining to the acquisition of the Company's treasury shares in accordance with the provisions of Article 156 of the Companies Act, as applied mutatis mutandis pursuant to the provisions of Article 165, Paragraph

3 of the Companies Act, as follows.

(1) Reason for treasury share repurchase

The objective of the treasury share repurchase is to allow the Company to improve the efficiency of its capital, and the return of profits to shareholders while also allowing it to implement a capital policy that can respond dynamically to changes in the business environment.

(2) Details of matters pertaining to treasury share repurchase

1) Repurchase method	Market purchase
2) Class of shares to be repurchased	Common shares of the Company
3) Total number of shares to be repurchased	1,050,000 shares (maximum)
4) Total cost of repurchase	3.0 billion yen (maximum)
5) Repurchase period	From May 14, 2026 to August 31, 2026

10. Other notes

(1) Amounts recorded on the non-consolidated financial statements

Displayed with amounts rounded down to the nearest display unit.

(2) A stock remuneration plan, "Stock Delivery Trust for Officers"

Based on the resolution of the 101st Annual General Meeting of Shareholders held on June 26, 2024, the Company introduced a new stock remuneration plan, "Stock Delivery Trust for Officers" (hereinafter the "Plan") for the Company's Directors (excluding Directors serving as members of the Audit and Supervisory Committee, Outside Directors, and non-residents of Japan).

Accounting treatment for the Plan is in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015).

1) Overview of the transaction

The Plan is a stock remuneration plan, in which a trust established by cash contribution of the Company (hereinafter, the "Trust") shall acquire the Company's shares and a number of shares corresponding to the number of points that the Company grants to Directors shall be delivered to the Directors through the Trust. A Director shall receive the Company' shares, etc. at the time of his/her retirement as a Director.

2) The Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets at the book value in the Trust (excluding the amount of incidental expenses). The book value and the number of said treasury shares as of the end of the fiscal year under review were 230 million yen and 167,196 shares, respectively.