

Results of Operations for the Fiscal Year Ended December 31, 2025



February 26, 2026

Fenwal Controls of Japan, Ltd.

Tokyo Stock Exchange Standard | 6870

Contents

00	Overview of Medium-Term Management Plan (2025 to 2028)	P3
01	Consolidated Financial Results for 2025	P6
02	2026 Consolidated Forecasts	P17
03	Investment Plan and Performance Targets/Dividend Policy	P23
04	Corporate Profile/History/Our Products	P26

00

00

Overview of Medium-Term Management Plan (2025 to 2028)

01

Consolidated Financial Results for 2025

02

2026 Consolidated Forecasts

03

Investment Plan and Performance Targets/Dividend Policy

04

Corporate Profile/History/Our Products

Basic Policy

Strengthening of core businesses

Expand sales channels and strengthen the business structure based on disaster prevention and control technologies

Improvement of capital revenues

Ensure profitability by facilitating capital policies and reviewing the profit structure

Annual Main Initiatives

2025-2026

Master the fundamentals and take on the challenge of radical change

- (1) Development of new products
- (2) Selection and concentration of resources
- (3) Re-acquiring ISO 9001 certification
- (4) Investments in people (revision of treatment and HR development)

2027-2028

Achieve sustainable growth

- (1) Improvement in profitability in the core businesses including new product sales
- (2) Improvement of plant productivity
- (3) Renovation of the development base
- (4) Revisions of human resources systems to upgrade recruitment activities

Medium-term business plan targets

Stabilize earning base

Operating profit:
At least ¥1.0 billion
(Operating profit ratio: At least 10%)

Increase capital efficiency

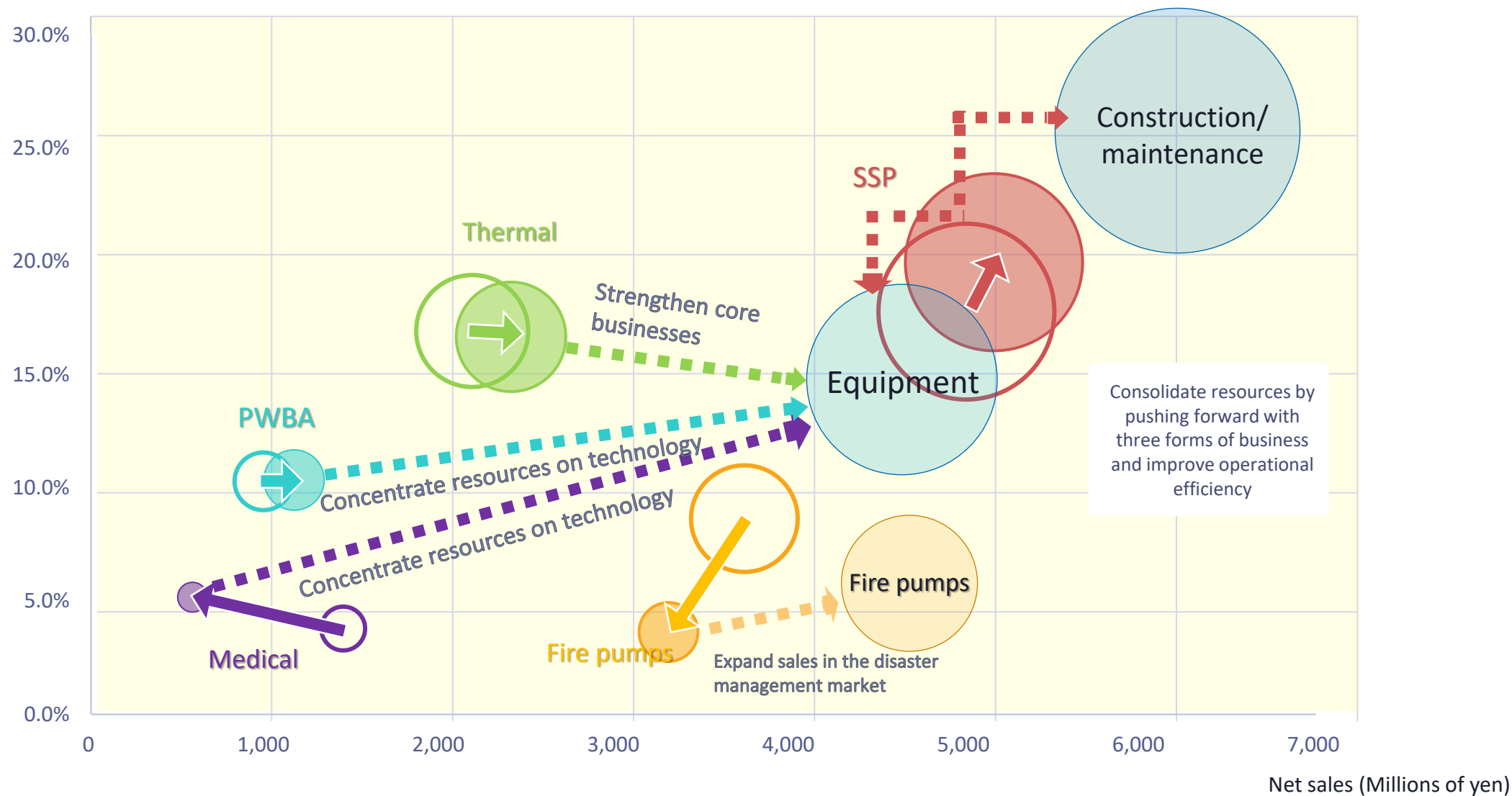
ROE: At least 6%

Total capital (2025 to 2028)

- Investment for growth: ¥4.8 billion
- Shareholder distributions: ¥1.7 billion

00 Goal for the Business Portfolio

Operating profit ratio (%) Circles: 2025 Results → 2026 Plan → Goal (rough estimate) The size of circles: Operating profit before the deduction of consolidation adjustments.



01

00

Overview of Medium-Term Management Plan (2025 to 2028)

01

Consolidated Financial Results for 2025

02

2026 Consolidated Forecasts

03

Investment Plan and Performance Targets/Dividend Policy

04

Corporate Profile/History/Our Products

Executive Summary for 2025

■ Results of Operations

- **Orders received** : Increased sharply YoY mainly for gas fire extinguishing equipment and fire pumps
- **Net sales** : Grew slightly despite strong sales of fire sprinkler systems, explosion containment equipment and sensors for semiconductor manufacturing equipment
- **Operating profit** : Decreased because of an increase in selling, general and administrative expenses, including testing and research expenses
- **Profit** : Increased mainly due to the posting of extraordinary income, including a gain on liquidation of overseas subsidiaries

Orders received

¥14,098 million

(Up 15.5% YoY)

Net sales

¥12,909 million

(Up 3.1% YoY)

Operating profit

¥1,056 million

(Down 10.6% YoY)

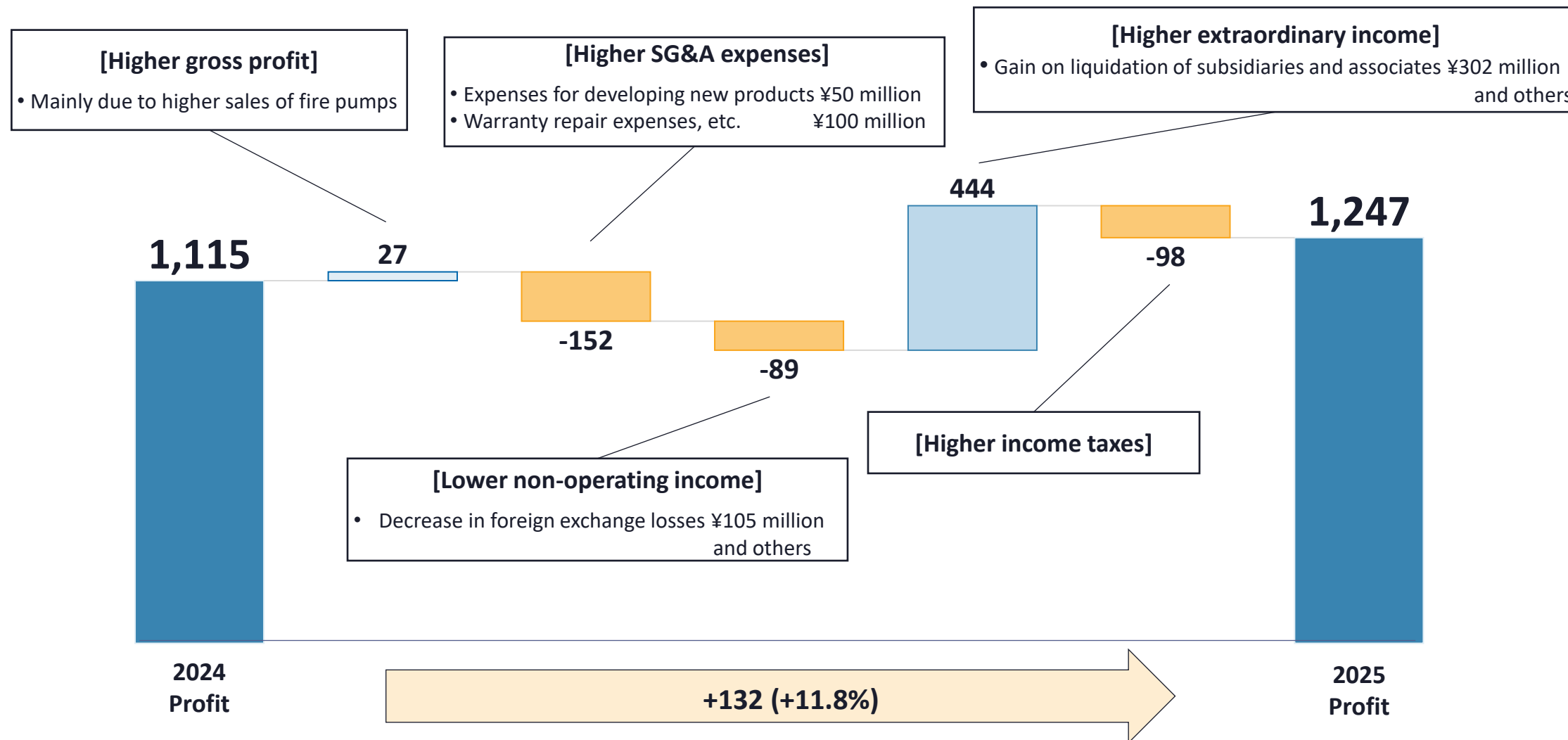
Profit

¥1,247 million

(Up 11.8% YoY)

YoY Change in Profit

(Millions of yen)



Consolidated Financial Results



(Millions of yen)

Items	2021 Results	2022 Results	2023 Results	2024 Results	2025			
					*Plan	Results	YoY	Vs. plan
Orders received	12,829	12,914	11,859	12,207	12,948	14,098	1,891	1,150
Net sales	12,372	12,401	12,601	12,515	12,900	12,909	394	9
Gross profit	3,902	4,045	4,010	4,135	4,043	4,162	27	119
Gross profit margin	31.5%	32.6%	31.8%	33.0%	31.3%	32.2%	-0.8pt	0.9pt
SG&A expenses	2,632	2,735	2,975	2,953	3,143	3,106	153	-37
Operating profit	1,270	1,310	1,035	1,181	900	1,056	-125	156
Operating profit ratio	10.3%	10.6%	8.2%	9.4%	7.0%	8.2%	-1.2pt	1.2pt
Ordinary profit	1,338	1,479	1,159	1,359	860	1,144	-215	284
Extraordinary income and losses	-655	-392	-571	102	392	545	443	153
Profit	387	826	385	1,115	930	1,247	132	317
ROE	3.3%	6.8%	3.1%	8.5%	6.6%	8.8%	0.3pt	2.6pt

* Plan: These figures represent revised forecasts as of July 31, 2025.

Business Results by Segment



(Millions of yen)

Items	Segment	2021	2022	2023	2024	2025	YoY
Order received	SSP	5,570	4,991	5,261	4,536	5,881	1,345
	Thermal	2,517	2,807	1,573	2,010	2,293	283
	Medical	1,309	1,151	1,331	1,423	1,249	-174
	PWBA	1,224	1,220	862	1,007	931	-76
	Fire pumps	2,207	2,745	2,830	3,229	3,742	513
	Total	12,829	12,914	11,859	12,207	14,098	1,891
Net sales	SSP	5,205	5,330	4,841	5,162	4,839	-323
	Thermal	1,876	2,236	2,555	2,027	2,108	81
	Medical	1,290	1,158	1,291	1,448	1,395	-53
	PWBA	1,126	1,231	912	995	954	-41
	Fire pumps	2,873	2,444	3,001	2,882	3,612	730
	Total	12,372	12,401	12,601	12,515	12,909	394

Business Results by Segment



(Millions of yen)

Items	Segment	2021		2022		2023		2024		2025		YoY
Operating profit/ Operating profit ratio	SSP	1,126	21.6%	1,190	22.3%	744	15.4%	1,263	24.5%	852	17.6%	-411
	Thermal	463	24.7%	516	23.1%	542	21.2%	380	18.7%	354	16.8%	-26
	Medical	70	5.4%	53	4.6%	121	9.4%	56	3.9%	60	4.3%	4
	PWBA	112	9.9%	125	10.2%	90	9.9%	106	10.7%	100	10.6%	-6
	Fire pumps	149	5.2%	51	2.1%	203	6.8%	43	1.5%	322	8.9%	279
	Total	1,923	15.5%	1,936	15.6%	1,701	13.5%	1,850	14.8%	1,690	13.1%	-160
	Consolidation adjustments	-652		-626		-667		-668		-633		-
	Adjusted operating profit	1,270	10.3%	1,310	10.6%	1,035	8.2%	1,181	9.4%	1,056	8.2%	-125

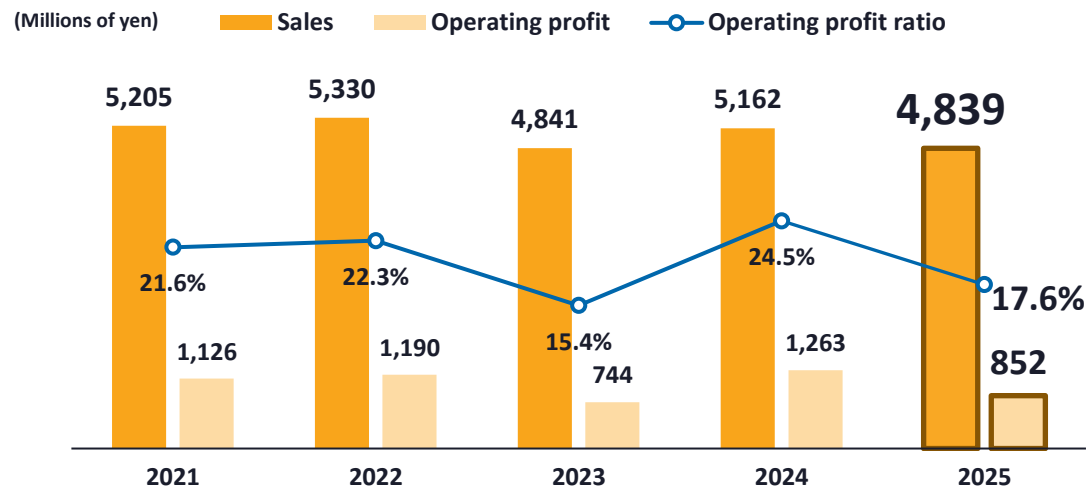
Results of Operations

- In machinery, sales increased about 7% YoY due to higher sales of explosion proof smoke detectors.
- In construction, sales of fire sprinkler systems and explosion containment were steady. In the segment as a whole, sales decreased approximately 6%, chiefly reflecting decreases in sales of control panels and repair works.

Major Activities

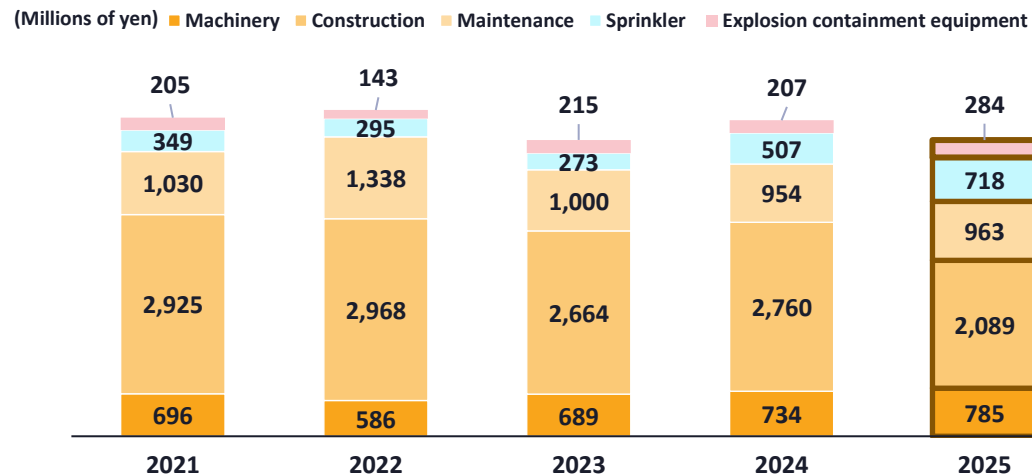
- Strengthening of sales activities targeting general constructors and subcontractors to encourage them to choose the construction of fire extinguishing systems that we design
- Acquisition of demand for fire sprinkler systems mainly in Nagano Prefecture
- Development of three new types of products (Heat detectors/gas fire extinguishing equipment/explosion containment equipment)

Sales/Operating profit (ratio)



* Operating profit figures are those before the deduction of consolidation adjustments.

Product category sales



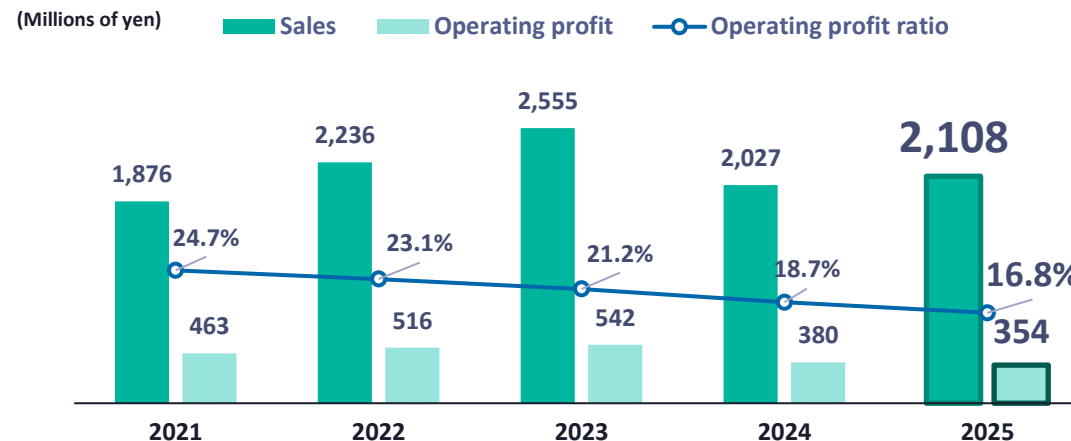
Results of Operations

- Sales increased about 4% mainly due to higher sales of sensors but operating profit decreased partially due to higher manufacturing costs.
- The production system was strengthened to keep pace with the promising semiconductor manufacturing equipment market.

Major Activities

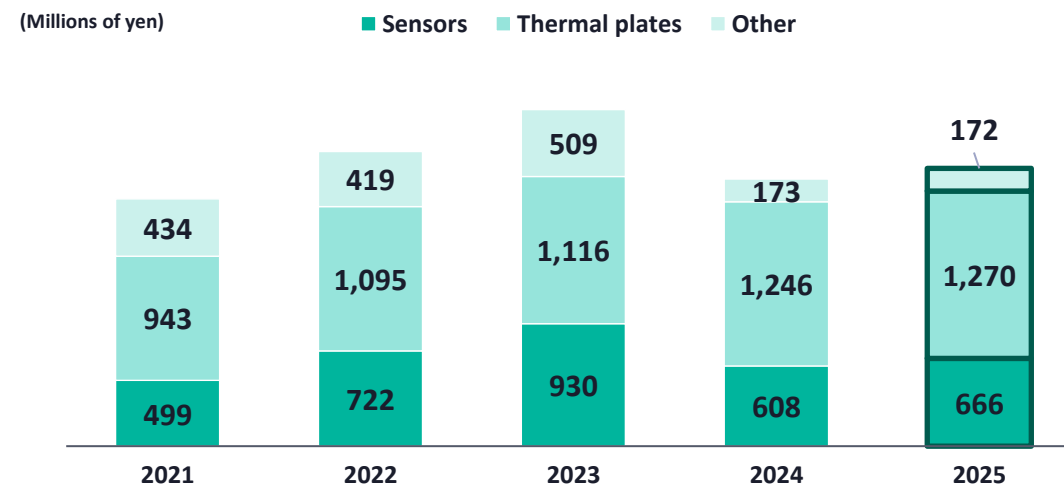
- Active technical sales activities targeting manufacturers of semiconductor manufacturing equipment
- Focus on capturing demand for thermal plates and sensors and stably receiving orders with an awareness of profitability
- Strengthening of initiatives for enhancing quality and reducing costs in collaboration between development and production teams

Sales/Operating profit (ratio)



*Operating profit figures are those before the deduction of consolidation adjustments.

Product category sales



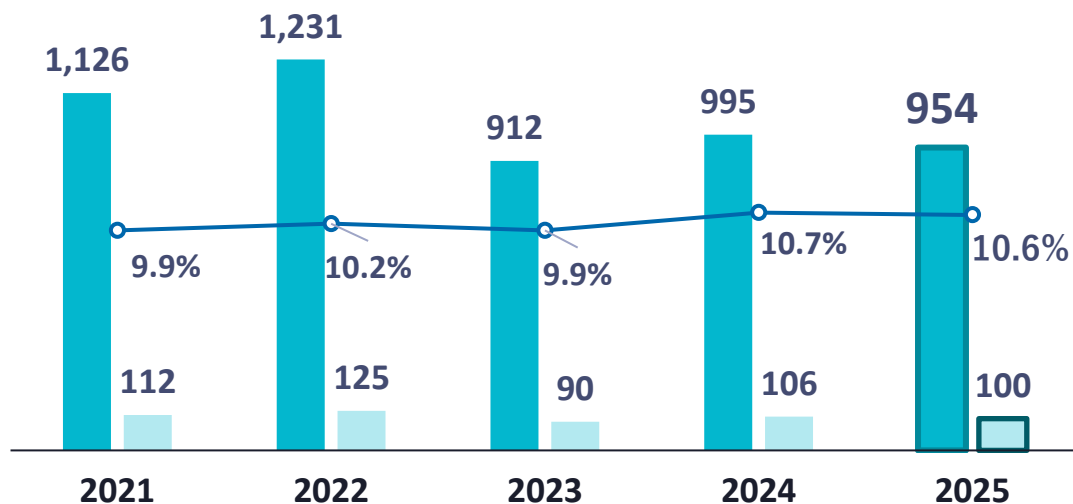
■ PWBA

Business summary

- Sales and operating profit decreased slightly YoY mainly for products used in office equipment and industrial equipment.

Sales/Operating profit (ratio)

(Millions of yen) Sales Operating profit Operating profit ratio



*Operating profit figures are those before the deduction of consolidation adjustments.

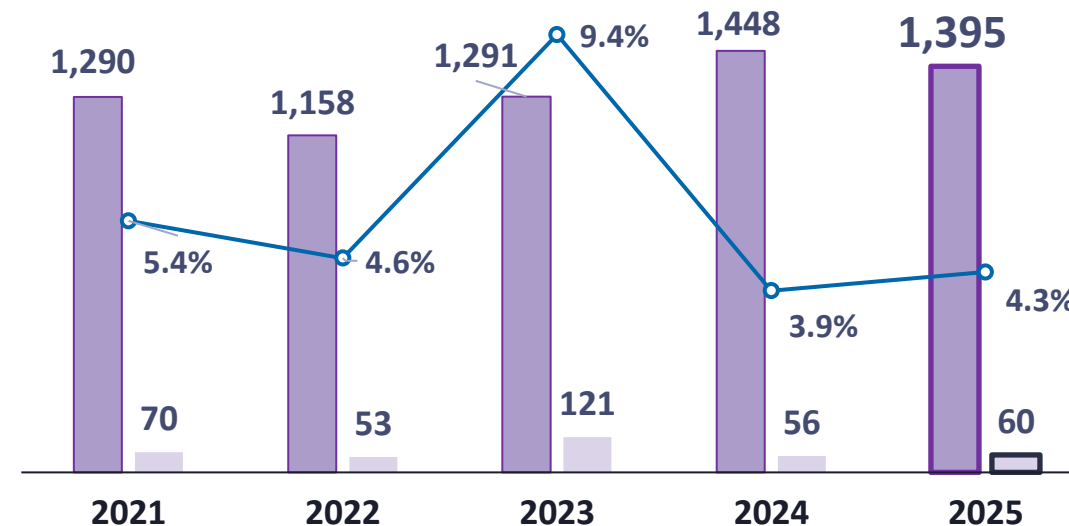
■ Medical

Business summary

- Sales declined due adjustments toward the termination of the entrusted production of artificial kidney dialysis equipment.

Sales/Operating profit (ratio)

(Millions of yen) Sales Operating profit Operating profit ratio



*See page 33 for products of this business.

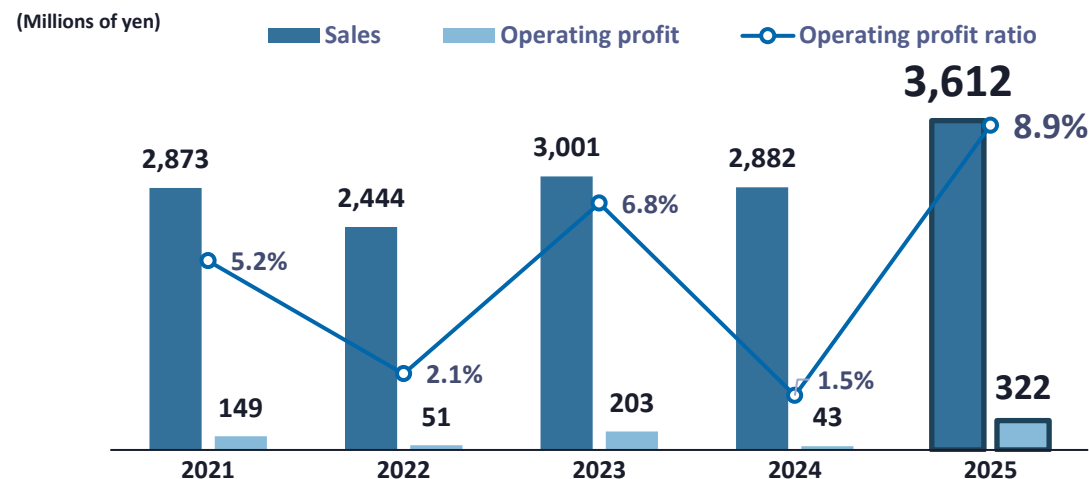
Results of Operations

- Sales rose 25% (¥730 million) YoY, due mainly to a large project for fire pump carriers and overhauls and higher demand for portable fire pumps for overseas markets.
- Operating profit reached a five-year high due to a large project and the improved profitability of fire pump carriers.

Major Activities

- Stimulation of replacement demand for portable fire pumps
- Standardization of fire pump carrier specifications
- Operational improvements to increase profitability
- Sales activities for other disaster prevention equipment, such as emergency water purification systems

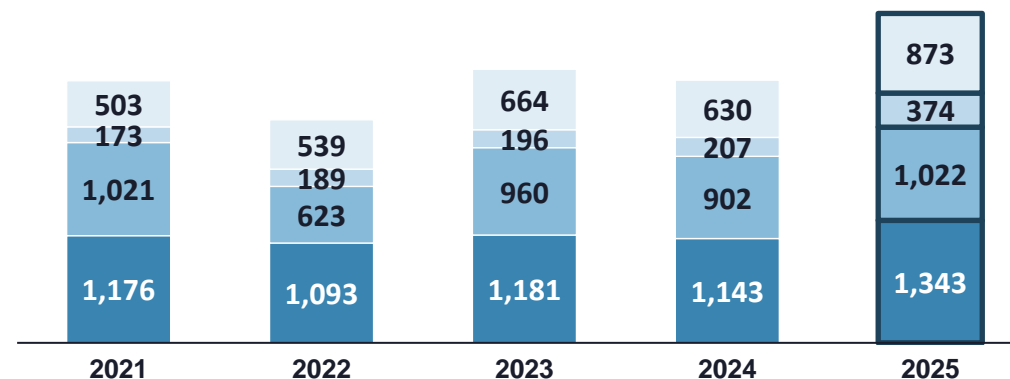
Sales/Operating profit (ratio)



*Operating profit figures are those before the deduction of consolidation adjustments.

Product category sales

(Millions of yen)



Summary of Consolidated Balance Sheet



- **Cash and deposits:** Decreased mainly following the temporary repayment of short-term borrowings and the moving up of due dates for payments to small- and medium-sized contractors
- **Inventories:** Increased due to a temporary increase in inventories in the fire pumps business
- **Investment securities:** Increased due to a rise in market value of shares held

(Millions of yen)

Items		December 31, 2024	December 31, 2025	Change	Items		December 31, 2024	December 31, 2025	Change
Current assets	Cash and deposits	6,289	4,830	-1,459	Liabilities	Accounts payable	2,223	1,362	-861
	Accounts receivable-trade	4,344	3,918	-426		Borrowings	1,240	622	-618
	Inventories	3,119	3,412	293		Provision for product warranties/repair	824	612	-212
	Other	90	82	-8		Other	1,650	2,024	374
	Total	13,842	12,242	-1,600		Total	5,937	4,620	-1,317
Non-current assets	Property, plant and equipment and intangible assets	2,477	2,868	391	Net assets	Shareholders' equity	11,872	12,700	828
	Investment securities	2,883	3,587	704		Other	1,713	1,907	194
	Other	318	531	213		Total	13,585	14,607	1,022
	Total	5,679	6,986	1,307		Total liabilities and net assets	19,521	19,228	-293
Total assets	19,521	19,228	-293						

02

- 00 Overview of Medium-Term Management Plan (2025 to 2028)
- 01 Consolidated Financial Results for 2025
- 02 2026 Consolidated Forecasts**
- 03 Investment Plan and Performance Targets/Dividend Policy
- 04 Corporate Profile/History/Our Products

Move forward with the optimization of the business portfolio to construct a foundation for sustainable growth

Consolidated performance plan

(Millions of yen)

	2025		2026	
	(MMT Plan)	Results	(MMT Plan)	Plan
Net sales	11,600	12,909	11,700	12,600
Operating profit	500	1,056	700	1,030
Operating profit ratio	4.3%	8.2%	6.0%	8.2%
Ordinary profit	545	1,144	735	1,100
Profit	619	1,247	621	880
ROE	4.7%	8.8%	4.8%	6.0%

Basic policies

- Upgrade the construction management system in SSP
- Increase the operating profit ratio in the thermal segment
- Increase the profitability of the fire pump business
- Optimize the factory's production system to reduce costs

Overview

In our core SSP and thermal segments, we will conduct strategic sales activities that capitalize on our strengths. We will also revise our cost structure and secure stable operating profit to absorb the decrease in sales of artificial kidney dialysis equipment*, which is to be discontinued in 2026.

*Net sales: ¥1,500 million / Operating profit: ¥60 million

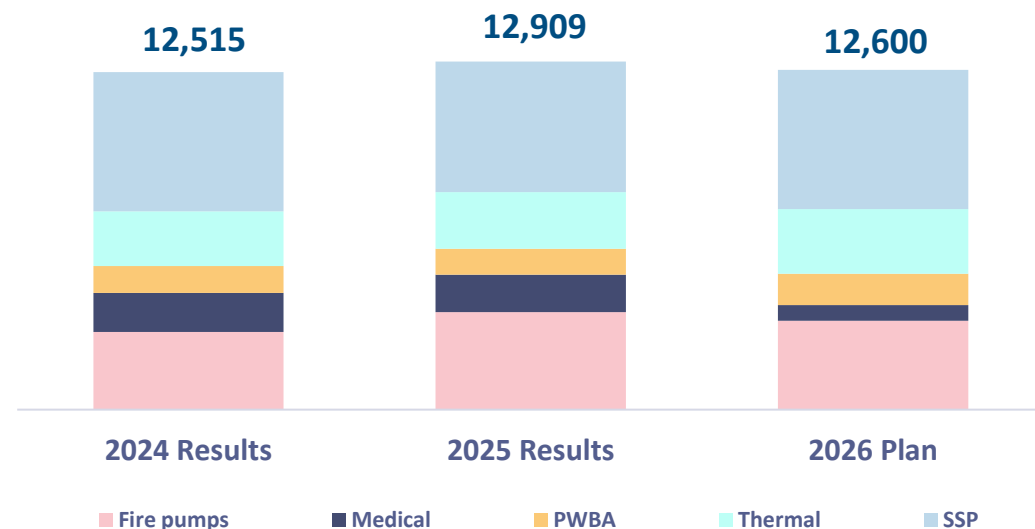
As a manufacturer, we will focus on developing products that are answers to the needs of society in the disaster prevention and semiconductor sectors, while establishing and improving production systems and increasing quality.

2026 Plan by Segment



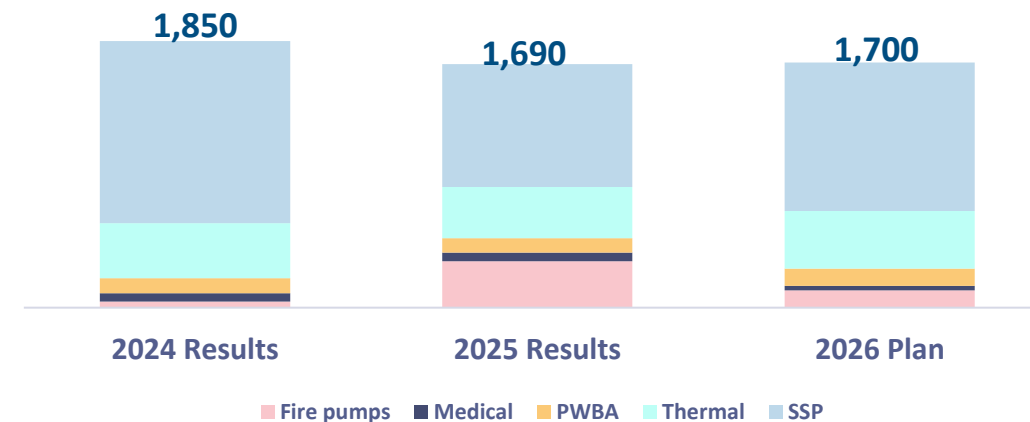
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



Segment	2024 Results	2025 Results	2026 Plan	Change 2025vs2026
SSP	5,162	4,839	5,160	+321
Thermal	2,027	2,108	2,400	+292
PWBA	995	954	1,160	+206
Medical	1,448	1,395	580	-815
Fire pumps	2,883	3,612	3,300	-312
Total	12,515	12,909	12,600	-309

Segment	2024 Results	2025 Results	2026 Plan	Change 2025vs2026
SSP	1,263	852	1,030	+178
Thermal	380	354	400	+46
PWBA	106	100	120	+20
Medical	56	60	30	-30
Fire pumps	43	322	120	-202
Total	1,850	1,690	1,700	+10
Consolidation adjustments	-668	-633	-670	-37
After adjustments	1,181	1,056	1,030	-26

Focus on developing new products and improving the profitability of existing products

Explosion containment equipment

*See page 29 For product specifications.

Increase in voluntary use in facilities with a high risk of powder explosion

Examples: Food, chemical and biomass power generation facilities



1 Explosion containment equipment

- Enhance sales activities in collaboration with capital and business alliance partner Seika Corporation
- The evaluation is in progress for next-generation explosion containment equipment.
- Hold tours where guests can observe explosion containment experiments to advertise the performance of the equipment

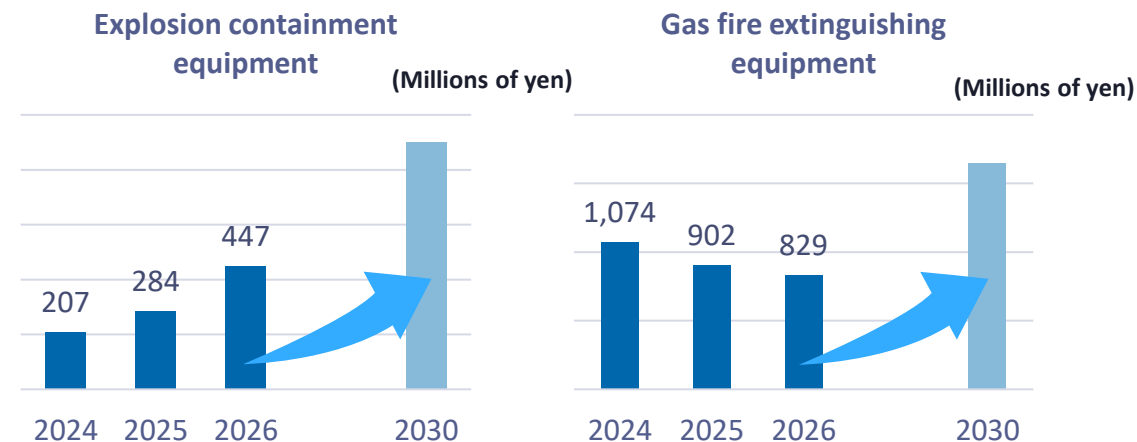
2 Gas fire extinguishing equipment

- Sales decreased following a decline in large projects for electric power and other fundamental industries.
- Implement sales activities targeting fundamental industries to encourage them to select equipment we design
- Development of fire extinguishing equipment using a new fire extinguishing gas is underway (to be released in 2027).

Gas fire extinguishing equipment

We provide gas fire extinguishing systems tailored to different environments.

In the future, demand is expected to grow in areas such as data centers and defense-related applications.

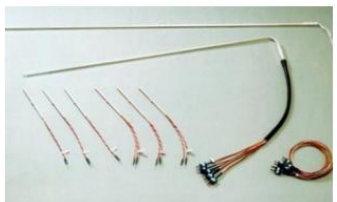


Initiatives for developing elemental technologies and strengthening production systems

Thermal plates



Temperature sensors
(Thermocouples for special applications)



Semiconductor manufacturing equipment



- Coater developer equipment
- Film-forming equipment

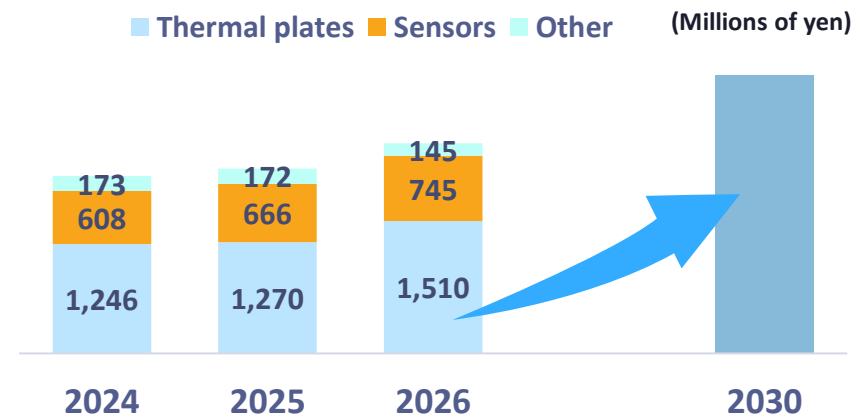
*See page 31 for product applications.

1 Strengthening of production systems

Proactively invest in manufacturing equipment and human resources to increase production capacity in line with the growing demand in the semiconductor manufacturing equipment market

2 Sales systems

Reinforce technical sales activities targeting major customers with a view toward capturing demand for next-generation semiconductor manufacturing equipment



More activities to expand the fire and disaster prevention products and improve profitability



- Emergency water purification systems



- Emergency drainage pump



- Emergency drainage pump



- Backpack-type waterbag

Other disaster prevention equipment

1 Initiatives to increase sales

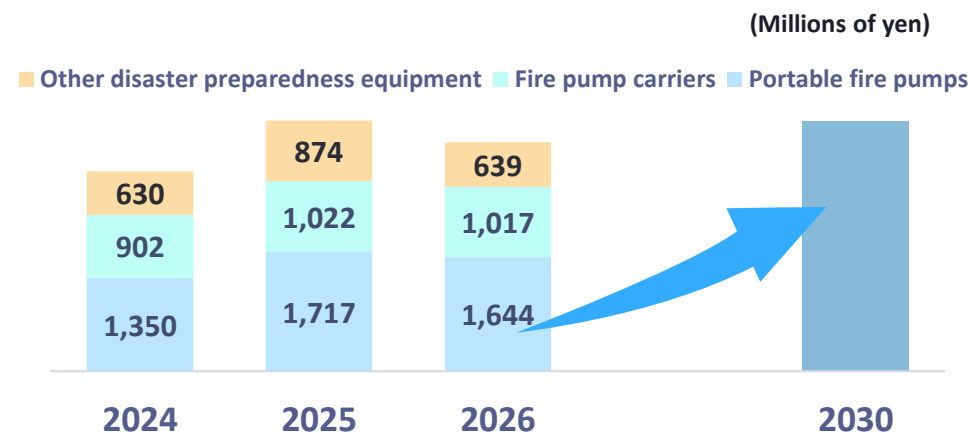
- Steadily capture replacement demand for portable fire pumps
- Standardize fire pump carrier specifications and reduce costs
- Enhance sales activities for emergency water purification systems and other disaster prevention equipment

Acceleration of new product development

2

- Introduce new emergency water purification system models to replace existing models
- Develop new small purification systems

The portable fire pump market in Japan has reached a period of maturity. We will expand our lineup of other kinds of disaster prevention equipment and create higher value-added products.



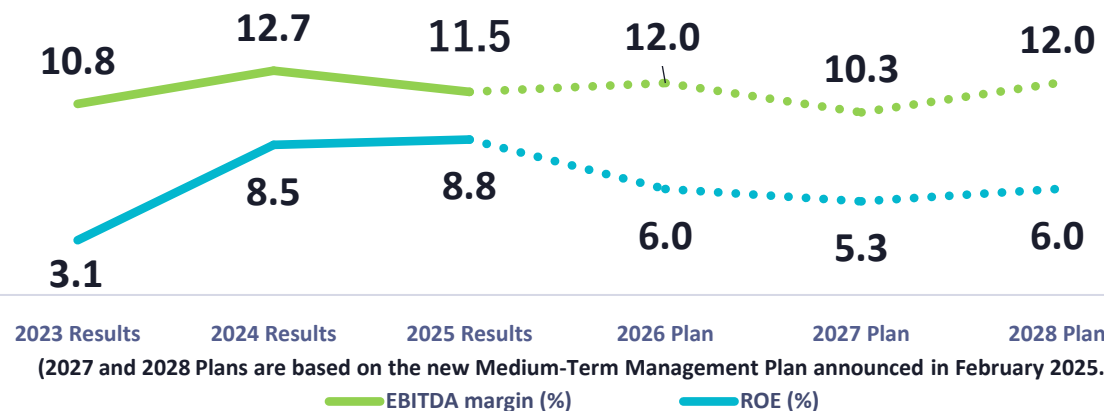
03

- 00 Overview of Medium-Term Management Plan (2025 to 2028)
- 01 Consolidated Financial Results for 2025
- 02 2026 Consolidated Forecasts
- 03 Investment Plan and Performance Targets/Dividend Policy**
- 04 Corporate Profile/History/Our Products

(Billions of yen)

Outline of main strategic investments	2025	2026	2027	2028	Total	Overview of Investment
Construction of a Shibaura Fire Pump new plant	0.3	1.3			1.6	Systematic capital investment to ensure business continuity
Reconstruction of a R&D building of the R&D Center		0.2	1.0		1.2	Improvement of product development environment by advancing elemental technologies, etc.
Renovation of production facilities	0.1	0.2	0.2	0.2	0.7	Replacement of equipment mainly in core businesses (SSP and thermal)
R&D expenses	0.1	0.15	0.15	0.1	0.5	Advancement of elemental technologies for developing new products, including three new items
Investments in people	0.1	0.1	0.1	0.1	0.4	Strengthening of activities for HR recruitment and development and creation of a worker-friendly workplace environment
Replacement of systems		0.1	0.05	0.1	0.25	Transformation of fundamental systems and the communication environment and enhancement of security
Renovation of head office	0.1				0.1	Streamlining of operations, improvement of IT environments and upgrading of office equipment
Advertising and promotion expenses		0.05			0.05	Communication initiatives and contributions to local communities to increase corporate value
Total	0.7	2.1	1.5	0.5	4.8	

Performance Indicators



Performance Targets

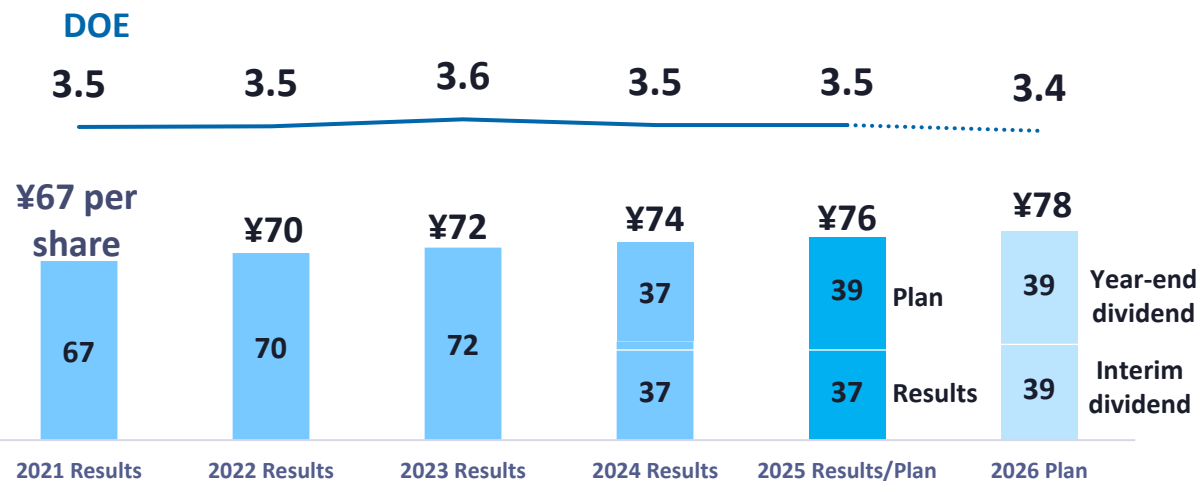
2028 EBITDA margin target: 12%

The performance indicator for earnings is the EBITDA margin due to the emphasis on profitability on a cash flow basis.

2028 ROE target: At least 6.0%

Efforts will be made to increase ROE while also paying attention to the cost of capital.

Dividends/DOE



Dividend Policy

DOE target: About 3.5%

Implement a DOE metric to ensure stable dividends. Efforts will be made to return profits to shareholders as actively as possible while simultaneously considering the maintenance of internal reserves to strengthen our corporate structure and prepare for the future expansion of business.

04

- 00 Overview of Medium-Term Management Plan (2025 to 2028)
- 01 Consolidated Financial Results for 2025
- 02 **2026** Consolidated Forecasts
- 03 Investment Plan and Performance Targets/Dividend Policy
- 04 Corporate Profile/History/Our Products**

Corporate Profile

Company	Fenwal Controls of Japan, Ltd.
Representative	Yoshinobu Nakano, President and Representative Director
Established	May 24, 1961
Listed market	TSE Standard
Capital	996,600,000 yen
Employees	271 (Consolidated) (As of December 31, 2025)
Head office location	1-5-10 Iidabashi, Chiyoda-ku, Tokyo
Major shareholders	<ul style="list-style-type: none"> • THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD • SEIKA CORPORATION • Yoshida Development Corporation • Toray Medical Company Limited
Correspondent banks	<ul style="list-style-type: none"> • Sumitomo Mitsui Banking Corporation • Hachijuni Nagano Bank, Ltd. • MUFG Bank, Ltd. • Sumitomo Mitsui Trust Bank, Limited
Affiliated subsidiaries	Shibaura Fire Pump Co., Ltd.

History

1961	Established as a joint venture by FENWAL Corporation in U.S., MITSUI & CO., LTD. and Nihon Dennetsu Co., Ltd.
1967	Construction of Nagano factory (started full-scale production of SSP and thermal products)
1971	Construction of Hachioji Center (current R&D Center); started full-scale operation of R&D activities
1988	Purchase of 62% of shares held by U.S. FENWAL
1996	Over-the-counter public offerings
1997	Expansion of Nagano factory
2004	Listed on the JASDAQ
2015	Changed to the Second Section of the Tokyo Stock Exchange
2022	Listed on the Standard Market due to the reorganization of the TSE market segmentation
2024	Capital and business alliance concluded with Seika Corporation

Development, manufacture and sales of fire alarm system, fire extinguishing system and industrial explosion protection system, as well as design, implementation, maintenance, and engineering services for these systems

Main products



- Heat/smoke detectors



- Control units



- HRD fire extinguishing agent container



- Gas fire extinguishing equipment



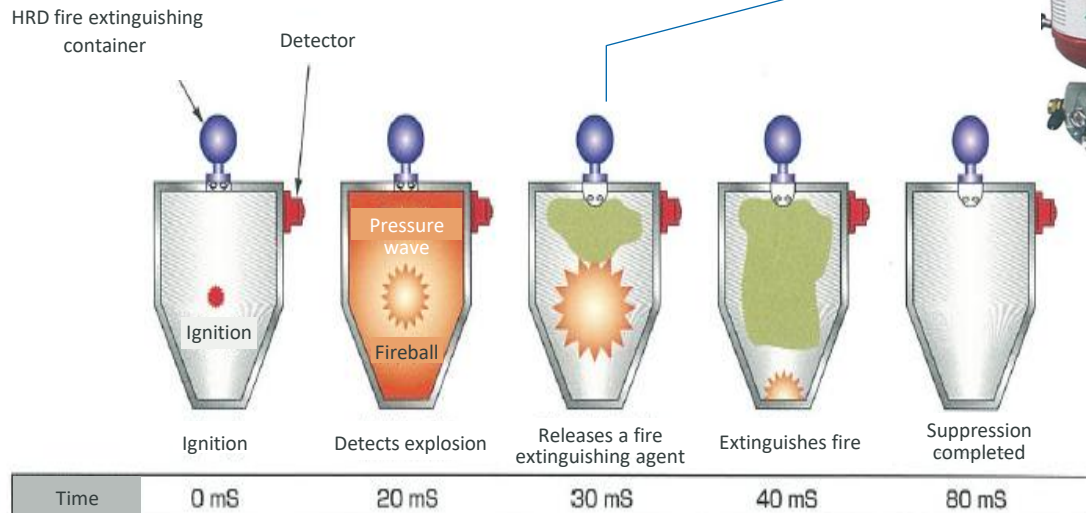
- S-NET control panels



- Industrial explosion protection device

Product Description — Principle Behind the Industrial Explosion Protection (IEP) Device

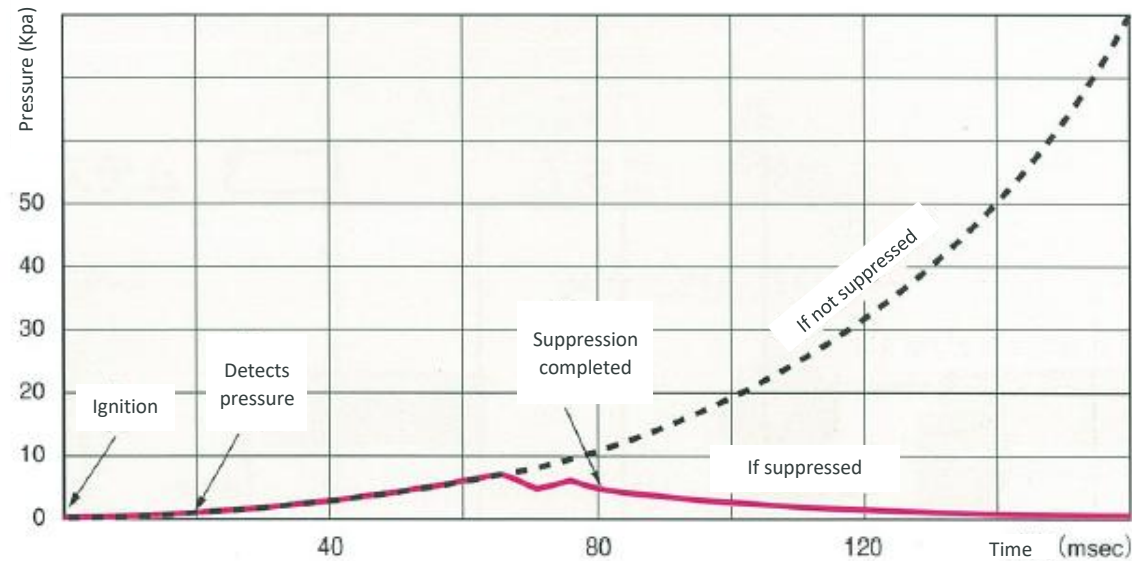
Process of suppressing explosions



1ms = 0.001 sec.

Upon detecting a pressure wave, the device instantly ejects a fire extinguishing agent like an airbag.

The device extinguishes and suppresses fires by detecting flames in the initial combustion stage, which occurs quickly due to a rise in pressure, while simultaneously preventing dust explosions and secondary explosions in adjacent areas.



Explosion pressure rising curve model

Development, manufacture and sales of temperature controller, hot plate and apparatus for semiconductor manufacturing equipment, thermocouple of high temperature furnace and other controllers, as well as design and service for these systems

Main products

- Thermal plates



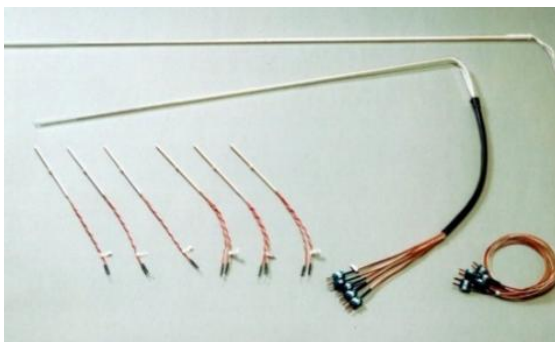
Used in the wafer heat treatment process in coater developer equipment in the semiconductor manufacturing (front end) process

- Thermos switches



Temperature control units using the expansion characteristics of metal and liquid, which do not require power source (Used for some train cars)

- Temperature sensors (Thermocouples for special applications)



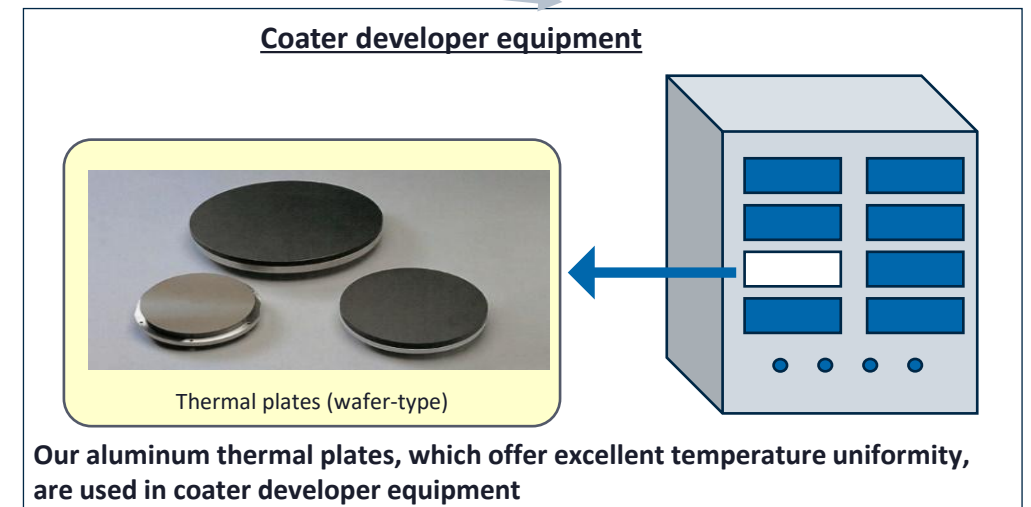
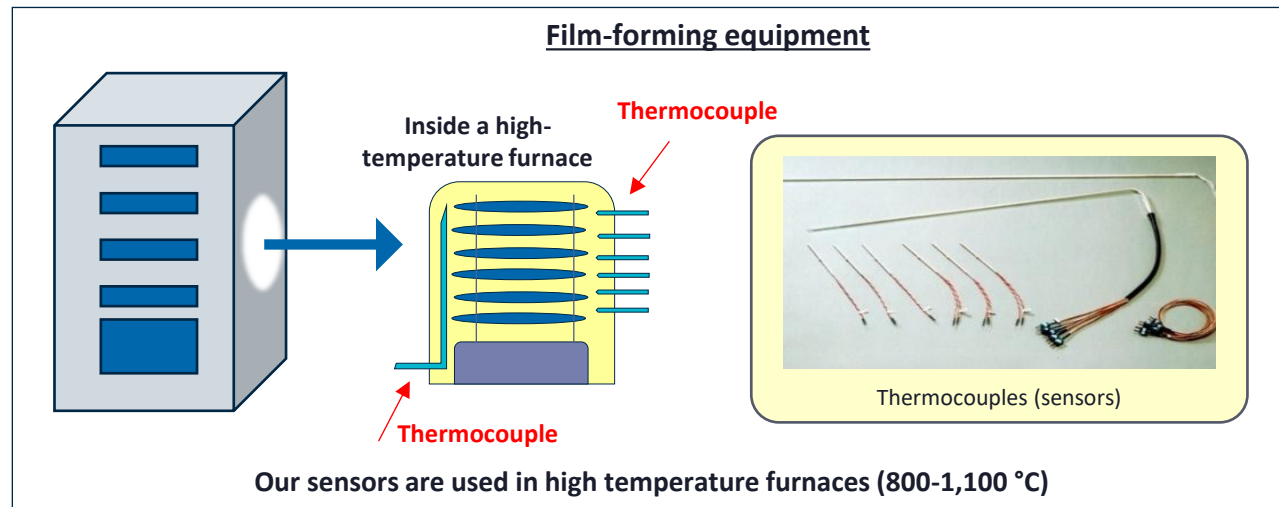
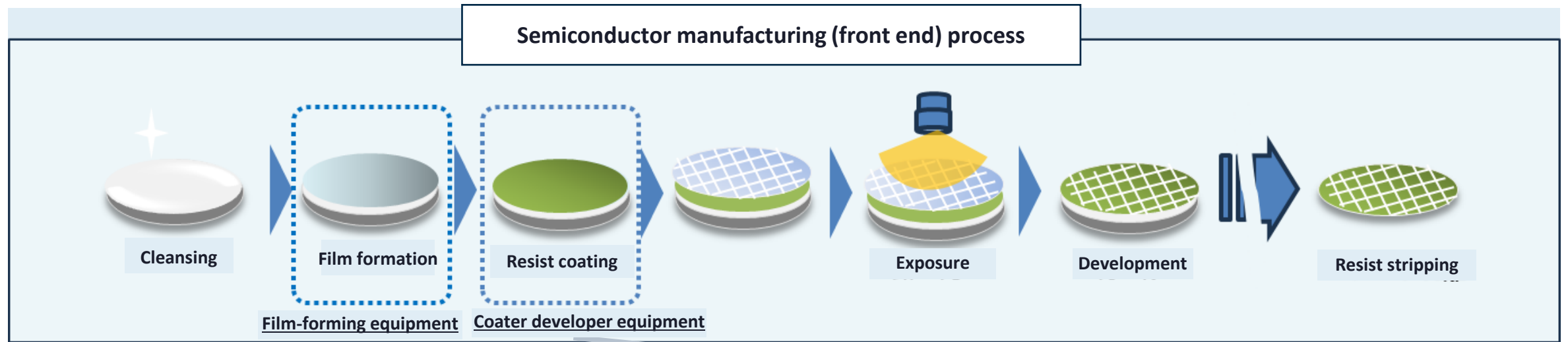
Used for detecting the temperature inside the high-temperature furnace of film-forming equipment in the semiconductor manufacturing (front end) process

- Temperature control units



Used for controlling the temperature in a variety of devices (scientific instruments, molding machines, etc.)

• Product Description — Applications of Thermal Plates and Thermocouples (Sensors)



■ PWBA

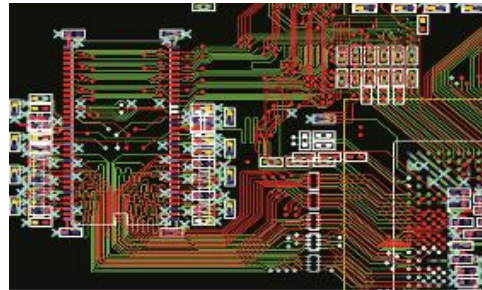
Printed circuit board assembly, artwork design, anti-noise measures (EMC)

Main products

- Mounter lines



- PCB pattern design



- PWBA



- Assembly



■ Medical

Development, design, manufacturing of and services for medical equipment

Main products

- Blood pressure monitor



Icing system local cooling device



- Artificial kidney dialysis equipment



*Contract manufacturing is set to terminate in December 2026.

Our Products — Fire Pumps (Shibaura Fire Pump)

Development, manufacture and sales of fire pumps, fire engines, safety pumps, fully automatic fire extinguishing systems and other fire extinguishing/disaster prevention equipment

Main products



- Portable fire pump



- Emergency drainage pump



- Fire pump carrier



- Backpack waterbag



- Fully automatic safety pump



- Emergency water purification systems



- Amphibious vehicle



- Inspection tools for portable fire pumps



日本フェンワール株式会社
FENWAL CONTROLS OF JAPAN, LTD.

Contact

**Fenwal Controls of Japan, Ltd. / Akira Nakashima, Executive Officer, Division Director,
Administrative Management Division**

E-mail

akira.nakashima@fenwal.co.jp

Address

1-5-10, Iidabashi, Chiyoda-ku, Tokyo, 102-0072

Tel

+81-3-3237-3561

Precautions

The contents contained herein are based on information that is currently available to us, and forward-looking statements are subject to a number of risks and uncertainties, including market conditions, currency exchange rates and other factors. Therefore, they may differ from our forecasts.