

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026
[Japanese GAAP]

Company name: NITOKU CO., LTD. Listing: Tokyo Stock Exchange
 Stock code: 6145 URL: <https://nittoku.co.jp/english/>
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Scheduled date of Annual General Meeting of Shareholders: June 26, 2026
 Scheduled date of filing of Annual Securities Report: June 25, 2026
 Scheduled date of payment of dividend: June 29, 2026
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

Note: The original disclosure in Japanese was released on May 15, 2026, at 18:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	42,412	27.5	5,439	385.9	5,492	348.2	3,439	163.0
Fiscal year ended Mar. 31, 2025	33,268	8.0	1,119	(73.1)	1,225	(71.4)	1,307	(52.3)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2026: 4,732 (–%)

Fiscal year ended Mar. 31, 2025: (102) (–%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2026	203.85	–	9.0	8.9	12.8
Fiscal year ended Mar. 31, 2025	73.97	–	3.5	2.1	3.4

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2026: – Fiscal year ended Mar. 31, 2025: –

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	62,940	40,516	64.0	2,385.72
As of Mar. 31, 2025	60,415	36,603	60.2	2,156.82

Reference: Shareholders' equity (million yen) As of Mar. 31, 2026: 40,257 As of Mar. 31, 2025: 36,390

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2026	4,102	813	(360)	19,579
Fiscal year ended Mar. 31, 2025	50	154	(329)	14,274

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2025	–	21.00	–	21.00	42.00	733	56.8	1.9
Fiscal year ended Mar. 31, 2026	–	30.00	–	52.00	82.00	1,386	40.2	3.6
Fiscal year ending Mar. 31, 2027 (forecast)	–	41.00	–	41.00	82.00		41.9	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	20,600	6.7	2,200	(8.1)	2,200	(9.5)	1,300	(19.3)	77.04
Full year	44,000	3.7	5,100	(6.2)	5,100	(7.1)	3,300	(4.1)	195.57

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 2 companies (NITTOKU FA INDIA PRIVATE LIMITED and NITTOKU KYOTO CO., LTD.)

Excluded: —

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of issued shares (common stock)

1) Total number of shares issued at the end of the period (including treasury shares)

As of Mar. 31, 2026: 18,098,923 shares As of Mar. 31, 2025: 18,098,923 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2026: 1,224,441 shares As of Mar. 31, 2025: 1,226,741 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2026: 16,873,814 shares Fiscal year ended Mar. 31, 2025: 17,682,838 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	29,820	51.8	3,675	176.2	3,860	58.1	2,589	9.6
Fiscal year ended Mar. 31, 2025	19,646	(11.3)	1,330	(63.6)	2,442	(34.9)	2,362	(14.1)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2026	153.47		—	
Fiscal year ended Mar. 31, 2025	133.59		—	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Mar. 31, 2026	44,362		28,914		65.2		1,713.49	
As of Mar. 31, 2025	43,915		27,006		61.5		1,600.66	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2026: 28,914

As of Mar. 31, 2025: 27,006

* The current financial report is not subject to audit procedures by certified public accountants or an audit firm.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information currently available to the Company's management at the time the materials were prepared. As such, they do not constitute an assurance that the Company promises to achieve the future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 4 of the attachments "1. Overview of Results of Operations, (4) Future Outlook."

The Company plans to hold a results presentation for institutional investors and analysts on May 29, 2026. Materials will be available on the Company's website.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Overview of Results of Operations for the Current Fiscal Year	2
(2) Overview of Financial Position for the Current Fiscal Year	3
(3) Overview of Cash Flows for the Current Fiscal Year	4
(4) Future Outlook	4
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Going Concern Assumption	14
Significant Accounting Estimates	14
Segment and Other Information	14
Per-share Information	17
Material Subsequent Events	18
4. Non-consolidated Financial Statements and Notes	20
(1) Balance Sheet	20
(2) Statement of Income	22
(3) Statement of Changes in Equity	23
(4) Notes to Non-consolidated Financial Statements	25
Material Subsequent Events	25
5. Others	25
(1) Production, Orders and Sales	25

1. Overview of Results of Operations

(1) Overview of Results of Operations for the Current Fiscal Year

During the fiscal year ended March 31, 2026 (April 1, 2025 through March 31, 2026; the “fiscal year under review”), the Japanese economy continued to grow moderately overall, despite tariff policies implemented by various countries, including U.S. tariff measures, and rising inflation risks associated with the situation in the Middle East. On the other hand, overseas situations remained highly uncertain amid concerns that tariff policies of various countries could depress the global economy through the impact on global trade activities and international financial and capital markets, as well as that rising crude oil prices affected by the situation in the Middle East could negatively affect the global economy through the deterioration of trade conditions and other factors.

Against the backdrop of government economic policies and accommodative financial conditions, the business environment surrounding the Group saw a gradual increase in capital investments, except in the European market where economy continues to stagnate particularly in the mobility industry. Major factors include labor-saving investments to address labor shortages, capacity expansion investments, digital-related and AI-related investments, capital investments in electrical equipment and safety in the automotive industry, and the need for automation, higher efficiency, and quality improvement of manufacturing and production systems.

The Group provides technologies and ideas for designing and building users’ overall production systems. As a “line builder” that contributes to the efficiency and quality improvements of the entire production process, we also provide integrated production lines that meet each user’s specific needs and wants. The Group is working with users to develop cutting-edge equipment for their automation projects involving new products in response to new technological innovations, where the scale of production equipment is becoming larger and the delivery times are becoming longer than in the past. In addition, we are working to secure superior ready-to-work human resources in niche industries through a “satellite strategy” aimed at securing ready-to-work human resources, such as by opening technical centers in locations where human resources we want to hire are gathered.

In Japan, in March of this year, the Company established NITTOKU KYOTO CO., LTD. through joint investment with Development Bank of Japan Inc. for the purpose of supporting the rehabilitation of Kataoka Corporation, which is undergoing civil rehabilitation proceedings, and expanding synergies, and in April entered into an agreement to acquire the laser processing systems business of Kataoka Corporation. Going forward, the Group will strive to expand its business and improve its performance by creating new revenue opportunities in the Group’s laser-related business. Meanwhile, overseas, the Company established NITTOKU FA INDIA PRIVATE LIMITED in India in December of last year through joint investment with DAIICHI JITSUGYO CO., LTD., and going forward will commence full-scale operations with the aim of strengthening sales of the Company’s products and improving profitability by leveraging extensive networks and sales capabilities.

Under the above-mentioned circumstances, during the fiscal year under review, sales to overseas markets, including the U.S., remained strong while the ratio of projects involving new developments decreased compared with the prior fiscal year, and initiatives such as price pass-throughs and cost reductions proved effective. As a result, both sales and profits increased significantly year on year, reaching record highs.

On a non-consolidated basis, orders received increased by 12.6% year on year to 27,194 million yen. Meanwhile, net sales increased 51.8% year on year to 29,820 million yen, whereas order backlog decreased 11.1% year on year to 21,055 million yen on a non-consolidated basis.

For the fiscal year ended March 31, 2026, the Group reported net sales of 42,412 million yen (up 27.5% year on year), operating profit of 5,439 million yen (up 385.9% year on year), ordinary profit of 5,492 million yen (up 348.2% year on year), and profit attributable to owners of parent of 3,439 million yen (up 163.0% year on year) on a consolidated basis.

In this business environment, results by business segment were as follows.

Winding System & Mechatronics Business

The Group has pursued a business model of providing a production system that helps users improve their competitive advantage in the global market. To this end, we provide a variety of production line construction by means of production systems that enable high-performance multi-axis synchronous control through the use of our proprietary OS, based on the technology to integrate multiple processes such as coil winding, handling, assembly,

and inspection on a transfer system. We must promptly cater to individual users' unique and diverse needs and wants. In doing so, we are striving to raise the barriers to entry for competitors and further improve our competitiveness and market presence by globally promoting our Black Ocean tactics—tactics to promote collaboration and co-creation with users and suppliers through open innovation in niche areas. As a result of such efforts, the Group has expanded its capabilities beyond the coil device and motor businesses into areas such as high-speed inspection handlers for the semiconductor industry, winders for the energy device industry, and high-speed intermittent film transfer equipment (roll-to-roll).

We are also striving to develop our specialty small-sized precision motors for use in the joints and fingertips of humanoid robots, rare earth-free ceramic motors designed with geopolitical risks in mind, and new equipment for coils used in speakers and earphones for high-performance smartphones. Furthermore, in the AI server market, where power saving and highly efficient cooling performance have become key issues, the Group is also working to expand orders for manufacturing equipment for stepping motors, air-cooling fan motors, and water-cooling pump motors by leveraging its strengths in precision and high copper fill factor winding technology.

As a result of the above, the Winding System & Mechatronics Business segment, which accounts for about 95% of the Group's total net sales, reported net sales of 40,513 million yen (up 28.7% year on year) and segment profit (operating profit) of 6,115 million yen (up 242.3% year on year) on a consolidated basis. On a non-consolidated basis, orders received increased to 25,490 million yen (up 14.5% year on year), net sales increased to 27,927 million yen (up 56.6% year on year), and the order backlog at the end of the current fiscal year amounted to 20,568 million yen (down 10.6% year on year).

Contactless IC Tag & Card Business

Net sales of contactless IC cards decreased 3.6% year on year to 1,450 million yen. Net sales of tags, such as FA and battery tags, increased 139.6% year on year to 339 million yen, due to higher sales of FA tags for production line management reflecting increased demand for semiconductors.

As a result, net sales of the Contactless IC Tag & Card Business amounted to 1,899 million yen (up 5.9% year on year) and segment profit (operating profit) amounted to at 594 million yen (up 33.4% year on year) on a consolidated basis. On a non-consolidated basis, orders received decreased to 1,703 million yen (down 9.8% year on year), net sales increased to 1,892 million yen (up 4.7% year on year), and the order backlog at the end of the current fiscal year amounted to 487 million yen (down 27.9% year on year).

(2) Overview of Financial Position for the Current Fiscal Year

1) Assets

Current assets increased by 2,943 million yen from the end of the prior fiscal year to 44,470 million yen. This was mainly attributable to increases of 5,225 million yen in cash and deposits, 291 million yen in electronically recorded monetary claims-operating, and 285 million yen in notes and accounts receivable-trade, which were partially offset by a decrease of 2,713 million yen in work in process.

Non-current assets decreased by 418 million yen from the end of the prior fiscal year to 18,469 million yen. This was mainly attributable to decreases of 1,127 million yen in buildings and structures, net, 1,034 million yen in land, and 54 million yen in goodwill, which were partially offset by increases of 191 million yen in investment securities and 14 million yen in machinery, equipment and vehicles, net.

As a result, total assets increased by 2,524 million yen from the end of the prior fiscal year to 62,940 million yen.

2) Liabilities

Current liabilities decreased by 1,877 million yen from the end of the prior fiscal year to 14,450 million yen. This was mainly attributable to a decrease of 2,324 million yen in contract liabilities, which was partially offset by an increase of 333 million yen in current portion of long-term borrowings.

Non-current liabilities increased by 489 million yen from the end of the prior fiscal year to 7,973 million yen. This was mainly attributable to an increase of 395 million yen in long-term borrowings.

Consequently, total liabilities decreased by 1,388 million yen from the end of the prior fiscal year to 22,423 million yen.

3) Net assets

Total net assets increased by 3,913 million yen from the end of the prior fiscal year to 40,516 million yen.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year increased by 5,305 million yen from the end of the prior fiscal year to 19,579 million yen. The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 4,102 million yen (compared with 50 million yen provided for the prior fiscal year). The main factors include the recording of profit before income taxes of 4,893 million yen, a decrease in inventories of 2,905 million yen, depreciation of 1,230 million yen, despite decreases of 2,498 million yen in contract liabilities and 1,041 million yen in trade payables.

Cash flows from investing activities

Net cash provided by investing activities was 813 million yen (compared with 154 million yen provided for the prior fiscal year). The main factors include proceeds from sale of property, plant and equipment of 2,026 million yen and proceeds from sale of investment securities of 189 million yen, despite purchase of insurance funds of 754 million yen and purchase of property, plant and equipment of 659 million yen.

Cash flows from financing activities

Net cash used in financing activities was 360 million yen (compared with 329 million yen used for the prior fiscal year). The main factors include repayments of long-term borrowings of 2,271 million yen and dividends paid of 858 million yen, despite proceeds from long-term borrowings of 3,000 million yen.

(4) Future Outlook

Hereafter, while the global economy as a whole is expected to continue its moderate recovery, downside risks warranting careful monitoring have emerged, including heightened inflation risks stemming from developments in U.S. tariff policies and the impact of the situation in the Middle East. In the Japanese economy, amid the government’s strategic fiscal stimulus measures, a gradual recovery is anticipated, supported by improvements in employment and income conditions as well as the effects of various policies. At the same time, it remains necessary to closely monitor fluctuations in financial and capital markets, heightened geopolitical risks, and downside risks in the global economy, all of which may put downward pressure on the Japanese economy.

The Group will, in the fiscal year ending March 31, 2027, as the second year of the medium-term business plan covering the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028, steadily advance strategies for each business division with the aim of achieving business performance at a pace exceeding the initial plan. We will pursue the “Black Ocean tactics” to further improve competitiveness and market presence, the “satellite strategy” aimed at securing ready-to-work human resources, and the “M&A strategy” to expand our business and operations through synergy effects. Furthermore, leveraging our strengths in winding technology, we will advance the development of new equipment, including small-sized precision coreless motors and brushless DC motors for use in the joints and fingertips of humanoid robots. In addition, we will strive to bolster competitiveness in growth areas through the development of new equipment, including a rare earth-free ceramic motor in consideration of geopolitical risks and environmental impact reduction, a triple coil speaker and double coil earphones accommodating advanced smartphone functionalities, a new vibration device, and VCM coils.

In the AI server market, where power saving and highly efficient cooling performance have become key issues, we will leverage our strengths in precision and high copper fill factor winding technology to roll out manufacturing equipment for stepping motors that support precise information transmission, as well as air-cooling fan motors and water-cooling pump motors, thereby aiming to expand our business into a new area for growth. We will also further expand our strategic product lineup beyond the coil device and motor businesses, covering high-speed inspection handlers for the semiconductor industry, winders for the energy device industry, and high-speed intermittent film transfer (roll-to-roll) equipment for perovskite solar cells.

In Japan, at NITTOKU KYOTO CO., LTD., we will pursue synergies between laser processing technologies for roll-to-roll equipment and process technologies in the motor and semiconductor-related businesses, thereby creating new revenue opportunities in laser-related business areas, expanding our business, and improving financial performance. Meanwhile, overseas, we established NITTOKU FA INDIA PRIVATE LIMITED in India last year through a joint investment with DAIICHI JITSUGYO CO., LTD., and going forward will commence full-scale operations with the aim of strengthening sales of the Company's products and improving profitability by leveraging extensive networks and sales capabilities.

We, as a "line builder" contributing to the global environment and the sustainable growth of the international community, will capture business opportunities arising from current mega trends toward digitalization and greening, as represented by SDGs, carbon emission reduction, etc., to meet customers' need for investing in large-scale and advanced facilities. We will continuously generate profit, increase corporate value, and realize a sustainable society through resolution of social problems.

In the next fiscal year ending on March 31, 2027, we expect to record net sales of 44,000 million yen (up 3.7% year on year), operating profit of 5,100 million yen (down 6.2% year on year), ordinary profit of 5,100 million yen (down 7.1% year on year), and profit attributable to owners of parent of 3,300 million yen (down 4.1% year on year). Despite numerous uncertainties, including uncertain prospects for a recovery in the European economy and continued instability in the Middle East, as well as the relatively high proportion of new development projects, we expect profits to exceed the medium-term business plan announced last year as a result of initiatives such as passing on higher costs and reducing costs.

At the results presentation for institutional investors and analysts scheduled for late May 2026, we will provide an overview of our management strategies and strategic products for the second year of the medium-term business plan announced last year (covering the fiscal year ended March 2026 to the fiscal year ending March 2028), from the perspectives of each business area and division. We will work to implement financial and capital policies to strengthen our management foundation, enhance our sales and market share, improve profitability, and boost corporate value, thereby further increasing our shareholder value. As we recognize the significance of engaging in dialogue with investors and shareholders, we will report on the progress of this medium-term business plan through our investor relations briefings and disclosures on our website, so as to enhance value-sharing with them.

2. Basic Approach to the Selection of Accounting Standards

The Company prepares its financial statements in accordance with the Japanese Generally Accepted Accounting Principles (JGAAP). To prepare for the voluntary application in the future of International Financial Reporting Standards (IFRS Accounting Standards), we are preparing manuals and policies and considering the proper timing to start using these standards. Actions concerning these standards will be taken in an appropriate manner.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

(Millions of yen)

	Prior fiscal year (As of Mar. 31, 2025)	Current fiscal year (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	14,907	20,132
Notes and accounts receivable-trade	8,147	8,433
Electronically recorded monetary claims-operating	1,609	1,901
Work in process	13,227	10,514
Raw materials and supplies	2,469	2,404
Other	1,238	1,099
Allowance for doubtful accounts	(73)	(14)
Total current assets	41,527	44,470
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,299	5,172
Machinery, equipment and vehicles, net	1,254	1,269
Land	3,878	2,843
Other, net	617	892
Total property, plant and equipment	12,050	10,178
Intangible assets		
Goodwill	211	156
Other	237	177
Total intangible assets	449	333
Investments and other assets		
Investment securities	2,999	3,191
Retirement benefit asset	700	787
Deferred tax assets	268	467
Other	2,419	3,510
Total investments and other assets	6,387	7,957
Total non-current assets	18,888	18,469
Total assets	60,415	62,940

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2025)	Current fiscal year (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,496	1,828
Electronically recorded obligations-operating	1,025	774
Income taxes payable	185	1,262
Contract liabilities	7,855	5,530
Provision for bonuses	748	903
Current portion of long-term borrowings	1,966	2,300
Other	2,050	1,849
Total current liabilities	16,328	14,450
Non-current liabilities		
Long-term borrowings	6,067	6,462
Retirement benefit liability	6	14
Provision for share awards	-	30
Deferred tax liabilities	902	1,066
Other	507	399
Total non-current liabilities	7,483	7,973
Total liabilities	23,812	22,423
Net assets		
Shareholders' equity		
Share capital	6,884	6,884
Capital surplus	2,562	2,589
Retained earnings	25,343	27,923
Treasury shares	(2,334)	(2,357)
Total shareholders' equity	32,456	35,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,099	1,297
Foreign currency translation adjustment	2,649	3,799
Remeasurements of defined benefit plans	183	121
Total accumulated other comprehensive income	3,933	5,217
Non-controlling interests	212	258
Total net assets	36,603	40,516
Total liabilities and net assets	60,415	62,940

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

(Millions of yen)

	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Net sales	33,268	42,412
Cost of sales	25,260	29,496
Gross profit	8,007	12,916
Selling, general and administrative expenses	6,887	7,477
Operating profit	1,119	5,439
Non-operating income		
Interest income	60	40
Dividend income	57	49
Other	187	119
Total non-operating income	305	209
Non-operating expenses		
Interest expenses	61	89
Foreign exchange losses	43	25
Other	93	41
Total non-operating expenses	199	156
Ordinary profit	1,225	5,492
Extraordinary income		
Gain on sale of non-current assets	–	100
Gain on sale of investment securities	428	97
Gain on sale of golf club membership	56	–
Total extraordinary income	485	197
Extraordinary losses		
Loss on retirement of non-current assets	–	90
Loss on valuation of investment securities	–	140
Arbitration-related expenses	–	565
Total extraordinary losses	–	796
Profit before income taxes	1,710	4,893
Income taxes-current	663	1,546
Income taxes-deferred	(250)	(78)
Total income taxes	412	1,467
Profit	1,298	3,426
Loss attributable to non-controlling interests	(9)	(13)
Profit attributable to owners of parent	1,307	3,439

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Profit	1,298	3,426
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,078)	197
Foreign currency translation adjustment	(216)	1,171
Remeasurements of defined benefit plans, net of tax	(105)	(62)
Total other comprehensive income	(1,400)	1,306
Comprehensive income	(102)	4,732
Comprehensive income attributable to:		
Owners of parent	(72)	4,724
Non-controlling interests	(30)	8

(3) Consolidated Statement of Changes in Equity

Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,884	2,528	24,722	(29)	34,106
Changes during period					
Dividends of surplus			(686)		(686)
Profit attributable to owners of parent			1,307		1,307
Purchase of treasury shares				(2,309)	(2,309)
Disposal of treasury shares		4		5	9
Increase in consolidated subsidiaries - non-controlling interests		29			29
Net changes in items other than shareholders' equity					
Total changes during period	–	33	621	(2,304)	(1,649)
Balance at end of period	6,884	2,562	25,343	(2,334)	32,456

(Millions of yen)

	Accumulated other comprehensive income				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	2,178	2,846	289	5,314	349	39,770
Changes during period						
Dividends of surplus						(686)
Profit attributable to owners of parent						1,307
Purchase of treasury shares						(2,309)
Disposal of treasury shares						9
Increase in consolidated subsidiaries - non-controlling interests						29
Net changes in items other than shareholders' equity	(1,078)	(196)	(105)	(1,380)	(136)	(1,517)
Total changes during period	(1,078)	(196)	(105)	(1,380)	(136)	(3,167)
Balance at end of period	1,099	2,649	183	3,933	212	36,603

Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,884	2,562	25,343	(2,334)	32,456
Changes during period					
Dividends of surplus			(860)		(860)
Profit attributable to owners of parent			3,439		3,439
Purchase of treasury shares				(122)	(122)
Disposal of treasury shares		27		99	126
Increase in consolidated subsidiaries - non-controlling interests					–
Net changes in items other than shareholders' equity					
Total changes during period	–	27	2,579	(22)	2,583
Balance at end of period	6,884	2,589	27,923	(2,357)	35,040

(Millions of yen)

	Accumulated other comprehensive income				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	1,099	2,649	183	3,933	212	36,603
Changes during period						
Dividends of surplus						(860)
Profit attributable to owners of parent						3,439
Purchase of treasury shares						(122)
Disposal of treasury shares						126
Increase in consolidated subsidiaries - non-controlling interests					37	37
Net changes in items other than shareholders' equity	197	1,149	(62)	1,284	8	1,292
Total changes during period	197	1,149	(62)	1,284	45	3,913
Balance at end of period	1,297	3,799	121	5,217	258	40,516

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	1,710	4,893
Depreciation	1,215	1,230
Amortization of goodwill	52	54
Increase (decrease) in allowance for doubtful accounts	(1)	(61)
Increase (decrease) in provision for bonuses	(66)	147
Increase (decrease) in retirement benefit liability	5	6
Decrease (increase) in retirement benefit asset	(170)	(174)
Interest and dividend income	(118)	(90)
Foreign exchange losses (gains)	(10)	(134)
Loss (gain) on sale of property, plant and equipment	(14)	(100)
Loss (gain) on sale of investment securities	(428)	(97)
Loss (gain) on valuation of investment securities	–	140
Litigation expenses	–	565
Decrease (increase) in trade receivables	244	(217)
Decrease (increase) in inventories	(1,100)	2,905
Increase (decrease) in trade payables	(1,139)	(1,041)
Decrease (increase) in consumption taxes refund receivable	–	74
Loss (gain) on sale of golf club membership	(55)	–
Increase (decrease) in contract liabilities	1,983	(2,498)
Other, net	(482)	(408)
Subtotal	1,622	5,195
Interest and dividends received	125	89
Interest paid	(61)	(89)
Litigation expenses paid	–	(565)
Income taxes paid	(1,672)	(527)
Income taxes refund	–	(0)
Other, net	36	–
Net cash provided by (used in) operating activities	50	4,102
Cash flows from investing activities		
Payments into time deposits	(306)	(282)
Proceeds from withdrawal of time deposits	302	447
Purchase of property, plant and equipment	(809)	(659)
Proceeds from sale of property, plant and equipment	67	2,026
Purchase of intangible assets	(79)	(117)
Purchase of investment securities	(110)	(89)
Proceeds from sale of investment securities	942	189
Proceeds from redemption of securities	386	–
Purchase of golf club membership	(15)	–
Proceeds from sale of golf club membership	88	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(107)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	332	–
Purchase of insurance funds	(594)	(754)
Proceeds from maturity of insurance funds	55	63
Other, net	0	(9)
Net cash provided by (used in) investing activities	154	813

	(Millions of yen)	
	Prior fiscal year	Current fiscal year
	(Apr. 1, 2024–Mar. 31, 2025)	(Apr. 1, 2025–Mar. 31, 2026)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,400	3,000
Repayments of long-term borrowings	(2,383)	(2,271)
Purchase of treasury shares	(2,309)	–
Dividends paid	(685)	(858)
Other, net	(350)	(230)
Net cash provided by (used in) financing activities	(329)	(360)
Effect of exchange rate change on cash and cash equivalents	(104)	749
Net increase (decrease) in cash and cash equivalents	(229)	5,305
Cash and cash equivalents at beginning of period	14,503	14,274
Cash and cash equivalents at end of period	14,274	19,579

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Accounting Estimates

Valuation of non-current assets related to NITTOKU EUROPE GmbH

1. Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Property, plant and equipment	743	724
Intangible assets	29	26
Impairment losses	–	–

Note: The amounts presented are those recorded by NITTOKU EUROPE GmbH.

2. Information about significant accounting estimates related to the identified items

NITTOKU EUROPE GmbH, a consolidated subsidiary, prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). The company evaluates whether there are any indicators that non-current assets may be impaired and performs an impairment test when such indicators exist with respect to the non-current assets it holds. As a result of the impairment test, if the recoverable amount is lower than the carrying amount, the carrying amount is reduced to the recoverable amount, and the amount of the reduction is recognized as an impairment loss.

In light of the downturn primarily affecting mobility-related industries in the European market, the consolidated subsidiary's performance has remained weak compared with the original plan. Accordingly, the subsidiary determined that there were indicators of impairment and conducted impairment tests on its non-current assets. As a result of those tests, the recoverable amount exceeded the carrying amount; therefore, no impairment loss was recognized.

The recoverable amount has been calculated based on assumptions including projected future demand for equipment, primarily winding machines, in the European market, equipment order forecasts associated with such demand, raw material prices, and discount rates. Accordingly, if these assumptions change due to future changes in the business environment or other factors, an impairment loss may be recognized.

Segment and Other Information**Segment information**

1. Overview of reportable segment

(1) Method of determining the reportable segments

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The two reportable segments that the NITTOKU Group uses are based on the products and services provided by these business divisions. The two segments are the Winding System & Mechatronics Business and the Contactless IC Tag & Card Business.

(2) Products and services by each reportable segment

The Winding System & Mechatronics Business segment involves the manufacture and sale of winding machines, winding systems and peripheral equipment and the provision of maintenance services. The Contactless IC Tag & Card Business segment involves the manufacture and sale of IC tags, cards and inlets.

2. Calculation methods for net sales, profits/losses, assets, liabilities, and other items for each reportable segment

The accounting methods for reportable segments are largely the same as those described in "Basis of Preparing the Consolidated Financial Statements."

3. Information related to net sales, profit/losses, assets, and other items for each reportable segment

Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)

(Millions of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	31,474	1,793	33,268
Inter-segment sales and transfers	–	–	–
Total	31,474	1,793	33,268
Segment profit	1,786	445	2,232
Segment assets	43,865	2,591	46,456
Other items			
Depreciation	1,057	65	1,123
Change in property, plant and equipment and intangible assets	1,092	94	1,187

Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)

(Millions of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	40,513	1,899	42,412
Inter-segment sales and transfers	–	–	–
Total	40,513	1,899	42,412
Segment profit	6,115	594	6,710
Segment assets	44,788	1,786	46,574
Other items			
Depreciation	1,067	77	1,145
Change in property, plant and equipment and intangible assets	1,083	79	1,163

4. Reconciliation of amounts shown on the consolidated financial statements with total for reportable segments

(Millions of yen)

Profit	Prior fiscal year	Current fiscal year
Total for reportable segments	2,232	6,710
Corporate expenses (Note)	(1,113)	(1,270)
Operating profit on the consolidated financial statements	1,119	5,439

Note: Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

(Millions of yen)

Assets	Prior fiscal year	Current fiscal year
Total for reportable segments	46,456	46,574
Corporate assets (Note)	13,958	16,365
Total assets on the consolidated financial statements	60,415	62,940

Note: Corporate assets mainly include cash and deposits and investment securities that cannot be attributed to any reportable segment.

(Millions of yen)

Other items	Total for reportable segments		Adjustment		Amounts shown on consolidated financial statements	
	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year	Prior fiscal year	Current fiscal year
Depreciation	1,123	1,145	91	85	1,215	1,230
Change in property, plant and equipment and intangible assets	1,187	1,163	5	49	1,192	1,212

Note: Adjustment to change in property, plant and equipment and intangible assets represents head office facilities.

Related information

Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	U.S.	Americas excluding U.S.	Europe	Total
16,224	4,963	3,311	2,709	346	5,711	33,268

Notes: 1. Classification of net sales by region is based on the location of the client and categorized by country or region.
2. Net sales of export products on a non-consolidated basis were 7,674 million yen.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
10,662	1,388	12,050

3. Information by major customer

This information is omitted because no specific external customer accounts for more than 10% of net sales on the consolidated statement of income.

Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	U.S.	Americas excluding U.S.	Europe	Total
16,709	7,509	3,438	11,756	105	2,894	42,412

Notes: 1. Classification of net sales by region is based on the location of the client and categorized by country or region.
2. Net sales of export products on a non-consolidated basis were 16,586 million yen.
3. For the fiscal year under review, revenue from the U.S., which had previously been included in “Americas,” has been presented separately due to its increased materiality.
To reflect this change in classification, the figures for the prior fiscal year have been reclassified. Consequently, 3,056 million yen previously presented under “Americas” for the prior fiscal year has been reclassified into “U.S.” of 2,709 million yen and “Americas excluding U.S.” of 346 million yen.

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
8,776	1,401	10,178

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment name
AXON ENTERPRISE, INC.	10,388	Winding System & Mechatronics Business

Information related to impairment of non-current assets for each reportable segment

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)

(Millions of yen)

	Reportable segment			Elimination or corporate	Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	Subtotal		
Amortization of goodwill	52	–	52	–	52
Balance at end of period	211	–	211	–	211

Significant changes in the amount of goodwill

During the prior fiscal year, the Company acquired the shares of Astecnos Co., Ltd. and API Hard- & Software GmbH, which are included in the scope of consolidation. As a result, goodwill of 264 million yen was recorded in the Winding System & Mechatronics Business.

Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)

(Millions of yen)

	Reportable segment			Elimination or corporate	Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	Subtotal		
Amortization of goodwill	54	–	54	–	54
Balance at end of period	156	–	156	–	156

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Net assets per share	2,156.82	2,385.72
Net income per share	73.97	203.85

Notes: 1. Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

2. The following is a reconciliation of net income per share.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Net income per share		
Profit attributable to owners of parent	1,307	3,439
Amount not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	1,307	3,439
Average number of common shares outstanding during the period (Shares)	17,682,838	16,873,814

Material Subsequent Events

(Absorption-type company split)

At a meeting of the Board of Directors held on February 24, 2026, the Company resolved to establish a subsidiary as the successor company for the purpose of acquiring a business through an absorption-type company split, and to have the newly established subsidiary, together with Development Bank of Japan Inc. as a joint investor, acquire the business of Kataoka Corporation by means of an unscheduled company split following the commencement of civil rehabilitation proceedings. The absorption-type company split was completed on April 13, 2026.

(1) Outline of the absorption-type company split

1) Name of the counterparty and description of its business

Name of counterparty company: Kataoka Corporation
Business description: Laser processing systems business

2) Reason for the absorption-type company split

To achieve its medium-term business plan, the Company is developing and selling both one-of-a-kind (customer-specific) products and de facto standard (industry-standard) products. One of the de facto standard products, roll-to-roll equipment, including applications for perovskite solar cells, is expected to contribute to revenue growth across various business fields. Among the businesses developed by Kataoka Corporation, the laser processing systems business will contribute to laser-based patterning and slitting for our roll-to-roll equipment, to the bonding of motor cores, wires and terminals in the motor business, and to creating new revenue opportunities in semiconductor-related business areas, thereby is expected to be effective in supporting the Group's future growth and expansion.

3) Date of absorption-type company split

April 13, 2026

4) Successor company under the absorption-type company split

NITTOKU KYOTO CO., LTD.

5) Shareholders and voting rights ratio

NITTOKU CO., LTD. (common shareholder; 100% voting rights)
Development Bank of Japan Inc. (preferred shareholder; non-voting rights)

(2) Breakdown of acquisition cost of the acquired company and consideration by type

Consideration for acquisition	Cash	1,200 million yen
Acquisition cost		1,200 million yen

Note: In addition to the above, a loan of 800 million yen was provided at the time of acquisition.

(3) Major acquisition-related expenses and amount

Advisory and other fees: 34 million yen

(Absorption-type merger of a wholly owned subsidiary)

At a meeting of the Board of Directors held on December 12, 2025, the Company resolved to acquire all shares of NITTOKU KOIDE CO., LTD., an indirect subsidiary of the Company, from the Company's subsidiary, NITTOKU KOSEI CO., LTD., by way of an in-kind distribution effective March 31, 2026, thereby making NITTOKU KOIDE CO., LTD. a direct subsidiary of the Company, and subsequently to merge NITTOKU KOIDE CO., LTD. into the Company by an absorption-type merger effective April 1, 2026. The transactions were executed on the respective effective dates.

(1) Outline of the business combination

1) Name and business of the absorbed company

Name the absorbed company: NITTOKU KOIDE CO., LTD.
Business description: Development of in-house products, and design and manufacturing of FA-related equipment

2) Date of business combination

April 1, 2026

3) Legal form of the combination

An absorption-type merger with the Company as the surviving company and NITTOKU KOIDE CO., LTD. as the absorbed company

4) Name of the post-combination company

No change.

5) Other matters related to the transaction

Since joining the Group, NITTOKU KOIDE CO., LTD. maintained stable operations for approximately 11 years and continuously contributed to Group earnings. However, amid changes in the business environment, the Company determined that, for NITTOKU KOIDE CO., LTD. to continue achieving sustainable growth and further contributing to local communities, it was necessary to further strengthen governance and improve capital efficiency, and accordingly, the Company decided to absorb and merge the company. Going forward, the Company will advance the consolidation of management resources and seek to maximize synergies through faster decision-making and other measures, thereby further enhancing the competitiveness of the Group as a whole.

(2) Overview of accounting treatment

In accordance with “Accounting Standard for Business Combinations” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 21, January 16, 2019) and “Implementation Guidance on the Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transaction will be accounted for as a common control transaction. There will be no effect on the consolidated financial statements.

4. Non-consolidated Financial Statements and Notes

(1) Balance Sheet

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2025)	Current fiscal year (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	5,919	9,343
Notes receivable-trade	172	17
Accounts receivable-trade	5,358	5,636
Electronically recorded monetary claims-operating	1,482	1,878
Work in process	10,388	7,994
Raw materials and supplies	1,166	903
Current portion of long-term loans receivable from subsidiaries and associates	12	12
Other	721	467
Allowance for doubtful accounts	(5)	(5)
Total current assets	25,215	26,247
Non-current assets		
Property, plant and equipment		
Buildings	3,473	2,565
Structures	87	76
Machinery and equipment	587	560
Vehicles	5	3
Tools, furniture and fixtures	153	159
Land	2,616	1,581
Construction in progress	230	464
Total property, plant and equipment	7,153	5,411
Intangible assets		
Software	136	96
Other	1	1
Total intangible assets	138	97
Investments and other assets		
Investment securities	2,679	2,953
Shares of subsidiaries and associates	1,696	1,696
Investments in capital of subsidiaries and associates	2,855	2,855
Long-term loans receivable from subsidiaries and associates	1,449	1,467
Insurance funds	2,167	2,859
Other	560	772
Total investments and other assets	11,407	12,605
Total non-current assets	18,699	18,114
Total assets	43,915	44,362

	(Millions of yen)	
	Prior fiscal year (As of Mar. 31, 2025)	Current fiscal year (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Notes payable-trade	324	–
Accounts payable-trade	1,827	1,304
Electronically recorded obligations-operating	690	268
Accounts payable-other	416	502
Income taxes payable	–	720
Contract liabilities	5,940	3,061
Provision for bonuses	490	622
Current portion of long-term borrowings	1,399	1,999
Other	350	415
Total current liabilities	11,438	8,895
Non-current liabilities		
Long-term borrowings	5,085	6,085
Provision for share awards	–	30
Long-term accounts payable-other	8	–
Deferred tax liabilities	311	387
Other	64	49
Total non-current liabilities	5,469	6,552
Total liabilities	16,908	15,447
Net assets		
Shareholders' equity		
Share capital	6,884	6,884
Capital surplus		
Legal capital surplus	2,542	2,542
Other capital surplus	4	31
Total capital surpluses	2,547	2,574
Retained earnings		
Legal retained earnings	202	202
Other retained earnings		
General reserve	2,200	2,200
Retained earnings brought forward	16,374	18,103
Total retained earnings	18,777	20,506
Treasury shares	(2,334)	(2,357)
Total shareholders' equity	25,875	27,608
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,131	1,305
Total valuation and translation adjustments	1,131	1,305
Total net assets	27,006	28,914
Total liabilities and net assets	43,915	44,362

(2) Statement of Income

(Millions of yen)

	Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)	Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)
Net sales	19,646	29,820
Cost of sales	14,403	21,133
Gross profit	5,242	8,686
Selling, general and administrative expenses	3,912	5,010
Operating profit	1,330	3,675
Non-operating income		
Interest and dividend income	1,057	174
Foreign exchange gains	–	32
Other	134	62
Total non-operating income	1,192	268
Non-operating expenses		
Interest expenses	16	60
Depreciation	11	11
Other	52	12
Total non-operating expenses	81	84
Ordinary profit	2,442	3,860
Extraordinary income		
Gain on sale of investment securities	428	97
Gain on sale of golf club membership	56	–
Gain on sale of non-current assets	–	89
Total extraordinary income	485	187
Extraordinary losses		
Loss on retirement of non-current assets	–	84
Loss on valuation of shares of subsidiaries and associates	88	–
Arbitration-related expenses	–	565
Total extraordinary losses	88	649
Profit before income taxes	2,839	3,397
Income taxes-current	422	835
Income taxes-deferred	54	(27)
Total income taxes	476	808
Profit	2,362	2,589

(3) Statement of Changes in Equity

Prior fiscal year (Apr. 1, 2024–Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
					General reserve	Retained earnings brought forward		
Balance at beginning of period	6,884	2,542	–	2,542	202	2,200	14,698	17,101
Changes during period								
Dividends of surplus							(686)	(686)
Profit							2,362	2,362
Purchase of treasury shares								
Disposal of treasury shares			4	4				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	4	4	–	–	1,675	1,675
Balance at end of period	6,884	2,542	4	2,547	202	2,200	16,374	18,777

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(29)	26,499	2,205	2,205	28,705
Changes during period					
Dividends of surplus		(686)			(686)
Profit		2,362			2,362
Purchase of treasury shares	(2,309)	(2,309)			(2,309)
Disposal of treasury shares	5	9			9
Net changes in items other than shareholders' equity			(1,074)	(1,074)	(1,074)
Total changes during period	(2,304)	(624)	(1,074)	(1,074)	(1,698)
Balance at end of period	(2,334)	25,875	1,131	1,131	27,006

Current fiscal year (Apr. 1, 2025–Mar. 31, 2026)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of period	6,884	2,542	4	2,547	202	2,200	16,374	18,777
Changes during period								
Dividends of surplus							(860)	(860)
Profit							2,589	2,589
Purchase of treasury shares								
Disposal of treasury shares			27	27				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	27	27	–	–	1,729	1,729
Balance at end of period	6,884	2,542	31	2,574	202	2,200	18,103	20,506

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,334)	25,875	1,131	1,131	27,006
Changes during period					
Dividends of surplus		(860)			(860)
Profit		2,589			2,589
Purchase of treasury shares	(122)	(122)			(122)
Disposal of treasury shares	99	126			126
Net changes in items other than shareholders' equity			174	174	174
Total changes during period	(22)	1,733	174	174	1,907
Balance at end of period	(2,357)	27,608	1,305	1,305	28,914

(4) Notes to Non-consolidated Financial Statements**Material Subsequent Events****(Absorption-type merger of a wholly owned subsidiary)**

At a meeting of the Board of Directors held on December 12, 2025, the Company resolved to acquire all shares of NITTOKU KOIDE CO., LTD., an indirect subsidiary of the Company, from the Company's subsidiary, NITTOKU KOSEI CO., LTD., by way of an in-kind distribution effective March 31, 2026, thereby making NITTOKU KOIDE CO., LTD. a direct subsidiary of the Company, and subsequently to merge NITTOKU KOIDE CO., LTD. into the Company by an absorption-type merger effective April 1, 2026. The transactions were executed on the respective effective dates.

For further details, the same information is presented in "Notes to Consolidated Financial Statements; Material Subsequent Events."

In addition, the Company plans to record a gain on extinguishment of tie-in shares of 732 million yen as an extraordinary income in the following fiscal year.

(Dividends from consolidated subsidiaries)

The Company plans to receive dividends of surplus from six consolidated subsidiaries. This will result in the recording of dividend income of 1,500 million yen as non-operating income in the following fiscal year. Since these dividends are paid from consolidated subsidiaries, there will be no effect on consolidated results for the following fiscal year.

5. Others**(1) Production, Orders and Sales**

The NITTOKU Group (NITTOKU CO., LTD. and its affiliated companies) manufactures and sells a diverse array of products. Even similar products frequently differ in terms of their capacity, structure, style, and other specifications. Since NITTOKU believes these characteristics make it inappropriate to use monetary or volume units in reporting the volume of production and orders in each segment, non-consolidated figures are presented.

Accordingly, with regard to production and orders received, the segment results of operations in "1. Overview of Results of Operations, (1) Overview of Results of Operations for the Current Fiscal Year" are non-consolidated figures. However, sales figures in this section are consolidated figures as in prior fiscal years for consistency with the segment results of operations in "1. Overview of Results of Operations, (1) Overview of Results of Operations for the Current Fiscal Year."

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.