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July 15, 2026

Consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Under Japanese GAAP)

Company name: Toyo Denki Seizo K.K.
Listing: Tokyo Stock Exchange
Securities code: 6505
URL: https://www.toyodenki.co.jp
Representative: Akira Watanabe, President, Representative Director
Inquiries: Seiichiro Yabui, Operating Officer, General Manager, Corporate Planning Division
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Scheduled date of annual general meeting of shareholders: August 27, 2026
Scheduled date to commence dividend payments: August 28, 2026
Scheduled date to file annual securities report: August 26, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	40,480	(0.1)	3,111	30.5	3,520	36.2	2,976	39.8
May 31, 2025	40,539	26.1	2,384	157.0	2,584	73.8	2,128	127.6

Note: Comprehensive income For the fiscal year ended May 31, 2026: ¥3,936 million [103.0%]
For the fiscal year ended May 31, 2025: ¥1,938 million [22.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2026	329.76	-	10.3	6.6	7.7
May 31, 2025	231.29	-	8.0	4.9	5.9

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended May 31, 2026: ¥125 million
For the fiscal year ended May 31, 2025: ¥211 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	53,812	30,611	56.9	3,392.63
May 31, 2025	53,210	27,385	51.5	3,028.72

Reference: Equity
As of May 31, 2026: ¥30,611 million
As of May 31, 2025: ¥27,385 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2026	(826)	(126)	226	4,172
May 31, 2025	601	(290)	(2,004)	4,741

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended May 31, 2025	-	0.00	-	70.00	70.00	644	30.3	2.4
Fiscal year ended May 31, 2026	-	0.00	-	100.00	100.00	914	30.3	3.1
Fiscal year ending May 31, 2027 (Forecast)	-	58.00	-	58.00	116.00		40.3	

3. Consolidated financial results forecast for the fiscal year ending May 31, 2027 (from June 1, 2026 to May 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending November 30, 2026	18,500	1.8	550	(18.8)	850	(5.2)	800	(7.6)	88.66
Fiscal year ending May 31, 2027	42,500	5.0	2,600	(16.4)	2,800	(20.5)	2,600	(12.7)	288.16

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name)
Excluded: - companies (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of May 31, 2026	9,735,000 shares
As of May 31, 2025	9,735,000 shares

(ii) Number of treasury shares at the end of the period

As of May 31, 2026	712,114 shares
As of May 31, 2025	693,146 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended May 31, 2026	9,026,386 shares
Fiscal year ended May 31, 2025	9,204,261 shares

Note: Due to the introduction of the Employee Shareholding Incentive Plan (E-Ship), the number of treasury shares at the end of the period includes the Company's shares held by the Toyo Denki Employee Shareholding Association Exclusive Trust Account (as of May 31, 2026: 123,500 shares; as of May 31, 2025: 168,400 shares). The Company's shares held by the said trust are included in treasury shares that are deducted when calculating the average number of shares outstanding during the period (the fiscal year ended May 31, 2026: 141,623 shares; the fiscal year ended May 31, 2025: 53,292 shares).

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	34,140	(3.3)	2,270	35.6	3,018	50.2	2,684	56.2
May 31, 2025	35,310	32.2	1,673	617.6	2,009	171.2	1,718	157.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 31, 2026	297.45	-
May 31, 2025	186.70	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	47,153	23,185	49.2	2,569.64
May 31, 2025	47,357	20,822	44.0	2,302.87

Reference: Equity
As of May 31, 2026: ¥23,185 million
As of May 31, 2025: ¥20,822 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

  The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors in the future.

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2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	5,007	4,529
Notes and accounts receivable - trade, and contract assets	15,161	16,153
Electronically recorded monetary claims - operating	1,640	1,290
Merchandise and finished goods	752	356
Work in process	3,553	4,600
Raw materials and supplies	3,770	3,467
Advance payments to suppliers	16	17
Accounts receivable - other	157	70
Other	356	291
Allowance for doubtful accounts	(327)	(339)
Total current assets	30,086	30,437
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,984	9,926
Accumulated depreciation	(6,860)	(6,987)
Buildings and structures, net	3,124	2,938
Machinery, equipment and vehicles	8,509	8,375
Accumulated depreciation	(8,124)	(8,079)
Machinery, equipment and vehicles, net	385	296
Land	1,246	1,215
Construction in progress	2	319
Other	5,234	5,333
Accumulated depreciation	(4,815)	(4,878)
Other, net	418	455
Total property, plant and equipment	5,177	5,225
Intangible assets		
Software	137	134
Software in progress	8	-
Other	13	12
Total intangible assets	159	147
Investments and other assets		
Investment securities	14,178	14,423
Deferred tax assets	292	47
Other	3,318	3,533
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	17,786	18,001
Total non-current assets	23,124	23,374
Total assets	53,210	53,812

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,496	2,174
Electronically recorded obligations - operating	5,014	2,521
Short-term borrowings	4,585	2,675
Accrued expenses	1,107	1,032
Income taxes payable	891	329
Accrued consumption taxes	80	402
Contract liabilities	214	219
Deposits received	126	153
Provision for bonuses for directors (and other officers)	56	66
Provision for bonuses	1,044	1,148
Provision for loss on orders received	944	638
Provision for product warranties	413	355
Other	268	208
Total current liabilities	17,244	11,927
Non-current liabilities		
Long-term borrowings	4,622	7,447
Long-term accounts payable - other	11	11
Deferred tax liabilities	-	324
Retirement benefit liability	3,933	3,437
Other	12	53
Total non-current liabilities	8,580	11,273
Total liabilities	25,825	23,201
Net assets		
Shareholders’ equity		
Share capital	4,998	4,998
Capital surplus	3,177	3,182
Retained earnings	14,122	16,454
Treasury shares	(914)	(984)
Total shareholders’ equity	21,384	23,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,256	5,694
Foreign currency translation adjustment	627	803
Remeasurements of defined benefit plans	117	462
Total accumulated other comprehensive income	6,000	6,960
Total net assets	27,385	30,611
Total liabilities and net assets	53,210	53,812

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Net sales	40,539	40,480
Cost of sales	29,936	28,706
Gross profit	10,603	11,773
Selling, general and administrative expenses	8,219	8,662
Operating profit	2,384	3,111
Non-operating income		
Interest income	3	6
Dividend income	255	351
Share of profit of entities accounted for using equity method	211	125
Foreign exchange gains	-	87
Miscellaneous income	76	56
Total non-operating income	547	627
Non-operating expenses		
Interest expenses	75	126
Commission expenses	69	24
Foreign exchange losses	79	-
Fees in arrears due to delayed delivery	94	35
Miscellaneous losses	28	32
Total non-operating expenses	346	218
Ordinary profit	2,584	3,520
Extraordinary income		
Gain on sale of investment securities	281	434
Total extraordinary income	281	434
Extraordinary losses		
Impairment losses	38	-
Compensation expense	119	-
Total extraordinary losses	157	-
Profit before income taxes	2,708	3,954
Income taxes - current	990	770
Income taxes - deferred	(410)	207
Total income taxes	579	978
Profit	2,128	2,976
Profit attributable to owners of parent	2,128	2,976

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Profit	2,128	2,976
Other comprehensive income		
Valuation difference on available-for-sale securities	(439)	438
Foreign currency translation adjustment	(10)	109
Remeasurements of defined benefit plans, net of tax	107	344
Share of other comprehensive income of entities accounted for using equity method	152	66
Total other comprehensive income	(190)	959
Comprehensive income	1,938	3,936
Comprehensive income attributable to		
Owners of parent	1,938	3,936
Non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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	4,998	3,177	12,299	(596)	19,878	5,696	485	9	6,191	26,070
Changes during period										
Dividends of surplus	-	-	(279)	-	(279)	-	-	-	-	(279)
Profit attributable to owners of parent	-	-	2,128	-	2,128	-	-	-	-	2,128
Purchase of treasury shares	-	-	-	(578)	(578)	-	-	-	-	(578)
Disposal of treasury shares	-	(25)	-	260	234	-	-	-	-	234
Transfer of loss on disposal of treasury shares	-	25	(25)	-	-	-	-	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-	(439)	141	107	(190)	(190)
Total changes during period	-	-	1,823	(317)	1,505	(439)	141	107	(190)	1,315
Balance at end of period	4,998	3,177	14,122	(914)	21,384	5,256	627	117	6,000	27,385

For the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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	4,998	3,177	14,122	(914)	21,384	5,256	627	117	6,000	27,385
Changes during period										
Dividends of surplus	-	-	(644)	-	(644)	-	-	-	-	(644)
Profit attributable to owners of parent	-	-	2,976	-	2,976	-	-	-	-	2,976
Purchase of treasury shares	-	-	-	(135)	(135)	-	-	-	-	(135)
Disposal of treasury shares	-	4	-	64	69	-	-	-	-	69
Transfer of loss on disposal of treasury shares	-	-	-	-	-	-	-	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-	438	175	344	959	959
Total changes during period	-	4	2,331	(70)	2,266	438	175	344	959	3,226
Balance at end of period	4,998	3,182	16,454	(984)	23,651	5,694	803	462	6,960	30,611

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Cash flows from operating activities		
Profit before income taxes	2,708	3,954
Depreciation	707	712
Impairment losses	38	-
Increase (decrease) in allowance for doubtful accounts	302	12
Increase (decrease) in provision for bonuses	307	103
Increase (decrease) in retirement benefit liability	(91)	25
Interest and dividend income	(258)	(357)
Interest expenses	75	126
Share of loss (profit) of entities accounted for using equity method	(211)	(125)
Loss (gain) on sale of investment securities	(281)	(434)
Compensation expense	119	-
Decrease (increase) in trade receivables	(3,195)	(630)
Decrease (increase) in inventories	(530)	(339)
Increase (decrease) in trade payables	532	(2,825)
Increase (decrease) in provision for loss on orders received	167	(306)
Increase (decrease) in provision for product warranties	257	(57)
Increase (decrease) in contract liabilities	84	(1)
Increase (decrease) in accrued expenses	282	(76)
Increase (decrease) in accrued consumption taxes	(77)	321
Other	(215)	47
Subtotal	720	148
Interest and dividends received	362	474
Interest paid	(59)	(124)
Income taxes refund (paid)	(422)	(1,324)
Net cash provided by (used in) operating activities	601	(826)
Cash flows from investing activities		
Purchase of property, plant and equipment	(505)	(789)
Proceeds from sale of property, plant and equipment	-	37
Purchase of intangible assets	(71)	(44)
Purchase of investment securities	(11)	(11)
Proceeds from sale of investment securities	611	841
Payments for investments in capital of subsidiaries and associates	(44)	(17)
Payments into time deposits	(272)	(44)
Other	4	(97)
Net cash provided by (used in) investing activities	(290)	(126)

	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	2,100
Proceeds from long-term borrowings	3,220	3,500
Repayments of long-term borrowings	(4,600)	(4,684)
Purchase of treasury shares	(578)	(135)
Proceeds from disposal of treasury shares	236	90
Dividends paid	(278)	(639)
Other	(4)	(4)
Net cash provided by (used in) financing activities	(2,004)	226
Effect of exchange rate change on cash and cash equivalents	11	157
Net increase (decrease) in cash and cash equivalents	(1,682)	(568)
Cash and cash equivalents at beginning of period	6,423	4,741
Cash and cash equivalents at end of period	4,741	4,172

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Segment Information, etc.)

(Segment Information)

1. Outline of reporting segments

The reporting segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group establishes business units by product and each business unit designs domestic and overseas comprehensive strategies for its products and develops business activities. Accordingly, the Group consists of three reporting segments by product based on the business units, which are the "Transportation Business," "Industry Business," and "ICT Solution Business."

<Details of Each Segment>

- Transportation Business

  Manufacturing, sales and related construction for electrical equipment used in rail vehicles, alternative rail vehicles, and special-purpose vehicles, as well as electric storage systems for railway applications, etc.

- Industry Business

  Manufacturing, sales and related construction for systems for industrial production and processing facilities, automotive testing systems, power generation and infrastructure systems, water supply and sanitation equipment systems, electrical equipment used in automobiles, etc.

- ICT Solution Business

  Manufacturing, sales and related construction services for station operating equipment systems, remote monitoring systems and information systems equipment, etc.

2. Basis for calculating net sales, profit (loss), assets and liabilities, and other items by reporting segment

The accounting process method for reporting segments is equivalent to the method described in "Notes on important matters for the preparation of consolidated financial statements."

Segment profit is evaluated based on operating profit. Intersegment sales and transfers are recorded at the same prices used in transactions with third parties.

3. Information regarding net sales, profit (loss), assets, liabilities, and other items by reporting segment

For the fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Millions of yen)

	Reporting segments			Other (Note)	Total	Adjustments Amount	Amount recorded on consolidated financial statements
	Transportation Business	Industry Business	ICT Solution Business				
Net sales							
Net sales to external customers	27,822	10,895	1,817	3	40,539	-	40,539
Intersegment sales and transfers	3	2	-	348	354	(354)	-
Total	27,826	10,898	1,817	352	40,894	(354)	40,539
Segment profit (loss)	3,614	1,425	543	0	5,583	(3,199)	2,384
Segment assets	19,561	11,570	1,107	442	32,682	20,528	53,210
Other items							
Depreciation	340	246	12	1	600	106	707
Impairment losses	-	-	-	-	-	38	38
Increase in property, plant and equipment and intangible assets	204	73	3	-	281	120	402

Note: “Other” is a business segment that is not included in reporting segments, and includes the worker dispatching business.

For the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Millions of yen)

	Reporting segments			Other (Note)	Total	Adjustments Amount	Amount recorded on consolidated financial statements
	Transportation Business	Industry Business	ICT Solution Business				
Net sales							
Net sales to external customers	27,398	12,008	1,069	4	40,480	-	40,480
Intersegment sales and transfers	23	2	-	403	429	(429)	-
Total	27,421	12,011	1,069	407	40,910	(429)	40,480
Segment profit (loss)	5,316	1,389	(30)	1	6,677	(3,565)	3,111
Segment assets	18,929	14,202	816	437	34,385	19,427	53,812
Other items							
Depreciation	359	222	12	1	595	116	712
Increase in property, plant and equipment and intangible assets	564	102	8	0	676	115	791

Note: “Other” is a business segment that is not included in reporting segments, and includes the worker dispatching business.

4. Description of nature and amounts of differences between reporting segment total and consolidated financial statements

(Millions of yen)

Net sales	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Reporting segment total	40,541	40,502
Net sales under the Other category	352	407
Intersegment elimination	(354)	(429)
Net sales in consolidated financial statements	40,539	40,480

(Millions of yen)

Profit	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Reporting segment total	5,583	6,675
Profit under the Other category	0	1
Intersegment elimination	(1)	1
Corporate expenses	(3,198)	(3,567)
Operating profit in consolidated financial statements	2,384	3,111

Note: Corporate expenses are primarily selling expenses and general and administrative expenses not belonging to any reporting segment.

(Millions of yen)

Assets	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Reporting segment total	32,239	33,948
Assets under the Other category	442	437
Intersegment elimination	(534)	(575)
Companywide assets	21,062	20,003
Total assets in consolidated financial statements	53,210	53,812

Note: Companywide assets are primarily assets managed by the head office and not belonging to any reporting segment.

(Millions of yen)

Other items	Reporting segment total		Other		Adjustments Amount		Amount recorded on consolidated financial statements	
	FYE May 31, 2025	FYE May 31, 2026	FYE May 31, 2025	FYE May 31, 2026	FYE May 31, 2025	FYE May 31, 2026	FYE May 31, 2025	FYE May 31, 2026
Depreciation	598	593	1	1	106	116	707	712
Impairment losses	-	-	-	-	38	-	38	-
Increase in property, plant and equipment and intangible assets	281	676	-	0	120	115	402	791

(Revenue Recognition)

The information of revenue from contracts with customers by reporting segment is as follows:

(Millions of yen)

			Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Reporting segments	Transportation Business	Domestic railways	14,826	17,371
		Overseas railways	10,147	6,506
		Other	2,849	3,520
		Subtotal	27,822	27,398
	Industry Business	Automotive testing equipment	2,730	2,982
		Production and processing facilities	2,678	2,121
		Power generation and infrastructure	2,383	3,170
		Other	3,102	3,733
		Subtotal	10,895	12,008
	ICT Solution Business	ICT Solutions	1,817	1,069
		Subtotal	1,817	1,069
Other (Notes)			3	4
Total			40,539	40,480
Revenue from contracts with customers			40,539	40,480
Net sales to external customers			40,539	40,480

Notes:
1. "Other" is a business segment that is not included in reporting segments, and includes the worker dispatching business.
2. Effective from the fiscal year ended May 31, 2026, the former segment of "Power generation and power supply" has been renamed to "Power generation and infrastructure." Information on the disaggregation of revenue from contracts with customers for the fiscal year ended May 31, 2025 uses the revised name. This change is only a name change.

(Per Share Information)

	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Net assets per share	¥3,028.72	¥3,392.63
Basic earnings per share	¥231.29	¥329.76

Notes:
1. Diluted earnings per share in the fiscal year under review is not shown because there are no potentially diluted shares.
2. The Company's shares held by the E-Ship trust are included in treasury shares that are deducted from the total number of issued shares at the end of the period when calculating net assets per share (fiscal year ended May 31, 2025: 168,400 shares; fiscal year ended May 31, 2026: 123,500 shares). In addition, they are included in the number of treasury shares that are deducted when calculating the average number of shares outstanding during the period in calculating basic earnings per share (fiscal year ended May 31, 2025: 53,292 shares; fiscal year ended May 31, 2026: 141,623 shares).
3. The basis for calculating basic earnings per share is as follows:

Item	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)	Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)
Profit attributable to owners of parent (millions of yen)	2,128	2,976
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common shares (millions of yen)	2,128	2,976
Average number of common shares outstanding during the period (1,000 shares)	9,204	9,026

(Significant Subsequent Events)

(Disposal of Treasury Shares through Third-Party Allotment and Change in Other Affiliated Company)

At its Board of Directors meeting held on July 15, 2026, the Company resolved to dispose of treasury shares through a third-party allotment (the "Disposal of Treasury Shares") to East Japan Railway Company ("JR East"). In addition, a change in the Company's other affiliated company is expected in connection with the Disposal of Treasury Shares and related matters.

(1) Reason for the disposal

The Company has long maintained a continuous business relationship with JR East concerning the sale of electrical machinery and equipment for the transportation business, such as electrical equipment for railway vehicles for the Shinkansen and conventional lines. In promoting initiatives based on its Medium-Term Management Plan "Sustainable 2030 – Driving Transformation and Accelerating Growth", the Company believes that raising the necessary funds with JR East as the planned allottee, and allocating such funds to research and development aimed at improving the efficiency of electrical equipment for railway vehicles and to the development of electrical equipment for next-generation Shinkansen so as to accelerate these efforts, while further deepening the cooperation with JR East in technology development in the field of electrical equipment for railway vehicles and the like, will contribute to the realization of safe and secure railway infrastructure that both companies aim for, as well as to the maximization of the Company's corporate value.

(2) Disposal date

August 6, 2026

(3) Class and number of shares to be disposed of: 578,000 common shares

(4) Disposal price

¥2,013 per share

However, if the closing price of the Company's common shares on the Tokyo Stock Exchange on the trading day immediately preceding July 22, 2026 (the "Condition Determination Date") (the "TSE Closing Price") exceeds the above amount, the disposal price shall be the TSE Closing Price on the trading day immediately preceding the Condition Determination Date.

(5) Total disposal price

¥1,163,514,000

(This is the estimated amount as of July 15, 2026, calculated by multiplying the disposal price in (4) above by the number of shares to be disposed of in (3) above.)

(6) Method of disposal

Disposal of treasury shares through third-party allotment

(7) Allottee

East Japan Railway Company

(8) Use of proceeds

The proceeds are expected to be used to fund a portion of the Company's research and development investments.

For details, please refer to the "Notice Concerning Disposal of Treasury Shares through Third-Party Allotment and Change in Other Affiliated Company" announced today.

3. Other

(1) Status of production, orders, and sales

(i) Production status

Business segment	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)		Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Business	27,166	68.5	30,339	69.1
Industry Business	11,057	27.9	12,853	29.3
ICT Solution Business	1,434	3.6	728	1.7
Other	-	-	-	-
Total	39,658	100.0	43,921	100.0

Note: Amounts are based on sales prices.

(ii) Status of orders received

Business segment	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)		Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)	
	Orders received (Millions of yen)	Order backlog (Millions of yen)	Orders received (Millions of yen)	Order backlog (Millions of yen)
Transportation Business	27,747	31,814	32,063	36,479
Industry Business	10,986	9,067	12,268	9,327
ICT Solution Business	1,581	272	1,300	503
Other	3	-	4	-
Total	40,319	41,154	45,636	46,310

Note: Amounts are based on sales prices.

(iii) Sales status

Business segment	Fiscal year ended May 31, 2025 (from June 1, 2024 to May 31, 2025)		Fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Business	27,822	68.6	27,398	67.7
Industry Business	10,895	26.9	12,008	29.7
ICT Solution Business	1,817	4.5	1,069	2.6
Other	3	0.0	4	0.0
Total	40,539	100.0	40,480	100.0

(2) Personnel changes of directors and audit & supervisory board members

Please refer to the “Notice Concerning the Selection of Candidates for Directors, Audit & Supervisory Board Members, and a Substitute Audit & Supervisory Board Member” announced today.