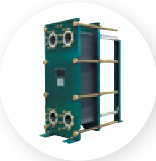
Hisaka Newsletter

The 97th Fiscal Year
April 1, 2025 to March 31, 2026

HISAKA WORKS, LTD.
Securities code 6247

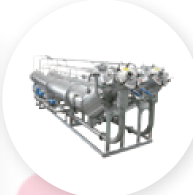


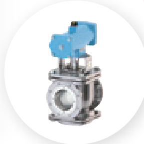
technology that Supports Today

with hopeful technology
HISAKA

For a richer society, and a more comfortable life.

We deliver "technology that supports today" to the world.

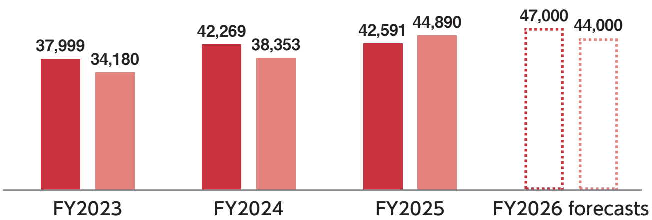


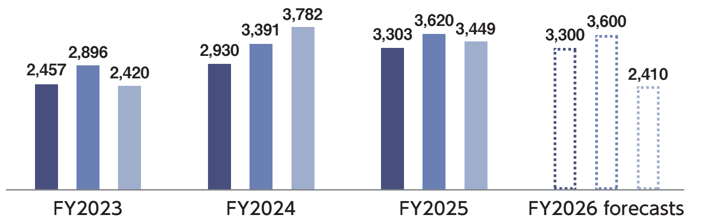


To our shareholders,
Our 97th fiscal year has ended, and we would like to provide an overview report on this period.
During the fiscal year, we worked to strengthen our business foundation with a view toward medium- to long-term growth. We also strengthened our response to customer needs for "energy saving" and "labor saving," and promoted to capture demand for maintenance services.
As a result, orders received by our Group for the fiscal year increased 0.8% year-on-year to 42,591 million yen, as the Heat Exchanger and Valve businesses performed well. Sales increased 17.0% year-on-year to a record high of 44,890 million yen, as all three major business segments performed steadily. As for profit, operating profit rose 12.7% year-on-year to 3,303 million yen due to increased sales in the Process Engineering business, and ordinary profit increased 6.8% year-on-year to 3,620 million yen. Profit attributable to owners of parent decreased 8.8% year-on-year to 3,449 million yen, as plant restructuring costs were recorded, despite recording gains on sale of strategic shareholdings.
Regarding annual dividend for the fiscal year, following the achievement of sales exceeding 40 billion yen for the first time since our founding, we increased the annual dividend by 10 yen per share from the previous fiscal year to 55 yen per share. Regarding annual dividend for the next fiscal year, to achieve stable and continuous shareholder returns, we plan to maintain the annual dividend at 55 yen per share, the same level as in the previous fiscal year.
We launched our new three-year Medium-term Business Plan "Challenge2028" in April 2026. Through the implementation of Management Vision "Challenge for Climate Change," we aim to achieve sustainable growth and improvement of corporate value. For details of the Medium-term Business Plan, please refer to the disclosure released on May 15, 2026.
We would like to ask all of our valued shareholders for their continued cooperation and support.

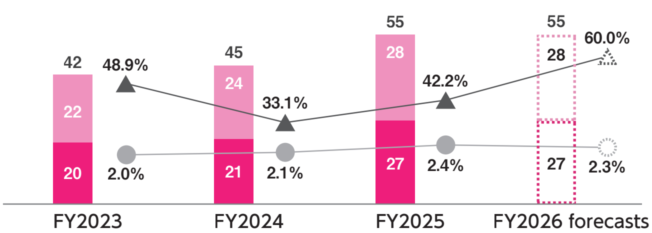
President and CEO, June 2026
Toshiya Usami

Consolidated Financial Highlights





Dividend Transition

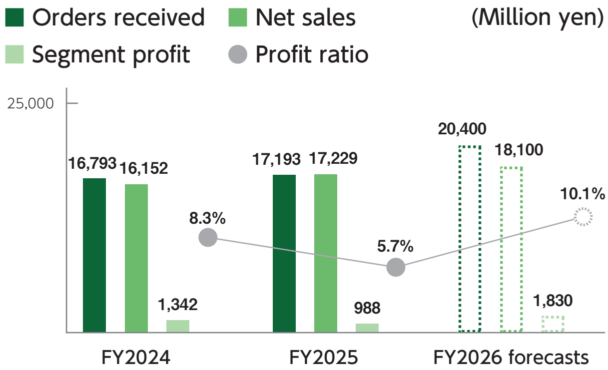


Basic Policy on Profit Distribution
Our basic policy is to return appropriate profits to our shareholders while strengthening our financial structure and business foundation while keeping "fairness" and "impartiality" in mind for all our stakeholders. Specifically, we will strive for continuous and stable dividends with Consolidated Dividend on Equity (DOE) of 2.0% or more, taking into account consolidated net assets and consolidated results, while balancing retained earnings.

Results by Segment

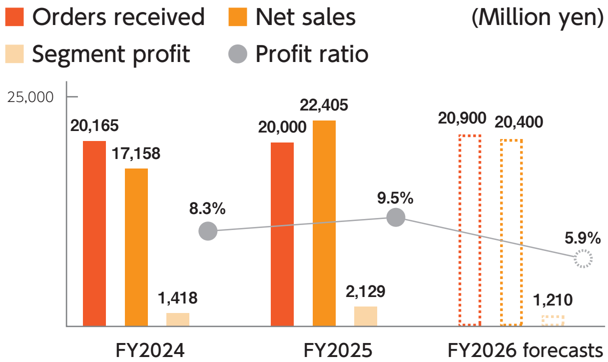
Heat Exchanger Segment

- **Orders received**
  - ○ Contribution from large-scale projects for CO_2 capture plants and power generation
  - ○ Strong domestic maintenance projects
  - × Reactionary decline in ships, which was favorable in the previous fiscal year
- **Net sales**
  - ○ Major overseas sales related to energy contributed
  - ○ Strong sales of large-volume parts and domestic maintenance services
  - × Sluggish sales to the chemical and machinery industries due to a decline in investment
- **Segment profit**
  - ○ Increased sales
  - × Recording of expenses related to Konoike plant restructuring
  - × Recording of allowances for sales strategy purposes



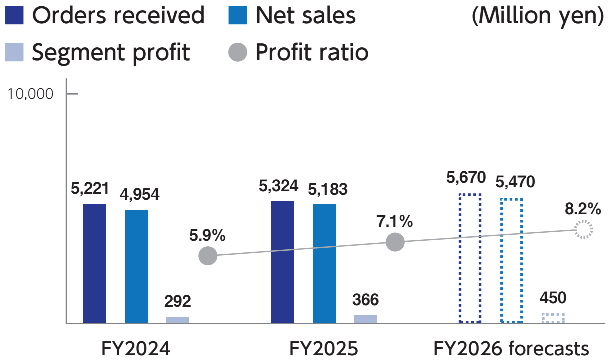
Process Engineering Segment

- **Orders received**
  - ○ Contributions from large-scale projects such as pharmaceutical culture plants and sterilizers
  - ○ Large-scale project for dyeing and finishing equipment for Southeast Asia
  - × Decline due to a reactionary drop from large-scale projects in the previous year
- **Net sales**
  - ○ Large-scale projects for foods, such as aseptically packaged rice production plants, were sold. Strong sales of fully automated continuous sterilization and cooling systems
  - ○ Large-scale pharmaceutical projects such as culture plants contributed
  - ○ Large-scale dyeing and finishing equipment projects for Southeast Asia
- **Segment profit**
  - ○ Increase in sales
  - ○ Booking of profitable projects



Valve Segment

- **Orders received**
  - ○ Orders increased for secondary battery manufacturing, semiconductor manufacturing, and confectionery-related sectors
  - × Orders from the chemical industry remained sluggish due to the impact of reduced investment in the chemical industry
- **Net sales**
  - ○ Growth in sales for environmental water treatment, confectionery, and civil engineering work
  - × Sluggish sales for chemicals due to the impact of the industry's sluggish investment
- **Segment profit**
  - ○ Increased sale
  - × Rising prices of raw materials



Various information for shareholders is available on WEB website. Please take a look.

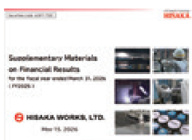
What is HISAKA?

Our overview is summarized in an easy-to-understand format.

https://www.hisaka.co.jp/english/ir_info/investors.html

Financial Results Briefing Materials

This section introduces our efforts to increase corporate value.



https://www.hisaka.co.jp/english/ir_info/reference.html?ref=briefing

Shareholders' Memo

Business year	April 1 to March 31 of the following year
Record date for year-end dividends	March 31
Record date for interim dividends	September 30
Annual General Meeting of Shareholders	June every year
Shareholder registry administrator and account management institution for special account	Mitsubishi UFJ Trust and Banking Corporation
Contact information	Mitsubishi UFJ Trust and Banking Corporation, Osaka Securities Agency Division 3-6-3 Fushimimachi, Chuo-ku, Osaka, 541-8502 TEL: 0120-094-777 (Toll-free)
Listed stock exchange	Tokyo Stock Exchange Prime Market
Public notice method	Electronic notices Public notice URL: https://www.hisaka.co.jp/ However, in the event of an accident or other unavoidable event that precludes electronic public notice, notices will be published in the Nikkei newspaper.

(Notice)

1. Changes to a shareholder's address, requests for purchases, specifications of a transfer account for dividends, and other such procedures are, in principle, handled at the account management institution (securities firm or the like) where you have opened your account. Please inquire with the securities firm or institution where your account is set up. Please be aware that the keeper of the shareholder register (Mitsubishi UFJ Trust and Banking Corporation) does not handle such inquiries.
2. For procedures related to shares registered in a special account, Mitsubishi UFJ Trust and Banking Corporation is the account management institution. Please inquire with the account management institution for special accounts listed to the left (Mitsubishi UFJ Trust and Banking Corporation). The Mitsubishi UFJ Trust and Banking Corporation main and branch offices also accept messages.
3. For unreceived dividends, payments can be made at Mitsubishi UFJ Trust and Banking Corporation main and branch offices.