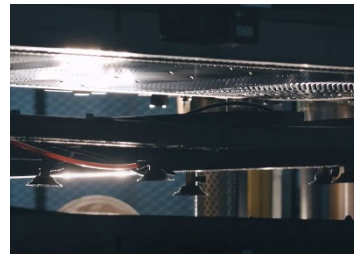


# Financial Results Briefing Materials

for First Half of the Fiscal Year  
Ending March 31, 2026 (FY2025)



November 27, 2025

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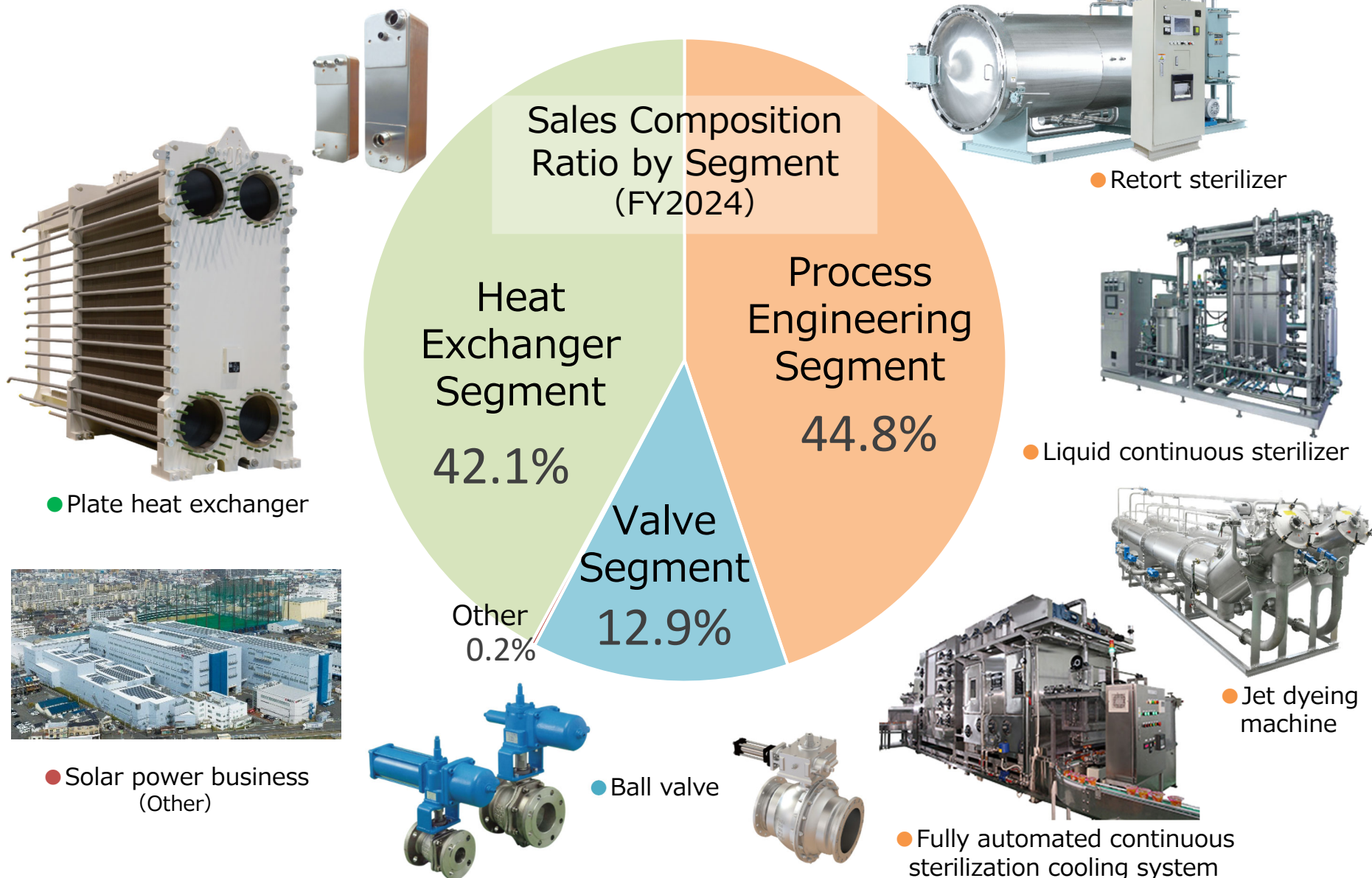
Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# Corporate Profile

Company name	<b>HISAKA WORKS, LTD.</b>
Established	May, 1942
Business line	Manufacture and sale of industrial machinery.
Capital	4,150 million yen
Share	28,732,800
Listed market	Prime Market in Tokyo Stock Exchange
Annual sales	38.3 billion yen, consolidated
Employees	1,032, consolidated
Number of Subsidiaries	13 companies (including overseas affiliates)
Domestic locations	Osaka Head Office, Konoike Plant, Ome Plant, and Ikoma Plant Tokyo, Nagoya, Kyushu, Kitakyushu Branch, Hokkaido, Saitama, Chiba, and Onomichi Sales Offices
Overseas locations	Malaysia, Philippines, Vietnam, Thailand, Singapore, Indonesia, China, Saudi Arabia, Qatar, UAE, and South Korea

※As of the end of March 2025

# HISAKA Group's Business Structure



# **Summary of Financial Results for First Half of FY2025**

# 1 -①. Summary of Financial Results for First Half of FY2025 (YoY Change)

(Millions of Yen)

	FY2024 First Half		FY2025 First Half		Compared to FY2024 1H Results	
	Results	Profit Ratio	Results	Profit Ratio	Change	Rate of Change
<b>Orders Received</b>	21,100	—	<b>20,259</b>	—	<b>▲ 841</b>	<b>▲ 4.0%</b>
Overseas Orders Received (Included)	4,636		4,680		43	0.9%
<b>Net Sales</b>	18,000	—	<b>21,893</b>	—	<b>3,893</b>	<b>21.6%</b>
Overseas Net Sales (Included)	3,851		4,046		195	5.1%
<b>Operating Profit</b>	1,129	6.3%	<b>1,822</b>	8.3%	<b>693</b>	<b>61.4%</b>
<b>Ordinary Profit</b>	1,352	7.5%	<b>1,929</b>	8.8%	<b>577</b>	<b>42.7%</b>
<b>Profit Attributable to Owners of Parent</b>	1,036	5.8%	<b>1,419</b>	6.5%	<b>382</b>	<b>36.9%</b>

# 1 -②. Summary of Financial Results for First Half of FY2025 (Deviation From Forecasts)

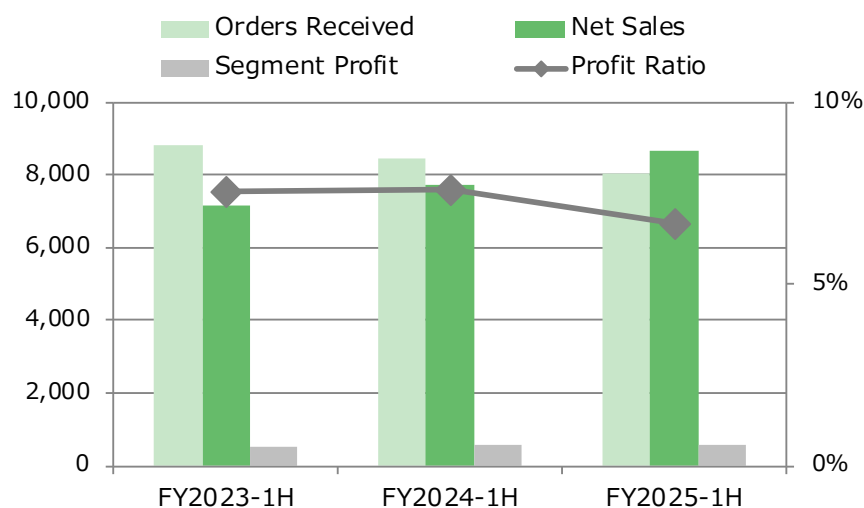
(Millions of Yen)

	FY2025 First Half		FY2025 First Half		Compared to FY2025 1H Forecasts	
	Forecasts	Profit Ratio	Results	Profit Ratio	Variance	Achievement Ratio
Orders Received	20,000	—	<b>20,259</b>	—	259	101.3%
Net Sales	23,000	—	<b>21,893</b>	—	▲ 1,106	95.2%
Operating Profit	1,700	7.4%	<b>1,822</b>	8.3%	122	107.2%
Ordinary Profit	1,900	8.3%	<b>1,929</b>	8.8%	29	101.5%
Profit Attributable to Owners of Parent	1,330	5.8%	<b>1,419</b>	6.5%	89	106.7%

(Millions of Yen)

# 2 - ①. Heat Exchanger Segment Performance

	FY2024 First Half		FY2025 First Half		Compared to FY2024 1H Results	
	Results	Profit Ratio	Results	Profit Ratio	Change	Rate of Change
<b>Orders Received</b>	8,479	—	<b>8,029</b>	—	▲ 450	▲ 5.3%
Overseas Orders Received(Included)	2,865		2,326		▲ 539	▲ 18.8%
<b>Net Sales</b>	7,719	—	<b>8,694</b>	—	974	12.6%
Overseas Net Sales (Included)	2,033		2,999		965	47.5%
<b>Segment Profit</b>	585	7.6%	<b>580</b>	6.7%	▲ 4	▲ 0.8%



## <Orders Received>

- Strong orders for maintenance-related projects in Japan and Overseas plant-related projects
- × Sluggish orders for air conditioning equipment and machine tools
- × Decline due to a rebound from strong orders for ship-related business in the same period last year

## <Net Sales>

- Contribution from large overseas energy projects
- Strong sales for maintenance-related sales in Japan

## <Segment Profit>

- Sales increase
- × Deterioration in sales mix
- × Reording of restructuring-related costs of Konoike Plant



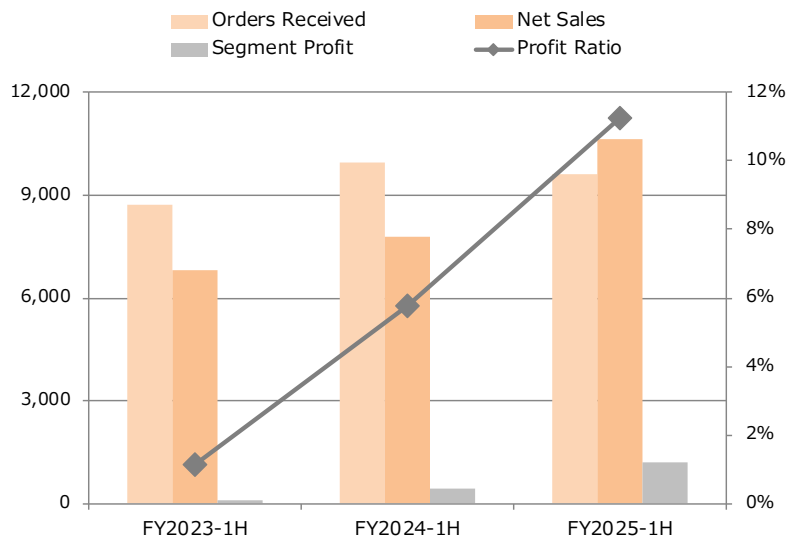
## 2 - ②. Process Engineering Segment Performance

with hopeful technology

**HISAKA**

(Millions of Yen)

	FY2024 First Half		FY2025 First Half		Compared to FY2024 1H Results	
	Results	Profit Ratio	Results	Profit Ratio	Change	Rate of Change
<b>Orders Received</b>	9,970	—	<b>9,603</b>	—	<b>▲ 367</b>	<b>▲ 3.7%</b>
Overseas Orders Received (Included)	1,344		2,130		786	58.4%
<b>Net Sales</b>	7,779	—	<b>10,615</b>	—	<b>2,836</b>	<b>36.5%</b>
Overseas Net Sales (Included)	1,366		704		▲ 662	▲ 48.5%
<b>Segment Profit</b>	<b>450</b>	<b>5.8%</b>	<b>1,194</b>	<b>11.3%</b>	<b>743</b>	<b>165.0%</b>



### <Orders Received>

- Strong overseas orders for pharmaceutical and dyeing equipment
- × Decrease due to a rebound from large food equipment project in the same period last year

### <Net Sales>

- Large sales for water plant projects
- Robust sales for fully automatic continuous sterilization and cooling equipment
- Large sales for pharmaceutical plant projects

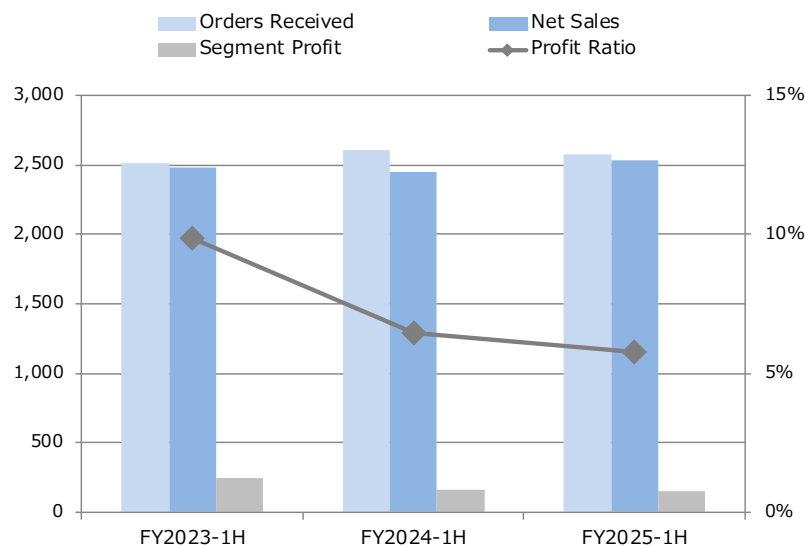
### <Segment Profit>

- Sales increase
- Contribution of profitable projects

(Millions of Yen)

## 2 - ③. Valve Segment Performance

	FY2024 First Half		FY2025 First Half		Compared to FY2024 1H Results	
	Results	Profit Ratio	Results	Profit Ratio	Change	Rate of Change
<b>Orders Received</b>	2,604	—	<b>2,577</b>	—	▲ 26	▲ 1.0%
Overseas Orders Received (Included)	425		222		▲ 202	▲ 47.6%
<b>Net Sales</b>	2,455	—	<b>2,535</b>	—	79	3.2%
Overseas Net Sales (Included)	450		342		▲ 108	▲ 24.0%
<b>Segment Profit</b>	159	6.5%	<b>147</b>	5.8%	▲ 11	▲ 7.5%



### <Orders Received>

- Strong orders for industries such as sewage treatment and confectionery
- × Sluggish demand in the chemical industry

### <Net Sales>

- Robust sales for the sewage treatment and confectionery industries
- × Sluggish sales in the chemical industry

### <Segment Profit>

- × Decline due to increased raw material costs

# 3 - ①. Operation Results by business segment

Orders Received , Net Sales (YoY)

with hopeful technology

**HISAKA**

(Millions of Yen)

	FY2024 First Half		FY2025 First Half		Compared to FY2024 1H Results	
	Results	Composition Ratio	Results	Composition Ratio	Change	Rate of Change
Heat Exchanger Segment	8,479	40.2%	8,029	39.6%	▲ 450	▲ 5.3%
Process Engineering Segment	9,970	47.3%	9,603	47.4%	▲ 367	▲ 3.7%
Valve Segment	2,604	12.3%	2,577	12.7%	▲ 26	▲ 1.0%
Other	46	0.2%	48	0.3%	2	4.9%
<b>Orders Received</b>	<b>21,100</b>	<b>100.0%</b>	<b>20,259</b>	<b>100.0%</b>	<b>▲ 841</b>	<b>▲ 4.0%</b>
Heat Exchanger Segment	7,719	42.9%	8,694	39.7%	974	12.6%
Process Engineering Segment	7,779	43.2%	10,615	48.5%	2,836	36.5%
Valve Segment	2,455	13.6%	2,535	11.6%	79	3.2%
Other	46	0.3%	48	0.2%	2	4.9%
<b>Net Sales</b>	<b>18,000</b>	<b>100.0%</b>	<b>21,893</b>	<b>100.0%</b>	<b>3,893</b>	<b>21.6%</b>

# 3 -②. Operation Results by business segment

## Operating Profit , Order Backlog (YoY)

(Millions of Yen)

	FY2024 First Half		FY2025 First Half		Compared to FY2024 1H Results	
	Results	Composition Ratio	Results	Composition Ratio	Change	Rate of Change
Heat Exchanger Segment	585	47.6%	580	29.6%	▲ 4	▲ 0.8%
Process Engineering Segment	450	36.6%	1,194	61.0%	743	165.0%
Valve Segment	159	13.0%	147	7.5%	▲ 11	▲ 7.5%
Other	34	2.8%	36	1.9%	2	7.1%
Subtotal	1,230	100.0%	1,959	100.0%	729	59.3%
Adjustment amount	▲ 100	—	▲ 136	—	▲ 35	—
<b>Operating Profit</b>	<b>1,129</b>	—	<b>1,822</b>	—	<b>693</b>	<b>61.4%</b>
Heat Exchanger Segment	7,713	29.1%	6,929	26.9%	▲ 783	▲ 10.2%
Process Engineering Segment	17,332	65.3%	17,135	66.7%	▲ 196	▲ 1.1%
Valve Segment	1,474	5.6%	1,636	6.4%	161	10.9%
Other	—	—	—	—	—	—
<b>Order Backlog</b>	<b>26,520</b>	100.0%	<b>25,701</b>	100.0%	<b>▲ 818</b>	<b>▲ 3.1%</b>

# 3 - ③. Operation Results by business segment

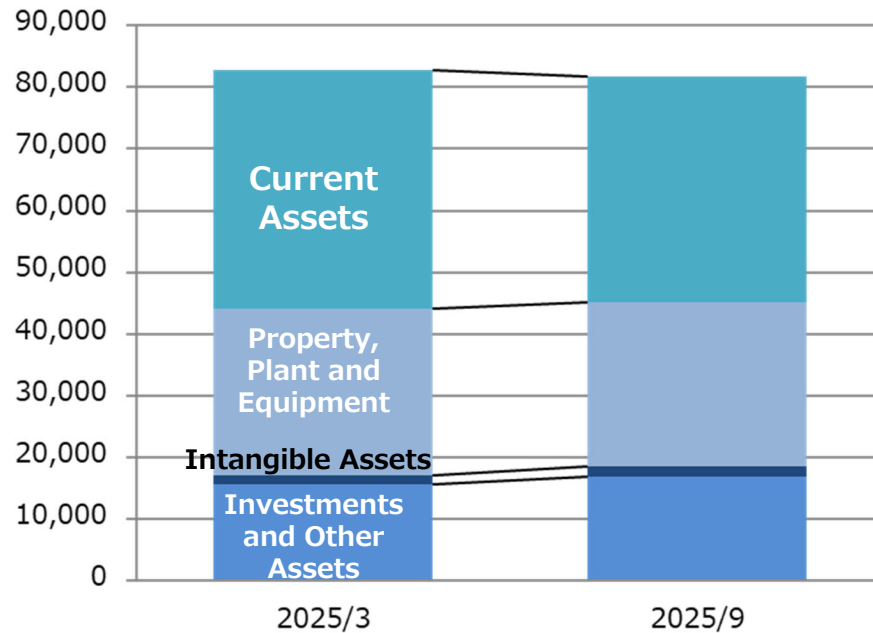
Orders Received , Net Sales , Operating Profit (Compared to Forecasts)

(Millions of Yen)

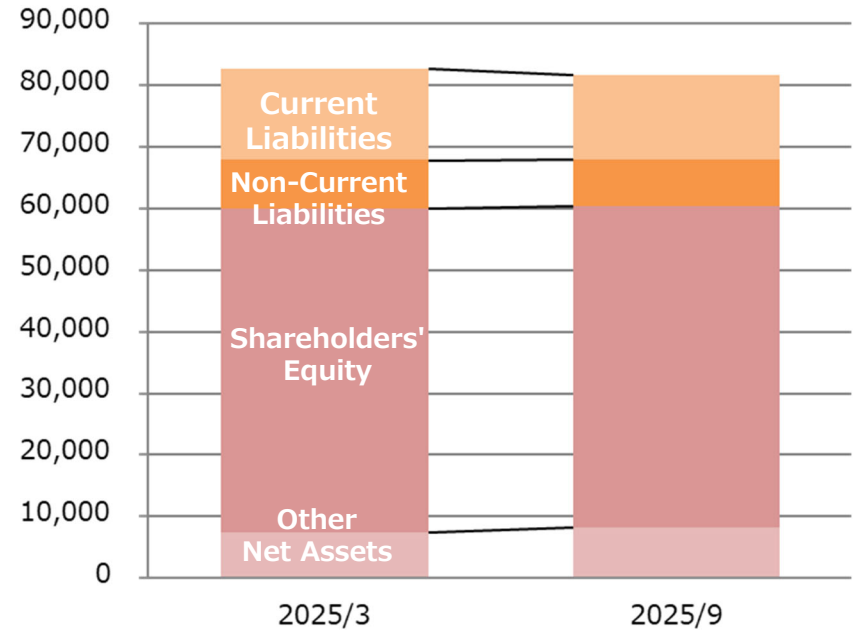
	FY2025 First Half		FY2025 First Half		Compared to FY2025 1H Forecasts	
	Forecasts	Composition Ratio	Results	Composition Ratio	Variance	Achievement Ratio
Heat Exchanger Segment	8,800	44.0%	8,029	39.6%	▲ 770	91.2%
Process Engineering Segment	8,400	42.0%	9,603	47.4%	1,203	114.3%
Valve Segment	2,750	13.8%	2,577	12.7%	▲ 172	93.7%
Other	50	0.2%	48	0.3%	▲ 1	96.7%
<b>Orders Received</b>	<b>20,000</b>	<b>100.0%</b>	<b>20,259</b>	<b>100.1%</b>	<b>259</b>	<b>101.3%</b>
Heat Exchanger Segment	8,900	38.7%	8,694	39.7%	▲ 205	97.7%
Process Engineering Segment	11,500	50.0%	10,615	48.5%	▲ 884	92.3%
Valve Segment	2,550	11.1%	2,535	11.6%	▲ 14	99.4%
Other	50	0.2%	48	0.2%	▲ 1	96.7%
<b>Net Sales</b>	<b>23,000</b>	<b>100.0%</b>	<b>21,893</b>	<b>100.0%</b>	<b>▲ 1,106</b>	<b>95.2%</b>
Heat Exchanger Segment	900	47.4%	580	29.6%	▲ 319	64.5%
Process Engineering Segment	900	47.4%	1,194	61.0%	294	132.7%
Valve Segment	70	3.7%	147	7.5%	77	211.0%
Others	30	1.5%	36	1.9%	6	123.3%
Subtotal	1,900	100.0%	1,959	100.0%	59	103.1%
Adjustment amount	▲ 200	—	▲ 136	—	63	—
<b>Operating Profit</b>	<b>1,700</b>	<b>—</b>	<b>1,822</b>	<b>—</b>	<b>122</b>	<b>107.2%</b>

## 4. Assets, Liabilities and Net Assets

(Millions of Yen)



(Millions of Yen)



(Millions of Yen)

	As of the end of March 2025	As of the end of September 2025	vs Previous Fiscal Year
Current assets	38,651	36,513	▲ 2,138
Property, Plant and Equipment	27,077	26,658	▲ 419
Intangible Assets	1,309	1,558	248
Investments and Other Assets	15,657	16,928	1,270
Total Non-Current Assets	44,045	45,145	1,100
<b>Total Assets</b>	<b>82,697</b>	<b>81,659</b>	<b>▲ 1,037</b>

(Millions of Yen)

	As of the end of March 2025	As of the end of September 2025	vs Previous Fiscal Year
Current Liabilities	14,779	13,666	▲ 1,113
Non-Current Liabilities	7,898	7,674	▲ 224
<b>Total Liabilities</b>	<b>22,677</b>	<b>21,340</b>	<b>▲ 1,336</b>
Shareholders' Equity	52,635	52,104	▲ 531
Other Net Assets	7,384	8,213	829
<b>Total Net Assets</b>	<b>60,019</b>	<b>60,318</b>	<b>298</b>
<b>Total Liabilities and Net Assets</b>	<b>82,697</b>	<b>81,658</b>	<b>▲ 1,038</b>

## 5 . Consolidated Cash Flows

	FY2024 1H	(Millions of Yen) FY2025 1H
<b>Cash Flows from Operating Activities</b>	317	<b>520</b>
<b>Cash Flows from Investing Activities</b>	▲ 3,207	▲ <b>305</b>
<b>Cash Flows from Financing Activities</b>	▲ 1,144	▲ <b>2,035</b>
Effect of Exchange Rate Change on Cash and Cash Equivalents	48	▲ 11
Net Increase (Decrease) in Cash and Cash Equivalents	▲ 3,985	▲ 1,831
Cash and Cash Equivalents at Beginning of Period	13,746	12,824
<b>Cash and Cash Equivalents at End of Period</b>	9,760	<b>10,992</b>

# Outlook for FY2025



(Millions of Yen)

## 6 -①. Overview and Full Year Forecasts

### First Half Progress

	FY2024 Full Year		FY2025 Full Year		Compared to FY2024 Results		FY2025 First half	
	Results	Profit Ratio	Forecasts	Profit Ratio	Variance	YoY Change(%)	Results	Achievement Rate
Orders Received	42,269	—	<b>41,000</b>	—	▲ 1,269	▲ 3.0%	20,259	49.4%
Net Sales	38,353	—	<b>44,000</b>	—	5,646	14.7%	21,893	49.8%
Operating Profit	2,930	7.6%	<b>3,000</b>	6.8%	69	2.4%	1,822	60.8%
Ordinary Profit	3,391	8.8%	<b>3,350</b>	7.6%	▲ 41	▲ 1.2%	1,929	57.6%
Profit Attributable to Owners of Parent	3,782	9.9%	<b>2,690</b>	6.1%	▲ 1,092	▲ 28.9%	1,419	52.8%

\*There are no changes to the consolidated forecast figures for the fiscal year ending March 31, 2026 (announced on May 15, 2025) , but we have revised the figures by segment in consideration of recent business trends.  
Please see the next page for details.

# 6 -②. Full-Year Forecasts by Segment

Compared to Initial Forecasts (Revised on November 14, 2025)

(Millions of yen)

	FY2025 Full Year		FY2025 Full Year		Compared to Initial Forecasts	
	Initial Forecasts (2025/5/15)	Composition ratio	Corrective Forecasts (2025/11/14)	Composition Ratio	Change	Rate of Change
Heat Exchanger Segment	17,600	42.9%	17,300	42.2%	▲ 300	▲ 1.7%
Process Engineering Segmer	17,800	43.4%	18,200	44.4%	400	2.2%
Valve Segment	5,500	13.4%	5,400	13.2%	▲ 100	▲ 1.8%
Other	100	0.3%	100	0.2%	—	—
<b>Orders Received</b>	<b>41,000</b>	<b>100.0%</b>	<b>41,000</b>	<b>100.0%</b>	—	—
Heat Exchanger Segment	17,700	40.2%	17,500	39.8%	▲ 200	▲ 1.1%
Process Engineering Segmer	21,000	47.7%	21,300	48.4%	300	1.4%
Valve Segment	5,200	11.8%	5,100	11.6%	▲ 100	▲ 1.9%
Other	100	0.3%	100	0.2%	—	—
<b>Net Sales</b>	<b>44,000</b>	<b>100.0%</b>	<b>44,000</b>	<b>100.0%</b>	—	—
Heat Exchanger Segment	1,850	55.2%	1,100	33.3%	▲ 750	▲ 40.5%
Process Engineering Segmer	1,250	37.3%	1,850	56.1%	600	48.0%
Valve Segment	200	6.0%	300	9.1%	100	50.0%
Other	50	1.5%	50	1.5%	—	—
Subtotal	3,350	100.0%	3,300	100.0%	▲ 50	▲ 1.5%
Adjustment amount	▲ 350	—	▲ 300	—	50	▲ 14.3%
<b>Operating Profit</b>	<b>3,000</b>	—	<b>3,000</b>	—	—	—

\*The segment forecasts for the consolidated financial results for the fiscal year ending March 31, 2026 (announced on May 15, 2025) have been revised in consideration of the latest business trends.

# 6 -③. Full-Year Plans by Segment

Compared to FY 2024 1H Results (Revised on November 14, 2025) (Millions of yen)

	FY2024		FY2025		Compared to FY2024 Results	
	Results	Composition ratio	Corrective Forecasts (2025/11/14)	Composition ratio	Change	Rate of change
Heat Exchanger Segment	16,793	39.7%	17,300	42.2%	506	3.0%
Process Engineering Segment	20,165	47.7%	18,200	44.4%	▲ 1,965	▲ 9.7%
Valve Segment	5,221	12.4%	5,400	13.2%	178	3.4%
Other	88	0.2%	100	0.2%	11	13.3%
<b>Orders received</b>	<b>42,269</b>	<b>100.0%</b>	<b>41,000</b>	<b>100.0%</b>	<b>▲ 1,269</b>	<b>▲ 3.0%</b>
Heat Exchanger Segment	16,152	42.1%	17,500	39.8%	1,347	8.3%
Process Engineering Segment	17,158	44.7%	21,300	48.4%	4,141	24.1%
Valve Segment	4,954	12.9%	5,100	11.6%	145	2.9%
Other	88	0.3%	100	0.2%	11	13.3%
<b>Net Sales</b>	<b>38,353</b>	<b>100.0%</b>	<b>44,000</b>	<b>100.0%</b>	<b>5,646</b>	<b>14.7%</b>
Heat Exchanger Segment	1,342	43.0%	1,100	33.3%	▲ 242	▲ 18.1%
Process Engineering Segment	1,418	45.5%	1,850	56.1%	431	30.4%
Valve Segment	292	9.4%	300	9.1%	7	2.4%
Other	65	2.1%	50	1.5%	▲ 15	▲ 23.2%
Subtotal	3,118	100.0%	3,300	100.0%	181	5.8%
Adjustment amount	▲ 187	—	▲ 300	—	▲ 112	—
<b>Operating profit</b>	<b>2,930</b>	<b>—</b>	<b>3,000</b>	<b>—</b>	<b>69</b>	<b>2.4%</b>

\*The segment forecasts for the consolidated financial results for the fiscal year ending March 31, 2026 (announced on May 15, 2025) have been revised in consideration of the latest business trends.

# 6 -④. Progress of the Revised Forecasts by Segment

(Revised on November 14, 2025)

(Millions of Yen)

	FY2025 Full Year		FY2025 First Half		
	Corrective Forecasts (2025/11/14)	Composition Ratio	Results	Composition Ratio	Achievement Rate
Heat Exchanger Segment	17,300	42.2%	8,029	39.6%	46.4%
Process Engineering Segment	18,200	44.4%	9,603	47.4%	52.8%
Valve Segment	5,400	13.2%	2,577	12.7%	47.7%
Other	100	0.2%	48	0.3%	48.3%
<b>Orders received</b>	<b>41,000</b>	<b>100.0%</b>	<b>20,259</b>	<b>100.0%</b>	<b>49.4%</b>
Heat Exchanger Segment	17,500	39.8%	8,694	39.7%	49.7%
Process Engineering Segment	21,300	48.4%	10,615	48.5%	49.8%
Valve Segment	5,100	11.6%	2,535	11.6%	49.7%
Other	100	0.2%	48	0.2%	48.3%
<b>Net Sales</b>	<b>44,000</b>	<b>100.0%</b>	<b>21,893</b>	<b>100.0%</b>	<b>49.8%</b>
Heat Exchanger Segment	1,100	33.3%	580	29.6%	52.8%
Process Engineering Segment	1,850	56.1%	1,194	61.0%	64.6%
Valve Segment	300	9.1%	147	7.5%	49.2%
Other	50	1.5%	36	1.9%	74.0%
Subtotal	3,300	100.0%	1,959	100.0%	59.4%
Adjustment amount	▲ 300	—	▲ 136	—	—
<b>Operating profit</b>	<b>3,000</b>	<b>—</b>	<b>1,822</b>	<b>—</b>	<b>60.8%</b>

\*The segment forecasts for the consolidated financial results for the fiscal year ending March 31, 2026 (announced on May 15, 2025) have been revised in consideration of the latest business trends.

(Millions of Yen)

# 7 . Capital Investment Plan and Depreciation Plan

FY2022

FY2023

FY2024

FY2025

1st Half Results

Annual Plan

## Capital expenditures

4,956

6,118

5,403

**1,293****2,800**

Details

Updating machinery and equipment for each segment, construction work at the Ikoma plant, etc.

Updating machinery and dies for each segment, construction work at the Ikoma plant, etc.

Construction work at the Ikoma plant, software for the heat exchanger segment, introduction and renewal of machinery and equipment for each segment, etc.

Renovation work at the Konoike plant, software for the heat exchanger segment, introduction and renewal of machinery and equipment and molds for each segment, etc.

## Depreciation and amortization

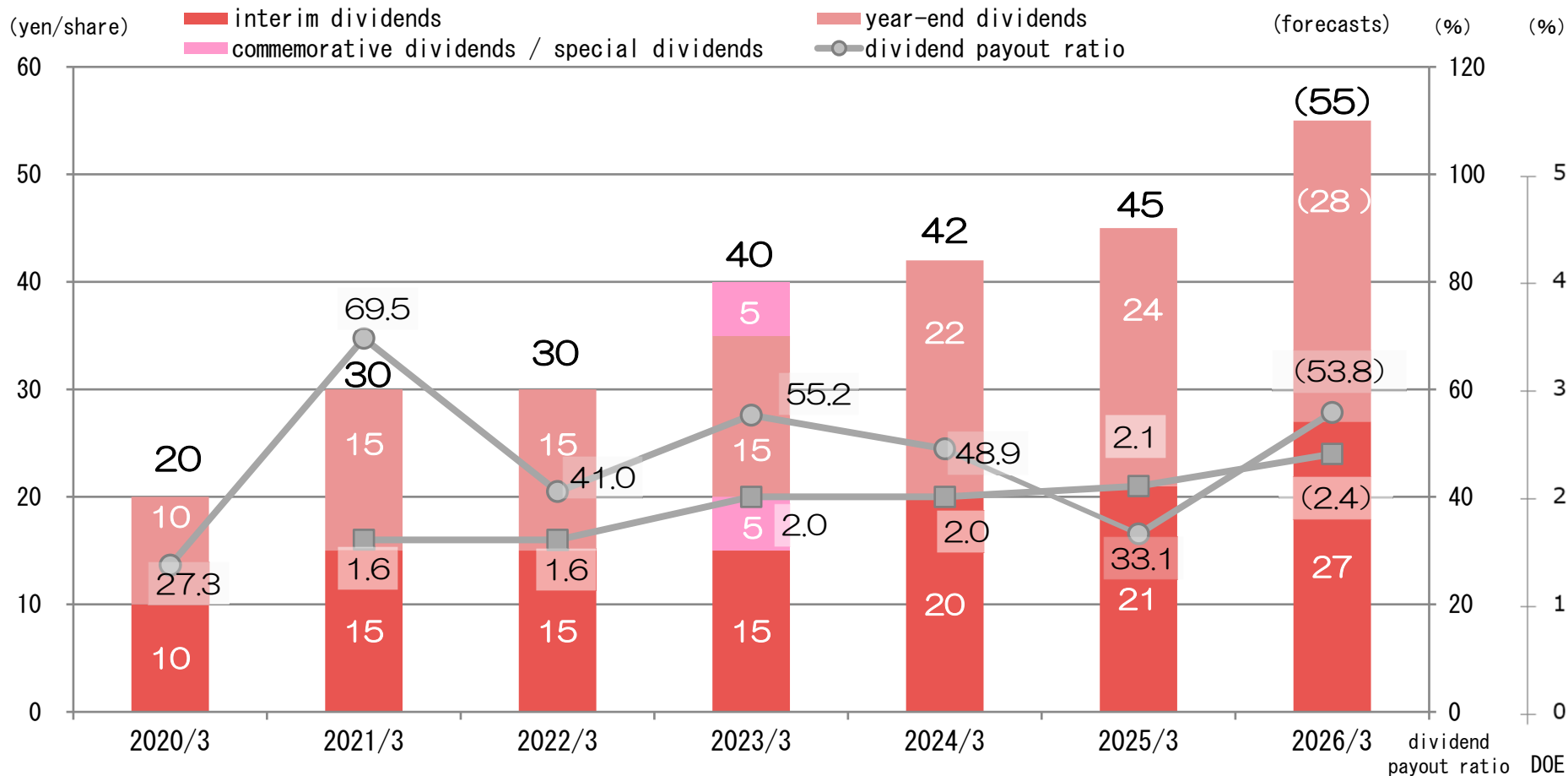
1,045

1,259

1,630

**837****1,800**

## 8. Dividend Plan



### [Basic Policy on Profit Distribution]

Our basic policy is to return appropriate profits to our shareholders while strengthening our financial position and management 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.

# Enhancing Corporate Value

## 9-①. Long-Term Vision

### Long-Term Vision FY2043/3

**Become a company that puts together control technology for fluid heat and pressure to support the future of energy, water, and food together with our customers**



### Purpose of existence

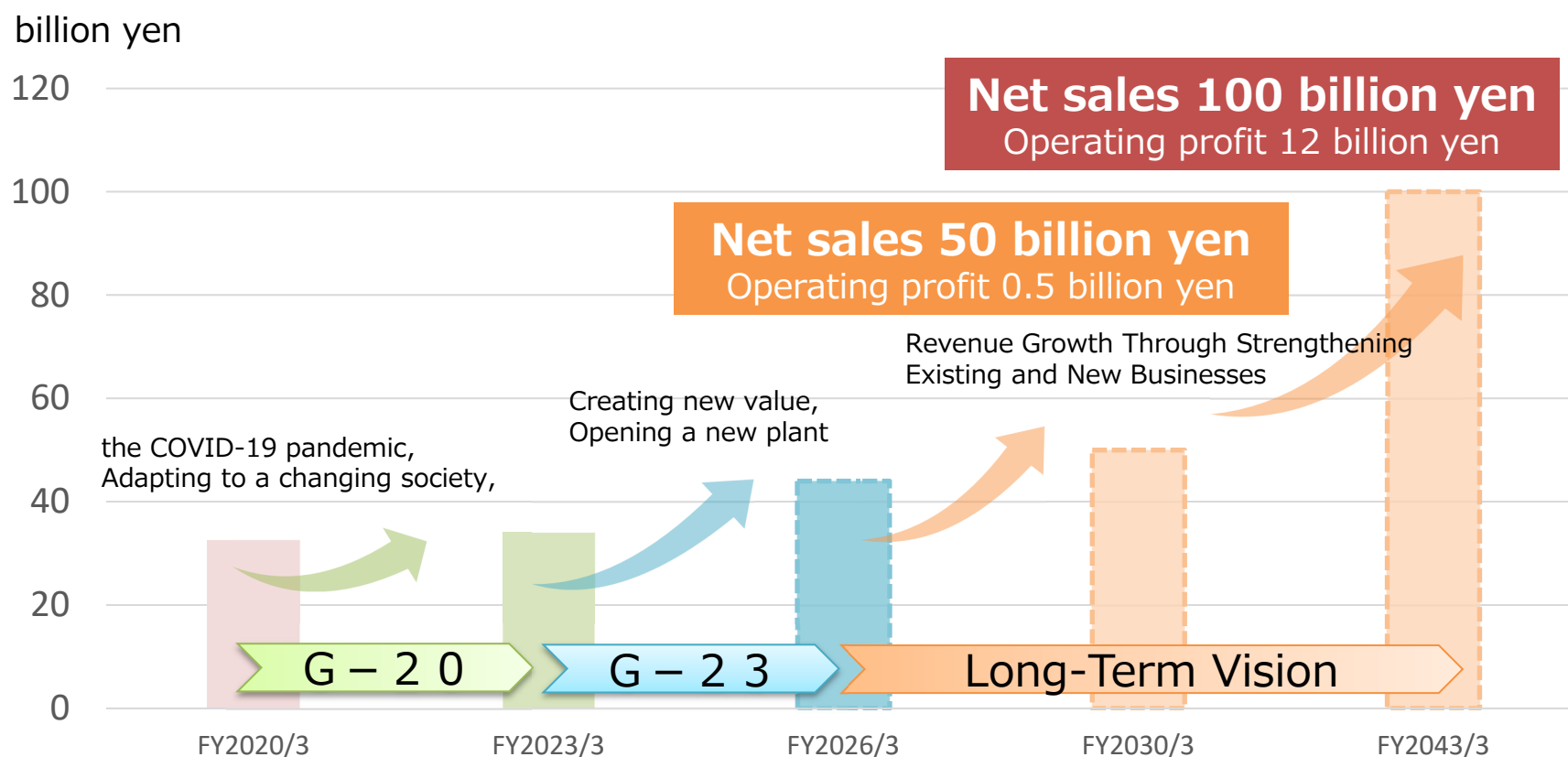
**To be a manufacturer that can stably supply high-quality machines and services to resolve social issues by achieving saving energy and manpower.**



# 9-②. Consolidated Performance Targets

**FY2043/3**

**Net sales 100 billion yen    Operating profit 12 billion yen**



# 9-③. Mid-Term Business Plan Basic Policies

## Responding to Materiality

Materiality		Action items
<b>Contribution to the global environment</b>	1) Addressing climate change	<ul style="list-style-type: none"> <li>● Reduction of CO2 emissions</li> <li>● Use of renewable energy</li> <li>● Reduction of waste, conservation of resources</li> </ul>
<b>Building of a sustainable society</b>	2) Providing safe, secure, and sustainable products and services 3) Addressing medium- to long-term labor shortages 4) Coexistence and co-prosperity with local communities	<ul style="list-style-type: none"> <li>● Contribution to food safety and security, and health promotion</li> <li>● Provision of products and services which enable manpower saving.</li> <li>● Bond with local communities</li> <li>● Establishment of robust supply chain</li> </ul>
<b>Unlocking of human potential</b>	5) Nurturing and leveraging diverse human capital 6) Securing the talent necessary for business continuity and expansion	<ul style="list-style-type: none"> <li>● Improved employees' growth and job satisfaction</li> <li>● Advancement of new graduate and mid-career hiring, and improvement of the retention rate</li> </ul>
<b>Strengthening of the management foundation</b>	7) Strengthening corporate governance	<ul style="list-style-type: none"> <li>● Promotion of sustainable management</li> <li>● Alignment with compliance</li> <li>● Risk management</li> </ul>

# **Progress Report on Measures to Realize Capital Cost and Stock Price Conscious Management**

- **Growth strategy and Investments**
- **Reduction of Strategic Shareholdings**
- **Enhancement of shareholder returns**
- **IR Activities**

## 10. Current situation

	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3 forecast
PBR	0.45	0.41	0.45	0.47	0.45	* 0.59
ROE	2.3	3.8	3.7	4.2	6.3	4.5
Payout ratio	69.5	41.0	55.2	48.9	33.1	53.8
DOE	1.6	1.6	2.0	2.0	2.1	2.4

\* PBR for FY2026/3 is based on data as of the end of September 2025.

**Over the past five years, our PBR has remained between 0.41 and 0.47 times.**

- Our ROE has remained low relative to the cost of shareholders' equity.
- As a result, we have not achieved an adequate equity spread in finance.

**In the fiscal year ended March 31, 2025, we implemented capital policies including:**

- Reduction of strategic shareholdings
- Acquisition of treasury shares

**⇒ Further improvement in profitability is required.**

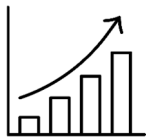
## 11-①. Growth strategy and Investments



### **Contributing to the Resolution of Social Issues through Our Core Technologies**

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- Realization of carbon neutrality
- Reduction of food loss
- Realization of energy and labor saving



### **Initiatives for Sales Expansion and Profitability Improvement**

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- Expansion into overseas markets
- Development of new businesses and products
- Strengthening of the parts and maintenance business
- Enhancement of the production system
- Expansion of business domains

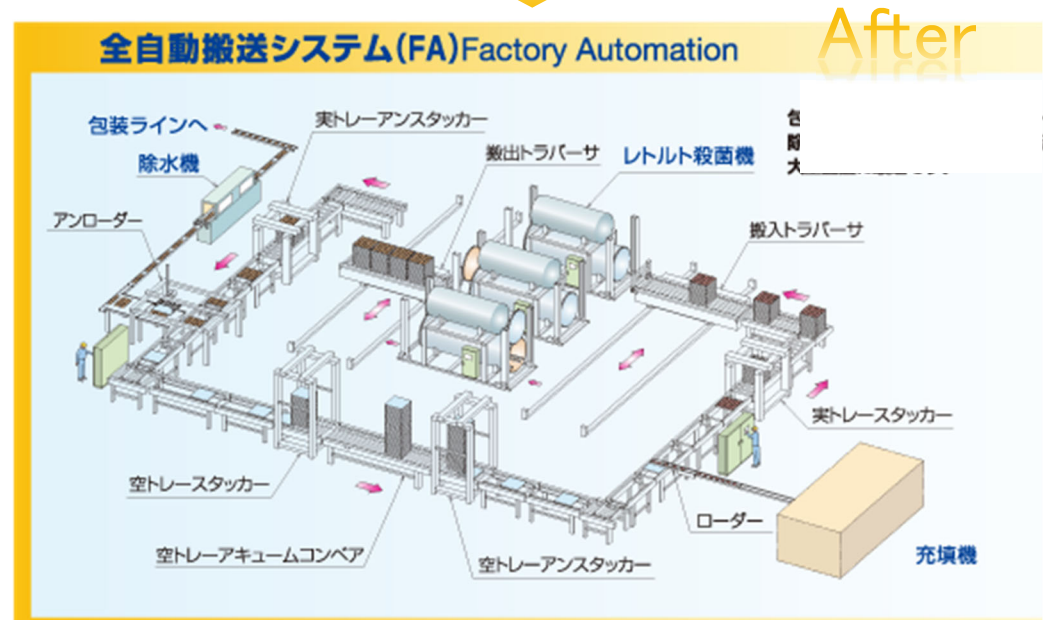
# 11-②. Growth strategy and investments

## Areas related to us out of the 17 strategic investment areas promoted by the government

Field	Segment	Specific areas and our products
Shipbuilding	Heat exchanger	Newbuild ships (heat exchangers for engine cooling, etc.)
Food Technology	PE	Labor-saving in the food industry (automation of food equipment) Reduction of food loss (Shelf-life extension by sterilization equipment) Improving food safety (Supply of HACCP-compliant equipment) Reducing of Environmental Impact by the Food Industry (Proposal of Environmentally Conscious Products)
Resources Energy security GX	Heat exchanger	CO2 recovery (heat-exchangers for CO2 recovery equipment) Hydrogen production (heat exchangers for hydrogen production equipment) Renewable energy (heat exchangers for geothermal power stations) Nuclear power (heat exchangers for nuclear power plants)
Drug-Discovery Advanced Medical Technologies	PE	Pharmaceutical (Cultivation plants for biopharmaceuticals)

Other related fields: AI and semiconductors, synthetic biology and biotechnology, digital and cybersecurity, disaster prevention and national resilience

## A large industrial facility with a green floor. In the foreground, there is a long conveyor system with rollers. To the left, a large circular machine, possibly a furnace or a large container, is visible. The background shows more industrial equipment and structural elements of the building.





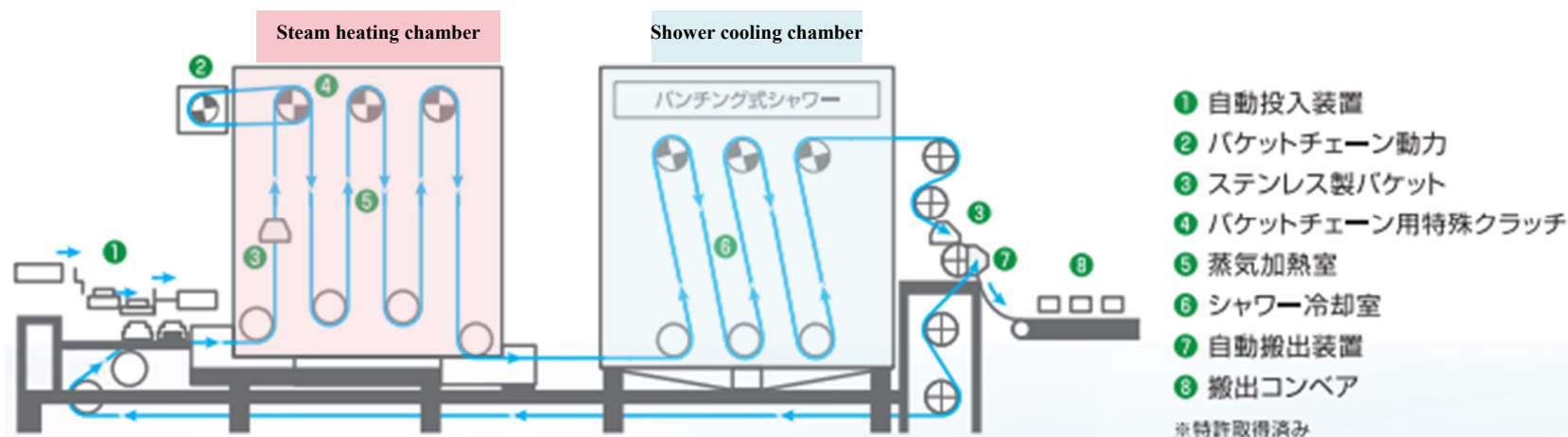
# 11-④. Growth strategy and investments

## Fully automated continuous sterilization cooling system

### Lift steamer Z



#### 殺菌冷却システム例



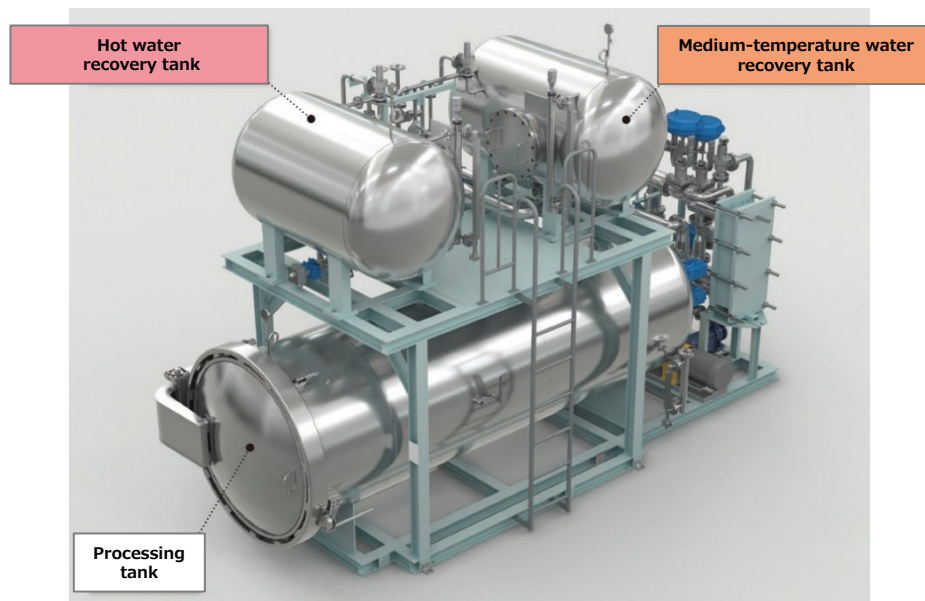


# 11-⑤. Growth strategy and investments

## "Super-Energy-Saving" Heat Sterilization Equipment

With two heat-recovery tanks, previously unused heat is recovered and reused.

Reduce steam consumption by up to 50% compared to conventional products



Hot water  
recovery tank

Water after product heating  
Recovery of (approx. 120°C)



Used for product heating in  
the next batch

Medium-temperature water  
recovery tank

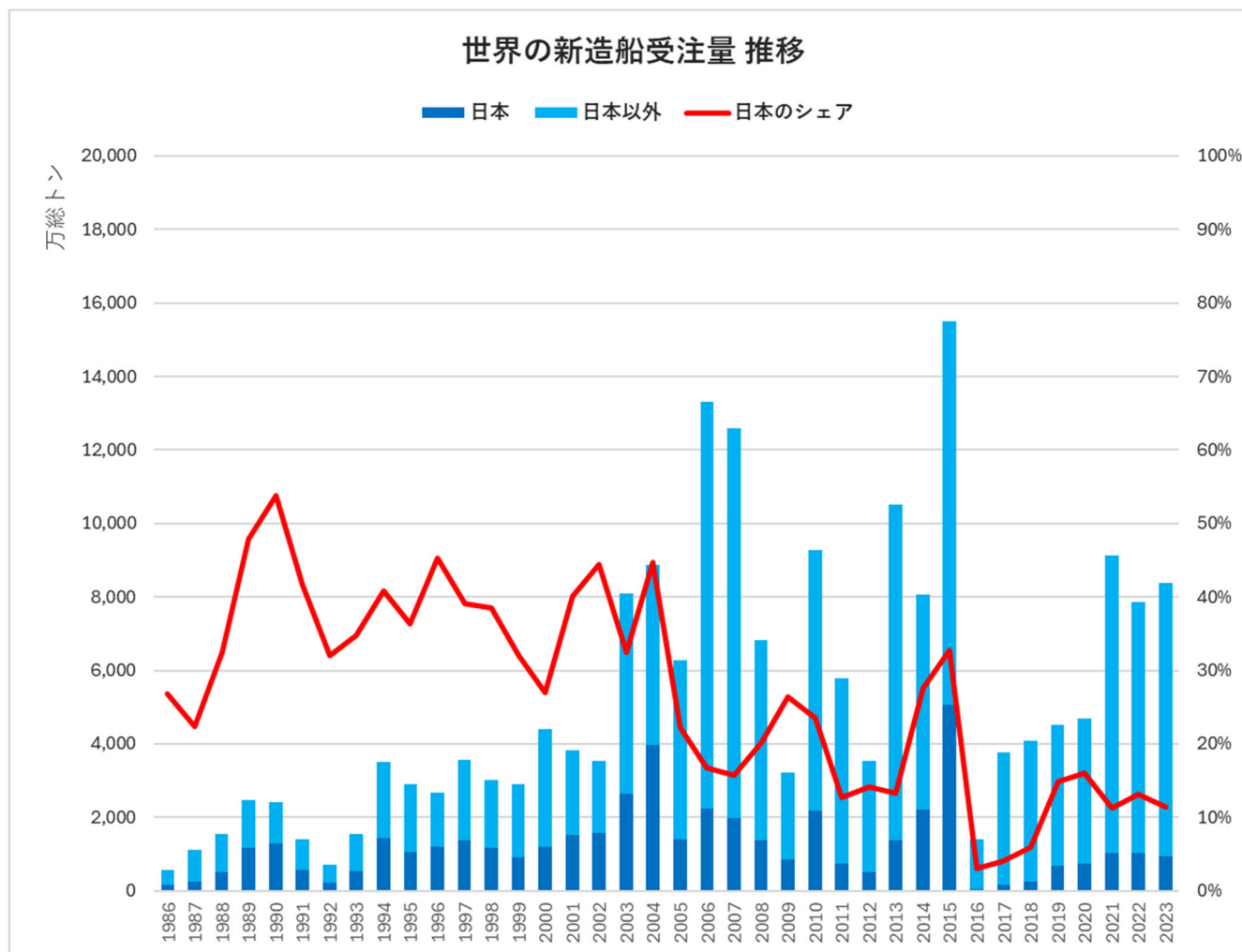
Water after product cooling  
Recovery of (approx. 90°C)



Used for product preheating of  
next batch

# 11-⑥. Growth strategy and investments

## Trends in the Shipbuilding Industry



Prepared by us from the White Paper on Land, Infrastructure, Transport and Tourism 2024

# 11-⑦. Growth strategy and investments

## Heat exchangers for ships



### Onomichi Sales Office

Established in Onomichi and Imabari areas, where shipyards, shipowners, and others are concentrated.

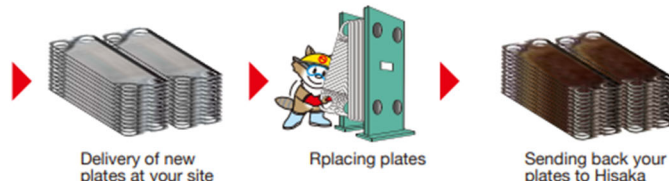


### HISAKA KOREA CO., LTD.

### HISAKA WORKS (CHINA) CO., LTD.

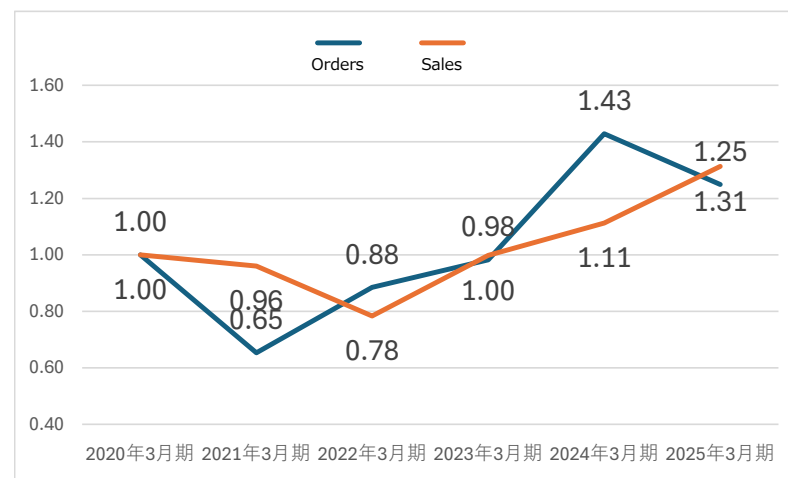
Strengthen sales activities in China and South Korea, where we have a large global share in shipbuilding.

Cooling heat exchangers for engines, generators, MGO, etc.



[Trade Service Package]  
Maintenance services for heat exchangers for ships

Heat exchangers for the shipping industry



# 11-⑥. Growth strategy and Investments

## A wide range of specialized valves

Our lineup of specialized valves is being expanded to respond to the diverse needs and challenges of various industries.

### Pressure resistance

鍛造高圧  
ボールバルブ



高圧安水用  
ボールバルブ

Heat  
resistance



シールドバルブ  
(トンネル工事用)



高圧ガス設備用  
認定バルブ



両圧メタルタッチ  
ボールバルブ



標準型、三方型、自動型、他



半導体装置  
排ガス用 3 方弁



### Abrasion resistance



セラミックライニング  
ボールバルブ



ダイヤフラム  
バルブ

PFAライニング  
ボールバルブ



セミジャケット付  
ボールバルブ  
(チョコレート用)

### Corrosion resistance

モーター弁

### Controllability

化学

製鉄

紙・パルプ

食品

環境

電力・  
エネルギー

半導体



2次電池

Specialized

Standard

# 11-⑦. Growth strategy and Investments

## Enhancement of the production system

	Ikoma Plant (Opened)	Konoike Plant (Restructuring)
Purpose	Strengthen the process-engineering segment	Strengthen the heat exchanger and valve segments
Opening period	2024 Jan.	FY2027 Heat exchanger segment FY2025 Valve segment FY2027
Investment effect	1.5-fold production	1.5-fold production (Heat exchanger segment ) 1.3-fold production (Valve segment )
Investment amount	Approx. 10 billion yen	Approx. 6 billion yen
Appearance		



# 12-①. Enhancement of shareholder returns

## (1) Dividend Increases

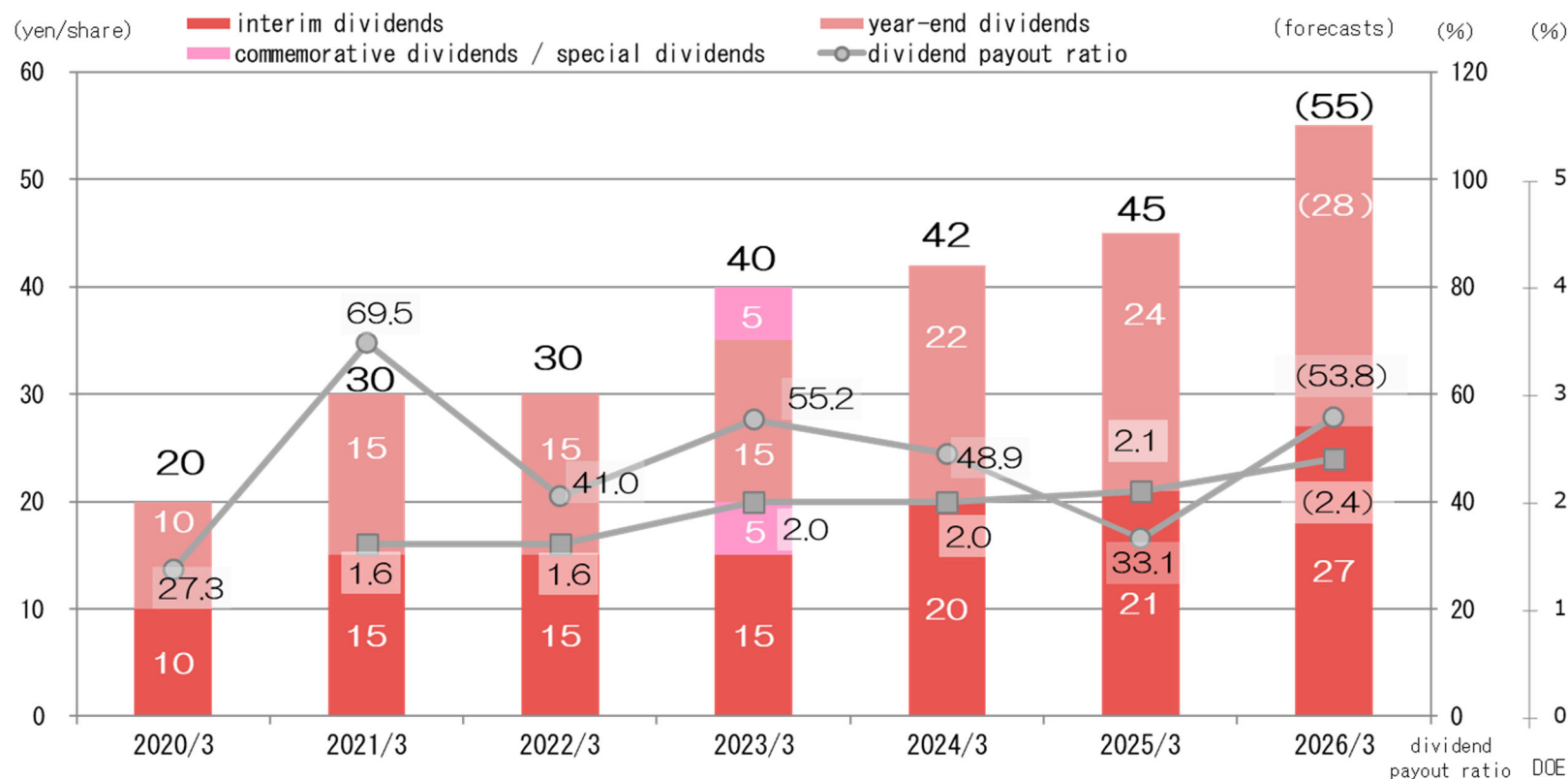
FY2021/3 Introduced DOE (Dividend on Equity) with a target of 1.5% or higher

FY2023/3 80th anniversary commemorative dividend of ¥10/share

FY2024/3 Increased DOE target to 2.0% or higher, accompanied by a ¥2/share increase in dividends

FY2025/3 Dividend increased by ¥3/share

FY2026/3 Plan to increase dividends by ¥10/share



## 12-②. Enhancement of shareholder returns

### (2) Stock Buybacks

#### **FY2025/3**

- >Number of shares acquired: 1 million shares
- >Total acquisition amount: ¥1,046 million
- ➡Total shareholder return ratio for FY 2025/3: 60.5%

#### **FY2026/3**

- >Number of shares acquired: 1 million shares
- >Total acquisition amount: ¥1,344 million
- ➡Total shareholder return ratio for FY 2026/3: 100% (forecast)

### (3) Cancellation of Treasury Shares

#### **【Basic Policy on Holding Treasury Shares】**

- >Guideline for treasury stock holding ratio: 5% of total shares issued
- >If the treasury stock holding ratio exceeds 10% at the end of a fiscal year, as a general rule, we will cancel treasury shares during the following fiscal year to reduce the holding ratio to around 5%

# 13-①. IR Activities

## (1) Implementation of financial results briefings, plant tours, and 1on1 meetings

Content	Number of times	Eligibility	Responder
Financial results briefing	Twice in FY2024/3 Twice in FY2025/3 Once in FY2026/3 1H	Analysts, Institutional investor	President, Executive Officer in Charge, General Manager in Charge
For institutional investors Plant tours	Once in FY2025/3	Analysts, Institutional investor	Plant Manager, Executive Officer in Charge
1on1 meeting	45 times in FY2024/3 42 times in FY2025/3 28 times in FY2026/3 1H	Analysts, Institutional investor	President, Executive Officer in Charge, General Manager in Charge
Plant tours for individual shareholders	Once in FY2026/3 1H	Individual shareholders	President, General Manager in Charge



# 13-②. IR Activities

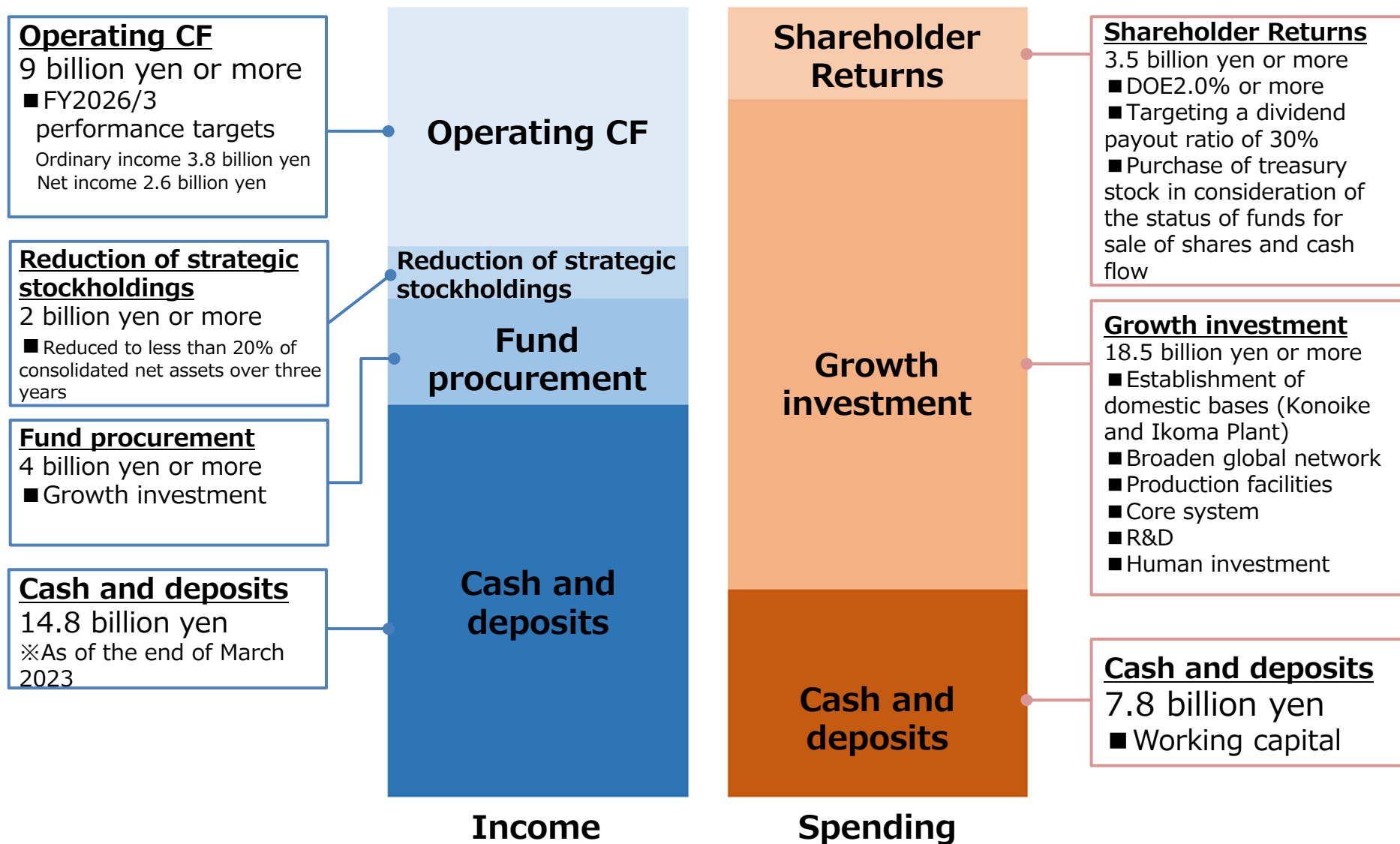
## (2) Specific content of dialogue (frequently asked questions, opinions)

Classification of questions	Questions
Matters relating to the business	Competitor conditions, market share, overseas strategies, Demand in carbon neutral-related markets
Business Performance	Specific measures to increase sales and profits, future growth drivers, Confidence in achieving the medium-term management plan
Investment-related matters	Costs and effects of the construction of the new Ikoma Plant and the restructuring of the Konoike Plant
Corporate Governance	Approach to Strategic Stockholdings and Prospects for Reduction, Reasons for appointment of officers and appropriateness of remuneration for officers
Matters concerning shareholder returns	Amount of dividends, the dividend payout ratio, and the appropriateness of DOE

Main Opinions	Response
Low shareholder returns Low DOE	Increase from 1.5% or more to 2.0% or more from fiscal 2023, based on cash allocation such as investment required in the future. Share repurchases were conducted.
Should reduce strategic stockholdings	In November 2023, the company has decided to reduce its net assets to less than 20% by the end of the current medium-term management plan (as of the end of March 2026).
Should indicate the use of cash and deposits	Explanation of future fundraising and usage using cash allocation (explained at the financial results briefing held in December 2023).

# 14-①. Financial strategy (cash allocation)

## 「G-23」 (FY2024/3 to FY2026/3) Cumulative total



# 14-②. Financial strategy (cash allocation)

## Progress toward the second year of G-23 (FY2024/3 to FY2026/3 1<sup>st</sup> Half)

		3-year plan	By mid-year 3	Remarks
<b>Income</b>	Operating CF	<b>9 billion yen or more</b>	<b>4.78 billion yen</b>	FY2024/3 -0.46 billion yen FY2025/3 +4.72 billion yen FY2026/3 1 <sup>st</sup> Half +0.52 billion yen
	Reduction of strategic shareholdings	<b>2 billion yen or more</b>	<b>4.33 billion yen</b>	(see P.37)
	Fund procurement	<b>4 billion yen or more</b>	<b>5 billion yen</b>	Fundraising through long-term debt and bonds
<b>Spending</b>	Shareholder Returns	<b>3.5 billion yen or more</b>	<b>5.58 billion yen</b>	Dividend 3.17 billion yen Acquisition of treasury stock 2.39 billion yen
	Growth investment	<b>18.5 billion yen or more</b>	<b>12.33 billion yen</b>	Construction of Ikoma Plant, renovation of Konoike Plant, development of core systems for heat exchanger segment, etc.
	Cash and deposits	<b>7.8 billion yen</b>	<b>11.08 billion yen</b>	Decreased by 3.79 billion yen from the end of March 2023

Note: The impact on cash and cash equivalents from regular investments (such as maintenance and replacement capital expenditures) is excluded.

<Contact Us>

HISAKA WORKS , LTD.

CORPORATE MANAGEMENT DIV. IR & PR SECT

WEB : <https://www.hisaka.co.jp>

e-mail : [ir@hisaka.co.jp](mailto:ir@hisaka.co.jp)

TEL : 06-6363-0015

〒530-0057

2-12-7 SONEZAKI KITA-KU OSAKA CITY



# HISAKA WORKS, LTD.

## Origin of the company name

The name **HISAKA** derives from “**日** (HI)” from Japan and “**阪**(SAKA)” from Osaka , incorporating the desire to be a vibrant company like Osaka , a city synonymous with commerce in Japan

## Origin of logo mark

The design is a combination of the Japanese character “**日**” which stands for Japan, and “**S**” for stainless steel. The circular design signifies maturity, reflecting our aspiration from both our employees and products to grow and evolve with rich human qualities.

(NOTE)The data and future forecasts disclosed in this document are based on judgments made as of the date of publication of this document and available information and are subject to change due to various factors. Accordingly, there is no guarantee that these targets and forecasts will be achieved or that future performance will be achieved. These information is subject to change without notice. Accordingly, the reader is urged to check this information and materials against information obtained by other means and to make decisions as to whether to use it. We assume no responsibility for any damages resulting from the use of this document.