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May 15, 2026

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Name of representative :	Toshiya Usami Director, President and CEO (Securities Code: 6247 Prime Market in Tokyo Stock Exchange)
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Notice Regarding Overview of New Medium-Term Management Plan “Challenge2028”

We announce that we have formulated a new medium-term management plan “Challenge2028” with the fiscal year ending March 2029 as the final year.
For an overview of this plan, please refer to the attached materials.

End of document

Securities Code: 6247

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FY2026 – FY2028
Medium-term Business Plan

-Challenge for Climate Change-

Challenge 2028

HISAKA WORKS, LTD.

May 15, 2026

Contents

Review of Previous Medium-Term Business Plan "G-23"

Review of Previous Medium-Term Business Plan "G-23" (Company-wide)

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Under the policy of "Through individual challenges, we will realize a dynamic employee group along with business development," we promoted growth strategy, new product development, strengthening of management base, and capital policy in an integrated manner, and worked on building a foundation for the next phase of growth.

■Growth Strategy

- ●Establishment of Ikoma Plant
- ●Started reconstruction of Konoike Plant

■Strengthening Management Base

- ●Establishment of overseas bases
- ●Reorganization of group company

■Capital Management and Shareholder Returns

- ●Conducting management with awareness of cost of capital and stock price
- ●Raising dividend levels
- ●Purchase and retirement of treasury shares

■New Product Development

- ●Energy-saving heat sterilization equipment
- ●Environmentally-friendly jet dyeing machine

- ●Next-generation general-purpose heat exchanger "ZEX"
- ●PFA-lined ball valve
- ●High-pressure floating ball valve, etc.

Review of Previous Medium-Term Business Plan "G-23" (By Segment)

Various initiatives were implemented in each business to achieve the medium-term business plan.

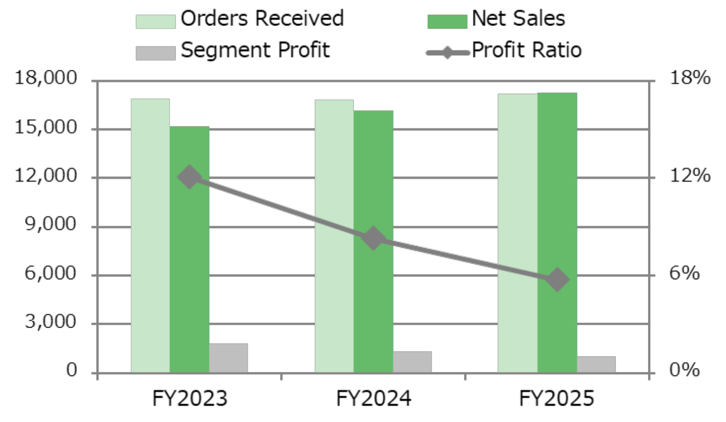
Heat Exchanger Segment

Key Activities

●Achievements in the carbon neutral market (CO_2 capture, nuclear power-related projects, etc.)
●Strengthening overseas maintenance services
●Strengthening production base through reconstruction of Konoike Plant
●Capturing maintenance demand

Results of operations

●Although profit margins declined due to the impact of cost increases,sales increased, achieving steady growth



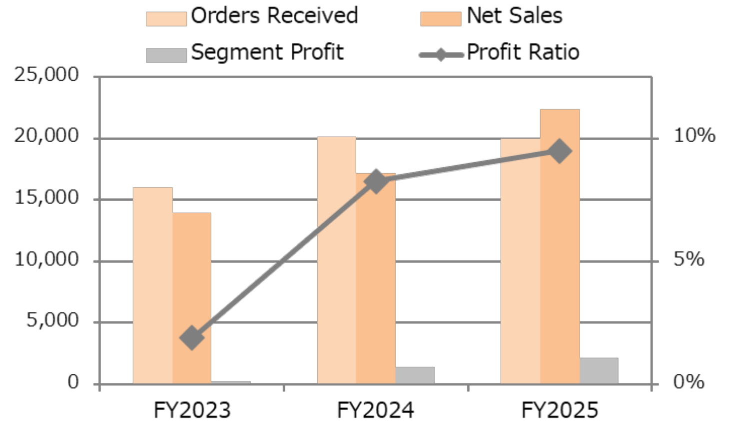
Process EngineeringSegment

Key Activities

●Improved productivity through the opening of Ikoma Plant
●Progress in collaboration with Group companies including overseas, expanding business areas
●Completed multiple large plant projects

Results of operations

●Achieved stable operation of the newly established Ikoma Plant with sales and profits increasing steadily



Review of Previous Medium-Term Business Plan "G-23" (By Segment)

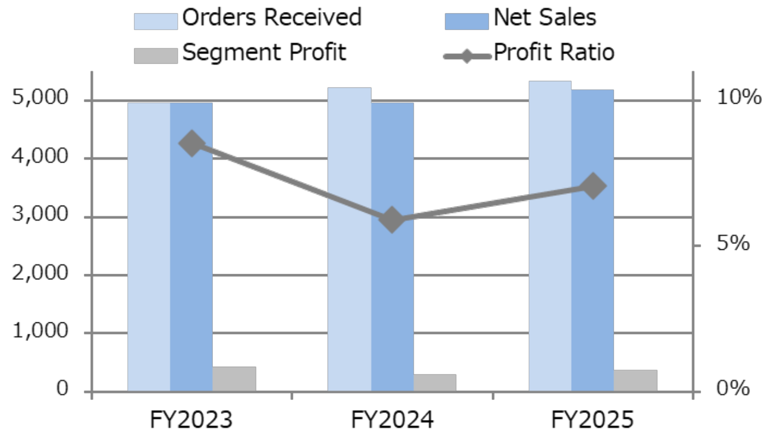
Valve Segment

Key Activities

- ●Sales expansion through creation of new products
- ●Strengthened ability to handle large projects
- ●Strengthening sales in Southeast Asian markets

Results of operations

- ●Orders and sales steadily increased,absorbing cost increases and securing profitability



Corporate

Key Activities

- ●Conducting management with awareness of cost of capital and stock price
- ●Strengthening shareholder returns
- ●Promoting the penetration of corporate philosophy “HISAKA MIND” in HISAKA group
- ●Renewal of employee compensation system and implementation of well-being improvement measures
- ●Promoting measures to reduce greenhouse gas emissions at business sites
- ●Publication of Integrated Report
- ●Disclosure based on the TCFD recommendations
- ●Research and development of new businesses, transition to commercialization phase

Previous Medium-Term Business Plan "G-23" Performance Trends

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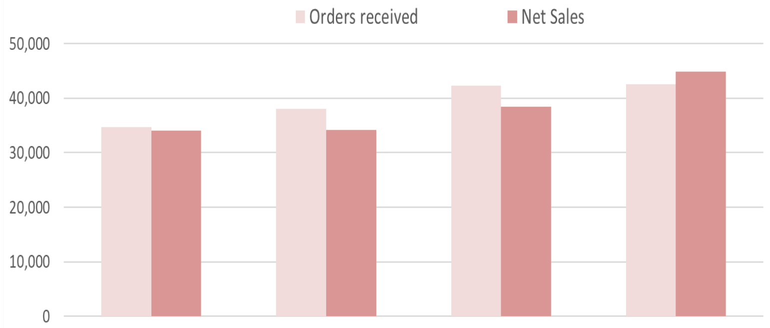
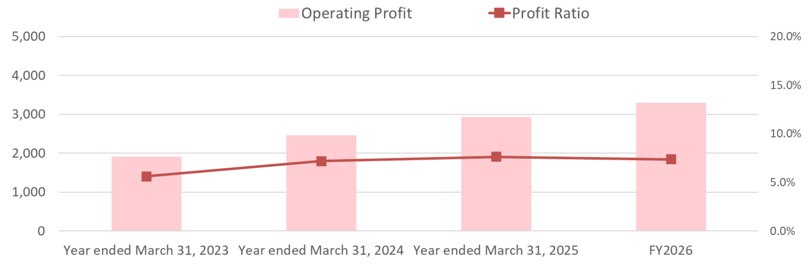
The three main businesses achieved steady growth, with sales reaching record highs, realizing sustainable growth.
On the other hand, operating profit and ordinary profit fell short of the plan due to cost increases exceeding expectations, but due to the reduction of strategic-shareholdings
Gains from the sale of shares were generated, and profit attributable to owners of parent exceeded the plan.

(Millions of yen)

	G-20	G-23				Rate of change
	2023 Years ended	Year 2024 Years ended	Year 2025 Years ended	Year 2026 Years ended March 31		
	Actual results **A**	Actual results	Actual results	**Actual results** **B**	Initial target	B-A / A
Orders received	**34,621**	37,999	42,269	**42,591**	41,000	23.0%
Net Sales	**34,074**	34,180	38,353	**44,890**	40,000	31.7%
Operating Profit	**1,912**	2,457	2,930	**3,303**	3,600	72.8%
Profit Ratio	**5.6%**	7.2%	7.6%	**7.4%**	9.0%	+1.8pt
Ordinary Profit	**2,392**	2,896	3,391	**3,620**	3,800	51.4%
Profit Attributable to Owners of parent	**2,040**	2,420	3,782	**3,449**	2,600	69.0%
ROA	**3.5%**	3.8%	4.1%	**4.4%**	4.9%	+0.9pt
ROE	**3.7%**	4.2%	6.3%	**5.6%**	4.5%	+1.9pt





Previous Medium-Term Business Plan "G-23" Results by Segment

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(Millions of yen)

	FY2022		FY2025		Compared to FY2022 Results	
	Results	Composition ratio	Results	Composition ratio	Change	Rate of change
Heat Exchanger Segment	14,059	40.6%	17,193	40.4%	3,134	22.3%
Process Engineering Segment	15,536	44.9%	20,000	46.9%	4,464	28.7%
Valve Segment	4,934	14.2%	5,324	12.5%	390	7.9%
Other	90	0.3%	72	0.2%	▲ 18	▲ 20.0%
Orders received	**34,621**	100.0%	**42,591**	100.0%	**7,970**	**23.0%**
Heat Exchanger Segment	13,418	39.4%	17,229	38.4%	3,811	28.4%
Process Engineering Segment	15,869	46.6%	22,405	49.9%	6,536	41.2%
Valve Segment	4,696	13.8%	5,183	11.5%	487	10.4%
Other	90	0.2%	72	0.2%	▲ 18	▲ 20.0%
Net Sales	**34,074**	100.0%	**44,890**	100.0%	**10,816**	**31.7%**
Heat Exchanger Segment	814	39.6%	988	27.9%	174	21.4%
Process Engineering Segment	833	40.6%	2,129	60.2%	1,296	155.6%
Valve Segment	339	16.5%	366	10.4%	27	8.0%
Other	66	3.3%	52	1.5%	▲ 14	▲ 21.2%
Subtotal	2,054	100.0%	3,537	100.0%	1,483	72.2%
Adjustment amount	▲ 142	—	▲ 234	—	▲ 92	—
Operating profit	**1,912**	—	**3,303**	—	**1,391**	**72.8%**

New Management Policy

new management policy

Based on our corporate philosophy and purpose, we formulated a new medium-term business plan based on the newly established management vision and the revised materiality (key issues), and adopted it as our new management policy.

Corporate Philosophy: HISAKA MIND (Company Motto, Creed, Five Principles, Code of Conduct)
Purpose: To be a manufacturer that can stably supply high-quality “machineries" and "services" that realize "energy savings" and "labor savings" capable of resolving social issues.

Management Vision

Challenge for Climate Change

Materiality

- Responding to Climate Change
- Providing Responsible Products and Services
- Safe, Secure, and Rewarding Work Environment
- Strengthening Management Base

Medium-term Business Plan Challenge2028

- Putting the Management Vision "Challenge to Climate Change" into Practice
- Achieving sustainable growth and enhancement of corporate value
- Achieving operating profit of 5,000 million yen or more in FY2028
- Achieving ROE of 8% or more in FY ending March 2031, aiming to achieve PBR of 1x or more at an early stage

Management Vision

We have newly established a "Management Vision" to contribute to solving climate change, which is the cause of all social issues.
We will contribute to the realization of a sustainable society by providing products that help mitigate climate change (energy-saving, renewable energy, CO_2 capture products, etc.) and products and services that help to solve social issues.

Challenge for Climate Change

Approach

1) Contributing to customers' energy savings and CO_2 reduction through products and service
2) Contributing to addressing various social issues caused by climate change
3) Promoting effective use of energy in business activities

New Materiality

In line with the current business environment, we reviewed our materiality (key issues), identified four materialities from the perspective of "important social issues where our opportunities and risks exist," and established 14 action items.

	Materiality	14 Issues to Be Addressed	Applicable SDGs
E	Responding to Climate Change	● Reducing CO2 Emissions ● Contributing to the recycling of resources ● Promoting Energy Savings and Utilizing Renewable Energy ● Supply of Environmentally-friendly Products and Services	
S	Providing Responsible Products and Services	● Providing Products and Services that Realize Labor Savings ● stable supply of the product ● Improving Customer Satisfaction and Quality	
S	Safe, Secure, and Rewarding Work Environment	● Improving Employee Engagement ● Providing Opportunities for Growth and Success for Diverse Human Resources ● Development of Fulfilling Work Environment ● Respecting human rights ● Workplace safety and hygiene	
G	Strengthening Management Base	● Stabilizing Management Base through Strengthening Governance ● Strengthening compliance	

The new medium-term management plan "Challenge2028"

New Medium-term Business Plan Challenge2028

We have formulated the new medium-term business plan "Challenge2028" to implement our management vision "Challenge for Climate Change."
In this plan, we aim to achieve both social and economic value through the implementation of our vision.
In addition, we will achieve sustainable growth and improvement of corporate value through "Growth Strategy" and "Strengthening Foundation," and aim to achieve operating profit and ROE targets, aim to achieve and improve PBR.

-Challenge for Climate Change-

Challenge 2028

- ➢ Implementation of Management Vision "Challenge for Climate Change"
- ➢ Achieving sustainable growth and improvement of corporate value
- ➢ Achieving operating profit of 5 billion yen or more in FY2028
- ➢ Achieving ROE of 8% or more in FY2030, aiming to achieve PBR of 1x or more at an early stage

Challenge2028 Key Strategy

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In Challenge2028, we will proceed the implementation of our management vision "Challenge for Climate Change," sustainable growth, and improvement of corporate value through "Growth Strategy" for business expansion and profit improvement, and "Strengthening Foundation" including strengthening human capital, productivity, and capital efficiency.

Growth Strategy

Strengthening Profitability and Competitiveness of Existing Businesses

①**Improvement and development of existing products, new product development** (Energy-saving and labor-saving solutions aligned with customer needs)
②**Strengthening long-term relationships with customers** (Strengthening parts, maintenance, and software business)
③**Price strategy and cost competitiveness strengthening**

Optimize the business portfolio

④**Creating new businesses, developing new markets** (Expansion of decarbonization and environment-related areas)
⑤**Reallocation of management resources to priority areas**

Strengthening Foundation

Strategic Strengthening of Human Capital

- Securing and developing human resources
- Penetration of philosophy and strengthening execution

Productivity Improvement

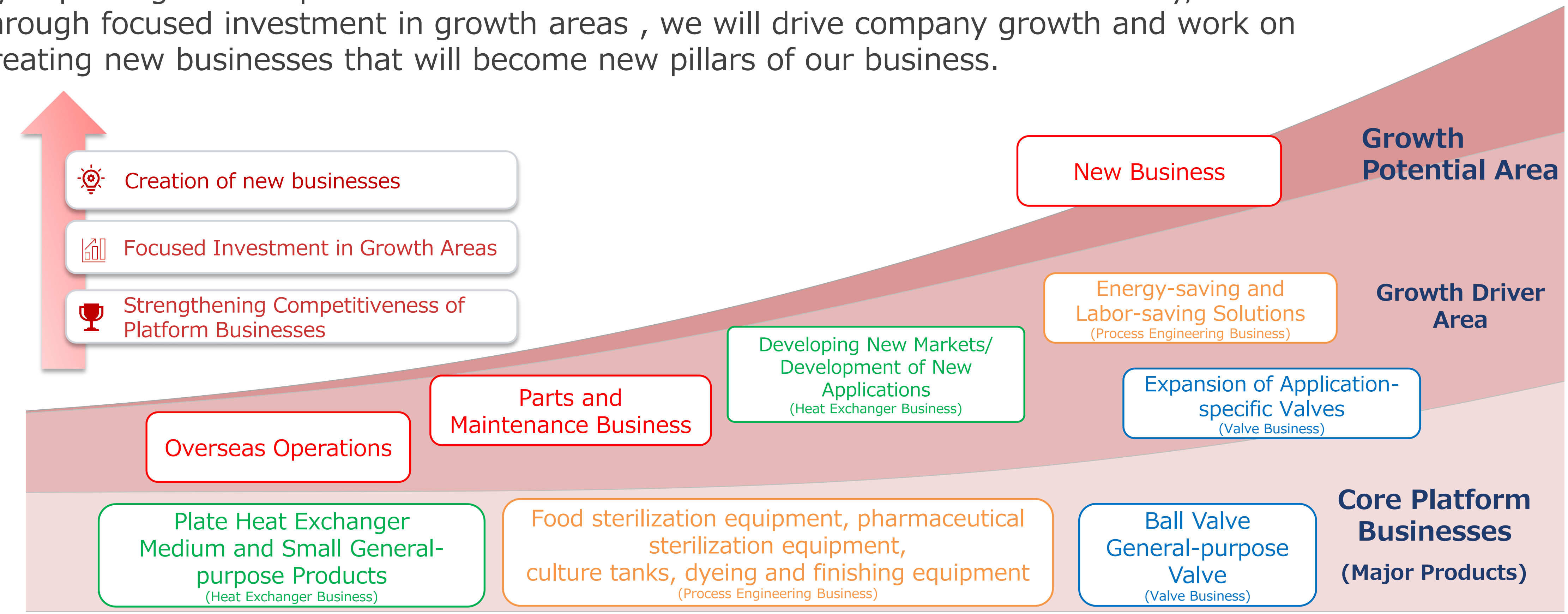
- Strengthening KPI management
- Improving operational efficiency through digitalization, etc.

Improving Capital Efficiency and Corporate Value

- Measures to "realize management that is conscious of the cost of capital and stock price“
- Strengthening governance

Challenge2028 Growth Strategy

By improving the competitiveness of core businesses to enhance business stability, and through focused investment in growth areas , we will drive company growth and work on creating new businesses that will become new pillars of our business.



Major Focus Markets

Market related to the business domains of our group among 17 strategic fields of the government	■AI/Semiconductors ■Digital/Cybersecurity ■Shipbuilding ■Drug Discovery/Advanced Medical Care ■Resources/Energy Security/GX ■FoodTech
Other markets and demand emphasized by our group	■Energy savings (environmentally-friendly products, etc.) ■Labor savings (automation equipment, etc.) ■Aftermarket ■Chemical industry (Fine Chemicals) ■Overseas markets

Challenge2028 Strategy by Segment

Heat Exchanger Business

Value provided

- ●Proposing heat utilization solutions based on plate heat exchangers
- ●Providing products with prices and specifications tailored to customer needs

Business Policy

- ●Clarifying the business model for standalone heat exchangers and reshaping the earnings base
- ●Realizing stable business operations by strengthening competitiveness in priority markets

FY2028 Plan

	FY2025 (Actual)	FY2028 (Plan)
Orders received	17.19 billion yen	22.27 billion yen
Net Sales	17.22 billion yen	23.47 billion yen
Operating Profit	0.98 billion yen	2.55 billion yen
Profit Ratio	5.7%	10.9%

Challenge2028 Segment-by-Segment Strategy

Key Activities

- ●Contributing to a Carbon-Neutral Society by Providing Heat Exchangers for CO2 and Waste Heat Recovery
- ●Development and market establishment of next-generation general-purpose models
- ●Strengthening maintenance services business
- ●Productivity improvement, CCC improvement
- ●Promoting collaboration with other companies

For CO2 capture equipment heat exchanger

maintenance services

Priority Markets

CO2 Capture	Securing orders for ultra-large CO2 capture projects for domestic and overseas markets
LNG Plants	Securing orders for LNG-related projects until decarbonized fuels become widespread
Shipping and marine	Improving supply capabilities in China and South Korea, strengthening maintenance services for domestic shipowners and shipyards
Power plants	Supplying products to high-efficiency thermal power plants and responding to nuclear power plant restarts and innovative next-generation light water reactors
Data Center	Sales of cooling heat exchangers to the rapidly expanding data center market

Challenge2028 Strategy by Segment

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Process Engineering Business

Value provided

- ●Providing energy-saving and environmental products that contribute to SDGs and ESG management
- ●Provision of automated and efficient facilities and services that contribute to improved productivity and reduced costs

Business Policy

- ●Expanding business areas by enhancing proposal and response capabilities based on customer value
- ●Establishing a stable earnings base through addressing challenges for business growth

FY2028 Plan

	FY2025 (Actual)	FY2028 (Plan)
Orders received	20.00 billion yen	25.00 billion yen
Net Sales	22.40 billion yen	25.00 billion yen
Operating Profit	2.12 billion yen	1.94 billion yen
Profit Ratio	9.5%	7.8%

Challenge2028 Strategy by Segment

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Key Activities

- ●Contribute to solving social issues by providing products and services that contribute to energy conservation and labor saving
- ●Expanding after-sales services and stimulating after-sales demand
- ●Efficiency improvement and manufacturing cost reduction through standardization of base models
- ●Productivity improvement, CCC improvement
- ●Promoting collaboration with Group companies

Fully automatic continuous sterilization and cooling equipment

Milk beverages plant

Cultivation plant

Priority Markets

Energy and labor savings	Developing environmentally friendly products and FA (factory automation) products, and enhancing our ability to meet customers' energy- and labor-saving needs
Liquid Plant	Expanding market share in the beverage market through collaboration with a Group company (HISAKA Products)
Drug substance (Cultivation)	Strengthening capabilities for large-scale cultivation plants through collaboration with a Group company (Komatsugawa Chemical Engineering)
Overseas markets	Strengthening sales of food sterilization equipment and pharmaceutical sterilization equipment, developing new markets for dyeing and finishing equipment
After-sales service	Strengthening after-sales service provision systems, strengthening sales of peripheral equipment and services for main units

Challenge2028 Segment-by-Segment Strategy

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Valve Business

Value provided

- Achieve optimal production lines through the provision of highly functional products related to fluid control and proposal and response to optimization by use

Business Policy

- Reviewing business development based on changes in the business environment and market structure
- Enhancing development processes and organizational collaboration to accelerate new product creation

FY2028 Plan

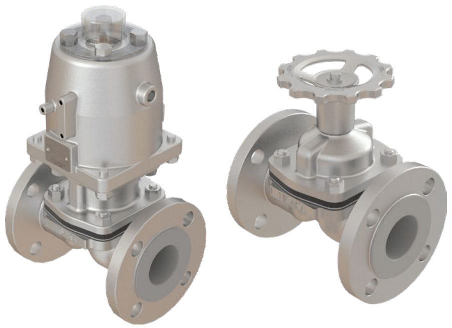
	FY2025 (Actual)	FY2028 (Plan)
Orders received	5.32 billion yen	6.70 billion yen
Net Sales	5.18 billion yen	6.50 billion yen
Operating Profit	0.36 billion yen	0.70 billion yen
Profit Ratio	7.1%	10.8%

Challenge2028 Strategy by Segment

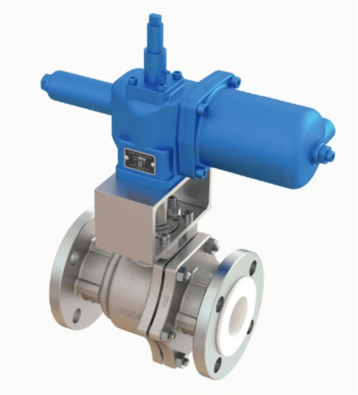
Key Activities

- ●Development and provision of new products related to new energy
- ●New product development for priority markets
- ●Cost reduction through improvement and development of existing products
- ●Productivity improvement, CCC improvement
- ●Promoting collaboration with Group companies

Metal Touch
Ball Valve



PFA lining
Diaphragm valve



PFA lining
Ball Valve

Priority Markets

Industrial gas	Strengthening lineup for industrial gas including new energy
Water supply and sewerage	Strengthening sales network for water supply and sewerage
Fine chemicals	Expanding sales in the materials market centered on high-performance resins
Pharmaceuticals	Collaboration with Process Engineering Business, new product development
Food products	

Challenge2028 Strengthening Foundation

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We will strengthen the company's foundation through strengthening human capital, improving productivity, and enhancing capital efficiency.

Strengthening Foundation

Strategic Strengthening of Human Capital

- Securing and developing human resources
- Penetration of philosophy and strengthening execution

➤ Securing and training of human resources through the new employee treatment system renewed in the previous medium-term plan

➤ Develop "human resources who take on challenges and grow" by instilling HISAKA MIND (corporate motto, creed, five principles, and action guidelines)

Productivity Improvement

- Strengthening KPI management
- Improving operational efficiency through digitalization, etc.

➤ Strengthen the implementation of various measures through enhanced KPI management → See P23

➤ Strengthening core systems and enhancing design and development capabilities through AI utilization

Capital efficiency and Improvement of corporate value

- Measures to "realize management that is conscious of the cost of capital and stock price"
- Strengthening governance

➤ See press release entitled "Responses to Realize Management with an Awareness of Capital Costs and Stock Prices (Progress Report)" (disclosed on May 15, 2026)

➤ Promote autonomous management of Group companies by strengthening governance and management systems

Challenge2028 Strengthening Foundation

To improve ROE, we will strive to achieve management indicators by setting KPIs for each business division and Group company using the ROIC tree as a common language within the company.

- ROE improving
  - ROIC improving
    - To boost operating income margin
      - Sales increase
      - Improvement of profitability
      - Cost reduction
    - To enhance capital efficiency
      - Improvement in working capital turnover
      - Improvement of fixed asset turnover
  - Capital strategy

Sales increase	●New product development, improvement and development of existing products ●Developing new markets
Improvement of profitability	●Strengthening parts, maintenance, and software business ●Creation of new businesses
Cost reduction	●Improving cost strength ●Reallocation of management resources
Improvement in working capital turnover	●Optimization of invested capital ●CCC (Cash Conversion Cycle) improvement
Improvement of fixed asset turnover	●Shortening lead time ●Utilization and disposal of idle assets
Capital strategy	●Boost shareholders returns ●Reduction of policy shareholdings

*For capital strategy, please refer to "Measures for Managing with the Cost of Capital and Stock Price in Mind (Progress Report)" disclosed on May 15, 2026.

Challenge2028 Financial Targets

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FY2025 → FY2028

Orders received

42.5 billion yen → **54.0 billion yen**

Operating Profitability

7.4% → **9.1%**

sales

44.8 billion yen → **55.0 billion yen**

ROIC

3.4% → **5.5%**

Income from Operations

3.3 billion yen → **5.0 billion yen**

ROE

5.6% → **7.0%**

Challenge2028 Financial Targets

(Millions of yen)

	G-20 The final year of the plan FY2022 Autual	G-23 The final year of the plan FY2025 Actual(A)	Challenge2028 The final year of the plan FY2028 Plan(B)	Rate of Change (B-A / A)
Orders received	34,621	42,591	54,000	26.8%
Net sales	34,074	44,890	55,000	22.5%
Operating profit	1,912	3,303	5,000	51.3%
Profit Margin	5.6%	7.4%	9.1%	+ 1.7pt
Ordinary profit	2,392	3,620	5,300	46.4%
Profit attributable to owners of parent	2,040	3,449	4,200	21.7%
ROA	3.5%	4.4%	6.8%	+ 2.4pt
ROE	3.7%	5.6%	7.0%	+ 1.4pt
ROIC	2.4%	3.4%	5.5%	+ 2.1pt

Challenge2028 Financial Targets (by Segment)

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(Millions of yen)

	FY2025		FY2028		Compared to FY2025 Results	
	Results	Composition ratio	Plan	Composition ratio	Change	Rate of change
Heat Exchanger Segment	17,193	40.4%	22,270	41.2%	5,077	29.5%
Process Engineering Segment	20,000	46.9%	25,000	46.3%	5,000	25.0%
Valve Segment	5,324	12.5%	6,700	12.4%	1,376	25.8%
Other	72	0.2%	30	0.1%	▲ 42	▲ 58.3%
Orders received	**42,591**	100.0%	**54,000**	100.0%	**11,409**	**26.8%**
Heat Exchanger Segment	17,229	38.4%	23,470	42.7%	6,241	36.2%
Process Engineering Segment	22,405	49.9%	25,000	45.4%	2,595	11.6%
Valve Segment	5,183	11.5%	6,500	11.8%	1,317	25.4%
Other	72	0.2%	30	0.1%	▲ 42	▲ 58.3%
Net Sales	**44,890**	100.0%	**55,000**	100.0%	**10,110**	**22.5%**
Heat Exchanger Segment	988	27.9%	2,550	49.0%	1,562	158.1%
Process Engineering Segment	2,129	60.2%	1,940	37.3%	▲ 189	▲ 8.9%
Valve Segment	366	10.4%	700	13.5%	334	91.3%
Other	52	1.5%	10	0.2%	▲ 42	▲ 80.8%
Subtotal	3,537	100.0%	5,200	100.0%	1,663	47.0%
Adjustment amount	▲ 234	—	▲ 200	—	34	—
Operating profit	**3,303**	—	**5,000**	—	**1,697**	**51.4%**

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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.