

# Financial Results

for the fiscal year ended March 31, 2026  
( FY2025 )

## New Medium-Term Management Plan Briefing Materials

 **HISAKA WORKS, LTD.**

May 29, 2026



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# Company Overview

company name **HISAKA WORKS, LTD.**

Date Founded  
 (Year and Month) May 1942

Description of  
 Businesses Manufacturing and sales of industrial machinery (heat exchangers, evaporation/distillation/condensation equipment, dyeing and finishing machinery, food processing equipment, pharmaceutical equipment, ball valves, etc.), power generation business

common stock 4,150 million yen

Number of shares  
 outstanding 28,732,800 shares

Market listings Tokyo Stock Exchange Prime Market

NET SALES 44.8 billion yen (Consolidated/FY2025)

Number of Employees 1,063 employees (Consolidated)

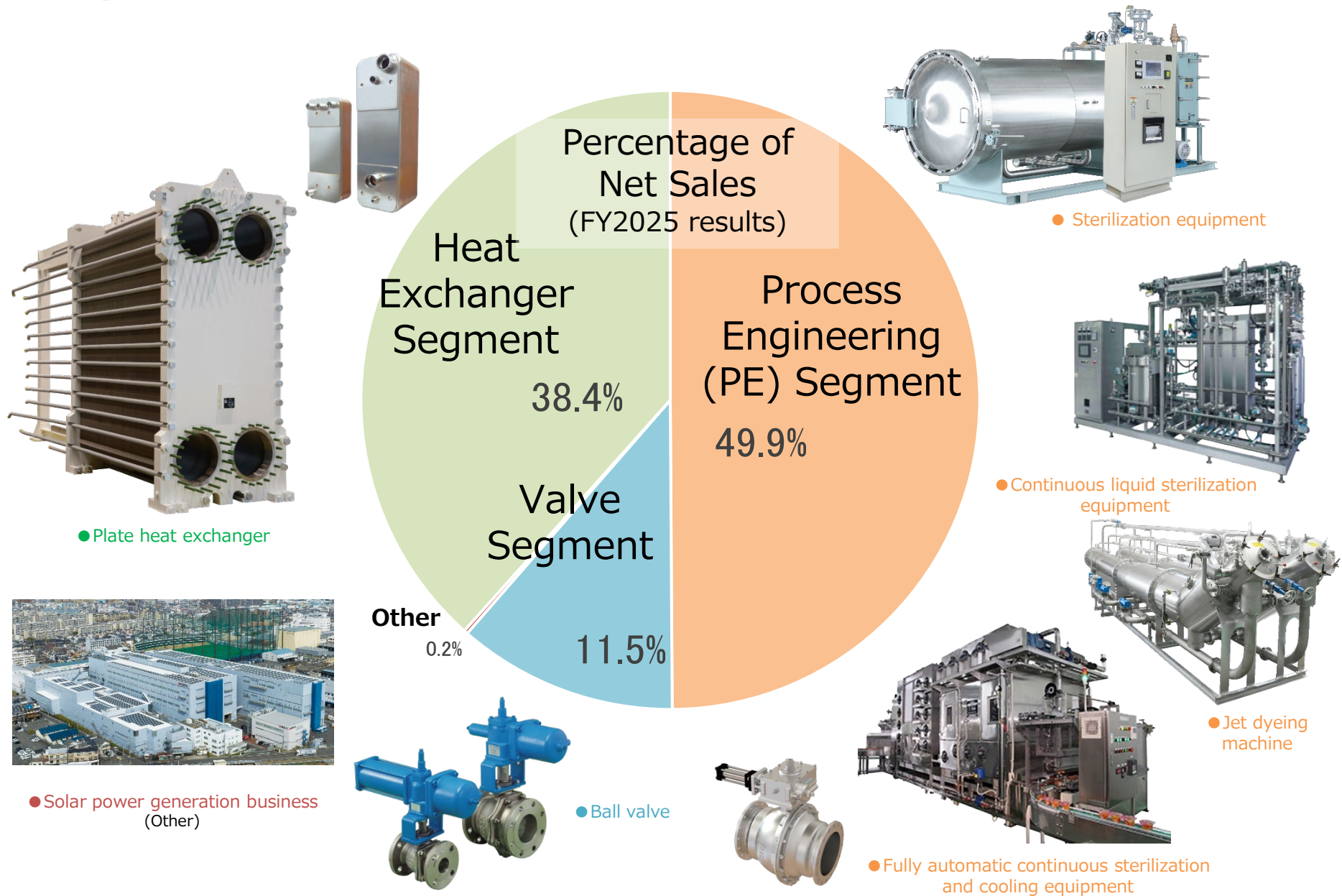
number of subsidiaries 12 companies (including overseas subsidiaries/as of April 2026)

Domestic Offices Osaka Head Office, Konoike Plant, Ome Plant, Ikoma Plant  
 Tokyo, Nagoya, Kyushu, Kitakyushu Branches; Hokkaido, Saitama, Chiba, Onomichi Sales Offices

Overseas Offices Malaysia, Philippines, Vietnam, Thailand, Singapore, Indonesia, China,  
 Saudi Arabia, Qatar, UAE, Korea

\*As of the end of March 2026

# Hisaka Group Business Structure



# Summary of Financial Results for FY2025

# 1-①. Summary of Financial Results (YoY)

(Millions of Yen)

	FY2024 Full-Year		FY2025 Full-Year		Compared to FY2024 (Full-Year)	
	Results	Profit Ratio	Results	Profit Ratio	Inc./Dec.	Rate of Change
<b>Orders Received</b>	42,269	—	<b>42,591</b>	—	322	0.8%
Overseas Orders Received (Included)	9,243		9,640		397	4.3%
<b>Net Sales</b>	38,353	—	<b>44,890</b>	—	6,537	17.0%
Overseas Net Sales (Included)	9,318		9,510		192	2.1%
<b>Operating Profit</b>	2,930	7.6%	<b>3,303</b>	7.4%	372	12.7%
<b>Ordinary Profit</b>	3,391	8.8%	<b>3,620</b>	8.1%	229	6.8%
<b>Profit Attributable to Owners of Parent</b>	3,782	9.9%	<b>3,449</b>	7.7%	▲ 332	▲ 8.8%

# 1-②. Summary of Financial Results (vs. Forecasts)

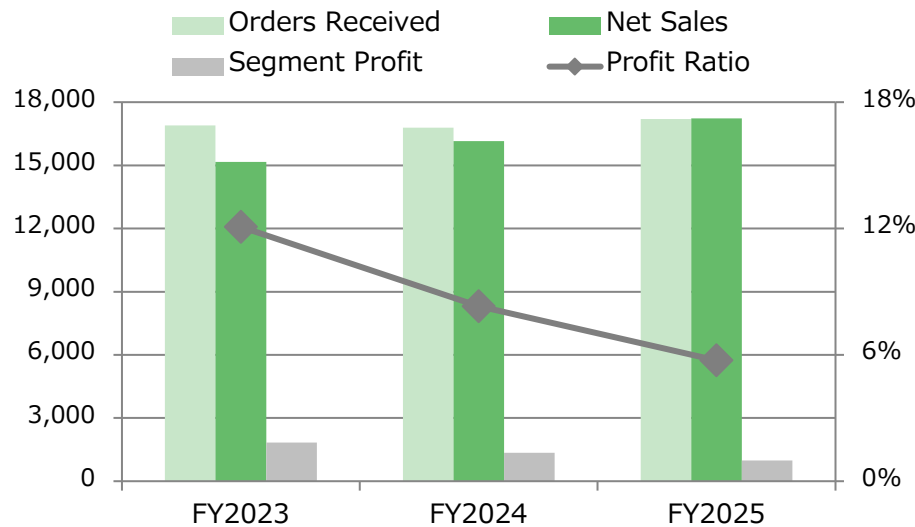
(Millions of Yen)

	FY2025 Full-Year		FY2025 Full-Year		Compared to FY2025 Forecasts	
	Forecasts	Profit Ratio	Results	Profit Ratio	Variance	Achievement Ratio
Orders Received	41,000	—	<b>42,591</b>	—	1,591	103.9%
Net Sales	44,000	—	<b>44,890</b>	—	890	102.0%
Operating Profit	3,000	6.8%	<b>3,303</b>	7.4%	303	110.1%
Ordinary Profit	3,350	7.6%	<b>3,620</b>	8.1%	270	108.1%
Profit Attributable to Owners of Parent	2,690	6.1%	<b>3,449</b>	7.7%	759	128.2%

## 2-①. Heat Exchanger Segment (YoY)

(Millions of Yen)

	FY2024 Full-Year		FY2025 Full-Year		Compared to FY2024 Results	
	Results	Profit Ratio	Results	Profit Ratio	Inc./Dec.	Rate of Change
<b>Orders Received</b>	16,793	—	<b>17,193</b>	—	400	2.4%
Overseas Orders Received (Included)	5,446		5,397		▲ 48	▲ 0.9%
<b>Net Sales</b>	16,152	—	<b>17,229</b>	—	1,077	6.7%
Overseas Net Sales (Included)	4,627		5,714		1,086	23.5%
<b>Segment Profit</b>	1,342	8.3%	<b>988</b>	5.7%	▲ 354	▲ 26.4%



### <Orders Received>

- Contribution from large-scale projects for CO2 capture plants and power generation
- Strong domestic maintenance demand
- × 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

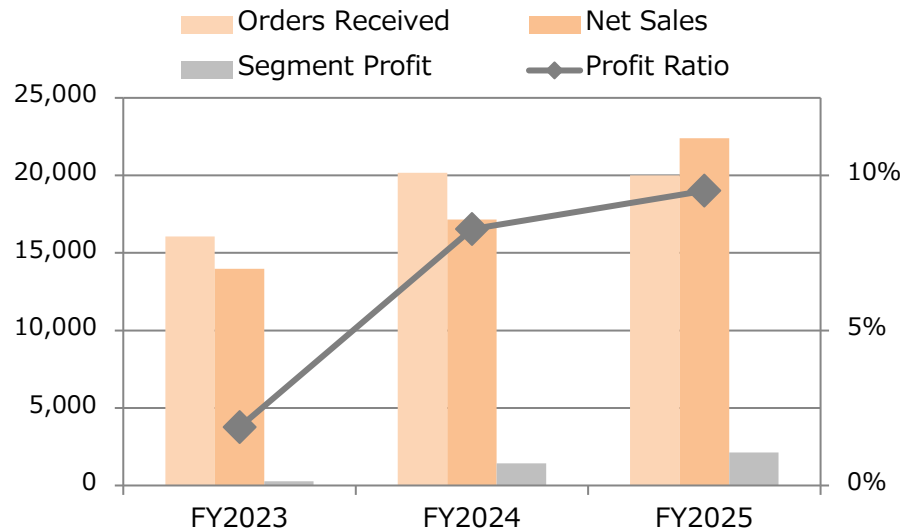
### <Segment profit>

- Increased sales
- × Recording of expenses related to Konoike plant restructuring
- × Recording of allowances for sales strategy purposes

## 2-②. Process Engineering Segment (YoY)

(Millions of Yen)

	FY2024 Full-Year		FY2025 Full-Year		Compared to FY2024 Results	
	Results	Profit Ratio	Results	Profit Ratio	Inc./Dec.	Rate of Change
<b>Orders Received</b>	20,165	—	<b>20,000</b>	—	<b>▲ 165</b>	<b>▲ 0.8%</b>
Overseas Orders Received (Included)	2,954		3,765		811	27.5%
<b>Net Sales</b>	17,158	—	<b>22,405</b>	—	<b>5,247</b>	<b>30.6%</b>
Overseas Net Sales (Included)	3,825		3,143		▲ 682	▲ 17.8%
<b>Segment Profit</b>	1,418	8.3%	<b>2,129</b>	9.5%	<b>711</b>	<b>50.2%</b>



### <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

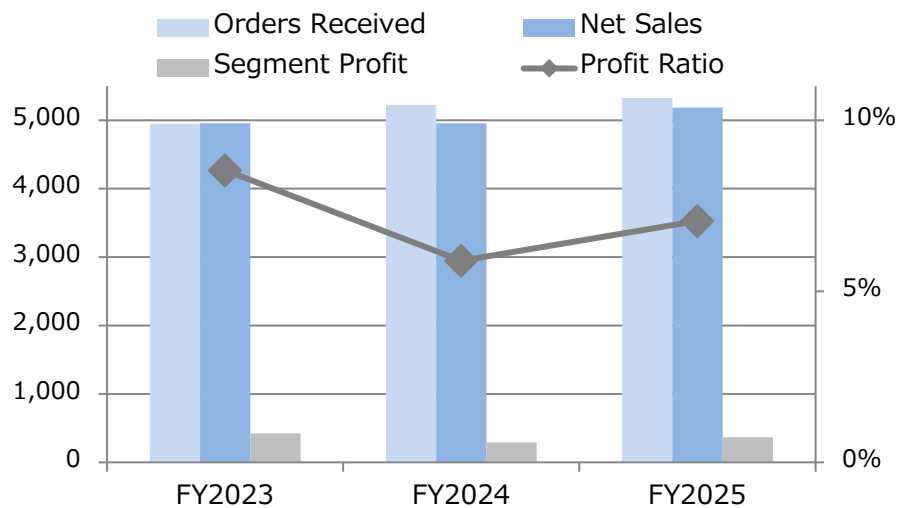
### <Segment profit>

- Increase in sales
- Booking of profitable projects

## 2-③. Valve Segment (YoY)

(Millions of Yen)

	FY2024 Full-Year		FY2025 Full-Year		Compared to FY2024 Results	
	Results	Profit Ratio	Results	Profit Ratio	Inc./Dec.	Rate of Change
<b>Orders Received</b>	5,221	—	<b>5,324</b>	—	103	2.0%
Overseas Orders Received (Included)	842		477		▲ 365	▲ 43.3%
<b>Net Sales</b>	4,954	—	<b>5,183</b>	—	228	4.6%
Overseas Net Sales (Included)	865		652		▲ 212	▲ 24.6%
<b>Segment Profit</b>	292	5.9%	<b>366</b>	7.1%	74	25.3%



### <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

### 3-①. Operation Results by Segment (Orders Received, Net Sales)

(Millions of Yen)

	FY2024 Full-Year		FY2025 Full-Year		Compared to FY2024 Results	
	Results	Composition Ratio	Results	Composition Ratio	Inc./Dec.	Rate of Change
Heat Exchanger Segment	16,793	39.7%	17,193	40.4%	400	2.4%
Process Engineering Segment	20,165	47.7%	20,000	46.9%	▲ 165	▲ 0.8%
Valve Segment	5,221	12.4%	5,324	12.5%	103	2.0%
Other	88	0.2%	72	0.2%	▲ 16	▲ 18.3%
<b>Orders Received</b>	<b>42,269</b>	<b>100.0%</b>	<b>42,591</b>	<b>100.0%</b>	<b>322</b>	<b>0.8%</b>
Heat Exchanger Segment	16,152	42.1%	17,229	38.4%	1,077	6.7%
Process Engineering Segment	17,158	44.8%	22,405	49.9%	5,247	30.6%
Valve Segment	4,954	12.9%	5,183	11.5%	228	4.6%
Other	88	0.2%	72	0.2%	▲ 16	▲ 18.3%
<b>Net Sales</b>	<b>38,353</b>	<b>100.0%</b>	<b>44,890</b>	<b>100.0%</b>	<b>6,537</b>	<b>17.0%</b>

## 3-②. Operation Results by Segment (Operating Profit, Order Backlog)

(Millions of Yen)

	FY2024 Full-Year		FY2025 Full-Year		Compared to FY2024 Results	
	Results	Composition Ratio	Results	Composition Ratio	Inc./Dec.	Rate of Change
Heat Exchanger Segment	1,342	43.0%	988	27.9%	▲ 354	▲ 26.4%
Process Engineering Segment	1,418	45.5%	2,129	60.2%	711	50.2%
Valve Segment	292	9.4%	366	10.4%	74	25.3%
Other	65	2.1%	52	1.5%	▲ 12	▲ 19.4%
Subtotal	3,118	100.0%	3,537	100.0%	419	13.4%
Adjustment amount	▲ 187	—	▲ 234	—	▲ 46	—
<b>Operating Profit</b>	<b>2,930</b>	—	<b>3,303</b>	—	<b>372</b>	<b>12.7%</b>
Heat Exchanger Segment	7,594	27.8%	7,558	30.2%	▲ 35	▲ 0.5%
Process Engineering Segment	18,147	66.4%	15,742	62.9%	▲ 2,405	▲ 13.3%
Valve Segment	1,593	5.8%	1,735	6.9%	141	8.9%
Other	—	—	—	—	—	—
<b>Order Backlog</b>	<b>27,335</b>	100.0%	<b>25,036</b>	100.0%	<b>▲ 2,299</b>	<b>▲ 8.4%</b>

### 3-③. Results of operations by business segment

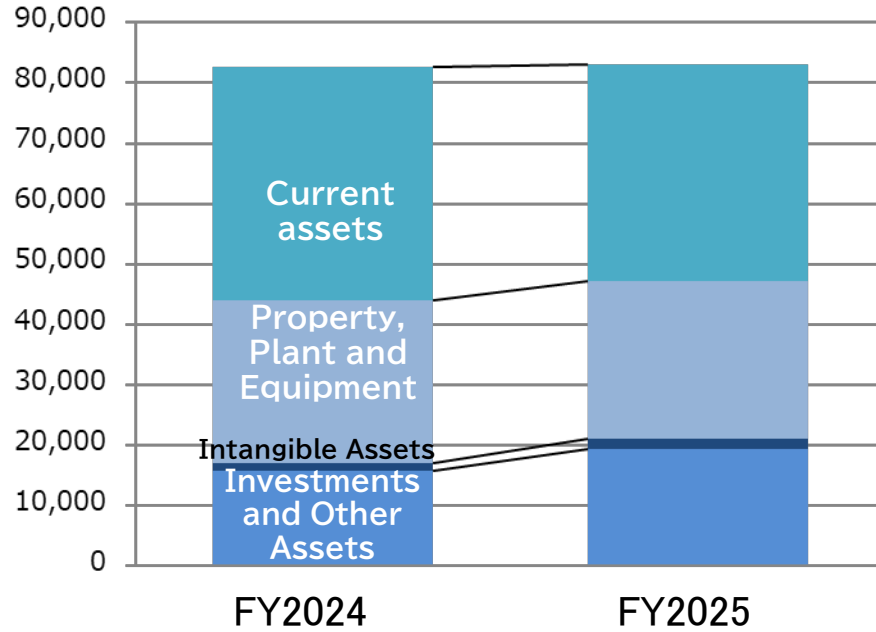
Orders received, Net sales, and  
Operating profit (vs. Forecasts)

(Millions of Yen)

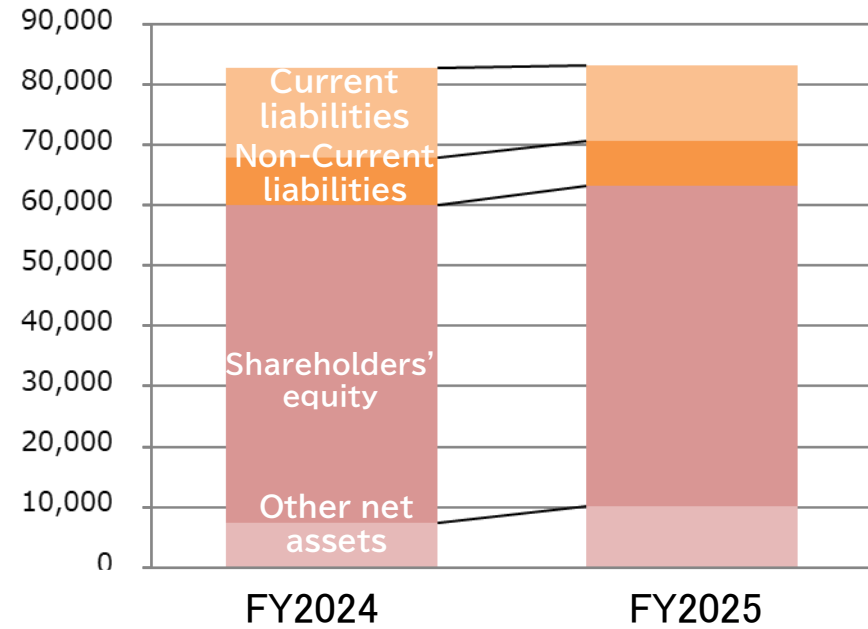
	FY2025 Full-Year		FY2025 Full-Year		Compared to FY2025 Forecasts	
	Forecasts	Composition Ratio	Results	Composition Ratio	Variance	Achievement Ratio
Heat Exchanger Segment	17,300	42.2%	17,193	40.4%	▲ 106	99.4%
Process Engineering Segment	18,200	44.4%	20,000	46.9%	1,800	109.9%
Valve Segment	5,400	13.2%	5,324	12.5%	▲ 75	98.6%
Other	100	0.2%	72	0.2%	▲ 27	72.1%
<b>Orders Received</b>	<b>41,000</b>	<b>100.0%</b>	<b>42,591</b>	<b>100.0%</b>	<b>1,591</b>	<b>103.9%</b>
Heat Exchanger Segment	17,500	39.8%	17,229	38.4%	▲ 270	98.5%
Process Engineering Segment	21,300	48.4%	22,405	49.9%	1,105	105.2%
Valve Segment	5,100	11.6%	5,183	11.5%	83	101.6%
Other	100	0.2%	72	0.2%	▲ 27	72.1%
<b>Net Sales</b>	<b>44,000</b>	<b>100.0%</b>	<b>44,890</b>	<b>100.0%</b>	<b>890</b>	<b>102.0%</b>
Heat Exchanger Segment	1,100	33.3%	988	27.9%	▲ 111	89.8%
Process Engineering Segment	1,850	56.1%	2,129	60.2%	279	115.1%
Valve Segment	300	9.1%	366	10.4%	66	122.3%
Others	50	1.5%	52	1.5%	2	105.0%
Subtotal	3,300	100.0%	3,537	100.0%	237	107.2%
Adjustment amount	▲ 300	—	▲ 234	—	65	—
<b>Operating Profit</b>	<b>3,000</b>	<b>—</b>	<b>3,303</b>	<b>—</b>	<b>303</b>	<b>110.1%</b>

# 4. Assets, Liabilities and Net Assets

(Millions of yen)



(Millions of yen)



	As of the end of March 2025	As of the end of March 2026	vs Previous Fiscal Year
Current assets	38,651	35,832	▲ 2,819
Property, Plant and Equipment	27,077	26,282	▲ 795
Intangible Assets	1,309	1,704	394
Investments and Other Assets	15,657	19,264	3,606
<b>Total Non-Current Assets</b>	<b>44,045</b>	<b>47,250</b>	<b>3,205</b>
<b>Total Assets</b>	<b>82,697</b>	<b>83,082</b>	<b>385</b>

	As of the end of March 2025	As of the end of March 2026	vs Previous Fiscal Year
Current Liabilities	14,779	12,363	▲ 2,415
Non-Current Liabilities	7,898	7,438	▲ 459
<b>Total Liabilities</b>	<b>22,677</b>	<b>19,802</b>	<b>▲ 2,875</b>
Shareholders' Equity	52,635	53,201	565
Other Net Assets	7,384	10,079	2,694
<b>Total Net Assets</b>	<b>60,019</b>	<b>63,280</b>	<b>3,260</b>
<b>Total Liabilities and Net Assets</b>	<b>82,697</b>	<b>83,082</b>	<b>385</b>

## 5. Consolidated Cash Flows

		(Millions of Yen)
	FY2024 Full Year	FY2025 Full Year
<b>Cash Flows from Operating Activities</b>	4,720	<b>1,706</b>
<b>Cash Flows from Investing Activities</b>	▲ 3,299	<b>363</b>
<b>Cash Flows from Financing Activities</b>	▲ 2,396	<b>▲ 3,144</b>
Effect of Exchange Rate Change on Cash and Cash Equivalents	53	<b>169</b>
Net Increase (Decrease) in Cash and Cash Equivalents	▲ 922	<b>▲ 905</b>
Cash and Cash Equivalents at Beginning of Period	13,746	<b>12,824</b>
<b>Cash and Cash Equivalents at End of Period</b>	12,824	<b>11,918</b>

# Outlook for FY2026

## 6. Summary of Earnings Forecasts

(Millions of yen)

	FY2025 Results			FY2026 Forecasts			Change Rate of change		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
<b>Orders received</b>	20,259	22,332	42,591	<b>21,000</b>	<b>26,000</b>	<b>47,000</b>	740 3.7%	3,667 16.4%	4,408 10.3%
<b>Net sales</b>	21,893	22,997	44,890	<b>22,000</b>	<b>22,000</b>	<b>44,000</b>	106 0.5%	▲ 997 ▲ 4.3%	▲ 890 ▲ 2.0%
<b>Operating Profit</b>	1,822	1,480	3,303	<b>1,700</b>	<b>1,600</b>	<b>3,300</b>	▲ 122 ▲ 6.7%	119 8.0%	▲ 3 ▲ 0.1%
Operating Profit Margin	8.3%	6.4%	7.4%	7.7%	7.3%	7.5%	▲ 0.6 pt	0.8 pt	0.1 pt
<b>Ordinary profit</b>	1,929	1,691	3,620	<b>1,900</b>	<b>1,700</b>	<b>3,600</b>	▲ 29 ▲ 1.5%	8 0.5%	▲ 20 ▲ 0.6%
Ordinary profit Margin	8.8%	7.4%	8.1%	8.6%	7.7%	8.2%	▲ 0.2 pt	0.4 pt	0.1 pt
<b>Profit attributable to owners of parent</b>	1,419	2,030	3,449	<b>1,240</b>	<b>1,170</b>	<b>2,410</b>	▲ 179 ▲ 12.6%	▲ 860 ▲ 42.4%	▲ 1,039 ▲ 30.1%
Profit Margin	6.5%	8.8%	7.7%	5.6%	5.3%	5.5%	▲ 0.8 pt	▲ 3.5 pt	▲ 2.2 pt

# 7-①. Earnings Forecasts (Full year)

(Millions of yen)

	FY2025		FY2026		Compared to FY2025 Results	
	Results	Composition ratio	Forecasts	Composition ratio	Change	Rate of change
Heat Exchanger Segment	17,193	40.4%	20,400	43.4%	3,206	18.6%
Process Engineering Segment	20,000	46.9%	20,900	44.5%	899	4.5%
Valve Segment	5,324	12.5%	5,670	12.0%	345	6.5%
Other	72	0.2%	30	0.1%	▲ 42	▲ 58.4%
<b>Orders received</b>	<b>42,591</b>	<b>100.0%</b>	<b>47,000</b>	<b>100.0%</b>	<b>4,408</b>	<b>10.4%</b>
Heat Exchanger Segment	17,229	38.4%	18,100	41.1%	870	5.1%
Process Engineering Segment	22,405	49.9%	20,400	46.4%	▲ 2,005	▲ 9.0%
Valve Segment	5,183	11.5%	5,470	12.4%	286	5.5%
Other	72	0.2%	30	0.1%	▲ 42	▲ 58.4%
<b>Net Sales</b>	<b>44,890</b>	<b>100.0%</b>	<b>44,000</b>	<b>100.0%</b>	<b>▲ 890</b>	<b>▲ 2.0%</b>
Heat Exchanger Segment	988	27.9%	1,830	52.3%	841	85.2%
Process Engineering Segment	2,129	60.2%	1,210	34.6%	▲ 919	▲ 43.2%
Valve Segment	366	10.4%	450	12.9%	83	22.6%
Other	52	1.5%	10	0.3%	▲ 42	▲ 80.9%
Subtotal	3,537	100.0%	3,500	100.0%	▲ 37	▲ 1.1%
Adjustment amount	▲ 234	—	▲ 200	—	34	—
<b>Operating profit</b>	<b>3,303</b>	<b>—</b>	<b>3,300</b>	<b>—</b>	<b>▲ 3</b>	<b>▲ 0.1%</b>

## 7-②. Earnings Forecasts (Half year)

(Millions of yen)

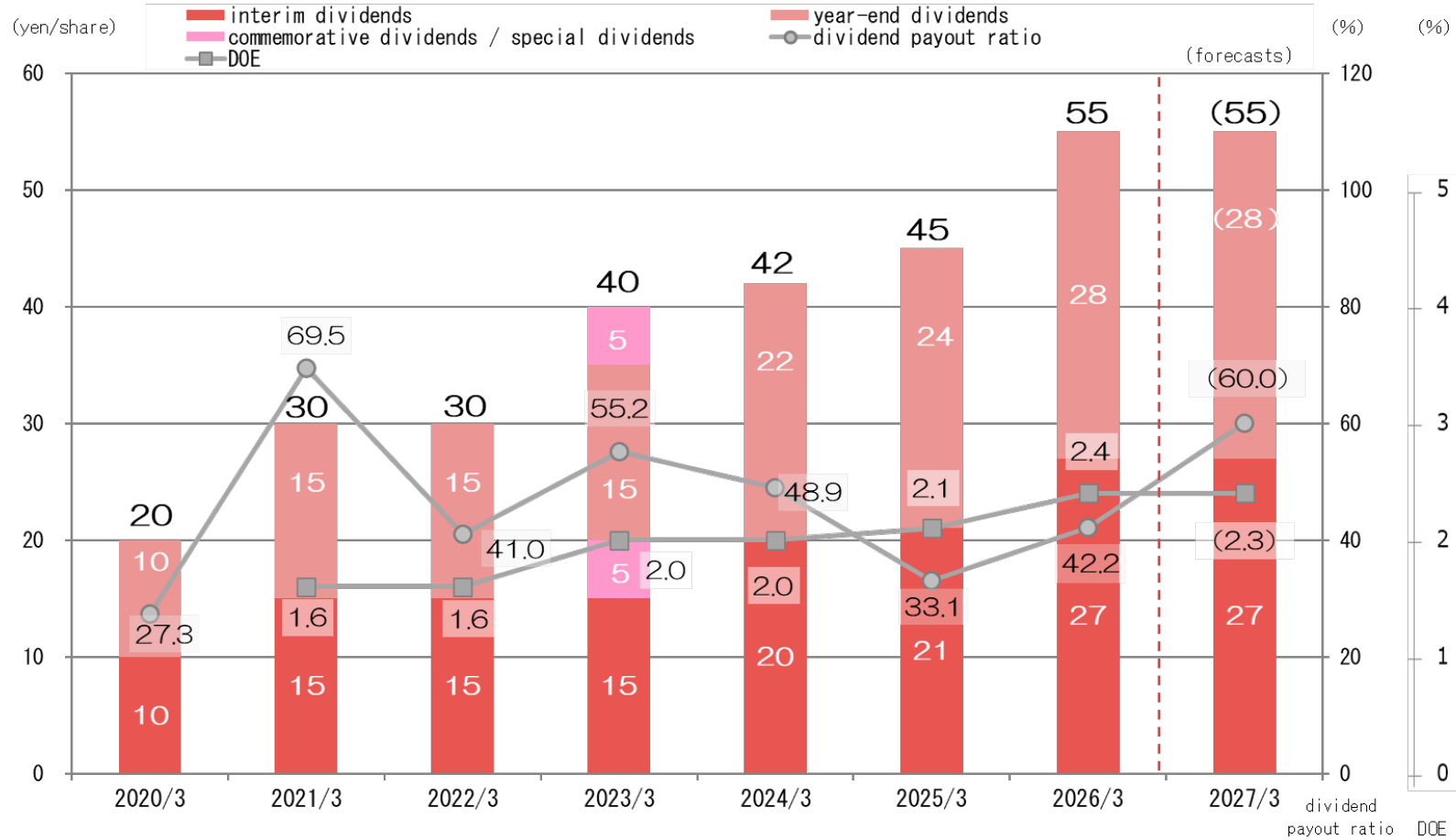
	FY2025		FY2026		Compared to FY2025 Results	
	1st Half Results	2nd Half Results	1st Half Forecasts	2nd Half Forecasts	Change	Rate of change
Heat Exchanger Segment	8,029	9,163	8,900	11,500	870	2,336
Process Engineering Segment	9,603	10,397	9,300	11,600	▲ 303	1,202
Valve Segment	2,577	2,747	2,780	2,890	202	142
Other	48	23	20	10	▲ 28	▲ 13
<b>Orders received</b>	<b>20,259</b>	<b>22,332</b>	<b>21,000</b>	<b>26,000</b>	<b>740</b>	<b>3,667</b>
Heat Exchanger Segment	8,694	8,535	8,800	9,300	105	764
Process Engineering Segment	10,615	11,790	10,500	9,900	▲ 115	▲ 1,890
Valve Segment	2,535	2,647	2,680	2,790	144	142
Other	48	23	20	10	▲ 28	▲ 13
<b>Net Sales</b>	<b>21,893</b>	<b>22,997</b>	<b>22,000</b>	<b>22,000</b>	<b>106</b>	<b>▲ 997</b>
Heat Exchanger Segment	580	408	960	870	379	461
Process Engineering Segment	1,194	935	610	600	▲ 584	▲ 335
Valve Segment	147	219	220	230	72	10
Other	36	15	10	0	▲ 26	▲ 15
Subtotal	1,959	1,578	1,800	1,700	▲ 159	121
Adjustment amount	▲ 136	▲ 97	▲ 100	▲ 100	36	▲ 2
<b>Operating profit</b>	<b>1,822</b>	<b>1,480</b>	<b>1,700</b>	<b>1,600</b>	<b>▲ 122</b>	<b>119</b>

## 8. Status of Capital Expenditures and Depreciation

(Millions of Yen)

	FY2023	FY2024	FY2025	FY2026	
				1st Half Plan	Annual Plan
<b>Capital expenditures</b>					
	6,118	5,403	2,863	<b>1,500</b>	<b>3,000</b>
Details	Updating machinery and dies for each segment, construction work at the Ikoma plant, etc.	Construction work at the Konoike plant, software for the heat exchanger segment, introduction and renewal of machinery and equipment for each segment, etc.	Mechanical equipment and software in the heat exchanger segment, Misato Plant rebuilding and software in the process engineering business, Replacement of dies in each segment, etc.	Introduction and renewal of machinery, equipment, and molds for each business	Renovation work at the Konoike Plant, software for the heat exchanger segment and process engineering business, etc.
<b>Depreciation</b>					
	1,259	1,630	1,749	<b>1,000</b>	<b>2,100</b>

# 9. 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.

# Review of Previous Medium-Term Management Plan "G-23"

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

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.

# 10-(2) 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.

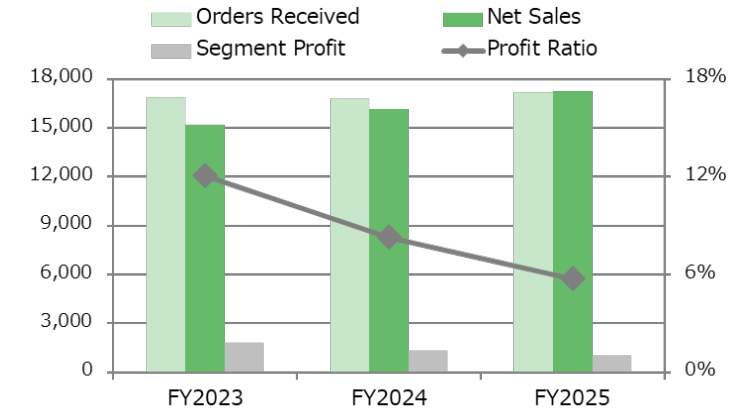
## Heat Exchanger Segment

### Key Activities

- Achievements in the carbon neutral market (CO<sub>2</sub> 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



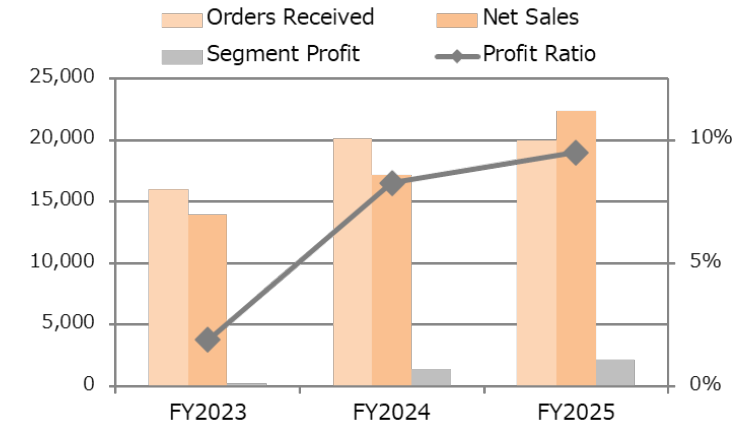
## Process Engineering Segment

### 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



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

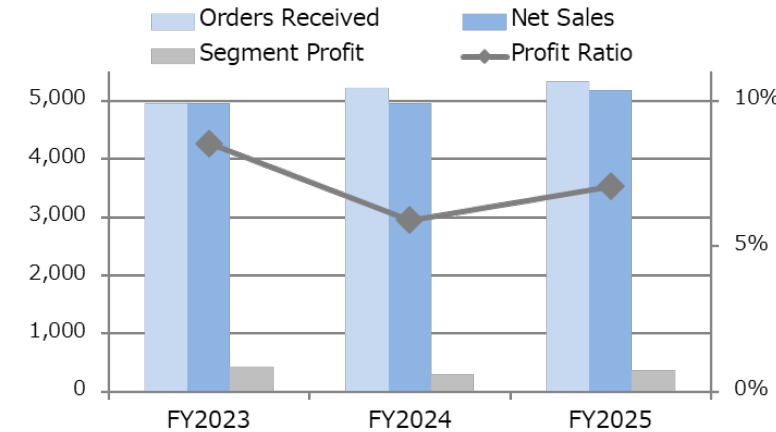
## Valve Segment

### 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



## Company-wide

### 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

# 10-(4) Previous Medium-Term Business Plan "G-23" Performance Trends

The three main segments 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.

	G-20		G-23			Rate of change B-A A
	FY2022	FY2023	FY2024	FY2025		
	Actual results A		Actual results	Actual results	Actual results B	Initial target
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

(Millions of yen)



# 10-(5) Previous Medium-Term Business Plan "G-23" Results by Segment

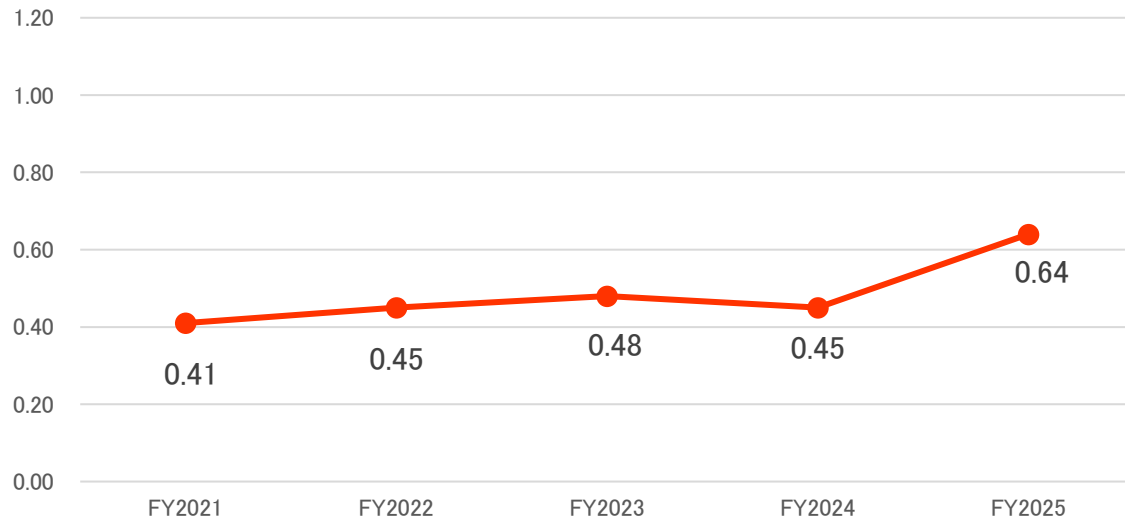
(Millions of yen)

	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%
<b>Orders received</b>	<b>34,621</b>	<b>100.0%</b>	<b>42,591</b>	<b>100.0%</b>	<b>7,970</b>	<b>23.0%</b>
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%
<b>Net Sales</b>	<b>34,074</b>	<b>100.0%</b>	<b>44,890</b>	<b>100.0%</b>	<b>10,816</b>	<b>31.7%</b>
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	—
<b>Operating profit</b>	<b>1,912</b>	<b>—</b>	<b>3,303</b>	<b>—</b>	<b>1,391</b>	<b>72.8%</b>

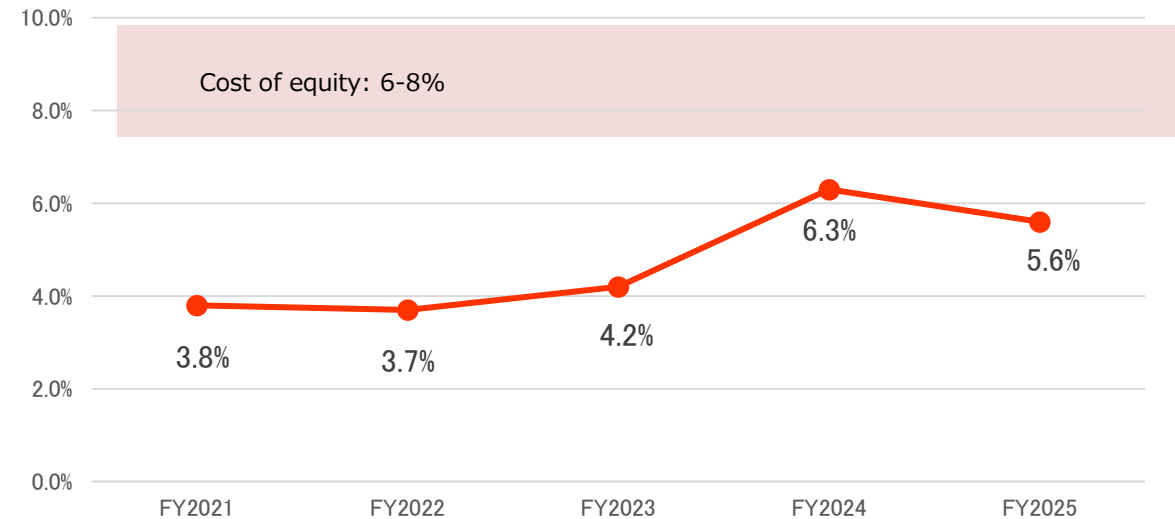
# 11. Current Status Analysis of PBR

<b>Cost of Equity</b>	Based on market conditions and business changes, cost of equity is recognized at 6-8%.
<b>ROE</b>	ROE for FY2025 was 5.6%, below the cost of equity, requiring further improvement.
<b>PBR</b>	At 0.64x as of the end of March 2026, showing improvement trend, but still below 1x due to the gap between cost of equity and ROE.

PBR Trends

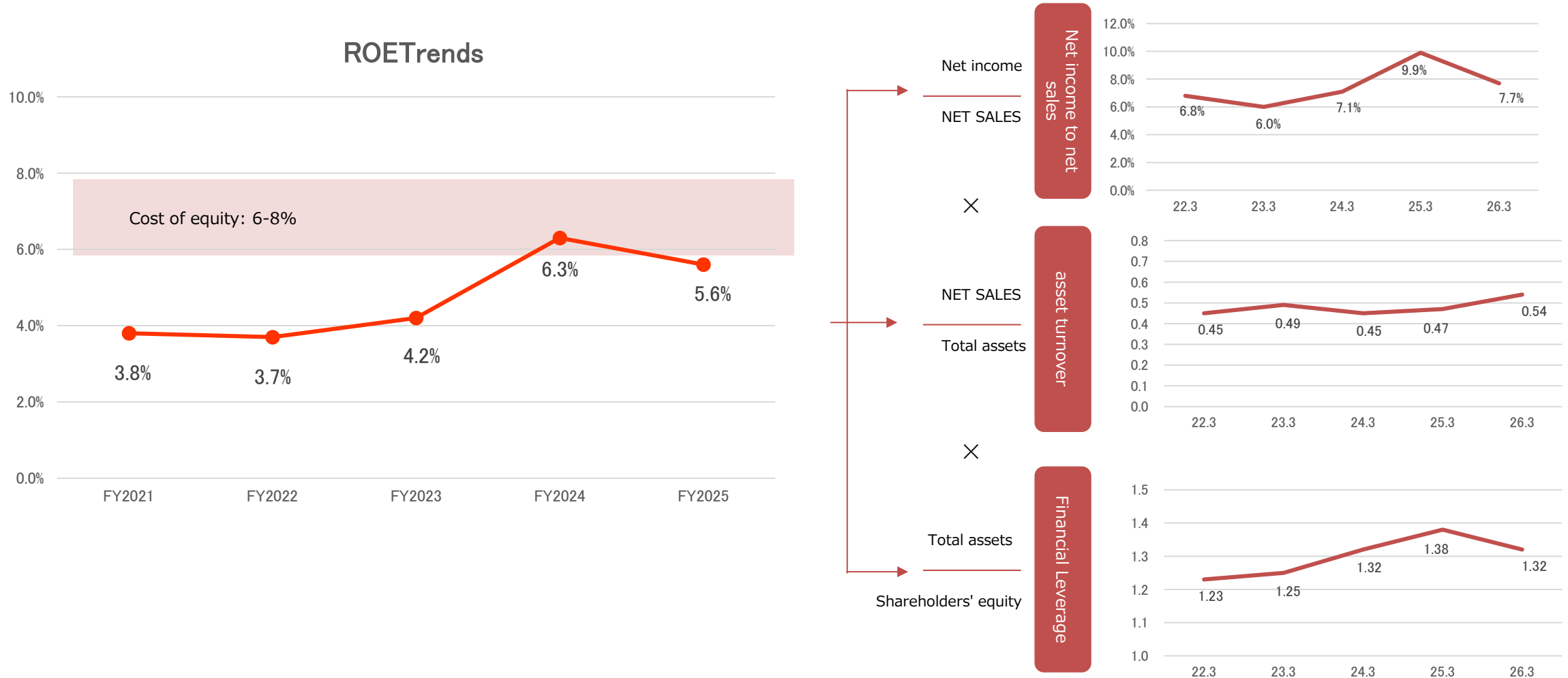


ROETrends



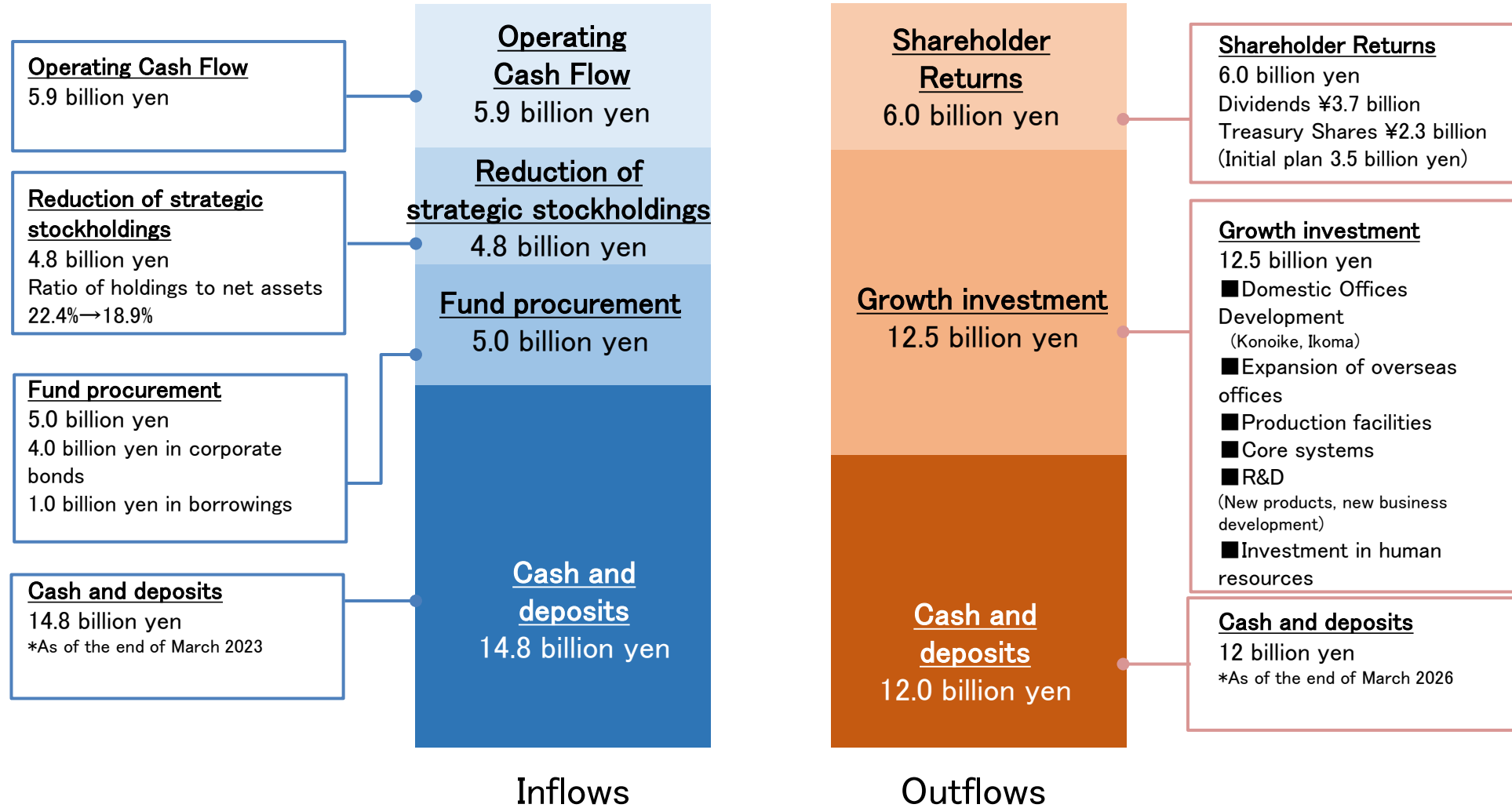
# 12. Current Analysis of ROE

Analysis through ROE decomposition shows improvements in net profit margin, total asset turnover, and financial leverage will contribute to ROE improvement.



# 13. Financial Strategy (Cash Allocation)

G-23 Actual  
FY2023 ~ FY2025



# **New Medium-Term Management Plan**

## **"Challenge2028"**

# 14-(1) 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 "opportunities" 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 for 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

## 14-(2) 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<sub>2</sub> 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<sub>2</sub> 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

# 14-(3) 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
<b>E</b>	Responding to Climate Change	<ul style="list-style-type: none"> <li>● Reducing CO2 Emissions</li> <li>● Contributing to the recycling of resources</li> <li>● Promoting Energy Savings and Utilizing Renewable Energy</li> <li>● Supply of Environmentally-friendly Products and Services</li> </ul>	    
<b>S</b>	Providing Responsible Products and Services	<ul style="list-style-type: none"> <li>● Providing Products and Services that Realize Labor Savings</li> <li>● stable supply of the product</li> <li>● Improving Customer Satisfaction and Quality</li> </ul>	 
	Safe, Secure, and Rewarding Work Environment	<ul style="list-style-type: none"> <li>● Improving Employee Engagement</li> <li>● Providing Opportunities for Growth and Success for Diverse Human Resources</li> <li>● Development of Fulfilling Work Environment</li> <li>● Respecting human rights</li> <li>● Workplace safety and hygiene</li> </ul>	    
<b>G</b>	Strengthening Management Base	<ul style="list-style-type: none"> <li>● Stabilizing Management Base through Strengthening Governance</li> <li>● Strengthening compliance</li> </ul>	

## 15. 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

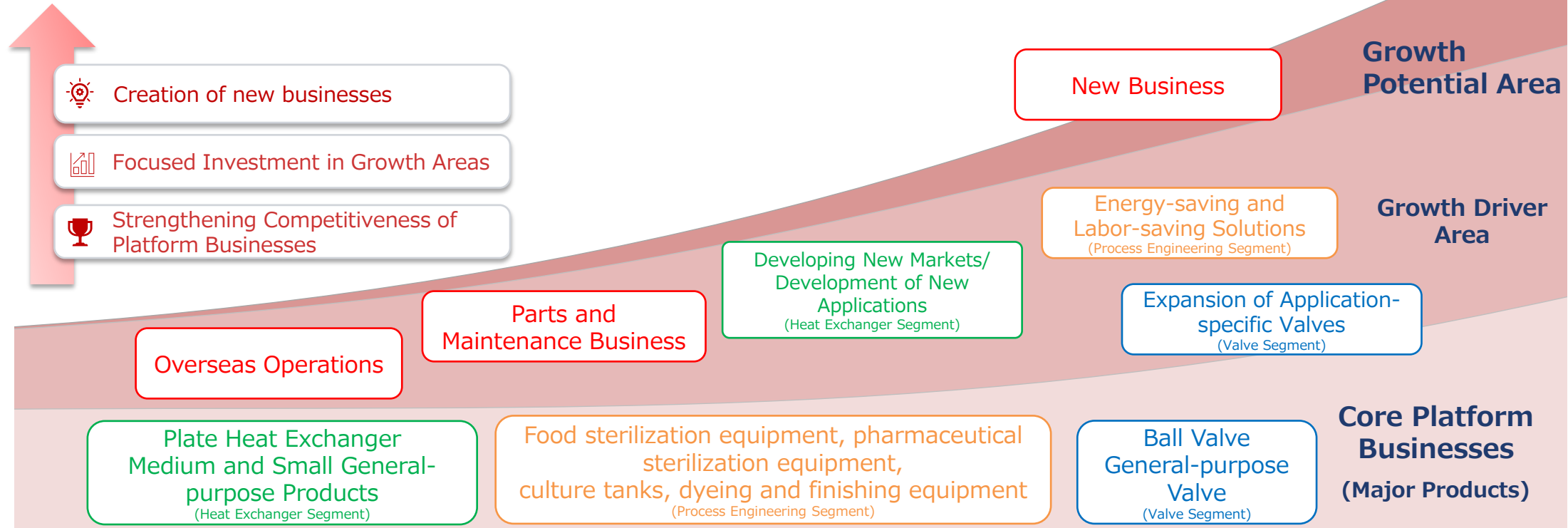
# 16.Challenge2028 Key Strategy

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.



# 17-(1) 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

# 17-(2) Challenge2028 Strategy by Segment

## Heat Exchanger Segment



### 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)
<b>Orders received</b>	17.19 billion yen	22.27 billion yen
<b>Sales</b>	17.22 billion yen	23.47 billion yen
<b>Operating Profit</b>	0.98 billion yen	2.55 billion yen
<b>Profit Ratio</b>	5.7%	10.9%

# 17-(3) Challenge2028 Strategy by Segment

## 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

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

# 17-(4) Challenge2028 Strategy by Segment

## Process Engineering Segment



### 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)
<b>Orders received</b>	20.00 billion yen	25.00 billion yen
<b>Sales</b>	22.40 billion yen	25.00 billion yen
<b>Operating Profit</b>	2.12 billion yen	1.94 billion yen
<b>Profit Ratio</b>	9.5%	7.8%

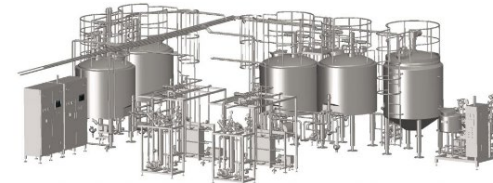
# 17-(5) Challenge2028 Strategy by Segment

## 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

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

# 17-(6) Challenge2028 Strategy by Segment

## Valve Segment



### 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)
<b>Orders received</b>	5.32 billion yen	6.70 billion yen
<b>Sales</b>	5.18 billion yen	6.50 billion yen
<b>Operating Profit</b>	0.36 billion yen	0.70 billion yen
<b>Profit Ratio</b>	7.1%	10.8%

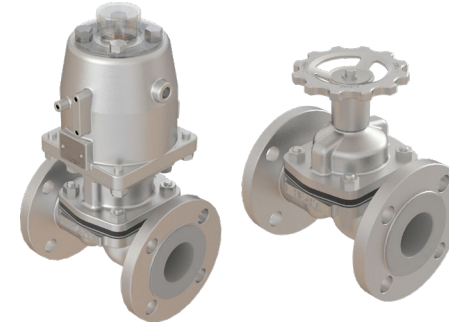
# 17-(7) Challenge2028 Strategy by Segment

## Key Activities

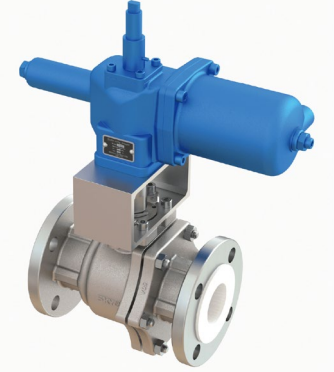
- Development and provision of new products related to new energy
- New product development for priority markets
- Cost reduction through improvement and development of existing products
- Productivity improvement, CCC improvement
- Promoting collaboration with Group companies



Metal Touch  
Ball Valve



PFA lining  
Diaphragm valve



PFA lining  
Ball Valve

## Priority Markets

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

# 18. Challenge2028 Strengthening Foundation

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



### Productivity Improvement

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



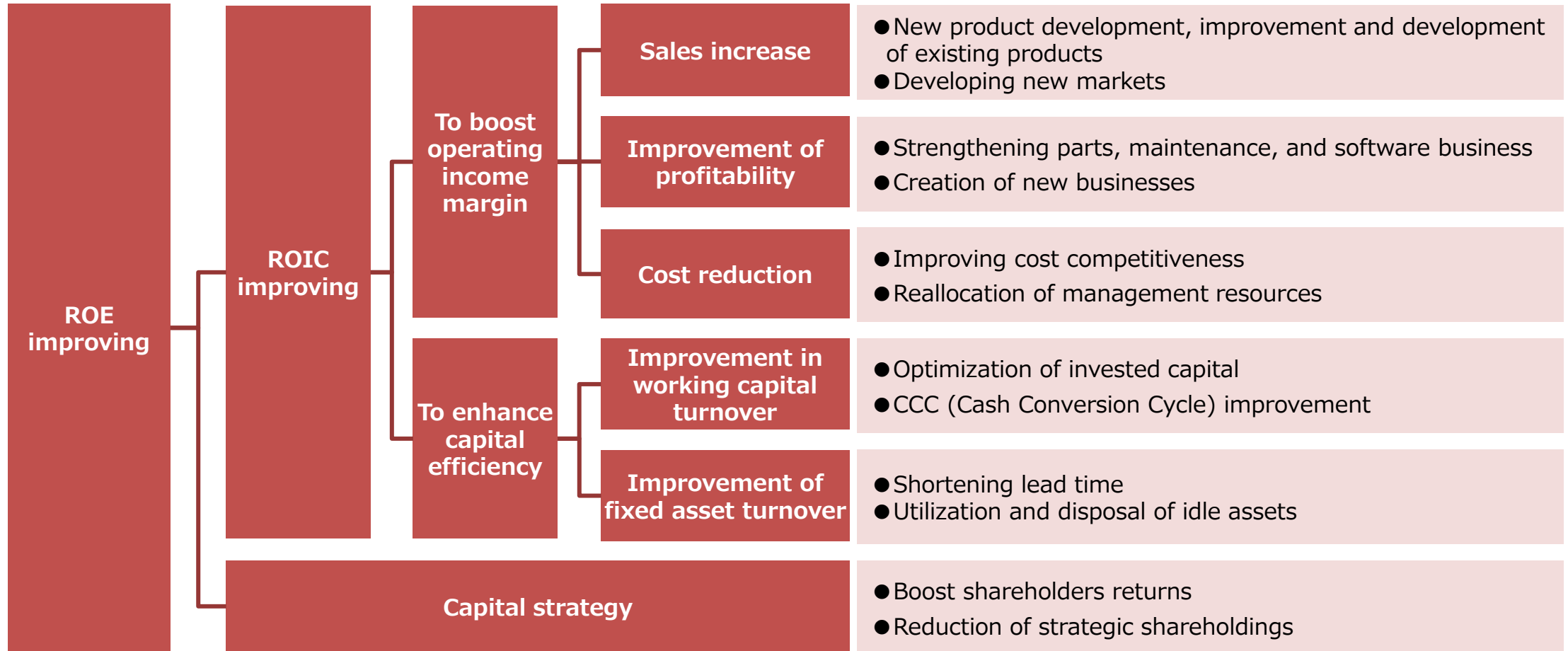
### Capital efficiency and Improvement of corporate value

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

- ▶ 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)
- ▶ Strengthen the implementation of various measures through enhanced KPI management
- ▶ Strengthening core systems and enhancing design and development capabilities through AI utilization
- ▶ To realize management that is conscious of capital costs and stock prices, we are implementing growth strategies, strengthening shareholder returns, and reducing strategic-shareholdings
- ▶ Promote autonomous management of Group companies by strengthening governance and management systems

# 19. KPI management based on ROIC tree

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

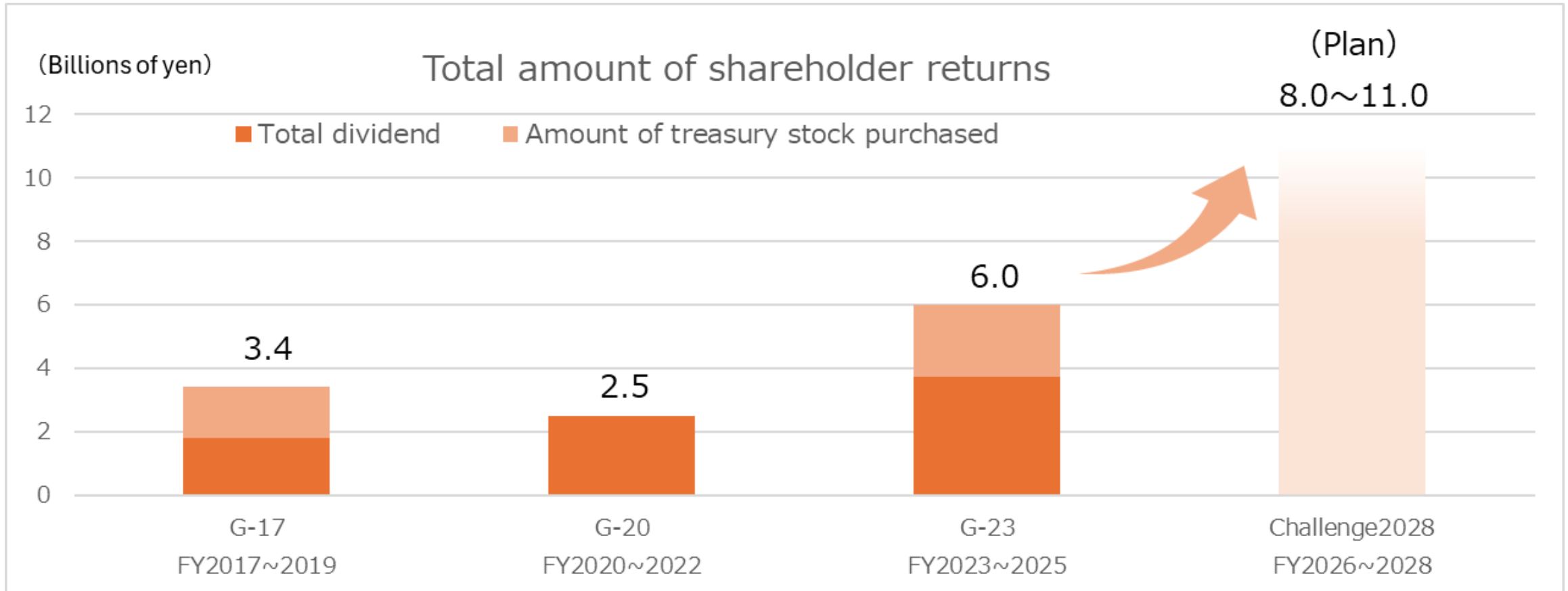


\*For capital strategy, please refer to "Measures for Managing with the Cost of Capital and Stock Price in Mind (Progress Report)" disclosed on May 15, 2026.

## 20. Strengthening Shareholder Returns

In the previous medium-term management plan, we strengthened shareholder returns and doubled the total amount of shareholder returns.

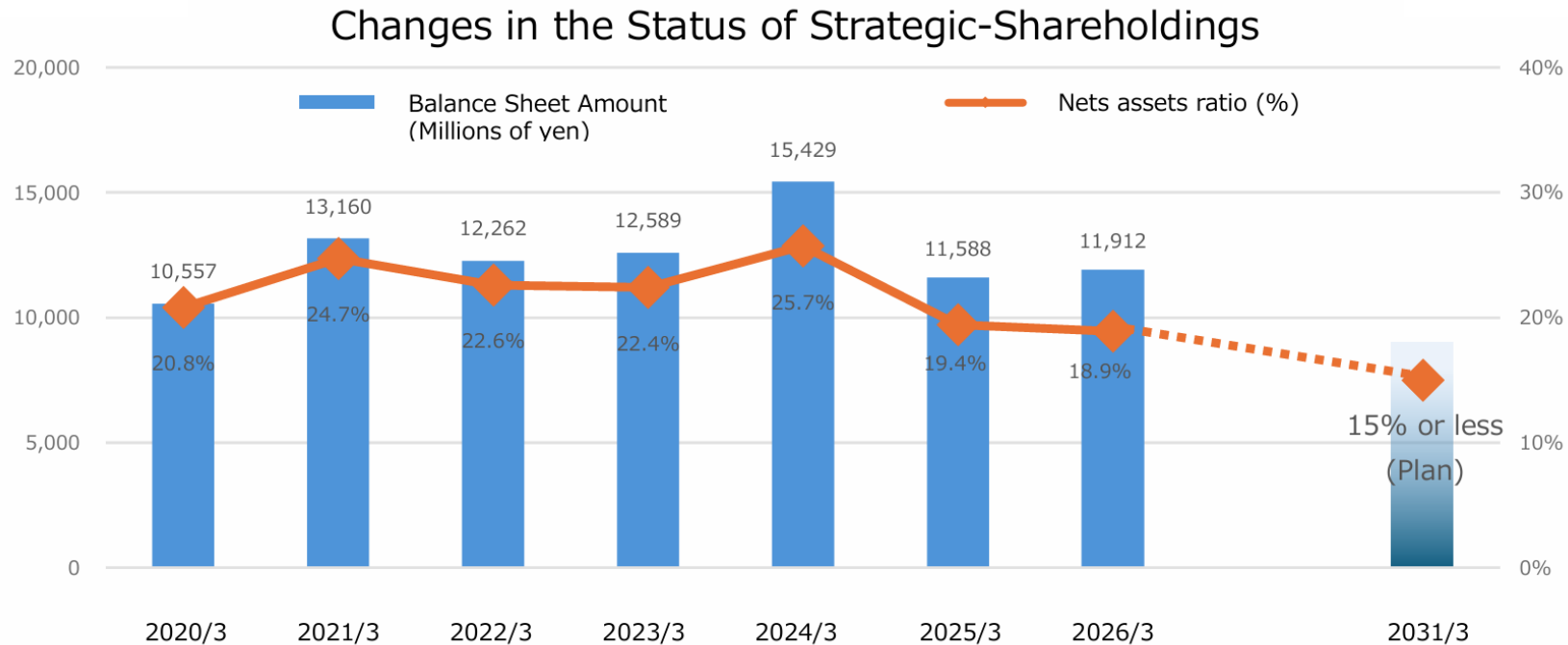
In the three years of the new medium-term management plan, we plan to further boost shareholder returns, with a total of 8.0 to 11.0 billion yen planned.



# 21. Reduction of Strategic Stockholdings

In the previous medium-term management plan, we proceeded with the reduction of strategic shareholdings and achieved a ratio of less than 20% to net assets.  
 We will continue to further reduce holdings and aim to achieve a ratio of 15% or less of net assets by the end of March 2031.

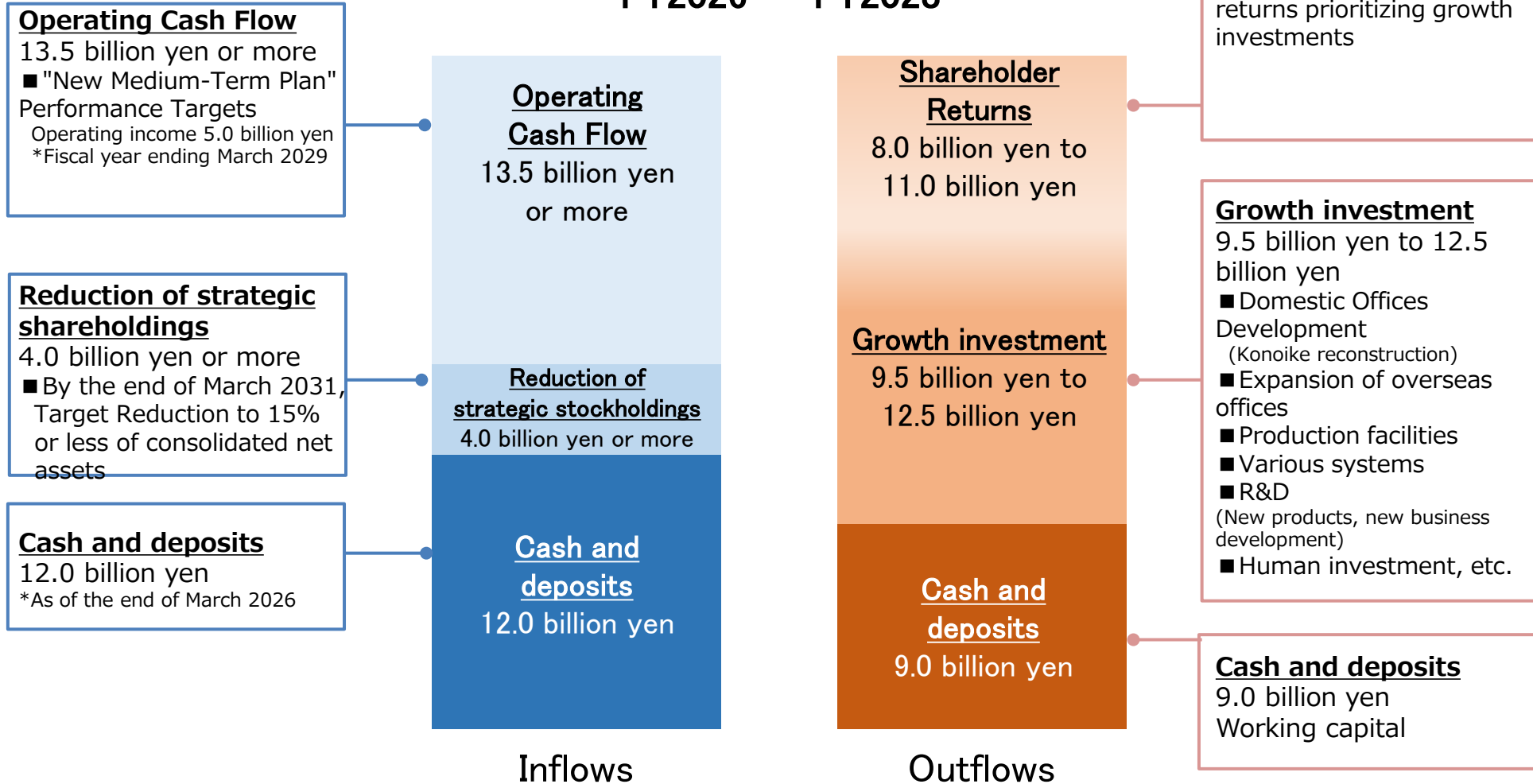
(Reference) Trend of value of holdings of strategic stockholdings



\*Balance sheet amount excludes shares held for pure investment purposes.

# 22. Financial Strategy (Cash Allocation)

## Challenge2028 Plan FY2026 ~ FY2028



**Operating Cash Flow**  
13.5 billion yen or more  
■ "New Medium-Term Plan" Performance Targets  
Operating income 5.0 billion yen  
\*Fiscal year ending March 2029

**Reduction of strategic shareholdings**  
4.0 billion yen or more  
■ By the end of March 2031, Target Reduction to 15% or less of consolidated net assets

**Cash and deposits**  
12.0 billion yen  
\*As of the end of March 2026

**Shareholder Returns**  
8.0 billion yen to 11.0 billion yen  
■ Enhance shareholder returns prioritizing growth investments

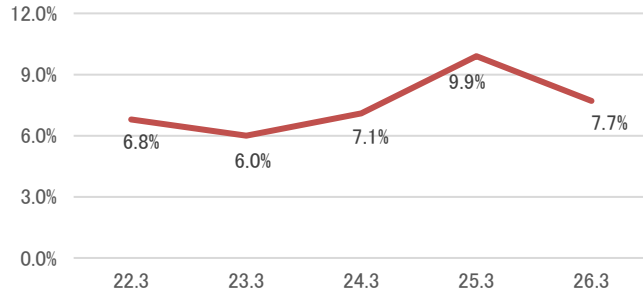
**Growth investment**  
9.5 billion yen to 12.5 billion yen  
■ Domestic Offices Development (Konoike reconstruction)  
■ Expansion of overseas offices  
■ Production facilities  
■ Various systems  
■ R&D (New products, new business development)  
■ Human investment, etc.

**Cash and deposits**  
9.0 billion yen  
Working capital

# 23. Initiatives for Improving ROE

We aim to improve ROE through improvements in net profit margin, total asset turnover ratio, and financial leverage.

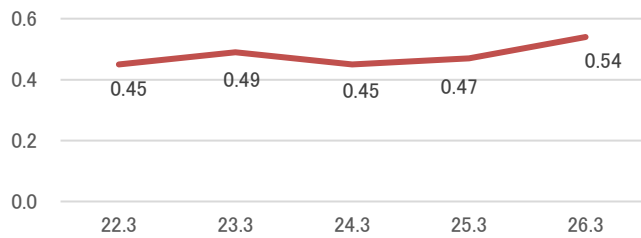
## Net profit margin



## Improvement of net profit margin

Improving net profit margin through expansion of parts and maintenance business and strengthening cost competitiveness

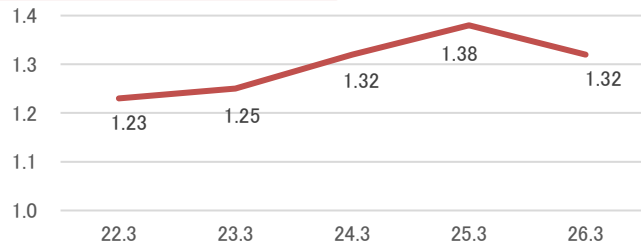
## asset turnover



## Improvement of total asset turnover ratio

Improving total asset turnover ratio through controlling the increase in net assets and CCC improvement

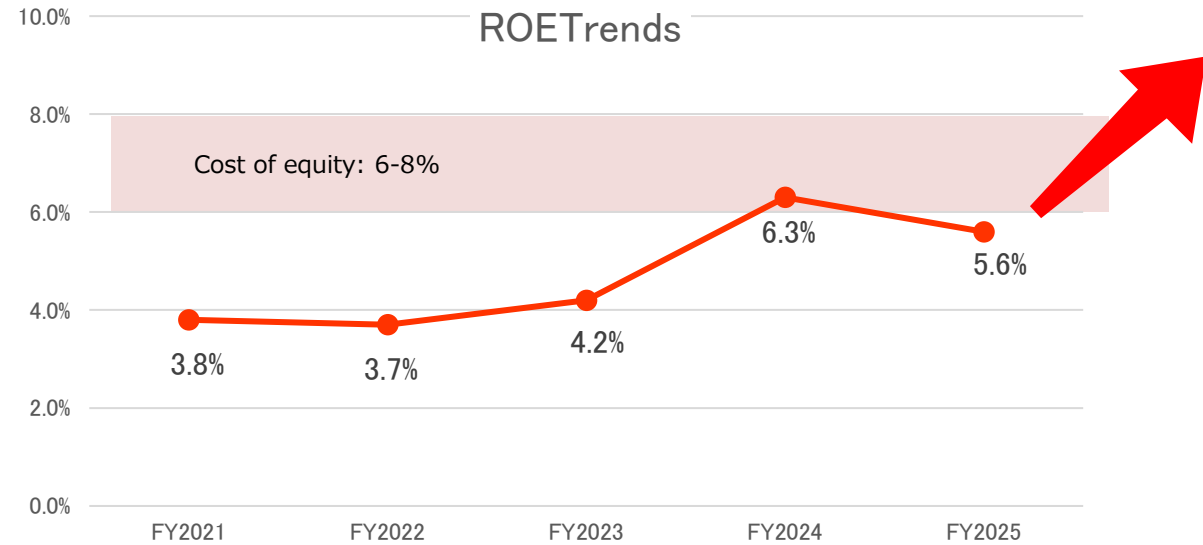
## Financial Leverage



## Improvement of financial leverage

Improving financial leverage through utilizing a certain level of debt

## ROETrends



# 24-(1) Challenge2028 Financial Targets

## 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%**



Fiscal year ending March 2031  
**8.0% or more**

## 24-(2) Challenge2028 Financial Targets

(Millions of yen)

	G-20 The final year of the plan	G-23 The final year of the plan	Challenge2028 The final year of the plan	Rate of Change  ( B-A / A )
	FY2022 Actual	FY2025 Actual(A)	FY2028 Plan(B)	
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%
R O A	3.5%	4.4%	6.8%	+ 2.4pt
R O E	3.7%	5.6%	7.0%	+ 1.4pt
R O I C	2.4%	3.4%	5.5%	+ 2.1pt

# 24-(3) Challenge2028 Financial Targets (by Segment)

(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%
<b>Orders received</b>	<b>42,591</b>	<b>100.0%</b>	<b>54,000</b>	<b>100.0%</b>	<b>11,409</b>	<b>26.8%</b>
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%
<b>Net Sales</b>	<b>44,890</b>	<b>100.0%</b>	<b>55,000</b>	<b>100.0%</b>	<b>10,110</b>	<b>22.5%</b>
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	—
<b>Operating profit</b>	<b>3,303</b>	<b>—</b>	<b>5,000</b>	<b>—</b>	<b>1,697</b>	<b>51.4%</b>

# IR Initiatives

## 25-①. IR Initiatives

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

Content	Frequency	Target Audience	Responder
Financial results briefing	FY2023: 2 times FY2024: 2 times FY2025: 2 times	Analysts, institutional investor	President, director in charge, General Manager of Administration Department
For institutional investors Plant tour	FY2024: 1 time	Analysts, institutional investor	Plant Director, director in charge
1-on-1 meetings	FY2023: 45 times FY2024: 42 times FY2025: 49 times	Analysts, institutional investor	President, director in charge, General Manager of Administration Department, person in charge
For individual shareholders Plant tour	FY2025: 1 time Implementation also planned for fiscal year ending March 2027	individual shareholder	President, General Manager of Business Division General Manager of Administration Department

## 25-②. IR Initiatives

### (2) Specific dialogue content (frequently asked questions and opinions)

Question category	Question content
Matters concerning business	Competitor status, our competitive advantages, market share, overseas strategy, demand and current trends in carbon neutral related markets
Matters concerning performance	Specific measures for sales and profit expansion, future growth drivers, progress of the medium-term management plan
Matters concerning corporate governance	Views on strategic stockholdings and outlook for reduction, reasons for appointment of officers, appropriateness of officer compensation
Matters concerning shareholder returns	Dividend amount, dividend payout ratio, and appropriateness of DOE
Main opinions	Response
Shareholder returns are low DOE is low	Dividends have been increased based on DOE, etc. since the fiscal year ended March 2021. Treasury stock acquisition was also conducted. The new medium-term management plan plans to provide returns exceeding the previous medium-term management plan.
Strategic stockholdings should be reduced	We set a reduction plan to bring the ratio of strategic shareholdings to net assets below 20% by the end of March 2026 and have continuously implemented reductions. Achieved 18.9% at the end of March 2026. We will continue to work on reductions aiming for 15% or less.
We want you to hold plant tours for shareholders	A plant tour for shareholders was held in October 2025.

<Contact Us>

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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.

(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.