

AICHI CORPORATION

Annual Securities Report

(English Translation)

March 31, 2026

5. Financial Information

1. Basis for Preparation of Consolidated and Non-consolidated Financial Statements

(1) The consolidated financial statements of AICHI CORPORATION (the “Company”) are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Order No. 28 of 1976).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Order No. 59 of 1963; hereinafter the “Regulation on Financial Statements”).

The Company falls under the company allowed to file specified financial statements and prepares its non-consolidated financial statements pursuant to the provision of Article 127 of the Regulation on Financial Statements.

2. Audit Certificate

The Company’s consolidated and non-consolidated financial statements for the fiscal year ended March 31, 2026 were audited by PricewaterhouseCoopers Japan LLC, in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Special Measures to Ensure the Appropriateness of Consolidated Financial Statements, etc.

The Company has taken special measures to ensure the appropriateness of consolidated financial statements, etc. Specifically, the Company endeavors to establish a framework that allows the Company to appropriately understand the details of accounting standards and other relevant information and accurately respond to changes in the standards by joining the Financial Accounting Standards Foundation and participating in seminars organized by the Foundation. The Company has explored the possibility of adopting the designated International Financial Reporting Standards in the future.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	46,871,546	26,708,915
Notes receivable - trade	2,282,192	4,018,200
Accounts receivable - trade	13,932,423	16,008,601
Merchandise and finished goods	1,904,576	1,762,142
Work in process	1,172,573	1,386,399
Raw materials and supplies	4,011,703	3,399,602
Other	873,430	832,214
Total current assets	71,048,447	54,116,075
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,160,813	24,627,794
Accumulated depreciation	(13,936,251)	(14,557,665)
Buildings and structures, net	6,224,561	10,070,128
Machinery, equipment and vehicles	10,782,454	11,845,434
Accumulated depreciation	(9,335,962)	(9,545,699)
Machinery, equipment and vehicles, net	1,446,491	2,299,734
Tools, furniture and fixtures	3,064,141	3,336,028
Accumulated depreciation	(2,895,682)	(2,936,228)
Tools, furniture and fixtures, net	168,458	399,799
Land	*1 9,648,734	*1 9,648,352
Leased assets	618,109	606,087
Accumulated depreciation	(421,673)	(420,033)
Leased assets, net	196,435	186,054
Construction in progress	1,519,142	2,825,408
Total property, plant and equipment	19,203,823	25,429,479
Intangible assets	599,350	629,199
Investments and other assets		
Investment securities	5,395,663	6,717,872
Retirement benefit asset	940,995	1,870,617
Other	*2 3,175,773	*2 4,054,325
Allowance for doubtful accounts	(5,107)	(5,006)
Total investments and other assets	9,507,325	12,637,808
Total non-current assets	29,310,499	38,696,487
Total assets	100,358,946	92,812,563

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,617,405	7,525,009
Lease liabilities	59,582	56,211
Income taxes payable	1,790,996	2,040,425
Provision for bonuses for directors (and other officers)	26,000	26,000
Provision for product warranties	125,071	116,706
Other	*3 2,993,834	*3 5,272,529
Total current liabilities	14,612,890	15,036,882
Non-current liabilities		
Lease liabilities	154,999	141,214
Deferred tax liabilities	913,396	1,565,789
Deferred tax liabilities for land revaluation	*1 616,302	*1 634,512
Other	37,787	35,969
Total non-current liabilities	1,722,485	2,377,486
Total liabilities	16,335,376	17,414,368
Net assets		
Shareholders' equity		
Share capital	10,425,325	10,425,325
Capital surplus	9,923,342	9,923,342
Retained earnings	59,705,918	48,991,144
Treasury shares	(9,231)	(13,741)
Total shareholders' equity	80,045,354	69,326,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,002,523	3,927,326
Revaluation reserve for land	*1 (1,624,044)	*1 (1,642,254)
Foreign currency translation adjustment	1,126,307	1,855,961
Accumulated remeasurements of defined benefit plans	1,473,428	1,931,090
Total accumulated other comprehensive income	3,978,215	6,072,124
Total net assets	84,023,570	75,398,194
Total liabilities and net assets	100,358,946	92,812,563

(ii) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income**Consolidated Statements of Income**

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	*1 59,306,955	*1 59,613,734
Cost of sales	*2 46,253,116	*2 46,433,671
Gross profit	13,053,839	13,180,063
Selling, general and administrative expenses		
Packing and delivery expenses	673,292	702,814
Advertising expenses	68,069	76,085
Sales commission	17,514	16,188
Remuneration for directors (and other officers)	65,826	61,137
Salaries, allowances and bonuses	2,172,814	2,121,399
Provision for bonuses for directors (and other officers)	22,216	29,038
Retirement benefit expenses	60,963	46,437
Welfare expenses	469,569	448,561
Communication and transportation expenses	249,426	250,331
Depreciation	299,153	282,141
Repair expenses	72,510	79,001
Rent expenses	147,793	205,917
Research and development expenses	*6 345,930	*6 351,242
Other	948,546	997,929
Total selling, general and administrative expenses	5,613,628	5,668,224
Operating profit	7,440,210	7,511,838
Non-operating income		
Interest income	61,429	122,560
Dividend income	183,896	171,964
Foreign exchange gains	34,259	-
Share of profit of entities accounted for using equity method	469,497	362,478
Miscellaneous income	37,136	43,406
Total non-operating income	786,219	700,410
Non-operating expenses		
Foreign exchange losses	-	39,018
Miscellaneous losses	769	522
Total non-operating expenses	769	39,541
Ordinary profit	8,225,659	8,172,707

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	–	*3 2
Gain on sale of investment securities	871,100	1,249,676
Total extraordinary income	871,100	1,249,678
Extraordinary losses		
Loss on retirement of non-current assets	*5 13,296	*5 4,601
Loss on sale of investment securities	765	-
Impairment losses	*4 306	*4 381
TOB related expenses	*7 101,570	*7 106,717
Total extraordinary losses	115,939	111,700
Profit before income taxes	8,980,820	9,310,686
Income taxes - current	2,698,799	2,709,740
Income taxes - deferred	(52,624)	(57,175)
Total income taxes	2,646,174	2,652,564
Profit	6,334,645	6,658,122
Profit attributable to owners of parent	6,334,645	6,658,122

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	6,334,645	6,658,122
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,023,113)	924,802
Revaluation reserve for land	—	(18,209)
Foreign currency translation adjustment	(52,603)	304,243
Remeasurements of defined benefit plans, net of tax	72,858	457,661
Share of other comprehensive income of entities accounted for using equity method	(40,018)	425,410
Total other comprehensive income	*1 (1,042,876)	*1 2,093,908
Comprehensive income	5,291,768	8,752,030
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,291,768	8,752,030
Comprehensive income attributable to non-controlling interests	—	—

(iii) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,425,325	9,923,342	56,428,242	(8,939)	76,767,970
Changes during period					
Dividends of surplus			(3,056,969)		(3,056,969)
Profit attributable to owners of parent			6,334,645		6,334,645
Purchase of treasury shares				(291)	(291)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	3,277,676	(291)	3,277,384
Balance at end of period	10,425,325	9,923,342	59,705,918	(9,231)	80,045,354

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,025,637	(1,624,044)	1,218,929	1,400,570	5,021,092	81,789,062
Changes during period						
Dividends of surplus						(3,056,969)
Profit attributable to owners of parent						6,334,645
Purchase of treasury shares						(291)
Net changes in items other than shareholders' equity	(1,023,113)	–	(92,621)	72,858	(1,042,876)	(1,042,876)
Total changes during period	(1,023,113)	–	(92,621)	72,858	(1,042,876)	2,234,507
Balance at end of period	3,002,523	(1,624,044)	1,126,307	1,473,428	3,978,215	84,023,570

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,425,325	9,923,342	59,705,918	(9,231)	80,045,354
Changes during period					
Dividends of surplus			(4,546,395)		(4,546,395)
Profit attributable to owners of parent			6,658,122		6,658,122
Purchase of treasury shares				(12,831,010)	(12,831,010)
Cancellation of treasury shares			(12,826,500)	12,826,500	
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(10,714,773)	(4,510)	(10,719,284)
Balance at end of period	10,425,325	9,923,342	48,991,144	(13,741)	69,326,070

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,002,523	(1,624,044)	1,126,307	1,473,428	3,978,215	84,023,570
Changes during period						
Dividends of surplus						(4,546,395)
Profit attributable to owners of parent						6,658,122
Purchase of treasury shares						(12,831,010)
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	924,802	(18,209)	729,654	457,661	2,093,908	2,093,908
Total changes during period	924,802	(18,209)	729,654	457,661	2,093,908	(8,625,375)
Balance at end of period	3,927,326	(1,642,254)	1,855,961	1,931,090	6,072,124	75,398,194

(iv) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	8,980,820	9,310,686
Depreciation	1,441,055	1,371,535
Impairment losses	306	381
Increase (decrease) in allowance for doubtful accounts	(193)	(100)
Increase (decrease) in provision for product warranties	(8,405)	(8,365)
Decrease (increase) in retirement benefit asset	(340,529)	(929,622)
Interest and dividend income	(245,325)	(294,524)
Share of loss (profit) of entities accounted for using equity method	(469,497)	(362,478)
Loss (gain) on sale of investment securities	(870,334)	(1,249,676)
Foreign exchange losses (gains)	1,070	740
Loss (gain) on sale and retirement of non-current assets	13,296	4,598
Decrease (increase) in trade receivables	860,641	(3,788,557)
Decrease (increase) in inventories	(1,340,159)	530,428
Increase (decrease) in trade payables	2,248,116	(2,100,192)
TOB related expenses	101,570	106,717
Other, net	780,998	29,004
Subtotal	11,153,430	2,620,573
Interest and dividends received	613,488	779,318
TOB related paid	(88,760)	(119,527)
Income taxes paid	(1,806,503)	(2,477,011)
Net cash provided by (used in) operating activities	9,871,654	803,353
Cash flows from investing activities		
Proceeds from sale of investment securities	1,071,562	1,323,551
Purchase of property, plant and equipment and intangible assets	(3,000,258)	(4,918,777)
Proceeds from sale of property, plant and equipment and intangible assets	–	2
Other, net	(26,507)	(80,347)
Net cash provided by (used in) investing activities	(1,955,203)	(3,675,570)
Cash flows from financing activities		
Purchase of treasury shares	(291)	(12,831,010)
Dividends paid	(3,056,969)	(4,546,395)
Other, net	(76,059)	(58,744)
Net cash provided by (used in) financing activities	(3,133,321)	(17,436,151)
Effect of exchange rate change on cash and cash equivalents	(42,589)	145,737
Net increase (decrease) in cash and cash equivalents	4,740,540	(20,162,631)
Cash and cash equivalents at beginning of period	42,131,006	46,871,546
Cash and cash equivalents at end of period	*1 46,871,546	*1 26,708,915

Notes to Consolidated Financial Statements

Summary of Significant Accounting Policies

1. Basis of consolidation

The accounts of the Company and all of its 2 subsidiaries are included in the consolidated financial statements.

Name of the consolidated subsidiaries

Zhejiang Aichi Industrial Machinery Co., Ltd.

AICHI NZ LIMITED

2. Application of equity method

One affiliate is accounted for by the equity method.

Name of the affiliate

Hangzhou Aichi Engineering Vehicles Co., Ltd.

Although the fiscal year end date of Hangzhou Aichi Engineering Vehicles Co., Ltd. is December 31, when preparing the consolidated financial statements, the Company uses the affiliate's provisional financial statements, which are calculated assuming the fiscal year end date is March 31.

3. Fiscal year of consolidated subsidiaries

Although the fiscal year end date of Zhejiang Aichi Industrial Machinery Co., Ltd. is December 31, when preparing the consolidated financial statements, the Company uses the subsidiary's provisional financial statements, which are calculated assuming the fiscal year end date is March 31.

4. Accounting policies

(1) Valuation method of significant assets

(i) Securities

Available-for-sale securities

Securities other than shares, etc., that do not have a market price:

Stated at fair value

(Net unrealized gains or losses are reported as a separate component in net assets, net of applicable income taxes. Gains and losses on disposition are computed mainly based on the moving average method.)

Shares, etc., that do not have a market price:

Stated at cost, cost mainly being determined by the moving average method.

(ii) Inventories

Inventories are stated at cost (write-down due to decreased profitability).

A. Finished goods and work in process are evaluated using the specific identification method.

B. Raw materials are mainly stated at cost, cost being determined by the moving average method.

C. Supplies are stated at cost, cost being determined by the last purchase price method.

(iii) Derivatives

Derivatives are stated at fair value.

(2) Method of depreciation or amortization

(i) Property, plant and equipment (except for leased assets) are depreciated by the declining-balance method.

However, buildings (except for facilities attached to buildings) acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated by the straight-line method.

(ii) Intangible assets (except for leased assets) are amortized based on the straight-line method.

In addition, software for internal use is amortized by the straight-line method over their estimated useful lives (five years).

(iii) Depreciation of leased assets regarding finance lease transactions that do not transfer ownership is computed by the straight-line method over the lease period with no residual value.

(3) Significant allowances and provisions

(i) Allowance for doubtful accounts

The Company provides for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivable balances. The Company reviews individual financial conditions for doubtful or troubled receivables and provides for losses on uncollectible amounts. In addition, a general reserve for other accounts receivable is provided based on historical loss experience for certain past periods.

(ii) Provision for bonuses for directors (and other officers)

The Company provides for estimated payment of bonuses to directors.

(iii) Provision for product warranties

The Company provides for estimated warranty costs based on the Company's prior experience and estimated costs to be incurred individually calculated for certain products.

(4) Retirement benefits

(i) Method of attributing projected benefit obligation to periods

In calculating retirement benefit obligations, the projected benefit obligation attributed to the current fiscal year is determined using the benefit formula basis.

(ii) Calculation treatment for actuarial gains or losses and prior service costs

Actuarial gains or losses are amortized in the fiscal year following the fiscal year in which the gain or loss is recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employees.

Prior service costs are amortized when the prior service costs are recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employee.

(5) Accounting standards for significant revenue and expense recognition

Followings are the main content of major performance obligations in the Company and its consolidated subsidiaries' mainstay businesses relating to revenue from contracts with customers and the timing when such performance obligations are typically satisfied (when revenue is typically recognized).

The Group manufactures and sells specially equipped vehicles such as digger derricks, aerial work platforms and skid-steer loaders, sells their parts, and provides after-sales services such as repairs. The Company also provides training in the operation of aerial work platforms, etc. The Company usually recognizes revenue from the sales of these products and the provision of these services when they are accepted by customers because customers obtain control of these products and services, and the performance obligations are satisfied when the products and services are accepted by customers. However, the Group recognizes revenue from the sole domestic sales of parts at their shipment by applying the alternative treatment as stipulated in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30) when the period between the shipment and the transfer of control of these parts to customers falls under the usual period.

There are cases where long-term maintenance contracts are concluded with customers as an after-sales service business and customers receive benefits from the provision of these services as the performance obligations are satisfied. The Company recognizes revenue from these services over the contract periods because the performance obligations of these services are satisfied over time.

For parts supply transactions for fees relating to specially equipped vehicles for which manufacturing consignment agreements are received from customers, the Company recognizes revenue from the sales of these specially equipped vehicles at the amounts excluding the amounts of parts supplied for fees.

(6) Hedge accounting

(i) Hedge accounting

Deferred hedge accounting is applied.

Designated hedge accounting ("Furiate-shori") is applied for foreign currency forward contracts that meet qualifications for designated hedge accounting.

- (ii) Hedging instruments and hedged items
 - Hedging instruments
 - Foreign currency forward contracts
 - Hedged items
 - Foreign-currency-denominated monetary receivables, etc.
- (iii) Hedging policy

The Group has decided to limit forward exchange contracts up to the amount of the actual volume of exports.
- (iv) Method of assessing hedge effectiveness

As designated hedge accounting (“Furiate-shori”) is applied to forward exchange contracts, the assessment of hedge effectiveness is omitted.
- (v) Other risk management methods

The Group concludes forward exchange contracts only with highly rated financial institutions and fulfills, manages, and reports such transactions following relevant rules and regulations.
- (7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits that can be withdrawn on demand, and highly liquid short-term investments with maturities of three months or less at the time of acquisition that are readily convertible into cash and are exposed to only an insignificant risk of fluctuation in value.

Significant Accounting Estimates

Provision for product warranties

- (1) Amounts recognized in the consolidated financial statements as of March 31, 2026

(Thousands of yen)

As of March 31, 2025	As of March 31, 2026
125,071	116,706

- (2) Information on the significant accounting estimates of the identified items

The provision for product warranties is categorized into a provision for free repairs carried out within the warranty period and a provision for free repairs to rectify defects in specific products.

For the provision for free repairs carried out within the warranty period, future product warranty expenses are estimated and recognized in a lump sum based on the actual ratio of warranty expenses incurred to sales.

For specific products subject to measures for rectifying defects, expected product warranty expenses are estimated and recognized individually based on the number of units to be rectified, the estimated cost of repair per unit, the percentage of the units that have actually been repaired, and the percentage of the liability shared with suppliers.

If liabilities arise due to product defects that were not expected when the estimates were made for the provision, or if warranty expenses exceed the provision, it may become necessary to recognize additional provision for product warranties. Meanwhile, if the actual warranty expenses turn out to be smaller than the provision, a reversal of the provision will be recognized.

Accounting Standards Issued but Not Yet Applied

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

Other revisions of related accounting standards, implementation guidance, practical solutions, and transferred guidance

- (1) Outline

The standards and guidance prescribe the treatment of recording assets and liabilities for all leases of lessees, etc., as in international accounting standards.

- (2) Scheduled application date

They are scheduled to be applied in the beginning of the fiscal year ending March 31, 2028.

- (3) Effect of application of the accounting standards, etc.

The amount of impact on consolidated financial statements from the application of “Accounting Standard for Leases,” etc. is currently being evaluated.

Consolidated Balance Sheets

*1 Land revaluation

Pursuant to the “Act on Revaluation of Land” (Act No. 34, promulgated on March 31, 1998), the Company revalued land used for business activities and recorded deferred tax liabilities for land revaluation in liabilities and revaluation reserve for land in net assets.

• Revaluation method

Revaluation was carried out based on an amount rationally calculated using the land value for local government tax and roadside land assessment as prescribed in Article 2, Item 3 and Article 2, Item 4 of the “Order for Enforcement of the Act on Revaluation of Land” (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), respectively.

• Revaluation date

March 31, 2002

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Difference between the fair value at the end of the fiscal year ended March 31, 2026 and the book value of the land after the revaluation	(1,835,988)	(1,671,693)

*2 Investments in capital of affiliates included in “Other” were as follows:

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Other (Investments in capital)	2,996,470	3,800,613

*3 Contract liabilities under “Other” were as follows:

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Contract liabilities	158,558	180,931

Consolidated Statements of Income

*1 Revenue from contracts with customers

With respect to net sales, the Group does not disaggregate revenue from contracts with customers and other sources of revenue. The amount of revenue from contracts with customers is presented in “Notes to the Consolidated Financial Statements, Revenue Recognition, 1. Information about breakdown of revenue from contracts with customers.”

*2 Write-down due to decreased profitability of inventories held for sale in the ordinary course of business was as follows:

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cost of sales	94,914	187,982

*3 Gain on sale of non-current assets was mainly attributable to:

For the fiscal year ended March 31, 2025

There are no applicable items.

For the fiscal year ended March 31, 2026

The sale of Machinery and equipment.

*4 For the fiscal year ended March 31, 2025

For the fiscal year ended March 31, 2025, impairment loss was incurred on the following asset group.

Location	Use	Type	Amount
Konan-cho, Takamatsu-shi, Kagawa	Idle land	Land	¥306 thousand

The Group has categorized its assets by business into assets associated with specially equipped vehicles and rental property businesses, and idle assets.

As the land price of idle assets in Takamatsu-shi dropped compared to the book value, the Group reduced the book value to the recoverable amount and posted the reduction of ¥306 thousand as impairment loss in extraordinary losses for the fiscal year ended March 31, 2025.

The recoverable amount of such assets was measured at net sales value and determined after making reasonable adjustments to the valuation of non-current assets.

For the fiscal year ended March 31, 2026

For the fiscal year ended March 31, 2026, impairment loss was incurred on the following asset group.

Location	Use	Type	Amount
Konan-cho, Takamatsu-shi, Kagawa	Idle land	Land	¥381 thousand

The Group has categorized its assets by business into assets associated with specially equipped vehicles and rental property businesses, and idle assets.

As the land price of idle assets in Takamatsu-shi dropped compared to the book value, the Group reduced the book value to the recoverable amount and posted the reduction of ¥381 thousand as impairment loss in extraordinary losses for the fiscal year ended March 31, 2026.

The recoverable amount of such assets was measured at net sales value and determined after making reasonable adjustments to the valuation of non-current assets.

*5 Loss on retirement of non-current assets was mainly attributable to:

For the fiscal year ended March 31, 2025

The retirement of buildings, structures, and other items

For the fiscal year ended March 31, 2026

The retirement of buildings, structures, and other items

*6 Research and development expenses included in selling, general and administrative expenses are presented below and there were no such expenses to be included in manufacturing cost.

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Selling, general and administrative expenses	345,930thousand yen	351,242thousand yen

*7 TOB related expenses

For the fiscal year ended March 31, 2025

The Company conducted a tender offer for treasury shares from March 21, 2025 to April 17, 2025 based on a resolution made at a board meeting held on March 19, 2025. TOB related expenses include advisory fees paid to securities companies and attorneys concerning the tender offer.

For the fiscal year ended March 31, 2026

The Company conducted a tender offer for treasury shares from March 21, 2025 to April 17, 2025 based on a resolution made at a board meeting held on March 19, 2025. TOB related expenses include advisory fees paid to securities companies and attorneys concerning the tender offer.

Consolidated Statements of Comprehensive Income

*1 Reclassification adjustments, income taxes, and tax effects relating to other comprehensive income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Valuation difference on available-for-sale securities		
Amount incurred during period	(598,519)	2,645,759
Reclassification adjustments	(871,100)	(1,249,676)
Before income taxes and tax effect adjustments	(1,469,620)	1,396,083
Income taxes and tax effect	446,506	(471,281)
Valuation difference on available-for-sale securities	(1,023,113)	924,802
Revaluation reserve for land		
Income taxes and tax effect	-	(18,209)
Revaluation reserve for land	-	(18,209)
Foreign currency translation adjustment		
Amount incurred during period	(52,603)	304,243
Foreign currency translation adjustment	(52,603)	304,243
Remeasurements of defined benefit plans		
Amount incurred during period	319,010	923,905
Reclassification adjustments	(214,238)	(229,358)
Before income taxes and tax effect adjustments	104,772	694,546
Income taxes and tax effect	(31,913)	(236,885)
Remeasurements of defined benefit plans	72,858	457,661
Share of other comprehensive income of entities accounted for using equity method		
Amount incurred during period	(40,018)	425,410
Total other comprehensive income	(1,042,876)	2,093,908

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

1. Class and number of issued shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares (shares)	74,570,000	-	-	74,570,000

2. Class and number of treasury shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares (shares)	9,697	225	-	9,922

(Major causes of changes)

The increase is the result of the acquisition of shares of less than one unit.

3. Share acquisition rights, etc.

There are no applicable items.

4. Cash dividends

(1) Amount of cash dividends

Resolution	Class of shares	Amount of cash dividends (Thousands of yen)	Cash dividends per share (Yen)	Record date	Effective date of distribution
Board meeting on April 23, 2024	Common shares	1,565,766	21.00	March 31, 2024	May 30, 2024
Board meeting on October 25, 2024	Common shares	1,491,203	20.00	September 30, 2024	November 28, 2024

(2) Dividends whose record date fell in the fiscal year ended March 31, 2025, but the effective date of distribution falls in the fiscal year ended March 31, 2026

Resolution	Class of shares	Source of dividends	Amount of cash dividends (Thousands of yen)	Cash dividends per share (Yen)	Record date	Effective date of distribution
Board meeting on April 23, 2025	Common shares	Retained earnings	2,609,602	35.00	March 31, 2025	May 29, 2025

For the fiscal year ended March 31, 2026

1. Class and number of issued shares

Class of shares	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Common shares (shares)	74,570,000	–	10,000,000	64,570,000

(Major causes of changes)

The decrease in the number was due to a cancellation of treasury shares based on a resolution made at a board meeting held on January 29, 2026.

2. Class and number of treasury shares

Class of shares	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Common shares (shares)	9,922	10,000,746	10,000,000	10,668

(Major causes of changes)

The increase in the number was attributable to:

Acquisition of treasury shares based on a resolution made at a board meeting held on March 19, 2025	10,000,000 shares
Acquisition of shares less than one unit	746 shares

The decrease in the number was attributable to:

Cancellation of treasury shares based on a resolution made at a board meeting held on January 29, 2026	10,000,000 shares
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3. Share acquisition rights, etc.

There are no applicable items.

4. Cash dividends

(1) Amount of cash dividends

Resolution	Class of shares	Amount of cash dividends (Thousands of yen)	Cash dividends per share (Yen)	Record date	Effective date of distribution
Board meeting on April 23, 2025	Common shares	2,609,602	35.00	March 31, 2025	May 29, 2025
Board meeting on October 30, 2025	Common shares	1,936,793	30.00	September 30, 2025	November 28, 2025

(2) Dividends whose record date fell in the fiscal year ended March 31, 2026, but the effective date of distribution falls in the fiscal year ending March 31, 2027

Resolution	Class of shares	Source of dividends	Amount of cash dividends (Thousands of yen)	Cash dividends per share (Yen)	Record date	Effective date of distribution
Board meeting on April 24, 2026	Common shares	Retained earnings	1,936,779	30.00	March 31, 2026	June 4, 2026

Consolidated Statements of Cash Flows

- *1 The reconciliation of the ending balance of cash and cash equivalents with the amounts of the line items presented on the consolidated balance sheets was as follows:

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash and deposits	46,871,546	26,708,915
Cash and cash equivalents	46,871,546	26,708,915

Lease Transactions

1. Finance lease transactions

As a lessee

Finance lease transactions that do not transfer ownership

(i) Details of leased assets

- Property, plant and equipment

These assets comprise buildings, vehicles, tools, furniture and fixtures.

- Intangible assets

These assets represent software.

(ii) Method of depreciation of leased assets

Depreciation of leased assets is computed by the straight-line method over the lease period deemed as useful lives with no residual value.

2. Operating lease transactions

As a lessee

Future minimum lease payments under non-cancelable operating leases

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Within one year	6,996	4,676
Over one year	10,503	8,664
Total	17,499	13,341

Financial Instruments

1. Status of financial instruments held by the Group

(1) Policy on financial instruments

Working capital and capital investments are financed by the Group's own funds. Temporary excess funds are mainly invested through highly secure short-term deposits, fixed-term deposits, etc. The Group uses derivatives to hedge against the risk of exchange rate fluctuations in trade receivables and has a policy of not engaging in speculative transactions.

(2) Nature and risks of financial instruments

Trade receivables such as notes receivable - trade and accounts receivable - trade are exposed to the credit risk of customers. Since trade receivables denominated in foreign currencies, which arise from the global business, are exposed to the risk of exchange rate fluctuations, the Group in principle hedges this risk by means of forward exchange contracts.

Investment securities such as shares are exposed to the risk of market price fluctuations and are mainly shares in companies with which the Group has business relationships. The fair value of listed shares is verified on a quarterly basis.

Trade payables such as notes and accounts payable - trade are due within one year.

With respect to derivative transactions, the Group uses forward exchange contracts for the purpose of hedging against the risk of exchange rate fluctuations associated with trade receivables and forecast transactions denominated in foreign currencies. Hedging instruments, hedged items, hedging policy and methods for the assessment of the hedge effectiveness relating to the hedge accounting are described in "Summary of Significant Accounting Policies, 4. Accounting policies, (6) Hedge accounting."

(3) Risk management system for financial instruments

(i) Credit risk management (risk of non-performance by counterparties, etc.)

For trade receivables, the Sales Division and Administration Division regularly monitor the status of major customers and manage the due dates and outstanding balances by counterparty to detect at an early stage and mitigate concerns about the collection that would be caused by deteriorating financial conditions and other factors in accordance with the internal control measures for receivables management.

The Group trades derivatives only with highly rated financial institutions.

(ii) Market risk management (risk of exchange rate and interest rate fluctuations)

In principle, the Group hedges trade receivables and forecast transactions denominated in foreign currencies using forward exchange contracts.

For investment securities, the Group verifies the fair value of listed shares on a quarterly basis and the financial conditions of the issuers (business partners) of unlisted shares on an ongoing basis.

The Accounting Division executes derivative transactions and reconciles their balances in accordance with internal policies.

(iii) Management of liquidity risk in financing (risk of being unable to make payments on due dates)

The Group is not exposed to liquidity risk in financing because working capital is financed by the Group's own funds.

(4) Supplementary explanation on fair values of financial instruments

Variable factors are incorporated in the measurement of fair values of financial instruments, and therefore, measured values may vary depending on assumptions adopted. The contract amounts and other information of derivative transactions shown in "2 Fair value of financial instruments" do not directly represent the market risk associated with the derivative transactions.

2. Fair value of financial instruments

Consolidated balance sheet amounts, fair values and their differences are as follows.

As of March 31, 2025

(Thousands of yen)

	Consolidated balance sheet amount	Fair value	Difference
Investment securities			
Available-for-sale securities	5,075,003	5,075,003	—
Total assets	5,075,003	5,075,003	—

*1 Notes to deposits, notes receivable - trade, accounts receivable - trade, notes and accounts payable - trade, and income taxes payable are omitted, because they are settled on short-term basis and their book values approximate their fair values.

*2 Shares, etc., that do not have a market price are not included in available-for-sale securities under investment securities.

Consolidated balance sheet amounts of such financial instruments were as follows.

Category	As of March 31, 2025 (Thousands of yen)
Unlisted shares	320,660

As of March 31, 2026

(Thousands of yen)

	Consolidated balance sheet amount	Fair value	Difference
Investment securities			
Available-for-sale securities	6,501,412	6,501,412	—
Total assets	6,501,412	6,501,412	—

*1 Notes to deposits, notes receivable - trade, accounts receivable - trade, notes and accounts payable - trade, and income taxes payable are omitted, because they are settled on short-term basis and their book values approximate their fair values.

*2 Shares, etc., that do not have a market price are not included in available-for-sale securities under investment securities.

Consolidated balance sheet amounts of such financial instruments were as follows.

Category	As of March 31, 2026 (Thousands of yen)
Unlisted shares	216,460

(Note) Redemption schedule for monetary receivables after the consolidated balance sheet date

As of March 31, 2025

(Thousands of yen)

	Within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash and deposits	46,871,546	–	–	–
Notes receivable - trade	2,282,192	–	–	–
Accounts receivable - trade	13,932,423	–	–	–
Total	63,086,162	–	–	–

As of March 31, 2026

(Thousands of yen)

	Within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash and deposits	26,708,915	–	–	–
Notes receivable - trade	4,018,200	–	–	–
Accounts receivable - trade	16,008,601	–	–	–
Total	46,735,716	–	–	–

3. Breakdown of fair value by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

As of March 31, 2025

Category	Fair value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	5,075,003	–	–	5,075,003

As of March 31, 2026

Category	Fair value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	6,501,412	–	–	6,501,412

(2) Financial instruments other than those measured at fair value

Notes are omitted due to their insignificance.

Securities

1. Available-for-sale securities

As of March 31, 2025

(Thousands of yen)

Category	Consolidated balance sheet amount	Acquisition cost	Fair value
Securities whose consolidated balance sheet amount exceeds the acquisition cost:			
Shares	5,075,003	925,083	4,149,920
Subtotal	5,075,003	925,083	4,149,920
Securities whose consolidated balance sheet amount does not exceed the acquisition cost:			
Shares	—	—	—
Subtotal	—	—	—
Total	5,075,003	925,083	4,149,920

As of March 31, 2026

(Thousands of yen)

Category	Consolidated balance sheet amount	Acquisition cost	Fair value
Securities whose consolidated balance sheet amount exceeds the acquisition cost:			
Shares	6,501,412	955,408	5,546,004
Subtotal	6,501,412	955,408	5,546,004
Securities whose consolidated balance sheet amount does not exceed the acquisition cost:			
Shares	—	—	—
Subtotal	—	—	—
Total	6,501,412	955,408	5,546,004

2. Available-for-sale securities sold during the fiscal year

For the fiscal year ended March 31, 2025

(Thousands of yen)

Category	Proceeds from sale	Total gain on sale	Total loss on sale
Shares	1,071,562	871,100	—
Total	1,071,562	871,100	—

For the fiscal year ended March 31, 2026

(Thousands of yen)

Category	Proceeds from sale	Total gain on sale	Total loss on sale
Shares	1,323,551	1,249,676	—
Total	1,323,551	1,249,676	—

Derivative Transactions

1. Derivative transactions to which hedge accounting is not applied

As of March 31, 2025 and 2026

There are no applicable items.

2. Derivative transactions to which hedge accounting is applied

Currency-related derivatives

As of March 31, 2025

(Thousands of yen)

Hedge accounting	Type of derivative transactions	Main hedged items	Contract amount, etc.	Contract amount, etc., due after one year	Fair value
Designated hedge accounting (“Furiate-shori”) for foreign currency forward contracts, etc.	Forward exchange contracts	Accounts receivable - trade	107,885	-	(Note)
	Selling US\$				
Total			107,885	-	(Note)

(Note) Since items subject to the designated hedge accounting (“Furiate-shori”) for foreign currency forward contracts, etc. are accounted for synthetically with accounts receivable - trade that are hedged items, their fair values are included in the fair values of the corresponding accounts receivable - trade.

As of March 31, 2026

There are no applicable items.

Retirement Benefits

1. Overview of retirement benefit plans adopted

The Company has adopted a defined benefit pension plan. In addition, the Company participates in a multi-employer plan, the Japan Industrial Machine and Allied Products Employees' Corporate Pension Fund.

The multi-employer corporate pension fund plan is accounted for in the same manner as the defined contribution plans because the amount of pension plan assets corresponding to the Company's own contributions cannot be reasonably calculated.

2. Multi-employer plan

The required contributions to the multi-employer employees' pension fund and corporate pension fund plans, which are accounted for in the same manner as the defined contribution plans, were ¥208 million for the fiscal year ended March 31, 2025 and ¥207 million for the fiscal year ended March 31, 2026.

(1) Most recent funding status of multi-employer plan

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
Amount of plan assets	18,848	19,419
Total amount of actuarial liability and minimum actuarial reserve for the purpose of pension financing calculation	19,558	19,114
Net amount	(710)	304

(2) The Group's ratio of total contributions to the multi-employer plan

10.6% for the fiscal year ended March 31, 2025

10.3% for the fiscal year ended March 31, 2026

(3) Supplementary explanation

The net amount presented in (1) above was mainly due to the balance of prior service liability (negative ¥4,899 million for the fiscal year ended March 31, 2025 and negative ¥3,615 million for the fiscal year ended March 31, 2026) and surplus (¥1,941 million for the fiscal year ended March 31, 2025 and ¥1,941 million for the fiscal year ended March 31, 2026) for the purpose of pension financing calculation. Under the plan, prior service liability is amortized using the straight-line method over a period of 10 years and six months. The percentage shown in (2) above does not correspond to the Group's actual contribution ratio.

3. Defined benefit plan

(1) Reconciliation of beginning and ending balances of retirement benefit obligations

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Retirement benefit obligations at beginning of period	6,259,386	5,767,843
Service cost	278,491	236,280
Interest cost	81,881	113,338
Actuarial gains and losses incurred	(474,166)	(518,523)
Retirement benefits paid	(377,749)	(339,896)
Retirement benefit obligations at end of period	5,767,843	5,259,041

(2) Reconciliation of beginning and ending balances of plan assets

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Plan assets at beginning of period	6,859,852	6,708,838
Expected return on plan assets	89,864	131,828
Actuarial gains and losses incurred	(139,372)	405,381
Contributions from employer	267,344	223,507
Retirement benefits paid	(368,849)	(339,896)
Plan assets at end of period	6,708,838	7,129,659

(3) Reconciliation of retirement benefit obligations and plan assets at end of period with defined benefit liability and benefit assets on the consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Funded retirement benefit obligations	5,767,843	5,259,041
Plan assets	(6,708,838)	(7,129,659)
Net amount of liability and asset recorded in consolidated balance sheets	(940,995)	(1,870,617)
Retirement benefit asset	(940,995)	(1,870,617)
Net amount of liability and asset recorded in consolidated balance sheets	(940,995)	(1,870,617)

(4) Components of retirement benefit expenses

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Service cost	278,491	236,280
Interest cost	81,881	113,338
Expected return on plan assets	(89,864)	(131,828)
Amortization of actuarial gains and losses	(214,238)	(213,575)
Amortization of prior service costs	(15,783)	(15,783)
Retirement benefit expenses on defined benefit plans	40,487	(11,568)

(5) Remeasurements of defined benefit plans

Components of items recorded in remeasurements of defined benefit plans (before tax effect) were as follows:

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Prior service cost	(15,783)	(15,783)
Actuarial gains and losses	120,555	710,329
Total	104,772	694,546

(6) Accumulated remeasurements of defined benefit plans

Components of items recorded in accumulated remeasurements of defined benefit plans (before deducting tax effect) were as follows:

	As of March 31, 2025	As of March 31, 2026
Unrecognized prior service cost	126,266	110,483
Unrecognized actuarial gains and losses	1,993,206	2,703,536
Total	2,119,473	2,814,019

(7) Plan assets

(i) Major components of plan assets

Classification of major plan assets and their composition within the total plan assets was as follows:

	As of March 31, 2025	As of March 31, 2026
Bonds	48%	50%
Shares	24%	22%
Alternatives	20%	22%
Life insurance company general account	6%	5%
Cash and deposits	2%	1%
Other	0%	1%
Total	100%	100%

(Notes) 1. Alternatives consist primarily of hedge fund investments.

2. The retirement benefit trust set up for the lump-sum payment plans represents 0% and 0% of the total plan assets as of March 31, 2025 and 2026, respectively.

(ii) Determination procedure of long-term expected rate of return on plan assets

In determining the long-term expected rate of return on plan assets, the Group considers the current and projected asset allocations as well as the current and future expected long-term rates of return on diverse assets that constitute the plan assets.

(8) Actuarial assumptions

Major actuarial assumptions

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Discount rate	2.0%	2.9%
Long-term expected rate of return on plan assets	1.3%	2.0%

Deferred Tax Assets and Liabilities

1. The significant components of deferred tax assets and liabilities were as follows:

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Deferred tax assets:		
Inventories	232,731	313,259
Accrued enterprise tax and business office tax	104,210	126,427
Unrealized gain on non-current assets	851	317
Provision for product warranties	38,096	36,599
Accrued bonuses	316,907	325,719
Land	569,965	586,925
Investment securities	119,843	123,384
Other	138,724	148,695
Subtotal of deferred tax assets	1,521,330	1,661,328
Valuation allowance for deductible temporary differences	(690,838)	(718,903)
Subtotal of valuation allowance	(690,838)	(718,903)
Total deferred tax assets	830,492	942,425
Deferred tax liabilities:		
Valuation difference on available- for-sale securities	(1,147,396)	(1,618,677)
Retirement benefit asset	(280,127)	(579,779)
Other	(316,364)	(309,757)
Total deferred tax liabilities	(1,743,888)	(2,508,215)
Deferred tax liabilities (Net)	(913,396)	(1,565,789)

2. The significant components of deferred tax assets and liabilities in relation to revaluation reserve for land were as follows:

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets:		
Unrealized loss on land revaluation	923,260	950,540
Subtotal of deferred tax assets	923,260	950,540
Valuation allowance	(923,260)	(950,540)
Total deferred tax assets	-	-
Deferred tax liabilities:		
Unrealized gain on land revaluation	(616,302)	(634,512)
Total deferred tax liabilities	(616,302)	(634,512)
Deferred tax liabilities (Net)	(616,302)	(634,512)

3. The reconciliation between the effective statutory tax rate and the actual effective tax rate after applying tax effect accounting was as follows:

	As of March 31, 2025	As of March 31, 2026
Effective statutory tax rate	-%	30.5 %
Adjustments:		
Expenses not deductible for income tax purposes (e.g., entertainment expenses)	-%	0.2 %
Income not taxable for income tax purposes (e.g., dividend income)	-%	(0.1) %
Corporate inhabitant tax on per capita basis	-%	0.4 %
Changes in valuation allowance	-%	0.3 %
Share of profit of entities accounted for using equity method	-%	(1.2) %
Other	-%	(1.6) %
Effective tax rate after applying tax effect accounting	-%	28.5 %

(Note) The description on the reconciliation of the significant difference between the effective statutory tax rate and the actual effective tax rate after applying tax effect accounting is omitted, as the difference was five percent or less of the effective statutory tax rate as of March 31, 2025.

Asset Retirement Obligations

Notes are omitted due to their insignificance.

Properties for Rent, etc.

Notes are omitted due to their insignificance.

Revenue Recognition

1. Information about breakdown of revenue from contracts with customers

For the fiscal year ended March 31, 2025

Major regional markets

(Thousands of yen)

	Reportable segment			Other (Note)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Japan	42,946,627	11,728,860	54,675,488	590,661	55,266,150
Asia	1,252,084	824,234	2,076,319	—	2,076,319
Other	1,828,377	136,108	1,964,485	—	1,964,485
Revenue from contracts with customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955
Net sales to external customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955

(Note) The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.

Timing of revenue recognition

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Goods transferred at a point in time	46,027,090	12,634,183	58,661,273	590,661	59,251,934
Goods transferred over time (Note 2)	—	55,020	55,020	—	55,020
Revenue from contracts with customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955
Net sales to external customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955

(Notes) 1. The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.

2. Goods transferred over time are those related to maintenance contracts.

For the fiscal year ended March 31, 2026

Major regional markets

(Thousands of yen)

	Reportable segment			Other (Note)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Japan	40,450,989	12,902,111	53,353,101	835,928	54,189,029
Asia	2,000,235	1,020,787	3,021,023	10,971	3,031,994
Other	2,200,927	138,910	2,339,838	—	2,339,838
Revenue from contracts with customers	44,652,153	14,061,809	58,713,963	846,899	59,560,862
Other revenue	—	—	—	52,871	52,871
Net sales to external customers	44,652,153	14,061,809	58,713,963	899,771	59,613,734

(Note) The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.

Timing of revenue recognition

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Goods transferred at a point in time	44,652,153	14,004,157	58,656,310	846,899	59,503,210
Goods transferred over time (Note 2)	—	57,652	57,652	—	57,652
Revenue from contracts with customers	44,652,153	14,061,809	58,713,963	846,899	59,560,862
Other revenue	—	—	—	52,871	52,871
Net sales to external customers	44,652,153	14,061,809	58,713,963	899,771	59,613,734

(Notes) 1. The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.

2. Goods transferred over time are those related to maintenance contracts.

2. Useful information in understanding revenue from contracts with customers

Revenue is measured at consideration promised in contracts with customers less discounts, etc. The amounts of discounts are determined at the conclusion of the said contracts and therefore do not alter consideration in relation with revenue in the current fiscal year.

Consideration for these performance obligations is received generally within one year after the performance obligations are satisfied under separately prescribed payment terms, and includes no significant financing components. Under sales contracts related to specially equipped vehicles, the Group has warranty obligations that promise to repair faults that arise within the warranty period without fee. The warranty provides assurance that the product complies with agreed-upon specifications and will operate as promised, and thus, is recognized as a provision for product warranties.

3. Reconciliation of satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the next fiscal year and thereafter arising from contracts with customers that existed at the end of the current fiscal year

For the fiscal year ended March 31, 2025

(1) Balance of contract liabilities

(Thousands of yen)

	As of March 31, 2025
Receivables from contracts with customers (balance at beginning of period)	17,078,985
Receivables from contracts with customers (balance at end of period)	16,214,616
Contract assets (balance at beginning of period)	—
Contract assets (balance at end of period)	—
Contract liabilities (balance at beginning of period)	226,462
Contract liabilities (balance at end of period)	158,558

Contract liabilities are recorded under other of current liabilities. Contract liabilities are related to advances received from customers based on the payment terms agreed with customers for contracts in which revenue from the sales, repair, etc., of specially equipped vehicles or their parts is recognized when those products or services are accepted by customers, and for contracts in which revenue is recognized over time as the performance obligations for after-sales services are satisfied. Contract liabilities are reversed upon recognition of revenue. Revenue recognized in the fiscal year ended March 31, 2025 that was included in the contract liability balance at the beginning of the period was ¥226,335 thousand.

The amount of revenue recognized in the fiscal year ended March 31, 2025 from performance obligations that were satisfied in previous periods is immaterial.

(2) Transaction price allocated to the remaining performance obligations

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and do not disclose transaction prices related to contracts with an original expected duration of one year or less. For maintenance contracts with servicing periods longer than one year, the total transaction price allocated to the remaining performance obligations and the time frame the Company expects to recognize the amount as revenue are as follows:

(Thousands of yen)

	As of March 31, 2025
Within one year	475,468
Due after one year but within two years	495,076
Due after two years but within three years	279,295
Due after three years	633,531
Total	1,883,372

For the fiscal year ended March 31, 2026

(1) Balance of contract liabilities

(Thousands of yen)

	As of March 31, 2026
Receivables from contracts with customers (balance at beginning of period)	16,214,616
Receivables from contracts with customers (balance at end of period)	20,026,801
Contract assets (balance at beginning of period)	—
Contract assets (balance at end of period)	—
Contract liabilities (balance at beginning of period)	158,558
Contract liabilities (balance at end of period)	180,931

Contract liabilities are recorded under other of current liabilities. Contract liabilities are related to advances received from customers based on the payment terms agreed with customers for contracts in which revenue from the sales, repair, etc., of specially equipped vehicles or their parts is recognized when those products or services are accepted by customers, and for contracts in which revenue is recognized over time as the performance obligations for after-sales services are satisfied. Contract liabilities are reversed upon recognition of revenue. Revenue recognized in the fiscal year ended March 31, 2026 that was included in the contract liability balance at the beginning of the period was ¥157,639 thousand.

The amount of revenue recognized in the fiscal year ended March 31, 2026 from performance obligations that were satisfied in previous periods is immaterial.

(2) Transaction price allocated to the remaining performance obligations

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and do not disclose transaction prices related to contracts with an original expected duration of one year or less. For maintenance contracts with servicing periods longer than one year, the total transaction price allocated to the remaining performance obligations and the time frame the Company expects to recognize the amount as revenue are as follows:

(Thousands of yen)

	As of March 31, 2026
Within one year	663,240
Due after one year but within two years	619,215
Due after two years but within three years	375,605
Due after three years	872,817
Total	2,530,878

Segment Information, etc.

Segment Information

1. Overview of reportable segments

Method for determining reportable segments

The reportable segments of the Company are constituent units of the Company, for which separate financial information is available. The Board of Directors of the Company examines these units regularly to determine the allocation of management resources and to assess segment performance.

The Group engages in businesses associated with the manufacturing and selling of aerial work platforms and other vehicles, as well as providing after-sales services therefor. The Group's reportable segments comprise specially equipped vehicles, their parts and repair services based on sales from the manufacture and sale of aerial work platforms and other vehicles, after-sales service, and so forth.

The Specially Equipped Vehicles segment engages in the business of new vehicle sales, including aerial work platforms. The Parts & Repair segment engages in the business of after-sales services for aerial work platforms and other vehicles.

2. Method for calculating net sales, profit and loss, assets, liabilities, and other amounts by reportable segment

The accounting treatment of reportable business segments is generally consistent with those described in "Summary of Significant Accounting Policies."

Intra-group sales or transfers are based on the arm's length principle.

3. Information on net sales, profit and loss, assets, liabilities, and other items by reportable segment

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Net sales					
Net sales to external customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955
Intra-group sales or transfers	2,614,276	178,474	2,792,751	—	2,792,751
Subtotal	48,641,367	12,867,678	61,509,045	590,661	62,099,707
Segment profit	8,620,989	4,407,016	13,028,006	104,646	13,132,653
Segment assets	—	—	—	—	100,358,946
Segment liabilities	—	—	—	—	16,335,376
Other items					
Depreciation	991,208	142,302	1,133,510	7,040	1,140,550
Increase in property, plant and equipment and intangible assets	—	—	—	—	3,452,975

(Notes) 1. The category "Other" is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.

2. Each entity of the Group engages in businesses associated with the manufacturing and selling of aerial work platforms and other vehicles, as well as providing ancillary services such as after-sales services. The Group classifies its reportable segments on a net sales basis. As a result, the Group considers it difficult to report assets, liabilities, and other items by reportable segment. Therefore, only the total amount is presented.

3. Segment profit was reconciled to gross profit in the consolidated statements of income after eliminating intercompany transactions.

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Net sales					
Net sales to external customers	44,652,153	14,061,809	58,713,963	899,771	59,613,734
Intra-group sales or transfers	1,651,960	140,750	1,792,711	—	1,792,711
Subtotal	46,304,114	14,202,560	60,506,674	899,771	61,406,446
Segment profit	7,607,506	5,199,338	12,806,844	343,098	13,149,943
Segment assets	—	—	—	—	92,812,563
Segment liabilities	—	—	—	—	17,414,368
Other items					
Depreciation	839,473	134,934	974,407	65,121	1,039,529
Increase in property, plant and equipment and intangible assets	—	—	—	—	7,551,733

- (Notes)
1. The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.
 2. Each entity of the Group engages in businesses associated with the manufacturing and selling of aerial work platforms and other vehicles, as well as providing ancillary services such as after-sales services. The Group classifies its reportable segments on a net sales basis. As a result, the Group considers it difficult to report assets, liabilities, and other items by reportable segment. Therefore, only the total amount is presented.
 3. Segment profit was reconciled to gross profit in the consolidated statements of income after eliminating intercompany transactions.

4. Reconciliation between the total of reportable segments and the amounts on consolidated financial statements

(Thousands of yen)

Net sales	As of March 31, 2025	As of March 31, 2026
Total of reportable segments	61,509,045	60,506,674
Net sales in the category “Other”	590,661	899,771
Elimination of intercompany transactions	(2,792,751)	(1,792,711)
Net sales on consolidated financial statements	59,306,955	59,613,734

(Thousands of yen)

Profit	As of March 31, 2025	As of March 31, 2026
Total of reportable segments	13,028,006	12,806,844
Profit in the category “Other”	104,646	343,098
Elimination of intercompany transactions	(78,814)	30,119
Corporate expenses (Note)	(5,613,628)	(5,668,224)
Operating profit on consolidated financial statements	7,440,210	7,511,838

(Note) Corporate expenses mainly comprise selling, general and administrative expenses that are not allocated to reportable segments.

Related Information

For the fiscal year ended March 31, 2025

1. Information by product and service

(Thousands of yen)

	Aerial work platforms	Inspection & repair	Other	Total
Net sales to external customers	38,734,765	5,890,104	14,682,085	59,306,955

2. Information by geographic area

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of net sales shown in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment in Japan accounts for more than 90% of that in the consolidated balance sheets.

3. Information by major customer

This information is omitted because no net sales from external customers accounted for 10% or more of that on the consolidated statements of income.

For the fiscal year ended March 31, 2026

1. Information by product and service

(Thousands of yen)

	Aerial work platforms	Inspection & repair	Other	Total
Net sales to external customers	40,545,155	6,838,799	12,229,779	59,613,734

2. Information by geographic area

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of net sales shown in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment in Japan accounts for more than 90% of that in the consolidated balance sheets.

3. Information by major customer

This information is omitted because no net sales from external customers accounted for 10% or more of that on the consolidated statements of income.

Information on Impairment Loss on Non-current Assets by Reportable Segment

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Reportable segment			Other	Elimination/ Corporate	Total
	Specially equipped vehicles	Parts & repair	Subtotal			
Impairment losses	-	-	-	-	-	306

- (Notes) 1. "Other" represents the used vehicles sales such as aerial work platforms, education business, and so forth.
 2. Although impairment loss was incurred on idle assets, it is difficult to allocate the loss to each reportable segment. Therefore, only the total amount is presented.

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Reportable segment			Other	Elimination/ Corporate	Total
	Specially equipped vehicles	Parts & repair	Subtotal			
Impairment losses	-	-	-	-	-	381

- (Notes) 1. "Other" represents the used vehicles sales such as aerial work platforms, education business, and so forth.
 2. Although impairment loss was incurred on idle assets, it is difficult to allocate the loss to each reportable segment. Therefore, only the total amount is presented.

Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment

As of March 31, 2025 and 2026

There are no applicable items.

Information on Gain on Bargain Purchase by Reportable Segment

As of March 31, 2025 and 2026

There are no applicable items.

Related Parties

Related party transactions

For the fiscal year ended March 31, 2025 and 2026

There are no significant matters to report.

Per Share Information

(Yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	1,126.92	1,167.89
Basic earnings per share	84.96	100.73

(Notes) 1. Basic earnings per share (diluted) is not stated as there are no shares with a dilutive effect.

2. The basis for the calculation of basic earnings per share was as follows:

(Thousands of yen unless otherwise stated)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent	6,334,645	6,658,122
Amount not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	6,334,645	6,658,122
Average number of common shares outstanding during the period	74,560	66,098

(v) Annexed Consolidated Detailed Schedules**Annexed Consolidated Detailed Schedule of Corporate Bonds**

There are no applicable items.

Annexed Consolidated Detailed Schedule of Borrowings

(Thousands of yen unless otherwise stated)

Category	Balance at beginning of period	Balance at end of period	Average interest rate (%)	Repayment due
Short-term borrowings	–	–	–	–
Current portion of long-term borrowings	–	–	–	–
Current portion of lease liabilities	59,582	56,211	–	–
Long-term borrowings (except for current portion)	–	–	–	–
Lease liabilities (except for current portion)	154,999	141,214	–	September 29, 2027 through August 23, 2032
Other interest-bearing debt	–	–	–	–
Total	214,581	197,425	–	–

- (Notes) 1. The average interest rate on lease liabilities is not stated because these liabilities are recorded on the consolidated balance sheets in the amount before deducting the amount equivalent to interest included in the total lease payments.
2. Annual repayment schedule of lease liabilities (except for the current portion) and other interest-bearing debt over a period of five years from the fiscal year-end is as follows:

(Thousands of yen)

Category	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Lease liabilities	49,229	42,466	19,860	15,420

Annexed Consolidated Detailed Schedule of Asset Retirement Obligations

This information is omitted as the beginning and ending balances of asset retirement obligations for the fiscal year ended March 31, 2026 were one percent or less of the total beginning and ending balances of liabilities and net assets of the fiscal year ended March 31, 2026.

(2) Other

Semi-annual financial information for the fiscal year ended March 31, 2026

Cumulative period		Consolidated cumulative period for the first three months	Interim consolidated accounting period	Consolidated cumulative period for the first nine months	Full year
Net sales	(Thousand of yen)	9,210,478	24,505,718	38,153,564	59,613,734
Profit before income taxes	(Thousand of yen)	430,081	2,914,265	5,030,103	9,310,686
Profit attributable to owners of parent	(Thousand of yen)	308,821	2,049,548	3,519,638	6,658,122
Basic earnings per share	(Yen)	4.44	30.40	52.88	100.73

Accounting period		First Quarter consolidated accounting period	Second Quarter consolidated accounting period	Third Quarter consolidated accounting period	Fourth Quarter consolidated accounting period
Basic earnings per share	(Yen)	4.44	26.96	22.77	48.61

(Note) Review of financial information for the consolidated cumulative periods for first three months and for the first nine months: None

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

(i) Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	45,376,900	25,176,480
Notes receivable - trade	336,440	155,934
Electronically recorded monetary claims - operating	1,945,752	3,862,265
Accounts receivable - trade	13,923,669	15,936,303
Merchandise and finished goods	1,789,780	1,747,014
Work in process	1,110,777	1,346,681
Raw materials and supplies	3,802,888	3,106,297
Other	1,123,609	870,590
Total current assets	* 69,409,818	* 52,201,567
Non-current assets		
Property, plant and equipment		
Buildings	5,592,468	9,174,611
Structures	398,285	676,320
Machinery and equipment	1,292,293	2,098,760
Vehicles	22,112	44,530
Tools, furniture and fixtures	147,716	380,191
Land	9,648,734	9,648,352
Construction in progress	1,519,142	2,825,408
Other	196,435	186,054
Total property, plant and equipment	18,817,187	25,034,229
Intangible assets		
Right to use water facilities	564	470
Software	242,521	250,945
Other	10,462	3,426
Total intangible assets	253,547	254,841

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Investments and other assets		
Investment securities	5,395,663	6,717,872
Investments in capital	1,080	1,080
Investments in capital of subsidiaries and associates	1,420,530	1,420,530
Long-term prepaid expenses	65,763	97,454
Guarantee deposits	80,925	79,300
Other	31,533	75,877
Allowance for doubtful accounts	(5,107)	(5,006)
Total investments and other assets	6,990,389	8,387,107
Total non-current assets	26,061,124	33,676,179
Total assets	95,470,943	85,877,747
Liabilities		
Current liabilities		
Notes payable - trade	64,904	12,350
Electronically recorded obligations - operating	5,521,450	3,458,436
Accounts payable - trade	4,161,669	4,100,636
Accounts payable - other	603,597	1,191,265
Accrued expenses	1,445,789	1,467,498
Income taxes payable	1,775,706	2,040,425
Accrued consumption taxes	391,212	-
Deposits received	274,685	262,701
Unearned revenue	470	355
Provision for bonuses for directors (and other officers)	26,000	26,000
Provision for product warranties	125,071	116,706
Notes payable - facilities	83,582	2,250
Electronically recorded obligations-operating-facilities	140,576	2,308,429
Other	59,582	56,211
Total current liabilities	* 14,674,297	* 15,043,268
Non-current liabilities		
Deferred tax liabilities	46,680	461,955
Deferred tax liabilities for land revaluation	616,302	634,512
Provision for retirement benefits	1,178,477	943,401
Other	192,786	177,183
Total non-current liabilities	2,034,246	2,217,053
Total liabilities	16,708,543	17,260,321

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders' equity		
Share capital	10,425,325	10,425,325
Capital surplus		
Legal capital surplus	9,941,842	9,941,842
Total capital surplus	9,941,842	9,941,842
Retained earnings		
Other retained earnings		
Retained earnings brought forward	57,025,983	45,978,927
Total retained earnings	57,025,983	45,978,927
Treasury shares	(9,231)	(13,741)
Total shareholders' equity	77,383,919	66,332,353
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,002,523	3,927,326
Revaluation reserve for land	(1,624,044)	(1,642,254)
Total valuation and translation adjustments	1,378,479	2,285,072
Total net assets	78,762,399	68,617,425
Total liabilities and net assets	95,470,943	85,877,747

(ii) Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	*1 59,235,838	*1 59,254,917
Cost of sales	*1 46,674,399	*1 46,399,029
Gross profit	12,561,438	12,855,887
Selling, general and administrative expenses	*1,2 5,325,960	*1,2 5,381,837
Operating profit	7,235,477	7,474,050
Non-operating income		
Interest and dividend income	1,377,650	320,710
Miscellaneous income	30,051	37,780
Total non-operating income	*1 1,407,701	*1 358,490
Non-operating expenses		
Foreign exchange gains	5,935	7,491
Miscellaneous losses	571	471
Total non-operating expenses	*1 6,506	*1 7,963
Ordinary profit	8,636,672	7,824,577
Extraordinary income		
Gain on sale of non-current assets	–	2
Gain on sale of investment securities	871,100	1,249,676
Total extraordinary income	871,100	1,249,678
Extraordinary losses		
Loss on retirement of non-current assets	12,686	3,184
Loss on sale of investment securities	765	-
Impairment losses	306	381
TOB related expenses	*3 101,570	*3 106,717
Total extraordinary losses	115,329	110,282
Profit before income taxes	9,392,443	8,963,973
Income taxes - current	2,621,052	2,694,139
Income taxes - deferred	(33,014)	(56,005)
Total income taxes	2,588,037	2,638,133
Profit	6,804,406	6,325,839

(iii) Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
			Retained earnings brought forward		
Balance at beginning of period	10,425,325	9,941,842	9,941,842	53,278,547	53,278,547
Changes during period					
Dividends of surplus				(3,056,969)	(3,056,969)
Profit				6,804,406	6,804,406
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period				3,747,436	3,747,436
Balance at end of period	10,425,325	9,941,842	9,941,842	57,025,983	57,025,983

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(8,939)	73,636,774	4,025,637	(1,624,044)	2,401,593	76,038,368
Changes during period						
Dividends of surplus		(3,056,969)				(3,056,969)
Profit		6,804,406				6,804,406
Purchase of treasury shares	(291)	(291)				(291)
Net changes in items other than shareholders' equity			(1,023,113)	-	(1,023,113)	(1,023,113)
Total changes during period	(291)	3,747,144	(1,023,113)	-	(1,023,113)	2,724,031
Balance at end of period	(9,231)	77,383,919	3,002,523	(1,624,044)	1,378,479	78,762,399

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward	
Balance at beginning of period	10,425,325	9,941,842	9,941,842	57,025,983	57,025,983
Changes during period					
Dividends of surplus				(4,546,395)	(4,546,395)
Profit				6,325,839	6,325,839
Purchase of treasury shares					
Disposal of treasury shares				(12,826,500)	(12,826,500)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-	(11,047,055)	(11,047,055)
Balance at end of period	10,425,325	9,941,842	9,941,842	45,978,927	45,978,927

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(9,231)	77,383,919	3,002,523	(1,624,044)	1,378,479	78,762,399
Changes during period						
Dividends of surplus		(4,546,395)				(4,546,395)
Profit		6,325,839				6,325,839
Purchase of treasury shares	(12,831,010)	(12,831,010)				(12,831,010)
Disposal of treasury shares	12,826,500	-				-
Net changes in items other than shareholders' equity			924,802	(18,209)	906,592	906,592
Total changes during period	(4,510)	(11,051,566)	924,802	(18,209)	906,592	(10,144,973)
Balance at end of period	(13,741)	66,332,353	3,927,326	(1,642,254)	2,285,072	68,617,425

Notes to Consolidated Financial Statements

Significant Accounting Policies

1. Valuation of securities

(1) Available-for-sale securities

Securities other than shares, etc., that do not have a market price:

Stated at fair value

(Net unrealized gains or losses are reported as a separate component in net assets, net of applicable income taxes. Gains and losses on disposition are computed mainly based on the moving average method.)

Shares, etc., that do not have a market price:

Stated at cost, cost mainly being determined by the moving average method.

(2) Shares of subsidiaries and affiliates

Stated at cost, cost being determined by the moving average method.

2. Valuation of inventories

Inventories are stated at cost (write-down due to decreased profitability).

(1) Finished goods and work in process are evaluated using the specific identification method.

(2) Raw materials are evaluated using the moving average method.

(3) Supplies are stated at cost, cost being determined by the last purchase price method.

3. Valuation of derivatives

Derivatives are stated at fair value.

4. Method of depreciation or amortization of non-current assets

(1) Property, plant and equipment (except for leased assets) are depreciated by the declining-balance method.

However, buildings (except for facilities attached to buildings) acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated by the straight-line method.

(2) Intangible assets (except for leased assets) are amortized based on the straight-line method.

In addition, software for internal use is amortized by the straight-line method over their estimated useful lives (five years).

(3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

Depreciation of leased assets is computed by the straight-line method over the lease period deemed as useful lives with no residual value.

(4) Long-term prepaid expenses are amortized by the straight-line method.

5. Allowances and provisions

(1) Allowance for doubtful accounts

The Company provides for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivable balances. The Company reviews individual financial conditions for doubtful or troubled receivables and provides for losses on uncollectible amounts. In addition, a general reserve for other accounts receivable is provided based on historical loss experience for certain past periods.

(2) Provision for bonuses for directors (and other officers)

The Company provides for estimated payment of bonuses to directors.

(3) Provision for product warranties

The Company provides for estimated warranty costs based on the Company's prior experience and estimated costs to be incurred individually calculated for certain products.

(4) Provision for retirement benefits

The Company provides for estimated cost for future severance payments to employees based on the actuarial present value of retirement benefit obligations and pension plan assets.

(i) Method of attributing projected benefit obligation to periods

In calculating retirement benefit obligations, the projected benefit obligation attributed to the current fiscal year is determined using the benefit formula basis.

(ii) Calculation treatment for actuarial gains or losses and prior service costs

Actuarial gains or losses are amortized in the fiscal year following the fiscal year in which the gain or loss is recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employees.

Prior service costs are amortized when the prior service costs are recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employee.

6. Accounting standards for revenue and expense recognition

The Company manufactures and sells specially equipped vehicles such as digger derricks, aerial work platforms and skid-steer loaders, sells their parts, and provides after-sales services such as repairs. The Company also provides training in the operation of aerial work platforms, etc. The Company usually recognizes revenue from the sales of these products and the provision of these services when they are accepted by customers because customers obtain control of these products and services, and the performance obligations are satisfied when the products and services are accepted by customers. However, the Company recognizes revenue from the sole domestic sales of parts at their shipment by applying the alternative treatment as stipulated in Paragraph 98 of the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30) when the period between the shipment and the transfer of control of these parts to customers falls under the usual period.

There are cases where long-term maintenance contracts are concluded with customers as an after-sales service business and customers receive benefits from the provision of these services as the performance obligations are satisfied. The Company recognizes revenue from these services over the contract periods because the performance obligations of these services are satisfied over time.

For parts supply transactions for fees relating to specially equipped vehicles for which manufacturing consignment agreements are received from customers, the Company recognizes revenue from the sales of these specially equipped vehicles at the amounts excluding the amounts of parts supplied for fees.

7. Hedge accounting

Deferred hedge accounting is applied.

Designated hedge accounting (“Furiate-shori”) is applied for foreign currency forward contracts that meet qualifications for designated hedge accounting.

8. Summary of Other Significant Accounting Policies

Retirement benefits

The accounting treatment for unrecognized actuarial differences for retirement benefits differ from that of the consolidated financial statements.

Significant Accounting Estimates

Provision for product warranties

(1) Amounts recognized in the non-consolidated financial statements as of March 31, 2026

(Thousands of yen)

As of March 31, 2025	As of March 31, 2026
125,071	116,706

(2) Information on the significant accounting estimates of the identified items

The provision for product warranties is categorized into a provision for free repairs carried out within the warranty period and a provision for free repairs to rectify defects in specific products.

For the provision for free repairs carried out within the warranty period, future product warranty expenses are estimated and recognized in a lump sum based on the actual ratio of warranty expenses incurred to sales.

For specific products subject to measures for rectifying defects, expected product warranty expenses are estimated and recognized individually based on the number of units to be rectified, the estimated cost of repair per unit, the percentage of the units that have actually been repaired, and the percentage of the liability shared with suppliers. If liabilities arise due to product defects that were not expected when the estimates were made for the provision, or if warranty expenses exceed the provision, it may become necessary to recognize additional provision for product warranties.

Meanwhile, if the actual warranty expenses turn out to be smaller than the provision, a reversal of the provision will be recognized.

Non-consolidated Balance Sheets

* Investments in capital of affiliates included in “Other” were as follows: (excluding those presented as separate lines)

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Short-term receivables	1,436,336	870,431
Short-term payables	295,552	241,675

Non-consolidated Statements of Income

*1 Transactions with subsidiaries and affiliates were as follows:

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	3,004,454	2,342,716
Goods purchased	3,585,127	2,226,324
Selling, general and administrative expenses	11,801	42,203
Non-operating transactions	400	212

*2 Major items of selling, general and administrative expenses, their amounts and approximate composition were as follows:

	(Thousands of yen)	
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Salaries, allowances and bonuses	2,116,775	2,059,844
Provision for bonuses for directors (and other officers)	22,216	29,038
Retirement benefit expenses	60,963	46,437
Depreciation	276,783	261,029
Packing and delivery expenses	657,241	690,297
Approximate composition		
Selling expenses	42%	42%
General and administrative expenses	58%	58%

*3 TOB related expenses

For the fiscal year ended March 31, 2025

The Company conducted a tender offer for treasury shares from March 21, 2025 to April 17, 2025 based on a resolution made at a board meeting held on March 19, 2025. TOB related expenses include advisory fees paid to securities companies and attorneys concerning the tender offer.

For the fiscal year ended March 31, 2026

The Company conducted a tender offer for treasury shares from March 21, 2025 to April 17, 2025 based on a resolution made at a board meeting held on March 19, 2025. TOB related expenses include advisory fees paid to securities companies and attorneys concerning the tender offer.

Deferred Tax Assets and Liabilities

1. The significant components of deferred tax assets and liabilities were as follows:

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets:		
Inventories	152,736	244,438
Accrued enterprise tax and business office tax	104,210	126,427
Provision for product warranties	38,096	36,599
Accrued bonuses	316,907	325,719
Provision for retirement benefits	365,916	303,149
Land	569,965	586,925
Investment securities	119,843	123,384
Other	370,451	375,817
Subtotal of deferred tax assets	2,038,128	2,122,461
Valuation allowance	(928,531)	(956,596)
Total deferred tax assets	1,109,596	1,165,864
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(1,147,396)	(1,618,677)
Other	(8,880)	(9,142)
Total deferred tax liabilities	(1,156,276)	(1,627,820)
Deferred tax liabilities (Net)	(46,680)	(461,955)

2. The significant components of deferred tax assets and liabilities in relation to revaluation reserve for land were as follows:

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets:		
Unrealized loss on land revaluation	923,260	950,540
Subtotal of deferred tax assets	923,260	950,540
Valuation allowance	(923,260)	(950,540)
Total deferred tax assets	-	-
Deferred tax liabilities:		
Unrealized gain on land revaluation	(616,302)	(634,512)
Total deferred tax liabilities	(616,302)	(634,512)
Deferred tax liabilities (Net)	(616,302)	(634,512)

3. The reconciliation between the effective statutory tax rate and the actual effective tax rate after applying tax effect accounting was as follows:

	As of March 31, 2025	As of March 31, 2026
Effective statutory tax rate	30.5%	—
Adjustments:		
Expenses not deductible for income tax purposes (e.g., entertainment expenses)	0.2%	—
Income not taxable for income tax purposes (e.g., dividend income)	(0.1%)	—
Corporate inhabitant tax on per capita basis	0.4%	—
Withholding tax, etc. on dividends from foreign affiliates	0.4%	—
Other	(3.8%)	—
Effective tax rate after applying tax effect accounting	27.5%	—

(Note) The description on the reconciliation of the significant difference between the effective statutory tax rate and the actual effective tax rate after applying tax effect accounting is omitted, as the difference was five percent or less of the effective statutory tax rate as of March 31, 2026

Revenue Recognition

The description on the useful information in understanding revenue arising from contracts with customers is omitted as it is stated in “Notes to the Consolidated Financial Statements, Revenue Recognition.”

(iv) Annexed Consolidated Detailed Schedules**Annexed Non-consolidated Detailed Schedule of Property, Plant and Equipment, etc.**

(Thousands of yen)

Category	Type of assets	Balance at beginning of period	Increase during period	Decrease during period	Amortization for the period	Balance at end of period	Accumulated depreciation
Property, plant and equipment	Buildings	5,592,468	4,025,523	111	443,268	9,174,611	11,398,767
	Structures	398,285	353,718	0	75,683	676,320	2,483,578
	Machinery and equipment	1,292,293	1,254,099	5,302	442,329	2,098,760	8,764,949
	Vehicles	22,112	43,719	0	21,301	44,530	113,186
	Tools, furniture and fixtures	147,716	381,703	0	149,228	380,191	2,706,659
	Land	9,648,734 [(1,007,741)]	—	381 (381)	—	9,648,352 [(1,007,741)]	—
	Construction in progress	1,519,142	6,821,712	5,515,445	—	2,825,408	—
	Other	196,435	41,589	—	51,969	186,054	420,033
	Subtotal	18,817,187	12,922,065	5,521,241 (381)	1,183,782	25,034,229	25,887,174
Intangible assets	Right to use water facilities	564	—	—	94	470	—
	Software	242,521	133,860	46,360	79,075	250,945	—
	Other	10,462	—	—	7,036	3,426	—
	Subtotal	253,547	133,860	46,360	86,205	254,841	—

- (Notes)
- The figure shown in parentheses for decrease during period of land represents the amount of impairment loss recorded.
 - The figures shown in square brackets for balance at beginning of period and balance at end of period of land represent differences from the book value before the revaluation of land for business use performed pursuant to the “Act on Revaluation of Land” (Act No. 34, promulgated on March 31, 1998)
 - The increases in assets due to the completion of the Takasaki Factory include ¥4,009,108 thousand for buildings and ¥1,068,045 thousand for machinery and equipment.
 - The main increases in construction in progress include ¥4,007,524 thousand for the Takasaki Factory and ¥2,797,956 thousand for the painting equipment at the Isesaki Factory.
 - The main decreases in construction in progress include ¥5,509,801 thousand due to the completion of the Takasaki Factory.

Annexed Non-consolidated Detailed Schedule of Provisions

(Thousands of yen)

Category	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period
Allowance for doubtful accounts	5,107	16	117	5,006
Provision for bonuses for directors (and other officers)	26,000	29,038	29,038	26,000
Provision for product warranties	125,071	32,631	40,996	116,706

(2) Components of Major Assets and Liabilities

This information is omitted because the Group has prepared the consolidated financial statements.

(3) Other

There are no applicable items.