



May 25, 2026

Q&A for the Financial Results Briefing for the Fiscal Year Ended March 31, 2026

Answered by:

Yasumasa Kawana, Director; Senior Managing Executive Officer in charge of administration

Q1:

Over the past several years, you have successfully enhanced corporate value through your sincere and sustained engagement with the stock market, achieving a market capitalization of 120 billion yen and a PBR of 2.0 as of the earnings presentation. However, with respect to your acquisition of shares in TOKYO SANGYO CO., LTD. in April last year, which made you its largest shareholder, there appears to have been limited progress since then. I am concerned that this situation could undermine the positive momentum you have built.

To further enhance corporate value, I believe you should take a more proactive approach toward TOKYO SANGYO CO., LTD. Could you please share your current thinking on this matter?

Also, how does TOKYO SANGYO CO., LTD. view this situation?

A1:

(Kawana)

We currently conduct more than 150 IR meetings per year, and we have received a number of similar questions and critical feedback regarding our explanations from many shareholders and investors.

Since the Tokyo Stock Exchange made a proposal regarding the “Management That is Conscious of Cost of Capital and Stock Price” in 2023, we have implemented a variety of measures, which led us to achieving an increase of market capitalization from 20 billion yen to 120 billion yen. Furthermore, under our next Medium-Term Management Plan, we are targeting a market capitalization of 200 billion yen by the final year, 2030.

Accordingly, we have requested management-level discussions with TOKYO SANGYO CO., LTD. regarding sustainable growth and the enhancement of corporate value, and we have decided to start such discussions.

Also, the Revised Corporate Governance Code emphasizes “Constructive Dialogue with Shareholders to Enhance Corporate Value” and as the largest shareholder of TOKYO SANGYO CO., LTD., we will continue to seek enhancement of corporate value.

These discussions are extremely important for both companies in fulfilling their responsibilities to shareholders. We are committed to proceeding with these discussions in a careful and thorough manner, and will provide updates and disclosures regarding their status as appropriate.

While the views of both companies may not be fully aligned, we aim to move forward through prompt discussions that lead to tangible outcomes, rather than at the slower pace seen to date.



Answered by:

Noriyuki Takahashi, Director and Managing Executive Officer

Q2:

What are the factors behind the forecast of increased net sales but decreased profit in the Energy Business and Product Business for this fiscal year?

A2:

(Takahashi)

We are targeting net sales and profit growth in each segment, but we also understand that our segment profit forecasts may give a conservative impression.

We are not currently experiencing any decline in orders, but we have taken into account the possibility that customers may hold back investment due to the current situation in the Middle East.

Answered by:

Noriyuki Takahashi, Director and Managing Executive Officer

Q3:

What is your view on the business environment for the thermal power generation and nuclear power generation businesses in the Energy Business, as well as the outlook for the main subsidiaries in the Product Business?

A3:

(Takahashi)

In the Energy Business, supported by increasing electricity demand related to data centers and semiconductors, we expect to achieve steady performance, driven by large-scale reinforcement projects for aging thermal and nuclear power generation equipment.

In the Product Business, Tsurumi (Europe) GmbH, our main subsidiary, expects demand from public works projects for submersible pumps to remain broadly stable.

For Nippon Daiya Valve Co., Ltd., while performance was strong in the previous fiscal year, growth has temporarily leveled off due to limitations in manufacturing and storage capacity.

Adjacent land has been acquired during this fiscal year, and the expanded production capacity is expected to be established from the next fiscal year onward.

Cautionary Note: Forward Looking Statements:

All forward-looking statements contained herein are based on information available to SEIKA CORPORATION as of the date hereof and actual results may differ materially from those in the forward-looking statements due to unforeseeable factors or uncertainties.