

Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2026 Q&A

(Respondent)

Akihiko Sakurai

Representative Director, President and CEO

<Question 1>

Are you planning any initiatives in areas you'd like to enhance or involving nonorganic businesses in the runup to the final fiscal year of the Long-Term Management Vision?

<Answer 1>

(Sakurai)

We do plan to invest in organic and nonorganic businesses as a growth strategy under the Long-Term Management Vision, but we don't differentiate between the two. We're considering, as investment targets, various domains related to our businesses, centered on the machinery business. We plan to invest actively, using financing and our sound financial standing, in areas we believe will contribute to growth.

(Respondent)

Akihiko Sakurai

Representative Director, President and CEO

<Question 2>

Can you tell us about the projected earnings for Asahi Sunac Corporation in FY2030 in light of the operating profit target of 12.0 billion yen set in the Long-Term Management Vision?

<Answer 2>

(Sakurai)

We plan to make Asahi Sunac Corporation a wholly-owned subsidiary as an initiative involving nonorganic businesses under the Long-Term Management Vision. Additionally, we plan to complete the transfer of shares on December 1. The business performance of Asahi Sunac Corporation remains steady, with stable operating profits of 1.5-1.7 billion yen. We already operate joint ventures with Asahi Sunac Corporation in Thailand and Germany, and with this move we will target further growth by applying management resources to enhance operating synergies. Looking toward FY2030, we will carefully review and share our targets while also exploring practical initiatives with the involvement of the marketing sections as well.

(Respondent)

Akihiko Sakurai

Representative Director, President and CEO

<Question 3>

Roughly when do you expect to make a decision on policies for cooperative efforts with Tokyo Sangyo Co., Ltd.? How will the cooperation benefit you?

<Answer 3>

(Sakurai)

We understand that the business model for Tokyo Sangyo, which is based mainly on the sales agency business for Mitsubishi Heavy Industries, is similar to ours, but we haven't fully ascertained the details of its businesses. We expect to benefit in various ways, such as enhancements in the competitiveness of product lines, cross-selling, improved efficiency in overlapping back-office sections, and later, enhancements in human capital.

We have only just begun discussing the potential for partnerships and cooperative efforts, and we believe it will be important to proceed based on repeated and thorough discussions. We would like to proceed with prudent discussions as efficiently as possible, while keeping in mind the final year of the Long-Term Management Vision in FY2030.

(Respondents)

Akihiko Sakurai

Representative Director, President and CEO

Yasumasa Kawana

Director and Senior Managing Executive Officer in Charge of Planning

<Question 4>

You chose not to revise your full-year forecasts upward, but since the Industrial Machinery Business has cleared its targets for the first half, and, given the performance of Asahi Sunac Corporation, which you plan to make a wholly-owned subsidiary in December, it looks like there's room to revise the targets upward. What are your thoughts?

<Answer 4>

(Kawana)

The Industrial Machinery Business is performing well. We are currently studying figures for the second half, including a potential large-scale increase.

We will also review certain aspects of Asahi Sunac Corporation when the transfer of shares is complete on December 1. While I cannot discuss the specifics at this time, we plan to announce them promptly after they have been finalized.



(Sakurai)

Our business results tend to be weighted toward the second half, and going forward we're seeking to increase the precision of performance forecasts.

While full-year forecasts remain unchanged as of the first half, we will carefully review the forecasts while maintaining high expectations for the second half.

(Respondent)

Akihiko Sakurai

Representative Director, President and CEO

<Question 5>

It appears likely that you will reach the Medium-Term Management Plan's final operating profit target of 7.0 billion yen this year. Will you revise the final target figures for the Medium-Term Management Plan during this period if you expect to reach the target early?

<Answer 5>

(Sakurai)

While I cannot answer your question at this time, if we do make any revisions, we will provide this information as soon as disclosure conditions allow.

End

Cautionary Note: Forward-Looking Statements:

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