August 5, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: TEIKOKU SEN-I CO.,Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3302
URL: https://www.teisen.co.jp/
Representative: Tsuyoshi Shiraiwa, Chairman & CEO
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Scheduled date to file semi-annual securities report: August 6, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	24,185	30.5	4,074	53.4	4,795	45.0	3,331	42.5
June 30, 2025	18,539	3.7	2,656	24.9	3,308	23.1	2,338	23.1

Note: Comprehensive income For the six months ended June 30, 2026: ¥3,152 million [4.8%]
For the six months ended June 30, 2025: ¥3,008 million [31.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	130.02	129.29
June 30, 2025	90.51	89.98

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	91,633	74,144	80.7	2,887.19
December 31, 2025	91,343	72,388	79.1	2,821.33

Reference: Equity
As of June 30, 2026: ¥73,986 million
As of December 31, 2025: ¥72,229 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	55.00	55.00
Fiscal year ending December 31, 2026	-	0.00			
Fiscal year ending December 31, 2026 (Forecast)				65.00	65.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2026	36,000	7.0	4,300	6.0	5,500	3.6	3,800	1.5	148.43

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	27,584,400 shares
As of December 31, 2025	27,584,400 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	1,958,827 shares
As of December 31, 2025	1,983,052 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2026	25,622,629 shares
Six months ended June 30, 2025	25,836,473 shares

* The Company has introduced a performance-linked stock-based compensation plan, and the Company's shares remaining in the Stock Benefit Trust are included in the number of treasury shares deducted for the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)
The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For matters related to earnings forecasts, please refer to "1. Qualitative Information on the Interim Financial Results (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	12,823,287	24,054,309
Notes and accounts receivable - trade, and contract assets	8,463,641	4,472,130
Securities	4,998,770	1,497,991
Merchandise and finished goods	9,026,725	6,474,021
Work in process	1,918,006	1,793,258
Raw materials and supplies	772,161	918,152
Other	3,041,910	2,310,328
Total current assets	41,044,503	41,520,192
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,590,980	6,383,667
Machinery, equipment and vehicles, net	758,064	660,946
Tools, furniture and fixtures, net	347,041	344,555
Land	3,990,155	3,990,155
Construction in progress	258,414	523,755
Total property, plant and equipment	11,944,656	11,903,080
Intangible assets	59,039	61,324
Investments and other assets		
Investment securities	37,104,602	36,893,794
Retirement benefit asset	122,090	101,594
Deferred tax assets	149,323	197,664
Other	919,672	955,376
Total investments and other assets	38,295,689	38,148,430
Total non-current assets	50,299,385	50,112,834
Total assets	91,343,888	91,633,026

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	3,905,138	1,661,202
Current portion of long-term borrowings	44,000	34,000
Income taxes payable	821,034	1,563,706
Other	1,715,001	1,974,362
Total current liabilities	6,485,174	5,233,271
Non-current liabilities		
Long-term borrowings	12,000	-
Long-term guarantee deposits	341,944	311,512
Deferred tax liabilities	10,668,814	10,489,000
Retirement benefit liability	137,385	144,509
Provision for share awards for directors (and other officers)	832,699	832,699
Asset retirement obligations	76,483	76,486
Long-term accounts payable - other	78,650	78,650
Other	322,137	322,137
Total non-current liabilities	12,470,115	12,254,996
Total liabilities	18,955,289	17,488,267
Net assets		
Shareholders' equity		
Share capital	1,689,882	1,689,882
Capital surplus	1,100,156	1,100,156
Retained earnings	48,411,105	50,303,589
Treasury shares	(2,589,034)	(2,546,685)
Total shareholders' equity	48,612,110	50,546,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,381,428	23,236,523
Deferred gains or losses on hedges	236,303	202,535
Total accumulated other comprehensive income	23,617,732	23,439,059
Share acquisition rights	158,756	158,756
Total net assets	72,388,598	74,144,758
Total liabilities and net assets	91,343,888	91,633,026

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	18,539,137	24,185,387
Cost of sales	13,424,573	17,434,636
Gross profit	5,114,563	6,750,750
Selling, general and administrative expenses	2,457,809	2,676,085
Operating profit	2,656,754	4,074,665
Non-operating income		
Interest income	10,484	15,643
Dividend income	605,136	713,932
Share of profit of entities accounted for using equity method	-	735
Other	40,671	10,437
Total non-operating income	656,293	740,749
Non-operating expenses		
Interest expenses	2,057	2,189
Share of loss of entities accounted for using equity method	775	-
Foreign exchange losses	-	1,529
Commission expenses	1,351	-
Settlement money paid	-	15,000
Other	279	848
Total non-operating expenses	4,464	19,567
Ordinary profit	3,308,583	4,795,847
Extraordinary income		
Gain on sale of non-current assets	-	143
Total extraordinary income	-	143
Extraordinary losses		
Loss on disposal of non-current assets	-	1,009
Loss on disposal of membership	172	-
Total extraordinary losses	172	1,009
Profit before income taxes	3,308,410	4,794,981
Income taxes - current	1,048,933	1,610,120
Income taxes - deferred	(78,874)	(146,612)
Total income taxes	970,059	1,463,507
Profit	2,338,351	3,331,473
Profit attributable to owners of parent	2,338,351	3,331,473

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	2,338,351	3,331,473
Other comprehensive income		
Valuation difference on available-for-sale securities	630,015	(144,904)
Deferred gains or losses on hedges	40,561	(33,767)
Total other comprehensive income	670,577	(178,672)
Comprehensive income	3,008,928	3,152,801
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,008,928	3,152,801

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,308,410	4,794,981
Depreciation	361,241	360,428
Interest and dividend income	(615,621)	(729,575)
Interest expenses	2,057	2,189
Settlement money paid	-	15,000
Share of loss (profit) of entities accounted for using equity method	775	(735)
Decrease (increase) in retirement benefit asset	17,962	20,495
Increase (decrease) in retirement benefit liability	(3,438)	7,124
Loss (gain) on disposal of non-current assets	-	865
Decrease (increase) in trade receivables	5,239,015	4,027,085
Decrease (increase) in inventories	960,699	2,484,350
Increase (decrease) in trade payables	(2,085,878)	(1,610,472)
Increase (decrease) in guarantee deposits received	(30,376)	(74,392)
Decrease (increase) in other current assets	294,762	51,300
Increase (decrease) in other current liabilities	125,900	359,247
Other, net	(377,326)	(684)
Subtotal	7,198,184	9,707,207
Interest and dividends received	613,377	727,435
Interest paid	(2,246)	(2,354)
Income taxes paid	(905,215)	(881,468)
Settlement paid	-	(15,000)
Net cash provided by (used in) operating activities	6,904,101	9,535,820
Cash flows from investing activities		
Payments into time deposits	(950,300)	(950,300)
Proceeds from withdrawal of time deposits	950,300	950,300
Purchase of securities	(4,997,499)	(1,496,005)
Proceeds from redemption of securities	5,000,000	5,000,000
Purchase of property, plant and equipment	(307,683)	(308,825)
Proceeds from sale of property, plant and equipment	-	542
Payments for retirement of property, plant and equipment	-	(795)
Purchase of intangible assets	(9,562)	(8,033)
Purchase of long-term prepaid expenses	(1,440)	(70,621)
Subsidies received	-	47,341
Other, net	1,900	-
Net cash provided by (used in) investing activities	(314,283)	3,163,603
Cash flows from financing activities		
Proceeds from short-term borrowings	360,000	360,000
Repayments of short-term borrowings	(360,000)	(360,000)
Repayments of long-term borrowings	(22,000)	(22,000)
Repayments of lease liabilities	(12,905)	(12,905)
Proceeds from issuance of shares	60	-
Purchase of treasury shares	(1,175,743)	-
Dividends paid	(1,322,472)	(1,433,497)
Net cash provided by (used in) financing activities	(2,533,060)	(1,468,402)
Net increase (decrease) in cash and cash equivalents	4,056,756	11,231,021
Cash and cash equivalents at beginning of period	12,743,587	11,872,987
Cash and cash equivalents at end of period	16,800,343	23,104,008

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (January 1, 2025 to June 30, 2025)

Information on sales and the amount of profit or loss for each reported segment, as well as revenue breakdown information

(Thousands of yen)

	Disaster prevention and preparedness/security	Textile	Real Estate	Total	Adjustment amount (Note 1)	Interim Consolidated Statements of Income (Note 2)
Sales						
Government	7,783,166	-	-	7,783,166	-	7,783,166
other	9,662,845	824,677	-	10,487,522	-	10,487,522
Revenue generated from customer contracts	17,446,011	824,677	-	18,270,688	-	18,270,688
Other Earnings	-	-	268,449	268,449	-	268,449
Revenues from external customers	17,446,011	824,677	268,449	18,539,137	-	18,539,137
Transactions with other segments	1,853	406,327	-	408,180	(408,180)	-
Total	17,447,864	1,231,004	268,449	18,947,318	(408,180)	18,539,137
Segment Profit	2,961,481	171,220	201,677	3,334,379	(677,625)	2,656,754

Note: 1. Segment profit adjustment of (677,625) thousand yen includes 41 thousand yen for the elimination of inter-segment transactions and (677,666) thousand yen for company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are primarily general and administrative expenses that are not attributable to the Reporting segment.

2. The sum of segment profit and adjustments are in line with operating income in the interim consolidated statements of income.

II. Interim Consolidated Accounting Period (January 1, 2026 to June 30, 2026)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Disaster prevention and preparedness/security	Textile	Real Estate	Total	Adjustment amount (Note 1)	Interim Consolidated Statements of Income (Note 2)
Sales						
Government	10,878,987	-	-	10,878,987	-	10,878,987
other	11,458,426	1,573,418	-	13,031,845	-	13,031,845
Revenue generated from customer contracts	22,337,414	1,573,418	-	23,910,833	-	23,910,833
Other Earnings	-	-	274,554	274,554	-	274,554
Revenues from external customers	22,337,414	1,573,418	274,554	24,185,387	-	24,185,387
Transactions with other segments	48,669	286,279	-	334,949	(334,949)	-
Total	22,386,084	1,859,698	274,554	24,520,337	(334,949)	24,185,387
Segment Profit	4,151,767	445,314	203,612	4,800,694	(726,029)	4,074,665

Note: 1. Segment profit adjustment of (726,029) thousand yen includes (1,245) thousand yen for inter-segment transactions and (724,783) thousand yen for company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are primarily general and administrative expenses that are not attributable to the Reporting segment.

2. The sum of segment profit and adjustments are in line with operating income in the interim consolidated statements of income.

2. Changes to Reporting Segments, etc.

In light of the launch of the new medium-term management plan "Teisen 2028" in fiscal 2026 and the recent review of the organizational structure, in order to appropriately allocate management resources and manage performance from the perspective of a management approach, and to more accurately represent the actual state of business activities, some of the products for disaster prevention applications in the textile business will be designated as "disaster prevention and security" from the interim consolidated accounting period under review. In addition to reviewing the business classification, we are also reviewing the method of allocating some common expenses.

With the expansion of the security business in recent years, the name of "Disaster Prevention" has been changed to "Disaster Prevention and Security".

As a result of this change, segment information for the previous interim consolidated accounting period is described as prepared according to the classification method after the change.