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October 10, 2025

Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Under Japanese GAAP)

Company name: Watts Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2735
 URL: <https://www.watts-jp.com>
 Representative: Fumio Hiraoka, President, CEO and Executive Officer
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 Director, Managing Executive Officer and Head of Corporate Planning Office
 Telephone: +81-6-4792-3280
 Scheduled date of annual general meeting of shareholders: November 26, 2025
 Scheduled date to commence dividend payments: November 27, 2025
 Scheduled date to file annual securities report: November 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated financial results for the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Sales | | Operating profit | | Recurring profit | | Net income attributable to owners of parent | |
|-------------------|-----------------|-----|------------------|-------|------------------|------|---|-------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| August 31, 2025 | 61,578 | 0.5 | 1,419 | 13.8 | 1,429 | 16.4 | 870 | -3.7 |
| August 31, 2024 | 61,257 | 3.3 | 1,246 | 100.5 | 1,228 | 89.4 | 904 | 260.8 |

Note: Comprehensive income For the fiscal year ended August 31, 2025: ¥866 million [-6.7%]
 For the fiscal year ended August 31, 2024: ¥928 million [215.3%]

| | Net income per share | Diluted net income per share | Return on equity | Ratio of recurring profit to total assets | Ratio of operating profit to sales |
|-------------------|----------------------|------------------------------|------------------|---|------------------------------------|
| Fiscal year ended | Yen | Yen | % | % | % |
| August 31, 2025 | 66.00 | - | 6.8 | 4.9 | 2.3 |
| August 31, 2024 | 68.45 | - | 7.4 | 4.4 | 2.0 |

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended August 31, 2025: ¥-1 million
 For the fiscal year ended August 31, 2024: ¥7 million

(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 |
| August 31, 2025 | 27,510 | 13,029 | 47.3 | 983.37 |
| August 31, 2024 | 30,280 | 12,517 | 41.3 | 949.80 |

Reference: Equity
 As of August 31, 2025: ¥13,012 million
 As of August 31, 2024: ¥12,500 million

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|---|---|---|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| August 31, 2025 | -1,768 | -1,079 | -351 | 6,187 |
| August 31, 2024 | 4,043 | -538 | 233 | 9,380 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---|----------------------------|-----------------------|----------------------|--------------------|-------|------------------------------------|--------------------------------|--|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended August 31, 2024 | - | 0.00 | - | 20.00 | 20.00 | 263 | 29.2 | 2.2 |
| Fiscal year ended August 31, 2025 | - | 10.50 | - | 12.50 | 23.00 | 303 | 34.8 | 2.4 |
| Fiscal year ending August 31, 2026 (Forecast) | - | 7.50 | - | 12.50 | 20.00 | | 29.4 | |

(Note)

Breakdown of year-end dividend for the fiscal year ended August 31, 2024

Ordinary dividend: 15.00 yen, Special dividend: 5.00 yen

Breakdown of second quarter-end dividend for the fiscal year ending August 31, 2025

Ordinary dividend: 7.50 yen, Commemorative dividend: 3.00 yen

Breakdown of year-end dividend for the fiscal year ended August 31, 2025

Ordinary dividend: 7.50 yen, Special dividend: 5.00 yen

Breakdown of year-end dividend for the fiscal year ending August 31, 2026 (forecast)

Ordinary dividend: 7.50 yen, Special dividend: 5.00 yen

The year-end dividend for the fiscal year ending August 31, 2025 has been revised from 7.50 yen to 12.50 yen.

For details, please refer to the “Notice Regarding Dividend of Surplus” announced today (October 10, 2025).

3. Forecast of consolidated financial results for the year ending August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Percentages indicate year-on-year changes.)

| | Sales | | Operating profit | | Recurring profit | | Net income attributable to owners of parent | | Net income per share |
|------------|-----------------|-----|------------------|------|------------------|-------|--|-------|-------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months | 31,000 | 1.8 | 750 | -8.6 | 750 | -13.4 | 450 | -16.2 | 34.01 |
| Full year | 63,000 | 2.3 | 1,500 | 5.7 | 1,500 | 5.0 | 900 | 3.4 | 68.01 |

*** Notes**

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

(2) 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

(3) Number of issued shares (common shares)

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

| | |
|-----------------------|-------------------|
| As of August 31, 2025 | 13,458,800 shares |
| As of August 31, 2024 | 13,458,800 shares |

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

| | |
|-----------------------|----------------|
| As of August 31, 2025 | 225,953 shares |
| As of August 31, 2024 | 297,853 shares |

(iii) Average number of shares outstanding during the period

| | |
|-----------------------------------|-------------------|
| Fiscal year ended August 31, 2025 | 13,191,269 shares |
| Fiscal year ended August 31, 2024 | 13,208,473 shares |

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.