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May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Mipox Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 5381
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 Scheduled date of annual general meeting of shareholders: June 23, 2026
 Scheduled date to commence dividend payments: June 24, 2026
 Scheduled date to file annual securities report: June 19, 2026
 Preparation of supplementary material on financial results: Yes
 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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	12,059	7.9	579	(38.5)	613	(28.2)	505	(44.5)
March 31, 2025	11,172	19.4	942	—	855	—	911	—

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥783 million [(20) %]
 For the fiscal year ended March 31, 2025: ¥979 million [— %]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	36.22	—	5.8	3.6	4.8
March 31, 2025	64.04	—	11.4	5.4	8.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ —
 For the fiscal year ended March 31, 2025: ¥ —

(2) Consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	18,069	8,946	49.5	642.18
March 31, 2025	15,931	8,463	53.1	594.38

Reference: Equity As of March 31, 2026: ¥8,946 million
 As of March 31, 2025: ¥8,463 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	322	(533)	876	3,079
March 31, 2025	1,596	(695)	(1,056)	2,314

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			
Fiscal year ended March 31, 2025	Yen —	Yen 0.00	Yen —	Yen 10.00	Yen 10.00	Millions of yen 144	% 15.6	% 1.8
Fiscal year ended March 31, 2026	—	0.00	—	10.00	10.00	140	27.6	1.6
Fiscal year ending March 31, 2027 (Forecast)	—	0.00	—	10.00	10.00		19.9	

3. Consolidated financial results forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Full year	13,000	7.8	900	55.3	900	46.6	700	38.4	50.14

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included:	1	(Company name: Ujike Corporation)	
Excluded:	—	(Company name:	—)

(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 March 31, 2026	14,451,920 shares
As of March 31, 2025	14,451,920 shares

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

As of March 31, 2026	520,102 shares
As of March 31, 2025	212,852 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	13,960,314 shares
Fiscal year ended March 31, 2025	14,239,126 shares

Note: The number of treasury shares includes 183,300 shares held in the trust account for the fiscal year ended March 31, 2025 and 94,710 shares for the fiscal year ended March 31, 2026.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	10,334	5.3	(23)	—	318	(57.7)	219	(74.3)
March 31, 2025	9,811	21.6	489	—	751	—	852	—
	Basic earnings per share		Diluted earnings per share					
		Yen		Yen				
Fiscal year ended March 31, 2026		15.69		—				
March 31, 2025		59.89		—				

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	16,143	7,446	46.1	534.52
March 31, 2025	14,777	7,527	50.9	528.68

Reference: Equity As of March 31, 2026: ¥7,446 million

As of March 31, 2025: ¥7,527 million

* 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, including earnings forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. Actual results may vary significantly due to various factors.

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1. Information on financial results

(1) Explanation of operating results

During the current consolidated fiscal year, the Japanese economy showed signs of gradual recovery due to an improved employment and income environment, and a pickup in consumer spending, capital investment, and exports, despite concerns about the continued impact of rising consumer prices on household finances. However, the outlook remains uncertain due to the U.S. trade policy, the continued stagnation of the Chinese economy, and impacts from developments in the Middle East.

Amid these challenges, our Group has remained committed to its mission of “Changing the World through Coating, Cutting, and Polishing.” Guided by our core management policies, we have focused on enhancing product business value through an engineering-driven approach, transitioning from an OEM business model to an engineering services business, and building a resilient management foundation capable of adapting to rapid changes and market diversity.

Although the Group’s business environment is affected by soaring raw material and energy costs, investment in general-purpose data centers, which had been restrained, showed a growth trend due to global investment in AI servers and was driven by the expansion of the optical fiber and hard disk markets for data centers. As a result, sales generally remained strong with a focus on high-tech related products. In addition to investments in human capital, including higher personnel expenses resulting from base salary increases and the recognition of J-ESOP-related costs, we undertook capital expenditures and investments and research and development, while also experiencing the impact of temporary increases in shipping costs.

As a result, the Group’s performance for the current consolidated fiscal year showed net sales of ¥12,059 million (up 7.9% year-on-year), an operating profit of ¥579 million (down 38.5% year-on-year), an ordinary profit of ¥613 million (down 28.2% year-on-year), and a net profit attributable to owners of parent of ¥505 million (down 44.5% year-on-year).

The performance by segment is as follows:

- **Product Business**

Net sales in the Product Business totaled ¥11,339 million (up 13.9% year-on-year), with a segment profit of ¥927 million (down 29.8% year-on-year). With regard to high-tech related products, the data network sector remained strong due to investments in AI and data centers, and sales of HDD-related and optical fiber-related products remained at high levels. Additionally, for general polishing related products, sales remained robust across all applications, driven by increased shipments to major customers and the ongoing shift away from competing products. Segment earnings also saw revenue growth but a decline in profit due to increased selling, general, and administrative expenses resulting from various investments throughout the fiscal year, as well as the burden of common fixed costs associated with the OEM Business.

- **OEM Business**

Net sales in the OEM Business totaled ¥720 million (down 40.8% year-on-year), with a segment loss of ¥348 million (compared to a ¥379 million loss in the previous fiscal year). Due to changes in market conditions, such as rising material costs, and shifts in customer trends, we struggled to secure new prototype production projects and saw a decline in mass-production orders, resulting in sluggish sales. Despite efforts to contain fixed costs, the segment continued to post a loss, leading to a decline in both revenue and profit.

(2) Explanation of financial position

(Assets)

As of the end of the fiscal year, total assets increased by ¥2,137 million compared to the previous fiscal year, amounting to ¥18,069 million. Key changes included an increase in cash and deposits of ¥777 million, an increase in trade accounts receivable of ¥360 million, an increase in inventories of ¥647 million, an increase in property, plant and equipment of ¥103 million, and an increase in investment securities of ¥114 million.

(Liabilities)

Total liabilities increased by ¥1,654 million from the previous fiscal year and rose to ¥9,122 million. Major contributing factors included an increase in notes and trade accounts payable of ¥44 million, an increase in short-term borrowings of ¥1,511 million, an increase in lease liabilities of ¥178 million, an increase in deferred tax liabilities of ¥110 million, and a decrease in the current portion of long-term borrowings of ¥173 million.

(Net assets)

Net assets increased by ¥483 million compared to the end of the previous fiscal year, totaling ¥8,946 million at the end of the fiscal year. The primary factors contributing to this increase were a net profit attributable to owners of parent of ¥505 million, an increase in foreign currency translation adjustments of ¥266 million, a decrease in retained earnings of ¥144 million due to dividends paid, and a decrease of ¥155 million due to an increase in treasury shares.

As a result, the equity ratio at the end of the fiscal year stood at 49.5%.

(3) Explanation of cash flows

At the end of the fiscal year, cash and cash equivalents increased by ¥764 million compared to the end of the previous fiscal year, totaling ¥3,079 million.

The status of cash flows for the fiscal year is as follows:

(Cash flows from operating activities)

Cash flows from operating activities increased by ¥322 million (compared to an increase of ¥1,596 million in the previous fiscal year). Key factors include a net profit before income taxes of ¥831 million, depreciation of ¥772 million, gain on negative goodwill of ¥218 million, a decrease of ¥203 million due to an increase in notes and trade accounts receivable, a decrease of ¥510 million due to an increase in inventories, a decrease of ¥115 million due to an increase in other accounts receivable, and ¥267 million in income taxes paid.

(Cash flows from investing activities)

Cash flows from investing activities decreased by ¥533 million (compared to a decrease of ¥695 million in the same period last year). The primary components include capital expenditures of ¥583 million for the purchase of property, plant and equipment and ¥103 million for acquiring investment securities, as well as proceeds of ¥130 million from the purchase of shares of subsidiaries resulting in a change in the scope of consolidation.

(Cash flows from financing activities)

Cash flows from financing activities increased by ¥876 million (compared to a decrease of ¥1,056 million in the previous fiscal year). Key changes include a net increase in short-term borrowings of ¥1,500 million, proceeds from long-term borrowings of ¥1,200 million, expenditures of ¥1,435 million for repayments of long-term borrowings, expenditures of ¥199 million for the purchase of treasury shares, and ¥143 million in dividends paid.

(4) Future outlook

While the semiconductor, hard disk, and optical fiber-related markets, which are our major customer markets, are expected to remain strong partly due to the spread of generative AI, the outlook remains very uncertain due to geopolitical risks, rising trade costs caused by U.S. trade policy, soaring resource prices due to developments in the Middle East, and exchange rate fluctuation risks. Prudence and flexible measures are required to prepare for major changes in the business environment.

Under such circumstances, we celebrated the 100th anniversary of our founding in November 2025. We will aim for further growth in both the Product Business and the OEM Business in order to further expand our coating, cutting, and polishing domain, which we have grown over the past century.

In particular, as growth investments in our Product Business, which is expected to see robust growth, we will proceed with automating and conserving labor resources in factories through manufacturing DX, capital expenditures on AI, diversify our sales channels through the use of e-commerce, and strengthen our investment in human capital for the future through human resource development. In addition, we will strengthen our M&A activities as part of our growth strategy and, in response to the fact that over 50% of our sales come from overseas, continue to manage foreign exchange risk through measures such as forward exchange contracts.

For the fiscal year ending March 31, 2027, we forecast net sales of ¥13,000 million, an operating profit of ¥900 million, an ordinary profit of ¥900 million, and a net profit attributable to owners of parent of ¥700 million.

Note: The sales and profit forecasts presented in this document are based on currently available information, including industry trends for each business segment within our Group, economic conditions in Japan and overseas, foreign exchange rate fluctuations, and other factors that may impact performance. Please be advised that the actual results may differ significantly from these forecasts.

2. Basic policies concerning selection of accounting standards

Our Group will continue to prepare consolidated financial statements in accordance with Japanese GAAP, ensuring consistency and comparability over time and across companies.

Regarding the adoption of IFRS, we will continue to monitor both domestic and international developments and will respond appropriately as necessary.

3. Consolidated financial statements and key notes

(1) Consolidated balance sheet

(Unit: thousands of yen)

	Previous consolidated fiscal year (as of March 31, 2025)	Current consolidated fiscal year (as of March 31, 2026)
Assets		
Current assets		
Cash and deposits	2,407,687	3,184,795
Notes receivable – trade	82,897	20,667
Accounts receivable – trade	2,139,920	2,500,271
Electronically recorded monetary claims operating	471,023	513,852
Merchandise and finished goods	763,854	902,746
Work in process	1,506,643	1,770,996
Raw materials and supplies	653,623	897,909
Other	439,863	597,612
Allowance for doubtful accounts	(77)	(76)
Total current assets	8,465,435	10,388,775
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,330,971	7,579,473
Machinery, equipment and vehicles	4,499,629	5,190,688
Tools, furniture and fixtures	636,849	705,925
Land	2,091,662	2,109,392
Leased assets	761,326	994,794
Construction in progress	224,282	142,626
Accumulated depreciation	(8,807,369)	(9,881,992)
Total property, plant and equipment	6,737,353	6,840,908
Intangible assets		
Goodwill	40,320	27,952
Software	49,327	50,456
Telephone subscription right	377	869
Total intangible assets	90,026	79,278
Investments and other assets		
Investment securities	162,560	277,336
Shares of subsidiaries and associates	41,367	38,102
Retirement benefit assets	279,937	314,077
Deferred tax assets	35,581	11,410
Other	119,023	119,358
Total investments and other assets	638,468	760,285
Total non-current assets	7,465,848	7,680,472
Total assets	15,931,284	18,069,247

(Unit: thousands of yen)

	Previous consolidated fiscal year (as of March 31, 2025)	Current consolidated fiscal year (as of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	945,551	990,171
Short-term borrowings	2,067,440	3,579,260
Current portion of long-term borrowings	1,296,189	1,122,621
Lease liabilities	31,117	69,300
Accounts payable - other	501,568	509,846
Income taxes payable	180,539	90,801
Advances received	5,024	2,703
Provision for bonuses	275,501	274,662
Provision for loss on liquidation of subsidiaries and associates	2,660	2,944
Other	133,283	161,251
Total current liabilities	5,438,877	6,803,562
Non-current liabilities		
Long-term borrowings	1,857,002	1,874,454
Lease liabilities	88,044	228,806
Deferred tax liabilities	14,412	125,046
Retirement benefit liabilities	7,154	26,228
Asset retirement obligations	52,597	53,384
Other	9,762	10,979
Total non-current liabilities	2,028,972	2,318,900
Total liabilities	7,467,850	9,122,462
Net assets		
Shareholders' equity		
Share capital	3,379,569	3,379,569
Capital surplus	2,927,441	2,927,441
Retained earnings	1,897,318	2,258,742
Treasury shares	(106,014)	(261,981)
Total shareholders' equity	8,098,314	8,303,772
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	1,049
Foreign currency translation adjustment	369,450	635,851
Cumulative retirement benefit adjustment	(4,330)	6,111
Total accumulated other comprehensive income	365,119	643,012
Total net assets	8,463,434	8,946,784
Total liabilities and net assets	15,931,284	18,069,247

(2) Consolidated income statements and comprehensive income

(Unit: thousands of yen)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Net sales	11,172,060	12,059,379
Cost of sales	6,802,400	7,378,480
Gross profit	4,369,659	4,680,898
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	156,736	143,427
Salaries and bonuses	1,087,200	1,266,757
Provision for bonuses	132,744	134,901
Retirement benefit expenses	43,350	44,124
Packing and transportation costs	273,268	402,076
Depreciation	122,479	163,323
Research and development expenses	158,799	212,310
Other	1,452,850	1,734,570
Total selling, general and administrative expenses	3,427,431	4,101,491
Operating profit	942,227	579,407
Non-operating income		
Interest income	39,653	26,956
Dividend income	360	463
Rental income	181,279	112,210
Foreign exchange gains	—	30,133
Other	5,265	23,541
Total non-operating income	226,558	193,305
Non-operating expenses		
Interest expenses	71,526	91,616
Commission expenses	75,798	4,512
Rental expenses	68,247	57,585
Foreign exchange losses	97,140	—
Guarantee commission	30	—
Other	642	5,127
Total non-operating expenses	313,384	158,842
Ordinary income	855,401	613,870

(Unit: thousands of yen)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Extraordinary income		
Gain on sales of non-current assets	3,380	7,929
Gain on step acquisitions	—	2,596
Gain on negative goodwill	—	218,067
Total extraordinary income	3,380	228,594
Extraordinary losses		
Loss on sale of non-current assets	—	2,868
Loss on retirement of non-current assets	669	8,468
Total extraordinary losses	669	11,336
Profit before income taxes	858,111	831,128
Income taxes – current	227,935	210,795
Income taxes – deferred	(281,701)	114,685
Total income taxes	(53,766)	325,480
Profit	911,878	505,647
Profit attributable to		
Profit attributable to owners of parent	911,878	505,647
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	—	1,049
Foreign currency translation adjustment	71,944	266,401
Retirement benefit adjustment	(4,330)	10,441
Total other comprehensive income	67,613	277,892
Comprehensive income	979,491	783,540
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	979,491	783,540
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,379,569	2,925,782	985,440	(104,280)	7,186,512
Changes during period					
Profit attributable to owners of parent			911,878		911,878
Purchase of treasury shares				(82,475)	(82,475)
Disposal of treasury shares		1,659		80,740	82,400
Net changes in items other than shareholders' equity					
Total changes during period	—	1,659	911,878	(1,734)	911,802
Balance at end of period	3,379,569	2,927,441	1,897,318	(106,014)	8,098,314

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Retirement benefit adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	297,505	—	297,505	7,484,017
Changes during period				
Profit attributable to owners of parent				911,878
Purchase of treasury shares				(82,475)
Disposal of treasury shares				82,400
Net changes in items other than shareholders' equity	71,944	(4,330)	67,613	67,613
Total changes during period	71,944	(4,330)	67,613	979,416
Balance at end of period	369,450	(4,330)	365,119	8,463,434

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,379,569	2,927,441	1,897,318	(106,014)	8,098,314
Changes during period					
Dividends of surplus			(144,223)		(144,223)
Profit attributable to owners of parent			505,647		505,647
Purchase of treasury shares				(199,989)	(199,989)
Disposal of treasury shares				44,023	44,023
Net changes in items other than shareholders' equity					
Total changes during period	—	—	361,423	(155,966)	205,457
Balance at end of period	3,379,569	2,927,441	2,258,742	(261,981)	8,303,772

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Retirement benefit adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	—	369,450	(4,330)	365,119	8,463,434
Changes during period					
Dividends of surplus					(144,223)
Profit attributable to owners of parent					505,647
Purchase of treasury shares					(199,989)
Disposal of treasury shares					44,023
Net changes in items other than shareholders' equity	1,049	266,401	10,441	277,892	277,892
Total changes during period	1,049	266,401	10,441	277,892	483,350
Balance at end of period	1,049	635,851	6,111	643,012	8,946,784

(4) Consolidated statement of cash flows

(Unit: thousands of yen)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	858,111	831,128
Depreciation	634,111	772,977
Amortization of goodwill	12,368	12,368
Increase (decrease) in provision for bonuses	150,744	(5,579)
Decrease (increase) in retirement benefit assets	(9,988)	(19,009)
Increase (decrease) in retirement benefit liabilities	(10,382)	855
Interest and dividend income	(40,013)	(27,420)
Rental income	(181,279)	(112,210)
Interest expenses	71,526	91,616
Commission expenses	75,798	4,512
Loss (gain) on sale of non-current assets	(3,380)	(5,061)
Loss on retirement of non-current assets	669	8,468
Gain on negative goodwill	—	(218,067)
Loss (gain) on step acquisitions	—	(2,596)
Decrease (increase) in notes and accounts receivable - trade	384,009	(203,919)
Decrease (increase) in inventories	(230,615)	(510,842)
Decrease (increase) in accounts receivable - other	(18,333)	(115,243)
Increase (decrease) in notes and accounts payable - trade	262,267	(36,371)
Increase (decrease) in accounts payable - other	(266,327)	6,901
Increase (decrease) in advances received	(43,570)	(2,503)
Other, net	16,740	63,230
Subtotal	1,662,456	533,231
Interest and dividends received	40,013	27,420
Proceeds from rental income	165,314	121,527
Interest expense paid	(72,534)	(87,346)
Commission expenses paid	(75,798)	(4,512)
Income taxes paid	(123,013)	(267,789)
Net cash provided by operating activities	1,596,438	322,530

(Unit: thousands of yen)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Payments into time deposits	(36,381)	(4,051)
Proceeds from withdrawals of time deposits	140,000	36,927
Purchase of property, plant and equipment	(681,323)	(583,688)
Proceeds from sale of property, plant and equipment	3,360	14,903
Purchase of intangible assets	(13,641)	(22,096)
Purchase of investment securities	(107,560)	(103,833)
Purchase of shares of subsidiaries and associates	(3,265)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	130,610
Other, net	3,219	(2,337)
Net cash provided by (used in) investing activities	(695,591)	(533,566)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	414,000	1,500,000
Proceeds from long-term borrowings	—	1,200,000
Repayments of long-term borrowings	(1,379,728)	(1,435,154)
Redemption of bonds	(15,000)	—
Purchase of treasury shares	(75)	(199,989)
Repayments of lease liabilities	(75,245)	(44,364)
Dividends paid	(439)	(143,635)
Net cash provided by (used in) financing activities	(1,056,489)	876,856
Effect of exchange rate change on cash and cash equivalents	(23,818)	99,105
Net increase (decrease) in cash and cash equivalents	(179,460)	764,925
Cash and cash equivalents at beginning of period	2,494,032	2,314,571
Cash and cash equivalents at end of period	2,314,571	3,079,497

(5) Notes on consolidated financial statements

(Notes on going concern assumptions)

Not applicable.

(Notes on changes in the scope of consolidation or the scope of application of the equity method)

Effective from the consolidated interim accounting period, shares of Ujike Corporation were additionally acquired, making it a consolidated subsidiary. Consequently, it has been included within the scope of consolidation.

(Additional information)

(Transactions involving the transfer of company shares to employees through trusts)

To enhance employee motivation and morale toward improving stock prices and business performance, as well as to align their economic interests with those of shareholders, the Company introduced a stock provision trust (J-ESOP) in March 2013. The purpose of this system is to enhance the Company's long-term corporate value. Under this system, shares of the Company are granted to employees who have acquired beneficiary rights, in accordance with pre-established stock provision regulations. Employees earn points based on the Company's performance and individual achievements, and those who meet certain conditions acquire beneficiary rights, allowing them to receive Company shares equivalent to the awarded points. The shares granted to employees are acquired in advance using funds allocated to the trust, including those for future distributions, and are managed separately as trust assets.

Additionally, Company shares remaining in the trust are recorded as treasury shares under net assets at the book value of the trust, excluding incidental costs. The book value and number of treasury shares recorded in the trust were ¥91,086 thousand and 183,300 shares in the previous consolidated fiscal year, and ¥47,063 thousand and 94,710 shares in the current consolidated fiscal year.

(Consolidated income statements and consolidated comprehensive income)

*1 Gain on step acquisitions

For the previous consolidated fiscal year (from April 1, 2024, to March 31, 2025)

Not applicable.

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

The gain on step acquisition arose from the additional acquisition of shares in Ujike Corporation, which resulted in it becoming a consolidated subsidiary.

*2 Gain on negative goodwill

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

Not applicable.

For the current consolidated fiscal year (April 1, 2025 to March 31, 2026)

The gain on negative goodwill arose from the additional acquisition of shares in Ujike Corporation, which resulted in it becoming a consolidated subsidiary.

(Business combinations)

Business combination by acquisition

(1) Overview of business combination

① Name and business contents of acquired company

Name of acquired company Ujike Corporation

Business contents Crimping and adhesion processing

② Key reason for executing business combination

Our group is driven by the mission of “changing the world through coating, cutting, and polishing.” Ujike Corporation possesses coating equipment and expertise, performing diverse coating processes including lamination. It also excels in manufacturing polishing products such as buffs and pads. Acquiring their shares enables us to deliver the highest quality products and services.

By strategically advancing business development that leverages synergies with the coating, cutting, and polishing capabilities at the core of our Group, we expect to deliver the industry's most comprehensive range of services in the polishing field.

③ Date combined

August 1, 2025

④ Legal form of business combination

Cash-for-shares acquisition

⑤ Name of company after combination

There are no changes to the name.

⑥ Ratio of voting rights acquired

Voting rights ratio held immediately prior to the business combination: 27.06%

Voting rights ratio acquired on the business combination date: 72.94%

Post-acquisition voting rights ratio: 100.00%

⑦ Primary basis for determining the acquisition of the company

Our company acquired the shares in exchange for cash as consideration.

(2) Period of the acquired company's performance included in the consolidated income statements

August 1, 2025 to March 31, 2026

(3) Breakdown of acquisition cost and consideration type for the acquired company

Value of common shares held immediately prior to the business combination on the combination date	¥2,596 thousand
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Consideration for additional common shares acquired on the combination date	Cash	¥7,000 thousand
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Acquisition cost	¥9,596 thousand
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(4) Details and amounts of major acquisition-related expenses

Advisory fees, etc.	¥3,265 thousand
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(5) Difference between the acquisition cost of the acquired company and the total acquisition cost per transaction that led to the acquisition

Gain on step acquisition	¥2,596 thousand
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(6) Amount and cause of gain on negative goodwill

① Amount of gain on negative goodwill

¥218,067 thousand

② Cause

The value of net assets at the time of the business combination exceeded the acquisition cost, so the difference was recognized as a gain on negative goodwill.

(7) Amount and breakdown of assets acquired and liabilities assumed on the business combination date

Current assets	¥287,940 thousand
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Non-current assets	¥59,368 thousand
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Total assets	¥347,309 thousand
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Current liabilities	¥56,319 thousand
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Non-current liabilities	¥63,325 thousand
Total liabilities	¥119,644 thousand

(8) Estimated impact on the consolidated income statements for the current fiscal year, assuming the business combination had been completed at the beginning of the fiscal year, and the method of calculation used for such impact.

The details have been omitted due to their limited importance.

(Segment information, etc.)

Segment information

1. Reportable segment

Reportable segments for the Group are components of the Company for which separate financial information is available and which are regularly reviewed by the Board of Directors for resource allocation and performance evaluation. The Group has two reportable segments: Product Business and OEM Business.

The Product Business manufactures and sells polishing-related products, including films, precision cleaning agents, slurries, and polishing equipment.

The OEM Business provides contract processing services, such as coating, converting, and polishing, using customer-supplied materials and leveraging our equipment and expertise.

The Group develops comprehensive strategies and operates within these two segments, which form the basis of our reportable segments.

2. Method of calculation of the amounts of net sales, profit or loss, assets and others by reportable segment

The accounting principles applied to the reported business segments are largely consistent with those described in the “Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements.”

Segment profit is calculated based on operating profit.

3. Amounts of net sales, profit or loss, assets, liabilities, and others by reportable segment and breakdown of revenue

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025):

(Unit: thousands of yen)

	Reportable segment			Amount reported on consolidated financial statements
	Product Business	OEM Business	Total	
Net sales				
Japan	3,738,894	1,151,415	4,890,310	4,890,310
Asia	4,103,948	1,635	4,105,583	4,105,583
North America	1,883,108	60,158	1,943,266	1,943,266
Europe	211,893	2,760	214,654	214,654
Other regions	18,246	—	18,246	18,246
Revenue from contracts with customers	9,956,091	1,215,969	11,172,060	11,172,060
Sales to external customers	9,956,091	1,215,969	11,172,060	11,172,060
Intersegment sales or transfers	—	—	—	—
Total	9,956,091	1,215,969	11,172,060	11,172,060
Segment profit (loss)	1,321,348	(379,120)	942,227	942,227

Notes:

1. The total amount of segment profit or loss corresponds to operating profit as reported in the consolidated income statements and comprehensive income.
2. Since the Company manufactures products for each segment using shared facilities, it is not practically feasible to classify assets, liabilities, and other financial items by segment. Additionally, as these classifications are not used by the Board of Directors for decision-making regarding resource allocation or performance evaluation, information on segment-specific assets, liabilities, and other items has been omitted.

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Reportable segment			Amount reported on consolidated financial statements
	Product Business	OEM Business	Total	
Net sales				
Japan	3,935,010	674,641	4,609,651	4,609,651
Asia	4,501,249	1,113	4,502,363	4,502,363
North America	2,597,225	34,427	2,631,652	2,631,652
Europe	303,142	10,110	313,252	313,252
Other regions	2,458	—	2,458	2,458
Revenue from contracts with customers	11,339,086	720,292	12,059,379	12,059,379
Sales to external customers	11,339,086	720,292	12,059,379	12,059,379
Intersegment sales or transfers	—	—	—	—
Total	11,339,086	720,292	12,059,379	12,059,379
Segment profit (loss)	927,870	(348,463)	579,407	579,407

Notes:

1. The total amount of segment profit or loss corresponds to operating profit as reported in the consolidated income statements and comprehensive income.
2. Since the Company manufactures products for each segment using shared facilities, it is not practically feasible to classify assets, liabilities, and other financial items by segment. Additionally, as these classifications are not used by the Board of Directors for decision-making regarding resource allocation or performance evaluation, information on segment-specific assets, liabilities, and other items has been omitted.

(Relevant information)

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

1. Information by product and service

This section has been omitted as similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

(Unit: thousands of yen)

	Japan	United States	China	Other	Total
Net sales	4,890,310	1,875,026	1,295,782	3,110,940	11,172,060

Note: Net sales are classified by country or region based on the location of the customers.

(2) Property, plant and equipment

This information has been omitted as property, plant and equipment located in Japan account for more than 90% of the total property, plant and equipment reported in the consolidated balance sheet.

3. Information by major customers

(Unit: thousands of yen)

Name of customer	Net sales	Related segment
Fiber Optic Center, Inc.	1,598,773	Product

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

1. Information by product and service

This section has been omitted as similar information is disclosed in the segment information.

2. Information by region

(1) Net sales

(Unit: thousands of yen)

	Japan	United States	China	Other	Total
Net sales	4,609,651	2,588,569	1,420,115	3,441,042	12,059,379

Note: Net sales are classified by country or region based on the location of the customers.

(2) Property, plant and equipment

This information has been omitted as property, plant and equipment located in Japan account for more than 90% of the total property, plant and equipment reported in the consolidated balance sheet.

3. Information by major customers

(Unit: thousands of yen)

Name of customer	Net sales	Related segment
Fiber Optic Center, Inc.	2,347,154	Product

(Information on impairment loss of non-current assets by reportable segment)

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

Not applicable.

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

Not applicable.

(Information on amortization and unamortized balance of goodwill by reportable segment)

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: thousands of yen)

	Reportable segment			Corporate/eliminations	Total
	Product Business	OEM Business	Total		
Amortization	6,000	6,368	12,368	—	12,368
Balance at end of period	17,500	22,820	40,320	—	40,320

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Unit: thousands of yen)

	Reportable segment			Corporate/eliminations	Total
	Product Business	OEM Business	Total		
Amortization	6,000	6,368	12,368	—	12,368
Balance at end of period	11,500	16,452	27,952	—	27,952

(Information on negative goodwill occurrences by reportable segment)

For the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

Not applicable.

For the current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

In the Product Business segment, we included Ujike Corporation in the scope of consolidation following the acquisition of additional shares in the company. Consequently, we have recognized a gain on negative goodwill of ¥218,067 thousand for the current fiscal year.

Note that since the gain on negative goodwill is classified as extraordinary income, it is not included in the segment profit or loss mentioned above.

(Per share information)

(Unit: yen)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Net assets per share	594.38	642.18
Basic earnings per share	64.04	36.22

Notes:

1. Diluted earnings per share for the current fiscal year have not been presented as there were no dilutive shares.
2. The basis for calculating earnings per share is as follows.

Item	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Earnings attributable to owners of parent (thousands of yen)	911,878	505,647
Amount not attributable to common stockholders (thousands of yen)	—	—
Earnings attributable to owners of parent related to common stock (thousands of yen)	911,878	505,647
Average number of shares of common shares outstanding during the period (shares)	14,239,126	13,960,314

3. Treasury shares held in the trust, recorded under shareholders' equity, are included in the number of treasury shares deducted from the weighted average number of shares outstanding for the calculation of earnings per share and are also included in the number of treasury shares deducted from the total number of shares outstanding for the calculation of net assets per share at the conclusion of the fiscal year.

In calculating the earnings per share, the number of treasury shares deducted was 146,377 for the previous consolidated fiscal year and 164,086 for the current consolidated fiscal year. Therefore, when calculating the net assets per share, the number of treasury shares deducted for the previous consolidated fiscal year was 183,300 and 94,710 for the current consolidated fiscal year.

(Significant subsequent events)

Not applicable.