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## Summary of Consolidated Financial Results For the First Half Ended December 31, 2025 [Japan GAAP]

February 9, 2026

Name of Company: MEDIUS HOLDINGS Co., Ltd.  
 Stock Code: 3154 URL: <https://www.medius.co.jp/>  
 Stock Exchange Listing: Tokyo Stock Exchange, Prime Market  
 Representative Title: President and Representative Director Name: Yasuhiko Ikeya  
 Contact Person Title: Director and General Manager of Corporate Division Name: Hiroyuki Akutagawa  
 Phone: +81-(0)3-6811-2958  
 Date of filing of semi-annual securities report: February 12, 2026  
 Date of commencement of dividend payment: -  
 Supplementary explanatory documents: Available  
 Earnings presentation: Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

### 1. Financial results for the first half ended December 2025 (July 1, 2025 – December 31, 2025)

#### (1) Results of Operations (Consolidated)

(Percentage figures represent year on year changes)

|                            | Net sales   |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|----------------------------|-------------|------|------------------|--------|-----------------|--------|---|--------|
|                            | Million yen | %    | Million yen      | %      | Million yen     | %      | Million yen                             | %      |
| First half ended Dec. 2025 | 149,211     | 4.6  | 585              | (22.1) | 817             | (16.9) | 387                                     | (4.8)  |
| First half ended Dec. 2024 | 142,704     | 12.6 | 751              | 10.3   | 983             | 9.3    | 406                                     | (19.5) |

(Note) Comprehensive income: 1H FY6/26: 243 million yen [(64.1)%] 1H FY6/25: 678 million yen [32.0%]

|                            | Earnings per share | Earnings per share fully diluted |
|----------------------------|--------------------|----------------------------------|
|                            | Yen                | Yen                              |
| First half ended Dec. 2025 | 17.41              | 17.39                            |
| First half ended Dec. 2024 | 18.32              | 18.32                            |

#### (2) Financial Position (Consolidated)

|                         | Total assets | Net assets  | Equity ratio |
|-------------------------|--------------|-------------|--------------|
|                         | Million yen  | Million yen | %            |
| As of December 31, 2025 | 127,639      | 20,285      | 15.9         |
| As of June 30, 2025     | 113,024      | 20,478      | 18.1         |

(Reference) Shareholders' equity: As of Dec. 31, 2025: 20,275 million yen

As of Jun. 30, 2025: 20,478 million yen

## 2. Dividends

|                       | Dividend per share |           |           |           |       |
|-----------------------|--------------------|-----------|-----------|-----------|-------|
|                       | End of 1Q          | End of 2Q | End of 3Q | End of FY | Total |
|                       | Yen                | Yen       | Yen       | Yen       | Yen   |
| FY6/25                | —                  | 0.00      | —         | 20.00     | 20.00 |
| FY6/26                | —                  | 0.00      |           |           |       |
| FY6/26<br>(estimated) |                    |           | —         | 20.00     | 20.00 |

(Note) Change in the estimation of dividend from the latest announcement: None

## 3. Forecast for the fiscal year ending June 2026 (Consolidated, July 1, 2025 - June 30, 2026)

(Percentage figures represent year on year changes)

|           | Net sales   |     | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |       | Earnings per share |
|-----------|-------------|-----|------------------|-------|-----------------|-------|---|-------|--------------------|
|           | Million yen | %   | Million yen      | %     | Million yen     | %     | Million yen                             | %     | Yen                |
| Full year | 305,000     | 5.6 | 1,750            | (6.7) | 2,300           | (5.1) | 1,300                                   | (5.5) | 58.46              |

(Note) Change in the forecast from the latest announcement: None

### \* Notes

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

Newly included: 1 company (REPS Corp.)

Excluded: 1 company (NOAH INTERNATIONAL co., Ltd.)

(Note) For more information, please see “2. Semi-annual Consolidated Financial Statements and Important Notes (4) Notes to semi-annual consolidated financial statements (Changes in the scope of consolidation or the scope of application of the equity method)” on page 12 of Supplementary Information.

(2) Use of accounting methods specifically for the preparation of the semi-annual consolidated financial statements: None

(3) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes in accounting principles due to revision of accounting standards: None

(b) Changes in accounting principles other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(4) Number of shares outstanding (common stock)

|  |                   |            |                |            |
|--|-------------------|------------|----------------|------------|
| (a) Shares outstanding (including treasury shares) | End of 1H FY6/26: | 22,238,217 | End of FY6/25: | 22,238,217 |
|--|-------------------|------------|----------------|------------|

|                     |                   |     |                |     |
|---------------------|-------------------|-----|----------------|-----|
| (b) Treasury shares | End of 1H FY6/26: | 958 | End of FY6/25: | 958 |
|---------------------|-------------------|-----|----------------|-----|

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| (c) Average number of shares outstanding | 1H FY6/26: | 22,237,259 | 1H FY6/25: | 22,192,390 |
|--|------------|------------|------------|------------|

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

\* Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For more information about the forecasts, please see “1. Qualitative Information on Semi-annual Financial Results (3) An explanation of future predictive data, such as consolidated earnings forecasts” on page 4 of Supplementary Information.

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## 1. Qualitative Information on Semi-annual Financial Results

### (1) An explanation of operating results

In the environment surrounding the MEDIUS Group during the first half of the current fiscal year, in addition to the 2025 problem, a turning point marked by an increase in the elderly population due to advances in medical technology, there are concerns that the medical system will continue to face intermittent strain as a result of salary increases for medical care professionals, the “Work Style Reform for Doctors” implemented since last year, among other factors. Under these circumstances, medical institutions are called on to build a more efficient medical care supply system through the promotion of medical digital transformation (DX), such as online medical consultations and the application of AI in medical care.

Meanwhile, the outlook for the medical sector remains uncertain, as it continues to face challenges such as rising prices and labor costs, the ongoing depreciation of the yen, increasing interest rates, and the introduction of reciprocal tariffs by the United States on various countries.

In this business environment, the MEDIUS Group is conducting business activities based on the policy of ensuring a stable supply of products while resolving customer issues in order to build a sustainable medical system.

During the first half of the current fiscal year, net sales and gross profit increased compared to the first half of the previous fiscal year, primarily due to an increase in sales following an increase in the number of surgical operations and the acquisition of new customers, mainly in the cardiovascular and orthopedic fields.

Selling, general and administrative expenses increased compared to the first half of the previous fiscal year due to factors such as higher labor costs stemming from personnel hiring and base salary increases associated with business expansion at major subsidiaries, as well as increased outsourcing expenses resulting from higher logistics costs driven by rising distribution prices and higher distribution volumes, among other factors. Due to these circumstances, operating profit, ordinary profit, and profit attributable to owners of parent decreased.

As a result, in the first half of the current fiscal year, net sales increased 4.6% from a year earlier to 149,211 million yen, operating profit decreased 22.1% to 585 million yen, ordinary profit decreased 16.9% to 817 million yen, and profit attributable to owners of parent decreased 4.8% to 387 million yen.

Business segment performance was as follows.

#### (i) Medical Device

Sales of replacement supplies increased in line with an increase in the number of surgical operations and progress in the acquisition of new customers, mainly in the cardiovascular and orthopedic fields. For medical equipment, although there were sales of large-sized radiotherapy devices and artificial heart-lung machines during the period, net sales declined compared to the first half of the previous fiscal year due mainly to the impact of special demand projects in the same period of the previous fiscal year. Nevertheless, net sales for the segment as a whole increased.

In addition, selling, general and administrative expenses rose due to business expansion, soaring logistics costs, and other factors, resulting in a decrease in segment income.

As a result, net sales increased 4.6% from a year earlier to 146,085 million yen, gross profit increased 2.3% to 16,095 million yen, and segment income (operating profit) decreased 10.5% to 4,510 million yen.

(ii) Welfare Device

Net sales increased due to factors including the accumulation of contracts in the rental business and by maintaining a low cancellation rate. Despite the ongoing surge in costs, gross profit increased, as the high-margin rental business for nursing care equipment performed strongly, among other factors.

In addition, despite rising labor costs, only a moderate rise in selling, general and administrative expenses overall was reported against the increase in gross profit. Accordingly, operating profit increased.

As a result, net sales increased 4.4% from a year earlier to 3,125 million yen, gross profit increased 7.6% to 1,243 million yen, and segment income (operating profit) increased 22.9% to 307 million yen.

(Note) The business segments of the MEDIUS Group consist of the following activities.

Medical Device

(Medical Device Sales Business)

Sale of medical devices (including equipment and replacement supplies) that are purchased from manufacturers, sales agents, trading companies and other companies in Japan to hospitals and other medical institutions in Japan. This is the core business of the MEDIUS Group.

(Medical Device Repair and Maintenance Business)

Repair and after-sales services for medical devices sold by the MEDIUS Group to hospitals and other medical institutions and maintenance services for all medical devices of a hospital or other medical institution based on a maintenance contract.

Welfare Device

Sale of nursing care and welfare products (including equipment and replacement supplies) that are purchased from manufacturers, sales agents, trading companies and other companies in Japan and other countries to hospitals and other medical institutions, nursing care facilities, medical device sales companies, as well as individuals in Japan. This business also rents nursing care and welfare products to individuals.

(2) An explanation of financial position

A. Assets, liabilities, and net assets

(Assets)

Total assets were 127,639 million yen at the end of the first half of the current fiscal year, 14,614 million yen more than at the end of the previous fiscal year.

Current assets increased 15,314 million yen to 104,367 million yen. This increase was mainly the result of increases of 4,915 million yen in cash and deposits, 8,169 million yen in notes and accounts receivable – trade, 1,386 million yen in merchandise and finished goods, and 847 million yen in other current assets, respectively.

Non-current assets decreased 700 million yen to 23,271 million yen. This decrease was mainly the result of decreases of 156 million yen in property, plant and equipment, 270 million yen in intangible assets, and 273 million yen in investments and other assets, respectively.

(Liabilities)

Total liabilities were 107,353 million yen at the end of the first half of the current fiscal year, 14,806 million yen more than at the end of the previous fiscal year.

Current liabilities increased 15,313 million yen to 96,692 million yen. This increase was mainly the result of increases of 7,838 million yen in notes and accounts payable – trade and 8,059 million yen

in short-term borrowings, respectively, despite decreases of 308 million yen in income taxes payable, 114 million yen in provision for bonuses for directors (and other officers), and 165 million yen in other current liabilities, respectively.

Non-current liabilities decreased 507 million yen to 10,660 million yen. This decrease was mainly the result of decreases of 424 million yen in long-term borrowings and 89 million yen in long-term unearned revenue.

(Net assets)

Net assets were 20,285 million yen at the end of the first half of the current fiscal year, 192 million yen less than at the end of the previous fiscal year. This decrease was mainly the result of decreases of 57 million yen in retained earnings and 146 million yen in valuation difference on available-for-sale securities, respectively.

B. Cash flows

Cash and cash equivalents totaled 19,235 million yen at the end of the first half of the current fiscal year, 4,915 million yen more than at the end of the previous fiscal year. The following is a summary of cash flows during the first half of the current fiscal year.

(Operating activities)

Net cash used in operating activities was 1,628 million yen compared with a positive cash flow of 1,482 million yen a year earlier.

Major sources of cash included profit before income taxes of 803 million yen and increase in trade payables of 7,838 million yen, which were outweighed by uses of cash that included increase in trade receivables of 8,185 million yen, increase in inventories of 1,385 million yen, and income taxes paid of 665 million yen.

(Investing activities)

Net cash used in investing activities was 605 million yen compared with 1,366 million yen a year earlier.

Major sources of cash included proceeds from cancellation of insurance funds of 38 million yen, which was outweighed by uses of cash that included purchase of property, plant and equipment of 318 million yen, purchase of intangible assets of 71 million yen, and purchase of long-term prepaid expenses of 237 million yen.

(Financing activities)

Net cash provided by financing activities was 7,148 million yen compared with 586 million yen a year earlier.

Major sources of cash included net increase in short-term borrowings of 8,131 million yen, which outweighed uses of cash that included repayments of long-term borrowings of 495 million yen and dividends paid of 442 million yen.

(3) An explanation of future predictive data, such as consolidated earnings forecasts

There is no change to the consolidated earnings forecast for the fiscal year ending June 30, 2026, which was announced on August 7, 2025.

## 2. Semi-annual Consolidated Financial Statements and Important Notes

### (1) Semi-annual consolidated balance sheet

(Thousand yen)

|  | Fiscal year ended June 2025<br>(As of June 30, 2025) | First half ended Dec. 2025<br>(As of Dec. 31, 2025) |
|--|--|---|
| Assets                                 |  |   |
| Current assets                         |  |   |
| Cash and deposits                      | 14,333,767   | 19,249,684  |
| Notes and accounts receivable - trade  | 57,988,850   | 66,158,527  |
| Merchandise and finished goods         | 13,600,867   | 14,987,636  |
| Raw materials and supplies             | 10,963   | 9,825   |
| Other                                  | 3,261,676  | 4,109,502   |
| Allowance for doubtful accounts        | (143,247)  | (148,121)   |
| Total current assets                   | 89,052,879   | 104,367,055   |
| Non-current assets                     |  |   |
| Property, plant and equipment          |  |   |
| Buildings and structures, net          | 7,027,971  | 6,880,669   |
| Machinery, equipment and vehicles, net | 590,856  | 540,804   |
| Land                                   | 3,987,138  | 3,987,138   |
| Other, net                             | 1,494,317  | 1,535,620   |
| Total property, plant and equipment    | 13,100,283   | 12,944,233  |
| Intangible assets                      |  |   |
| Goodwill                               | 1,197,695  | 1,048,006   |
| Other                                  | 1,229,985  | 1,108,694   |
| Total intangible assets                | 2,427,681  | 2,156,700   |
| Investments and other assets           |  |   |
| Other                                  | 8,475,332  | 8,216,660   |
| Allowance for doubtful accounts        | (31,196)   | (45,638)  |
| Total investments and other assets     | 8,444,136  | 8,171,022   |
| Total non-current assets               | 23,972,100   | 23,271,956  |
| Total assets                           | 113,024,980  | 127,639,011   |

(Thousand yen)

|  | Fiscal year ended June 2025<br>(As of June 30, 2025) | First half ended Dec. 2025<br>(As of Dec. 31, 2025) |
|--|--|---|
| Liabilities  |  |   |
| Current liabilities  |  |   |
| Notes and accounts payable - trade                                   | 60,110,389   | 67,948,941  |
| Short-term borrowings  | 16,755,998   | 24,815,903  |
| Current portion of bonds payable                                     | 8,000  | 4,500   |
| Income taxes payable   | 682,884  | 374,595   |
| Provision for bonuses  | 62,779   | 69,121  |
| Provision for bonuses for directors (and other officers)             | 168,633  | 54,381  |
| Other  | 3,590,597  | 3,425,396   |
| Total current liabilities  | 81,379,281   | 96,692,839  |
| Non-current liabilities  |  |   |
| Long-term borrowings   | 4,471,997  | 4,047,573   |
| Provision for retirement benefits for directors (and other officers) | 157,000  | 157,000   |
| Provision for share-based payments                                   | 21,837   | 26,370  |
| Provision for loss on guarantees                                     | 106,478  | 121,395   |
| Retirement benefit liability   | 1,543,990  | 1,597,939   |
| Asset retirement obligations   | 162,335  | 162,537   |
| Long-term unearned revenue   | 3,114,030  | 3,024,925   |
| Other  | 1,589,899  | 1,522,616   |
| Total non-current liabilities  | 11,167,568   | 10,660,357  |
| Total liabilities  | 92,546,850   | 107,353,196   |
| Net assets   |  |   |
| Shareholders' equity   |  |   |
| Share capital  | 1,380,877  | 1,380,877   |
| Capital surplus  | 2,879,912  | 2,879,703   |
| Retained earnings  | 14,206,045   | 14,148,626  |
| Treasury shares  | (450)  | (450)   |
| Total shareholders' equity   | 18,466,385   | 18,408,756  |
| Accumulated other comprehensive income                               |  |   |
| Valuation difference on available-for-sale securities                | 1,944,633  | 1,798,534   |
| Remeasurements of defined benefit plans                              | 67,110   | 68,605  |
| Total accumulated other comprehensive income                         | 2,011,744  | 1,867,139   |
| Non-controlling interests  | -  | 9,918   |
| Total net assets   | 20,478,129   | 20,285,814  |
| Total liabilities and net assets                                     | 113,024,980  | 127,639,011   |



(2) Semi-annual consolidated statements of income and comprehensive income  
(Semi-annual consolidated statement of income)

(Thousand yen)

|  | First half ended Dec. 2024<br>(Jul. 1, 2024 — Dec. 31, 2024) | First half ended Dec. 2025<br>(Jul. 1, 2025 — Dec. 31, 2025) |
|--|--|--|
| Net sales  | 142,704,820  | 149,211,026  |
| Cost of sales  | 125,826,257  | 131,881,593  |
| Gross profit   | 16,878,562   | 17,329,432   |
| Selling, general and administrative expenses             |  |  |
| Provision of allowance for doubtful accounts             | 9,003  | 26,156   |
| Provision for share-based payments                       | 1,510  | 4,439  |
| Salaries and allowances                                  | 6,604,342  | 6,818,799  |
| Employees' bonuses                                       | 1,459,622  | 1,511,628  |
| Provision for bonuses                                    | 61,701   | 77,086   |
| Provision for bonuses for directors (and other officers) | 59,441   | 51,044   |
| Retirement benefit expenses                              | 301,430  | 310,963  |
| Legal welfare expenses                                   | 1,263,780  | 1,306,659  |
| Depreciation   | 540,592  | 544,245  |
| Rent expenses  | 1,203,433  | 1,249,033  |
| Outsourcing expenses                                     | 1,282,816  | 1,367,352  |
| Other  | 3,339,868  | 3,476,924  |
| Total selling, general and administrative expenses       | 16,127,543   | 16,744,333   |
| Operating profit   | 751,019  | 585,098  |
| Non-operating income                                     |  |  |
| Interest income  | 803  | 5,183  |
| Dividend income  | 20,717   | 25,148   |
| Purchase discounts                                       | 164,439  | 168,469  |
| Reversal of provision for loss on guarantees             | 270  | -  |
| Subsidy income   | 89,105   | 89,105   |
| Other  | 44,426   | 94,635   |
| Total non-operating income                               | 319,762  | 382,542  |
| Non-operating expenses                                   |  |  |
| Interest expenses  | 74,902   | 102,741  |
| Provision of allowance for doubtful accounts             | -  | 250  |
| Provision for loss on guarantees                         | -  | 14,917   |
| Other  | 12,684   | 32,426   |
| Total non-operating expenses                             | 87,586   | 150,334  |
| Ordinary profit  | 983,194  | 817,306  |
| Extraordinary income                                     |  |  |
| Gain on sale of non-current assets                       | 2,009  | 6,048  |
| Gain on sale of investment securities                    | -  | 66   |
| Total extraordinary income                               | 2,009  | 6,115  |
| Extraordinary losses                                     |  |  |
| Loss on sale of non-current assets                       | 131  | -  |
| Loss on retirement of non-current assets                 | 1,860  | 16,361   |
| Impairment losses  | -  | 3,801  |
| Total extraordinary losses                               | 1,992  | 20,162   |

(Thousand yen)

|  | First half ended Dec. 2024<br>(Jul. 1, 2024 — Dec. 31, 2024) | First half ended Dec. 2025<br>(Jul. 1, 2025 — Dec.31, 2025) |
|--|--|---|
| Profit before income taxes                       | 983,212  | 803,258   |
| Income taxes - current                           | 446,893  | 357,285   |
| Income taxes - deferred                          | 129,567  | 57,938  |
| Total income taxes                               | 576,460  | 415,223   |
| Profit   | 406,751  | 388,034   |
| Profit attributable to non-controlling interests | -  | 708   |
| Profit attributable to owners of parent          | 406,751  | 387,326   |

## (Semi-annual consolidated statement of comprehensive income)

(Thousand yen)

|  | First half ended Dec. 2024<br>(Jul. 1, 2024 — Dec. 31, 2024) | First half ended Dec. 2025<br>(Jul. 1, 2025 — Dec. 31, 2025) |
|--|--|--|
| Profit   | 406,751  | 388,034  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 270,811  | (146,099)  |
| Remeasurements of defined benefit plans, net of tax            | 1,243  | 1,495  |
| Total other comprehensive income                               | 272,054  | (144,604)  |
| Comprehensive income   | 678,805  | 243,430  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 678,805  | 242,721  |
| Comprehensive income attributable to non-controlling interests | -  | 708  |

### (3) Semi-annual consolidated statement of cash flows

(Thousand yen)

|   | First half ended Dec. 2024<br>(Jul. 1, 2024 — Dec. 31, 2024) | First half ended Dec. 2025<br>(Jul. 1, 2025 — Dec. 31, 2025) |
|---|--|--|
| Cash flows from operating activities  |  |  |
| Profit before income taxes  | 983,212  | 803,258  |
| Depreciation  | 855,956  | 920,117  |
| Amortization of goodwill  | 169,689  | 149,689  |
| Impairment losses   | -  | 3,801  |
| Increase (decrease) in retirement benefit liability                             | 62,839   | 56,222   |
| Increase (decrease) in allowance for doubtful accounts                          | 8,697  | 19,316   |
| Increase (decrease) in provision for bonuses                                    | 1,907  | 6,342  |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (58,236)   | (114,251)  |
| Increase (decrease) in provision for share-based compensation                   | (78,085)   | 4,532  |
| Interest and dividend income  | (21,521)   | (30,331)   |
| Interest expenses   | 74,902   | 102,741  |
| Share issuance costs  | 359  | -  |
| Loss (gain) on sale of non-current assets                                       | (1,878)  | (6,048)  |
| Loss on retirement of non-current assets  | 1,860  | 16,361   |
| Loss (gain) on sale of investment securities                                    | -  | (66)   |
| Decrease (increase) in trade receivables  | (5,596,529)  | (8,185,452)  |
| Decrease (increase) in inventories  | (855,708)  | (1,385,630)  |
| Decrease (increase) in investments in leases                                    | 17,304   | 15,168   |
| Decrease (increase) in other current assets                                     | (510,383)  | (846,196)  |
| Increase (decrease) in trade payables   | 3,456,470  | 7,838,552  |
| Increase (decrease) in provision for loss on guarantees                         | (270)  | 14,917   |
| Subsidy income  | (89,105)   | (89,105)   |
| Increase (decrease) in accrued consumption taxes                                | 149,506  | (197,104)  |
| Increase (decrease) in other current liabilities                                | (46,906)   | 5,920  |
| Other, net  | 50,673   | 7,020  |
| Subtotal  | (1,425,244)  | (890,226)  |
| Interest and dividends received   | 23,564   | 27,571   |
| Interest paid   | (74,897)   | (103,662)  |
| Income taxes paid   | (536,911)  | (665,998)  |
| Income taxes refund   | 190,699  | 4,217  |
| Payments of retirement benefits for directors (and other officers)              | (2,000)  | -  |
| Subsidies received  | 3,307,093  | -  |
| Net cash provided by (used in) operating activities                             | 1,482,304  | (1,628,098)  |

|   | First half ended Dec. 2024<br>(Jul. 1, 2024 — Dec. 31, 2024) | First half ended Dec. 2025<br>(Jul. 1, 2025 — Dec.31, 2025) |
|---|--|---|
| Cash flows from investing activities  |  |   |
| Payments into time deposits   | (17,214)   | (18,400)  |
| Proceeds from withdrawal of time deposits   | 43,210   | 18,000  |
| Purchase of property, plant and equipment   | (932,817)  | (318,374)   |
| Proceeds from sale of property, plant and equipment   | 778  | 10,845  |
| Payments for retirement of property, plant and equipment  | (254)  | (16,345)  |
| Purchase of intangible assets   | (76,578)   | (71,201)  |
| Purchase of investment securities   | (21,416)   | (5,340)   |
| Proceeds from sale of investment securities   | -  | 149   |
| Proceeds from collection of loans receivable  | 3,366  | 3,434   |
| Purchase of long-term prepaid expenses  | (332,682)  | (237,118)   |
| Payments of leasehold and guarantee deposits  | (62,765)   | (18,976)  |
| Proceeds from refund of leasehold and guarantee deposits  | 57,519   | 22,345  |
| Purchase of insurance funds   | (14,833)   | (16,904)  |
| Proceeds from cancellation of insurance funds   | 1,230  | 38,744  |
| Other, net  | (14,463)   | 4,060   |
| Net cash provided by (used in) investing activities   | (1,366,922)  | (605,081)   |
| Cash flows from financing activities  |  |   |
| Net increase (decrease) in short-term borrowings  | 1,071,000  | 8,131,000   |
| Proceeds from long-term borrowings  | 1,000,000  | -   |
| Repayments of long-term borrowings  | (1,064,150)  | (495,519)   |
| Redemption of bonds   | -  | (3,500)   |
| Proceeds from issuance of shares  | 71,855   | -   |
| Repayments of lease liabilities   | (28,015)   | (49,458)  |
| Dividends paid  | (464,191)  | (442,824)   |
| Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation  | -  | 9,000   |
| Net cash provided by (used in) financing activities   | 586,498  | 7,148,697   |
| Net increase (decrease) in cash and cash equivalents  | 701,880  | 4,915,517   |
| Cash and cash equivalents at beginning of period  | 13,544,776   | 14,320,367  |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 42,959   | -   |
| Decrease in cash and cash equivalents resulting from change of fiscal term of subsidiaries      | (304,947)  | -   |
| Cash and cash equivalents at end of period  | 13,984,668   | 19,235,884  |

(4) Notes to Semi-annual consolidated financial statements

(Notes on going concern assumptions)

None

(Notes on significant change in shareholders' equity)

None

(Changes in the scope of consolidation or the scope of application of the equity method)

(Significant changes in the scope of consolidation)

Effective the first half of the current fiscal year, REPS Corp., a new company established on July 1, 2025, has been included in the scope of consolidation of KURIBARA MEDICAL Instruments, which is a consolidated subsidiary of the Company.

Additionally, effective the first half of the current fiscal year, NOAH INTERNATIONAL co., ltd., formerly a consolidated subsidiary of the Company, has been excluded from the scope of consolidation, as it became an absorbed company in an absorption-type merger, as of October 1, 2025, with Active Medical Co., Ltd., a consolidated subsidiary of the Company, as the surviving company. The surviving company, Active Medical Co., Ltd., as of the same date, has changed its trade name to A. North Medical Inc.

(Notes on segment information, etc.)

[Segment information]

I First half of the previous fiscal year (July 1, 2024 —December 31, 2024)

1. Information about sales and income (loss) by reporting segment

(Thousand yen)

|                                 | Reporting segments |                |             | Adjustment<br>(Note 1) | Amount on the<br>semi-annual<br>consolidated<br>statement of income<br>(Note 2) |
|---------------------------------|--------------------|----------------|-------------|------------------------|---|
|                                 | Medical Device     | Welfare Device | Total       |                        |   |
| Net sales                       |                    |                |             |                        |   |
| Sales to outside customers      | 139,709,915        | 2,994,904      | 142,704,820 | -                      | 142,704,820   |
| Intersegment sales or transfers | 9,040              | -              | 9,040       | (9,040)                | -   |
| Total                           | 139,718,956        | 2,994,904      | 142,713,861 | (9,040)                | 142,704,820   |
| Segment income                  | 5,040,007          | 250,414        | 5,290,422   | (4,539,403)            | 751,019   |

- (Notes) 1. The 4,539,403 thousand yen negative adjustment for segment income includes 20,663 thousand yen for intersegment transaction eliminations, 169,689 thousand yen deduction for amortization of goodwill, and 4,390,377 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily operating expenses of parent company and general and administrative expenses that do not belong to specific segments.
2. The segment income matches operating profit in the semi-annual consolidated statement of income.

II First half of the current fiscal year (July 1, 2025 — December 31, 2025)

1. Information about sales and income (loss) by reporting segment

(Thousand yen)

|                                 | Reporting segments |                |             | Adjustment<br>(Note 1) | Amount on the<br>semi-annual<br>consolidated<br>statement of income<br>(Note 2) |
|---------------------------------|--------------------|----------------|-------------|------------------------|---|
|                                 | Medical Device     | Welfare Device | Total       |                        |   |
| Net sales                       |                    |                |             |                        |   |
| Sales to outside customers      | 146,085,333        | 3,125,692      | 149,211,026 | —                      | 149,211,026   |
| Intersegment sales or transfers | 8,564              | —              | 8,564       | (8,564)                | —   |
| Total                           | 146,093,898        | 3,125,692      | 149,219,590 | (8,564)                | 149,211,026   |
| Segment income                  | 4,510,425          | 307,858        | 4,818,283   | (4,233,184)            | 585,098   |

- (Notes) 1. The 4,233,184 thousand yen negative adjustment for segment income includes 17,913 thousand yen for intersegment transaction eliminations, 149,689 thousand yen deduction for amortization of goodwill and 4,101,408 thousand yen deduction for corporate expenses that cannot be assigned to specific segments. Corporate expenses are primarily operating expenses of parent company and general and administrative expenses that do not belong to specific segments.
2. The segment income matches operating profit in the semi-annual consolidated statement of income.

2. Information about impairment loss of non-current assets or goodwill by reporting segment

(Important impairment loss of non-current assets)

We are booking impairment loss on non-current assets in the Medical Device segment and the Welfare Device segment. The amount for the first half of the current fiscal year is 3,645 thousand yen for the Medical Device segment and 156 thousand yen for the Welfare Device segment.