July 13, 2026

Consolidated Financial Results for the Nine Months Ended May 31, 2026 (Under Japanese GAAP)

Company name: MERF Inc.
Listing: Tokyo Stock Exchange
Securities code: 3168
URL: https://www.merf.co.jp/
Representative: Satoru Kurotani, President and C.E.O
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended May 31, 2026 (from September 1, 2025 to May 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	73,491	18.6	3,401	-	3,458	-	2,278	-
May 31, 2025	61,992	7.3	(375)	-	(546)	-	(388)	-

Note: Comprehensive income For the nine months ended May 31, 2026: ¥3,201 million [-%]
For the nine months ended May 31, 2025: ¥(294) million [-%]

	Basic earnings per share
Nine months ended	Yen
May 31, 2026	161.08
May 31, 2025	(27.49)

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2026	35,803	12,005	33.5
August 31, 2025	25,705	9,218	35.9

Reference: Equity
As of May 31, 2026: ¥12,005 million
As of August 31, 2025: ¥9,218 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 August 31, 2025	-	10.00	-	10.00	20.00
Fiscal year ending August 31, 2026	-	20.00	-		
Fiscal year ending August 31, 2026 (Forecast)				10.00	30.00

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

Breakdown of dividends at the end of the second quarter of the fiscal year ending August 31, 2026: Ordinary dividend 10.00 yen, commemorative dividend 10.00 yen

3. Forecast of consolidated financial results for the fiscal year ending August 31, 2026 (from September 1, 2025 to August 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 August 31, 2026	105,980	28.5	4,561	-	4,557	-	2,814	-	198.99

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly 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 May 31, 2026	14,337,200 shares
As of August 31, 2025	14,337,200 shares

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

As of May 31, 2026	183,316 shares
As of August 31, 2025	200,016 shares

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

Nine months ended May 31, 2026	14,145,500 shares
Nine months ended May 31, 2025	14,129,943 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:None

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and certain assumptions that the Company deems reasonable. Actual results may differ from the above forecasts due to various factors.

For the assumptions for earnings forecasts, please refer to Appendix P.2 "1. Qualitative Information on Financial Results for the this quarter (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Quarterly consolidated balance sheet

(Thousands of yen)

	As of August 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	1,639,166	1,223,049
Notes and accounts receivable - trade	8,548,838	11,346,946
Electronically recorded monetary claims - operating	558,732	625,676
Merchandise and finished goods	1,462,166	3,193,334
Work in process	566,163	684,053
Raw materials and supplies	5,508,267	8,256,478
Advance payments to suppliers	2,199,569	3,953,500
Consumption taxes refund receivable	411,494	538,650
Other	317,471	486,194
Total current assets	21,211,871	30,307,883
Non-current assets		
Property, plant and equipment		
Land	1,521,121	1,521,121
Other, net	1,794,301	1,694,889
Total property, plant and equipment	3,315,423	3,216,011
Intangible assets	121,512	103,348
Investments and other assets	1,056,500	2,176,072
Total non-current assets	4,493,436	5,495,432
Total assets	25,705,307	35,803,315

(Thousands of yen)

	As of August 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,013,338	3,157,613
Electronically recorded obligations - operating	387,151	224,263
Short-term borrowings	7,700,000	12,108,459
Lease liabilities	59,209	70,955
Current portion of long-term borrowings	1,433,390	1,471,386
Income taxes payable	16,300	1,213,414
Provision for bonuses	38,335	182,910
Other	680,772	445,064
Total current liabilities	12,328,498	18,874,065
Non-current liabilities		
Long-term borrowings	3,581,646	3,999,465
Lease liabilities	401,841	391,561
Long-term unearned revenue	37,541	30,365
Retirement benefit liability	120,250	120,179
Deferred tax liabilities	17,426	382,475
Total non-current liabilities	4,158,706	4,924,047
Total liabilities	16,487,204	23,798,113
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	698,426	699,328
Retained earnings	6,937,420	8,791,569
Treasury shares	(104,887)	(95,487)
Total shareholders' equity	8,530,960	10,395,410
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	493,157	1,361,709
Foreign currency translation adjustment	193,984	248,081
Total accumulated other comprehensive income	687,142	1,609,791
Total net assets	9,218,102	12,005,202
Total liabilities and net assets	25,705,307	35,803,315

Quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended May 31, 2025	Nine months ended May 31, 2026
Net sales	61,992,298	73,491,922
Cost of sales	60,743,593	68,101,806
Gross profit	1,248,704	5,390,116
Selling, general and administrative expenses	1,624,334	1,988,230
Operating profit (loss)	(375,630)	3,401,885
Non-operating income		
Interest income	21,671	14,011
Dividend income	5,404	8,016
Foreign exchange gains	-	182,131
Insurance claim income	2,871	143
Reversal of allowance for doubtful accounts	62,972	2,546
Miscellaneous income	-	48,898
Other	1,985	8,747
Total non-operating income	94,905	264,496
Non-operating expenses		
Interest expenses	100,777	127,434
Loss on valuation of derivatives	-	53,623
Share of loss of entities accounted for using equity method	23,045	1,663
Foreign exchange losses	127,331	-
Other	14,432	25,244
Total non-operating expenses	265,587	207,966
Ordinary profit (loss)	(546,312)	3,458,415
Profit (loss) before income taxes	(546,312)	3,458,415
Income taxes - current	13,546	1,212,136
Income taxes - deferred	(171,446)	(32,318)
Total income taxes	(157,899)	1,179,817
Profit (loss)	(388,412)	2,278,597
Profit (loss) attributable to owners of parent	(388,412)	2,278,597

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended May 31, 2025	Nine months ended May 31, 2026
Profit (loss)	(388,412)	2,278,597
Other comprehensive income		
Valuation difference on available-for-sale securities	120,750	868,552
Foreign currency translation adjustment	(26,709)	56,761
Share of other comprehensive income of entities accounted for using equity method	73	(2,664)
Total other comprehensive income	94,115	922,649
Comprehensive income	(294,297)	3,201,247
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(294,297)	3,201,247
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

I. The nine months of the previous fiscal year (September 1, 2024 to May 31, 2025)

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)

	Reportable segments			Reconciling items	Quarterly Consolidated Statements of Income (Note)
	NONFERROUS METALS	ARTS AND CRAFTS	Total		
Sales					
Revenue generated from customer contracts	61,546,166	446,131	61,992,298	-	61,992,298
Other Earnings	-	-	-	-	-
Revenues from external customers	61,546,166	446,131	61,992,298	-	61,992,298
Transactions with other segments	-	-	-	-	-
Total	61,546,166	446,131	61,992,298	-	61,992,298
Segment profit (loss)	(465,310)	89,680	(375,630)	-	(375,630)

Note: The total amount of segment profit or loss (loss) is consistent with the operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. The nine months of the current fiscal year (September 1, 2025 to May 31, 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)

	Reportable segments			Reconciling items	Quarterly Consolidated Statements of Income (Note)
	NONFERROUS METALS	ARTS AND CRAFTS	Total		
Sales					
Revenue generated from customer contracts	72,863,381	628,541	73,491,922	-	73,491,922
Other Earnings					
Revenues from external customers	72,863,381	628,541	73,491,922	-	73,491,922
Transactions with other segments	-	-	-	-	-
Total	72,863,381	628,541	73,491,922	-	73,491,922
Segment profit (loss)	3,212,676	189,209	3,401,885	-	3,401,885

Note: The total amount of segment profit or loss (loss) is consistent with operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.