

New possibilities for a bright future



Financial Summary (3Q FY2025)

2/4/2026

Overview of Consolidated Results 3Q FY2025

- Net sales trended strongly, increasing by 6.8% year-on-year
- Ordinary profit also increased by 12.8% year-on-year due to increased sales

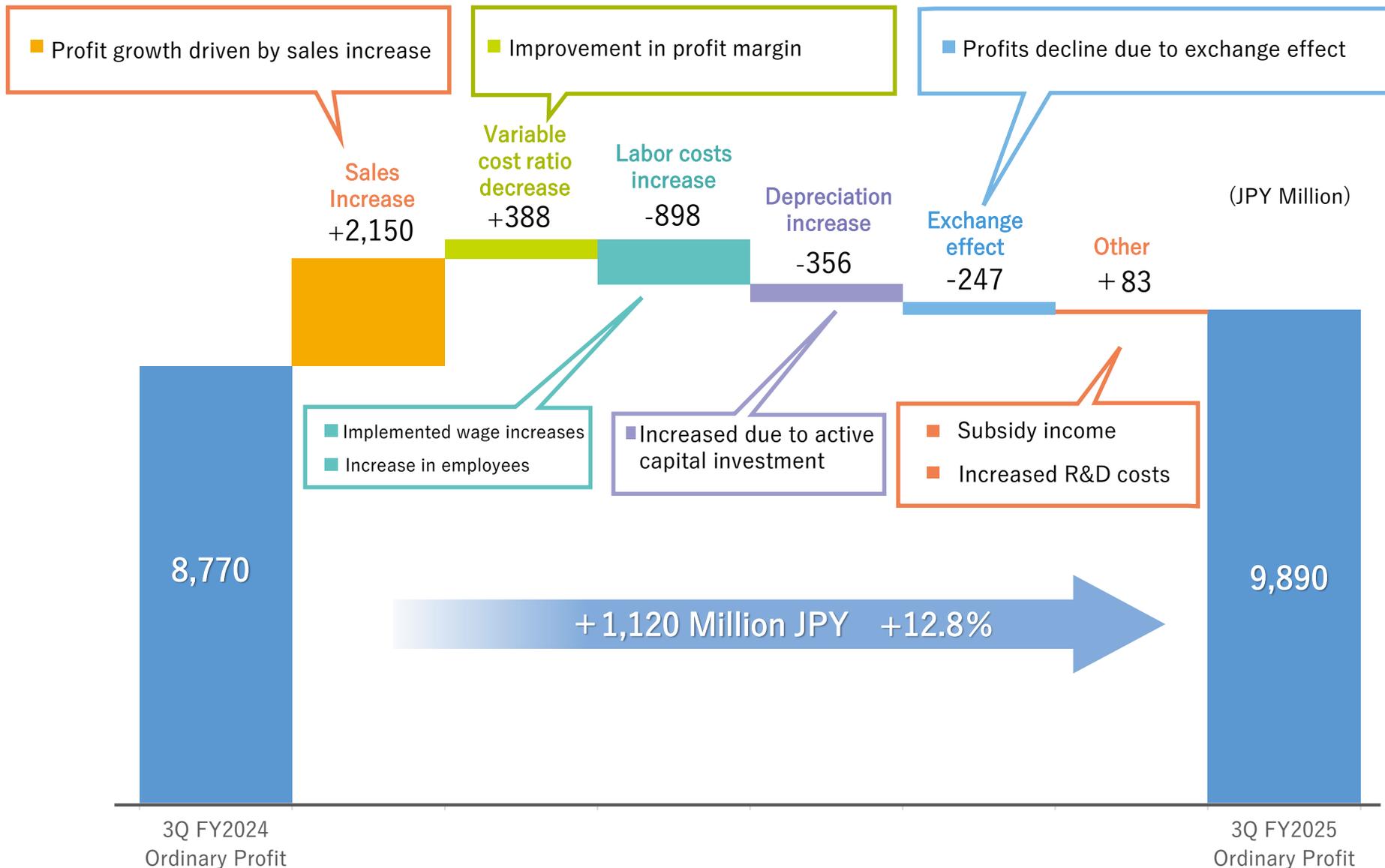
(JPY Million)	3Q FY2024		3Q FY2025		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	39,903	100.0%	42,621	100.0%	2,718	6.8%
Operating Profit	8,488	21.3%	9,528	22.4%	1,040	12.3%
Ordinary Profit	8,770	22.0%	9,890	23.2%	1,120	12.8%
Net Income Attributable to Owners of Parent	5,781	14.5%	6,443	15.1%	661	11.4%
Earnings Per Share (EPS)	97.25JPY	—	108.36JPY	—	11.11JPY	—

3Q FY2025 Net Sales (by Segment)

- Thermal Spray (TOCALO), our largest segment, increased by 1.2% year-on-year due to strong performance in industrial machinery
- Other surface modifications saw decreased revenue due to continued inventory adjustments by customers for agricultural machinery parts
- Overseas subsidiaries performed well, primarily in semiconductor- and iron & steel-related areas, increasing 38.9% year-on-year

(JPY Million)	3Q FY2024		3Q FY2025		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	39,903	100.0%	42,621	100.0%	2,718	6.8%
■ Thermal Spray (TOCALO)	29,536	74.0%	29,891	70.1%	354	1.2%
Semicon & FPD	17,922	44.9%	17,972	42.2%	49	0.3%
Industrial Parts	3,780	9.5%	4,198	9.8%	417	11.0%
Iron & Steel	2,939	7.4%	2,976	7.0%	36	1.3%
Others	4,893	12.2%	4,744	11.1%	-149	-3.1%
■ Other Surface Modif.	2,123	5.4%	1,852	4.4%	-271	-12.8%
■ Domestic Sub.	1,919	4.8%	2,142	5.0%	222	11.6%
■ Overseas Sub.	6,230	15.6%	8,654	20.3%	2,423	38.9%
Royalty Income	92	0.2%	81	0.2%	-10	-11.9%

Analysis of Ordinary P/L Change



Segment Information

- While Thermal Spray (TOCALO) net sales increased, profit decreased by 8.6% due to the burden of fixed costs.
- Overseas subsidiaries performed well, primarily in the semiconductor- and iron & steel-related fields, increasing by 77.3%.
- Domestic subsidiaries increased by 7.2% due to a recovery trend in automotive parts.

(JPY Million)	3Q FY2024		3Q FY2025		Change			
	Net Sales	P/L	Net Sales	P/L	Net Sales		Segment P/L	
					Amount	%	Amount	%
■ Thermal Spray (TOCALO)	29,536	6,831	29,891	6,242	354	1.2%	-589	-8.6%
■ Domestic Sub.	1,919	226	2,142	242	222	11.6%	16	7.2%
■ Overseas Sub.	6,230	1,991	8,654	3,532	2,423	38.9%	1,540	77.3%
■ Other Surface Modif.	2,123	325	1,852	206	-271	-12.8%	-118	-36.6%
Total	39,810	9,374	42,540	10,223	2,729	6.9%	848	9.0%

(Note) Royalty Income is not included in the Segment Net Sales

Consolidated Forecast FY2025



[No revisions to the forecast announced on May 9, 2025]

(JPY Million)	FY2024		FY2025		Change	
	Result	Ratio	Forecast	Ratio	Amount	%
Net Sales	54,231	100.0%	57,000	100.0%	2,768	5.1%
■ Thermal Spray (TOCALO)	39,213	72.3%	39,265	68.9%	51	0.1%
Semicon & FPD	24,114	44.5%	25,187	44.2%	1,072	4.4%
Industrial Parts	4,872	9.0%	4,338	7.6%	-534	-11.0%
Iron & Steel	3,927	7.2%	4,110	7.2%	182	4.6%
Others	6,298	11.6%	5,630	9.9%	-668	-10.6%
■ Other Surface Modif.	2,880	5.3%	2,474	4.3%	-406	-14.1%
■ Domestic Sub.	2,656	4.9%	3,088	5.4%	431	16.3%
■ Overseas Sub.	9,319	17.2%	12,013	21.1%	2,693	28.9%
Royalty Income	161	0.3%	160	0.3%	-1	-0.8%
Operating Profit	12,268	22.6%	13,000	22.8%	731	6.0%
Ordinary Profit	12,558	23.2%	13,000	22.8%	441	3.5%
Net Income Attributed to Owners of Parent	8,051	14.8%	8,330	14.6%	278	3.5%
Earnings Per Share (EPS)	135.44JPY	—	140.08JPY	—	4.64JPY	—
Return on Equity (ROE)	13.9%	—	13.3%	—	-0.6pt	—

3Q FY2025 Progress Rate

(JPY Million)	3Q FY2025		FY2025		Progress Rate
	Result	Ratio	Forecast	Ratio	
Net Sales	42,621	100.0%	57,000	100.0%	74.8%
<ul style="list-style-type: none"> ■ Thermal Spray (TOCALO) Semicon & FPD Industrial Parts Iron & Steel Others 	29,891	70.1%	39,265	68.9%	76.1%
<ul style="list-style-type: none"> ■ Other Surface Modif. ■ Domestic Sub. ■ Overseas Sub. Royalty Income 	1,852	4.4%	2,474	4.3%	74.9%
	2,142	5.0%	3,088	5.4%	69.4%
	8,654	20.3%	12,013	21.1%	72.0%
	81	0.2%	160	0.3%	50.9%
Operating Profit	9,528	22.4%	13,000	22.8%	73.3%
Ordinary Profit	9,890	23.2%	13,000	22.8%	76.1%
Net Income Attributed to Owners of Parent	6,443	15.1%	8,330	14.6%	77.3%
Earnings Per Share (EPS)	108.36JPY	—	140.08JPY	—	77.4%

Semiconductor & FPD Net Sales

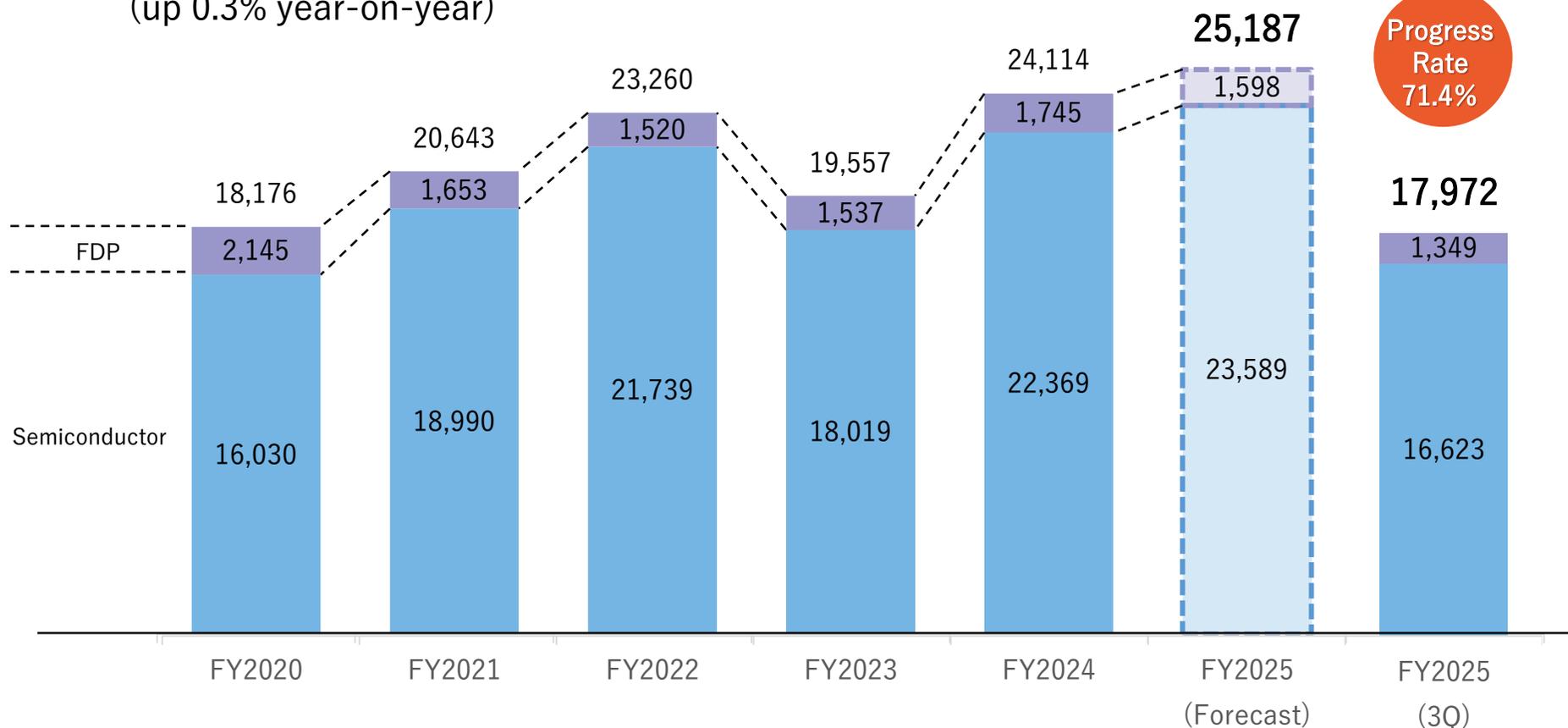


The temporary adjustment phase in the semiconductor field has ended, and the field is now on a full-scale recovery trend.

Cumulative sales for the first nine months totaled 17,972 million yen (up 0.3% year-on-year)

(JPY Million)

Progress Rate
71.4%



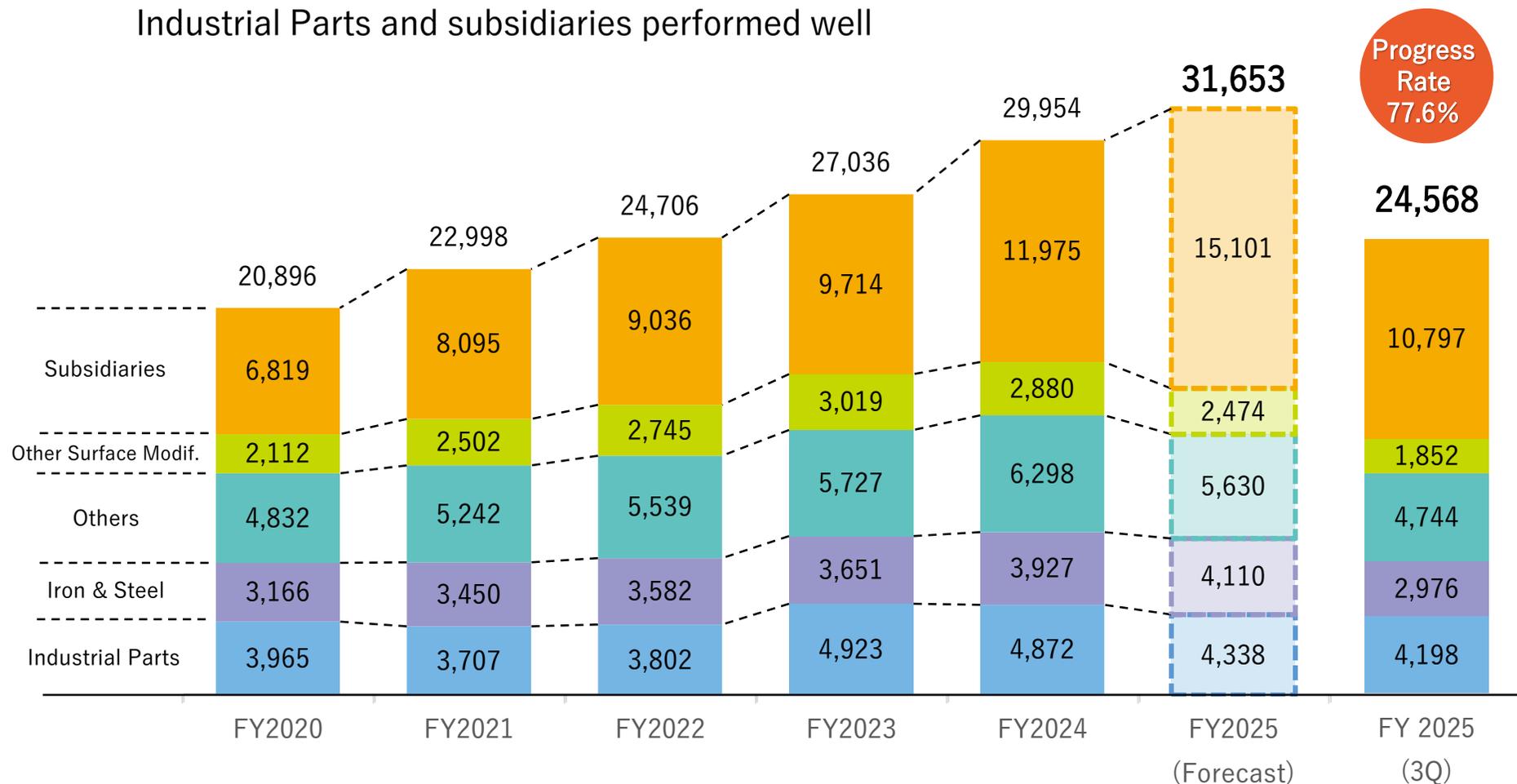
Non-Semiconductor & FPD Net Sales



Net sales in non-semiconductor & FPD fields totaled 24,568 million yen (up 12.2% year-on-year)

Industrial Parts and subsidiaries performed well

(JPY Million)



Progress Rate
77.6%

(Note) Royalty Income is not included in the Segment Net Sales

Financial Position

- Total assets increased by 5,700 million JPY from the end of the previous period (fixed assets +3,500 million yen, etc.)
- Equity ratio decreased by 2.7 points from the end of the previous period to 71.5%
- Interest-bearing debt increased by 4,300 million JPY from the end of the previous period

(JPY Million)	FY2024		FY2025
	3Q	4Q	3Q
Total Assets	77,950	81,683	87,473
Equity	57,835	60,645	62,579
Equity Ratio	74.2%	74.2%	71.5%
Interest-bearing Debt	4,179	3,796	8,114

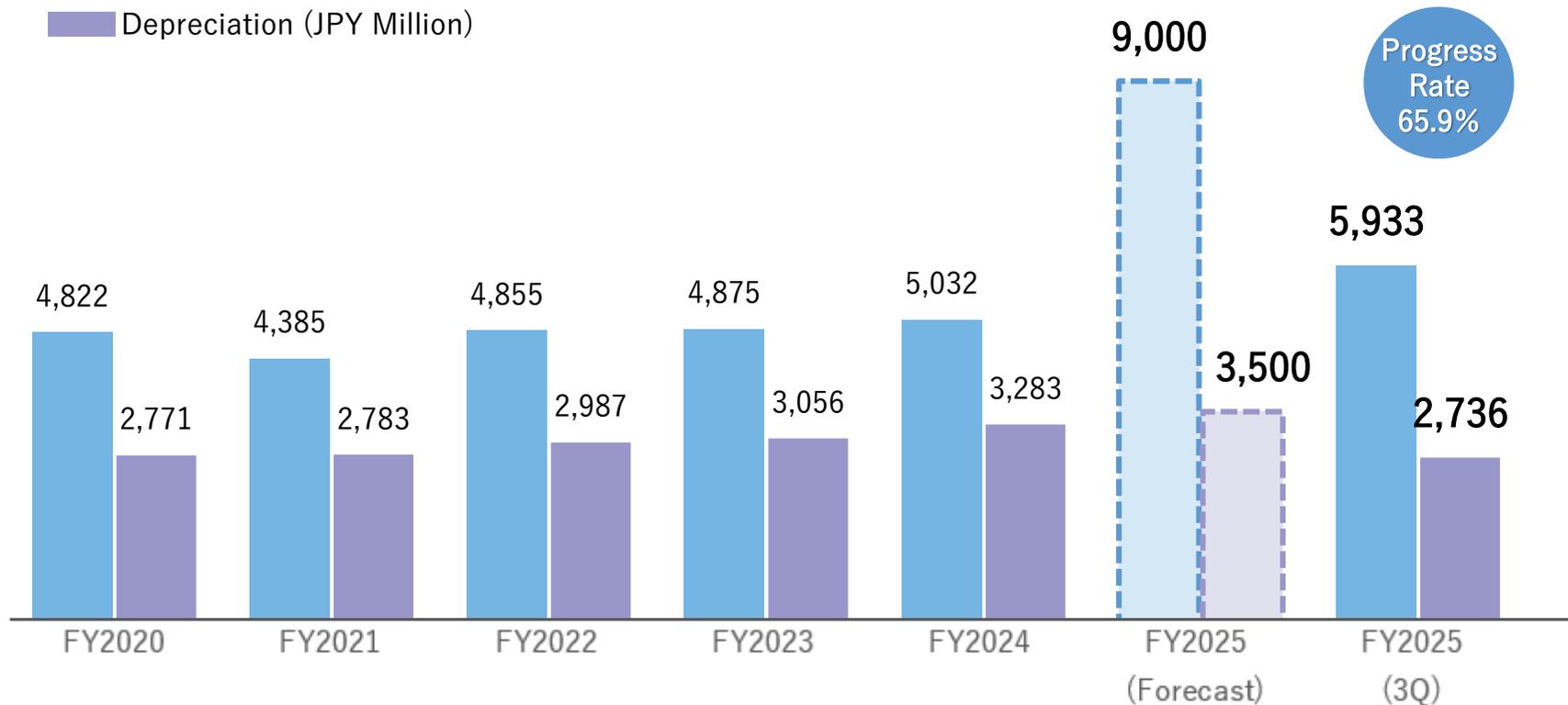
Capital Investment and Depreciation



Planned capex for FY2025: 9,000 Million JPY

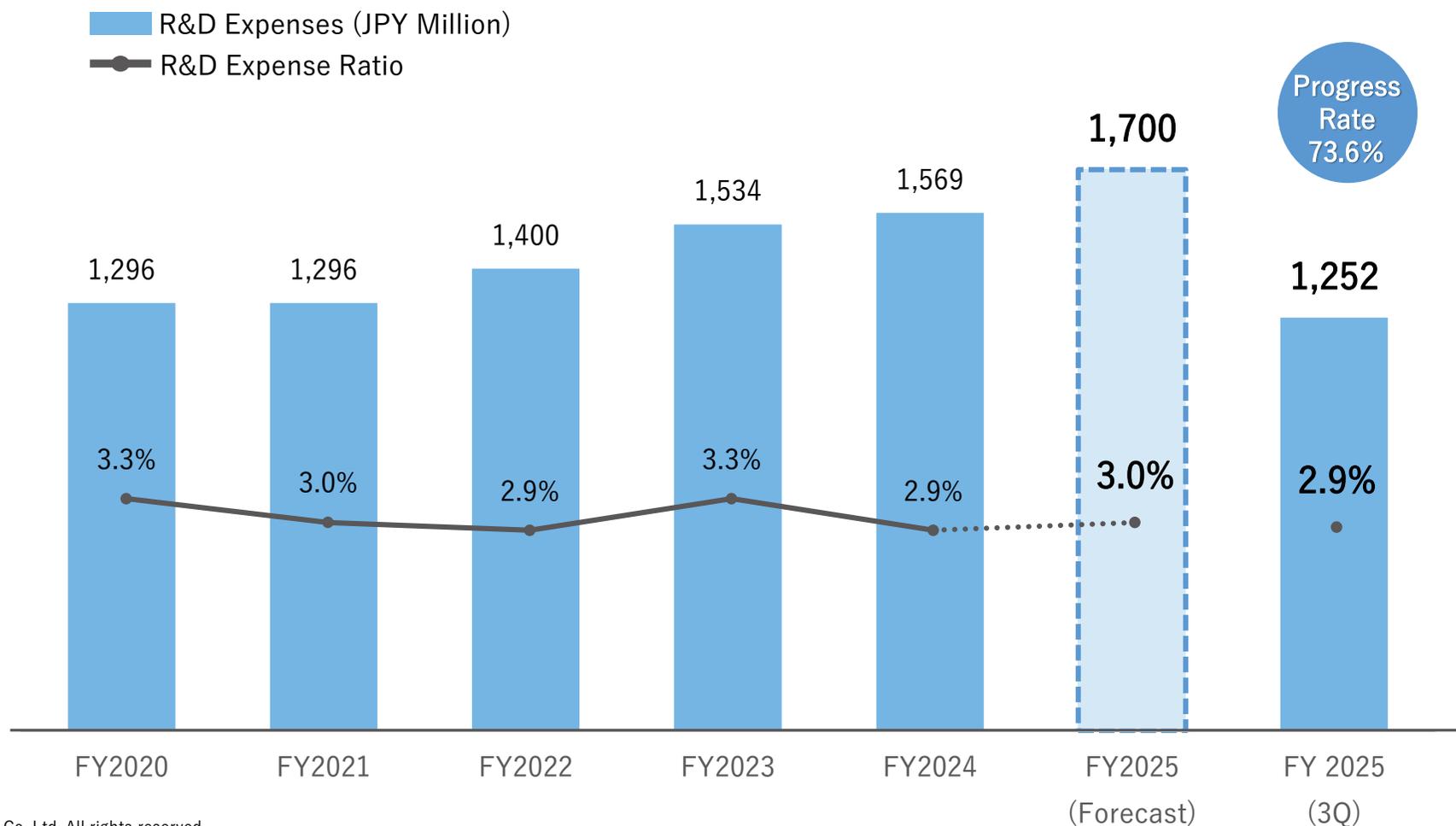
- Tocalo 7,000 million JPY: Construction of new buildings at the Tokyo and Kitakyushu Plants, increasing production and production efficiency, and strengthening research facilities, etc.
- Domestic Subsidiaries 800 million JPY: Construction of new buildings at TERADA KOSAKUSHO, and increased production capacity at Japan Coating Center
- Overseas Subsidiaries 1,200 million JPY: Launch of new factories at TOCALO & HAN TAI (Kunshan) and at TOCALO & HAN TAI (Taiwan)

Capex (JPY Million)
Depreciation (JPY Million)



R&D Expenses

POINT R&D expenses will be maintained at around 3% of consolidated net sales



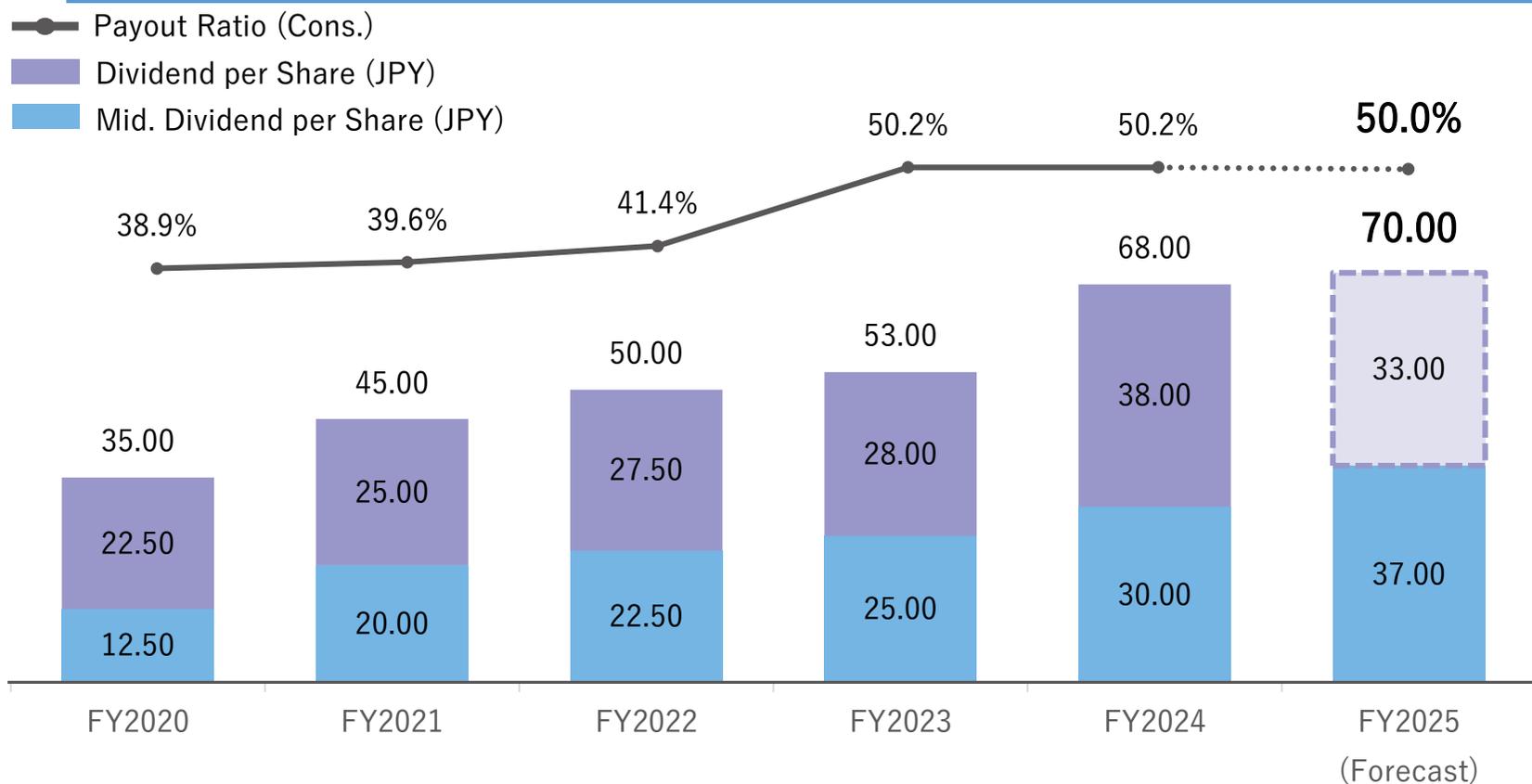
Dividends



An annual dividend of 70 JPY is planned for FY2025 (a dividend payout ratio of 50.0%)

Shareholder Return Policy

- We are targeting a consolidated dividend payout ratio of around 50%, and a dividend on equity (DOE) ratio of at least 5%
- Acquisition of treasury stock will also be flexibly conducted, taking into consideration the business environment and the company's financial situation



Financial Highlights

(Million JPY)	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Result	FY2025 Forecast
Orders Received	39,021	45,394	48,419	47,505	56,159	—
Backlog of Orders	6,143	7,896	8,349	9,260	11,349	—
Net Sales	39,294	43,813	48,144	46,735	54,231	57,000
Operating Profit	8,890	10,255	10,558	9,197	12,268	13,000
Ordinary Profit	8,914	10,571	11,003	9,662	12,558	13,000
Ordinary Profit Ratio	22.7%	24.1%	22.9%	20.7%	23.2%	22.8%
Net Income Attributed to Owners of Parent	5,463	6,909	7,350	6,326	8,051	8,330
Earnings Per Share (EPS)	89.86JPY	113.62JPY	120.83JPY	105.53JPY	135.44JPY	140.08JPY
Total Assets	64,183	69,517	74,263	77,940	81,683	89,900
Equity	44,201	49,099	53,839	55,460	60,645	64,700
Equity Ratio	68.9%	70.6%	72.5%	71.2%	74.2%	72.0%
Return on Equity (ROE)	12.9%	14.8%	14.3%	11.6%	13.9%	13.3%
Return on Assets (ROA)	14.2%	15.8%	15.3%	12.7%	15.7%	15.2%
Return on Invested Capital (ROIC)	11.9%	13.0%	12.5%	10.2%	12.7%	12.2%

(Note) 1 ROE = Net income attribute to owners of parent ÷ Average Equity during the period.

ROA = Ordinary Profit ÷ Average Total Assets during the period.

ROIC = Operating Profit after tax ÷ Average Invested Capital during the period.

Effective from the FY2021, the classification of Royalty Income has been changed from non-operating income to Net Sales

2 The finalization of provisional accounting treatment related to business combinations was completed during the interim consolidated accounting period for the fiscal year ending March 31, 2026. Figures as of the fiscal year ended March 31, 2025, reflect the details of this finalized provisional accounting treatment.

Notes

The financial forecasts and estimates in this Financial Summary are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Financial Summary.

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