



Consolidated Financial Results for the Nine Months Ended March 31, 2025 [Japanese GAAP]

May 12, 2025

Company name: JTEC Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3446
 URL: <https://www.j-tec.co.jp/english/>
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Scheduled date of commencing dividend payments: None
 Availability of supplementary briefing materials on quarterly financial results: Not available
 Financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended March 31, 2025 (July 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (cumulative) (Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
March 31, 2025	967	20.4	(242)	—	(257)	—	(194)	—
March 31, 2024	803	(27.6)	(287)	—	(269)	—	(206)	—

(Note) Comprehensive income: For the nine months ended March 31, 2025: ¥(194) million [— %]
 For the nine months ended March 31, 2024: ¥(206) million [— %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
March 31, 2025	(32.99)	—
March 31, 2024	(35.07)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	3,411	2,521	73.9
As of June 30, 2024	3,567	2,696	75.6

(Reference) Shareholders' equity: As of March 31, 2025: ¥2, 521 million
 As of June 30, 2024: ¥2, 696 million

2. Dividends

	Annual dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2024	—	0.00	—	0.00	0.00
Fiscal year ending June 30, 2025	—	0.00	—		
Fiscal year ending June 30, 2025 (Forecast)				0.00	0.00

(Note) Changes in dividend forecast from the most recent announcement: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net 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	2,640	31.4	365	27.9	363	16.8	231	16.1	39.45

(Note) Changes in financial results forecast from the most recent announcement: None

Notes:

(1) Changes in specific subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

Newly included: None

Excluded: None

(2) Application of special accounting treatment in preparing the quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common stock)

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

March 31, 2025: 5,890,600 shares

June 30, 2024: 5,880,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 970 shares

June 30, 2024: 970 shares

3) Average number of shares outstanding during the period:

Nine months ended March 31, 2025: 5,885,104 shares

Nine months ended March 31, 2024: 5,876,024 shares

* Review by a certified public accountant or auditing firm of Japanese-language originals of attached quarterly financial statements: Yes (voluntary)

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from the forecasts due to a wide range of factors. Please see page 4 of the attached materials, "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Financial Results Forecast and Other Forward-Looking Information" for more information regarding assumptions made when formulating earnings projections and matters to note when using these projections.

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1. Summary of Financial Results and Other Information

All matters relating to the future in the sections below reflect the current views of the Group as of March 31, 2025.

(1) Summary of Business Results for the Current Quarter

During the nine months ended March 31, 2025, the global economy has seen a recovery in consumption and investment from monetary policy easing in various countries in tandem with the easing of inflation. While the economic trend has been stable, downside risks are increasing due to factors such as foreign policy under the new US administration as well as political instability in major European countries. In terms of the domestic economy, steady growth driven by domestic demand has continued, but uncertainty is mounting due to the policy direction of various countries, in particular the United States.

Under these economic circumstances, in the nine months ended March 31, 2025, we recorded net sales of ¥967,828 thousand (+20.4% year-on-year), an operating loss of ¥242,310 thousand (versus a loss of ¥287,228 thousand in the same period of the previous fiscal year), an ordinary loss of ¥257,352 thousand (versus a loss of ¥269,198 thousand in the same period of the previous fiscal year), and a loss attributable to owners of parent of ¥194,152 thousand (versus a loss of ¥206,099 thousand in the same period of the previous fiscal year).

Results by segment were as follows.

(Optical segment)

In the nine months ended March 31, 2025, orders primarily to Asian markets including China, Japan, and Taiwan as well as the European market contributed to sales. In the third quarter in particular, domestic shipments increased significantly due to the overlap with the Japanese fiscal year-end, with domestic sales at over 40% of the cumulative total. A favorable order environment led to a significant increase of 49.8% year-on-year in domestic sales.

In China, our second-largest sales region after Japan, the order environment is improving in newly established cities in China, and we received orders from newly established X-ray free-electron laser facilities with which we had no prior business. Inquiries from cities across China continue to increase, leading to orders from existing facilities in addition to new facilities.

In Europe, upgrades to existing facilities in major EU countries are progressing steadily, and we received orders for high-precision mirrors from various facilities.

With regard to demand from synchrotron radiation and X-ray free-electron laser facilities, our main customers, we are seeing steady development of upgrades and plans for new installations globally, and order activities are positive. In terms of profit, segment profits improved significantly due to the large number of high-margin, high-precision projects compared to the same period of the previous year.

As a result, the Optical segment recorded sales of ¥581,677 thousand (+46.7% year-on-year) and segment profit of ¥137,723 thousand (versus a profit of ¥4,081 thousand in the same period of the previous fiscal year).

(LS & Equipment Development segment)

In the nine months ended March 31, 2025, the LS & Equipment Development segment booked sales of automated cell culture equipment maintenance and consumables in life sciences, while in equipment development we achieved new sales of plasma-assisted polishing systems as well modifications for existing systems and sales of component parts for various devices.

As new priority business areas in the LS & Equipment Development segment, we continue to promote the development, commercialization, and sales of surface processing equipment such as plasma chemical vaporization machining (PCVM), plasma-assisted polishing (PAP), catalyst-referred etching (CARE), and electro-chemical mechanical polishing (ECMP), which are nano-surface processing technologies mainly for semiconductor materials.

As part of our sales efforts, following our participation at "SEMICON Japan 2024", we exhibited at the "SiC, GaN Machining Technology Exhibition 2025", to develop new business. As a result, we received significant response to our PAP and ECMP technologies, with multiple companies requesting test processing, and we are in the process of customer evaluation. PAP and ECMP are gaining attention as processing methods for substrates used in next-generation power devices and for heat spreaders in high-power devices used in data centers. The market for these is expected to grow going forward, and we are working to further bolster our technical capabilities and sales structure.

In life sciences, global trends including workstyle reforms and moves to ban animal testing have provided tailwinds for automatic cell culture devices. We are not only exploring new markets for general-purpose automatic cell culture

devices like the "MakCell®", but also conducting market surveys for large-scale, fully-automated cell culture systems in response to growing demand, focusing on expanding orders.

As a result of the above, the LS & Equipment Development segment recorded net sales of ¥105,899 thousand (+58.4% year-on-year), and a segment loss of ¥79,613 thousand (compared to a loss of ¥85,972 thousand in the same period last year).

(Other segment)

In the nine months ended March 31, 2025, the Other segment (ESCO, Ltd) secured three sales contracts (for Japan and South Korea) in its mainstay equipment business, along with sales in equipment maintenance and contract analysis services.

Although ESCO, Ltd. has operated in Japan, Taiwan, and South Korea as core markets to date, active participation in international exhibitions has led to an increase in inquiries from outside these core regions, and we are working to further expand sales channels. While sales in the core equipment business contributed during the quarter, sales volumes declined compared to the same period last year, resulting in lower sales revenues.

Currently, development of new equipment functionalities with the parent company is progressing, and marketing activities are underway in preparation for new product launches. As a result, R&D expenses related to equipment development increased, and SG&A expenses in addition to higher costs associated with office expansion led to decline in profits year-on-year and a segment loss.

As a result of the above, the Other segment recorded sales of ¥280,581 thousand (-17.6 year-on-year) and a segment loss of ¥1,625 thousand (compared to profit of ¥39,065 thousand in the same period last year).

(2) Summary of Financial Condition for the Current Quarter

1. Status of assets, liabilities and net assets

(Assets)

As of March 31, 2025, current assets amounted to ¥1,606,597 thousand, down ¥209,131 thousand from the level on June 30, 2024. This was mainly due to an increase in work-in-progress inventory by ¥210,063 thousand, while accounts receivable decreased by ¥409,257 thousand. Non-current assets totaled ¥1,804,458 thousand, an increase of ¥52,664 thousand compared to the level on June 30, 2024. This was mainly due to a decrease in goodwill by ¥31,787 thousand and decrease in machinery and transport equipment by ¥18,322 thousand, while deferred tax assets increased by ¥78,671 thousand.

As a result, total assets were ¥3,411,056 thousand, down ¥156,466 thousand from their level on June 30, 2024.

(Liabilities)

As of March 31, 2025, current liabilities totaled ¥448,899 thousand, an increase of ¥35,713 thousand from the level on June 30, 2024. This was primarily due to an increase in accounts payable of ¥22,645 thousand and an increase in contract liabilities of ¥37,113, while income taxes payable decreased by ¥37,457 thousand. Non-current liabilities amounted to ¥441,130 thousand, a decrease of ¥16,429 thousand compared to the level on June 30, 2024. This was mainly due to an increase of ¥40,075 thousand in other liabilities, while long-term borrowings decreased by ¥56,592 thousand.

As a result, total liabilities were ¥890,030 thousand, an increase of ¥19,284 thousand from their level on June 30, 2024.

(Net assets)

As of March 31, 2025, total net assets were ¥2,521,025 thousand, a decrease of ¥175,751 thousand from the level on June 30, 2024. This was due to an increase in both capital stock and capital surplus by ¥9,200 thousand, while retained earnings decreased by ¥194,152 thousand.

2. Cash flows

In the nine months ended March 31, 2025, cash and cash equivalents stood at ¥571,446 thousand decreased by ¥38,783 thousand compared to the level on June 30, 2024. The cash flows affecting this figure are outlined below.

(Cash flows from Operating Activities)

Net cash flows from operating activities for the nine months ended March 31, 2025 resulted in a cash inflow of ¥60,766 thousand (compared to a cash outflow of ¥38,381 thousand in the same period last year). Main factors include the recording of a pre-tax quarterly loss of ¥257,981 thousand and an increase in inventory of ¥208,230 thousand (outflows). However, there was also a decrease in trade receivables of ¥420,257 thousand, an increase in contract liabilities of ¥37,113 thousand, depreciation of ¥85,268 thousand and goodwill amortization of ¥31,787 thousand (inflows).

(Cash flows from Investing Activities)

Net cash flows from investing activities for the nine months ended March 31, 2025 resulted in a cash outflow of ¥40,701 thousand (compared to a cash outflow of ¥113,895 thousand in the same period last year). Main factors include the outflow of ¥39,776 thousand in expenditures for property, plant, and equipment acquisition.

(Cash flows from Financing Activities)

Net cash flows from financing activities for the nine months ended March 31, 2025 resulted in a cash outflow of ¥58,374 thousand (compared to a cash outflow of ¥56,662 thousand in the same period last year). Main factors include the outflow of ¥56,592 thousand for the repayment of long-term borrowings.

(3) Explanation of Financial Results Forecast and Other Forward-Looking Information

The Company has made no changes to its forecasts for the fiscal year ending June 30, 2025 that it announced in the “Consolidated Financial Results for the Fiscal Year Ended June 30, 2024” released on August 9, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	610,230	571,446
Electronically recorded monetary claims-operating	11,000	—
Accounts receivable-trade	803,528	394,270
Merchandise and finished goods	101,376	88,564
Work in process	107,162	317,225
Raw materials and supplies	74,340	85,319
Other	108,371	150,050
Allowance for doubtful accounts	(280)	(280)
Total current assets	1,815,729	1,606,597
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	712,659	707,359
Machinery, equipment and vehicles (net)	241,550	223,227
Land	340,429	340,429
Construction in progress	36,319	15,606
Other (net)	8,364	60,767
Total property, plant and equipment	1,339,324	1,347,391
Intangible assets		
Goodwill	307,276	275,489
Other	5,191	3,528
Total intangible assets	312,468	279,017
Investments and other assets		
Investment securities	30,833	30,155
Deferred tax assets	49,197	127,869
Other	19,969	20,024
Total investments and other assets	100,000	178,049
Total non-current assets	1,751,793	1,804,458
Total assets	3,567,522	3,411,056

(Thousands of yen)

	As of June 30, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable–trade	58,399	81,045
Current portion of long-term borrowings	75,456	75,456
Income taxes payable	40,708	3,250
Contract liabilities	110,179	147,293
Provision for bonuses	28,622	41,324
Provision for loss on orders received	—	3,320
Other	99,819	97,209
Total current liabilities	413,185	448,899
Non-current liabilities		
Long-term borrowings	446,507	389,915
Provision for retirement benefits for directors (and other officers)	1,650	1,650
Retirement benefit liability	538	626
Other	8,864	48,939
Total non-current liabilities	457,560	441,130
Total liabilities	870,746	890,030
Net assets		
Shareholders' equity		
Share capital	837,948	847,148
Capital surplus	797,941	807,141
Retained earnings	1,061,509	867,356
Treasury shares	(621)	(621)
Total shareholders' equity	2,696,776	2,521,025
Total net assets	2,696,776	2,521,025
Total liabilities and net assets	3,567,522	3,411,056

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Third Quarter Consolidated Cumulative Period

(Thousands of yen)

	For the nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)	For the nine months ended March 31, 2025 (July 1, 2024 to March 31, 2025)
Net sales	803,648	967,828
Cost of sales	361,744	393,755
Gross profit	441,904	574,073
Selling, general and administrative expenses	729,132	816,383
Operating profit (loss)	(287,228)	(242,310)
Non-operating income		
Interest income	6	391
Insurance claim income	464	328
Grant income	141	—
Subsidy income	17,969	—
Foreign exchange gains	1,134	—
Temporary transfer charges income	1,038	2,421
Other	375	604
Total non-operating income	21,129	3,745
Non-operating expenses		
Interest expenses	2,310	3,373
Foreign exchange losses	—	14,802
Loss on investments in investment partnerships	631	612
Other	158	—
Total non-operating expenses	3,099	18,788
Ordinary loss	(269,198)	(257,352)
Extraordinary income		
Gain on sale of non-current assets	—	200
Total extraordinary income	—	200
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,656	807
Impairment losses	1,837	21
Total extraordinary losses	3,494	828
Loss before income taxes	(272,692)	(257,981)
Income taxes - current	14,802	14,842
Income taxes - deferred	(81,394)	(78,671)
Total income taxes	(66,592)	(63,828)
Net profit (loss)	(206,099)	(194,152)
Net profit attributable to non-controlling interests	—	—
Net profit (loss) attributable to owners of parent	(206,099)	(194,152)

Consolidated Statement of Comprehensive Income
Third Quarter Consolidated Cumulative Period

(Thousands of yen)

	For the nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)	For the nine months ended March 31, 2025 (July 1, 2024 to March 31, 2025)
Net profit (loss)	(206,099)	(194,152)
Comprehensive income	(206,099)	(194,152)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(206,099)	(194,152)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)	For the nine months ended March 31, 2025 (July 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Loss before income taxes	(272,692)	(257,981)
Depreciation	77,605	85,268
Impairment losses	1,837	21
Amortization of goodwill	31,787	31,787
Increase (decrease) in provision for loss on orders received	—	3,320
Increase (decrease) in provision for bonuses	12,917	12,701
Increase (decrease) in retirement benefit liability	(1,245)	87
Loss (gain) on investments in investment partnerships	631	612
Interest and dividend income	(6)	(391)
Interest expenses	2,310	3,373
Subsidy income	(17,969)	—
Loss on retirement of non-current assets	1,656	807
Decrease (increase) in trade receivables	408,256	420,257
Decrease (increase) in inventories	(146,829)	(208,230)
Decrease (increase) in prepaid expenses	(18,613)	1,678
Increase (decrease) in trade payables	(47,077)	22,645
Increase (decrease) in accrued expenses	(17,919)	(24,627)
Increase (decrease) in contract liabilities	45,288	37,113
Other	(52,291)	4,789
Subtotal	7,646	133,233
Interest and dividend income	6	391
Interest paid	(2,368)	(3,478)
Income taxes paid	(61,634)	(69,379)
Subsidies received	17,969	—
Net cash provided by (used in) operating activities	(38,381)	60,766
Cash flows from investing activities		
Purchase of property, plant and equipment	(94,806)	(39,776)
Purchase of intangible assets	(920)	—
Purchase of investment securities	(15,000)	—
Other	(3,169)	(925)
Net cash provided by (used in) investing activities	(113,895)	(40,701)
Cash flows from financing activities		
Repayments of long-term borrowings	(56,592)	(56,592)
Other payments	(70)	(1,782)
Net cash provided by (used in) financing activities	(56,662)	(58,374)
Effect of exchange rate change on cash and cash equivalents	261	(474)
Net increase (decrease) in cash and cash equivalents	(208,678)	(38,783)
Cash and cash equivalents at beginning of period	783,128	610,230
Cash and cash equivalents at end of period	574,450	571,446

(4) Notes to the Consolidated Financial Statements

(Notes on changes in accounting policies due to the revision of accounting standards)

(Application of accounting standards for corporation tax, enterprise tax and inhabitants' taxes, etc)

The "Accounting Standard for Taxes on Corporation tax, Enterprise tax and Inhabitants' taxes (Accounting Standards Board of Japan Statement No.27 (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. has been applied since the beginning of the first quarter of the fiscal year ending June 30, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). This change in accounting policy has had no impact on the quarterly consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter under review. This change in the accounting policy has had no impact on the quarterly consolidated financial statements or the consolidated financial statements.

(Notes on segment information)

(Segment information)

I Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)

1. Information on sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount stated in the quarterly consolidated statement of income (Note 2)
	Optical	LS & Equipment Development	Other	Total		
Net sales						
Sales to external customers	396,624	66,462	340,561	803,648	—	803,648
Intra-segment sales or transfers between segments	—	400	—	400	(400)	—
Total	396,624	66,862	340,561	804,048	(400)	803,648
Segment profit (loss)	4,081	(85,972)	39,065	(42,825)	(244,403)	(287,228)

Notes

1. "Adjustments" are company-wide expenses, mainly comprising general and administrative expenses, and research and development expenses not attributable to reportable segments.
2. Segment profit (loss) is adjusted to operating profit (loss) in the quarterly consolidated statement of income.

2. Information on impairment losses on non-current assets and goodwill, etc., by reportable segment
(Significant impairment losses on non-current assets)

The Company recorded an impairment loss of ¥1,837 thousand due to a decline in profitability in the LS & Equipment Development segment.

II Nine months ended March 31, 2024 (July 1, 2024 to March 31, 2025)

1. Information on sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount stated in the quarterly consolidated statement of income (Note 2)
	Optical	LS & Equipment Development	Other	Total		
Net sales						
Sales to external customers	581,677	105,899	280,251	967,828	—	967,828
Intra-segment sales or transfers between segments	—	—	330	330	(330)	—
Total	581,677	105,899	280,581	968,158	(330)	967,828
Segment profit (loss)	137,723	(79,613)	(1,625)	56,484	(298,794)	(242,310)

Notes

1. "Adjustments" are company-wide expenses, mainly comprising selling, general and administrative expenses, and research and development expenses not attributable to reportable segments.
2. Segment profit (loss) is adjusted to operating profit (loss) in the quarterly consolidated statement of income.

2. Information on impairment losses on non-current assets and goodwill, etc., by reportable segment
(Significant impairment losses on non-current assets)

. There is no relevant information

(Notes in the event of significant changes in shareholders' equity)

In accordance with the resolution of the Board of Directors meeting held on September 27, 2024, the Company issued new shares as restricted stock compensation on October 25, 2024. As a result, capital stock and capital surplus increased by ¥9,200 thousand each during the nine months ended March 2025, resulting in capital stock of ¥847,148 thousand and capital surplus of ¥807,141 thousand at the end of the current third quarter consolidated accounting period.

(Notes on going concern assumption)

There is no relevant information

(Notes regarding revenue recognition)

Information disaggregated by Revenue from Contracts with Customers

Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segment			Total
	Optical	LS & Equipment Development	Other	
Optical Mirrors and Components	394,945	—	—	394,945
General-purpose Life Science Equipment	—	38,396	—	38,396
Equipment development	—	9,880	—	9,880
TDS	—	—	264,257	264,257
Other	1,678	18,185	76,303	96,167
Revenue from Contracts with Customers	396,624	66,462	340,561	803,648
Net sales to External Customers	396,624	66,462	340,561	803,648

Nine months ended March 31, 2025 (July 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segment			Total
	Optical	LS & Equipment Development	Other	
Optical Mirrors and Components	579,432	—	—	579,432
General-purpose Life Science Equipment	—	35,864	—	35,864
Equipment development	—	60,035	—	60,035
TDS	—	—	186,589	186,589
Other	2,245	10,000	93,662	105,907
Revenue from Contracts with Customers	581,677	105,899	280,251	967,828
Net sales to External Customers	581,677	105,899	280,251	967,828

Independent auditor's interim review report on quarterly consolidated financial statements

12 May 2025

To the Board of Directors of J-TEC Corporation

Gyosei & Co
Osaka Branch

Designated Partner
Managing Partner
Certified Public Accountant
In Koo Huh

Designated Partner
Managing Partner
Certified Public Accountant
Ikegami Yuka

Opinion

We conducted a quarterly review of the quarterly consolidated financial statements of JTEC Corporation, listed in the "Attached Materials" of the Quarterly Financial Report. These financial statements cover the third quarter of the consolidated fiscal year from July 1, 2024, to June 30, 2025 (January 1, 2025, to March 31, 2025), and comprise the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, quarterly consolidated statement of cash flows, and notes.

Based on our interim review, we identified no matters that would cause us to believe that the aforementioned quarterly consolidated financial statements are not prepared in conformity with the quarterly financial statement preparation standards outlined in Article 4, Paragraph 1 of the Tokyo Stock Exchange's Quarterly Financial Statement Preparation Standards and the generally accepted accounting standards in Japan for quarterly financial statements (excluding omissions permitted under Article 4, Paragraph 2 of the preparation standards for quarterly financial statements) in all material respects.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally acceptable in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Quarterly Consolidated Financial Statements of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Quarterly Financial Statement Preparation Standards of the Tokyo Stock Exchange and accounting standards generally accepted in Japan for quarterly financial statements (subject to the application of the omissions specified in Article 4, Paragraph 2 of the Quarterly Financial Statement Preparation Standards). This includes designing and operating internal controls that management deems from necessary to ensure the preparation of quarterly consolidated financial statements free from material misstatements, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern

assumption under Article 4, Paragraph 1 of the Quarterly Financial Statement Preparation Standards of the Tokyo Stock Exchange and accounting standards generally accepted in Japan (subject to the application of omissions specified in Article 4, Paragraph 2).

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Quarterly Financial Statements

Our objectives are to provide a conclusion from an independent standpoint regarding the Quarterly Financial Statements in the audit report, based on the reviews we conducted. As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We primarily review procedures involving inquiries toward management and individuals responsible for financial and accounting matters, as well as analytical procedures and other review processes. These review procedures are more limited in scope compared to the audit procedures conducted for annual financial statements in accordance with generally accepted auditing standards in Japan.
- Conclude on the appropriateness of the going concern assumption. If we identify significant uncertainties regarding events or conditions that may cast substantial doubt on the entity's ability to continue as a going concern, we will determine, based on the evidence obtained, whether the quarterly consolidated financial statements are prepared in accordance with the Tokyo Stock Exchange's "Rules on Preparation of Quarterly Financial Statements" Article 4, Paragraph 1, and accounting standards for quarterly financial statements generally accepted in Japan (with certain disclosures omitted as stipulated in Article 4, Paragraph 2 of the Rules). If we conclude that material risks exist, we are required to draw attention in our auditor's report to the related disclosures in the quarterly consolidated financial statements in the interim review report or, if the disclosures are inadequate, to express a qualified or adverse conclusion on the financial statements. Our conclusion is based on evidence obtained up to the date of the interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Identify and evaluate whether the presentation and disclosures in the quarterly consolidated financial statements are consistent with the Tokyo Stock Exchange's "Rules on Preparation of Quarterly Financial Statements" Article 4, Paragraph 1, and the accounting standards for quarterly financial statements generally accepted in Japan (with certain disclosures omitted as stipulated in Article 4, Paragraph 2 of the Rules).
- Obtain evidence regarding the financial information of the company and its subsidiaries that forms the basis for the conclusion on the quarterly consolidated financial statements. We are responsible for directing, supervising, and reviewing the interim review of the quarterly consolidated financial statements and assume sole responsibility for our conclusion.

Independence

Our firm and its designated engagement partners do not have any interest in the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes

1. The original copy of the audit mentioned above is separately retained by the Company (the entity disclosing the quarterly financial statements).
2. XBRL data and XHTML data are not included in the scope of this audit.