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June 25, 2026

Consolidated Financial Results for the Three Months Ended May 20, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6279
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended May 20, 2026 (from February 21, 2026 to May 20, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
May 20, 2026	4,170	(19.2)	(225)	–	(191)	–	(181)	–
May 20, 2025	5,164	34.0	(76)	–	(71)	–	(49)	–

Note: Comprehensive income For the three months ended May 20, 2026: ¥ 162 million [–%]
 For the three months ended May 20, 2025: ¥ (818) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
May 20, 2026	(6.99)	–
May 20, 2025	(1.86)	–

Note: During the second quarter of the fiscal year ending February 2026, the provisional accounting treatment related to a business combination was finalized. Accordingly, the figures for the first quarter of the fiscal year ending February 2026 have been retrospectively adjusted to reflect the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
May 20, 2026	51,719	35,839	69.1	1,376.47
February 20, 2026	52,440	36,324	69.1	1,368.61

Reference: Equity

As of May 20, 2026:

¥35,752 million

As of February 20, 2026:

¥36,232 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 February 20, 2026	–	6.00	–	6.00	12.00
Fiscal year ending February 20, 2027	–				
Fiscal year ending February 20, 2027 (Forecast)		12.00	–	8.00	20.00

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

Note: Breakdown of interim dividends for or the fiscal year ending February 2027 (forecast):

Ordinary dividend: ¥8.00

Commemorative dividend: ¥4.00

3. Consolidated earnings forecasts for the fiscal year ending February 20, 2027 (from February 21, 2026 to February 20, 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
Fiscal year ending February 20, 2027	27,000	27.5	1,780	993.9	1,820	419.1	1,280	(35.1)	48.35

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* **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 20, 2026:	28,800,000 shares
As of February 20, 2026:	28,800,000 shares

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

As of May 20, 2026:	2,825,939 shares
As of February 20, 2026:	2,325,786 shares

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

Three months ended May 20, 2026:	25,974,074 shares
Three months ended May 20, 2025:	26,465,107 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

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to achieve the stated performance. Actual business and other results may differ substantially due to various factors.

For matters related to the above earnings forecasts, please refer to “1. Qualitative Information on the Quarterly Financial Results for the Period under Review (3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information” on page 2 of the Attached Material.

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1. Qualitative Information on the Quarterly Financial Results for the Period under Review

(1) Overview of Operating Results for the Quarter

The Group has been actively promoting proposals of sanitary products manufacturing machinery, primarily to domestic and overseas manufacturers of sanitary products. At the same time, we are striving to expand sales by accelerating the completion and delivery of ordered machinery manufacturing and modification projects, as well as promoting parts sales. In addition, since January 2026, we have been developing a business for the manufacture and sale of cotton spunlace nonwoven fabrics and related products, mainly targeting domestic cosmetics, medical supplies, and hygiene product manufacturers.

Net sales for the first quarter of the fiscal year under review amounted to ¥4,170 million, a decrease of ¥993 million (down 19.2%) compared with the same period of the previous year. A major factor was a significant decline in sales at ZUIKO (Shanghai) Corporation, whose revenue is recognized on a shipment basis, resulting in shipments being concentrated in the second quarter. Consequently, first-quarter sales at this subsidiary decreased substantially by ¥2,108 million (down 95.0%) year on year.

On the profit side, due to the impact of decreased sales, operating loss amounted to ¥225 million, a decrease of ¥148 million year on year. Ordinary loss was ¥191 million (compared with an ordinary loss of ¥71 million in the same period of the previous year), and loss attributable to owners of parent was ¥181 million (compared with a loss of ¥49 million in the same period of the previous year). The principal reason, similar to the sales trend, was a ¥331 million decrease in operating profit at ZUIKO (Shanghai) Corporation compared with the same period of the previous year.

Until the previous fiscal year, segment information had been omitted because the proportion of “Other business” within total segments was immaterial. However, from the first quarter of the current fiscal year, the importance of the cotton spunlace business has increased, and segment classifications have been revised to: (i) Sanitary Products Machinery Business, (ii) Cotton Spunlace Business, and (iii) Other Business.

In addition, comparative segment information for the first quarter of the previous fiscal year has not been disclosed, as segments other than the Sanitary Products Machinery Business were immaterial under the current segment classification.

The segment performance for the first quarter under review is as follows:

① Sanitary Products Machinery Business

Net sales were ¥2,957 million and segment loss was ¥239 million. Sales in Japan and Europe remained steady, while sales to China decreased significantly. On the profit side, in addition to operating losses at ZUIKO (Shanghai) Corporation, increased costs due to delivery delays of new products with high value-added functions, which have continued since the previous fiscal year, had an impact.

By product category, net sales were as follows: adult diaper manufacturing machines ¥1,281 million (down 48.1% year on year), baby diaper manufacturing machines ¥867 million (down 50.0%), parts ¥431 million (up 2.4%), other machinery ¥289 million (¥135 million in the same period of the previous year), and sanitary napkin manufacturing machines ¥87 million (down 79.8%).

② Cotton Spunlace Business

The cotton spunlace business commenced operations in January 2026. While efforts were made to reduce the cost ratio through production leveling, the smooth transition of customers contributed to results. As a result, net sales were ¥1,135 million and segment profit was ¥13 million, achieving profitability.

③ Other Business

Net sales were ¥78 million and segment loss was ¥0 million.

(2) Explanation of Financial Position

Total assets at the end of the first quarter under review were ¥51,719 million, a decrease of ¥720 million compared with the end of the previous fiscal year. While work in process increased by ¥1,900 million, contract assets by ¥220 million, raw materials and supplies by ¥205 million, construction in progress by ¥132 million, and accounts receivable by ¥114 million, cash and deposits decreased by ¥2,835 million and electronically recorded monetary claims by ¥531 million.

Total liabilities were ¥15,879 million, a decrease of ¥236 million compared with the end of the previous fiscal year. While contract liabilities increased by ¥833 million, electronically recorded obligations decreased by ¥359 million, notes and accounts payable by ¥229 million, and long-term borrowings by ¥125 million.

Total net assets were ¥35,839 million, a decrease of ¥484 million compared with the end of the previous fiscal year. Although foreign currency translation adjustments increased by ¥388 million, treasury stock increased by ¥485 million due to share repurchases, and retained earnings decreased by ¥340 million

(3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information

There is no change to the consolidated earnings forecast for the fiscal year ending February 2027 from that announced in the “Summary of Financial Results for the Fiscal Year Ended February 2026” released on April 3, 2026. If any revision to the forecast becomes necessary in light of future business trends, it will be disclosed promptly.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of February 20, 2026	As of May 20, 2026
Assets		
Current assets		
Cash and deposits	13,403,212	10,567,605
Accounts receivable - trade	2,335,910	2,450,335
Contract assets	6,861,824	7,081,834
Electronically recorded monetary claims - operating	1,355,221	823,307
Merchandise and finished goods	76,602	66,818
Work in process	5,240,864	7,141,723
Raw materials and supplies	2,186,582	2,392,534
Other	1,242,850	1,427,898
Allowance for doubtful accounts	(858)	(4,611)
Total current assets	32,702,210	31,947,445
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,068,224	9,018,283
Machinery, equipment and vehicles, net	1,416,459	1,372,630
Land	6,652,989	6,655,289
Leased assets, net	5,943	5,145
Construction in progress	121,882	254,822
Other, net	271,828	260,934
Total property, plant and equipment	17,537,326	17,567,106
Intangible assets		
Goodwill	55,357	52,021
Other	565,476	569,090
Total intangible assets	620,834	621,111
Investments and other assets		
Investment securities	1,284,485	1,222,474
Deferred tax assets	111,586	160,342
Long-term time deposits	—	17,100
Distressed receivables	135,936	136,934
Other	47,955	46,969
Total investments and other assets	1,579,964	1,583,820
Total non-current assets	19,738,125	19,772,038
Total assets	52,440,335	51,719,484

(Thousands of yen)

	As of February 20, 2026	As of May 20, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,290,250	2,060,461
Electronically recorded obligations - operating	944,803	585,762
Current portion of long-term borrowings	323,115	302,635
Current portion of bonds payable	13,317	10,787
Lease liabilities	997,919	1,012,710
Accounts payable - other	82,297	84,787
Income taxes payable	3,155,133	3,988,861
Contract liabilities	336,065	354,239
Provision for bonuses	25,000	8,300
Provision for bonuses for directors (and other officers)	85,317	92,425
Provision for product warranties	28,000	1,599
Provision for shareholder benefit program	77,766	86,764
Provision for loss on orders received	435,208	165,836
Other	8,794,195	8,755,171
Total current liabilities		
Non-current liabilities	5,881,227	5,755,572
Long-term borrowings	8,283	6,853
Lease liabilities	1,177,371	1,126,748
Deferred tax liabilities	92,033	95,135
Retirement benefit liability	775	775
Long-term accounts payable - other	162,333	139,287
Total non-current liabilities	7,322,024	7,124,372
Total liabilities	16,116,219	15,879,543
Net assets		
Shareholders' equity		
Share capital	1,888,510	1,888,510
Capital surplus	2,901,687	2,901,540
Retained earnings	28,280,729	27,940,225
Treasury shares	(546,995)	(1,032,531)
Total shareholders' equity	32,523,932	31,697,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	373,013	332,927
Revaluation reserve for land	(752,204)	(752,204)
Foreign currency translation adjustment	4,008,524	4,397,366
Remeasurements of defined benefit plans	79,700	76,639
Total accumulated other comprehensive income	3,709,034	4,054,730
Share acquisition rights	40,755	40,755
Non-controlling interests	50,393	46,709
Total net assets	36,324,115	35,839,940
Total liabilities and net assets	52,440,335	51,719,484

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Thousands of yen)

	Three months ended May 20, 2025	Three months ended May 20, 2026
Net sales	5,164,548	4,170,881
Cost of sales	4,504,091	3,632,713
Gross profit	660,457	538,168
Selling, general and administrative expenses	737,140	763,523
Operating loss	(76,683)	(225,354)
Non-operating income		
Interest income	12,271	13,393
Dividend income	2,752	3,241
Foreign exchange gains	—	36,995
Other	14,958	26,494
Total non-operating income	29,982	80,124
Non-operating expenses		
Interest expenses	6,511	17,674
Interest expenses on bonds	5,852	—
Share of loss of entities accounted for using equity method	253	27,866
Foreign exchange losses	10,872	—
Other	1,239	255
Total non-operating expenses	24,729	45,796
Ordinary loss	(71,430)	(191,026)
Extraordinary income		
Gain on sale of non-current assets	89	7
Gain on sale of investment securities	54	—
Total extraordinary income	144	7
Extraordinary losses		
Loss on sale of non-current assets	26	242
Loss on retirement of non-current assets	98	5,133
Total extraordinary losses	125	5,376
Profit (loss) before income taxes	(71,411)	(196,394)
Income taxes - current	33,144	65,565
Income taxes - deferred	(57,355)	(78,536)
Total income taxes	(24,211)	(12,970)
Loss	(47,200)	(183,424)
Loss attributable to non-controlling interests	2,109	(1,766)
Loss attributable to owners of parent	(49,310)	(181,658)

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended May 20, 2025	Three months ended May 20, 2026
Loss	(47,200)	(183,424)
Other comprehensive income		
Valuation difference on available-for-sale securities	11,802	(40,085)
Foreign currency translation adjustment	(785,008)	389,120
Remeasurements of defined benefit plans, net of tax	2,058	(3,060)
Total other comprehensive income	(771,148)	345,974
Comprehensive income	(818,349)	162,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(820,458)	162,881
Comprehensive income attributable to non-controlling interests	2,109	(331)

(3) Notes to Quarterly Consolidated Financial Statements**(Notes on the Segment Information, etc.)**

[Segment Information]

I. First Quarter of the Previous Fiscal Year (February 21, 2025 to May 20, 2025)

The Group operates in the manufacturing of general industrial machinery and equipment, including sanitary napkin manufacturing machines and diaper manufacturing machines, as well as other businesses. However, as the proportion of other businesses to the total segments is negligible and lacks materiality as disclosure information, segment information has been omitted.

II. First Quarter of the Current Fiscal Year (February 21, 2026 to May 20, 2026)

1. Information on net sales and profit or loss by reportable segment

(Thousands of yen)

	Reportable Segments			Other (Note 1)	Adjustments (Note 2)	Quarterly Consolidated Statement Amount (Note 3)
	Sanitary Products Machinery Business	Cotton Spunlace Business	Total			
Net SalesSales to external customers						
Sales to external customers	2,957,301	1,135,245	4,092,547	78,334	—	4,170,881
Intersegment sales or transfers	22	—	22	29	(52)	—
Total	2,957,324	1,135,245	4,092,570	78,364	(52)	4,170,881
Segment profit (loss)	(239,825)	13,134	(226,691)	(748)	2,085	(225,354)

Note: 1. The “Other” category includes business segments not included in the reportable segments and consists of the sanitary products manufacturing business.

2. The adjustment amount for segment profit or loss represents the elimination of intersegment transactions.

3. Segment profit or loss is reconciled with operating loss in the quarterly consolidated statement of income.

2. Changes in Reportable Segments, etc.

Previously, the Group had only one reportable segment, the “Sanitary Products Machinery Business,” and segment information was omitted due to the immateriality of other business segments. However, commencing from the first quarter of the current fiscal year, as the importance of the “Cotton Spunlace Business” within the Group has increased, the classification of reportable segments has been reviewed. Accordingly, the “Sanitary Products Machinery Business” and the “Cotton Spunlace Business” are now presented as reportable segments.

It should be noted that segment information for the first quarter of the previous fiscal year prepared in accordance with the current reportable segment classification has not been disclosed, as business segments other than the “Sanitary Products Machinery Business” were immaterial.

(Notes on Significant Changes in the Amount of Shareholders’ Equity)

The Company acquired 500,000 shares of treasury stock based on a resolution of the Board of Directors held on February 19, 2026. As a result of this acquisition and other factors, treasury stock increased by ¥485 million, bringing the balance of treasury stock to ¥1,032 million as of the end of the first quarter of the fiscal year under review.

(Notes on Going Concern Assumption)

No applicable matter.

(Notes to Quarterly consolidated statements of cash flows)

The quarterly consolidated statement of cash flows for three months ended May 20, 2026 has not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows:

	Three months ended May 20, 2025 (Thousands of yen)	Three months ended May 20, 2026 (Thousands of yen)
Depreciation	213,631	237,368
Amortization of goodwill	8,072	3,062

Note: During the second quarter of the fiscal year ending February 2026, the provisional accounting treatment related to a business combination was finalized. Accordingly, the figures for the first quarter of the fiscal year ending February 2026 have been retrospectively adjusted to reflect the finalization of the provisional accounting treatment.