EIZO Corporation and Subsidiaries

Consolidated Financial Statements for the Year Ended March 31, 2026, and Independent Auditor's Report

Deloitte Touche Tohmatsu LLC
Nissin Toyama Building
2-25 Sakurabashi-dori
Toyama-shi, Toyama 930-0004
Japan

Tel: +81 (76) 443 7220
Fax: +81 (76) 443 7221
www.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of EIZO Corporation:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of EIZO Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, 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.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

<table>
<tr><th colspan="2">Reasonableness of valuation of excess or slow-moving inventories</th></tr>
<tr><th>Key Audit Matter Description</th><th>How the Key Audit Matter
Was Addressed in the Audit</th></tr>
<tr><td>The Group recorded finished products of ¥15,044 million, work in process of ¥2,480 million, raw materials and supplies of ¥20,219 million on the consolidated balance sheet as of March 31, 2026, total inventory represents 21.3% of total assets.

As described in Note 6 "Inventories" to the consolidated financial statements, the Group also recorded a write-down of ¥395 million inventories due to a decline in profitability.

The write-down of inventories is based on estimates of the future cash flows that inventories expect to generate from the estimated future sales based on market demand and net sales value.

Uncertainties exist in the business of the Group, such as changes in market demands for visual products and related products, new competitive product launches by other companies, effects of business cycles in each country, and new entrants in the market. During the current fiscal year, sales decreased due to a slowdown in the European market, the Group's principal market, resulting in excess inventories of certain older-model products for the Business & Plus market.

With respect to the write-down of excess or slow-moving inventories, the Group selects inventories based on certain criteria such as inventory turnover for further internal discussions to assess the valuation of inventories. In the internal discussions, the Group evaluates future sales prospects considering information such as sales performance and orders received. As a result of the internal discussions, the Group records the write-down of inventories by excluding the items which the Group deems not to be excess or slow-moving inventories from the items subject to the write-down of book value.

The future sales prospects involve uncertainty. Accordingly, we determined the future sales prospects used in the valuation of inventories as a key audit matter.</td>
<td>Our audit procedures related to the reasonableness of the valuation of excess or slow-moving inventories included the following, among others:

• We evaluated the design and operating effectiveness of internal controls over the valuation of excess or slow-moving inventories. In particular, we paid attention to controls related to the internal discussions held by the Group to exclude certain inventories based on the future sales prospects from the inventories subject to the write-down of book value which were selected based on certain criteria such as turnover.

• For write-downs of excess or slow-moving inventories, we reperformed the selection results based on certain criteria, such as turnover period, to test accuracy and completeness.

• For the valuation of excess or slow-moving inventories, among the inventories selected based on certain criteria such as turnover, we performed the following procedures for the items which the Group deemed not to be excess or slow-moving inventories by considering the future sales prospects based on sales performance and orders received:

—In order to test the reasonableness of the valuation of excess or slow-moving inventories, we inspected the results of the internal discussions and inquired about the process and basis for conclusions for inventories considered not to be excess or slow-moving.

—In order to test the reasonableness of the future sales prospects used in the valuation of excess or slow-moving inventories, we compared the future sales prospects with other information such as sales performance and order received.

• We evaluated the accuracy of the future sales prospects by comparing the historical future sales prospects for inventories in previous years with the actual sales and examining the factors which caused the differences between them.</td></tr>
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Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2026, which were charged by us and our network firms to EIZO Corporation and its subsidiaries were ¥84 million and ¥1 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

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

Deloitte Touche Tohmatsu LLC
September 16, 2026

EIZO Corporation and Subsidiaries

Consolidated Balance Sheet
March 31, 2026

ASSETS	Millions of Yen 2026	Millions of Yen 2025	Thousands of U.S. Dollars (Note 1) 2026
CURRENT ASSETS:			
Cash and cash equivalents (Note 16)	¥ 20,352	¥ 21,058	$ 128,000
Notes, accounts receivable and contract assets (Note 16):			
Trade notes		34	
Trade accounts	15,620	15,759	98,239
Contract assets	4,515	3,593	28,396
Electronically recorded monetary claims	2,245	1,887	14,119
Other	3,421	489	21,516
Allowance for doubtful receivables	(103)	(105)	(648)
Inventories (Notes 3 and 6)	37,743	36,665	237,377
Prepaid expenses and other current assets	983	1,329	6,183
Total current assets	84,776	80,709	533,182
PROPERTY, PLANT AND EQUIPMENT (Note 3):			
Land	4,722	4,568	29,698
Buildings and structures	30,537	24,543	192,057
Machinery and equipment	7,396	7,334	46,516
Furniture and fixtures	10,746	10,024	67,585
Right-of-use assets	2,836	2,588	17,836
Construction in progress	3	2,257	19
Total	56,240	51,314	353,711
Accumulated depreciation	(29,918)	(26,931)	(188,164)
Net property, plant and equipment	26,322	24,383	165,547
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 5 and 16)	64,443	50,716	405,302
Asset for retirement benefits (Note 10)	165	74	1,038
Deferred tax assets (Note 12)	403	396	2,535
Other assets (Note 3)	1,373	1,482	8,635
Total investments and other assets	66,384	52,668	417,510
TOTAL	¥177,482	¥157,760	$1,116,239

LIABILITIES AND EQUITY	Millions of Yen 2026	Millions of Yen 2025	Thousands of U.S. Dollars (Note 1) 2026
CURRENT LIABILITIES:			
Short-term bank loans (Notes 9 and 16)	¥ 5,502	¥ 4,862	$ 34,604
Current portion of long-term debt (Notes 9 and 16)	650	560	4,088
Accounts payable (Note 16):			
Trade accounts	4,998	4,619	31,434
Other	2,137	2,212	13,440
Income taxes payable	2,715	757	17,075
Accrued expenses	4,439	4,234	27,919
Other current liabilities	909	1,500	5,717
Total current liabilities	21,350	18,744	134,277
LONG-TERM LIABILITIES:			
Long-term debt (Notes 9 and 16)	2,014	2,117	12,667
Liability for retirement benefits (Note 10)	2,341	2,340	14,723
Deferred tax liabilities (Note 12)	14,055	9,322	88,396
Other long-term liabilities	791	881	4,975
Total long-term liabilities	19,201	14,660	120,761
COMMITMENTS AND CONTINGENT LIABILITIES (Note 16)			
EQUITY (Notes 11 and 19):			
Common stock—authorized, 130,000,000 shares; issued, 42,330,820 shares in 2026 and 43,962,320 shares in 2025	4,426	4,426	27,836
Capital surplus	4,314	4,327	27,132
Retained earnings	86,022	85,887	541,019
Treasury stock—at cost, 2,796,975 shares in 2026 and 2,803,674 shares in 2025	(4,770)	(3,979)	(30,000)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	38,631	28,058	242,962
Foreign currency translation adjustments	7,648	4,970	48,101
Defined retirement benefit plans	660	667	4,151
Total equity	136,931	124,356	861,201
TOTAL	¥177,482	¥157,760	$1,116,239

See notes to consolidated financial statements.

EIZO Corporation and Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
NET SALES (Note 20)	¥81,308	¥80,494	$ 511,371
COST OF SALES	55,407	54,294	348,472
Gross profit	25,901	26,200	162,899
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 13 and 14)	23,535	22,493	148,018
Operating income	2,366	3,707	14,881
OTHER INCOME (EXPENSES):			
Interest and dividend income	1,433	1,298	9,013
Interest expense	(205)	(266)	(1,289)
Foreign exchange loss—net	(77)	(447)	(484)
Gain on sale of investment securities (Note 5)	8,000	1,100	50,314
Loss on disposal of fixed assets—net (Note 15)	(192)		(1,208)
Loss on impairment of long-lived assets (Note 7)	(498)		(3,132)
Business restructuring expenses (Note 8)	(441)		(2,774)
Loss on revision of retirement benefit plan (Note 10)	(75)		(472)
Other—net	255	263	1,604
Other income—net	8,200	1,948	51,572
INCOME BEFORE INCOME TAXES	10,566	5,655	66,453
INCOME TAXES (Note 12):			
Current	3,381	1,449	21,264
Deferred	(139)	57	(874)
Total income taxes	3,242	1,506	20,390
NET INCOME	7,324	4,149	46,063
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 7,324	¥ 4,149	$ 46,063

	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Note 2.p):			
Basic net income	¥180.64	¥100.81	$1.14
Cash dividends applicable to the year*	107.50	102.50	0.68

* Per share figures have been restated, as appropriate, to reflect a 2-for-1 share split effected October 1, 2024.

See notes to consolidated financial statements.

EIZO Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
NET INCOME	¥ 7,324	¥4,149	$ 46,063
OTHER COMPREHENSIVE INCOME (LOSS) (Note 18):			
Unrealized gain (loss) on available-for-sale securities	10,573	(4,858)	66,497
Foreign currency translation adjustments	2,678	(168)	16,843
Defined retirement benefit plans	(7)	12	(44)
Total other comprehensive income (loss)	13,244	(5,014)	83,296
COMPREHENSIVE INCOME (LOSS)	¥20,568	¥ (865)	$ 129,359
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO—Owners of the parent	¥20,568	¥ (865)	$ 129,359

See notes to consolidated financial statements.

EIZO Corporation and Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2026

	Thousands	Millions of Yen							
						Accumulated Other Comprehensive Income			
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total Equity
BALANCE, APRIL 1, 2024	41,152	¥4,426	¥4,321	¥85,957	¥(3,989)	¥32,916	¥5,138	¥655	¥129,424
Net income				4,149					4,149
Cash dividends, ¥102.50 per share				(4,219)					(4,219)
Disposal of treasury stock	7		6		10				16
Net decrease in unrealized gain on available-for-sale securities						(4,858)			(4,858)
Net change in foreign currency translation adjustments							(168)		(168)
Net change in defined retirement benefit plans								12	12
BALANCE, APRIL 1, 2025	41,159	4,426	4,327	85,887	(3,979)	28,058	4,970	667	124,356
Net income				7,324					7,324
Cash dividends, ¥107.50 per share				(4,424)					(4,424)
Purchase of treasury stock					(3,583)				(3,583)
Cancellation of treasury stock	(1,632)		(2,783)		2,782				(1)
Disposal of treasury stock	7		5		10				15
Transfer from retained earnings to common stock			2,765	(2,765)					
Net increase in unrealized gain on available-for-sale securities						10,573			10,573
Net change in foreign currency translation adjustments							2,678		2,678
Net change in defined retirement benefit plans								(7)	(7)
BALANCE, MARCH 31, 2026	39,534	¥4,426	¥4,314	¥86,022	¥(4,770)	¥38,631	¥7,648	¥660	¥136,931

	Thousands of U.S. Dollars (Note 1)							
					Accumulated Other Comprehensive Income			
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total Equity
BALANCE, APRIL 1, 2025	$27,836	$27,214	$540,170	$(25,025)	$176,465	$31,258	$4,195	$782,113
Net income			46,063					46,063
Cash dividends, $0.68 per share			(27,824)					(27,824)
Purchase of treasury stock				(22,535)				(22,535)
Cancellation of treasury stock		(17,503)		17,497				(6)
Disposal of treasury stock		31		63				94
Transfer from retained earnings to common stock		17,390	(17,390)					
Net increase in unrealized gain on available-for-sale securities					66,497			66,497
Net change in foreign currency translation adjustments						16,843		16,843
Net change in defined retirement benefit plans							(44)	(44)
BALANCE, MARCH 31, 2026	$27,836	$27,132	$541,019	$(30,000)	$242,962	$48,101	$4,151	$861,201

See notes to consolidated financial statements.

EIZO Corporation and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING ACTIVITIES:			
Income before income taxes	¥10,566	¥ 5,655	$ 66,453
Adjustments for:			
Income taxes—paid	(1,312)	(2,212)	(8,252)
Depreciation and amortization	3,302	2,936	20,767
Provision of allowance for doubtful receivables	(12)	(9)	(75)
Foreign exchange gain—net	(316)	(79)	(1,987)
Gain on sale of investment securities	(8,000)	(1,100)	(50,314)
Loss on impairment of long-lived assets	498		3,132
Business restructuring expenses	441		2,774
Changes in assets and liabilities:			
Increase in notes and accounts receivable	(159)	(99)	(1000)
Decrease in inventories	1,249	6,736	7,855
Increase in accounts payable	41	816	258
Increase (decrease) in accrued expenses	118	(645)	742
Decrease in assets liability for retirement benefits—net	(136)	(107)	(855)
Other—net	(713)	(349)	(4,485)
Total adjustments	(4,999)	5,888	(31,440)
Net cash provided by operating activities	5,567	11,543	35,013
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(4,628)	(3,550)	(29,107)
Purchases of software and other long-lived assets	(266)	(495)	(1,673)
Proceeds from sales and redemption of investment securities	6,724	1,858	42,289
Purchases of investment securities	(104)	(4)	(654)
(Increase) decrease in other assets	(38)	51	(239)
Net cash provided by (used in) investing activities	1,688	(2,140)	10,616
FINANCING ACTIVITIES:			
Repayments of long-term debt	(576)	(492)	(3,623)
Dividends paid	(4,425)	(4,219)	(27,830)
Repurchases of treasury stock	(3,584)		(22,541)
Net cash used in financing activities	(8,585)	(4,711)	(53,994)
FOREIGN CURRENCY TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	624	(52)	3,925
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(706)	4,640	(4,440)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,058	16,418	132,440
CASH AND CASH EQUIVALENTS, END OF YEAR	¥20,352	¥21,058	$ 128,000

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of IFRS Accounting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2025 consolidated financial statements to conform to the classifications used in 2026.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which EIZO Corporation (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥159 to $1, the approximate rate of exchange at March 31, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. ***Consolidation***—The consolidated financial statements as of March 31, 2026, include the accounts of the Company and its 17 (17 in 2025) subsidiaries (together, the "Group") listed below.

Consolidated Subsidiaries	Location	Equity Ownership Percentage (%)*1
EIZO MS Corporation	Ishikawa, Japan	100
Irem Software Engineering Inc.	Tokyo, Japan	100
EIZO Support Network Corporation	Ishikawa, Japan	100
Carina System Corporation	Hyogo, Japan	100
EIZO Agency Corporation	Ishikawa, Japan	100
EIZO GmbH	Rülzheim, Germany	100
EIZO Technologies GmbH	Geretsried, Germany	100 (100)*2
EIZO Rugged Solutions Inc.	Orlando, FL, U.S.A.	100 (100)*2
EIZO Display Technologies (Suzhou) Co., Ltd.	Suzhou, China	100
EIZO Inc.	Cypress, CA, U.S.A.	100
EIZO Nordic AB	Väsby, Sweden	100
EIZO AG	Wädenswil, Switzerland	100
EIZO Limited	Ascot, U.K.	100
EIZO Europe GmbH	Mönchengladbach, Germany	100
EIZO Austria GmbH	Vienna, Austria	100 (100)*2
EIZO Private Limited	Mumbai, India	100 (0.1)*2
EIZO Middle East Ltd.	Riyadh, Saudi Arabia	100

*[1] As of March 31, 2026

*[2] The percentages in "Equity Ownership Percentage" indicate indirect ownership ratio included in the total.

Under the control concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

b. ***Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements***—Under Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either IFRS Accounting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification) tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of research and development ("R&D"); (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. ***Business Combinations***—Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

d. ***Cash Equivalents***—Cash equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificates of deposit, and commercial paper, all of which mature or become due within three months of the date of acquisition.

e. ***Inventories***—Inventories are stated at the lower of cost, determined by the average method for finished products and work in process and by the moving-average method for raw materials, or net selling value.

f. ***Short-Term Investments and Investment Securities***—Short-term investments and investment securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings; and (2) available-for-sale securities, which are not classified as either trading securities or held to maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

g. ***Property, Plant and Equipment***—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic subsidiaries is computed substantially by the declining balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to buildings of the Company and its domestic subsidiaries acquired after April 1, 1998, buildings improvements and structures acquired on or after April 1, 2016, and all property, plant and equipment of foreign subsidiaries. The range of useful lives is principally from 15 to 50 years for buildings and structures, from 7 to 10 years for machinery and equipment, and from 2 to 6 years for furniture and fixtures.

h. ***Long-Lived Assets***—The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. ***Retirement and Pension Plans***—The Company and certain of its domestic subsidiaries have a defined contribution pension plan and unfunded retirement benefit plans. Other domestic subsidiaries have a defined benefit pension plan and unfunded retirement benefit plans. Certain foreign subsidiaries have either a defined contribution plan or defined benefit plan. Additionally, the Company or its subsidiaries may add premium severance pay.

The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a straight-line basis. Actuarial gains and losses and prior service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over five years, no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

Retirement benefits to directors and the Audit and Supervisory Committee members are recorded at the amount that would be required if the directors and the Audit and Supervisory Committee members retired at the consolidated balance sheet date. In June 2004, the retirement benefit system was abolished and the amount required to be paid at the time of the abolishment will be paid to directors and the Audit and Supervisory Committee members upon their retirement.

j. ***R&D Costs***—R&D costs are charged to income as incurred.

k. ***Revenue Recognition***—The Group's principal business is the development, manufacture, and sale of visual displays and related products.

For product sales, the Company determines that the performance obligations to customers are satisfied when the products are delivered to the customers obtained controls of the products. Therefore, the Company recognizes the revenue at a point in time of delivery of the products. For sales of entrusted development of amusement software, the Company determines that performance obligations to customers for an entrusted development are satisfied over a certain period of time from the start of development based on the customer's requests to the provision of the software deliverables to the customers and the completion of the inspection. Therefore, the Company recognizes the revenue over a period from the start of development to the completion of the inspection. When it is probable that the total costs will exceed total revenue, an estimated loss on the contract should be immediately recognized by providing for a loss on development contracts.

The transaction price is measured by the amount promised in contracts with customers, which is the amount deducting the amount of discount and rebate. The amount of consideration does not include any significant financial component.

l. ***Income Taxes***—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

The Group files a tax return under the consolidated corporate tax system in Japan, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

With regard to the transition to the Group Tax Sharing System established based on "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8, 2020) and to the items reconsidered on the Non-consolidated Tax Return Filing System in accordance with this transition to the Group Tax Sharing System, the Company and certain subsidiaries calculate the amounts of deferred tax assets and deferred tax liabilities based on the provisions of the Income Tax Act before the amendment, without applying the provisions of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) pursuant to Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Tax Return Filing System to the Group Tax Sharing System" (PITF No. 39, March 31, 2020).

m. ***Foreign Currency Transactions***—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

n. ***Foreign Currency Financial Statements***—The balance sheet accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, except for equity, which is translated at the historical rate.

Differences arising from such translation were shown as "Foreign currency translation adjustments" under accumulated other comprehensive income as a separate component of equity.

Revenue and expense accounts of foreign subsidiaries are translated into Japanese yen at the average exchange rate.

o. ***Derivatives***—The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign currency exchange rates. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: all derivatives are recognized as either assets or liabilities and measured at fair value with gains or losses on derivative transactions recognized in the consolidated statement of income.

p. ***Per Share Information***—Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period.

Cash dividends per share shown in the consolidated statement of income are presented on an accrual basis, and include interim dividends paid and year-end dividends to be approved after the consolidated balance sheet date.

Diluted net income per share of common stock is not disclosed herein because the Company has not issued any securities that are potentially dilutive for the years ended March 31, 2026 and 2025.

3. SIGNIFICANT ACCOUNTING ESTIMATE

Valuation of Inventories

(1) Amounts recognized in the consolidated financial statements for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Finished products	¥15,044	¥17,082	$ 94,616
Work in process	2,480	2,121	15,597
Raw materials and supplies	20,219	17,462	127,164
Total	¥37,743	¥36,665	$ 237,377

(2) Information on the significant accounting estimate

The necessary write-downs are recorded by estimating future cash flows that inventories will generate from estimated future sales based on market demand and net sales value. If actual market demand or net selling prices fall beyond our estimates, additional write-downs may be required.

It is difficult to objectively predict the impact of inventory valuation on the consolidated financial statements for the following fiscal year at this time. According to the past results, the Group estimates the maximum increase or decrease will be about 3% of total inventories. Estimates are based on information available at the end of the current fiscal year.

Loss on Impairment of Fixed Assets

(1) Amounts recognized in the consolidated financial statements for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Property, plant and equipment	¥26,322	¥24,383	$ 165,547
Intangible assets	837	1,024	5,264
Total	¥27,159	¥25,407	$ 170,811

(2) Information on the significant accounting estimate

The Group has fixed assets such as buildings and machinery for development, production, and sales of imaging equipment and related equipment. The Group has property, plant and equipment such as buildings and machinery for the development, production and sales of video equipment and related equipment, which are grouped based on cash flow-generating units. In the current fiscal year, the Company identified signs of impairment in certain asset groups. In the impairment test, the Company compared the recoverable amount of the asset group with its carrying amount and determined that the carrying amount exceeded the recoverable amount. As a result, the Company reduced the carrying amount to the recoverable amount and recognized the decrease in carrying amount as an impairment loss. The major assumptions used in estimating future cash flows are subject to uncertainties and may change in the future due to business plans and market conditions in the next fiscal year or later. If such estimates or assumptions need to be revised in the next fiscal year or later due to changes in business plans, market conditions, or other factors, impairment losses may be recognized. The Company may incur impairment losses in the following fiscal years.

4. NEW ACCOUNTING PRONOUNCEMENTS

—"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, Accounting Board of Japan)

—"Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, Accounting Board of Japan)

As part of the efforts to make Japanese accounting standards internationally consistent, the ASBJ has been considering the development of an accounting standard for leases that recognizes an asset and a liability for all leases of a lessee in accordance with international accounting standards, and issued the Lease Accounting Standard, which is based on the single accounting model of IFRS 16 but incorporates only major provisions rather than all provisions of IFRS 16, aiming to be simple and convenient and to require basically no amendments when IFRS 16 provisions are used for separate financial statements.

As for the accounting treatment of a lessee, a single accounting model for allocating the cost of a lease to the lessee, similar to IFRS 16, is applied to all leases, regardless of whether the lease is a finance lease or an operating lease, with depreciation on the right-of-use asset and interest expense on the lease liability.

The new accounting standards are effective for annual periods beginning on or after April 1, 2027. The Company is in the process of measuring the effects of applying the new accounting standards in future applicable periods.

—"Accounting Standard for Subsequent Events" (ASBJ Statement No. 41, January 9, 2026, Accounting Board of Japan)

—"Guidance on Accounting Standard for Subsequent Events" (ASBJ Guidance No. 35, January 9, 2026, Accounting Board of Japan)

To establish a comprehensive accounting standard addressing the definition, accounting treatment and disclosure of subsequent events, the ASBJ considered the transfer of accounting-related guidance set forth in Auditing Standards Committee Statement No. 560, "Audit Considerations Relating to Subsequent Events," issued by the Japanese Institute of Certified Public Accountants, and issued the Accounting Standard for Subsequent Events, which is primarily based on such guidance while incorporating revisions to terminology, clarification of the evaluation period for subsequent events, and a new disclosure requirement regarding the authorization for issuance of financial statements.

The new accounting standards are effective for annual periods beginning on or after April 1, 2027.

5. INVESTMENT SECURITIES

Investment securities as of March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Investment securities:			
Marketable equity securities	¥64,425	¥50,699	$405,189
Nonmarketable equity securities	18	17	113
Total	¥64,443	¥50,716	$405,302

The cost and aggregate fair value of investment securities at March 31, 2026 and 2025, were as follows:

	Millions of Yen			
March 31, 2026	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale—equity securities	¥8,290	¥56,135		¥64,425
Total	¥8,290	¥56,135		¥64,425
March 31, 2025				
Securities classified as:				
Available-for-sale—equity securities	¥9,977	¥40,739	¥(17)	¥50,699
Total	¥9,977	¥40,739	¥(17)	¥50,699

	Thousands of U.S. Dollars			
March 31, 2026	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale—equity securities	$52,138	$353,051		$405,189
Total	$52,138	$353,051		$405,189

The proceeds, realized gains and realized losses of the available-for-sale securities which were sold during the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		
March 31, 2026	Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities	¥9,791	¥8,000	
Total	¥9,791	¥8,000	
March 31, 2025			
Available-for-sale—Equity securities	¥1,800	¥1,100	
Total	¥1,800	¥1,100	

	Thousands of U.S. Dollars		
March 31, 2026	Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities	$61,579	$50,314	
Total	$61,579	$50,314	

6. INVENTORIES

Inventories at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Finished products	¥15,044	¥17,082	$ 94,616
Work in process	2,480	2,121	15,597
Raw materials and supplies	20,219	17,462	127,164
Total	¥37,743	¥36,665	$237,377

Provision for write-down of the book values of inventories to reflect the decline in profitability for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Provision for write-down of the book values of inventories	¥395	¥92	$2,484

7. LONG-LIVED ASSETS

Loss on impairment of long-lived assets for the year ended March 31, 2026, principally consisted of the following:

Location	Use	Type	Millions of Yen	Thousands of U.S. Dollars
Germany	Operating assets	Buildings and structures	¥498	$3,132

The Group groups its assets into the smallest identifiable units that generate independent cash flows based on the type, location, and use of the fixed assets. At a development and manufacturing subsidiary in Europe, the carrying amount of buildings was written down to the recoverable amount due to a decline in the economic value of the buildings, and the resulting impairment loss was recognized as other expense. The recoverable amount of the operating assets was measured based on value in use, and an impairment loss was recognized on a portion of the fixed assets.

8. BUSINESS RESTRUCTURING EXPENSES

In Europe, the Group is implementing measures to strengthen its competitiveness and improve profitability through the reorganization and streamlining of functions and responsibilities across the Group. As part of these initiatives, while maintaining the direct sales model, the key strength of the Group, the Group is reviewing its sales and marketing policies and restructuring its sales organization to improve the efficiency of sales activities throughout the Group. In addition, certain development and production sites were being reorganized in connection with these initiatives.

Costs incurred as a result of these initiatives were recognized as business restructuring expenses. The principal components of such expenses were an impairment loss on fixed assets of ¥168 million ($1,057 thousand) and severance payments of ¥273 million ($1,717 thousand).

The impairment loss on fixed assets totaling ¥168 million ($1,057 thousand) consisted of the following:

Location	Use	Type	Millions of Yen	Thousands of U.S. Dollars
Sweden	Operating assets	Buildings and structures, right-of-use assets, etc.	¥119	$ 749
Switzerland	Operating assets	Intangible assets, etc.	49	308
Total			¥168	$1,057

The Group groups its assets into the smallest identifiable units that generate independent cash flows based on the type, location, and use of the fixed assets. At a sales subsidiary in Europe, the carrying amount of the certain assets was written down to the recoverable amount due to a decline in profitability resulting from the prolonged downturn in the business environment, and the resulting impairment loss was recognized as other expenses. The impairment loss consisted of ¥6 million ($38 thousand) for buildings and structures, ¥128 million ($805 thousand) for right-of-use assets, ¥8 million ($50 thousand) for intangible assets, and ¥26 million ($164 thousand) for other property, plant and equipment. The recoverable amount of the operating assets was measured based on value in use, and the entire carrying amount of the fixed assets of ¥168 million ($1,057 thousand) was recognized as an impairment loss.

9. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2026 and 2025, consisted of notes to banks. The weighted-average annual interest rates applicable to the short-term bank loans at March 31, 2026 and 2025, were 2.33% and 2.84%, respectively.

Long-term debt at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Loans from banks, due 2030, with interest rates of 2.17% at March 31, 2026 and 2.51% at March 31, 2025	¥ 825	¥ 891	$ 5,189
Obligations under finance leases	1,839	1,786	11,566
Total	2,664	2,677	16,755
Current portion of long-term debt	(650)	(560)	(4,088)
Long-term debt, less current portion	¥2,014	¥2,117	$ 12,667

Annual maturities of long-term debt, as of March 31, 2026, for the next five years and thereafter were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2027	¥ 650	$ 4,088
2028	551	3,465
2029	453	2,849
2030	329	2,069
2031	201	1,264
2032 and thereafter	480	3,020
Total	¥2,664	$ 16,755

10. RETIREMENT AND PENSION PLANS

The Company and certain of its subsidiaries have severance payment plans for employees, directors, and the Audit and Supervisory Committee members.

Retirement and Pension Plans for Employees

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are given in the form of a lump-sum severance payment from the Company or from certain subsidiaries and annuity payments from the Company, certain subsidiaries, or a trustee. Employees of the Company or certain subsidiaries are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

At certain domestic consolidated subsidiaries, defined benefit pension plans were transitioned to defined contribution pension plans effective April 1, 2026. In connection with this change, the Company applied "Accounting for Transfers between Retirement Benefit Plans" (ASBJ Implementation Guidance No. 1, December 16, 2016) and "Practical Solution on Accounting for Transfers between Retirement Benefit Plans" (ASBJ PITF No. 2, February 7, 2007), and recognized a loss on revision of retirement benefit plan of ¥75 million ($472 thousand) as an other expense for the current fiscal year.

(1) The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥3,608	¥3,670	$22,692
Current service cost	179	184	1,126
Interest cost	47	41	296
Actuarial gains	(219)	(86)	(1,377)
Benefits paid	(180)	(189)	(1,132)
Past service cost	19		119
Others	170	(12)	1,068
Balance at end of year	¥3,624	¥3,608	$22,792

(2) The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥1,414	¥1,374	$8,893
Expected return on plan assets	36	24	226
Actuarial gains	43	60	270
Contributions from the employer	40	35	252
Benefits paid	(103)	(74)	(648)
Others	93	(5)	586
Balance at end of year	¥1,523	¥1,414	$9,579

(3) A reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2026 and 2025, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Funded defined benefit obligation	¥1,842	¥1,807	$11,584
Plan assets	(1,523)	(1,414)	(9,579)
Loss on revision of retirement benefit plan	75		472
Total	394	393	2,477
Unfunded defined benefit obligation	1,782	1,801	11,208
Net liability for defined benefit obligation	¥2,176	¥2,194	$13,685

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Liability for retirement benefits	¥2,341	¥2,268	$14,723
Asset for retirement benefits	(165)	(74)	(1,038)
Net liability for defined benefit obligation	¥2,176	¥2,194	$13,685

(4) The components of net periodic benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Service cost	¥179	¥184	$1,126
Interest cost	47	41	296
Expected return on plan assets	(36)	(24)	(226)
Recognized actuarial gains	(249)	(153)	(1,566)
Amortization of prior service cost	(5)	(5)	(31)
Others	30	48	187
Net periodic benefit costs	¥ (34)	¥ 91	$ (214)

In addition to the above, ¥75 million ($472 thousand) was recognized as an other expense under "Loss on revision of retirement benefit plan."

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Actuarial gains	¥ (1)	¥(12)	$ (6)
Prior service cost	14	5	88
Total	¥13	¥ (7)	$82

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrecognized actuarial gains	¥(828)	¥(831)	$(5,207)
Unrecognized prior service cost	4	20	25
Total	¥(824)	¥(811)	$(5,182)

(7) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2026 and 2025, consisted of the following:

	2026	2025
Debt investments	46%	52%
Equity investments		16
Cash and cash equivalents	5	9
Others	49	23
Total	100%	100%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2026 and 2025, are set forth as follows:

	2026	2025
Discount rate	2.3%–4.3%	1.2%–3.7%
Expected rate of return on plan assets	5.3%	3.5%

The expected raise rate is based on the index of the raise calculated by age as of March 31, 2023.

(9) Defined contribution plan

The required contribution amounts of the Group for the years ended March 31, 2026 and 2025, were ¥394 million ($2,478 thousand) and ¥375 million, respectively.

Provision for Retirement Benefits for Directors and the Audit and Supervisory Committee Members

The liability for retirement benefits at March 31, 2026 and 2025, for directors and the Audit and Supervisory Committee members was ¥72 million ($453 thousand) and ¥72 million, respectively.

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria, including (1) having a board of directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the board of directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. With respect to the third condition above, the board of directors of companies with an audit and supervisory committee (as implemented under the Companies Act effective May 1, 2015) may also declare dividends at any time because such companies, by their nature, meet the criteria under the Companies Act. The Company is organized as a company with an audit and supervisory committee, effective June 23, 2016. The Company meets all the above criteria, and accordingly, the board of directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to certain limitations and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the board of directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. *Increases/Decreases and Transfer of Common Stock, Reserve, and Surplus*

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of the legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. *Treasury Stock and Treasury Stock Acquisition Rights*

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the board of directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes that, in the aggregate, resulted in a normal effective statutory tax rate of approximately 30.5% for the years ended March 31, 2026 and 2025.

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities at March 31, 2026 and 2025, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Deferred tax assets:			
Inventories	¥ 1,980	¥ 1,708	$ 12,453
Liability for retirement benefits	700	754	4,403
Tax loss carryforwards	3,029	2,295	19,050
Accrued expenses	862	885	5,421
Other	1,073	1,033	6,749
Less valuation allowance	(3,600)	(2,879)	(22,642)
Total	4,044	3,796	25,434
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	(17,506)	(12,665)	(110,101)
Retained earnings of consolidated subsidiaries	(173)		(1,088)
Other	(16)	(56)	(100)
Total	(17,695)	(12,721)	(111,289)
Net deferred tax liabilities	¥(13,651)	¥ (8,925)	$ (85,855)

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2026, with the corresponding figures for 2025, is as follows:

	2026	2025
Normal effective statutory tax rate		30.5%
Tax credit for research expenses		(4.4)
Increase in valuation allowance		3.9
Adjustment for the increase in year-end deferred assets due to the change in tax rate		(0.6)
Subsidiaries earnings taxed at different rates		(1.3)
Other—net		(1.5)
Actual effective tax rate		26.6%

Detail for the year ended March 31, 2026, is omitted because the difference between the statutory tax rate and the effective tax rate was less than or equal to 5% of the statutory tax rate.

The Company and its domestic consolidated subsidiaries apply the group totalization system. In addition, the Company and its domestic consolidated subsidiaries account for income taxes and local income taxes, or tax effect accounting related to these taxes, and disclose such taxes in accordance with "Treatment of Accounting and Disclosure when Applying the Group Totalization System" (PITF No. 42, August 12, 2021).

13. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the years ended March 31, 2026 and 2025, principally consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Salaries for employees	¥8,405	¥8,194	$52,862
Provision for bonuses	467	458	2,937
Retirement benefit expenses	191	263	1,201
Provision for product warranty liabilities	199	327	1,252
R&D expenses	6,426	6,225	40,415
Provision for loss on recycling of monitors	(65)	(68)	(409)
Provision of allowance for doubtful accounts	(4)	3	(25)

14. R&D COSTS

R&D costs charged to income were ¥6,862 million ($43,157 thousand) and ¥6,717 million for the years ended March 31, 2026 and 2025, respectively.

15. LOSS ON DISPOSAL OF FIXED ASSETS

Loss on disposal of intangible assets for the years ended March 31, 2026 and 2025, principally consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Intangible assets	¥192		$1,208

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) *Group Policy for Financial Instruments*

The Group uses financial instruments based on its capital expenditure plan. Cash surpluses, if any, are invested in low-risk financial assets. Derivatives are not used for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) *Nature and Extent of Risks Arising from Financial Instruments*

Receivables such as trade notes and trade accounts are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the risk of fluctuation in foreign currency exchange rates, the position, net of payables in foreign currencies, is hedged by using forward foreign currency contracts. Short-term investment and investment securities, mainly equity instruments of customers and suppliers of the Group, debt securities and funds in trust are exposed to credit risk and the risk of fluctuation in market price and interest rate.

All payment terms of payables, such as trade accounts, are within one year. Although payables in foreign currencies are exposed to the risk of fluctuation in foreign currency exchange rates, those risks are netted against the balance of receivables denominated in the same foreign currency, as noted above.

Short-term bank loans are used to hedge the exchange risk for nontrade receivables denominated in foreign currency. The long-term bank loan is used to finance for construction of new buildings at EIZO GmbH which is a consolidated subsidiary. All the loans are traded in foreign currency and have variable interest rates. Thus, they are exposed to the market risk of fluctuation in exchange rates and interest rates.

Derivatives mainly include forward foreign currency contracts that are used to manage exposure to risk of changes in foreign currency exchange rates of receivables and payables. Please see Note 17 for more details about derivatives.

(3) *Risk Management for Financial Instruments*

Credit risk management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment terms and balances of major customers by each business administration department to identify the default risk of customers at an early stage. With respect to debt securities, the Group manages its exposure to credit risk by limiting its funding to high credit rating bonds in accordance with its internal guidelines. Please see Note 17 for information about derivatives.

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2026.

Market risk management (foreign exchange rate risk and interest rate risk)

Foreign currency trade receivables, payables, short-term bank loans, and long-term debt are exposed to fluctuations in foreign currency exchange rates. Such foreign exchange rate risk is hedged occasionally by forward foreign currency contracts.

Marketable and investment securities are managed by monitoring the market values and financial position of issuers on a regular basis.

The basic policies regarding derivative transactions have been approved by the director in charge of accounting based on internal guidelines that prescribe the authority and the limit for each transaction by the corporate treasury department. Reconciliation of the transactions and balances with customers is made and the transaction data is reported to the director in charge of accounting on a monthly basis.

Liquidity risk management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates. The Group manages its liquidity risk by holding an adequate volume of liquid assets along with adequate financial planning by the corporate treasury department.

(**4**) ***Concentration of Credit Risk***

As of March 31, 2026, 5.9% of total receivables are from specific major customers of the Group.

(**5**) ***Fair Values of Financial Instruments***

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead. The fair values of cash and cash equivalents, notes and account receivable, account payable and short-term bank loan are not disclosed because their maturities are short and the carrying values approximate fair value.

(*a*) *Fair value of financial instruments*

	Millions of Yen		
March 31, 2026	Carrying Amount	Fair Value	Unrealized Gain/Loss
Short-term investments and investment securities	¥64,425	¥64,425	
Total	¥64,425	¥64,425	
Long-term bank loan	¥ 825	¥ 825	
Total	¥ 825	¥ 825	
Derivatives	¥ 57	¥ 57	
March 31, 2025			
Short-term investments and investment securities	¥50,699	¥50,699	
Total	¥50,699	¥50,699	
Long-term bank loan	¥ 891	¥ 891	
Total	¥ 891	¥ 891	
Derivatives	¥ (50)	¥ (50)	

March 31, 2026	Thousands of U.S. Dollars Carrying Amount	Fair Value	Unrealized Gain/Loss
Short-term investments and investment securities	$405,189	$405,189	
Total	$405,189	$405,189	
Long-term bank loan	$ 5,189	$ 5,189	
Total	$ 5,189	$ 5,189	
Derivatives	$ 358	$ 358	

(*b*) *Carrying amount of financial instruments that do not have a quoted market price in an active market*

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Investments in equity instruments that do not have a quoted market price in an active market	¥18	¥17	$113

(**6**) ***Maturity Analysis for Financial Assets and Securities with Contractual Maturities***

	Millions of Yen			
March 31, 2026	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	¥20,349			
Receivables	15,620			
Investment securities:				
Others				
Total	¥35,969			
March 31, 2025				
Cash and cash equivalents	¥21,057			
Receivables	15,759			
Investment securities:				
Others				
Total	¥36,816			

March 31, 2026	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
	Thousands of U.S. Dollars			
Cash and cash equivalents	$ 127,981			
Receivables	98,239			
Investment securities:				
Others				
Total	$ 226,220			

(**7**) ***Financial Instruments Categorized by Fair Value Hierarchy***

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(*a*) *The financial assets and liabilities measured at the fair values in the consolidated balance sheet*

March 31, 2026	Level 1	Level 2	Level 3	Total
	Millions of Yen			
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	¥64,425			¥64,425
Corporate bonds				
Other				
Derivative transactions:				
Foreign currency forward contracts		¥ 57		57
Total assets	¥64,425	¥ 57		¥64,482
March 31, 2025				
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	¥50,699			¥50,699
Corporate bonds				
Other				
Total assets	¥50,699			¥50,699
Derivative transactions:				
Foreign currency forward contracts		¥(50)		¥ (50)
Total liabilities		¥(50)		¥ (50)

March 31, 2026	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	$ 405,189			$ 405,189
Corporate bonds				
Other				
Derivative transactions:				
Foreign currency forward contracts		$ 358		358
Total assets	$ 405,189	$ 358		$ 405,547

(*b*) *The financial assets and liabilities not measured at the fair values in the consolidated balance sheet*

	Millions of Yen			
March 31, 2026	Level 1	Level 2	Level 3	Total
Long-term bank loan		¥825		¥825
Total liabilities		¥825		¥825
March 31, 2025				
Long-term bank loan		¥891		¥891
Total liabilities		¥891		¥891

	Thousands of U.S. Dollars			
March 31, 2026	Level 1	Level 2	Level 3	Total
Long-term bank loan		$5,189		$5,189
Total liabilities		$5,189		$5,189

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Marketable and Investment Securities

The fair values of listed equity securities, corporate bonds and others are measured at the quoted market prices. Since listed equity securities are traded in active markets, the fair values of listed equity securities are categorized as Level 1.

Derivatives

The fair values of foreign currency forward contracts are measured at the quoted market prices considering observable inputs such as foreign currency exchange rate, and are categorized as Level 2.

Long-Term Bank Loan

The fair values of long-term bank loans are considered to approximate their carrying amounts, as the applicable interest rates are variable and reflect market interest rates within a short period of time, and the credit standing of the Group has not changed significantly since the loans were executed. Therefore, the carrying amounts are used as the fair values and are categorized as Level 2.

17. DERIVATIVES

The Group enters into derivative contracts, including foreign currency forward contracts, to hedge foreign exchange rate risk associated with certain assets and liabilities denominated in foreign currencies.

All derivative transactions are entered into to hedge foreign currency exposures incorporated within the Group's business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies that regulate the authorization and credit limit amount.

Derivative Transactions to Which Hedge Accounting Is Not Applied

Derivative transactions to which hedge accounting is not applied at March 31, 2026 and 2025, were as follows:

	Millions of Yen			
March 31, 2026	Contract Amount	Contract Amount Due after 1 Year	Fair Value	Unrealized Gain/Loss
Foreign currency forward contracts:				
Selling Euro	¥2,564			
Buying U.S. dollar	1,219		¥ 57	¥ 57
March 31, 2025				
Foreign currency forward contracts—				
Selling Euro	¥3,022		¥(50)	¥(50)

	Thousands of U.S. Dollars			
March 31, 2026	Contract Amount	Contract Amount Due after 1 Year	Fair Value	Unrealized Gain/Loss
Foreign currency forward contracts:				
Selling Euro	$ 16,126		$ 2	$ 2
Buying U.S. dollar	7,667		358	358

The fair value of derivative transactions is measured at the quoted price obtained from financial institutions.

18. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrealized gain (loss) on available-for-sale securities:			
Gains (losses) arising during the year	¥23,413	¥(5,366)	$147,252
Reclassification adjustments to profit or loss	(8,000)	(1,100)	(50,314)
Amount before income tax effect	15,413	(6,466)	96,938
Income tax effect	(4,840)	1,608	(30,441)
Total	¥10,573	¥(4,858)	$ 66,497
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 2,678	¥ (168)	$ 16,843
Amount before income tax effect	2,678	(168)	16,843
Total	¥ 2,678	¥ (168)	$ 16,843
Defined retirement benefit plans:			
Adjustments arising during the year	¥ 314	¥ 146	$ 1,975
Reclassification adjustments to profit or loss	(301)	(153)	(1,893)
Amount before income tax effect	13	(8)	82
Income tax effect	(20)	20	(126)
Total	¥ (7)	¥ 12	$ (44)
Total other comprehensive income (loss)	¥13,244	¥(5,014)	$ 83,296

19. SUBSEQUENT EVENTS

(1) *Appropriation of Retained Earnings*

The following appropriation of retained earnings at March 31, 2026, was approved at the board of directors' meeting held on May 12, 2026:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥55.0 ($0.35) per share	¥2,174	$ 13,673

(**2**) ***Purchase of Treasury Shares***

At a meeting of the board of directors held on May 12, 2026, the Company resolved to acquire treasury shares pursuant to the provisions of Article 459, paragraph 1 of the Companies Act and the Company's articles of incorporation. At a meeting of the board of directors held on July 31, 2026, the Company resolved to partially amend the matters related to the acquisition of treasury shares. The details are as follows:

(*a*) *Purpose of the acquisition of treasury shares*

To enhance shareholder returns and improve capital efficiency.

(*b*) *Details of the acquisition*

Board of directors resolution on May 12, 2026

(1) Type of shares to be acquired	Common shares of the Company
(2) Total number of shares to be acquired	Up to 1,500,000 shares (3.79% of total number of issued shares (excluding treasury shares))
(3) Total acquisition costs	Up to ¥4,000 million ($25,157 thousand)
(4) Acquisition period	From May 25, 2026 to April 30, 2027
(5) Acquisition method	Market purchase on the Tokyo Stock Exchange

Board of directors resolution on July 31, 2026

(1) Type of shares to be acquired	Common shares of the Company
(2) Total number of shares to be acquired	Up to 5,500,000 shares (13.91% of total number of issued shares (excluding treasury shares))
(3) Total acquisition costs	Up to ¥17,000 million ($106,918 thousand)
(4) Acquisition period	From May 25, 2026 to May 24, 2027
(5) Acquisition method	Market purchase on the Tokyo Stock Exchange (Including off-auction own share repurchase trading system (ToSTNeT-3))

(*c*) *Total number of shares acquired and total acquisition costs pursuant to the above resolution as of August 31, 2026*

(1) Total number of shares acquired	1,322,600 shares
(2) Total acquisition cost	¥3,827,168,700 ($24,070,243)

20. REVENUE

(1) *Information Regarding Disaggregated Revenue from Contracts with Customers*

	Millions of Yen		
	2026		
	Geographical Areas		
	Overseas	Japan	Total
Reportable segment:			
Business & Plus	¥ 9,323	¥ 5,003	¥14,326
Healthcare	25,703	10,875	36,578
Creative Work	4,346	996	5,342
Vertical & Specific	7,764	4,788	12,552
Amusement		5,415	5,415
Other	722	6,373	7,095
Total	¥47,858	¥33,450	¥81,308

	Millions of Yen		
	2025		
	Geographical Areas		
	Overseas	Japan	Total
Reportable segment:			
Business & Plus	¥10,767	¥ 5,018	¥15,785
Healthcare	22,815	11,303	34,118
Creative Work	4,623	901	5,524
Vertical & Specific	8,523	4,086	12,609
Amusement		6,058	6,058
Other	1,007	5,393	6,400
Total	¥47,735	¥32,759	¥80,494

	Thousands of U.S. Dollars		
	2026		
	Geographical Areas		
	Overseas	Japan	Total
Reportable segment:			
Business & Plus	$ 58,636	$ 31,465	$ 90,101
Healthcare	161,654	68,396	230,050
Creative Work	27,333	6,264	33,597
Vertical & Specific	48,830	30,113	78,943
Amusement		34,057	34,057
Other	4,541	40,082	44,623
Total	$ 300,994	$ 210,377	$ 511,371

(2) *Basic Information to Understand Revenues from Contracts with Customers*

Although the Group is effectively a single segment consisting mainly of visual products and related products, revenue is divided into sales of products and entrusted development of amusement software due to differences in the timing of fulfillment of performance obligations. Product sales are included in Business & Plus, Healthcare, Creative Work, Vertical & Specific and Amusement, and entrusted development of amusement software is included in others.

The sales of products

The Company determines that the performance obligations to customers for the sales of the products is satisfied when the products are delivered to the customers and the customers obtains control of the products. Therefore, the Company recognizes the revenue at a point in time of delivery of the products.

The transaction price is measured by the amount promised in contracts with customers, which is the amount deducting the amount of discount and rebate. The amount of consideration does not include any significant financial component.

Entrusted development of amusement software

The Company determines that performance obligations to customers for an entrusted development will be satisfied over a certain period of time from the start of development based on the customer's request to the provision of the software deliverables to the customers and the completion of the inspection. Therefore, the Company recognizes the revenue over the period from the start of development to the completion of acceptance. Revenue recognition is based on cost recovery method when it is not possible to reasonably estimate the degree of progress regarding satisfied performance obligations, but it is expected to recover the costs. The transaction price is based on the amount of consideration promised in contracts with customers and does not include any significant financial component.

(**3**) ***Information to Understand the Amount of Revenue for the Current Fiscal Year and the Next Fiscal Year***

(*a*) *The balances of contract assets, contract liabilities and receivables from contracts with customers*

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Receivables from contracts with customers	¥17,865	¥17,680	$ 112,358
Contract assets	4,515	3,593	28,396
Contract liabilities	688	744	4,327

Contract assets relate to the Company's rights to consideration for the development deliverables of the entrusted development of amusement software with customers. The contract assets will be transferred to the receivables from contracts with customers when the Company's right to consideration becomes unconditional. The consideration for the entrusted development is invoiced at the time of delivery of the deliverable to the customer and the completion of acceptance in accordance with the contractual terms and is generally received in the second month following the billing month.

Contract liabilities are related to advance payments for which the maintenance period has not elapsed out of the maintenance price received after concluding the maintenance contracts with customers. Contract liabilities are reversed when revenue is recognized.

(*b*) *Transaction price allocated to remaining performance obligations*

The total transaction price allocated to the remaining performance obligations related to the entrusted development of amusement software by the Company is ¥2,569 million. Revenue will be recognized over the next 25 months as its development is completed.

21. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available, and such information is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) *Description of Reportable Segments*

The Group is primarily engaged in the manufacture, development, and sale of visual products and related products. The Group consists of this single industry, and therefore, it is not required to disclose separate financial information by segment.

(2) *Information about Products and Services*

	Millions of Yen						
	2026						
	Business & Plus	Healthcare	Creative Work	Vertical & Specific	Amusement	Other	Total
Sales to external customers	¥14,326	¥36,578	¥5,342	¥12,552	¥5,415	¥7,095	¥81,308

	Millions of Yen						
	2025						
	Business & Plus	Healthcare	Creative Work	Vertical & Specific	Amusement	Other	Total
Sales to external customers	¥15,785	¥34,118	¥5,524	¥12,609	¥6,058	¥6,400	¥80,494

	Thousands of U.S. Dollars						
	2026						
	Business & Plus	Healthcare	Creative Work	Vertical & Specific	Amusement	Other	Total
Sales to external customers	$ 90,101	$ 230,050	$ 33,597	$ 78,943	$ 34,057	$ 44,623	$ 511,371

(3) *Information about Geographical Areas*

(*a*) *Sales*

Millions of Yen				
2026				
Japan	Europe	North America	Other	Total
¥33,450	¥31,395	¥9,409	¥7,054	¥81,308

Millions of Yen				
2025				
Japan	Europe	North America	Other	Total
¥32,759	¥31,999	¥9,097	¥6,639	¥80,494

Thousands of U.S. Dollars				
2026				
Japan	Europe	North America	Other	Total
$ 210,377	$ 197,453	$ 59,176	$ 44,365	$ 511,371

Notes: 1. Sales are classified by country or region based on the location of customers.

2. Within Europe, sales in Germany for the years ended March 31, 2026 and 2025, were ¥17,303 million ($108,824 thousand) and ¥17,722 million, respectively.

3. Within North America, sales in U.S.A. for the years ended March 31, 2026 and 2025, were ¥9,067 million ($57,025 thousand) and ¥8,431 million, respectively.

(*b*) *Property, plant and equipment*

Millions of Yen				
2026				
Japan	Europe	North America	Other	Total
¥16,488	¥7,046	¥2,242	¥546	¥26,322

Millions of Yen				
2025				
Japan	Europe	North America	Other	Total
¥14,440	¥7,105	¥2,207	¥631	¥24,383

Thousands of U.S. Dollars				
2026				
Japan	Europe	North America	Other	Total
$ 103,698	$ 44,314	$ 14,101	$ 3,434	$ 165,547

Note: Within Europe, property, plant and equipment in Germany for the years ended March 31, 2026 and 2025, were ¥6,036 million ($37,962 thousand) and ¥6,106 million, respectively.

(**4**) ***Information about Major Customers***

Name of Customers	Millions of Yen 2026 Sales
JT Japan Technicals	¥9,573

Name of Customers	Millions of Yen 2025 Sales
JT Japan Technicals	¥9,470

Name of Customers	Thousands of U.S. Dollars 2026 Sales
JT Japan Technicals	$60,208

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