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[Summary]

Consolidated Financial Results for the Year Ended March 31, 2026 [IFRS]

May 14, 2026

Company Name **Nihon Dempa Kogyo Co., Ltd.** Stock Exchange Listing: **Tokyo Stock Exchange, Prime Market**
 Code **6779** URL <https://www.ndk.com/en/index.html>
 Representative **Hiromi Katoh, Representative Director and President**
 Contact person **Yuzuru Takeuchi, Director, Senior Corporate Officer and General Manager of Administration Division** Phone: **+81-3-5453-6711**
 Scheduled date of general shareholders' meeting: **June 29, 2026**
 Scheduled date to file annual securities report: **June 22, 2026**
 Scheduled date to commence dividend payments: **June 30, 2026**
 Availability of supplementary material on financial results: **Yes**
 Holding of financial results briefing: **Yes (for securities analysts and institutional investors)**

(Figures less than a million yen are omitted)

1. Consolidated Financial Results for the Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
March 31, 2026	54,629	2.9	3,355	(27.4)	2,552	(13.6)	2,065	15.2	2,065	15.2	3,583	43.7
March 31, 2025	53,064	5.5	4,622	6.4	2,955	(5.5)	1,792	(23.2)	1,792	(23.2)	2,494	(35.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of income before tax to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
March 31, 2026	89.73	—	6.8	3.5	6.1
March 31, 2025	77.75	—	6.3	4.3	8.7

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2026 ¥(161) million

For the fiscal year ended March 31, 2025 ¥(155) million

(2) Consolidated Financial Position

As of	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million Yen	Million Yen	Million Yen	%	Yen
March 31, 2026	76,325	31,917	31,917	41.8	1,392.10
March 31, 2025	71,522	29,170	29,170	40.8	1,265.03

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million Yen	Million Yen	Million Yen	Million Yen
March 31, 2026	4,201	(7,379)	(2,443)	10,805
March 31, 2025	6,109	(4,453)	1,912	15,881

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2025	—	15.00	—	15.00	30.00	693	38.6	2.4
Fiscal year ended March 31, 2026	—	15.00	—	15.00	30.00	693	33.4	2.3
Fiscal year ending March 31, 2027 (Forecast)	—	15.00	—	15.00	30.00		30.00	

3. Consolidated Financial Forecast for the Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% figures represent the changes from the same period of the previous year)

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Six Months ending Septemeber 30, 2026	29,500	10.5	1,400	(2.2)	900	(13.5)	700	(12.7)	700	(12.7)	30.41
Fiscal year ending March 31, 2027	60,600	10.9	4,000	19.2	3,100	21.4	2,300	11.3	2,300	11.3	99.90

Notes

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

(2) Changes in accounting policies and accounting estimates

i) Changes in accounting policies required by IFRS : **None**

ii) Changes in accounting policies other than i) : **Yes**

iii) Changes in accounting estimates : **None**

(3) Number of issued shares (Ordinary shares)

(shares)

i) Number of issued shares at the end of the period (including treasury shares)

March 31, 2026	23,128,605	March 31, 2025	23,128,605
March 31, 2026	201,035	March 31, 2025	69,098
March 31, 2026	23,022,129	March 31, 2025	23,059,766

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

iii) Average number of shares outstanding for the period

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal year ended March 31, 2026	44,256	(0.4)	127	(84.9)	524	(49.8)	474	(46.8)
March 31, 2025	44,426	7.4	843	(40.2)	1,044	(53.9)	891	(55.9)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2026	20.59		—	
March 31, 2025	38.65		—	

(2) Non-consolidated Financial Position

	Total assets		Net Assets		Equity-to-asset ratio	Net assets per share
	Million Yen		Million Yen		%	Yen
As of March 31, 2026	57,485		17,026		29.6	742.61
March 31, 2025	55,915		17,159		30.7	744.14

Reference: Equity

As of March 31, 2026 ¥17,026 million

As of March 31, 2025 ¥17,159 million

<Reason for the difference from the previous fiscal year's non-consolidated financial results>

Operating income decreased year on year due to increases in research and development expenses for long-term growth and depreciation expenses associated with DX (digital transformation) investments.

* This summary of the business results and the attached financial statements are unaudited.

* Explanation about appropriate use of consolidated financial forecast, other special notes

1. The Company is scheduled to hold a conference call on the full-year financial results on May 22, 2026, for securities analysts and institutional investors. The materials distributed will be posted on the Company's IR website promptly after the conference call.

2. Forward-looking statements in this document about our future performance are based on the information that are available to us at the time of disclosure and certain assumptions deemed reasonable. Due to unforeseen circumstances, actual results may differ significantly from such estimates.

Table of Contents

1. Qualitative Information on the Financial Results for the Fiscal year ended March 31, 2026	
(1) Operating Environment and Results of Operations	2
(2) Financial Condition	2
(3) Cash Flow Analysis.....	2
(4) Forecasts for the Year Ending March 31, 2027	3
2. Basic Concept Regarding the Selection of Accounting Standards.....	3
3. Consolidated Financial Statements for the Fiscal year ended March 31, 2026	
(1) Consolidated Statements of Financial Position	4
(2) Consolidated Statements of Comprehensive Income	5
(3) Consolidated Statements of Changes in Equity	6
(4) Consolidated Statements of Cash Flows	8
(5) Notes to Going Concern Assumption	9
(6) Notes to Consolidated Financial Statements	9

1. Qualitative Information on the Financial Results for the Fiscal year ended March 31, 2026

(1) Operating Environment and Results of Operations

During the consolidated fiscal year under review (from April 2025 to March 2026), the world economy remained resilient: Although uncertainty in the trade environment emerged at the beginning of the fiscal year amid the introduction of higher U.S. tariffs, at around the second half of the fiscal year, monetary tightening almost came to a hold in major countries, mainly in Europe and the U.S. The recovery was also helped by the calming rate of inflation. However, the uncertainties for the future increased as a result of the situation in the Middle East deteriorating since the end of February 2026.

Looking at the Company's sales performance by application, sales of automotive electronics, which account for approximately half of total sales, increased in the Japanese markets, while sales to Europe, which our primary sales destination, remained sluggish. Consequently, their sales posted a year-on-year increase contributed to by such factors as the movement observed in the second half of the fiscal year to secure safety stocks backed by the increasing memory prices. Simultaneously, sales of products for industrial equipment also increased as the Company is promoting sales of products used in making optical transceivers or servers used in AI data centers, and related demand remained strong. Similarly, sales of products for special equipment, which are mainly used for defense purposes, posted a year-on-year growth. Meanwhile, sales of mobile communication, including those to smartphones, along with those of optical products declined year-on-year. As a result, net sales for the consolidated fiscal year under review amounted to ¥54,629 million, up 2.9% year-on-year. Regarding profits, operating income decreased 27.4% year-on-year to ¥3,355 million, profit before taxes declined 13.6% to ¥2,552 million, and profit for the year increased 15.2% year-on-year to ¥2,065 million.

Endeavoring to achieve the Vision 2030, the Company is promoting portfolio transformation (the "Five Pillars + One") under the medium-term management plan, while also replacing manufacturing lines with state-of-the-art ones and introducing the DX aimed at achieving a dramatic rise in productivity. As these initiatives are intended to strengthen the foundation for future growth, the Company is making upfront investments in research and development, DX and advanced manufacturing facilities toward realization of such projects, which temporarily exerted downward pressure on profit for the period.

The average foreign exchange rate during the fiscal year was ¥151.01 to the U.S. dollar (¥152.48 in the preceding consolidated fiscal year).

(2) Financial Condition

As at the fiscal year-end (March 31, 2026), total assets stood at ¥76,325 million, a ¥4,802 million increase from the previous fiscal year-end, reflecting the following factors: an increase of ¥3,456 million in Property, plant and equipment, an increase of ¥1,962 million in Inventories, an increase of ¥1,092 million in Trade receivables, an increase of ¥961 million in Intangible assets, an increase of ¥955 million in Accounts receivable - other included in Others of Current assets, an increase of ¥800 million in Time deposits, and a decrease of ¥5,076 million in Cash and cash equivalents. Total liabilities amounted to ¥44,407 million, a ¥2,055 million increase from the previous fiscal year-end, owing mainly to a ¥1,024 million increase in Deferred government grants, and a ¥859 million increase in Trade and other payables. Equity attributable to the Owners of the parent stood at ¥31,917 million, a ¥2,746 million increase from the year earlier, because of a record of both ¥3,583 million in Comprehensive income and ¥693 million in Dividends declared.

As a result, the ratio of equity attributable to the Owners of the parent was 41.8%, 1.0 percentage points higher than the previous fiscal year-end of 40.8%.

(3) Cash Flow Analysis

The balance of cash and cash equivalents on a consolidated basis at the end of the fiscal year under review amounted to ¥10,805 million, a decrease of ¥5,076 million from the end of the previous fiscal year. Cash flow activities were as follows.

Free cash flow amounted to a negative ¥3,178 million, ¥4,834 million lower than the previous fiscal year, reflecting net cash provided by operating activities of ¥4,201 million and net cash used in investing activities of ¥7,379 million.

Net cash provided by operating activities totaled a positive ¥4,201 million, ¥1,908 million lower than the previous fiscal year. While negative factors entailed an increase in inventories of ¥1,490 million, income tax paid of ¥736 million, and an increase in trade receivables of ¥526 million. Positive factors included depreciation and amortization of ¥3,911 million, income before income tax of ¥2,552 million, and an increase in trade payables of ¥1,220 million.

Net cash used in investing activities was a negative ¥7,379 million, ¥2,925 million lower than a year earlier. Negative factors included expenditures of ¥5,701 million for purchase of property, plant and equipment and ¥1,036 million for purchase of intangible assets, and ¥800 million for payments into time deposits.

Net cash used in financing activities totaled a negative ¥2,443 million, ¥4,355 million higher than the previous fiscal year. While negative factors entailed repayment of lease liabilities of ¥906 million, long-term loans and borrowings of ¥803 million, and dividends paid of ¥694 million.

Accordingly, the balance of cash and cash equivalents on a consolidated basis at the end of the fiscal year under review amounted to ¥10,805 million, a decrease of ¥5,076 million from the end of the previous fiscal year.

(4) Forecasts for the Year Ending March 31, 2027

There are concerns that, in the world economy in the following fiscal year, the unstable situation in the Middle East will last for a long time. Given that the Company utilizes in its production process various kinds of components made from crude oil or naphtha in the supply chain, prolongation of such a situation may possibly affect its business performance to a certain extent. And yet, since it is difficult to quantitatively measure its influence on the entire supply chain at the moment, such a possible influence is not discounted in the business performance outlook.

Consolidated net sales for the next fiscal year are expected to be ¥60,600 million, representing an increase of ¥5,971 million year-on-year, supported mainly by the increased sales of products for AI data centers. Furthermore, sales of automotive electronics are expected to increase backed by the growing sophistication of the ADASs (advanced driver-assistant systems) and, in addition, those for special equipment, including those for defense purposes, are forecast to increase.

Profits are forecast to be greater than in the preceding fiscal year: operating income is expected to be at ¥4,000 million (up 19.2% year-on-year), income before income taxes at ¥3,100 million (up 21.4% year-on-year), and net income at ¥2,300 million (up 11.3% year-on-year). In anticipation of a substantial increase in sales, the Company will steadily promote the upfront investment for strengthening the foundation for future growth including research and development expenses aimed at achieving the goals of the Vision 2030, while offsetting the burden of the upfront investments. The foreign exchange rate is assumed to be ¥150.00 to the U.S. dollar.

Forward-looking statements about our future performance are based on the information available to us at the time of disclosure and certain assumptions deemed to be reasonable. Due to unforeseen circumstances, actual results may differ significantly from such estimates.

2. Basic Concept Regarding the Selection of Accounting Standards

The Group has applied International Financial Reporting Standards (IFRS), global standards of accounting, from the fiscal year ended March 31, 2010, to improve international comparability of consolidated financial statements and enhance financial reporting quality and management efficiency.

3. Consolidated Financial Statements for the Fiscal year ended March 31, 2026**(1) Consolidated Statements of Financial Position**

(Millions of yen)

	March 31, 2025	March 31, 2026
Assets		
Current assets:		
Cash and cash equivalents	15,881	10,805
Time deposits	—	800
Trade receivables	12,705	13,798
Inventories	10,480	12,443
Income taxes refundable	31	43
Others	4,383	6,086
Total current assets	43,482	43,977
Non-current assets:		
Property, plant and equipment	19,716	23,173
Intangible assets	2,280	3,241
Investments accounted for using the equity method	2,096	1,922
Other financial assets	1,462	1,867
Deferred tax assets	1,223	1,489
Others	1,261	653
Total non-current assets	28,039	32,347
Total assets	71,522	76,325
Liabilities		
Current liabilities:		
Loans and borrowings	803	1,328
Lease liabilities	768	884
Trade and other payables	9,469	10,329
Derivative liabilities	—	150
Provisions	—	54
Income taxes payable	345	419
Others	768	807
Total current liabilities	12,155	13,975
Non-current liabilities:		
Loans and borrowings	25,808	24,807
Lease liabilities	2,171	2,518
Deferred tax liabilities	18	0
Employee benefits	1,682	1,604
Provisions	484	347
Deferred government grants	8	1,032
Others	22	121
Total non-current liabilities	30,196	30,432
Total liabilities	42,351	44,407
Equity		
Equity attributable to Owners of the parent:		
Share capital	5,596	5,596
Share premium	3,290	3,147
Other components of equity	1,741	3,518
Retained earnings	18,541	19,655
Total equity attributable to Owners of the parent	29,170	31,917
Total equity	29,170	31,917
Total liabilities and equity	71,522	76,325

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	53,064	54,629
Cost of sales	37,000	38,918
Gross profit	16,063	15,710
Selling, general and administrative expenses	9,456	9,854
Research and development expenses	2,085	2,830
Other operating income	243	548
Other operating expenses	142	218
Operating income	4,622	3,355
Financial income	67	75
Financial expenses	1,120	717
Share of loss of investments accounted for using the equity method	(155)	(161)
Impairment loss on equity method investments	(458)	—
Income before income tax	2,955	2,552
Income tax expenses	1,162	487
Net income for the period	1,792	2,065
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	643	(416)
Financial assets measured at fair value through other comprehensive income	91	384
Income tax relating to items that will not be reclassified	(35)	40
Subtotal	699	8
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	2	1,529
Share of other comprehensive income of entities accounted for using equity method	(0)	(14)
Income tax relating to items that may be reclassified	—	(5)
Subtotal	2	1,509
Other comprehensive income for the period, net of income tax	701	1,517
Comprehensive income for the period	2,494	3,583
Net income attributable to:		
Owners of the parent	1,792	2,065
Comprehensive income attributable to:		
Owners of the parent	2,494	3,583
		(Yen)
Earnings per share:		
Basic earnings per share	77.75	89.73

(3) Consolidated Statements of Changes in Equity

(Millions of yen)

	Share Capital	Share premium		
		Additional paid-in capital	Treasury shares	Total share premium
Balance at April 1, 2024	5,596	3,386	(91)	3,294
Comprehensive income for the period				
Net income				—
Other comprehensive income				
Remeasurement of defined benefit plan				—
Net change in financial assets measured at fair value through other comprehensive income				—
Exchange differences on translation of foreign operations				—
Share of other comprehensive income of entities accounted for using equity method				—
Total comprehensive income for the period	—	—	—	—
Transactions with owners, recorded directly in equity				
Dividends declared				—
Share-based payment transactions		(3)		(3)
Purchase of treasury shares			(0)	(0)
Total transactions with owners	—	(3)	(0)	(3)
Balance at March 31, 2025	5,596	3,383	(92)	3,290
Comprehensive income for the period				
Net income				—
Other comprehensive income				
Remeasurement of defined benefit plan				—
Net change in financial assets measured at fair value through other comprehensive income				—
Exchange differences on translation of foreign operations				—
Share of other comprehensive income of entities accounted for using equity method				—
Total comprehensive income for the period	—	—	—	—
Transactions with owners, recorded directly in equity				
Dividends declared				—
Share-based payment transactions		15		15
Purchase of treasury shares			(161)	(161)
Disposal of treasury shares			3	3
Total transactions with owners	—	15	(158)	(143)
Balance at March 31, 2026	5,596	3,398	(250)	3,147

(Millions of yen)

	Other components of equity				Retained earnings	Attributable to owners of the parent	Total equity
	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of entities accounted for using equity method	Total other components of equity			
Balance at April 1, 2024	337	1,331	15	1,683	16,799	27,373	27,373
Comprehensive income for the period							
Net income				—	1,792	1,792	1,792
Other comprehensive income							
Remeasurement of defined benefit plan				—	643	643	643
Net change in financial assets measured at fair value through other comprehensive income	56			56		56	56
Exchange differences on translation of foreign operations		2		2		2	2
Share of other comprehensive income of entities accounted for using equity method			(0)	(0)		(0)	(0)
Total comprehensive income for the period	56	2	(0)	58	2,436	2,494	2,494
Transactions with owners, recorded directly in equity							
Dividends declared				—	(693)	(693)	(693)
Share-based payment transactions				—		(3)	(3)
Purchase of treasury shares				—		(0)	(0)
Total transactions with owners	—	—	—	—	(693)	(697)	(697)
Balance at March 31, 2025	393	1,333	14	1,741	18,541	29,170	29,170
Comprehensive income for the period							
Net income				—	2,065	2,065	2,065
Other comprehensive income							
Remeasurement of defined benefit plan				—	(258)	(258)	(258)
Net change in financial assets measured at fair value through other comprehensive income	267			267		267	267
Exchange differences on translation of foreign operations		1,524		1,524		1,524	1,524
Share of other comprehensive income of entities accounted for using equity method			(14)	(14)		(14)	(14)
Total comprehensive income for the period	267	1,524	(14)	1,776	1,807	3,583	3,583
Transactions with owners, recorded directly in equity							
Dividends declared				—	(693)	(693)	(693)
Share-based payment transactions				—		15	15
Purchase of treasury shares				—		(161)	(161)
Disposal of treasury shares				—		3	3
Total transactions with owners	—	—	—	—	(693)	(837)	(837)
Balance at March 31, 2026	660	2,857	—	3,518	19,655	31,917	31,917

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating activities:		
Income before income tax	2,955	2,552
Depreciation and amortisation	3,427	3,911
Gain on sales of property, plant and equipment	(17)	(1)
Impairment losses	0	5
Share of loss of investments accounted for using equity method	168	151
Impairment loss on equity method investments	458	—
Decrease/(increase) in trade receivables	175	(526)
Decrease/(increase) in inventories	602	(1,490)
Decrease/(increase) in accounts receivable - other	215	75
Decrease/(increase) in consumption tax/value-added tax receivables	(381)	(60)
Increase/(decrease) in trade payables	49	1,220
Increase/(decrease) in accounts payable - other	318	(43)
Increase/(decrease) in accrued bonus	61	12
Decrease/(increase) in derivative assets	(58)	58
Increase/(decrease) in derivative liabilities	(240)	150
Increase/(decrease) in provisions	—	(98)
Decrease/(increase) in other operating assets	(514)	(634)
Interest and dividend income	(65)	(61)
Interest expense	529	506
Interest and dividends received	65	61
Interest paid	(403)	(439)
Income tax refunded/(paid), net	(794)	(736)
Increase/(decrease) in provision for retirement benefits	(194)	(77)
Other, net	(250)	(334)
Net cash provided by/(used in) operating activities	6,109	4,201
Investing activities:		
Purchase of property, plant and equipment	(3,664)	(5,701)
Purchase of intangible assets	(982)	(1,036)
Purchase of other financial assets	(1)	—
Proceeds from sales of property, plant and equipment	105	31
Proceeds from sales of other financial assets	95	121
Payments into time deposits	—	(800)
Other, net	(5)	4
Net cash provided by/(used in) investing activities	(4,453)	(7,379)
Financing activities:		
Proceeds from long-term loans and borrowings	25,000	120
Repayment of long-term loans and borrowings	(20,019)	(803)
Net increase/(decrease) in short-term loans and borrowings	(1,666)	—
Repayments of lease liabilities	(710)	(906)
Dividends paid	(691)	(694)
Purchase of treasury shares	(0)	(164)
Proceeds from disposal of treasury shares	—	5
Net cash provided by/(used in) by financing activities	1,912	(2,443)
Net increase/(decrease) in cash and cash equivalents	3,568	(5,621)
Cash and cash equivalents at beginning of year	12,303	15,881
Net effect of currency translation on cash and cash equivalents	9	545
Cash and cash equivalents at end of period	15,881	10,805

(5) Notes to Going Concern Assumption

None

(6) Notes to Consolidated Financial Statements for the Year Ended March 31, 2026 (Condensed)**1. Basis of Preparation****(a) Changes in Accounting Policies****Change in Measurement Method for Inventories**

The Company and certain consolidated subsidiaries previously allocated the cost of inventories primarily using the First In, First Out method or the moving-average method. Effective from the current fiscal year, the Company has changed the allocation method primarily to the gross average method. This change in inventory valuation method was made in connection with the renewal of the core operating system, with the objective of achieving a more appropriate periodic profit measurement.

The impact of this change in accounting policy on the consolidated financial statements for prior periods and the current fiscal year is immaterial.

2. Segment Information**(a) General Information**

The main activities of the Group are the integrated manufacture and sale of crystal related products, such as crystal units, crystal oscillators, other crystal devices, ultrasonic transducers, synthetic quartz crystals, and crystal elements, and there are no separate operating segments. Therefore, the Group has a single reportable segment.

(b) Information about Products and Services

Net sales by type of products are as follows.

(Millions of Yen)

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	38,986	73.5	39,513	72.4	527	1.4
Crystal oscillators	8,665	16.3	9,094	16.6	428	4.9
Others	5,412	10.2	6,021	11.0	609	11.3
Total	53,064	100.0	54,629	100.0	1,565	2.9

(c) Information about Geographical Areas

Sales by geographical areas and non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are as set out below. Sales by geographical areas are categorised by country or area of customers, and non-current assets are based on the geographical location of the assets.

Sales and non-current assets for the years ended March 31, 2026 and 2025 were as follows:

(Millions of yen)

2025	Japan	China	U.S.A	Germany	Korea	Mexico	Romania	Others	Total
Net sales	8,164	18,737	5,698	3,234	2,800	1,554	1,204	11,670	53,064
Non-current assets	16,153	3,984	143	—	—	—	—	2,045	22,326

(Millions of yen)

2026	Japan	China	U.S.A	Germany	Korea	Mexico	Romania	Others	Total
Net sales	9,104	18,569	6,332	3,262	2,819	1,646	1,187	11,708	54,629
Non-current assets	20,428	3,948	206	—	—	—	—	2,178	26,761

(d) Major Customers

For the years ended March 31, 2026, and 2025, there were no major external customers with net sales exceeding 10% of the Group's total net sales.

3. Impairment Losses

Property, Plant and Equipment

The Group categorizes assets or groups of assets by company and business location based on the smallest group of assets that generates cash inflows largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). Idle assets which are not expected to be used in the future are grouped by individual asset units.

4. Selling, General and Administrative Expenses

(Millions of yen)

For the years ended March 31,	2025	2026
Personnel expenses	4,385	4,675
Depreciation and amortisation	471	711
Commissions	1,690	1,653
Shipping charges	740	662
Travel	257	300
Welfare	200	216
Tax and dues	266	243
License fee	127	134
Sales commission	445	412
Others	870	845
Total	9,456	9,854

5. Research and Development Expenses

(Millions of yen)

For the years ended March 31,	2025	2026
Personnel expenses	1,111	1,464
Depreciation and amortisation	229	267
Materials	520	706
Others	223	392
Total	2,085	2,830

6. Other Operating Income and Expenses

(Millions of yen)

For the years ended March 31,	2025	2026
Rental income*	30	35
Government grant income**	17	115
Reversal of provisions for settlement for products sold***	2	127
Other income	193	269
Total other operating income	243	548
Loss on disposal of PPE	76	67
Depreciation of temporarily idle fixed assets	35	23
Settlement for products sold	—	53
Other expenses	30	74
Total other operating expenses	142	218

* Rental income mainly comes from renting part of the factories of our subsidiaries for the years ended March 31, 2026 and 2025.

** Benefits obtained from national and local public entities for employment and investments in facilities were recognized during the period over which the related expenses were recognized.

*** Provisions for settlement for products sold are booked for the estimated compensation against damage of our customers caused by our products. Regarding one part of them, the difference against estimated amount is recognised as reversal of provisions for settlement for products sold since its compensation amount was confirmed.

7. Financial Income and Expenses

(Millions of yen)

For the years ended March 31,	2025	2026
Interest income	37	29
Dividend income	28	32
Gain on sale of other financial assets	—	0
Gain on valuation of other financial assets	0	2
Others	2	10
Total financial income	67	75
Interest expenses	529	506
Foreign exchange losses, net	555	202
Loss on sale of other financial assets	20	—
Loss on valuation of other financial assets	6	—
Others	9	8
Total financial expenses	1,120	717

8. Impairment Loss on Equity Method Investments

None

9. Earnings per Share

For the years ended March 31,	2025	2026
Net income attributable to ordinary shareholders	¥1,792 million	¥2,065 million
Weighted-average number of ordinary shares outstanding	23,059,766 shares	23,022,129 shares
Basic earnings per share	¥77.75	¥89.73

- Note: 1. Basic earnings/loss per share is calculated by dividing the net income/loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.
2. Diluted earnings/(loss) per share is not disclosed because there are no potential ordinary shares which have dilutive effects.
3. The Company shares held in trust accounts for Performance-linked Share-based Compensation Plan are included in treasury shares, which are excluded from the calculation of the weighted average number of shares used in the calculation of basic earnings per share. The weighted average number of treasury shares excluded from the calculation of basic earnings per share for the fiscal year ended March 31, 2025 was 67,500 shares, and for the fiscal year ended March 31, 2026 was 104,631 shares.

10. Events after the Reporting Period

None