Semi-annual Consolidated Financial Statements and Primary Notes

Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	3,774	6,253
Notes receivable - trade	180	163
Accounts receivable - trade	3,360	1,222
Merchandise and finished goods	721	774
Work in process	1,550	1,441
Raw materials and supplies	1,403	1,500
Other	246	273
Allowance for doubtful accounts	(3)	(3)
Total current assets	11,235	11,628
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,814	1,737
Land	4,358	4,358
Other, net	826	988
Total property, plant and equipment	6,999	7,083
Intangible assets	497	433
Investments and other assets		
Investment securities	2,793	3,419
Deferred tax assets	31	24
Other	225	221
Total investments and other assets	3,050	3,665
Total non-current assets	10,547	11,183
Total assets	21,783	22,811

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	519	421
Short-term borrowings	1,000	1,000
Current portion of long-term borrowings	130	-
Income taxes payable	79	249
Provision for bonuses	84	115
Other	1,243	1,500
Total current liabilities	3,056	3,286
Non-current liabilities		
Deferred tax liabilities	463	670
Retirement benefit liability	1,550	1,553
Asset retirement obligations	21	21
Other	87	79
Total non-current liabilities	2,123	2,325
Total liabilities	5,180	5,612
Net assets		
Shareholders' equity		
Share capital	7,134	7,134
Capital surplus	1,800	1,800
Retained earnings	6,540	6,769
Treasury shares	(1,227)	(1,293)
Total shareholders' equity	14,247	14,410
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,541	1,968
Foreign currency translation adjustment	293	332
Remeasurements of defined benefit plans	155	147
Total accumulated other comprehensive income	1,990	2,448
Share acquisition rights	75	41
Non-controlling interests	290	298
Total net assets	16,603	17,199
Total liabilities and net assets	21,783	22,811

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Net sales	6,343	7,691
Cost of sales	3,617	4,028
Gross profit	2,725	3,662
Selling, general and administrative expenses	2,805	3,144
Operating profit (loss)	(80)	518
Non-operating income		
Interest income	1	2
Dividend income	46	68
Income from rent	2	2
Other	14	7
Total non-operating income	65	81
Non-operating expenses		
Interest expenses	9	9
Commission expenses	8	11
Rental costs	2	0
Other	2	5
Total non-operating expenses	23	26
Ordinary profit (loss)	(38)	573
Extraordinary income		
Gain on sale of non-current assets	-	2
Total extraordinary income	-	2
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit (loss) before income taxes	(38)	575
Income taxes - current	34	189
Income taxes - deferred	39	18
Total income taxes	74	208
Profit (loss)	(112)	367
Profit attributable to non-controlling interests	9	13
Profit (loss) attributable to owners of parent	(121)	353

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Profit (loss)	(112)	367
Other comprehensive income		
Valuation difference on available-for-sale securities	133	427
Foreign currency translation adjustment	(102)	33
Remeasurements of defined benefit plans, net of tax	(11)	(8)
Total other comprehensive income	19	452
Comprehensive income	(92)	820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(93)	811
Comprehensive income attributable to non-controlling interests	0	8

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(38)	575
Depreciation	331	339
Increase (decrease) in provision for bonuses	15	31
Increase (decrease) in retirement benefit liability	(38)	(4)
Interest and dividend income	(48)	(71)
Surrender value of insurance policies	(4)	-
Interest expenses	9	9
Loss (gain) on sale of non-current assets	-	(2)
Loss on retirement of non-current assets	0	0
Decrease (increase) in trade receivables	1,564	2,182
Decrease (increase) in inventories	27	(35)
Increase (decrease) in trade payables	(218)	(100)
Decrease (increase) in consumption taxes refund receivable	-	49
Increase (decrease) in accrued consumption taxes	(270)	158
Other, net	(102)	8
Subtotal	1,225	3,140
Interest and dividends received	48	71
Interest paid	(9)	(9)
Income taxes refund (paid)	(321)	9
Net cash provided by (used in) operating activities	942	3,211
Cash flows from investing activities		
Purchase of property, plant and equipment	(181)	(308)
Proceeds from sale of property, plant and equipment	-	3
Purchase of intangible assets	(100)	(46)
Purchase of investment securities	(2)	(2)
Purchase of insurance funds	-	(14)
Proceeds from cancellation of insurance funds	47	23
Other, net	(4)	(4)
Net cash provided by (used in) investing activities	(240)	(350)
Cash flows from financing activities		
Repayments of long-term borrowings	(134)	(130)
Purchase of treasury shares	(0)	(159)
Proceeds from sale of treasury shares	0	0
Dividends paid	(153)	(124)
Other, net	(7)	(7)
Net cash provided by (used in) financing activities	(294)	(422)
Effect of exchange rate change on cash and cash equivalents	(90)	40
Net increase (decrease) in cash and cash equivalents	316	2,478
Cash and cash equivalents at beginning of period	4,240	3,774
Cash and cash equivalents at end of period	4,557	6,253