ZACROS

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on Japanese GAAP)

August 6, 2026

Company name	ZACROS Corporation		
Stock exchange listing	Tokyo		
Stock Code	7917 URL https://www.zacros.co.jp/en		
Representative	President	Taku Shimoda	
Inquiries	Director and Senior Executive Officer in Charge of Administration	Michihiko Sato	Tel. 81-3-5804-4221
Scheduled date to commence dividend payments		—	
Preparation of supplementary material on quarterly earnings		Yes	
Holding of quarterly earnings performance review		No	

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026, to June 30, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	41,420	5.4	3,359	(2.9)	3,438	(4.6)	2,541	3.7
Three months ended June 30, 2025	39,307	2.2	3,459	(0.6)	3,603	(4.5)	2,449	1.0

Note: Comprehensive income Three months ended June 30, 2026 ¥3,083 million(157.8%)
Three months ended June 30, 2025 ¥1,196 million (-65.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2026	35.51	35.17
Three months ended June 30, 2025	33.29	32.98

Note: The Company conducted a stock split at a ratio of four shares for each common share, effective October 1, 2025. Net income per share and Diluted net income per share for the previous fiscal year have been calculated as if this stock split had been implemented at the beginning of that fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended June 30, 2026	159,787	105,753	60.2	1,343.60
Year ended March 31, 2026	156,791	104,339	60.5	1,324.14

Note: Equity As of June 30, 2026 ¥96,210 million
As of March 31, 2026 ¥94,846 million

2. Cash dividends

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	—	72.00	—	18.00	—
Year ended March 31, 2027	—		—		
Year ending March 31, 2027 (forecast)		18.00	—	18.00	36.00

Notes:
1. Revision to the most recently announced dividend forecast: None
2. The Company conducted a stock split at a ratio of four shares for each common share, effective October 1, 2025. The dividend per share as of the end of the second quarter for the fiscal year ended March 31, 2026, shown above, reflects the actual dividend amount paid prior to the stock split. The total annual dividend per share for the fiscal year ended March 31, 2026, is not stated because the stock split does not allow the simple addition of the dividends for the end of the second quarter and for the year-end.

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026, to March 31, 2027)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	176,000	11.0	11,200	1.3	11,500	(6.5)	6,500	(15.7)	90.79

Note: Revisions to the financial forecast from the most recent public announcement: None

Notes to Financial Statements:

(1) Significant changes in the scope of consolidation during the first quarter consolidated period: Yes

Newly included: One company

Company name: ZACROS INDIA PVT. LTD.

(2) Application of accounting procedures specific to preparation of quarterly financial statements None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior-period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations None

b. Changes in accounting policies due to other reasons None

c. Changes in accounting estimates None

d. Restatement of prior-period financial statements after error corrections None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	77,071,040	As of March 31, 2026	77,071,040

b. Number of treasury shares at the end of the period

As of June 30, 2026	5,464,770	As of March 31, 2026	5,442,270

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	71,563,484	Three months ended June 30, 2025	73,599,858

Note: The Company conducted a stock split at a ratio of four shares for each common share, effective October 1, 2025. The average number of shares during the period has been calculated as if this stock split had been implemented at the beginning of the previous fiscal year.

This quarterly financial results report is exempt from quarterly review procedures conducted by certified public accountants or an audit corporation.

Notes on appropriate use of earnings forecasts and other special items

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company, however, makes no guarantee that these forecasts will be achieved. Actual business and other results may differ substantially because of various factors. For more information on assumptions for the financial results forecasts and on the use of the forecasts, please refer to “(3) Forward-looking information, including consolidated financial forecasts,” in “1. Review of Operating Results and Financial Statements” on page 3 of the attached document.

Contents of Attached Documents

1. Review of Operating Results and Financial Statements

(1) Overview of business performance

During the first quarter of the fiscal year under review, the Wellness business recorded lower sales than in the same period of fiscal year 2025. The Electronic Materials business, however, achieved substantial sales growth, and the Environmental Solutions and Industrial Infrastructure businesses also secured higher sales. As a result, the ZACROS Group's consolidated net sales increased year on year.

To support earnings, the Group promoted price pass-through and improved production efficiency in response to sharp increases in raw material prices. Nevertheless, operating income and ordinary income declined year on year because of higher energy, transportation, and personnel costs and increased depreciation expenses. Net income attributable to owners of parent increased, however, reflecting the recording of insurance income during the period under review.

For the first quarter of the consolidated fiscal period under review, net sales amounted to ¥41,420 million (up 5.4% year on year); operating income was ¥3,359 million (down 2.9%); ordinary income was ¥3,438 million (down 4.6%); and net income attributable to owners of parent was ¥2,541 million (up 3.7%).

The performances of the ZACROS Group's business segments were as follows:

Wellness

Demand for release film for pharmaceuticals remained solid, but the Wellness business recorded an overall decline in sales. This was mainly due to sluggish sales of pharmaceutical and medical packaging materials caused by a supply disruption linked to a quality issue with certain raw materials, which affected production activities and to a substantial decrease in sales of single-use bags for biopharmaceutical manufacturing (BioPhaS®) resulting from a temporary change in demand at a key customer. Segment profitability consequently also declined overall, reflecting the impact of lower sales, among other factors. Net sales were ¥6,567 million (down 10.0% year on year), and the segment recorded an operating loss of ¥112 million (compared with operating income of ¥316 million in the same period of the previous fiscal year).

Environmental Solutions

Sales increased across all product categories, including refill packaging, other flexible packaging, office automation (OA) equipment–related packaging, and liquid containers, resulting in higher revenue for the business overall. Segment profitability likewise increased overall, reflecting higher sales and other factors. Net sales rose 9.7%, to ¥9,066 million, and operating income increased 90.6%, to ¥883 million.

Electronic Materials

Display-related sales of protective film declined. Electronic component and related product sales of interlayer insulating film, however, increased, driven by growth in the semiconductor market, mainly for AI-related applications. This resulted in higher revenue for the business overall. Segment profitability, too, increased overall, reflecting higher sales and other factors. Net sales rose 11.3%, to ¥15,213 million, and operating income increased 8.0%, to ¥1,452 million.

Industrial Infrastructure

Building material sales of housing complex floor construction void slabs and of civil engineering materials increased. Chemical sales of packaging materials were also strong. The segment's net sales thus increased, and the business overall recorded higher revenue. Segment profitability, however, declined because of a change in the product mix and an increase in fixed costs, among other factors. Net sales rose 4.9%, to ¥10,572 million, whereas operating income decreased 14.8%, to ¥1,136 million.

	Three months ended June 30, 2025		Three months ended June 30, 2026		Year-on-year changes	
	Millions of yen	Percent of net sales	Millions of yen	Percent of net sales	Millions of yen	Percent
Net sales	39,307	100.0	41,420	100.0	2,113	5.4
Wellness	7,294	18.6	6,567	15.9	(726)	(10.0)
Environmental Solutions	8,263	21.0	9,066	21.9	802	9.7
Electronic Materials	13,673	34.8	15,213	36.7	1,539	11.3
Industrial Infrastructure	10,074	25.6	10,572	25.5	497	4.9
Operating income/loss	3,459	8.8	3,359	8.1	(100)	(2.9)
Wellness	316	4.3	(112)	(1.7)	(429)	—
Environmental Solutions	463	5.6	883	9.7	419	90.6
Electronic Materials	1,345	9.8	1,452	9.5	107	8.0
Industrial Infrastructure	1,334	13.2	1,136	10.8	(197)	(14.8)

(2) Overview of financial position

Total assets at the end of the first quarter under review were ¥159,787 million, an increase of ¥2,995 million from the end of the previous fiscal year, mainly because of an increase in trade receivables.

Liabilities increased ¥1,582 million from the end of the previous fiscal year, to ¥54,034 million. While the provision for bonuses and income taxes payable decreased, this was mainly due to an increase in accounts payable—other, as well as an increase in Other under Current liabilities resulting from the receipt of funds from a provisional payment request for the large-scale growth investment subsidy.

Total net assets were ¥105,753 million, an increase of ¥1,413 million from the previous fiscal year-end, mainly reflecting an increase in retained earnings. The equity ratio was 60.2%.

(3) Forward-looking information, including consolidated financial forecasts

There are no changes to the full-year earnings forecast announced on May 8, 2026.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	14,844	16,379
Notes and accounts receivable—trade and contract assets	35,406	36,484
Electronically recorded monetary claims	6,300	6,582
Merchandise and finished goods	9,538	8,884
Work in process	2,005	2,332
Raw materials and supplies	6,832	7,073
Other	5,648	6,111
Allowance for doubtful accounts	(56)	(59)
Total current assets	80,518	83,788
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	57,606	59,915
Accumulated depreciation	(31,175)	(31,587)
Buildings and structures, net	26,430	28,328
Machinery, equipment and vehicles	76,250	78,247
Accumulated depreciation	(62,977)	(63,978)
Machinery, equipment and vehicles, net	13,272	14,269
Tools, furniture and fixtures	9,328	9,523
Accumulated depreciation	(8,069)	(8,206)
Tools, furniture and fixtures, net	1,259	1,316
Land	9,594	9,641
Construction in progress	17,564	14,258
Other	3,307	3,348
Accumulated depreciation	(1,387)	(1,482)
Other, net	1,919	1,865
Total property, plant and equipment	70,041	69,680
Intangible assets		
Goodwill	32	16
Other	791	983
Total intangible assets	824	1,000
Investments and other assets		
Investment securities	2,871	3,038
Deferred tax assets	1,589	1,321
Other	957	970
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	5,406	5,318
Total noncurrent assets	76,273	75,999
Total assets	156,791	159,787

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable—trade	19,273	19,926
Electronically recorded obligations—operating	1,670	1,283
Short-term loans payable	3,266	3,258
Accounts payable—other	5,498	6,403
Income taxes payable	2,089	1,369
Contract liabilities	896	1,111
Provision for bonuses	1,791	1,061
Provision for directors' bonuses	150	42
Other	3,452	5,142
Total current liabilities	38,087	39,598
Noncurrent liabilities		
Long-term loans payable	7,214	7,222
Deferred tax liabilities	122	146
Net defined benefit liability	4,219	4,309
Provision for directors' retirement benefits	632	631
Lease liabilities	1,846	1,793
Other	327	331
Total noncurrent liabilities	14,364	14,435
Total liabilities	52,452	54,034
Net assets		
Shareholders' equity		
Capital stock	6,600	6,600
Capital surplus	6,590	6,518
Retained earnings	79,900	81,152
Treasury shares	(5,090)	(5,177)
Total shareholders' equity	88,000	89,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,182	1,369
Foreign currency translation adjustment	5,292	5,389
Remeasurements of defined benefit plans	370	356
Total accumulated other comprehensive income	6,845	7,115
Subscription rights to shares	351	240
Noncontrolling interests	9,142	9,303
Total net assets	104,339	105,753
Total liabilities and net assets	156,791	159,787

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income (first-quarter consolidated periods)

(Millions of yen)

	First quarter ended June 30, 2025	First quarter ended June 30, 2026
Net sales	39,307	41,420
Cost of sales	29,585	31,553
Gross profit	9,721	9,866
Selling, general and administrative expenses	6,261	6,506
Operating income	3,459	3,359
Nonoperating income		
Interest income	62	37
Dividend income	28	24
Insurance and dividend income	125	0
Foreign exchange gains	—	28
Subsidy income	0	—
Income from recycling	25	23
Other	52	47
Total nonoperating income	295	162
Nonoperating expenses		
Interest expenses	44	81
Foreign exchange loss	105	—
Idle asset maintenance expenses	—	1
Other	2	1
Total nonoperating expenses	152	83
Ordinary income	3,603	3,438
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Insurance income	—	726
Total extraordinary income	0	726
Extraordinary losses		
Loss on retirement of noncurrent assets	48	13
Total extraordinary losses	48	13
Income before income taxes	3,554	4,150
Income taxes—current	969	1,154
Income taxes—deferred	(118)	214
Total income taxes	850	1,369
Net income	2,703	2,781
Net income attributable to noncontrolling interests	254	240
Net income attributable to owners of parent	2,449	2,541

Quarterly consolidated statements of comprehensive income (first-quarter consolidated periods)

(Millions of yen)

	First quarter ended June 30, 2025	First quarter ended June 30, 2026
Net income	2,703	2,781
Other comprehensive income		
Valuation difference on available-for-sale securities	5	183
Foreign currency translation adjustment	(1,493)	133
Remeasurements of defined benefit plans, net of tax	(20)	(15)
Total other comprehensive income	(1,507)	301
Comprehensive income	1,196	3,083
Comprehensive income attributable to		
Owners of parent	1,269	2,811
Noncontrolling interests	(73)	272

(3) Notes to the quarterly consolidated financial statements

Notes on assumptions of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on significant changes in the scope of consolidation during the quarter

ZACROS INDIA PVT. LTD., which was established in March 2026, is expected to grow in importance as a strategic base in Asia going forward. Accordingly, following the commencement of its operations, this company has been included in the scope of consolidation from the first quarter of the current consolidated fiscal year.

Notes on quarterly consolidated cash flow statements

The quarterly consolidated cash flow statement for the first quarter consolidated period has not been prepared. However, the depreciation and amortization expenses (including the amortization of intangible assets, excluding goodwill) and the amortization of goodwill for the first quarter consolidated periods are as follows:

(Millions of yen)

	First quarter ended June 30, 2025	First quarter ended June 30, 2026
Depreciation and amortization expenses	1,497	1,752
Amortization of goodwill	16	16

Segment information

I. Three months ended June 30, 2025 (from April 1, 2025, to June 30, 2025)

Information on net sales and the amounts of profits or losses per reportable segment

(Millions of yen)

	Reportable segments					Adjusted sales amount (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Wellness	Environmental Solutions	Electronic Materials	Industrial Infrastructure	Total		
Net sales							
Sales to unaffiliated customers	7,294	8,263	13,673	10,074	39,307	—	39,307
Intersegment sales or transfers	57	373	294	829	1,554	(1,554)	—
Total	7,351	8,637	13,968	10,903	40,861	(1,554)	39,307
Segment profit	316	463	1,345	1,334	3,459	—	3,459

Notes:
1. Adjusted sales amount refers to the elimination of intersegment transactions.
2. The total of segment profit is consistent with operating income in the quarterly consolidated statements of income.

II. Three months ended June 30, 2026 (from April 1, 2026, to June 30, 2026)

Information on net sales and the amounts of profits or losses per reportable segment

(Millions of yen)

	Reportable segments					Adjusted sales amount (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Wellness	Environmental Solutions	Electronic Materials	Industrial Infrastructure	Total		
Net sales							
Sales to unaffiliated customers	6,567	9,066	15,213	10,572	41,420	—	41,420
Intersegment sales or transfers	91	418	392	417	1,319	(1,319)	—
Total	6,658	9,485	15,606	10,990	42,740	(1,319)	41,420
Segment profit or loss	(112)	883	1,452	1,136	3,359	—	3,359

Notes:
1. Adjusted sales amount refers to the elimination of intersegment transactions.
2. The total of segment profit or loss is consistent with operating income in the quarterly consolidated statements of income.