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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025 (Based on Japanese GAAP)

August 7, 2025

Company name	ZACROS Corporation	
Stock exchange listing	Tokyo	
Stock Code	7917	URL <a href="https://www.zacros.co.jp/en">https://www.zacros.co.jp/en</a>
Representative	President and CEO	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, 2025 (from April 1, 2025, to June 30, 2025)

#### (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, 2025	39,307	2.2	3,459	(0.6)	3,603	(4.5)	2,449	1.0
Three months ended June 30, 2024	38,469	20.6	3,479	68.6	3,771	71.3	2,424	24.2

Note: Comprehensive income Three months ended June 30, 2025 ¥1,196 million (65.8%)

Three months ended June 30, 2024 ¥3,501 million 46.9%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2025	133.15	131.90
Three months ended June 30, 2024	130.42	129.21

#### (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, 2025	151,990	99,693	59.8	4,967.23
Year ended March 31, 2025	153,926	100,695	59.5	4,951.30

Note: Equity As of June 30, 2025 ¥ 90,939 million

As of March 31, 2025 ¥ 91,650 million

### 2. Cash dividends

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Total
Year ended March 31, 2025	Yen —	Yen 63.00	Yen —	Yen 67.00	Yen 130.00
Year ended March 31, 2026	—	—	—	—	—
Year ending March 31, 2026 (forecast)	—	67.00	—	16.75	—

Notes:

1. Revision to the most recently announced dividend forecast: yes
2. At the Board of Directors meeting held on August 7, 2025, the Company resolved to implement a stock split of its common shares at a ratio of four shares for every one share, with September 30, 2025 as the record date and October 1, 2025 as the effective date. The year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) shown above reflects the amount after taking the stock split into account. The total annual dividend per share for the fiscal year ending March 31, 2026 (forecast) is not stated because the second quarter-end and year-end dividends cannot be simply added together due to the stock split. For reference, without considering the stock split, the forecasted year-end dividend per share for the fiscal year ending March 31, 2026 would be ¥67.00, and the total annual dividend per share would be ¥134.00.

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

(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	157,000	4.2	10,200	0.8	10,800	4.2	7,500	14.8	102.60

*Notes:*

1. Revision to the most recently announced dividend forecast: none
2. At the Board of Directors meeting held on August 7, 2025, the Company resolved to implement a stock split of its common shares at a ratio of four shares for every one share, with September 30, 2025 as the record date and October 1, 2025 as the effective date. The above figures for net income per share are calculated on the assumption that the stock split had been conducted at the beginning of the fiscal year ending March 31, 2026. For reference, if the stock split is not taken into account, net income per share would be ¥410.39.
3. Earnings per share for the fiscal year ending March 2026 is calculated including treasury shares acquired by the end of July 2025.

*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(WUXI)CO.,LTD.

(2) Application of special accounting for preparing quarterly consolidated financial statements none

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

- Changes in accounting policies due to revisions to accounting standards and other regulations none
- Changes in accounting policies due to other reasons none
- Changes in accounting estimates none
- 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, 2025	19,267,760	As of March 31, 2025	19,267,760
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b. Number of treasury shares at the end of the period

As of June 30, 2025	959,912	As of March 31, 2025	757,312
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c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	18,399,964	Three months ended June 30, 2024	18,591,023
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**Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation**

**Proper use of earnings forecasts and other special matters**

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.

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## 1. Review of Operating Results and Financial Statements

### (1) Overview of business performance

During the first quarter of the fiscal year under review, the ZACROS Group recorded higher revenues in its Wellness, Electronic Materials, and Industrial Infrastructure businesses than in the first quarter of the previous fiscal year. Only the Environmental Solutions business reported a decline in sales. As a result, the group's consolidated net sales increased year on year.

Operating income decreased slightly, however, despite the increase in revenue, improvements in production efficiency, and the implementation of price revisions to support earnings. This was primarily due to increased personnel expenses; sharp rises in raw materials, energy, and transportation costs; and elevated depreciation costs.

For the first quarter of the consolidated fiscal period under review, net sales amounted to ¥39,307 million (up 2.2% year on year); operating income was ¥3,459 million (down 0.6%); ordinary income was ¥3,603 million (down 4.5%); and net income attributable to owners of parent was ¥2,449 million (up 1.0%).

The group's performance by business segment was as follows:

#### Wellness

Wellness business sales rose, driven by increased sales of pharmaceutical and medical packaging materials and of single-use bags (BioPhaS®) for biopharmaceuticals. The segment's profitability was negatively affected by ongoing investments in the development of medical devices, products related to in vitro diagnostics and testing reagents and by increased depreciation expenses related to a new building at the Mie Plant. But these factors were offset by strong sales at overseas subsidiaries and by favorable sales of pharmaceutical release films, such that the segment's first-quarter operating income exceeded that of the same period the year before. Net sales for the Wellness business consequently rose 9.0%, to ¥7,294 million, and operating income increased 19.7%, to ¥316 million.

#### Environmental Solutions

The Environmental Solutions business increased its domestic sales of refill packaging and OA equipment-related packaging. Nevertheless, its overall sales declined because of ZACROS's partial sale of the food packaging business in the second quarter of the previous fiscal year and the sluggish sales of liquid containers at overseas subsidiaries. The segment's profitability also declined, in part because of reduced sales of food packaging and diminished profitability at overseas subsidiaries. Net sales for the Environmental Solutions business therefore fell 5.2%, to ¥8,263 million, and operating income decreased 22.1%, to ¥463 million.

#### Electronic Materials

Sales of the Electronic Materials business's display-related materials were weak at the ZACROS Group's Taiwan subsidiary. But industry restructuring enhanced the segment's competitive strength in core protective film products, increasing their sales. Other electronic component-related products benefited from a recovery in the semiconductor market, and that boosted their sales over those in the previous fiscal year's first quarter. The heightened revenues thus improved the segment's profitability. Net sales for the Electronic Materials business increased 3.1%, to ¥13,673 million, and operating income rose 3.8%, to ¥1,345 million.

#### Industrial Infrastructure

The Industrial Infrastructure business experienced reduced sales of civil engineering materials but there were solid sales of building materials, particularly of air-conditioning pipes, void slabs for multifamily housing (floor construction materials), and industrial chimney construction. Chemical product sales also rose, mainly due to robust sales of adhesives for semiconductor and automotive film applications. As a result, the Industrial Infrastructure business achieved year-on-year growth in sales and profit. Net sales increased 2.9%, to ¥10,074 million, and operating income increased 0.9%, to ¥1,334 million.

	Three months ended June 30, 2024		Three months ended June 30, 2025		Year-on-year changes	
	Millions of yen	Percent of net sales	Millions of yen	Percent of net sales	Millions of yen	Percent
Net sales	38,469	100.0	39,307	100.0	838	2.2
Wellness	6,690	17.4	7,294	18.6	603	9.0
Environmental Solutions	8,721	22.7	8,263	21.0	(457)	(5.2)
Electronic Materials	13,266	34.5	13,673	34.8	407	3.1
Industrial Infrastructure	9,790	25.4	10,074	25.6	283	2.9
Operating income	3,479	9.0	3,459	8.8	(19)	(0.6)
Wellness	264	3.9	316	4.3	52	19.7
Environmental Solutions	595	6.8	463	5.6	(131)	(22.1)
Electronic Materials	1,296	9.8	1,345	9.8	48	3.8
Industrial Infrastructure	1,323	13.5	1,334	13.2	11	0.9

## (2) Overview of financial position

Total assets at the end of the first quarter were ¥151,990 million, a decrease of ¥1,936 million compared with the end of the previous fiscal year. While cash and deposits, accounts receivable, and tangible fixed assets increased, total assets declined due to decreases in short-term securities and inventories, as well as the receipt of a consumption tax refund.

Liabilities totaled ¥52,296 million, a decrease of ¥935 million from the previous fiscal year-end mainly because of decreases in the provision for bonuses and accounts payable.

Net assets were ¥99,693 million, a decrease of ¥1,001 million compared with the previous fiscal year-end. Although retained earnings increased on profit for the period, the decrease resulted from a decline in foreign currency translation adjustments as the yen appreciated and from the acquisition of treasury stock. As a result, the equity ratio was 59.8%.

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

There are no changes to the full-year earnings forecasts announced on May 8, 2025.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	14,986	18,926
Notes and accounts receivable—trade and contract assets	35,723	36,881
Electronically recorded monetary claims	5,542	5,894
Securities	7,495	1,499
Merchandise and finished goods	7,928	7,743
Work in process	2,153	2,303
Raw materials and supplies	6,525	5,835
Other	6,500	4,727
Allowance for doubtful accounts	(72)	(84)
<b>Total current assets</b>	<u>86,783</u>	<u>83,726</u>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures	56,613	55,986
Accumulated depreciation	(29,568)	(29,426)
Buildings and structures, net	<u>27,044</u>	<u>26,559</u>
Machinery, equipment and vehicles	69,654	71,185
Accumulated depreciation	(59,306)	(59,362)
Machinery, equipment and vehicles, net	<u>10,347</u>	<u>11,822</u>
Tools, furniture and fixtures	8,753	8,867
Accumulated depreciation	(7,618)	(7,680)
Tools, furniture and fixtures, net	<u>1,135</u>	<u>1,186</u>
Land	9,138	8,941
Construction in progress	12,355	12,505
Other	2,614	2,494
Accumulated depreciation	(1,176)	(1,136)
Other, net	<u>1,437</u>	<u>1,358</u>
<b>Total property, plant and equipment</b>	<u>61,459</u>	<u>62,374</u>
Intangible assets		
Goodwill	102	79
Other	767	838
<b>Total intangible assets</b>	<u>870</u>	<u>917</u>
Investments and other assets		
Investment securities	2,667	2,694
Deferred tax assets	1,282	1,386
Other	875	902
Allowance for doubtful accounts	(11)	(11)
<b>Total investments and other assets</b>	<u>4,814</u>	<u>4,971</u>
<b>Total noncurrent assets</b>	<u>67,143</u>	<u>68,263</u>
<b>Total assets</b>	<u>153,926</u>	<u>151,990</u>

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	20,311	20,332
Electronically recorded obligations - operating	2,383	2,412
Short-term loans payable	595	573
Accounts payable—other	13,333	12,620
Income taxes payable	994	947
Contract liabilities	373	564
Provision for bonuses	1,801	883
Provision for directors' bonuses	138	41
Other	2,634	3,443
Total current liabilities	<u>42,566</u>	<u>41,819</u>
Noncurrent liabilities		
Long-term loans payable	4,074	3,864
Deferred tax liabilities	79	80
Net defined benefit liability	4,204	4,227
Provision for directors' retirement benefits	611	616
Other	1,695	1,687
Total noncurrent liabilities	<u>10,665</u>	<u>10,477</u>
Total liabilities	<u>53,231</u>	<u>52,296</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,600	6,600
Capital surplus	6,559	6,589
Retained earnings	74,738	75,947
Treasury shares	(2,576)	(3,346)
Total shareholders' equity	<u>85,322</u>	<u>85,791</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	981	986
Foreign currency translation adjustment	4,954	3,788
Remeasurements of defined benefit plans	392	373
Total accumulated other comprehensive income	<u>6,328</u>	<u>5,148</u>
Subscription rights to shares	351	351
Noncontrolling interests	8,692	8,403
Total net assets	<u>100,695</u>	<u>99,693</u>
Total liabilities and net assets	<u>153,926</u>	<u>151,990</u>

**(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, 2024	First quarter ended June 30, 2025
Net sales	38,469	39,307
Cost of sales	29,088	29,585
Gross profit	9,380	9,721
Selling, general and administrative expenses	5,901	6,261
Operating income	3,479	3,459
Nonoperating income		
Interest income	57	62
Dividend income	27	28
Insurance and dividend income	1	125
Foreign exchange gains	163	—
Subsidy income	1	0
Income from recycling	20	25
Other	41	52
Total nonoperating income	312	295
Nonoperating expenses		
Interest expenses	17	44
Foreign exchange loss	—	105
Other	3	2
Total nonoperating expenses	20	152
Ordinary income	3,771	3,603
Extraordinary income		
Gain on sales of noncurrent assets	4	0
Total extraordinary income	4	0
Extraordinary losses		
Loss on retirement of noncurrent assets	9	48
Other	1	—
Total extraordinary losses	11	48
Income before income taxes	3,764	3,554
Income taxes—current	1,174	969
Income taxes—deferred	(112)	(118)
Total income taxes	1,061	850
Net income	2,703	2,703
Net income attributable to noncontrolling interests	278	254
Net income attributable to owners of parent	2,424	2,449

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

	First quarter ended June 30, 2024	First quarter ended June 30, 2025
Net income	2,703	2,703
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	5
Foreign currency translation adjustment	816	(1,493)
Remeasurements of defined benefit plans, net of tax	(0)	(20)
Total other comprehensive income	798	(1,507)
Comprehensive income	3,501	1,196
Comprehensive income attributable to		
Owners of parent	3,060	1,269
Noncontrolling interests	441	(73)

### **(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 changes in presentation methods**

##### **(Balance sheet related)**

In the previous consolidated fiscal year, “Electronically recorded monetary claims,” which had been included under “Notes and accounts receivable—trade and contract assets” in current assets, and “Electronically recorded obligations-operating,” which had been included under “Notes and accounts payable—trade” in current liabilities, have been presented separately for greater clarity. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, in the consolidated balance sheet for the previous consolidated fiscal year, the amount previously presented under “Notes and accounts receivable—trade and contract assets” in current assets (¥41,266 million) is now shown as ¥35,723 million for “Notes and accounts receivable—trade and contract assets” and ¥5,542 million for “Electronically recorded monetary claims.” Similarly, the amount previously presented under “Notes and accounts payable—trade” in current liabilities (¥22,695 million) is now shown as ¥20,311 million for “Notes and accounts payable—trade” and ¥2,383 million for “Electronically recorded obligations - operating.”

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

ZACROS(WUXI)CO.,LTD., established in June 2025, has been included within the scope of consolidation beginning with the first quarter of the current fiscal year, as this company is expected to become an increasingly important strategic base for the Asian and especially Chinese markets.

#### **Notes on quarterly consolidated cash flow statements**

The quarterly consolidated cash flow statements for the first quarter consolidated periods have 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, 2024	First quarter ended June 30, 2025
Depreciation and amortization expenses	1,341	1,497
Amortization of goodwill	16	16

## Segment information

### I. Three months ended June 30, 2024 (from April 1, 2024, to June 30, 2024)

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

	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	6,690	8,721	13,266	9,790	38,469	—	38,469
Intersegment sales or transfers	95	360	221	436	1,114	(1,114)	—
Total	6,786	9,081	13,487	10,227	39,583	(1,114)	38,469
Segment profit	264	595	1,296	1,323	3,479	—	3,479

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, 2025 (from April 1, 2025, to June 30, 2025)

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

	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.

## Notes on significant subsequent events

(Stock Split and Partial Amendment to the Articles of Incorporation in Conjunction with the Stock Split)

At the Board of Directors meeting held on August 7, 2025, the Company resolved to implement a stock split and to partially amend the Articles of Incorporation in conjunction with the stock split.

### 1. Stock Split

#### (1) Purpose of the Stock Split

The purpose of the stock split is to lower the investment unit price of the Company's stock, thereby making it easier for investors to invest, with the aim of expanding the base of investors and improving the liquidity of the Company's shares.

#### (2) Overview of the Stock Split

##### a. Method of the Stock Split

With September 30, 2025, as the record date, each shareholder listed or recorded in the final register of shareholders as of that date will receive four shares for each one common share held.

##### b. Increase in Number of Shares as a Result of the Stock Split

Number of issued shares before the split	19,267,760 shares
Number of shares to be increased by the split	57,803,280 shares
Number of issued shares after the split	77,071,040 shares
Authorized shares after the split	180,000,000 shares

(Note) The number of issued shares prior to and after the split, as well as the increase in the number of shares, are based on the number of issued shares as of June 30, 2025, and are subject to change due to exercise of share acquisition rights or cancellation of treasury shares between June 30, 2025 and the record date for the stock split.

##### c. Stock Split Schedule

Publication of record date	September 12, 2025
Record date	September 30, 2025
Effective date	October 1, 2025

### 2. Impact of the Stock Split on Per Share Information

Assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year, the per share information for the previous first quarter consolidated period and the current first quarter consolidated period would be as follows:

	Previous first quarter (April 1, 2024 – June 30, 2024)	Current first quarter (April 1, 2025 – June 30, 2025)
Average number of shares outstanding during the period (excluding treasury shares)	74,364,094	73,599,858
Net income per share (yen)	32.61	33.29
Net income per share after adjustment for potential shares (yen)	32.30	32.98

### 3. Partial Amendment to the Articles of Incorporation in Conjunction with the Stock Split

#### (1) Reason for the Amendment

Along with this stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, the total number of authorized shares stipulated in Article 6 of the Company's Articles of Incorporation will be changed as of October 1, 2025.

#### (2) Details of the Amendment

(The underlined sections indicate changes)

Current Articles of Incorporation	After Amendment
(Total Number of Authorized Shares) Article 6: The total number of shares authorized to be issued by the Company shall be <u>45,000,000 shares</u> .	(Total Number of Authorized Shares) Article 6: The total number of shares authorized to be issued by the Company shall be <u>180,000,000 shares</u> .

(3) Schedule of the Amendment

Effective date	October 1, 2025
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4. Other

As the effective date of this stock split is set for October 1, 2025, the interim dividend for the fiscal year ending March 31, 2026 will be paid based on the number of shares prior to the stock split.