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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2025 (Based on Japanese GAAP)

November 6, 2025

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 for submission of semiannual report November 12, 2025
 Date for dividend payment commencement November 25, 2025
 Supplementary explanatory materials for financial results: Yes
 Financial results briefing: Yes (for securities analysts and institutional investors)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025, to September 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	%
Six months ended September 30, 2025	78,329	3.8	5,567	(1.0)	6,080	4.1	3,892	7.5
Six months ended September 30, 2024	75,449	14.5	5,624	45.5	5,842	35.4	3,622	4.9

Note: Comprehensive income Six months ended September 30, 2025 ¥3,328 million (42.8%)
 Six months ended September 30, 2024 ¥5,815 million 3.8%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2025	53.17	52.67
Six months ended September 30, 2024	48.70	48.25

Note: The company conducted a stock split at a ratio of four shares for each common share, with September 30, 2025, the record date and October 1, 2025, the effective date. For consistency and purpose of year-on-year comparison, the figures for net income per share and diluted net income per share for the interim period shown above have been calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2025	147,206	100,755	62.6	1,271.33
Year ended March 31, 2025	153,926	100,695	59.5	1,237.83

Note: Equity As of September 30, 2025 ¥ 92,158 million
 As of March 31, 2025 ¥ 91,650 million

Note: The company conducted a stock split at a ratio of four shares for each common share, with September 30, 2025, the record date and October 1, 2025, the effective date. For comparative purposes, the figures for net assets per share above have been calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Cash dividends

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	63.00	—	67.00	130.00
Year ended March 31, 2026	—	72.00	—	—	—
Year ending March 31, 2026 (forecast)	—	—	—	18.00	—

Notes:

- Revision from most recently announced dividend forecast: Yes
- The company conducted a stock split at a ratio of four shares for each common share, with September 30, 2025, the record date and October 1, 2025, the effective date. The forecasted year-end dividend per share stated above for the fiscal year ending March 31, 2026 (forecast) reflects the stock split. 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 would be ¥72.00 and the total annual dividend per share would be ¥144.00.

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	6,500	(0.5)	89.22

Notes:

- Revision from most recently announced earnings forecast: Yes
- The company conducted a stock split at a ratio of four shares for each common share, with September 30, 2025, the record date and October 1, 2025, the effective date. The figure for net income per share above for the fiscal year ending March 31, 2026 is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year. Without the stock split, net income per share would be ¥356.89.
- At the Board of Directors meeting held on November 6, 2025, the Company resolved to repurchase its own shares. The estimated earnings per share in the consolidated financial forecast do not reflect the impact of such share repurchases to be conducted on or after November 7, 2025, pursuant to this resolution.

Notes to Financial Statements:

- (1) Significant changes in the scope of consolidation during the first-half consolidated period: Yes
 Newly included: One company
 Company name: ZACROS (WUXI) CO., LTD.
- (2) Application of special accounting for preparing first-half consolidated financial statements None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior-period financial statements after error corrections
- Changes due to amendment of accounting standards: None
 - Changes in accounting policies other than (a) above: None
 - Changes in accounting estimates: None
 - Restatements: 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 September 30, 2025	77,071,040	As of March 31, 2025	77,071,040
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- b. Number of treasury shares at the end of the period

As of September 30, 2025	4,581,212	As of March 31, 2025	3,029,248
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- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	73,209,449	Six months ended September 30, 2024	74,379,803
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Note: The company conducted a stock split at a ratio of four shares for each common share, with September 30, 2025, the record date and October 1, 2025, the effective date. For comparative purposes, the figures above for shares outstanding at the end of the period (including treasury shares), for treasury shares at the end of the period, and for average shares outstanding during the interim period have been calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

Interim financial results reports are exempt from 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 in the document to follow to page 3, "1. Review of Operating Results and Financial Statements

- (4) Forward-looking information, including consolidated financial forecasts."

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1. Review of Operating Results and Financial Statements

(1) Overview of business performance

During the first half of the fiscal year under review, the ZACROS Group recorded higher revenues year on year in the Wellness, Electronic Materials, and Industrial Infrastructure businesses, while only the Environmental Solutions business reported a decline in sales. As a result, the group's consolidated net sales increased compared with the same period of the previous fiscal year.

Operating income declined slightly despite increased sales, improvements in production efficiency, and the implementation of price revisions. Higher personnel costs, surges in raw material, energy, and transportation expenses, as well as an increase in depreciation, resulted in operating income declining year-on-year.

For the first-half consolidated period, net sales amounted to ¥78,329 million (up 3.8% year on year); operating income was ¥5,567 million (down 1.0%); ordinary income was ¥6,080 million (up 4.1%); and profit attributable to owners of parent was ¥3,892 million (up 7.5%).

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

Wellness

Wellness business sales rose, driven by strong demand for pharmaceutical and medical packaging materials and solid sales for pharmaceutical release films, despite a slight decrease in single-use bags (BioPhaS[®]) for biopharmaceuticals. The segment's profitability was negatively affected by increased depreciation expenses related to the new building at the Mie Plant and by upfront expenses for the expansion of single-use bags (BioPhaS[®]) for biopharmaceuticals. As a result, net sales totaled 13,770 million yen, up 3.2% year-on-year, and operating loss was ¥7 million, compared to operating profit of 308 million yen in the same period of the previous year.

Environmental Solutions

The Environmental Solutions business saw higher domestic sales of refill packaging and office automation (OA) equipment-related packaging, but overall segment sales decreased, reflecting the sale of part of its food packaging business in the second quarter of the previous year and weaker sales of its liquid containers at overseas subsidiaries. Although there was a positive impact from increased revenue in refill packaging and OA equipment-related packaging, overall profit for the business declined due to factors such as a decrease in food packaging revenue and deteriorating profitability at overseas subsidiaries. As a result, segment net sales decreased 2.5% year on year, to ¥16,524 million, and operating profit fell 8.4%, to ¥762 million.

Electronic Materials

In the display-related materials of the Electronic Materials business, protective films are produced at our subsidiary in Taiwan. Due to sluggish production at this location, sales of protective films declined, leading to a decrease in revenue. However, in other electronic material products, the recovery in the semiconductor market and growth in the AI sector led to increased sales of interlayer insulating films, resulting in overall higher sales for the segment. Gains in other electronic material products offset lower profitability in display-related products at overseas subsidiaries, resulting in overall growth in segment revenues and a decrease in profit. Segment net sales increased 4.3% year on year, to ¥27,485 million, while operating profit decreased 2.0%, to ¥2,100 million.

Industrial Infrastructure

Industrial Infrastructure sales of building materials, including air-conditioning pipes, void slabs for multifamily housing (floor construction materials), and industrial chimneys grew, while sales of civil engineering materials declined. Chemical products saw robust sales, particularly in adhesives for semiconductor and automotive film applications, leading to overall segment growth in sales and profit. Segment net sales increased 9.3% year on year, to ¥20,548 million, and operating profit increased 15.9%, to ¥2,711 million.

	Six months ended September 30, 2024		Six months ended September 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	75,449	100.0	78,329	100.0	2,880	3.8
Wellness	13,343	17.7	13,770	17.6	426	3.2
Environmental Solutions	16,941	22.5	16,524	21.1	(416)	(2.5)
Electronic Materials	26,361	34.9	27,485	35.1	1,124	4.3
Industrial Infrastructure	18,802	24.9	20,548	26.2	1,745	9.3
Operating income	5,624	7.5	5,567	7.1	(57)	(1.0)
Wellness	308	2.3	(7)	(0.1)	(316)	—
Environmental Solutions	832	4.9	762	4.6	(70)	(8.4)
Electronic Materials	2,143	8.1	2,100	7.6	(42)	(2.0)
Industrial Infrastructure	2,339	12.4	2,711	13.2	372	15.9

(2) Overview of financial position

At the end of the interim consolidated period, total assets had decreased ¥6,720 million from the end of the previous fiscal year, to ¥147,206 million. This decline was mainly due to a decrease in marketable securities which together offset increases in trade receivables and property, plant and equipment.

Liabilities decreased ¥6,781 million from the previous fiscal year-end, to ¥46,450 million, mainly reflecting a reduction in accounts payable and trade payables.

Compared with the end of the previous fiscal year, net assets increased ¥60 million, to ¥100,755 million, primarily because of an increase in retained earnings. The equity ratio was 62.6%.

(3) Overview of cash flows

Cash and cash equivalents (hereafter, 'net cash') at the end of the interim period totaled ¥15,149 million, a decrease of ¥7,332 million from the end of the previous fiscal year.

The cash flow situation for each activity and the primary reasons for increase or decrease were as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥4,707 million (compared with ¥4,077 million in the previous interim period). Although cash outflows such as payments of accounts payable, increases in trade receivables, and payments for income taxes had a negative effect on cash, these were outweighed by cash inflows—including ¥6,022 million in income before income taxes and ¥3,125 million in depreciation—that resulted in a net increase.

Cash flows from investing activities

Net cash used in investing activities totaled ¥8,483 million (compared with ¥4,877 million in the previous interim period). While inflows such as the receipt of subsidies amounting to ¥1,322 million had a positive effect on cash, this was more than offset by outflows such as capital expenditures for property, plant, and equipment totaling ¥9,434 million.

Cash flows from financing activities

Net cash used in financing activities was ¥2,864 million (compared with ¥1,501 million in the previous interim period). Although there was a positive effect from inflows such as long-term borrowing, this was outweighed by outflows, including the acquisition of treasury stock and payment of dividends.

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

The company had planned to recognize a special gain corresponding to the government's Productivity Improvement and Large-Scale Growth Investment Subsidy Program for Small and Medium-Sized Businesses overseen by the Ministry of Economy, Trade and Industry. After further careful examination, however, it was determined that the timing of recognition should coincide with when the subsidy is finalized at the conclusion of the subsidized project and when the fulfillment of all associated conditions is reasonably assured.

In light of this, the company revised its earnings forecast.

The differences between the consolidated full-year earnings forecast announced on May 8, 2025, and the current results are as follows:

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	157,000	10,200	10,800	7,500	102.60
Revised forecast (B)	157,000	10,200	10,800	6,500	89.22
Change (B–A)	–	–	–	(1,000)	(13.37)
Change (%)	–	–	–	(13.3)	–
Reference: Actual for fiscal year ended March 31, 2025	150,735	10,116	10,366	6,530	87.81

The company regards shareholder returns as one of its most important management priorities and is committed to providing shareholder returns in line with performance and based on its basic policy of paying dividends commensurate with earnings. Under this basic policy, the company aims for a dividend payout ratio of 40%.

In line with this policy, we have revised the dividend forecast as follows: the second-quarter-end dividend has been increased by 5 yen to 72 yen per share from the previously forecasted 67 yen, and the fiscal year-end dividend has been increased by 1.25 yen to 18 yen per share from 16.75 yen.

Zacros carried out a stock split at a ratio of four shares for every one share of common stock, with September 30, 2025 as the record date and October 1, 2025 as the effective date. Without taking the stock split into account, the year-end dividend per share for the fiscal year ending March 31, 2026 would be 72 yen, with a total annual dividend of 144 yen.

For details, please refer to the 'Announcement Regarding Revision of Earnings Forecasts and Dividends (Interim Dividend) and Revision of Forecasted Year-End Dividend (Increased Dividend)' dated November 6, 2025.

Note: The forecast figures above are based on information available at the time of writing and on reasonable assumptions. Actual results may differ.

2. Interim Consolidated Financial Statements and Significant Notes Thereto

(1) Interim consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of Sept. 30, 2025
Assets		
Current assets		
Cash and deposits	14,986	14,649
Notes and accounts receivable—trade and contract assets	35,723	35,560
Electronically recorded monetary claims	5,542	6,421
Securities	7,495	499
Merchandise and finished goods	7,928	8,436
Work in process	2,153	2,112
Raw materials and supplies	6,525	6,454
Other	6,500	4,280
Allowance for doubtful accounts	(72)	(63)
Total current assets	86,783	78,350
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	56,613	56,940
Accumulated depreciation	(29,568)	(30,193)
Buildings and structures, net	27,044	26,747
Machinery, equipment and vehicles	69,654	73,748
Accumulated depreciation	(59,306)	(60,464)
Machinery, equipment and vehicles, net	10,347	13,284
Tools, furniture and fixtures	8,753	9,068
Accumulated depreciation	(7,618)	(7,804)
Tools, furniture and fixtures, net	1,135	1,263
Land	9,138	8,909
Construction in progress	12,355	11,147
Other	2,614	2,668
Accumulated depreciation	(1,176)	(1,264)
Other, net	1,437	1,403
Total property, plant and equipment	61,459	62,756
Intangible assets		
Goodwill	102	62
Other	767	795
Total intangible assets	870	858
Investments and other assets		
Investment securities	2,667	2,980
Deferred tax assets	1,282	1,194
Other	875	1,076
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	4,814	5,240
Total noncurrent assets	67,143	68,855
Total assets	153,926	147,206

(Millions of yen)

	As of March 31, 2025	As of Sept. 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable—trade	20,481	19,043
Electronically recorded obligations—operating	2,213	2,157
Short-term loans payable	595	561
Accounts payable	13,333	6,564
Income taxes payable—other	994	1,681
Contract liabilities	373	617
Provision for bonuses	1,801	1,715
Provision for directors' bonuses	138	75
Other	2,634	3,163
Total current liabilities	42,566	35,581
Noncurrent liabilities		
Long-term loans payable	4,074	4,210
Deferred tax liabilities	79	82
Net defined benefit liability	4,204	4,253
Provision for directors' retirement benefits	611	622
Other	1,695	1,699
Total noncurrent liabilities	10,665	10,868
Total liabilities	53,231	46,450
Net assets		
Shareholders' equity		
Capital stock	6,600	6,600
Capital surplus	6,559	6,695
Retained earnings	74,738	77,390
Treasury shares	(2,576)	(4,102)
Total shareholders' equity	85,322	86,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	981	1,152
Foreign currency translation adjustment	4,954	4,061
Remeasurements of defined benefit plans	392	360
Total accumulated other comprehensive income	6,328	5,574
Subscription rights to shares	351	351
Noncontrolling interests	8,692	8,245
Total net assets	100,695	100,755
Total liabilities and net assets	153,926	147,206

(2) Interim consolidated statements of income and interim consolidated statements of comprehensive income
Interim consolidated statements of income (first-half consolidated periods)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	75,449	78,329
Cost of sales	57,879	60,245
Gross profit	17,569	18,083
Selling, general and administrative expenses	11,944	12,516
Operating income	5,624	5,567
Nonoperating income		
Interest income	132	122
Dividend income	38	34
Insurance and dividend income	64	176
Foreign exchange gains	245	141
Subsidy income	1	1
Income from recycling	42	46
Other	84	98
Total nonoperating income	608	621
Nonoperating expenses		
Interest expenses	29	81
Loss on investment partnership operations	14	8
System failure response expenses	100	—
Losses associated with production suspension	239	—
Other	6	17
Total nonoperating expenses	390	108
Ordinary income	5,842	6,080
Extraordinary income		
Gain on sales of noncurrent assets	5	0
Total extraordinary income	5	0
Extraordinary losses		
Loss on sale of fixed assets	—	0
Loss on retirement of noncurrent assets	10	48
Loss on business transfer	147	—
Loss on valuation of investment securities	282	8
Other	0	—
Total extraordinary losses	440	58
Income before income taxes	5,408	6,022
Corporate, Inhabitant and Enterprise Taxes	1,209	1,622
Adjustments for Income Taxes	50	2
Total income taxes	1,259	1,625
Net income	4,148	4,397
Net income attributable to noncontrolling interests	526	504
Net income attributable to owners of parent	3,622	3,892

Interim consolidated statements of comprehensive income (first-half consolidated periods)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net income	4,148	4,397
Other comprehensive income		
Valuation difference on available-for-sale securities	(93)	177
Foreign currency translation adjustment	1,677	(1,213)
Remeasurements of defined benefit plans, net of tax	82	(33)
Total other comprehensive income	1,666	(1,068)
Comprehensive income	5,815	3,328
Breakdown		
Comprehensive income attributable to owners of parent	4,985	3,138
Noncontrolling interests	829	190

(3) Interim consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Income before income taxes	5,408	6,022
Depreciation	2,772	3,125
Amortization of goodwill	33	31
Increase (decrease) in provision for directors' retirement benefits	9	10
Increase (decrease) in provision for bonuses	243	(87)
Increase (decrease) in provision for directors' bonuses	(47)	(62)
Increase (decrease) in allowance for doubtful accounts	11	(1)
Increase (decrease) in net defined benefit liability	5	46
Interest and dividend income	(170)	(156)
Interest expenses	29	81
Loss (gain) on sales and retirement of noncurrent assets	4	48
Gain (loss) on business transfer	147	—
Valuation losses (gains) on investment securities	282	8
Loss (gain) on investments in investment partnerships	14	8
Share-based compensation expenses	27	25
Decrease (increase) in notes and accounts receivable—trade	(1,399)	(990)
Decrease (increase) in inventories	790	(625)
Increase (decrease) in notes and accounts payable—trade	(2,656)	(525)
Increase (decrease) in accounts payable – other	155	(2,385)
Other	174	748
Subtotal	5,837	5,324
Interest and dividend income received	170	156
Interest expenses paid	(29)	(81)
Income taxes paid	(1,900)	(691)
Net cash provided by (used in) operating activities	4,077	4,707
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,141)	(9,434)
Proceeds from sales of property, plant and equipment	48	97
Purchases of intangible assets	(192)	(251)
Purchases of investment securities	(305)	(70)
Receipt of subsidies/grants	—	1,322
Proceeds from business transfers	723	—
Other	(10)	(146)
Net cash provided by (used in) investing activities	(4,877)	(8,483)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(378)	—
Proceeds from long-term borrowings	—	483
Repayment of long-term loans payable	(49)	(99)
Repayments to noncontrolling shareholders	(49)	(336)
Purchases of treasury shares	(0)	(1,579)
Cash dividends paid	(780)	(1,240)
Dividends paid to noncontrolling interests	(66)	(66)
Other	(176)	(25)
Cash flows from financing activities	(1,501)	(2,864)
Effect of exchange rate change on cash and cash equivalents	951	(693)
Net increase (decrease) in cash and cash equivalents	(1,349)	(7,332)
Cash and cash equivalents at beginning of period	32,112	22,481
Cash and cash equivalents at end of period	30,763	15,149

(4) Notes to the interim consolidated financial statements

Notes on assumptions of going concern

Not applicable.

Notes on significant change in shareholders' equity

Not applicable.

Notes on changes in presentation methods

(Notes on consolidated Balance Sheet)

In the previous consolidated fiscal year, "Electronically recorded monetary claims" which had been included in "Notes receivable - trade" under "Current assets" and "Electronically recorded obligations" which had been included in "Notes and accounts payable—trade" under "Current liabilities" are now presented separately to enhance clarity. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect these changes in presentation.

As a result, in the consolidated balance sheet for the previous consolidated fiscal year, the amounts previously presented under "Notes receivable - trade" of ¥6,299 million, "Accounts receivable—trade" of ¥32,978 million, and "Contract assets" of ¥1,987 million under "Current assets" are now reclassified and shown as ¥35,723 million for "Notes and accounts receivable—trade and contract assets" and ¥5,542 million for "Electronically recorded monetary claims. Additionally, the amount of ¥22,695 million previously presented under "Notes and accounts payable—trade" in "Current liabilities" is now reclassified and shown as "Notes and accounts payable—trade" of ¥20,481 million and "Electronically recorded obligations" of ¥2,213 million.

(Notes on consolidated statement of cash flows)

In the previous interim consolidated accounting period, the "increase (decrease) in accounts payable—other" was included under "Other" in cash flows from operating activities. However, since its materiality has increased, it has been separately presented starting from the current interim consolidated accounting period. To reflect this change in presentation, a reclassification has been made in the financial statements for the previous interim consolidated accounting period. As a result, in the previous interim consolidated accounting period, the 330 million yen presented under "Other" in cash flows from operating activities has been reclassified into 155 million yen under 'Increase (decrease) in accounts payable—other' and 174 million yen under "Other."

Notes on significant changes in the scope of consolidation during the first half

ZACROS (WUXI) CO., LTD., established in June 2025, is included in the scope of consolidation beginning this interim period, reflecting its increasing strategic importance as a base for the company's activities in Asian markets, particularly the Chinese market.

Additional Information

(Establishment of Subsidiary)

1. Purpose of Establishment

To respond to global growth in demand for the CUBITAINER liquid container for commercial use, the company will establish a subsidiary in India to expand its market presence there. The new subsidiary will handle local imports, sales, and marketing.

2. Overview of new subsidiary

(1) Name (planned): ZACROS INDIA PVT. LTD.

(2) Location (planned): Gurugram, Haryana, India

(3) Description: sale, and marketing of the CUBITAINER commercial liquid container and other of the company's products and services

(4) Capital: INR60 million (approximately ¥100 million)

(5) Establishment (planned): December 2025

(6) Business Commencement (planned): January 2026

The new subsidiary will be 99% owned by the company and 1% owned by the company's subsidiary ZACROS MALAYSIA SDN. BHD.

3. Outlook

The impact of this subsidiary's establishment on the company's current fiscal year operating results will be minor. Should any material impact arise from future equipment investment or other developments, disclosure will be made promptly.

(Notes on the stock split and partial amendment to the articles of incorporation)

The company's Board of Directors met on August 7, 2025, and resolved that the company would conduct a stock split and make corresponding amendments to its articles of incorporation.

1. Stock Split

(1) Purpose of the Stock Split

The objective of the stock split is to lower the per trading unit investment amount for the company's shares, thereby

making equity investment more accessible, expanding the investor base, and improving share liquidity.

(2) Overview of the Stock Split

a. Method

The stock split was conducted at a ratio of four shares for each common share held by shareholders of record as of September 30, 2025.

b. Number of Shares Increased by the Stock Split

Number of shares outstanding before the stock split:	19,267,760
Number of shares increased by the stock split:	57,803,280
Number of shares outstanding after the stock split:	77,071,040
Authorized shares after the stock split:	180,000,000

c. Stock Split Schedule

Record date public notice:	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-half consolidated period and for the current fiscal year first-half consolidated period would be as follows:

	Previous first-half (April 1, 2024– September 30, 2024)	Current first-half (April 1, 2025– September 30, 2025)
Average number of shares outstanding during the period (excluding treasury shares)	74,379,803	73,209,449
Net income per share (yen)	48.70	53.17
Net income per share after adjustment for potential shares (yen)	48.25	52.67

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

(1) Reason for the Amendment

Pursuant to Article 184, Paragraph 2 of Japan's Companies Act, the total number of authorized shares stipulated in Article 6 of the company's articles of incorporation was changed by the stock split as of October 1, 2025.

(2) Details of the Amendment

(The underlined sections indicate changes)

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

(3) Schedule of the Amendment

Effective date	October 1, 2025
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4. Other

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

Segment information

I. Six months ended September 30, 2024 (from April 1, 2024, to September 30, 2024)

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 interim consolidated statements of income (Note 2)
	Wellness	Environmental Solutions	Electronic Materials	Industrial Infrastructure	Total		
Net sales							
Sales to unaffiliated customers	13,343	16,941	26,361	18,802	75,449	—	75,449
Intersegment sales or transfers	252	691	436	874	2,255	(2,255)	—
Total	13,596	17,632	26,798	19,677	77,705	(2,255)	75,449
Segment profit	308	832	2,143	2,339	5,624	—	5,624

Notes:

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

II. Six months ended September 30, 2025 (from April 1, 2025, to September 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	13,770	16,524	27,485	20,548	78,329	—	78,329
Intersegment sales or transfers	197	721	624	880	2,424	(2,424)	—
Total	13,968	17,246	28,110	21,429	80,753	(2,424)	78,329
Segment profit or loss	(7)	762	2,100	2,711	5,567	—	5,567

Notes:

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

Notes on significant subsequent events

(Acquisition of Treasury Shares)

At the meeting of the Board of Directors held on November 6, 2025, the Company decided to acquire treasury shares based on the provisions of Article 459, Paragraph 1 of the Companies Act and Article 41 of the Company's Articles of Incorporation.

1. Reason for acquisition of treasury shares
The purpose is to implement a flexible capital policy in response to changes in the business environment.
2. Details of the board of directors resolution on acquisition of treasury shares
 - (1) Type of shares to be acquired: Ordinary shares of the Company
 - (2) Total number of shares to be acquired: Up to 1,820,000 shares
 - (3) Acquisition period: From November 7, 2025, to June 30, 2026
 - (4) Total acquisition price: Up to 2,000 million yen
 - (5) Method of acquisition: Market purchase through the Tokyo Stock Exchange
(Market purchase by discretionary transaction agreement for the acquisition of treasury shares)