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May 14, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)



Company name: KEIWA Incorporated

Listing: Tokyo Stock Exchange

Securities code: 4251

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (For institutional investors and analyst)

President and Representative Director

Operating Officer, General Manager of Finance Department

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated Operating Results (cumulative)

(% indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2026	5,242	5.2	1,188	(5.8)	1,252	20.1	873	9.1
March 31, 2025	4,983	8.1	1,260	25.6	1,043	(18.0)	800	(3.8)

(Note) Comprehensive income: For the Three months ended March 31, 2026: ¥ 1,008 million [59.1%]
For the Three months ended March 31, 2025: ¥ 633 million [(34.3) %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	47.23	-
March 31, 2025	42.47	-

(Note) Diluted earnings per share is not shown in the above table, as there are no residual shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2026	31,171	24,132	77.4
December 31, 2025	30,946	23,864	77.1

(Reference) Equity:

As of March 31, 2026: ¥ 24,132 million

As of December 31, 2025: ¥ 23,864 million

2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	40.00	40.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		0.00	-	50.00	50.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(% indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending June 30, 2026	11,188	12.9	2,070	(7.9)	2,072	5.7	1,370	97.6	74.11
Full year	23,229	13.5	4,403	2.7	4,407	4.0	3,052	34.6	165.06

(Note) Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the three months ended March 31, 2026: Yes

Newly included: 1 companies(KEIWA Germany GmbH)
Excluded: - companies()

(2) Accounting policies adopted specially for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Total number of issued shares (common shares)

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

As of March 31, 2026	19,285,152 shares
As of December 31, 2025	19,285,152 shares

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

As of March 31, 2026	789,621 shares
As of December 31, 2025	789,621 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	18,495,531 shares
Three months ended March 31, 2025	18,853,562 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forecasts contained herein are based on future projections and plans, incorporate uncertainties, and are subject to change. Therefore, they do not constitute a promise by the Company to achieve the forecast results. Actual results may differ significantly from the Company's forecasts at present.

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1. Overview of Business Results, Etc.

(1) Overview of Business Results for FY2026 1st Quarter

During FY2026 1st Quarter (Three months ended March 31, 2026,) the Japanese economy showed a moderate recovery trend, with domestic demand remains firm thanks to improvements in employment and income conditions and the effects of various policy measures. Capital investment gradually picked up and personal consumption rebounded, despite partial impact from the U.S. trade policy. However, the outlook remains uncertain due to future price movements and developments in U.S. trade policy, as well as the heightened geopolitical risks, such as the tensions in the Middle East, expected to affect energy prices and financial markets.

With regard to the environment surrounding KEIWA Incorporated (the “Company”), although the PC market remained strong, concerns regarding the outlook have intensified due to the global memory shortage and soaring prices. In the automotive market, uncertainty also persists, with sales of new vehicles in U.S. declining as a result of pull-forward demand ahead of additional tariffs in the same period of the previous year.

Under these economic conditions, the Company continue to expand its overseas bases as a foundation for global expansion and strengthened sales promotion activities at its worldwide locations for high value-added products such as optical products for high-end notebook PCs, tablets, automotive applications, and speciality films for clean energy-related products mainly for vehicles, and to acquire new overseas customers in the polyurethan foam process paper market. In addition, endeavored to enhance productivity and strengthen cost competitiveness, and promote R&D activities for future growth.

As a result, on a consolidated basis, net sales for FY2026 1st Quarter increased by 5.2% year-on-year to ¥5,242 million, Operating income decreased by 5.8% year-on-year to ¥1,188 million, Ordinary income increased by 20.1% year-on-year to ¥1,252 million and Profit attributable to owners of parent increased by 9.1% year-on-year to ¥873 million.

Business results for each segment were as follows.

Optical Products Segment

For notebook PCs and tablets field, sales of OPALUS, the diffusion film for conventional LCDs and OPASUKI, the composite diffusion plate for Hyper LCDs (high-performance direct-type mini-LED LCDs) increased mainly in notebook PCs.

For automotive applications field, sales of OPALUS and OPASUKI increased, but sales of OPLAM decreased, reflecting the slowdown of EV market.

For monitors, others field, sales of OPASUKI significantly increased mainly in monitors.

As a result, net sales for the segment increased by 6.8% year-on-year to ¥4,350 million, and segment profit decreased by 2.3% year-on-year to ¥1,864 million.

Functional Products Segment

For clean energy materials, medical & sanitary field, sales slightly decreased, as sales of specialty film for clean energy vehicles increased while sales of films for medical and sanitary applications decreased.

For corrosion inhibiting papers field, sales increased, and for agricultural films, others fields, sales remained flat, but for Papers for interior materials and processing papers field, sales decreased due to deterioration in the supply-demand balance.

The Company is actively promoting A!Prog-UF, the process paper for polyurethane foaming, to new customers mainly in Southeast Asia, North America and Australia.

As a result, net sales for the segment decreased by 1.9% year-on-year to ¥892 million, and segment profit increased by 56.6% year-on-year to ¥79 million.

(Note)

"OPALUS," "OPASUKI" and "OPLAM" are trademarks of KEIWA Incorporated, registered in Japan, the United States of America, People's Republic of China, Taiwan and Korea.

(2) Overview of Financial Position for FY2026 1st Quarter

Assets, Liabilities and Net Assets at the end of Three months of FY2026 were as follows.

(Assets)

Total assets increased by ¥224 million from the end of the previous fiscal year to ¥31,171 million. This is mainly attributable to decreases of ¥1,405 million in Notes and accounts receivable - trade, ¥335 million in Buildings and structures, net, ¥232 million in Machinery, equipment and vehicles net, ¥246 million in Land and ¥582 million in Other current assets include consumption taxes receivable, and increases of ¥2,910 million in Cash and deposits and ¥213 million in Raw materials and supplies.

(Liabilities)

Total liabilities decreased by ¥43 million from the end of the previous fiscal year to ¥7,038 million. This is mainly attributable to decrease of ¥174 million in Electronically recorded obligations – operating, ¥333 million in Accounts payable – other and ¥197 million in Long-term loans payable, and increases of ¥292 million in Electronically recorded obligations – non-operating, ¥134 million in Notes and accounts payable – trade and ¥129 million in Provision for bonuses.

(Net assets)

Total net assets increased by ¥268 million from the end of the previous fiscal year to ¥24,132 million. This is mainly attributable to decreases of ¥739 million due to the payment of dividends from Retained earnings, and increase of ¥873 million in Profit attributable to owners of parent and ¥145 million in Foreign currency translation adjustment.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Regarding the business performance forecast for the fiscal year ending December 2026, there is no change from the consolidated business forecast stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]” disclosed on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	FY2025 (As of December 31, 2025)	FY2026 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	7,881,543	10,791,550
Notes and accounts receivable - trade	5,140,427	3,734,927
Securities	1,498,132	1,497,573
Merchandise and finished goods	1,444,953	1,523,228
Raw materials and supplies	645,721	858,724
Other	1,144,537	561,906
Allowance for doubtful accounts	(550)	(345)
Total current assets	17,754,766	18,967,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,209,337	6,873,921
Machinery, equipment and vehicles, net	3,855,339	3,622,939
Land	762,270	515,315
Construction in progress	72,572	134,919
Other, net	492,014	491,629
Total property, plant and equipment	12,391,534	11,638,725
Intangible assets	313,884	292,829
Investments and other assets		
Investment securities	175,549	169,861
Other	385,584	179,439
Allowance for doubtful accounts	(74,883)	(77,181)
Total investments and other assets	486,250	272,119
Total non-current assets	13,191,668	12,203,674
Total assets	30,946,434	31,171,241

(Thousand yen)

	FY2025 (As of December 31, 2025)	FY2026 (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,225,756	1,360,706
Electronically recorded obligations - operating	869,126	694,463
Current portion of long-term loans payable	780,198	758,052
Accounts payable - other	990,994	657,111
Income taxes payable	216,301	201,296
Provision for product warranties	109,878	67,731
Provision for bonuses	-	129,528
Electronically recorded obligations - non-operating	85,073	377,589
Other	325,652	499,134
Total current liabilities	4,602,981	4,745,614
Non-current liabilities		
Long-term loans payable	1,290,772	1,092,926
Retirement benefit liability	237,256	240,221
Provision for product warranties	750,277	753,720
Asset retirement obligations	51,916	51,921
Other	148,842	154,020
Total non-current liabilities	2,479,065	2,292,810
Total liabilities	7,082,047	7,038,424
Net assets		
Shareholders' equity		
Capital stock	3,889,768	3,889,768
Capital surplus	3,658,368	3,658,368
Retained earnings	16,107,447	16,241,230
Treasury shares	(944,435)	(944,435)
Total shareholders' equity	22,711,148	22,844,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,955	51,751
Deferred gains or losses on hedges	497	(4,890)
Foreign currency translation adjustment	1,070,566	1,215,655
Remeasurements of defined benefit plans	26,219	25,369
Total accumulated other comprehensive income	1,153,238	1,287,884
Total net assets	23,864,387	24,132,816
Total liabilities and net assets	30,946,434	31,171,241

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three months of FY2026

(Thousand yen)

	Three months of FY2025 (From January 1, 2025 to March 31, 2025)	Three months of FY2026 (From January 1, 2026 to March 31, 2026)
Net sales	4,983,950	5,242,890
Cost of sales	2,712,454	2,890,539
Gross profit	2,271,496	2,352,351
Selling, general and administrative expenses	1,010,623	1,164,032
Operating income	1,260,872	1,188,318
Non-operating income		
Interest income	3,767	6,310
Subsidy income	-	5,241
Electricity sale income	5,314	5,472
Foreign exchange gains	-	50,216
Other	3,179	3,551
Total non-operating income	12,260	70,792
Non-operating expenses		
Interest expenses	6,631	4,289
Electricity sale expenses	1,991	1,918
Compensation expenses	30	-
Foreign exchange losses	215,534	-
Other	5,605	0
Total non-operating expenses	229,791	6,208
Ordinary income	1,043,341	1,252,902
Extraordinary income		
Gain on sale of non-current assets	174	3,015
Total extraordinary income	174	3,015
Extraordinary losses		
Loss on sale of non-current assets	446	1,413
Loss on retirement of non-current assets	1,552	7,018
Total extraordinary losses	1,999	8,432
Income before income taxes	1,041,516	1,247,486
Income taxes - current	205,153	159,853
Income taxes - deferred	35,635	214,028
Total income taxes	240,789	373,882
Profit	800,726	873,603
Profit attributable to owners of parent	800,726	873,603

Quarterly Consolidated Statement of Comprehensive Income
Three months of FY2026

(Thousand yen)

	Three months of FY2025 (From January 1, 2025 to March 31, 2025)	Three months of FY2026 (From January 1, 2026 to March 31, 2026)
Profit	800,726	873,603
Other comprehensive income		
Valuation difference on available-for-sale securities	1,427	(4,204)
Deferred gains or losses on hedges	22,138	(5,388)
Foreign currency translation adjustment	(190,014)	145,089
Remeasurements of defined benefit plans, net of tax	(365)	(850)
Total other comprehensive income	(166,813)	134,646
Comprehensive income	633,912	1,008,249
Comprehensive income attributable to		
Owners of parent	633,912	1,008,249
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Segment Information, Etc.)

(Segment Information)

I. Three months of FY2025 (From January 1,2025 to March 31,2025)

1. Information on the amounts of net sales, profit or loss for each of the reportable segments

(Thousand yen)

	Reportable segment			Adjustments (Note 1)	Amount recorded in Quarterly Consolidated Statements of Income (Note 2)
	Optical Products	Functional Products	Total		
Net sales					
Net sales to external customers	4,073,922	910,028	4,983,950	-	4,983,950
Inter-segment net sales or transfers	-	-	-	-	-
Total	4,073,922	910,028	4,983,950	-	4,983,950
Segment profit (loss)	1,908,943	50,853	1,959,796	(698,924)	1,260,872

Notes: 1. The adjustment for Segment profit mainly includes general and administrative expenses not allocated to the Reportable segment, and research and development expenses.

2. Segment profit is identical to operating income in the Quarterly Consolidated Statements of Income.

2. Matters concerning changes in reportable segment

Effective from the previous fiscal year, the Company changed reportable segment name from “Optical Sheets” to “Optical Products” and “Life & Environment Innovation” to “Functional Products.” The change is name only and there is no impact on any segment information. The Plaster Tape to Rescue the Earth Segment was discontinued as a business segment from FY2025 1st Quarter due to return to R&D phase in FY2024 4th Quarter. As the result, effective from FY2025 1st Quarter, the Company’s reportable segment consists of two business segments: “Optical Products Segment” and “Functional Products Segment.”

II. Three months of FY2026 (From January 1,2026 to March 31,2026)

1. Information on the amounts of net sales, profit or loss for each of the reportable segments

(Thousand yen)

	Reportable segment			Adjustments (Note 1)	Amount recorded in Quarterly Consolidated Statements of Income (Note 2)
	Optical Products	Functional Products	Total		
Net sales					
Net sales to external customers	4,350,247	892,642	5,242,890	-	5,242,890
Inter-segment net sales or transfers	-	-	-	-	-
Total	4,350,247	892,642	5,242,890	-	5,242,890
Segment profit (loss)	1,864,513	79,648	1,944,162	(755,843)	1,188,318

Notes: 1. The adjustment for Segment profit mainly includes general and administrative expenses not allocated to the Reportable segment, and research and development expenses.

2. Segment profit is identical to operating income in the Quarterly Consolidated Statements of Income.

(Revenue recognition)

Information of Breakdown of Revenue from Contracts with Customers

(Thousand yen)

	FY2025 (From January 1, 2025 to March 31, 2025)	FY2026 (From January 1, 2026 to March 31, 2026)
Optical Products Segment		
Notebook PCs / Tablets	3,061,930	3,322,517
Automotives	887,445	703,918
Monitors, others	124,545	323,811
Subtotal	4,073,922	4,350,247
Functional Products Segment		
Clean Energy Materials, Medical & Sanitary	197,386	184,182
Processing papers	112,491	103,776
Papers for interior materials	184,582	148,054
Corrosion inhibiting papers	347,741	389,310
Agricultural Films, others	67,826	67,319
Subtotal	910,028	892,642
Amount recorded in Quarterly Consolidated Statements of Income	4,983,950	5,242,890

Notes: 1. Previously, the information of breakdown of revenue from contracts with customers in the Optical Products Segment was divided into “Notebook PCs/ Tablets,” “Smartphones,” and “Monitors, others/ Advanced Functional Films.” The Company reviewed management classification in the Optical Products Segment based on quantitative and qualitative materiality, and changed these categories to “Notebook PCs/ Tablets,” “Automotive,” and “Monitors, others.” For FY2025 1st Quarter, figures are presented based on the new classification.

2. Previously, the information of breakdown of revenue from contract with customers in the Functional Products Segment was divided into “Packaging Materials,” “Processing papers/ Papers for interior materials,” “Clean Energy Materials,” and “Agricultural Films, others.” The Company reviewed management classification in the Functional Products Segment based on quantitative and qualitative materiality, and changed these categories to “Clean Energy Materials, Medical & Sanitary,” “Processing Papers,” “Papers for interior materials,” “Corrosion inhibiting papers,” and “Agricultural Films, others.” For FY2025 1st Quarter, figures are presented based on the new classification.

(Notes in case of Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes to Consolidated Statement of Cash Flow)

The Company does not prepare Quarterly consolidated statement of Cash Flows for Three months of FY2026. Depreciation, including amortization for intangible assets, for Three months of FY2025 and FY2026, as follows.

(Thousand yen)

	FY 2025 (From January 1, 2025 to March 31, 2025)	FY 2025 (From January 1, 2026 to March 31, 2026)
Depreciation	454,612	510,193