Consolidated Financial Results for the Nine Months Ended March 31, 2026 [Japanese GAAP]

May 14, 2026

Company name:	JTEC Corporation
Listing:	Tokyo Stock Exchange
Code number:	3446
URL:	https://www.j-tec.co.jp/english
Representative:	Takashi Tsumura, President
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Scheduled date to commence dividend payments: —
Availability of supplementary briefing materials on quarterly financial results: Not available
Financial results briefing session: No

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended March 31, 2026 (July 1, 2025 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Mar. 31, 2026	1,040	7.5	(239)	—	(232)	—	(176)	—
Nine months ended Mar. 31, 2025	967	20.4	(242)	—	(257)	—	(194)	—

(Note) Comprehensive income: For the nine months ended March 31, 2026: ¥(176) million (-%)
For the nine months ended March 31, 2025: ¥(194) million (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Mar. 31, 2026	(29.95)	—
Nine months ended Mar. 31, 2025	(32.99)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2026	3,456	2,617	75.7
As of Jun. 30, 2025	3,688	2,775	75.3

(Reference) Shareholders' equity: As of March 31, 2026: ¥2,617 million
As of June 30, 2025: ¥2,775 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2025	—	0.00	—	0.00	0.00
Fiscal year ending Jun. 30, 2026	—	0.00	—		
Fiscal year ending Jun. 30, 2026 (forecast)				0.00	0.00

(Note) Changes in dividend forecast from the most recent announcement: None

3. Consolidated Forecast for the Fiscal Year Ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,655	37.9	278	144.9	274	168.8	172	185.9	29.32

(Note) Changes in financial results forecast from the most recent announcement: None

Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting treatment in preparing the quarterly financial statements: None

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

1) Changes in accounting policies due to revision of accounting standards	None
2) Changes in accounting policies other than 1) above	None
3) Changes in accounting estimates	None
4) Retrospective restatement	None

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

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

As of March 31, 2026	5,905,500
As of June 30, 2025	5,890,600

2) Total number of treasury shares at the end of the period

As of March 31, 2026	985
As of June 30, 2025	970

3) Average number of shares outstanding during the period

Nine months ended March 31, 2026	5,898,001
Nine months ended March 31, 2025	5,885,104

Review by a certified public accountant or auditing firm of attached quarterly financial statements: Yes (voluntary)

Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from the forecasts due to a wide range of factors. Please see page 4 of the attached materials, "1. Summary of Financial Results and Other Information (3) Consolidated Financial Results Forecast and Other Forward-Looking Information" for more information regarding assumptions made when formulating earnings projections and matters to note when using these projections.

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1. Summary of Financial Results and Other Information

All matters relating to the future in the sections below reflect the current views of the Group as of March 31, 2026.

(1) Overview of Business Results

In the nine months ended March 31, 2026, the global economy faced multiple growing geopolitical risks, including instability in the Middle East caused by the deteriorating situation in Iran, the prolonged conflict in Ukraine, and escalating trade friction between the US and China, and the outlook remains uncertain. The Japanese economy had been on a moderate recovery trajectory, but downside risks are now emerging, including rising fuel prices accompanying the surge in crude oil prices, a decline in Chinese visitors to Japan caused by deteriorating relations between the two countries, and a decline in exports to the Middle East, particularly in the automotive sector.

Against this economic backdrop, in the nine months ended March 31, 2026, the Group recorded net sales of ¥1,040,659 thousand (up 7.5% year on year), an operating loss of ¥239,737 thousand (versus a loss of ¥242,310 thousand in the same period of the previous fiscal year), an ordinary loss of ¥232,490 thousand (versus a loss of ¥257,352 thousand), and a loss attributable to owners of parent of ¥176,635 thousand (versus a loss of ¥194,152 thousand).

Results by segment (before internal transactions or eliminations) were as follows.

(Optical segment)

In the nine months ended March 31, 2026, projects for Asian markets including Japan, China, and Taiwan, as well as Europe, were the main contributors to sales. Shipments to domestic synchrotron radiation facilities were particularly high, with Japan accounting for more than 50% of total shipments and driving quarterly sales. The Company anticipates stable growth in the Japan market given preparations for an upgrade at the SPring-8 synchrotron radiation facility and smooth progress with operations at the NanoTerasu facility. Shipments of high-margin products contributed to profits, and the gross profit margin improved compared to the same period of the previous fiscal year.

With regard to order activities, the Company visited the X-ray free electron laser facility (SHINE) in Shanghai, China, which is proceeding with its new facility plans, to exchange information on the facility's project progress and the Company's progress with manufacturing high-precision mirrors for the facility, and held discussions on future development plans. The Company also plans to visit the synchrotron radiation facilities in Beijing and Hefei (HEPS, HALF) and the free electron laser facility in Shenzhen (IASF), where conditions are similar, and will continue to work aggressively on expanding sales. In the European market, the Company received positive feedback from trials of the pioneering optical system (Advanced KB mirrors) that it developed and implemented in collaboration with Osaka University, leading to the first order in markets outside of Asia. This optical system is well suited to the fourth-generation equipment that many facilities are planning to transition to, and the Company anticipates significant expansion of demand in the market and will actively work on securing orders.

As a result of the above, sales were ¥715,361 thousand (up 23.0% year on year), and segment profit was ¥244,685 thousand (up 77.7%).

(LS & Equipment Development segment)

For the first nine months of the fiscal year, sales in the Life Sciences & Equipment Development segment in the life sciences field progressed almost according to plan, with strong orders and sales of the 3D Rotational Floating Culture Device "CellPet®" along with steady maintenance services and consumables sales for previously delivered automated cell culture systems. Meanwhile, in the equipment development field, despite active inquiries and prototype requests for plasma-assisted polishing equipment (PAP) and electrochemical mechanical polishing equipment (ECMP), these did not lead to orders or sales. However, sales of vacuum ducts for synchrotron radiation facilities and other automated equipment enabled the Life Sciences & Equipment Development segment to achieve sales exceeding the initial plan. Despite this, the segment loss expanded compared with the same quarter of the previous year due to an increase in selling, general and administrative expenses, mainly development expenses.

As a key new business area in the Life Sciences & Equipment Development segment, the Company continues to promote the development, commercialization, and sales of surface processing equipment using nano surface processing technologies mainly for semiconductor materials, such as Plasma Chemical Vaporization Machining (PCVM), Plasma-Assisted Polishing (PAP), CAtalyst-Referred Etching (CARE), and Electrochemical Mechanical Polishing (ECMP) for semiconductor materials.

In particular, the recent reshoring of SiC wafers and devices to Japan due to geopolitical circumstances and collaboration between Japan and the United States on diamond substrates and devices have led to increasingly active industry reorganization and the emergence of startups. Against this backdrop, heightened expectations for PAP and ECMP have led to an increase in requests for prototype testing. Both PAP and ECMP are attracting attention as substrates for next-generation power devices, substrates and heat spreaders for high-output devices such as data centers, and substrates for quantum devices, and as they are expected to form a large market in the future, the Company will continue to work to further strengthen its technical capabilities and sales structure.

Regarding market trends in the life sciences field, the regenerative medicine market is becoming increasingly active, with other companies receiving conditional approvals for two regenerative medicine products. Work style reforms and the global trend toward prohibiting animal testing have also created a favorable environment for automated cell culture systems. The Company intends to develop new markets with general-purpose automated cell culture systems such as "MakCell®," and conduct market surveys for extra-large, fully automated cell culture systems for which market needs are growing, and will focus on expanding orders. It will also accelerate the commercialization and business development of mononuclear cell separation, where competitively funded research has produced results.

As a result, sales were ¥131,054 thousand (up 23.8% year on year), and segment loss was ¥82,697 thousand (versus a loss of ¥79,613 thousand in the same quarter of the previous year).

(Other segment)

The Other segment consists of the subsidiary ESCO, Ltd., whose sales are divided into three categories: equipment sales (thermal desorption spectrometry [TDS] equipment), equipment maintenance, and contract analysis services. The segment's equipment maintenance and contract analysis services performed steadily, but sales of the flagship product ESCO-TDS1200II IR were limited to only one unit for domestic customers. The gross profit margin also declined due to rising raw material prices and other factors, resulting in an expanded segment loss.

Regarding focus initiatives, the Company is advancing resource optimization through the full-scale operation of outsourced production and strengthening its research and development function. Through the utilization of outsourced production, which commenced full-scale operations from this fiscal year, the Company has established a system that allocates internal resources to the higher value-added research and development and equipment maintenance businesses. In the semiconductor field, the Company is prioritizing the development of strategic products, and has completed a prototype of the ESCO-TDS1200II IR BGM high-precision temperature measurement system, with results scheduled to be presented at academic conferences both in Japan and overseas. It is also advancing development of new products including the ESCO-TDS600 IR H2, which is intended for use in quality control at metal material component manufacturers, and the ESCO-TDS-100 Cryo H2, a high-end hydrogen analysis system for hydrogen embrittlement research and new material development, with the aim of commencing sales within the next fiscal year.

As a result, sales were ¥194,242 thousand (down 30.8% year on year), and the segment loss was ¥51,976 thousand (versus a loss of ¥1,625 thousand in the same quarter of the previous year).

(2) Overview of Financial Position

1. Assets, Liabilities and Net Assets

(Assets)

Current assets for the nine months ended March 31, 2026 were ¥1,532,482 thousand, a decrease of ¥407,152 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥128,822 thousand in work in process, while accounts receivable decreased by ¥379,829 thousand and cash and deposits decreased by ¥258,161 thousand. Non-current assets were ¥1,924,504 thousand, an increase of ¥176,007 thousand. This was mainly due to increases of ¥93,157 thousand in construction in progress and ¥57,901 thousand in deferred tax assets, while goodwill decreased by ¥31,787 thousand and buildings and structures decreased by ¥26,230 thousand.

As a result of the above, total assets amounted to ¥3,456,986 thousand, a decrease of ¥231,145 thousand compared to the end of the previous fiscal year.

(Liabilities)

Current liabilities were ¥478,189 thousand, a decrease of ¥14,848 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥35,386 thousand in other items, while income taxes payable decreased by ¥28,379 thousand and contract liabilities decreased by ¥22,591 thousand. Non-current liabilities were ¥361,656 thousand, a decrease of ¥57,910 thousand. This was mainly due to a decrease of ¥56,592 thousand in long-term borrowings.

As a result, total liabilities amounted to ¥839,846 thousand, a decrease of ¥72,758 thousand compared to the end of the previous fiscal year.

(Net assets)

Net assets were ¥2,617,140 thousand, a decrease of ¥158,386 thousand from the end of the previous fiscal year. This was due to increases of ¥9,133 thousand in share capital and capital surplus, respectively, while retained earnings decreased by ¥176,635 thousand.

2. Cash flows

Cash and cash equivalents for the nine months ended March 31, 2026 were down by ¥258,161 thousand versus the end of the previous fiscal year to ¥454,218 thousand.

Cash flow conditions and their main factors for the nine months ended March 31, 2026 are as follows.

(Cash flows from operating activities)

Net cash flows from operating activities resulted in a cash inflow of ¥41,181 thousand (compared to a cash inflow of ¥60,766 thousand for the same period of the previous fiscal year). This was primarily due to the recording of a quarterly net loss before income taxes of ¥230,977 thousand and expenditures from an increase in inventories of ¥206,944 thousand, offset by inflows from a decrease in trade receivables of ¥366,079 thousand, depreciation of ¥89,401 thousand, and amortization of goodwill of ¥31,787 thousand.

(Cash flows from investing activities)

Net cash flows from investing activities resulted in a cash outflow of ¥234,223 thousand (compared to a cash outflow of ¥40,701 thousand for the same period of the previous fiscal year). Main factors included a ¥219,103 thousand outflow for the acquisition of tangible fixed assets.

(Cash flows from financing activities)

Net cash flows from financing activities resulted in a cash outflow of ¥65,756 thousand (compared to a cash outflow of ¥58,374 thousand for the same period of the previous fiscal year). Main factors included a ¥56,592 thousand outflow for the repayment of long-term borrowings.

(3) Consolidated Financial Results Forecast and Other Forward-Looking Information

The Company has made no changes to the forecasts for the fiscal year ending June 30, 2026 that it announced in the "Consolidated Financial Results for the Fiscal Year Ended June 30, 2025" released on August 13, 2025.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	712,379	454,218
Electronically recorded monetary claims	—	13,750
Accounts receivable‐trade	690,086	310,256
Merchandise and finished goods	89,356	165,251
Work in process	205,334	334,157
Raw materials and supplies	110,135	112,362
Other	134,945	145,089
Allowance for doubtful accounts	(2,604)	(2,604)
Total current assets	1,939,634	1,532,482
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	700,828	674,597
Machinery, equipment and vehicles (net)	208,806	216,208
Land	340,429	340,429
Leased assets (net)	44,550	46,279
Construction in progress	71,101	164,259
Other (net)	12,234	22,500
Total property, plant and equipment	1,377,950	1,464,275
Intangible assets		
Goodwill	264,893	233,106
Other	3,178	2,659
Total intangible assets	268,072	235,766
Investments and other assets		
Investment securities	27,751	43,851
Deferred tax assets	55,152	113,054
Other	19,569	67,556
Total investments and other assets	102,474	224,462
Total non-current assets	1,748,497	1,924,504
Total assets	3,688,131	3,456,986

(Thousands of yen)

	As of June 30, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable‐trade	61,188	55,625
Current portion of long-term borrowings	75,456	75,456
Lease liabilities	10,692	12,623
Income taxes payable	28,379	—
Contract liabilities	175,889	153,298
Provision for bonuses	29,744	39,359
Provision for order losses	10,756	5,509
Other	100,931	136,318
Total current liabilities	493,038	478,189
Non-current liabilities		
Long-term borrowings	371,051	314,459
Lease liabilities	38,313	36,892
Provision for retirement benefits for directors (and other officers)	1,650	1,650
Retirement benefit liability	593	679
Other	7,959	7,975
Total non-current liabilities	419,566	361,656
Total liabilities	912,604	839,846
Net assets		
Shareholders' equity		
Share capital	847,148	856,282
Capital surplus	807,141	816,275
Retained earnings	1,121,857	945,222
Treasury shares	(621)	(640)
Total shareholders' equity	2,775,527	2,617,140
Total net assets	2,775,527	2,617,140
Total liabilities and net assets	3,688,131	3,456,986

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Nine months ended March 31, 2025	Nine months ended March 31, 2026
Net sales	967,828	1,040,659
Cost of sales	393,755	398,990
Gross profit	574,073	641,668
Selling, general and administrative expenses	816,383	881,406
Operating profit (loss)	(242,310)	(239,737)
Non-operating income		
Interest income	391	1,254
Insurance income	328	—
Foreign exchange gains	—	3,885
Fees from dispatched personnel	2,421	2,278
Gain on investment partnerships	—	1,160
Other	604	2,469
Total non-operating income	3,745	11,047
Non-operating expenses		
Interest expenses	3,373	3,785
Foreign exchange losses	14,802	—
Loss on investment partnerships	612	—
Other	—	15
Total non-operating expenses	18,788	3,800
Ordinary profit (loss)	(257,352)	(232,490)
Extraordinary income		
Gain on sale of non-current assets	200	1,590
Total extraordinary income	200	1,590
Extraordinary losses		
Loss on disposal of non-current assets	807	76
Impairment losses	21	—
Total extraordinary losses	828	76
Profit (loss) before income taxes	(257,981)	(230,977)
Income taxes - current	14,842	3,559
Income taxes - deferred	(78,671)	(57,901)
Total corporate tax	(63,828)	(54,341)
Net profit (loss)	(194,152)	(176,635)
Net profit attributable to non-controlling interests	—	—
Net profit (loss) attributable to owners of parent	(194,152)	(176,635)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended March 31, 2025	Nine months ended March 31, 2026
Net profit (loss)	(194,152)	(176,635)
Comprehensive income	(194,152)	(176,635)
(Breakdown)		
Comprehensive income attributable to owners of parent	(194,152)	(176,635)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine months ended March 31, 2025	Nine months ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(257,981)	(230,977)
Depreciation	85,268	89,401
Impairment losses	21	—
Amortization of goodwill	31,787	31,787
Increase (decrease) in provision for loss on orders received	3,320	(5,247)
Increase (decrease) in provision for bonuses	12,701	9,614
Increase (decrease) in provision for retirement benefits for directors (and other officers)	87	86
Loss (gain) on investment partnership management	612	(1,160)
Interest and dividend income	(391)	(1,254)
Interest expenses	3,373	3,785
Loss on disposal of non-current assets	807	76
Decrease (increase) in trade receivables	420,257	366,079
Decrease (increase) in inventories	(208,230)	(206,944)
Decrease (increase) in prepaid expenses	1,678	(10,722)
Increase (decrease) in trade payables	22,645	(5,562)
Increase (decrease) in accrued expenses	(24,627)	(27,374)
Increase (decrease) in contract liabilities	37,113	(22,591)
Other	4,789	91,766
Subtotal	133,233	80,763
Interest and dividends received	391	1,254
Interest paid	(3,478)	(3,842)
Income taxes paid	(69,379)	(36,993)
Net cash provided by (used in) operating activities	60,766	41,181
Cash flows from investing activities		
Purchase of property, plant and equipment	(39,776)	(219,103)
Purchase of investment securities	-	(15,000)
Other	(925)	(120)
Net cash provided by (used in) investing activities	(40,701)	(234,223)
Cash flows from financing activities		
Repayments of long-term borrowings	(56,592)	(56,592)
Other, net	(1,782)	(9,164)
Net cash provided by (used in) financing activities	(58,374)	(65,756)
Effect of exchange rate change on cash and cash equivalents	(474)	637
Net increase (decrease) in cash and cash equivalents	(38,783)	(258,161)
Cash and cash equivalents at beginning of period	610,230	712,379
Cash and cash equivalents at end of period	571,446	454,218

(4) Notes to Consolidated Financial Statements

(Notes on segment information)

Segment information

I. Nine months ended March 31, 2025 (July 1, 2024 to March 31, 2025)

1. Information on sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Optical	LS & Equipment Development	Other	Total		
Net sales						
Sales to external customers	581,677	105,899	280,251	967,828	—	967,828
Inter-segment sales and transfers	—	—	330	330	(330)	—
Total	581,677	105,899	280,581	968,158	(330)	967,828
Segment profit (loss)	137,723	(79,613)	(1,625)	56,484	(298,794)	(242,310)

Note: 1. The "Adjustments" category represents company-wide expenses not allocated to each reportable segment, and mainly consists of general and administrative expenses and research and development expenses that do not belong to any reportable segment.

2. Segment profit (loss) is adjusted to be consistent with operating profit (loss) in the consolidated statement of income.

2. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment

(Significant impairment losses on non-current assets)

There is no relevant information.

II. Nine months ended March 31, 2026 (July 1, 2025 to March 31, 2026)

1 Information on sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Optical	LS & Equipment Development	Other	Total		
Net sales						
Sales to external customers	715,361	131,054	194,242	1,040,659	—	1,040,659
Inter-segment sales and transfers	—	—	—	—	—	—
Total	715,361	131,054	194,242	1,040,659	—	1,040,659
Segment profit (loss)	244,685	(82,697)	(51,976)	110,010	(349,748)	(239,737)

Note: 1. The "Adjustments" category represents company-wide expenses not allocated to each reportable segment, and mainly consists of general and administrative expenses and research and development expenses that do not belong to any reportable segment.

2. Segment profit (loss) is adjusted to be consistent with operating profit (loss) in the consolidated statement of income.

~~(~~2.~~)~~ Information on impairment losses on non-current assets, goodwill, etc., by reportable segment
(Significant impairment losses on non-current assets)
There is no relevant information.

(Notes in the event of significant changes in shareholders' equity)

Based on a resolution at the Board of Directors meeting held on September 29, 2025, the Company issued new shares as restricted stock compensation on October 28, 2025. As a result, both share capital and capital surplus increased by ¥9,133 thousand during the first nine months of the current fiscal year, resulting in share capital of ¥856,282 thousand and capital surplus of ¥816,275 thousand at the end of the first nine months.

(Notes on going concern assumption)

There is no relevant information.

(Notes regarding revenue recognition)

Disaggregation of revenue from contracts with customers

I. Nine months ended March 31, 2025 (July 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segment			Total
	Optical	LS & Equipment Development	Other-	
Optical mirrors and components	579,432	-	-	579,432
General-purpose life science equipment	-	35,864	-	35,864
Equipment development	-	60,035	-	60,035
TDS	-	-	186,589	186,589
Other	2,245	10,000	93,662	105,907
Revenue from contracts with customers	581,677	105,899	280,251	967,828
Sales to external customers	581,677	105,899	280,251	967,828

II. Nine months ended March 31, 2026 (July 1, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segment			Total
	Optical	Life Sciences & Equipment Development	Other segment	
Optical mirrors and components	669,789	—	—	669,789
General-purpose life science equipment	—	65,472	—	65,472
Equipment development	—	24,702	—	24,702
TDS	—	—	57,360	57,360
Other	45,571	40,880	136,882	223,333
Revenue from contracts with customers	715,361	131,054	194,242	1,040,659
Sales to external customers	715,361	131,054	194,242	1,040,659

Independent auditor's interim review report on quarterly consolidated financial statements

May 13, 2026

JTEC Corporation

To the Board of Directors of JTEC Corporation

Gyosei & Co.

Osaka Branch

Designated Engagement Partner	Certified Public Accountant	In Koo Huh
Designated Engagement Partner	Certified Public Accountant	Mitsuki Kawakatsu

Auditor's Conclusion

We have reviewed the quarterly consolidated financial statements of JTEC Corporation listed in the "Attached Materials" of the Quarterly Financial Report, namely, the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, quarterly consolidated statement of cash flows, and the notes thereto, for the third quarter (January 1, 2026 to March 31, 2026) and the nine months ended March 31, 2026 of the consolidated fiscal year from July 1, 2025 to June 30, 2026.

Based on our interim review, nothing has come to our attention that causes us to believe that the above quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for the Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements generally accepted in Japan (subject to the omissions permitted under Article 4, Paragraph 2 of those Standards).

Basis for Conclusion

We conducted our interim review in accordance with the standards for interim review generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan (including those applicable to audits of financial statements of entities of significant public interest), and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained the evidence to provide a basis for our conclusion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for the Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements generally accepted in Japan (subject to the omissions permitted under Article 4, Paragraph 2 of those Standards). This includes the design and operation of such internal control as management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements on a going-concern basis and, where matters relating to going concern are required to be disclosed under Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for the Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements generally accepted in Japan (subject to the omissions permitted under Article 4, Paragraph 2 of those Standards), for disclosing such matters.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operati on of the financial reporting process.

Auditor's Responsibilities for the Review of the Quarterly Financial Statements

Our responsibility is to express an independent conclusion on the quarterly consolidated financial statements in the interim review report, based on the interim review we have conducted.

In conducting our interim review in accordance with the standards for interim review generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review, and we perform the following:

・We perform interim review procedures, consisting primarily of inquiries of management and personnel responsible for financial and accounting matters, analytical procedures, and other interim review procedures. Interim review procedures are more limited than those performed in an audit of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.

・Where we judge that a material uncertainty exists relating to events or conditions that may cast significant doubt on the going-concern assumption, we conclude, based on the evidence obtained, whether any matters have come to our attention that cause us to believe that the quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for the Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements generally accepted in Japan (subject to the omissions permitted under Article 4, Paragraph 2 of those Standards). Where a material uncertainty relating to going concern is identified, we are required to draw attention in the interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified or adverse conclusion on the quarterly consolidated financial statements. Our conclusion is based on the evidence obtained up to the date of the interim review report; however, future events or conditions may cause the entity to cease to continue as a going concern.

・We evaluate whether any matters have come to our attention that cause us to believe that the presentation of, and disclosures in, the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for the Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements generally accepted in Japan (subject to the omissions permitted under Article 4, Paragraph 2 of those Standards).

・We obtain evidence relating to the financial information of the Company and its consolidated subsidiaries that provides the basis for our conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the quarterly consolidated financial statements. We are solely responsible for our conclusion.

We communicate with the Audit & Supervisory Board members and the Audit & Supervisory Board regarding the planned scope and timing of the interim review and significant findings from the interim review.

We also provide the Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with the provisions of the Code of Professional Ethics in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest

Our firm and its engagement partners do not have any interest in the Company or its consolidated subsidiaries that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes: 1. The original copy of the interim review report referred to above is separately retained by the Company (the entity disclosing the quarterly financial statements).

2. XBRL data and HTML data are not included in the scope of the interim review.