July 15, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: HIOKI E.E.CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 6866
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Scheduled date to file semi-annual securities report: July 31, 2026
Scheduled date to commence dividend payments: August 12, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	24,129	23.5	5,053	53.5	5,283	61.4	3,990	73.7
June 30, 2025	19,538	4.7	3,293	(1.5)	3,273	(9.4)	2,297	(12.3)

Note: Comprehensive income For the six months ended June 30, 2026: ¥4,152 million [88.2%]
For the six months ended June 30, 2025: ¥2,206 million [(26.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	296.82	-
June 30, 2025	169.74	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	53,097	45,769	86.2	3,414.25
December 31, 2025	51,492	43,956	85.4	3,246.70

Reference: Equity
As of June 30, 2026: ¥45,769 million
As of December 31, 2025: ¥43,956 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	100.00	-	100.00	200.00
Fiscal year ending December 31, 2026	-	120.00			
Fiscal year ending December 31, 2026 (Forecast)				120.00	240.00

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

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 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
Fiscal year ending December 31, 2026	47,700	17.7	9,500	39.9	9,840	38.5	7,540	38.2	560.80

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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) Number of issued shares (common shares)

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

As of June 30, 2026	14,024,365 shares
As of December 31, 2025	14,024,365 shares

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

As of June 30, 2026	618,913 shares
As of December 31, 2025	485,620 shares

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

Six months ended June 30, 2026	13,445,090 shares
Six months ended June 30, 2025	13,534,079 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Summary of Operating Results, etc. (4) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

(How to obtain supplementary explanatory materials for financial results)

The Company plans to hold a briefing for institutional investors and analysts on Tuesday, July 28, 2026. The materials used in this briefing will be posted on our website.

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Interim Period

1) Economic Environment and Industry Overview

At the start of 2026, the global economy remained generally stable, primarily driven by economic growth in the United States. However, after military actions by the United States and Israel against Iran, tensions in the Middle East escalated, causing crude oil and gas prices to surge due to uncertainty surrounding the Strait of Hormuz. This has led to increased inflationary pressures and greater volatility in financial markets. Disruptions in maritime transportation have pushed up logistics and resource costs, impacting the real economy. Major countries now face the challenge of balancing inflation control with economic stimulus. Additionally, the vulnerabilities of dependence on fossil fuels have become more apparent, prompting accelerated diversification of energy sources and the adoption of renewable energy, particularly in Asia.

The rapid adoption of generative AI is fueling demand for high-performance servers and expanding the market for passive components and multilayer substrates. Furthermore, requirements for more complex implementation and board inspection are increasing. These investments are advancing the industry and widening growth opportunities for related markets. Demand for data centers remains strong, and expanded investment in this sector is driving demand for servers, electronic components, and substrates.

Battery demand is becoming increasingly diversified, shifting from growth primarily driven by EVs to multiple markets, such as Energy Storage Systems (ESS). In particular, ESS is experiencing robust growth against the backdrop of expanding renewable energy and rising electricity demand. The market is broadening from mobility to energy infrastructure, and continued growth is expected for both EVs and ESS. While demand for small batteries for portable devices such as smartphones remains stable, demand for large batteries—especially for ESS applications—is seeing remarkable growth.

The global xEV market is shifting from high growth to moderate growth, with structural differences between regions becoming more pronounced. In Europe, demand for BEVs is recovering, but there is a shift toward HEVs. Meanwhile, demand for PV (solar power generation) had been sluggish, but signs of recovery have emerged since last year.

2) Overview of Net Sales and Profit/Loss

During the interim consolidated accounting period, net sales greatly surpassed those of the same period last year, accelerating growth. Additionally, the depreciation of the yen contributed to higher revenue.

By market segment, the Component market saw significant sales growth, driven by strong demand for passive components used in data centers. The Battery market also recorded substantial sales increases, supported by robust demand not only for xEVs but also for ESS for renewable energy and power grids. The Energy market benefited from demand from data centers and electric utilities, and the Mobility market saw increased sales mainly due to demand in the automotive and aerospace sectors.

By customer region, sales in China and Japan rose significantly year-on-year. Sales in South Korea recovered to exceed last year's levels, while Taiwan outperformed other regions in both sales and order growth rates. Europe and America also remained steady.

In terms of profitability, the substantial increase in net sales offset higher selling, general, and administrative expenses, resulting in both operating profit and ordinary profit surpassing last year's levels.

As a result, for the interim consolidated accounting period, net sales were 24,129 million yen (up 23.5% year-on-year), operating profit was 5,053 million yen (up 53.5%), ordinary profit was 5,283 million yen (up 61.4%), and interim net profit attributable to owners of the parent was 3,990 million yen (up 73.7%).

3) Promotion of Growth Strategies toward Realizing Vision 2030

Our group continues to make steady progress toward the realization of "Vision 2030" and achievement of our medium-term management plan, focusing on the following strategic pillars: developing products with unique HIOKI value, market-driven business development, and pursuing carbon neutrality.

On the development front, we launched current probes "CT6704" and "CT6705" to support advanced high-frequency and large-current measurements, and clamp sensors "CT6847A" for large vehicle current measurement. We also introduced the DC withstand voltage insulation resistance tester "ST5680A" to improve safety and analysis efficiency in EV battery production sites, and the power analyzer license "PW9006" for harmonics and flicker measurement compliant with international standards. These products provide solutions that emphasize accuracy, reliability, and efficiency, addressing increasingly complex and diverse measurement needs.

On the production front, we are implementing efficiency measures such as automating material weighing processes, optimizing production flow lines, and reviewing inspection lines and equipment to reduce man-hours, alleviate operator workload, and stabilize processes.

On the sales front, the Nagoya Technical Center began full-scale operations in April 2026. By expanding evaluation equipment for the automotive and battery materials sectors, we aim to foster technical co-creation with customers and partners in the Tokai region. In June, we established an after-sales service center at our Vietnam subsidiary, offering support in Japanese, English, and Vietnamese to minimize customer downtime and enhance satisfaction, thereby strengthening our local responsiveness.

In ESG activities, based on the “HIOKI Sustainability Declaration,” we are advancing the development of environmentally conscious products and initiatives toward carbon neutrality. The current probes “CT6704” and “CT6705,” released in June 2026, incorporate recycled plastics, using glass fiber-reinforced polycarbonate resin made from reused manufacturing scraps for the enclosure. We will continue to expand products utilizing recycled plastics. Furthermore, for greenhouse gas emissions (Scope 1 and 2), we have obtained third-party verification from SGS Japan and achieved carbon neutrality responsive to investment. We have also conducted verification across all categories for Scope 3, confirming the validity of our calculation standards. Additionally, we received the highest “A” score in CDP’s “Supplier Engagement Rating” for FY2025, and our company was listed on the SEA Leaderboard, demonstrating international recognition of our efforts to reduce environmental impact and collaborate across the entire supply chain. Through these initiatives, we will continue to promote environmental impact reduction and sustainable business operations.

The following table shows the orders received and net sales by product category for our group.

Orders Received by Product Group as of June 2026

	Six months ended June 30, 2025		Six months ended June 30, 2026		Change	
	Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Change (%)
Automatic Test Equipment	1,397,382	7.1	3,176,839	11.7	1,779,457	127.3
Recording Equipment	3,055,575	15.5	3,334,001	12.2	278,425	9.1
Electronic Measuring Instruments	9,952,110	50.6	14,324,910	52.6	4,372,800	43.9
Field Measuring Instruments	4,185,287	21.3	5,216,678	19.1	1,031,390	24.6
Peripheral Equipment, Others	1,082,671	5.5	1,197,659	4.4	114,987	10.6
Grand Total	19,673,026	100.0	27,250,088	100.0	7,577,061	38.5

Net Sales by Product Group for June 2026

	Six months ended June 30, 2025		Six months ended June 30, 2026		Change	
	Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Change (%)
Automatic Test Equipment	1,759,583	9.0	1,653,560	6.9	(106,023)	(6.0)
Recording Equipment	2,909,428	14.9	3,262,888	13.5	353,460	12.1
Electronic Measuring Instruments	9,535,962	48.8	12,863,245	53.3	3,327,282	34.9
Field Measuring Instruments	4,222,523	21.6	5,156,571	21.4	934,048	22.1
Peripheral Equipment, Others	1,111,237	5.7	1,193,511	4.9	82,273	7.4
Grand Total	19,538,735	100.0	24,129,777	100.0	4,591,041	23.5

1) Automatic Test Equipment

These products are used for quality inspection of electronic boards installed in smartphones, EVs, AI servers, etc., during mass production, and feature automatic inspection technologies compatible with miniaturized and multilayer boards.

The semiconductor industry remained active, driven by increased demand for high-performance servers and network equipment as data centers proliferated. Orders for flying probe-type board testers from electronic component and device manufacturers increased significantly. However, due to long production lead times and customer delivery requirements,

many orders received in the interim period are scheduled for delivery after the end of the period, resulting in net sales slightly below last year.
As a result, net sales were 1,653 million yen (down 6.0% year-on-year), and orders received were 3,176 million yen (up 127.3%).

2) Recording Equipment
These products are used to simultaneously record and visualize electrical and physical changes such as voltage, current, temperature, and strain, and are employed for design verification and failure analysis.
Demand for data loggers remained steady, particularly for electrical equipment, batteries, and automobiles. In addition, there is growing demand for high-precision simultaneous acquisition of multi-channel temperature, voltage, and current data in evaluation and testing of renewable energy and EVs. The expansion of data centers also increased needs for maintenance, evaluation, and inspection of power supply, air conditioning, cooling equipment, and GPU electronic components, contributing to sales growth.
As a result, net sales were 3,262 million yen (up 12.1% year-on-year), and orders received were 3,334 million yen (up 9.1%).

3) Electronic Measuring Instruments
These products are used for inspecting electronic components and batteries, evaluating the efficiency of inverters and motors, and analyzing power quality, supporting the development, mass production, inspection, and maintenance of key devices in electrification.
Amid the expansion of data centers, increased demand for servers has led to higher production volumes of electronic components, such as power inductors, resulting in increased sales of resistance meters and LCR meters. Large-scale investments in ESS continue, mainly for data centers and to accommodate the rise in PV, supporting sales of battery testers, especially to system integrators. Rising demands for battery safety and reliability, and advancements in new battery materials and next-generation battery development also contributed to sales growth. Additionally, power meters for grid applications saw increased adoption by electric utilities, large factories, data centers, and renewable energy power plants (such as wind and solar), further boosting sales.
As a result, net sales were 12,863 million yen (up 34.9% year-on-year), and orders received were 14,324 million yen (up 43.9%).

4) Field Measuring Instruments
These products are used for on-site measurement and diagnosis of voltage, current, and insulation status at factories, buildings, and power generation facilities, including highly safe products utilizing metal non-contact measurement technology.
Demand for clamp meters expanded in the power and energy fields, and maintenance and inspection needs for data centers increased. Steady sales of insulation resistance meters and earth resistance meters were driven by regulatory compliance and increased adoption in infrastructure and public works, contributing to sales growth.
As a result, net sales were 5,156 million yen (up 22.1% year-on-year), and orders received were 5,216 million yen (up 24.6%).

Orders received by destination as of June 2026 are as follows:
Overseas net sales for the interim consolidated period amounted to 15,752 million yen (up 28.0% year-on-year), with the overseas sales ratio at 65.3%.

Orders Received by Destination as of June 2026

			Six months ended June 30, 2025		Six months ended June 30, 2026		Change	
			Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Change (%)
Domestic			7,340,547	37.3	8,860,077	32.5	1,519,530	20.7
Overseas	Asia	China	5,354,561	27.2	8,507,956	31.2	3,153,394	58.9
		South Korea	1,467,022	7.5	2,045,938	7.5	578,915	39.5
		Taiwan	598,252	3.0	1,822,831	6.7	1,224,579	204.7
		India	522,084	2.7	713,713	2.6	191,629	36.7
		Southeast Asia	1,083,474	5.5	1,455,001	5.3	371,526	34.3
		Other Asia	12,570	0.1	15,537	0.1	2,967	23.6
		Asia Total	9,037,966	45.9	14,560,980	53.4	5,523,013	61.1
	America		1,683,873	8.6	1,917,460	7.0	233,587	13.9
	Europe		1,204,327	6.1	1,478,591	5.4	274,264	22.8
	Other Regions		406,312	2.1	432,979	1.6	26,666	6.6
	Overseas Total		12,332,479	62.7	18,390,011	67.5	6,057,531	49.1
Grand Total			19,673,026	100.0	27,250,088	100.0	7,577,061	38.5

Notes:
1. The classification of countries and regions is based on geographical proximity.
2. Major countries or regions included in each classification:
(1) Southeast Asia: Singapore, Indonesia, Thailand, Vietnam
(2) Americas: North America, Central and South America
(3) Europe: Germany, France, Italy, United Kingdom
(4) Other regions: Middle East, Australia, Africa
3. Orders received are classified based on the location of the customers.

Net Sales by Destination for June 2026

			Six months ended June 30, 2025		Six months ended June 30, 2026		Change	
			Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Composition ratio(%)	Amount (thousand yen)	Change (%)
Domestic			7,235,719	37.0	8,376,995	34.7	1,141,276	15.8
Overseas	Asia	China	5,334,347	27.3	6,940,561	28.8	1,606,213	30.1
		South Korea	1,497,914	7.7	2,053,357	8.5	555,443	37.1
		Taiwan	691,521	3.5	997,371	4.1	305,850	44.2
		India	597,879	3.1	696,752	2.9	98,872	16.5
		Southeast Asia	980,816	5.0	1,196,573	5.0	215,756	22.0
		Other Asia	11,028	0.1	11,602	0.0	574	5.2
		Asia Total	9,113,507	46.6	11,896,217	49.3	2,782,710	30.5
	America		1,600,144	8.2	1,851,401	7.7	251,256	15.7
	Europe		1,277,934	6.5	1,560,231	6.5	282,296	22.1
	Other Regions		311,429	1.6	444,931	1.8	133,502	42.9
	Overseas Total		12,303,015	63.0	15,752,781	65.3	3,449,765	28.0
Grand Total			19,538,735	100.0	24,129,777	100.0	4,591,041	23.5

Notes:
1. The classification of countries and regions is based on geographical proximity.
2. Major countries or regions included in each classification:
(1) Southeast Asia: Singapore, Indonesia, Thailand, Vietnam
(2) Americas: North America, Central and South America

(3) Europe: Germany, France, Italy, United Kingdom
(4) Other regions: Middle East, Australia, Africa

3. Net sales are classified based on the location of the customers.

(2) Overview of Financial Position for the Interim Period

(Status of Assets, Liabilities, and Net Assets)

As of the end of the interim consolidated accounting period, total assets amounted to 53,097 million yen, representing an increase of 1,604 million yen compared to the end of the previous consolidated fiscal year. This increase was primarily attributable to higher balances of merchandise and finished goods, as well as deposits included in other current assets.

Liabilities totaled 7,328 million yen, a decrease of 208 million yen from the end of the previous consolidated fiscal year, mainly due to a reduction in provision for bonuses.

Net assets amounted to 45,769 million yen, an increase of 1,813 million yen compared to the end of the previous consolidated fiscal year. Although treasury stock was acquired, the increase was mainly due to higher retained earnings.

(Status of Cash Flows)

Cash and cash equivalents at the end of the interim consolidated accounting period totaled 17,220 million yen, an increase of 497 million yen compared to the end of the previous consolidated fiscal year.

Net cash provided by operating activities was 4,878 million yen. The principal factors contributing to the increase were income before income taxes of 5,249 million yen, depreciation of 1,084 million yen, and an increase in accounts payable of 572 million yen. The main factors decreasing cash were payments of income taxes totaling 677 million yen and a decrease in provision for bonuses of 624 million yen.

Net cash used in investing activities was 2,132 million yen, mainly due to expenditures for the acquisition of property, plant, and equipment.

Net cash used in financing activities amounted to 2,429 million yen, primarily reflecting expenditures for the acquisition of treasury stock and payment of dividends.

(3) Outlook for the Future

Currently, disruptions in major maritime transport routes due to heightened tensions in the Middle East are causing uncertainty in the global economy. The increased risk in the Strait of Hormuz is significantly impacting oil supply and logistics, leading to higher energy prices, inflation, and material shortages in the industrial sector. In this environment, the need for energy security and supply chain reinforcement is increasing, and global investment in renewable energy and energy conservation is accelerating. The rapid spread of AI and cloud technologies is also driving expansion of data center investment and rising electricity demand, posing challenges for power generation and transmission/distribution infrastructure.

Especially in renewable energy and battery applications, conversion between DC and AC is essential, and high-frequency and high-voltage technologies, as well as new material power semiconductors such as SiC and GaN, are being utilized to achieve higher efficiency. As a result, there is growing demand for miniaturization and enhanced performance of electronic components, as well as more precise measurement technologies.

Our group plays a vital role in these industrial changes as a company that visualizes electricity and contributes to improving quality, efficiency, and safety. Our measurement technologies are adopted by domestic and international electronic component and equipment manufacturers in fields such as high-frequency characteristics and high-precision impedance measurement, contributing to improved reliability in AI, automobiles, renewable energy devices, and energy-saving/monitoring of power loss. With core technologies such as wideband, high-precision current measurement via proprietary clamp sensors, ultra-low resistance measurement at micro-ohm levels, multi-channel high-speed, high-insulation waveform recording, world-class power analyzer performance, EMC (noise) resistance, and high-insulation input, we will continue to provide high value-added products and contribute to improving customer productivity.

In our global expansion, we maintain our target of "overseas sales ratio of 75%," and will continue to enhance region-specific products, services, and local support systems. We are developing repair and calibration bases and deploying on-site services in each region. Technical support utilizing technical centers and quality co-creation centers will strengthen quality evaluation and management with local partners, contributing to supply chain reliability and stable supply.

We will continue to respond to technical requirements for "high frequency, large current, high precision" in growth areas such as data centers, EVs, renewable energy, batteries, and power semiconductors, providing solutions based on cutting-edge measurement technologies. Additionally, to appropriately address price increases due to recent Middle East tensions, we will promptly review product prices and accelerate information sharing with suppliers.

(4) Explanation Regarding Forecasts and Forward-Looking Statements

There are no changes to the full-year consolidated earnings and dividend forecasts for the fiscal year ending December 2026, as announced in the notice of revision dated June 5, 2026. However, due to persistently high energy prices, inflationary pressures, concerns about economic slowdown, continued interest rate hikes in various countries, and recent slight upward trends in component prices, the business environment surrounding the Group remains highly uncertain. Depending on future developments, these factors may affect full-year operating profit.

Actual results and dividend amounts may differ from forecasts due to changes in business conditions and various other factors. Major risk factors include fluctuations in raw material and energy prices, logistics disruptions, procurement constraints, exchange rate fluctuations, changes in demand trends, and impacts from changes in procurement strategies.
Our group continuously monitors and scrutinizes order status and future order prospects at each sales base. If it becomes necessary to revise the consolidated earnings forecasts due to changing circumstances, we will promptly disclose such revisions.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	18,532,887	18,130,459
Notes and accounts receivable - trade, and contract assets	4,202,061	4,352,198
Electronically recorded monetary claims - operating	267,132	214,987
Merchandise and finished goods	1,410,693	1,819,845
Work in process	1,043,719	1,150,646
Raw materials and supplies	3,970,221	3,841,984
Other	742,542	1,755,792
Allowance for doubtful accounts	(31,869)	(24,616)
Total current assets	30,137,389	31,241,299
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,048,767	11,883,745
Machinery, equipment and vehicles, net	1,125,374	1,259,051
Tools, furniture and fixtures, net	1,784,893	1,824,641
Land	2,161,951	2,161,951
Construction in progress	141,493	247,492
Total property, plant and equipment	17,262,480	17,376,881
Intangible assets		
Software	466,294	488,936
Other	443,866	776,892
Total intangible assets	910,161	1,265,828
Investments and other assets	3,182,865	3,213,695
Total non-current assets	21,355,506	21,856,406
Total assets	51,492,895	53,097,705

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	962,494	1,535,079
Income taxes payable	712,028	1,126,553
Provision for product warranties	88,264	90,860
Provision for bonuses	2,748,361	2,132,135
Provision for bonuses for directors (and other officers)	-	59,908
Provision for share-based compensation for directors	63,158	38,430
Other	2,383,692	1,755,928
Total current liabilities	6,957,999	6,738,896
Non-current liabilities		
Deferred tax liabilities	24,194	31,136
Retirement benefit liability	34,636	35,885
Other	519,786	522,209
Total non-current liabilities	578,617	589,231
Total liabilities	7,536,617	7,328,127
Net assets		
Shareholders' equity		
Share capital	3,299,463	3,299,463
Capital surplus	4,068,746	4,106,257
Retained earnings	36,006,925	38,643,874
Treasury shares	(1,678,896)	(2,701,434)
Total shareholders' equity	41,696,238	43,348,161
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	417,403	492,818
Foreign currency translation adjustment	1,041,124	1,158,057
Remeasurements of defined benefit plans	801,511	770,539
Total accumulated other comprehensive income	2,260,039	2,421,416
Total net assets	43,956,278	45,769,577
Total liabilities and net assets	51,492,895	53,097,705

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	19,538,735	24,129,777
Cost of sales	9,495,184	11,528,671
Gross profit	10,043,551	12,601,105
Selling, general and administrative expenses	6,750,528	7,547,113
Operating profit	3,293,022	5,053,992
Non-operating income		
Interest income	7,740	15,048
Dividend income	16,902	20,008
Rental income from buildings	8,533	10,122
Foreign exchange gains	-	42,355
Subsidy income	72,594	104,703
Refund income	43,553	-
Other	47,975	48,375
Total non-operating income	197,299	240,613
Non-operating expenses		
Interest expenses	4,859	4,929
Foreign exchange losses	210,869	-
Commission for purchase of treasury shares	-	5,743
Other	714	750
Total non-operating expenses	216,442	11,424
Ordinary profit	3,273,879	5,283,181
Extraordinary income		
Gain on sale of non-current assets	-	44
Total extraordinary income	-	44
Extraordinary losses		
Loss on retirement of non-current assets	2,768	33,372
Total extraordinary losses	2,768	33,372
Profit before income taxes	3,271,111	5,249,853
Income taxes - current	425,714	1,032,611
Income taxes - deferred	548,149	226,417
Total income taxes	973,864	1,259,029
Profit	2,297,247	3,990,824
Profit attributable to owners of parent	2,297,247	3,990,824

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	2,297,247	3,990,824
Other comprehensive income		
Valuation difference on available-for-sale securities	56,376	75,415
Foreign currency translation adjustment	(169,032)	116,932
Remeasurements of defined benefit plans, net of tax	22,263	(30,971)
Total other comprehensive income	(90,391)	161,376
Comprehensive income	2,206,855	4,152,200
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,206,855	4,152,200

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,271,111	5,249,853
Depreciation	836,697	1,084,921
Increase (decrease) in allowance for doubtful accounts	(2,067)	(7,164)
Increase (decrease) in provision for bonuses	(1,429,453)	(624,639)
Increase (decrease) in provision for bonuses for directors (and other officers)	33,511	52,210
Increase (decrease) in Provision for share-based compensation for directors	33,485	(24,727)
Increase (decrease) in provision for product warranties	(15,589)	2,596
Increase (decrease) in retirement benefit liability	(7,679)	(34,290)
Share-based payment expenses	10,092	3,593
Interest and dividend income	(24,642)	(35,056)
Subsidy income	(72,594)	(104,703)
Refund income	(43,553)	-
Interest expenses	4,859	4,929
Commission for purchase of treasury stock	-	5,743
Loss (gain) on sale of non-current assets	-	(44)
Loss on retirement of non-current assets	2,768	33,372
Decrease (increase) in trade receivables	656,586	(89,016)
Decrease (increase) in inventories	446,479	(318,972)
Increase (decrease) in trade payables	(113,794)	572,137
Increase (decrease) in accrued expenses	(438,695)	(360,843)
Increase (decrease) in accrued consumption taxes	28,771	194,847
Other, net	(65,429)	(175,708)
Subtotal	3,110,864	5,429,037
Interest and dividends received	21,240	28,263
Subsidies received	72,594	104,703
Refunds received	43,553	-
Interest paid	(6,532)	(6,665)
Income taxes paid	(1,015,387)	(677,857)
Income taxes refund	8,029	1,188
Net cash provided by (used in) operating activities	2,234,363	4,878,669
Cash flows from investing activities		
Payments into time deposits	(3,155)	(100,000)
Purchase of property, plant and equipment	(2,192,429)	(1,482,950)
Proceeds from sale of property, plant and equipment	-	44
Payments for retirement of property, plant and equipment	-	(27,700)
Purchase of investment securities	(1,701)	(2,023)
Other, net	(278,231)	(519,688)
Net cash provided by (used in) investing activities	(2,475,517)	(2,132,318)
Cash flows from financing activities		
Purchase of treasury shares	(671)	(1,076,591)
Dividends paid	(1,351,830)	(1,352,635)
Net cash provided by (used in) financing activities	(1,352,502)	(2,429,226)
Effect of exchange rate change on cash and cash equivalents	(257,910)	180,613
Net increase (decrease) in cash and cash equivalents	(1,851,566)	497,738
Cash and cash equivalents at beginning of period	16,507,748	16,723,235
Cash and cash equivalents at end of period	14,656,182	17,220,973