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Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

November 11, 2026

Company name: RIX CORPORATION
Stock exchange listing: Tokyo Stock Exchange and Fukuoka Stock Exchange
Code number: 7525
URL: https://www.rix.co.jp/en/
Representative: Takashi Yasui, Representative Director, President and Executive Officer
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Phone: +81-92-472-7311
Scheduled date of filing semi-annual securities report: November 12, 2026
Scheduled date of commencing dividend payments: December 7, 2026
Preparation of supplementary explanatory materials on semi-annual financial results: Yes
Holding of semi-annual financial results briefing: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2026 (April 1, 2026–September 30, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	28,964	10.6	2,297	37.1	2,445	33.9	1,596	25.0
September 30, 2025	26,179	0.7	1,675	(1.2)	1,825	(3.6)	1,278	5.3

(Note) Comprehensive income: Six months ended September 30, 2026: ¥2,036 million [33.6%]
Six months ended September 30, 2025: ¥1,524 million [11.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	196.93	–
September 30, 2025	157.77	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2026	47,291	30,482	63.3
March 31, 2026	47,505	29,187	60.4

(Reference) Equity: As of September 30, 2026: ¥29,957 million
As of March 31, 2026: ¥28,697 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	64.00	–	93.00	157.00
Fiscal year ending March 31, 2027	–	79.00			
Fiscal year ending March 31, 2027 (Forecast)			–	86.00	165.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	59,400	6.4	4,700	32.9	4,930	26.5	3,270	2.8	403.08

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Company name: RIX INDIA TRADING & SERVICE PVT. LTD.)
Excluded: None

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: Yes
For further information, please refer to "(4) Notes to Semi-annual Consolidated Financial Statements (Accounting Methods Adopted Particularly for the Preparation of Semi-annual Consolidated Financial Statements)" on page 12 of the Attachments.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: Yes
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2026: 8,640,000 shares
March 31, 2026: 8,640,000 shares

2) Total number of treasury shares at the end of the period:
September 30, 2026: 515,948 shares
March 31, 2026: 534,059 shares

3) Average number of shares outstanding during the period:
Six months ended September 30, 2026: 8,109,505 shares
Six months ended September 30, 2025: 8,100,643 shares

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

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

(Cautionary statement regarding forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to "(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 5 of the Attachments for the assumptions underlying the forecasts and precautions when using the forecasts.

(How to obtain supplementary explanatory materials on financial results and contents of the financial results briefing session)

The Company plans to hold a financial results briefing session for institutional investors and analysts on Friday, November 27, 2026. The presentation materials to be used at the session will be posted on the Company's website promptly after the session.

Table of Contents - Attachments

1. Qualitative Information on Semi-annual Financial Results 2
(1) Explanation of Operating Results 2
(2) Explanation of Financial Position 5
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information ..5
2. Semi-annual Consolidated Financial Statements and Principal Notes 6
(1) Semi-annual Consolidated Balance Sheets 6
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income 8
Semi-annual Consolidated Statements of Income
Six Months Ended September 30 8
Semi-annual Consolidated Statements of Comprehensive Income
Six Months Ended September 30 9
(3) Semi-annual Consolidated Statements of Cash Flows 10
(4) Notes to Semi-annual Consolidated Financial Statements 12
(Notes on Going Concern Assumption) 12
(Notes in Case of Significant Changes in Shareholders' Equity) 12
(Notes on Significant Changes in the Scope of Consolidation) 12
(Accounting Methods Adopted Particularly for the Preparation of
Semi-annual Consolidated Financial Statements) 12
(Changes in Accounting Policies) 12
(Segment Information, Etc.) 13

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

As for the global economy during the six months ended September 30, 2026, in the United States, while uncertainty about the outlook was seen due to factors such as escalating tensions in the Middle East, investment in the thriving AI-related sector continued to be observed. In Europe, although capital investment in the AI-related sector remained solid, increased energy costs stemming from the worsening situation in the Middle East continued, affecting personal consumption. In China, despite strong external demand, the impact of the sluggishness in the real estate market continued to be observed in domestic demand.

In the Japanese economy, although the number of foreign visitors was lower year on year, it remained at a high level, and the service industry remained solid. The manufacturing industry was supported by continued solid trends mainly in the buoyant semiconductor-related sector and capital investment to address labor shortages.

Under these economic circumstances, the Group implemented measures under its three-year medium-term plan "GP2026." As a result, for the six months ended September 30, 2026, the Group recorded net sales totaling ¥28,964 million (up 10.6% year on year), operating profit totaling ¥2,297 million (up 37.1% year on year), ordinary profit totaling ¥2,445 million (up 33.9% year on year), and profit attributable to owners of parent totaling ¥1,596 million (up 25.0% year on year).

Operating results by reportable segment are as follows. The Group manages business performance by industry to which customers belong, and thus designates the following nine industries as reportable segments: "Steel and Iron," "Automobile," "Electronics and Semiconductor," "Rubber and Tire," "Machine Tools," "High-performance Material," "Environment," "Paper and Pulp," and "Food, Medicine (Pharmaceuticals), and Cosmetics."

Since the first six-month period of the fiscal year ending March 31, 2027, the Group has established the food, pharmaceutical, and cosmetics industries—which the Group recognizes as growth fields—as a new reportable segment.

The food, pharmaceutical, and cosmetics industries have similar standards for quality control required by customers, and the Group sells similar finished goods and merchandise for the manufacturing processes of customers. Therefore, the Group will make hypothesis-based proposals efficiently by making these industries into a separate reportable segment, thereby accelerating sales activities.

With the establishment of this new segment, the business performance figures for the pharmaceutical and cosmetics industries included in "High-performance Material Segment" and those for the food industry included in "Other Segment" are consolidated accordingly.

(Steel and Iron)

On the global level, crude steel production decreased slightly year on year as a whole. Specifically, China, the world's largest steel producer, saw crude steel production remain sluggish. In contrast, India, a rapidly developing economy, saw a continued year-on-year increase in crude steel production. In Japan, crude steel production increased slightly year on year backed by demand linked mainly to active investment in AI-related facilities.

The Group focused on sales activities not only for production-proportional products but also for maintenance sectors on top of the further development of overseas markets. Consequently, net sales increased mainly due to capital investment projects associated with replacement of aging facilities in various processes such as sintering, continuous casting, and hot rolling.

As a result, net sales for the steel and iron industry totaled ¥8,113 million (up 2.3% year on year), and its segment profit totaled ¥1,029 million (up 6.2% year on year).

(Automobile)

On the global level, production and sales of new energy vehicles for the domestic market in China were sluggish, while exports performed well. In India, where the economy is growing significantly, automobile production continued to be solid. In Japan, domestic automobile production saw stagnation, affected mainly by factory suspensions stemming from the Kumamoto Earthquake.

The Group focused on sales and proposal activities in the battery and motor sectors, which are attracting

attention in the CASE market. Consequently, net sales increased, driven mainly by sales of equipment components for overseas automobile plants, equipment and devices for domestic battery manufacturing processes, and cleaning equipment for automobile parts manufacturers.

As a result, net sales for the automobile industry totaled ¥5,459 million (up 1.2% year on year), and its segment profit totaled ¥703 million (up 31.4% year on year).

(Electronics and Semiconductor)

On the global level, demand for logic semiconductors continued to increase with advances in AI-related technology development, resulting in higher semiconductor sales. In Japan, sales of semiconductor production equipment continued to increase year on year thanks to higher AI-related semiconductor demand linked to global trends.

The Group focused on sales activities on the frontline and facilities and maintenance sectors, in addition to the repair and recycling businesses. Consequently, net sales increased mainly due to higher sales of our proprietary rotary joints for semiconductor production equipment and an increase in repair projects associated with the revitalization of production activities.

As a result, net sales for the electronics and semiconductor industry totaled ¥4,589 million (up 29.8% year on year) and its segment profit totaled ¥688 million (up 72.2% year on year).

(Rubber and Tire)

In Japan, overall sales, including replacement tires, remained at the same level as in the same period of the previous year, although sales of new vehicle tires experienced temporary sluggishness stemming from factory suspensions in automobile production.

The Group focused on sales activities on capital investment in addition to sales activities on development sectors. However, net sales decreased as there were no large projects unlike in the same period of the previous year, despite favorable factors such as sales of digital equipment related to development projects.

As a result, net sales for the rubber and tire industry totaled ¥1,610 million (down 13.8% year on year) and its segment profit totaled ¥200 million (up 1.2% year on year).

(Machine Tools)

In the industry, machine tool orders for both domestic and overseas markets continued to increase, as orders for machine tools related to automotives and active AI investments continued to increase.

The Group focused on the development of new uses and sales of equipment to cater to requests for five-axis machine tools and integration of machine tools as well as sales for ancillary equipment. Consequently, net sales increased mainly due to a continuous increase in sales of our proprietary rotary joints and sales of ancillary equipment for machine tools, in line with trends of the industry.

As a result, net sales for the machine tools industry totaled ¥1,615 million (up 36.0% year on year) and its segment profit totaled ¥547 million (up 92.8% year on year).

(High-performance Material)

In the industry, although difficulties in procuring crude oil and naphtha stemming from the worsening situation in the Middle East subsided, domestic production of ethylene was sluggish.

The Group focused on the automation business. Consequently, net sales increased mainly due to sales of cleaning equipment and specialized pumps for high-performance material manufacturers.

As a result, net sales for the high-performance material industry totaled ¥1,147 million (up 33.7% year on year) and its segment profit totaled ¥157 million (up 17.6% year on year).

(Environment)

In the industry, orders of environment-related equipment increased year on year, with an increase observed particularly in the water treatment-related sector for the manufacturing industry.

The Group focused on increasing its presence in the environment and energy industries and water treatment-related business, which are regarded as important in recent years. Consequently, net sales increased mainly due to sales of components for thermal power plants and pumps for water treatment manufacturers.

As a result, net sales for the environmental industry totaled ¥1,233 million (up 13.3% year on year) and its segment profit totaled ¥174 million (up 96.1% year on year).

(Paper and Pulp)

In the industry, demand for overall paper products continued to decline, and production of paper products decreased for both domestic and overseas markets.

The Group focused on biomass material CNF and energy/chemical material fields as well as further development of maintenance business for existing facilities. Consequently, net sales increased mainly due to sales of our proprietary equipment and machinery for bioethanol plants, which are regarded as important in recent years.

As a result, net sales for the paper and pulp industry totaled ¥878 million (up 91.1% year on year) and its segment profit totaled ¥158 million (up 181.1% year on year).

(Food, Medicine (Pharmaceuticals), and Cosmetics)

In Japan, the food sector continued to see price pass-through associated with rising raw materials prices, mainly due to the worsening situation in the Middle East. In the pharmaceutical sector, against the backdrop of steady medical demand, sales of pharmaceutical products remained solid. In the cosmetics sector, sales of cosmetic products remained firm, supported by inbound tourism demand as the number of foreign visitors to Japan remained at a high level.

The Group focused on sales activities related to water treatment and digitalization to address labor shortages. Consequently, in the food sector, construction projects for newly established plants contributed to sales. In the pharmaceutical sector, sales of components to medical-equipment-related manufacturers contributed to sales. In the cosmetics sector, regular maintenance projects for cleaning equipment contributed to sales.

As a result, net sales for the food, pharmaceutical, and cosmetics industries totaled ¥884 million (up 8.7% year on year) and its segment profit totaled ¥109 million (up 76.2% year on year).

(2) Explanation of Financial Position

(Assets)

Current assets decreased 1.4% from the end of the previous fiscal year to ¥33,288 million. Primary factors for the decrease include a decrease of ¥1,416 million in trade receivables, which was partially offset by an increase of ¥917 million in inventories.

Non-current assets increased 2.0% from the end of the previous fiscal year to ¥14,002 million. Primary factors for the increase include an increase of ¥499 million in investment securities, which was partially offset by a decrease of ¥214 million in intangible assets.

As a result, total assets decreased 0.5% from the end of the previous fiscal year to ¥47,291 million.

(Liabilities)

Current liabilities decreased 9.5% from the end of the previous fiscal year to ¥14,664 million. Primary factors for the decrease include a decrease of ¥3,086 million in trade payables and a decrease of ¥1,617 million in other, which was partially offset by an increase of ¥3,152 million in short-term borrowings.

Non-current liabilities increased 1.6% from the end of the previous fiscal year to ¥2,143 million. Primary factors for the increase include an increase of ¥142 million in other, which was partially offset by a decrease of ¥121 million in long-term borrowings.

As a result, total liabilities decreased 8.2% from the end of the previous fiscal year to ¥16,808 million.

(Net Assets)

Net assets increased 4.4% from the end of the previous fiscal year to ¥30,482 million. Primary factors for the increase include an increase of ¥798 million in retained earnings, an increase of ¥282 million in valuation difference on available-for-sale securities, and an increase of ¥130 million in foreign currency translation adjustment.

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

With regard to operating results for the six months ended September 30, 2026, the Group recorded net sales totaling ¥28,964 million (up 10.6% year on year) and operating profit totaling ¥2,297 million (up 37.1% year on year), achieving a significant increase in both sales and profit. The primary factor for the strong business performance was significant growth in sales of our proprietary products such as rotary joints, a strength of the Group, against the backdrop of increased demand for semiconductors accompanying the global expansion of AI investment and needs for five-axis machine tools and integration of machine tools. In terms of operating results by segment, the electronics and semiconductor industry and the machine tools industry drove overall performance. As these segments are expected to continue boosting overall performance in the second half of the fiscal year, we have revised upward our full-year consolidated financial results forecast.

Following the upward revision of our financial results forecast, we have also revised upward our year-end ordinary dividend forecast.

For further information, please refer to the “RIX CORPORATION Announces Revisions to Forecasted Business Results and Dividends” disclosed on November 11, 2026.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	8,407,138	8,419,693
Notes receivable – trade	160,969	46,255
Electronically recorded monetary claims – operating	4,380,731	4,451,379
Accounts receivable – trade	16,282,374	14,909,601
Merchandise and finished goods	2,695,299	3,307,323
Work in process	824,925	998,301
Raw materials and supplies	309,487	441,125
Other	717,393	719,462
Allowance for doubtful accounts	(6,091)	(4,284)
Total current assets	33,772,228	33,288,859
Non-current assets		
Property, plant and equipment	6,120,506	6,075,477
Intangible assets		
Other	1,626,678	1,411,781
Total intangible assets	1,626,678	1,411,781
Investments and other assets		
Investment securities	4,696,192	5,195,690
Other	1,644,117	1,686,297
Allowance for doubtful accounts	(354,088)	(367,022)
Total investments and other assets	5,986,221	6,514,965
Total non-current assets	13,733,406	14,002,223
Total assets	47,505,634	47,291,082
Liabilities		
Current liabilities		
Notes payable – trade	54,647	–
Electronically recorded obligations – operating	4,189,444	2,082,612
Accounts payable – trade	6,037,306	5,111,867
Short-term borrowings	1,515,000	4,667,500
Current portion of long-term borrowings	32,316	21,600
Income taxes payable	835,239	734,965
Provision for bonuses	–	75,627
Provision for bonuses for directors (and other officers)	–	43,327
Other	3,544,785	1,927,223
Total current liabilities	16,208,739	14,664,723
Non-current liabilities		
Long-term borrowings	294,784	173,200
Provision for retirement benefits for directors (and other officers)	81,188	70,565
Retirement benefit liability	657,760	682,019
Other	1,075,476	1,217,870
Total non-current liabilities	2,109,208	2,143,654
Total liabilities	18,317,948	16,808,378

(Thousand yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Share capital	827,900	827,900
Capital surplus	1,117,875	1,167,409
Retained earnings	24,534,334	25,333,222
Treasury shares	(582,959)	(569,423)
Total shareholders' equity	25,897,150	26,759,108
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,835,071	2,117,486
Foreign currency translation adjustment	711,688	842,143
Remeasurements of defined benefit plans	253,268	238,317
Total accumulated other comprehensive income	2,800,028	3,197,946
Non-controlling interests	490,506	525,649
Total net assets	29,187,685	30,482,704
Total liabilities and net assets	47,505,634	47,291,082

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

Six Months Ended September 30

(Thousand yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	26,179,483	28,964,707
Cost of sales	19,384,370	21,022,783
Gross profit	6,795,113	7,941,923
Selling, general and administrative expenses	5,119,172	5,644,422
Operating profit	1,675,941	2,297,501
Non-operating income		
Interest income	16,896	11,915
Dividend income	75,414	80,215
Share of profit of entities accounted for using equity method	40,902	47,220
Rental income from real estate	10,543	10,262
Gain on investments in investment partnerships	3,886	255
Other	36,601	49,642
Total non-operating income	184,245	199,510
Non-operating expenses		
Interest expenses	6,798	31,477
Foreign exchange losses	26,607	15,702
Other	863	4,313
Total non-operating expenses	34,269	51,493
Ordinary profit	1,825,916	2,445,518
Extraordinary income		
Gain on sale of non-current assets	271	103
Gain on sale of investment securities	–	330
Surrender value of insurance policies	11,288	6,367
Total extraordinary income	11,559	6,801
Extraordinary losses		
Loss on sale of non-current assets	32	0
Impairment loss	–	13,194
Loss on retirement of non-current assets	354	22,434
Loss on valuation of investment securities	–	9,886
Total extraordinary losses	386	45,515
Profit before income taxes	1,837,089	2,406,804
Income taxes	542,139	776,307
Profit	1,294,949	1,630,497
Profit attributable to non-controlling interests	16,933	33,501
Profit attributable to owners of parent	1,278,016	1,596,995

Semi-annual Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Thousand yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	1,294,949	1,630,497
Other comprehensive income		
Valuation difference on available-for-sale securities	446,530	289,203
Foreign currency translation adjustment	(221,807)	129,073
Remeasurements of defined benefit plans, net of tax	(2,326)	(14,951)
Share of other comprehensive income of entities accounted for using equity method	7,595	2,901
Total other comprehensive income	229,991	406,226
Comprehensive income	1,524,941	2,036,723
Comprehensive income attributable to:		
Owners of parent	1,489,964	1,994,913
Non-controlling interests	34,976	41,810

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,837,089	2,406,804
Depreciation	405,779	442,183
Increase (decrease) in provision for bonuses	83,543	73,738
Increase (decrease) in provision for bonuses for directors (and other officers)	40,177	43,327
Increase (decrease) in accounts payable-bonus to directors and statutory auditors	(113,972)	(78,688)
Increase (decrease) in net defined benefit asset and liability	(30,603)	(12,857)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(28,327)	(10,623)
Increase (decrease) in allowance for doubtful accounts	(15,208)	11,127
Interest and dividend income	(92,311)	(92,131)
Interest expenses	6,798	31,477
Foreign exchange losses (gains)	(2,086)	(238)
Share of loss (profit) of entities accounted for using equity method	(40,902)	(47,220)
Loss (gain) on sale of property, plant and equipment	(239)	(103)
Loss on retirement of property, plant and equipment	354	22,434
Loss (gain) on sale of investment securities	–	(330)
Loss (gain) on valuation of investment securities	–	9,886
Loss (gain) on investments in investment partnerships	(3,886)	(255)
Impairment loss	–	13,194
Decrease (increase) in trade receivables	1,784,449	1,518,437
Decrease (increase) in inventories	(205,497)	(830,334)
Decrease (increase) in other assets	16,569	211,031
Increase (decrease) in trade payables	(814,270)	(3,254,566)
Increase (decrease) in accrued consumption taxes	116,334	(448,305)
Increase (decrease) in other liabilities	(109,191)	(586,627)
Subtotal	2,834,598	(578,639)
Interest and dividends received	92,886	83,745
Interest paid	(6,798)	(31,477)
Income taxes paid	(816,335)	(836,399)
Net cash provided by (used in) operating activities	2,104,351	(1,362,771)
Cash flows from investing activities		
Payments into time deposits	(1,063,011)	(889,808)
Proceeds from withdrawal of time deposits	1,176,858	607,729
Purchase of property, plant and equipment	(585,121)	(156,285)
Proceeds from sale of property, plant and equipment	771	103
Purchase of intangible assets	(32,372)	(882,377)
Purchase of investment securities	(15,574)	(63,118)
Proceeds from sale and redemption of investment securities	4,620	4,647
Purchase of shares of subsidiaries and associates	–	(65,000)
Loan advances	(30,000)	(41,265)
Proceeds from collection of loans receivable	37,550	52,315
Other payments	(93,091)	(14,387)
Other proceeds	3,501	2,604
Net cash provided by (used in) investing activities	(595,868)	(1,444,842)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	11,553,676	35,015,000
Repayments of short-term borrowings	(11,643,865)	(31,862,500)
Repayments of long-term borrowings	(10,800)	(137,386)
Repayments of lease liabilities	(27,072)	(21,765)
Purchase of treasury shares	(117)	(55)
Proceeds from sale of treasury shares	23,192	58,344
Dividends paid	(712,858)	(750,844)
Dividends paid to non-controlling interests	(1,320)	(1,320)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(12,187)	–
Net cash provided by (used in) financing activities	(831,351)	2,299,472
Effect of exchange rate change on cash and cash equivalents	(46,869)	64,117
Net increase (decrease) in cash and cash equivalents	630,262	(444,023)
Cash and cash equivalents at beginning of period	6,568,055	6,753,029
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	241,671	138,699
Cash and cash equivalents at end of period	7,439,988	6,447,705

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

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

Not applicable.

(Changes in the Scope of Consolidation or Application of the Equity Method)

(Significant Changes in the Scope of Consolidation)

During the six months ended September 30, 2026, RIX INDIA TRADING & SERVICE PVT. LTD., which was a previously non-consolidated subsidiary, was included in the scope of consolidation due to its increased importance.

(Significant Changes in the Scope of Application of the Equity Method)

During the six months ended September 30, 2026, ROCKY-ICHIMARU Co., Ltd., which was an associate accounted for using the equity method, carried out a corporate reorganization and transitioned to a holding company structure with the newly established HainuTech Holdings Co., Ltd. as its parent company. As a result of this reorganization, HainuTech Holdings Co., Ltd., which became a new associate, has been included in the scope of application of the equity method.

(Accounting Methods Adopted Particularly for the Preparation of Semi-annual Consolidated Financial Statements)

(Calculation of Tax Expenses)

For calculation of tax expenses, the Group adopts a method whereby the effective tax rate for the profit before income taxes for the fiscal year under review, including the six months ended September 30, 2026, after the application of tax effect accounting is reasonably estimated, and profit before income taxes is multiplied by such effective tax rate.

(Changes in Accounting Policies)

(Application of the Practical Guidelines on Accounting for Financial Instruments)

The Company has applied the "Practical Guidelines on Accounting for Financial Instruments" (Revised ASBJ Transferred Guidance No. 9, March 11, 2025) from the beginning of the six months ended September 30, 2026. The application of the Practical Guidelines has no impact on the semi-annual consolidated financial statements.

(Changes in the Valuation Method of Inventories)

Previously, the Company's inventories were stated at cost primarily using the moving-average method as the valuation method. Since the beginning of the six months ended September 30, 2026, the valuation method has been changed, and the inventories have been stated at cost primarily using the monthly average method. The change was implemented to reflect economic realities more appropriately, taking the opportunity of the change in its core system.

As the impact of the change is insignificant, the change has not been applied retrospectively.

(Segment Information, Etc.)

I For the Six Months Ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Information on Net Sales and Profit or Loss by Reportable Segment

(Thousand yen)

	Reportable segment						
	Steel and Iron	Automobile	Electronics and Semi-conductor	Rubber and Tire	Machine Tools	High-performance Material	Environment
Net sales							
Net sales to outside customers	7,934,194	5,397,697	3,536,677	1,868,056	1,188,072	858,758	1,088,678
Inter-segment net sales or transfers	–	–	–	–	–	–	–
Total	7,934,194	5,397,697	3,536,677	1,868,056	1,188,072	858,758	1,088,678
Segment profit	969,377	535,488	399,891	198,260	284,156	133,482	88,828

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Paper and Pulp	Food, Pharmaceu-ticals, and Cosmetics	Total				
Net sales							
Net sales to outside customers	459,582	813,861	23,145,578	3,033,904	26,179,483	–	26,179,483
Inter-segment net sales or transfers	–	–	–	–	–	–	–
Total	459,582	813,861	23,145,578	3,033,904	26,179,483	–	26,179,483
Segment profit	56,270	62,115	2,727,871	473,548	3,201,419	(1,525,478)	1,675,941

(Notes) 1. The “Other” category is a business segment which is not included in the reportable segments and includes businesses for the shipbuilding industry.

2. An adjustment of ¥(1,525,478) thousand in segment profit is for general and administrative expenses which are not attributable to the reportable segments.

3. Segment profit is adjusted with operating profit on the Semi-annual Consolidated Statements of Income.

2. Information on Impairment Losses on Non-current Assets and Goodwill by Reportable Segment

(Significant Impairment Losses on Non-current Assets)

Not applicable.

II For the Six Months Ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

1. Information on Net Sales and Profit or Loss by Reportable Segment

(Thousand yen)

	Reportable segment						
	Steel and Iron	Automobile	Electronics and Semi-conductor	Rubber and Tire	Machine Tools	High-performance Material	Environment
Net sales							
Net sales to outside customers	8,113,120	5,459,966	4,589,211	1,610,174	1,615,861	1,147,820	1,233,090
Inter-segment net sales or transfers	–	–	–	–	–	–	–
Total	8,113,120	5,459,966	4,589,211	1,610,174	1,615,861	1,147,820	1,233,090
Segment profit	1,029,793	703,531	688,589	200,695	547,765	157,010	174,174

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Paper and Pulp	Food, Pharmaceu-ticals, and Cosmetics	Total				
Net sales							
Net sales to outside customers	878,078	884,904	25,532,227	3,432,479	28,964,707	–	28,964,707
Inter-segment net sales or transfers	–	–	–	–	–	–	–
Total	878,078	884,904	25,532,227	3,432,479	28,964,707	–	28,964,707
Segment profit	158,187	109,475	3,769,224	429,461	4,198,685	(1,901,183)	2,297,501

(Notes) 1. The “Other” category is a business segment which is not included in the reportable segments and includes businesses for the shipbuilding industry.
2. An adjustment of ¥(1,901,183) thousand in segment profit is for general and administrative expenses which are not attributable to the reportable segments.
3. Segment profit is adjusted with operating profit on the Semi-annual Consolidated Statements of Income.

2. Changes in Reportable Segments, etc.

Since the six months ended September 30, 2026, following a review of its business management classifications, the Group has newly classified the pharmaceutical and cosmetics businesses previously included in “High-performance Material” and the food business previously included in “Other” as “Food, Pharmaceutical, and Cosmetics.”

This change was made because the Group determined that it would be appropriate to manage these businesses on an integrated basis, given the similarities in the quality control and other standards required by customers and in customers’ manufacturing processes in these industries.

The segment information for the previous six-month period is presented based on the revised reportable segment classification.

3. Information on Impairment Losses on Non-current Assets and Goodwill by Reportable Segment

(Significant Impairment Losses on Non-current Assets)

In the “Automobile” segment, an impairment loss on non-current assets was recorded. The amount of such impairment loss for the six months ended September 30, 2026 was ¥13,194 thousand.