

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 11, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: TOWA CORPORATION
 Stock exchange listings: Prime Market of Tokyo Stock Exchange
 Stock code: 6315
 URL: <https://www.towajapan.co.jp/en/>
 Representative: Muneo Miura, Director, President Executive Officer
 Contact: Kazuhiko Nakanishi, Director, Executive Officer, Corporate Planning Div. Manager
 TEL: +81-75-692-0251

Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 5, 2026
 Scheduled date to file annual securities report: June 19, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2026	54,365	1.7	6,917	-22.1	6,947	-26.1	4,593	-43.4
March 31, 2025	53,479	6.0	8,880	2.5	9,400	3.5	8,121	26.0

[Note] Comprehensive income: For the fiscal year ended March 31, 2026: ¥10,690 million [172.4%]

For the fiscal year ended March 31, 2025: ¥3,924 million [-68.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2026	61.22	—	7.0	7.3	12.7
March 31, 2025	108.28	—	13.6	11.0	16.6

[Reference] Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended March 31, 2026: ¥ — million yen

For the fiscal year ended March 31, 2025: ¥ — million yen

[Note] Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. The 'Basic earnings per share' has been calculated under the assumption that this stock split was carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2026	106,267	70,611	66.4	941.14
March 31, 2025	83,228	61,386	73.8	818.41

(Reference) Equity:

As of March 31, 2026: ¥70,611 million yen

As of March 31, 2025: ¥61,386 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2026	4,120	-5,525	6,429	26,381
March 31, 2025	10,372	-4,758	-5,126	20,390

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	—	0.00	—	20.00	20.00	1,501	18.5	2.5
Fiscal year ended March 31, 2026	—	0.00	—	20.00	20.00	1,502	32.7	2.3
Fiscal year ending March 31, 2027 (Forecast)	—	0.00	—	24.00	24.00		25.7	

3. Forecast of Consolidated Financial Results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	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
Interim	32,000	36.5	5,120	105.3	5,120	113.9	3,500	89.2	46.65
Year-end	64,000	17.7	10,240	48.0	10,240	47.4	7,000	52.4	93.30

※ Notes

(1) Changes in significant subsidiaries during the period : None

(2) Changes in accounting policies, Changes in accounting estimates and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations : None
- 2) Changes in accounting policies due to other reasons : None
- 3) Changes in accounting estimates : None
- 4) Restatement : None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	75,157,367 shares
----------------------	-------------------

As of March 31, 2025	75,140,556 shares
----------------------	-------------------

2) Number of treasury shares at the end of the period

As of March 31, 2026	129,348 shares
As of March 31, 2025	134,055 shares

3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	75,020,506 shares
Fiscal year ended March 31, 2025	75,002,944 shares

[Note] 1. Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. The 'Number of issued shares (common shares)' has been calculated under the assumption that this stock split was carried out at the beginning of the previous consolidated fiscal year.

2. The number of treasury shares, at the end of the period, includes our company's shares that are held by Custody Bank of Japan, Ltd. (trust account E) as the trust property under the J-ESOP system. Also, our company's shares that are held by Custody Bank of Japan, Ltd. (trust account E) as the trust property under the J-ESOP system, are included in the number of treasury shares deducted from calculation of the average number of shares.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2026	41,551	-1.0	99	-96.6	171	-94.5	40	-98.9
March 31, 2025	41,938	0.5	2,905	-32.8	3,130	-37.5	3,654	-0.9

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2026	0.54		—	
March 31, 2025	48.73		—	

[Note] Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. The 'Basic earnings per share' has been calculated under the assumption that this stock split was carried out at the beginning of the previous fiscal year.

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2026	64,128	35,706	55.7	475.91
March 31, 2025	52,595	34,999	66.5	466.62

[Reference] Equity: As of March 31, 2026: ¥35,706 million yen
As of March 31, 2025: ¥34,999 million yen

※Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

※Proper use of earnings forecasts, and other special matters:

1. The above forecasts reflect the Company's judgements and assumptions based on available information as of the announcement date and therefore are not guarantees of future performance. Actual results may differ substantially from the forecasts for various reasons. For

further details regarding the performance forecast, please refer to the attached document on page 4, 【1.Overview of Operating Results
(4) Future forecast】

2. The presentation materials and supplementary materials for the financial results are available on the company's website.

Contents

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Current Quarter	2
(2) Overview of Financial Position	3
(3) Overview of Cash Flows	3
(4) Future forecast	4
2. Basic policy on the selection of accounting standards	5
3. Consolidated Financial Statements and Principal Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
(Notes to Going Concern Assumption)	13
(Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements)	13
(Changes in Presentation Method)	16
(Additional information)	16
(Notes to Consolidated Balance Sheets)	17
(Notes to Consolidated Statement of Income)	17
(Matters related to Consolidated Statement of Comprehensive Income)	19
(Matters related to Consolidated Statement of Shareholders' Equity)	20
(Matters related to consolidated cash flow statements)	22
(Matters related to Financial Instruments)	22
(Matters related to Securities)	26
(Notes to Segment Information)	28
(Per share information)	32
(Significant Subsequent events)	32
4.Others	32
(1) Policy for profit distribution and dividends for current and next fiscal year	32
(2) Director changes	32

1. Overview of Operating Results

(1) Overview of Operating Results for the Current Quarter

The global economy during the consolidated fiscal year under review continued to show moderate growth in the United States, supported by a shift in monetary policy stance following the moderation of inflationary pressures and improvements in real income. On the other hand, the prolonged geopolitical risks, fluctuations in resource and energy prices, and structural issues such as the real estate adjustment and weak domestic demand in China continued to weigh on the economy, and uncertainties about the outlook remained, with variations in economic conditions observed across regions and fields.

In the semiconductor industry, investment in data centers driven by the expansion of adoption of generative AI continued to remain firm, and demand for AI-related logic semiconductors and High Bandwidth Memory (HBM) led the overall market. In addition, against the backdrop of tight supply conditions and price recovery associated with expanding AI-related demand, investment in general-purpose DRAM also increased from the second half of the fiscal year. Meanwhile, in areas such as automotive and industrial equipment, prolonged inventory adjustments and a continued trend toward restrained capital investment made the bifurcation across applications more pronounced.

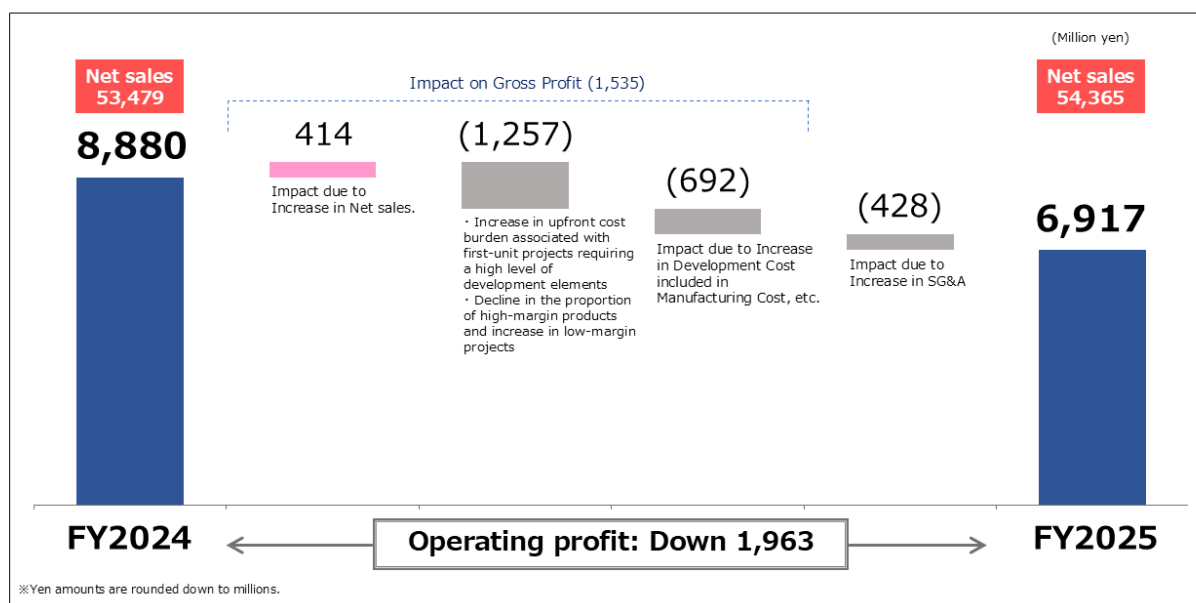
Under these circumstances, although the Group's performance got off to a sluggish start due to the impact of U.S. tariff policies at the beginning of the fiscal year, the subsequent recovery in investment in general-purpose memory for server applications, from the second half enabled the Group to steadily capture demand for its molding equipment, which has a strong track record of adoption in the memory field. As a result, net sales reached a record high. On the other hand, at each profit level, due to the impact of changes in the product mix and temporary additional costs associated with initial deliveries, profits decreased compared with the previous fiscal year.

Operating Results for this consolidated fiscal year is as follows.

Net sales	54,365 million yen (year-on-year increase of 886 million yen, 1.7%)
Operating profit	6,917 million yen (year-on-year decrease of 1,963 million yen, 22.1%)
Ordinary profit	6,947 million yen (year-on-year decrease of 2,453 million yen, 26.1%)
Profit attributable to owners of parent	4,593 million yen (year-on-year decrease of 3,527 million yen, 43.4%)

Main factors of variation in operating profit for this consolidated fiscal year are as follows.
(year-on-year comparison)

Impact due to Increase in Net sales	414 million yen increase
Increase in upfront cost burden associated with first-unit projects requiring a high level of development elements and	1,257 million yen decrease
Decline in the proportion of high-margin products and increase in low-margin projects	
Impact due to Increase in Development Cost included in Manufacturing Cost, etc.	692 million yen decrease
Impact due to Increase in SG&A	428 million yen decrease



Operating Results by segment are as follows.

[Semiconductor Manufacturing Equipment Business]

Regarding operating results of the semiconductor manufacturing equipment business, net sales increased mainly due to higher sales to Taiwan and China regions against the backdrop of increased investment in general-purpose memory, as well as a significant increase in sales of singulation equipment, resulting in net sales of 49,870 million yen (year-on-year increase of 911 million yen, 1.9%).

As for profit, due to a deterioration in the product mix of transfer equipment and the impact of temporary additional costs associated with initial deliveries of compression equipment, operating profit amounted to 6,518 million yen (year-on-year decrease of 1,835 million yen, 22.0%).

[Medical Device Business]

Regarding operating results of the medical device business, net sales amounted to 2,487 million yen (year-on-year increase of 223 million yen, 9.9%) due to steady demand for medical plastic molded products and assembled products.

As for profit, operating profit amounted to 451 million yen (year-on-year decrease of 1 million yen, 0.3%) due to an increase in personnel expenses and other costs associated with business expansion.

[Laser Processing Machine business]

Regarding operating results of the laser processing machine business, due to sluggish capital investment demand for the main product, laser trimmer equipment, net sales amounted to 2,007 million yen (year-on-year decrease of 248 million yen, 11.0%), and operating loss amounted to 53 million yen (operating profit of 73 million yen in the previous fiscal year).

(2) Overview of Financial Position

Total assets at the end of the current consolidated fiscal year were ¥106,267 million, an increase of 23,039 million yen compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of 16,515 million yen in current assets, including increases in cash and deposits of 7,092 million yen, accounts receivable of 4,514 million yen, and inventories of 3,943 million yen. Non-current assets also increased by 6,523 million yen, of which property, plant and equipment increased by 1,694 million yen and intangible assets increased by 819 million yen. This was mainly due to continued investment in production facilities.

Total liabilities were 35,655 million yen, an increase of 13,813 million yen compared with the end of the previous consolidated fiscal year. This was mainly due to an increase in notes and accounts payable of 2,880 million yen associated with higher order volumes and expanded production activities, an increase in short-term borrowings of 4,500 million yen to meet working capital needs, and an increase in long-term borrowings of 3,630 million yen to finance capital expenditures.

Total net assets were 70,611 million yen, an increase of 9,225 million yen compared with the end of the previous consolidated fiscal year.

This was mainly due to an increase in retained earnings resulting from the recognition of profit attributable to owners of parent of 4,593 million yen, as well as increases in foreign currency translation adjustment and valuation difference on available-for-sale securities.

As a result, the equity-to-asset ratio at the end of the current consolidated fiscal year was 66.4%.

(3) Overview of Cash Flows

Cash and cash equivalents on a consolidated basis at the end of the current consolidated fiscal year increased by 5,990 million yen compared with the end of the previous consolidated fiscal year to 26,381 million yen.

The respective cash flow positions and their main factors during the current consolidated fiscal year are as follows.

(Cash flows from operating activities)

Cash flows from operating activities was an inflow of 4,120 million yen (an inflow of 10,372 million yen in the same period of the previous fiscal year). This was mainly due to profit before income taxes of 7,005 million yen and depreciation of 3,122 million yen, and an increase in trade payables of 1,888 million yen (a decrease of 1,300 million yen in the same period of the previous fiscal year), while there was an increase in trade receivables of 3,070 million yen (a decrease of 2,844 million yen in the same period of the previous fiscal year), an increase in inventories of 2,882 million yen (a decrease of 21 million yen in the same period of the previous fiscal year), and income taxes paid of 3,080 million yen (3,646 million yen in the same period of the previous fiscal year).

(Cash flows from investing activities)

Cash flow from investing activities was an outflow of 5,525 million yen (an outflow of 4,758 million yen in the same period of the previous fiscal year). This was mainly due to expenditures of 3,274 million yen for the purchase of property, plant and equipment for the purpose of maintaining and expanding production capacity (expenditures of 4,781 million yen in the same period of the previous fiscal year), and expenditures of 794 million yen for the purchase of intangible assets including software (263 million yen in the same period of the previous fiscal year).

(Cash flows from financing activities)

Cash flow from financing activities was an inflow of 6,429 million yen (an outflow of 5,126 million yen in the same period of the previous fiscal year). This was mainly due to a net increase in short-term borrowings of 4,500 million yen (a net decrease of 2,400 million yen in the same period of the previous fiscal year) and proceeds from long-term borrowings of 5,000 million yen, while there were repayments of long-term borrowings of 1,370 million yen (repayments of 1,560 million yen in the same period of the previous fiscal year) and dividends paid of 1,501 million yen (1,001 million yen in the same period of the previous fiscal year).

(Trend of cash flow-related indicators)

	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024	As of March 31, 2025	As of March 31, 2026
Equity-to-asset ratio (%)	57.1	64.3	66.5	73.8	66.4
Market value-based equity-to- asset ratio (%)	86.2	71.3	303.6	133.9	156.7
Debt-to-cash flow ratio (year)	1.6	5.6	1.5	1.0	4.4
Interest coverage ratio (times)	120.8	40.8	132.3	111.6	24.9

※Equity-to-asset ratio: Total equity / Total assets

Market value-based equity-to-asset ratio: Market capitalization / Total assets

Debt-to-cash flow ratio: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest paid

1. The above indicators are calculated based on consolidated financial figures.

2. Market capitalization is calculated as the fiscal year-end share price multiplied by the number of shares outstanding at the end of the fiscal year (excluding treasury stock).

3. Cash flow from operating activities represents cash flow from operating activities in the consolidated statements of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheet that accrue interest. Interest paid represents interest paid in the consolidated statements of cash flows.

(4) Future forecast

The semiconductor market is expected to continue expanding over the medium to long term, driven by the advancement of generative AI as well as the adoption of physical AI, represented by applications such as robotaxis. Under these circumstances, as production allocation shifts toward high-performance memory, particularly for data center applications, supply-demand conditions for general-purpose memory have tightened, and memory-related capital investment to address this supply shortage is expected to continue for the time being. Furthermore, progress toward mass production of next-generation logic semiconductors for AI applications utilizing Panel Level Package (PLP) is also anticipated.

Under this market environment, demand for the Company's molding equipment, which has a high market share, is expected to increase further, and an increase in net sales is expected. In addition, as investment in memory and next-generation logic semiconductors expands, the sales ratio of the Company's original compression equipment is expected to rise, and an improvement in profitability is expected.

Based on the above, the consolidated financial results of our group for the fiscal year ending March 2027 are forecast to be as follows: net sales of 64,000 million yen, operating profit of 10,240 million yen, ordinary profit of 10,240 million yen, and profit attributable to owners of the parent of 7,000 million yen.

2. Basic policy on the selection of accounting standards

The TOWA Group prepares its consolidated financial statements in accordance with Japanese accounting standards for the time being, taking into consideration comparability over time and comparability with other companies.

With regard to the application of IFRS, the TOWA Group's policy is to respond appropriately in light of developments in Japan and overseas.

3.Consolidated Financial Statements and Principal Notes
(1)Consolidated Balance Sheet

	Thousands of yen	
	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	21,338,921	28,431,711
Notes receivable - trade	58,972	317,299
Electronically recorded monetary claims - operating	351,247	201,287
Accounts receivable - trade	11,332,248	15,846,386
Lease receivables and investments in leases	19,965	12,955
Merchandise and finished goods	3,828,829	5,681,054
Work in process	10,223,352	11,830,117
Raw materials and supplies	1,795,319	2,279,450
Other	1,709,806	2,596,216
Allowance for doubtful accounts	(6,364)	(28,502)
Total current assets	50,652,299	67,167,977
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,949,252	24,872,224
Accumulated depreciation	(13,670,130)	(14,808,340)
Buildings and structures, net	9,279,121	10,063,884
Machinery, equipment and vehicles	18,094,025	20,502,224
Accumulated depreciation	(12,434,302)	(14,149,039)
Machinery, equipment and vehicles, net	5,659,723	6,353,184
Land	6,566,490	6,635,889
Leased assets	1,685,684	1,958,276
Accumulated depreciation	(509,906)	(716,646)
Leased assets, net	1,175,777	1,241,629
Construction in progress	829,705	766,950
Other	5,248,194	5,893,780
Accumulated depreciation	(4,258,128)	(4,760,340)
Other, net	990,066	1,133,439
Total property, plant and equipment	24,500,885	26,194,978
Intangible assets		
Other	1,421,284	2,241,001
Total intangible assets	1,421,284	2,241,001
Investments and other assets		
Investment securities	4,446,381	7,554,505
Deferred tax assets	517,376	706,033
Retirement benefit asset	678,782	937,507
Other	* ₁ 1,011,477	* ₁ 1,465,768
Total investments and other assets	6,654,017	10,663,815
Total non-current assets	32,576,186	39,099,795
Total assets	83,228,486	106,267,772

Thousands of yen		
	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,551,525	5,432,148
Electronically recorded obligations - operating	28,887	25,653
Short-term borrowings	* ₂ 7,000,000	* ₂ 11,500,000
Current portion of long-term borrowings	1,120,000	2,120,000
Lease liabilities	166,833	199,432
Income taxes payable	1,222,764	1,079,860
Advances received	1,819,014	2,405,195
Provision for bonuses	1,168,008	1,330,104
Provision for bonuses for directors (and other officers)	117,231	143,716
Provision for product warranties	313,722	299,462
Other	2,501,956	3,023,381
Total current liabilities	18,009,944	27,558,954
Non-current liabilities		
Long-term borrowings	1,370,000	4,000,000
Lease liabilities	407,950	352,501
Deferred tax liabilities	957,017	2,529,179
Retirement benefit liability	1,014,238	1,081,681
Provision for share awards	82,967	133,620
Total non-current liabilities	3,832,173	8,096,982
Total liabilities	21,842,118	35,655,936
Net assets		
Shareholders' equity		
Share capital	8,969,261	8,985,585
Capital surplus	464,571	480,895
Retained earnings	45,479,594	48,570,745
Treasury shares	(115,241)	(110,772)
Total shareholders' equity	54,798,186	57,926,454
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,817,381	4,948,622
Foreign currency translation adjustment	3,716,815	7,620,024
Remeasurements of defined benefit plans	53,984	116,733
Total accumulated other comprehensive income	6,588,181	12,685,381
Total net assets	61,386,368	70,611,835
Total liabilities and net assets	83,228,486	106,267,772

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

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	53,479,205	54,365,224
Cost of sales	* ₁ 33,572,197	* ₁ 35,993,662
Gross profit	19,907,008	18,371,561
Selling, general and administrative expenses	* _{2,*3} 11,026,604	* _{2,*3} 11,454,533
Operating profit	8,880,404	6,917,028
Non-operating income		
Interest income	191,313	217,658
Dividend income	131,849	153,872
Rental income from non-current assets	71,243	79,605
Miscellaneous income	307,345	261,802
Total non-operating income	701,751	712,937
Non-operating expenses		
Interest expenses	91,336	168,392
Foreign exchange losses	31,466	456,793
Miscellaneous losses	58,968	57,692
Total non-operating expenses	181,771	682,878
Ordinary profit	9,400,384	6,947,087
Extraordinary income		
Gain on sale of non-current assets	* ₄ 6,559	* ₄ 475
Gain on sale of investment securities	1,306,284	—
Compensation for damage income	524,175	87,588
Total extraordinary income	1,837,020	88,063
Extraordinary losses		
Loss on sale of non-current assets	* ₅ 2,734	* ₅ 2,300
Loss on retirement of non-current assets	* ₆ 14,292	* ₆ 27,386
Loss on valuation of investment securities	12,056	—
Total extraordinary losses	29,083	29,686
Profit before income taxes	11,208,320	7,005,464
Income taxes - current	3,149,194	2,032,281
Income taxes - deferred	(61,924)	380,086
Total income taxes	3,087,270	2,412,367
Profit	8,121,050	4,593,096
Profit attributable to owners of parent	8,121,050	4,593,096

(Consolidated Statement of Comprehensive Income)

Thousands of yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	8,121,050	4,593,096
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,195,917)	2,131,241
Foreign currency translation adjustment	(925,199)	3,903,209
Remeasurements of defined benefit plans	(75,410)	62,749
Total other comprehensive income	* ₁ (4,196,527)	* ₁ 6,097,200
Comprehensive income	3,924,523	10,690,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,924,523	10,690,297

(3) Consolidated Statement of Changes in Equity
Previous Consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,955,671	450,981	38,359,732	(115,191)	47,651,194
Changes during period					
Issuance of new shares	13,589	13,589			27,179
Dividends of surplus			(1,001,188)		(1,001,188)
Profit attributable to owners of parent			8,121,050		8,121,050
Purchase of treasury shares				(2,111)	(2,111)
Disposal of treasury shares				2,061	2,061
Net changes in items other than shareholders' equity					
Total changes during period	13,589	13,589	7,119,862	(49)	7,146,992
Balance at end of period	8,969,261	464,571	45,479,594	(115,241)	54,798,186

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	6,013,298	4,642,014	129,394	10,784,708	58,435,903
Changes during period					
Issuance of new shares					27,179
Dividends of surplus					(1,001,188)
Profit attributable to owners of parent					8,121,050
Purchase of treasury shares					(2,111)
Disposal of treasury shares					2,061
Net changes in items other than shareholders' equity	(3,195,917)	(925,199)	(75,410)	(4,196,527)	(4,196,527)
Total changes during period	(3,195,917)	(925,199)	(75,410)	(4,196,527)	2,950,465
Balance at end of period	2,817,381	3,716,815	53,984	6,588,181	61,386,368

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,969,261	464,571	45,479,594	(115,241)	54,798,186
Changes during period					
Issuance of new shares	16,323	16,323			32,646
Dividends of surplus			(1,501,945)		(1,501,945)
Profit attributable to owners of parent			4,593,096		4,593,096
Purchase of treasury shares				(1,113)	(1,113)
Disposal of treasury shares				5,582	5,582
Net changes in items other than shareholders' equity					
Total changes during period	16,323	16,323	3,091,151	4,469	3,128,267
Balance at end of period	8,985,585	480,895	48,570,745	(110,772)	57,926,454

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,817,381	3,716,815	53,984	6,588,181	61,386,368
Changes during period					
Issuance of new shares					32,646
Dividends of surplus					(1,501,945)
Profit attributable to owners of parent					4,593,096
Purchase of treasury shares					(1,113)
Disposal of treasury shares					5,582
Net changes in items other than shareholders' equity	2,131,241	3,903,209	62,749	6,097,200	6,097,200
Total changes during period	2,131,241	3,903,209	62,749	6,097,200	9,225,467
Balance at end of period	4,948,622	7,620,024	116,733	12,685,381	70,611,835

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	11,208,320	7,005,464
Depreciation	2,673,130	3,122,588
Amortization of goodwill	149,445	148,162
Increase (decrease) in allowance for doubtful accounts	4,156	21,017
Increase (decrease) in provision for bonuses	186,197	117,355
Increase (decrease) in provision for bonuses for directors (and other officers)	19,680	21,948
Increase (decrease) in retirement benefit liability	(77,837)	(149,493)
Increase (decrease) in provision for share awards	44,209	55,698
Increase (decrease) in provision for product warranties	7,903	(19,580)
Interest and dividend income	(323,162)	(371,530)
Interest expenses	91,336	168,392
Foreign exchange losses (gains)	(21,873)	231,841
Loss (gain) on sale of investment securities	(1,306,284)	—
Decrease (increase) in trade receivables	2,844,772	(3,070,013)
Decrease (increase) in inventories	21,205	(2,882,799)
Decrease (increase) in other current assets	(475,440)	423,074
Increase (decrease) in trade payables	(1,300,121)	1,888,872
Increase (decrease) in other current liabilities	(148,798)	152,186
Other, net	175,611	(89,249)
Subtotal	13,772,451	6,773,936
Interest and dividends received	325,446	351,182
Interest paid	(92,933)	(165,142)
Income taxes paid	(3,646,478)	(3,080,804)
Income taxes refund	14,319	240,894
Net cash provided by (used in) operating activities	10,372,805	4,120,066
Cash flows from investing activities		
Payments into time deposits	(1,772,258)	(3,830,950)
Proceeds from withdrawal of time deposits	1,122,975	2,927,148
Proceeds from sale of investment securities	1,540,447	—
Payments of other investments	(513,930)	(5,282)
Purchase of property, plant and equipment and intangible assets	(5,044,564)	(4,068,681)
Proceeds from sale of property, plant and equipment and intangible assets	11,454	5,633
Purchase of long-term prepaid expenses	(34,503)	(577,974)
Other, net	(67,838)	24,680
Net cash provided by (used in) investing activities	(4,758,217)	(5,525,425)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,400,000)	4,500,000
Proceeds from long-term borrowings	—	5,000,000
Repayments of long-term borrowings	(1,560,000)	(1,370,000)
Purchase of treasury shares	(2,111)	(1,113)
Dividends paid	(1,001,188)	(1,501,945)
Other, net	(162,963)	(197,868)
Net cash provided by (used in) financing activities	(5,126,263)	6,429,072
Effect of exchange rate change on cash and cash equivalents	(615,211)	967,145
Net increase (decrease) in cash and cash equivalents	(126,886)	5,990,859
Cash and cash equivalents at beginning of period	20,517,272	20,390,386
Cash and cash equivalents at end of period	※ 1 20,390,386	※ 1 26,381,245

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 21

Names of consolidated subsidiaries

- BANDICK CORPORATION
- TOWA LASERFRONT CORPORATION
- TOWATEC Co., Ltd.
- TOWAM Sdn. Bhd.
- TOWA (Suzhou) Co., Ltd.
- TOWA (Nantong) Co., Ltd.
- TOWA TOOL Sdn. Bhd.
- TOWA Fine Co., Ltd.
- TOWA R&D Suzhou Co., Ltd.
- TOWA Korea Co., Ltd.
- TOWA Asia-Pacific Pte. Ltd.
- TOWA (Shanghai) Co., Ltd.
- TOWA Taiwan Co., Ltd.
- TOWA Semiconductor Equipment Philippines Corp.
- TOWA SEMICONDUCTOR INDIA PRIVATE LIMITED
- TOWA MALAYSIA SALES & SERVICES SDN. BHD
- TOWA THAI COMPANY LIMITED
- TOWA USA Corporation
- TOWA Europe GmbH
- TOWA Europe B.V.
- He Chuang Semiconductor Equipment (Shenzhen) Co., Ltd.

Of the above, TOWA SEMICONDUCTOR INDIA PRIVATE LIMITED, TOWA MALAYSIA SALES & SERVICES SDN. BHD., and He Chuang Semiconductor Equipment (Shenzhen) Co., Ltd. were newly established during the current consolidated fiscal year and have been included in the scope of consolidation.

(2) There are no non-consolidated subsidiaries.

2. Application of the equity method

(1) There are no affiliated companies accounted for by the equity method.

(2) There are no companies not accounted for by the equity method.

3. Fiscal year, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, TOWA (Suzhou) Co., Ltd., TOWA (Nantong) Co., Ltd., TOWA R&D Suzhou Co., Ltd., TOWA (Shanghai) Co., Ltd. and He Chuang Semiconductor Equipment (Shenzhen) Co., Ltd. have a fiscal year end of December 31.

In preparing the consolidated financial statements, the financial statements of these companies are based on the provisional settlement of accounts as of the consolidated closing date.

4. Accounting Policies

(1) Valuation standards and methods for significant assets

1) Securities

Other securities

Securities other than stocks without market prices

Stated at market value (valuation differences are recorded directly in net assets, and the cost of securities sold is determined by the moving-average method.)

Stocks without market prices

Stated at cost determined by the moving-average method

2) Inventories

(i) Finished Goods

Mainly stated at cost determined by the specific identification method (balance sheet value is calculated by writing down the book value of assets based on decreased profitability).

(ii) Work in process

Mainly stated at cost determined by the specific identification method (balance sheet value is calculated by

writing down the book value of assets based on decreased profitability).

(iii) Raw materials

Mainly stated at cost determined by the moving-average method (balance sheet value is calculated by writing down the book value of assets based on decreased profitability).

(iv) Supplies

Mainly stated at last purchase cost method (balance sheet value is calculated by writing down the book value of assets based on decreased profitability)

(2) Depreciation method for significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries use the declining-balance method, while overseas consolidated subsidiaries use the straight-line method.

However, with respect to the Company and its domestic consolidated subsidiaries, buildings (excluding building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.

The estimated useful lives are as follows.

Buildings and structures	2–50 years
--------------------------	------------

Machinery, equipment and vehicles	2–10 years
-----------------------------------	------------

2) Intangible assets (excluding leased assets)

The Company and its consolidated subsidiaries adopt the straight-line method.

Software for internal use is based on the period during which it can be used internally (5 years).

3) Leased assets

The Company adopts the straight-line method with the lease period as the useful life and residual value as 0.

(3) Accounting policies for significant provisions

1) Allowance for doubtful accounts

To provide for losses due to bad debts, the allowance for doubtful accounts is calculated based on the historical default rate for general receivables, while for specific receivables such as those with a risk of default, the estimated uncollectible amount is determined considering individual collectability.

2) Provision for bonuses

The Company and certain consolidated subsidiaries provide for employees' bonuses based on the estimated amount to be paid.

3) Provision for bonuses for directors

The Company and certain consolidated subsidiaries provide for directors' bonuses based on the estimated amount to be paid.

4) Provision for product warranties

The Company and certain consolidated subsidiaries provide for repair costs for products under warranty based on estimated repair costs corresponding to sales, mainly based on past performance, while individually estimable costs are recorded based on their estimated amounts.

5) Provision for share awards

To provide for the delivery of the Company's shares, etc. to employees in accordance with the Stock Benefit Regulations, the provision is recorded based on the estimated amount of share benefit obligations at the end of the current consolidated fiscal year.

(4) Accounting policies for retirement benefits

1) Method of attributing projected retirement benefits to periods

In calculating retirement benefit obligations, the projected retirement benefits are attributed to the period up to the end of the current consolidated fiscal year based on the benefit formula basis.

2) Accounting method for actuarial gains and losses and past service costs

Past service cost is amortized by the straight-line method over a fixed period (mainly 10 years) within the average remaining service period of employees at the time of occurrence.

Actuarial gains and losses are amortized from the following consolidated fiscal year in which they arise using the declining-balance method over a fixed period (mainly 10 years) within the average remaining service period of employees at the time of occurrence.

3) Accounting policies for unrecognized actuarial gains and losses and unrecognized past service cost
Unrecognized actuarial gains and losses and unrecognized past service costs are recorded, after adjusting for tax effects, as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets.

4) Application of the simplified method for small subsidiaries

Certain consolidated subsidiaries apply the simplified method to the calculation of net defined benefit liability and net defined benefit expense by setting the retirement benefit obligation at the amount required for voluntary retirement at the end of the fiscal year.

(5) Accounting policies for recording significant revenues and expenses

The details of major performance obligations in major businesses related to revenue arising from contracts with customers of the Company and its consolidated subsidiaries and the normal point in time when such performance obligations are satisfied (normal point in time when revenue is recognized) are as follows.

1) Semiconductor Manufacturing Equipment Business

For sales of products, revenue is recognized when the customer obtains control of the products and the performance obligations are satisfied, mainly at the completion of installation for products requiring installation at delivery, and at the time of delivery or acceptance for products not requiring installation.

Revenue from services such as warranty, repair, maintenance and relocation related to products is recognized upon completion of the services when the performance obligations are satisfied.

In addition, for transactions that meet the requirements of Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized at the time of shipment.

2) Medical Device Business

For sales of products, as the period from shipment to the transfer of control of the products to customers is considered to be a normal period, revenue is recognized at the time of shipment by applying the alternative treatment stipulated in Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition.

3) Laser Processing Machine Business

For sales of products, revenue is recognized at the time of delivery or acceptance when the customer obtains control of the products and the performance obligations are satisfied.

Revenue from services such as warranty, repair, maintenance and relocation related to products is recognized upon completion of the services when the performance obligations are satisfied.

In addition, for transactions that meet the requirements of Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized at the time of shipment.

4) Accounting policy for revenue from finance lease transactions

Revenue and cost of sales are recognized on the commencement date of the lease transactions.

(6) Standards for translating significant assets or liabilities denominated in foreign currencies into Japanese currency

Monetary claims and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing as of the consolidated balance sheet date, and any translation differences are recorded as gain or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rate as of the consolidated balance sheet date, while revenues and expenses are translated into Japanese yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustments under net assets.

(7) Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over 5–8 years.

(8) Scope of cash in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, deposits that can be withdrawn at any time and short-term investments that are readily convertible into cash and that are subject to insignificant risk of changes in value and mature or become due within 3 months of the date of acquisition.

(9) Other significant matters for preparing the consolidated financial statements

Accounting treatment of consumption taxes

Consumption taxes and local consumption taxes are accounted for using the tax exclusion method, and non-deductible consumption taxes and local consumption taxes are recognized as expenses for the current consolidated fiscal year.

(Changes in Presentation Method)
(Consolidated Statement of Income)

“Depreciation of assets for rent,” which had been separately presented under non-operating expenses until the previous consolidated fiscal year, is included in “Miscellaneous losses” under non-operating expenses from the current consolidated fiscal year, as it has become immaterial.

As a result, 33,083 thousand yen previously presented as “Depreciation of assets for rent” under non-operating expenses for the previous consolidated fiscal year has been reclassified to “Miscellaneous losses.”

(Consolidated Statement of Cash Flows)

“Purchase of long-term prepaid expenses” which had been included in “Other” under cash flows from investing activities in the previous consolidated fiscal year, is separately presented from the current consolidated fiscal year due to its increased materiality.

To reflect this change, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, a net cash outflow of 102,342 thousand yen previously presented as “Other” under cash flows from investing activities for the previous consolidated fiscal year has been reclassified into 34,503 thousand yen for “Purchase of long-term prepaid expenses” and 67,838 thousand yen for “Other.”

(Additional information)

Restricted stock compensation

Following a resolution approved at the 44th Ordinary General Meeting of Shareholders held on June 29, 2022, the Company has introduced a restricted stock compensation plan for its directors (excluding directors who are Audit and Supervisory Committee members and outside directors) to further promote value sharing with shareholders.

The Company has also introduced a restricted stock compensation plan for its executive officers.

In the current consolidated fiscal year, the Board of Directors resolved at its meeting held on July 24, 2025 to issue new shares as restricted stock compensation to directors and executive officers, and payment was completed on August 19, 2025.

Stock Benefit Trust (J-ESOP)

The Company has introduced the “Stock Benefit Trust (J-ESOP)” (hereinafter, the “Plan”), an incentive plan under which the Company’s shares are granted to employees, pursuant to a resolution of the Board of Directors at its meeting held on August 8, 2023, with the aim of further strengthening the linkage between the Company’s share price and business performance and employee compensation, sharing economic benefits with shareholders, and enhancing employee motivation and morale for improving share price and business performance.

(1) Overview of transaction

The Plan is a system under which the Company’s shares are granted to employees who meet certain requirements in accordance with the Stock Benefit Regulations established by the Company.

The Company grants points to employees based on their position, etc., and upon satisfying certain conditions and acquiring the right to receive benefits, grants the Company’s shares corresponding to the accumulated points. The shares to be granted to employees, including those for future grants, are acquired in advance using funds placed in a trust and are separately managed as trust assets.

With respect to the accounting treatment for the Plan, the gross method is applied in accordance with the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015). In addition, a provision for share-based benefits is recognized based on the estimated amount of share benefit obligations as of the end of the current consolidated fiscal year in preparation for the delivery of the Company’s shares, etc. to employees in accordance with the Stock Benefit Regulations.

(2) The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets at the carrying amount in the trust (excluding incidental costs).

The carrying amount and the number of such treasury shares were 97,461 thousand yen and 90,780 shares at the end of the previous consolidated fiscal year, and 91,878 thousand yen and 85,580 shares at the end of the current consolidated fiscal year.

(Notes to Consolidated Balance Sheets)

*1 The following assets are pledged as collateral for foreign direct investment cash assistance agreements by consolidated subsidiaries

	(Thousands of yen)	
	As of March 31, 2025	As of March 31, 2026
Other investments etc.	473,210	487,634
Total	473,210	487,634

There are no liabilities corresponding to the above pledged assets.

*2 The Company has entered into overdraft agreements and commitment line agreements with 6 banks with the aim of raising funds more efficiently and stabilizing. The balance of unexecuted borrowings based on these agreements at the end of the fiscal year is as follows.

	Thousands of yen	
	As of March 31, 2025	As of March 31, 2026
Total of overdraft limits and commitment line agreements	18,500,000	18,500,000
Balance of borrowings	7,000,000	11,500,000
Net amount	11,500,000	7,000,000

(Notes to Consolidated Statement of Income)

*1 Inventory at the end of the period is the amount after write-down of book value due to a decline in profitability, and the following inventory valuation loss is included in cost of sales.

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	329,142	157,665

*2 Major items and amounts of selling, general and administrative expenses are as follows.

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Provision for allowance for doubtful accounts	4,481	21,017
Salaries and allowances	2,667,735	2,884,887
Provision for bonuses	362,922	375,207
Provision for directors' bonuses	114,586	132,370
Retirement benefit expenses	63,162	70,999
Provision for share awards	14,426	19,517
Commission expenses	1,208,662	1,363,132

(Changes in Presentation Method)

“Research and development expenses,” which had been presented as a major item in the previous consolidated fiscal year, are not presented as a major item in the current consolidated fiscal year due to decreased materiality.

*3 Total research and development expenses included in general and administrative expenses

Thousands of yen	
Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
1,393,476	816,964

The above amount includes expenses for INNOMS Promotion Department.

*4 Details of Gain on sale of non-current assets are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Machinery, equipment and vehicles	6,493	398
Other property, plant and equipment	65	76
Total	6,559	475

*5 Details of Loss on sale of non-current assets are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Machinery, equipment and vehicles	2,730	2,300
Other property, plant and equipment	3	—
Total	2,734	2,300

*6 Details of Loss on retirement of non-current assets are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Buildings and structures	3,495	5,491
Machinery, equipment and vehicles	5,466	19,886
Other property, plant and equipment	5,180	2,008
Software	149	0
Total	14,292	27,386

(Matters related to Consolidated Statement of Comprehensive Income)

*1 Reclassification adjustments and tax effects related to other comprehensive income

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Valuation difference on available-for-sale securities:		
Amount arising during the period	(3,252,637)	3,108,124
Reclassification adjustments	(1,299,465)	—
Before Income taxes and tax effect adjustments	(4,552,102)	3,108,124
Income taxes and tax effect adjustments	1,356,185	(976,883)
Valuation difference on available-for-sale securities	(3,195,917)	2,131,241
Foreign currency translation adjustment:		
Amount arising during the period	(925,199)	3,903,209
Reclassification adjustments	—	—
Foreign currency translation adjustment	(925,199)	3,903,209
Remeasurements of defined benefit plans:		
Amount arising during the period	(42,550)	153,521
Reclassification adjustments	(62,385)	(48,385)
Before Income tax and tax effect adjustments	(104,935)	105,135
Income tax and tax effect adjustments	29,525	(42,385)
Remeasurements of defined benefit plans	(75,410)	62,749
Total other comprehensive income	(4,196,527)	6,097,200

(Matters related to Consolidated Statement of Shareholders' Equity)

Previous consolidated fiscal year ended March 31, 2025

1. Type and total number of issued shares and type and number of treasury shares

				(Shares)
	Number of shares at the beginning of the consolidated fiscal year	Increase in number of shares during the consolidated fiscal year	Decrease in number of shares during the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Issued shares				
Common stock*1	25,043,888	50,096,668	—	75,140,556
Total	25,043,888	50,096,668	—	75,140,556
Treasury shares				
Common stock*2 *3*4	45,079	90,896	1,920	134,055
Total	45,079	90,896	1,920	134,055

*1 The increase of 50,096,668 shares in the total number of issued shares (common stock) was due to an increase of 50,087,776 shares resulting from a stock split (three shares for each share) and an increase of 8,892 shares due to the issuance of new shares as restricted stock compensation.

*2 The number of treasury shares (common stock) at the end of the consolidated fiscal year includes 90,780 shares of the Company held by the Stock Benefit Trust (J-ESOP).

*3 The increase in treasury shares (common stock) of 90,896 shares was due to an increase of 90,158 shares resulting from the stock split (three shares for each share) and an increase of 738 shares due to the purchase of shares less than one unit.

*4 The decrease in treasury shares (common stock) of 1,920 shares was due to the delivery of shares under the Stock Benefit Trust (J-ESOP).

*5 The figures in *1, *2 and *3 are presented assuming, for convenience, that the stock split was conducted at the beginning of the consolidated fiscal year.

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

Not applicable.

3. Matters related to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date
		Thousands of yen	yen		
May 10, 2024 Board of directors	Common stock	1,001,188	40	March 31, 2024	June 6, 2024

(Note) 1 The total amount of dividends includes dividends of 1,236 thousand yen on shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

(Note) 2. The Company conducted a stock split (three shares for each share of common stock) on October 1, 2024. The dividend per share is stated based on the amount before the stock split.

(2) Dividends with a record date within the consolidated fiscal year, but with effective date in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends	Source of dividends	Dividend per share	Record date	Effective date
		Thousands of yen		yen		
May 9, 2025 Board of directors	Common stock	1,501,945	Retained earnings	20	March 31, 2025	June 6, 2025

(Note) The total amount of dividends includes a dividends of 1,815 thousand yen on shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

Current consolidated fiscal year ended March 31, 2026

1. Type and total number of issued shares and type and number of treasury shares

(Share)

	Number of shares at the beginning of the consolidated fiscal year	Increase in number of shares during the consolidated fiscal year	Decrease in number of shares during the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Issued shares				
Common stock*1	75,140,556	16,811	—	75,157,367
Total	75,140,556	16,811	—	75,157,367
Treasury shares				
Common stock*2 *3*4	134,055	493	5,200	129,348
Total	134,055	493	5,200	129,348

*1 The increase of 16,811 shares in the total number of issued shares (common stock) was due to the issuance of new shares as restricted stock compensation.

*2 The number of treasury shares (common stock) at the end of the current consolidated fiscal year includes 85,580 shares of the Company held by the Stock Benefit Trust (J-ESOP).

*3 The increase in treasury shares (common stock) of 493 shares due to the purchase of shares less than one unit.

*4 The decrease in treasury shares (common stock) of 5,200 shares was due to the delivery of shares under the Stock Benefit Trust (J-ESOP).

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

Not applicable.

3. Matters related to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date
		Thousands of yen	yen		
May 9, 2025 Board of directors	Common stock	1,501,945	20	March 31, 2025	June 6, 2025

(Note) The total amount of dividends includes a dividends of 1,815 thousand yen to the shares of the Company held by the Stock Benefit Trust (J-ESOP).

(2) Dividends with a record date within the consolidated fiscal year, but an effective date in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends	Source of dividends	Dividend per share	Record date	Effective date
		Thousands of yen		yen		
May 11, 2026 Board of directors	Common stock	1,502,271	Retained earnings	20	March 31, 2026	June 5, 2026

(Note) The total amount of dividends includes a dividends of 1,711 thousand yen on shares of the Company held by the Stock Benefit Trust (J-ESOP).

(Matters related to consolidated cash flow statements)

*1 Relationship between cash and cash equivalents at the end of the period and the amounts recorded in the consolidated balance sheets

	Thousands of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash and deposits	21,338,921	28,431,711
Time deposits with a term longer than 3 months	(948,535)	(2,050,465)
Cash and cash equivalents	20,390,386	26,381,245

(Matters related to Financial Instruments)

1. Status of financial instruments

(1) Policy on financial instruments

The Group invests temporary surplus funds only in short-term deposits, etc. With respect to financing, the Company procures necessary funds through bank borrowings in light of capital expenditure plans for the Semiconductor Manufacturing Equipment Business mainly.

The Company has entered into overdraft agreements and commitment line agreements with 6 banks to improve the efficiency and stability of fund procurement.

(2) Details and risks of financial instruments

Trade receivables such as notes receivable, accounts receivable and electronically recorded monetary claims are exposed to customers' credit risks. Additionally, trade receivables denominated in foreign currencies arising from our global business operations are exposed to foreign exchange fluctuation risks.

Investment securities are mainly stocks related to business partners and are exposed to market price fluctuation risks.

Trade payables such as notes and accounts payable and electronically recorded obligations are mostly due within 4 months. Some items denominated in foreign currencies are exposed to foreign exchange fluctuation risks.

Borrowings are procured for capital expenditures and working capital. Since they are mainly fixed-rate borrowings, the risk of interest rate fluctuations is minimal. There is also a risk that certain borrowings may be subject to requests for early repayment due to breaches of financial covenants.

(3) Risk management system for financial instruments

1) Management of credit risks (risks related to non-performance of contracts by business partners)

The Company conducts credit investigations at the beginning of transactions and periodically reviews credit limits for notes receivable, accounts receivable and electronically recorded monetary claims, which are trade receivables, in accordance with the Rules for Operating Activities. Consolidated subsidiaries are also managed in the same manner as the Company.

2) Management of market risks (risks of fluctuations in foreign exchange rates and interest rates)

The Company borrows at fixed interest rates in order to control the risk of fluctuations in interest rates on long-term borrowings. With regard to investment securities, the Company periodically monitors the fair value and financial conditions of issuers (business partners) and reviews the status of holdings in consideration of market conditions and relationships with business partners. Consolidated subsidiaries are also managed in the same manner as the Company.

3) Management of liquidity risk related to fund procurement (risk of not being able to make payments on the due date)

The Finance Department of the Company prepares and updates cash management plans in a timely manner based on reports from each department, and manages liquidity risks by maintaining liquidity on hand, etc. Consolidated subsidiaries are also managed in the same manner as the Company.

(4) Supplementary explanation regarding the fair value, etc. of financial instruments

As fluctuation factors are incorporated in the calculation of fair values of financial instruments, these values may fluctuate if different assumptions, etc. are adopted.

2. Fair value of financial instruments

The amount recorded on the consolidated balance sheets, fair value and differences between them are as follows.
Previous consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Amount recorded in the consolidated balance sheet	Fair Value	Difference
Investment securities	4,442,978	4,442,978	—
Total Assets	4,442,978	4,442,978	—
Long-term borrowings	2,490,000	2,455,355	(34,644)
Total Liabilities	2,490,000	2,455,355	(34,644)

(*1) Cash and deposits, notes receivable-trade, accounts receivable-trade, electronically recorded monetary claims, notes and accounts payable – trade, electronically recorded obligations, short-term borrowings, and income taxes payable are not stated because their fair values approximate their book values as they are settled in a short period of time.

(*2) The stocks without market prices are not included in “Investment securities”. The amount of such financial instruments recorded in the consolidated balance sheets are as follows.

Category	Current consolidated fiscal year ended March 31, 2025
	Thousands of yen
Unlisted shares	3,402

Current consolidated fiscal year ended March 31, 2026

(Thousands of yen)

	Amount recorded in the consolidated balance sheet	Fair Value	Difference
Investment securities	7,551,103	7,551,103	—
Total Assets	7,551,103	7,551,103	—
Long-term borrowings	6,120,000	6,062,652	(57,347)
Total Liabilities	6,120,000	6,062,652	(57,347)

(*1) Cash and deposits, notes receivable-trade, accounts receivable-trade, electronically recorded monetary claims, notes and accounts payable – trade, electronically recorded obligations, short-term borrowings, and income taxes payable are not stated because their fair values approximate their book values as they are settled in a short period of time.

(*2) The stocks without market prices are not included in “Investment securities”. The amount of such financial instruments recorded in the consolidated balance sheets are as follows.

Category	Current consolidated fiscal year ended March 31, 2026
	Thousands of yen
Unlisted shares	3,402

(Note)1. Scheduled redemption amount of monetary claims after the consolidated closing date

Previous consolidated fiscal year ended March 31, 2025

(Thousands of yen)				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	21,338,921	—	—	—
Notes receivable-trade	58,972	—	—	—
Accounts receivable-trade	11,332,248	—	—	—
Electronically recorded monetary claims	351,247	—	—	—
Total	33,081,390	—	—	—

Current consolidated fiscal year ended March 31, 2026

(Thousands of yen)				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	28,431,711	—	—	—
Notes receivable-trade	317,299	—	—	—
Accounts receivable-trade	15,846,386	—	—	—
Electronically recorded monetary claims	201,287	—	—	—
Total	44,796,684	—	—	—

(Note)2. Amount of Long-term borrowings to be repaid after the consolidated closing date

Previous consolidated fiscal year ended March 31, 2025

(Thousands of yen)				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Long-term borrowings	1,120,000	1,370,000	—	—
Total	1,120,000	1,370,000	—	—

Current consolidated fiscal year ended March 31, 2026

(Thousands of yen)				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Long-term borrowings	2,120,000	4,000,000	—	—
Total	2,120,000	4,000,000	—	—

(Note)3. Items related to the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following 3 levels according to the observability and importance of inputs to the calculation of fair value.

Level 1 fair value: Calculated based on the fair value of assets or liabilities subject to fair value calculation that are formed in active markets

Level 2 fair value: Calculated by using observable inputs other than Level 1 inputs

Level 3 fair value: Calculated using unobservable inputs

If multiple inputs that significantly affect the calculation of fair value are used, the fair value is classified at the lowest priority level in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheets at fair value
Previous consolidated fiscal year ended March 31, 2025

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Shares	4,442,978	—	—	4,442,978
Total assets	4,442,978	—	—	4,442,978

Current consolidated fiscal year ended March 31, 2026

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Shares	7,551,103	—	—	7,551,103
Total assets	7,551,103	—	—	7,551,103

(2) Financial instruments other than those recorded on the consolidated balance sheets at fair value

Previous Consolidated fiscal year ended March 31, 2025

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings (including ones that are due within 1 year)	—	2,455,355	—	2,455,355
Total liabilities	—	2,455,355	—	2,455,355

Current Consolidated fiscal year ended March 31, 2026

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings (including ones that are due within 1 year)	—	6,062,652	—	6,062,652
Total liabilities	—	6,062,652	—	6,062,652

(Note) Explanation of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

Investment securities

Listed shares are valued using quoted prices. Since listed shares are traded in active markets, their fair value is classified as Level 1.

Long-term borrowings (including ones that are due within 1 year)

The fair value of long-term borrowings is calculated by discounting the total amount of principal and interest at an interest rate that takes into account the remaining period of borrowings and credit risk. The fair value is classified as Level 2.

(Matters related to Securities)

1. Other securities

Previous Consolidated Fiscal year ended March 31, 2025

(Thousands of yen)

	Type	Amount recorded in the consolidated balance sheet	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	(1) Shares	4,442,978	423,963	4,019,015
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	4,442,978	423,963	4,019,015
Securities whose carrying amount does not exceed their acquisition cost	(1) Shares	—	—	—
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	—	—	—
Total		4,442,978	423,963	4,019,015

(Note) Unlisted shares (3,402 thousand yen on the consolidated balance sheet) are not included in the above table.

(Thousands of yen)

	Type	Amount recorded in the consolidated balance sheet	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	(1) Shares	7,551,103	423,963	7,127,139
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	7,551,103	423,963	7,127,139
Securities whose carrying amount does not exceed their acquisition cost	(1) Shares	—	—	—
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	—	—	—
Total		7,551,103	423,963	7,127,139

(Note) Unlisted shares (3,402 thousand yen on the consolidated balance sheet) are not included in the above table.

2. Other securities sold

Previous Consolidated Fiscal year ended March 31, 2025

(Thousands of yen)

Type	Sold amount	Total amount of gain on sale	Total amount of loss on sale
Shares	1,540,447	1,306,284	—

Current consolidated fiscal year ended March 31, 2026

Not applicable.

3. An impairment loss on securities

Previous Consolidated Fiscal year ended March 31, 2025

An impairment loss of 12,056 thousand yen was recognized for unlisted shares of other securities.

Current consolidated fiscal year ended March 31, 2026

Not applicable.

As a general rule, impairment losses on unlisted shares that do not have a market price are recognized when the actual value of any of such stocks falls by 50% or more compared to the acquisition cost.

(Notes to Segment Information)

(Segment Information)

1. Overview of Reportable Segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to periodic review by the chief management decision-making body in order to determine the allocation of management resources and evaluate business performance.

The Group has a sales and production control base at the Head Office. The Head Office and subsidiaries work together to manufacture and sell mainly semiconductor manufacturing equipment, medical device and laser processing machine, and to provide after-sales service for products. Accordingly, the Group consists of segments by product and service, and has 3 reportable segments: Semiconductor Manufacturing Equipment, Medical Device, and Laser Processing Machine.

The Semiconductor Manufacturing Equipment segment manufactures and sells precision molds for semiconductor manufacturing, molding equipment, singulation equipment, etc., and provides after-sales service for products. The Medical Device segment manufactures and sells medical devices and other products. The Laser Processing Machine segment manufactures and sells laser processing machine and provides after-sales service for products.

2. Method of calculating sales, profit or loss, assets and other items by reportable segment

The accounting method for reported business segments is the same as that described in "(Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements)," and the total amount of segment income is consistent with operating income in the consolidated statement of income.

3. Information on net sales, profit or loss, assets and other items by reportable segment
Previous Consolidated Fiscal year ended March 31, 2025

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Net sales				
(1) Sales to external customers	48,959,043	2,263,915	2,256,247	53,479,205
(2) Inter-segment sales or transfers	—	—	—	—
Total	48,959,043	2,263,915	2,256,247	53,479,205
Segment profit	8,353,235	453,393	73,775	8,880,404
Segment assets	78,311,797	3,140,441	1,776,248	83,228,486
Other Items				
Depreciation expense	2,442,337	133,848	62,882	2,639,068
Amortization of goodwill	149,445	—	—	149,445
Increase in property, plant and equipment and intangible assets	5,098,291	184,308	108,475	5,391,075

(Note) The total amount of segment profit is consistent with operating income in the consolidated statement of income.

Current consolidated fiscal year ended March 31, 2026

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Net sales				
(1) Sales to external customers	49,870,942	2,487,000	2,007,281	54,365,224
(2) Inter-segment sales or transfers	—	—	—	—
Total	49,870,942	2,487,000	2,007,281	54,365,224
Segment profit or loss	6,518,174	451,939	(53,085)	6,917,028
Segment assets	100,719,019	3,451,848	2,096,905	106,267,772
Other Items				
Depreciation expense	2,861,462	146,939	77,826	3,086,229
Amortization of goodwill	148,162	—	—	148,162
Increase in property, plant and equipment and intangible assets	3,974,739	148,195	73,221	4,196,156

(Note) The total amount of segment profit or loss is consistent with operating income in the consolidated statement of income.

[Related Information]

Previous consolidated fiscal year ended March 31, 2025

1. Information by product and service

Sales by product and service are omitted because the reportable segments of the Company are the same as the classification by product and service.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other Asian countries	Americas	Others	Total
6,187,039	5,999,801	19,207,216	19,444,199	2,142,205	498,743	53,479,205

(Note) The breakdown of areas in the below categories is as follows:

- (1) Other Asian countries: South Korea, Singapore, Thailand, Malaysia, Philippines, Indonesia, Vietnam, India
- (2) Americas: United States, Canada, Mexico, Costa Rica, Brazil
- (3) Others: Germany, Malta, Czech Republic, Belgium, Austria, France, Netherlands, Denmark, Slovenia, Switzerland

(2) Property, plant and equipment

(Thousands of yen)

Japan	Malaysia	China	South Korea	Other Asian countries	Europe and Americas	Total
11,700,131	4,514,915	4,327,503	3,670,150	161,483	126,701	24,500,885

(Note) The breakdown of areas in the below categories is as follows:

- (1) Other Asian countries: Singapore, Taiwan, Philippines, Thailand
- (2) Europe and Americas: United States, Germany, Netherlands

Current consolidated fiscal year ended March 31, 2026

1. Information by product and service

Sales by product and service are omitted because the reportable segments of the Company are the same as the classification by product and service.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other Asian countries	Americas	Others	Total
6,913,058	7,233,515	22,227,380	15,340,045	2,529,210	122,014	54,365,224

(Note) The breakdown of areas in the below categories is as follows:

- (1) Other Asian countries: South Korea, Singapore, Thailand, Malaysia, Philippines, Indonesia, Vietnam, India, Turkey
- (2) Americas: United States, Canada, Mexico, Costa Rica, Brazil
- (3) Others: Germany, Malta, Belgium, Italy, Austria, France, Denmark, Switzerland

(Changes of the presentation method)

Sales in “South Korea” and “Philippines,” which were separately presented in the previous consolidated fiscal year, are included in “Other Asian countries” from the current consolidated fiscal year due to decreased materiality. To reflect this change of the presentation method, sales of 5,894,591 thousand yen for “South Korea,” 6,582,131 thousand yen for “Philippines,” and 6,967,477 thousand yen for “Other Asian countries” in the previous consolidated fiscal year have been reclassified into “Other Asian countries” of 19,444,199 thousand yen.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Malaysia	China	South Korea	Other Asian countries	Europe and Americas	Total
12,440,199	4,889,801	4,660,434	3,908,116	189,087	107,338	26,194,978

(Note) The breakdown of areas in the below categories is as follows:

(1) Other Asian countries: Singapore, Taiwan, Philippines, India, Thailand

(2) Europe and Americas: United States, Germany, Netherlands

[Information on impairment loss of fixed assets by reportable segment]

Not applicable.

[Information on amortization and unamortized balance of goodwill by reportable segment]

Previous consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Amortization for the period	149,445	—	—	149,445
Balance at end of period	378,517	—	—	378,517

Current consolidated fiscal year ended March 31, 2026

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Amortization for the period	148,162	—	—	148,162
Balance at end of period	263,892	—	—	263,892

[Information on gain on negative goodwill by reportable segment]

Not applicable.

(Per share information)

	yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	818.41	941.14
Basic earnings per share	108.28	61.22

(Note) 1. The company conducted a stock split into three shares for each ordinary share on October 1, 2024.

Assuming the stock split was conducted at the beginning of the previous consolidated fiscal year, we have calculated the basic earnings per share.

2. Diluted earnings per share is not stated because there are no dilutive shares.

3. The Company's shares remaining in the "Stock Benefit Trust (J-ESOP)" which are recorded as treasury shares in shareholders' equity, are included in treasury shares deducted from the total number of issued shares at the end of the fiscal year for the calculation of net assets per share (90,780 shares for the previous

consolidated fiscal year and 85,580 shares for the current consolidated fiscal year).

4. The basis for calculating basic earnings per share is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Thousands of yen		
Net income attributable to owners of parent	8,121,050	4,593,096
Amount not attributable to common shareholders	—	—
Net income attributable to owners of parent related to common shares	8,121,050	4,593,096
Share		
Average number of shares of common stock during the period	75,002,944	75,020,506

5. The Company's shares remaining in the "Stock Benefit Trust (J-ESOP)" which are recorded as treasury shares in shareholders' equity, are included in treasury shares deducted in the calculation of the average number of shares during the period for the calculation of net income per share" (91,148 shares for the Previous consolidated fiscal year and 86,910 shares for the current consolidated fiscal year).

(Significant Subsequent events)

Not applicable.

4. Others

(1) Policy for profit distribution and dividends for current and next fiscal year

The Company sees the return of profits to shareholders as one of the most important management policies. In line with our basic policy of distributing stable dividends on an ongoing basis, we will distribute profits based on each fiscal year's business performance while securing internal reserves necessary for R&D investments to develop competitive products, capital investments aimed at raising productivity, investments for business expansion into new markets, and improvement of our financial position.

Regarding year-end dividend for this fiscal year, in accordance with the provisions of our Articles of Incorporation, the Board of Directors, at its meeting held on May 11, 2026, resolved to distribute a dividend of 20 yen per share. Since we have decided to forgo the interim dividend, the annual dividend will be 20 yen per share.

For the next fiscal year, we plan to distribute a dividend of 24 yen per share.

(2) Director changes

Regarding the changes in director positions, we announced the "Notice of the Appointment of Executives and Director Changes " on March 27, 2026. Please refer to these announcements for details.