



Summary of Financial Statements for the First Quarter of the Year Ending December 31, 2026 (JGAAP) (Consolidated)

May 12, 2026

Company Name: Sodick Co., Ltd. Stock Exchange: Tokyo Stock Exchange, Prime Market
 Code Number: 6143 URL: <https://www.sodick.co.jp>
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 Scheduled date of dividend payout: –
 Explanatory documents supplemental to the financial statements: Yes
 Results briefing: None

(Amounts of less than one million have been omitted.)

1. Consolidated Results for the Q1 of the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated Financial Results (Accumulated Total)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Q1 FY2026/12	21,624	14.9	1,778	38.8	2,190	100.8	1,957	106.8
Q1 FY2025/12	18,819	20.4	1,281	–	1,090	–	946	–

Note: Comprehensive income: Q1 FY2026/12 ¥3,028 Million (–%)
 Q1 FY2025/12 -¥1,682 Million (–%)

	Earnings per share	Diluted earnings per share
	¥	¥
Q1 FY2026/12	38.76	26.14
Q1 FY2025/12	18.72	–

Note: Diluted earnings per share for the Q1 of the fiscal year ended December 31, 2025 are not shown in the above table because there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
As of March 31, 2026	157,660	92,164	58.4	1,835.76
As of December 31, 2025	155,695	90,592	58.1	1,786.89

Reference: Shareholders' Equity: As of March 31, 2026 ¥92,072 Million
 As of December 31, 2025 ¥90,502 Million

2. Cash Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
	¥	¥	¥	¥	¥
FY2025/12	–	14.00	–	15.00	29.00
FY2026/12	–	–	–	–	–
FY2026/12 (forecast)	–	20.00	–	15.00	35.00

Note 1: Revisions to the most recently announced dividend forecast: None

Note 2: Breakdown of dividend at the end of the second quarter of the fiscal year ending December 31, 2026: Ordinary dividend; ¥14.00 per share, commemorative dividend; ¥6.00 per share (commemorative dividend for the 50th anniversary of the Company's establishment)

Breakdown of year-end dividend for the fiscal year ending December 31, 2026: Ordinary dividend; ¥15.00

Breakdown of annual dividend for the fiscal year ending December 31, 2026: Ordinary dividend; ¥29.00 per share, commemorative dividend; ¥6.00 per share (commemorative dividend for the 50th anniversary of the Company's establishment)

3. Forecast for the Fiscal Year Ending December 31, 2026 (From January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Full year	88,500	9.8	5,500	30.2	6,000	14.7	5,100	13.0	100.70

Note: Revisions to the most recently announced consolidated results forecast: None

*Notes

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

(2) Application of accounting specific to the preparation of quarterly consolidated financial statements: None

(3) Change of accounting policies; change and/or restatement of accounting estimates

(i) Changes in accounting policies caused by revision of accounting standards: None

(ii) Change in accounting policies other than stated in (i): None

(iii) Change in accounting estimates: None

(iv) Retroactive restatement: None

(4) Number of shares issued and outstanding (shares of common stock)

(i) Shares issued and outstanding as of the balance sheet date (including treasury shares)	Q1 FY2026/12	54,792,239 shares	FY2025/12	54,792,239 shares
(ii) Number of treasury shares as of the balance sheet date	Q1 FY2026/12	4,637,004 shares	FY2025/12	4,144,554 shares
(iii) Average number of shares outstanding during period (quarterly cumulative total)	Q1 FY2026/12	50,502,359 shares	Q1 FY2025/12	50,568,046 shares

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Cautionary statement regarding forward-looking information and other special notes

The Company bases the above forecasts on judgments that rely on currently available information and contain numerous uncertainties. Changing conditions and other factors may cause actual results to differ from the above forecasts. In addition, for matters regarding forecasts, please refer to: "1. Qualitative Information regarding the Quarterly Financial Statements under Review (3) Explanation regarding Future Forecast Information including Projections of Consolidated Results" on Page 5 of the attachment to this summary of quarterly financial statements.

○Table of Contents for Attachments

1. Qualitative Information regarding the Quarterly Financial Statements under Review	4
(1) Explanation regarding Results of Operations	4
(2) Explanation regarding Financial Position	5
(3) Explanation regarding Future Forecast Information including Projections of Consolidated Results	5
2. Quarterly Consolidated Financial Statements and Major Notes	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income	8
Quarterly Consolidated Statements of Income	8
Quarterly Consolidated Statements of Comprehensive Income	9
(3) Notes to Quarterly Consolidated Financial Statements	10
(Notes regarding going concern assumptions)	10
(Notes in case of significant variation in shareholders' equity)	10
(Change in scope of consolidation or the scope of application of the equity method)	10
(Notes on quarterly consolidated statements of cash flows)	10
(Notes on segment information, etc.)	11
(Revenue recognition-related matters)	13
(Material subsequent events)	15

1. Qualitative Information regarding the Quarterly Financial Statements under Review

Matters concerning the future in the text are based on the judgments of the Company as of the end of the first quarter of the fiscal year under review.

(1) Explanation regarding Results of Operations

In the environment surrounding the Group during the first quarter of the current fiscal year, while the domestic economy showed a moderate recovery trend against the backdrop of improved employment and income environment, the outlook remains uncertain due to unstable foreign exchange rates, persistently high raw material and energy prices, and rising geopolitical risks such as the situation in Ukraine and the Middle East.

By industry, global growth in the automotive industry has been sluggish, although there are shades of gray by region, while strong demand continues for electronic components, connectors, and semiconductors, including those used in data centers.

In this economic environment, the Group has formulated a “medium-term management plan” with the goal of achieving ¥100 billion in net sales and ¥10 billion in operating profit by the fiscal year ending December 31, 2029. By shifting from a rolling-type plan to a commitment-type plan with clearly committed targets, the Group aims to clarify progress toward these goals and accelerate ongoing structural reforms and the shift to high value-added areas.

The Group aims to further enhance its effectiveness and achieve sustainable growth in corporate value by proactively strengthening its sales capabilities and solutions, reinforcing management systems, and pursuing M&A through a capital and business alliance with Advantage Partners, Inc.

In technology and development activities, the EXC100L+ all-ceramic linear motor-driven ultra-precision wire-out EDM received the Nikkan Kogyo Shimbun’s 110th Anniversary Special Award in the Nikkan Kogyo Shimbun’s 68th Best 10 New Products Awards in 2025. This product supports ultra-precision machining in the nano range required for the manufacture of optical connectors used in data centers, where demand is increasing due to the widespread adoption of AI applications.

As a result, the consolidated net sales for the first quarter under review totaled ¥21,624 million (up 14.9% year on year). In terms of profits, operating profit was ¥1,778 million (up 38.8% year on year), ordinary profit was ¥2,190 million (up 100.8% year on year), and profit attributable to owners of parent was ¥1,957 million (up 106.8% year on year).

The results of operations by segment are as follows:

The Group previously included the “linear motor business” in “others” due to its low materiality. However, following a decline in the ratio of sales to external customers resulting from resource concentration on in-house production to enhance the competitiveness of the machine tool segment, the Group has reclassified the linear motor business into the machine tool segment from the first quarter under review.

Machine tool segment	Net sales	¥16,670 million	Y/y change (rate)	Up 22.4%
	Operating profit	¥2,302 million	Y/y change (amount)	Up ¥732 million
<p>In Greater China, strong demand continued for electronic components, mobile-related products, and NEVs. In addition, net sales in all other regions exceeded those of the same period of the previous year on the back of solid demand, resulting in a significant year-on-year increase in net sales.</p> <p>Segment profit increased significantly from the same period of the previous year, driven by improved profit margins due to increased sales and higher factory utilization rates resulting from higher production volume.</p> <p>While demand is expected to remain strong, particularly for optical connectors for data centers and aerospace and other high-precision applications, various factors, including heightened geopolitical risks stemming from the tense situation in the Middle East, may affect future conditions.</p>				
Industrial machinery segment	Net sales	¥2,384 million	Y/y change (rate)	Up 1.2%
	Operating profit	¥78 million	Y/y change (amount)	Up ¥12 million
<p>While capital investment in the automobile-related sector continued to be postponed, robust demand for optical connectors for data centers and smartphones in Japan, Greater China, and the U.S. led to a slight year-on-year increase in net sales.</p> <p>Segment profit increased year on year, reflecting the shift to high value-added models, despite growth being constrained by higher R&D expenses and other factors.</p>				

Food machinery segment	Net sales	¥1,306 million	Y/y change (rate)	Down 14.9%
	Operating profit	¥206 million	Y/y change (amount)	Down ¥108 million
<p>While demand for noodle making equipment and equipment related to precooked side dishes remained robust in Japan and overseas, sales of aseptically-packaged cooked rice production systems declined due to changes in the competitive environment, resulting in year-on-year declines in net sales and segment profit.</p> <p>In terms of market conditions, strong demand for fresh noodles and cooked rice continues in overseas markets, mainly in Greater China, South Korea and Southeast Asia, driven by improvements in food quality and infrastructure. The Group plans to expand its sales activities into new regions, including Europe and the United States. In Japan, steady demand for noodle-making equipment continues, particularly in the food service industry.</p>				
Others	Net sales	¥1,264 million	Y/y change (rate)	Down 3.7%
	Operating profit	¥17 million	Y/y change (amount)	Down ¥21 million
<p>Other segments consist of precision dies and mold operations, which involve contract manufacturing of precision connectors and other products, and elemental technology operations, which involve the sale of ceramics products and LED floodlights, among others.</p> <p>In the precision dies and mold operations, demand for automobile-related products in Greater China and other Asian countries remained robust, supported by government measures. However, a slowdown in the elemental technology operations led to a year-on-year decline in net sales.</p>				

(2) Explanation regarding Financial Position

Total assets stood at ¥157,660 million as of the end of the first quarter under review, an increase of ¥1,965 million from the end of the previous fiscal year. The main reasons for the increase were a ¥3,660 million increase in cash and deposits and a ¥1,505 million increase in merchandise and finished goods, which were partially offset by a ¥2,256 million decrease in notes and accounts receivable - trade and contract assets and a ¥692 million decrease in other current assets.

Meanwhile, liabilities at the end of the quarter under review totaled ¥65,496 million, an increase of ¥393 million from the end of the previous fiscal year. The increase was mainly due to an increase of ¥2,171 million in contract liabilities, and an increase of ¥1,965 million in short-term borrowings, partially offset by a decrease of ¥2,042 million in electronically recorded obligations - operating and a decrease of ¥1,673 million in long-term borrowings.

Net assets totaled ¥92,164 million at the end of the quarter under review, an increase of ¥1,571 million from the end of the previous fiscal year. The increase was mainly due to an increase of ¥1,194 million in retained earnings and an increase of ¥947 million in foreign currency translation adjustment, partially offset by an increase of ¥693 million in treasury shares.

(3) Explanation regarding Future Forecast Information including Projections of Consolidated Results

There are no changes to the projections of results that were announced on February 13, 2026

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(million yen)

	Fiscal year ended December 31, 2025 (as of December 31, 2025)	Q1 fiscal year ending December 31, 2026 (as of March 31, 2026)
Assets		
Current assets		
Cash and deposits	45,064	48,724
Notes and accounts receivable - trade, and contract assets	19,519	17,262
Electronically recorded monetary claims - operating	2,685	2,851
Securities	4,000	4,000
Merchandise and finished goods	12,172	13,677
Work in process	10,349	10,703
Raw materials and supplies	10,866	10,249
Other	3,896	3,204
Allowance for doubtful accounts	(344)	(381)
Total current assets	108,208	110,291
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,159	38,706
Machinery, equipment and vehicles	26,333	26,502
Other	17,429	16,965
Accumulated depreciation	(50,726)	(50,584)
Total property, plant and equipment	32,195	31,590
Intangible assets		
Goodwill	3,506	3,356
Other	1,972	1,952
Total intangible assets	5,478	5,308
Investments and other assets		
Retirement benefit asset	1,112	1,294
Other	8,800	9,197
Allowance for doubtful accounts	(100)	(21)
Total investments and other assets	9,812	10,469
Total non-current assets	47,486	47,369
Total assets	155,695	157,660

(million yen)

	Fiscal year ended December 31, 2025 (as of December 31, 2025)	Q1 fiscal year ending December 31, 2026 (as of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,821	6,065
Electronically recorded obligations - operating	5,079	3,037
Short-term borrowings	4,010	5,976
Current portion of bonds payable	160	360
Current portion of long-term borrowings	7,506	7,230
Income taxes payable	846	740
Contract liabilities	5,821	7,993
Provisions	2,029	1,452
Asset retirement obligations	112	105
Other	5,358	6,151
Total current liabilities	37,746	39,113
Non-current liabilities		
Bonds payable	8,014	8,813
Long-term borrowings	16,921	15,247
Provisions	102	89
Retirement benefit liability	819	821
Asset retirement obligations	52	52
Other	1,447	1,357
Total non-current liabilities	27,356	26,382
Total liabilities	65,103	65,496
Net assets		
Shareholders' equity		
Share capital	24,618	24,618
Capital surplus	9,717	9,717
Retained earnings	37,981	39,176
Treasury shares	(3,075)	(3,769)
Total shareholders' equity	69,242	69,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,387	1,539
Foreign currency translation adjustment	19,268	20,216
Remeasurements of defined benefit plans	603	574
Total accumulated other comprehensive income	21,259	22,329
Share acquisition rights	18	18
Non-controlling interests	71	72
Total net assets	90,592	92,164
Total liabilities and net assets	155,695	157,660

(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Consolidated First Quarter)

(million yen)

	Q1 FY ended December. 31, 2025 (from January 1, 2025 to March 31, 2025)	Q1 FY ending December 31, 2026 (from January 1, 2026 to March 31, 2026)
Net sales	18,819	21,624
Cost of sales	12,212	13,681
Gross profit	6,607	7,943
Selling, general and administrative expenses		
Personnel expenses	2,471	2,841
Provision of allowance for doubtful accounts	(38)	31
Other	2,892	3,291
Total selling, general and administrative expenses	5,325	6,164
Operating profit	1,281	1,778
Non-operating income		
Interest income	94	87
Dividend income	12	19
Foreign exchange gains	–	225
Share of profit of entities accounted for using equity method	149	110
Subsidy income	32	29
Other	115	92
Total non-operating income	404	564
Non-operating expenses		
Interest expenses	111	107
Foreign exchange losses	452	–
Other	31	45
Total non-operating expenses	595	152
Ordinary profit	1,090	2,190
Extraordinary income		
Gain on sale of non-current assets	14	376
Gain on sale of investment securities	–	12
Subsidy income	46	6
Other	–	3
Total extraordinary income	60	399
Extraordinary losses		
Loss on sale of non-current assets	10	–
Loss on retirement of non-current assets	9	10
Business restructuring expenses	64	11
Total extraordinary losses	84	21
Profit before income taxes	1,066	2,568
Income taxes - current	304	465
Income taxes - deferred	(182)	146
Total income taxes	121	611
Profit	944	1,957
Profit (loss) attributable to non-controlling interests	(1)	(0)
Profit attributable to owners of parent	946	1,957

(Quarterly Consolidated Statements of Comprehensive Income)

(Consolidated First Quarter)

(million yen)

	Q1 FY ended December 31, 2025 (from January 1, 2025 to March 31, 2025)	Q1 FY ending December 31, 2026 (from January 1, 2026 to March 31, 2026)
Profit	944	1,957
Other comprehensive income		
Valuation difference on available-for-sale securities	92	151
Foreign currency translation adjustment	(2,695)	913
Remeasurements of defined benefit plans, net of tax	48	(28)
Share of other comprehensive income of entities accounted for using equity method	(72)	36
Total other comprehensive income	(2,627)	1,071
Comprehensive income	(1,682)	3,028
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,678)	3,027
Comprehensive income attributable to non-controlling interests	(4)	1

(3) Notes to Quarterly Consolidated Financial Statements

(Notes regarding going concern assumptions)

None

(Notes in case of significant variation in shareholders' equity)

Based on a resolution of the Board of Directors' meeting held on February 13, 2026, the Company resolved to purchase treasury shares pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, paragraph 3 of the same Act, and purchased the treasury shares in the first quarter of the current fiscal year.

Increase in treasury shares: ¥693 million

As a result, treasury shares stood at ¥3,769 million at the end of the first quarter under review.

(Changes in the scope of consolidation or the scope of application of the equity method)

None

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the consolidated first quarter under review are not prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the consolidated first quarter are as follows.

	Q1 FY ended December. 31, 2025 (from January 1, 2025 to March 31, 2025)	Q1 FY ending December 31, 2026 (from January 1, 2026 to March 31, 2026)
	¥ Million	¥ Million
Depreciation	835	832
Amortization of goodwill	31	86

(Notes on segment information, etc.)

[Segment information]

I. Previous consolidated first quarter (from January 1, 2025 to March 31, 2025)

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

(million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment amount (Note 2)	Amount stated on the quarterly consolidated statement of income (Note 3)
	Machine tools	Industrial machinery	Food machinery	Reportable segment total				
Net sales								
Net sales to outside parties	13,617	2,355	1,535	17,507	1,312	18,819	—	18,819
Intersegment net sales or transfers	10	10	0	20	226	247	(247)	—
Total	13,628	2,365	1,535	17,528	1,538	19,067	(247)	18,819
Segment profit (loss)	1,569	65	314	1,950	38	1,989	(707)	1,281

- Notes
1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.
 2. The adjustment amount of -¥707 million to segment profit (loss) includes -¥9 million in eliminations of intersegment transactions and -¥698 million in group overhead not allocable to individual reportable segments. Group expenses consist mainly of the cost of head office functions not attributable to any particular reportable segment.
 3. Segment profit (loss) is stated on reconciliation with the operating profit stated in the quarterly consolidated statement of income.

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

None

3. Matters concerning changes in reportable segments

None

II. Current consolidated first quarter (from January 1, 2026 to March 31, 2026)

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

(million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment amount (Note 2)	Amount stated on the quarterly consolidated statement of income (Note 3)
	Machine tools	Industrial machinery	Food machinery	Reportable segment total				
Net sales								
Net sales to outside parties	16,670	2,384	1,306	20,360	1,264	21,624	–	21,624
Intersegment net sales or transfers	34	21	25	81	237	318	(318)	–
Total	16,704	2,405	1,332	20,442	1,501	21,943	(318)	21,624
Segment profit	2,302	78	206	2,586	17	2,603	(825)	1,778

- Notes
1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.
 2. The adjustment amount of -¥825 million to segment profit (loss) includes ¥6 million in eliminations of intersegment transactions and -¥831 million in group overhead not allocable to individual reportable segments. Group expenses consist mainly of the cost of head office functions not attributable to any particular reportable segment.
 3. Segment profit (loss) is stated on reconciliation with the operating profit stated in the quarterly consolidated statement of income.

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

None

3. Matters concerning changes in reportable segments

The Group previously included the “linear motor business,” in which linear motors are sold to external customers and linear motors are manufactured in-house for machine tools, in the “others” due to its low materiality. However, following a decline in the ratio of sales to external customers resulting from resource concentration on in-house production to enhance the competitiveness of the machine tool segment, the Group has reclassified the linear motor business into the machine tool segment from the first quarter of the fiscal year under review in order to more appropriately reflect the actual business situation.

The segment information for the first quarter of the previous fiscal year is presented based on the classification after the change.

(Revenue recognition-related matters)

Information about resolved revenue from contracts with customers

Previous consolidated first quarter (from January 1, 2025 to March 31, 2025)

1. Breakdown of goods and services by type

(million yen)

	Reportable segment			Others (Note 1)	Total
	Machine tools	Industrial machinery	Food machinery		
Machine sales	10,172	1,973	1,308	1,312	14,766
Maintenance services and consumables	3,444	381	227	–	4,053
Total	13,617	2,355	1,535	1,312	18,819

Notes 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. Amounts after deduction of those of intergroup transactions are shown.

2. Breakdown by region

(million yen)

	Reportable segment			Others (Note 2)	Total
	Machine tools	Industrial machinery	Food machinery		
Japan	2,601	1,029	1,053	1,311	5,996
North and South America	2,657	387	11	0	3,057
Europe	1,645	–	–	–	1,645
Greater China	5,010	539	308	–	5,858
Asia	1,702	398	162	–	2,262
Total	13,617	2,355	1,535	1,312	18,819

Notes 1. Revenue by country or region is analyzed based on customers’ locations.

2. The category headed “Other” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

3. Amounts after deduction of those of intergroup transactions are shown.

Current consolidated cumulative first quarter (from January 1, 2026 to March 31, 2026)

1. Breakdown of goods and services by type

(million yen)

	Reportable segment			Others (Note 1)	Total
	Machine tools	Industrial machinery	Food machinery		
Machine sales	12,747	1,893	1,059	1,264	16,963
Maintenance services and consumables	3,922	490	246	—	4,660
Total	16,670	2,384	1,306	1,264	21,624

Notes 1. The category headed “Others” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

2. Amounts after deduction of those of intergroup transactions are shown.

2. Breakdown by region

(million yen)

	Reportable segment			Others (Note 2)	Total
	Machine tools	Industrial machinery	Food machinery		
Japan	2,777	1,343	545	1,264	5,931
North and South America	3,273	533	0	—	3,808
Europe	2,602	—	—	—	2,602
Greater China	5,969	245	471	—	6,686
Asia	2,047	261	288	—	2,597
Total	16,670	2,384	1,306	1,264	21,624

Notes 1. Revenue by country or region is analyzed based on customers’ locations.

2. The category headed “Other” covers business segments outside reportable ones, such as precision dies and mold operations, elemental technology operations, etc.

3. Amounts after deduction of those of intergroup transactions are shown.

3. Matters concerning changes in reportable segments

The classification of reportable segments has been changed since the beginning of the first quarter under review, and details are described in “(Notes on segment information, etc.) [Segment information] II. Current consolidated first quarter (from January 1, 2026 to March 31, 2026) 3. Matters concerning changes in reportable segments”

Information that breaks down revenue from contracts with customers for the first quarter of the previous fiscal year is presented based on the reporting segment classification after the change.

(Material subsequent events)

(Disposal of treasury shares as restricted stock compensation)

At the Board of Directors meeting held on April 17, 2026, the Company resolved to dispose of treasury shares as restricted stock compensation (hereinafter referred to as the “Disposal of Treasury Shares”), as follows:

1. Outline of disposal

	Details of the resolution		
(1) Date of payment	May 15, 2026		
(2) The class and number of shares to be disposed of	46,300 shares of the Company’s common stock		
(3) Disposal value	¥1,475 per share		
(4) Total amount of disposal	¥68,292,500		
(5) Assignees of the disposal	Directors of the Company(*)	4 persons	14,100 shares
	Executive officers of the Company	10 persons	5,800 shares
	Employees of the Company	60 persons	23,200 shares
	Directors of subsidiaries	5 persons	2,000 shares
	Executive officers of subsidiaries	4 persons	1,200 shares
	*No-executive directors and external directors are excluded.		

2. The purpose and reasons for disposal

At the Board of Directors meeting held on February 14, 2019, the Company resolved to introduce a stock-based compensation plan (hereinafter referred to as the “System”) under which the Company’s eligible directors (except for non-executive directors and external directors; hereinafter referred to as “Eligible Directors”) would be issued with shares with restriction on transfer with the aim of sharing the advantages and risks of stock price fluctuation with shareholders and further increasing their motivation to contribute to stock price rise and corporate value improvement.

In addition, at the 49th Annual General Meeting of Shareholders held on March 28, 2025, the Company received approval to set the total amount of monetary compensation receivables to be paid as remuneration, etc. for shares with restriction on transfer to the Eligible Directors of the Company at an annual amount not exceeding ¥100 million, to limit the total number of shares with restriction on transfer to be allotted to the Eligible Directors of the Company for each fiscal year to 200,000 shares, and to designate the period from 10 years to 30 years as the period for restriction on transfer of shares of the Company, which shall be specifically determined by the Board of Directors.

Accordingly, at the Board of Directors’ meeting held on April 17, 2026, the Company resolved to grant the executive officers and employees of the Company and the directors and executive officers of the Company’s subsidiaries a stock compensation plan with shares with restriction on transfer similar to the System, and to allot 46,300 shares of the Company’s common stock as specified shares with restriction on transfer to the 4 Eligible Directors, 10 executive officers and 60 employees of the Company, and 5 directors and 4 executive officers of subsidiaries (hereinafter referred to as “Assignees”) as payment based on shares with restriction on transfer during the period from the 50th Annual Meeting of Shareholders to the 51st Annual Meeting of Shareholders to be held in March 2027, by paying a total of ¥68,292,500 in monetary compensation claims, and by way of capital contribution in kind of all of the monetary compensation claims by the Assignees.

The amount of monetary compensation claims for each Assignee is determined after comprehensively considering various matters, such as the degree of contribution of each Assignee to the Company.

3. Basis for calculating the amount to be paid in and the details thereof

In order to eliminate arbitrariness, the disposal price of the treasury shares shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Board of Directors of the Company (April 16, 2026), which is ¥1,475. This is the market price immediately before the date of the resolution of the Company’s Board of Directors, and the Company believes that this is a reasonable and not particularly favorable price.