Consolidated Financial Statements

IBIDEN CO., LTD.
and
Consolidated Subsidiaries

Year Ended March 31, 2026
with Independent Auditor's Report

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Financial Statements

Year Ended March 31, 2026

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KPMG

Independent auditor's report

To the Board of Directors of IBIDEN Co., Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IBIDEN Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2026, the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of the accounting treatment for acquisitions of property, plant and equipment as part of the large-scale capital investments in the Electronics operation

The key audit matter	How the matter was addressed in our audit
During the current fiscal year, IBIDEN CO., LTD. (the "Company") made capital investments totaling ¥59,647 million mainly for production facilities and equipment in the Electronics operation. This amount accounted for 6.2% of total assets in the consolidated	The primary procedures we performed to assess the accuracy of the accounting treatment for acquisitions of property, plant and equipment as part of the large-scale capital investments in the Electronics operation of the Company included the following:

financial statements for the current fiscal year. The amount of assets that were transferred from construction in progress to the respective accounts within property, plant and equipment for the current fiscal year was ¥116,834 million. Capital investments are transferred to the respective accounts within property, plant and equipment, such as machinery and equipment, and depreciation of those assets starts when they are placed in service. As a result of aggressive capital investments in the Electronics operation, the transaction volume and amount have increased. Accordingly, inaccurate accounting treatment for capital investments, including the amounts recognized, the timing of recognition, the accounts used, and the timing of when depreciation of the acquired assets starts, could have a significant effect on the consolidated financial statements. We, therefore, determined that our assessment of the accuracy of the accounting treatment for acquisitions of property, plant and equipment as part of the large-scale capital investments in the Electronics operation of the Company was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	**(1) Internal control testing** We tested the design and operating effectiveness of certain internal controls of the Company that are relevant to the transactions to acquire property, plant and equipment. In the assessment, we focused our testing on controls to ensure the accuracy of the amounts recognized, the timing of recognition, the accounts used, and the timing of when depreciation of the acquired assets starts. **(2) Assessment of the accuracy of the amounts recognized, the timing of recognition, the accounts used, and the timing of when depreciation of the acquired assets started** ● We confirmed the progress of the large-scale capital investments in the Electronics operation through inquiry of management and inspection of related documents, compared the investment plan with the actual amount and timing recorded, and examined the reasonableness of any discrepancies; ● We traced recorded transactions of property, plant and equipment acquisitions to approved equipment procurement request forms, delivery forms, acceptance reports, invoices and other documents evidencing the acquisition transactions; and ● We assessed whether the accounts used, the acquisition costs, and the timing of when depreciation started were accurately registered within the basic information used for the depreciation calculation of the acquired assets, by comparing the basis information with the relevant lists of assets to be recognized, which was used as the approval form on the accounts used, the acquisition costs, and the dates on which the assets were placed into service.

Appropriateness of an impairment loss on the fixed assets of IBIDEN Philippines, Inc., a consolidated subsidiary, belonging to the Electronics segment	
The key audit matter	**How the matter was addressed in our audit**
IBIDEN CO., LTD. (the "Company") and its consolidated subsidiaries (collectively, the "Group") recognized an impairment loss of ¥16,405 million in the consolidated statements of income for the current fiscal year. As described in Note 17. "Loss on Impairment of Fixed assets" and Note 3. "Significant Accounting Estimates" to the consolidated	In order to assess the appropriateness of an impairment loss on the fixed assets of IBIDEN Philippines, Inc., a consolidated subsidiary, belonging to the Electronics segment, we inquired of personnel responsible for the operations of the Electronics segment regarding key assumptions and the rationale for their adoption in preparing the mid-term management plan of the Electronics segment which formed the basis for estimating

financial statements of the Group, included therein was an impairment loss of ¥10,630 million on the fixed assets of IBIDEN Philippines, Inc., a consolidated subsidiary, belonging to the Electronics segment. IBIDEN Philippines, Inc. prepares its financial statements in accordance with International Financial Reporting Standards and performs an impairment test on a cash-generating unit (CGU) to which fixed assets belong, when there is an impairment indicator. In the impairment testing, when the recoverable amount of the CGU is less than the carrying amount, IBIDEN Philippines, Inc. reduces the carrying amount to the recoverable amount and recognizes the resulting decrease in the carrying amount as an impairment loss. The recoverable amount is the higher of either the value in use or the fair value less cost of disposal. An impairment indicator was identified for IBIDEN Philippines, Inc. as future business plans were revised due to the weak recovery in demand for products used in personal computers in the Electronics business market and intensified price competition among suppliers, resulting in the deterioration of future cash flows generated from assets. Therefore, an impairment test was performed during the current fiscal year. Since the recoverable amount was less than the carrying amount, an impairment loss was recognized. IBIDEN Philippines, Inc. used the value in use as the recoverable amount in the impairment testing. The future cash flows used to measure the value in use were estimated based on the mid-term management plan of the Electronics segment prepared by management. Key assumptions underlying the management plan, such as future sales growth rates and profit margins, involved a high degree of uncertainty because they were highly dependent upon the personal computer market trends, production strategies for each manufacturing site and the effect of the cost reduction measures. Accordingly, management's judgment thereon had a significant effect on the estimated future cash flows.	future cash flows. Then we involved the component auditor of IBIDEN Philippines, Inc. and performed the audit procedures set out below, including the direction and supervision of the component auditor and the review of its work, among others. **(1) Internal control testing** Test of the design and operating effectiveness of certain of IBIDEN Philippines, Inc.'s internal controls relevant to measuring the value in use used for the impairment testing on the CGU, with a greater focus on controls designed to ensure the reasonableness of the estimated future cash flows used for calculating the value in use. **(2) Assessment of the reasonableness of the estimated value in use** ● Analysis of factors that caused differences between the past budget and actual results and assessment of whether the analysis results were appropriately reflected in key assumptions related to the estimated value in use; ● Comparison of assumptions for sales growth rates with information obtained from external research organizations, as well as assessment of the appropriateness of the assumptions based on the past results and production strategies for each manufacturing site; ● With regard to the assumptions for profit margins, inspection of the cost reduction measures and the materials on which the calculation is based, as well as evaluation of the progress of the measures and comparison of the measures with the actual results; ● Assessment of the appropriateness of the model and input data used to estimate the discount rate by involving a valuation specialist within the network firms of the component auditor of IBIDEN Philippines, Inc.

In addition, selecting appropriate models and input data for estimating the discount rate used to calculate the value in use required a high degree of expertise in valuation. We, therefore, determined that our assessment of the appropriateness of an impairment loss on the fixed assets of IBIDEN Philippines, Inc., a consolidated subsidiary, belonging to the Electronics segment was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Other Information

The other information comprises the information included in the disclosure documents, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its consolidated subsidiaries for the current year are 243 million yen and 60 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 6 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hirotaka Nakata

Designated Engagement Partner

Certified Public Accountant

Hisashi Ohkita

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Nagoya Office, Japan

August 28, 2026

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2026

	Millions of yen		*Thousands of U.S. dollars (Note 6)*
	2026	2025	**2026**
Assets			
Current assets:			
Cash and deposits *(Notes 9 and 24)*	**¥ 295,682**	¥ 390,657	**$ 1,849,168**
Notes, accounts receivable and contract assets *(Notes 9 and 26)*:			
Trade	**79,306**	65,571	**495,970**
Other	**7,747**	5,321	**48,449**
Allowance for doubtful accounts	**(294)**	(90)	**(1,840)**
Electronically recorded monetary claims *(Notes 9 and 26)*	**2,800**	2,651	**17,510**
Inventories:			
Merchandise and finished goods	**19,806**	23,011	**123,867**
Work in process	**26,543**	20,520	**165,997**
Raw materials and supplies	**24,615**	23,646	**153,938**
Other current assets *(Notes 9 and 25)*	**9,337**	18,293	**58,396**
Total current assets	**465,542**	549,580	**2,911,455**
Property, plant and equipment:			
Land *(Note 19)*	**24,100**	23,646	**150,721**
Buildings and structures *(Note 8 and 18)*	**388,052**	331,249	**2,426,845**
Machinery and equipment *(Note 8 and 18)*	**641,582**	563,984	**4,012,395**
Leased assets	**679**	680	**4,246**
Construction in progress *(Note 18)*	**111,794**	202,020	**699,143**
	1,166,207	1,121,579	**7,293,350**
Accumulated depreciation and impairment loss	**(728,502)**	(661,524)	**(4,555,985)**
Property, plant and equipment, net	**437,705**	460,055	**2,737,365**
Investments and other assets:			
Investment securities *(Notes 9, 10 and 13)*:			
Affiliates	**22**	23	**137**
Other	**32,264**	58,775	**201,774**
Long-term loans receivable	**7**	8	**47**
Deferred tax assets *(Notes 3 and 16)*	**18,332**	7,159	**114,645**
Other assets	**6,589**	6,280	**41,213**
Allowance for doubtful accounts	**(35)**	(196)	**(222)**
Total investments and other assets	**57,179**	72,049	**357,594**
Total assets *(Note 27)*	**¥960,426**	¥ 1,081,684	**$ 6,006,414**

	Millions of yen		*Thousands of U.S. dollars (Note 6)*
	2026	2025	**2026**
Liabilities and Net Assets			
Current liabilities:			
Short-term borrowings and current portion of long-term debt *(Notes 9 and 11)*	**¥ 15,000**	¥ 90,000	**$ 93,809**
Notes and accounts payable *(Note 13)*:			
Trade	**30,454**	24,387	**190,456**
Other	**17,762**	62,769	**111,081**
Electronically recorded obligations:			
Operating	**10,449**	10,278	**65,347**
Facilities	**6,376**	6,208	**39,875**
Lease obligations *(Note 14)*	**115**	23	**721**
Accrued expenses	**8,439**	7,257	**52,775**
Income taxes payable *(Note 16)*	**22,014**	14,870	**137,671**
Provision for bonuses for employees	**5,809**	4,919	**36,331**
Provision for bonuses for directors and audit and supervisory board members	**172**	170	**1,076**
Provision for demolition and removal	**1,558**	—	**9,744**
Advances received	**80,951**	92,084	**506,257**
Other current liabilities *(Notes 9, 25 and 26)*	**22,546**	14,753	**141,007**
Total current liabilities	**221,645**	327,718	**1,386,150**
Long-term liabilities:			
Long-term debt *(Notes 9 and 11)*	**177,477**	252,977	**1,109,923**
Lease obligations *(Note 14)*	**62**	85	**386**
Liability for retirement benefits *(Note 15)*	**634**	801	**3,962**
Provision for share-based compensation (*Note 5*)	**688**	582	**4,302**
Deferred tax liabilities *(Note 16)*	**1,284**	1,015	**8,033**
Other long-term liabilities	**1,223**	1,208	**7,649**
Total long-term liabilities	**181,368**	256,668	**1,134,255**
Net Assets:			
Shareholders' equity *(Note 17)*:			
Common stock:			
Authorized - 460,000,000 shares in 2026 - 230,000,000 shares in 2025			
Issued - 281,721,114 shares in 2026 - 140,860,557 shares in 2025	**64,152**	64,152	**401,205**
Capital surplus	**64,565**	64,565	**403,787**
Retained earnings	**340,526**	283,808	**2,129,617**
Less treasury stock, at cost	**(3,451)**	(3,497)	**(21,589)**
Total shareholders' equity	**465,792**	409,028	**2,913,020**
Accumulated other comprehensive income:			
Net unrealized holding gain on other securities	**16,332**	29,416	**102,136**
Deferred gains or losses on hedges	**(168)**	—	**(1,053)**
Surplus arising from land revaluation *(Note 19)*	**158**	158	**989**
Translation adjustments	**67,959**	51,893	**425,014**
Total accumulated other comprehensive income	**84,281**	81,467	**527,086**
Non-controlling interests *(Note 22)*	**7,340**	6,803	**45,903**
Total net assets *(Note 22)*	**557,413**	497,298	**3,486,009**
Total liabilities and net assets	**¥ 960,426**	¥ 1,081,684	**$ 6,006,414**

See accompanying Notes to Consolidated Financial Statements.

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Income

Year Ended March 31, 2026

	Millions of yen		*Thousands of U.S. dollars (Note 6)*
	2026	2025	**2026**
Net sales (*Note 27*)	**¥ 416,201**	¥ 369,437	**$ 2,602,884**
Cost of sales	**284,533**	256,108	**1,779,443**
Gross profit	**131,668**	113,329	**823,441**
Selling, general and administrative expenses *(Note 20)*	**69,640**	65,707	**435,525**
Operating income *(Note 27)*	**62,028**	47,622	**387,916**
Other income (expenses):			
Interest and dividend income	**3,759**	4,355	**23,509**
Interest expenses	**(1,357)**	(1,156)	**(8,485)**
Gain (loss) on sales of investment securities (*Note 10*)	**49,449**	24,451	**309,248**
Gain on sales of shares of subsidiaries and associates	**—**	0	**—**
Subsidy income	**9,148**	28,581	**57,213**
Loss on reduction of non-current assets	**(9,148)**	(28,581)	**(57,213)**
Depreciation of inactive non-current assets	**(3,871)**	(1,743)	**(24,209)**
Others, net *(Notes 18 and 21)*	**(18,916)**	(22,078)	**(118,296)**
Profit before income taxes	**91,092**	51,451	**569,683**
Income taxes *(Note 16)*:			
Current	**(31,526)**	(21,354)	**(197,163)**
Deferred	**4,597**	3,954	**28,747**
	(26,929)	(17,400)	**(168,416)**
Profit	**64,163**	34,051	**401,267**
Profit attributable to:			
Non-controlling interests	**450**	346	**2,810**
Owners of parent *(Note 22)*	**¥ 63,713**	¥ 33,705	**$ 398,457**

See accompanying Notes to Consolidated Financial Statements.

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income

Year Ended March 31, 2026

	Millions of yen		*Thousands of U.S. dollars (Note 6)*
	2026	2025	**2026**
Profit	**¥ 64,163**	¥ 34,051	**$ 401,267**
Other comprehensive income (loss):			
Net unrealized holding gain (loss) on other securities	**(12,962)**	(29,296)	**(81,061)**
Deferred gains or losses on hedging instruments	**(168)**	(1)	**(1,053)**
Revaluation reserve for land	**—**	(2)	**—**
Translation adjustments	**16,045**	(2,920)	**100,346**
Total other comprehensive income (loss) *(Note 23)*	**2,915**	(32,219)	**18,232**
Comprehensive income (loss)	**¥ 67,078**	¥ 1,832	**$ 419,499**
Comprehensive income (loss) attributable to:			
Owners of parent	**¥ 66,527**	¥1,589	**$ 416,056**
Non-controlling interests	**551**	243	**3,443**

See accompanying Notes to Consolidated Financial Statements.

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2026

Millions of yen

	Number of shares issued (Thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain on other securities	Deferred gains or losses on hedging instruments	Surplus arising from land revaluation	Translation adjustments	Non-controlling interests	Total net assets
Balance at March 31, 2024	140,861	¥ 64,152	¥64,494	¥ 255,698	¥ (2,983)	¥58,658	¥ 1	¥160	¥ 54,764	¥ 6,853	¥ 501,797
Cash dividends	-	-	-	(5,595)	-	-	-	-	-	-	(5,595)
Profit attributable to owners of parent	-	-	-	33,705	-	-	-	-	-	-	33,705
Purchases of treasury stock	-	-	-	-	(642)	-	-	-	-	-	(642)
Disposal of treasury stock	-	-	-	-	128	-	-	-	-	-	128
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	(75)	-	-	-	-	-	-	-	(75)
Put options written on non-controlling interests	-	-	146	-	-	-	-	-	-	-	146
Other changes	-	-	-	-	-	(29,242)	(1)	(2)	(2,871)	(50)	(32,166)
Balance at March 31,2025	140,861	¥ 64,152	¥ 64,565	¥ 283,808	¥ (3,497)	¥ 29,416	¥-	¥ 158	¥ 51,893	¥6,803	¥ 497,298
Stock Split	140,861										
Cash dividends	-	-	-	(6,995)	-	-	-	-	-	-	(6,995)
Profit attributable to owners of parent	-	-	-	63,713	-	-	-	-	-	-	63,713
Purchases of treasury stock	-	-	-	-	(11)	-	-	-	-	-	(11)
Disposal of treasury stock	-	-	-	-	57	-	-	-	-	-	57
Other changes	-	-	-	-	-	(13,084)	(168)	-	16,067	536	3,351
Balance at March 31, 2026	281,721	¥ 64,152	¥ 64,565	¥ 340,526	¥(3,451)	¥ 16,332	¥ (168)	¥ 158	¥ 67,959	¥ 7,340	¥ 557,413

Thousands of U.S. dollars (Note 6)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain on other securities	Deferred gains or losses on hedging instruments	Surplus arising from land revaluation	Translation adjustments	Non-controlling interests	Total net assets
Balance at March 31, 2025	$ 401,205	$ 403,787	$ 1,774,904	$ (21,875)	$ 183,967	$ -	$ 989	$ 324,531	$ 42,549	$ 3,110,057
Cash dividends	-	-	(43,744)	-	-	-	-	-	-	(43,744)
Profit attributable to owners of parent	-	-	398,457	-	-	-	-	-	-	398,457
Purchases of treasury stock	-	-	-	(68)	-	-	-	-	-	(68)
Disposal of treasury stock	-	-	-	354	-	-	-	-	-	354
Other changes	-	-	-	-	(81,831)	(1,053)	-	100,483	3,354	20,953
Balance at March 31, 2026	$ 401,205	$ 403,787	$ 2,129,617	$ (21,589)	$ 102,136	$ (1,053)	$ 989	$ 425,014	$ 45,903	$ 3,486,009

See accompanying Notes to Consolidated Financial Statements.

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

Year Ended March 31, 2026

	Millions of yen		*Thousands of U.S. dollars (Note 6)*
	2026	2025	**2026**
Operating activities			
Profit before income taxes	**¥91,092**	¥ 51,451	**$ 569,683**
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	**66,236**	54,206	**414,235**
Loss on impairment of fixed assets	**16,406**	18,587	**102,600**
Increase (decrease) provision for bonuses for employees	**891**	47	**5,571**
Increase (decrease) provision for bonuses for directors	**2**	48	**13**
Increase (decrease) allowance for doubtful accounts	**44**	6	**274**
Increase (decrease) provision for demolition and removal	**1,558**	—	**9,744**
Increase (decrease) in liability for retirement benefits	**(167)**	49	**(1,046)**
Interest and dividend income	**(3,759)**	(4,355)	**(23,509)**
Interest expenses	**1,357**	1,156	**8,485**
Share of profit of entities accounted for using equity method	**0**	(1)	**1**
Gain on sales of property, plant and equipment	**(435)**	(72)	**(2,719)**
Loss on disposal of property, plant and equipment	**1,630**	1,595	**10,193**
Gain (loss) on sales of investment securities	**(49,449)**	(24,480)	**(309,248)**
Gain on sales of shares of subsidiaries and associates	—	(0)	—
Decrease (increase) in notes and accounts receivable-trade	**(10,140)**	(2,337)	**(63,412)**
Decrease (increase) in inventories	**(1,059)**	(2,478)	**(6,625)**
Increase (decrease) in notes and accounts payable	**4,079**	(4,942)	**25,509**
Increase (decrease) in accrued expenses	**1,181**	3	**7,388**
Increase (decrease) in advances received	**(11,134)**	11,986	**(69,630)**
Loss on reduction of non-current assets	**9,148**	28,581	**57,213**
Subsidy income	**(9,148)**	(28,581)	**(57,213)**
Insurance claim income	—	(1,051)	—
Others, net	**11,061**	(2,875)	**69,169**
Subtotal	**119,394**	96,543	**746,676**
Interest and dividends received	**3,260**	3,856	**20,386**
Interest paid	**(1,366)**	(1,156)	**(8,542)**
Income taxes paid	**(23,628)**	(9,979)	**(147,767)**
Proceeds from subsidy income	**8,748**	28,581	**54,711**
Proceeds from insurance claim income	—	1,051	—
Net cash provided by operating activities	**¥106,408**	¥ 118,896	**$ 665,464**

IBIDEN CO., LTD. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

Year Ended March 31, 2026

	Millions of yen		*Thousands of U.S. dollars (Note 6)*
	2026	2025	**2026**
Investing activities			
Purchases of property, plant and equipment	**¥ (106,119)**	¥(197,485)	**$ (663,658)**
Proceeds from sales of property, plant and equipment	**579**	176	**3,624**
Purchases of intangible assets	**(1,127)**	(1,040)	**(7,047)**
Purchases of investment securities	**(333)**	(32)	**(2,085)**
Proceeds from sales of investment securities	**57,451**	34,636	**359,292**
Payments into time deposits	**(2,563)**	**–**	**(16,031)**
Collection of long-term loans receivable	**0**	0	**2**
Others, net	**(304)**	(437)	**(1,904)**
Net cash used in investing activities	**(52,416)**	(164,182)	**(327,807)**
Financing activities			
Net increase (decrease) in short-term borrowings	**(20,000)**	**–**	**(125,078)**
Increase in long-term debt	**—**	35,000	**—**
Repayment of long-term debt	**(90,000)**	(35,000)	**(562,852)**
Proceeds from issuance of bonds	**—**	35,000	**—**
Redemption of bonds	**(40,000)**	(35,000)	**(250,156)**
Purchases of treasury stock	**(11)**	(642)	**(68)**
Proceeds from sales of treasury stock	**57**	128	**354**
Cash dividends paid	**(6,995)**	(5,595)	**(43,744)**
Cash dividends paid to non-controlling interests	**(14)**	(15)	**(90)**
Repayments of lease obligations	**(548)**	(485)	**(3,427)**
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	**—**	(352)	**—**
Others, net	**—**	(153)	**—**
Net cash provided by (used in) financing activities	**(157,511)**	(7,114)	**(985,061)**
Effect of exchange rate changes on cash and cash equivalents	**5,771**	(527)	**36,097**
Increase (decrease) in cash and cash equivalents	**(97,748)**	(52,927)	**(611,307)**
Cash and cash equivalents at beginning of year	**390,657**	443,584	**2,443,132**
Cash and cash equivalents at end of year *(Note 24)*	**¥ 292,909**	¥ 390,657	**$ 1,831,825**

See accompanying Notes to Consolidated Financial Statements.

IBIDEN CO., LTD. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2026

1. Basis of Presentation

IBIDEN CO., LTD. (the "Company") and its domestic subsidiaries maintain their books of accounts in conformity with accounting principles generally accepted in Japan, and its overseas subsidiaries maintain their books of accounts in conformity with those of their respective countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically for the convenience of readers outside Japan. Furthermore, the notes to the consolidated financial statements include certain information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

Under the principles of consolidation, companies are required to include in their consolidated financial statements. All significant subsidiaries over which substantial control is exerted through majority ownership of voting stock and/or by other means. Accordingly, the accompanying consolidated financial statements include the accounts of the Company and its 29 significant consolidated subsidiaries for each of the years ended March 31, 2026 and 2025.

Significant investments in affiliates over which the Company has the ability to exercise significant influence with regard to the operating and financial policies of the investees are also accounted for by the equity method. One affiliate was accounted for using the equity method for each of the years ended March 31, 2026 and 2025.

Investments in the remaining unconsolidated subsidiaries and affiliates are carried at cost or less. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not have been material. When there has been a permanent decline in the value of such investments, the Company has written them down.

All significant intercompany transactions and accounts have been eliminated in consolidation.

The financial statements of certain overseas consolidated subsidiaries whose fiscal year end is December 31 have been included in consolidation on the basis of a full fiscal year closing on March 31 for consolidation purposes.

The Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force ("PITF") No. 18, June 28, 2019 amendment), and necessary modifications have been made for consolidation.

(b) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and exchange gains and losses arising from translation are recognized in profit or loss.

Revenue and expense items arising from transactions denominated in foreign currencies are generally translated into yen at the rates of exchange in effect at the respective transaction dates. Gain or loss resulting from foreign currency transactions is credited or charged to income in the year in which the gain or loss is recognized for financial reporting purposes.

The balance sheet accounts of the overseas consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for components of net assets excluding non-controlling interests, which are translated at their historical exchange rates. Revenue and expense accounts are translated into yen at the average rates of exchange in effect during the year. Adjustments resulting from translating financial statements denominated in a foreign currency are not included in the determination of profit attributable to the owners of the parent but are reported as translation adjustments and non-controlling interests in net assets in the consolidated balance sheet.

(c) Cash equivalents

For the consolidated statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

(d) Allowance for doubtful accounts

An allowance for doubtful accounts of the Company and its domestic consolidated subsidiaries is provided at an amount based on historical experience of bad debts for ordinary receivables and an estimate of specific bad debts from customers experiencing financial difficulties.

An allowance for doubtful accounts of the Company's overseas consolidated subsidiaries is provided based principally on estimates of specific bad debts.

(e) Inventories

Inventories of the Company and its domestic consolidated subsidiaries are stated principally at the lower of cost determined primarily by the moving average method or net selling value. Inventories of the overseas consolidated subsidiaries are stated principally at the lower of cost or market, with cost determined primarily by the first-in, first-out method.

(f) Investment securities

Securities are classified into three categories: trading securities, held-to-maturity debt securities, and other securities. Trading securities, consisting of debt and marketable equity securities, are carried at fair value. Gains and losses, both realized and unrealized, are credited or charged to income. Held-to-maturity debt securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any change in unrealized holding gain or loss, net of the applicable income taxes, reported as a separate component of accumulated other comprehensive income (loss). Nonmarketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(g) Depreciation of property, plant and equipment (other than leased assets)

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is calculated principally by the declining balance method based on the estimated useful lives of the assets and the residual values determined by the Company and each domestic consolidated subsidiary.

Depreciation of property, plant and equipment of the overseas consolidated subsidiaries is calculated principally by the straight-line method based on the estimated useful lives of the assets and the residual values determined by each subsidiary.

Estimated useful lives of property, plant and equipment are generally 3 to 75 years for buildings and structures and 3 to 22 years for machinery and equipment.

Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income as incurred.

(h) Intangible assets included in other assets (other than leased assets)

Amortization of intangible assets is calculated by the straight-line method. Capitalized computer software intended for internal use is amortized over its estimated useful life of 5 years.

(i) Leased Assets

Leased assets under finance leases are depreciated to their residual value of zero by the

straight-line method using the contract term as the useful life.

(j) Goodwill

Amortization of goodwill is calculated by the straight-line method over 5 years.

(k) Provision for bonuses for employees

Provision for bonuses for employees of the Company and its domestic consolidated subsidiaries is provided for the estimated amount of bonuses to be paid in the following year attributable to the current fiscal year.

(l) Provision for bonuses for directors and audit and supervisory board members

Provision for bonuses for directors and audit and supervisory board members of the Company are provided at the estimated amount of bonuses to be paid in the following year attributable to the current fiscal year.

(m) Provision for demolition and removal

Provision for demolition and removal of the Company is recognized at the estimated amount of future costs for the removal of fixed assets at the end of the current fiscal year.

(n) Retirement benefits for employees

Liability for retirement benefits for employees of certain consolidated subsidiaries is provided principally at an amount based on the retirement benefit obligation.

The retirement benefit obligation of certain consolidated subsidiaries is attributed to each year on a straight-line basis over the estimated remaining years of service of eligible employees. Prior service cost and actuarial gain or loss incurred at certain consolidated subsidiaries are credited or charged to income in the year in which the gain or loss is recognized.

Certain consolidated subsidiaries have adopted a simplified method for retirement benefits calculation. Under this simplified method, liability for retirement benefits is stated at the amount which would be required to be paid if all eligible employees voluntarily terminated their employment at the balance sheet date.

(o) Provision for share-based compensation

A provision is recognized for the estimated share-based compensation for directors, etc., to be incurred in the future based on the plan for share-based compensation.

(p) Income taxes

Deferred tax assets and liabilities have been recognized in the accompanying consolidated financial statements with respect to the differences between the amounts recorded for financial reporting purposes and the tax bases of the assets and liabilities and were measured using the enacted tax rates and laws which are in effect when the differences are expected to reverse.

(q) Deferred assets

Bond issuance costs and share issuance costs are charged to expense as incurred.

(r) Research and development costs

Research and development costs are charged to expense as incurred.

(s) Basis of recognition of material revenues and expense

Revenue related to the sale of products and finished goods is primarily from sales of manufactured products and finished goods with an obligation to deliver the products or finished goods based on contracts made with customers. This obligation is deemed to be fulfilled at the time the products or finished goods are delivered to the customer and the customer acquires control of the products or finished goods. Revenue is recognized at the time of shipment or delivery.

Revenue from performance obligations satisfied over time is recognized based on the progress toward complete satisfaction of the obligation.

(t) Derivatives

Derivative positions are carried at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred and reported as deferred gain or loss on hedges in a separate component of accumulated other comprehensive income (loss).

(u) Distribution of retained earnings

Under the Corporation Law of Japan (the “Law”), the distribution of retained earnings with respect to a given fiscal year is made by resolution at a meeting of the Board of Directors of the Company held subsequent to the close of the fiscal year. The accounts for that fiscal year do not, therefore, reflect such distributions. (Refer to Note 28.)

3. Significant Accounting Estimates

(a) Recoverability of deferred tax assets

Carrying amounts in the current year's financial statements were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Deferred tax assets	**¥ 25,024**	¥ 17,725	**$ 156,500**

(Information on the nature of significant accounting estimates for identified items)
Deferred tax assets are estimated based on the generation timing and the amount of taxable income from future business plans. This estimate may be affected by uncertain economic conditions, and if the timing and the amount of taxable income actually generated differ from estimates, it may have a significant impact on the amounts of deferred tax assets in the consolidated financial statements for the next consolidated fiscal year.

(b) Valuation of property, plant and equipment

Carrying amounts in the financial statements of IBIDEN Philippines, Inc. were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Property, plant and equipment,	**¥ 15,698**	¥ 27,310	**$ 98,172**
Loss on impairment of fixed assets	**¥ 10,631**	¥ 15,537	**$ 66,484**

(Information on the nature of significant accounting estimates for identified items)
In assessing the impairment of property, plant and equipment, the Company and its consolidated subsidiaries group assets by the smallest unit that generates substantially independent cash flows, generally based on its reportable segments.

IBIDEN Philippines, Inc. prepares its financial statements in accordance with International Financial Reporting Standards and performs an impairment test on a cash-generating unit to property, plant and equipment when there is an impairment indicator. If the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized. The recoverable amount is the higher of either the value in use or the fair value less cost of disposal.

During the current consolidated fiscal year, an impairment indicator was identified for the fixed assets held by IBIDEN Philippines, Inc. due to a deterioration in the future cash flows from these assets, following a review of future business plans. This is because the recovery in demand for personal computers in the electronics business market remained weak overall, and price competition among suppliers intensified. Therefore, an impairment test was

performed during the current fiscal year. Since the recoverable amount was less than the carrying amount, an impairment loss was recognized.

In calculating the value in use, we made certain assumptions about future cash flows, discount rates, and other factors. The estimates of future cash flows were based on a business plan approved by management, which included assumptions about expected sales, operating income, and other factors. If there are changes in the conditions or assumptions underlying the estimates, it may have a significant impact on the amount of property, plant and equipment.

4. Standards and Guidance Not Yet Adopted

(a) The following standard and guidance were issued but not yet adopted.

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)

(Overview)
The standard primarily stipulates that, similar to International Financial Reporting Standards (IFRS), all leases by lessees must be recognized as assets and liabilities.

(Effective date)
They will be effective from the beginning of the consolidated fiscal year ending March 31, 2028.

(Effects of application of the standards)
The Company and its consolidated domestic subsidiaries are in the process of determining the effects of these new standards on the consolidated financial statements.

(b) The following guidelines were issued but not yet adopted.

- "Practical Guidelines on Accounting for Financial Instruments" (ASBJ Revised Transferred Guidance No.9, March 11, 2025)

(Overview)
The guidelines establish a revision to the accounting treatment for equity interests in venture capital funds held by listed companies and similar entities for the purpose of providing information to investors by enabling the fair valuation of unquoted shares incorporated into venture capital funds and comparable investment vehicles.

(Effective date)
They will be effective from the beginning of the consolidated fiscal year ending March 31, 2027.

(Effects of application of the standards)
The effect of the application of these practical guidelines on the consolidated financial statements is immaterial.

5. Additional Information

(a) Share-based compensation plan for directors

The annual shareholders meeting of the Company held on June 16, 2017 resolved to introduce a share-based compensation plan for the Company's directors (excluding outside directors and directors who are members of the audit and supervisory committee) and senior executive officers (hereinafter in this section "directors, etc.") and introduced the plan.
The board of directors meeting of the Company held on February 28, 2020 resolved to include some directors of the domestic consolidated subsidiaries in this share-based compensation plan.

(Outline of the plan)
The plan is a share-based compensation plan in which the Company will grant points to directors and some directors of the domestic consolidated subsidiaries, and distribute to them the number of shares of the Company equivalent to the cumulative number of points granted to them.

(The Company's own stock in the trust)
The Company own stock in the possession of the trust is recorded as treasury stock under net assets at book value. The book value and number of shares of treasury stock were ¥893 million ($5,582 thousand) and 422 thousand shares and ¥926 million and 438 thousand shares as of the years ended March 31, 2026 and 2025, respectively.

The Company implemented a stock split at a ratio of two shares for every one share of common stock, effective January 1, 2026. The share figures are presented under the assumption that this stock split occurred at the beginning of the previous consolidated fiscal year.

(Scope of those eligible to receive beneficiary rights for the trust and other rights)
Directors (excluding outside directors and directors who are members of the audit and supervisory committee), managing officers, and some directors of the domestic consolidated subsidiaries

(b) Share-based compensation plan for employees

The board of directors meeting of the Company held on February 28, 2020 resolved to introduce a share-based compensation plan for the Company's senior management and introduced the plan.

(Outline of the plan)
The plan is a share-based compensation plan in which the Company will grant points to the Company's senior management and distribute to them the number of shares of the Company equivalent to the cumulative number of points granted to them.

(The Company's own stock in the trust)
The Company's own stock in the possession of the trust is recorded as treasury stock under net assets at book value. The book value and number of shares of treasury stock were ¥256 million ($1,600 thousand) and 120 thousand shares and ¥278 million and 130 thousand shares as of the years ended March 31, 2026 and 2025, respectively.

The Company implemented a stock split at a ratio of two shares for every one share of common stock, effective January 1, 2026. The share figures are presented under the assumption that this stock split occurred at the beginning of the previous consolidated fiscal year.

(Scope of those eligible to receive beneficiary rights for the trust and other rights)
The Company's senior management

6. U.S. Dollar Amounts

The U.S. dollar amounts in the accompanying consolidated financial statements have been translated from yen solely for convenience and as a matter of arithmetic computation only at a rate of ¥159.90 to U.S. $1.00, the rate of exchange prevailing on March 31, 2026. This translation should not be construed as a representation that the yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

7. Tax purpose reduction entry

The amounts of tax purpose reduction entry deducted from the acquisition cost at March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Buildings and structures	**¥ 20,100**	¥ 1,568	**$ 125,706**
Machinery and equipment	**20,338**	30	**127,193**
Construction in progress	**12**	26,983	**78**

8. Inactive non-current assets

The amount of inactive non-current assets at March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Buildings and structures	**¥ 35,877**	¥ 39,281	**$ 224,370**
Machinery and equipment	**8**	12	**52**
Others	**78**	77	**488**

9. Financial Instruments

Status of financial instruments

The Company and its consolidated subsidiaries (collectively, the "Group") raise funds for capital expenditures principally through the issuance of bonds and loans from banks. The Group manages temporary cash surpluses through highly liquid financial assets. The Group raises short-term capital through loans from banks, and utilizes derivative financial instruments to reduce the risks discussed below and does not enter into derivative transactions for speculative purposes.

Notes and accounts receivable-trade and electronically recorded monetary claims are exposed to credit risk in relation to customers. In addition, the Group is exposed to foreign currency exchange risk arising from trade receivables denominated in foreign currencies. Short-term investments and investment securities are exposed to market risk. These securities consist mainly of shares of companies with which the Group has business relationships and debt securities through which the Group manages temporary cash surpluses.

Substantially all notes and accounts payable and electronically recorded obligations have payment due dates within one year. In addition, the Group is exposed to foreign currency exchange risk arising from those trade payables denominated in foreign currencies.

The Group conducts various financing activities to acquire the funds necessary for working capital investments in property, plant and equipment, etc. Borrowings and bonds with floating interest rates as a part of the financing are exposed to the risk of interest rate fluctuation.

Regarding derivative transactions, the Group enters into forward foreign exchange contracts to reduce the foreign currency exchange risk arising from the receivables and payables denominated in foreign currencies.

In accordance with the internal policies of the Group for managing credit risk (risk of nonperformance by any of the counterparties) arising from trade receivables, the Group monitors the creditworthiness of customers and takes prompt action on outstanding balances

in order to mitigate the credit risks. In addition, the Group only acquires held-to-maturity debt securities with high credit ratings.

For trade receivables and payables denominated in foreign currencies, the Company identifies the foreign currency exchange risk for each currency on a monthly basis and enters into forward foreign exchange contracts to hedge such risk.

In order to mitigate the unfavorable impact caused by foreign currency exchange fluctuations on accounts receivable derived from forecasted export sales transactions, the Company enters into forward foreign exchange contracts to the extent it is probable that those forecasted export sales take place.

For investment securities, the Group periodically reviews market prices and the financial position of the issuers who are business counterparties of the Group and evaluates whether securities other than those classified as held-to-maturity debt securities should be maintained taking into account their fair values and relationships with the counterparty companies.

Derivative transactions are entered into by the division in charge of derivative transactions with approval from the authorized officers in accordance with the internal policies, which set forth the delegation of authority and the maximum upper limit on positions.

In order to manage liquidity risk (the risk that the Group may not be able to meet its obligations as scheduled) the division responsible prepares and updates its cash flow plans on a timely basis based on reports from each division.

The fair value of financial instruments is based on their quoted market prices, if available. When there is no quoted market price available, the fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair values. In addition, the notional amounts of derivatives in Note 25, “Derivatives” are not necessarily indicative of the actual market risk involved in the derivative transactions themselves.

Fair Value of Financial Instruments

The carrying amounts of the financial instruments on the consolidated balance sheets and the estimated fair values at March 31, 2026 and 2025 were summarized in the table below.

The fair value of cash is not disclosed. The fair value of deposits, notes and accounts receivable, electronically recorded monetary claims, notes and accounts payable, electronically recorded obligations, and short-term borrowings are omitted because their book values approximate the fair values since they are settled in a short period of time.

	2026		
	Carrying amounts	**Estimated fair value**	**Difference**
		(Millions of yen)	
Assets:			
Investment securities	**¥ 31,558**	**¥ 31,558**	**¥ —**
Total assets	**31,558**	**31,558**	**—**
Liabilities:			
Bonds payable	**¥ 60,000**	**¥ 58,526**	**¥ (1,474)**
Convertible bonds with share acquisition rights	**72,477**	**124,075**	**51,598**
Long-term loans payable	**60,000**	**56,805**	**(3,195)**
Total liabilities	**192,477**	**239,406**	**46,930**
Derivative transactions (*)	**¥ (1,409)**	**¥ (1,409)**	**¥—**

	2025		
	Carrying amounts	Estimated fair value	Difference
		(Millions of yen)	
Assets:			
Investment securities	¥ 58,329	¥ 58,329	¥—
Total assets	58,329	58,329	—
Liabilities:			
Bonds payable	¥ 100,000	¥ 98,582	¥ (1,418)
Convertible bonds with share acquisition rights	72,977	66,745	(6,232)
Long-term loans payable	150,000	146,612	(3,388)
Total liabilities	322,977	311,939	(11,038)
Derivative transactions (*)	¥530	¥ 530	¥ —

	2026		
	Carrying amounts	**Estimated fair value**	**Difference**
		(Thousands of U.S. dollars)	
Assets:			
Investment securities	**$ 197,362**	**$ 197,362**	**$ —**
Total assets	**197,362**	**197,362**	**—**
Liabilities:			
Bonds payable	**$ 375,235**	**$ 366,016**	**$ (9,219)**
Convertible bonds with share acquisition rights	**453,263**	**775,954**	**322,691**
Long-term loans payable	**375,234**	**355,256**	**(19,978)**
Total liabilities	**1,203,732**	**1,497,226**	**293,494**
Derivative transactions (*)	**$ (8,809)**	**$ (8,809)**	**$ —**

*Assets and liabilities arising from derivatives are presented at net value.
Amounts in parentheses represent net liability positions.

Methods to determine the estimated fair value of financial instruments are as follows:

Regarding investment securities, the fair value of shares is based on quoted market prices. The fair value of debt securities is based on either quoted market prices or prices provided by financial institutions.

For information on securities classified by the purpose for which they are held, refer to Note 10, “Investment Securities.”

The fair value of long-term loans receivable classified by the maturity and current credit risk of each loan is based on the present value of the total principal and interest discounted by the interest rate determined taking into account that of Japanese government bonds and the credit spreads of each loan. The fair value in the table above includes the current portion of long-term loans receivable.

The fair value of long-term debt is based on the present value of the total principal and interest discounted by the interest rate that would be applied if similar new borrowings were entered into. The fair value in the table above includes the current portion of long-term debt.

Regarding the fair value of derivatives, refer to Note 25, “Derivatives.”

The carrying values of Investments in equity securities without market prices at March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Unlisted equity securities	**¥ 408**	¥ 446	**$ 2,549**
Investments in investment partnerships	**298**	-	**1,863**

The redemption schedule for monetary assets at March 31, 2026 and 2025 were as follows:

	2026			
	Within 1 year	**Over 1 year within 5 years**	**Over 5 years within 10 years**	**Over 10 years**
	(Millions of yen)			
Cash and deposits	**¥ 295,682**	**¥ -**	**¥ -**	**¥ -**
Notes receivable-trade	**688**	**-**	**-**	**-**
Electronically recorded monetary claims	**2,800**	**-**	**-**	**-**
Accounts receivable-trade	**75,549**	**-**	**-**	**-**
Total	**¥ 374,719**	**¥ -**	**¥ -**	**¥ -**

	2025			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
	(Millions of yen)			
Cash and deposits	¥ 390,657	¥ -	¥ -	¥ -
Notes receivable-trade	909	-	-	-
Electronically recorded monetary claims	2,651	-	-	-
Accounts receivable-trade	61,196	-	-	-
Total	¥ 455,413	¥ -	¥ -	¥ -

	2026			
	Within 1 year	**Over 1 year within 5 years**	**Over 5 years within 10 years**	**Over 10 years**
	(Thousands of U.S. dollars)			
Cash and deposits	**$ 1,849,168**	**$ -**	**$ -**	**$ -**
Notes receivable-trade	**4,303**	**-**	**-**	**-**
Electronically recorded monetary claims	**17,510**	**-**	**-**	**-**
Accounts receivable-trade	**472,480**	**-**	**-**	**-**
Total	**$ 2,343,461**	**$ -**	**$ -**	**$ -**

Breakdown of financial instruments by level of each fair value

The fair values of financial instruments are categorized into the following three levels in accordance with the observability and importance of the inputs used in the fair value calculation.

Level 1 fair value: Fair value calculated using the (unadjusted) market price in an active market for an identical asset or liability.
Level 2 fair value: Fair value calculated using inputs that are directly or indirectly observable, other than Level 1 inputs.
Level 3 fair value: Fair value calculated using important inputs that cannot be observed.

In cases in which multiple inputs that have a material effect on the calculation of the fair value are used, the fair value is categorized at the lowest level from which material inputs were used in the fair value calculation.

(1) Financial assets and financial liabilities for which the carrying amount is recorded as the fair value

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
		(Millions of yen)		
Assets:				
Investment securities	**¥ 31,558**	**¥ -**	**¥ -**	**¥ 31,558**
Derivative transactions	**-**	**(1,409)**	**-**	**(1,409)**
Total assets	**¥ 31,558**	**¥ (1,409)**	**¥ -**	**¥ 30,150**

	2025			
	Level 1	Level 2	Level 3	Total
		(Millions of yen)		
Assets:				
Investment securities	¥ 58,329	¥ -	¥ -	¥ 58,329
Derivative transactions	-	530	-	530
Total assets	¥58,329	¥530	¥ -	¥ 58,859

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
		(Thousands of U.S. dollars)		
Assets:				
Investment securities	**$ 197,362**	**$ -**	**$ -**	**$ 197,362**
Derivative transactions	**-**	**(8,809)**	**-**	**(8,809)**
Total assets	**$ 197,362**	**$ (8,809)**	**$ -**	**$ 188,553**

(2) Financial assets and financial liabilities for which the carrying amount is not recorded as the fair value

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
		(Millions of yen)		
Liabilities:				
Bonds payable	**¥ -**	**¥ 58,526**	**¥ -**	**¥ 58,526**
Convertible bonds with share acquisition rights	**-**	**124,075**	**-**	**124,075**
Long-term loans payable	**-**	**56,805**	**-**	**56,805**
Total liabilities	**¥ -**	**¥ 239,406**	**¥ -**	**¥ 239,406**

	2025			
	Level 1	Level 2	Level 3	Total
		(Millions of yen)		
Liabilities:				
Bonds payable	¥ -	¥ 98,582	¥ -	¥ 98,582
Convertible bonds with share acquisition rights	-	66,745	-	66,745
Long-term loans payable	-	146,612	-	146,612
Total liabilities	¥ -	¥ 311,939	¥ -	¥ 311,939

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
		(Thousands of U.S. dollars)		
Liabilities:				
Bonds payable	**$ -**	**$ 366,016**	**$ -**	**$ 366,016**
Convertible bonds with share acquisition rights	**-**	**775,954**	**-**	**775,954**
Long-term loans payable	**-**	**355,256**	**-**	**355,256**
Total liabilities	**$ -**	**$ 1,497,226**	**$ -**	**$ 1,497,226**

Note: Valuation methods and inputs used in calculating fair values.

Investment securities
Listed shares are valued using the market price. Because listed shares are traded on active markets, their fair value is categorized as a Level 1 fair value.

Derivatives
The fair value of derivatives is determined by the future market price and is categorized as a Level 2 fair value.

Bonds payable
The fair value of bonds payable is determined by the market price and is categorized as a Level 2 fair value.

Convertible bonds with share acquisition rights
The fair value of convertible bonds with share acquisition rights is determined based on prices offered by financial institutions and is categorized as a Level 2 fair value.

Long-term loans payable
The fair value of long-term loans payable is calculated using the discounted cash flow method based on estimated interest rates with consideration for the total amount of the sum of principal and interest and is categorized as a Level 2 fair value.

10. Investment Securities

(a) Marketable securities classified as other securities at March 31, 2026 and 2025 were summarized as follows:

	2026		
	Acquisition cost	**Market value reflected in the balance sheet**	**Difference**
		(Millions of yen)	
Securities whose market value reflected in the balance sheet exceeds their acquisition cost:			
Equity securities	**¥ 7,339**	**¥ 31,538**	**¥ 24,199**
Securities whose market value reflected in the balance sheet does not exceed their acquisition cost:			
Equity securities	**21**	**20**	**(1)**
Total	**¥ 7,360**	**¥ 31,558**	**¥ 24,198**

	2025		
	Acquisition cost	Market value reflected in the balance sheet	Difference
		(Millions of yen)	
Securities whose market value reflected in the balance sheet exceeds their acquisition cost:			
Equity securities	¥ 15,303	¥ 58,306	¥ 43,003
Securities whose market value reflected in the balance sheet does not exceed their acquisition cost:			
Equity securities	23	22	(0)
Total	¥ 15,326	¥ 58,329	¥ 43,003

	2026		
	Acquisition cost	**Market value reflected in the balance sheet**	**Difference**
		(Thousands of U.S. dollars)	
Securities whose market value reflected in the balance sheet exceeds their acquisition cost:			
Equity securities	**$ 45,898**	**$ 197,237**	**$ 151,339**
Securities whose market value reflected in the balance sheet does not exceed their acquisition cost:			
Equity securities	**129**	**125**	**(4)**
Total	**$ 46,027**	**$ 197,362**	**$ 151,335**

Loss on devaluation of investment securities is recorded for the securities whose market value

represents a substantial decline of 50% or more and for those which have declined within a range of 30% or more but less than 50% if the decline is deemed to be irrecoverable.

(b) The proceeds from sales of and gross realized gain and loss on other securities for the years ended March 31, 2026 and 2025 were summarized as follows:

	2026		
	Proceeds	**Gross realized gain**	**Gross realized loss**
		(Millions of yen)	
Equity securities	**¥ 57,451**	**¥ 49,449**	**—**
Total	**¥ 57,451**	**¥ 49,449**	**—**

	2025		
	Proceeds	Gross realized gain	Gross realized loss
		(Millions of yen)	
Equity securities	¥ 34,636	¥ 24,480	¥ 29
Total	¥ 34,636	¥ 24,480	¥ 29

	2026		
	Proceeds	**Gross realized gain**	**Gross realized loss**
		(Thousands of U.S. dollars)	
Equity securities	**$ 359,292**	**$ 309,248**	**—**
Total	**$ 359,292**	**$ 309,248**	**—**

11. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and the current portion of long-term debt at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Short-term borrowings	**¥ -**	¥ 20,000	**$ -**
Current portion of long-term debt	**15,000**	70,000	**93,809**
	¥ 15,000	¥ 90,000	**$ 93,809**

The weighted average annual interest rates applicable to short-term borrowings outstanding were 0.754% and 0.417% at March 31, 2026 and 2025, respectively.

Long-term debt at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Debt without collateral:			
Loans from banks due September 2028 through October 2031 at average interest rates of 0.754% and 0.575% per annum at March 31, 2026 and 2025	**¥ 60,000**	¥ 150,000	**$ 375,235**
Bonds in yen due September 2026 at rate of 0.110%	**15,000**	15,000	**93,809**
Bonds in yen due September 2025 at rate of 0.290%	**—**	40,000	**—**
Bonds in yen due September 2027 at rate of 0.380%	**10,000**	10,000	**62,539**
Bonds in yen due September 2029 at rate of 0.865%	**35,000**	35,000	**218,887**
Convertible bonds with share acquisition rights in yen due March 2031	**72,477**	72,977	**453,262**
Subtotal	**¥ 192,477**	¥ 322,977	**$ 1,203,732**
Less current portion	**(15,000)**	(70,000)	**(93,809)**
	¥ 177,477	¥ 252,977	**$ 1,109,923**

The details of the convertible bonds with share acquisition rights are as follows:

Name of issue	Zero Coupon Convertible Bonds due 2031
Shares to be issued	Common stock
Share acquisition right issue price	Gratis issue
Conversion price	¥ 4,491.5 ($ 28) [¥ 4,486.2 ($ 28)]
Total issued amount (*Millions of yen*)	¥ 73,500 ($ 459,662 thousand)
Total amount of shares issued upon exercise of share acquisition rights (*Millions of yen*)	¥ -
Grant percentage of share acquisition rights	100%
Exercise period of share acquisition rights	March 29, 2024 through February 28, 2031

Amounts in brackets [ ] reflect changes occurring after March 31, 2026 and represent information as of August 20, 2026. All other information is presented as of March 31, 2026. The bracketed amounts reflect adjustments to the conversion price resulting from dividends declared after the fiscal year-end.

The aggregate annual maturities of long-term debt subsequent to March 31, 2026 were summarized as follows:

Year ending March 31,	*Millions of yen*	*Thousands of U.S. dollars*
2027	**¥ 15,000**	**$ 93,809**
2028	**10,000**	**62,539**
2029	**25,000**	**156,348**
2030	**35,000**	**218,887**
2031 and thereafter	**105,000**	**656,660**
	¥ 190,000	**$ 1,188,243**

12. Commitment line agreements

To facilitate the efficient procurement of working capital, the Company has entered into commitment line agreements with 5 financial institutions. The unused portion of the commitment lines as of March 31, 2026 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Total commitment line	**¥ 90,000**	-	**$ 562,852**
Amount outstanding under commitment lines	**-**	-	**-**
Unused amount	**¥ 90,000**	-	**$ 562,852**

13. Assets Pledged as Collateral

Assets pledged as collateral for accounts payable of ¥75 million ($467 thousand) and ¥13 million at March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Investment securities	**¥ 63**	¥ 59	**$ 397**

14. Lease Obligations

The aggregate annual maturities of lease obligations subsequent to March 31, 2026 were summarized as follows:

Year ending March 31,	*Millions of yen*	*Thousands of U.S. dollars*
2027	**¥ 115**	**$ 721**
2028	**37**	**228**
2029	**14**	**88**
2030	**8**	**52**
2031 and thereafter	**3**	**18**
	¥ 177	**$ 1,107**

15. Retirement Benefits

The Company and certain consolidated subsidiaries have defined contribution plans for retirement benefits. Other consolidated subsidiaries have defined benefit plans, including lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments the amounts of which are determined by reference to their basic rates of pay, length of service and the conditions under which termination occurs.

Changes in the retirement benefit obligation under the simplified method for the years ended March 31, 2026 and 2025 were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Retirement benefit obligation at the beginning of the year	**¥ 801**	¥ 752	**$ 5,008**
Service cost	**118**	106	**735**
Benefits paid	**(43)**	—	**(270)**
Foreign currency translation differences	**43**	(12)	**270**
Others	**(285)**	(45)	**(1,781)**
Retirement benefit obligation at the end of the year	**¥ 634**	¥ 801	**$ 3,962**

Balance of retirement benefit obligation and plan assets at fair value at March 31, 2026 and 2025 and liabilities recognized in the consolidated balance sheet at March 31, 2026 and 2025 were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Unfunded retirement benefit obligation*	**¥ 634**	¥ 801	**$ 3,962**
Net amount of liabilities and assets recognized in consolidated balance sheet	**634**	801	**3,962**
Liability for retirement benefits	**634**	801	**3,962**
Asset for retirement benefits	**—**	—	**—**
Net amount of liabilities and assets recognized in consolidated balance sheet	**¥ 634**	¥ 801	**$ 3,962**

* Certain domestic consolidated subsidiaries have calculated their retirement benefit obligation based on the simplified method.

Components of retirement benefit expenses for the years ended March 31, 2026 and 2025 were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Retirement benefit expenses based on the simplified method	**¥ 118**	¥ 106	**$735**

Required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were ¥1,952million ($12,207 thousand) and ¥1,918 million for the years ended March 31, 2026 and 2025, respectively.

16. Income Taxes

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants taxes and enterprise taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 29.9% for the year ended March 31, 2026 and 2025. Income taxes of the overseas consolidated subsidiaries are based generally on the tax rates applicable in their respective countries of incorporation.

The effective tax rate for the years ended March 31, 2026 and 2025 differed from the statutory tax rate for the following reasons:

	2026	2025
Statutory effective tax rates	**— %**	29.9 %
Effect of:		
Tax effect of retained earnings in overseas consolidated subsidiaries	—	0.3
Permanently nondeductible expenses	—	0.1
Difference between statutory tax rate in Japan and income tax rates applied at overseas consolidated subsidiaries	—	(5.0)
Tax credits	—	(4.0)
Increase(decrease)in valuation allowance	—	9.2
Loss and others at subsidiaries	—	3.6
Permanently nontaxable dividends received	—	(0.3)
Change of tax rate	—	(0.5)
Others, net	—	0.5
Effective tax rate	**— %**	33.8 %

Notes are omitted since the difference between the statutory tax rate and the effective income tax rate after the application of tax-effect accounting is less than 5% of the statutory tax rate for the year ended March 31, 2026.

The significant components of deferred tax assets and liabilities at March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Deferred tax assets:			
Depreciation	**¥ 15,111**	¥ 10,387	**$ 94,506**
Carryforward tax loss	**－-**	2	**-**
Provision for bonuses	**1,827**	1,470	**11,427**
Intercompany profit on sales of property, plant and equipment	**1,146**	1,094	**7,164**
Loss on devaluation of investment securities	**327**	362	**2,046**
Loss on devaluation of inventories	**842**	779	**5,267**
Loss on impairment of fixed assets	**11,768**	6,307	**73,594**
Others	**6,013**	6,451	**37,601**
Gross deferred tax assets	**37,034**	26,851	**231,605**
Valuation allowance of deductible temporary difference and others	**(12,010)**	(6,896)	**(75,105)**
Less valuation allowance	**(12,010)**	(6,896)	**(75,105)**
Total deferred tax assets	**25,024**	19,955	**156,500**
Deferred tax liabilities:			
Net unrealized gain on land revaluation resulting from inclusion of a subsidiary in consolidation	**(540)**	(540)	**(3,379)**
Tax effect of retained earnings in overseas consolidated subsidiaries	**(250)**	(218)	**(1,563)**
Net unrealized holding gain on other securities	**(7,187)**	(13,053)	**(44,945)**
Total deferred tax liabilities	**(7,977)**	(13,811)	**(49,887)**
Net deferred tax assets (liabilities)	**¥ 17,047**	¥ 6,144	**$ 106,613**

Notes on carryforward tax loss
This was not applicable for the year ended March 31, 2026.
Carryforward tax loss and its deferred tax assets by expiration periods were omitted due to their insignificance for the year ended March 31, 2025.

17. Shareholders' Equity

The Japanese Laws provide that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.
The additional paid-in capital and legal earnings reserve have been included in capital surplus and retained earnings, respectively, in the accompanying consolidated balance sheets. Under Japanese Laws, legal earnings reserve and additional paid-in capital can be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting. Additional paid-in capital and

legal earnings reserve may not be distributed as dividends. All additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. The legal reserve of the Company included in retained earnings at March 31, 2026 and 2025 amounted to ¥3,548 million ($22,193 thousand) and ¥3,548 million, respectively.

Japanese Laws further provide that, in general, an amount equal to the entire amount of paid-in capital for the issuance of new shares be transferred to the common stock account. However, an amount equal to or less than 50% of the entire amount may be transferred to the capital surplus account.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

Treasury stock

Movements in treasury stock during the years ended March 31, 2026 and 2025 were summarized as follows:

	Number of shares			
	2026			
	March 31, 2025	Increase	Decrease	March 31, 2026
Treasury stock: Common stock (*1)	**1,250,166**	**1,238,846**	**13,434**	**2,475,578**

(*1) The increase was primarily attributable to the stock split.

	Number of shares			
	2025			
	March 31, 2024	Increase	Decrease	March 31, 2025
Treasury stock: Common stock	1,166,595	120,961	37,390	1,250,166

The number of shares of treasury stock at March 31, 2026 and 2025, respectively, includes 542 thousand shares and 568 thousand shares entrusted for the share-based compensation plan for directors and share-based compensation plan for employees held by the trust account of Custody Bank of Japan, Ltd.

18. Loss on Impairment of Fixed Assets

Loss on impairment of fixed assets for the year ended March 31, 2026 was summarized as follows:

Location	Classification	Description	2026	
			Millions of yen	*Thousands of U.S. dollars*
Ogaki City, Gifu Prefecture	Buildings and structures	Idle	**10**	**63**
Ogaki City, Gifu Prefecture	Machinery and equipment	Idle	**12**	**74**
Ogaki City, Gifu Prefecture	Construction in progress	Idle	**3,434**	**21,475**
Ono Cho, Gifu Prefecture	Buildings and structures	Idle	**246**	**1,538**
Ono Cho, Gifu Prefecture	Machinery and equipment	Idle	**7**	**45**
Ono Cho, Gifu Prefecture	Construction in progress	Idle	**42**	**263**
Ibigawa Cho, Gifu Prefecture	Buildings and structures	Idle	**12**	**73**
Batangas, Republic of Philippines	Buildings and structures	Production facilities	**1,024**	**6,406**
Batangas, Republic of Philippines	Machinery and equipment	Production facilities	**2,967**	**18,558**
Batangas, Republic of Philippines	Construction in progress	Production facilities	**6,639**	**41,520**
Dunavarsany, Hungary	Construction in progress	Idle	**1,160**	**7,252**
Pohang City, South Korea	Construction in progress	Idle	**853**	**5,335**

In general, fixed assets are grouped based on management accounting classifications that involve the continuous monitoring of income and expenses. Indications of impairment of idle assets are individually assessed. The carrying amount of idle assets has been reduced to their recoverable amounts, and a decrease in the amount of ¥5,775 million ($36,116 thousand) was recorded as an impairment loss for the year ended March 31, 2026. The recoverable amounts were measured at estimated net selling value, and the carrying amount of idle assets was reduced to ¥1 ($0.01) for the year ended March 31, 2026. Additionally, impairment losses of ¥10,631 million ($66,484 thousand) were recognized since the recoverable amounts were less than the carrying amount, due to originally anticipated revenues no longer being expected to be achieved. The recoverable amounts were measured based on value in use, which was calculated by discounting future cash flows at a rate of 8.8%.

Loss on impairment of fixed assets for the year ended March 31, 2025 was summarized as follows:

Location	Classification	Description	2025 *Millions of yen*
Ogaki City, Gifu Prefecture	Buildings and structures	Idle	2
Ogaki City, Gifu Prefecture	Machinery and equipment	Idle	609
Ogaki City, Gifu Prefecture	Construction in progress	Idle	2,439
Batangas, Republic of Philippines	Buildings and structures	Production facilities	1,477
Batangas, Republic of Philippines	Machinery and equipment	Production facilities	12,653
Batangas, Republic of Philippines	Construction in progress	Production facilities	1,407

In general, fixed assets are grouped based on business segment. Indications of impairment of idle assets are individually assessed. The carrying amount of idle assets has been reduced to their recoverable amounts, and a decrease in the amount of ¥3,050 million was recorded as an impairment loss for the year ended March 31, 2025. The recoverable amounts were measured at estimated net selling value, and the carrying amount of idle assets was reduced to ¥1 for the year ended March 31, 2025. Additionally, impairment losses of ¥15,537 million were recognized since the recoverable amounts were less than the carrying amount, due to the originally anticipated revenues no longer being expected to be achieved. The recoverable amounts were measured based on value in use, which was calculated by discounting future cash flows at a rate of 8.6%.

19. Land Revaluation

At March 31, 2002, a consolidated subsidiary revalued its land held for business use in accordance with the “Land Revaluation Law” and the amended “Land Revaluation Law”. As a result, the consolidated subsidiary recognized a gain on land revaluation and recorded a deferred tax liability related to this gain. The resulting gain, net of the relevant tax effect, has been accounted for under accumulated other comprehensive income (loss) as surplus arising from land revaluation. The method followed for this land revaluation was determined in accordance with the “Land Valuation Tax Law” as stipulated in the “Enforcement Act Concerning Land Revaluation” and other regulations. The fair value of this land was ¥2 million less than its carrying value after revaluation, as of the year ended March 31, 2025. As of March 31, 2026, the total fair value of the revalued land exceeded its carrying value after revaluation, and therefore, the description of the difference has been omitted.

20. Selling, General and Administrative Expenses

The components of selling, general and administrative expenses for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Salaries	**¥ 10,853**	¥ 9,766	**$ 67,876**
Provision for employees' bonuses	**1,166**	944	**7,289**
Provision for directors' bonuses	**172**	170	**1,076**
Retirement benefit expenses	**355**	311	**2,223**
Provision for share-based compensation expenses	**155**	177	**971**
Research and development expenses	**29,916**	27,452	**187,095**
Others	**27,023**	26,887	**168,995**
Total	**¥ 69,640**	¥ 65,707	**$ 435,525**

21. Other Income (Expenses)

The components of others, net in other income (expenses) for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Gain (loss) on sales and disposals of property, plant and equipment, net	**¥ (1,195)**	¥ (1,523)	**$ (7,473)**
Loss on impairment of fixed assets	**(16,406)**	(18,587)	**(102,600)**
Foreign exchange gain (loss), net	**321**	(1,336)	**2,007**
Share of profit of entities accounted for using equity method	**0**	1	**1**
Insurance claim income	**-**	1,051	**-**
Bond issuance costs	**-**	(152)	**-**
Others, net	**(1,636)**	(1,532)	**(10,231)**
Total	**¥ (18,916)**	¥ (22,078)	**$ (118,296)**

22. Per-share information

	Yen		*U.S. dollars*
	2026	2025	**2026**
Basic earnings per share	**¥ 228.16**	¥ 120.66	**$ 1.43**
Diluted earnings per share	**214.91**	113.10	**1.34**
Net assets per share	**1,969.85**	1756.66	**12.32**
Cash dividends applicable to the year	**45.00**	40.00	**0.28**

The Company implemented a stock split at a ratio of two shares for every one share of common stock, effective January 1, 2026. The share figures are presented under the assumption that this stock split occurred at the beginning of the previous consolidated fiscal year.

Basic earnings per share for the years ended March 31, 2026 and 2025 are computed based on the profit attributable to the shareholders of common stock and the weighted average number of shares of common stock outstanding during the year. Amounts per share of net assets are computed based on the number of shares of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends approved by the Board of Directors as applicable to the respective years together with the interim cash dividends paid.

The Company implemented a stock split at a ratio of two shares for every one share of common stock, effective January 1, 2026. The calculation of net assets per share, basic earnings per share and diluted earnings per share are done under the assumption that the stock split occurred at the start of the previous year

To calculate the amount of basic earnings per share, the Company's shares held by a trust account with Custody Bank of Japan, Ltd. (entrusted for share compensation for directors, etc. and employees) are included in treasury stock (545 thousand shares and 455 thousand shares for the years ended March 31, 2026 and 2025, respectively) that is excluded from the calculation of the average number of shares for the period, and to calculate the amount of net assets per share, the Company’s shares held by the trust are included in treasury stock (568 thousand shares and 541 thousand shares for the years ended March 31, 2026 and 2025, respectively) that is excluded from the total number of shares issued and outstanding as of the end of the fiscal year.

Financial data for the computation of basic earnings per share for the years ended March 31, 2026 and 2025 in the table above were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Profit attributable to owners of parent	**¥ 63,713**	¥ 33,705	**$ 398,457**

	Thousands of shares	
	2026	2025
Weighted average number of shares of common stock outstanding during the year	**279,244**	279,334

Financial data for the computation of diluted earnings per share for the years ended March 31, 2026 in the table above was summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Adjustment of profit attributable to owners of parent	**¥ (351)**	¥ (351)	**$ (2,192)**

	Thousands of shares	
	2026	2025
Increase in the number of common shares outstanding during the year	**15,584**	**15,584**

Financial data for the computation of net assets per share at March 31, 2026 and 2025 in the above table were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Total net assets	**¥ 557,413**	**¥ 497,298**	**$ 3,486,009**
Deductions from total net assets:			
Non-controlling interests	**(7,340)**	**(6,803)**	**(45,903)**
Total net assets attributable to common stockholders	**¥ 550,073**	**490,495**	**$ 3,440,106**

	Thousands of shares	
	2026	2025
Number of shares of common stock used in the calculation of net assets per share	**279,246**	279,220

23. Other Comprehensive Income

The following table presents reclassification adjustments and tax effects for other comprehensive income (loss) for the years ended March 31, 2026 and 2025:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Net unrealized holding gain (loss) on securities:			
Amount arising during the year	**¥ 30,644**	¥ (16,241)	**$ 191,646**
Reclassification adjustments for loss (gain) realized in the statement of income	**(49,449)**	(24,967)	**(309,248)**
Subtotal before income taxes and tax effect	**(18,805)**	(41,208)	**(117,602)**
Income taxes and tax effect	**5,843**	11,912	**36,541**
Net unrealized holding gain (loss) on securities	**(12,962)**	(29,296)	**(81,061)**
Deferred gains or losses on hedging instruments:			
Amount arising during the year	**(243)**	(1)	**(1,521)**
Reclassification adjustments for (gain) loss realized in the statement of income	**–**	–	**-**
Subtotal before income taxes and tax effect	**(243)**	(1)	**(1,521)**
Income taxes and tax effect	**75**	0	**468**
Deferred gains or losses on hedging instruments:	**(168)**	(1)	**(1,053)**
Surplus arising from land revaluation:			
Amount arising during the year	**–**	–	**-**
Reclassification adjustments for (gain) loss realized in the statement of income	**–**	–	**-**
Subtotal before income taxes and tax effect	**–**	–	**-**
Income taxes and tax effect	**–**	(2)	**-**
Surplus arising from land revaluation:	**–**	(2)	**-**
Translation adjustments:			
Amount arising during the year	**16,045**	(2,920)	**100,346**
Reclassification adjustments for gain realized in the statement of income	**—**	—	**-**
Translation adjustments	**16,045**	(2,920)	**100,346**
Total	**¥ 2,915**	¥ (32,219)	**$ 18,232**

24. Supplementary Cash Flow Information

A reconciliation of cash and cash equivalents in the accompanying consolidated statement of cash flows and cash and deposits in the accompanying consolidated balance sheet was presented as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Cash and deposits	**¥ 295,682**	¥ 390,657	**$ 1,849,168**
Time deposits with maturities in excess of three months	**(2,773)**	—	**(17,343)**
Cash and cash equivalents	**¥ 292,909**	¥390,657	**$ 1,831,825**

25. Derivatives

Derivative financial instruments such as forward foreign exchange contracts are utilized by the Company principally in order to manage the risk arising from adverse fluctuation in foreign currency exchange rates. The Company has established a control environment which includes policies and procedures for risk assessment, including an assessment of the effectiveness of hedging, and for the approval, reporting and monitoring of transactions involving derivatives. The Company does not hold or issue derivatives for speculative purposes.

The Company is exposed to certain market risk arising from forward foreign exchange contracts. The Company is also exposed to the risk of credit loss in the event of nonperformance by any of the counterparties to its forward foreign exchange contracts. However, the Company does not anticipate nonperformance by any of these counterparties, all of whom are financial institutions with high credit ratings.

Summarized below were the notional amounts and estimated fair value of the derivative positions outstanding at March 31, 2026 and 2025 for which hedge accounting had been applied. There were no derivatives with maturities over one year at March 31, 2026 and 2025. The estimated fair values were based on the prices obtained from financial institutions.

Method of hedge accounting	**Transaction**	**Hedged items**	**2026**	
			Notional amount	**Estimated fair value**
			(Millions of yen)	
Principal method of accounting	Forward foreign exchange contracts:	Accounts receivable denominated in a foreign currency and foreign currency-denominated forecast transactions		
	Sell:			
	U.S. dollars		**¥ 94,593**	**¥ (1,409)**
	Euros		**—**	**—**
	Total		**¥ 94,593**	**¥ (1,409)**

Method of hedge accounting	Transaction	Hedged items	2025 Notional amount	2025 Estimated fair value
			(Millions of yen)	
Principal method of accounting	Forward foreign exchange contracts:	Accounts receivable denominated in a foreign currency		
	Sell:			
	U.S. dollars		¥ 26,848	¥ 520
	Euros		495	10
	Total		¥ 27,343	¥ 530

Method of hedge accounting	**Transaction**	**Hedged items**	**2026 Notional amount**	**2026 Estimated fair value**
			(Thousands of U.S. dollars)	
Principal method of accounting	Forward foreign exchange contracts:	Accounts receivable denominated in a foreign currency and foreign currency-denominated forecast transactions		
	Sell			
	U.S. dollars		**$ 591,576**	**$ (8,809)**
	Euros		—	—
	Total		**$ 591,576**	**$ (8,809)**

26. Revenue Recognition

Contract balances

The following table presented the balances of receivables, contract assets, and contract liabilities from contracts with customers. Receivables and contract assets from contracts with customers are included in notes and accounts receivable and electronically recorded monetary claims and contract liabilities are included in other current liabilities in the consolidated balance sheets.

	2026	
	Balance at March 31, 2025	Balance at March 31, 2026
	(Millions of yen)	
Receivables	**¥ 64,756**	**¥ 79,037**
Contract assets	**3,465**	**3,068**
Contract liabilities	**9,826**	**15,607**

	2025	
	Balance at March 31, 2024	Balance at March 31, 2025
	(Millions of yen)	
Receivables	¥ 60,667	¥ 64,756
Contract assets	4,746	3,465
Contract liabilities	11,501	9,826

	2026	
	Balance at March 31, 2025	Balance at March 31, 2026
	(Thousands of U.S. dollars)	
Receivables	**$ 404,979**	**$ 494,293**
Contract assets	**21,673**	**19,187**
Contract liabilities	**61,453**	**97,605**

Contract assets relate to consideration for unbilled work for which revenue has been recognized for transactions in which performance obligations are satisfied over time. Contract assets are reclassified to receivables when the right to consideration becomes unconditional. Contract liabilities primarily consist of advances received from customers representing a portion of the consideration for future performance obligations. Contract liabilities are reversed as revenue is recognized.

The amount of revenue recognized in the fiscal year that was included in the contract liability balances as of the beginning of the fiscal year were ¥9,387 million ($ 58,706 thousand) and ¥11,095 million as of the years ended March 31, 2026 and 2025, respectively.

Transaction price allocated to the remaining performance obligations

The Company and consolidated subsidiaries have applied the practical expedient to disclose the transaction price allocated to the remaining performance obligations and have not included contracts with an initial expected contractual term of one year or less in the disclosure. The performance obligations that have not been satisfied (or partially satisfied) were ¥10,683million ($66,808 thousand) and ¥10,559 million as of the years ended March 31, 2026 and 2025, respectively. The performance obligations relate to transactions in the others business in which the performance obligations are satisfied over time and are expected to be fulfilled within six and four years as of the years ended March 31, 2026 and 2025, respectively.

27. Segment Information

Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the

Company's Board of Directors to make decisions about resource allocation and to assess the business performances of those segments.

The Group classifies the Company and its subsidiaries identified by the respective products and services they provide. Each company plans comprehensive domestic and overseas strategies for its products and conducts related business activities.

Based on the Group's primary business activities, the reportable segments include "Electronics" and "Ceramics." The main products or services of those segments are as follows:

Electronics segment:
This reportable segment includes the business of manufacturing and sales of package substrates.

Ceramics segment:
This reportable segment includes the business of manufacturing and sales of environment related ceramics products, graphite specialty products, fine ceramics products, and ceramics fiber.

Methods used to calculate sales, income (loss), assets, and other items for the reportable segments

The methods used to account for reportable segments are the same as those described in Note 2, "Summary of Significant Accounting Policies." Segment income (loss) is calculated on the basis of operating income in the consolidated statement of income. Intersegment sales are recorded basically at the same prices used in transactions with third parties.

A summary of net sales, income (loss), assets, and other items by reportable segment for the years ended March 31, 2026 and 2025 were as follows:

Millions of yen

2026

	Reportable Segments			Others (*1)	Total	Adjustment (*2)	Consolidated Financial Statements
	Electronics	**Ceramics**	**Total**				
Sales to third parties	**¥ 243,316**	**¥ 82,554**	**¥ 325,870**	**¥ 90,331**	**¥ 416,201**	**¥ —**	**¥ 416,201**
Intersegment sales and transfers	**39**	**619**	**658**	**14,900**	**15,558**	**(15,558)**	**—**
Net sales	**¥ 243,355**	**¥ 83,173**	**¥ 326,528**	**¥ 105,231**	**¥ 431,759**	**¥ (15,558)**	**¥ 416,201**
Segment income(loss)	**¥ 45,248**	**¥ 7,646**	**¥ 52,895**	**¥ 8,965**	**¥ 61,859**	**¥ 169**	**¥ 62,028**
Segment assets	**442,320**	**146,778**	**589,098**	**140,682**	**729,780**	**230,646**	**960,426**
Depreciation and amortization	**55,202**	**6,242**	**61,444**	**2,477**	**63,921**	**2,315**	**66,236**
Increase in property, plant and equipment and intangible assets	**58,066**	**1,759**	**59,825**	**2,293**	**62,118**	**2,160**	**64,278**

(*1) The “Others” includes business segments that are not included in the reportable segments such as construction, housing materials, the manufacturing of foamed-resin products, processing of agricultural and marine products, operations of gas stations, software development, and network design.

(*2) Adjustments are as follows:

(a) The adjustment to segment income (loss) of ¥ 169 million is for the elimination of intersegment transactions of ¥ 314 million and corporate expenses which cannot be allocated to reportable segments of ¥ (145) million.

(b) The segment income for the electronics segment does not include depreciation of inactive non-current assets of ¥3,871 million recorded under non-operating expenses.

(c) The depreciation and amortization include depreciation of inactive non-current assets of ¥3,871 million recorded under non-operating expenses.

(d) The adjustments to segment assets of ¥230,646 million is for corporate assets that could not be allocated to the business segments.

(e) The adjustments to depreciation and amortization of ¥2,315 million are for depreciation and amortization of corporate assets that could not be allocated to the business segments.

(f) The adjustments to increase in property, plant and equipment and intangible assets of ¥2,160 million are mainly for amounts of corporate assets that could not be allocated to the business segments.

Millions of yen

2025

	Reportable Segments			Others (*1)	Total	Adjustment (*2)	Consolidated Financial Statements
	Electronics	Ceramics	Total				
Sales to third parties	¥ 197,224	¥ 84,068	¥ 281,292	¥ 88,145	¥ 369,437	¥ －-	¥ 369,437
Intersegment sales and transfers	20	146	167	22,091	22,258	(22,258)	－-
Net sales	¥ 197,244	¥ 84,215	¥ 281,459	¥ 110,236	¥ 391,695	¥ (22,258)	¥ 369,437
Segment income(loss)	¥ 26,847	¥ 12,219	¥ 39,066	¥ 8,707	¥ 47,773	¥ (151)	¥ 47,622
Segment assets	443,848	144,312	588,160	136,219	724,379	357,305	1,081,684
Depreciation and amortization	44,299	5,808	50,107	2,559	52,666	1,540	54,206
Increase in property, plant and equipment and intangible assets	146,756	7,105	153,861	1,587	155,448	1,857	157,305

(*1) The “Others” includes business segments that are not included in the reportable segments such as construction, housing materials, the manufacturing of foamed-resin products, processing of agricultural and marine products, operations of gas stations, software development, and network design.

(*2) Adjustments are as follows:

(a) The adjustment to segment income (loss) of ¥ (151) million is for the elimination of intersegment transactions of ¥ (59) million and corporate expenses which cannot be allocated to reportable

segments of ¥ (92) million.

(b) The segment income for the electronics segment does not include depreciation of inactive non-current assets of ¥1,743 million recorded under non-operating expenses.

(c) The depreciation and amortization include depreciation of inactive non-current assets of ¥1,743 million recorded under non-operating expenses.

(d) The adjustments to segment assets of ¥357,305 million is for corporate assets that could not be allocated to the business segments.

(e) The adjustments to depreciation and amortization of ¥1,540 million are for depreciation and amortization of corporate assets that could not be allocated to the business segments.

(f) The adjustments to increase in property, plant and equipment and intangible assets of ¥1,857 million are mainly for amounts of corporate assets that could not be allocated to the business segments.

Thousands of U.S. dollars

2026

	Reportable Segments			Others (*1)	Total	Adjustment (*2)	Consolidated Financial Statements
	Electronics	Ceramics	Total				
Sales to third parties	$ 1,521,676	$516,288	$ 2,037,964	$ 564,920	$ 2,602,884	$ -	$ 2,602,884
Intersegment sales and transfers	246	3,868	4,114	93,185	97,299	(97,299)	-
Net sales	$ 1,521,922	$ 520,156	$ 2,042,078	$ 658,105	$ 2,700,183	$ (97,299)	$ 2,602,884
Segment income(loss)	$ 282,979	$ 47,820	$ 330,799	$ 56,064	$ 386,863	$ 1,053	$ 387,916
Segment assets	2,766,228	917,937	3,684,165	879,811	4,563,976	1,442,438	6,006,414
Depreciation and amortization	345,231	39,035	384,266	15,488	399,754	14,481	414,235
Increase in property, plant and equipment and intangible assets	363,142	10,998	374,140	14,338	388,478	13,510	401,988

(*1) The “Others” includes business segments that are not included in the reportable segments such as construction, housing materials, the manufacturing of foamed-resin products, processing of agricultural and marine products, operations of gas stations, software development, and network design.

(*2) Adjustments are as follows:

(a) The adjustment to segment income (loss) of $1,053 thousand is for the elimination of intersegment transactions of $1,964 thousand and corporate expenses which cannot be allocated to reportable segments of $(911) thousand.

(b) The segment income for the electronics segment does not include depreciation of inactive non-current assets of $24,209 thousand recorded under non-operating expenses.

(c) The depreciation and amortization include depreciation of inactive non-current assets of $24,209 thousand recorded under non-operating expenses.

(d) The adjustment to segment assets of $1,442,438 thousand is for corporate assets that could not be allocated to the business segments.

(e) The adjustments to depreciation and amortization of $14,481 thousand are for depreciation of

corporate assets that could not be allocated to the business segments.

(f) The adjustments to increase in property, plant and equipment and intangible assets of $13,510 thousand are mainly for amounts of corporate assets that could not be allocated to the business segments.

Related information

Geographical information

Net sales to third parties by countries or areas grouped according to geographical classification for the years ended March 31, 2026 and 2025 were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Japan	**¥ 112,867**	¥ 108,229	**$ 705,862**
Asia (excluding Japan)	**217,853**	174,227	**1,362,435**
North America	**49,256**	47,562	**308,041**
Europe	**25,159**	27,043	**157,341**
Others	**11,066**	12,376	**69,205**
Consolidated	**¥416,201**	¥ 369,437	**$ 2,602,884**

Net sales are categorized by country or geographic area based on the location of the customer.

Sales in Taiwan belonging to the Asia area were ¥111,492 million ($697,260 thousand), sales in Malaysia belonging to the Asia area were ¥52,399 million ($327,698 thousand), and sales in the USA belonging to the North America area were ¥42,529 million ($265,969 thousand) for the year ended March 31, 2026.

Sales in Taiwan belonging to the Asia area were ¥58,494 million, sales in Malaysia belonging to the Asia area were ¥49,043 million, and sales in the USA belonging to the North America area were ¥41,919 million for the year ended March 31, 2025.

Property, plant and equipment by country or geographical area at March 31, 2026 and 2025 were summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2026	2025	**2026**
Japan	**¥ 360,167**	¥ 367,482	**$ 2,252,450**
Asia (excluding Japan)	**52,639**	67,091	**329,203**
North America	**4,339**	4,186	**27,134**
Europe	**20,560**	21,296	**128,578**
Consolidated	**¥ 437,705**	¥ 460,055	**$ 2,737,365**

Major customer information

Sales to major customers for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen	*Thousands of U.S. dollars*
Customer Name	**2026**	
NVIDIA Corp.	**¥ 122,470**	**$765,918**
Intel Corp.	**75,320**	**471,042**

	Millions of yen
Customer Name	2025
Intel Corp.	¥ 76,709
Advanced Micro Devices Inc.	40,707
NVIDIA Corp.	75,077

Amortization amount and remaining balance of goodwill

The amortization amount and remaining balance of goodwill by reportable segment for the years ended and as of March 31, 2026 and 2025 were as follows:

	Millions of yen						
	2026						
	Reportable Segments			**Others**	**Total**	**Corporate and Elimination**	**Consolidated Financial Statements**
	Electronics	**Ceramics**	**Total**				
Goodwill:							
Amortization amount	**¥ -**	**¥ 93**	**¥ 93**	**¥ -**	**¥ 93**	**¥ -**	**¥ 93**
Remaining balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Millions of yen						
	2025						
	Reportable Segments			Others	Total	Corporate and Elimination	Consolidated Financial Statements
	Electronics	Ceramics	Total				
Goodwill:							
Amortization amount	¥ -	¥ 116	¥ 116	¥ -	¥ 116	¥ -	¥ 116
Remaining balance	-	86	86	-	86	-	86

	Thousands of U.S. dollars						
	2026						
	Reportable Segments			**Others**	**Total**	**Corporate and Elimination**	**Consolidated Financial Statements**
	Electronics	**Ceramics**	**Total**				
Goodwill:							
Amortization amount	**$ -**	**$ 582**	**$ 582**	**$ -**	**$ 582**	**$ -**	**$ 582**
Remaining balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Loss on impairment of fixed assets

Loss on impairment of fixed assets by reportable segment for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen						
	2026						
	Reportable Segments			**Others**	**Total**	**Corporate and Elimination**	**Consolidated Financial Statements**
	Electronics	**Ceramics**	**Total**				
Loss on impairment of fixed assets	**¥ 13,873**	**¥ 2,024**	**¥ 15,898**	508	16,406	**¥ —**	**¥16,406**

	Millions of yen						
	2025						
	Reportable Segments			Others	Total	Corporate and Elimination	Consolidated Financial Statements
	Electronics	Ceramics	Total				
Loss on impairment of fixed assets	¥18,587	¥—	¥18,587	¥—	¥ 18,587	¥ —	¥ 18,587

	Thousands of U.S. dollars						
	2026						
	Reportable Segments			**Others**	**Total**	**Corporate and Elimination**	**Consolidated Financial Statements**
	Electronics	**Ceramics**	**Total**				
Loss on impairment of fixed assets	**$ 86,763**	**$ 12,660**	**$ 99,424**	**$ 3,177**	**$ 102,600**	**$ -**	**$ 102,600**

28. Subsequent Events

Cash dividends

The following distribution of retained earnings of the Company which was not reflected in the accompanying consolidated financial statements for the year ended March 31, 2026 was approved at a meeting of the Board of Directors held on May 19, 2026:

	Millions of yen	*Thousands of U.S. dollars*
Year-end cash dividends (¥15 ($0.09) per share)	**¥ 4,197**	**$ 26,246**

The total amount of dividends includes dividends of ¥8 million ($51 thousand) to the shares of treasury stock of the Company (for the share-based compensation plan for directors and share- based compensation plan for employees) held by the trust account of Custody Bank of Japan, Ltd.

Conversion of Convertible Bonds with Stock Acquisition Rights

A portion of the Company's Convertible Bonds with Stock Acquisition Rights was converted upon the exercise of stock acquisition rights. The following information reflects conversions identified as of August 20, 2026:

Number of stock acquisition rights exercised	1,514 units
Face value of convertible bonds converted	¥ 15,140 million ($ 94,684 thousand)
Type and number of shares issued	Common stock, 1,850,115 shares
Increase in capital stock	¥ 4,289 million ($ 26,824 thousand)
Increase in capital surplus	¥ 4,289 million ($ 26,824 thousand)
Type and number of treasury shares decreased	Common stock, 1,524,673 shares
Decrease in treasury stock	¥ 1,819 million ($ 11,375 thousand)

Stock Split and Partial Amendment to the Articles of Incorporation

The Company resolved at a meeting of the Board of Directors held on August 4, 2026, to implement a stock split and amend a portion of its Articles of Incorporation in connection with the stock split.