

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



MEMBERSHIP
June 25, 2025

Consolidated Financial Results for the Three Months Ended May 20, 2025 (Under Japanese GAAP)

Company name: ZUIKO Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6279
 URL: <https://www.zuiko.co.jp/>
 Representative: Toyoshi Umebayashi, President & CEO
 Inquiries: Hajime Ninomiya, General Manager, Corporate Strategy Department
 Telephone: +81-72-648-2215
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended May 20, 2025 (from February 21, 2025 to May 20, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 20, 2025	5,164	34.0	(75)	—	(70)	—	(42)	—
May 20, 2024	3,853	(4.1)	(132)	—	(39)	—	(758)	—

Note: Comprehensive income For the three months ended May 20, 2025: ¥ (807) million [—%]
 For the three months ended May 20, 2024: ¥ (445) million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 20, 2025	(1.59)	—
May 20, 2024	(28.69)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 20, 2025	49,734	33,328	66.9	1,257.15
February 20, 2025	52,384	34,268	65.3	1,292.55

Reference: Equity As of May 20, 2025: ¥33,270 million
 As of February 20, 2025: ¥34,207 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 20, 2025	—	5.00	—	5.00	10.00
Fiscal year ending February 20, 2026	—				
Fiscal year ending February 20, 2026 (Forecast)		8.00	—	8.00	16.00

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

3. Consolidated earnings forecasts for the fiscal year ending February 20, 2026 (from February 21, 2025 to February 20, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 20, 2026	22,000	10.3	1,000	—	1,050	—	820	—	30.98

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

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Key Notes, (3) Notes to Quarterly Consolidated Financial Statements, (Notes on Changes in Accounting Policy)” on page 7 of the attachment.
- (4) Number of issued shares (common shares)

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

As of May 20, 2025:	28,800,000 shares
As of February 20, 2025:	28,800,000 shares

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

As of May 20, 2025:	2,334,927 shares
As of February 20, 2025:	2,334,825 shares

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

Three months ended May 20, 2025:	26,465,107 shares
Three months ended May 20, 2024:	26,443,936 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to achieve the stated performance. Actual business and other results may differ substantially due to various factors.

For matters related to the above earnings forecasts, please refer to “1. Qualitative Information on the Quarterly Financial Results for the Period under Review (3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information” on page 2 of the Attached Material.

Attached Material

1. Qualitative Information on the Quarterly Financial Results for the Period under Review	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	2
(3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information	2
2. Quarterly Consolidated Financial Statements and Key Notes.....	3
(1) Quarterly consolidated balance sheet.....	3
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	5
Quarterly consolidated statement of income (cumulative)	5
Quarterly consolidated statement of comprehensive income (cumulative)	6
(3) Notes to Quarterly Consolidated Financial Statements	7
(Notes on Change in Accounting Policy).....	7
(Notes on the Segment Information).....	7
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	7
(Notes on Going Concern Assumption).....	7
(Notes to Quarterly consolidated statements of cash flows).....	7

1. Qualitative Information on the Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

The Group has striven to increase sales by working to aggressively conduct proposal activities for hygiene product manufacturing machinery and others mainly for hygiene product manufacturers in Japan and overseas and by promoting early completion and delivery of received machinery manufacturing projects and modification projects as well as parts sales.

Net sales for the period under review were 5,164 million yen (up 34.0% YoY) due to increased sales to Japan and China. Net sales by major product were as follows. Adult disposable diaper mfg. machinery: 2,468 million yen (up 178.1% YoY), baby disposable diaper mfg. machinery: 1,734 million yen (up 73.4% YoY), sanitary napkin mfg. machinery: 430 million yen (down 61.9% YoY), parts: 421 million yen (down 29.8% YoY), and other products: 109 million yen (down 53.3% YoY).

In terms of profits, cost of sales ratio remained high although selling, general and administrative expenses decreased. Consequently, operating loss was 75 million yen (operating loss of 132 million yen in the same period of the previous fiscal year) and ordinary loss was 70 million yen (ordinary loss of 39 million yen in the same period of the previous fiscal year). Gain on sale of investment securities and the impact of tax effect accounting treatment in association with revisions to the financial policy in the Group were recorded in the same period of the previous fiscal year, but these didn't occur in the current period. Therefore, loss attributable to owners of parent of was 42 million yen (loss attributable to owners of parent of 758 million yen in the same period of the previous fiscal year).

The Group is engaged in the manufacture of general industrial machinery and equipment, including sanitary napkin mfg. machinery and disposable diaper mfg. machinery, as well as other businesses. However, segment information is omitted because other businesses account for only a small percentage of all segments and are not significant in terms of disclosure information.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the current fiscal year (as of May 20, 2025) were 49,734 million yen, down 2,650 million yen from the end of the previous fiscal year. Contract assets increased by 345 million yen, and accounts receivable - trade increased by 264 million yen, cash and deposits decreased by 1,829 million yen, raw materials and supplies decreased by 451 million yen, buildings and structures, net decreased by 173 million yen, and electronically recorded monetary claims - operating decreased by 100 million yen.

Total liabilities decreased by 1,709 million yen from the end of the previous fiscal year to 16,406 million yen. Notes and accounts payable - trade decreased by 894 million yen, contract liabilities decreased by 665 million yen, long-term borrowings decreased by 145 million yen, accounts payable - other decreased by 141 million yen, and provision for loss on orders received decreased by 130 million yen.

Total net assets decreased by 940 million yen from the end of the previous fiscal year to 33,328 million yen. Foreign currency translation adjustment decreased by 776 million yen, and retained earnings decreased by 174 million yen.

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

With regard to the financial forecasts for the fiscal year ending February 20, 2026, the Company has made no change to the consolidated financial forecasts presented in "Consolidated Financial Results for the Fiscal Year Ended February 20, 2025," which was announced on April 4, 2025. Should it become necessary to revise these forecasts based on changes in business conditions, the Company will promptly disclose these revisions.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of February 20, 2025	As of May 20, 2025
Assets		
Current assets		
Cash and deposits	15,324,753	13,495,273
Accounts receivable - trade	1,789,047	2,053,239
Contract assets	8,555,577	8,901,191
Electronically recorded monetary claims - operating	1,313,780	1,213,595
Merchandise and finished goods	92,751	83,941
Work in process	4,234,991	4,160,710
Raw materials and supplies	2,523,665	2,072,417
Other	1,695,873	1,168,799
Allowance for doubtful accounts	(3,890)	(4,076)
Total current assets	35,526,550	33,145,091
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,554,926	8,381,497
Machinery, equipment and vehicles, net	894,444	848,126
Land	5,206,618	5,203,882
Leased assets, net	10,665	9,484
Construction in progress	149,806	115,500
Other, net	335,981	309,733
Total property, plant and equipment	15,152,442	14,868,225
Intangible assets		
Goodwill	237,003	222,334
Other	592,641	567,071
Total intangible assets	829,644	789,405
Investments and other assets		
Investment securities	651,675	668,428
Deferred tax assets	97,325	140,430
Long-term time deposits	69,750	69,395
Distressed receivables	916	—
Other	57,351	53,562
Allowance for doubtful accounts	(916)	—
Total investments and other assets	876,101	931,816
Total non-current assets	16,858,188	16,589,447
Total assets	52,384,739	49,734,538

(Thousands of yen)

	As of February 20, 2025	As of May 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,325,393	1,430,721
Electronically recorded obligations - operating	1,877,254	1,941,244
Current portion of long-term borrowings	382,510	361,328
Current portion of bonds payable	5,000,000	5,000,000
Lease liabilities	12,950	13,405
Accounts payable - other	875,909	734,420
Income taxes payable	45,588	26,514
Contract liabilities	3,641,381	2,975,493
Provision for bonuses	289,225	338,876
Provision for bonuses for directors (and other officers)	15,800	7,600
Provision for product warranties	86,879	103,205
Provision for shareholder benefit program	25,196	—
Provision for loss on orders received	315,460	185,300
Other	67,623	315,943
Total current liabilities	14,961,174	13,434,054
Non-current liabilities		
Long-term borrowings	2,164,148	2,018,576
Lease liabilities	13,042	10,694
Deferred tax liabilities	632,602	626,467
Retirement benefit liability	96,085	92,442
Long-term accounts payable - other	249,094	224,144
Total non-current liabilities	3,154,972	2,972,325
Total liabilities	18,116,147	16,406,380
Net assets		
Shareholders' equity		
Share capital	1,888,510	1,888,510
Capital surplus	2,890,580	2,890,482
Retained earnings	26,589,477	26,415,022
Treasury shares	(550,446)	(550,470)
Total shareholders' equity	30,818,121	30,643,544
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	344,420	356,222
Revaluation reserve for land	(752,204)	(752,204)
Foreign currency translation adjustment	3,823,522	3,047,259
Remeasurements of defined benefit plans	(26,299)	(24,241)
Total accumulated other comprehensive income	3,389,439	2,627,036
Share acquisition rights	40,755	40,755
Non-controlling interests	20,275	16,822
Total net assets	34,268,592	33,328,158
Total liabilities and net assets	52,384,739	49,734,538

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Thousands of yen)

	Three months ended May 20, 2024	Three months ended May 20, 2025
Net sales	3,853,524	5,164,548
Cost of sales	3,161,205	4,500,372
Gross profit	692,319	664,175
Selling, general and administrative expenses	824,947	739,477
Operating loss	(132,628)	(75,301)
Non-operating income		
Interest income	27,096	12,271
Dividend income	2,536	2,752
Foreign exchange gains	69,118	—
Other	14,855	14,958
Total non-operating income	113,606	29,982
Non-operating expenses		
Interest expenses	4,094	6,511
Interest expenses on bonds	5,917	5,852
Share of loss of entities accounted for using equity method	—	253
Foreign exchange losses	—	10,872
Share acquisition rights issuance costs	9,505	—
Other	673	1,239
Total non-operating expenses	20,191	24,729
Ordinary loss	(39,213)	(70,048)
Extraordinary income		
Gain on sale of non-current assets	—	89
Gain on sale of investment securities	533,635	54
Total extraordinary income	533,635	144
Extraordinary losses		
Loss on sale of non-current assets	—	26
Loss on retirement of non-current assets	0	98
Total extraordinary losses	0	125
Profit (loss) before income taxes	494,421	(70,030)
Income taxes - current	240,611	33,144
Income taxes - deferred	1,012,578	(58,576)
Total income taxes	1,253,190	(25,431)
Loss	(758,768)	(44,598)
Loss attributable to non-controlling interests	—	(2,469)
Loss attributable to owners of parent	(758,768)	(42,129)

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended May 20, 2024	Three months ended May 20, 2025
Loss	(758,768)	(44,598)
Other comprehensive income		
Valuation difference on available-for-sale securities	(375,097)	11,802
Foreign currency translation adjustment	685,761	(776,263)
Remeasurements of defined benefit plans, net of tax	2,735	2,058
Total other comprehensive income	313,399	(762,402)
Comprehensive income	(445,368)	(807,001)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(445,368)	(804,531)
Comprehensive income attributable to non-controlling interests	—	(2,469)

(3) Notes to Quarterly Consolidated Financial Statements**(Notes on Change in Accounting Policy)****(Application of the Accounting Standard for Current Income Taxes and others)**

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, 28 October 2022. Hereinafter referred to as the 2022 Revised Accounting Standard.) and others from the beginning of the current fiscal year.

The revision regarding the classification of income taxes (taxation on other comprehensive income) is based on the transitional treatment stipulated in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso paragraph 65-2(2) of Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, 28 October 2022. Hereinafter referred to as the 2022 Revised Implementation Guidance). The change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, the Company has adopted the 2022 Revised Implementation Guidance for the revision related to the revised treatment in consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities among consolidated companies, effective as of the beginning of the current fiscal year. The change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and the previous fiscal year have been prepared on a retrospective basis. This change in accounting policy has no impact on the quarterly consolidated financial statements for the previous quarter or the consolidated financial statements for the previous fiscal year.

(Notes on the Segment Information)

The Group is engaged in the manufacture of general industrial machinery and equipment, including sanitary napkin mfg. machinery and disposable diaper mfg. machinery, as well as other businesses. However, segment information is omitted because other businesses account for only a small percentage of all segments and are not significant in terms of disclosure information.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

No applicable matter.

(Notes on Going Concern Assumption)

No applicable matter.

(Notes to Quarterly consolidated statements of cash flows)

The quarterly consolidated statement of cash flows for three months ended May 20, 2025 has not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows:

	Three months ended May 20, 2024 (Thousands of yen)	Three months ended May 20, 2025 (Thousands of yen)
Depreciation	204,237	209,913
Amortization of goodwill	2,914	10,409