November 13, 2025

Financial Results Q2 FY26/6 (Interim Results)

Microwave Chemical

Make Wave,
Make World.

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Agenda

1. Executive Summary
2. Financial Results and KPI Highlights
3. Review of FY26/6 Growth Strategy and Q2 Business Highlights

Executive Summary

FY26/6 Q2 results	• Sales of JPY340MM (104.6% YoY). • Progress against the full-year sales plan (JPY 1,317MM for the 12-month plan and JPY 1,613MM for the 15-month plan) was 25.8% and 21.1%, respectively. As completion of joint development projects—when revenue is recognized—tends to be concentrated in the second half of the fiscal year, we are maintaining our full-year targets. • Progress on contracted sales reached 49.7% and 40.6% under the 12-month and 15-month plans, respectively (JPY 654MM).
KPI	• Number of new contracts: Acquired 9 contracts, 36.0% progress against FY26/6 target (25 contracts, both 12-month plan and 15-month plan). • Number of total contracts: Total 32 contracts signed, 54.2% and 50.0% progress against FY26/3 and FY26/6 tagrets (59 and 64 contracts), respectively, including 14 contracts delivered already.
Growth Strategy & Business Highlights	While maintaining our Microwave (MW) solutions partnership business as our core, we plan to create new businesses in parallel. (1) Partnership Business • Focus on key projects with strong market demand and commercialization potential, such as metal smelting processes and chemical recycling. – We co-developed recycled acrylic resin with Mitsubishi Chemical Corporation, which has been adopted for Honda's new mini electric vehicle. – We commenced pilot demonstration testing, in our joint development with Mitsui & Co., of a microwave-based, low-carbon lithium ore refining technology. (2) New Business • Explore applications of MW technology in various fields. Leverage our integrated capabilities (e.g. business development, lab-scale testing, and engineering) to offer new solutions other than MW to our existing clients. – We acquired the low-concentration precious-metal recovery business from DPS Co., Ltd., a Kyoto University spin-off engaged in recovering precious and rare metals using inorganic particles branded "DualPore™."

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Change in Fiscal Year End

- We have changed its fiscal year-end from March to June starting from the current fiscal year. As a transitional measure, this fiscal year will be an irregular fiscal period covering 15 months.
  - Background: Most of our clients are domestic companies with a March fiscal year-end, and budgets for our joint development projects are typically determined around April. Since our own budget planning coincides with this period, we have been required to determine earnings forecasts while continuing budget negotiations with clients until the last minute—or in some cases, before negotiations were concluded.

⇒By shifting to a June fiscal year-end and delaying our budget formulation by three months, we aim to improve the accuracy and efficiency of our financial planning.

	2025		2026	
	January to March	April to December	January to March	April to June
Before: fiscal year ending March	FY25/3	FY26/3		FY27/3
After: fiscal year ending June	FY25/3	Q2 July to September	FY26/6 (15-month financial results)	

General Shareholders' Meeting	• The General Shareholders' Meeting for FY26/6 is scheduled to be held in September.
Financial results disclosure	• The quarterly and full-year financial disclosures for FY26/6 are scheduled as follows: August 2025, November 2025, February 2026, May 2026, and August 2026.

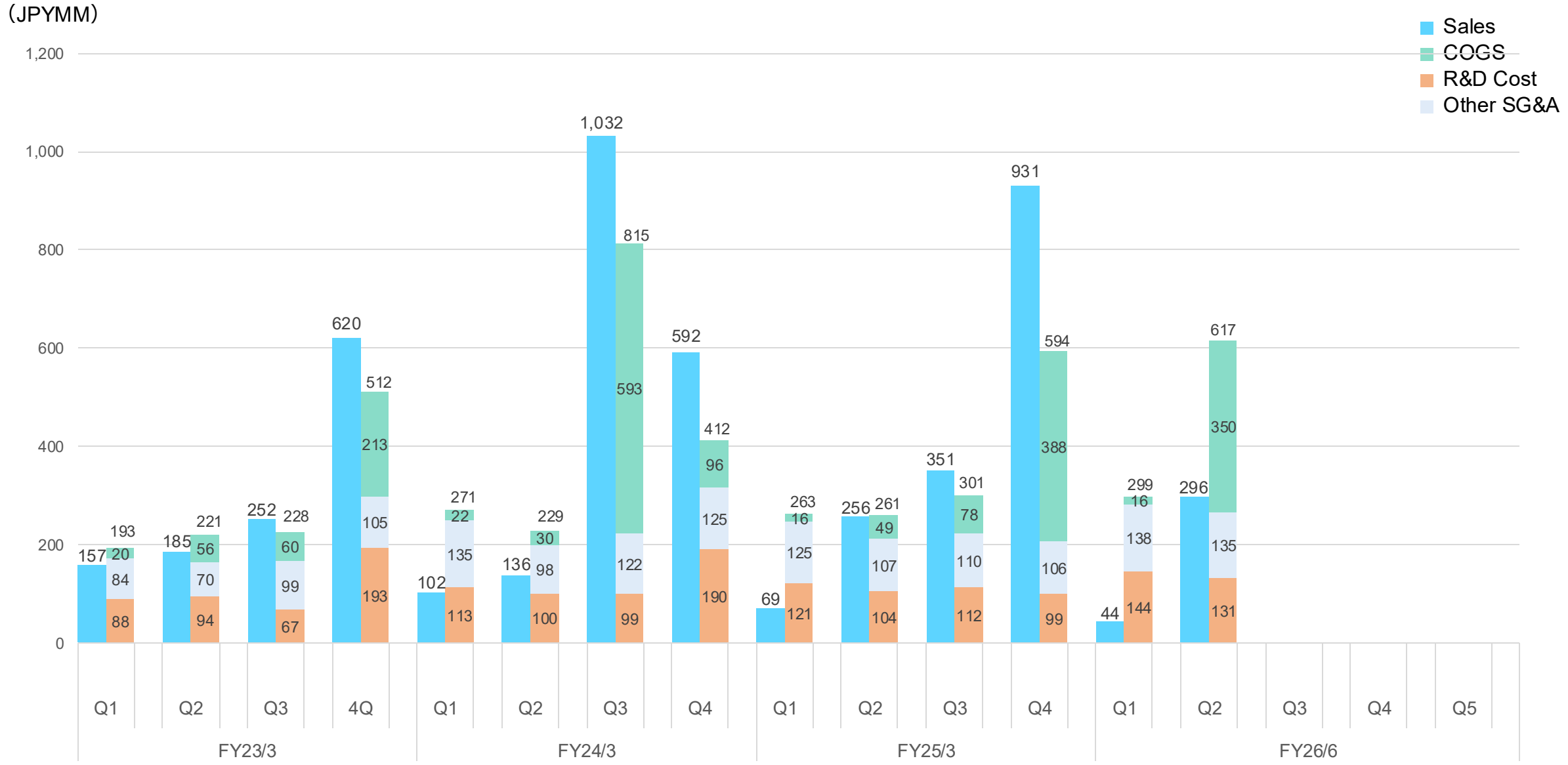
Financial Results of FY26/6 Q2

- FY26/6 is positioned as an investment phase to accelerate social implementation and is expected to result in an operating loss.
- Although Q1 sales are c.21% of the full-year plan, the progress rates on a contracted basis are 40.6% (both on the 15-month basis; details provided later).
- Certain project equipment fabrication weighed on gross margins, resulting in negative gross profit for Q2.

(JPYMM)	FY25/3 Q2	FY26/6 Q2	YoY comparison		Forecasts[2]		Progress	
			Difference	%	26/3 12M	26/6 15M	26/3 12M	26/6 15M
Net sales[1]	**325**	**340**	**14**	**4.6%**	**1,317**	**1,613**	**25.8%**	**21.1%**
Phase 1	38	14	(24)	(63.2)%	169	169	8.3%	8.3%
Phase 2	285	316	30	10.5%	1,090	1,283	29.0%	24.6%
Phase 3	-	10	10	-	58	160	17.2%	6.3%
Phase 4	0	-	(0)	-	-	-	-	-
Others	0	-	(0)	-	-	-	-	-
Gross profit	259	(26)	(285)	-	474	558	-	-
% Net sales	*79.6%*	-	-	-	*36.0%*	*34.6%*	-	-
Operating profit	(199)	(576)	(376)	-	(662)	(853)	87.0%	67.6%
% Net sales	-	-	-	-	-	-	-	-
Ordinary profit	(203)	(583)	(380)	-	(671)	(864)	87.0%	67.6%
Profit before tax	(203)	(583)	(380)	-	(682)	(881)	85.4%	66.2%
Profit after tax	(204)	(584)	(380)	-	(685)	(884)	85.3%	66.1%

(1) Phase 1 is the R&D phase, Phase 2 is the demonstration development phase, Phase 3 is the actual equipment introduction (equipment sales) phase, and Phase 4 is the manufacturing support phase.
(2) Based on FY25 forecasts announced on May 9, 2025.

Quarterly Sales and Costs (FY23/3Q1-FY26/6Q2)

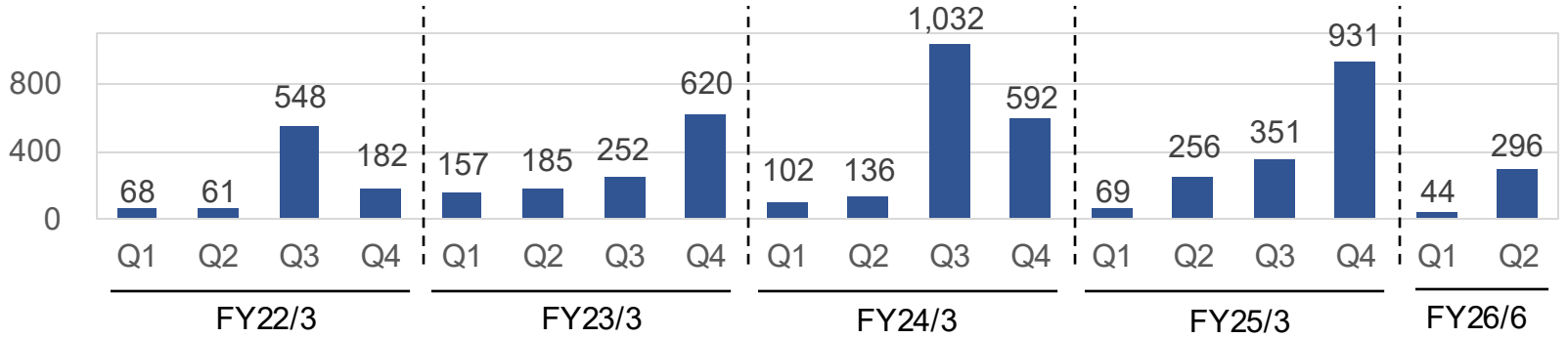


Seasonal Fluctuations / Revenue Recognition

Seasonal Fluctuations

- Our major clients, chemical companies, finalizes budgets by March, just before the start of the new fiscal year, so projects with MWCC often begin in the first or second quarter. As a result, the completion of the contracts, in which our revenues are recorded, tends to be biased toward the second half of the year. There is also an impact from the completion timing of large-scale projects.
- In addition, as the majority of SG&A expenses are fixed costs, the proportion of profits also tends to be weighted toward the second half of the year, which would affect investors' decisions.

Quarterly Net Sales (JPYMM)



Revenue Recognition

The following is a description of the main performance obligations in our main business related to revenues arising from contracts with clients and the usual time at which such performance obligations are met. Payment is made generally within one month after obligation is fulfilled and does not include financial component.

(1) Joint development agreement (JDA)

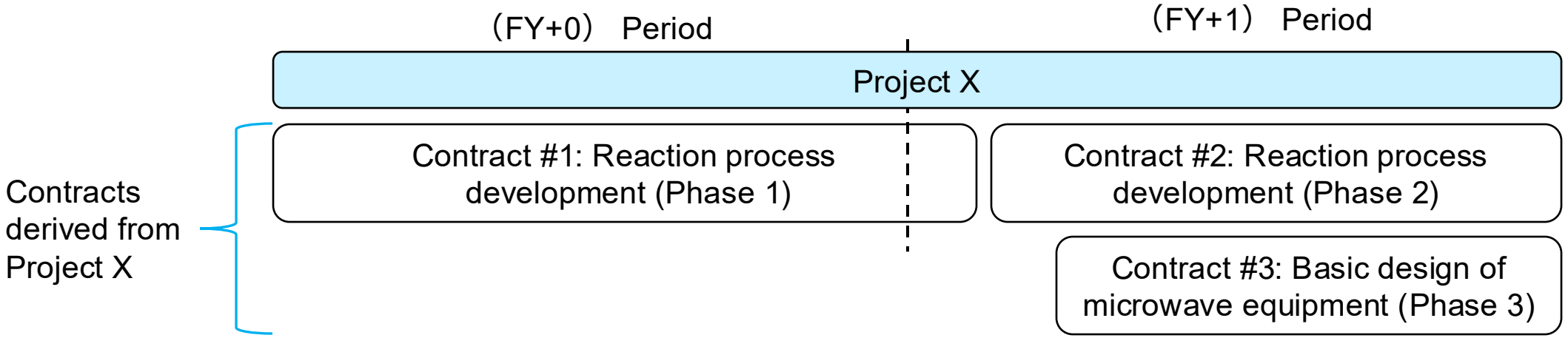
We submit reports, samples, etc. stipulated in the JDA and receives payment. Under such agreements, revenue is booked upon acceptance of the report, samples, etc. by the client.

(2) License agreement

Under license agreements, we license our intellectual property to clients and receives upfront payments and running royalties as compensation. The upfront payment is booked as revenue at the time the intellectual property is licensed. Running royalties are based on the sales revenue of the licensee company, and revenue is recognized when the product is sold by the licensee company.

KPI (Key Performance Indicator)

- Our KPIs are **(1) the number of new contracts, (2) the total number of contracts, and (3) sales by phase**. Contracts are executed with clients based on our solutions and services in each phase, and multiple contracts may be executed for a single project, as illustrated below.
- “Sales by phase” indicates the progress of projects through sales generated in each phase. Since contracts are the basis of our revenue, we disclose the number of contracts that are expected to be completed and recognized as sales within the current fiscal year.



FY26/6 Q2 KPI Highlights

1 Number of New Contracts

- Acquired 9 contracts.
- Progress rate is 36.0% against the target of 25 contracts for both 12-month plan and 15-month plan.

2 Total Number of Contracts

- 32 contracts were executed, including 14 delivered.
- Progress rates are 54.2% against the target of 59 contracts for 12-month plan, and 50.0% against the target of 64 contracts for 15-month plan.

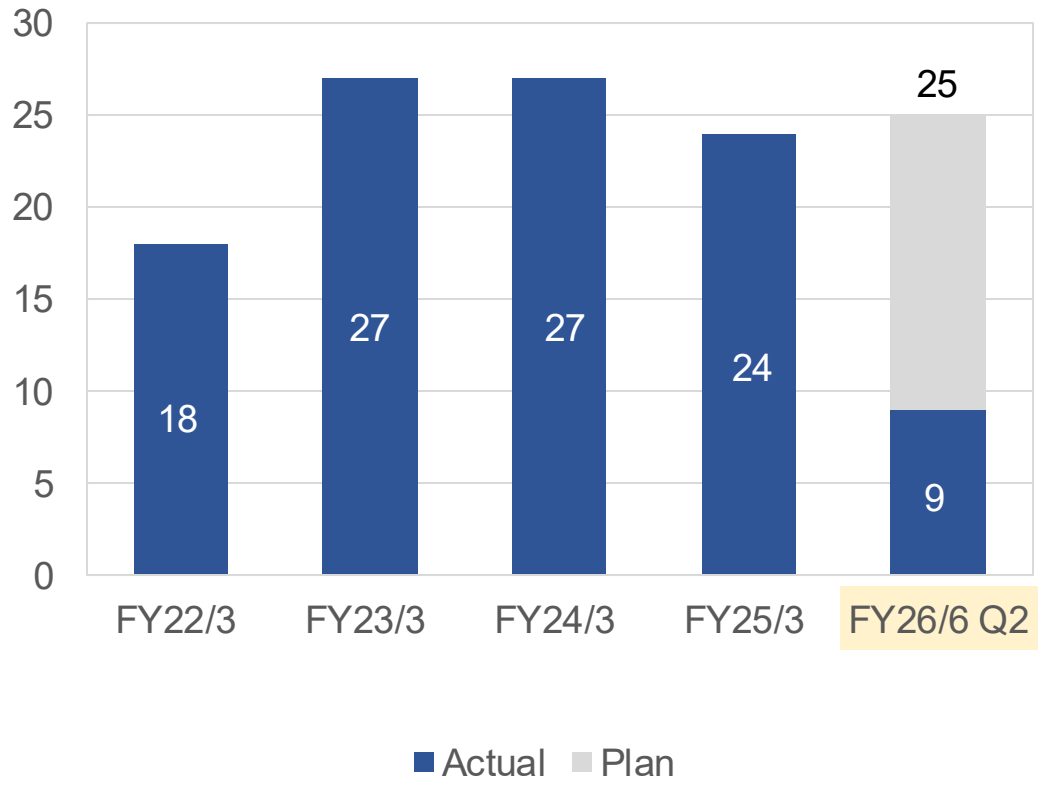
3 Sales by Phase

- JPY654MM achieved on contract basis.
- Progress rates are 49.7% for 12-month plan and 40.6% for 15-month plan.

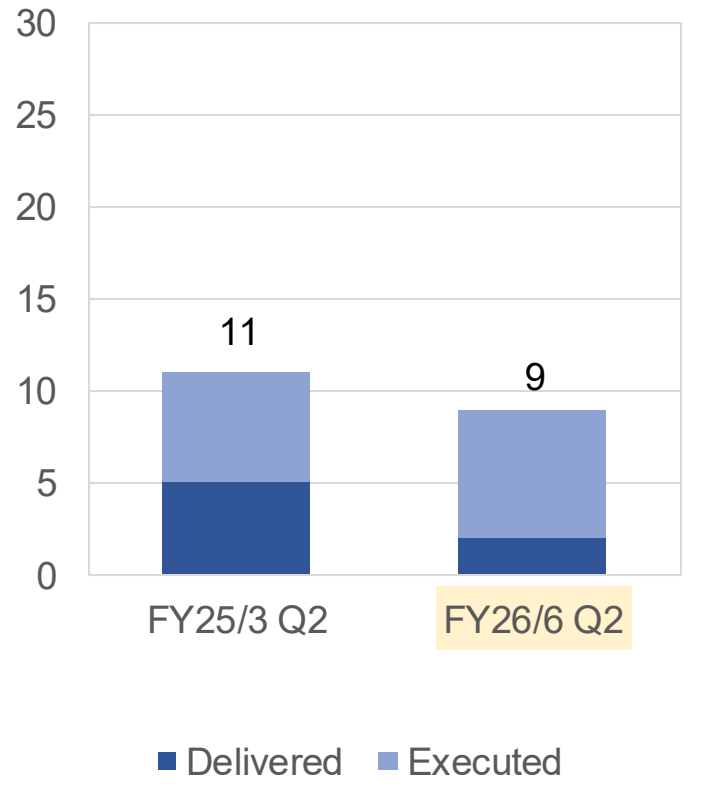
KPI (1) Number of New Contracts

- Progress rate is 36.0% against the target of 25 contracts for both 12-month plan and 15-month plan.

of New Contracts



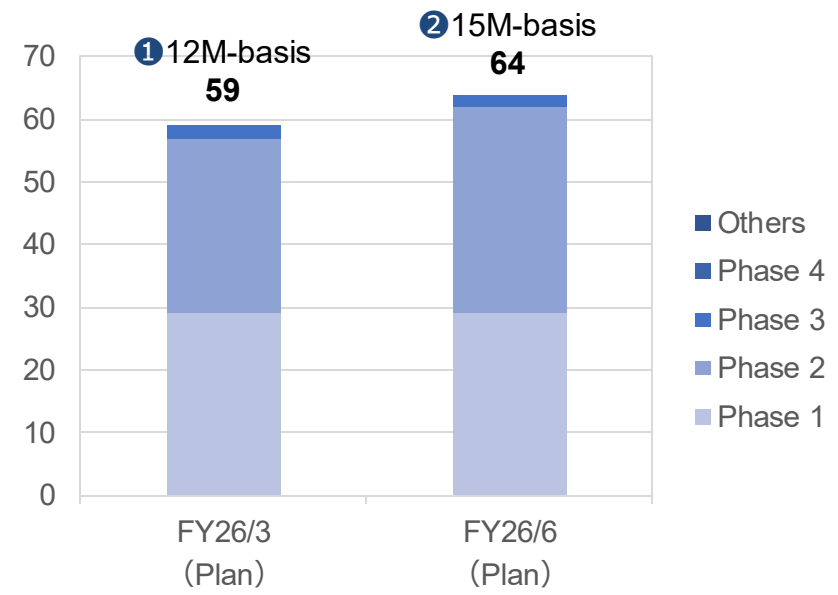
YoY Comparison



KPI (2) Total Number of Contracts

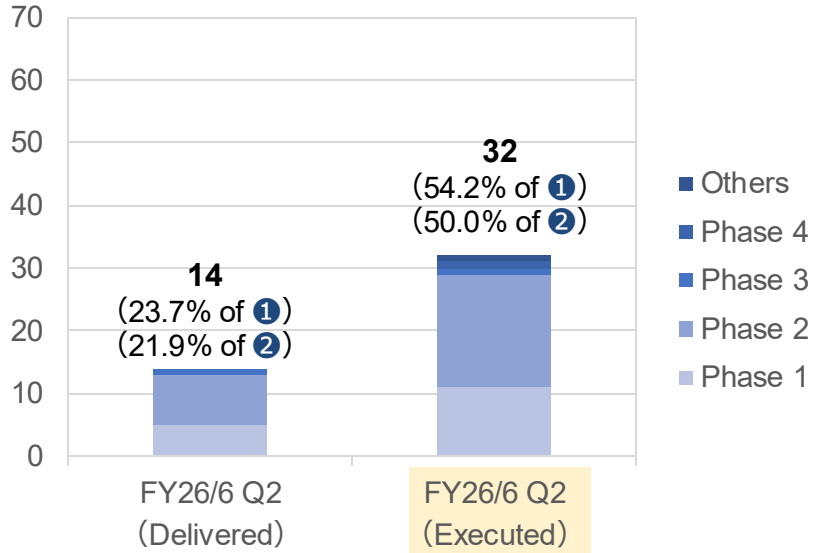
- Progress rates are 54.2% against 12-month plan, and 50.0% against the 15-month plan.
- The total number of contracts in FY25/3Q2 was 43.

Full-year plan



Phase 1	29	29
Phase 2	28	33
Phase 3	2	2
Phase 4	0	0
Others	0	0
Total	**59**	**64**

Q2 results



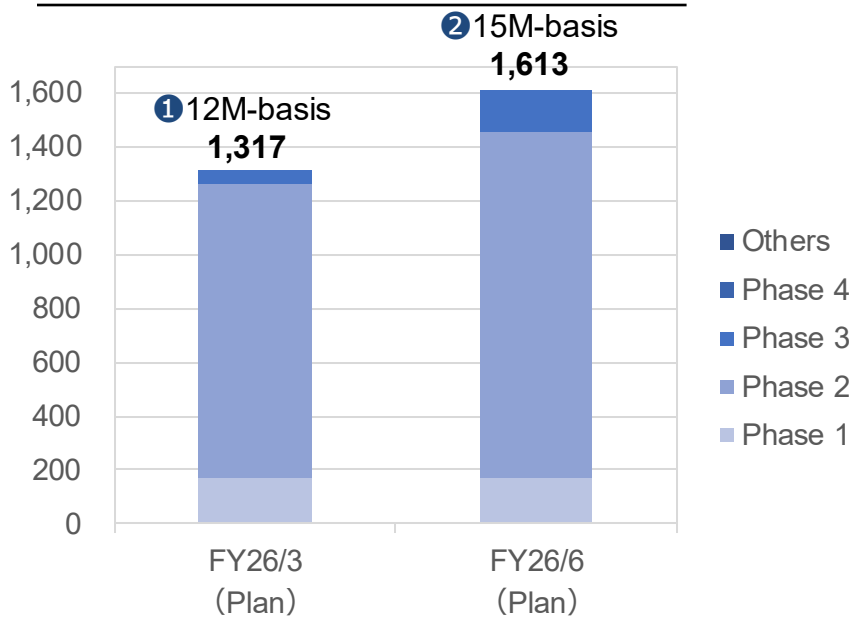
5	11
8	18
1	1
0	1
0	1
14	**32**

KPI (3) Sales by Phase

- Progress rates of contracted sales reached 49.7% and 40.6% on 12-month and 15-month plan, respectively.
- Contracted sales in FY25/3Q2 was JPY1,344MM.

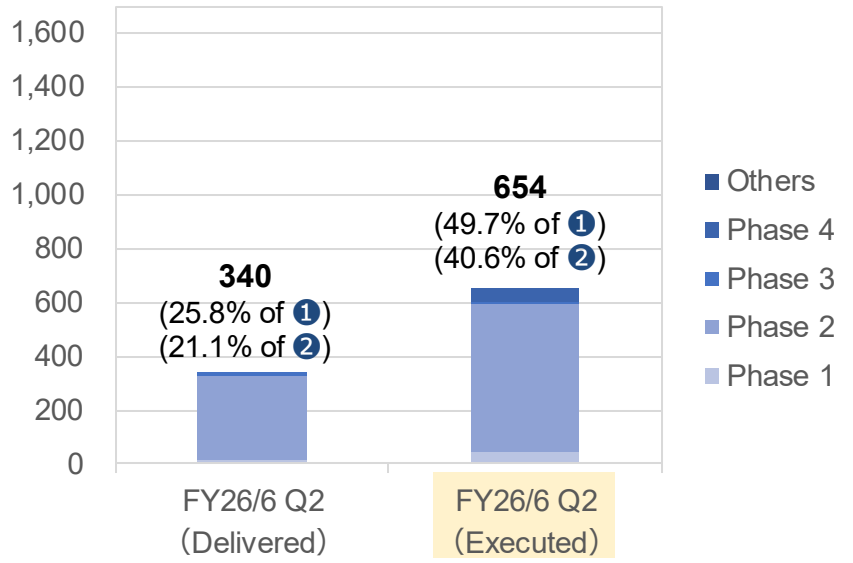
(JPYMM)

Full-year plan



Phase 1	169	169
Phase 2	1,090	1,283
Phase 3	58	160
Phase 4	-	-
Others	-	-
Total	**1,317**	**1,613**

Q2 results



14	42
316	551
10	10
-	49
-	0
340	**654**

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Review of Growth Strategy

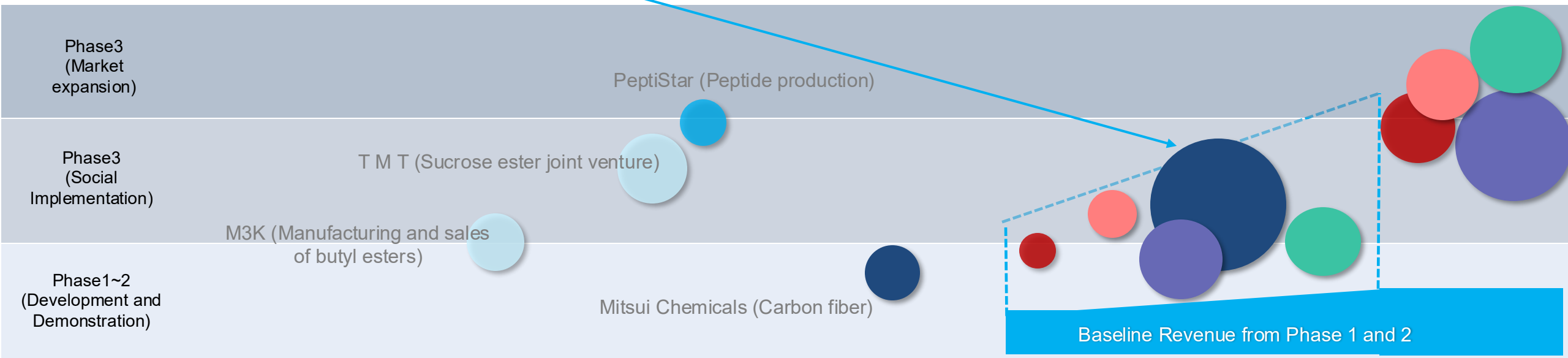
Reposted p.4 of FY25/3
Earning Presentation Materials

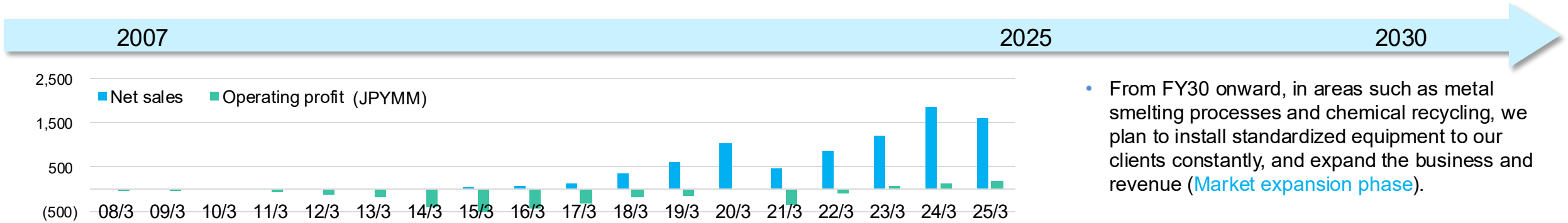
Mid-Term Growth Outlook	• While focusing on Microwave solutions business (collaboration business), we plan to create new businesses in parallel. Through this dual-engine strategy, we targets sales of JPY10Bn in FY30. • Collaboration business: In addition to Phase 2 projects (unit price: tens of millions of yen), which have been the main revenue source, we plan to implement five Phase 3 projects (installation of commercial equipment with unit prices ranging from several hundred million to several billion yen) by 2030. – Plan to realize sales of JPY13–14Bn over the five years by FY30 in total. – Profit margins and lead times will also be improved through the initiatives outlined in "(1)" below. • After 2030, we plan to establish our technology to enable multiple installation of commercial equipment every year. • We also will launch new business initiatives to build a stable revenue as "(2)" below.
(1) Expansion of Existing Collaboration Business	• Continue to focus on key projects with strong potential for commercialization. – Target areas include: metal smelting processes, chemical recycling, and carbon fiber manufacturing. • Aim for large-scale revenue through installation of commercial equipment while progressing standardization of technologies and equipment to improve long-term gross margins and shorten lead times. – Invest in the development of new standard demonstration equipment for metal smelting processes. – Upgrade existing standard bench equipment. • Due to increase of microwave oscillator costs and longer delivery time associated with the scale-up of microwave systems, which would decrease profitability, we will begin internal development to reduce costs from FY26/6. – An expert in microwave oscillator development has already been hired. – In the long term, we aim to sell oscillators to external companies.
(2) Launch of New Business Initiatives	• We will build new business through strategic hypothesis testing. – Explore applications of microwave (MW) technology in other fields (e.g., semiconductor materials). – Leverage our integrated capabilities (e.g. business development, lab-scale testing, and engineering) to offer new solutions other than MW to our existing clients. – Small-scale M&A • Aim to establish recurring revenue by 2030.

Business Expansion Image of Microwave Solutions Business

Reposted p.36 of FY25/3 Earning Presentation Materials

- To date, our revenue has primarily been derived from Phase 1 and 2 projects (development and demonstration phases), providing R&D scopes.
- In our key focus areas—such as carbon fiber, metal smelting processes, and chemical recycling (CR)—technology standardization and platform development have been steadily progressing, and the business is now entering a "transition phase" toward Phase 3, social implementation phase.
  - Over the five years leading up to FY30, we plan to achieve five Phase 3 projects (commercial equipment installations), and, together with baseline revenue from Phases 1 and 2, aim to realize **JPY13–14Bn in total revenue over the five years**.





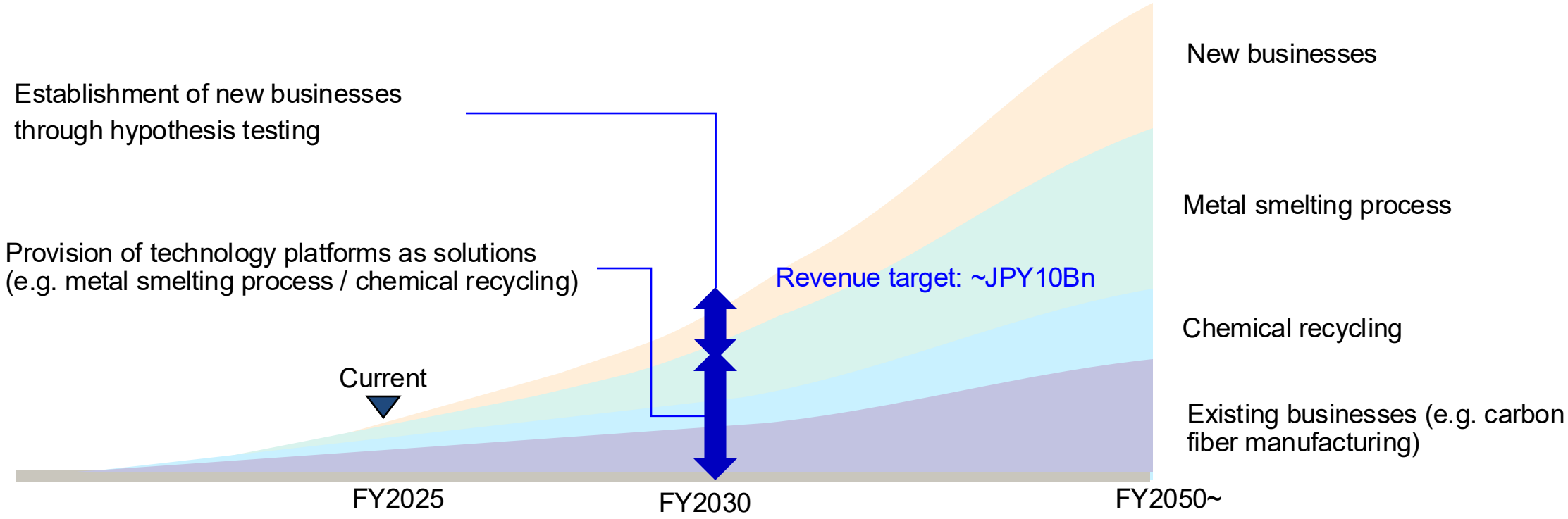
- From FY30 onward, in areas such as metal smelting processes and chemical recycling, we plan to install standardized equipment to our clients constantly, and expand the business and revenue (Market expansion phase).

Illustrative Image of Long-Term Growth

Reposted p.38 of FY25/3
Earning Presentation Materials

While positioning the existing microwave solutions business (collaboration business), which we have been engaged in over the years, as our core business, we will develop a dual-engine growth strategy by simultaneously creating new business to achieve sales of JPY10Bn by FY30.

- Microwave solutions business: In addition to Phase 2 projects (unit price: several tens of millions of yen), which have been the main source of revenue to date, we aim to implement five Phase 3 projects (commercial equipment installation) with unit prices ranging from several hundred million to several billion yen by 2030.
  - In chemical recycling business and the metal smelting process business—where technology standardization and accumulation of track records are underway—we will promote horizontal deployment to expand business and maximize profitability.
- We will also launch new business to establish stable and sustainable revenue streams.



The Acquisition of the Low-Concentration Precious Metal Recovery Business from DPS Inc.

- Acquisition of the low-concentration precious-metal recovery business from DPS Inc.
- In addition to our conventional microwave-technology solutions, we aim to achieve multi-axial growth by acquiring this business and expanding our technology platform (Fig. 1).
  - DPS, a Kyoto University–originated venture, has worked on the recovery of precious and rare metals using DualPore™ * and has succeeded in recovering and recycling low-concentration precious metals—starting with palladium at around the ppm level.
  - Business model (Fig. 2): install DualPore™ particle cartridges in customers' wastewater lines to capture precious metals and sell the recovered metals to metal refiners. In November 2024, an agreement was concluded with Sumitomo Electric Industries, Ltd. regarding the recovery of rare metals.
- Going forward, we also plan to expand the business through cross-selling.

Fig. 1. Image of the expansion of MWCC's value proposition through this transaction

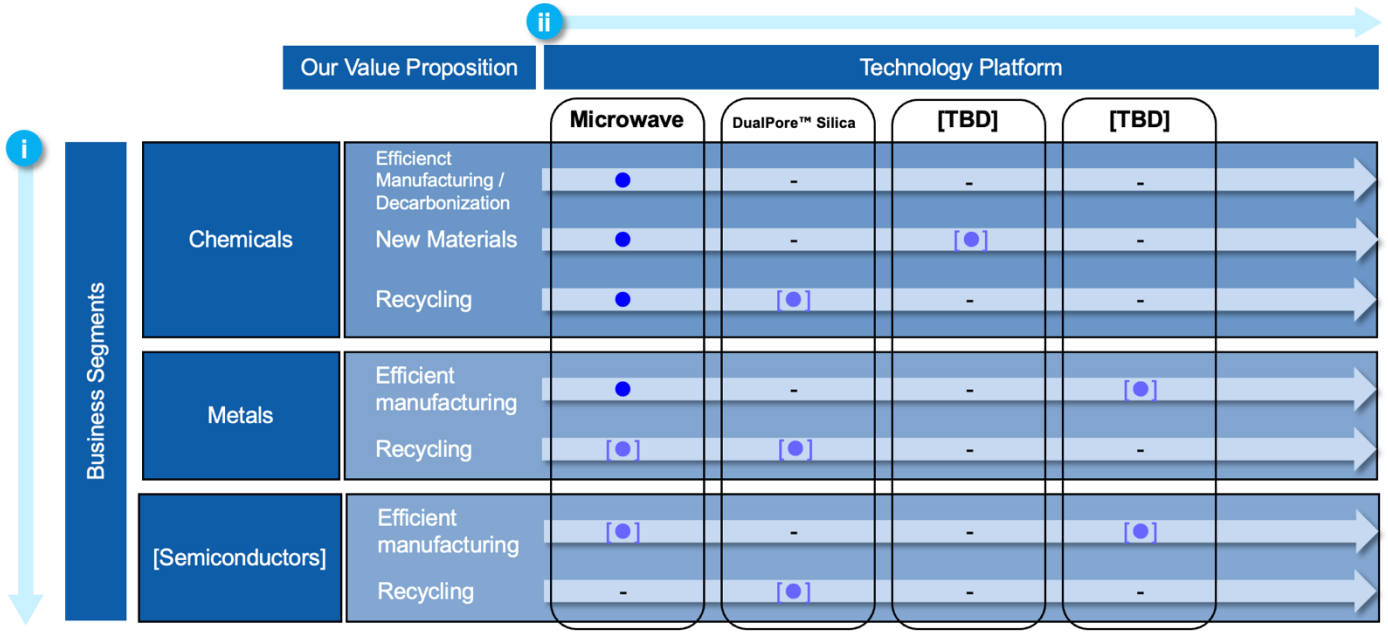
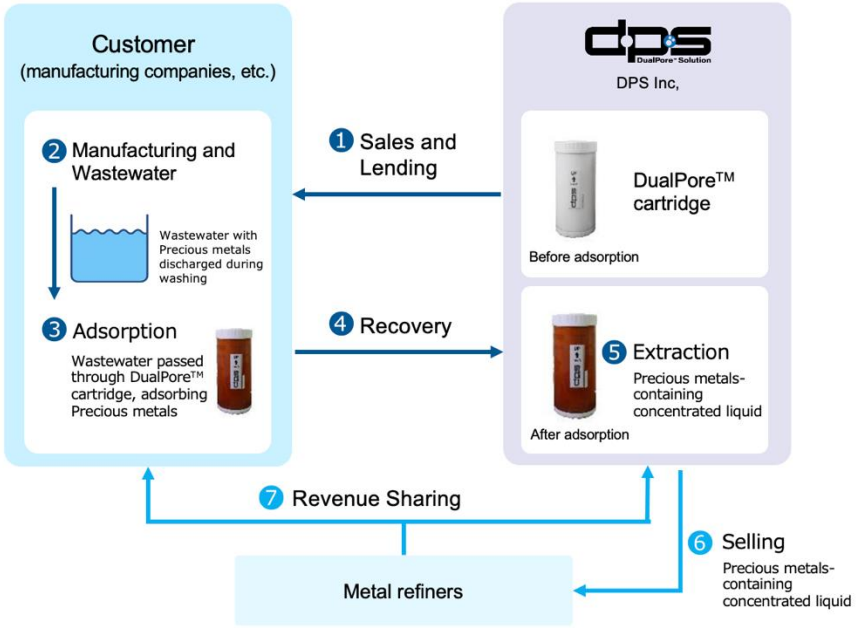


Fig. 2. Business Model of This Project



DualPore™: Inorganic particles made from a special silica monolith that combines high surface area with a structure allowing liquids and gases to flow efficiently. Their strength lies in an innovative separation/recovery technology, with broad potential applications.

Recycled Acrylic Resin Adopted for Honda's New Mini-Electric Vehicle (Mitsubishi Chemical)

- Recycled acrylic resin (PMMA) produced using a microwave-based thermal decomposition (chemical recycling) technology co-developed with Mitsubishi Chemical Corporation has been adopted for the door visors of Honda Motor Co., Ltd.'s new mini-electric vehicle, the "N-ONE e:".
  - According to Honda Access Co., Ltd., this marks the first adoption of recycled acrylic resin for door visors in the automotive accessories industry.
- Since 2021, we have been working to establish a microwave-based chemical recycling (CR) technology targeting acrylic materials recovered from end-of-life vehicles.
- Through the practical deployment of CR, we will promote broader use of recycled materials in automobile recycling and contribute to realizing a sustainable mobility society.
- In addition, we will expand our CR business—including this initiative—as a priority area and accelerate the social implementation of microwave processes.

Fig. Door visor for the N-ONE e: made from recycled acrylic resin

Launch of Demonstration Experiment for the Joint Development Low-carbon Lithium Ore Refining Technology (Mitsui & Co.)

- Completion of a pilot plant for the joint development with Mitsui & Co. of a microwave-based low-carbon lithium ore refining technology; launch of the demonstration experiment.
  - The use of electric power in the mobility sector is expanding as part of the transition to a carbon-neutral society. Many countries have designated lithium as a critical mineral because of its use in EV batteries, and there is also an increasing need to establish reliable supply networks for lithium from an economic security perspective.
  - Lithium ore is refined using heat generated through fossil fuel combustion, and there is concern about the reduction in the large amounts of CO_2 emitted during the calcination process. Therefore, it is anticipated that there will be growing demand for low-carbon lithium produced in ways that minimize the environmental impact.
- This pilot plant will continuously calcine lithium ore by using a microwave heating unit. In addition to a significant reduction in CO_2 emissions, this method will also deliver energy savings through improved thermal efficiency.
- The next step will be to use this plant to conduct a demonstration experiment with a capacity of approximately 700 tons per year, in preparation for commercialization by around 2030.

MITSUI & CO. × Microwave Chemical

Fig. Pilot plant completed

Exhibited at Expo 2025 Osaka, Kansai, Japan

- October 7–13: We exhibited our microwave-enabled, small, distributed chemical recycling (“CR”) technology at Expo 2025 Osaka, Kansai, Japan.
  - We were selected for Osaka Prefecture’s “Carbon Neutral Technology Development and Demonstration Project” (FY2022–FY2023).
  - As part of Osaka Prefecture’s time-limited showcase at the Expo for companies selected for this program, we participated in a joint exhibition.
- The exhibit illustrated how used plastics were converted back into feedstock by microwaves (Fig. 1).
  - We displayed a diorama of a continuous CR demonstration unit using microwaves, tail lamps recovered from end-of-life vehicles, and acrylic sheets containing recycled material.
- As a giveaway, we distributed an original ruler made using recycled feedstock produced by microwave CR (Fig. 2).
  - The acrylic sheets, provided by Mitsubishi Chemical Corporation, were fabricated to a length corresponding to the wavelength of microwaves at 2.45 GHz.

Fig. 1. Exhibition Photos

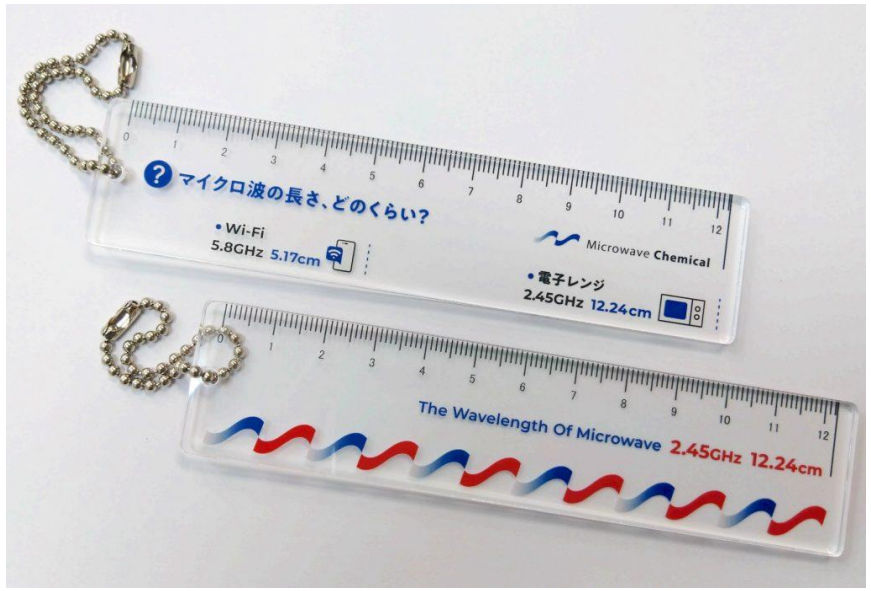


Fig. 2. Custom Ruler (Giveaway)

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