February 10, 2026

Financial Results Q3 FY26/6

Microwave Chemical

Make Wave,
Make World.

世界が知らない世界をつくれ

Agenda

1. Executive Summary
2. Financial Results and KPI Highlights
3. Review of FY26/6 Growth Strategy and Q3 Business Highlights
4. (For reference) Recent Business Highlights

Executive Summary

FY26/6 Q3 results	• Sales of JPY556MM (82.1% 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 42.2% and 34.5%, 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 71.1% and 58.1% under the 12-month and 15-month plans, respectively (JPY 936MM).
KPI	• Number of new contracts: Acquired 10 contracts, 40.0% progress against FY26/6 target (25 contracts, both 12-month plan and 15-month plan). • Number of total contracts: Total 44 contracts signed, 74.6% and 68.8% progress against FY26/3 and FY26/6 tagrets (59 and 64 contracts), respectively, including 24 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 clear prospects for social implementation, and steadily advance their development and deployment. – Together with TAKEEI CORPORATION, we have launched a demonstration project for closed-loop recycling of glass cullet by removing organic materials adhered to solar panel glass using microwaves. (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.

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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	Q3 October to December	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.

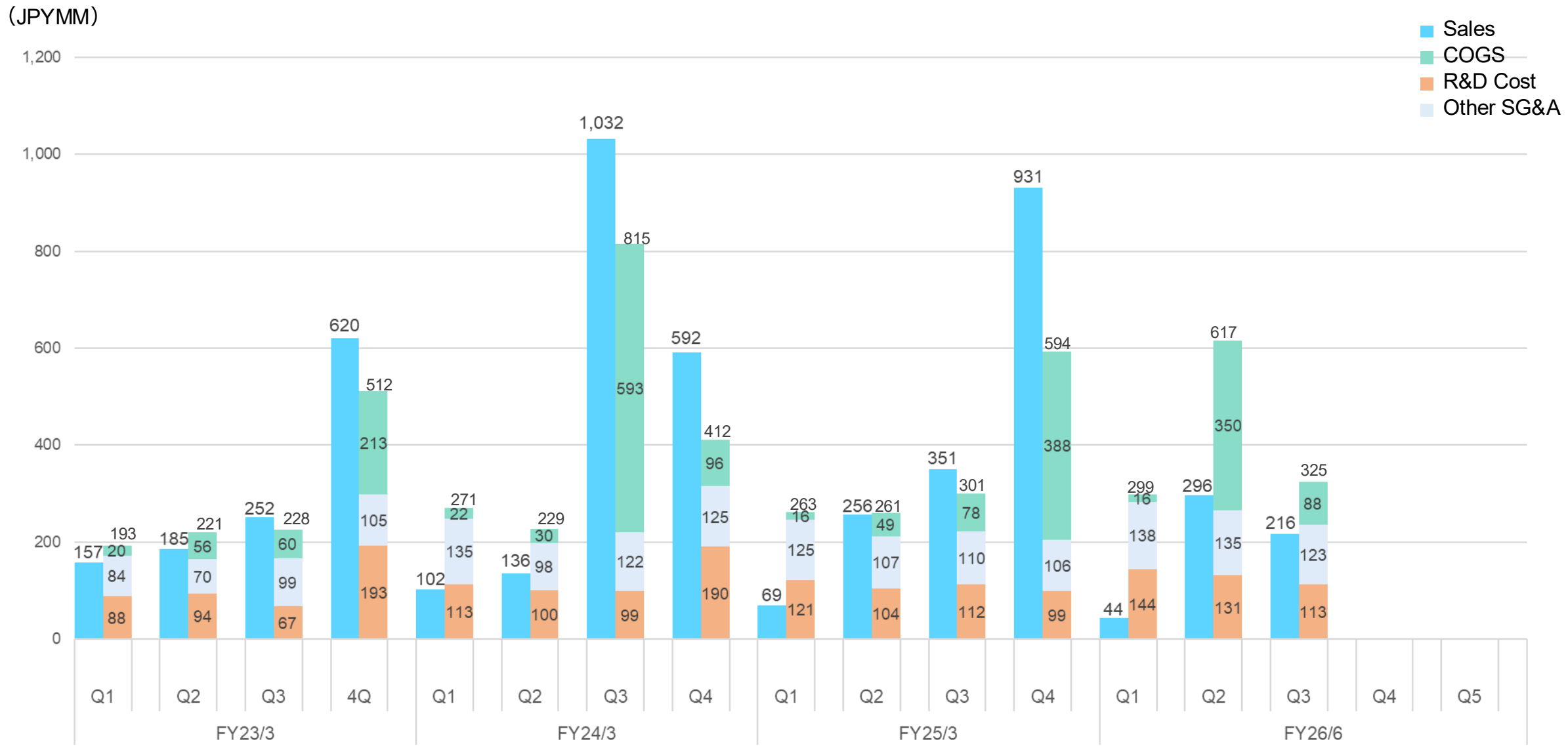
Financial Results of FY26/6 Q3

- FY26/6 is positioned as an investment phase to accelerate social implementation and is expected to result in an operating loss.
- Although Q3 sales are 34.5% of the full-year plan, the progress rates on a contracted basis are 58.1% (both on the 15-month basis; details provided later).

(JPYMM)	FY25/3 Q3	FY26/6 Q3	YoY comparison		Forecasts[2]		Progress	
			Difference	%	26/3 12M	26/6 15M	26/3 12M	26/6 15M
Net sales[1]	**677**	**556**	**(120)**	**(17.9)%**	**1,317**	**1,613**	**42.2%**	**34.5%**
Phase 1	82	23	(59)	(72.2)%	169	169	13.6%	13.6%
Phase 2	589	501	(88)	(15.0)%	1,090	1,283	46.0%	39.1%
Phase 3	-	10	10	-	58	160	17.2%	6.3%
Phase 4	0	21	21	3214.5%	-	-	-	-
Others	3	0	(3)	(96.2)%	-	-	-	-
Gross profit	531	100	(431)	(81.0)%	474	558	21.3%	18.0%
% Net sales	*78.5%*	*18.1%*	-	-	*36.0%*	*34.6%*	-	-
Operating profit	(149)	(685)	(536)	-	(662)	(853)	103.5%	80.4%
% Net sales	-	-	-	-	-	-	-	-
Ordinary profit	(154)	(696)	(542)	-	(671)	(864)	103.8%	80.6%
Profit before tax	(150)	(698)	(547)	-	(682)	(881)	102.3%	79.3%
Profit after tax	(152)	(701)	(548)	-	(685)	(884)	102.2%	79.3%

(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-FY26/6Q3)



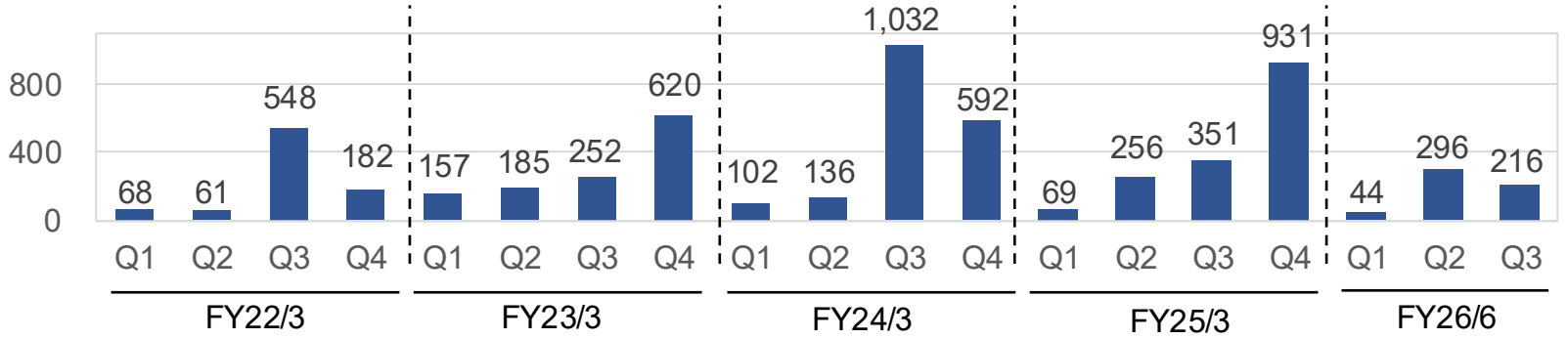
Seasonal Fluctuations / Revenue Recognition

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)

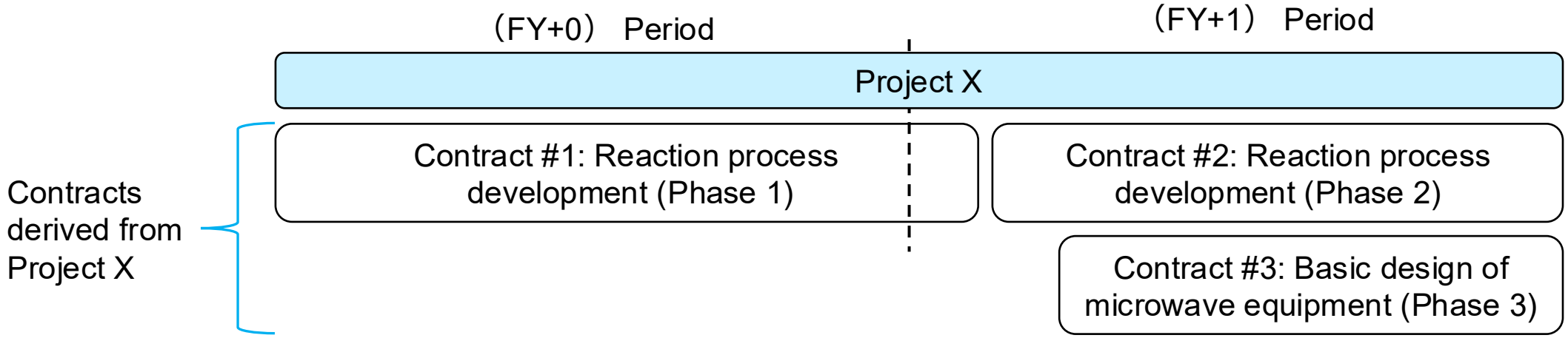
We submit reports, samples, etc. stipulated in the JDA and receives payment. Under such agreements, revenue is booked upon acceptance of the report, samples, etc. by the client.

(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 Q3 KPI Highlights

1 Number of New Contracts

- Acquired 10 contracts.
- Progress rate is 40.0% against the target of 25 contracts for both 12-month plan and 15-month plan.

2 Total Number of Contracts

- 44 contracts were executed, including 24 delivered.
- Progress rates are 74.6% against the target of 59 contracts for 12-month plan, and 68.8% against the target of 64 contracts for 15-month plan.

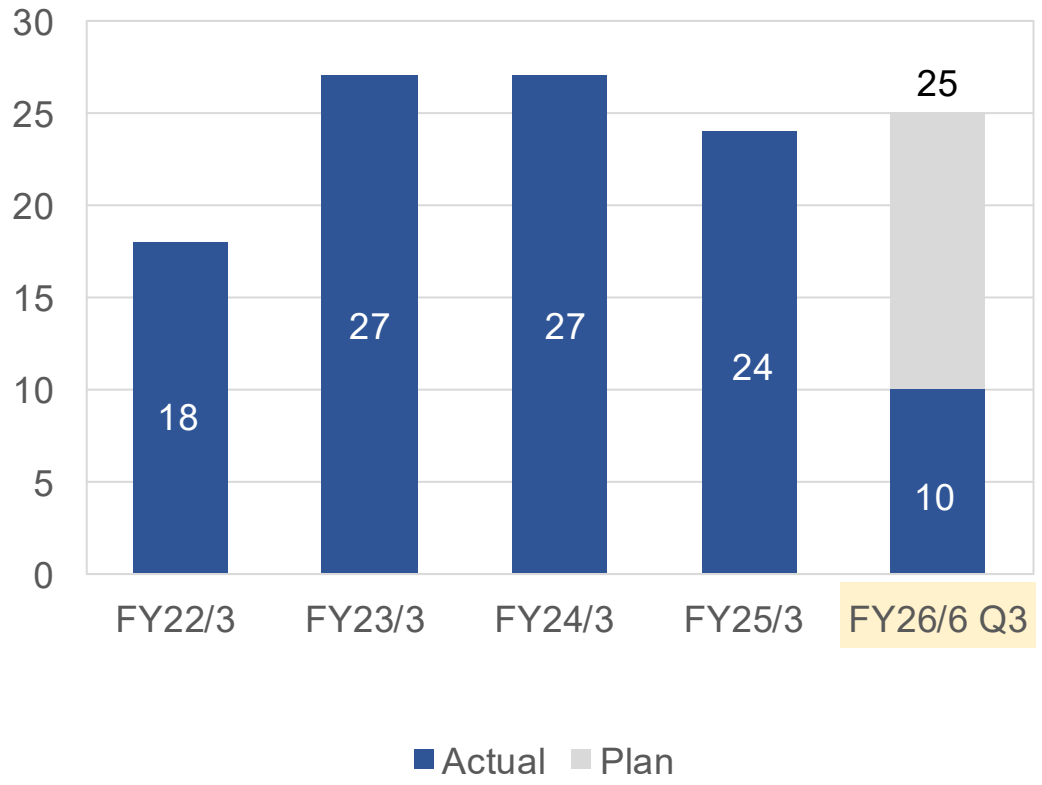
3 Sales by Phase

- JPY936MM achieved on contract basis.
- Progress rates are 71.1% for 12-month plan and 58.1% for 15-month plan.

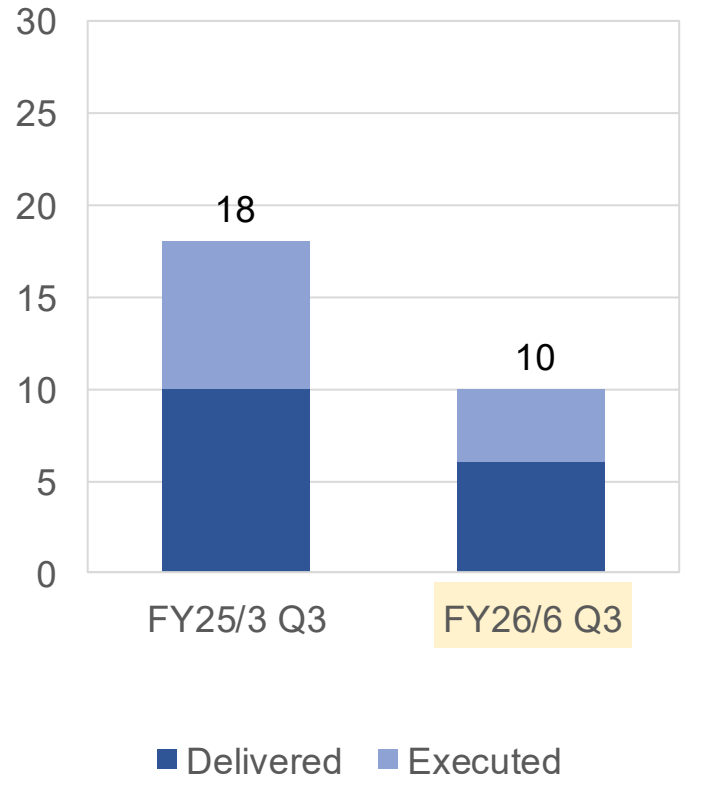
KPI (1) Number of New Contracts

- Progress rate is 40.0% against the target of 25 contracts for both 12-month plan and 15-month plan.

of New Contracts



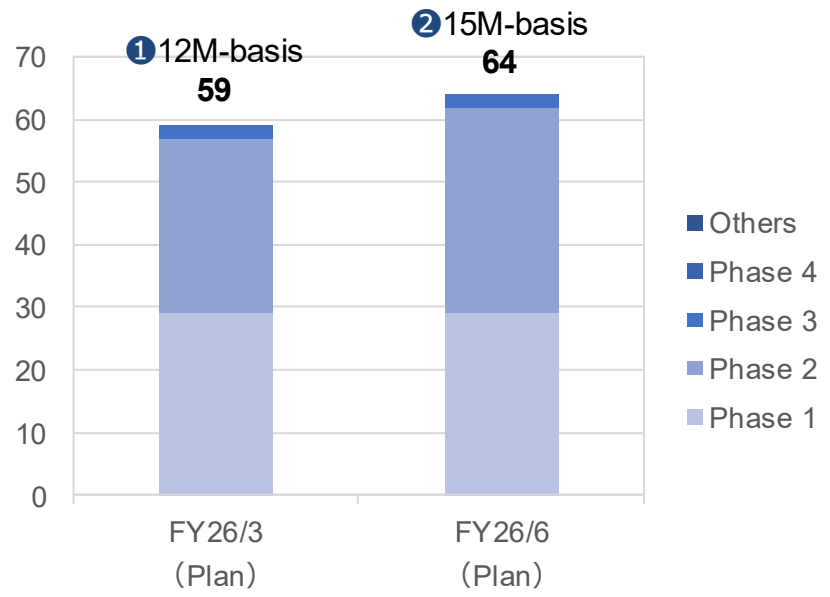
YoY Comparison



KPI (2) Total Number of Contracts

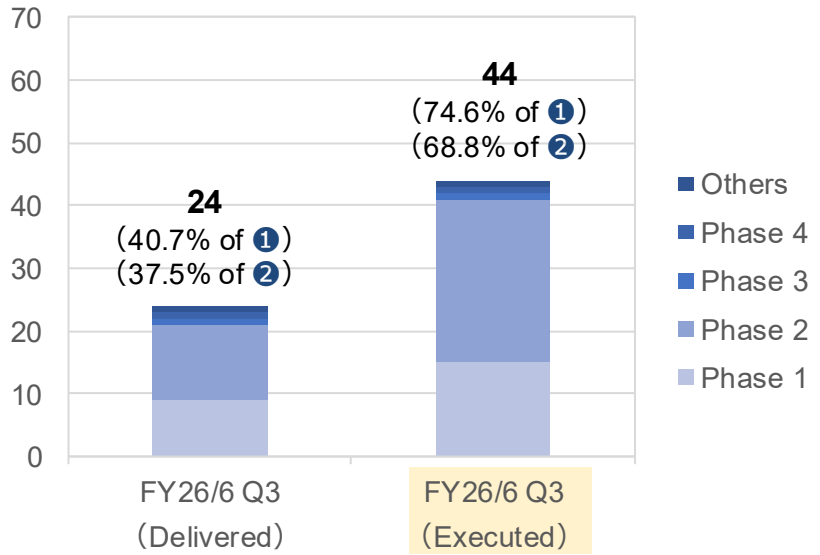
- Progress rates are 74.6% against 12-month plan, and 68.8% against the 15-month plan.
- The total number of contracts in FY25/3Q3 was 59.

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**

Q3 results



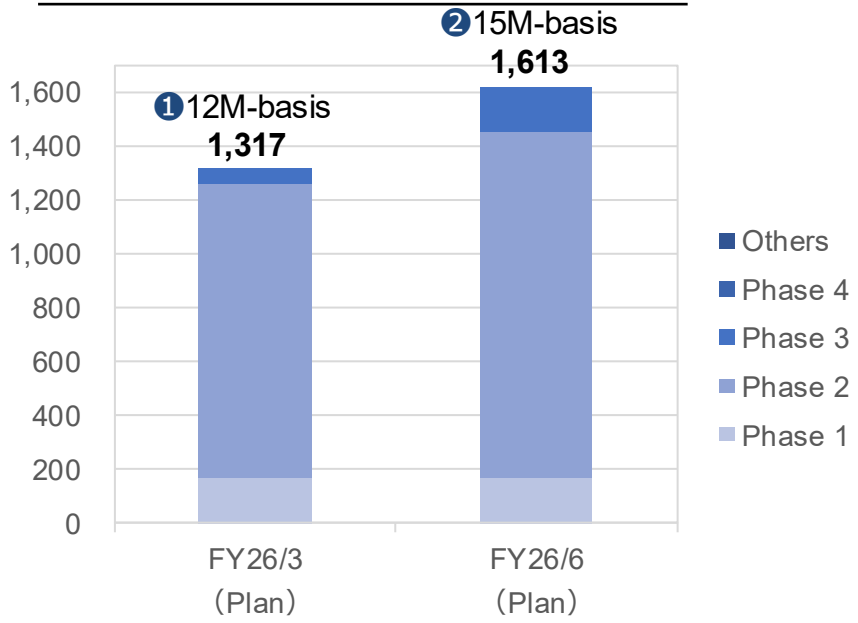
9	15
12	26
1	1
1	1
1	1
24	**44**

KPI (3) Sales by Phase

- Progress rates of contracted sales reached 71.1% and 58.1% on 12-month and 15-month plan, respectively.
- Contracted sales in FY25/3Q3 was JPY1,540MM.

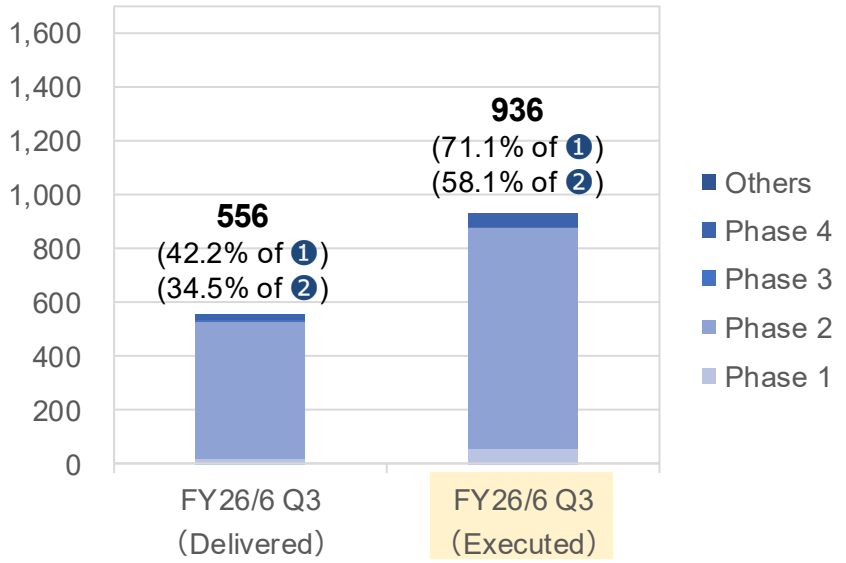
(JPYMM)

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**

Q3 results



	23	55
	501	821
	10	10
	21	49
	0	0
	556	**936**

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Review of Growth Strategy

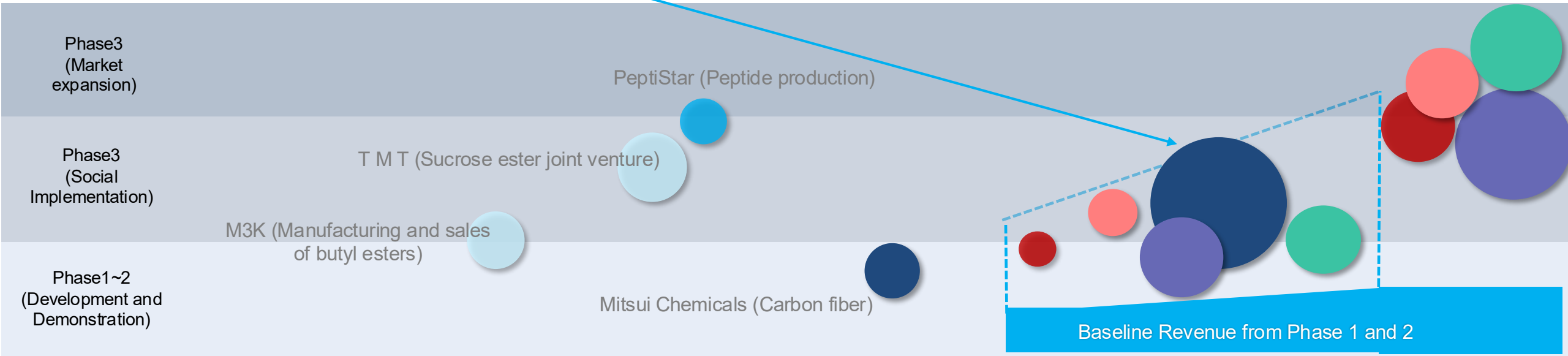
Reposted p.4 of FY25/3
Earning Presentation Materials

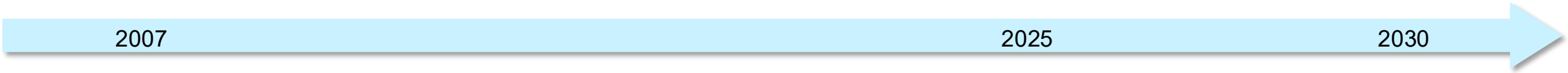
Mid-Term Growth Outlook	• While focusing on Microwave solutions business (collaboration business), we plan to create new businesses in parallel. Through this dual-engine strategy, we targets sales of JPY10Bn in FY30. • Collaboration business: In addition to Phase 2 projects (unit price: tens of millions 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.

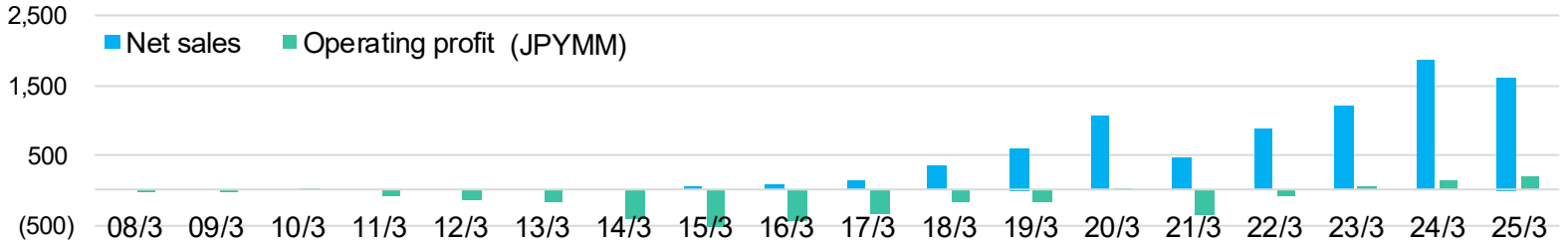
Business Expansion Image of Microwave Solutions Business

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**.







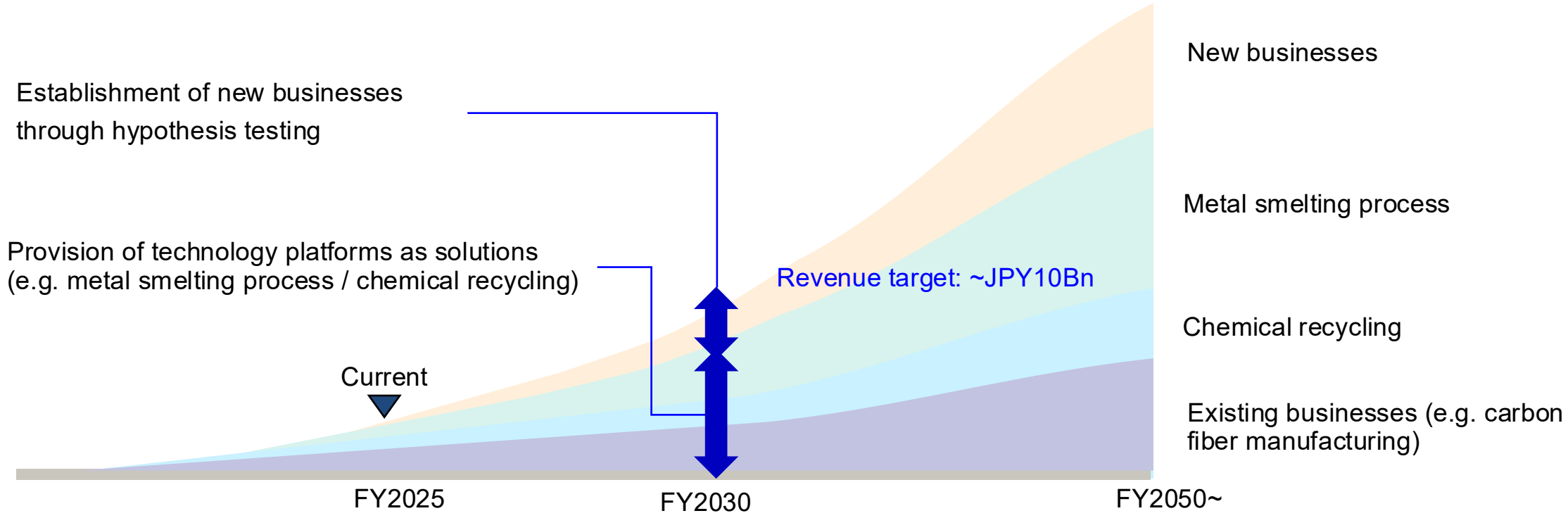
- From FY30 onward, in areas such as metal smelting processes and chemical recycling, we plan to install standardized equipment to our clients constantly, and expand the business and revenue (Market expansion phase).

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.



Launch of Demonstration Project for Closed-loop Recycling of Solar Panel Glass（TAKEEI）

- Together with TAKEEI CORPORATION (a consolidated subsidiary of TRE HOLDINGS CORPORATION), we applied for and were selected under the Ministry of the Environment's subsidy program with a proposal titled "Microwave-based Demonstration Project for Closed-loop Recycling of Solar Panel Glass."
- To reuse glass cullet recovered from end-of-life solar panels, we will develop and demonstrate a microwave-based technology to remove/reduce the resin that bonds and encapsulates the backsheet (which protects photovoltaic cells from heat, ultraviolet rays, and moisture) and the glass
  - Because microwaves directly heat target materials, the resin can be reduced efficiently, significantly lowering total CO_2 emissions across the recycling process.
  - Assuming compact, distributed treatment, the system offers high siting flexibility and can also reduce transportation-related costs and CO_2 emissions.

※ crushed waste-glass fragments used as recycled feedstock

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【Announced on Jan. 13】Start of Development of Mass-Production Equipment for a Novel “Regenerative Ligament” for ACL Reconstruction (CTBE)

- Together with CoreTissue BioEngineering Inc. (“CTBE”), a Waseda University spin-out medical device startup, we have begun developing mass-production equipment applying a microwave-based decellularization technology toward commercialization of a “regenerative ligament”※ for ACL reconstruction.
  - ACL injuries are common in sports; about 19,000 reconstruction surgeries are performed annually in Japan and about 175,000 in the United States.
  - The current standard, tendon autograft reconstruction, can burden patients by harvesting healthy tendon tissue and may leave insufficient tendon if re-rupture occurs.
- CTBE developed a decellularization method that uses microwaves to vibrate water molecules, enabling solutions to penetrate deep into thick bovine tendon; it is the first in the world to remove cellular components without damaging tissue, achieving human-tendon–comparable strength and ligament-level thickness.
- Leveraging our strength in scaling up microwave equipment, we will work with CTBE to build a verification unit and support optimization of mass-production conditions.
- After delivery, CTBE will validate stable multi-unit manufacturing, aiming for implementation toward commercial production in 2028.

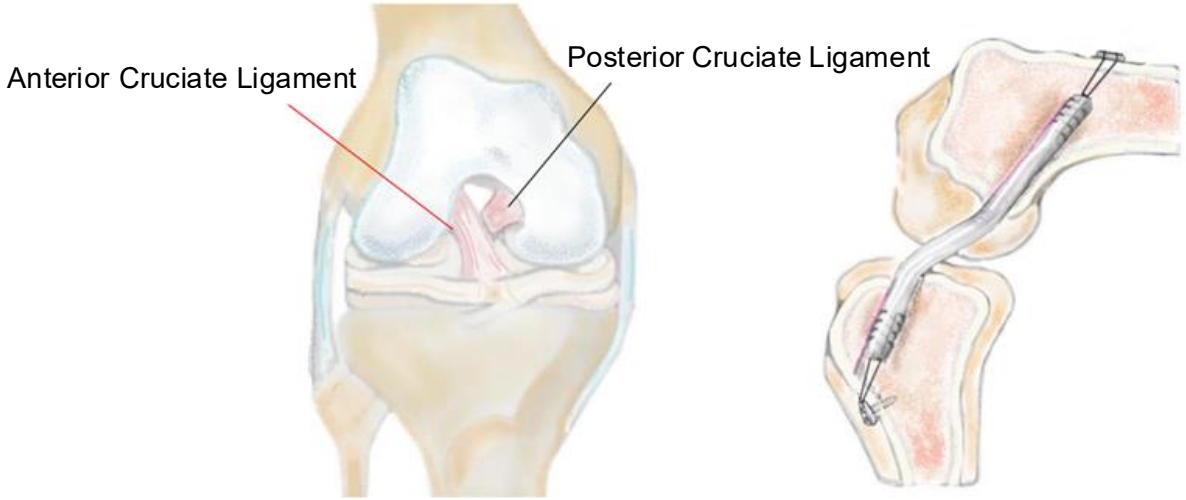

Figure: Location of the ACL(left) / Concept image of the “regenerative ligament” (right)

Note: “Removing cellular components that could trigger immune or inflammatory responses when animal-derived tissue is transplanted into humans.
CTBE’s development product has not yet received medical device approval in any country to date.

【Announced on Feb. 3】Development of Microwave Vacuum Solvent Distillation Recovery Equipment（KOBEX）

- Together with KOBEX Co., Ltd. (“KOBEX”), we have commenced development of microwave-based vacuum solvent distillation recovery equipment and prototype production. The prototype is scheduled for completion in April 2026; thereafter, we will conduct demonstrations with customers and plan commercial sales in 2027.
  - KOBEX designs, manufactures, and sells distillation equipment that evaporates and condenses solvents used in manufacturing processes for recovery, reuse, and recycling.
  - As needs grow to reduce waste and cut solvent costs, some cases remain difficult to process with conventional equipment, prompting exploration of alternative heating methods.
- In this initiative, we will develop equipment leveraging microwaves’ ability to heat materials directly from the inside.
  - With precise temperature control, it is expected to suppress residue generation and address energy loss and throughput decline.
  - It is also expected to enable distillation recovery of waste fluids that were difficult to handle with conventional external-heating distillation equipment.
- Through development and sales of the equipment, we aim to accelerate the social implementation of innovative technologies in the environment and energy sectors—starting with microwave technology—and drive new value creation.

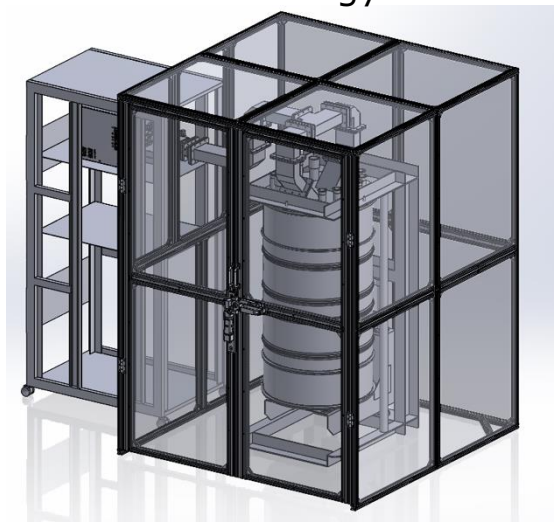

Figure: Concept image of the prototype unit to be developed in this project

【Aired on Jan. 10】Low-concentration Precious Metal Recovery Business Featured on NHK WORLD-JAPAN “BIZ STREAM”

- Our business was featured on “BIZ STREAM,” a business news program on NHK’s international service, NHK WORLD-JAPAN (broadcast to approximately 380 million households in 160 countries and regions), under the theme “The Ultimate in Urban Mining.”
  - The program showed how we recover palladium from actual factory wastewater using DualPore, our proprietary silica-monolith-based material.
  - The episode will be available to watch online for approximately one year, and the segment featuring our company begins at around 14:15.
    https://www3.nhk.or.jp/nhkworld/en/shows/2074248/

Figure 1: Cartridge before use (left) / Cartridge after palladium recovery (right)

Figure 2: Schematic image of solution flow through DualPore

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