

Financial Results – 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 - FY26/6
3. Forecast and Key Performance Indicators
4. Company/Business Overview and Appendix

Executive Summary: FY26/6 Financial Results and FY27/6 Forecasts

FY26/6 Financial Results

- Net sales of ¥1,057 million and an operating loss of ¥927 million, both ahead of the revised plan.
 - Net sales: ¥1,057 million, ¥556 million(35.2%) below the initial plan on order delays on several large projects.
 - Operating loss: COGS and SG&A control limited the increase in operating to ¥74 million (initial plan: (853); actual(927), and came in better than the May revised plan of(954).
- Key performance indicators (KPIs)
 - New contracts acquired: 25, against a plan of 22
 - Total number of contracts: 61, against a plan of 62
- Focus area: Development and partnerships advanced, led by mining processes

* FY26/6 is a 15-month period (Apr 2025–Jun 2026) following the change of fiscal year-end; FY22/3–FY25/3 were 12-month periods

FY27/6 Forecasts

- FY27/6 plan: return to operating profit
 - Net sales of ¥1,512 million (Microwave Solution Business: ¥1,262 million; DualPore Solution Business: ¥250 million)
 - Operating income of ¥50 million
- Cost of sales: gross margin in the Microwave Solution Business expected to improve as the equipment fabrication projects that weighed on FY26/6 profitability are now complete.
- SG&A : disciplined investment paced to business progress, with R&D spend focused on selected priorities.
- Financial base: maintain the cash position required on the assumption of a return to operating profit
 - ¥500 million of long-term funding raised in FY26/6 secures liquidity for operations and growth investment
 - The Minato Bank: ¥300 million
 - Japan Finance Corporation: ¥200 million

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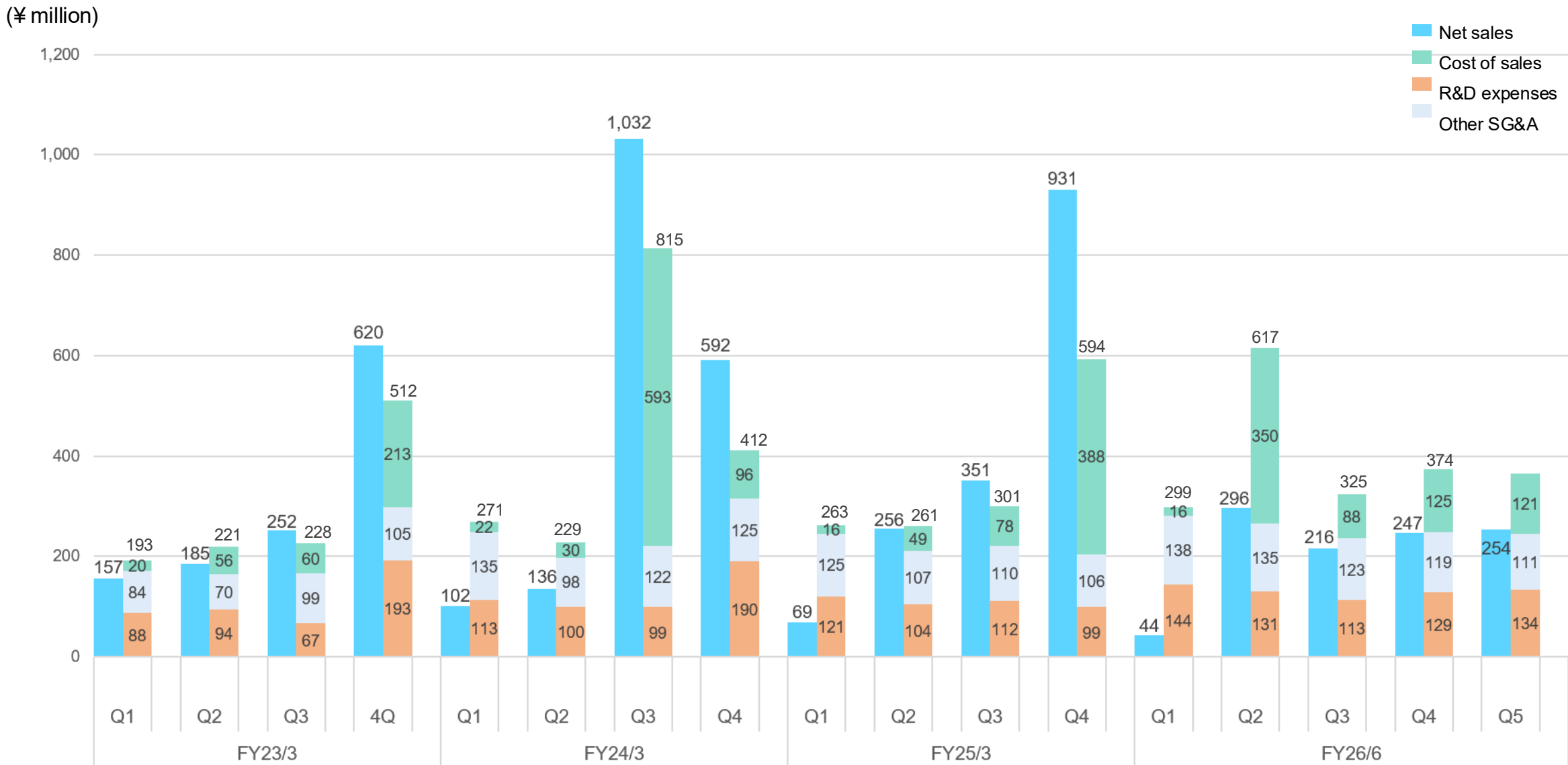
FY26/6 Income Statements Summary

- Net sales of ¥1,057 million were **¥556 million, or 35.2%, below the initial plan**, on order delays at several large projects
- Despite the ¥556 million sales shortfall, cost of sales and SG&A control held the increase in operating loss to ¥74 million — **¥27 million better than the revised plan of (954)**
- Reliance on the chemical industry and revenue concentration in large projects remain the main sources of volatility; we are **diversifying our customer base and revenue mix**

(¥ million)	FY25/3	FY26/6	vs. FY25/3		vs. Plan ⁽²⁾		vs. Plan ⁽³⁾	
	Full year	Full year	Change	%	Revised plan	%	Initial plan	%
Net sales⁽¹⁾	1,608	1,057	(550)	(34.2)%	1,044	101.3%	1,613	65.6%
MW Business	1,608	1,050	(557)	(34.7)%	1,044	100.6%	1,613	65.1%
Phase 1	258	100	(158)	(61.1)%	100	99.8%	169	59.2%
Phase 2	1,330	887	(442)	(33.3)%	881	100.7%	1,283	69.1%
Phase 3	15	10	(5)	(33.3)%	10	100.0%	160	6.3%
Phase 4	0	52	51	7853.7%	52	99.6%	-	-
Other	4	-	(3)	(96.3)%	-	100.0%	-	-
DPS Business	-	7	7	-	-	-	-	-
Gross profit	1,075	354	(720)	(67.0)%	-	-	-	-
% of net sales	66.8%	33.5%	(33.3)pt	-	-	-	-	-
Operating income (loss)	187	(927)	(1,114)	-	(954)	-	(853)	-
% of net sales	11.7%	-	-	-	-	-	-	-
Ordinary profit (loss)	182	(948)	(1,130)	-	(982)	-	(864)	-
Profit (loss) before income taxes	164	(955)	(1,119)	-	(964)	-	(881)	-
Net income (loss)	161	(964)	(1,126)	-	(986)	-	(884)	-

- (1) Phase 1: preliminary verification; Phase 2: demonstration and pilot; Phase 3: commercial equipment installation (equipment sales); Phase 4: manufacturing support and maintenance
- (2) Based on the FY26/6 earnings forecast announced on May 12, 2026
- (3) Based on the FY26/6 earnings forecast announced on May 9, 2025

Quarterly Sales and Costs (FY23/3Q1- FY26/6Q5)*

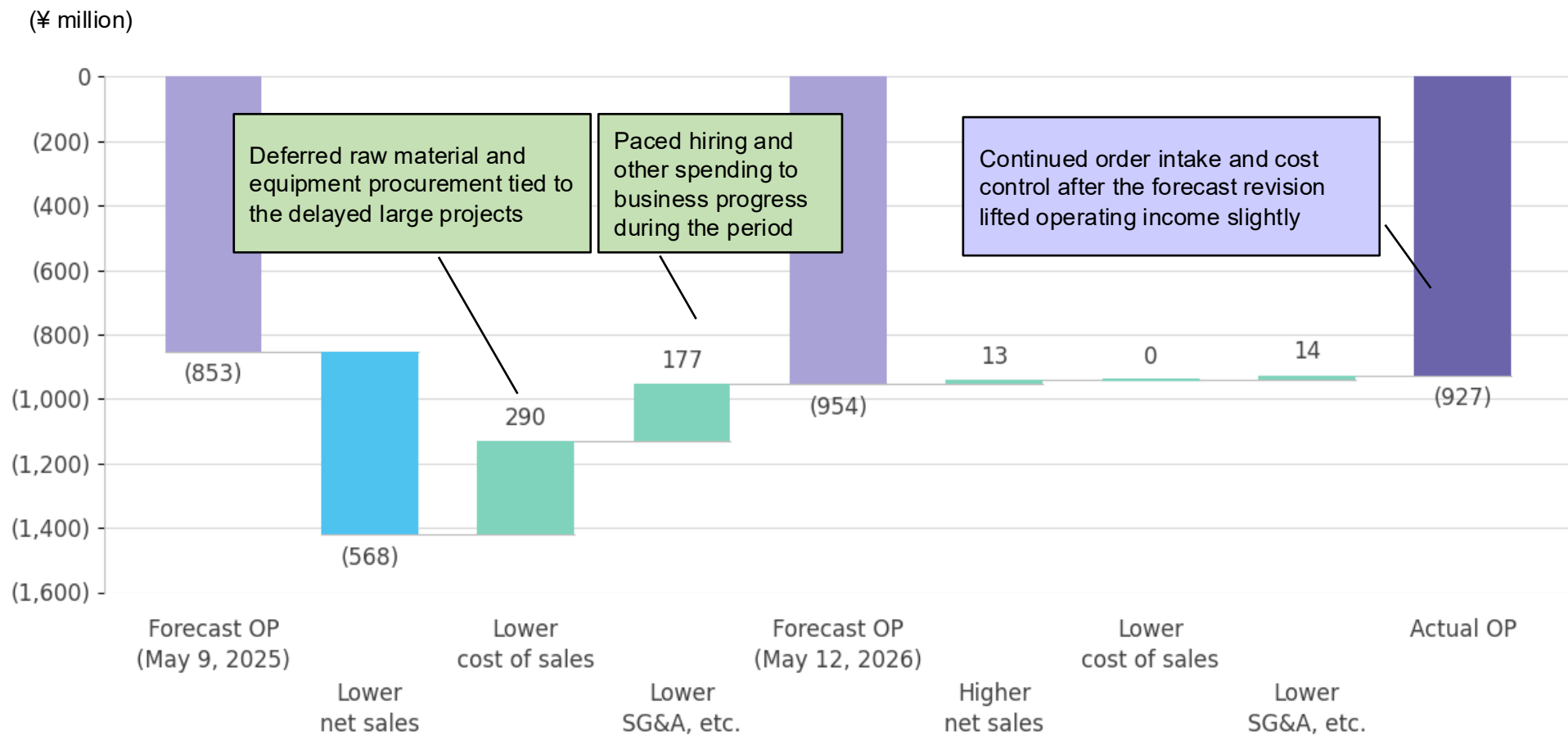


* FY26/6 is a 15-month period and therefore comprises five quarters



FY26/6 Operating Profit | Plan vs. Actual

- Net sales came in well below the initial forecast on order delays at several large projects
- Rephasing raw material and equipment procurement and tightening cost control held the operating income shortfall to ¥70 million versus the initial forecast



FY26/6 Balance Sheet Summary

- Net assets ended at ¥152 million and the equity ratio at 8.6%, mainly reflecting the net loss for the period
- Trade receivables, contract liabilities and other period-end balances fell versus the prior period-end, partly reflecting the shift in business cycle after the change of fiscal year-end
- We drew ¥500 million of long-term borrowings in the fourth quarter to cover temporary funding needs from the large-project order delays
- Together with the existing commitment line, secured the liquidity needed to drive the business toward a return to operating profit in FY27/6

Balance sheet as of end-FY25/3		¥ million	
Cash and deposits	507	Trade payables	68
Trade receivables	598	Current portion of long-term borrowings	28
Work in process and supplies	43	Contract liabilities	129
Other	64	Other	200
Current assets	1,214	Current liabilities	426
Property, plant and equipment	809	Long-term borrowings	353
		Lease obligations	280
Intangible assets	21	Non-current liabilities	633
		Share capital and capital surplus	3,445
		Retained earnings	(2,381)
		Share acquisition rights	—
Investments and other assets	78	Net assets	1,064
Total assets	2,124	Total liabilities and net assets	2,124
		Equity ratio	50.1%



Balance sheet as of end-FY26/6		¥ million	
Cash and deposits	401	Trade payables	5
Trade receivables	137	Current portion of long-term borrowings	138
Work in process, raw materials and supplies	21	Contract liabilities	59
Other	54	Other	101
Current assets	615	Current liabilities	304
Property, plant and equipment	680	Long-term borrowings	681
		Lease obligations	260
Intangible assets	14	Non-current liabilities	941
		Share capital and capital surplus	3,466
		Retained earnings	(3,345)
		Share acquisition rights	32
Investments and other assets	88	Net assets	152
Total assets	1,399	Total liabilities and net assets	1,399
		Equity ratio	8.6%

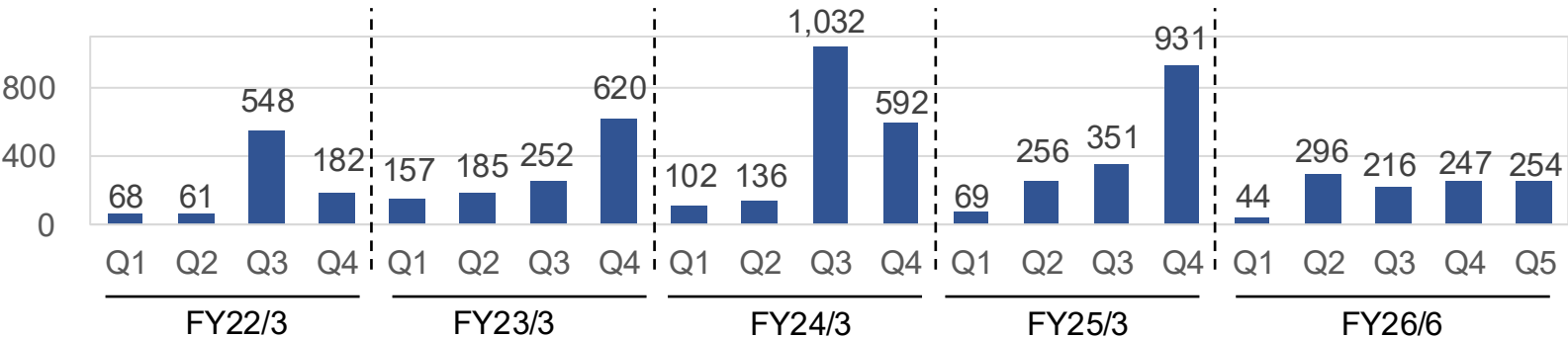
* Equity ratio = shareholders' equity ÷ total assets, where shareholders' equity is net assets less share acquisition rights. End-FY26/6: (net assets ¥152mn –share acquisition rights ¥32mn) ÷ total assets ¥1,399mn = 8.6%

Seasonal Fluctuations / Revenue Recognition

Seasonal Fluctuations

Most of our principal customers are Japanese companies with a March fiscal year-end, and they concentrate R&D budget execution and acceptance inspections in the October–March half. Because we recognize revenue from joint development on completion of customer acceptance, net sales are weighted toward October–March — the second and third quarters under our new fiscal calendar. The timing of large-project completions also affects results. SG&A expenses are largely fixed, so profit follows the same seasonal pattern. Investors should take this seasonality into account.

Quarterly net sales
(¥ million)



Revenue Recognition

The following is a description of the main performance obligations in the Company's 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)

The Company submits 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.

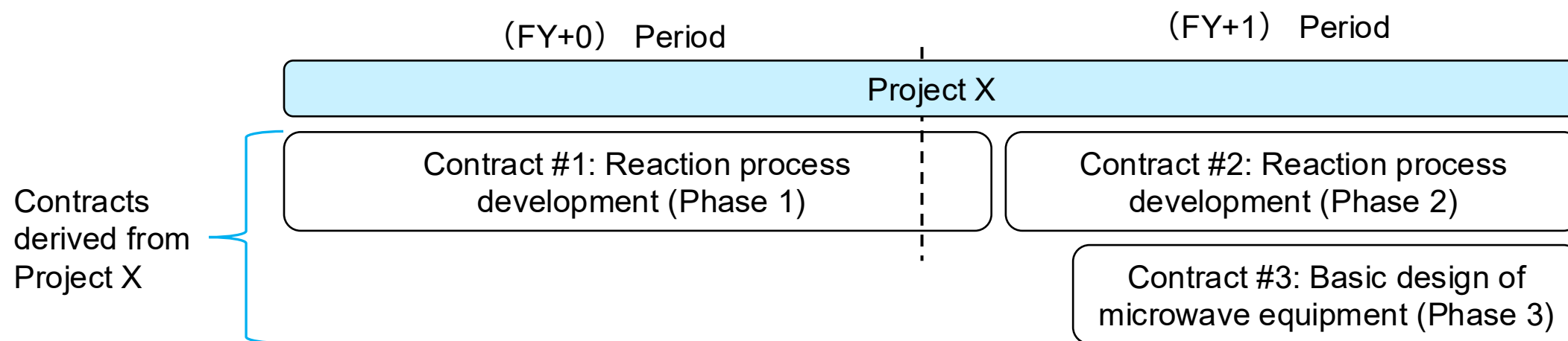
(2) License agreement

Under license agreements, the Company licenses its 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)

- Important KPIs for our business are **(1) number of new contracts**, **(2) total number of contracts**, and **(3) sales by phase**.
 - Contracts are executed with clients based on our solutions and service per phase.
 - Multiple contracts would be executed with one project as indicated below.
- (3) Sales by phase shows progress of the contracts by sales in each phase.
- Contracts are basis of our sales. We disclose number of contracts which are expected to be completed and book sales within this FY.



FY26/6 KPI Highlights

1 Number of New Contracts

- 25 new contracts, above the plan of 22
- 5 projects started at Phase 2 or later — a record high. More projects now enter at the demonstration stage without preliminary verification, raising the quality of the contracts

2 Total Number of Contracts

- 61 contracts, against a plan of 62

3 Total Number of Contracts

- Down 35% versus the prior period, on large-project delays amid a pause in decarbonization investment
- A sharper focus on projects that play to our expertise delivered results above the revised plan of ¥1,044 million

* FY26/6 KPIs exclude the low-concentration precious metal recovery business

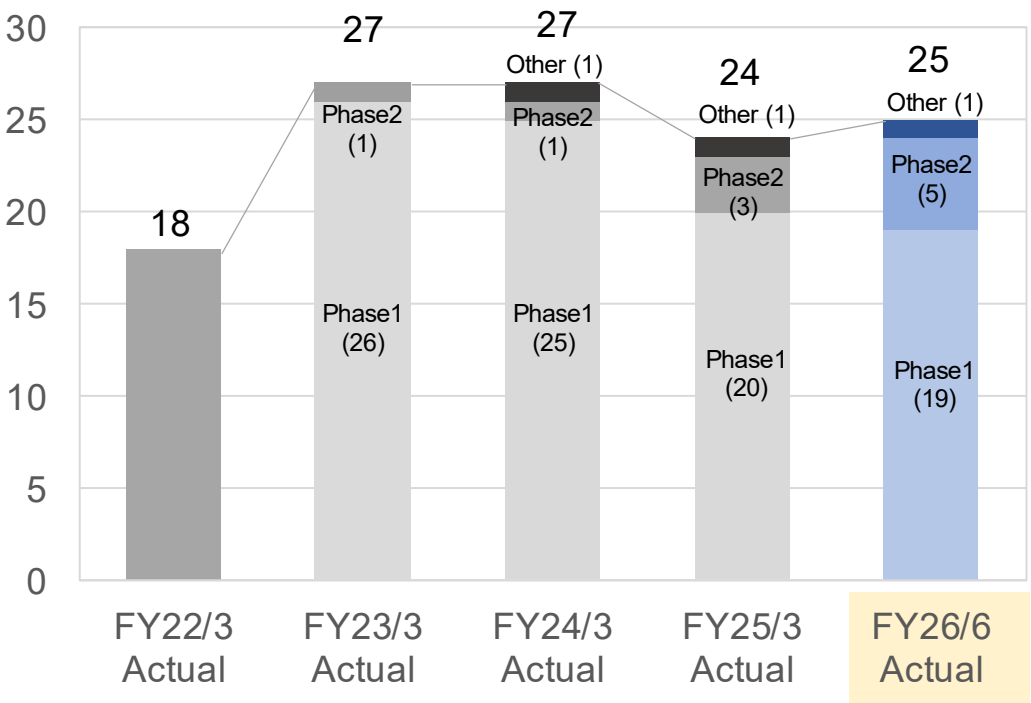
KPI (1) | Number of New Contracts

- 25 new contracts acquired, against a plan of 22
- 5 projects started at Phase 2 or later — a record high. More projects now begin at the demonstration stage without preliminary verification, raising the quality of the contracts we win

* FY26/6 is a 15-month period (April 2025–June 2026); FY22/3–FY25/3 were 12-month periods

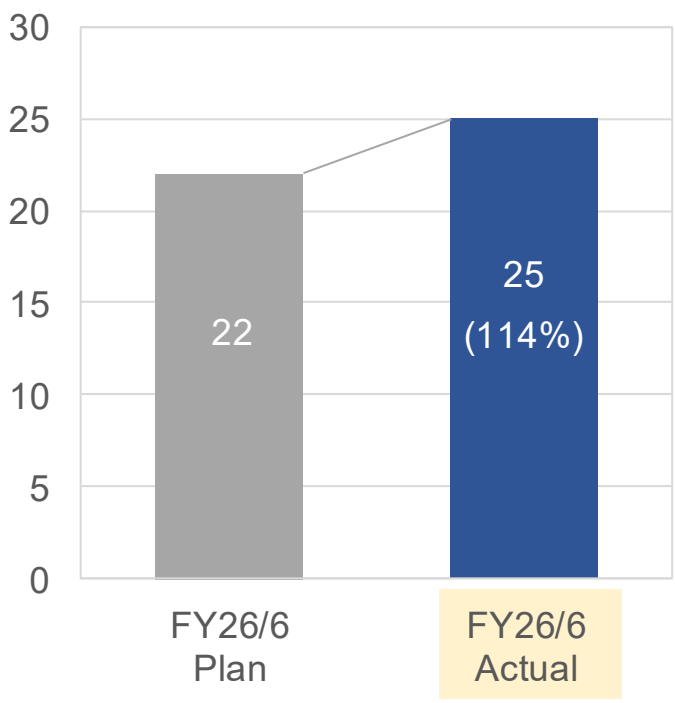
New contracts acquired: trend

(contracts)



vs. Plan

(contracts)



(announced May 12, 2026)

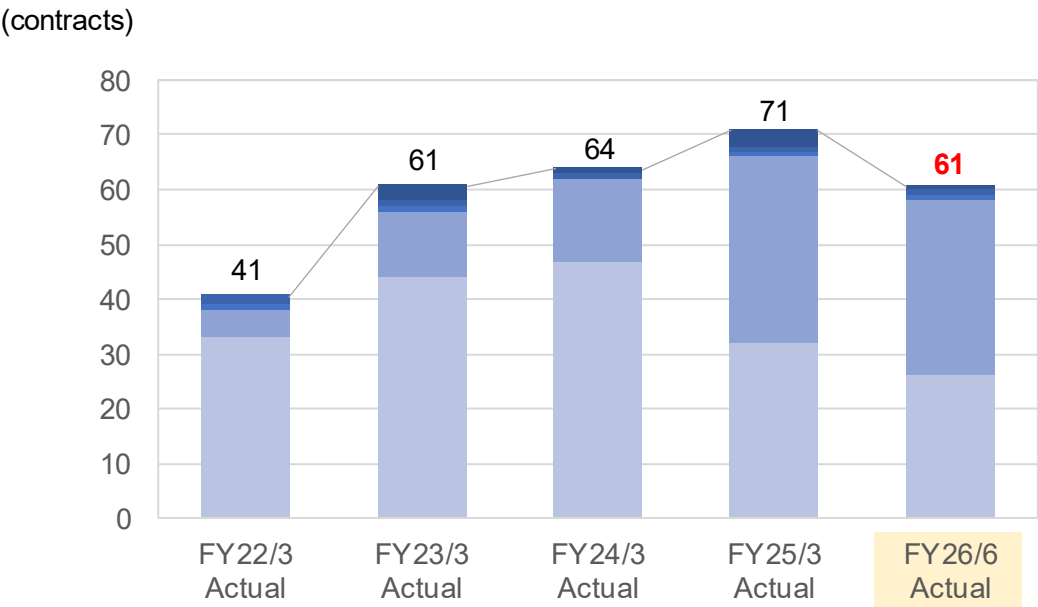
* Other: sales and maintenance of general-purpose products and equipment, and sample supply



KPI (2) | Total Number of Contracts

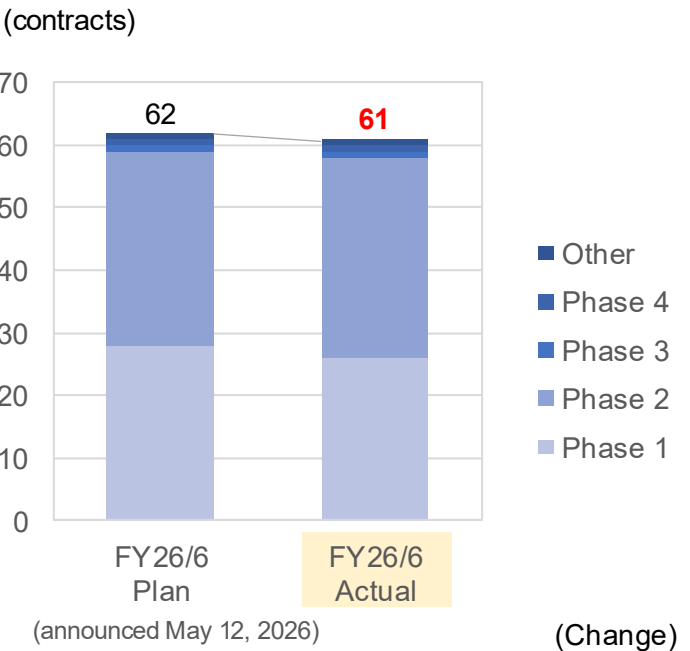
- 61 contracts against a plan of 62 — broadly in line
 - The 10-contract decline versus the prior period came mainly from Phase 1 (32 → 26) as we focused the portfolio; Phase 2 and beyond held at 34 level with the prior period
- * FY26/6 is a 15-month period (April 2025–June 2026); FY22/3–FY25/3 were 12-month periods

Total contracts: trend



Phase 1	33	44	47	32	26
Phase 2	5	12	15	34	32
Phase 3	1	1	0	1	1
Phase 4	2	1	1	1	1
Other	0	3	1	3	1
Total	41	61	64	71	61

vs. Plan



	28	26	(2)
	31	32	1
	1	1	0
	1	1	0
	1	1	0
	62	61	(1)

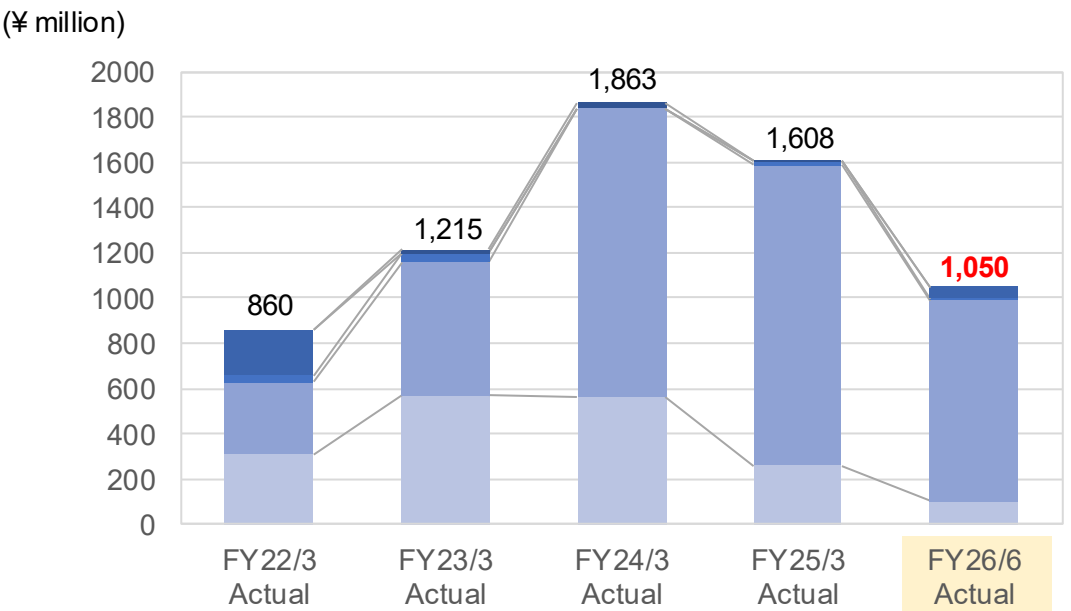


KPI (3) | Sales by Phase

- Net sales fell 35% versus the prior period, mainly on large-project delays amid a pause in decarbonization investment
- Results still beat the May revised plan of ¥1,044 million: we focused projects already under way on those that play to our expertise

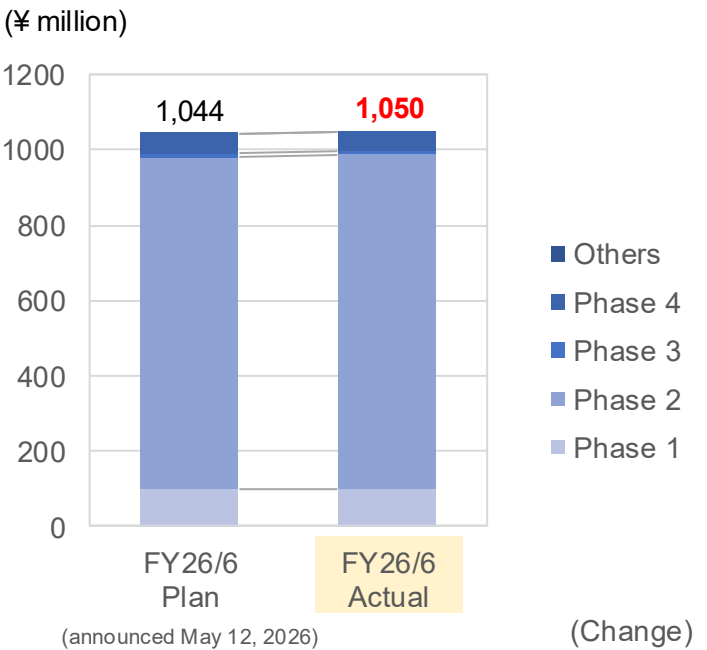
* FY26/6 is a 15-month period (April 2025–June 2026); FY22/3–FY25/3 were 12-month periods

Net sales by Phase: trend



Phase 1	309	567	565	258	100
Phase 2	320	593	1,274	1,330	887
Phase 3	30	35	—	15	10
Phase 4	200	—	—	0	52
Other	—	19	24	4	0
Total	860	1,215	1,863	1,608	1,050

vs. Plan



	100	100	0
	881	887	6
	10	10	0
	52	52	0
	0	0	0
	1,044	1,050	6



FY26/6 Strategic Investment Plan | Review

We planned strategic development and investment in two focus areas, to accelerate commercial deployment and expand the value we deliver:

- **Accelerating commercial deployment through technology standardization and in-house development of core components**
Standardization and production of key components in-house raises development and installation speed, accelerating projects into Phase 3.
- **Expanding the value we deliver through new businesses**
Alongside strengthening existing businesses, we will launch new businesses that capture shifts in social needs and technology trends, broadening our value proposition. This strengthens the medium- to long-term growth portfolio and supports sustained growth in corporate value

	Initial plan	Results
Standardization of metal smelting technologies	• Manufacturing and upgrading of standardized equipment for metal smelting processes	• Rescheduled following order delays
In-house production of microwave oscillators	• Development toward in-house production of MW oscillators • Initial year to begin with small-scale testing in laboratory	• Yokohama laboratory opened and development started • Delivery delays on certain materials and components push prototype completion back around six months from end-FY2026
New business initiatives / Small-scale M&A	• Investments related to new business development • Initial phase to begin with small-scale hypothesis testing	• R&D started, centered on semiconductors; to continue into FY2027 on a focused basis • Acquired the low-concentration precious metal recovery business from DPS Co., Ltd., a Kyoto University spin-out, in September 2025, adding a new solution
FY26/6 investment amount in relation to items above	• SG&A expenses: ~c.JPY90MM (15 months basis, including labor costs related to the development) • Capital expenditures: ~c.JPY70MM	• SG&A: approx. ¥60 million (mainly in-house oscillators and the DPS business) • Capex: approx. ¥10 million (deferred in line with order delays)



FY26/6 Project Highlights

		Theme	Partner	Announced
Focus areas	Mining processes	Began pilot demonstration testing under the joint development of low-carbon lithium ore smelting technology	Mitsui & Co., Ltd.	September 29, 2025
		Completed microwave calcination testing of manganese nodule ore at tens-of-kilogram scale	The University of Tokyo	April 28, 2026
		Successful reduction of iron ore using a standard bench-scale microwave unit	(in-house development)	May 26, 2026
		Signed an MOU for joint study on commercializing microwave-based low-carbon lithium ore refining technology	- PMET Resources Inc. - Mitsui & Co., Ltd.	June 30, 2026
	Recycling ^{*1}	Acquired the low-concentration precious metal recovery business of DPS Co., Ltd., a Kyoto University spin-out^{*2}	DPS Co., Ltd.	September 8, 2025
		Recycled acrylic resin produced with our jointly developed technology adopted for Honda's new mini-EV	Mitsubishi Chemical Corporation	September 25, 2025
		Launched a demonstration project for closed-loop recycling of glass cullet, removing organic residues from solar panel glass	TRE Holdings Corporation	October 28, 2025
Other		Began development of microwave vacuum solvent distillation and recovery equipment	Kobex Co., Ltd.	February 3, 2026
		Began equipment development for mass production of a novel tissue-regenerative ligament for ACL reconstruction	CoreTissue BioEngineering Inc.	January 13, 2026

^{*1} The focus area covers recycling as an industry, not chemical recycling alone ^{*2} Our second proprietary technology, acquired via M&A

Microwave Calcination of Manganese Nodule Ore Completed at Tens-of-kg Scale (Univ. of Tokyo)

- Participating in the University of Tokyo's "Development of Smelting Methods for Seabed Mineral Resources" project. We are responsible for the calcination testing of manganese nodule ore, utilizing our microwave technology platform for metal smelting and mining processes
- Completed bench-scale (tens of kilograms scale) calcination testing on our own bench
 - An initial economic assessment indicates the potential for running-cost reductions due to lower energy consumption at the future commercial implementation stage, compared to using conventional rotary kilns
 - We will contribute to strengthening the rare metal supply chain promoted by the Cabinet Office



Microwave calcination testing in progress

Approximately 15 kg of Iron Ore Successfully Reduced Using Microwaves

- Demonstration testing on our rotary hearth furnace-type standard bench equipment for metal smelting and mining processes successfully [reduced approximately 15 kg of iron ore, completing a bench-scale demonstration](#) — an important milestone toward commercial application
 - Next steps toward commercial application: optimize process conditions, quantify energy efficiency and CO₂ reduction, and verify continuous operation
 - Aim to build partnerships across steelmakers, resource companies and engineering firms
 - Through this technology development, we will [contribute to carbon neutrality in the steel industry](#)



[Left: iron ore before reduction; Right: iron ore after reduction](#)

MOU Signed to Study Commercialization of Low-Carbon Lithium Ore Smelting (PMET / Mitsui & Co.)

- Signed an MOU with PMET Resources Inc., a Canadian lithium resource developer, and Mitsui & Co., Ltd., covering the application of our proprietary microwave calcination technology to spodumene ore — the raw material for lithium — from the deposit PMET is developing, and joint study toward commercialization
 - Aim to build a more efficient, low-carbon lithium supply chain that is not dependent on a single region
 - Pilot plant testing is under way on spodumene ore supplied by PMET
 - On completion, we will review the results and consider moving to detailed commercialization discussions



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Trade Name to Change to "MWCC Inc." (planned for October 1, 2026)

- Our business is outgrowing the name "Microwave Chemical"
- For the next stage of growth, we will change our trade name to "MWCC Inc."

(1) Broadening domains | Toward mining

Microwave technology has moved from chemical processes into ore processing, making resources and mining a new core arena

(2) Broadening value | Technology

Acquiring DualPoreSystem (low-concentration precious metal recovery) gives us a 2nd proprietary technology alongside microwaves, widening the solutions

(3) Broadening markets | Overseas

Decarbonization and economic security are driving more collaboration and business with overseas companies

From "microwave × chemistry" to expansion along three axes — domains, value and markets

Current
trade
name

Microwave Chemical Co., Ltd.
(Japanese trade name: マイクロ波化学株式会社)



New
trade
name

MWCC Inc.
(Japanese trade name: M W C C 株式会社)



- * "MWCC" derives from our current English trade name, Microwave Chemical Co., Ltd. The securities code (9227) and listing market are unchanged, and no action is required of shareholders
- * The Microwave Solution Business remains our core revenue base
- * Subject to shareholder approval of the related amendment to our Articles of Incorporation at the Annual General Meeting scheduled for September 25, 2026, with effect from October 1, 2026



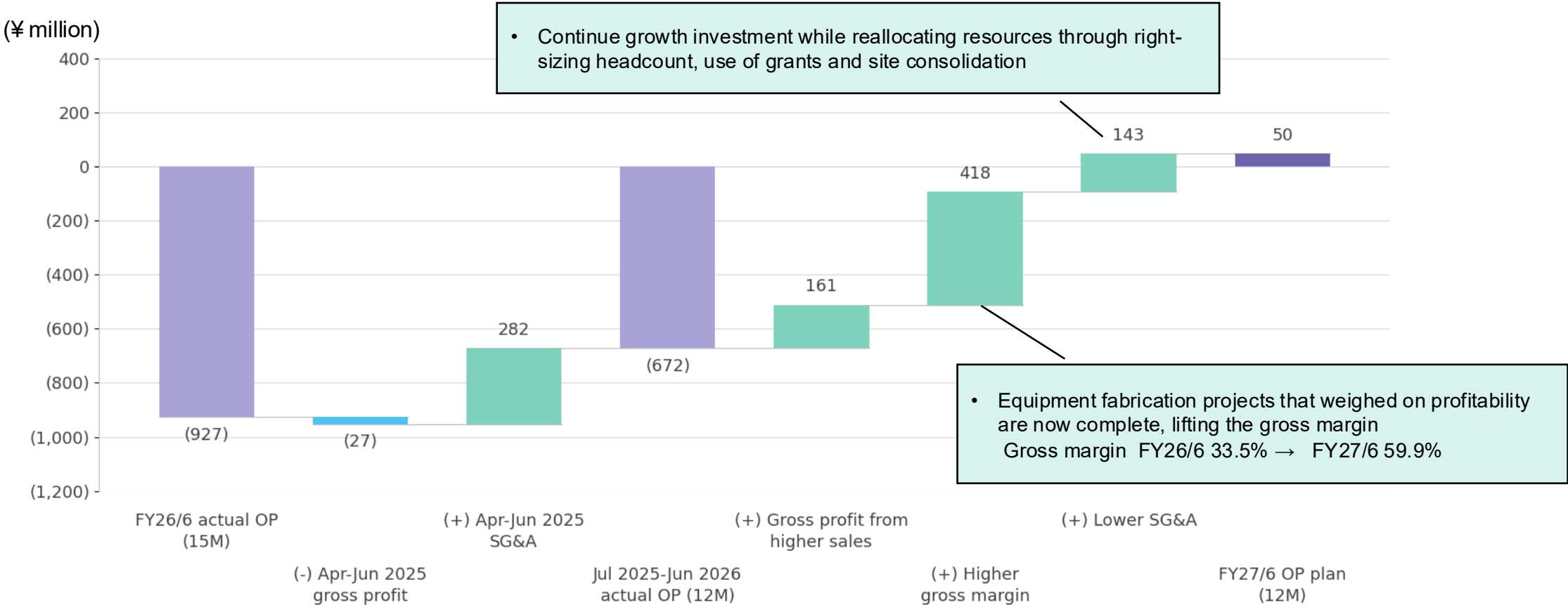
FY27/6 Full-Year Plan

- Net sales are expected to recover versus the prior period, driven by project progress in the MW Business and the sales contribution from the DPS Business
 - The DPS Business is ramping up on plan, with net sales of ¥250 million budgeted
- Higher sales, a recovery in gross margin and lower SG&A are together planned to deliver operating profit
 - Cost of sales: margin recovery on an improved project mix
 - SG&A: reduced through a fixed-cost review and a more focused R&D portfolio

(¥ million)	FY26/6	FY27/6	vs. FY26/6	
	Full year	Full year	Change	%
Net sales⁽¹⁾	1,057	1,512	454	143.0%
MW Business	1,050	1,262	212	120.2%
Phase 1	100	245	144	243.9%
Phase 2	887	847	(40)	95.5%
Phase 3	10	120	110	1200.0%
Phase 4	52	50	(2)	95.8%
Other	0	-	0	0.0%
DPS Business	7	250	242	3429.7%
Cost of sales	702	605	(96)	86.2%
Gross profit	354	906	551	255.5%
% of net sales	33.5%	59.9%	26.4pt	-
Operating income (loss)	(927)	50	978	-
% of net sales	-	3.4%	-	-
Ordinary profit (loss)	(948)	23	971	-
Profit (loss) before income taxes	(955)	7	962	-
Net income (loss)	(964)	4	968	-

Operating Income Bridge | FY26/6 → FY27/6

- FY27/6 is planned to return to operating profit for the reasons below
(To strip out the effect of the change of fiscal year-end, figures are compared with 12-month actuals for July 2025 – June 2026)



R&D Costs | Total Amount and Percentage to SG&A

- In FY26/6 we made strategic upfront investment to accelerate commercial deployment, centered on strengthening the workforce and developing new businesses
- In FY27/6, with a return to operating profit in sight, we will keep investment disciplined and paced to business progress while focusing R&D spend on selected priorities

SG&A and R&D costs: Actual and Plan

¥ million	FY24/3 (12M)	FY25/3 (12M)		FY26/6 (15M)		FY27/6 (12M)
	Actual	Plan	Actual	Plan	Actual	Plan
Total SG&A expenses	985	973	887	1,447	1,282	855
R&D expenses	504	432	437	795	653	422
<i>% of SG&A expenses</i>	51%	44%	49%	55%	51%	49%
Personnel expenses	253	203	238	401	326	230
<i>% of R&D expenses</i>	50%	47%	54%	50%	50%	55%
Materials and equipment	113	88	52	183	102	39
<i>% of R&D expenses</i>	22%	21%	12%	23%	16%	9%
Facilities	137	140	146	210	224	152
<i>% of R&D expenses</i>	27%	32%	33%	26%	34%	36%
Other	481	540	449	652	628	433

Headcount Trend and Workforce Composition

- Given the current scale of the business, we will hold headcount at an appropriate level and prioritize productivity
- We will not expand headcount this fiscal year and will hire highly selectively
- We will continue to hire opportunistically for highly specialized talent

Headcount Trend

(excluding directors and temporary staff)

(Unit: Persons)	FY23/3 End Actual	FY24/3 End Actual	FY25/3 End Actual	FY26/6 End Plan	FY26/6 End Actual	FY27/6 End Plan
Business development and administration	18	16	15	15	13	14
R&D and engineering	46	43	34	44	38	38
Total	64	59	49	59	51	52



Funding and Liquidity

- Secure the liquidity needed to run the business while balancing a return to operating profit in FY27/6 with growth investment
- Meet temporary funding needs flexibly through the commitment line and other facilities

FY26/6 Initiatives

- Drew ¥500 million of long-term borrowings for working capital
 - The Minato Bank: ¥300 million, 5-year term
 - Japan Finance Corporation: ¥200 million, 5-year term

FY27/6 Policy

- Maintain the cash position required on the assumption of a return to operating profit
- Phase capex and R&D investment, pacing them to business progress
- Use the commitment line and other facilities for temporary needs arising from swings in project orders and delivery schedules
- Manage funding flexibly, balancing growth investment against on-hand liquidity

Material Events or Conditions Relating to the Going Concern Assumption

- In FY26/6, net sales fell short of the initial forecast and we recorded operating, ordinary and net losses. Net assets declined and the equity ratio fell. Events or conditions therefore exist that may cast significant doubt on the going concern assumption.
- In response, we have made diversification of our customer base and revenue sources a key management priority, and will work to resolve these events or conditions by applying our microwave technology solutions, which are applicable across all industries. Specifically, with economic security growing in importance, we are focused on developing the mining process business for critical minerals. We also aim to achieve sustainable growth by acquiring and delivering new technology solutions, starting with the low-concentration precious metal recovery business.
- On funding, with temporary needs rising on delays in large-project orders, we drew ¥500 million of long-term borrowings in the fourth quarter of FY26/6, securing the liquidity needed to advance the business. We have also renewed a commitment line facility totalling ¥500 million.
- In light of these measures, we expect the events or conditions that may cast significant doubt on the going concern assumption to be resolved or improved, and have therefore concluded that no material uncertainty relating to the going concern assumption exists.

* For further details, see our FY26/6 Financial Results (Tanshin).

Growth Model | Expanding Application Domains × Technology Platforms

- Our strength is the capability to carry proprietary technologies all the way to commercialization – from business development, lab. and engineering
- Building on this capability, we will (1) broaden our application domains and (2) continuously acquire technology platforms

➡ (1) Broadening domains

Application domains	
Chemicals & materials	Manufacturing processes (efficiency / decarbonization)
	New materials
	Recycling
Resources & metals	Manufacturing processes (efficiency / decarbonization)
	Recycling
Semiconductors	Manufacturing processes (efficiency)
	Recycling

➡ (2) Broadening technologies and solutions: we aim to add a third proprietary technology

Microwave Solutions Core technology		DualPore Solutions (low-concentration precious metal recovery) DualPoreSystem acquired via M&A as our second proprietary technology	
	Commercialized		—
	Commercialized		—
	Commercialized		Exploration & validation
	Commercialized		—
	Exploration & validation		Exploration & validation
	Exploration & validation		—
	—		Commercialized

Phase

Commercialized	Monetized (including technology platform provision)	Exploration & validation	Exploring and validating the business hypothesis
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* Overseas expansion is a third axis cutting across all of the domains above. The Microwave Solution Business remains our core business
* Stage classifications reflect current positioning under our new-business investment criteria and may change



Microwave Solution Business (MW Business)

1 FY27/6 KPI (1) Number of New Contracts | Exploring a broad range of themes

- Target 25 new contracts, level with the prior period
- Build new-project origination under R&D leadership and step up theme exploration driven by market and social trends

2 FY27/6 KPI (2) Total Number of Contracts | Portfolio expansion and reliable Phase 3/4 execution

- Convert earlier business development into a larger project portfolio; target 63 contracts versus 61 in the prior period
- Execute Phases 3 and 4 reliably

3 FY27/6 KPI (3) Sales by Phase | Growth led by Phases 1 and 3

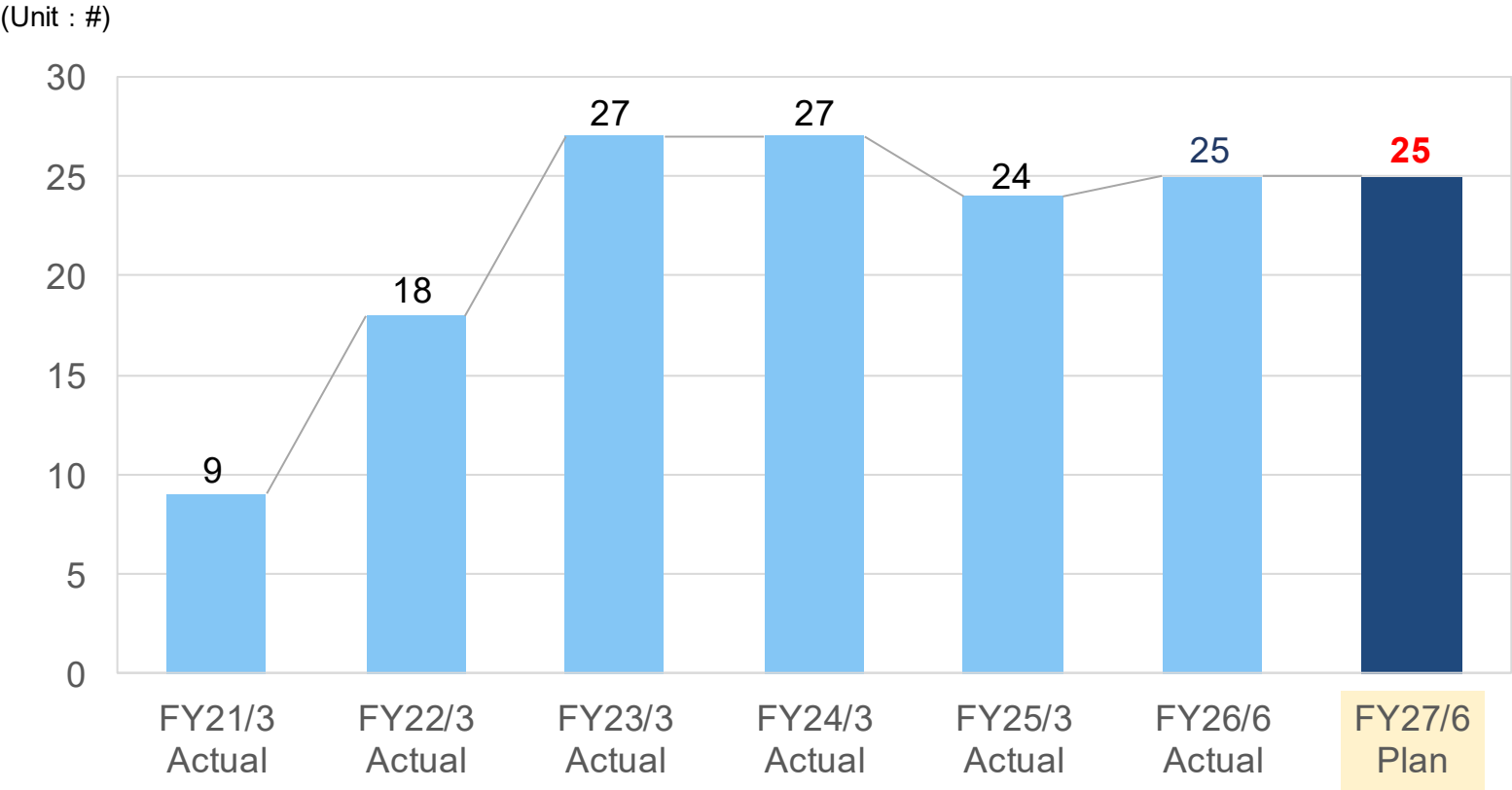
- Plan of ¥1,262 million (up 20% versus the prior period)
- Phase 1: ¥245 million / Phase 2: ¥847 million / Phase 3: ¥120 million / Phase 4: ¥50 million

4 Focus area | Metal Smelting and Mining Processes

- Advance projects covering a range of metals and ores with partners in Japan and overseas
- Beyond decarbonization investment, critical mineral demand from economic security and the spread of AI and data centers is expected to grow the target market by about 7% a year on average

1 | FY27/6 KPI (1) Number of New Contracts

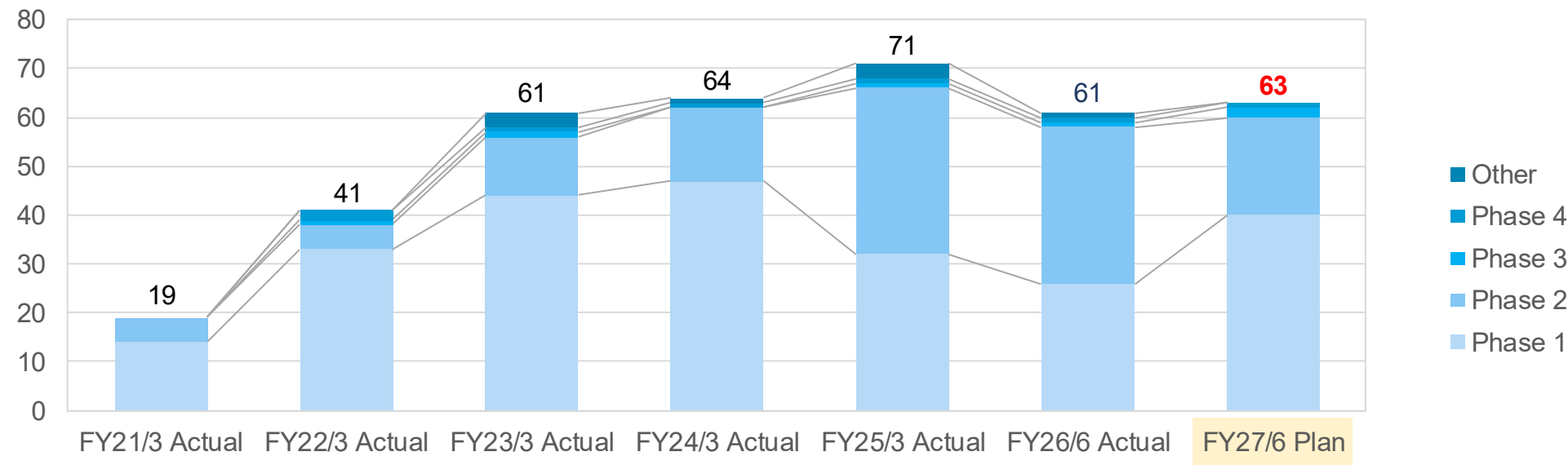
- Target 25 new contracts, level with the prior period
- Formed an R&D-led origination team; this fiscal year we will again explore a broad range of themes



2 | FY27/6 KPI (2) Total Number of Contracts

- Convert earlier business development into Phase 1 growth, expanding the project portfolio further
- For Phases 3 and 4, the plan includes only high-probability projects, allowing for customers that need time to reach a commercialization decision

(Unit : #)

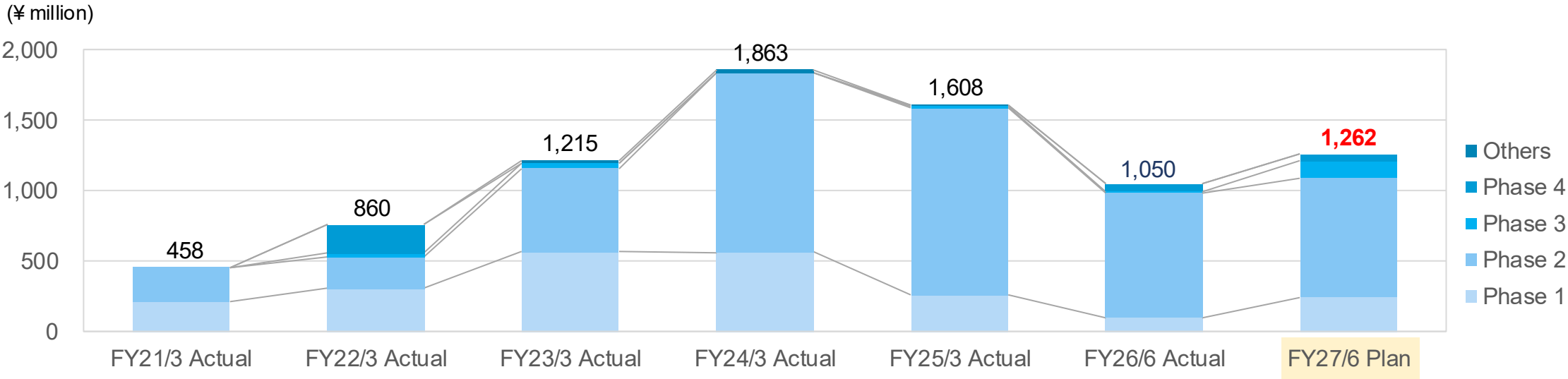


Phase 1	14	33	44	47	32	26	40
Phase 2	5	5	12	15	34	32	20
Phase 3	0	1	1	0	1	1	2
Phase 4	0	2	1	1	1	1	1
Other	0	0	3	1	3	1	0
Total	19	41	61	64	71	61	63



3 | FY27/6 KPI (3) Sales by Phase

- Phase 1: 40 contracts and ¥245 million planned, centered on hypothesis-testing trials to explore new themes
- Phase 2: fewer contracts, but ¥847 million maintained in line with the prior period on higher revenue per contract



Phase 1	211	309	567	565	258	100	245
Phase 2	246	320	593	1,274	1,330	887	847
Phase 3	—	30	35	—	15	10	120
Phase 4	—	200	—	—	0	52	50
Other	—	—	19	24	4	0	—
Total	458	860	1,215	1,863	1,608	1,050	1,262



4 | Focus Area: Metal Smelting and Mining Processes | Overview

- Advancing multiple metal smelting and mining process projects with partners in Japan and overseas
- Signed a strategic partnership with Chugai Ro, a leading industrial furnace maker, to accelerate rotary hearth furnace development

2025~
Demonstration and pilot

Verify applicability by ore type and win pilot facility orders

2029~
First commercial unit

Accelerate development through investment in new standard demonstration equipment and a stronger EPC capability

2035~
Scale-up and adoption

Standardize processes and equipment and build a recurring revenue model across equipment sales, licensing and maintenance, focused on regions with low electricity costs

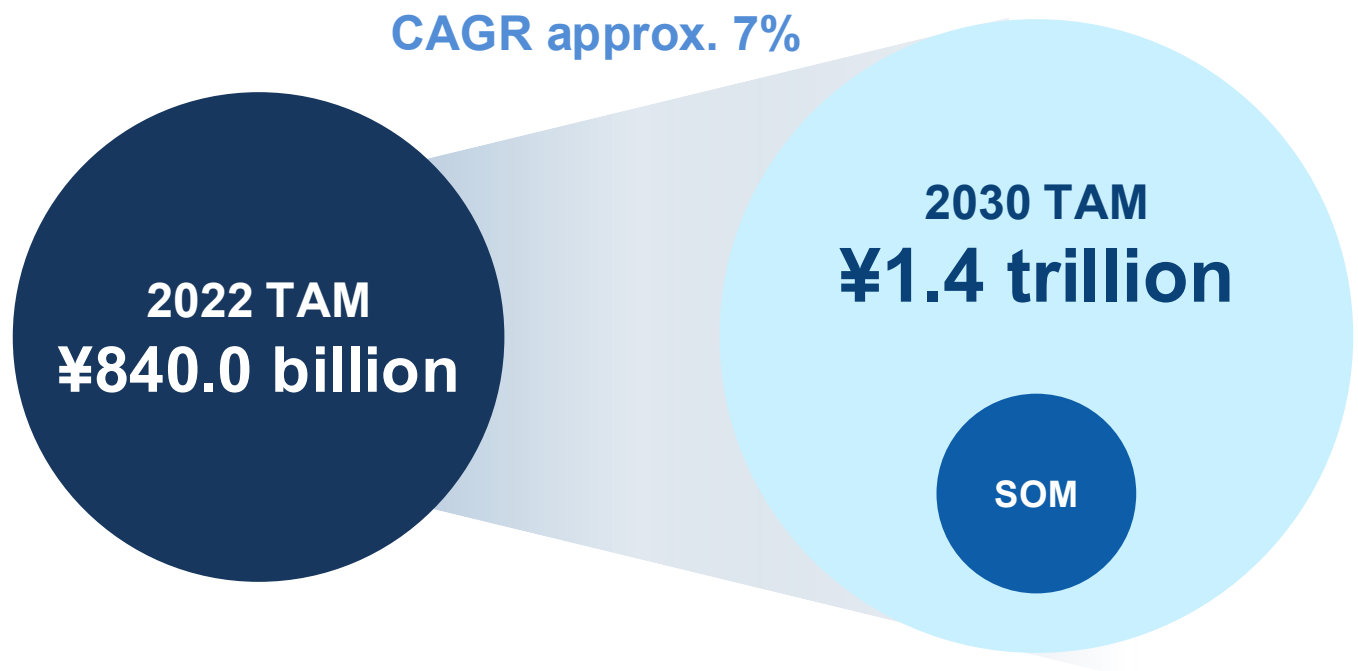
Metal smelting / mining process development projects (selected)

Target metal / ore	Partner / in-house	Process	Phase	Progress and status
Lithium	Mitsui & Co.	Calcination	Phase 2	• Demonstration since 2023 • Pilot demonstration started in 2025; three-party MOU signed with PMET and Mitsui & Co.
Nickel	Pacific Metals	Calcination / reduction	Phase 2	• Small-scale verification since 2023 • Commercial unit installation targeted around 2030
Beryllium	MiRESSO	Melting	Phase 2	• Small-scale demonstration since 2022 • Pilot facility order received in 2024
Iron ore	In-house development	Reduction	—	Demonstration testing completed with the standard bench unit
Manganese nodules	The University of Tokyo	Calcination	Phase 2	Small-scale demonstration in 2025
Confidential	Confidential	—	—	Basic design of the pilot unit completed

* Phase 1: preliminary verification / Phase 2: demonstration and pilot / Phase 3: commercial (production) equipment installation / Phase 4: operational support and maintenance
* The table shows selected development projects. Projects whose counterparties cannot be disclosed under confidentiality obligations are shown as Confidential
* Revenue is also recognized at stages prior to commercial equipment installation, such as orders for pilot facilities

4 | Metal Smelting and Mining Processes | Target Market Size

- Target market: heat treatment equipment (calcination, firing, reduction) in non-ferrous metal smelting, replacing existing fossil-fuel burner processes
- Beyond decarbonization investment, critical mineral demand from economic security and the spread of AI and data centers is expected to grow the target market by about 7% a year on average
- 2030 TAM of ¥1.4 trillion (Japan and overseas); we are targeting microwave process adoption across 10% of it



Key Drivers

Economic security	Critical mineral demand
Decarbonization	Electrification

Market we target (SOM)
¥140.0 billion
Equivalent to 10% of the 2030 TAM of ¥1.4 trillion our target for microwave process adoption

Sources
(1) Global Non-ferrous Metal Melting Furnace Market By Type, By Application, By Geographic Scope And Forecast : <https://www.linkedin.com/pulse/non-ferrous-metal-melting-furnace-market-analysis-dbo6e/>
(2) Rotary Kiln Market : <https://www.credenceresearch.com/report/rotary-kiln-market>
* Company estimate based on the two markets above, adjusted for partial overlap (assumed rate: USD/JPY 140). Circle areas are proportional to the amounts

DualPore Solution Business (DPS Business)

1 Background and Business Model

- Acquired the low-concentration precious metal recovery business from DPS Co., Ltd., a Kyoto University spin-out, in September 2025
- Install DualPore cartridges in customers' plant effluent lines and earn recurring revenue on the volume of precious metals recovered

2 Core Technology: DualPoreSystem

- A dual structure of mesopores and through-pores in silica particles, combined with surface modification, delivers both high adsorption capacity and high liquid permeability

3 Growth Roadmap

- Combining DPS core technology with MWCC's technology development, engineering and business development assets, we will expand in three directions — elements (Pd → Pt, Rh, Ir), applications (hard-to-treat process effluent, chemical synthesis effluent, smelting process liquids) and geography (Southeast Asia). Five lines installed to date

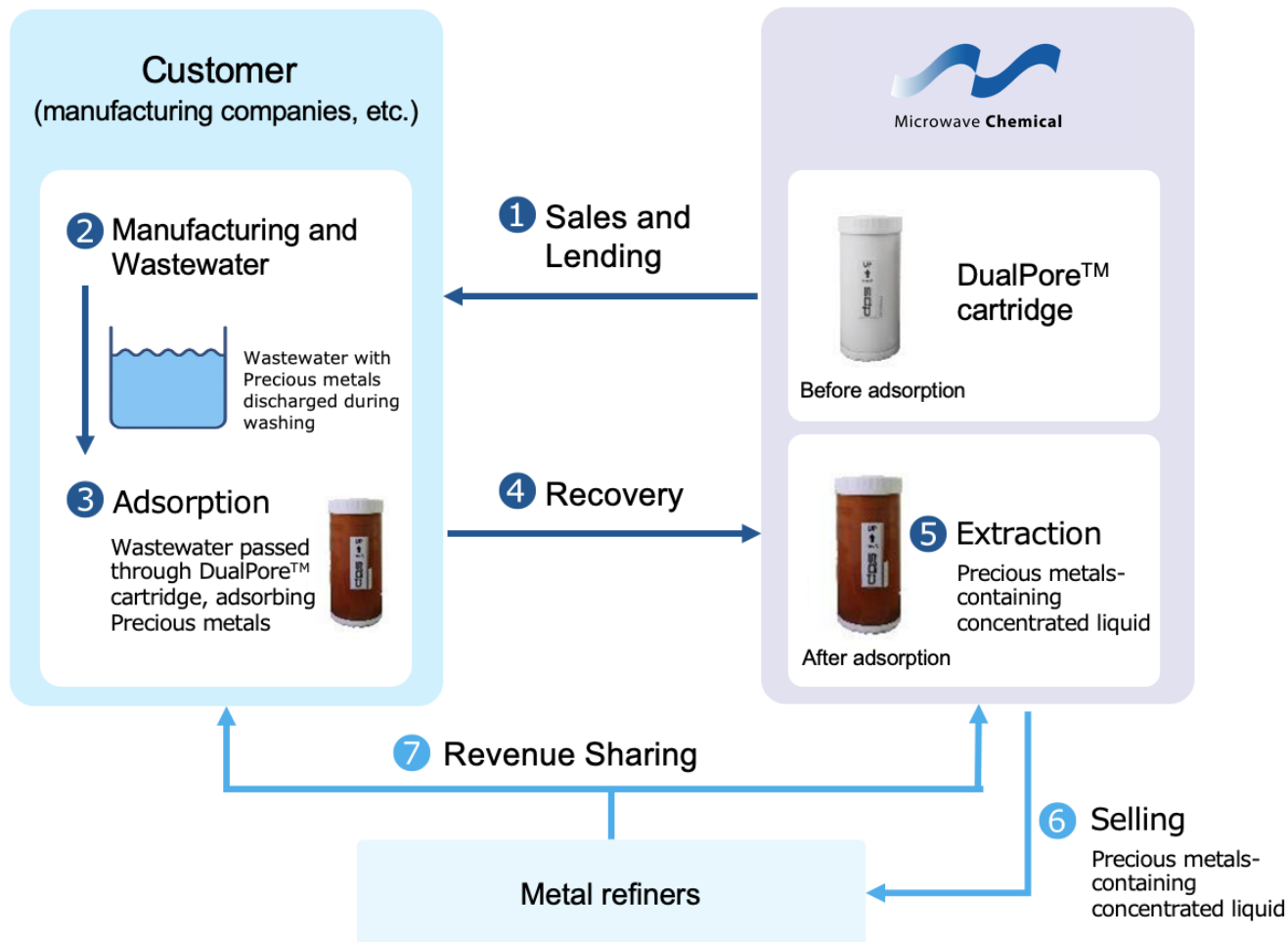
4 Target Market Size

- We estimate the low-concentration Pd discharge market in PCB/FCB plating in our core target regions — Southeast Asia and Japan — at approximately ¥5.9bn
- In parallel, we will expand into other Pd effluent applications and into recovery of other elements

* Installed lines as of June 30, 2026. Market size is a Company estimate (see each page for details)

1 | Background and Business Model

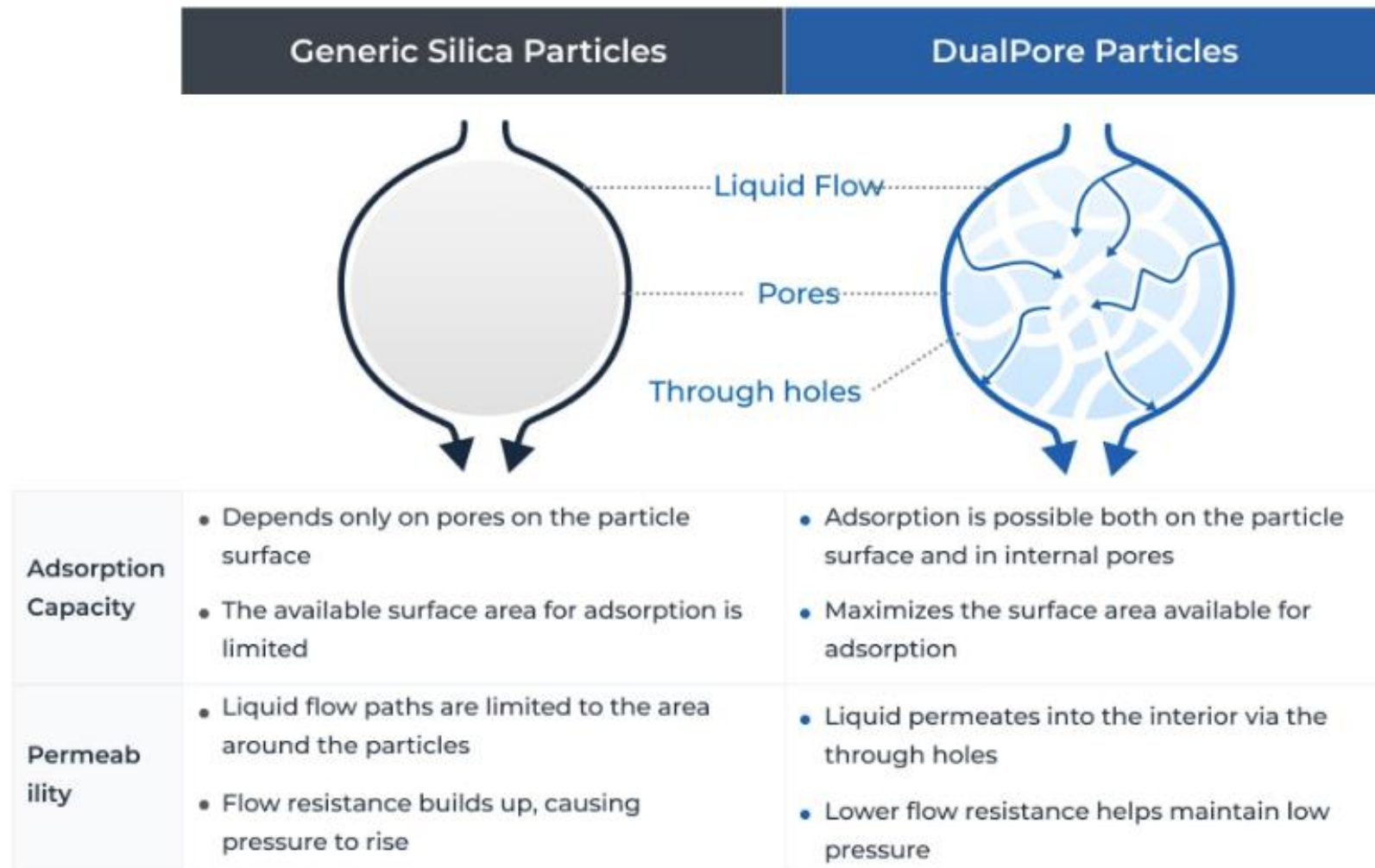
- Acquired the low-concentration precious metal recovery business from DPS Co., Ltd. ("DPS"), a Kyoto Univ.spin-out, in Sep.2025
- Grow the business by broadening the solutions we offer using DPS's precious metal adsorption and recovery technology
- Installed in customers' plant effluent lines, generating recurring revenue on the volume of precious metals recovered



Reference: Microwave Chemical Co., Ltd. website —
"Low-concentration precious metal recovery business"
<https://mwcc.jp/en/dps/>

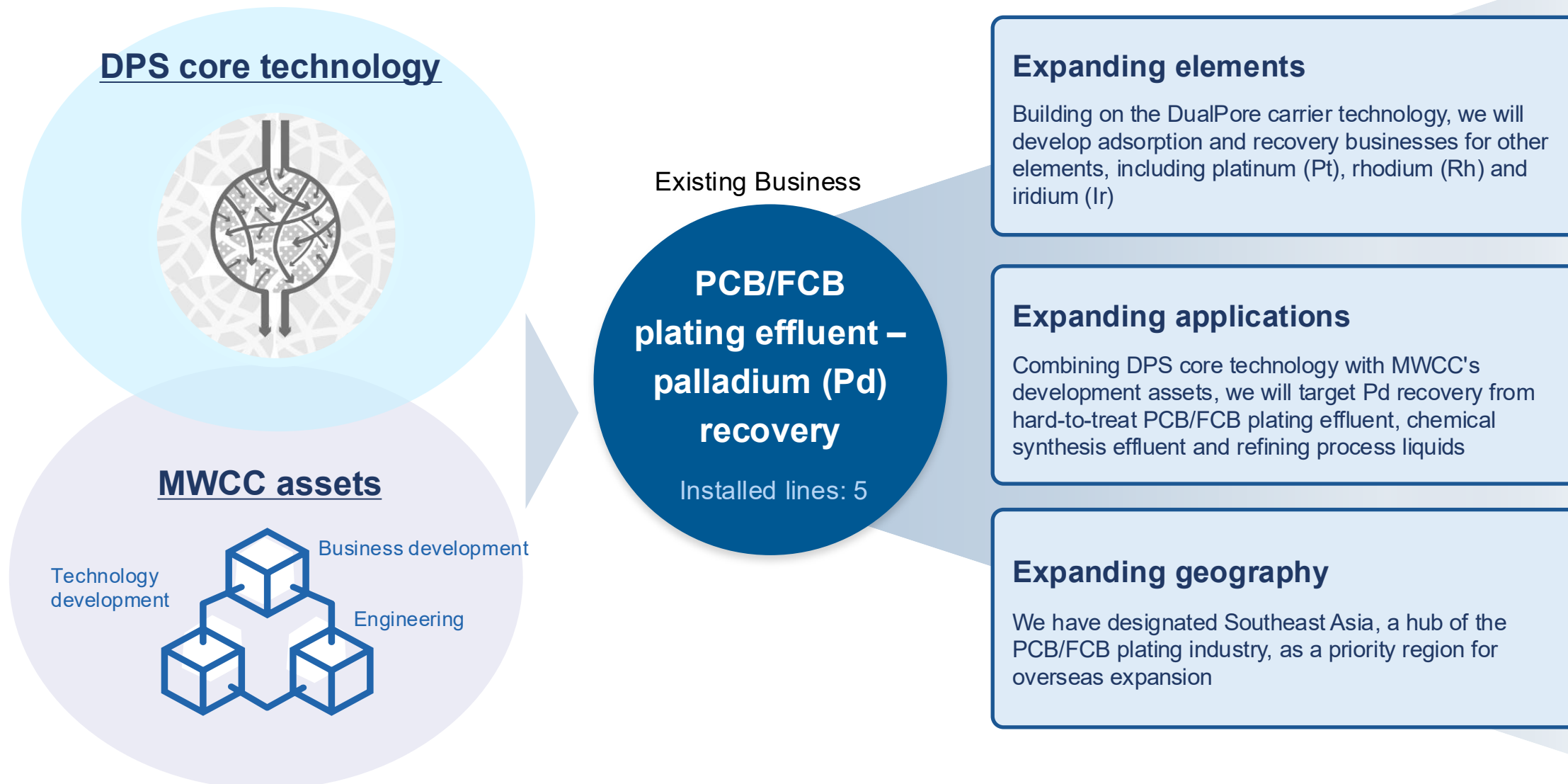
2 | Core Technology: DualPoreSystem

- A dual structure of mesopores and through-pores in silica particles, combined with surface modification, delivers both high adsorption capacity and high liquid permeability



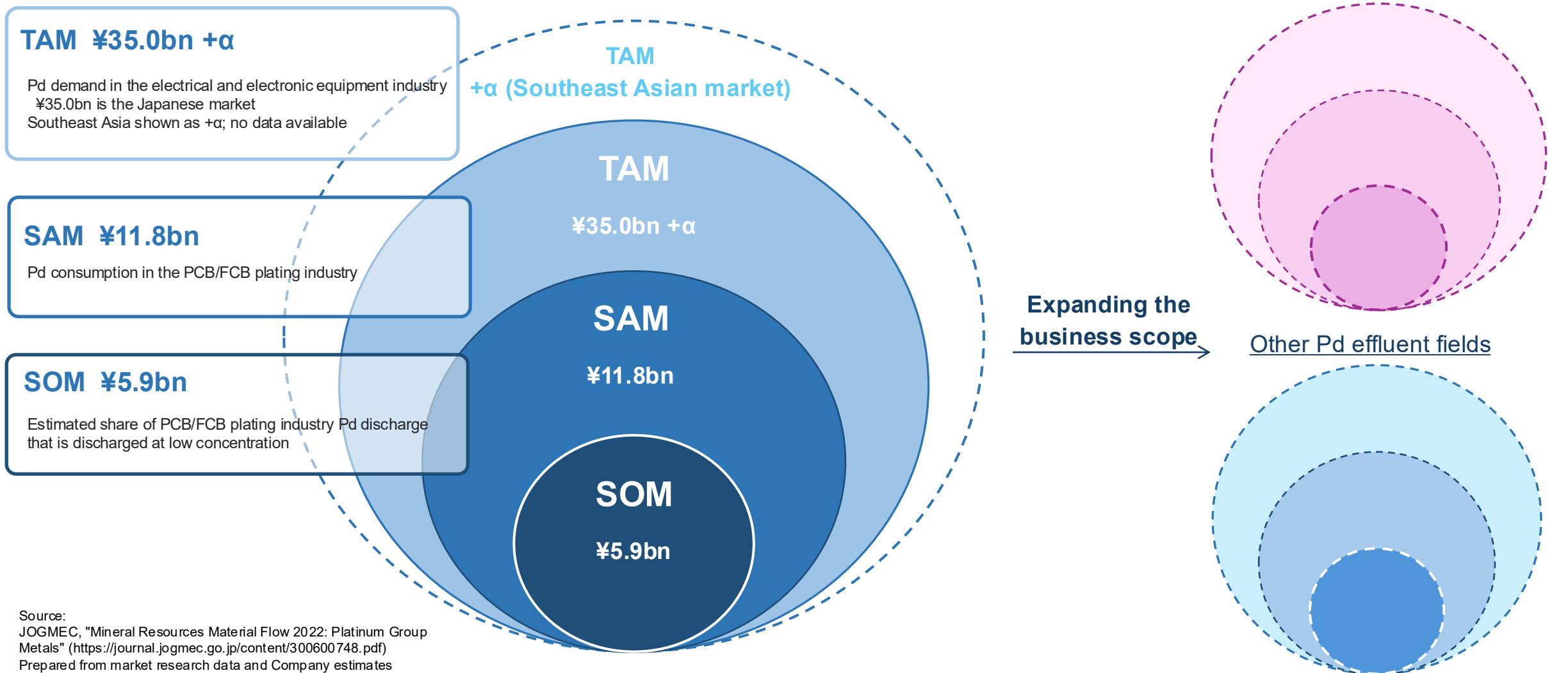
3 | Growth Roadmap

- Accelerate growth by combining DPS core technology with MWCC's assets



4 | Target Market Size

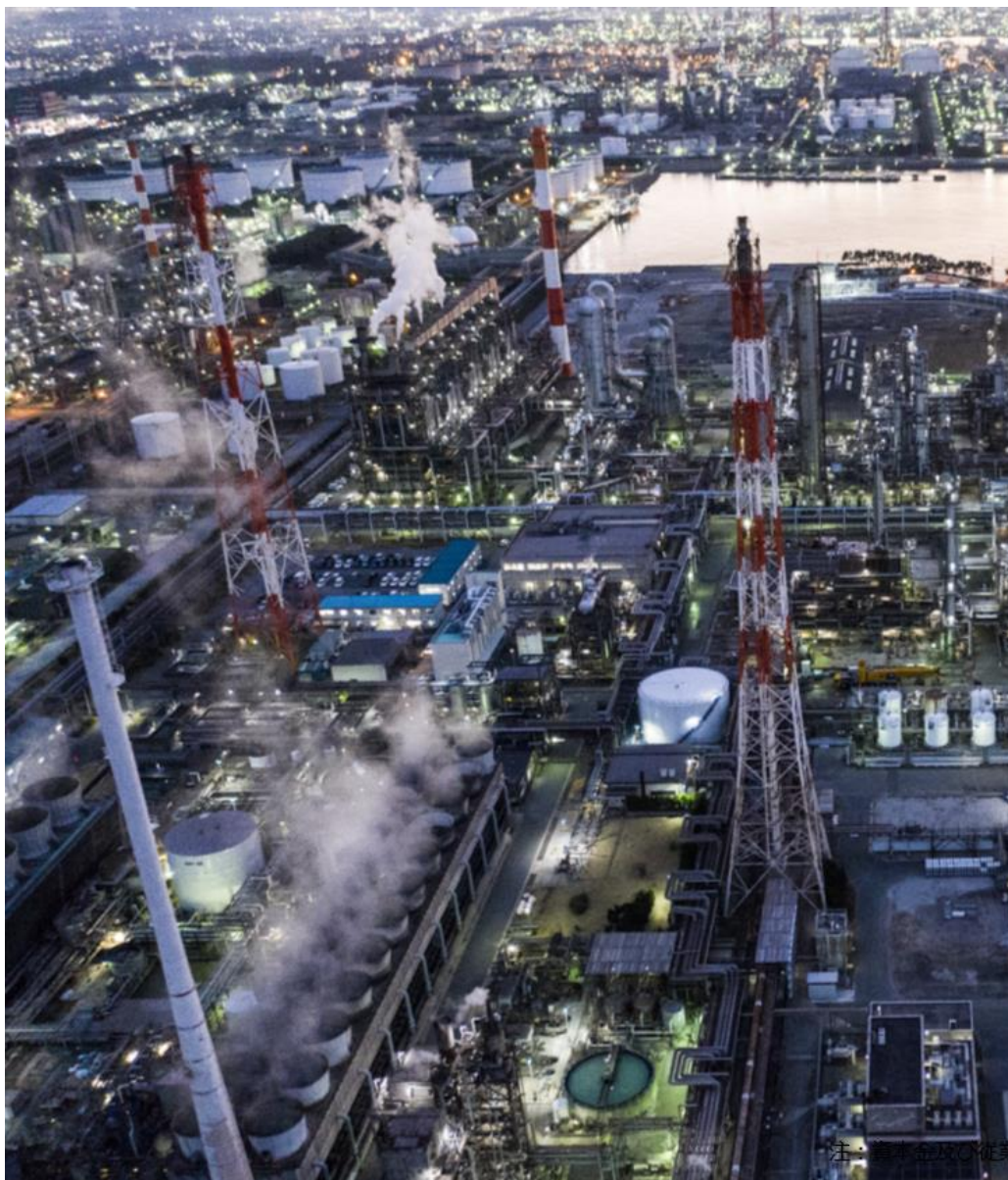
- We estimate the low-concentration Pd discharge market in PCB/FCB plating in our core target regions -Southeast Asia and Japan@ approx. ¥5.9bn
- In parallel, we will expand into other Pd effluent applications and recovery of other elements



Agenda

1. Executive Summary
2. Financial Results - FY26/6
3. Forecast and Key Performance Indicators
4. Company/Business Overview and Appendix

Company Overview



Name

Microwave Chemical Co., Ltd.

Founded

August 15, 2007

Representative

Iwao Yoshino, CEO

of Employees

51 (including 9 Ph.D.)⁽¹⁾

Head Office

Photonics Center 5F, 2-1 Yamadaoka, Suita,
565-0871 Osaka

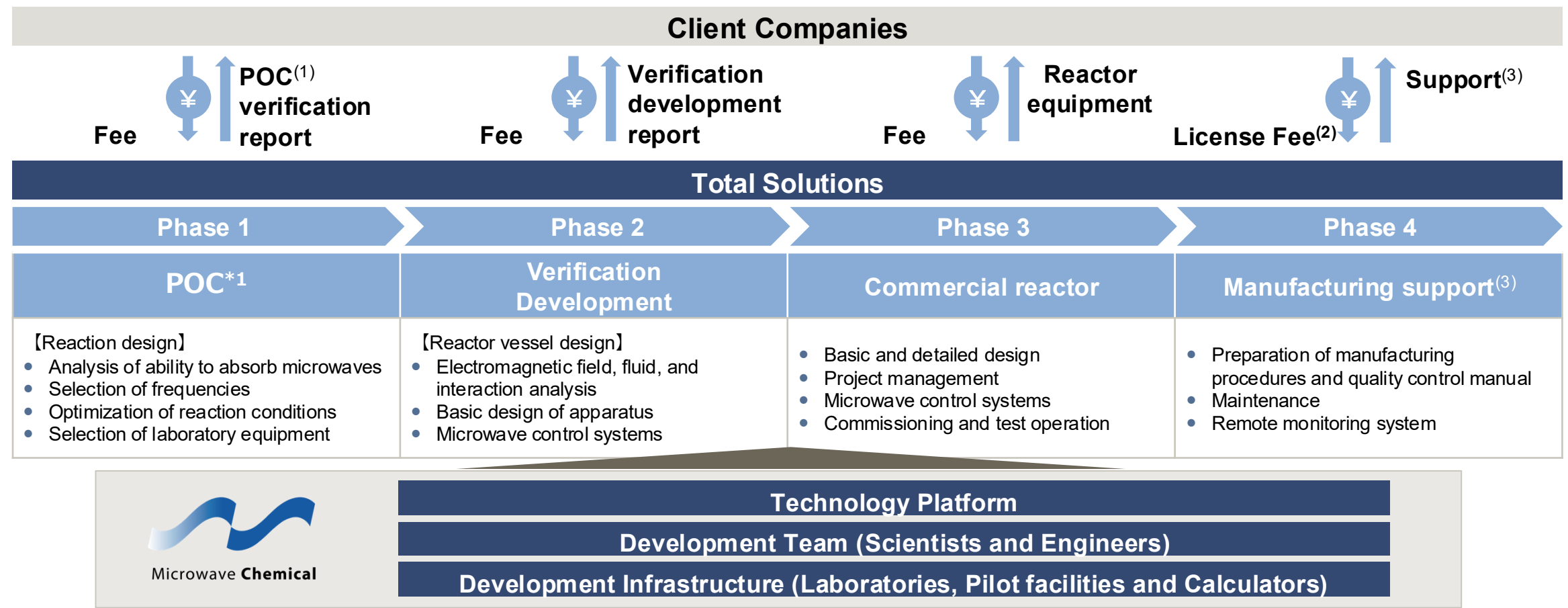
Business

Provision of solutions ranging from R&D to engineering utilizing microwave technology platforms, and a low-concentration precious metal recovery business utilizing the Dual-Pore System.

⁽¹⁾ Number of enrolled employees as of the end of FY26/6. Excluding directors and temporary employees.

Business model

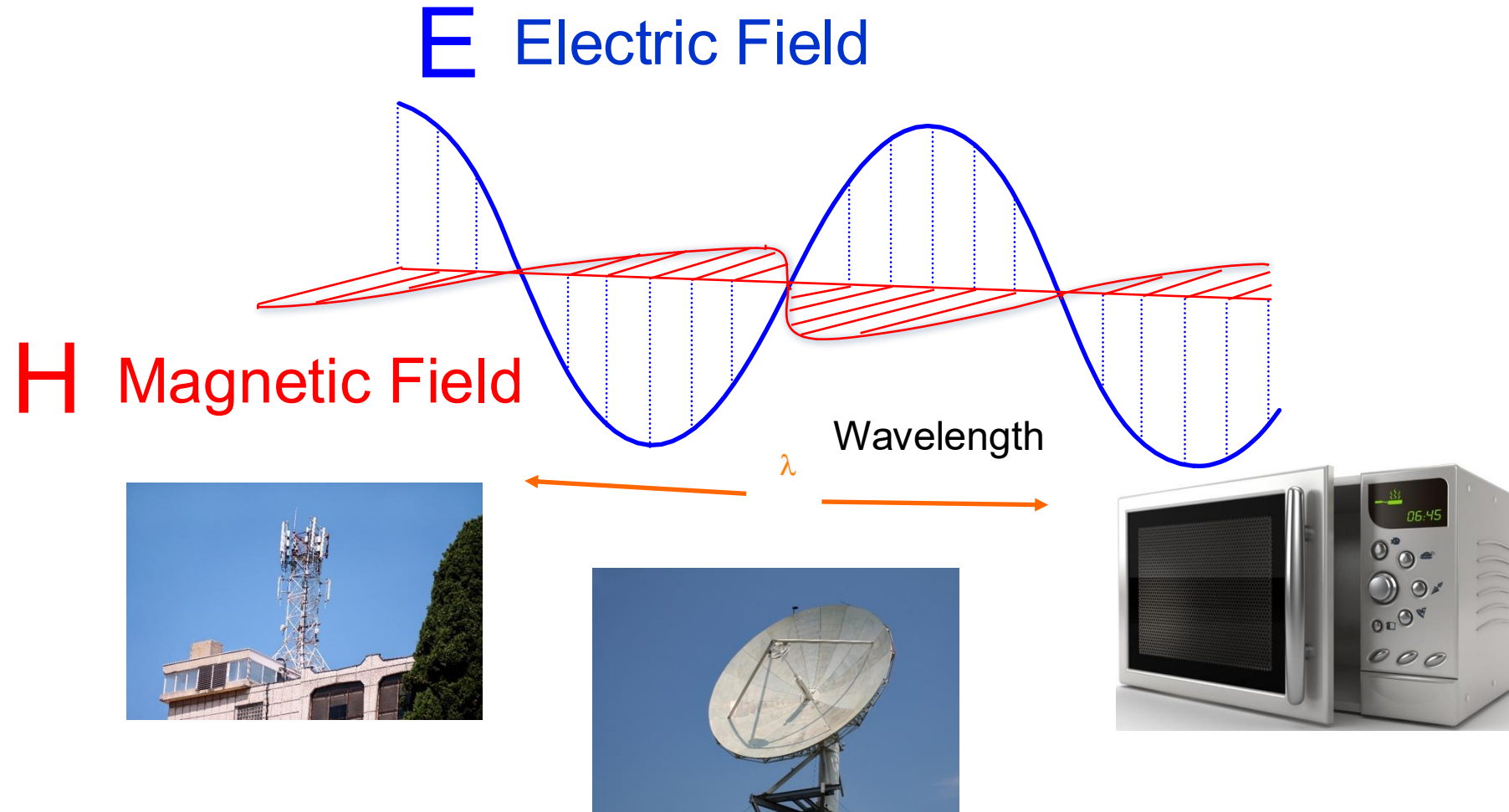
- (1) Provide total solutions from R&D to engineering
- (2) Realize profit on each phase and license fee when commercialized by our clients



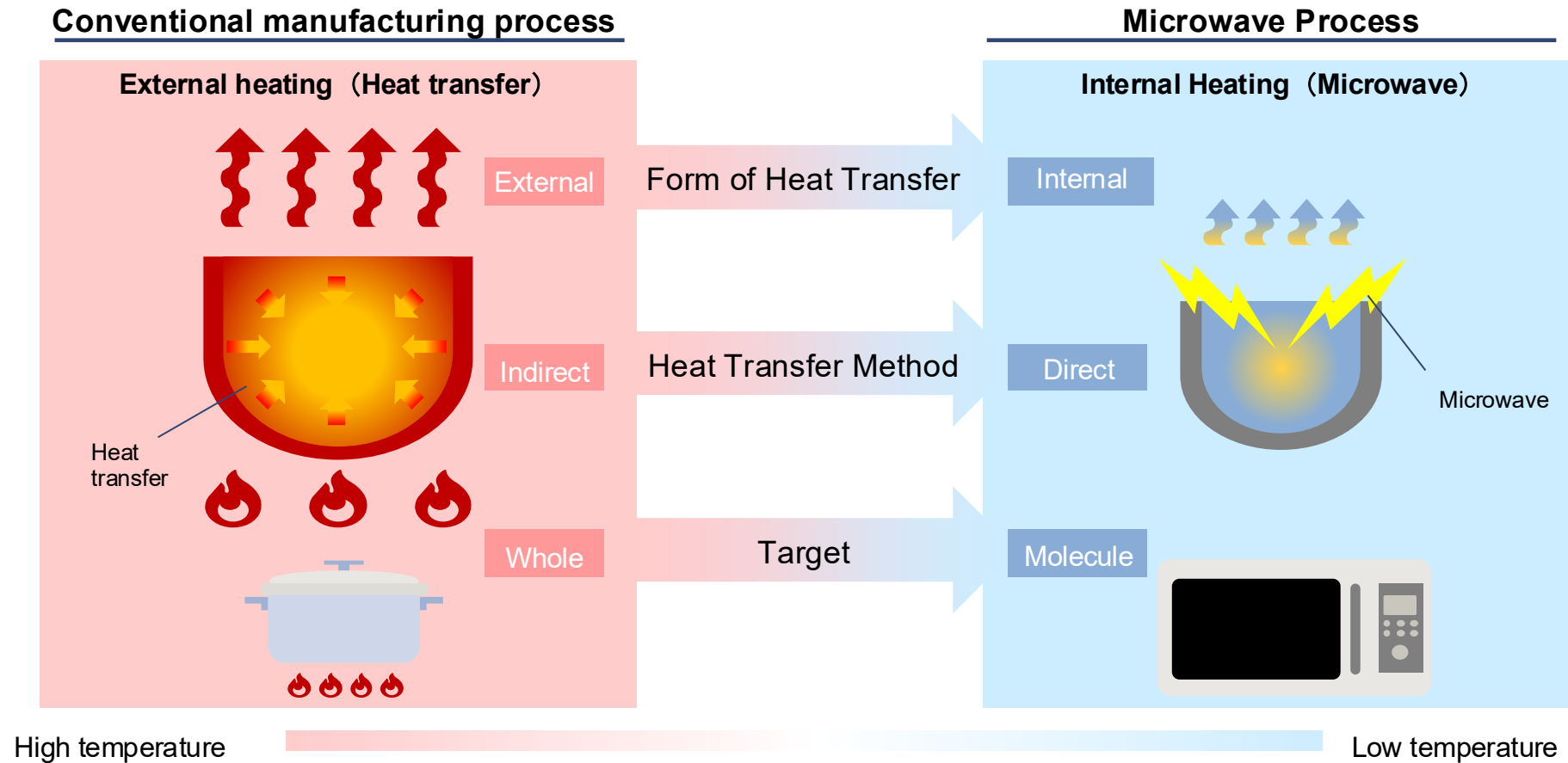
Notes: (1) POC: Proof of Concept. The process of testing the feasibility and effectiveness of new concept or idea before actual development
(2) License: Share the client value earned by introduction of microwave process as license fees. Specifically, receive as upfront payment and recurring royalties
(3) Manufacturing support and maintenance: Support clients who have installed microwave reactors in their manufacturing process. In addition, provide maintenance of microwave reactors and other facilities

What is Microwave ?

Microwave is an electromagnetic wave used in applications such as wireless base stations, radar-communication systems, and microwave ovens.



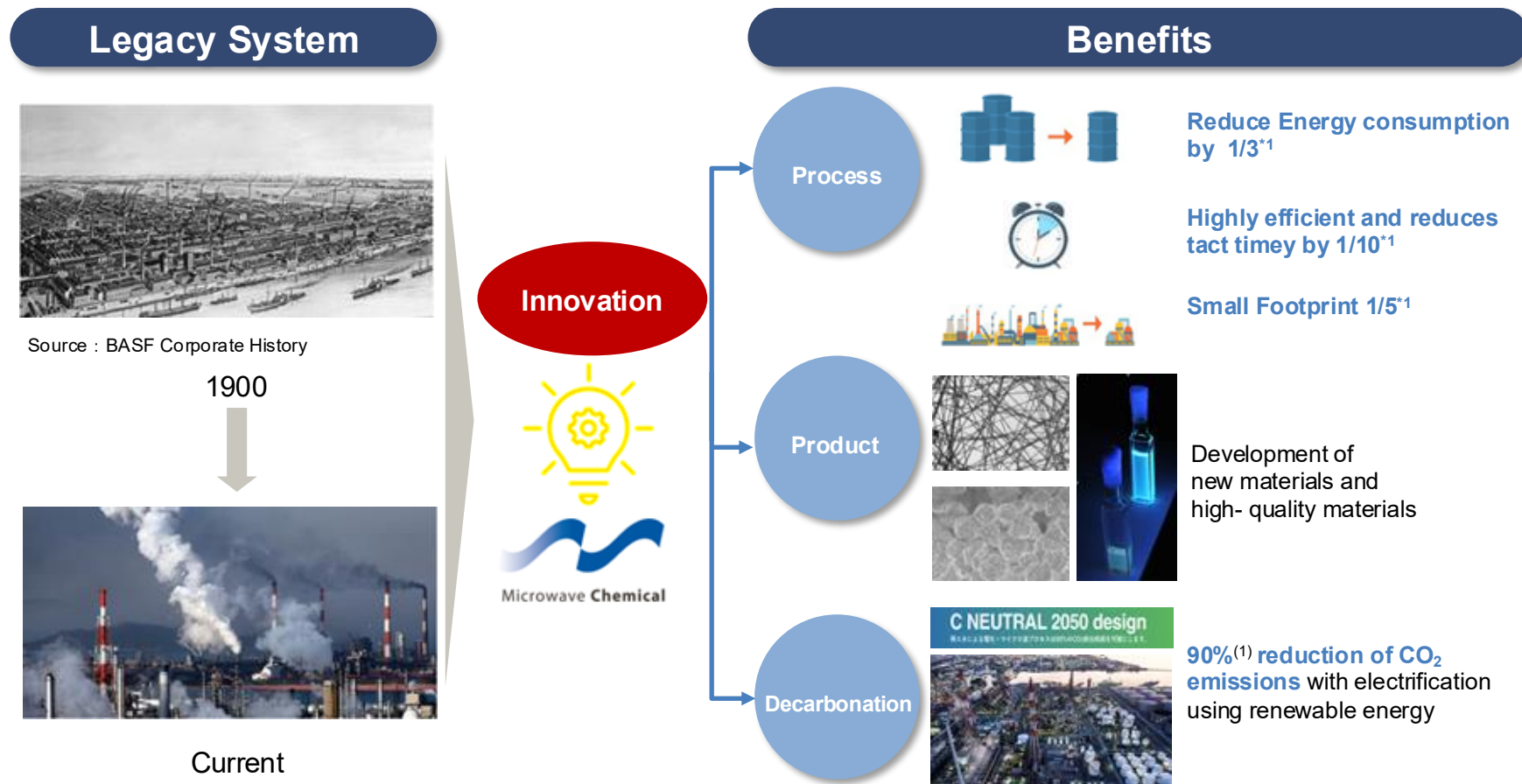
Feature of Microwave Process



*In the Conventional heat transfer process, energy is transferred to the whole object indirectly through external material. On the other hand, microwaves process transfers energy to the target molecule directly from inside. **Totally opposite approach.**

Benefit of Microwave Process (1/2)

- The chemical industry has relied on heat and pressure-based manufacturing methods for more than 100 years, and the introduction of microwave technology, which is completely different from conventional methods, offers various benefits **such as improved manufacturing processes, new materials development, and decarbonization.**

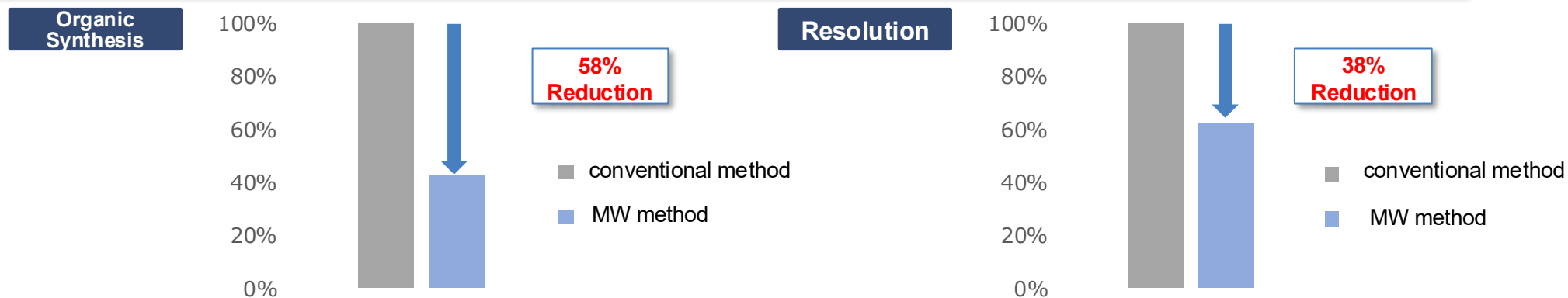


Note:

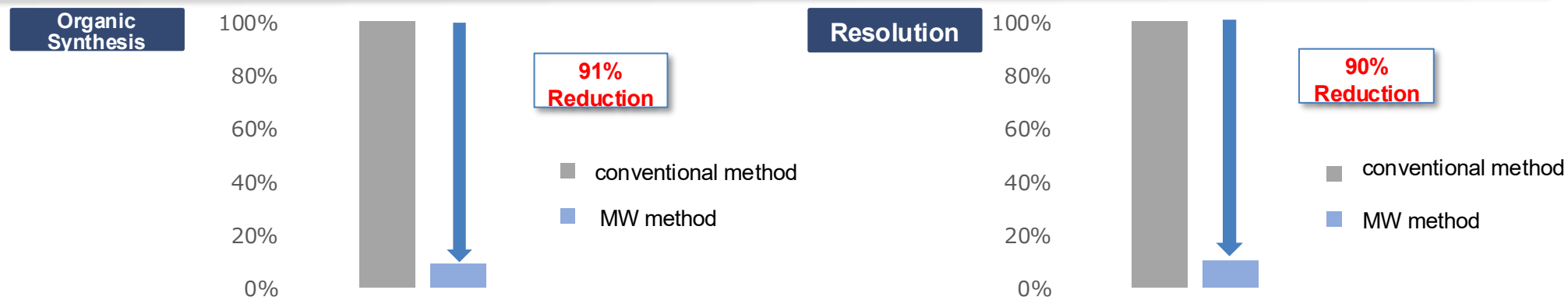
(1) The figures are estimated from our plant of fatty acid esters operated in Osaka

Benefit of Microwave Process (2/2)

Energy consumption: (1) Energy saving with microwave systems



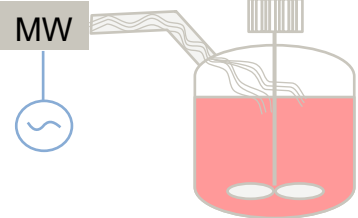
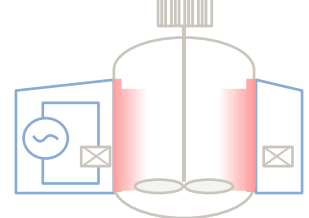
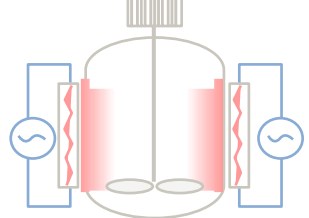
CO₂ Emissions Cuts: (1) Microwave-assisted energy efficiency × (2) CO₂ emission intensity by energy source



- CO₂ emission cuts are calculated by multiplying (1) energy consumption by (2) energy sources used. Use of microwaves reduces energy consumption in many chemical reaction processes. There is a trend that chemical manufactures across the world are laying out their roadmaps, assuming that they significantly reduce the use of conventional fossil fuels to shift to natural energies, which will diminish the intensity of CO₂ emission from energy sources.
- MW Method assumes the use of photovoltaic electricity, CO₂ emission reductions and energy equivalent reductions are our estimates. Conventional method data is our trial calculation, and MW method data is based on our demonstration machine at commercial level

Comparison – Electrification Technology

Microwave process is the only process that transfers energy directly, which provides advantage, such as scaling up, energy efficiency, and temperature range.

	Microwave Heating	Induction Heating	Electric heater Heating
			
Energy Transfer	Direct	Indirect	Indirect
Scaling Up	 Easy	 Restricted	 Restricted
Energy Efficiency	 High	 Medium	 Low
Temperature Range	 -100°C 0°C 1,000°C	 -100°C 0°C 1,000°C	 -100°C 0°C 1,000°C

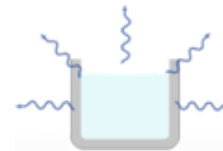
Success in Scaling Microwave Process to Industrial Level

Challenges for Industrial Applications of Microwaves

In the chemical industry, many useful experimental results using microwaves have been reported in papers since the 1980s. However, because microwaves are "waves," it is extremely difficult to control. Therefore, industry norm was that the microwave technology cannot be used in industrial setting and only in the lab.



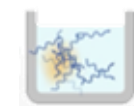
Depth of penetration



Leakage



Reflection

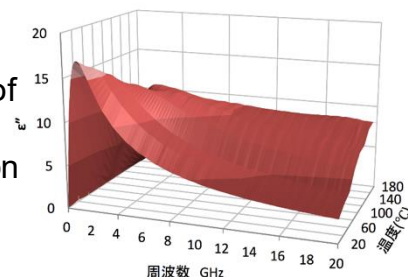


Distribution

Solved by Our Unique Approach

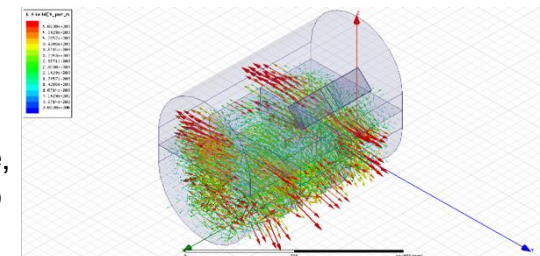
【Reaction System Design】

Developed data base of absorption rate of each molecule through our proprietary measurement technology. Design reaction utilizing the database by recognizing the pattern.



【Reactor Vessel Design】

Develop simulation technologies, couple electromagnetic field and thermic fluid analyses to increase the granularity in simulating the state, and introduce supercomputers, so as to apply to large-sized and complex reactor vessels



Realizing Industrial Applications of Microwaves

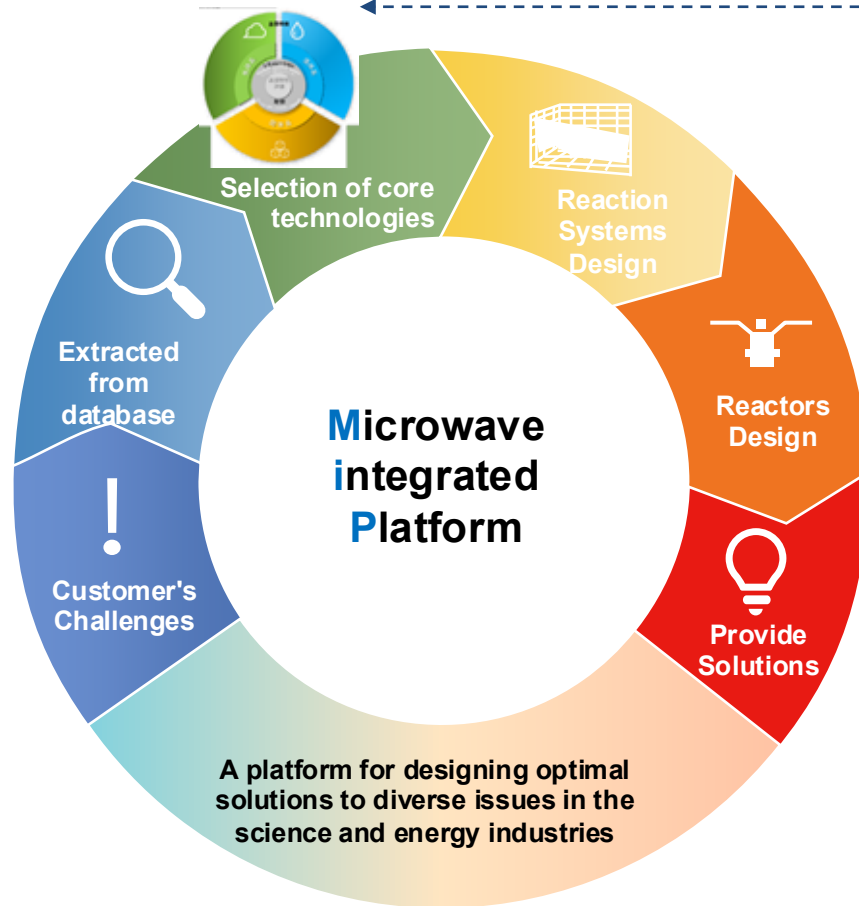
Completed large-scale chemical plant using microwave chemical process in Osaka in 2014 and started commercial operation complying with various laws and regulations such as the Fire Service Act.



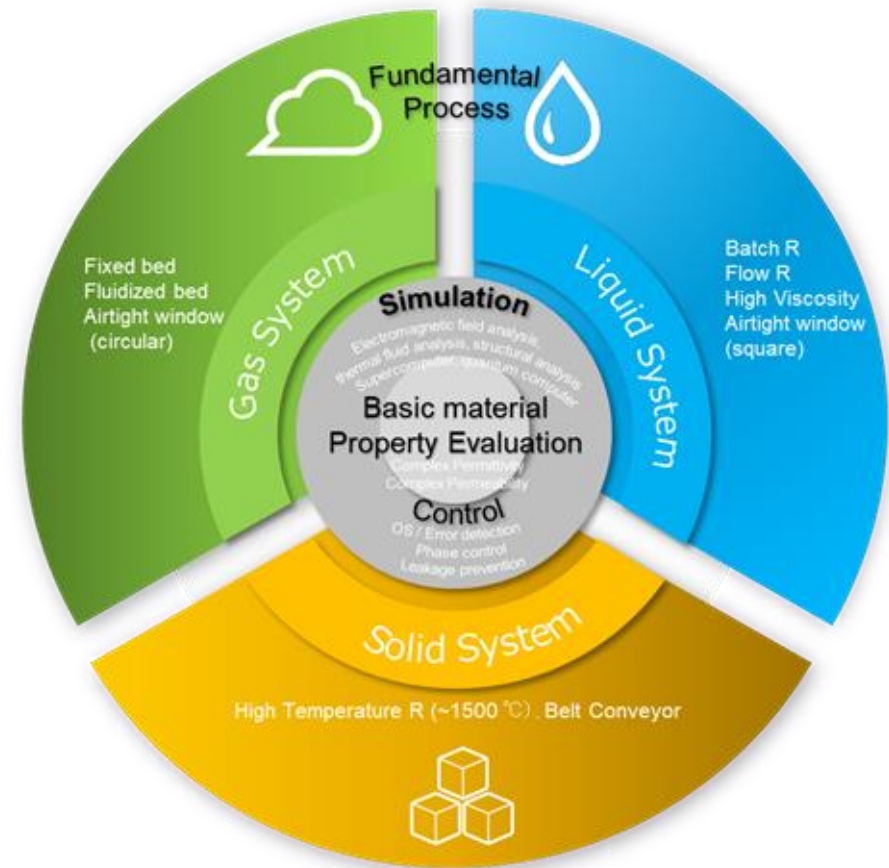
Technology Platform and Core Technologies

After extracting hypotheses from the database for the customer's problem, we select the technology to be used from a group of elemental technologies, design the reaction system and reactor, and finally provide a solution.

Our Technology Platform

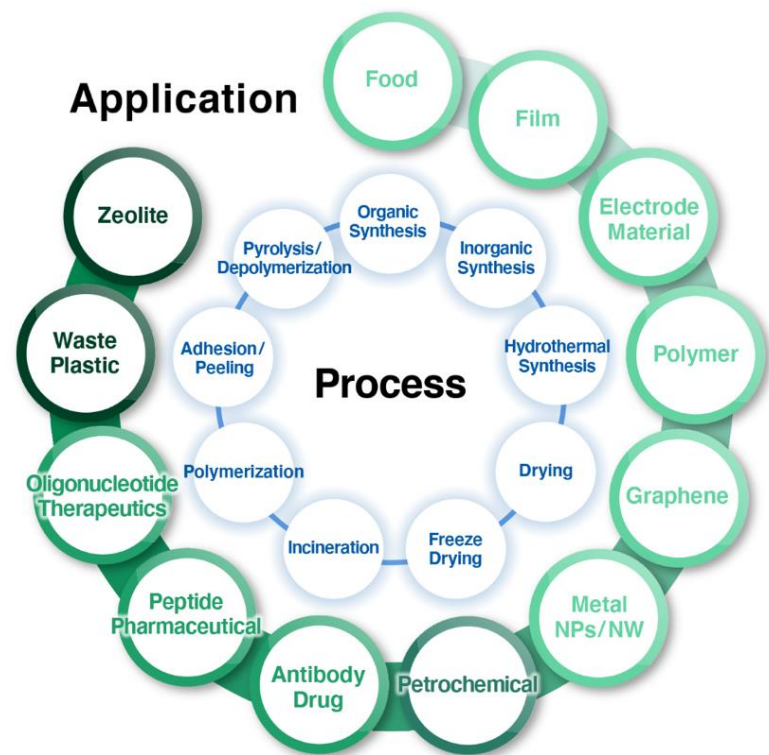
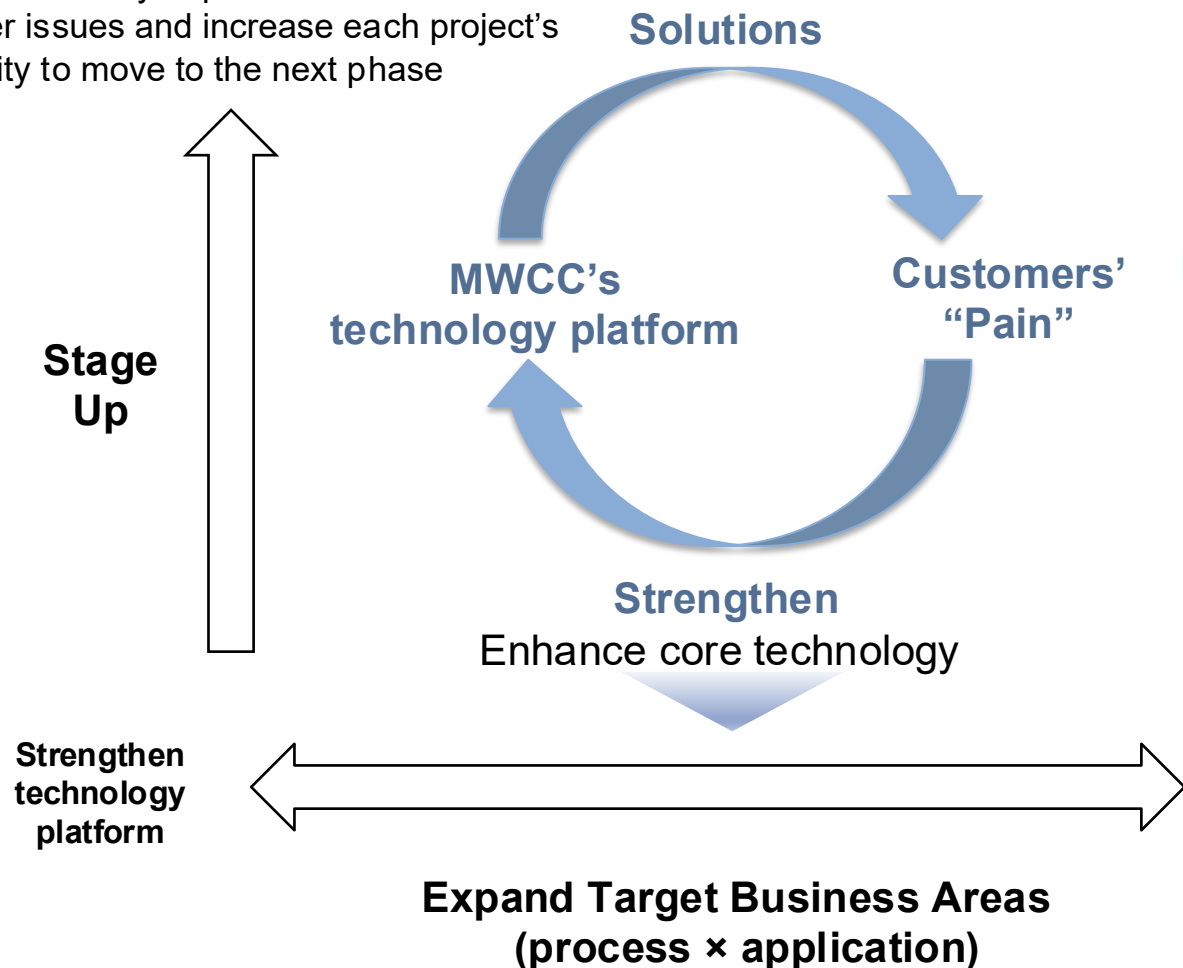


Our Core Technologies



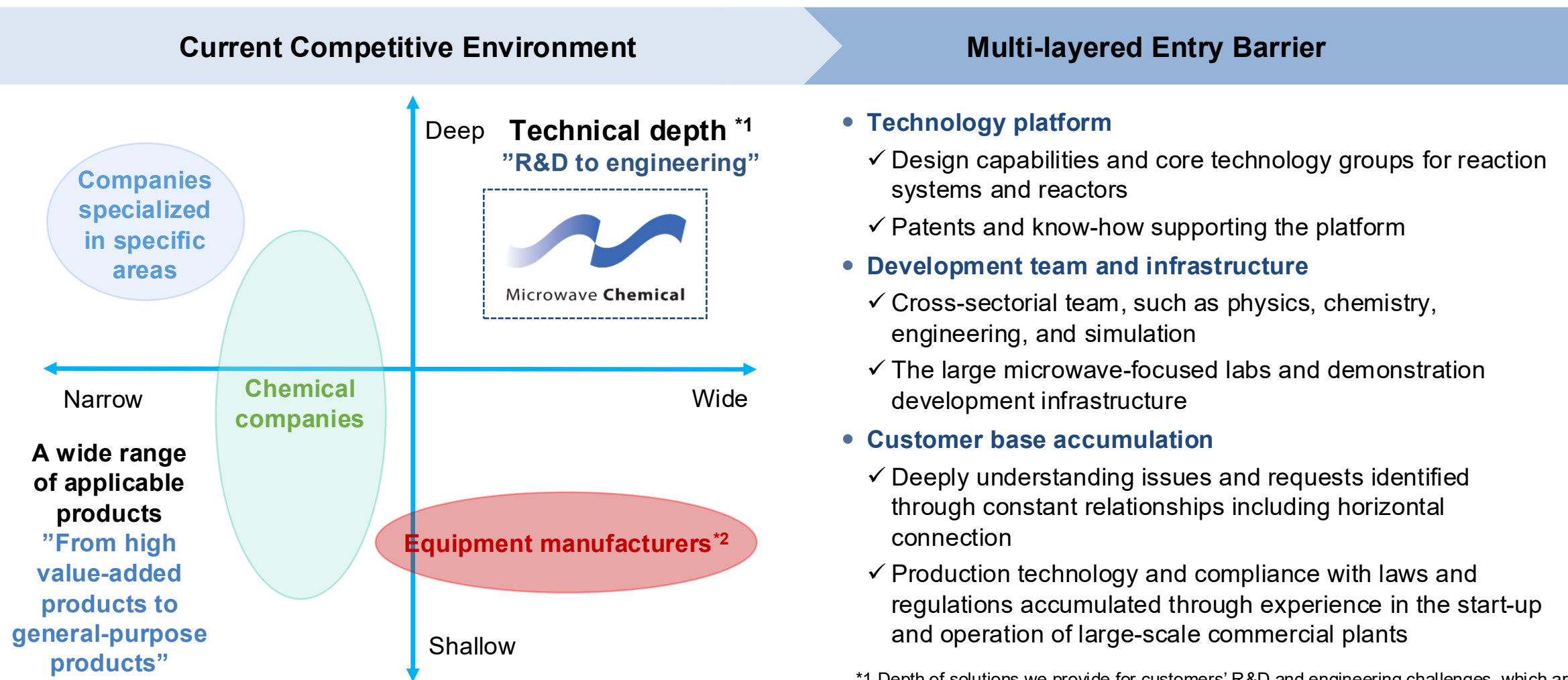
Virtuous Cycle Drives Growth

Strengthening of our technology platform will improve the ability to provide solutions to customer issues and increase each project's probability to move to the next phase



Enhanced core technology will increase the number of processes (manufacturing methods) and applications (products) for which microwave technology platform can be used

Competitive Landscape



- **Technology platform**
 - ✓ Design capabilities and core technology groups for reaction systems and reactors
 - ✓ Patents and know-how supporting the platform
- **Development team and infrastructure**
 - ✓ Cross-sectorial team, such as physics, chemistry, engineering, and simulation
 - ✓ The large microwave-focused labs and demonstration development infrastructure
- **Customer base accumulation**
 - ✓ Deeply understanding issues and requests identified through constant relationships including horizontal connection
 - ✓ Production technology and compliance with laws and regulations accumulated through experience in the start-up and operation of large-scale commercial plants

*1 Depth of solutions we provide for customers' R&D and engineering challenges, which are backed by our scientific capabilities. Generally, either only R&D or only equipment is provided

*2 Mostly machine manufacturers

Note: This graph is an image of our own analysis of the positioning of each company in the industry

Main Business Risks and Mitigation Measures

Items	Main Business Risks	Possibility/ Timing of Occurrence	Mitigation Measures
Expansion of Technological Application Fields	We have successfully achieved the scale-up of the previously challenging microwave process and launched the large-scale microwave chemical plant called 'M3K.' Following this success, we have expanded the application areas to various fields such as food additives, pharmaceuticals, carbon materials, and electronic components. We believe that microwave processes can be applied in diverse domains including commodity chemicals, functional products, and fuels. However, due to being a new technological field with high uncertainty, if the penetration of our technology into the market does not proceed as planned, it may potentially impact our business strategy and performance.	Med/ Medium to Long Term	We adopt a strategy to mitigate such uncertainties by engaging in partnerships through joint development agreements and joint venture contracts with chemical companies and other entities that possess expertise in the relevant fields.
New market entry and technological innovation	We have established proprietary platform technologies as the foundation of our business, and we believe that we have secured a strong competitive advantage in the field of microwave chemistry. However, it is also possible for new entrants with research and development capabilities surpassing ours to emerge, or for technologies that do not infringe upon our patented technologies to be developed, surpassing our own capabilities.	Low/ Medium to Long Term	We believe that by advancing the construction of plants utilizing microwave processes in numerous domains and accumulating knowledge in microwave chemistry, we can strengthen this competitive advantage.
Intellectual property	To date, there have been no known facts of litigation or claims related to intellectual property rights, including patents, associated with our business. At present, we consider the likelihood of significant hindrance to our business due to infringement on patents held by others to be low. We continue to conduct technology investigations and strive to avoid infringement incidents. However, for research and development-oriented companies like ours, it is difficult to completely avoid the occurrence of intellectual property infringement issues. In the event that our company becomes involved in legal disputes with third parties, we will consult with lawyers and patent attorneys to consider specific countermeasures based on the nature of the case. However, regardless of the validity of the claims made by the third parties, it is possible that such disputes could require significant time and expenses to resolve. While we diligently manage our technology, there is a possibility of time-consuming and costly resolution even in cases where third parties infringe upon our technology. In such cases, it could have a significant impact on our business strategy and performance.	Low/ Medium to Long Term	Currently, in the domain of component technologies, we have adopted a strategy of keeping fundamental property evaluation, simulation, and control, which are common element technologies centered around reaction system design, confidential. On the other hand, we patent and make publicly known the underlying mechanisms, which are individual element technologies primarily focused on reactor design. Through this approach, the intellectual property we have accumulated has become a strength for our company.

* For other risks, please refer to the 'Business Risks' section of the Annual securities report.



Disclaimer

- This document is prepared solely for informational purposes. It is not intended to solicit the sale or purchase of securities in Japan, the United States, or any other region.
- This document contains forward-looking statements. These statements regarding future prospects are based on information available at the time of the preparation. However, such statements do not guarantee future results or performance. These forward-looking statements inherently involve known and unknown risks and uncertainties, and as a result, actual future performance and financial condition may significantly differ from the explicitly or implicitly predicted future performance and results stated in the forward-looking statements.
- The factors that may influence the actual results mentioned above include changes in domestic and international economic conditions, as well as industry trends in which we operate, among others. However, these factors are not limited to the ones stated.
- Furthermore, information regarding matters and organizations other than our company is based on generally available information. We have not verified the accuracy or appropriateness of such publicly available information and does not provide any warranties regarding it.
- We plan to disclose information regarding "matters concerning growth potential" around mid-September 2026.

End of Document



Microwave **Chemical**

**Make Wave,
Make World.**

世界が知らない世界をつくれ