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Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

May 12, 2026

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 Listing: Tokyo Stock Exchange
 Securities code: 3105
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2026	147,692	(2.3)	20,316	(4.6)	20,672	(3.6)	12,991	(15.1)
March 31, 2025	151,164	15.6	21,291	161.3	21,453	112.7	15,293	93.7

Reference: Comprehensive income

For the three months ended March 31, 2026: ¥ 19,795 million [276.1%]

For the three months ended March 31, 2025: ¥ 5,263 million [(72.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	83.17	—
March 31, 2025	97.65	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	692,271	333,021	43.8
December 31, 2025	667,817	316,591	43.0

Reference: Equity

As of March 31, 2026: ¥ 303,068 million

As of December 31, 2025: ¥ 287,322 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	18.00	-	18.00	36.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026(Forecast)		18.00	-	18.00	36.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated financial results forecast for the fiscal year ending December 31, 2026(from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	511,000	1.7	21,000	(20.5)	21,500	(26.7)	10,000	(28.2)	64.02

(Note) Revision to the financial results forecast most recently announced: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2026	169,328,839 shares
As of December 31, 2025	169,328,839 shares

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

As of March 31, 2026	13,130,415 shares
As of December 31, 2025	13,130,169 shares

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

Three months ended March 31, 2026	156,198,494 shares
Three months ended March 31, 2025	156,618,443 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certificated public accountants or an audit firm:

None

* Proper use of earnings forecasts, and other special matters

The consolidated financial results forecast contained in this document are based on information currently available to the Company. The Company does not make any guarantees regarding the achievement of these forecasts.

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1. Qualitative information on consolidated quarterly financial results

(1) Overview of operating results

The Nisshinbo Group's net sales for the first quarter of the current fiscal year totaled ¥147,692 million (down ¥3,471 million, or 2.3%, year on year). Sales increased in the Solutions and Specialized Equipment business of the Wireless and Communications business. However, Sales in the Real Estate business decreased due to the absence of units at the large-scale commercial facility recorded in the same period of the previous fiscal year.

Operating profit was ¥20,316 million (down ¥974 million, or 4.6%, year on year). Although profits in the Real Estate business declined significantly, the Wireless and Communications business posted higher profits, which mitigated the overall decline in profits.

Ordinary profit was ¥20,672 million (down ¥781 million, or 3.6%, year on year) and profit attributable to owners of parent was ¥12,991 million (down ¥2,302 million, or 15.1%, year on year).

The results for the main business segments are as follows. Segment profit or segment loss is based on operating profit or operating loss.

(Wireless and Communications)

The Wireless and Communications business achieved increased sales and profits. The main overview of the Japan Radio Group is as follows.

Against the backdrop of "the seamless promotion of disaster prevention, mitigation, and national resilience initiatives under the Mid-Term Plan for National Resilience," the Solutions business achieved increased sales and profits. This was driven by strong order intake for prefectural disaster prevention systems and water and river systems projects aimed at promoting the digital transformation (DX) of river basin flood control, as well as cost-saving effects resulting from structural reforms.

The Specialized Equipment business saw increased sales and profits due to a rise in orders for defense infrastructure projects and repair contracts, driven by the basic policy of the Defense Capabilities Development Plan based on national strategy.

The Marine Systems business saw increased sales and profits, driven by strong demand in China's new shipbuilding market, which led to robust orders not only for equipment for new merchant ships but also for aftermarket services such as maintenance.

The Connected Systems business (*) saw increased sales and improved profitability, driven by a rise in orders for railway radio systems and cost-cutting measures resulting from structural reforms. (*) The Connected Systems business is a division formed primarily through the integration of the former ICT and Mechatronics business and the Mobility business as part of a structural reform.

The KOKUSAI DENKI Electric Group reported increased sales and profits, driven by factors such as a rise in orders for radio systems from the Defense Equipment Agency amid growing defense demand resulting from the Defense Capabilities Development Plan.

As a result, the Wireless and Communications business posted net sales of ¥89,860 million (up 10.8% year on year) and a segment profit of ¥19,088 million (up 53.8% year on year).

(Micro Devices)

The Micro Devices business saw increased sales and improved profitability.

The main overview of the Electronic Devices business is as follows. Sales from automotive industry products increased due to factors such as a rise in orders for hybrid electric vehicle (HEV) products and products for diesel-engine vehicles, driven by the shift toward electric vehicles (EVs) in the automotive market. Sales from industrial equipment increased as customers completed their inventory adjustments and orders rose for products used in semiconductor manufacturing equipment and factory automation (FA) equipment. In the consumer equipment/devices segment, sales increased as sales of smartphone-related products remained strong.

In the microwave business, sales declined due to sluggish shipments of vacuum tubes - partly caused by difficulties in procuring components resulting from rare earth metal restrictions - and stagnant orders for satellite communications-related products; however, profits increased due to changes in the product mix.

As a result, the Micro Devices business posted net sales of ¥15,885 million (up 18.6% year on year) and a segment profit of ¥145 million (Return to profitability of ¥3,293 million year on year).

(Material)

• Automobile Brakes

The Automobile Brakes business saw an increase in sales but a decrease in profit. Sales at the Japan base increased due to factors such as a rise in orders from North American customers, while sales at the U.S. base remained on par with the same period last year; however, compared to the same period last year - which included retroactive price adjustments for past orders - profit declined at both locations. Sales and profits at the Chinese base declined due to factors such as a decrease in orders from Japanese automakers. The South Korean base saw increased sales and improved profitability due to a recovery in orders and a reduction in fixed costs.

As a result, the Automobile Brakes business posted net sales of ¥14,817 million (up 4.1% year on year) and a segment profit of ¥973 million (down 5.1% year on year).

• Precision Instruments

The Precision Instruments business reported higher profits despite a decline in sales. Sales and profits for automotive EBS components increased due to lower manufacturing costs, as well as a rise in orders for next-generation products driven by the growing adoption of EVs in the Chinese automotive market. Sales of air conditioning-related products declined and profitability worsened due to sluggish domestic and international markets. Sales and profits for medical products increased, driven by factors such as a rise in orders for reagent-filled products due to growing demand for allergy testing.

As a result, the Precision Instruments business posted net sales of ¥13,598 million (down 3.1% year on year) and a segment profit of ¥922 million (up 43.5% year on year).

• Chemicals

Although sales declined, the Chemicals business saw an improvement in profitability. Sales and profits for rigid urethane increased due to a rise in orders for rigid blocks, driven by a recovery in demand for large-scale cold storage and freezer warehouse construction projects. Sales from carbon separators for fuel cells declined due to a drop in orders caused by the stagnation of the hydrogen market, but losses were reduced thanks to lower fixed costs and other factors. Sales and profits for Specialty Chemicals were on par with the same period last year.

As a result, the Chemicals business posted net sales of ¥2,307 million (down 0.6% year on year) and a segment profit of ¥100 million (Return to profitability of ¥125 million year on year).

• Textiles

The Textiles business saw a decline in sales and an increase in losses. In the shirt business, although orders for APOLLOCOT shirts (shirts with super-shape-retaining finish) recovered, sales declined and losses widened due to unstable conditions in the Middle East and sluggish domestic demand in Indonesia. Sales from the uniform business declined and losses widened due to the absence of a major custom order from a corporate client that had been recorded in the same period of the previous year.

As a result, the Textiles business posted net sales of ¥6,728 million (down 15.5% year on year) and a segment loss of ¥442 million (Increasing losses of ¥358 million year on year).

(Real Estate)

The Real Estate business saw a decline in both sales and profit.

Compared to the same period last year, when we sold units at the large-scale commercial facility Ario Nishiarai (Adachi Ward, Tokyo) and apartments in Minato Ward, Tokyo, sales and profits declined.

As a result, the Real Estate business posted net sales of ¥888 million (A decrease of ¥14,041 million year on year) and a segment profit of ¥515 million (A decrease of ¥11,042 million year on year).

(2) Explanation of consolidated financial results forecasts and other forward-looking information

There are no changes to the consolidated earnings forecast for the fiscal year ending December 2026, which was announced on February 10, 2026.

2. Quarterly consolidated financial statements and primary notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	45,625	51,713
Notes and accounts receivable - trade, and contract assets	135,214	158,874
Electronically recorded monetary claims - operating	17,471	15,723
Merchandise and finished goods	55,243	54,023
Work in process	65,655	60,185
Raw materials and supplies	40,827	41,706
Other	10,495	9,612
Allowance for doubtful accounts	(470)	(435)
Total current assets	370,062	391,406
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,266	60,923
Machinery, equipment and vehicles, net	44,520	44,154
Land	38,297	37,963
Other, net	23,769	24,058
Total property, plant and equipment	167,854	167,099
Intangible assets		
Goodwill	548	442
Other	10,364	10,175
Total intangible assets	10,913	10,617
Investments and other assets		
Investment securities	70,275	75,804
Other	49,803	48,294
Allowance for doubtful accounts	(1,091)	(950)
Total investments and other assets	118,986	123,147
Total non-current assets	297,754	300,865
Total assets	667,817	692,271

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,102	43,101
Electronically recorded obligations - operating	20,852	12,295
Short-term borrowings	19,931	43,776
Commercial papers	29,000	24,000
Current portion of long-term borrowings	14,145	12,334
Income taxes payable	5,501	5,310
Provision for bonuses	4,713	7,223
Other provisions	3,045	2,800
Other	43,415	38,585
Total current liabilities	181,707	189,428
Non-current liabilities		
Long-term borrowings	116,515	113,522
Provisions	140	145
Retirement benefit liability	31,729	31,369
Asset retirement obligations	938	950
Other	20,194	23,833
Total non-current liabilities	169,518	169,821
Total liabilities	351,225	359,249
Net assets		
Shareholders' equity		
Share capital	27,841	27,841
Capital surplus	18,982	18,982
Retained earnings	184,763	194,943
Treasury shares	(14,177)	(14,177)
Total shareholders' equity	217,409	227,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,757	29,724
Deferred gains or losses on hedges	12	10
Foreign currency translation adjustment	31,247	33,222
Remeasurements of defined benefit plans	12,893	12,521
Total accumulated other comprehensive income	69,912	75,479
Non-controlling interests	29,269	29,952
Total net assets	316,591	333,021
Total liabilities and net assets	667,817	692,271

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	151,164	147,692
Cost of sales	106,590	105,548
Gross profit	44,573	42,144
Selling, general and administrative expenses	23,282	21,827
Operating profit	21,291	20,316
Non-operating income		
Interest income	237	297
Dividend income	341	300
Share of profit of entities accounted for using equity method	1,216	-
Foreign exchange gains	-	872
Miscellaneous income	258	1,001
Total non-operating income	2,054	2,471
Non-operating expenses		
Interest expenses	751	760
Share of loss of entities accounted for using equity method	-	735
Foreign exchange losses	661	-
Miscellaneous losses	479	619
Total non-operating expenses	1,892	2,116
Ordinary profit	21,453	20,672
Extraordinary income		
Gain on sale of non-current assets	376	1,479
Gain on sale of investment securities	1,025	387
Total extraordinary income	1,402	1,866
Extraordinary losses		
Loss on sale of non-current assets	22	144
Impairment losses	18	7
Loss on abandonment of non-current assets	218	12
Loss on liquidation of business	53	-
Business structure improvement expenses of subsidiaries	-	707
Total extraordinary losses	313	872
Profit before income taxes	22,542	21,666
Income taxes - current	4,657	4,707
Income taxes - deferred	1,621	2,778
Total income taxes	6,279	7,486
Profit	16,263	14,180
Profit attributable to non-controlling interests	969	1,189
Profit attributable to owners of parent	15,293	12,991

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Profit	16,263	14,180
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,738)	3,967
Deferred gains or losses on hedges	(31)	(1)
Foreign currency translation adjustment	(6,200)	1,690
Remeasurements of defined benefit plans, net of tax	(228)	(386)
Share of other comprehensive income of entities accounted for using equity method	(800)	345
Total other comprehensive income	(10,999)	5,615
Comprehensive income	5,263	19,795
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,137	18,558
Comprehensive income attributable to non-controlling interests	126	1,237

(3) Notes to quarterly consolidated financial statements

(Notes on premise of a going concern)

There are no applicable items.

(Notes on significant changes in shareholders' equity)

There are no applicable items.

(Segment information)

I For the three months ended March 31, 2025 (from January 1, 2025 through March 31, 2025)

1. Information on net sales and profit or loss by reportable segments

(Millions of yen)

	Reportable Segment								Others (Note)	Total
	Wireless and Communicat ions	Micro device	Automobile Brakes	Precision Instruments	Chemicals	Textiles	Real Estate	Total		
Net sales										
Net sales to external customers	81,089	13,390	14,236	14,027	2,320	7,958	14,930	147,954	3,210	151,164
Intersegment net sales and transfers	88	123	2	114	122	4	372	826	249	1,075
Total	81,177	13,513	14,238	14,142	2,442	7,963	15,302	148,780	3,459	152,239
Segment profit (loss)	12,408	(3,148)	1,025	642	(24)	(83)	11,558	22,379	72	22,451

(Note) "Others" includes trading company functions of food products, industrial materials, etc., which are not included in the reportable segments.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statements of income, and main details of such difference

(Matters related to difference adjustment)

(Millions of yen)

Profit	Amounts
Total of reportable segments	22,379
Profit in the "Other" category	72
Elimination of intersegment transactions	51
Company-wide expenses (Note)	(1,211)
Operating profit in the quarterly consolidated statements of income	21,291

(Note) Company-wide expenses mainly consist of group administrative expenses, depreciation and amortization, and research and development expenses for basic technology that do not belong to the reportable segments.

II For the three months ended March 31, 2026 (from January 1, 2026 through March 31, 2026)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment								Others (Note)	Total
	Wireless and Communications	Micro device	Automobile Brakes	Precision Instruments	Chemicals	Textiles	Real Estate	Total		
Net sales										
Net sales to external customers	89,860	15,885	14,817	13,598	2,307	6,728	888	144,085	3,607	147,692
Intersegment net sales or transfers	161	122	2	16	102	6	352	765	447	1,212
Total	90,022	16,008	14,819	13,614	2,409	6,734	1,241	144,850	4,054	148,905
Segment profit (loss)	19,088	145	973	922	100	(442)	515	21,303	121	21,424

(Note) "Others" includes trading company functions of food products, industrial materials, etc., which are not included in the reportable segments.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statements of income, and main details of such difference

(Matters related to difference adjustment)

(Millions of yen)

Profit	Amounts
Total of reportable segments	21,303
Profit in the "Other" category	121
Elimination of intersegment transactions	13
Company-wide expenses (Note)	(1,121)
Operating profit in the quarterly consolidated statements of income	20,316

(Note) Company-wide expenses mainly consist of group administrative expenses, depreciation and amortization, and research and development expenses for basic technology that do not belong to the reportable segments.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended March 31, 2026. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months are as follows and amortization of goodwill for the three months are as follows.

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Depreciation and amortization	6,459	6,300
Amortization of goodwill	118	103

(mil. yen)

Segments	Subsegments	FY2024		Q3 FY2024		Q3 FY2025		Change		FY2025 FC	
		Net sales	O.P.	Net sales	O.P.	Net sales	O.P.	Net sales	O.P.	Net sales	O.P.
Wireless and Communications	(JRC)	76,272	6,535	28,451	4,908	34,726	9,403	6,275	4,495	82,600	6,100
	(KDE)	78,149	6,934	28,935	7,103	30,327	7,653	1,391	549	80,000	7,200
	Solutions & Defense	154,421	13,469	57,386	12,011	65,053	17,056	7,666	5,044	162,600	13,300
	Marine Systems	56,027	6,018	14,019	1,533	15,379	1,855	1,360	322	57,100	4,800
	Mobilities	44,430	-1,676	10,167	△1,144	9,874	210	△293	1,354	47,300	-900
	Elimination	-3,041	-143	△482	8	△445	△32	37	△41	-1,300	-100
	Total	251,837	17,668	81,089	12,408	89,860	19,088	8,770	6,679	265,700	17,100
Micro Devices		62,400	-5,505	13,390	△3,148	15,885	145	2,494	3,293	67,900	-500
Brakes		57,795	3,385	14,236	1,025	14,817	973	581	△52	57,800	3,000
Precision Instruments		55,442	2,976	14,027	642	13,598	922	△429	279	51,500	1,700
Chemicals		9,736	-56	2,320	△24	2,307	100	△13	125	10,200	0
Textiles		33,345	98	7,958	△83	6,728	△442	△1,230	△358	34,600	200
Real Estate		17,939	12,667	14,930	11,558	888	515	△14,041	△11,042	9,900	6,400
Other businesses, Coporate costs		13,841	-4,834	3,210	△1,087	3,607	△986	397	101	13,400	-6,900
Total		502,339	26,401	151,164	21,291	147,692	20,316	△3,471	△974	511,000	21,000