

**Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending February 28, 2026
(Nine Months Ended November 30, 2025)**

[Japanese GAAP]

Company name: Freund Corporation

Listing: Tokyo Stock Exchange

Securities code: 6312

URL: <https://www.freund.co.jp>

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Third Quarter (March 1, 2025 – November 30, 2025) of the
Fiscal Year Ending February 28, 2026**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Nov. 30, 2025	19,373	29.8	2,068	514.8	2,179	483.1	1,469	-
Nine months ended Nov. 30, 2024	14,920	5.3	336	184.0	373	197.0	114	110.3

Note: Comprehensive income

Nine months ended Nov. 30, 2025: 1,667 million yen (-%)

Nine months ended Nov. 30, 2024: 121 million yen (down 68.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 30, 2025	86.84	-
Nine months ended Nov. 30, 2024	6.77	-

Reference: Equity in earnings of affiliates Nine months ended Nov. 30, 2025: (30) million yen

Nine months ended Nov. 30, 2024: (38) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Nov. 30, 2025	27,121	16,713	61.6	987.44
As of Feb. 28, 2025	26,559	15,437	58.1	912.56

Reference: Equity capital

As of Nov. 30, 2025: 16,713 million yen

As of Feb. 28, 2025: 15,437 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Feb. 28, 2025	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Feb. 28, 2026	-	0.00	-	25.00	25.00
Fiscal year ending Feb. 28, 2026 (forecast)	-	0.00	-	0.00	0.00

Note: Revision to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 – February 28, 2026)

As announced in the “Notice Regarding Approval Resolution for Stock Consolidation, Abolition of Minimum Trading Unit, and Partial Amendment to Articles of Incorporation” dated December 26, 2025, Freund common stock is scheduled to be delisted on January 27, 2026. Therefore, the consolidated forecast for the fiscal year ending February 28, 2026 is not included.

* Notes

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

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to page 8“(3) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” for details.

(3) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting-based estimates: None
- 4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)			
As of Nov. 30, 2025:	18,400,000 shares	As of Feb. 28, 2025:	18,400,000 shares
2) Number of treasury shares at the end of the period			
As of Nov. 30, 2025:	1,473,504 shares	As of Feb. 28, 2025:	1,483,743 shares
3) Average number of shares outstanding during the period			
Nine months ended Nov. 30, 2025:	16,920,648 shares	Nine months ended Nov. 30, 2024:	16,907,344 shares

Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

Cautionary statement with respect to forecasts of future performance and other special items

As announced in the “Notice Regarding Resolutions for Approval of Stock Consolidation, Abolition of the Minimum Trading Unit, and a Partial Amendment to the Articles of Incorporation” dated December 26, 2025, Freund common stock is scheduled to be delisted on January 27, 2026. Therefore, the consolidated forecast for the fiscal year ending February 28, 2026 is not included.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first nine months of the fiscal year ending February 2026, the moderate recovery of the Japanese economy continued. Although there are concerns about the negative impact of inflation on household spending, there was a gradual recovery in employment and personal income. As a result, the economy is rebounding despite the slow pace of the improvement in consumer sentiment. Capital investment by Japanese companies has remained strong, with active investments in labor-saving equipment and the digital transformation (DX) to address labor shortage.

The global economy is steadily growing, backed by investments in AI-related projects such as data centers. This growth continues despite high U.S. tariff policies and geopolitical risks, particularly those involving Ukraine and the Middle East. The outlook for the Japanese and global economies remains uncertain because U.S. tariffs may begin to impact the real economy.

In the pharmaceutical industry, a key user of Freund Group products, the drug supply shortage is still a serious issue. In response to such issue, generic drug companies are actively working to enhance their production capacity and efficiency, including capital expenditures for their production facilities, thereby maintaining reliable supply of drugs and preparing for the anticipated growth in generic drug demand.

The Freund Group is working with pharmaceutical companies in Japan and other countries to meet demand created by large capital expenditures to play a role in ending drug shortages and enabling the pharmaceutical industry to build an infrastructure for maintaining a reliable supply of drugs. In addition to new equipment, we also provide maintenance services for existing facilities, enhancing the reliability of our products and contributing to the operational efficiency of our customers, which in turn addresses the social challenge of pharmaceutical shortages. In overseas markets, the Freund Group is strengthening collaboration within its "Five-Pillar Framework" consisting of the United States, Italy, India, China and Japan, promoting the development of products and services tailored to the needs of each region. Particularly in emerging countries, where population growth and expanding medical demands are anticipated, the Freund Group aims to enhance the presence of the "FREUND" brand by reinforcing cooperation with local partners.

In the first nine months of the fiscal year ending February 2026, net sales increased 29.8% year-over-year to 19,373 million yen. Operating profit increased 514.8% to 2,068 million yen, ordinary profit increased 483.1% to 2,179 million yen, and profit attributable to owners of parent increased 1,184.7% to 1,469 million yen.

Operating results for business segments are as follows.

Machinery Business Segment

In Japan, sales were higher than in the first nine months of the previous fiscal year mainly because of deliveries of production facilities to generic drug manufacturers. Orders increased and the order backlog remains high. SG&A expenses decreased mainly because there was a one-time expense one year earlier for the update of ERP system.

In the United States, sales at FREUND Inc. increased. Sales in the first nine months of the previous fiscal year were low because most deliveries of products were in the fiscal year's second half. In the current fiscal year, there have been steady product deliveries beginning with the first quarter.

As a result, net sales increased 43.5% year-over-year to 14,344 million yen and segment profit increased 323.8% to 1,682 million yen.

Chemicals Business Segment

Sales of pharmaceutical excipients used for oral drugs were up from one year earlier. Overall sales were relatively firm despite the negative effects of lower production by some customers in Japan.

Sales of food preservatives declined from one year earlier, as some major customers began to source from multiple suppliers to ensure business continuity. However, sales to other customers have remained strong.

SG&A expenses for this segment decreased mainly due to one-time expenses incurred in the previous fiscal year for the implementation of ERP system.

As a result, net sales increased 2.1% year-over-year to 5,028 million yen and segment profit increased 68.2% to 920 million yen.

(2) Explanation of Financial Position

Total assets increased 561 million yen from the end of the previous fiscal year to 27,121 million yen at the end of the third quarter of the current fiscal year. This mainly reflected increases of 467 million yen in cash and deposits, 560 million yen in electronically recorded monetary claims-operating, and 754 million yen in work in process, while there were decreases of 914 million yen in notes and accounts receivable-trade and contract assets, and 279 million yen in raw materials and supplies.

Total liabilities decreased 715 million yen from the end of the previous fiscal year to 10,407 million yen at the end of the third quarter of the current fiscal year. This mainly reflected decreases of 712 million yen in notes and accounts payable-trade and 557 million yen in contract liabilities, while there was an increase of 487 million yen in electronically recorded obligations-operating.

Net assets increased 1,276 million yen from the end of the previous fiscal year to 16,713 million yen at the end of the third quarter of the current fiscal year. This mainly reflected increases of 1,046 million yen in retained earnings and 162 million yen in foreign currency translation adjustment.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

As announced in the “Notice Regarding Resolutions for Approval of Stock Consolidation, Abolition of the Minimum Trading Unit, and a Partial Amendment to the Articles of Incorporation” dated December 26, 2025, Freund common stock is scheduled to be delisted on January 27, 2026. Therefore, the consolidated forecast for the fiscal year ending February 28, 2026 is not included.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY2/25 (As of Feb. 28, 2025)	Third quarter of FY2/26 (As of Nov. 30, 2025)
Assets		
Current assets		
Cash and deposits	5,152,751	5,620,661
Notes and accounts receivable-trade, and contract assets	5,315,450	4,400,535
Electronically recorded monetary claims-operating	910,770	1,471,621
Merchandise and finished goods	874,313	1,029,852
Work in process	3,660,790	4,415,128
Raw materials and supplies	2,980,052	2,700,202
Prepaid expenses	290,264	262,080
Other	499,126	523,965
Allowance for doubtful accounts	(34,696)	(37,637)
Total current assets	<u>19,648,822</u>	<u>20,386,410</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,048,545	2,013,682
Land	1,147,991	1,149,279
Other, net	985,918	936,385
Total property, plant and equipment	<u>4,182,455</u>	<u>4,099,348</u>
Intangible assets		
Software	531,363	449,445
Software in progress	10,830	-
Customer relationship	319,292	314,215
Other	26,560	19,036
Total intangible assets	<u>888,046</u>	<u>782,697</u>
Investments and other assets		
Deferred tax assets	536,982	545,813
Other	1,308,323	1,312,273
Allowance for doubtful accounts	(5,400)	(5,400)
Total investments and other assets	<u>1,839,905</u>	<u>1,852,687</u>
Total non-current assets	<u>6,910,408</u>	<u>6,734,732</u>
Total assets	<u>26,559,231</u>	<u>27,121,142</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,313,651	1,601,467
Electronically recorded obligations-operating	791,194	1,278,301
Short-term borrowings	108,848	139,576
Income taxes payable	341,377	472,035
Contract liabilities	5,241,452	4,684,400
Provision for bonuses	265,145	177,379
Provision for bonuses for directors (and other officers)	33,560	31,850
Other	1,316,737	1,332,861
Total current liabilities	<u>10,411,969</u>	<u>9,717,871</u>
Non-current liabilities		
Lease liabilities	352,220	331,980
Retirement benefit liability	215,338	225,375
Asset retirement obligations	67,529	67,629
Other	75,141	64,314
Total non-current liabilities	<u>710,228</u>	<u>689,300</u>
Total liabilities	<u>11,122,197</u>	<u>10,407,172</u>

	(Thousands of yen)	
	FY2/25 (As of Feb. 28, 2025)	Third quarter of FY2/26 (As of Nov. 30, 2025)
Net assets		
Shareholders' equity		
Share capital	1,035,600	1,035,600
Capital surplus	1,332,771	1,358,925
Retained earnings	12,587,188	13,633,751
Treasury shares	(693,219)	(687,292)
Total shareholders' equity	<u>14,262,340</u>	<u>15,340,984</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	69,035	109,615
Foreign currency translation adjustment	1,059,984	1,222,831
Remeasurements of defined benefit plans	45,673	40,539
Total accumulated other comprehensive income	<u>1,174,692</u>	<u>1,372,986</u>
Total net assets	<u>15,437,033</u>	<u>16,713,970</u>
Total liabilities and net assets	<u>26,559,231</u>	<u>27,121,142</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)	(Thousands of yen)
Net sales	14,920,098	19,373,680	
Cost of sales	9,640,819	12,595,681	
Gross profit	5,279,279	6,777,999	
Selling, general and administrative expenses	4,942,901	4,709,810	
Operating profit	336,378	2,068,188	
Non-operating income			
Interest income	9,979	23,656	
Dividend income	6,452	7,871	
Technical support fee income	11,966	10,016	
Insurance claim income	73,368	6,478	
Foreign exchange gains	-	94,756	
Other	21,991	8,842	
Total non-operating income	123,757	151,621	
Non-operating expenses			
Interest expenses	28,343	6,107	
Share of loss of entities accounted for using equity method	38,038	30,677	
Foreign exchange losses	17,876	-	
Other	2,070	3,468	
Total non-operating expenses	86,328	40,253	
Ordinary profit	373,806	2,179,555	
Extraordinary income			
Gain on sale of non-current assets	259	1,612	
Total extraordinary income	259	1,612	
Extraordinary losses			
Loss on retirement of non-current assets	4,276	11,261	
Total extraordinary losses	4,276	11,261	
Profit before income taxes	369,789	2,169,907	
Income taxes	255,411	700,438	
Profit	114,378	1,469,469	
Profit attributable to owners of parent	114,378	1,469,469	

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)	(Thousands of yen)
Profit	114,378	1,469,469	
Other comprehensive income			
Valuation difference on available-for-sale securities	(5,867)	40,579	
Foreign currency translation adjustment	4,907	179,174	
Remeasurements of defined benefit plans, net of tax	(1,321)	(5,133)	
Share of other comprehensive income of entities accounted for using equity method	8,970	(16,327)	
Total other comprehensive income	6,689	198,293	
Comprehensive income	121,067	1,667,762	
(Breakdown)			
Comprehensive income attributable to owners of parent	121,067	1,667,762	

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

The tax expenses are calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year in which the period falls, and multiplying that rate by the profit before income taxes for the period. However, Freund uses the statutory effective tax rate to calculate tax expenses for cases in which using the estimated effective tax rate gives a noticeably irrational result.

Segment and Other Information

Segment information

I First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)

1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Machinery Business	Chemicals Business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales					
(1) External sales	9,994,129	4,925,969	14,920,098	-	14,920,098
(2) Inter-segment sales and transfers	-	-	-	-	-
Total	9,994,129	4,925,969	14,920,098	-	14,920,098
Segment profit	396,892	547,428	944,320	(607,942)	336,378

Notes: 1. Contents of adjustments are as follows.

The negative adjustment of 607,942 thousand yen to segment profit includes corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

3. Information by region

Net sales

In addition to the disclosure of information required by the “Accounting Standard for Quarterly Financial Reporting,” the Company provides information by region (net sales) based on the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” for the purpose of providing investors with useful information.

(Thousands of yen)

Japan	United States	Latin America	Europe	Asia	Other	Total
11,111,619	1,259,724	708,495	856,178	574,192	409,887	14,920,098

Notes: 1. Classification of net sales is based on the location of the client and categorized by country or region.

2. Groupings of countries and regions other than Japan are determined by geographic proximity and mutual operational relationships. Major countries and regions in each geographic segment are as follows.

- (1) Latin America: Brazil, Mexico, etc.
- (2) Europe: France, Italy, UK, etc.
- (3) Asia: China, India, etc.
- (4) Other: Middle East, Africa, etc.

II First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)

1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Machinery Business	Chemicals Business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales					
(1) External sales	14,344,728	5,028,951	19,373,680	-	19,373,680
(2) Inter-segment sales and transfers	-	-	-	-	-
Total	14,344,728	5,028,951	19,373,680	-	19,373,680
Segment profit	1,682,091	920,858	2,602,950	(534,762)	2,068,188

Notes: 1. Contents of adjustments are as follows.

The negative adjustment of 534,762 thousand yen to segment profit includes corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

3. Information by region

Net sales

In addition to the disclosure of information required by the “Accounting Standard for Quarterly Financial Reporting,” the Company provides information by region (net sales) based on the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” for the purpose of providing investors with useful information.

(Thousands of yen)						
Japan	United States	Latin America	Europe	Asia	Other	Total
12,456,597	2,172,689	2,218,981	696,572	984,296	844,541	19,373,680

Notes: 1. Classification of net sales is based on the location of the client and categorized by country or region.

2. Groupings of countries and regions other than Japan are determined by geographic proximity and mutual operational relationships. Major countries and regions in each geographic segment are as follows.

- (1) Latin America: Brazil, Mexico, etc.
- (2) Europe: France, Italy, UK, etc.
- (3) Asia: China, India, etc.
- (4) Other: Middle East, Africa, etc.

Notes to Consolidated Statement of Cash Flows

The quarterly consolidated statement of cash flows for the first nine months of FY2/26 was not prepared. Depreciation (including amortization of intangible assets) for the first nine months of FY2/25 and FY2/26 is as follows.

	(Thousands of yen)	
	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)
Depreciation	485,527	495,713

3. Others

Orders and Sales

(1) Orders received				(Thousands of yen)
Operating segment	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)		First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)	
	Amount	Year-on-year (%)	Amount	Year-on-year (%)
Machinery Business	13,448,179	97.8	10,831,100	80.5

Notes: 1. No orders received are shown for the Chemicals Business because production is based on sales plans rather than specific orders.

2. Orders received are based on selling prices; inter-segment transactions have been eliminated.

(2) Order backlog				(Thousands of yen)
Operating segment	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)		First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)	
	Amount	Year-on-year (%)	Amount	Year-on-year (%)
Machinery Business	19,412,916	107.8	13,909,100	71.6

Notes: 1. No order backlog is shown for the Chemicals Business because production is based on sales plans rather than specific orders.

2. Order backlog is based on selling prices; inter-segment transactions have been eliminated.

(3) Sales				(Thousands of yen)
Operating segment	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)		First nine months of FY2/26 (Mar. 1, 2025 – Nov. 30, 2025)	
	Amount	Composition (%)	Amount	Composition (%)
Machinery Business	9,994,129	67.0	14,344,728	74.0
Chemicals Business	4,925,969	33.0	5,028,951	26.0
Total	14,920,098	100.0	19,373,680	100.0

Note: Sales are based on selling prices; inter-segment transactions have been eliminated.

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.