August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Kurabo Industries Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3106
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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 June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	37,620	5.2	2,852	32.1	3,881	28.4	3,796	(26.7)
June 30, 2025	35,744	(0.4)	2,159	4.4	3,023	3.9	5,178	167.1

Note: Comprehensive income
For the three months ended June 30, 2026: ¥7,661 million [129.1%]
For the three months ended June 30, 2025: ¥3,344 million [(44.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	238.68	–
June 30, 2025	307.84	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	207,149	136,948	65.4
March 31, 2026	201,844	133,674	65.5

Reference: Equity
As of June 30, 2026: ¥135,513 million
As of March 31, 2026: ¥132,193 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 March 31, 2026	–	141.00	–	166.00	307.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		166.00	–	33.00	–

Notes: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company plans to conduct a 5-for-1 stock split of its common shares with the effective date of October 1, 2026. The fiscal year-end dividend per share for the fiscal year ending March 31, 2027 (forecast) shows the amount that takes into account the effect of the stock split, and the total annual dividend is shown as "–." Without taking into account the stock split, the fiscal year-end dividend for the fiscal year ending March 31, 2027 (forecast) would be ¥165.00 and the total annual dividends would be ¥331.00.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Six months ending September 30, 2026	76,000	9.8	4,600	17.1	5,600	15.6	7,300	13.7	92.01
Full year	160,000	11.3	12,000	30.7	13,300	20.1	14,800	14.9	186.80

Notes: 1. Revisions to the forecast of financial results most recently announced: Yes

2. The forecasted values in basic earnings per share take into account the effect of the stock split described in the notes under "2. Cash dividends." Without taking into account the stock split, the forecasted basic earnings per share would be ¥460.04 for the six months ending September 30, 2026, and ¥934.00 for the full year.

* **Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For the details, please refer to "2. Quarterly consolidated financial statements and significant notes thereto (3) Notes to quarterly consolidated financial statements (Notes to accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 8 of the attached materials.

(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 June 30, 2026	17,000,000 shares
As of March 31, 2026	17,000,000 shares

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

As of June 30, 2026	1,180,398 shares
As of March 31, 2026	1,009,008 shares

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

Three months ended June 30, 2026	15,904,743 shares
Three months ended June 30, 2025	16,822,428 shares

Note: The Company has introduced the Board Benefit Trust, a share-based compensation plan for directors, etc. using a trust, and the Company's shares held by the trust account are included in the number of treasury shares.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For matters regarding the above earnings forecasts, please refer to "1. Overview of operating results and others (3) Explanation of consolidated financial results forecasts and other forward-looking statements" on page 3 of the attached materials.

Attached Material

1. Overview of operating results and others

(1) Overview of operating results for the period under review

During the first three months of the fiscal year ending March 31, 2027 (from April 1, 2026 to June 30, 2026), the Japanese economy remained on a moderate recovery trend, supported by improvement in consumer spending driven by improvements in the employment and income environment, as well as solid corporate profits and capital investment.

On the other hand, the outlook for the economy remains uncertain due to widening geopolitical risks, such as growing tensions in the Middle East, leading to sharp increases in resource prices and supply constraints. Additionally, deepening labor shortages, rising inflationary pressures caused by the continued depreciation of the yen and rising wages, and other factors are also contributing to this uncertainty.

In this type of environment, the Group has strived to expand the priority businesses by targeting the semiconductor production-related market and other growth markets, and to enhance the earning capability of the core businesses such as the textiles business, based on the basic policy of “enhance corporate value by accelerating the growth of high-profit businesses and efficiently utilizing management resources” in the medium-term management plan “Accelerate ’27,” which started in April 2025.

As a result, net sales were ¥37.6 billion (up 5.2% YoY), operating profit was ¥2.85 billion (up 32.1% YoY), ordinary profit was ¥3.88 billion (up 28.4% YoY), and profit attributable to owners of parent was ¥3.79 billion (down 26.7% YoY).

Results by segment are as follows.

(Chemical Products)

High-performance plastic products experienced an increase in revenue due to strong orders mainly for semiconductor production equipment. This was against a backdrop of the further acceleration of investments in data centers driven by the proliferation of generative AI, along with the rapid expansion of the memory market.

Functional films experienced an increase in revenue due to strong orders for solar cells and semiconductor manufacturing processes.

Industrial materials experienced increased revenue due to steady orders of flexible polyurethane foam for automotive interiors, heat-insulating materials and nonwoven fabrics for automotive filters.

The Group also carried out the price pass-through for rising raw material costs.

As a result, net sales were ¥18.5 billion (up 22.5% YoY) with operating profit of ¥1.86 billion (up 132.7% YoY).

(Textiles)

Yarns experienced decreased revenue due to a decline in its sales for knit products at an Indonesian subsidiary.

Uniforms experienced increased revenue due to the solid performance of flame-retardant materials such as “BREVANO,” along with the acquisition of new customers for the risk reduction management system “Smartfit” designed for hot environments, although the Indonesian subsidiary withdrew from fabric sales as part of the structural reform.

Casual clothing experienced decreased revenue as orders of products for domestic SPAs (specialty retailers of private label apparel) decreased.

As a result, net sales were ¥9.8 billion (down 16.5% YoY) with operating loss of ¥0.21 billion (operating loss of ¥0.25 billion in the same period of the previous fiscal year).

(Advanced Technology)

Life science & technology businesses experienced increased revenue with steady performance from factory automation equipment, and in the bio-related products segment, mixer/deaerator models, contracted gene analysis services and other products also showed solid performance.

Electronics businesses experienced decreased revenue despite solid performance for chemical concentration meters for the semiconductor production lines, as sales decreased for film thickness meters and infrastructure management systems.

Engineering businesses experienced increased revenue due to steady performances in areas such as plant and facility construction and semiconductor production-related equipment, as well as solid sales for exhaust gas treatment facilities.

As a result, net sales were ¥5.5 billion (up 5.4% YoY), while operating profit was ¥0.71 billion (down 37.8% YoY) mainly due to a decrease in high-margin products.

(Food and Services)

Freeze-dried foods experienced increased revenue mainly due to solid performance of instant noodle ingredients and molded soups.

Hotels and their related services experienced increased revenue due to steady performance for accommodations, restaurants, and other services, fueled by demand from domestic travel and inbound tourism.

As a result, net sales were ¥2.6 billion (up 5.2% YoY) with operating profit of ¥0.16 billion (up 21.9% YoY).

(Real Estate)

In real estate leasing, net sales were ¥0.9 billion (up 0.6% YoY), while operating profit was ¥0.61 billion (up 1.3% YoY), remaining on par with the same period of the previous fiscal year.

(2) Overview of financial position for the period under review

(Assets, liabilities and net assets)

Total assets at the end of the first quarter of the fiscal year ending March 31, 2027 increased by ¥5.3 billion from the end of the previous fiscal year to ¥207.1 billion mainly due to an increase in investment securities, although there was a decrease in notes and accounts receivable - trade, and contract assets.

Liabilities increased by ¥2.0 billion from the end of the previous fiscal year to ¥70.2 billion mainly due to increases in deferred tax liabilities included in “other” under non-current liabilities and notes and accounts payable - trade, although there was a decrease in income taxes payable.

Net assets increased by ¥3.2 billion from the end of the previous fiscal year to ¥136.9 billion mainly due to increases in valuation difference on available-for-sale securities and retained earnings, although there was a decrease due to purchase of treasury shares.

As a result of the above, the equity-to-asset ratio was 65.4%, down 0.1 percentage points.

(3) Explanation of consolidated financial results forecasts and other forward-looking statements

Regarding the consolidated financial results forecasts for the second quarter (cumulative) (April 1, 2026 to September 30, 2026) and for the full year (April 1, 2026 to March 31, 2027), based on recent trends in financial results, we have revised our financial results forecasts announced on May 14, 2026.

For the details, please refer to the “Notification on Revisions to Financial Results Forecasts” separately disclosed today.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	15,533	14,770
Notes and accounts receivable - trade, and contract assets	28,288	26,804
Electronically recorded monetary claims - operating	7,910	8,450
Merchandise and finished goods	12,004	12,572
Work in process	6,506	6,999
Raw materials and supplies	8,446	9,057
Other	3,944	4,770
Allowance for doubtful accounts	(138)	(42)
Total current assets	82,496	83,383
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,062	20,782
Other, net	23,571	23,759
Total property, plant and equipment	44,633	44,541
Intangible assets	1,427	1,352
Investments and other assets		
Investment securities	69,523	74,092
Other	3,994	4,130
Allowance for doubtful accounts	(230)	(351)
Total investments and other assets	73,287	77,872
Total non-current assets	119,348	123,765
Total assets	201,844	207,149
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,208	16,494
Electronically recorded obligations - operating	2,144	2,054
Short-term borrowings	6,086	7,038
Income taxes payable	3,581	2,175
Provision for bonuses	1,511	586
Other	7,825	9,028
Total current liabilities	36,357	37,378
Non-current liabilities		
Long-term borrowings	886	352
Provision for retirement benefits for directors (and other officers)	135	142
Provision for share-based payments	277	304
Retirement benefit liability	10,700	10,643
Other	19,813	21,379
Total non-current liabilities	31,812	32,822
Total liabilities	68,170	70,200

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	22,040	22,040
Capital surplus	15,240	15,240
Retained earnings	70,568	71,678
Treasury shares	(5,948)	(7,629)
Total shareholders' equity	101,900	101,329
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,779	39,425
Deferred gains or losses on hedges	41	52
Foreign currency translation adjustment	(6,049)	(5,824)
Remeasurements of defined benefit plans	521	530
Total accumulated other comprehensive income	30,292	34,183
Non-controlling interests	1,481	1,435
Total net assets	133,674	136,948
Total liabilities and net assets	201,844	207,149

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	35,744	37,620
Cost of sales	28,222	29,175
Gross profit	7,521	8,445
Selling, general and administrative expenses	5,362	5,593
Operating profit	2,159	2,852
Non-operating income		
Interest income	45	27
Dividend income	896	1,094
Other	59	56
Total non-operating income	1,000	1,177
Non-operating expenses		
Interest expenses	56	45
Share of loss of entities accounted for using equity method	4	3
Expenses on inactive non-current assets	3	47
Other	71	52
Total non-operating expenses	136	148
Ordinary profit	3,023	3,881
Extraordinary income		
Gain on sale of investment securities	4,337	2,086
Total extraordinary income	4,337	2,086
Extraordinary losses		
Loss on disposal of non-current assets	–	126
Impairment losses	–	25
Total extraordinary losses	–	151
Profit before income taxes	7,361	5,816
Income taxes	2,167	2,017
Profit	5,193	3,798
Profit attributable to non-controlling interests	15	2
Profit attributable to owners of parent	5,178	3,796

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	5,193	3,798
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,422)	3,645
Deferred gains or losses on hedges	(10)	11
Foreign currency translation adjustment	(402)	208
Remeasurements of defined benefit plans, net of tax	11	8
Share of other comprehensive income of entities accounted for using equity method	(24)	(11)
Total other comprehensive income	(1,849)	3,862
Comprehensive income	3,344	7,661
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,399	7,686
Comprehensive income attributable to non-controlling interests	(54)	(24)

(3) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes to accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of cost of tax)

The effective tax rate after applying the accounting effect of taxes on profit before taxes for the fiscal year including the quarter under review is reasonably estimated, and profit before taxes is multiplied by the estimated effective tax rate to calculate cost of tax. However, if the calculation of the cost of tax using the estimated effective tax rate results in significantly unreasonable results, the effective statutory tax rate is used.

(Notes on quarterly consolidated balance sheet)

Contingent liabilities

On June 30, 2022, a fire broke out at the logistics facility Ami No. 2 Logistics Center of SBS Flec Co., Ltd. (location: 6-1 Hoshinosato, Ami-machi, Inashiki-gun, Ibaraki) at which the Company's Chemical Products Division had conducted heat-insulating work. The fire was extinguished on July 5, 2022. Regarding this fire accident (hereinafter the "Fire Accident"), on September 6, 2023, SBS Flec Co., Ltd. filed a lawsuit seeking compensation for damages against three companies related to the Fire Accident, including the Company, for around ¥4.4 billion in damages concerning entrusted cargo, etc. that perished, and on October 24, 2024, there was an application for amending the damages claim to around ¥4.0 billion.

In addition, on March 31, 2025, Sompo Japan Insurance Inc. filed a lawsuit seeking compensation for damages against three companies related to the Fire Accident, including the Company, for around ¥3.6 billion in damages based on insurance subrogation for damages concerning buildings and other assets that were destroyed or damaged by the Fire Accident (hereinafter the "Lawsuit").

The Company had previously announced that in relation to the fact that SBS Flec Co., Ltd., the owner of the logistics facility involved, had received an insurance payment of approximately ¥5.2 billion from an insurance company for damages related to buildings and other assets destroyed or damaged by the Fire Accident, there was a possibility of the Company being pursued for recovery by that insurance company. The Lawsuit was filed on the grounds that Sompo Japan Insurance Inc. acquired part of SBS Flec Co., Ltd.'s right to claim damages related to the Fire Accident through subrogation, after SBS Flec Co., Ltd. received an insurance payment based on a jointly underwritten insurance policy with Sompo Japan Insurance Inc. and others for the buildings and assets affected by the Fire Accident.

The Company has evaluated the details of these claims in these lawsuits seeking compensation for damages and is responding as appropriate through our attorneys.

Based on the jointly underwritten insurance policy entered into by SBS Flec Co., Ltd. and other insurance companies, there is a possibility that the Company will also be pursued for recovery by other insurance companies.

Furthermore, related to the Fire Accident, for around ¥1.1 billion initially estimated for the demolition costs for the Ami No. 2 Logistics Center, we received a notification from the relevant companies that around ¥0.68 billion in costs had been incurred at the end of April 2023. Depending on the future proceedings of the lawsuits for compensation for damages and the results of discussion, the Company could incur damages.

(Notes on additional information)

We believe that the incurrence of damages to the Company related to the lawsuits for compensation for damages as well as the impact on earnings will become clear as a result of the future proceedings of the lawsuits for compensation for damages and the results of discussion, and the details and amounts of any damages to the Company from the Fire Accident have not been determined at this point in time. The Company will announce any specific impact on earnings in the future as soon as it becomes clear.

(Notes on quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows is not prepared for the three months ended June 30, 2026. Depreciation (including amortization of intangible assets) for three months ended June 30, 2025 and 2026 is as follows:

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	1,211	1,232

(Notes on significant changes in the amount of shareholders' equity)

(Purchase of treasury shares)

Based on the resolution of the board of directors meeting held on November 11, 2025, the Company acquired 171 thousand shares of treasury shares. As a result, treasury shares were ¥7,629 million as of June 30, 2026, following an increase in treasury shares of ¥1,679 million during the three months ended June 30, 2026.

(Notes on segment information, etc.)

[Segment information]

I Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	15,127	11,842	5,306	2,490	978	35,744	–	35,744
Intersegment sales or transfers	4	11	269	12	108	407	(407)	–
Total	15,131	11,854	5,575	2,502	1,087	36,151	(407)	35,744
Segment profit (loss)	800	(259)	1,154	135	609	2,440	(281)	2,159

(Notes) 1. The segment profit or loss adjustment of negative ¥281 million includes company-wide expenses of negative ¥264 million and other adjustments of negative ¥16 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.

2. Segment profit or loss is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information about impairment losses of non-current assets and goodwill by reportable segment

Not applicable.

II Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

1. Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	18,532	9,893	5,591	2,619	984	37,620	–	37,620
Intersegment sales or transfers	29	14	92	12	109	258	(258)	–
Total	18,562	9,907	5,684	2,631	1,093	37,879	(258)	37,620
Segment profit (loss)	1,863	(212)	717	164	616	3,150	(297)	2,852

(Notes) 1. The segment profit or loss adjustment of negative ¥297 million includes company-wide expenses of negative ¥309 million and other adjustments of ¥12 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.

2. Segment profit or loss is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information about impairment losses of non-current assets and goodwill by reportable segment

The information is omitted as it is immaterial.

(Notes on revenue recognition)

Information on disaggregation of revenue from contracts with customers

[Breakdown by type of goods or services]

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable segments					Total
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	
High-performance plastic products	3,720	–	–	–	–	3,720
Functional films	2,405	–	–	–	–	2,405
Industrial materials	10,577	–	–	–	–	10,577
Yarns	–	4,981	–	–	–	4,981
Uniforms	–	2,636	–	–	–	2,636
Casual clothing	–	5,440	–	–	–	5,440
Life science & technology businesses	–	–	897	–	–	897
Electronics businesses	–	–	2,063	–	–	2,063
Engineering businesses	–	–	2,958	–	–	2,958
Freeze-dried foods	–	–	–	1,719	–	1,719
Services	–	–	–	783	–	783
Intersegment sales	(1,575)	(1,216)	(612)	(12)	–	(3,418)
Revenue from contracts with customers	15,127	11,842	5,306	2,490	–	34,766
Other revenue	–	–	–	–	978	978
Sales to outside customers	15,127	11,842	5,306	2,490	978	35,744

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Reportable segments					Total
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	
High-performance plastic products	5,676	–	–	–	–	5,676
Functional films	3,055	–	–	–	–	3,055
Industrial materials	11,524	–	–	–	–	11,524
Yarns	–	4,499	–	–	–	4,499
Uniforms	–	2,655	–	–	–	2,655
Casual clothing	–	4,504	–	–	–	4,504
Life science & technology businesses	–	–	1,052	–	–	1,052
Electronics businesses	–	–	1,700	–	–	1,700
Engineering businesses	–	–	3,171	–	–	3,171
Freeze-dried foods	–	–	–	1,796	–	1,796
Services	–	–	–	835	–	835
Intersegment sales	(1,724)	(1,766)	(333)	(12)	–	(3,837)
Revenue from contracts with customers	18,532	9,893	5,591	2,619	–	36,636
Other revenue	–	–	–	–	984	984
Sales to outside customers	18,532	9,893	5,591	2,619	984	37,620