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Question-and-Answer Session

Results Briefing for the First Quarter of the Fiscal Year Ending December 31, 2025

Outline of briefing session

16:30-17:30 on Monday, May 12, 2025 (Zoom webinar)

For institutional investors and analysts

Question 1. What is your progress regarding the performance plan for the fiscal year ending December 31, 2025?

Answer Although business was affected by seasonal factors such as fewer operating days due to the Chinese New Year vacation, improvements in product mix also contributed positively, resulting in performance that is generally in line with our expectations.

Question 2. What impact will the tariffs have?

Answer Direct transactions to the U.S. are quite limited and so the tariffs are expected to have little direct impact. So far, we have not felt any strong indirect effects such as advance demand by customers either.

Question 3. New product trends and future outlook

Answer Generally in line with our expectations. Trends are expected to continue to increase in the future.

Question 4. What are the reasons behind the improvement in gross profit margin compared to the previous quarter?

Answer It is mainly due to product mix and lower labor costs and expenses.

Question 5. Regarding the large amount of material sales by product type

Answer Sales in Europe were strong, but not sustainable.

Question 6. Regarding the Kitakyushu Plant

Answer The project is underway with operations scheduled to begin in December 2026. The initial plan was to use the factory for mass production of the CZ Series, but in light of recent demand, the facility will also be able to handle mass production of new products. After operation and customer approval, full-scale mass production is expected to begin around December 2027.