

***ALTECH Co., Ltd. and
Consolidated Subsidiaries***

***Consolidated Financial Statements
for the Year Ended November 30, 2025***

z (1) Consolidated Financial Statements

1) Consolidated Balance Sheet

(Thousands of yen)

	As of November 30, 2024	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	4,119,289	3,611,513
Notes receivable	*5 229,574	110,271
Accounts receivable	2,222,838	2,567,704
Electronically recorded monetary claims	*5 491,072	*5 550,718
Merchandise and finished goods	2,837,852	1,823,371
Raw materials and supplies	956,971	599,361
Advances paid	1,228,917	1,074,537
Short-term loans receivable	111,507	—
Accounts receivable-other	52,941	288,889
Other	142,548	159,276
Allowance for doubtful receivables	(15,583)	(133,584)
Total current assets	12,377,930	10,652,058
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,396,792	4,220,151
Accumulated depreciation	(3,078,500)	(3,293,677)
Buildings and structures (net)	1,318,292	926,473
Machinery and equipment, and vehicles	4,846,579	3,995,606
Accumulated depreciation	(2,993,394)	(3,128,043)
Machinery and equipment, and vehicles (net)	1,853,184	867,563
Land	435,519	35,174
Lease assets	3,137,372	2,954,421
Accumulated depreciation	(1,973,097)	(2,078,181)
Lease assets (net)	1,164,275	876,239
Construction in progress	605,039	101,580
Other	3,139,215	3,355,442
Accumulated depreciation	(2,578,590)	(2,734,699)
Other (net)	560,624	620,742
Total property, plant and equipment	5,936,935	3,427,774
Intangible fixed assets	281,505	232,242
Investments and other assets		
Investment securities	*2 232,103	*2 315,073
Investment in capital of affiliates	378,357	—
Lease deposits	112,157	106,644
Deferred tax assets	139,949	85,077
Other	69,141	54,217
Allowance for doubtful receivables	(35,682)	—
Total Investments and other assets	896,027	561,013
Total non-current assets	7,114,468	4,221,030
Total assets	19,492,398	14,873,088

(Thousands of yen)

As of November 30, 2024 As of November 30, 2025

Liabilities		
Current liabilities		
Trade notes and accounts payable	783,358	693,909
Short-term borrowings and current portion of long-term borrowings	3,087,034	2,555,080
Short-term lease obligations	268,605	250,573
Accounts payable-other	272,847	340,937
Accrued expenses	517,284	563,788
Income taxes payable	96,612	52,845
Advances received	*1 1,796,007	*1 750,432
Accrued losses on sales contracts	499	—
Other	171,378	201,143
Total current liabilities	6,993,627	5,408,710
Non-current liabilities		
Long-term borrowings	591,000	479,000
Long-term lease obligations	723,688	492,519
Other	20,417	22,724
Total non-current liabilities	1,335,105	994,243
Total liabilities	8,328,733	6,402,954
Net assets		
Shareholders' equity		
Common stock	5,527,829	5,527,829
Capital surplus	790,215	790,215
Retained earnings	2,577,565	(113,460)
Treasury stock	(445,310)	(445,342)
Total shareholders' equity	8,450,300	5,759,242
Accumulated other comprehensive income		
Valuation difference on available for sale securities	50,978	106,981
Deferred gains (losses) on derivatives under hedge accounting	(11,201)	10,456
Foreign currency translation adjustments	2,893,022	2,515,432
Total accumulated other comprehensive income	2,932,799	2,632,869
Non-controlling interests	(219,434)	78,022
Total net assets	11,163,665	8,470,134
Total liabilities and net assets	19,492,398	14,873,088

2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income

Consolidated Statement of Operations

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Net sales	*1 18,233,202	*1 17,551,597
Cost of sales	*2 15,027,651	*2 14,263,547
Gross profit	3,205,551	3,288,050
Selling, general and administrative expenses	*3 3,353,874	*3 3,263,177
Operating profit (loss)	(148,322)	24,873
Non-operating income		
Interest income	18,820	12,944
Dividends income	10,646	10,312
Foreign exchange gain	11,733	14,670
Tax refund income	73,515	76,856
Compensation income	19,185	19,830
Gain on sale of scraps	26,402	17,117
Other	78,249	42,816
Total non-operating income	238,553	194,548
Non-operating expenses		
Interest expense	149,717	155,927
Commission paid	4,941	21,144
Equity in losses of affiliates	116,459	9,201
Provision of allowance for doubtful accounts	—	133,584
Other	72,957	26,325
Total non-operating expenses	344,076	346,183
Ordinary loss	(253,846)	(126,761)
Extraordinary income		
Gain on sale of property, plant and equipment	*4 575,484	*4 16,608
Gain on sale of investment securities	*5 169,847	—
Gain on sale of shares of investments in capital of subsidiaries and associates	—	*6 448,216
Total extraordinary income	745,331	464,825
Extraordinary losses		
Loss on sale of property, plant and equipment	*7 160	*7 253
Loss on retirement of property, plant and equipment	*8 2,233	*8 7,712
Impairment loss	*9 65,302	*9 1,057,993
Loss on sale of investments in capital of subsidiaries and affiliates	—	*10 1,303
Business restructuring expenses	*11 665,393	*9, *11 1,198,129
Other	—	929
Total extraordinary losses	733,090	2,266,321
Loss before income taxes and non-controlling interests	(241,604)	(1,928,257)
Income taxes-current	148,974	87,924
Income taxes - deferred	33,030	21,898
Total income taxes	182,004	109,822
Loss	(423,609)	(2,038,080)
Profit (loss) attributable to non-controlling interests	(324,788)	556,559
Loss attributable to owners of parent	(98,820)	(2,594,639)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Loss	(423,609)	(2,038,080)
Other comprehensive loss		
Valuation difference on available for sale securities	(106,623)	56,002
Deferred income (loss) on derivatives under hedge accounting	(32,452)	21,658
Foreign currency translation adjustments	793	136,344
Share of other comprehensive income (loss) of affiliates accounted for by equity method	45,141	(516,287)
Total other comprehensive loss	*(93,140)	*(302,281)
Comprehensive loss	(516,749)	(2,340,361)
Comprehensive loss attributable to:		
Comprehensive loss attributable to owners of parent	(191,715)	(2,894,569)
Comprehensive loss attributable to non-controlling interests	(325,033)	554,207

3) Consolidated Statement of Changes in Shareholder's equity

Fiscal year ended November 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	5,527,829	790,215	2,772,797	(445,282)	8,645,560
Changes during the year					
Dividends			(96,387)		(96,387)
Loss attributable to owners of parent			(98,820)		(98,820)
Purchase of treasury stock				(28)	(28)
Decrease due to liquidation of consolidated subsidiaries			(23)		(23)
Net changes other than shareholders' equity					
Total changes during the year	—	—	(195,231)	(28)	(195,259)
Balance at the end of the year	5,527,829	790,215	2,577,565	(445,310)	8,450,300

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the year	157,601	21,250	2,846,841	3,025,694	149,312	11,820,568
Changes during the year						
Dividends						(96,387)
Loss attributable to owners of parent						(98,820)
Purchase of treasury stock						(28)
Decrease due to liquidation of consolidated subsidiaries						(23)
Net changes other than shareholders' equity	(106,623)	(32,452)	46,181	(92,895)	(368,747)	(461,642)
Total changes during the year	(106,623)	(32,452)	46,181	(92,895)	(368,747)	(656,902)
Balance at the end of the year	50,978	(11,201)	2,893,022	2,932,799	(219,434)	11,163,665

Fiscal year ended November 30, 2025

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	5,527,829	790,215	2,577,565	(445,310)	8,450,300
Changes during the year					
Dividends			(96,386)		(96,386)
Loss attributable to owners of parent			(2,594,639)		(2,594,639)
Purchase of treasury stock				(32)	(32)
Net changes other than shareholders' equity					
Total changes during the year	—	—	(2,691,026)	(32)	(2,691,058)
Balance at the end of the year	5,527,829	790,215	(113,460)	(445,342)	5,759,242

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the year	50,978	(11,201)	2,893,022	2,932,799	(219,434)	11,163,665
Changes during the year						
Dividends						(96,386)
Loss attributable to owners of parent						(2,594,639)
Purchase of treasury stock						(32)
Net changes other than shareholders' equity	56,002	21,658	(377,590)	(299,929)	297,457	(2,472)
Total changes during the year	56,002	21,658	(377,590)	(299,929)	297,457	(2,693,531)
Balance at the end of the year	106,981	10,456	2,515,432	2,632,869	78,022	8,470,134

4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Cash flows from operating activities		
Loss before income taxes and non-controlling interests	(241,604)	(1,928,257)
Depreciation and amortization	816,888	866,116
Amortization of goodwill	7,030	3,469
Interest and dividends income	(29,466)	(23,257)
Interest expense	149,717	155,927
Foreign exchange loss (gain)	30,077	(8,716)
Equity in losses of affiliates	116,459	9,201
Gain on sale of investment securities	(169,847)	—
Net loss (gain) on sale of investments in capital of subsidiaries and affiliates	—	(446,913)
Gain on sale of property, plant and equipment	(575,324)	(16,354)
Loss on retirement of property, plant and equipment	2,233	7,712
Impairment loss	65,302	1,057,993
Business restructuring expenses	665,393	1,198,129
Decrease (increase) in trade receivables	295,884	(495,670)
Decrease (increase) in inventories	(121,335)	1,028,382
Increase (decrease) in trade payables	(245,257)	27,610
Decrease (increase) in advances paid	(131,962)	152,889
Increase in accrued expenses	80,231	90,261
Decrease in advances received	(381,605)	(1,042,718)
Decrease and increase in consumption taxes receivable or payable	306,128	37,481
Other, net	(12,528)	89,375
Sub total	626,415	762,661
Interest and dividends received	25,673	22,021
Interest paid	(146,771)	(157,960)
Income taxes paid	(132,499)	(149,437)
Income taxes refunded	925	4,956
Proceeds from subsidy income	7,327	10,493
Proceeds from value added tax refund	73,515	76,856
Net cash provided by operating activities	454,587	569,590

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Cash flows from investing activities		
Purchases of property, plant and equipment	(689,212)	(453,872)
Proceeds from sales of property, plant and equipment	1,860,850	402,070
Purchases of intangible fixed assets	(19,115)	—
Purchases of investment securities	(2,957)	(3,114)
Proceeds from sale of investments in capital of subsidiaries and affiliates	—	14,463
Payments for sale of investments in capital of subsidiaries resulting in change in scope of consolidation	—	*2(48,617)
Proceeds from sale of investment securities	216,070	—
Payments of short-term loans receivable	(391,512)	—
Payments for investments in capital of subsidiaries and associates	(4,522)	—
Proceeds from subsidy income	7,979	—
Other, net	(4,615)	(12,996)
Net cash provided by (used in) investing activities	972,963	(102,067)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(597,805)	(538,472)
Repayments on long-term borrowings	(146,346)	(126,902)
Repayments on lease obligations	(241,216)	(273,640)
Payments for purchase of treasury stock	(28)	(32)
Dividends paid to shareholders	(95,759)	(96,573)
Dividends paid to non-controlling shareholders	(1,375)	(1,493)
Proceeds from sale and leaseback	639,859	7,920
Other, net	(2,852)	(3,130)
Net cash provided by (used in) financing activities	(445,523)	(1,032,323)
Effect of exchange rate changes on cash and cash equivalents	(28,122)	50,086
Net increase (decrease) in cash and cash equivalents	953,906	(514,713)
Cash and cash equivalents at the beginning of the year	3,089,007	4,042,913
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	1,062
Cash and cash equivalents at the end of the year	*1 4,042,913	*1 3,529,262

[Notes to Consolidated Financial Statements]

SIGNIFICANT MATTERS THAT FORM THE BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Matters related to the scope of consolidation

(1) Number of consolidated subsidiaries: 12

Names of consolidated subsidiaries:

ALTECH NEW MATERIALS CO., LTD.
BAIFUN-ALTECH CO., LTD.
ALTECH NEW POWER CO., LTD.
ALTECH ASIA PACIFIC CO., LTD.
PT. ALTECH
PT. ALTECH ASIA PACIFIC INDONESIA
ALTECH ASIA PACIFIC VIETNAM CO., LTD.
ALTECH NEW MATERIALS (SUZHOU) CO., LTD.
ALTECH NEW MATERIALS (GUANGZHOU) CO., LTD.
CHONGQING ALTECH NEW MATERIALS CO., LTD.
ALTECH NEW MATERIALS (WUHAN) CO., LTD.
SUZHOU ALTECH IMP. & EXP. TRADING CO., LTD.

LIUPANSHUI ALTECH ENVIRONMENTAL PROTECTION TECHNOLOGY CO., LTD., which was a consolidated subsidiary in the fiscal year ended November 30, 2024, is therefore excluded from the scope of consolidation because its all-equity interests were transferred in the fiscal year ended November 30, 2025. However, its statement of operation for the period up until the transfer is completed is included in the consolidation.

LIUPANSHUI ALTECH NEW MATERIALS TECHNOLOGY CO., LTD., which was a non-consolidated subsidiary not accounted for by the equity method in the fiscal year ended November 30, 2024, was included in the scope of consolidation due to increased materiality in the fiscal year ended November 30, 2025, is therefore excluded from the scope of consolidation because its all-equity interests were transferred in the fiscal year ended November 30, 2025. However, its statement of operation for the period up until the transfer is completed is included in the consolidation.

(2) Name of non-consolidated subsidiary, etc.

Not applicable.

2. Matters related to the application of the equity method

(1) Number of affiliates accounted for by the equity method: —

Names of affiliates accounted for by the equity method:

Not applicable.

ALTECH NEW MATERIALS (SHENZHEN) CO., LTD., and VALTE (SUZHOU) BIOTECHNOLOGY CO., LTD. which were affiliates accounted for by the equity method in the fiscal year ended November 30, 2024, are therefore excluded from the scope of application of the equity method because their all-equity interests were transferred in the fiscal year ended November 30, 2025.

(2) Name of non-consolidated subsidiary not accounted for by the equity method, etc.

Not applicable.

(3) Matters deemed particularly necessary to be stated regarding procedures for application of the equity method

Not applicable.

3. Matters related to the fiscal year of consolidated subsidiaries

Consolidated subsidiaries whose closing date differs from the consolidated closing date are as follows:

Company Name	Closing date
ALTECH ASIA PACIFIC CO., LTD.	September 30 *1
PT.ALTECH	September 30 *1
PT.ALTECH ASIA PACIFIC INDONESIA	September 30 *1
ALTECH ASIA PACIFIC VIETNAM CO., LTD.	September 30 *1
ALTECH NEW MATERIALS (SUZHOU) CO., LTD.	December 31 *2
ALTECH NEW MATERIALS (GUANGZHOU) CO., LTD.	December 31 *2
CHONGQING ALTECH NEW MATERIALS CO., LTD.	December 31 *2
ALTECH NEW MATERIALS (WUHAN) CO., LTD.	December 31 *2
SUZHOU ALTECH IMP. & EXP. TRADING CO., LTD.	December 31 *2

*1: The financial statements for the year ended September 30 were used for consolidation. Necessary adjustments were made on consolidation for material transactions that occurred between the end of the closing date of these subsidiaries and the end of the consolidated balance sheet date.

*2: The tentative financial statements for the year ended September 30 were used for consolidation. Necessary adjustments were made on consolidation for material transactions that occurred between the end of the tentative closing date of these subsidiaries and the end of the consolidated balance sheet date.

4. Matters related to accounting policies

(1) Basis and method for valuation of important assets

1) Securities

Available for sale securities

Securities other than stocks, etc. without market value

They are reported at fair value. (unrealized gains and losses are reported separately in a separate component of net assets and cost of securities sold is calculated by the moving average method)

Stocks, etc. without market value

They are stated at cost determined by the moving average method.

2) Derivatives

Derivative financial instruments are stated at fair value.

3) Inventories

Inventories are mainly stated at the cost determined by the specific identification method. (Carrying amount is calculated by the book value write-down method based on reduction in profitability.) Inventories of certain consolidated subsidiaries are stated at the cost determined by the moving average method. (Carrying amount is calculated by the book value write-down method based on reduction in profitability.)

(2) Method of depreciation and amortization of significant assets

1) Property, Plant and Equipment (Excluding lease assets)

Property, plant and equipment are depreciated by the straight line method. The range of useful lives is principally from 2 to 31 years for buildings and structures, and from 2 to 20 years for machinery and equipment, and vehicles.

2) Intangible Assets (Excluding lease assets)

Intangible assets are amortized by the straight line method. Land use right are amortized over the contract terms. The expenses for internal use computer software are amortized over the estimated useful lives (5 years).

3) Leased assets

Leased assets related to finance lease transactions that transfer ownership

Leased assets related to finance lease transactions that transfer ownership are depreciated by the same method applied to property, plant and equipment owned by the Company.

Leased assets related to finance lease transactions that do not transfer ownership

Leased assets related to finance lease transactions that do not transfer ownership are depreciated by the straight-line method, with the lease periods as their useful lives and no residual value.

(3) Basis for recognition of significant allowance and provisions

1) Allowance for doubtful receivables

The allowance for doubtful receivables is provided based on past loss experience for normal receivables and by estimating collectable amounts individually for specific receivables such as those feared to be defaulted on.

2) Accrued losses on sales contracts

Accrued losses on sales contracts are provided for at the amount of estimated future losses for the next fiscal year onward on sales contracts at the balance sheet date when such losses are probable and can be reasonably estimated.

(4) Basis for recognition of significant revenue and expense

The details of the main performance obligations in the main businesses of the Company and consolidated subsidiaries related to revenue arising from contracts with customers and the usual timing of satisfying such performance obligations (ordinary timing of recognizing revenue) are as follows. The consideration for the transaction was received within one year from the revenue recognition and does not include a significant financial component.

1) Wholesale business

“Wholesale business” mainly purchases and sells industrial machinery and equipment and provides related services. Since the control of the products is transferred to the customer when the product is delivered to the customer or when the customer completes acceptance inspection, the performance obligation is judged to be satisfied and revenue is recognized at that point.

2) Preform business

“Preform business” mainly manufactures and sells preforms for PET bottles, plastic caps and provides related services. Since the control of the goods or products is transferred to the customer when the goods or products are delivered to the customer, the performance obligation is judged to be satisfied and revenue is recognized at that point.

(5) Standards for conversion of significant foreign currency denominated assets or liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date, and differences arising from the translation are recognized as gain or loss. The assets and liabilities, and revenue and expense accounts of the foreign subsidiaries are translated into Japanese yen at the exchange rates at the balance sheet date and differences arising from such translation were shown as “Foreign currency translation adjustments” and “Non-controlling interests” in the net assets section.

(6) Significant hedge accounting method

1) Hedge accounting method

The Company and consolidated subsidiaries apply the deferred hedge accounting method. In addition, appropriation processing is used for foreign exchange contracts that meet the requirements for appropriation processing.

2) Hedging instruments and hedged items

Hedging instruments	:	Derivative transactions (foreign exchange contracts)
Hedged items	:	Foreign currency denominated monetary receivables and payables

3) Hedging policy

For the purpose of mitigating risks associated with exchange rate fluctuations, the Company and consolidated subsidiaries engage in currency derivative transactions.

4) Method for evaluation of hedge effectiveness

For forward exchange contracts, the evaluation of effectiveness is omitted because the important terms of hedging instruments and hedged items are the same, and the cash flow can be fixed after the start of hedging.

(7) Scope of cash and cash equivalents in consolidated statement of cash flows

Cash and cash equivalents are cash on hand, cash in banks and short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value, which mature or become due within three months of the date of acquisition.

(8) Other

Adoption of the group tax sharing system

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system.

SIGNIFICANT ACCOUNTING ESTIMATES

(Impairment of non-current assets)

(1) Amount recorded in the consolidated financial statements

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Property, plant and equipment	5,936,935	3,427,774
Intangible fixed assets	281,505	232,242
Impairment loss	65,302	1,057,993

(2) Information about contents of significant accounting estimates for identified items

1) Calculation method

The long-lived assets that are used for business are mainly grouped by company. Idle assets are grouped as individual property.

If the operating loss arising from an asset or asset group continued, or is expected to continue, or if the market value of non-current assets significantly declines, the Group recognizes indication of impairment.

When the Group recognizes indication of impairment, if the total undiscounted future cash flows from the asset or asset group are less than its carrying amount, the carrying amount of an asset or asset group is reduced to its recoverable amount and the reduced amount is recorded as an impairment loss.

ALTECH NEW MATERIALS (SUZHOU) CO., LTD. operating loss continued, which led to indications of impairment, the Group tested for impairment. But impairment loss was not recognized other than for idle assets, because the total undiscounted future cash flows to be obtained from the asset group exceeded its carrying amount.

For details regarding the impairment loss recorded in the fiscal year ended November 30, 2025, please refer to Note "MATTERS RELATED TO CONSOLIDATED STATEMENTS OF OPERATION", *9 Impairment loss.

2) Significant assumptions

Undiscounted future cash flows are estimated based on business plans and future net realizable value. The business plan is estimated by incorporating the estimated sales volume of products. Future net realizable value is calculated based on the appraisal value, etc. by a real estate appraiser.

3) Effect on the consolidated financial statements for the fiscal year ended November 30, 2026

If the assumptions are used in the initial estimate change due to changes in economic conditions, new impairment losses may occur in the fiscal year ended November 30, 2026, onward.

(Recoverability of deferred tax assets)

(1) Amount recorded in the consolidated financial statements

(Thousands of yen)

	As of November 30, 2024	As of November 30, 2025
Deferred tax assets	139,949	85,077

(2) Information about contents of significant accounting estimates for identified items

1) Calculation method

The Group judged the recoverability of deferred tax assets for the future deductible temporary differences and tax loss carryforwards based on the taxable income estimates taking the future profitability into consideration.

The Group considers the business environment in the near future based on the plan for the year ended November 30, 2026.

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system, and the recoverability of deferred tax assets is determined by considering the future taxable income of the total group as a whole.

2) Significant assumptions

The Group estimates the taxable income based on the business plan for the fiscal year ended November 30, 2026. Certain domestic consolidated subsidiaries that apply the group tax sharing system estimate taxable income based on their business plans, which include sales volume forecasts of preforms for PET bottles.

3) Effect on the consolidated financial statements for the fiscal year ended November 30, 2026

If the assumptions are used in the initial estimate change due to changes in economic conditions, it becomes necessary to revise the estimated future taxable income. As a result, write-off of unrecoverable deferred tax assets and deferred tax expense may be recognized.

CHANGE IN ACCOUNTING POLICIES

(Accounting Standard for Current Income Taxes etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) etc. from the beginning of the fiscal year ended November 30, 2025.

Regarding the amendment concerning the classification of income taxes (taxation of other comprehensive income), the transitional treatment stipulated in the proviso to Paragraph 20-3 of the “2022 Revised Accounting Standard” and the exception clause in Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Application Guidance”). This change in accounting policy has no impact on the fiscal year ended November 30, 2025.

In addition, with regard to the amendments related to the review of the treatment in consolidated financial statements when profits or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, “2022 Revised Application Guidance” have been applied from the beginning of the fiscal year ended November 30, 2025. This change in accounting policy has been applied retroactively, and the consolidated financial statements for the fiscal year ended November 30, 2024, are retroactively applied. This change in accounting policy has no impact on the fiscal year ended November 30, 2024.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

(Accounting Standard for Leases etc.)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024) etc.

(1) Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc.

Regarding the method for allocating the lease expenses in the lessee's accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Planned applicable date

The accounting standards are to be applied from the beginning of the fiscal year ended November 30, 2028.

(3) Impact of application on these accounting standards

The Company is currently evaluating the impact of application of these accounting standards to the consolidated financial statements.

CHANGE IN PRESENTATION

(Consolidated Balance Sheet)

In the fiscal year ended November 30, 2024, "Accounts receivable-other" was included in "Other" under "Current assets", but due to its increasing monetary significance, it has been presented separately from the the fiscal year ended November 30, 2025. In order to reflect this change in presentation, the consolidated financial statements for the fiscal year ended November 30, 2024, have been reclassified.

As a result, ¥195,490 thousand presented as "Other" under "Current assets" in the consolidated statement of operations for the fiscal year ended November 30, 2024, has been reclassified as "Accounts receivable-other" of ¥52,941 thousand and "Other" of ¥142,548 thousand.

(Consolidated Statement of Operations)

In the fiscal year ended November 30, 2024, "Compensation income" was included in "Other" under "Non-operating income", but due to its increasing monetary significance, it has been presented separately from the the fiscal year ended November 30, 2025. In order to reflect this change in presentation, the consolidated financial statements for the fiscal year ended November 30, 2024, have been reclassified.

As a result, ¥97,434 thousand presented as "Other" under "Non-operating income" in the consolidated statement of operations for the fiscal year ended November 30, 2024, has been reclassified as "Compensation income" of ¥19,185 thousand and "Other" of ¥78,249 thousand.

MATTERS RELATED TO CONSOLIDATED BALANCE SHEETS

*1 The amount of contract liabilities arising from contracts with customers

Contract liabilities arising from contracts with customers are recorded in “Advances received”. The amount of contract liabilities is reported in Note “REVENUE RECOGNITION”, 3. Information on the relationship between the satisfaction of performance obligations according to contracts with customers and cash flows generated from such contracts, and on the amounts and timing of revenue from contracts with existing customers as of the end of the current fiscal year that is expected to be recognized during or after the following fiscal year.

*2 Assets pledged

Assets pledged as collateral are as follows:

	(Thousands of yen)	
	As of November 30, 2024	As of November 30, 2025
Investment securities	26,880	36,352

As of November 30, 2025, and 2024, revolving mortgages related to banking transactions have been established to assets pledged, but there are no obligations corresponding to assets pledged.

3 Commitments

As of November 30, 2025, the Company has commitment line contracts with 3 banks (As of November 30, 2024: 4 banks) to flexibly and efficiently finance the operating fund and the business investment fund. Unused lines of credit related to the commitment line contracts are as follows:

	(Thousands of yen)	
	As of November 30, 2024	As of November 30, 2025
Total commitments	1,500,000	1,350,000
Borrowings	—	—
Unused commitments	1,500,000	1,350,000

4 Contingencies

As of November 30, 2025, the Company was contingently liable for investment guarantee of ¥16,045 thousand (3,472 thousand Baht), for Altech Asia Pacific Co., Ltd. to SBCS Co., Ltd. and SMSB Co., Ltd, which are subsidiaries of Sumitomo Mitsui Banking Corporation. (As of November 30, 2024: ¥15,315 thousand (3,472 thousand Baht))

*5 Notes receivable and electronically recorded monetary claims maturing on the last day of the consolidated fiscal year

Notes receivable and electronically recorded monetary claims maturing on the last day of the consolidated fiscal year are settled on the bill clearing date or settlement date. November 30, 2025, and 2024 were holidays for financial institutions, therefore notes receivable and electronically recorded monetary claims maturing on the last day of the consolidated fiscal year included in each consolidated balance sheets. These amounts are as follows:

	(Thousands of yen)	
	As of November 30, 2024	As of November 30, 2025
Notes receivable	125,800	—
Electronically recorded monetary claims	1,243	5,623

MATTERS RELATED TO CONSOLIDATED STATEMENTS OF OPERATION

*1 Revenue from contracts with customers

Operating revenue is not presented separately for revenue from contracts with customers and other revenue. Revenue from contracts with customers is reported in Note “REVENUE RECOGNITION”, 1. Disaggregation of revenue from contracts with customers.

*2 The balance of inventories at the balance sheet date is the amount that have been written down due to a decline in profitability. The amount of write-downs included in cost of sales is as follows:

(Thousands of yen)		
	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
	46,717	144,157

*3 Significant components of selling, general and administrative expenses are as follows:

(Thousands of yen)		
	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Salaries	991,971	1,048,272
Retirement benefit cost	22,342	23,068
Provision of allowance for doubtful accounts	15,285	(94)

*4 Gain on sale of property, plant and equipment consisted of the following:

(Thousands of yen)		
	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Buildings and structures	459,047	—
Machinery and equipment, and vehicles	4,666	464
Land	—	12,708
Lease assets	445	3,189
The right to use land	107,459	—
Other	3,866	245
Total	575,484	16,608

*5 Gain on sale of investment securities

For the fiscal year ended November 30, 2024

As a result of selling some of the investment securities held (1 listed stock, 1 unlisted stock), gain on sale of investment securities of ¥169,847 thousand was recorded as extraordinary income.

*6 Gain on sale of shares of investments in capital of subsidiaries and associates

For the fiscal year ended November 30, 2025

As a result of transfer of all-equity interests in ALTECH NEW MATERIALS (SHENZHEN) CO., LTD., which was an equity-method affiliate, and transfer of all-equity interests in LIUPANSHUI ALTECH NEW MATERIALS TECHNOLOGY CO., LTD., which was a consolidated subsidiary, gain on sale of shares of investments in capital of subsidiaries and associates of ¥448,216 thousand was recorded as extraordinary income.

*7 Loss on sale of property, plant and equipment consisted of the following:

(Thousands of yen)		
	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Machinery and equipment, and vehicles	146	253
Other	13	—
Total	160	253

*8 Loss on retirement of property, plant and equipment consisted of the following:

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Buildings and structures	—	524
Machinery and equipment, and vehicles	92	1,299
Lease assets	1,480	—
Construction in progress	—	5,127
Other	661	761
Total	2,233	7,712

*9 Impairment loss

For the fiscal year ended November 30, 2024

The Group recognized impairment loss for the fiscal year ended November 30, 2024.

Location	Usage	Classification
Sakai City, Fukui	Idle assets	Construction in progress
Suzhou City, China	Idle assets	Machinery and equipment, and vehicles Lease assets Other

Assets for which impairment loss were recognized:

(Thousands of yen)

Classification	Amount
Machinery and equipment, and vehicles	1,014
Lease assets	56,931
Construction in progress	3,847
Other	3,509
Total	65,302

Background leading to recognition of impairment loss:

ALTECH NEW MATERIALS CO., LTD. and ALTECH NEW MATERIALS (SUZHOU) CO., LTD. have fixed assets to be disposal, and the recoverable value of the fixed assets is less than the carrying amount, so the carrying amount has been reduced to the recoverable amount.

Grouping Method:

The long-lived assets that are used for business are mainly grouped by company. Idle assets are grouped as individual property.

Calculation method of recoverable amount, etc.:

Since this asset group is a fixed asset to be disposed of within one year, its recoverable amount is evaluated as zero.

For the fiscal year ended November 30, 2025

The Group recognized impairment loss for the fiscal year ended November 30, 2025.

Location	Usage	Classification	Accounts on the consolidated statement of operations
Sakai City, Fukui	Production equipment, etc.	Buildings and structures Machinery and equipment, and vehicles Land Other property, plant and equipment The right to use land	Impairment loss
Suzhou City, China	Idle assets	Machinery and equipment, and vehicles Lease assets Other property, plant and equipment	Impairment loss
Liupanshui City, China	Production equipment, etc.	Buildings and structures Machinery and equipment, and vehicles Construction in progress Other non-current assets	Business restructuring expenses

Assets for which impairment loss were recognized:

(Thousands of yen)

Classification	Impairment loss	Business restructuring expenses	Total
Buildings and structures	296,788	1,676	298,464
Machinery and equipment, and vehicles	603,799	602,297	1,206,097
Land	20,133	—	20,133
Lease assets	6,501	—	6,501
Construction in progress	—	235,236	235,236
Other property, plant and equipment	98,287	4,663	102,951
The right to use land	32,482	—	32,482
Total	1,057,993	843,874	1,901,867

Background leading to recognition of impairment loss:

As for ALTECH NEW MATERIALS CO., LTD. (located in Sakai City, Fukui) operating loss continued, which led to indications of impairment, the Group tested for impairment. As a result, the total amount of undiscounted future cash flows to be obtained from the asset group is less than its book value, so production equipment, etc. was written down to the recoverable amount based on the value in use, and the reduction of ¥1,038,695 thousand was recognized as an impairment loss.

As for ALTECH NEW MATERIALS (SUZHOU) CO., LTD. (located in Suzhou City, China), non-current assets were scheduled for disposal. The recoverable value of these non-current assets was less than the carrying amount, therefore the carrying amount was reduced to the recoverable amount and ¥19,298 thousand was recognized as an impairment loss.

As for LIUPANSHUI ALTECH ENVIRONMENTAL PROTECTION TECHNOLOGY CO., LTD. (located in Liupanshui City, China) and LIUPANSHUI ALTECH NEW MATERIALS TECHNOLOGY CO., LTD. (located in Liupanshui City, China), the future use of non-current assets became unlikely due to business withdrawal, the full book value of ¥843,874 thousand was reduced. This amount is included in "Business restructuring expenses" under "Extraordinary losses" in the consolidated statement of operations.

Grouping Method:

The long-lived assets that are used for business are mainly grouped by company. Idle assets are grouped as individual property.

Calculation method of recoverable amount, etc.:

The production equipment, etc. located in Sakai City, Fukui, is measured at their "Value-In- Use"(VIU) calculated by discounting future cash flows at a rate of 7.38%. The undiscounted future cash flows are estimated based on the business plan, incorporating projections such as the anticipated sales volume of preforms for PET bottles.

Since the idle assets located in Suzhou City, China, is a fixed asset to be disposed of within one year, its recoverable amount is evaluated as zero.

Since the production equipment, etc. located in Liupanshui City, China, is expected to generate no future cash flow due to the business withdrawal, the full book value is reduced.

*10 Loss on sale of investments in capital of subsidiaries and affiliates

For the fiscal year ended November 30, 2025

As a result of transfer of all-equity interests in VALTE (SUZHOU) BIOTECHNOLOGY CO., LTD., which was an equity-method affiliate, loss on sale of investments in capital of subsidiaries and affiliates of ¥1,303 thousand was recorded as extraordinary losses.

*11 Business restructuring expense

For the fiscal year ended November 30, 2024

Results to reviewing the base network of the new recycled-pellets business of the preform business, business restructuring expense of ¥665,393 thousand was recorded as extraordinary losses. This loss consists of loss from the liquidation of assets and liabilities of the business, costs associated with personnel reductions, etc.

For the fiscal year ended November 30, 2025

Regarding the new recycled-pellets business of the preform business, we implemented structural reforms including withdrawal and exited the business in the fiscal year ended November 30, 2025. In addition to recording an impairment loss of ¥843,874 thousand as described in “*9 Impairment loss”, other withdrawal cost was incurred. Consequently, business restructuring expense ¥1,198,129 thousand was recorded as extraordinary losses.

MATTERS RELATED TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

* Reclassification and tax effect of other comprehensive losses are as follows:

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Valuation difference on available for sale securities:		
Arising during the year	14,825	79,854
Reclassification adjustments	(166,355)	—
Before tax effect	(151,529)	79,854
Tax effect	44,906	(23,852)
Valuation difference on available for sale securities	(106,623)	56,002
Deferred income (loss) on derivatives under hedge accounting:		
Arising during the year	(46,775)	31,216
Reclassification adjustment	—	—
Before tax effect	(46,775)	31,216
Tax effect	14,322	(9,558)
Deferred income (loss) on derivatives under hedge accounting	(32,452)	21,658
Foreign currency translation adjustments:		
Arising during the year	793	138,409
Reclassification adjustment	—	(2,065)
Before tax effect	793	136,344
Tax effect	—	—
Foreign currency translation adjustments	793	136,344
Share of other comprehensive income (loss) of affiliates accounted for by equity method:		
Arising during the year	45,141	(24,369)
Reclassification adjustment	—	(491,917)
Share of other comprehensive income (loss) of affiliates accounted for by equity method	45,141	(516,287)
Total other comprehensive loss	(93,140)	(302,281)

MATTERS RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the fiscal year ended November 30, 2024

1. Type and number of shares issued and type and number of treasury shares are summarized as follows:

	Number of shares at the beginning of the year	Number of shares that increased during the year	Number of shares that decreased during the year	Number of shares at the end of the year
Shares issued:				
Common stock	15,153,000	—	—	15,153,000
Total	15,153,000	—	—	15,153,000
Treasury shares:				
Common stock (Note)	1,383,361	120	—	1,383,481
Total	1,383,361	120	—	1,383,481

Note: The increase shares in treasury shares are due to purchase of fractional shares.

2. Stock acquisition rights and treasury stock acquisition rights

Not applicable.

3. Dividends

(1) Amount of cash dividends distributed

Resolution	Type of share	Total amount of dividends (Thousand of yen)	Dividends per share (yen)	Record date	Effective date
General meeting of shareholders held on February 28, 2024	Common stock	96,387	7.00	November 30, 2023	February 29, 2024

(2) Dividends with a record date in the current fiscal year, and an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividends (Thousand of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
General meeting of shareholders held on February 27, 2025	Common stock	96,386	Retained earnings	7.00	November 30, 2024	February 28, 2025

For the fiscal year ended November 30, 2025

1. Type and number of shares issued and type and number of treasury shares are summarized as follows:

	Number of shares at the beginning of the year	Number of shares that increased during the year	Number of shares that decreased during the year	Number of shares at the end of the year
Shares issued:				
Common stock	15,153,000	—	—	15,153,000
Total	15,153,000	—	—	15,153,000
Treasury shares:				
Common stock (Note)	1,383,481	130	—	1,383,611
Total	1,383,481	130	—	1,383,611

Note: The increase shares in treasury shares are due to purchase of fractional shares.

2. Stock acquisition rights and treasury stock acquisition rights

Not applicable.

3. Dividends

(1) Amount of cash dividends distributed

Resolution	Type of share	Total amount of dividends (Thousand of yen)	Dividends per share (yen)	Record date	Effective date
General meeting of shareholders held on February 27, 2025	Common stock	96,386	7.00	November 30, 2024	February 28, 2025

(2) Dividends with a record date in the current fiscal year, and an effective date in the following fiscal year

The Company will submit the following proposals at the general meeting of shareholders held on February 26, 2026.

Resolution	Type of share	Total amount of dividends (Thousand of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
General meeting of shareholders held on February 26, 2026	Common stock	96,385	Retained earnings	7.00	November 30, 2025	February 27, 2026

MATTERS RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS

*1 Reconciliations of cash and cash equivalents in the consolidated statement of cash flows to accounts and amounts in the accompanying consolidated balance sheet are as follows:

	(Thousands of yen)	
	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Cash and deposits	4,119,289	3,611,513
Time deposits with maturities of more than three months	(76,375)	(82,251)
Cash and cash equivalents	4,042,913	3,529,262

*2 Breakdown of assets and liabilities of companies that ceased to be consolidated subsidiaries due to the sale of equity interests:

For the fiscal year ended November 30, 2025

LIUPANSHUI ALTECH ENVIRONMENTAL PROTECTION TECHNOLOGY CO., LTD., and LIUPANSHUI ALTECH NEW MATERIALS TECHNOLOGY CO., LTD., which were consolidated subsidiaries, were therefore excluded from the scope of consolidation because their all-equity interests were transferred. Breakdowns of assets and liabilities at the time of their sales, as well as the relationship between sales prices and expenditure from sales (net amount), are as follows:

	(Thousands of yen)
Current assets	754,857
Non-current assets	9,515
Current liabilities	(231,614)
Non-current liabilities	—
Non-controlling interests	(266,631)
Foreign currency translation adjustments	(3,040)
Other	2,274
Loss on sales	(265,360)
Sales prices of equity interests	—
Cash and cash equivalents	48,617
Deduction amount: Expenditure from sales	48,617

LEASE TRANSACTION

(As a lessee)

Finance lease transactions

Finance lease transactions that transfer ownership

1) Details of leased assets

Property, plant and equipment

Machinery and equipment, and vehicles

Tools, furniture and fixtures

2) Method of depreciation and amortization of leased assets

This information is described in Note “SIGNIFICANT MATTERS THAT FORM THE BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS”, 4. Matters related to accounting policies, (2) Method of depreciation and amortization of significant assets.

Finance lease transactions that do not transfer ownership

1) Details of leased assets

Property, plant and equipment

Machinery and equipment, and vehicles

Tools, furniture and fixtures

Intangible fixed assets

Software

2) Method of depreciation and amortization of leased assets

This information is described in Note “SIGNIFICANT MATTERS THAT FORM THE BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS”, 4. Matters related to accounting policies, (2) Method of depreciation and amortization of significant assets.

FINANCIAL INSTRUMENTS

1. Status of financial instruments

(1) Management policy for financial instruments

The Group procures necessary funds mainly through loans from banks and leases according to the capital investment plan. Temporary idle funds are invested in a short-term deposit etc., and short-term operating funds are procured by loans from financial institutes. The Group uses derivatives to hedge the risks described later and does not enter into derivatives for speculative purposes.

(2) Type of financial instruments and risks

Trade receivables including notes receivable, accounts receivable, and electronically recorded monetary claims are exposed to customer credit risks. Part of trade receivables denominated in foreign currency are exposed to currency fluctuation risks.

Investment securities are equity securities mainly held for business relationships and are exposed to fluctuations in market prices.

Maturities of trade payables including trade notes and accounts payable are mostly within one year. Part of trade payables denominated in foreign currency are exposed to currency fluctuation risks.

The Company uses short-term borrowings mainly to finance operating funds and long-term borrowings and lease obligations to finance capital investment and operating funds. Some debts are exposed to interest rate risk.

The Company uses foreign exchange forward contracts that are employed to hedge the foreign currency fluctuation risks of trade receivables and payables denominated in foreign currencies. Regarding hedging methods and hedged items, hedging policy, methods for evaluating the effectiveness of hedging, etc. regarding hedge accounting, please see Note "SIGNIFICANT MATTERS THAT FORM THE BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS", 4. Matters related to accounting policies, (6) Significant hedge accounting method.

(3) Risk management

1) Credit risk (risk related to nonperformance of contract by counterparty) management

The Group performs due date and balance controls for each customer in accordance with credit control rules and regularly monitors major customers' credit status.

2) Market risk (foreign currency and interest rate fluctuation risk) management

The Group mainly uses forward exchange contracts to hedge the currency fluctuation risks recognized by currency which is related to trade receivables and payables denominated in foreign currency.

Derivative transactions are executed and controlled in accordance with internal rules which establish the trading limit and trading authorities. Also, in order to mitigate credit risk, the counterparties to derivative transactions are limited to financial institutions with high credit ratings.

The Group regularly monitors stock prices and the issuers' financial condition, and continuously considers whether the investment securities are held.

3) Liquidity risk (risk of being unable to make payments on due date) management

The department in charge prepares and updates a fund management plan in a timely manner based on each department report and manages liquidity risk by maintaining an appropriate level of liquidity.

(4) Supplement to fair values of financial instruments

The fair value of financial instruments includes values based on market prices and, in the absence of market prices, reasonably calculated values. Because the fair values are calculated based on variable factors, the results of valuation may differ when different assumption is applied.

2. Fair values of the financial instruments

Carrying amounts in the consolidated balance sheet, fair values and differences are as follows:

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Carrying amount	Fair value	Differences
(1) Investment securities	232,103	232,103	—
Total assets	232,103	232,103	—
(1) Long-term borrowings (*3)	1,117,902	1,113,907	(3,994)
(2) Lease obligations (*4)	992,293	989,853	(2,439)
Total liabilities	2,110,195	2,103,760	(6,434)
Derivatives (*5)	(16,144)	(16,144)	—

For the fiscal year ended November 30, 2025

(Thousands of yen)

	Carrying amount	Fair value	Differences
(1) Investment securities	315,073	315,073	—
Total assets	315,073	315,073	—
(1) Long-term borrowings (*3)	991,000	982,919	(8,080)
(2) Lease obligations (*4)	743,092	741,735	(1,357)
Total liabilities	1,734,092	1,724,655	(9,437)
Derivatives (*5)	15,070	15,070	—

(*1) “Cash and deposits” are omitted because they are cash and their fair value approximates their book value due to their short maturities. “Notes receivable”, “Accounts receivable”, “Electronically recorded monetary claims”, “Short-term loans receivable”, “Trade notes and accounts payable” and “Short-term borrowings” are omitted because their fair value approximates their book value due to their short maturities.

(*2) The following nonmarketable equity securities are not included in above tables.

(Thousands of yen)

Category	As of November 30, 2024	As of November 30, 2025
Unlisted stock, etc.	378,527	—
Investment (“Other” under “Investments and other assets”)	—	170

(*3) Long-term borrowings include current portion of long-term borrowings.

(*4) Lease obligations include short-term lease obligations.

(*5) Net receivables and payables arising from derivative transactions are presented on a net basis, and items that are total net payables are shown in parentheses.

Notes

1. Redemption schedule for financial receivables and securities with maturity dates after the consolidated balance sheet date

As of November 30, 2024

(Thousands of yen)

	Due Within one year	Due after one year through five years	Due after five years through ten years	Due after over ten years
Cash and deposits	4,119,289	—	—	—
Notes receivable	229,574	—	—	—
Accounts receivable	2,222,838	—	—	—
Electronically recorded monetary claim	491,072	—	—	—
Short-term loans receivable	111,507	—	—	—
Total	7,174,281	—	—	—

As of November 30, 2025

(Thousands of yen)

	Due Within one year	Due after one year through five years	Due after five years through ten years	Due after over ten years
Cash and deposits	3,611,513	—	—	—
Notes receivable	110,271	—	—	—
Accounts receivable	2,567,704	—	—	—
Electronically recorded monetary claim	550,718	—	—	—
Total	6,840,206	—	—	—

2. Repayment schedule for bonds, long-term borrowings, lease obligations and other interest-bearing debt after the consolidated balance sheet date

As of November 30, 2024

(Thousands of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after over five years
Short-term borrowings	2,560,132	—	—	—	—	—
Long-term borrowings	526,902	112,000	112,000	112,000	105,000	150,000
Lease obligations	268,605	244,670	211,120	165,754	57,673	44,469
Total	3,355,639	356,670	323,120	277,754	162,673	194,469

As of November 30, 2025

(Thousands of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after over five years
Short-term borrowings	2,043,080	—	—	—	—	—
Long-term borrowings	512,000	112,000	112,000	105,000	100,000	50,000
Lease obligations	250,573	216,464	170,235	60,072	18,284	27,462
Total	2,805,653	328,464	282,235	165,072	118,284	77,462

3. Breakdown of fair value of financial instruments by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs that reflect quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value measured using inputs other than quoted prices included within Level 1

Level 3 fair value: Fair value measured using unobservable inputs

If multiple inputs that are significant to the fair value measurement are used, the fair value measurement is categorized in the lowest priority level in which each input belongs.

(1) Financial instruments measured at fair value

As of November 30, 2024

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available for sale securities	232,103	—	—	232,103
Total assets	232,103	—	—	232,103
Derivatives:				
Currency related (*)	—	(16,144)	—	(16,144)
Total derivatives	—	(16,144)	—	(16,144)

(*) Net receivables and payables arising from derivative transactions are presented on a net basis, and items that are total net payables are shown in parentheses.

As of November 30, 2025

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available for sale securities	315,073	—	—	315,073
Total assets	315,073	—	—	315,073
Derivatives:				
Currency related (*)	—	15,070	—	15,070
Total derivatives	—	15,070	—	15,070

(*) Net receivables and payables arising from derivative transactions are presented on a net basis, and items that are total net payables are shown in parentheses.

(2) Financial instruments other than those measured at fair value

As of November 30, 2024

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	—	1,113,907	—	1,113,907
Lease obligations	—	989,853	—	989,853
Total liabilities	—	2,103,760	—	2,103,760

As of November 30, 2025

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	—	982,919	—	982,919
Lease obligations	—	741,735	—	741,735
Total liabilities	—	1,724,655	—	1,724,655

Note: A description of the valuation techniques and inputs used in the fair value measurements

Investment securities

Listed shares are measured at their quoted prices on the stock exchange and are classified as Level 1 fair value.

Long-term borrowings and Lease obligations

The fair value of long-term borrowings and lease obligations is calculated by discounting the interest rate assumed for similar new loans and are classified as Level 2 fair value.

Derivatives

The market value of forward exchange contracts is calculated based on the prices, etc., presented by counterparty financial institutions and is classified as Level 2 fair value.

SECURITIES

1. Trading securities

Not applicable.

2. Held to maturity securities

Not applicable.

3. Available for sale securities

As of November 30, 2024

(Thousands of yen)

	Type of securities	Balance sheet amount	Acquisition cost	Difference
Securities for which balance sheet amount exceeds acquisition cost	(1) Equity securities	232,103	166,769	65,334
	(2) Bonds			
	1) Government bonds, local bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	232,103	166,769	65,334
Securities for which balance sheet amount does not exceed acquisition cost	(1) Equity securities	—	—	—
	(2) Bonds			
	1) Government bonds, local bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	—	—	—
Total		232,103	166,769	65,334

As of November 30, 2025

(Thousands of yen)

	Type of securities	Balance sheet amount	Acquisition cost	Difference
Securities for which balance sheet amount exceeds acquisition cost	(1) Equity securities	315,073	169,884	145,189
	(2) Bonds			
	1) Government bonds, local bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	315,073	169,884	145,189
Securities for which balance sheet amount does not exceed acquisition cost	(1) Equity securities	—	—	—
	(2) Bonds			
	1) Government bonds, local bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	—	—	—
Total		315,073	169,884	145,189

4. Available for sale securities sold

For the fiscal year ended November 30, 2024

(Thousands of yen)

Type of securities	Sale amount	Gain on sale	Loss on sale
(1) Equity securities	216,070	169,847	—
(2) Bonds			
1) Government bonds, local bonds, etc.	—	—	—
2) Corporate bonds	—	—	—
3) Other	—	—	—
(3) Other	—	—	—
Total	216,070	169,847	—

For the fiscal year ended November 30, 2025

Not applicable.

5. Held to maturity securities sold

Not applicable.

6. Securities for which the holding purpose has been changed

Not applicable.

7. Impairment of securities

Not applicable.

DERIVATIVES

1. Derivative transactions for which hedge accounting is not applied

(1) Currency related

Not applicable.

(2) Interest rate related

Not applicable.

2. Derivative transactions for which hedge accounting is applied

(1) Currency related

As of November 30, 2024

(Thousands of yen)

Hedge accounting method	Type of derivatives transactions	Hedged items	Contract or notional amounts	Out of contracts, etc., amounts exceeding one year	Fair value
Appropriation treatment of exchange contracts, etc. (Forecast transaction)	Forward exchange contracts				
	Selling foreign currency				
	U.S. dollar	Accounts receivable	180,656	—	(2,900)
	Euro		16,951	—	(293)
	Other currencies		83,316	—	2,073
	Buying foreign currency				
	U.S. dollar	Accounts payable	255,180	—	(466)
	Euro		318,578	—	(12,594)
	Other currencies		81,756	—	(1,962)
	Total		936,439	—	(16,144)

As of November 30, 2025

(Thousands of yen)

Hedge accounting method	Type of derivatives transactions	Hedged items	Contract or notional amounts	Out of contracts, etc., amounts exceeding one year	Fair value
Appropriation treatment of exchange contracts, etc. (Forecast transaction)	Forward exchange contracts				
	Selling foreign currency				
	U.S. dollar	Accounts receivable	1,862	—	(28)
	Euro		15,763	—	(343)
	Other currencies		42,002	—	(3,465)
	Buying foreign currency				
	U.S. dollar	Accounts payable	146,534	—	6,373
	Euro		313,118	—	10,035
	Other currencies		42,123	—	2,499
	Total		561,405	—	15,070

(2) Interest rate related

As of November 30, 2024

Not applicable.

As of November 30, 2025

Not applicable.

RETIREMENT BENEFITS

1. Outline of retirement benefits plans

The Company introduced an optional defined contribution corporate pension plan. In addition, some consolidated subsidiaries are in the Small and Medium Enterprise Retirement Allowance Mutual Aid System.

2. Defined contribution pension plans

For the fiscal year ended November 30, 2024

The amount of contribution required by the Company and some consolidated subsidiaries to the defined contribution pension plan for the current consolidated fiscal year is ¥24,638 thousand.

For the fiscal year ended November 30, 2025

The amount of contribution required by the Company and some consolidated subsidiaries to the defined contribution pension plan for the current consolidated fiscal year is ¥26,396 thousand.

STOCK OPTIONS, etc.

Not applicable.

INCOME TAXES

1. Significant components of deferred tax assets and liabilities are as follows:

	As of November 30, 2024	(Thousands of yen) As of November 30, 2025
Deferred tax assets:		
Accrued expenses	59,027	76,903
Other payables	4,861	9,463
Allowance for doubtful receivables	4,741	42,105
Loss on valuation of products	116,344	150,717
Excess depreciation	105,195	99,805
Impairment loss	2,243	370,040
Unrealized intercompany profits	2,354	2,354
Revaluation loss on investment securities	11,470	11,807
Lease deposit (depreciation of asset retirement obligations)	11,155	12,890
Tax loss carryforwards (Note 2)	505,278	330,614
Other	43,501	55,308
Total deferred tax assets	866,174	1,162,010
Valuation allowance for tax loss carryforwards (Note 2)	(505,278)	(330,614)
Valuation allowance for total deductible temporary differences	(203,940)	(700,464)
Total valuation allowance (Note 1)	(709,218)	(1,031,079)
Offset with deferred tax liabilities	(17,006)	(45,854)
Net deferred tax assets	139,949	85,077
Deferred tax liabilities:		
Dividends receivable	1,104	1,499
Deferred gains or losses on derivative under hedge accounting	—	4,614
Loss on revaluation of assets under consolidated tax return system	1,545	1,322
Valuation difference on available-for-sale securities	14,356	38,208
Other	0	209
Total deferred tax liabilities	17,006	45,854
Offset with deferred tax assets	(17,006)	(45,854)
Net deferred tax liabilities	—	—

(Change in presentation)

In the fiscal year ended November 30, 2024, “Impairment loss” was included in “Land” and “Other” under “Deferred tax assets”, but due to its increasing monetary significance, it has been presented separately from the the fiscal year ended November 30, 2025. In order to reflect this change in presentation, Note “INCOME TAXES” for the fiscal year ended November 30, 2024, has been reclassified.

As a result, ¥654 thousand presented as “Land” and ¥45,091 thousand presented as “Other” under “Deferred tax assets” in Note “INCOME TAXES” for the fiscal year ended November 30, 2024, have been reclassified as “Impairment loss” of ¥2,243 thousand and “Other” of ¥43,501 thousand.

Notes

1. For the fiscal year ended November 30, 2025, the valuation allowance increased by ¥321,860 thousand. This is mainly due to increase in valuation allowances related to impairment losses.

2. Tax loss carryforwards will expire as follows:

As of November 30, 2024

	(Thousands of yen)						
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carryforwards (*)	16,595	17,010	10,716	66,051	280,945	113,958	505,278
Valuation allowance	(16,595)	(17,010)	(10,716)	(66,051)	(280,945)	(113,958)	(505,278)
Deferred tax assets	—	—	—	—	—	—	—

(*) The amount of tax loss carryforwards shown in the table above is the amount obtained by multiplying the effective statutory tax rate.

As of November 30, 2025

(Thousands of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carryforwards (*)	16,680	70,161	27,109	65,601	2,875	148,185	330,614
Valuation allowance	(16,680)	(70,161)	(27,109)	(65,601)	(2,875)	(148,185)	(330,614)
Deferred tax assets	—	—	—	—	—	—	—

(*) The amount of tax loss carryforwards shown in the table above is the amount obtained by multiplying the effective statutory tax rate.

2. A reconciliation of the statutory tax rate and the effective tax rate as a percentage

Disclosure is omitted because a “loss before income taxes and non-controlling interests” has been recorded for the fiscal year ended November 30, 2024, and 2025.

3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates

Due to The “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, taxation under the “Special Defense Corporate Tax” will commence for consolidated fiscal years beginning on or after April 1, 2026.

In accordance with this, deferred tax assets and liabilities related to temporary differences expected to be resolved in the consolidated fiscal year beginning December 1, 2026, and thereafter, have been calculated using a statutory effective tax rate changed from 30.6% to 31.5%.

The impact of this tax rate change is minor.

4. Accounting treatment for corporate tax and local corporate tax or related tax effect accounting treatment

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system. The Company follows the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42 issued on August 12, 2021) for the accounting treatment and disclosure of corporate tax, local corporate tax and tax effect accounting.

BUSINESS COMBINATIONS

(Transfer of investments in capital of subsidiaries)

LIUPANSHUI ALTECH ENVIRONMENTAL PROTECTION TECHNOLOGY CO., LTD., and LIUPANSHUI ALTECH NEW MATERIALS TECHNOLOGY CO., LTD., which were consolidated subsidiaries, were therefore excluded from the scope of consolidation because their all-equity interests were transferred in the fiscal year ended November 30, 2025.

1. Overview of transfer of equity interest of subsidiaries

(1) Name of the transferee

CHONGQING QIJIN TECHNOLOGY CO., LTD.

(2) Name of transferred subsidiaries and their business outline

- 1) Name of company: LIUPANSHUI ALTECH ENVIRONMENTAL PROTECTION TECHNOLOGY CO., LTD.
Business outline: Manufacture and sale of recycled PET flakes
- 2) Name of company: LIUPANSHUI ALTECH NEW MATERIALS TECHNOLOGY CO., LTD.
Business outline: Manufacture and sale of recycled PET seats

(3) Main reason for transfer of equity interest of subsidiaries

As part of optimizing the business portfolio to achieve optimal allocation through the selection and concentration of management resources.

(4) Date of transfer of equity interest of subsidiaries

October 30, 2025

(5) Matters concerning the outline of other transactions, including legal form

Transfer of equity interests with no consideration received

2. Summary of accounting procedures performed

(1) Amount of gain or loss on transfer

	(Thousands of yen)
Gain on sale of shares of investments in capital of subsidiaries and associates	18,759
Loss on sale of investments in capital of subsidiaries and affiliates (*)	284,120

(*) The above "Loss on sale of investments in capital of subsidiaries and affiliates" is included in "Business restructuring expenses" under "extraordinary losses" in the consolidated statement of operations.

(2) The appropriate book value of assets and liabilities related to the transferred subsidiaries and their main breakdown

	(Thousands of yen)
Current assets	754,857
Non-current assets	9,515
Total assets	764,372
Current liabilities	231,614
Total liabilities	231,614

(3) Accounting treatment

The difference between the sale price of the transferred equity interest and its consolidated book value is recorded as "Gain on sale of shares of investments in capital of subsidiaries and associates" or "Loss on sale of investments in capital of subsidiaries and affiliates (this loss is included in "Business restructuring expenses" under "extraordinary losses" in the consolidated statement of operations)".

3. Name of the reporting segment to which the transferred subsidiaries belonged

Preform business

4. Approximate amount of profit or loss related to the transferred subsidiary recorded in the consolidated statement of income for the fiscal year ended November 30, 2025

	(Thousands of yen)
Net sales	1,250,087
Operating loss	(379,646)

ASSET RETIREMENT OBLIGATIONS

The Group has recognized estimated future restoration obligations related to leasehold contracts of offices as asset retirement obligations.

Since security deposits related to leasehold contracts are recorded as assets, instead of recognizing asset retirement obligations as liabilities, the Group estimated non-recoverable amounts of lease deposits under lease contracts and recorded the amount attributable to the current fiscal year as expenses.

FAIR VALUE OF INVESTMENT AND RENTAL PROPERTY

ALTECH NEW MATERIALS (SUZHOU) CO., LTD., the consolidated subsidiary of the Company rents land and a part of the building in Suzhou factory, China. Part of the property is used by the consolidated subsidiary of the Company and the property includes the part used as a rental property.

Net income from the rental property and the property includes the part used as a rental property for the fiscal years ended November 30, 2025, and 2024 are ¥83,943 thousand and ¥81,055 thousand, respectively. The rental income is included in “Net sales” and the rental cost is mainly included in “Cost of sales”.

The carrying amounts change for the year and fair values related to the rental property are as follows:

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Carrying amount:		
At the beginning of the year	1,646,932	256,744
Movement	(1,390,188)	(90,705)
At the end of the year	256,744	166,039
Fair value at end of the year	465,292	411,468

Notes

1. Because rental property is not significant, fair value is represented by the total amount of the rental property and the property if part of it used as rental.
2. Carrying amount is the amount after deducting accumulated depreciation and accumulated impairment losses from the acquisition cost.
3. For the year fiscal ended November 30, 2025, the decrease is due to rental termination of ¥30,286 thousand, the increase is arising from currency fluctuations of ¥5,270 thousand, and the decrease is due to depreciation of ¥65,689 thousand. For the fiscal year ended November 30, 2024, the increase is due to new rental of ¥39,105 thousand, the decrease is due to sales of ¥1,355,036 thousand, and the decrease is due to depreciation of ¥74,256 thousand.
4. Fair value is based on real estate appraisal report etc. by an external real estate appraiser.

REVENUE RECOGNITION

1. Disaggregation of revenue from contracts with customers

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Reported segments		Total
	Wholesale	Preform	
Japan	7,960,803	3,636,217	11,597,020
Asia	738,486	5,441,173	6,179,660
Americas	17,767	—	17,767
Europe	19,410	—	19,410
Revenue from contracts with customers	8,736,468	9,077,390	17,813,859
Other revenue (Note)	6,395	412,947	419,343
Revenues from third parties	8,742,864	9,490,338	18,233,202

Note: Other revenue is rental income under the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).

For the fiscal year ended November 30, 2025

(Thousands of yen)

	Reported segments		Total
	Wholesale	Preform	
Japan	8,217,030	3,075,196	11,292,227
Asia	646,164	5,011,654	5,657,818
Americas	7,879	—	7,879
Europe	75,895	69,603	145,499
Other	14,440	—	14,440
Revenue from contracts with customers	8,961,409	8,156,454	17,117,864
Other revenue (Note)	8,977	424,756	433,733
Revenues from third parties	8,970,386	8,581,211	17,551,597

Note: Other revenue is rental income under the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).

2. Information in understanding revenue

Information in understanding revenue from contracts with customers is as presented in Note “SIGNIFICANT MATTERS THAT FORM THE BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS”, 4. Matters related to accounting policies, (4) Basis for recognition of significant revenue and expenses.

3. Information on the relationship between the satisfaction of performance obligations according to contracts with customers and cash flows generated from such contracts, and on the amounts and timing of revenue from contracts with existing customers as of the end of the current fiscal year that is expected to be recognized during or after the following fiscal year

(1) Balance of contract liabilities

As of November 30, 2024

(Thousands of yen)

	Beginning balance	Ending balance
Contract liabilities	2,190,828	1,796,007

Contract liabilities relate to advances received from customers prior to satisfaction of performance obligations. Contract liabilities are reversed upon recognition of revenue.

The beginning balance of contract liabilities included ¥1,905,526 thousand of revenue recognized in the fiscal year ended November 30, 2024. Contract liabilities decreased by ¥394,821 thousand during the fiscal year ended November 30, 2024, mainly due to the reversal of advances received upon recognition of revenue in “Wholesale business”.

Contract liabilities are recorded as “Advances received” under “Current liabilities” on the consolidated balance sheet.

As of November 30, 2025

(Thousands of yen)

	Beginning balance	Ending balance
Contract liabilities	1,796,007	750,432

Contract liabilities relate to advances received from customers prior to satisfaction of performance obligations. Contract liabilities are reversed upon recognition of revenue.

The beginning balance of contract liabilities included ¥1,733,287 thousand of revenue recognized in the fiscal year ended November 30, 2025. Contract liabilities decreased by ¥1,045,575 thousand during the fiscal year ended November 30, 2025, mainly due to the reversal of advances received upon recognition of revenue in “Wholesale business”.

Contract liabilities are recorded as “Advances received” under “Current liabilities” on the consolidated balance sheet.

(2) Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient method to note transaction prices allocated to remaining performance obligations and do not include the contracts with an expected initial term of one year or less in the note.

Unsatisfied (or partially unsatisfied) performance obligations amounted to ¥4,788,952 thousand at the end of the fiscal year ended November 30, 2024. Such performance obligations are expected to be recognized as revenue in approximately one to three years.

Unsatisfied (or partially unsatisfied) performance obligations amounted to ¥3,192,597 thousand at the end of the fiscal year ended November 30, 2025. Such performance obligations are expected to be recognized as revenue in approximately one to three years.

SEGMENT INFORMATION, etc.

Segment information

1. Overview of reported segments

The reported segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine distribution of management resources and evaluate their business results.

The Group primarily operates purchase and sale of industrial machinery and equipment and related services, manufacture and sale of plastic molded products and related services derived therefrom. “Wholesale business” and “Preform business” are the Company’s reported segments.

“Wholesale business” mainly purchases and sells industrial machinery and equipment and provides related services. “Preform business” mainly manufactures and sells preforms for PET bottles, plastic caps and provides related services.

2. Basis of measurement for the amounts of operating revenue, income or loss, assets, liabilities and others by reported segment

The accounting method for reported segments is the same as that described in Note “SIGNIFICANT MATTERS THAT FORM THE BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS”.

Segment income (loss) is calculated based on operating profit (loss) in the consolidated statement of operations.

Intersegment revenues and transfer are based on arms-length transactions and manufacturing costs.

3. Information on operating revenues, income or loss, assets and others by reported segments

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Reported segments			Adjustments (Notes 1, 2, 3 and 4)	Consolidated (Note 5)
	Wholesale	Preform	Total		
Operating revenues:					
Revenues from third parties	8,742,864	9,490,338	18,233,202	—	18,233,202
Intersegment revenues	21,900	32,375	54,276	(54,276)	—
Total	8,764,765	9,522,713	18,287,478	(54,276)	18,233,202
Segment income (loss)	628,756	(530,270)	98,485	(246,807)	(148,322)
Segment assets	4,665,601	13,256,549	17,922,150	1,570,248	19,492,398
Others:					
Depreciation and amortization	40,716	757,289	798,006	18,882	816,888
Investments in affiliates accounted for by the equity method	18,490	359,867	378,357	—	378,357
Increase in property, plant and equipment and intangible assets	21,997	704,837	726,835	4,072	730,908

Notes

- The adjustment in “Segment income (loss)” of ¥ (246,807) thousand are the elimination of intersegment transactions of ¥37,023 thousand, the unallocated company-wide expenses of ¥ (285,309) thousand, and the adjustments of fixed assets of ¥1,477 thousand. Company-wide expenses are administrative expenses which are not attributable to the reported segments.
- The adjustment in “Segment assets” of ¥1,570,248 thousand are the adjustment of investment capital of ¥ (10,128) thousand, the elimination of intersegment balances of ¥ (157,942) thousand and the unallocated company-wide assets (cash and deposits, investments securities, etc.) and assets related to the administrative department of ¥1,738,319 thousand.
- The adjustment in “Depreciation and amortization” of ¥18,882 thousand are the elimination of intersegment transactions of ¥ (1,675) thousand and the depreciation of company-wide assets of ¥20,558 thousand.
- The adjustment in “Increase in property, plant and equipment and intangible assets” is the increase of company-wide assets.
- Segment income (loss) is calculated by adjusting operating loss presented in the consolidated statement of operations.

For the fiscal year ended November 30, 2025

(Thousands of yen)

	Reported segments			Adjustments (Notes 1, 2, 3 and 4)	Consolidated (Note 5)
	Wholesale	Preform	Total		
Operating revenues:					
Revenues from third parties	8,970,386	8,581,211	17,551,597	—	17,551,597
Intersegment revenues	36,612	37,230	73,842	(73,842)	—
Total	9,006,998	8,618,441	17,625,440	(73,842)	17,551,597
Segment income (loss)	768,211	(523,633)	244,578	(219,705)	24,873
Segment assets	3,888,322	9,295,796	13,184,119	1,688,968	14,873,088
Others:					
Depreciation and amortization	41,436	802,457	843,893	22,222	866,116
Investments in affiliates accounted for by the equity method	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	33,685	404,007	437,692	5,567	443,260

Notes

1. The adjustment in “Segment income (loss)” of ¥ (219,705) thousand are the elimination of intersegment transactions of ¥30,083 thousand, the unallocated company-wide expenses of ¥ (251,477) thousand, and the adjustments of fixed assets of ¥1,688 thousand. Company-wide expenses are administrative expenses which are not attributable to the reported segments.
2. The adjustment in “Segment assets” of ¥1,688,968 thousand are the adjustment of investment capital of ¥ (1,698) thousand, the elimination of intersegment balances of ¥ (125,112) thousand and the unallocated company-wide assets (cash and deposits, investments securities, etc.) and assets related to the administrative department of ¥1,815,779 thousand.
3. The adjustment in “Depreciation and amortization” of ¥22,222 thousand are the elimination of intersegment transactions of ¥ (1,688) thousand and the depreciation of company-wide assets of ¥23,910 thousand.
4. The adjustment in “Increase in property, plant and equipment and intangible assets” is the increase of company-wide assets.
5. Segment income (loss) is calculated by adjusting operating profit presented in the consolidated statement of operations.
6. ALTECH NEW MATERIALS (SHENZHEN) CO., LTD., and VALTE (SUZHOU) BIOTECHNOLOGY CO., LTD. which were affiliates accounted for by the equity method in the fiscal year ended November 30, 2024, are therefore excluded from the scope of application of the equity method because their all-equity interests were transferred in the fiscal year ended November 30, 2025.

Related information

For the fiscal year ended November 30, 2024

1. Information by products and services

Disclosure is omitted because the classification of products and services are same as the classification of the reported segments.

2. Geographical information

(1) Sales

(Thousands of yen)

Japan	Asia	Americas	Europe	Other	Total
11,603,416	6,592,607	17,767	19,410	—	18,233,202

(2) Property, plant and equipment

(Thousands of yen)

Japan	Asia	Total
2,149,671	3,787,264	5,936,935

3. Information by major customers

Disclosure is omitted because there are no customer accounts for at least 10% of net sales recorded in the consolidated statement of operations.

For the fiscal year ended November 30, 2025

1. Information by products and services

Disclosure is omitted because the classification of products and services are same as the classification of the reported segments.

2. Geographical information

(1) Sales

(Thousands of yen)

Japan	China	Asia (Excluding China)	Americas	Europe	Other	Total
11,301,354	5,455,117	627,307	7,879	145,499	14,440	17,551,597

(2) Property, plant and equipment

(Thousands of yen)

Japan	China	Asia (Excluding China)	Total
598,591	2,823,655	5,528	3,427,774

3. Information by major customers

Disclosure is omitted because there are no customer accounts for at least 10% of net sales recorded in the consolidated statement of operations.

Information of impairment loss on fixed assets by reported segments

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Wholesale	Preform	Adjustments	Total
Impairment loss	—	65,302	—	65,302

For the fiscal year ended November 30, 2025

(Thousands of yen)

	Wholesale	Preform	Adjustments	Total
Impairment loss	—	1,057,993	—	1,057,993

Note: In addition to the above, impairment loss of ¥843,874 thousand is recorded in the “Preform business” which is included in “Business restructuring expenses” in the consolidated statement of operations.

Information of amortization and balance of goodwill

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Wholesale	Preform	Adjustments	Total
Amortization amount	—	6,900	—	6,900
Ending balance	—	3,450	—	3,450

For the fiscal year ended November 30, 2025

(Thousands of yen)

	Wholesale	Preform	Adjustments	Total
Amortization amount	—	3,450	—	3,450
Ending balance	—	—	—	—

Negative goodwill incurred by reported segments

For the fiscal year ended November 30, 2024

Negative goodwill is not recorded for the year ended November 30, 2024

For the fiscal year ended November 30, 2025

Negative goodwill is not recorded for the year ended November 30, 2025

Related party information

For the fiscal year ended November 30, 2024

1. Related party transactions

(1) Transactions between the filing company of the consolidated financial statements (hereinafter referred to as the “filing company”) and its related parties

a. The filing company’s unconsolidated subsidiaries and affiliates, etc.

Not applicable.

b. The filing company’s directors and individual major shareholders, etc.

Not applicable.

(2) Transactions between the filing company's consolidated subsidiaries and their related parties

a. The filing company’s unconsolidated subsidiaries and affiliates, etc.

Disclosure is omitted due to immateriality.

b. The filing company’s directors and individual major shareholders, etc.

Disclosure is omitted due to immateriality.

2. Notes on parent company or significant affiliates

(1) Notes on parent company

Not applicable.

(2) Notes on significant affiliates

ALTECH NEW MATERIALS (SHENZHEN) CO., LTD. is an important affiliate for the current consolidated fiscal year, and its summary financial statements are as follows:

ALTECH NEW MATERIALS (SHENZHEN) CO., LTD.

(Thousands of yen)

Total current assets	851,469
Total non-current assets	14,205
Total current liabilities	65,969
Total non-current liabilities	—
Total net assets	799,705
Net sales	970,452
Loss before income taxes	251,234
Loss	251,234

For the fiscal year ended November 30, 2025

1. Related party transactions

(1) Transactions between the filing company of the consolidated financial statements (hereinafter referred to as the “filing company”) and its related parties

a. The filing company’s unconsolidated subsidiaries and affiliates, etc.

Not applicable.

b. The filing company’s directors and individual major shareholders, etc.

Not applicable.

(2) Transactions between the filing company's consolidated subsidiaries and their related parties

a. The filing company’s unconsolidated subsidiaries and affiliates, etc.

Disclosure is omitted due to immateriality.

b. The filing company’s directors and individual major shareholders, etc.

Disclosure is omitted due to immateriality.

2. Notes on parent company or significant affiliates

(1) Notes on parent company

Not applicable.

(2) Notes on significant affiliates

Not applicable.

ALTECH NEW MATERIALS (SHENZHEN) CO., LTD., which was an important affiliate for the fiscal year ended November 30, 2024, is therefore excluded from the scope of application of the equity method because their all-equity interests were transferred in the fiscal year ended November 30, 2025.

PER SHARE INFORMATION

(Yen)

Fiscal year ended November 30, 2024		Fiscal year ended November 30, 2025	
Net assets per share	826.69	Net assets per share	609.48
Basic loss per share	(7.18)	Basic loss per share	(188.43)

Notes

- The diluted net income per share for the year ended November 30, 2024, and 2025, are not presented due to recorded basic losses per share for both years, and as there are no dilutive potential share at each year end.
- The basis for calculating net assets per share is as follows:

(Thousands of yen)

	As of November 30, 2024	As of November 30, 2025
Total net assets	11,163,665	8,470,134
Amount deducted from total net assets:	(219,434)	78,022
Non-controlling interests	(219,434)	78,022
Net assets applicable to common shareholders	11,383,100	8,392,111
Number of shares outstanding at end of year on which net assets per share is calculated	13,769,519 shares	13,769,389 shares

- The basis for calculating basic loss per share is as follows:

(Thousands of yen)

	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Loss attributable to owners of parent	(98,820)	(2,594,639)
Income not applicable to common shareholders	—	—
Loss attributable to owners of parent applicable to common shareholders	(98,820)	(2,594,639)
Weighted average number of shares outstanding on which basic loss per share is calculated	13,769,608 shares	13,769,449 shares

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable.

5) Consolidated Supplementary Schedules

Schedule of bonds

Not applicable.

Schedule of borrowings

Category	Beginning Balance (Thousands of yen)	Ending Balance (Thousands of yen)	Average interest rate (%)	Maturity
Short-term borrowings	2,560,132	2,043,080	1.0	—
Current portion of long-term borrowings	526,902	512,000	1.1	—
Short-term lease obligations	268,605	250,573	5.1	—
Short-term payable in installments (Note 3)	4,271	2,852	2.7	—
Long-term borrowings (excluding current portion)	591,000	479,000	1.0	April 20, 2029 to December 30, 2030
Long-term lease obligations (excluding current portion)	723,688	492,519	5.0	March 27, 2027 to September 30, 2033
Long-term payable in installments (excluding current portion) (Note 4)	7,843	4,991	2.7	August 31, 2028
Other interest-bearing debt	—	—	—	—
Total	4,682,441	3,785,016	—	—

Notes

1. “Average interest rate” is the weighted average interest rate for the balance of borrowings, etc. at the end of the period.
2. For floating interest rates, the interest rates as of the end of the current consolidated fiscal year are used.
3. Short-term payable in installments is included in accounts payable-other of current liabilities in the consolidated balance sheet.
4. Long-term payable in installments is included in other of non-current liabilities in the consolidated balance sheet.
5. Annual repayment schedule of long-term borrowings, long-term lease obligations and long-term payable in installments over a period of five years from the fiscal year-end are as follows:

(Thousands of yen)

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	112,000	112,000	105,000	100,000
Long-term lease obligations	216,464	170,235	60,072	18,284
Long-term payable in installments	2,852	2,139	—	—

Schedule of Asset Retirement Obligations

Not applicable.

(2) Other

Quarterly financial information for the fiscal year ended November 30, 2025

	Interim period	Full year
Net sales (Thousands of yen)	8,121,760	17,551,597
Loss before income taxes and non-controlling interests (Thousands of yen)	(119,433)	(1,928,257)
Income (loss) attributable to owners of parent (Thousands of yen)	52,854	(2,594,639)
Basic income (loss) per share (Yen)	3.84	(188.43)

(English Translation)
Independent Auditor's Report and Internal Control Audit Report

February 24, 2026

To the Board of Directors of
Altech Co., Ltd.

Crowe Toyo & Co.
Tokyo office

Yuko Saruwatari, CPA
Designated Partner,
Engagement Partner

Akihito Kido, CPA
Designated Partner,
Engagement Partner

<Consolidated Financial Statements Audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements of Altech Co., Ltd. and its consolidated subsidiaries (the "Group") included in "Financial Information" for the fiscal year from December 1, 2024 to November 30, 2025, which comprise the consolidated balance sheet, the consolidated statements of operations, comprehensive income, changes in shareholder's equity, and cash flows, significant matters that form the basis for preparation of consolidated financial statements, other related notes, and the consolidated supplementary schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at November 30, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

The validity of the measurement of impairment loss on fixed assets of Altech New Materials Co., Ltd.	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in Our Audit
<p>As described in Note (Consolidated Statement of Operations) * 9 impairment loss, the group has recorded impairment loss of 1,038,695 thousands yen in the consolidated statement of operations for the fixed assets that Altech New Materials Co., Ltd. owns.</p> <p>Since Altech New Materials Co., Ltd. has recorded continued operating loss, indication of impairment loss has been recognized. Therefore, future cash flows were estimated, and compared the total amount of undiscounted future cash flows with carrying amount of fixed asset. The total amount of undiscounted future cash flows fell below the carrying amount, and it is identified that impairment loss should be recognized.</p> <p>In measuring impairment loss, the recoverable amount is calculated using "Value-In-Use"(VIU). The future cash flows used to calculate the VIU were estimated based on the business plan of Altech New Materials Co., Ltd. However, this business plan incorporates assumptions involving future uncertainties, such as projected sales volumes for PET bottle preforms, and involves management's subjective judgements. Furthermore, in estimating the discount rate used to calculate the VIU, specialized knowledge is required in selecting the calculation methodology and input data.</p> <p>Therefore, we have determined that the validity of the measurement regarding impairment loss on fixed assets of Altech New Materials Co., Ltd. to be a key audit matter.</p>	<p>We primarily carried out the following audit procedures regarding measurement of impairment loss on fixed assets of Altech New Materials Co., Ltd.</p> <ul style="list-style-type: none"> • We confirmed that the estimate period for future cash flows is set reasonably in comparison to the remaining useful life of the relevant assets. • We examined their consistency with the underlying business plans to evaluate the future cash flow estimates. • We assessed the accuracy of business plans estimates by comparing business plans and actual results for previous years. • In order to assess the reasonableness of the key assumptions in business plans, we discussed the feasibility of the projected sales volume related to preforms for PET bottles and confirmed the reasonableness in light of past sales performance, market conditions, and other factors. • In order to assess appropriateness of the discount rate, we consulted internal experts to evaluate the calculation methodology and process, as well as the appropriateness of the input data.

Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board and its Members are responsible for overseeing the duties of directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's and the Audit and Supervisory Board and its Members' Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Board and its Members are responsible for overseeing the duties of directors in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board and its Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board and its Members with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

From the matters communicated with the Audit and Supervisory Board and its Members, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related information>

The fees for the audits of the financial statements of Altech Co., Ltd. and its subsidiaries and other services provided by us and other Crowe Network member firms for the year ended November 30, 2025, are disclosed in IV. CORPORATE INFORMATION 4. Corporate Governance (3) Audits.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.