

FREUND CORPORATION

STANDARD
TOKYO

(Securities code: 6312)

Results of Operations
for the First Quarter of the Fiscal Year
Ending February 28, 2026

July 14, 2025



Consolidated Financial Summary for the First Quarter of FY2025



Note:
FY2025=Fiscal Year ending February 2026
FY2024=Fiscal Year ending February 2025

Consolidated Financial Summary

- Sales and earnings are generally in line with plan and increased significantly YoY
 - Sales increased 1.4 billion yen because of higher machinery business sales. Weakness at Freund S.r.l. was offset by strong machinery business sales in Japan and the recovery of sales at FREUND Inc.
 - Operating profit increased because of a one-time IT system expense of about 160 million yen one year earlier, a smaller overseas subsidiary loss (about 300 million yen), and higher machinery business sales in Japan.
- Orders received and order backlog remained almost unchanged from last year
 - The order backlog in the machinery business in Japan decreased because sales were recognized with products delivery. The order backlog increased at FREUND Inc.

(Millions of yen)	FY2024 1 Q	FY2025 1 Q	YoY Change	
				%
Net sales	4,124	5,544	1,419	34.4%
Operating profit	(264)	474	738	—
Ordinary profit	(247)	466	714	—
Profit attributable to owners of parent	(205)	296	502	—
Earnings per share (yen)	(12.16)	17.54	29.70	—

Machinery Business: Group Company Performance (Sales/Operating Profit)

Freund Corporation	Sales and earnings increased significantly as shipments and deliveries were completed almost as planned. Higher sales of maintenance services, which have a high profit margin, also contributed to sales and earnings.
Freund-Turbo	Sales increased steadily. Operating profit also increased due to the larger share of sales from products made by this company.
FREUND Inc. (USA)	A big increase in sales partly due to low sales one year earlier. Sales are as planned. Operating loss but as planned.
FREUND S.r.l. (Italy)	Sales were higher than the very low level of one year earlier but remain low. Planning on a recovery in the second half. The operating loss decreased.

(Millions of yen)	FY2024 1Q	FY2025 1Q	YoY change	
				%
Before elimination for consolidation				
Net sales	2,506	3,905	1,398	55.8%
Freund Corporation	1,727	2,475	748	43.3%
Freund-Turbo	349	447	98	28.2%
FREUND Inc.	362	1,047	685	189.5%
FREUND S.r.l.	93	264	171	184.1%
Operating profit	(219)	394	613	—
Freund Corporation	115	378	263	229.4%
Freund-Turbo	17	74	57	335.4%
FREUND Inc.	(188)	(13)	174	—
FREUND S.r.l.	(180)	(60)	119	—

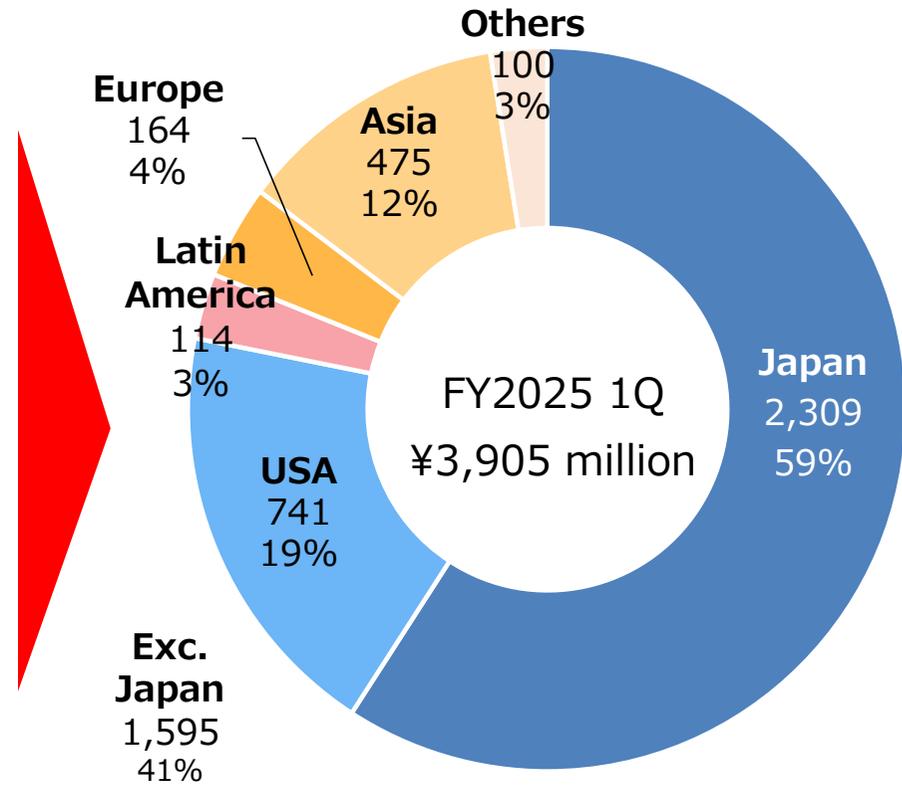
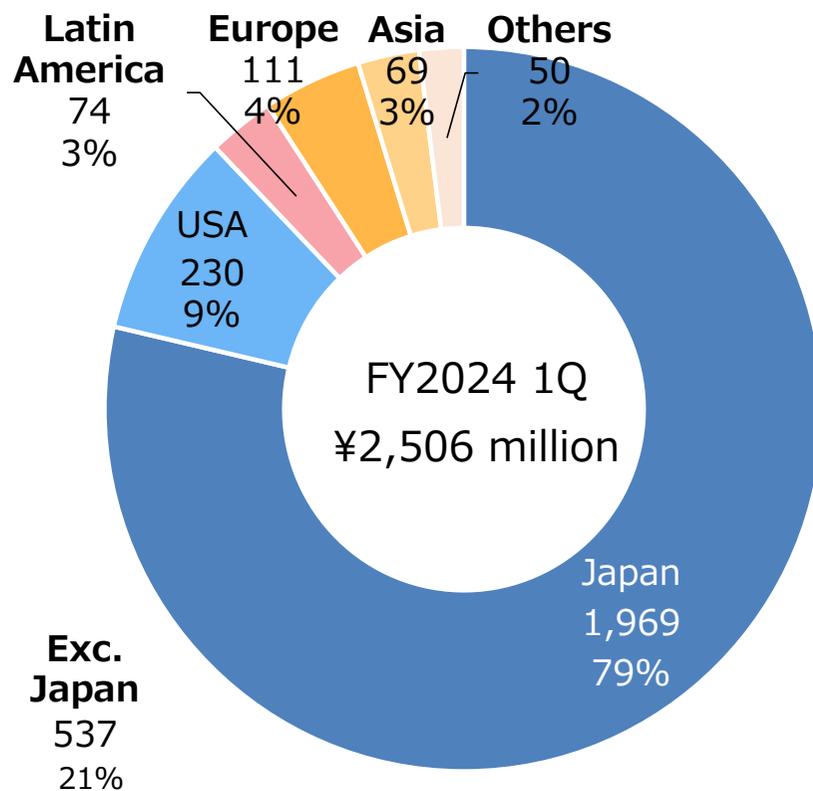
Machinery Business: Group Company Performance (Orders Received/Order Backlog)

Freund Corporation	Orders received remained unchanged. There was a strong demand to resolve the shortage of pharmaceuticals. Order backlog decreased YoY due to strong sales.
Freund-Turbo	Orders received were down from one year earlier. Order backlog remained unchanged.
FREUND Inc.	Orders received were as planned, mainly in the U.S. and Latin America. Order backlog is high and under production for delivery during the second half of this fiscal year.
FREUND S.r.l.	Orders received increased but further additions are needed. Order backlog was unchanged and additional orders needed to increase the backlog.

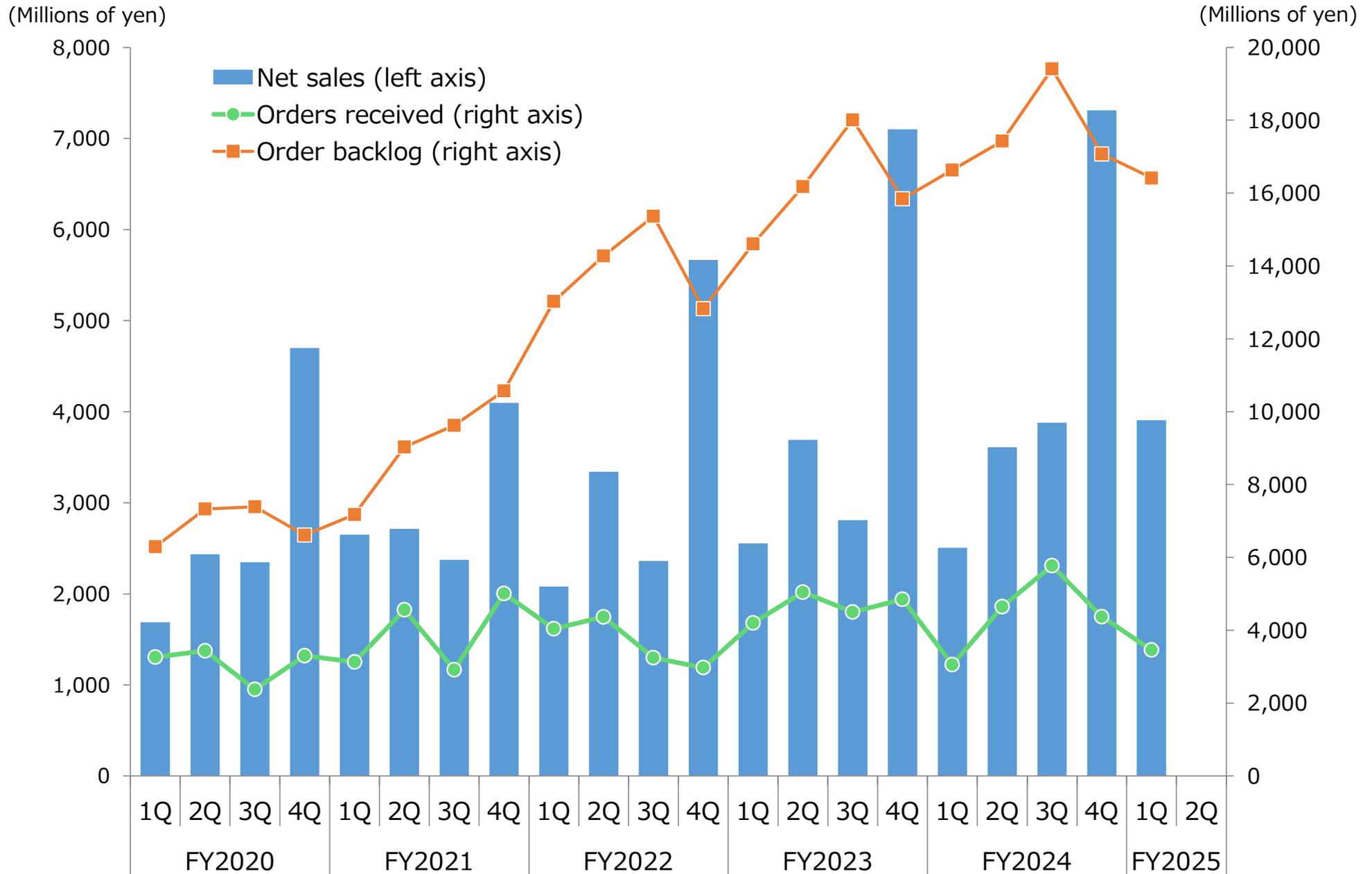
(Millions of yen)	FY2024 1Q	FY2025 1Q	YoY change	
				%
Orders received	3,056	3,462	405	13.3%
Freund Corporation	1,695	1,832	136	8.1%
Freund-Turbo	417	296	(120)	(28.9)%
FREUND Inc.	803	968	164	20.5%
FREUND S.r.l.	139	365	225	161.2%
Order backlog	16,636	16,415	(220)	(1.3)%
Freund Corporation	10,893	8,660	(2,233)	(20.5)%
Freund-Turbo	748	759	10	1.4%
FREUND Inc.	4,072	6,132	2,059	50.6%
FREUND S.r.l.	921	863	(58)	(6.3)%

Machinery Business: Sales by Region

Japan	An increase in sales due to consistent shipments for the orders received. Sales in Japan were higher than overseas sales for or the second consecutive year.
Overseas	Shipments increased in the U.S. and Asia. Sales increased significantly YoY.



Machinery Business: Quarterly Results (Net Sales/Orders Received/Order Backlog)



Chemicals Business: Overview

Net sales

Pharmaceutical excipients:

Although customers continue to reduce shipments of some products, sales increased steadily.

Food preservatives:

Sales were as planned, lower than previous year because some customers began procuring preservatives from two or more suppliers.

Operating profit

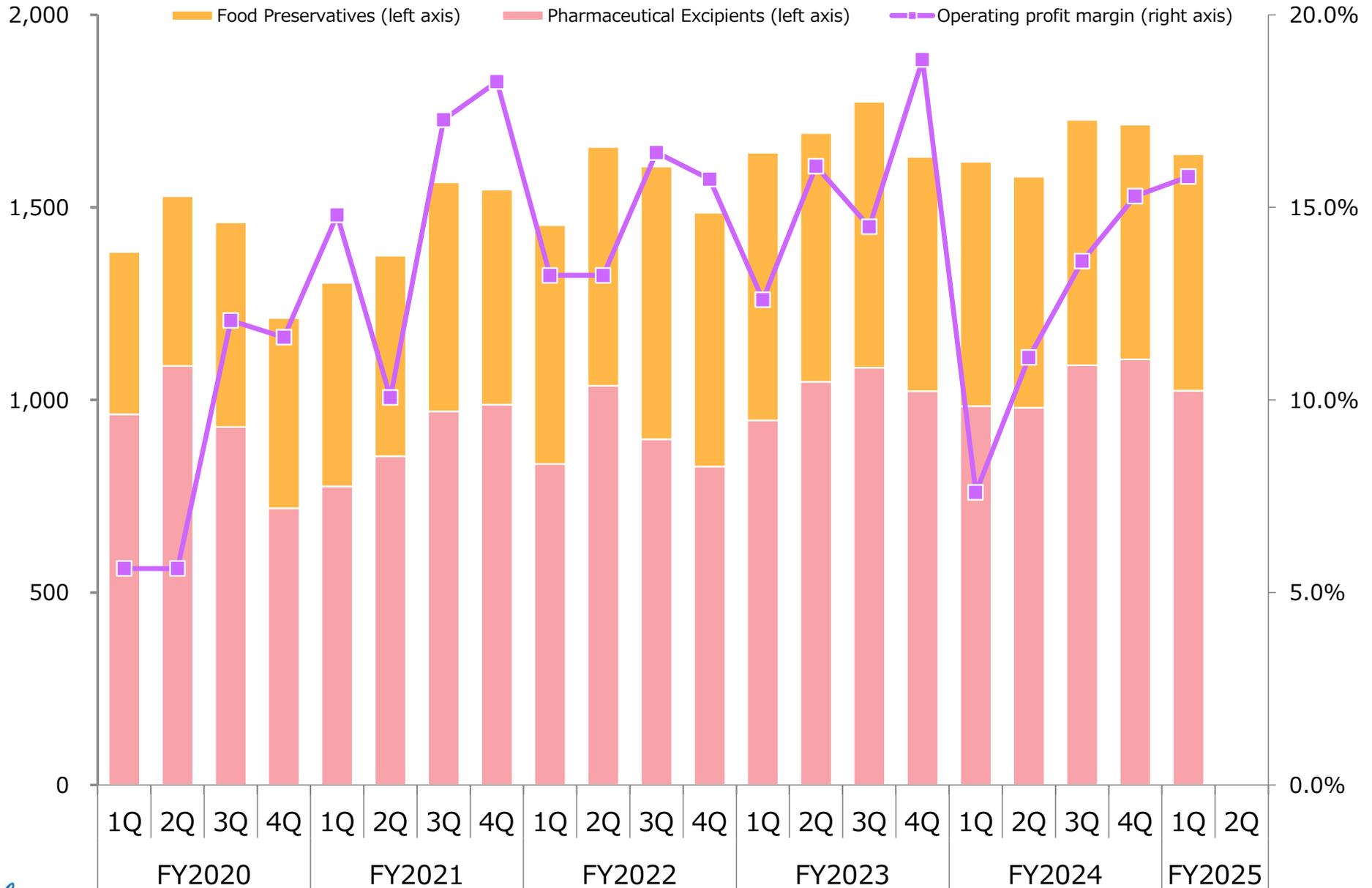
A big increase because a one-time expense for a core IT system update held down earnings one year earlier.

(Millions of yen)	FY2024 1Q	FY2025 1Q	YoY change	
				%
Net sales	1,618	1,639	21	1.3%
Pharmaceutical excipients	983	1,024	41	4.2%
Food preservatives	634	614	(20)	(3.2)%
Operating profit	123	259	136	109.8%

Chemicals Business: Quarterly Results (by Product Field)

Net sales
(Millions of yen)

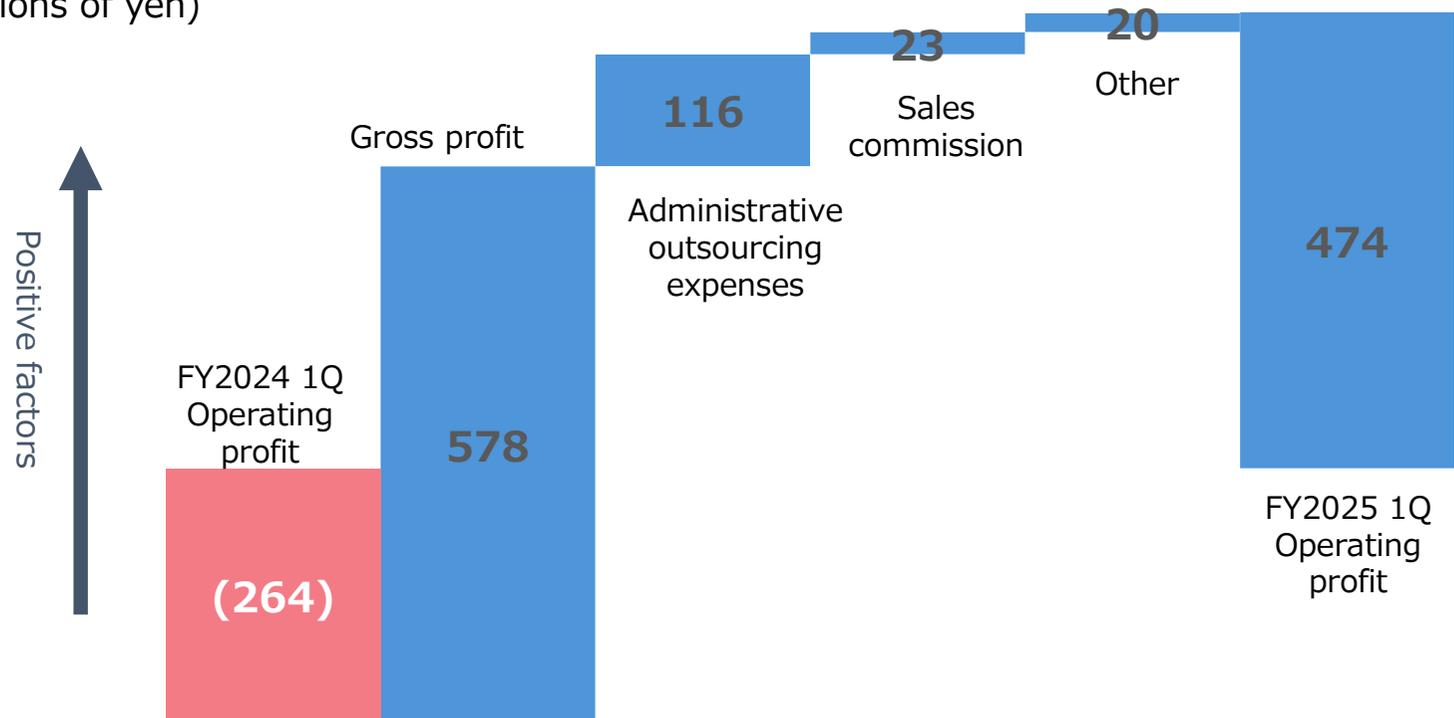
Operating
profit margin



Analysis of Change in Consolidated Operating Profit

- Gross profit increased significantly by 580 million yen YoY, mainly because of higher machinery sales in Japan and sales at FREUND Inc.
- SG&A expenses decreased by 150 million yen YoY, mainly because of one-time expenses (administrative outsourcing expenses) in FY2024 and a decrease in sales commission.

(Millions of yen)



Summary of Consolidated Balance Sheet

- Inventories (work in process) for shipment in and after 2Q FY2025 increased mainly in the U.S. subsidiaries, while trade receivables were successfully collected. Cash and deposits decreased due to taxes and dividends paid.
- Contract liabilities and net assets decreased due to higher sales and net assets decreased due to dividends paid.

Assets				Liabilities and Shareholders' Equity			
(Millions of yen)	Feb. 28, 2025	May 31, 2025	Change	(Millions of yen)	Feb. 28, 2025	May 31, 2025	Change
Current assets	19,648	18,871	(777)	Current liabilities	10,411	9,802	(609)
Cash and deposits	5,152	4,428	(724)	Trade payables	3,104	2,932	(172)
Trade receivables	6,226	5,419	(807)	Short-term borrowings	108	85	(23)
Inventories	7,515	8,211	696	Contract liabilities	5,241	4,951	(290)
Other assets	754	812	58	Other liabilities	1,956	1,833	(123)
Non-current assets	6,910	6,751	(159)	Non-current liabilities	710	681	(29)
Total assets	26,559	25,623	(936)	Total net assets	15,437	15,139	(298)
				Total liabilities and net assets	26,559	25,623	(936)

Topics

HI-COATER HV Receives NAKAI Award

25th NAKAI Award of the Japan Society of Pharmaceutical Machinery and Engineering



The Freund HI-COATER HV



Product information



Interview with the product developer

Freund's HI-COATER HV won the 25th NAKAI Award of the Japan Society of Pharmaceutical Machinery and Engineering.

The HI-COATER HV uses a new coating pan to produce an even more uniform coating while reducing by about 40% the time needed for coating. The shorter coating time lowers CO2 emissions by the equivalent of the amount of CO2 absorbed by approximately 9,300 mature cedar trees. Furthermore, optimization of the air intake and output structure simplifies the pan cleaning process. Time needed to clean the pan is cut by about 50% and the amount of water needed is about 30% lower (reference figures calculated by Freund; actual reductions may differ depending on how this unit is used).

In addition, the HI-COATER HV automates production process supervision by using a mechanism for the automatic sampling and measurement of pills. These features make pill production more efficient while improving quality. The award also recognizes the significance of this coating machine as a key step toward the complete automation of coating processes in the future.

*The NAKAI Award is given once every year by the Japan Society of Pharmaceutical Machinery and Engineering and recognizes significant achievements by individuals and companies regarding progress concerning drug manufacturing equipment. The award is named for Yoshinobu Nakai, the first chairman of the society.

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Consequently, forecasts and other forward-looking statements are not guarantees about future performance. Although Freund has checked this presentation carefully, there is still a possibility of errors in this information.