

**Consolidated Financial Results
for the Three Months Ended November 30, 2025
(Under Japanese GAAP)**

Company name:	MERF Inc.	
Listing:	Tokyo Stock Exchange	
Securities code:	3168	
URL:	http://www.merf.co.jp/	
Representative:	Satoru Kurotani, President and C.E.O	
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Scheduled date to commence dividend payments:	-	
Preparation of supplementary material on financial results:	None	
Holding of financial results briefing:	None	

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended November 30, 2025 (from September 1, 2025 to November 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended November 30, 2025	21,098	(1.2)	737	-	711	-	407	-
November 30, 2024	21,350	20.3	14	(93.9)	32	(83.8)	32	(72.7)

Note: Comprehensive income For the three months ended November 30, 2025: ¥477 million [-%]
For the three months ended November 30, 2024: ¥34 million [(78.3)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2025	28.80	28.80
November 30, 2024	2.33	2.33

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		Millions of yen	%
As of November 30, 2025	27,113		9,554			35.2
August 31, 2025	25,705		9,218			35.9

Reference: Equity
As of November 30, 2025: ¥9,554 million
As of August 31, 2025: ¥9,218 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended August 31, 2025	Yen -	Yen 10.00	Yen -	Yen 10.00	Yen 20.00
Fiscal year ending August 31, 2026	Yen -	Yen -	Yen -	Yen -	Yen -
Fiscal year ending August 31, 2026 (Forecast)	Yen -	Yen 10.00	Yen -	Yen 10.00	Yen 20.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Six months ending February 28, 2026	39,171	(9.0)	300	-	131	-	86	-	6.08	
Fiscal year ending August 31, 2026	83,144	0.9	744	535.4	407	-	274	-	19.38	

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2025	14,337,200 shares
As of August 31, 2025	14,337,200 shares

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

As of November 30, 2025	200,493 shares
As of August 31, 2025	200,016 shares

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

Three months ended November 30, 2025	14,136,707 shares
Three months ended November 30, 2024	14,121,277 shares

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and certain assumptions that the Company deems reasonable. Actual results may differ from the above forecasts due to various factors.

For the assumptions for earnings forecasts, please refer to Appendix 1. Qualitative Information on Financial Results for the this quarter (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts"

Quarterly consolidated balance sheet

(Thousands of yen)

	As of August 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	1,639,166	1,079,346
Notes and accounts receivable - trade	8,548,838	8,543,552
Electronically recorded monetary claims - operating	558,732	565,207
Merchandise and finished goods	1,462,166	1,576,056
Work in process	566,163	478,328
Raw materials and supplies	5,508,267	7,446,375
Advance payments to suppliers	2,199,569	1,619,595
Consumption taxes refund receivable	411,494	972,119
Other	317,471	316,854
Total current assets	<hr/> 21,211,871	<hr/> 22,597,435
Non-current assets		
Property, plant and equipment		
Land	1,521,121	1,521,121
Other, net	<hr/> 1,794,301	<hr/> 1,706,013
Total property, plant and equipment	<hr/> 3,315,423	<hr/> 3,227,135
Intangible assets	121,512	115,215
Investments and other assets	<hr/> 1,056,500	<hr/> 1,173,891
Total non-current assets	<hr/> 4,493,436	<hr/> 4,516,242
Total assets	<hr/> 25,705,307	<hr/> 27,113,678

	As of August 31, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,013,338	2,992,294
Electronically recorded obligations - operating	387,151	294,319
Short-term borrowings	7,700,000	7,958,886
Lease liabilities	59,209	59,331
Current portion of long-term borrowings	1,433,390	1,326,194
Income taxes payable	16,300	279,783
Provisions	38,335	80,774
Other	680,772	641,733
Total current liabilities	12,328,498	13,633,318
Non-current liabilities		
Long-term borrowings	3,581,646	3,292,082
Lease liabilities	401,841	386,953
Long-term unearned revenue	37,541	35,149
Retirement benefit liability	120,250	117,282
Deferred tax liabilities	17,426	94,677
Total non-current liabilities	4,158,706	3,926,145
Total liabilities	16,487,204	17,559,464
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	698,426	698,426
Retained earnings	6,937,420	7,203,151
Treasury shares	(104,887)	(104,887)
Total shareholders' equity	8,530,960	8,796,691
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	493,157	570,000
Foreign currency translation adjustment	193,984	187,521
Total accumulated other comprehensive income	687,142	757,522
Total net assets	9,218,102	9,554,213
Total liabilities and net assets	25,705,307	27,113,678

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended November 30, 2024	Three months ended November 30, 2025
Net sales	21,350,066	21,098,943
Cost of sales	20,878,269	19,737,416
Gross profit	471,796	1,361,527
Selling, general and administrative expenses	457,673	624,260
Operating profit	14,123	737,267
Non-operating income		
Interest income	1,424	651
Foreign exchange gains	6,407	19,593
Reversal of allowance for doubtful accounts	57,426	-
Other	373	770
Total non-operating income	65,631	21,015
Non-operating expenses		
Interest expenses	28,840	39,220
Provision of allowance for doubtful accounts	-	1,735
Share of loss of entities accounted for using equity method	15,802	1,218
Other	2,623	5,012
Total non-operating expenses	47,267	47,187
Ordinary profit	32,488	711,096
Profit before income taxes	32,488	711,096
Income taxes - current	2,397	261,859
Income taxes - deferred	(2,817)	42,134
Total income taxes	(419)	303,993
Profit	32,908	407,102
Profit attributable to owners of parent	32,908	407,102

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended November 30, 2024	Three months ended November 30, 2025
Profit	32,908	407,102
Other comprehensive income		
Valuation difference on available-for-sale securities	43,820	76,843
Foreign currency translation adjustment	(41,726)	(5,318)
Share of other comprehensive income of entities accounted for using equity method	(479)	(1,144)
Total other comprehensive income	1,614	70,380
Comprehensive income	34,522	477,483
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,522	477,483
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

Segment Information

I. The three months of the previous fiscal year (September 1, 2024 to November 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Reportable segments			Reconciling items	Total (Note)
	NONFERROUS METALS	ARTS AND CRAFTS	Total		
Sales					
Revenue generated from customer contracts	21,217,214	132,852	21,350,066	-	21,350,066
Other Earnings	-	-	-	-	-
Revenues from external customers	21,217,214	132,852	21,350,066	-	21,350,066
Transactions with other segments	-	-	-	-	-
Total	21,217,214	132,852	21,350,066	-	21,350,066
Segment Profit	(6,791)	20,915	14,123	-	14,123

Note: The total amount of segment profit is consistent with operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. The three months of the current fiscal year (September 1, 2025 to November 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Reportable segments			Reconciling items	Total (Note)
	NONFERROUS METALS	ARTS AND CRAFTS	Total		
Sales					
Revenue generated from customer contracts	20,918,139	180,803	21,098,943	-	21,098,943
Other Earnings	-	-	-	-	-
Revenues from external customers	20,918,139	180,803	21,098,943	-	21,098,943
Transactions with other segments	-	-	-	-	-
Total	20,918,139	180,803	21,098,943	-	21,098,943
Segment Profit	684,482	52,784	737,267	-	737,267

Note: The total amount of segment profit is consistent with operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.