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May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3106
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 Scheduled date of ordinary general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	150,660	(0.4)	10,311	12.3	11,784	15.6	9,014	33.8
March 31, 2024	151,314	(1.4)	9,186	5.9	10,191	1.7	6,738	22.1

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥10,435 million [(46.4)%]
 For the fiscal year ended March 31, 2024: ¥19,481 million [103.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	516.19	—	7.6	6.1	6.8
March 31, 2024	362.50	—	6.2	5.6	6.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥41 million
 For the fiscal year ended March 31, 2024: ¥43 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	190,529	121,182	62.9	7,077.11
March 31, 2024	192,789	118,074	60.6	6,513.02

Reference: Equity
 As of March 31, 2025: ¥119,805 million
 As of March 31, 2024: ¥116,849 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	11,048	(2,989)	(9,038)	15,158
March 31, 2024	12,864	(387)	(6,951)	16,123

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	40.00	—	60.00	100.00	1,842	27.6	1.7
Fiscal year ended March 31, 2025	—	60.00	—	120.00	180.00	3,112	34.9	2.6
Fiscal year ending March 31, 2026 (Forecast)	—	141.00	—	141.00	282.00		50.3	

Note: The Company has changed the fiscal year-end dividend per share for the fiscal year ended March 31, 2025 from ¥90 to ¥120. For more details, please refer to the news release “Notification on Dividends of Surplus (Dividend Increase)” dated today (May 14, 2025).

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 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 September 30, 2025	68,000	(5.4)	2,200	(48.1)	3,000	(41.2)	5,000	46.0	295.36
Full year	144,000	(4.4)	8,000	(22.4)	9,500	(19.4)	9,500	5.4	561.18

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For the details, please refer to “3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Notes on changes in accounting policies)” on page 13 of the attached materials.

(3) Number of issued shares (common shares)

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

As of March 31, 2025	18,000,000 shares
As of March 31, 2024	19,000,000 shares

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

As of March 31, 2025	1,071,382 shares
As of March 31, 2024	1,059,028 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	17,463,378 shares
Fiscal year ended March 31, 2024	18,588,983 shares

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

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	78,881	5.2	4,988	12.0	7,166	15.5	4,692	(30.9)
March 31, 2024	74,962	(5.0)	4,452	1.8	6,205	4.2	6,791	71.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	268.68	—
March 31, 2024	365.34	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	151,980	94,511	62.2	5,582.96
March 31, 2024	151,954	95,518	62.9	5,324.02

Reference: Equity

As of March 31, 2025: ¥94,511 million
As of March 31, 2024: ¥95,518 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For matters regarding the above earnings forecasts, please refer to "(4) Future outlook" of "1. Overview of operating results and others" on page 4 of the attached materials.

(Regarding the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Tuesday, May 27, 2025. The explanatory materials on financial results to be distributed at the briefing will be posted on the Company's website following the briefing.

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year under review

During the fiscal year ended March 31, 2025, the Japanese economy remained on a moderate recovery trend driven by such factors as increases in corporate capital investment and government spending, but lacked vigor due to a decline in consumer spending caused by a heightened sense of the need for frugality amid rising prices.

In this type of environment, the Group has strived to expand business operations of growth and priority businesses such as semiconductor production-related business and functional films, and to enhance the earning capability of core businesses such as textiles and flexible polyurethane foam based on the basic policy of “expand high-profit businesses and strengthen core businesses to achieve sustainable growth” in the medium-term management plan “Progress '24” that is in its final fiscal year.

As a result, net sales were ¥150.6 billion (down 0.4% YoY), operating profit was ¥10.31 billion (up 12.3% YoY), ordinary profit was ¥11.78 billion (up 15.6% YoY), and profit attributable to owners of parent was ¥9.01 billion (up 33.8% YoY).

Results by segment are as follows.

(Textiles)

Yarns experienced increased revenue due to steady sales of the high-performance product “NaTech,” which leverages raw material reforming technology, and steady sales for denim at a Thai subsidiary.

Fabrics experienced a decrease in revenue as orders for materials for casual wear decreased, despite solid sales of materials for the Middle East.

Textile products (sewn products, etc.) experienced decreased revenue given decreased orders of casual wear, although sales increased for the “Smartfit” management system that helps to mitigate risks in hot environments.

As a result, net sales were ¥48.5 billion (down 5.0% YoY) with operating profit of ¥0.07 billion (operating loss of ¥0.25 billion in the same period of the previous fiscal year).

(Chemical Products)

Flexible polyurethane foam experienced increased revenue due to steady orders in Japan and at a Brazilian subsidiary for automotive interior, despite the weak orders at Chinese subsidiaries, as well as due to carrying out the price pass-through of raw material and labor costs.

Functional resin products experienced increased revenue due to solid orders for high-performance plastic products for semiconductor production lines as well as for functional films for solar cells.

Housing construction products experienced increased revenue due to an increase in orders for precast concrete products for apartment complexes, despite weak sales of heat-insulating materials.

Nonwoven fabrics experienced a recovery in sales for automotive filters.

As a result, net sales were ¥66.0 billion (up 7.6% YoY) with operating profit of ¥5.03 billion (up 26.9% YoY).

On March 28, 2025, the Company transferred all equity stake it held in Guangzhou Kurabo Chemicals. Co., Ltd., which had been manufacturing and selling flexible polyurethane foam for automotive interiors, to a third party.

(Advanced Technology)

Electronics businesses experienced increased revenue despite a decrease in unit sales of silicon wafer cleaning equipment at a subsidiary, due to strong sales for chemical concentration meters for the semiconductor industry, and steady sales of film thickness meters and so on.

Engineering businesses experienced increased revenue due to steady performance in areas such as exhaust gas treatment facilities, as well as due to steady progress in construction of facilities for the pharmaceutical manufacturing industry at a subsidiary, despite weak sales for chemical supply systems for the semiconductor industry.

Biomedical businesses experienced increased revenue due to solid sales of mixer/deaerator models and other products.

As a result, net sales were ¥21.9 billion (down 14.1% YoY) partly due to the impact of the transfer in the previous fiscal year of all the shares of a subsidiary that was engaged in manufacturing and sales of machine tools, etc., while operating profit was ¥3.34 billion (down 6.5% YoY).

(Food and Services)

Freeze-dried foods experienced increased revenue as sales were strong for instant noodle ingredients and other products while sales decreased for molding soup.

Hotels and their related services experienced increased revenue resulting from the impact of strong domestic travel and demand from inbound tourism.

As a result, net sales were ¥10.4 billion (up 9.3% YoY) with operating profit of ¥0.72 billion (up 13.0% YoY).

(Real Estate)

Real estate leasing recorded net sales of ¥3.7 billion (down 1.8% YoY), and operating profit of ¥2.24 billion (down 3.8% YoY) partly due to an increase in taxes and dues.

(2) Overview of financial position for the fiscal year under review

(Assets, liabilities and net assets)

Total assets at the end of the fiscal year ended March 31, 2025 decreased by ¥2.2 billion from the end of the previous fiscal year to ¥190.5 billion mainly due to decreases in notes and accounts receivable - trade, and contract assets, and in cash and deposits, although there was an increase in investment securities following a rise in share prices.

Liabilities decreased by ¥5.3 billion from the end of the previous fiscal year to ¥69.3 billion mainly due to decreases in notes and accounts payable - trade and short-term borrowings.

Net assets increased by ¥3.1 billion from the end of the previous fiscal year to ¥121.1 billion mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

As a result of the above, the equity-to-asset ratio was 62.9%, up 2.3 percentage points.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year ended March 31, 2025 decreased by ¥0.96 billion from the end of the previous fiscal year to ¥15.15 billion. The respective cash flow positions and the factors thereof are as follows.

Cash flows from operating activities

Net cash provided by operating activities in the fiscal year ended March 31, 2025 was ¥11.04 billion (compared to ¥12.86 billion in net cash provided by operating activities in the previous fiscal year). This was mainly due to profit before income taxes of ¥11.77 billion and internal reserves for depreciation of ¥5.15 billion, despite income taxes paid of ¥4.75 billion.

Cash flows from investing activities

Net cash used in investing activities in the fiscal year under review was ¥2.98 billion (compared to ¥0.38 billion in net cash used in investing activities in the previous fiscal year). This was mainly due to purchase of property, plant and equipment and intangible assets of ¥5.58 billion, despite proceeds from sale of investment securities of ¥1.97 billion.

Cash flows from financing activities

Net cash used in financing activities in the fiscal year under review was ¥9.03 billion (compared to ¥6.95 billion in net cash used in financing activities in the previous fiscal year). This was mainly due to purchase of treasury shares of ¥5.16 billion and dividends paid of ¥2.14 billion.

(Reference) Trends in cash flow indicators

	Fiscal year ended Mar. 31, 2021	Fiscal year ended Mar. 31, 2022	Fiscal year ended Mar. 31, 2023	Fiscal year ended Mar. 31, 2024	Fiscal year ended Mar. 31, 2025
Equity-to-asset ratio (%)	54.8	57.4	58.2	60.6	62.9
Equity-to-asset ratio on a market value basis (%)	23.2	20.8	27.2	32.6	53.0
Ratio of interest-bearing debt to cash flows (years)	3.0	1.5	6.2	1.0	1.0
Interest coverage ratio (times)	40.9	51.8	7.7	39.1	32.5

(Notes) Equity-to-asset ratio: Equity / Total assets

Equity-to-asset ratio on a market value basis: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. All items are calculated using consolidated financial data.
2. Market capitalization is based on the number of issued shares excluding treasury shares.
3. Operating cash flow represents cash flows from operating activities per the consolidated statement of cash flows.
4. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet for which interest is being paid. In addition, interest payments represent interest paid per the consolidated statement of cash flows.

(4) Future outlook

As for future economic conditions, it is expected that the economy will continue to recover gradually. However, with the ongoing instability in the Ukraine and Middle East situations, the uncertainties regarding recovery in the Chinese economy, and policy changes, such as additional tariffs promoted by the U.S. administration, there are concerns about the risk of a global economic recession, making the outlook extremely uncertain.

Under this business environment, the Group has formulated a new three-year medium-term management plan, “Accelerate ’27” (April 2025 to March 2028), which represents the third stage of the “Long-term Vision 2030,” outlining the Group’s desired state for the year 2030. The plan commenced in April 2025.

Under “Accelerate ’27,” the basic policy is to “enhance corporate value by accelerating the growth of high-profit businesses and efficiently utilizing management resources.” To achieve its goals, the Group will build an optimal business portfolio to accelerate further growth while efficiently utilizing management resources.

As for the full-year consolidated financial outlook for the fiscal year ending March 31, 2026, we forecast net sales of ¥144.0 billion, operating profit of ¥8.0 billion, ordinary profit of ¥9.5 billion, and profit attributable to owners of parent of ¥9.5 billion.

In addition, the above financial forecasts were prepared based on information available as of the release date of these materials, and actual operating results may differ from the financial forecasts due to various factors in the future.

2. Basic policy regarding selection of accounting standards

The Group’s policy is to prepare consolidated financial statements under the Japanese GAAP for the time being, for reasons of period-to-period comparability and company-to-company comparability of consolidated financial statements.

Regarding the application of the International Financial Reporting Standards (IFRS), we intend to respond appropriately after giving consideration to domestic and overseas situations.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	16,156	15,192
Notes and accounts receivable - trade, and contract assets	32,432	29,699
Electronically recorded monetary claims - operating	7,664	7,480
Merchandise and finished goods	15,474	12,970
Work in process	6,505	7,711
Raw materials and supplies	7,732	8,295
Other	3,400	3,613
Allowance for doubtful accounts	(47)	(127)
Total current assets	89,320	84,835
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,438	21,828
Machinery, equipment and vehicles, net	9,655	7,629
Land	10,997	11,215
Leased assets, net	693	587
Construction in progress	729	1,809
Other, net	1,133	1,197
Total property, plant and equipment	44,646	44,268
Intangible assets	1,717	1,533
Investments and other assets		
Investment securities	53,409	55,994
Deferred tax assets	1,634	1,791
Retirement benefit asset	1,382	1,324
Other	915	991
Allowance for doubtful accounts	(238)	(209)
Total investments and other assets	57,104	59,891
Total non-current assets	103,469	105,693
Total assets	192,789	190,529

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,598	15,956
Electronically recorded obligations - operating	3,939	3,380
Short-term borrowings	9,331	8,003
Lease liabilities	154	147
Accrued expenses	2,901	3,043
Income taxes payable	2,548	1,630
Provision for bonuses	1,444	1,506
Other	5,138	5,834
Total current liabilities	44,055	39,502
Non-current liabilities		
Long-term borrowings	2,313	2,353
Lease liabilities	542	448
Deferred tax liabilities	9,269	9,506
Provision for retirement benefits for directors (and other officers)	213	175
Provision for share-based payments	178	222
Retirement benefit liability	12,188	12,120
Long-term leasehold and guarantee deposits received	5,665	4,850
Other	286	165
Total non-current liabilities	30,659	29,843
Total liabilities	74,714	69,346
Net assets		
Shareholders' equity		
Share capital	22,040	22,040
Capital surplus	15,237	15,240
Retained earnings	64,164	67,471
Treasury shares	(2,654)	(4,240)
Total shareholders' equity	98,788	100,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,054	26,560
Deferred gains or losses on hedges	49	(17)
Foreign currency translation adjustment	(6,982)	(7,110)
Remeasurements of defined benefit plans	(60)	(139)
Total accumulated other comprehensive income	18,061	19,293
Non-controlling interests	1,225	1,376
Total net assets	118,074	121,182
Total liabilities and net assets	192,789	190,529

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	151,314	150,660
Cost of sales	120,985	119,001
Gross profit	30,328	31,658
Selling, general and administrative expenses	21,142	21,346
Operating profit	9,186	10,311
Non-operating income		
Interest income	118	134
Dividend income	1,315	1,572
Share of profit of entities accounted for using equity method	43	41
Other	395	314
Total non-operating income	1,871	2,063
Non-operating expenses		
Interest expenses	363	320
Expenses on inactive non-current assets	125	103
Other	377	168
Total non-operating expenses	866	591
Ordinary profit	10,191	11,784
Extraordinary income		
Gain on sale of investment securities	1,602	1,779
Compensation received for damage	—	*1 822
Gain on sale of shares of subsidiaries and associates	—	694
Gain on sale of non-current assets	—	563
Subsidy income	99	74
Total extraordinary income	1,701	3,935
Extraordinary losses		
Impairment losses	*2 588	*2 2,753
Business restructuring expenses	—	*3 877
Litigation expenses	—	*1 227
Loss on tax purpose reduction entry of non-current assets	99	73
Loss on disposal of non-current assets	121	10
Loss on sale of shares of subsidiaries and associates	530	—
Loss on valuation of investment securities	18	—
Loss on sale of investment securities	15	—
Total extraordinary losses	1,375	3,942
Profit before income taxes	10,517	11,776
Income taxes - current	3,906	3,792
Income taxes - deferred	(110)	(1,074)
Total income taxes	3,795	2,718
Profit	6,721	9,058
Profit (loss) attributable to non-controlling interests	(16)	44
Profit attributable to owners of parent	6,738	9,014

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	6,721	9,058
Other comprehensive income		
Valuation difference on available-for-sale securities	11,852	1,504
Deferred gains or losses on hedges	93	(66)
Foreign currency translation adjustment	631	(37)
Remeasurements of defined benefit plans, net of tax	141	(79)
Share of other comprehensive income of entities accounted for using equity method	40	55
Total other comprehensive income	12,759	1,376
Comprehensive income	19,481	10,435
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,375	10,246
Comprehensive income attributable to non-controlling interests	106	188

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,040	15,210	61,137	(2,477)	95,910
Changes during period					
Dividends of surplus			(1,418)		(1,418)
Profit attributable to owners of parent			6,738		6,738
Purchase of treasury shares				(2,477)	(2,477)
Disposal of treasury shares				8	8
Cancellation of treasury shares		(2,292)		2,292	—
Transfer from retained earnings to capital surplus		2,292	(2,292)		—
Change in ownership interest of parent due to transactions with non-controlling interests		27			27
Net changes in items other than shareholders' equity					
Total changes during period	—	27	3,027	(177)	2,877
Balance at end of period	22,040	15,237	64,164	(2,654)	98,788

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,193	(43)	(7,523)	(202)	5,424	1,572	102,907
Changes during period							
Dividends of surplus							(1,418)
Profit attributable to owners of parent							6,738
Purchase of treasury shares							(2,477)
Disposal of treasury shares							8
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in ownership interest of parent due to transactions with non-controlling interests							27
Net changes in items other than shareholders' equity	11,860	93	541	141	12,637	(347)	12,289
Total changes during period	11,860	93	541	141	12,637	(347)	15,167
Balance at end of period	25,054	49	(6,982)	(60)	18,061	1,225	118,074

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,040	15,237	64,164	(2,654)	98,788
Changes during period					
Dividends of surplus			(2,148)		(2,148)
Profit attributable to owners of parent			9,014		9,014
Purchase of treasury shares				(5,165)	(5,165)
Disposal of treasury shares		0		20	20
Cancellation of treasury shares		(3,558)		3,558	—
Transfer from retained earnings to capital surplus		3,558	(3,558)		—
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Net changes in items other than shareholders' equity					
Total changes during period	—	2	3,307	(1,586)	1,723
Balance at end of period	22,040	15,240	67,471	(4,240)	100,511

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	25,054	49	(6,982)	(60)	18,061	1,225	118,074
Changes during period							
Dividends of surplus							(2,148)
Profit attributable to owners of parent							9,014
Purchase of treasury shares							(5,165)
Disposal of treasury shares							20
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in ownership interest of parent due to transactions with non-controlling interests							2
Net changes in items other than shareholders' equity	1,506	(66)	(128)	(79)	1,232	151	1,384
Total changes during period	1,506	(66)	(128)	(79)	1,232	151	3,107
Balance at end of period	26,560	(17)	(7,110)	(139)	19,293	1,376	121,182

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	10,517	11,776
Depreciation	5,086	5,157
Impairment losses	588	2,753
Increase (decrease) in retirement benefit liability	9	(176)
Increase (decrease) in provision for share-based payments	50	44
Increase (decrease) in allowance for doubtful accounts	(28)	81
Interest and dividend income	(1,433)	(1,707)
Interest expenses	363	320
Compensation received for damage	—	(822)
Litigation expenses	—	227
Foreign exchange losses (gains)	(46)	(3)
Share of loss (profit) of entities accounted for using equity method	(43)	(41)
Loss (gain) on sale of property, plant and equipment and intangible assets	(21)	(570)
Loss on retirement of property, plant and equipment and intangible assets	20	19
Loss (gain) on sale of short-term and long-term investment securities	(1,586)	(1,779)
Loss (gain) on valuation of short-term and long-term investment securities	18	—
Loss (gain) on sale of shares of subsidiaries and associates	530	(694)
Decrease (increase) in accounts receivable - trade, and contract assets	(2,736)	2,392
Decrease (increase) in inventories	508	911
Increase (decrease) in trade payables	1,565	(2,797)
Other, net	1,251	(1,343)
Subtotal	14,615	13,746
Interest and dividends received	1,424	1,724
Interest paid	(328)	(339)
Subsidies received	108	80
Amount of compensation for damage received	—	822
Litigation expenses paid	—	(227)
Income taxes paid	(2,954)	(4,757)
Net cash provided by (used in) operating activities	12,864	11,048

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Decrease (increase) in time deposits	(29)	(0)
Purchase of property, plant and equipment and intangible assets	(4,590)	(5,585)
Proceeds from sale of property, plant and equipment and intangible assets	35	631
Purchase of investment securities	(9)	(5)
Proceeds from sale of investment securities	2,181	1,971
Loan advances	(5)	(1)
Proceeds from collection of loans receivable	3	111
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(30)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,440	—
Other, net	(412)	(80)
Net cash provided by (used in) investing activities	(387)	(2,989)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,089)	(1,486)
Proceeds from long-term borrowings	1,186	500
Repayments of long-term borrowings	(1,915)	(658)
Purchase of treasury shares	(2,477)	(5,165)
Proceeds from sale of treasury shares	—	0
Repayments of lease liabilities	(133)	(126)
Dividends paid	(1,417)	(2,141)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(394)	—
Repayments of construction assistance fund	(475)	—
Other, net	(234)	39
Net cash provided by (used in) financing activities	(6,951)	(9,038)
Effect of exchange rate change on cash and cash equivalents	238	14
Net increase (decrease) in cash and cash equivalents	5,763	(964)
Cash and cash equivalents at beginning of period	10,360	16,123
Cash and cash equivalents at end of period	16,123	15,158

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes on changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Application Guidance of 2022”). There is no impact on the consolidated financial statements as a result of this change in the accounting policy.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Application Guidance of 2022 from the beginning of the fiscal year ended March 31, 2025. This change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year. There is no impact on the consolidated financial statements for the previous fiscal year as a result of this change in the accounting policy.

(Notes on changes in presentation)

(Consolidated statement of income)

“Loss on disposal of non-current assets,” which was presented separately under non-operating expenses in the previous fiscal year, has been included in “Other” under non-operating expenses from the fiscal year under review because it has become immaterial. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year were restated.

As a result, ¥122 million that was presented in “Loss on disposal of non-current assets” and ¥255 million that was presented in “Other” under non-operating expenses in the consolidated statement of income for the previous fiscal year were reclassified as ¥377 million of “Other” under non-operating expenses.

(Notes on additional information)

(Share-based compensation plan for directors and other officers)

The Company has introduced a share-based compensation plan using a trust (hereinafter the “Plan”) for directors (excluding outside directors, directors who are audit and supervisory committee members and residents outside Japan; the same shall apply hereinafter) and executive officers (excluding residents outside Japan; hereinafter collectively referred to as “Directors, etc.”) in order to raise their consciousness of contributing to improvement in business performance over the medium to long term and enhancement of corporate value by making the linkage between remuneration of Directors, etc. and the Company’s operating results and share value clearer and having Directors, etc. share gains and risks of stock price fluctuations with shareholders.

(1) Overview of the transaction

The Plan is a share-based compensation plan in which a trust established by the Company’s contribution of money (hereinafter the “Trust”) acquires the Company’s shares, and the Company’s shares are delivered to each Director, etc. through the Trust in the number corresponding to the number of points granted by the Company to each Director, etc. The timing when each Director, etc. receives delivered shares of the Company is the time of retirement of the Director, etc. from his or her position in principle.

(2) The Company's own shares remaining in the trust

Shares of the Company remaining in the trust have been recorded as treasury shares in net assets at the carrying amount (excluding the amount of incidental costs) in the trust. The carrying amount and number of these treasury shares were ¥386 million and 161 thousand shares in the previous fiscal year, and ¥365 million and 152 thousand shares in the fiscal year under review.

(Notes on consolidated balance sheet)

(Contingent liabilities)

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

The Company has evaluated the details of the claims in the Lawsuit and is responding as appropriate through our attorneys.

On December 19, 2022, SBS Flec Co., Ltd.'s parent company SBS Holdings, Inc. announced regarding the fire accident that it had received an insurance payment of ¥5,236 million for the fixed assets burnt and damaged by the fire, and it is possible that the insurance company could file a claim for recovery. Furthermore, related to the fire accident, for around ¥1.1 billion initially estimated for the demolition costs for the Ami No. 2 Logistics Center, we received a notification from the relevant companies that around ¥0.68 billion in costs had been incurred at the end of April 2023. Depending on the future proceedings of the Lawsuit and the results of discussion, the Company could incur damages.

(Notes on additional information)

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

(Notes on consolidated statement of income)

***1 Compensation received for damage and litigation expenses**

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

These items are compensation received for damage, attorneys' fees, etc., arising at a consolidated subsidiary located in Brazil for claims for damages concerning repayment of segregated deposits from an electric power company.

***2 Impairment losses**

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

The Group has recorded impairment losses in relation to the following asset groups.

(1) Overview of the asset group in which impairment loss was recognized

Use	Category	Location	Impairment losses (Millions of yen)
Chemical product production facilities	Buildings and structures, machinery, equipment and vehicles, etc.	Guangzhou Economic and Technological Development Zone, Guangdong Province, China	526
Driving school	Buildings and structures, leased assets, etc.	Kurashiki City, Okayama Prefecture	62

(2) Background to the recognition of impairment loss

In the case of chemical product production facilities, a deterioration in the business environment has led to a decline in profitability, so we have written down the carrying amount to the recoverable amount, and recorded the reduction as an impairment loss under extraordinary losses.

The breakdown of that figure is buildings and structures ¥119 million, machinery, equipment and vehicles ¥168 million, construction in progress ¥5 million, intangible assets ¥1 million, and other ¥232 million.

Furthermore, the recoverable amount is calculated based on the net selling price, with intangible assets calculated based on a reasonable valuation conducted by a third party, and the carrying amount of assets other than intangible assets written down to the memorandum value.

In the case of the driving school, a deterioration in the business environment has led to a decline in profitability, so we have written down the carrying amount to the recoverable amount, and recorded the reduction as an impairment loss under extraordinary losses.

The breakdown of that figure is buildings and structures ¥46 million, machinery, equipment and vehicles ¥0 million, leased assets ¥10 million, intangible assets ¥3 million, and other ¥1 million.

Moreover, although recoverable amounts are measured based on values in use, because future cash flows cannot be expected the recoverable amount has been valued at zero.

(3) Method for grouping assets

The Group conducts asset grouping in accordance with classifications used for management accounting for operating assets, and performs grouping at the level of individual properties for idle assets.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

The Group has recorded impairment losses in relation to the following asset groups.

(1) Overview of the asset group in which impairment loss was recognized

Use	Category	Location	Impairment losses (Millions of yen)
Power generation facilities	Buildings and structures, machinery, equipment and vehicles, etc.	Anan City, Tokushima Prefecture	1,639
Product manufacturing facilities	Buildings and structures, machinery, equipment and vehicles, etc.	Anjo City, Aichi Prefecture	1,097
Product manufacturing facilities	Machinery and equipment	Yokkaichi City, Mie Prefecture	15

(2) Background to the recognition of impairment loss

In the case of the power generation facilities in Anan City, Tokushima Prefecture, a deterioration in the business environment has led to a decline in profitability, so we have written down the carrying amount to the recoverable amount, and recorded the reduction as an impairment loss under extraordinary losses.

The breakdown of that figure is buildings and structures ¥268 million, machinery, equipment and vehicles ¥1,347 million, intangible assets ¥21 million, and other ¥2 million.

Moreover, although recoverable amounts are measured based on values in use, because future cash flows cannot be expected the recoverable amount has been valued at zero.

In the case of the product manufacturing facilities in Anjo City, Aichi Prefecture, following the decision to close the Anjo Plant we wrote down the carrying amount for buildings, etc. that were scheduled to be scrapped to the recoverable amount, and recorded the reduction as an impairment loss under extraordinary losses.

The breakdown of that figure is buildings and structures ¥944 million, machinery, equipment and vehicles ¥146 million, intangible assets ¥1 million, and other ¥4 million.

Furthermore, the recoverable amount is calculated based on the net selling price, and the carrying amount is written down to the memorandum value.

In the case of the product manufacturing facilities in Yokkaichi City, Mie Prefecture, because we made the decision to scrap them we wrote down the carrying amount to the recoverable amount, and recorded the reduction as an impairment loss under extraordinary losses.

The breakdown of that figure is machinery and equipment ¥15 million.

Furthermore, the recoverable amount is calculated based on the net selling price, and the carrying amount is written down to the memorandum value.

(3) Method for grouping assets

The Group conducts asset grouping in accordance with classifications used for management accounting for operating assets, and performs grouping at the level of individual properties for idle assets.

*3 Business restructuring expenses

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

These consist of expenses such as extra retirement payments associated with structural reform at the Anjo Plant and the transfer of the Company's equity stake in consolidated subsidiaries.

(Notes on segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are components of the Group's businesses on which separate financial information is available and which are examined regularly by the Board of Directors to decide allocation of managerial resources and assess business performance.

The Company has established a division (or responsible department) by product/service, and for the Food and Services segment, consolidated subsidiaries have been established. These divisions, etc. formulate domestic and overseas strategies for products and services that they handle and conduct business activities.

Accordingly, the Group's businesses consist of segments classified by product/service based on divisions, etc., and five segments of "Textiles," "Chemical Products," "Advanced Technology," "Food and Services" and "Real Estate" are reportable segments.

The description of main businesses that belong to each reportable segment is as follows.

Reportable segments	Description of business
Textiles	Manufacturing and sales of yarns, fabrics and textile products (sewn products, etc.)
Chemical Products	Manufacturing, processing and sales of flexible polyurethane foam, functional resin products (functional films, and high-performance plastic products), housing construction products (synthetic wood, inorganic building materials, and rigid polyurethane foam), and others (nonwoven fabrics, and functional materials)
Advanced Technology	Manufacturing, sales and maintenance of electronics (information system equipment related to color/production control, etc., and inspection/measurement systems) Engineering (design, production, construction and sales of various plants related to environment and energy, etc., and biomass power generation business) Manufacturing and sales of others (bio-related products)
Food and Services	Manufacturing and sales of freeze-dried foods Operation of hotels, driving schools, etc.
Real Estate	Real estate leasing

2. Method of calculating the amounts of sales, profit or loss, assets and other items by reportable segment

The method of accounting for reported operating segments is basically the same as the method of accounting treatment employed to prepare the consolidated financial statements.

Profit of reportable segments represents figures based on operating profit.

Intersegment revenue and transfers are based on prevailing market prices.

3. Information on the amounts of sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	51,103	61,318	25,530	9,572	3,790	151,314	—	151,314
Intersegment sales or transfers	49	21	324	32	441	869	(869)	—
Total	51,152	61,340	25,855	9,604	4,231	152,183	(869)	151,314
Segment profit (loss)	(257)	3,963	3,574	641	2,332	10,254	(1,068)	9,186
Segment assets	55,763	66,748	24,041	11,343	13,420	171,316	21,472	192,789
Other items								
Depreciation	1,261	2,079	668	421	602	5,032	54	5,086
Amortization of goodwill	—	—	6	—	—	6	—	6
Investments in entities accounted for using equity method	427	—	—	464	—	892	—	892
Increase in property, plant and equipment and intangible assets	1,238	2,218	667	523	284	4,932	27	4,959

(Notes) 1. (1) The segment profit or loss adjustment of negative ¥1,068 million includes company-wide expenses of negative ¥1,054 million and other adjustments of negative ¥13 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.

(2) The segment assets adjustment of ¥21,472 million includes corporate assets of ¥33,872 million and other adjustments of negative ¥12,399 million. Corporate assets are mainly surplus operating funds (cash and deposits) and long-term investment funds (investment securities) at the parent company.

(3) The depreciation adjustment of ¥54 million in other items includes company-wide expenses of ¥62 million and other adjustments of negative ¥7 million. Company-wide expenses represent depreciation of corporate assets that is not attributable to the reportable segment.

(4) The adjustment of increase in property, plant and equipment and intangible assets of ¥27 million in other items includes an increase in corporate assets of ¥39 million and other adjustments of negative ¥11 million. The increase in corporate assets represents the amount of capital investment not attributable to the reportable segment.

2. Segment profit or loss is adjusted with operating profit in the consolidated financial statements.

3. KURAKI Co., Ltd., which was engaged in manufacturing and sales of machine tools, etc. in the Advanced Technology segment, was excluded from the consolidation scope, together with its subsidiaries Kuraki Taiwan Co., Ltd. and Kuraki America Corporation, from the beginning of the fourth quarter of the fiscal year ended March 31, 2024, due to the transfer of the shares in January 2024. As for amounts of net sales, segment profit, and other items (depreciation, and increase in property, plant and equipment and intangible assets) related to machine tools, etc., results up to the date of exclusion from consolidation are included.

Other than the said company and its subsidiaries, there is no company that is engaged in manufacturing and sales of machine tools, etc.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	48,532	66,002	21,943	10,458	3,723	150,660	—	150,660
Intersegment sales or transfers	53	35	251	42	436	820	(820)	—
Total	48,586	66,037	22,194	10,501	4,160	151,480	(820)	150,660
Segment profit	75	5,030	3,341	724	2,243	11,415	(1,104)	10,311
Segment assets	52,952	66,736	21,394	11,781	12,837	165,702	24,826	190,529
Other items								
Depreciation	1,314	2,103	633	429	626	5,107	50	5,157
Amortization of goodwill	—	—	6	—	—	6	—	6
Investments in entities accounted for using equity method	488	—	—	498	—	987	—	987
Increase in property, plant and equipment and intangible assets	798	5,023	441	305	555	7,123	33	7,156

- (Notes)
- (1) The segment profit adjustment of negative ¥1,104 million includes company-wide expenses of negative ¥1,104 million and other adjustments of ¥0 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
 - (2) The segment assets adjustment of ¥24,826 million includes corporate assets of ¥38,035 million and other adjustments of negative ¥13,208 million. Corporate assets are mainly surplus operating funds (cash and deposits) and long-term investment funds (investment securities) at the parent company.
 - (3) The depreciation adjustment of ¥50 million in other items includes company-wide expenses of ¥62 million and other adjustments of negative ¥12 million. Company-wide expenses represent depreciation of corporate assets that is not attributable to the reportable segment.
 - (4) The adjustment of increase in property, plant and equipment and intangible assets of ¥33 million in other items includes an increase in corporate assets of ¥38 million and other adjustments of negative ¥5 million. The increase in corporate assets represents the amount of capital investment not attributable to the reportable segment.
 - Segment profit is adjusted with operating profit in the consolidated financial statements.

[Information about impairment losses of non-current assets by reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments						Adjustments	Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Impairment losses	—	526	—	62	—	588	—	588

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments						Adjustments	Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Impairment losses	1,096	16	1,639	—	—	2,753	—	2,753

[Information about amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

The information is omitted as it is immaterial.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

The information is omitted as it is immaterial.

[Information about gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

(Notes on revenue recognition)

Information on disaggregation of revenue from contracts with customers

[Breakdown by type of goods or services]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	
Yarns	15,411	—	—	—	—	15,411
Fabrics	27,055	—	—	—	—	27,055
Textile products (Sewn products, etc.)	14,193	—	—	—	—	14,193
Flexible polyurethane foam	—	23,293	—	—	—	23,293
Functional resin products	—	23,753	—	—	—	23,753
Housing construction products	—	10,245	—	—	—	10,245
Electronics businesses	—	—	12,534	—	—	12,534
Engineering businesses	—	—	6,779	—	—	6,779
Freeze-dried foods	—	—	—	6,773	—	6,773
Services	—	—	—	2,830	—	2,830
Others	—	8,604	7,456	—	—	16,060
Intersegment sales	(5,557)	(4,578)	(1,240)	(32)	—	(11,408)
Revenue from contracts with customers	51,103	61,318	25,530	9,572	—	147,524
Other revenue	—	—	—	—	3,790	3,790
Sales to outside customers	51,103	61,318	25,530	9,572	3,790	151,314

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments					Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	
Yarns	18,154	—	—	—	—	18,154
Fabrics	21,474	—	—	—	—	21,474
Textile products (Sewn products, etc.)	13,927	—	—	—	—	13,927
Flexible polyurethane foam	—	25,557	—	—	—	25,557
Functional resin products	—	26,975	—	—	—	26,975
Housing construction products	—	10,585	—	—	—	10,585
Electronics businesses	—	—	12,895	—	—	12,895
Engineering businesses	—	—	7,744	—	—	7,744
Freeze-dried foods	—	—	—	7,472	—	7,472
Services	—	—	—	3,028	—	3,028
Others	—	8,765	2,920	—	—	11,685
Intersegment sales	(5,024)	(5,880)	(1,617)	(42)	—	(12,565)
Revenue from contracts with customers	48,532	66,002	21,943	10,458	—	146,936
Other revenue	—	—	—	—	3,723	3,723
Sales to outside customers	48,532	66,002	21,943	10,458	3,723	150,660

(Notes on per share information)

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Net assets per share	¥6,513.02	¥7,077.11
Basic earnings per share	¥362.50	¥516.19

(Notes) 1. The amount of diluted earnings per share is not presented because there are no shares with dilutive effect.

2. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	6,738	9,014
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	6,738	9,014
Average number of common shares outstanding during the period (Thousands of shares)	18,588	17,463

3. The basis for calculation of net assets per share is as follows:

	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	118,074	121,182
Amounts deducted from total net assets (Millions of yen)	1,225	1,376
[Of the above, non-controlling interests (Millions of yen)]	[1,225]	[1,376]
Net assets pertaining to common shares at the end of the period (Millions of yen)	116,849	119,805
Number of common shares at the end of the period used to calculate net assets per share (Thousands of shares)	17,940	16,928

4. The Company has introduced the Board Benefit Trust, a share-based compensation plan for directors, etc. using a trust. For the calculation of net assets per share, the Company's shares held by the trust account are included in the number of treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period. (161 thousand shares in the previous fiscal year; 152 thousand shares in the fiscal year under review)

In addition, for the calculation of basic earnings per share, these shares are included in treasury shares deducted in the calculation of the average number of shares outstanding during the period. (115 thousand shares in the previous fiscal year; 154 thousand shares in the fiscal year under review)

(Notes on significant subsequent events)

(Sale of investment securities)

The Company has resolved at a meeting of the Board of Directors held on May 14, 2025 to sell some of the Company's investment securities.

1. Reason for the Investment Securities Sale

As one of the priority policies of the financial strategy in the medium-term management plan "Accelerate '27," which started in fiscal year 2025, the Company has been engaging in efforts to reduce our cross-shareholdings. This move is a part of such efforts.²

2. Details of Investment Securities Sale

(1) Investment securities to be sold	One listed security owned by the Company
(2) Scheduled sale timing	By the end of May 2025 (scheduled)
(3) Gain on sale of investment securities	Approx. ¥4.0 billion (expected)

* The above gain on sale of investment securities is an estimated amount calculated based on the current share price of the said securities and may fluctuate.

4. Others

(1) Changes of officers (effective as of June 25, 2025)

The information was separately disclosed in the “Notification on Changes of Director and Executive Officers” on May 14, 2025.

(2) Reference information

i) Changes in the number of employees (consolidated)

(Persons)	
As of Mar. 31, 2023	4,189
As of Mar. 31, 2024	3,899
As of Mar. 31, 2025	3,881

Note: In addition to the above, there are also temporary employees and part-timers (910 as of Mar. 31, 2025).

ii) Changes in the balance of interest-bearing debt (consolidated)

(Millions of yen)	
As of Mar. 31, 2023	14,557
As of Mar. 31, 2024	11,645
As of Mar. 31, 2025	10,356

Note: Total amount of long-term and short-term borrowings.

iii) Trends in amount of capital investment and depreciation (consolidated)

(Millions of yen)		
	Amount of capital investment	Depreciation
Fiscal year ended Mar. 31, 2023	4,647	5,181
Fiscal year ended Mar. 31, 2024	4,959	5,086
Fiscal year ended Mar. 31, 2025	7,156	5,157
Fiscal year ending Mar. 31, 2026 (Forecast)	7,800	5,100

iv) Forecast of full-year financial results for the fiscal year ending March 31, 2026 (consolidated)

(Millions of yen)

		Fiscal year ended Mar. 31, 2025	Fiscal year ending Mar. 31, 2026 (Forecast)
Net sales	Chemical Products	66,002	64,000
	Textiles	48,532	43,500
	Advanced Technology	21,943	22,200
	Food and Services	10,458	10,500
	Real Estate	3,723	3,800
	Total	150,660	144,000
Operating profit	Chemical Products	5,030	3,900
	Textiles	75	(700)
	Advanced Technology	3,341	3,000
	Food and Services	724	700
	Real Estate	2,243	2,200
	Eliminations and corporate	(1,104)	(1,100)
	Total	10,311	8,000
Ordinary profit		11,784	9,500
Profit attributable to owners of parent		9,014	9,500