

Consolidated Financial Report for Year Ended March 31, 2025**TOYOBO Co., Ltd.**URL <https://ir.toyobo.co.jp/en/ir.html>

Stock Code: 3101 (Prime Market, Tokyo Stock Exchange)

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Date of the General Meeting of the Shareholders: June 25, 2025

Planned start of dividend payments: June 26, 2025

Planned filing date of an annual security report: June 24, 2025

(Figures are rounded to the nearest million yen.)

1. Consolidated Business Performance**(1) Consolidated Operating Results**

Years ended March 31

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2025	422,032	1.9	16,653	85.1	10,591	52.1	2,003	(18.4)
2024	414,265	3.6	8,995	(10.6)	6,962	5.6	2,455	—

(Note) Comprehensive Income: Year ended March 31, 2025: ¥5,426 million (56.4%)

Year ended March 31, 2024: ¥12,454 million —%

	Net profit per share	Net profit per share after dilution	Return on equity	Ordinary profit-to-total assets ratio	Operating profit-to-net sales ratio
	Yen	Yen	%	%	%
2025	22.73	—	1.0	1.7	3.9
2024	27.87	—	1.3	1.2	2.2

(Reference) Gain (loss) on investment by equity method: Year ended March 31, 2025: ¥(129) million

Year ended March 31, 2024: ¥(60) million

(2) Consolidated Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2025	617,799	232,044	31.6	2,215.11
2024	606,990	230,087	32.5	2,236.50

(Reference) Total shareholders' equity: March 31, 2025: ¥195,312 million, March 31, 2024: ¥197,033 million

(3) Consolidated Cash Flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2025	30,118	(46,386)	10,490	27,427
2024	21,595	(58,784)	8,260	33,310

2. Dividends

Years ended/ending March 31

Record date	Dividends per share					Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends to net assets ratio
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2024	—	0.00	—	40.00	40.00	3,524	143.5	1.8
2025	—	0.00	—	40.00	40.00	3,527	176.0	1.8
2026 (Forecast)	—	0.00	—	40.00	40.00		78.4	

3. Forecasts for Fiscal Year Ending March 31, 2026

Percentages indicate year-on-year increase/ (decrease)

Fiscal year	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
	440,000	4.3	21,000	26.1	15,500	46.4

Fiscal year	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
	4,500	124.6	51.05

4. Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None

1) New company : None

2) Excluded company : None

2. Changes from accounting methods, procedures and the presentation of the consolidated financial statements:

1) Changes based on revision of accounting standards : None

2) Changes other than 1) above : None

3) Changes due to accounting estimation change : None

4) Error correction : None

3. Number of shares issued and outstanding (common stock):

1) Number of shares outstanding at fiscal year-end (including treasury stock):

2025: 89,048,792 shares 2024: 89,048,792 shares

2) Number of treasury stock at fiscal year-end:

2025: 876,140 shares 2024: 949,992 shares

3) Average number of shares outstanding:

2025: 88,149,665 shares 2024: 88,096,555 shares

(Reference)

1. Non-Consolidated Business Performance

(1) Non-Consolidated Operating Results

Year ended March 31

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2025	191,896	4.5	1,955	—	4,933	123.2	3,149	—
2024	183,625	(27.6)	(999)	—	2,211	14.0	37	—

(Note) Year-on-year increase (decrease) in net profit for the fiscal year ended March 31, 2025 is shown as “—” as it exceeds 1,000%.

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2025	35.73	—
2024	0.42	—

(2) Non-Consolidated Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2025	506,412	145,490	28.7	1,650.06
2024	492,805	146,219	29.7	1,659.72

(Reference) Total shareholders' equity: March 31, 2025: ¥145,490 million, March 31, 2024: 146,219 million

※ Financial Results Reports are exempt from review by certified public accountants or accounting auditor

※ Explanation regarding the appropriate use of forecasts of business results

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

(How to obtain supplementary document on earnings)

The supplementary document on earnings is disclosed on the same day as the Financial Results Report, and it is made available on the Company's website.

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1. Operating Results

(1) Analysis of Operating Results

The business environment surrounding the Toyobo Group (hereinafter “the Group”) in the fiscal year ended March 31, 2025 (hereinafter “the fiscal year”) saw heightened uncertainty about the outlook in the United States with recent signs of a slowdown in demand, despite economic activities remaining strong. In China, exports expanded, but the economy remained sluggish as effects of the policy against a prolonged real estate recession and weak consumption were limited. In Japan, the economy has recovered moderately due to an improvement in the income environment, which led to a recovery in consumer spending, as well as increased inbound tourism demand and expansion of capital investment.

Under this business environment, polarizer protective films for LCDs “COSMOSHINE SRF” and traditional Arabic fabric remained steady. Furthermore, in businesses requiring improvement, including the packaging film business, and the nonwoven materials business, measures such as product price revisions and review of the production system progressed, and profitability improved.

As a result, consolidated net sales in the fiscal year increased 1.9% from the previous fiscal year to ¥422.0 billion, operating profit increased 85.1% from the previous fiscal year to ¥16.7 billion, ordinary profit increased 52.1% from the previous fiscal year to ¥10.6 billion, profit attributable to owners of parent decreased 18.4% from the previous fiscal year to ¥2.0 billion.

Results by business segment were as follows:

Films

In the packaging film business, despite the impact of rising costs such as new product development expenses, profitability improved due to a moderate recovery in cargo movement as well as the promoted revision of product prices in response to increases in raw material and fuel prices and logistics expenses.

In the industrial film business, while sales of mold releasing film for multilayer ceramic capacitors (MLCC) for AI servers and other uses expanded, start-up cost for new production equipment increased. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” were strong, supported by strong demand.

As a result, sales in this segment increased ¥10.3 billion (6.6%) from the previous fiscal year to ¥166.8 billion, and operating profit increased ¥4.2 billion (157.4%) to ¥6.9 billion.

Life Science

In the biotechnology business, sales increased, backed by strong demand for enzymes for diagnostic reagents both in Japan and overseas. However, the business was affected by an increase in expenses associated with the expansion of production capacity as well as a temporary decline in productivity.

In the medical materials business, sales of artificial kidney hollow fiber trended strong, but expenses to launch a new plant and expenses for infrastructure-related investment increased.

In the contract manufacturing business of pharmaceuticals, the Warning Letter by the FDA was lifted, and progress was made in revising product prices.

As a result, sales in this segment decreased ¥0.2 billion (0.6%) from the previous fiscal year to ¥34.3 billion, with an operating profit decreased ¥2.4 billion (54.7%) from the previous fiscal year to ¥2.0 billion.

Environmental and Functional Materials

In the resin and chemical business, progress was made in revising prices of engineering plastics, and sales of these products increased for automotive use for the North and Central America. Sales of photo functional materials for water-wash photosensitive printing plates increased, mainly in China and Southeast Asia.

In the environment and fiber business, environmental solutions sales of brine concentration membrane equipment for lithium recovery contributed, but sales declined for VOC recovery equipment used in the manufacturing process for lithium-ion battery separators due to the impact of the slowdown in the electric vehicle market. In high performance fibers, sales to overseas remained steady. In nonwoven materials, review of the production system in Japan proceeded, and profitability improved.

As a result, sales in this segment decreased ¥4.5 billion (3.9%) from the previous fiscal year to ¥110.8 billion, and operating profit increased ¥3.3 billion (70.6%) to ¥8.0 billion.

Functional Textiles and Trading

In the textile business, sales of traditional Arabic fabric grew due to strong demand, and exports saw an uptick in profitability due to the effect of exchange fluctuations. Furthermore, reforms of business structure such as the consolidation of production bases in Japan progressed.

In the airbag fabric business, product price revisions proceeded.

As a result, sales in this segment increased ¥2.4 billion (2.5%) from the previous fiscal year to ¥98.1 billion, and operating profit of ¥0.5 billion. (Compared with operating loss of ¥1.0 billion for the previous fiscal year.)

Real Estate and Other Business

This segment includes infrastructure-related businesses such as real estate, engineering, information processing services, and logistics services. Results in these businesses were generally in line with plans.

As a result, sales in this segment decreased ¥0.2 billion (1.6%) from the previous fiscal year to ¥12.0 billion, and operating profit decreased ¥0.5 billion (15.3%) to ¥2.6 billion.

(2) Analysis of Financial Position

Total assets increased ¥10.8 billion (1.8%) from the end of the previous fiscal year to ¥617.8 billion. This was mainly due to an increase in property, plant and equipment due to capital investment, despite a decrease in cash and deposits.

Total liabilities increased ¥8.9 billion (2.3%) from the end of the previous fiscal year to ¥385.8 billion. This was mainly due to an increase in long-term borrowings, despite a decrease in short-term borrowings.

Net assets increased ¥2.0 billion (0.9%) from the end of the previous fiscal year to ¥232.0 billion. This was mainly due to an increase in non-controlling interests, despite a decrease in retained earnings due to dividends paid and other factors.

(3) Cash Flows

Net cash provided by operating activities amounted to ¥30.1 billion at the end of the subject fiscal year. This was mainly due to a cash increase from depreciation of ¥22.7 billion and profit before income taxes 7.2 billion, and a cash decrease from an increase in working capital of ¥5.0 billion.

Net cash used in investing activities amounted to ¥46.4 billion. This was mainly due to purchase of property, plant and equipment and intangible assets of ¥45.2 billion.

Net cash provided by financing activities amounted to ¥10.5 billion. This was mainly due to proceeds from long-term borrowings of ¥40.5 billion and proceeds from issuance of bonds of ¥17.0 billion, and net decrease in short-term borrowings of ¥15.4 billion, redemption of bonds of ¥15.0, repayments of long-term borrowings of ¥13.3 billion and dividends paid of ¥3.5 billion.

As a result, the balance of cash and cash equivalents at the end of the subject fiscal year (March 31, 2025) stood at ¥27.4 billion, a decrease of ¥ 5.9 billion from the end of the previous fiscal year (March 31, 2024).

(Reference) Financial Position Indicators

Years ended March 31

	2021	2022	2023	2024	2025
Equity ratio (%)	37.8	37.6	32.2	32.5	31.6
Equity ratio, based on market value (%)	25.8	18.8	15.6	16.4	13.4
Return on equity (%)	2.3	6.8	(0.3)	1.3	1.0
Interest-bearing debt to cash flow ratio (Years)	5.3	11.2	29.4	11.5	8.9
Interest coverage ratio (Times)	28.0	14.0	5.9	16.2	14.2
D/E ratio (Times)	1.01	0.98	1.21	1.26	1.37

Notes:

Equity ratio: shareholders' equity / total assets

Equity ratio, based on market value: total market capitalization / total assets

Return on equity: profit attributable to owners of parent / an average of the balances at the beginning and end of period for the total net assets excluding non-controlling interests

Interest-bearing debt to cash flow ratio: interest-bearing debt / operating cash flows

Interest coverage ratio: operating cash flows / interest expense

D/E ratio: interest-bearing debt / net assets excluding non-controlling interests

(4) Forecast for Fiscal 2026 (Ending March 31, 2026)

Regarding the business environment for the fiscal year ending March 31, 2026, uncertainty about the global economy is expected to increase due to the shift in the trade policy of the United States.

The Group will promote the expansion of sales of "COSMOSHINE SRF" for which demand

remains strong, and the improvement of profitability for packaging film that is on a recovery trend. In addition, the Group will strive to expand sales by the expansion of production capacity for mold releasing film for MLCC, enzymes for diagnostic reagents and artificial kidney hollow fiber for which demand is expected to expand in the future.

Under this environment, for the fiscal year ending March 31, 2026, the Group is forecasting net sales of ¥440.0 billion (an increase of ¥18.0 billion year on year), operating profit of ¥21.0 billion (an increase of ¥4.3 billion), ordinary profit of ¥15.5 billion (an increase of ¥4.9 billion) and profit attributable to owners of parent of ¥4.5 billion (an increase of ¥2.5 billion).

(5) Basic Policy Regarding Earnings Distribution, and Dividends for Fiscal 2025 and 2026

Toyobo (hereinafter “the Company”) considers providing returns to shareholders to be one of its highest priorities. Our basic policy is to continually provide a stable dividend, in a comprehensive consideration of such factors as sustainable profits levels, retention of earnings for future investment, and improving the financial position to provide shareholders returns, including the acquisition of treasury shares, with a target total return ratio (*1) of 30%.

Regarding dividends for the fiscal year, dividends of ¥40 per share are being planned. And for the next fiscal year, dividends of ¥40 per share are being forecast, but the Group will review this going forward based on the policy above.

(*1) Total return ratio = (total dividend + total amount of share buybacks) ÷ profit attributable to owners of parent

2. Basic Approach to Selection of Accounting Standards

After considering the possibility of comparisons among financial results for consolidated accounting periods and the possibility of comparisons with other companies, the Group has decided to continue to adopt generally accepted accounting principles in Japan for the time being. Please note that, regarding the adoption of International Financial Reporting Standards (IFRS), the policy of the Group is to take appropriate action after the consideration of related issues in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	2024 (As of March 31, 2024)	2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	33,796	28,581
Notes receivable - trade	3,775	1,743
Accounts receivable - trade	83,968	90,802
Contract assets	140	207
Electronically recorded monetary claims - Operating	14,921	13,400
Merchandise and finished goods	69,996	65,055
Work in process	20,566	22,023
Raw materials and supplies	31,421	31,904
Other	15,488	14,109
Allowance for doubtful accounts	(337)	(330)
Total current assets	273,733	267,495
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,575	73,763
Machinery, equipment and vehicles, net	59,855	63,720
Land	91,049	90,203
Construction in progress	53,025	55,958
Other, net	12,972	12,875
Total property, plant and equipment	281,475	296,518
Intangible assets		
Other	4,670	5,032
Total intangible assets	4,670	5,032
Investments and other assets		
Investment securities	11,072	12,274
Retirement benefit asset	3,196	4,358
Deferred tax assets	21,400	21,427
Other	12,712	10,762
Allowance for doubtful accounts	(1,268)	(68)
Total investments and other assets	47,112	48,754
Total non-current assets	333,257	350,304
Total assets	606,990	617,799

(Millions of yen)

	2024 (As of March 31, 2024)	2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	49,782	48,389
Electronically recorded obligations - operating	4,229	3,436
Short-term borrowings	68,385	53,043
Commercial papers	—	5,000
Current portion of bonds payable	15,000	10,000
Current portion of long-term borrowings	13,069	11,684
Provision for bonuses	5,253	5,260
Other	28,430	23,509
Total current liabilities	184,148	160,320
Non-current liabilities		
Bonds payable	60,000	67,000
Long-term borrowings	85,637	114,343
Deferred tax liabilities for land revaluation	18,762	18,990
Provision for retirement benefits for directors (and other officers)	274	209
Provision for environmental measures	11	—
Retirement benefit liability	15,901	14,122
Other	12,171	10,770
Total non-current liabilities	192,755	225,435
Total liabilities	376,903	385,755
Net assets		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	33,187	32,661
Retained earnings	70,315	68,967
Treasury shares	(1,006)	(925)
Total shareholders' equity	154,227	152,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,801	1,857
Deferred gains or losses on hedges	(1)	12
Revaluation reserve for land	40,603	40,174
Foreign currency translation adjustment	(548)	(603)
Remeasurements of defined benefit plans	951	1,439
Total accumulated other comprehensive income	42,806	42,879
Non-controlling interests	33,054	36,732
Total net assets	230,087	232,044
Total liabilities and net assets	606,990	617,799

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Millions of yen)

(Consolidated Statements of Income)	2024 (From April 1, 2023 To March 31, 2024)	2025 (From April 1, 2024 To March 31, 2025)
Net sales	414,265	422,032
Cost of sales	326,267	324,977
Gross profit	87,998	97,055
Selling, general and administrative expenses	79,003	80,402
Operating profit	8,995	16,653
Non-operating income		
Dividend income	323	321
Foreign exchange gains	1,333	—
Compensation income	9	575
Subsidy income	583	890
Other	1,454	1,368
Total non-operating income	3,702	3,153
Non-operating expenses		
Interest expenses	1,355	2,182
Salaries paid to dispatched employees	793	693
Other	3,587	6,340
Total non-operating expenses	5,735	9,216
Ordinary profit	6,962	10,591
Extraordinary income		
Gain on sale of non-current assets	—	737
Gain on sale of shares of subsidiaries and associates	—	1,489
Gain on sale of investment securities	3,312	124
Total extraordinary income	3,312	2,350
Extraordinary losses		
Impairment losses	799	1,929
Loss on disposal of non-current assets	3,511	3,718
Other	377	126
Total extraordinary losses	4,687	5,772
Profit before income taxes	5,587	7,168
Income taxes - current	5,303	3,246
Income taxes - deferred	(3,295)	(1,277)
Total income taxes	2,007	1,969
Profit	3,580	5,199
Profit attributable to non-controlling interests	1,125	3,196
Profit attributable to owners of parent	2,455	2,003

(Millions of yen)

(Consolidated Statements of Comprehensive Income)	2024 (From April 1, 2023 To March 31, 2024)	2025 (From April 1, 2024 To March 31, 2025)
Profit	3,580	5,199
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,623)	55
Deferred gains or losses on hedges	(25)	(58)
Revaluation reserve for land	72	(292)
Foreign currency translation adjustment	4,505	(634)
Remeasurements of defined benefit plans, net of tax	5,583	488
Share of other comprehensive income of entities accounted for using equity method	362	669
Total other comprehensive income	<u>8,873</u>	<u>227</u>
Comprehensive income	<u>12,454</u>	<u>5,426</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,872	2,260
Comprehensive income attributable to non-controlling interests	1,581	3,166

(3) Consolidated Statements of Changes in Net Assets

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	51,730	32,402	70,490	(781)	153,840
Changes during period					
Dividends of surplus			(3,533)		(3,533)
Profit attributable to owners of parent			2,455		2,455
Reversal of revaluation reserve for land			904		904
Purchase of treasury shares				(321)	(321)
Disposal of treasury shares		(4)		95	92
Capital increase of consolidated subsidiaries		790			790
Net changes in items other than shareholders' equity					
Total changes during period	—	786	(174)	(225)	386
Balance at end of period	51,730	33,187	70,315	(1,006)	154,227

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,434	67	41,435	(4,556)	(4,632)	35,748	31,834	221,422
Changes during period								
Dividends of surplus								(3,533)
Profit attributable to owners of parent								2,455
Reversal of revaluation reserve for land								904
Purchase of treasury shares								(321)
Disposal of treasury shares								92
Capital increase of consolidated subsidiaries								790
Net changes in items other than shareholders' equity	(1,633)	(68)	(832)	4,008	5,583	7,058	1,220	8,278
Total changes during period	(1,633)	(68)	(832)	4,008	5,583	7,058	1,220	8,665
Balance at end of period	1,801	(1)	40,603	(548)	951	42,806	33,054	230,087

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	51,730	33,187	70,315	(1,006)	154,227
Changes during period					
Dividends of surplus			(3,524)		(3,524)
Profit attributable to owners of parent			2,003		2,003
Reversal of revaluation reserve for land			137		137
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		82	82
Change in scope of consolidation		342			342
Change in scope of equity method			36		36
Purchase of investments in capital of consolidated subsidiaries		14			14
Capital increase of consolidated subsidiaries		(884)			(884)
Net changes in items other than shareholders' equity					
Total changes during period	—	(526)	(1,348)	81	(1,793)
Balance at end of period	51,730	32,661	68,967	(925)	152,433

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,801	(1)	40,603	(548)	951	42,806	33,054	230,087
Changes during period								
Dividends of surplus								(3,524)
Profit attributable to owners of parent								2,003
Reversal of revaluation reserve for land								137
Purchase of treasury shares								(2)
Disposal of treasury shares								82
Change in scope of consolidation								342
Change in scope of equity method								36
Purchase of investments in capital of consolidated subsidiaries								14
Capital increase of consolidated subsidiaries								(884)
Net changes in items other than shareholders' equity	56	13	(429)	(55)	488	73	3,678	3,750
Total changes during period	56	13	(429)	(55)	488	73	3,678	1,957
Balance at end of period	1,857	12	40,174	(603)	1,439	42,879	36,732	232,044

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	2024 (From April 1, 2023 To March 31, 2024)	2025 (From April 1, 2024 To March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	5,587	7,168
Depreciation	19,806	22,698
Impairment losses	799	1,929
Increase (decrease) in allowance for doubtful accounts	171	(1,186)
Increase (decrease) in retirement benefit liability	(34)	(625)
Decrease (increase) in retirement benefit asset	(1,005)	(1,021)
Interest and dividend income	(612)	(612)
Interest expenses	1,355	2,182
Foreign exchange losses (gains)	(1,333)	662
Share of loss (profit) of entities accounted for using equity method	60	129
Loss (gain) on sales and disposal of property, plant and equipment, net	3,511	3,107
Loss (gain) on sale and valuation of investment securities	(3,147)	(124)
Loss (gain) on sale of shares of subsidiaries and associates	—	(1,489)
Decrease (increase) in trade receivables	60	(6,855)
Decrease (increase) in inventories	2,033	1,168
Increase (decrease) in trade payables	(6,357)	729
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	900	2,376
Other, net	3,884	5,544
Subtotal	25,681	35,779
Income taxes refund (paid)	(4,085)	(5,661)
Net cash provided by (used in) operating activities	21,595	30,118
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(56,629)	(45,225)
Proceeds from sale of property, plant and equipment and intangible assets	113	1,079
Proceeds from sale of investment securities	3,834	160
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,946
Long-term loan advances	(68)	—
Proceeds from collection of long-term loans receivable	36	23
Interest and dividends received	628	628
Other, net	(6,698)	(4,997)
Net cash provided by (used in) investing activities	(58,784)	(46,386)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,594)	(15,350)
Net increase (decrease) in commercial papers	—	5,000
Proceeds from long-term borrowings	50,143	40,500
Repayments of long-term borrowings	(30,422)	(13,329)
Proceeds from issuance of bonds	10,000	17,000
Redemption of bonds	(10,000)	(15,000)
Purchase of treasury shares	(321)	(2)
Interest paid	(1,330)	(2,122)
Dividends paid	(3,531)	(3,525)
Dividends paid to non-controlling interests	(14)	(752)
Purchase of investments in capital of subsidiaries without change in scope consolidation	—	(219)
Other, net	(2,670)	(1,711)
Net cash provided by (used in) financing activities	8,260	10,490
Effect of exchange rate change on cash and cash equivalents	2,034	(105)

Net increase (decrease) in cash and cash equivalents	(26,894)	(5,883)
Cash and cash equivalents at beginning of period	<u>60,204</u>	<u>33,310</u>
Cash and cash equivalents at end of period	<u>33,310</u>	<u>27,427</u>

(5) Notes to Consolidated Financial Statements

(Note to Going Concern)

Not applicable

(Segment Information)

1. Reportable Segment Operating Results

The Company's reportable segments allow it to acquire financial data separated into the various components of the corporate group. The scope of the segments is reviewed on a regular basis in order to allow the highest decision-making body to determine the allocation of management resources and evaluate earnings performance.

The Company's basic organization comprises business headquarters and business divisions within the head office, separated by the type, nature and market region for products and services. Each business headquarters and business division formulates comprehensive strategies for its domestic and overseas operations and conducts business activities.

Accordingly, the Company comprises segments by market region. Its five reportable segments are "Films," "Life Science," "Environmental and Functional Materials," "Functional Textiles and Trading" and "Real Estate."

The "Films" segment manufactures and sells packaging film, industrial film and other products. The "Life Science" segment manufactures and sells bio-products such as enzymes for diagnostics, pharmaceuticals, medical membranes, medical devices and other products. The "Environmental and Functional Materials" segment manufactures and sells engineering plastics, industrial adhesives, photo functional materials, water treatment membranes, functional filters, high performance fibers, nonwoven fabrics and other products. The "Functional Textiles and Trading" segment manufactures and sells airbag fabrics, functional textiles, apparel products, apparel textiles, apparel fibers and other products. The "Real Estate" segment mainly leases and manages real estate properties and other products.

2. Calculation Method for the Amounts of Net Sales, Profit or Loss, Assets and Other Items by Reportable Segment

The accounting method used for the reported business segments is based on the accounting policies applied to prepare the consolidated financial statements.

Profit of reportable segments is based on operating profit.

Intersegment sales and transfers are based on actual market pricing.

3. Net sales, profit or loss, assets and other items by reportable segment

(i) Fiscal Year ended March 31,2024

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 1)	Total	Adjust- ment (Note 2)	Consolid- ated State- ments of Income (Note 3)
	Films	Life Science	Environm- ental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	156,531	34,564	115,327	95,665	4,070	406,157	8,108	414,265	—	414,265
(2) Inter-segment sales and transfers	2,185	118	8,848	1,238	1,151	13,540	17,383	30,923	(30,923)	—
Total	158,716	34,682	124,175	96,903	5,221	419,697	25,491	445,188	(30,923)	414,265
Segment profit (loss)	2,688	4,438	4,668	(1,044)	2,018	12,768	995	13,763	(4,768)	8,995
Assets	203,361	71,315	139,730	108,425	49,113	571,945	14,578	586,523	20,467	606,990
Others Depreciation and amortization	8,946	2,135	3,770	2,541	498	17,891	114	18,005	1,802	19,806
Capital expenditure	18,621	20,710	10,933	6,072	1,409	57,746	152	57,897	3,672	61,569

Note:

- Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
- (1) Segment profit or loss adjustment of ¥(4,768) million includes eliminations of intersegment transactions of ¥(516) million and companywide expenses that are not allocated across reporting segments of ¥(4,252) million. The principal components of companywide expenses are those related to basic research and development.
(2) The adjustment of segment assets of ¥20,467 million includes corporate assets of ¥58,806 million that are not allocated to the reportable segments.
(3) The adjustment of capital expenditure of ¥3,672 million represents that amount of capital investment related to research and development.
- Segment profit or loss has been adjusted with operating income on the consolidated financial statements.

(ii) Fiscal Year ended March 31,2025

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 4)	Total	Adjust- ment (Note 5)	Consolid- ated State- ments of Income (Note 6)
	Films	Life Science	Environm- ental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	166,842	34,341	110,807	98,062	4,147	414,199	7,834	422,032	—	422,032
(2) Inter-segment sales and transfers	2,120	128	8,173	1,211	1,158	12,790	14,095	26,885	(26,885)	—
Total	168,963	34,469	118,980	99,273	5,305	426,989	21,929	448,917	(26,885)	422,032
Segment profit	6,920	2,010	7,961	539	1,775	19,206	778	19,984	(3,331)	16,653
Assets	206,034	78,745	121,253	107,117	49,163	562,313	13,184	575,497	42,302	617,799
Others Depreciation and amortization	9,728	3,258	4,506	2,598	539	20,629	113	20,742	1,956	22,698
Capital expenditure	18,582	9,279	6,635	3,491	537	38,524	1,303	39,827	3,331	43,158

Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. (1) Segment profit or loss adjustment of ¥(3,331) million includes eliminations of intersegment transactions of ¥269 million and companywide expenses that are not allocated across reporting segments of ¥(3,600) million. The principal components of companywide expenses are those related to basic research and development.
(2) The adjustment of segment assets of ¥42,302 million includes corporate assets of ¥71,524 million that are not allocated to the reportable segments.
(3) The adjustment of capital expenditure of ¥3,331 million represents that amount of capital investment related to research and development.
6. Segment profit or loss has been adjusted with operating income on the consolidated financial statements.

(Per-share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥2,236.50	¥2,215.11
Net profit per share	¥27.87	¥22.73

(Notes) 1. Figures for diluted net profit per share are not presented, as there are no potentially dilutive shares.

2. Basis for calculating net assets per share is as follows:

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share			
Total net assets	(Millions of yen)	230,087	232,044
Deduction from total net assets	(Millions of yen)	33,054	36,732
[Non-controlling interests]	(Millions of yen)	(33,054)	(36,732)
Net assets at end of period pertaining to common shares	(Millions of yen)	197,033	195,312
Number of common shares at end of period used for calculating net assets per share	(Thousand shares)	88,098	88,172

3. The basis for calculating net profit per share or net loss per share is as follows:

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net profit per share			
Profit attributable to owners of the parent	(Millions of yen)	2,455	2,003
Amount not attributable to common shareholders	(Millions of yen)	-	-
Profit attributable to owners of the parent pertaining to common shares	(Millions of yen)	2,455	2,003
Average number of common shares during the period	(Thousand shares)	88,096	88,149

(Significant subsequent events)

(Issuance of unsecured straight bonds in the Japanese market)

At the meeting of the Board of Directors held on April 25, 2025, a comprehensive resolution regarding the issuance of unsecured straight bonds in the Japanese market was passed. The details of this resolution are as follows:

- (1) Issue amount: ¥20,000 million or less.
However, multiple issues within the scope of this amount are not ruled out.
- (2) Issue price: ¥100 for each bond with par value of ¥100.
- (3) Interest rate: Market yield of Japanese government bonds with the same maturities plus 1.5% or less
- (4) Payment dates: From April 26, 2025 to March 31, 2026.
However, if the bonds are offered during this period, payments after this period will be accepted.
- (5) Term of redemption: 3 years or more, to 10 years.
- (6) Method of redemption: Full amount on maturity.
However, a retirement by purchase clause may be included.
- (7) Uses of funds: For repayment of borrowings, redemption of bonds, purchases of securities (includes acquisition of stock through mergers and acquisitions), working capital and capital investments.
- (8) Special provisions: These bonds will include a negative pledge clause.
- (9) Other: Decisions regarding matters covered in Article 676 of the Companies Act and all other items related to the issuance of bonds will be made within the scope stated above at the discretion of the President and Representative Director.

4. Others

(Reference Information)

Net sales, profit or loss by reportable segment

(Billions of yen)

		Net sales				Segment profit (loss)		
		2024	2025	YOY Amount	YOY %	2024	2025	YOY Amount
		From April 1, 2023 To March 31, 2024	From April 1, 2024 To March 31, 2025			From April 1, 2023 To March 31, 2024	From April 1, 2024 To March 31, 2025	
Films	H1	78.1	82.8	+4.8	+6.1%	1.4	3.0	+1.6
	H2	78.5	84.0	+5.6	+7.1%	1.3	3.9	+2.7
	Full Year	156.5	166.8	+10.3	+6.6%	2.7	6.9	+4.2
Life Science	H1	16.6	17.2	+0.6	+3.9%	2.4	0.9	(1.5)
	H2	18.0	17.1	(0.9)	(4.8%)	2.0	1.1	(0.9)
	Full Year	34.6	34.3	(0.2)	(0.6%)	4.4	2.0	(2.4)
Environmental and Functional Materials	H1	52.5	55.2	+2.7	+5.1%	0.4	3.4	+3.0
	H2	62.8	55.6	(7.2)	(11.5%)	4.3	4.6	+0.3
	Full Year	115.3	110.8	(4.5)	(3.9%)	4.7	8.0	+3.3
Functional Textiles and Trading	H1	45.7	47.9	+2.3	+5.0%	(0.9)	0.1	+1.0
	H2	50.0	50.1	+0.1	+0.2%	(0.2)	0.4	+0.6
	Full Year	95.7	98.1	+2.4	+2.5%	(1.0)	0.5	+1.6
Real Estate	H1	2.0	2.1	+0.1	+3.0%	1.0	0.9	(0.1)
	H2	2.1	2.1	+0.0	+0.8%	1.0	0.9	(0.2)
	Full Year	4.1	4.1	+0.1	+1.9%	2.0	1.8	(0.2)
Real Estate and Others	H1	4.6	3.9	(0.7)	(15.2%)	0.4	0.3	(0.1)
	H2	3.5	3.9	+0.4	+12.1%	0.6	0.5	(0.1)
	Full Year	8.1	7.8	(0.3)	(3.4%)	1.0	0.8	(0.2)
Elimination and Corporate	H1					(2.4)	(1.6)	+0.7
	H2					(2.4)	(1.7)	+0.7
	Full Year					(4.8)	(3.3)	+1.4
Total	H1	199.4	209.2	+9.7	+4.9%	2.4	6.9	+4.6
	H2	214.8	212.9	(2.0)	(0.9%)	6.6	9.7	+3.1
	Full Year	414.3	422.0	+7.8	+1.9%	9.0	16.7	+7.7

(CAPEX, Depreciation)

(Billions of yen)

	CAPEX		Depreciation	
	Consolidated	Non-consolidated	Consolidated	Non-Consolidated
Years ended March 31, 2023	42.7	37.7	19.0	14.6
Years ended March 31, 2024	61.6	53.4	19.8	12.8
Years ended March 31, 2025	43.2	28.9	22.7	15.1

(Interest-bearing debt)

(Billions of yen)

	Consolidated	Non-consolidated
As of March 31, 2023	229.4	215.7
As of March 31, 2024	249.2	228.0
As of March 31, 2025	267.9	255.8

(Net Financial Income (Loss))

(Billions of yen)

	Consolidated	Non-consolidated
Years ended March 31, 2023	(0.9)	1.6
Years ended March 31, 2024	(0.7)	7.5
Years ended March 31, 2025	(1.6)	8.4

(R&D expenses)

(Billions of yen)

	Consolidated	Non-Consolidated
Years ended March 31, 2023	14.1	14.0
Years ended March 31, 2024	15.3	9.5
Years ended March 31, 2025	14.3	10.2

(Number of Employees)

(People)

	Consolidated	Non-consolidated
As of March 31, 2023	10,885	4,015
As of March 31, 2024	10,668	3,063
As of March 31, 2025	9,976	3,030