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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <Japanese GAAP>

May 9, 2025

Company Name: Nittobo
 Securities Code: 3110
 Stock Exchange Listing: Tokyo Stock Exchange
 URL: <https://www.nittobo.co.jp/eng/index>
 Representative: Hiroyuki Tada, Director, Representative and Chief Executive Officer
 Contact: Hiroki Kajikawa, Senior Executive Officer
 Tel: +81-3-4582-5040
 Scheduled date of Ordinary General Meeting of Shareholders: June 19, 2025
 Scheduled date of commencement of dividend payment: June 20, 2025
 Scheduled date of filing annual securities report: June 19, 2025
 Preparation of supplementary explanatory material for financial results: Yes
 Organization of financial results briefing: Yes (online conference for institutional investors and analysts)

(Millions of yen, rounded down)

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

(1) Consolidated results of operations

(Percentage figures represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	109,035	16.9	16,445	96.1	17,568	80.1	12,837	76.0
March 31, 2024	93,253	6.5	8,387	71.9	9,752	60.7	7,296	163.1

(Note) Comprehensive income: Fiscal year ended March 31, 2025 ¥14,327 million [(14.8)%]
 Fiscal year ended March 31, 2024 ¥16,810 million [206.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	352.61	–	10.4	8.1	15.1
March 31, 2024	200.39	–	6.6	4.9	9.0

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2025 ¥– million
 Fiscal year ended March 31, 2024 ¥– 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	223,105	135,829	58.1	3,563.47
March 31, 2024	212,112	123,707	55.7	3,246.26

(Reference) Equity: As of March 31, 2025 ¥129,734 million; As of March 31, 2024 ¥118,191 million

(3) Consolidated status of cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) 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	19,121	(11,418)	(3,277)	28,387
March 31, 2024	5,057	(7,896)	4,301	23,517

2. Dividends

	Dividends per share					Aggregate amount (Total)	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	22.50	–	32.50	55.00	2,012	27.4	1.8
Fiscal year ended March 31, 2025	–	27.50	–	78.50	106.00	3,877	30.1	3.1
Fiscal year ending March 31, 2026 (Forecast)	–	27.50	–	–	–		–	

(Note) Year-end dividends forecast for the fiscal year ending March 31, 2026 has yet to be made.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentage figures represent 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
First half	58,000	9.3	8,000	8.9	8,000	3.6	6,000	10.9	164.80
Full year	120,000	10.1	17,000	3.4	17,000	(3.2)	13,000	1.3	357.08

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: None;

Excluded: None

(2) Changes in accounting policies, accounting estimates and retrospective restatements

(a) Changes in accounting policies due to revision of accounting standards: Yes

(b) Changes in accounting policies other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(Note) For details, please refer to page 14 of the attached document under 3. Consolidated Financial Statements and Significant Notes Thereto

(5) Notes to Consolidated Financial Statements (Changes in accounting policies).

(3) Number of issued shares (common shares)

(a) Number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	37,723,012 shares	As of March 31, 2024	37,723,012 shares
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(b) Number of treasury shares at the end of the period

As of March 31, 2025	1,316,229 shares	As of March 31, 2024	1,314,573 shares
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(c) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	36,407,684 shares	Fiscal year ended March 31, 2024	36,409,143 shares
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Summary of non-consolidated financial results (for reference)

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

(1) Non-consolidated results of operations

(Percentage figures represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	64,640	28.6	7,445	319.7	10,677	95.5	9,874	102.6
March 31, 2024	50,282	15.1	1,773	–	5,461	64.5	4,874	(32.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	271.21	–
March 31, 2024	133.88	–

(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	155,051	89,420	57.7	2,456.14
March 31, 2024	150,299	82,999	55.2	2,279.67

(Reference) Equity: As of March 31, 2025 ¥89,420 million; As of March 31, 2024 ¥82,999 million

***Financial results reports are not required to be audited by certified public accountants or an audit corporation.**

***Explanation on the appropriate use of earnings forecasts and other special notes**

Cautions on forward-looking statements, etc.

The projections contained in this document are based on information currently available to NITTO BOSEKI CO., LTD. (hereinafter, the “Company”) and certain assumptions that are deemed to be reasonable, and the Company does not intend to guarantee their achievement. Moreover, actual business and other results may differ from the forecast due to various factors going forward. For matters related to the forecasts, please see “(4) Future Outlook” of “1. Overview of Operating Results, etc.” on page 6.

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Fiscal Year

During the fiscal year ended March 31, 2025, unstable conditions persisted in the global economy mainly due to the regime change in the United States and downturn in China's economy, despite signs that inflation is easing in Europe and the United States. In the Japanese economy, although corporate earnings and capital investment showed signs of picking up and business conditions saw a continuing moderate recovery trend, the outlook remained uncertain mainly due to factors such as unstable foreign exchange rates, soaring raw material and energy costs, and rising personnel expenses.

In this environment, the Nittobo Group (hereinafter, the "Group") began its new Medium-Term Management Plan (FY2024–2027) to achieve the Group's long-term vision [Big VISION 2030]. In order to help achieve a sustainable society, the Company aims to become a corporate group that continues to create a global niche No. 1 business that contributes to "Environment/Energy," "Digital Society," and "Health/Safety/Security."

In the fiscal year ended March 31, 2025, sales of high-value-added products were strong, particularly in the Electronic Materials Business. As a result, consolidated net sales were ¥109,035 million (up 16.9% year on year), consolidated operating profit was ¥16,445 million (up 96.1% year on year), consolidated ordinary profit was ¥17,568 million (up 80.1% year on year) and profit attributable to owners of parent was ¥12,837 million (up 76.0% year on year).

The status of operations and initiatives being carried out in each business are as follows. Effective from the fiscal year ended March 31, 2025, the Group has revised the reportable segments. For details, please refer to 3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to Consolidated Financial Statements (Notes on segment information, etc.).

The following year-on-year comparisons use figures for the previous fiscal year that have been restated according to the segment classifications after the change.

In the Electronic Materials Business, due to continued strong demand related to AI servers, sales of Special Glass with low-dielectric properties and sales of Special Glass with low thermal expansion properties for semiconductor package substrates were strong and contributed to revenue. As a result, net sales in the Electronic Materials Business were ¥40,911 million (up 36.9% year on year) and operating profit was ¥13,880 million (up 157.9% year on year).

In the Medical Business, while sales of in vitro diagnostic reagents were steady, there was an impact from global inflation. We also continuously strengthened our foundation. As a result, net sales in the Medical Business were ¥13,603 million (up 6.5% year on year) and operating profit was ¥2,381 million (down 0.4% year on year).

In the Composite Materials Business, although sales exceeded the level of the previous fiscal year, there were impacts from higher costs associated with periodic repairs of production facilities and other factors. As a result, net sales in the Composite Materials Business were ¥13,474 million (up 6.2% year on year) and operating loss was ¥900 million (compared with an operating loss of ¥731 million in the previous fiscal year).

In the Materials Solution Business, although there was an impact from higher costs of raw materials, etc., sales exceeded the level of the previous fiscal year due to price increase. As a result, net sales in the Materials Solution Business were ¥9,431 million (up 3.5% year on year) and operating profit was ¥839 million (up 1.8% year on year).

In the Insulation Materials Business, although sales of high-performance insulation were steady, there were impacts from higher costs and other factors. As a result, net sales in the Insulation Materials Business were ¥15,320 million (up 3.8% year on year) and operating profit was ¥693 million (down 24.1% year on year).

In the Other Businesses, net sales were ¥16,294 million (up 16.0% year on year) and operating profit was ¥409 million (down 8.4% year on year).

(2) Overview of Financial Position for the Current Fiscal Year

Total assets as of the end of the fiscal year under review were ¥223,105 million, an increase of ¥10,993 million from the end of the previous fiscal year. This was mainly attributable to an increase in property, plant and equipment.

Total liabilities were ¥87,276 million, a decrease of ¥1,128 million from the end of the previous fiscal year. This was mainly attributable to a decrease in notes and accounts payable - trade.

Net assets were ¥135,829 million, and the equity-to-asset ratio was 58.1%, up 2.4 percentage points from the end of the previous fiscal year.

(3) Overview of Status of Cash Flows for the Current Fiscal Year

Net cash provided by operating activities was ¥19,121 million mainly due to profit before income taxes of ¥17,521 million and depreciation of ¥7,941 million.

Net cash used in investing activities was ¥11,418 million mainly due to purchase of non-current assets of ¥13,138 million.

Net cash used in financing activities was ¥3,277 million mainly due to dividends paid of ¥2,194 million.

As a result, cash and cash equivalents at end of period totaled ¥28,387 million, an increase of ¥4,869 million from the end of the previous fiscal year.

(Reference) Trends in cash flow indicators

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024	As of March 31, 2025
Equity-to-asset ratio (%)	53.7	56.5	55.9	55.7	58.1
Market-value equity-to-asset ratio (%)	84.6	58.4	39.5	102.5	67.9
Interest-bearing debt to cash flow ratio (times)	5.7	6.6	6.0	10.5	2.8
Interest coverage ratio (times)	31.8	30.7	30.8	12.4	35.8

* Equity-to-asset ratio: $\text{Equity} / \text{Total Assets}$

Market-value equity-to-asset ratio: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt} / \text{Operating cash flow}$

Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payments}$

1. Each indicator is calculated using consolidated financial figures.
2. Market capitalization is calculated by multiplying the closing share price at the balance sheet day by the number of issued shares at the end of the period (excluding treasury shares).
3. Operating cash flow is the cash flows provided by (used in) operating activities in the consolidated statement of cash flows. Interest-bearing debt is the debt for which interest is paid in liabilities recorded on the consolidated balance sheet. For interest payments, the amount of interest paid on the consolidated statement of cash flows is used.

(4) Future Outlook

The environment surrounding the Company for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026) is one where the outlook going forward is uncertain due to factors such as concerns of a global economic recession caused by the tariff policy of the United States, the risk of sharp fluctuations in exchange rates accompanying turmoil in financial markets, and the possibility of prolonged stagnation in China's economy.

Even under such circumstances, the Company will promote growth strategies and steadily build new pillars of revenue for the next 100 years while harvesting the fruits of investment based on its new Medium-Term Management Plan (FY2024–FY2027) to achieve the Group's vision for 2030 [Big VISION 2030].

In the fiscal year ending March 31, 2026, the Company expects to see an increase both in sales and profit, by factors such as strong demand for Special Glass used in electronic materials, particularly for servers at data centers and network equipment, and semiconductor package substrates.

Based on this situation, the Company has forecasted its operating results for the fiscal year ending March 31, 2026 as follows.

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (Forecast)
Net sales (Millions of yen)	109,035	120,000
Operating profit (Millions of yen)	16,445	17,000
Ratio of operating profit to net sales (%)	15.1	14.2
Profit attributable to owners of parent (Millions of yen)	12,837	13,000
EBITDA (Millions of yen) *1	24,386	26,500
EBITDA-to-sales ratio (%)	22.4	22.1
Capital investment (Millions of yen)	13,617	20,000
Depreciation (Millions of yen)	7,941	9,500
Research and development expenses (Millions of yen)	2,983	4,000
R&D expenditure-to-sales ratio (%)	2.7	3.3
Exchange rate [JPY/USD]	153.0	145.0

*1 EBITDA: Operating profit + Depreciation

Each indicator is calculated using consolidated financial figures.

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2025 and Fiscal Year Ending March 31, 2026

The Company positions its dividend policy for shareholders as one of the most important management priorities, while making investments for sustainable growth and ensuring financial soundness. In the new Medium-Term Management Plan (FY2024–FY2027), the Company has formulated a basic policy of implementing a consolidated dividend payout ratio of 30% for steady earnings with a dividend of ¥55.00 per share as the lower limit.

Based on this policy, the Company will propose the ordinary year-end dividend payment of ¥78.50 per share for approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 19, 2025.

Regarding dividends for the fiscal year ending March 31, 2026, the Company plans to pay an interim dividend of ¥27.50 per share, based on the policy above. The year-end dividend is undecided at this time.

2. Basic Concept Regarding Selection of Accounting Standards

The Group has prepared the consolidated financial statements in accordance with Japanese GAAP, and its policy is to continue to prepare financial statements in accordance with these standards.

Furthermore, regarding the adoption of International Financial Reporting Standards (IFRS), the Group intends to deal with the issue appropriately, taking into account various conditions in Japan and overseas in the future.

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	23,664	28,546
Notes receivable - trade	7,399	6,240
Accounts receivable - trade	25,130	26,502
Merchandise and finished goods	15,425	13,212
Work in process	7,476	7,751
Raw materials and supplies	25,849	30,050
Other	4,020	2,964
Allowance for doubtful accounts	(5)	(11)
Total current assets	108,960	115,256
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,944	20,963
Machinery, equipment and vehicles, net	30,351	30,855
Land	15,789	15,997
Leased assets, net	466	466
Construction in progress	2,776	7,279
Other, net	1,511	1,835
Total property, plant and equipment	70,839	77,398
Intangible assets	3,066	3,069
Investments and other assets		
Investment securities	23,049	21,020
Retirement benefit asset	3,796	3,975
Deferred tax assets	1,066	1,123
Other	1,353	1,281
Allowance for doubtful accounts	(20)	(20)
Total investments and other assets	29,244	27,381
Total non-current assets	103,151	107,849
Total assets	212,112	223,105

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,604	7,242
Short-term borrowings	12,626	9,922
Current portion of bonds	5,000	–
Current portion of long-term borrowings	12,576	7,904
Lease liabilities	262	295
Income taxes payable	1,805	3,259
Provision for bonuses	1,083	2,331
Other	9,723	9,185
Total current liabilities	51,683	40,142
Non-current liabilities		
Bonds payable	5,000	10,000
Long-term borrowings	16,638	23,743
Lease liabilities	1,035	882
Provision for repairs	5,753	4,802
Provision for share awards for directors (and other officers)	59	119
Retirement benefit liability	5,354	4,978
Other	2,880	2,607
Total non-current liabilities	36,721	47,134
Total liabilities	88,404	87,276
Net assets		
Shareholders' equity		
Share capital	19,699	19,699
Capital surplus	19,373	19,373
Retained earnings	67,925	78,567
Treasury shares	(3,018)	(3,028)
Total shareholders' equity	103,979	114,612
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,041	6,797
Foreign currency translation adjustment	5,333	7,633
Remeasurements of defined benefit plans	836	690
Total accumulated other comprehensive income	14,211	15,122
Non-controlling interests	5,516	6,095
Total net assets	123,707	135,829
Total liabilities and net assets	212,112	223,105

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

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	93,253	109,035
Cost of sales	62,638	68,657
Gross profit	30,614	40,378
Selling, general and administrative expenses	22,226	23,933
Operating profit	8,387	16,445
Non-operating income		
Interest income	31	42
Dividend income	495	628
Rental income	449	620
Compensation income	162	–
Foreign exchange gains	932	231
Gain on sale of assets	–	262
Other	419	343
Total non-operating income	2,491	2,129
Non-operating expenses		
Interest expenses	412	559
Expenses related to inactive real estate for rent	267	232
Inactive facilities expenses	324	72
Other	121	142
Total non-operating expenses	1,126	1,006
Ordinary profit	9,752	17,568
Extraordinary income		
Gain on sale of non-current assets	0	128
Gain on sale of investment securities	–	1,578
Gain on liquidation of subsidiaries	40	–
Insurance claim income	169	–
Other	–	168
Total extraordinary income	210	1,875
Extraordinary losses		
Loss on disposal of non-current assets	268	742
Impairment losses	585	1,074
Other	26	104
Total extraordinary losses	879	1,922
Profit before income taxes	9,083	17,521
Income taxes - current	2,575	4,342
Income taxes - deferred	(800)	13
Total income taxes	1,775	4,355
Profit	7,308	13,165
Profit attributable to non-controlling interests	12	328
Profit attributable to owners of parent	7,296	12,837

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	7,308	13,165
Other comprehensive income		
Valuation difference on available-for-sale securities	6,291	(1,244)
Foreign currency translation adjustment	1,963	2,544
Remeasurements of defined benefit plans, net of tax	1,247	(138)
Total other comprehensive income	9,502	1,161
Comprehensive income	16,810	14,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,449	13,748
Comprehensive income attributable to non-controlling interests	360	579

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,699	19,373	62,676	(3,013)	98,736
Changes during period					
Dividends of surplus			(2,012)		(2,012)
Profit attributable to owners of parent			7,296		7,296
Purchase of treasury shares				(4)	(4)
Change in scope of consolidation			(35)		(35)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,248	(4)	5,243
Balance at end of period	19,699	19,373	67,925	(3,018)	103,979

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,750	3,714	(407)	5,057	5,155	108,948
Changes during period						
Dividends of surplus						(2,012)
Profit attributable to owners of parent						7,296
Purchase of treasury shares						(4)
Change in scope of consolidation						(35)
Net changes in items other than shareholders' equity	6,291	1,618	1,244	9,153	360	9,514
Total changes during period	6,291	1,618	1,244	9,153	360	14,758
Balance at end of period	8,041	5,333	836	14,211	5,516	123,707

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,699	19,373	67,925	(3,018)	103,979
Changes during period					
Dividends of surplus			(2,194)		(2,194)
Profit attributable to owners of parent			12,837		12,837
Purchase of treasury shares				(10)	(10)
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	10,642	(10)	10,632
Balance at end of period	19,699	19,373	78,567	(3,028)	114,612

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,041	5,333	836	14,211	5,516	123,707
Changes during period						
Dividends of surplus						(2,194)
Profit attributable to owners of parent						12,837
Purchase of treasury shares						(10)
Change in scope of consolidation						–
Net changes in items other than shareholders' equity	(1,244)	2,300	(145)	910	579	1,489
Total changes during period	(1,244)	2,300	(145)	910	579	12,122
Balance at end of period	6,797	7,633	690	15,122	6,095	135,829

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	9,083	17,521
Depreciation	7,166	7,941
Impairment losses	585	1,074
Increase (decrease) in retirement benefit liability	1,422	(575)
Increase (decrease) in provision for repairs	334	(951)
Interest and dividend income	(526)	(671)
Interest expenses	412	559
Loss (gain) on sale and valuation of investment securities	–	(1,578)
Loss (gain) on sale and retirement of non-current assets	267	614
Insurance claim income	(169)	–
Decrease (increase) in trade receivables	(10,420)	(42)
Decrease (increase) in inventories	(1,912)	(1,654)
Increase (decrease) in trade payables	1,035	(1,462)
Other, net	(1,421)	1,095
Subtotal	5,856	21,872
Interest and dividends received	526	671
Interest paid	(407)	(533)
Proceeds from insurance income	169	–
Subsidies received	–	78
Income taxes paid	(1,087)	(2,966)
Net cash provided by (used in) operating activities	5,057	19,121
Cash flows from investing activities		
Purchase of non-current assets	(6,949)	(13,138)
Proceeds from sale of non-current assets	15	146
Payments for dismantling costs	(950)	–
Proceeds from contribution received for dismantling costs	950	–
Proceeds from sale of investment securities	–	1,989
Settlement of forward exchange contracts	(1,061)	–
Other, net	98	(415)
Net cash provided by (used in) investing activities	(7,896)	(11,418)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(781)	(3,067)
Proceeds from long-term borrowings	14,000	15,351
Repayments of long-term borrowings	(6,531)	(13,026)
Proceeds from issuance of bonds	–	5,000
Redemption of bonds	–	(5,000)
Dividends paid	(2,012)	(2,194)
Other, net	(373)	(340)
Net cash provided by (used in) financing activities	4,301	(3,277)
Effect of exchange rate change on cash and cash equivalents	594	445
Net increase (decrease) in cash and cash equivalents	2,057	4,869
Cash and cash equivalents at beginning of period	21,460	23,517
Cash and cash equivalents at end of period	23,517	28,387

(5) Notes to Consolidated Financial Statements

Notes on going concern assumptions

Not applicable

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 Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

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 Guidance of 2022 from the beginning of the fiscal year ended March 31, 2025. The change in the accounting policies has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

Notes on segment information, etc.

Segment information

1. Overview of reportable segments

The Company’s reportable segments are components of the Company for which separate financial information is available, and that are evaluated regularly by the corporate manager in order to determine the allocation of management resources and in assessing performance.

The Group basically operates through the six businesses of Electronic Materials, Medical, Composite Materials, Materials Solution, Insulation Materials and Other, and each business formulates comprehensive domestic and overseas strategies and conducts their business activities accordingly.

Consequently, the Group has the six reportable segments – the “Electronic Materials Business,” the “Medical Business,” the “Composite Materials Business,” the “Materials Solution Business,” the “Insulation Materials Business” and the “Other Businesses.”

“Electronic Materials Business” engages in the development, manufacture and sales of glass fiber products for electronic materials. “Medical Business” engages in the development, manufacture and sales of in vitro diagnostic reagents. “Composite Materials Business” engages in the development, manufacture and sales of glass fiber products for reinforced plastic materials. “Materials Solution Business” engages in the development, manufacture and sales of glass fiber products for industrial materials, the development, manufacture and sales of chemical products and the development, manufacture and sales of interlining products, functional materials and dishcloths. “Insulation Materials Business” engages in the development, manufacture and sales of glass wool products for thermal insulation, heat retention and sound absorption. “Other Businesses” engages in the design, manufacture, sales, installation, maintenance and servicing of industrial machinery, etc.

Notes relating to changes in reportable segments, etc.

Effective from the fiscal year ended March 31, 2025, reportable segments were changed in line with organizational reforms carried out on April 1, 2024, from the previous five segments, “Glass Fiber Yarn Business,” “Glass Fiber Cloth Business,” “Glass Fiber for Industrial Materials Business,” “Life Science Business,” and “Textile Business” to six segments, “Electronic Materials Business,” “Medical Business,” “Composite Materials Business,” “Materials Solution Business,” “Insulation Materials Business,” and “Other Businesses.”

Please note that the segment information for the previous fiscal year was prepared based on the new classification method.

2. The methods of calculating the amounts of net sales, profit (loss), assets and other items by reportable segment

The accounting methods for the reportable segments are, in general, the same as those used to prepare consolidated financial statements. Profit of each reportable segment is an amount based on operating profit. Intersegment sales or transfers are based on prevailing market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment and information on disaggregation of revenue
Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment							Adjustment (Note) 1	Amount reported in consolidated financial statements (Note) 2
	Electronic Materials Business	Medical Business	Composite Materials Business	Materials Solution Business	Insulation Materials Business	Other Businesses	Total		
Net sales									
Revenue from contracts with customers	29,873	12,675	12,682	9,112	14,765	14,049	93,160	–	93,160
Other revenue	–	92	–	–	–	–	92	–	92
Net sales to external customers	29,873	12,768	12,682	9,112	14,765	14,049	93,253	–	93,253
Intersegment sales or transfers	8,117	–	1,007	1,841	54	3,043	14,065	(14,065)	–
Total	37,991	12,768	13,690	10,954	14,820	17,093	107,319	(14,065)	93,253
Segment profit (loss)	5,382	2,389	(731)	824	914	447	9,226	(839)	8,387
Segment assets	94,324	20,129	20,072	11,370	13,420	10,318	169,636	42,475	212,112
Other items									
Depreciation	5,254	562	109	225	662	39	6,854	312	7,166
Increase in property, plant and equipment and intangible assets	4,576	626	657	781	803	14	7,458	304	7,762

(Notes) 1. “Adjustment” is described below.

- (1) The adjustment of negative ¥839 million to segment profit (loss) represents corporate expenses not allocated to each reportable segment and the elimination of intersegment unrealized profit, etc.
- (2) The adjustment of ¥42,475 million to segment assets represents surplus operating capital and corporate assets, etc. related to administrative divisions not attributable to each reportable segment.
- (3) The adjustment of ¥304 million to increase in property, plant and equipment and intangible assets represents corporate capital investment, etc.

2. “Segment profit (loss)” has been adjusted to the operating profit reported in the consolidated statement of income.

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

(Millions of yen)

	Reportable segment							Adjustment (Note) 1	Amount reported in consolidated financial statements (Note) 2
	Electronic Materials Business	Medical Business	Composite Materials Business	Materials Solution Business	Insulation Materials Business	Other Businesses	Total		
Net sales									
Revenue from contracts with customers	40,911	13,491	13,474	9,431	15,320	16,294	108,923	–	108,923
Other revenue	–	112	–	–	–	–	112	–	112
Net sales to external customers	40,911	13,603	13,474	9,431	15,320	16,294	109,035	–	109,035
Intersegment sales or transfers	11,182	15	1,045	2,537	32	3,291	18,105	(18,105)	–
Total	52,093	13,619	14,520	11,968	15,352	19,586	127,141	(18,105)	109,035
Segment profit (loss)	13,880	2,381	(900)	839	693	409	17,303	(858)	16,445
Segment assets	102,912	22,855	18,568	11,118	12,934	9,888	178,278	44,827	223,105
Other items									
Depreciation	5,849	642	180	281	639	42	7,635	305	7,941
Increase in property, plant and equipment and intangible assets	10,072	803	1,430	366	708	41	13,422	195	13,617

(Notes) 1. “Adjustment” is described below.

- (1) The adjustment of negative ¥858 million to segment profit (loss) represents corporate expenses not allocated to each reportable segment and the elimination of intersegment unrealized profit, etc.
- (2) The adjustment of ¥44,827 million to segment assets represents surplus operating capital and corporate assets, etc. related to administrative divisions not attributable to each reportable segment.

- (3) The adjustment of ¥195 million to increase in property, plant and equipment and intangible assets represents corporate capital investment, etc.
2. “Segment profit (loss)” has been adjusted to the operating profit reported in the consolidated statement of income.

Related information

For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Information by product and service
Information by product and service is omitted, because similar information is provided in Segment information.
2. Information by region
Net sales

(Millions of yen)

Japan	Asia	North America	Europe	Others	Total
57,514	24,599	5,397	5,357	385	93,253

(Note) Net sales are based on the customer’s location and are divided by country and region.

For the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Information by product and service
Information by product and service is omitted, because similar information is provided in Segment information.
2. Information by region
Net sales

(Millions of yen)

Japan	Asia		North America	Europe	Others	Total
	Taiwan	Others				
61,913	14,662	19,884	5,661	6,480	432	109,035

(Note) Net sales are based on the customer’s location and are divided by country and region.

Per share information

	For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	For the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Net assets per share	¥3,246.26	¥3,563.47
Basic earnings per share	¥200.39	¥352.61

- (Notes) 1. Diluted earnings per share is not presented, since there is no dilutive share.
2. The Company’s shares held in the trust account pertaining to the Board Benefit Trust, which are recorded as treasury shares in shareholders’ equity, are included in the number of treasury shares deducted from the average number of shares outstanding during the period for the calculation of basic earnings per share, and are also included in the number of treasury shares deducted from the total number of issued shares at the end of the period for the calculation of net assets per share.
The average number of such treasury shares outstanding during the period deducted in the calculation of basic earnings per share is 174,000 shares for the fiscal year ended March 31, 2024 and 174,000 shares for the fiscal year ended March 31, 2025, respectively, and the number of such treasury shares at the end of the period deducted in the calculation of net assets per share is 174,000 shares for the fiscal year ended March 31, 2024 and 174,000 shares for the fiscal year ended March 31, 2025, respectively.
3. The basis for calculation of basic earnings per share is as follows:

	For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	For the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	7,296	12,837
Amount not attributed to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	7,296	12,837
Average number of common shares outstanding during the period (Thousand shares)	36,409	36,407

Significant subsequent events

Not applicable