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May 14, 2025

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

Company name: DKS Co. Ltd.  
 Listing: Tokyo Stock Exchange  
 Security code: 4461  
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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 20, 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 income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	73,255	16.1	5,351	157.6	5,737	178.5	2,585	120.1
March 31, 2024	63,118	(3.0)	2,077	75.1	2,060	71.6	1,174	–

Note: Comprehensive income Fiscal year ended March 31, 2025 ¥4,268 million [16.7%]  
 Fiscal year ended March 31, 2024 ¥3,656 million [874.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	270.08	–	6.9	6.0	7.3
March 31, 2024	122.81	–	3.3	2.3	3.3

Reference: Share of profit (loss) of entities accounted for using equity method  
 Fiscal year ended March 31, 2025 ¥261 million  
 Fiscal year ended March 31, 2024 ¥(3) million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	97,113	44,504	39.9	4,044.52
March 31, 2024	94,537	41,297	38.9	3,839.89

Reference: Equity  
 As of March 31, 2025 ¥38,729 million  
 As of March 31, 2024 ¥36,747 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	7,528	(2,138)	(5,045)	16,556
March 31, 2024	7,091	(2,008)	1,646	15,947

### 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	–	20.00	–	45.00	65.00	622	52.9	1.7
Fiscal year ended March 31, 2025	–	45.00	–	55.00	100.00	957	37.0	2.5
Fiscal year ending March 31, 2026 (Forecast)	–	60.00	–	60.00	120.00		35.9	

### 3. Consolidated earnings forecasts 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 income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	39,000	10.1	2,800	13.2	2,800	8.6	1,500	19.4	156.64
Full year	80,000	9.2	6,000	12.1	6,000	4.6	3,200	23.8	334.17

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: – companies

Excluded: – companies

(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 reasons other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, kindly refer to “2. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” in page 14 of attached materials.

(3) Number of issued shares (ordinary shares)

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

As of March 31, 2025	10,684,321 shares
As of March 31, 2024	10,684,321 shares

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

As of March 31, 2025	1,108,487 shares
As of March 31, 2024	1,114,373 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	9,574,360 shares
Fiscal year ended March 31, 2024	9,566,943 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 income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	46,401	10.4	1,533	427.4	2,752	182.3	1,813	66.9
March 31, 2024	42,033	(3.4)	290	—	975	—	1,086	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2025	189.39	—
March 31, 2024	113.59	—

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2025	69,920	28,006	40.1	2,924.67
March 31, 2024	69,608	27,100	38.9	2,831.80

Reference: Equity

As of March 31, 2025 ¥28,006 million

As of March 31, 2024 ¥27,100 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

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, no statements herein constitute assurances regarding actual results by the Company. Results may differ materially from the consolidated forecasts due to various factors.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

During the fiscal year under review, the Japanese economy experienced stagnant personal consumption due to price hikes in rice and other food products, cold weather, and other contributing factors. In fiscal 2025, a gradual recovery is expected, driven by increases in real wages and personal consumption. However, risk factors—such as uncertainty surrounding a significant tariff hike by the US and trends in the Chinese economy—have heightened global concerns over a possible economic recession. Additionally, further uncertainty remains regarding the impact of interest rate hikes resulting from exchange rate fluctuations and changes in monetary policy.

In this environment, our group has continued striving for the sustainable development of corporate activities by swiftly responding to rapid changes in the business climate. As a result, both net sales and operating income reached record highs compared with the previous fiscal year, reflecting successful efforts to expand sales of products for high-end servers and new battery materials.

In April, we launched a new medium-term management plan, “SMART 2030.” Under this initiative, we aim to enhance our competitiveness by further improving the accuracy and speed of R&D. We will maximize the efficient use of human resources and foster innovation in our corporate culture through the reform of our personnel system. Through these strategic initiatives, we aim to achieve early monetization of new businesses and bring forward our initial plan.

Concerning the results for the fiscal year ended March 31, 2025, net sales increased across all segments. In particular, net sales amounted to ¥73,255 million (up 16.1% year on year), driven mainly by the significant growth in photo-cured resin materials for high-end servers in the Functional Materials segment and new battery materials in the Electronic Device Materials segment.

As for profit and loss, there was an operating income of ¥5,351 million (up 157.6% year on year), ordinary income of ¥5,737 million (up 178.5% year on year), and net income attributable to owners of the parent of ¥2,585 million yen (up 120.1% year on year), due to sales growth primarily in the "Functional Materials" segment.

Results by segment are as follows.

#### Surfactants

Net sales of surfactants segment were generally firm.

In Japan, sales fell significantly in IT and electronics applications, while those for machinery and metal applications and paints and colorants were firm, and those for soap and detergent applications increased significantly.

Overseas, sales were firm in textile applications, while sales were sluggish in rubber and plastic applications and paints and colorants.

As a result, net sales in this segment increased 4.3% year on year to ¥19,318 million.

Operating income was ¥1,547 million (down 14.8% year-on-year) due to an increase in operating expenses despite steady sales.

#### Amenity Materials

Net sales in the Amenity Materials segment were generally increased significantly.

In Japan, sales of vinyl polymers were firm for rubber and plastic applications, as were sales of cellulose polymers for energy and environmental applications. Sales of sucrose fatty acid esters increased significantly in food applications.

Overseas, sales of sucrose fatty acid esters in personal care (cosmetics) applications were firm and sales in food applications increased significantly.

As a result, net sales in this segment were ¥9,130million (up 8.3% year on year).

Operating income was ¥773 million (up 68.4% year on year) due to increased net sales significantly.

#### Polyurethane Materials

Net sales in the Functional Materials segment were generally increased significantly.

In Japan, sales of flame retardants for rubber and plastic applications were sluggish while sales of waterborne polyurethane for textile applications were increased significantly, and sales of radcure resin materials for IT and electronics applications were increased significantly.

Overseas, sales of flame retardants for rubber and plastic applications were sluggish while sales of radcure resin materials for IT and electronics applications increased significantly.

As a result, net sales in this segment were ¥27,151 million (up 26.6% year on year).

Operating income was ¥4,044 million (operating profit of ¥103 million in the previous fiscal year) due to significant increase in net sales.

#### Functional Materials

Net sales in the Functional Materials segment were generally increased significantly.

In Japan, sales of flame retardants for rubber and plastic applications were sluggish while sales of waterborne polyurethane for textile applications were increased significantly, and sales of radcure resin materials for IT and electronics applications were increased significantly.

Overseas, sales of flame retardants for rubber and plastic applications were sluggish while sales of radcure resin materials for IT and electronics applications increased significantly.

As a result, net sales in this segment were ¥27,151 million (up 26.6% year on year).

Operating income was ¥4,044 million (operating profit of ¥103 million in the previous fiscal year) due to significant increase in net sales.

#### Electronic Device Materials

Net sales in the Electronic Device Materials segment generally increased significantly.

Sales of ionic liquids for display applications were firm, and sales of conductive pastes for solar cell applications increased significantly.

Sales of lithium-ion battery materials for battery applications grew substantially.

As a result, net sales in this segment were ¥7,976 million (up 46.0% year on year).

Operating loss was ¥53 million (operating loss of ¥43 million in the previous fiscal year) due to operating expenses, mainly R&D costs, despite increased in net sales.

#### Life Sciences

Net sales in the Life Sciences segment increased by ¥47 million to ¥439 million (up 12.0% year on year).

The OEM business for pharmaceutical additives and health foods made through the concentration and pulverization of extracts from natural materials was firm.

Operating loss was ¥741 million (operating loss of ¥914 million in the previous fiscal year) due to a decrease in operating expenses, and an increase in net sales.

**(2) Overview of Financial Position for the Fiscal Year Under Review**(Assets)

Current assets at the end of fiscal year ended March 31, 2025 were ¥57,247 million, up ¥3,632 million from the end of the previous fiscal year. This was primarily due to an increase of ¥625 million in cash and deposits, an increase of ¥1,543 million in notes and accounts receivable-trade, and an increase of ¥1,759 million in total inventories including merchandise and finished goods. Noncurrent assets totaled ¥39,865 million, down ¥1,057 million from the end of the previous fiscal year. This was primarily due to a decrease of ¥721 million in construction in progress.

As a result, total assets amounted to ¥97,113 million, up ¥2,575 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of fiscal year ended March 31, 2025 were ¥26,532 million, up ¥1,373 million from the end of the previous fiscal year. This was primarily due to an increase of ¥1,504 million in notes and accounts payable-trade, and an increase of ¥637 million in provision for bonuses despite a decrease of 1,547 million yen in short-term borrowings. Non-current liabilities totaled to ¥26,075 million, down ¥2,005 million from the end of the previous fiscal year. This was primarily due to a decrease of ¥1,835 million in long-term borrowings.

As a result, total liabilities amounted to ¥5,268 million, down ¥632 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of fiscal year ended March 31, 2025 were ¥44,504 million, up ¥3,207 million from the end of the previous fiscal year. This was primarily due to a profit attributable to owners of parent of ¥2,585 million and dividends of surplus of ¥861 million resulting in increase retained earnings of ¥1,724 million, and an increase of ¥1,225 million in non-controlling interests.

As a result, the equity ratio came to 39.9% (38.9% as of the end of the previous fiscal year).

**(3) Overview of Cash Flows for the Fiscal Year Under Review**

Cash and cash equivalents("cash") at the end of fiscal year ended March 31, 2025 were ¥16,556 million, an increase of ¥609 million compared to the end of the previous fiscal year.

The respective cash flow positions and the factors thereof in the fiscal year ended March 31, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥7,528 million(¥7,091 million was provided in the previous period). This was due to a decrease in funds resulting from an increase in notes and accounts receivable-trade of ¥1,296 million(an increase of ¥3,199 million in the previous fiscal year), and an increase in inventories of ¥1,562 million(an decrease of ¥2,684 million in the previous fiscal year), and an increase in funds resulting primarily from profit before income taxes and minority interests was ¥5,194 million(¥2,343 million in the previous fiscal year), depreciation and amortization was ¥3,223 million(¥3,216 million in the previous fiscal year), and an increase in notes and accounts payable of ¥1,307 million(¥2,150 million in the previous fiscal year).

(Cash flows from investing activities)

Net cash used in investing activities was ¥2,138 million (¥2,008 million was used in the previous fiscal year). This was due to a decrease in funds resulting primarily from purchase of property, plant and equipment of ¥2,140 million (¥2,502 million in the previous fiscal year).

(Cash flows from financing activities)

Net cash used in financing activities was ¥5,045 million (¥1,646 million was used in the previous fiscal year). This was due to a decrease in funds resulting from repayment of long-term borrowing of ¥7,027 million (¥5,534 million in the previous fiscal year), and payment of dividends of ¥861 million (¥573 million in the previous fiscal year) despite an increase in funds from resulting from proceeds from long-term borrowing of ¥4,000 million (¥8,603 million in the previous fiscal year).

**(4) Future Outlook**

The medium-term management plan “FELIZ 115,” which the Company has been promoting since April 2020, concluded its five-year term in March 2025. Although the original intention was to begin full-scale business expansion from the third year of the plan, various external factors—such as the prolonged impact of the COVID-19 pandemic, heightened geopolitical risks stemming from the situation in Russia and Ukraine, and soaring prices of raw materials such as crude oil and naphtha—have presented challenges to earnings stability.

Despite this uncertain business climate, a gradual recovery trend was observed in Japan, as personal consumption remained strong. In addition, strong sales of electronic materials for high-end servers, coupled with the positive effect of pricing adjustments, contributed to increased net sales and operating profit in the current fiscal year, a result befitting the final year of the FELIZ 115 initiative.

Based on these results, in April 2025, the Group launched a new medium-term management plan: “SMART 2030.” Under this plan, we aim to achieve ¥100 billion in net sales, ¥10 billion in operating profit (operating margin of 10.0%), and 1.0 times total asset turnover by the fiscal year ending March 31, 2030. We remain committed to pursuing sustainable growth and enhancing corporate value.

For the next fiscal year, the Company forecasts consolidated net sales of ¥80 billion, operating profit of ¥6 billion, ordinary income of ¥6 billion, and net income attributable to owners of the parent of ¥3.2 billion.

**(5) Basic Policy for Profit Distributions and Dividends for Current and Next Fiscal Years**

The Company’s basic policy regarding dividends is to maintain long-term, stable returns to shareholders while maintaining the necessary internal reserves for future business development. These reserves will be actively used to fund investments that enhance international competitiveness and drive future growth, thereby increasing our corporate value.

In order to give momentum to the SMART 2030 medium-term management plan, the Company has decided to increase the year-end dividend to ¥55, a ¥10 increase compared to the previous fiscal year-end. Looking ahead, we will strive to establish a profit-generating business structure and maintain long-term, stable dividends. Taking into consideration the earnings forecast for the next fiscal year, the Company plans to pay an interim dividend of ¥60 per share and a year-end dividend of ¥60 per share, for a total annual dividend of ¥120 per share for the next fiscal year.

## **2. Basic Concept Regarding Selection of Accounting Standards**

Most of the stakeholders of the Group are domestic shareholders, creditors, business partners, etc., and there is little need to raise funds from overseas, we have applied Japanese standards as accounting standards.

In the future, we plan to consider the application of international accounting standards based on changes in the ratio of foreign shareholders and trends in the application of international accounting standards of other companies in the same industry in Japan.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	16,126	16,751
Notes receivable - trade	271	232
Accounts receivable - trade	18,027	19,610
Electronically recorded monetary claims - operating	2,364	2,316
Merchandise and finished goods	11,029	11,987
Work in process	20	18
Raw materials and supplies	3,091	3,894
Prepaid expenses	403	420
Other	2,282	2,029
Allowance for doubtful accounts	(2)	(13)
Total current assets	53,614	57,247
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,396	32,237
Accumulated depreciation	(18,812)	(19,788)
Buildings and structures, net	12,583	12,449
Machinery, equipment and vehicles	37,499	38,485
Accumulated depreciation	(31,782)	(32,960)
Machinery, equipment and vehicles, net	5,717	5,524
Tools, furniture and fixtures	4,647	5,143
Accumulated depreciation	(3,708)	(3,943)
Tools, furniture and fixtures, net	939	1,199
Land	9,948	10,027
Leased assets	4,759	4,810
Accumulated depreciation	(2,644)	(3,053)
Leased assets, net	2,115	1,756
Construction in progress	1,162	440
Total property, plant and equipment	32,467	31,398
Intangible assets	290	250
Investments and other assets		
Investment securities	5,641	5,694
Long-term loans receivable	10	9
Long-term prepaid expenses	346	387
Deferred tax assets	127	124
Retirement benefit asset	1,601	1,631
Other	437	369
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	8,164	8,215
Total non-current assets	40,922	39,865
Total assets	94,537	97,113

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,979	13,484
Electronically recorded obligations - operating	562	500
Short-term borrowings	7,847	6,300
Lease liabilities	516	523
Accrued expenses	278	320
Income taxes payable	361	927
Accrued business office taxes	41	42
Provision for bonuses	823	1,461
Other	2,747	2,971
Total current liabilities	25,159	26,532
Non-current liabilities		
Corporate bonds	6,000	6,000
Long-term borrowings	18,950	17,114
Lease liabilities	1,823	1,412
Deferred tax liabilities	880	1,118
Retirement benefit liability	85	77
Asset retirement obligations	74	74
Other	266	278
Total non-current liabilities	28,081	26,075
Total liabilities	53,240	52,608
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,895	8,895
Capital surplus	7,266	7,275
Retained earnings	19,851	21,575
Treasury shares	(2,462)	(2,499)
Total shareholders' equity	33,551	35,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,670	1,606
Foreign currency translation adjustment	1,073	1,412
Remeasurements of defined benefit plans	452	413
Total accumulated other comprehensive income	3,196	3,432
Non-controlling interests	4,549	5,775
Total net assets	41,297	44,504
Total liabilities and net assets	94,537	97,113

**(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	63,118	73,255
Cost of sales	49,733	55,017
Gross profit	13,385	18,238
Selling, general and administrative expenses		
Selling expenses	4,083	4,519
General and administrative expenses	7,223	8,367
Total selling, general and administrative expenses	11,307	12,886
Operating income	2,077	5,351
Non-operating income		
Interest income	11	40
Dividend income	138	156
Share of profit of entities accounted for using equity method	-	261
Foreign exchange gains	163	158
Rental income	35	35
Other	170	130
Total non-operating income	520	782
Non-operating expenses		
Interest expenses	258	223
Corporate bond interest	37	37
Share of loss of entities accounted for using equity method	3	-
Other	237	135
Total non-operating expenses	537	396
Ordinary income	2,060	5,737
Extraordinary income		
Gain on sale of investment securities	408	-
Total extraordinary income	408	-
Extraordinary losses		
Impairment losses	66	365
Loss on disposal of non-current assets	58	177
Total extraordinary losses	125	542
Profit before income taxes	2,343	5,194
Income taxes - current	485	1,111
Income taxes - deferred	214	261
Total income taxes	700	1,373
Profit	1,642	3,820
Profit attributable to non-controlling interests	468	1,235
Profit attributable to owners of parent	1,174	2,585

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	1,642	3,820
Other comprehensive income		
Valuation difference on available-for-sale securities	1,203	(63)
Foreign currency translation adjustment	562	548
Remeasurements of defined benefit plans net of tax	268	(34)
Share of other comprehensive income of entities accounted for using equity method	(20)	(2)
Total other comprehensive income	2,013	447
Comprehensive income	3,656	4,268
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,957	2,821
Comprehensive income attributable to non- controlling interests	698	1,446

**(3) Consolidated statement of changes in equity**

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,895	7,276	19,250	(2,488)	32,933
Changes during period					
Dividends of surplus			(573)		(573)
Profit attributable to owners of parent			1,174		1,174
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(5)		27	21
Capital increase of consolidated subsidiaries		(4)			(4)
Net changes in items other than shareholders' equity					
Total changes during period	–	(9)	601	26	617
Balance at end of period	8,895	7,266	19,851	(2,462)	33,551

	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	467	765	180	1,413	3,949	38,296
Changes during period						
Dividends of surplus						(573)
Profit attributable to owners of parent						1,174
Purchase of treasury shares						(0)
Disposal of treasury shares						21
Capital increase of consolidated subsidiaries						(4)
Net changes in items other than shareholders' equity	1,203	307	271	1,783	599	2,382
Total changes during period	1,203	307	271	1,783	599	3,000
Balance at end of period	1,670	1,073	452	3,196	4,549	41,297

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,895	7,266	19,851	(2,462)	33,551
Changes during period					
Dividends of surplus			(861)		(861)
Profit (loss) attributable to owners of parent			2,585		2,585
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		8		13	21
Total changes during period	-	8	1,724	12	1,745
Balance at end of period	8,895	7,275	21,575	(2,449)	35,296

	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	1,670	1,073	452	3,196	4,549	41,297
Changes during period						
Dividends of surplus						(861)
Profit attributable to owners of parent						2,585
Purchase of treasury shares						(0)
Disposal of treasury shares						21
Net changes in items other than shareholders' equity	(63)	339	(39)	236	1,225	1,461
Total changes during period	(63)	339	(39)	236	1,225	3,207
Balance at end of period	1,606	1,412	413	3,432	5,775	44,504

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,343	5,194
Depreciation	3,216	3,223
Bad debt expenses	1	–
Increase (decrease) in allowance for doubtful accounts	(6)	10
Increase (decrease) in retirement benefit liability	(129)	(112)
Interest and dividend income	(150)	(196)
Interest expenses	258	223
Corporate bond interest	37	37
Share of loss (profit) of entities accounted for using equity method	3	(261)
Impairment losses	66	365
Loss (gain) on disposal of property, plant and equipment	58	177
Loss (gain) on sale of investment securities	(408)	–
Decrease (increase) in trade receivables	(3,199)	(1,296)
Decrease (increase) in inventories	2,684	(1,562)
Increase (decrease) in trade payables	2,150	1,307
Other	509	882
Subtotal	7,436	7,994
Interest and dividends received	168	227
Interest paid	(296)	(262)
Income taxes paid	(216)	(430)
Net cash provided by (used in) operating activities	7,091	7,528
<b>Cash flows from investing activities</b>		
Payments into time deposits	(178)	(105)
Proceeds from withdrawal of time deposits	80	105
Purchase of property, plant and equipment	(2,502)	(2,140)
Proceeds from sale of property, plant and equipment	–	0
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	596	1
Proceeds from withdrawal of investments in affiliated companies	141	–
Proceeds from collection of loans receivable	3	1
Other	(145)	1
Net cash provided by (used in) investing activities	(2,008)	(2,138)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(293)	(426)
Proceeds from long-term borrowings	8,603	4,000
Repayments of long-term borrowings	(5,534)	(7,027)
Repayments of lease liabilities	(451)	(480)
Purchase of treasury shares	(0)	(0)
Dividends paid	(573)	(861)
Dividends paid to non-controlling interests	(103)	(248)
Net cash provided by (used in) financing activities	1,646	(5,045)
Effect of exchange rate change on cash and cash equivalents	165	264
Net increase (decrease) in cash and cash equivalents	6,895	609
Cash and cash equivalents at beginning of period	9,051	15,947
Cash and cash equivalents at end of period	15,947	16,556

**(5) Notes to Consolidated Financial Statements****(Notes on premise of going concern)**

Not applicable.

**(Notes on significant accounting estimate)**

The following items are recorded in the consolidated financial statements for the fiscal year ended March 31, 2025 based on accounting estimates and may have a significant impact on the consolidated financial statements for the fiscal year ending March 31, 2026.

Recoverability of deferred tax assets

- (1) Amount recorded in consolidated financial statements for the fiscal year ended March 31, 2025

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets (before offsetting with deferred tax liabilities)	1,200	1,004

- (2) Information on significant accounting estimates for identified items

At the end of the fiscal year under review, we scheduled the timing of the reversal of deductible temporary differences and tax loss carryforwards based on future taxable income estimated according to future business plans and recorded deferred tax assets to reflect the extent of their effect on reducing the future tax burden.

In this business plan, the main assumptions include the sales volume forecast based on projected demand in the product markets to which the Company belongs.

These estimates may be affected by fluctuations in uncertain economic conditions in the future. If the actual timing and amount of taxable income generated differ from the estimates, it could have a material effect on the amount of deferred tax assets in the consolidated financial statements for the next fiscal year.

**(Changes in accounting policies)**

(Application of "Accounting Standard for Current Income Taxes", etc.)

Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan ;"Revised Accounting Standard") and others were applied from the beginning of the current annual consolidated fiscal year.

With respect to the revision concerning the classification of income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of "Revised Accounting Standard" 20-3 and the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan; "Revised Guidance of 2022") is being followed. There is no effect of this change in accounting policy on the annual consolidated financial statements.

Regarding the revision related to the revised treatment in consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities among consolidated companies, the Revised Guidance of 2022 was applied from the beginning of the current annual consolidated fiscal year. This change in accounting policy has been applied retrospectively, and the annual consolidated financial statements for the previous annual consolidated fiscal year and consolidated financial statements for the previous consolidated fiscal year reflect this change. There is no impact on the annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year from this change in accounting policy.

**(Additional Information)**

(Revision of Deferred Tax Assets and Liabilities Due to Change in Corporate Income Tax Rate.)

Following the enactment of the “Act for Partial Amendment to the Income Tax Act, etc.” (Act No. 13 of 2025) by the Diet on March 31, 2025, a “Defense Special Corporation Tax” will be imposed starting from the consolidated fiscal year beginning on or after April 1, 2026. As a result, the statutory effective tax rate used to calculate deferred tax assets and liabilities related to temporary differences expected to be eliminated in or after that fiscal year has been revised from 30.54% to 31.43%. The impact of this change on the Company’s profit and loss is immaterial.

**(Segment information, etc.)**

## a. Segment information

## 1. Description of Reportable Segments

Our reportable segments are subject to regular review by the Board of Directors to determine resource allocation decisions and assess performance for which separate financial information is available from constituent units of the Company.

We have six reportable segments, that is, “Surfactants,” “Amenity Materials,” “Polyurethane Materials,” “Functional Materials,” “Electronic Device Materials” and “Life Sciences,” depending on the composition and manufacturing method of the product.

“Surfactants” manufactures and sells nonionic surfactants, anionic surfactants, cationic surfactants, amphoteric surfactants, etc. “Amenity Materials” manufactures and sells sucrose fatty acid esters, cellulose polymers (CMC), vinyl polymer materials, acrylic polymer materials, etc. “Polyurethane Materials” manufactures and sells polyether polyols, urethane prepolymers, urethane systems, etc. “Functional Materials” manufactures and sells radcure resin materials, waterborne polyurethane resins, flame retardants, amide-based lubricants, etc. “Electronic Device Materials” manufactures and sells ionic liquids, battery materials, conductive pastes for electronic components, pellets for injection molding, etc. “Life Sciences” manufactures and sells health foods (TENCHUKASOU, I. Japonica-Bombyx Fungus, Sudachin, etc.).

## 2. Explanation of measurements of sales, profit (loss), asset, and other items for each reportable segment

The method of accounting for the reported business segments is in line with the accounting policies adopted to prepare the consolidated financial statements.

Profit for the reportable segment is based on operating income.

## 3. Disclosure of sales, profit (loss), asset, and other items for each reportable segment

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

(Millions of yen)

	Reportable segments							Reconciling items (Note) 2	Amount recorded in consolidated financial statements (Note) 1
	Surfactants	Amenity Materials	Polyurethane Materials	Functional Materials	Electronic Device Materials	Life Sciences	Total		
Net sales									
Revenue from contracts with customers	18,529	8,430	8,870	21,439	5,456	392	63,118	–	63,118
Revenues from external customers	18,529	8,430	8,870	21,439	5,456	392	63,118	–	63,118
Transactions with other segments	–	–	–	–	–	–	–	–	–
Total	18,529	8,430	8,870	21,439	5,456	392	63,118	–	63,118
Segment profit (loss)	1,816	459	(243)	1,003	(43)	(914)	2,077	–	2,077
Segment assets	17,844	9,920	8,530	29,693	3,786	1,239	71,015	23,521	94,537
Other items									
Depreciation	810	499	368	1,313	107	73	3,171	44	3,216
Investments in entities accounted for using equity method	304	–	–	161	–	–	465	–	465
Increase in property, plant and equipment and intangible assets	1,021	519	147	876	76	82	2,724	–	2,724

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

(Millions of yen)

	Reportable segments							Reconciling items (Note) 2	Amount recorded in consolidated financial statements (Note) 1
	Surfactants	Amenity Materials	Polyurethane Materials	Functional Materials	Electronic Device Materials	Life Sciences	Total		
Net sales									
Revenue from contracts with customers	19,318	9,130	9,247	27,151	7,967	439	73,255	–	73,255
Revenues from external customers	19,318	9,130	9,247	27,151	7,967	439	73,255	–	73,255
Transactions with other segments	–	–	–	–	–	–	–	–	–
Total	19,318	9,130	9,247	27,151	7,967	439	73,255	–	73,255
Segment profit (loss)	1,547	773	(219)	4,044	(53)	(741)	5,351	–	5,351
Segment assets	16,841	9,725	8,433	32,053	5,133	755	72,943	24,169	97,113
Other items									
Depreciation	941	525	582	950	115	64	3,180	42	3,223
Investments in entities accounted for using equity method	321	–	–	265	–	–	587	–	587
Increase in property, plant and equipment and intangible assets	796	258	69	665	308	48	2,147	–	2,1447

Notes: 1. Total amount of profit or loss in reportable segments and operating income in the consolidated statement of income coincide.

2. The adjustment amount is surplus assets under management (cash and deposits), long-term investment funds (investment securities) and assets related to the administrative department at the filing company.

## b. Information associated with reportable segments

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

## 1. Information for Each Product or Service

(Millions of yen)

	Surfactants	Amenity Materials	Polyurethane Materials	Functional Materials	Electronic Device Materials	Life Sciences	Total
Revenues from external customers	18,529	8,430	8,870	21,439	5,456	392	63,118

## 2. Information for Each Region

## (1) Net sales

(Millions of yen)

Japan	Asia	Other	Total
48,815	12,314	1,988	63,118

Notes: 1. Net sales is classified by country or region based on customers' location.

2. Countries and regions are segmented by geographical proximity.

3. Major countries or regions included in each category:

(i) Asia Taiwan, China, South Korea, Indonesia

(ii) Other regions North America, Europe

## (2) Property, plant and equipment

(Millions of yen)

Japan	Taiwan	Other	Total
25,837	6,411	218	32,467

Notes: 1. Property, plant and equipment is classified by country or region based on companies' location.

2. Major countries or regions included in "Other":

China, Indonesia, Netherlands

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

## 1. Information for Each Product or Service

(Millions of yen)

	Surfactants	Amenity Materials	Polyurethane Materials	Functional Materials	Electronic Device Materials	Life Sciences	Total
Revenues from external customers	19,318	9,130	9,247	27,151	7,967	439	73,255

## 2. Information for Each Region

## (1) Net sales

(Millions of yen)

Japan	Asia	Other	Total
53,309	17,839	2,106	73,255

Notes: 1. Net sales is classified by country or region based on customers' location.

2. Countries and regions are segmented by geographical proximity.

3. Major countries or regions included in each category:

(i) Asia Taiwan, China, South Korea, Indonesia

(ii) Other regions North America, Europe

## (2) Property, plant and equipment

(Millions of yen)

Japan	Taiwan	Other	Total
24,315	6,741	341	31,398

Notes: 1. Property, plant and equipment is classified by country or region based on companies' location.

2. Major countries or regions included in "Other":

China, Indonesia, Netherlands

## c. Disclosure of impairment losses on non-current assets for each reportable segment

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

(Millions of yen)

	Surfactants	Amenity Materials	Polyurethane Materials	Functional Materials	Electronic Device Materials	Life Sciences	Unallocated amounts and elimination	Total
Impairment losses	-	-	-	-	66	-	-	66

(Significant impairment losses related to non-current assets)

In the Functional Materials segment, the book value of the business operated by Dai-ichi Ceramo Co., Ltd. was reduced to the recoverable amount and the amount reduced is recorded under extraordinary losses because the business has continuously posted negative earnings from operating activities. The recoverable amount is measured by utility value, which is zero because no future cash flows are expected within the estimated period.

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

(Millions of yen)

	Surfactants	Amenity Materials	Polyurethane Materials	Functional Materials	Electronic Device Materials	Life Sciences	Unallocated amounts and elimination	Total
Impairment losses	-	-	-	-	-	365	-	365

(Significant impairment losses related to non-current assets)

In the Life Science segment, the book value of the business operated by IKEDA YAKUSOU Co., Ltd. was reduced to the recoverable amount and the amount reduced is recorded under extraordinary losses because the business has continuously posted negative earnings from operating activities. The recoverable amount was determined based on the net realizable value. Specifically, the net realizable value of land was calculated based on a real estate appraisal, while the net realizable value of other assets was deemed to be zero.

**(Per share information)**

	(Yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	3,839.89	4,044.52
Basic earnings per share	122.81	2,707.08

Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.

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

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total net assets	41,297	44,504
Deduction from total net assets	4,549	5,775
(Non-controlling interests)	(4,549)	(5,775)
Net assets attributable to ordinary shares at the end of the period	36,747	38,729
Number of ordinary shares at the end of period used for calculating the amounts of net assets per share (Thousands of shares)	9,569	9,575

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

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent	1,174	2,585
Amounts not attributable to ordinary shareholders	-	-
Profit attributable to owners of parent for ordinary shares	1,174	2,585
Average number of ordinary shares outstanding during the period (Thousands of shares)	9,566	9,574

**(Significant events after reporting period)****(Change in Reportable Segments)**

In the current consolidated fiscal year, the Group's reportable segments included Surfactants, Amenity Materials, Urethane Materials, Functional Materials, Electronic Device Materials, and Life Science. In order to enable strategic planning that aligns with the characteristics of each field, improve stakeholders' understanding of our businesses, facilitate more efficient management and analysis, and promote corporate growth, the segments will be reorganized beginning from the next consolidated fiscal year. The new reportable segments will be: Electronics & IT, Environment & Energy, Life & Wellness, and Core Materials. Information on sales, profit and loss, assets, and other items by reportable segment for the current consolidated fiscal year under the new classification is currently being calculated and will be disclosed once available.