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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 4619
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 19, 2025
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	66,060	2.1	4,456	14.1	6,709	12.5	4,942	25.2
March 31, 2024	64,693	6.5	3,905	139.4	5,963	89.8	3,947	87.7

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 6,062 million [(32.5)%]
 Fiscal year ended March 31, 2024: ¥ 8,985 million [138.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	227.24	-	8.9	7.8	6.7
March 31, 2024	181.57	-	7.9	7.0	6.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 1,715 million
 Fiscal year ended March 31, 2024: ¥ 1,371 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	85,243	64,114	67.4	2,641.54
March 31, 2024	87,456	59,565	61.1	2,455.58

(Reference) Equity: As of March 31, 2025: ¥ 57,458 million
 As of March 31, 2024: ¥ 53,397 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	3,119	(1,237)	(2,037)	16,024
March 31, 2024	9,317	533	(5,092)	15,876

2. Dividends

	Annual dividends per share					Total cash dividends (total)	Payout ratio (consolidated)	Ratio of Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	21.00	-	25.00	46.00	1,004	25.3	2.0
March 31, 2025	-	22.00	-	68.00	90.00	1,966	39.6	3.5
Fiscal year ending March 31, 2026 (Forecast)	-	50.00	-	60.00	110.00		59.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	30,600	(6.0)	1,000	(47.8)	2,250	(24.5)	2,000	(5.4)	91.94
Full year	63,000	(4.6)	2,700	(39.4)	5,100	(24.0)	4,000	(19.1)	183.85

* Notes:

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

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 23,611,200 shares

March 31, 2024: 23,611,200 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 1,859,522 shares

March 31, 2024: 1,865,799 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 21,749,553 shares

Fiscal Year ended March 31, 2024: 21,742,830 shares

(Reference) Overview of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)****(1) Non-consolidated Operating Results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	48,127	(1.4)	2,408	5.6	4,770	(0.9)	4,155	6.7
March 31, 2024	48,832	13.4	2,280	-	4,815	143.2	3,894	74.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	190.18	-
March 31, 2024	178.32	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	55,326	40,113	72.5	1,835.56
March 31, 2024	60,889	38,827	63.8	1,777.44

(Reference) Equity: As of March 31, 2025: ¥ 40,113 million

As of March 31, 2024: ¥ 38,827 million

* These consolidated financial results are exempt from audit conducted by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements in this document, including the financial results forecast, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and the Company does not promise that it will achieve such results. Actual results may differ significantly due to various factors. Please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 3 of the attached materials for the assumptions used in forecasting financial results and precautionary statements regarding the use of financial results forecasts.

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1. Overview of Operating Results, etc.

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

In the fiscal year ended March 31, 2025 (the “fiscal year under review”), the Japanese economy was on a moderate recovery underpinned by improvement in employment, income environment, and others. However, the outlook for the economy remained uncertain primarily due to many causes for concern, including sustained high prices of raw materials and energy, exchange rate fluctuations, global instability, and economic slowdown in China.

Under these circumstances, NIHON TOKUSHU TORYO CO., LTD. (the “Company”) and its subsidiaries (collectively, the “Group”) have been striving to enhance its corporate value through continuous focuses on strengthening its revenue base, developing new technologies and products, and promoting sustainability management, as set forth in the basic strategies of the medium-term management plan.

As a result, in the fiscal year under review, net sales totaled 66,060 million yen (up 2.1% year on year), mainly due to a sales increase in the paints & coatings-related business.

On the profit front, operating profit was 4,456 million yen (up 14.1% year on year). This is mainly attributable to an increase in net sales thanks to the markup of products, along with the continuous initiatives to reduce costs and expenses. Ordinary profit totaled 6,709 million yen (up 12.5% year on year) due to the increased share of profit of entities accounted for using equity method, and profit attributable to owners of parent totaled 4,942 million yen (up 25.2% year on year) mainly due to posting the proceeds from sale of investment securities.

Performance by reportable segment is as follows.

Paints & coatings-related business

Net sales for the paints & coatings-related segment totaled 23,722 million yen (up 15.1% year on year). This is mainly due to solid sales of paints for buildings and structures, especially our mainstay waterproofing materials, and an increase of 30.0% year on year in the sales related to large-scale renovation and repair work for condominiums, which largely contributed to the net sales.

On the profit front, segment profit totaled 953 million yen (up 108.7% year on year) because of the successful cost and expense reduction initiatives, in addition to the markup of products and increased work-related sales.

Automotive products-related business

Net sales for the automotive products-related segment totaled 42,321 million yen (down 4.0% year on year). This is mainly due to reduced production by the Company’s major customers, automobile manufacturers, resulting from lower sales in Japan and overseas amid the growing EV market in China.

On the profit front, segment profit totaled 3,493 million yen (up 1.6% year on year), led by the markup of products and continuous initiatives to reduce costs and expenses.

Other business

Net sales of the insurance agency business totaled 15 million yen (up 3.9% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets

The Company's total assets as of the end of the fiscal year under review decreased by 2,212 million yen year on year to 85,243 million yen. This was primarily due to a decrease in accounts receivable - trade of 729 million yen, an increase in work in process of 490 million yen, a decrease in property, plant and equipment of 1,023 million yen, and a decrease in investment securities of 1,111 million yen.

Liabilities

Total liabilities decreased by 6,761 million yen year on year to 21,129 million yen. This was primarily due to decreases in notes and accounts payable - trade of 2,018 million yen, electronically recorded obligations - operating of 2,103 million yen, borrowings of 435 million yen, retirement benefit liability of 424 million yen, and deferred tax liabilities of 691 million yen.

Net assets

Net assets increased by 4,548 million yen year on year to 64,114 million yen. This was primarily due to an increase in retained earnings of 3,915 million yen, a decrease in valuation difference on available-for-sale securities of 1,864 million yen, and an increase in foreign currency translation adjustment of 1,791 million yen. The equity ratio increased by 6.3% to 67.4%.

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

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year under review increased by 147 million yen to 16,024 million yen.

Funds from operating activities resulted in an inflow of 3,119 million yen (compared with an inflow of 9,317 million yen in the previous fiscal year). This was primarily due to the recording of profit before income taxes of 6,921 million yen, decreases in trade receivables of 1,110 million yen and trade payables of 4,173 million yen, interest and dividends received of 1,885 million yen, and the income taxes paid of 1,685 million yen.

Funds from investing activities resulted in an outflow of 1,237 million yen (compared with an inflow of 533 million yen in the previous fiscal year). This was primarily due to purchase of property, plant and equipment and intangible assets of 1,400 million yen.

Funds from financing activities resulted in an outflow of 2,037 million yen (compared with an outflow of 5,092 million yen in the previous fiscal year). This was primarily due to repayments of long-term borrowings of 898 million yen and dividends paid of 1,025 million yen.

(4) Future Outlook

With regard to the outlook for the future, despite an expected gradual economic recovery underpinned by an improved employment and income environment, we expect a challenging business condition to continue due to many causes for concern, including changes in the U.S. tariff policy, exchange rate fluctuations, concerns over China's economic outlook, and persistent geopolitical risks.

Furthermore, in the mid to long term, we will face worsening labor shortages, increased demand for reducing environmental impact, rapid advancement of digital technologies, and the issues we confront are becoming even more diverse and complicated.

Based on the above, the Company has announced today that it has established the new medium-term management plan toward the 100th anniversary of its establishment.

Under the theme of "Innovation and Challenge" set forth in the new medium-term management plan, we will thoroughly implement four business strategies (Optimization of product portfolio; Maximization of sales opportunities; Drastic improvement in productivity; Driving technological innovation), the new financial and capital strategy (With a stronger focus on performance-based distribution during the period of the new medium-term management plan), and the management foundation strategy (Enhancement in the management foundation to support the growth strategy). As such, we will strive to achieve sustainable growth and enhance corporate value, with a focus on developing new business for the next era, while expanding our business fields and actively addressing new issues.

For the details of the medium-term management plan, please refer to the "Notice Concerning the Formulation of the Medium-Term Management Plan (Japanese only)", which was announced separately today.

Based on the above, the performance targets in the final fiscal year of the new medium-term management

plan (fiscal year ending March 31, 2030), and the consolidated financial results forecast for the fiscal year ending March 31, 2026, based on the recent external environment, are as follows:

(Million yen)

	Fiscal year ended March 31, 2025 (Actual)	Fiscal year ending March 31, 2026 (Forecast)	Fiscal year ending March 31, 2030 (Final fiscal year of the Plan) Performance targets
Net sales	66,060	63,000	80,000
Operating profit	4,456	2,700	6,100
Ordinary profit	6,709	5,100	8,000
Profit attributable to owners of parent	4,942	4,000	6,500
Basic earnings per share	227.24 yen	183.85 yen	304.18 yen
ROE	8.9%		10.0% or more

The outlook for business performance for the fiscal year ending March 31, 2026, by reportable segment is as follows.

(Million yen)

	Net sales		Segment profit	
		YoY change		YoY change
Paints & coatings-related business	21,000	△11.5%	550	△42.3%
Automotive products-related business	42,000	△0.8%	2,150	△38.5%

(5) Basic Policy on Profit Distribution and Dividends for the Current and Following Fiscal Years

We pursue the substantial return of profit to our shareholders by strengthening profitability and maintaining a sound financial condition, focused on cash flow, which has been positioned as an important management task of the Company.

On the other hand, the business environment surrounding the Group is rapidly changing, and we are also required to address diverse and complicated social issues. Under such an environment, in order to maintain competitiveness and improve profitability in the future, we must continue investing in R&D, tangible and intangible assets, and human resources who will support the Group's sustainable growth.

Accordingly, the distribution of profits is decided in comprehensive consideration of factors such as financial condition, profit levels, and the payout ratio set forth in the medium- to long-term management plan and under the performance-based distribution policy.

Based on the above policy, we plan to pay a year-end dividend of 68 yen per share for the fiscal year under review, which is an increase of 30 yen from the previous forecast of 38 yen per share. As a result, the annual dividend per share, including an interim dividend of 22 yen, will be 90 yen per share, which is an increase of 30 yen from the previous forecast of 60 yen per share.

Furthermore, as outlined in the "Notice Concerning the Formulation of the Medium-Term Management Plan" which was announced separately today, during the period of the new medium-term management plan, we aim to achieve appropriate financial condition based on the profit levels and the ROE target of 10% or more, and set the total payout ratio of 70.0%, placing a more focus on performance-based distribution as the basic shareholder return policy.

For the fiscal year ending March 31, 2026, we expect to pay an annual dividend of 110 yen per share, including an interim dividend of 50 yen per share and a year-end dividend of 60 yen.

2. Basic Policy on Selection of Accounting Standards

The Group intends to prepare consolidated financial statements based on Japanese accounting standards for the time being to facilitate comparability between periods and with other companies. However, going forward, the Company will consider applying international accounting standards depending on various circumstances inside and outside Japan.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	15,894	16,235
Notes receivable - trade	606	454
Electronically recorded monetary claims - operating	3,876	3,845
Accounts receivable - trade	11,023	10,294
Contract assets	1,812	1,731
Merchandise and finished goods	1,768	1,814
Work in process	1,123	1,613
Raw materials and supplies	1,623	1,582
Income taxes refund receivable	1	8
Other	827	749
Allowance for doubtful accounts	(2)	(1)
Total current assets	38,555	38,327
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,792	9,514
Machinery, equipment and vehicles, net	6,730	5,559
Land	4,679	4,863
Construction in progress	242	537
Other, net	977	923
Total property, plant and equipment	22,422	21,399
Intangible assets		
Other	1,236	1,292
Total intangible assets	1,236	1,292
Investments and other assets		
Investment securities	23,167	22,055
Long-term loans receivable	127	102
Deferred tax assets	102	158
Other	1,902	1,972
Allowance for doubtful accounts	(58)	(65)
Total investments and other assets	25,241	24,224
Total non-current assets	48,900	46,916
Total assets	87,456	85,243

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,896	7,877
Electronically recorded obligations - operating	3,469	1,365
Short-term borrowings	2,794	2,706
Lease liabilities	11	10
Income taxes payable	1,007	773
Provision for bonuses for directors (and other officers)	61	66
Other	4,165	3,323
Total current liabilities	21,405	16,122
Non-current liabilities		
Long-term borrowings	1,151	804
Lease liabilities	19	11
Retirement benefit liability	2,895	2,471
Deferred tax liabilities	2,303	1,612
Other	115	106
Total non-current liabilities	6,485	5,006
Total liabilities	27,890	21,129
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	4,212	4,217
Retained earnings	34,742	38,658
Treasury shares	(1,099)	(1,097)
Total shareholders' equity	42,608	46,531
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,166	5,302
Foreign currency translation adjustment	3,220	5,011
Remeasurements of defined benefit plans	401	612
Total accumulated other comprehensive income	10,789	10,926
Non-controlling interests	6,168	6,656
Total net assets	59,565	64,114
Total liabilities and net assets	87,456	85,243

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

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	64,693	66,060
Cost of sales	50,698	51,587
Gross profit	13,994	14,473
Selling, general and administrative expenses	10,089	10,016
Operating profit	3,905	4,456
Non-operating income		
Interest income	117	93
Dividend income	225	301
Foreign exchange gains	221	18
Rental income from real estate	52	51
Share of profit of entities accounted for using equity method	1,371	1,715
Other	157	170
Total non-operating income	2,145	2,349
Non-operating expenses		
Interest expenses	41	32
Compensation expense	8	29
Other	37	34
Total non-operating expenses	87	97
Ordinary profit	5,963	6,709
Extraordinary income		
Gain on sale of non-current assets	11	3
Insurance claim income	23	3
Gain on sale of investment securities	28	263
Total extraordinary income	63	269
Extraordinary losses		
Loss on disposal of non-current assets	24	37
Loss on sale of investment securities	7	2
Settlement payments	11	16
Removal cancel loss	16	0
Total extraordinary losses	59	57
Profit before income taxes	5,966	6,921
Income taxes - current	1,374	1,437
Income taxes - deferred	71	(22)
Income taxes - refund	(1)	(16)
Total income taxes	1,444	1,397
Profit	4,522	5,524
Profit attributable to non-controlling interests	574	581
Profit attributable to owners of parent	3,947	4,942

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	4,522	5,524
Other comprehensive income		
Valuation difference on available-for-sale securities	2,868	(1,851)
Foreign currency translation adjustment	551	824
Remeasurements of defined benefit plans, net of tax	258	210
Share of other comprehensive income of entities accounted for using equity method	784	1,355
Total other comprehensive income	4,463	538
Comprehensive income	8,985	6,062
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,135	5,079
Comprehensive income attributable to non-controlling interests	850	983

(3) Consolidated Statements of Changes in Net Assets
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	4,753	4,207	31,734	(1,102)	39,592
Changes during period					
Dividends of surplus			(939)		(939)
Profit attributable to owners of parent			3,947		3,947
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		4		5	10
Net changes in items other than shareholders' equity					-
Total changes during period	-	4	3,008	2	3,016
Balance at end of period	4,753	4,212	34,742	(1,099)	42,608

	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	4,273	2,180	147	6,601	6,017	52,211
Changes during period						
Dividends of surplus				-		(939)
Profit attributable to owners of parent				-		3,947
Purchase of treasury shares				-		(3)
Disposal of treasury shares				-		10
Net changes in items other than shareholders' equity	2,893	1,040	253	4,187	150	4,338
Total changes during period	2,893	1,040	253	4,187	150	7,354
Balance at end of period	7,166	3,220	401	10,789	6,168	59,565

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	4,753	4,212	34,742	(1,099)	42,608
Changes during period					
Dividends of surplus			(1,026)		(1,026)
Profit attributable to owners of parent			4,942		4,942
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		5		5	11
Net changes in items other than shareholders' equity					-
Total changes during period	-	5	3,915	2	3,923
Balance at end of period	4,753	4,217	38,658	(1,097)	46,531

	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	7,166	3,220	401	10,789	6,168	59,565
Changes during period						
Dividends of surplus				-		(1,026)
Profit attributable to owners of parent				-		4,942
Purchase of treasury shares				-		(3)
Disposal of treasury shares				-		11
Net changes in items other than shareholders' equity	(1,864)	1,791	210	137	488	625
Total changes during period	(1,864)	1,791	210	137	488	4,548
Balance at end of period	5,302	5,011	612	10,926	6,656	64,114

(4) Consolidated Statements 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	5,966	6,921
Depreciation	3,090	2,953
Increase (decrease) in retirement benefit liability	52	(122)
Increase (decrease) in allowance for doubtful accounts	1	6
Interest and dividend income	(342)	(394)
Interest expenses	41	32
Share of loss (profit) of entities accounted for using equity method	(1,371)	(1,715)
Loss (gain) on sale of non-current assets	(2)	(1)
Loss (gain) on disposal of non-current assets	16	35
Loss (gain) on sale of investment securities	(20)	(260)
Insurance claim income	(23)	(3)
Decrease (increase) in trade receivables	1,260	1,110
Decrease (increase) in inventories	(347)	(470)
Increase (decrease) in trade payables	(471)	(4,173)
Other, net	512	(975)
Subtotal	8,361	2,943
Interest and dividends received	1,814	1,885
Interest paid	(42)	(34)
Proceeds from insurance income	23	3
Income taxes paid	(876)	(1,685)
Income taxes refund	37	6
Net cash provided by (used in) operating activities	9,317	3,119
Cash flows from investing activities		
Payments into time deposits	-	(200)
Proceeds from withdrawal of time deposits	-	7
Purchase of property, plant and equipment and intangible assets	(1,244)	(1,400)
Proceeds from sale of property, plant and equipment and intangible assets	34	15
Purchase of investment securities	(11)	(13)
Proceeds from sale of investment securities	145	349
Loan advances	-	(7)
Proceeds from collection of loans receivable	1,560	39
Other, net	47	(27)
Net cash provided by (used in) investing activities	533	(1,237)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,250)	250
Proceeds from long-term borrowings	-	213
Repayments of long-term borrowings	(1,163)	(898)
Purchase of treasury shares	(0)	-
Dividends paid	(935)	(1,025)
Dividends paid to non-controlling interests	(733)	(565)
Other, net	(8)	(11)
Net cash provided by (used in) financing activities	(5,092)	(2,037)
Effect of exchange rate change on cash and cash equivalents	265	303
Net increase (decrease) in cash and cash equivalents	5,023	147
Cash and cash equivalents at beginning of period	10,853	15,876
Cash and cash equivalents at end of period	15,876	16,024

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard 2022”) etc. from the beginning of the fiscal year ended March 31, 2025. With respect to the revised classification of income taxes (taxation on other comprehensive income), the Company has applied the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022, and this change in accounting policies has no impact on the consolidated financial statements.

(Changes in the presentation method)

(Consolidated Statements of Income)

“Compensation expenses” included in “Other” under “Non-operating expenses” in the previous fiscal year are presented separately from the fiscal year under review due to its increased monetary importance. To reflect this change in presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, 45 million yen that was presented in “Other” under “Non-operating expenses” in the Consolidated Statements of Income for the previous fiscal year has been reclassified as “Compensation expenses” of 8 million yen and “Other” of 37 million yen.

(Segment information)

1. Overview of reportable segments

The Company’s reportable segments are components of the Company for which segregated financial information is available, and are subject to regular review by the Board of Directors to determine how to allocate management resources and evaluate performance.

The Company has established the Paints & Coatings Group and the Automotive Products Group at its head office, and formulates comprehensive domestic and overseas strategies for the products and services it handles, with the two groups operating business activities in cooperation with subsidiaries and affiliates in their respective business domains.

As such, the Company comprises individual product and service segments based on each group, and has two reportable segments, the paints & coatings-related business and the automotive products-related business.

The paints & coatings-related business covers primarily the manufacture and sale of paints and coatings, as well as contract construction work. The automotive products-related business focuses largely on the manufacture and sales of automotive parts, such as soundproofing materials and anti-corrosive coatings for automobiles.

2. Method for calculating the monetary totals for net sales, profit or loss, assets or liabilities, and other items by reportable segment

The accounting method used for reportable business segments is generally the same as those used in the preparation of the consolidated financial statements.

Segment profit is based on operating profit. Inter-segment net sales and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets or liabilities and other items by reportable segment

Fiscal year ended March 31, 2024

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidation (Note 3)
	Paints & coatings-related	Automotive products-related	Total				
Net sales							
Net sales to outside customers	20,612	44,066	64,678	15	64,693	–	64,693
Inter-segment net sales or transfers	3	–	3	–	3	(3)	–
Total	20,615	44,066	64,682	15	64,697	(3)	64,693
Segment profit	456	3,439	3,896	9	3,905	–	3,905
Segment assets	13,126	49,964	63,091	85	63,177	24,279	87,456
Other items							
Depreciation	249	2,839	3,088	–	3,088	–	3,088
Share of profit of entities accounted for using equity method	26	1,344	1,371	–	1,371	–	1,371
Investment in entities accounted for using equity method	379	11,853	12,232	–	12,232	–	12,232
Increase in property, plant and equipment and intangible assets	77	744	822	–	822	48	870

- Notes:
1. “Other” represents businesses not included in reportable segments, namely, the insurance agency business.
 2. “Adjustment” consists of the following.
Adjustment of segment assets of 24,279 million yen and the increase in property, plant and equipment and intangible assets of 48 million yen comprise company-wide assets not allocated to individual reportable segments. Company-wide assets consist mainly of the Company’s surplus funds (cash and cash equivalents, etc.), funds for longer-term investments and loans (investment securities, etc.) and assets relating to the Company’s management departments.
 3. Segment profit is adjusted with operating profit on the consolidated financial statements.

Fiscal year ended March 31, 2025

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidation (Note 3)
	Paints & coatings-related	Automotive products-related	Total				
Net sales							
Net sales to outside customers	23,722	42,321	66,044	15	66,060	–	66,060
Inter-segment net sales or transfers	3	–	3	–	3	(3)	–
Total	23,726	42,321	66,047	15	66,063	(3)	66,060
Segment profit	953	3,493	4,446	9	4,456	–	4,456
Segment assets	13,900	50,179	64,080	92	64,173	21,070	85,243
Other items							
Depreciation	230	2,717	2,948	–	2,948	–	2,948
Share of profit of entities accounted for using equity method	30	1,685	1,715	–	1,715	–	1,715
Investment in entities accounted for using equity method	404	13,513	13,918	–	13,918	–	13,918
Increase in property, plant and equipment and intangible assets	278	909	1,188	–	1,188	246	1,434

- Notes:
1. “Other” represents businesses not included in reportable segments, namely, the insurance agency business.
 2. “Adjustment” consists of the following.
Adjustment of segment assets of 21,070 million yen and the increase in property, plant and equipment and intangible assets of 246 million yen comprise company-wide assets not allocated to individual reportable segments. Company-wide assets consist mainly of the Company’s surplus funds (cash and cash equivalents, etc.), funds for longer-term investments and loans (investment securities, etc.) and assets relating to the Company’s management departments.
 3. Segment profit is adjusted with operating profit on the consolidated financial statements.

(Per share information)

Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Net assets per share (Yen)	2,455.58	Net assets per share (Yen)	2,641.54
Basic earnings per share (Yen)	181.57	Basic earnings per share (Yen)	227.24
Diluted earnings per share is not presented because there were no potential shares.		Diluted earnings per share is not presented because there were no potential shares.	

Note: Basis of calculation

1. The basis for calculating net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total of net assets section (Million yen)	59,565	64,114
Amount deducted from the total of net assets (Million yen)	6,168	6,656
[of which, share acquisition rights]	—	—
[of which, amount attributable to non-controlling shareholders]	[6,168]	[6,656]
Net assets pertaining to common shares (Million yen)	53,397	57,458
Number of common shares used to calculate net assets per share (Thousand shares)	21,745	21,751

2. The basis for calculating earnings per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Basic earnings per share (Yen)		
Profit attributable to owners of parent (Million yen)	3,947	4,942
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	3,947	4,942
Average number of common shares during the period (Thousand shares)	21,742	21,749
Diluted earnings per share (Yen)	—	—

(Significant subsequent events)

Not applicable.