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May 14, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: Nihon Tokushu Toryo Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4619  
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 Representative: Hiroshi Onda, President, COO  
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 Scheduled date of annual general meeting of shareholders: June 23, 2026  
 Scheduled date to commence dividend payments: June 24, 2026  
 Scheduled date to file annual securities report: June 18, 2026  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: Yes

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (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, 2026	61,889	(6.3)	4,004	(10.1)	6,834	1.9	5,244	6.1
March 31, 2025	66,060	2.1	4,456	14.1	6,709	12.5	4,942	25.2

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 6,760 million [ 11.5%]  
 For the fiscal year ended March 31, 2025: ¥ 6,062 million [ (32.5)%]

	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, 2026	242.39	-	8.9	8.0	6.5
March 31, 2025	227.24	-	8.9	7.8	6.7

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ 2,443 million  
 For the fiscal year ended March 31, 2025: ¥ 1,715 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, 2026	85,375	67,023	70.5	2,828.85
March 31, 2025	85,243	64,114	67.4	2,641.54

Reference: Equity

As of March 31, 2026: ¥ 60,232 million  
 As of March 31, 2025: ¥ 57,458 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, 2026	6,419	(5,191)	(4,770)	12,586
March 31, 2025	3,119	(1,237)	(2,037)	16,024

## 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, 2025	-	22.00	-	68.00	90.00	1,966	39.6	3.5
Fiscal year ended March 31, 2026	-	50.00	-	75.00	125.00	2,711	51.6	4.6
Fiscal year ending March 31, 2027 (Forecast)	-	55.00	-	75.00	130.00		52.2	

## 3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	32,400	6.9	1,600	(2.5)	3,600	27.4	2,600	0.2	122.09
Full year	67,300	8.7	4,150	3.6	7,450	9.0	5,300	1.1	248.86

### \* Notes

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

### (3) Number of issued shares (common shares)

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

As of March 31, 2026	23,611,200 shares
As of March 31, 2025	23,611,200 shares

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

As of March 31, 2026	2,319,049 shares
As of March 31, 2025	1,859,522 shares

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

Fiscal Year ended March 31, 2026	21,638,321 shares
Fiscal Year ended March 31, 2025	21,749,553 shares

[Reference] Overview of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	48,632	1.0	2,486	3.2	6,360	33.3	5,540	33.3
March 31, 2025	48,127	(1.4)	2,408	5.6	4,770	(0.9)	4,155	6.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	254.82	-
March 31, 2025	190.18	-

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

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	56,046	42,596	76.0	1,990.86
March 31, 2025	55,326	40,113	72.5	1,835.56

Reference: Equity

As of March 31, 2026: ¥ 42,596 million

As of March 31, 2025: ¥ 40,113 million

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

\* Proper use of earnings forecasts, and other special matters

\* 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.

## Table of Contents of the Attachments

1. Overview of Operating Results, etc. ....	2
(1) Overview of Operating Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position for the Fiscal Year under Review .....	3
(3) Overview of Cash Flows for the Fiscal Year under Review .....	3
(4) Future Outlook .....	3
(5) Basic Policy on Profit Distribution and Dividends for the Current and Following Fiscal Years ..	4
2. Basic Policy on Selection of Accounting Standards .....	4
3. Consolidated Financial Statements and Primary Notes .....	5
(1) Consolidated Balance Sheet .....	5
(2) Consolidated Statements of Income and Comprehensive Income .....	7
(3) Consolidated Statement of Changes in Equity .....	9
(4) Consolidated Statement of Cash Flows .....	11
(5) Notes to Consolidated Financial Statements .....	13
(Notes on going concern assumption) .....	13
(Notes on substantial changes in the amount of shareholders' equity) .....	13
(Notes concerning changes in the scope of consolidation or scope of equity method to be applied) .....	13
(Additional information) .....	13
(Segment information) .....	14
(Per share information) .....	17
(Significant subsequent events) .....	18

## 1. Overview of Operating Results, etc.

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

In the fiscal year ended March 31, 2026 (the “fiscal year under review”), the Japanese economy was on a moderate recovery underpinned by improvement in employment and income environment. However, the overall business environment became increasingly uncertain. In addition to exchange rate fluctuations and the impact of U.S. tariff policy, heightened tensions in the Middle East in the latter half of the year fueled concerns regarding sustained high prices of raw materials and energy as well as the destabilization of supply chains.

Under these circumstances, NIHON TOKUSHU TORYO CO., LTD. (the “Company”) and its subsidiaries (collectively, the “Group”) have been striving to enhance its corporate value by focusing on strengthening its revenue base, as set forth in the basic strategies of the medium-term management plan. These efforts include optimizing the product portfolio, drastically improving productivity, developing new technologies and products, and promoting sustainability management.

As a result, in the fiscal year under review, net sales totaled 61,889 million yen (down 6.3% year on year), mainly due to a sales decrease in the paints & coatings-related business.

On the profit front, operating profit was 4,004 million yen (down 10.1% year on year). This is mainly attributable to a sales decrease in the paints & coatings-related business. Ordinary profit totaled 6,834 million yen (up 1.9% 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 5,244 million yen (up 6.1% year on year) mainly due to posting a gain on sale of non-current assets and a gain on sale of investment securities.

Performance by reportable segment is as follows.

#### **Paints & coatings-related business**

Net sales for the paints & coatings-related segment totaled 19,311 million yen (down 18.6% year on year). This is mainly due to a reversal of the previous fiscal year’s significant increase in large-scale renovation and repair work for condominiums, although sales of paints for buildings and structures remained largely unchanged from the previous fiscal year.

On the profit front, segment profit totaled 566 million yen (down 40.6% year on year), reflecting the decline in sales despite efforts to reduce cost of sales, expenses, and other costs.

#### **Automotive products-related business**

Net sales for the automotive products-related segment totaled 42,561 million yen (up 0.6% year on year). This is mainly due to robust automobile market conditions in North America and Japan, which was partially offset by sluggish sales in Asia, particularly China.

On the profit front, segment profit totaled 3,429 million yen (down 1.8% year on year), mainly due to higher research and development (R&D) expenses and investment costs aimed at streamlining and enhancing the efficiency of the Group’s production systems.

#### **Other business**

Net sales of the insurance agency business totaled 16 million yen (up 2.0% 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 increased by 132 million yen year on year to 85,375 million yen. This was primarily due to decreases in cash and deposits of 418 million yen, notes receivable - trade of 324 million yen, and accounts receivable - trade of 351 million yen, and increases in work in process of 143 million yen, and investment securities of 1,253 million yen.

### **Liabilities**

Total liabilities decreased by 2,777 million yen year on year to 18,352 million yen. This was primarily due to decreases in notes and accounts payable - trade of 2,011 million yen, borrowings of 706 million yen, and retirement benefit liability of 565 million yen, and an increase in deferred tax liabilities of 335 million yen.

### **Net assets**

Net assets increased by 299 million yen year on year to 67,023 million yen. This was primarily due to an increase in capital surplus of 292 million yen, an increase in retained earnings of 2,899 million yen, a decrease due to purchase of treasury shares of 131 million yen, and an increase in valuation difference on available-for-sale securities of 561 million yen. The equity-to-asset ratio increased by 3.1% to 70.5%.

## (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 decreased by 3,437 million yen to 12,586 million yen.

Funds from operating activities resulted in an inflow of 6,419 million yen (compared with an inflow of 3,119 million yen in the previous fiscal year). This was primarily due to the recording of profit before income taxes of 7,360 million yen, a decrease in trade payables of 2,172 million yen, interest and dividends received of 3,220 million yen, and the income taxes paid of 1,636 million yen.

Funds from investing activities resulted in an outflow of 5,191 million yen (compared with an outflow of 1,237 million yen in the previous fiscal year). This was primarily due to payments into time deposits of 3,019 million yen, and purchase of property, plant and equipment and intangible assets of 2,566 million yen.

Funds from financing activities resulted in an outflow of 4,770 million yen (compared with an outflow of 2,037 million yen in the previous fiscal year). This was primarily due to repayments of long-term borrowings of 556 million yen, purchase of treasury shares of 1,451 million yen, and dividends paid of 2,568 million yen.

## (4) Future Outlook

With regard to the outlook for the future, despite an expected gradual economic recovery, there are many causes for concern. These include economic uncertainty and volatility in raw material and energy prices arising from heightened geopolitical risks worldwide, particularly in the Middle East. Against this backdrop, near-term economic conditions remain difficult to predict.

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.

Under this business environment, the Company will pursue business strategies centered on the theme of "Innovation and Challenge" set forth in the medium-term management plan (the "plan"). These strategies consist of four pillars: optimization of product portfolio, maximization of sales opportunities, drastic improvement in productivity, and driving technological innovation. Through these initiatives, we will strive to achieve sustainable growth and enhance corporate value. For the fiscal year ending March 31, 2027, the second year of the plan, the Company will work to solidify the progress of the strategies and initiatives launched in the first year. In addition, the Company will review and reinforce these initiatives based on their implementation status, with the aim of generating tangible results in the second half of the plan period.

The consolidated financial results forecast for the fiscal year ending March 31, 2027, based on the recent external environment, is as follows.

The Company has factored the surging raw material prices and potential impacts on the supply chain resulting from heightened tensions in the Middle East into these forecasts to a reasonable extent based on currently available information. However, actual results may differ from these forecasts due to future geopolitical developments, exchange rate fluctuations, and other factors.

(Million yen)

	Fiscal year ended March 31, 2026 (Actual)	Fiscal year ending March 31, 2027 (Forecast)
Net sales	61,889	67,300
Operating profit	4,004	4,150
Ordinary profit	6,834	7,450
Profit attributable to owners of parent	5,244	5,300
Basic earnings per share	242.39 yen	248.86 yen
ROE	8.9%	

The outlook for business performance for the fiscal year ending March 31, 2027, by reportable segment is as follows.

(Million yen)

	Net sales		Segment profit	
		YoY change		YoY change
Paints & coatings-related business	20,800	7.7%	350	(38.2)%
Automotive products-related business	46,500	9.3%	3,800	10.8%

#### (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, investment plans, and the total payout ratio and under the performance-based distribution policy.

Based on the above policy, we plan to pay a year-end dividend of 75 yen per share for the fiscal year under review, which is an increase of 15 yen from the previous forecast of 60 yen per share. As a result, the annual dividend per share, including an interim dividend of 50 yen, will be 125 yen per share, which is an increase of 15 yen from the previous forecast of 110 yen per share.

For the fiscal year ending March 31, 2027, we expect to pay an annual dividend of 130 yen per share, including an interim dividend of 55 yen per share and a year-end dividend of 75 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 Primary Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	16,235	15,816
Notes receivable - trade	454	130
Electronically recorded monetary claims - operating	3,845	3,676
Accounts receivable - trade	10,294	9,942
Contract assets	1,731	1,475
Merchandise and finished goods	1,814	1,880
Work in process	1,613	1,757
Raw materials and supplies	1,582	1,570
Income taxes refund receivable	8	118
Other	749	1,044
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,327	37,410
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,514	9,269
Machinery, equipment and vehicles, net	5,559	5,288
Land	4,863	4,984
Construction in progress	537	924
Other, net	923	916
Total property, plant and equipment	21,399	21,383
Intangible assets		
Other	1,292	1,215
Total intangible assets	1,292	1,215
Investments and other assets		
Investment securities	22,055	23,309
Long-term loans receivable	102	96
Deferred tax assets	158	155
Other	1,972	1,875
Allowance for doubtful accounts	(65)	(70)
Total investments and other assets	24,224	25,365
Total non-current assets	46,916	47,964
Total assets	85,243	85,375

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,877	5,866
Electronically recorded obligations - operating	1,365	1,209
Short-term borrowings	2,706	2,353
Lease liabilities	10	15
Income taxes payable	773	874
Provision for bonuses for directors (and other officers)	66	71
Other	3,323	3,508
Total current liabilities	16,122	13,898
Non-current liabilities		
Long-term borrowings	804	451
Lease liabilities	11	32
Retirement benefit liability	2,471	1,905
Deferred tax liabilities	1,612	1,948
Other	106	115
Total non-current liabilities	5,006	4,453
Total liabilities	21,129	18,352
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	4,217	4,510
Retained earnings	38,658	41,557
Treasury shares	(1,097)	(2,398)
Total shareholders' equity	46,531	48,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,302	5,863
Foreign currency translation adjustment	5,011	5,031
Remeasurements of defined benefit plans	612	915
Total accumulated other comprehensive income	10,926	11,809
Non-controlling interests	6,656	6,791
Total net assets	64,114	67,023
Total liabilities and net assets	85,243	85,375

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

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	66,060	61,889
Cost of sales	51,587	47,295
Gross profit	14,473	14,593
Selling, general and administrative expenses	10,016	10,588
Operating profit	4,456	4,004
Non-operating income		
Interest income	93	105
Dividend income	301	348
Foreign exchange gains	18	49
Rental income from real estate	51	50
Share of profit of entities accounted for using equity method	1,715	2,443
Other	170	133
Total non-operating income	2,349	3,131
Non-operating expenses		
Interest expenses	32	43
Compensation expense	29	-
Commission expenses	-	152
Other	34	105
Total non-operating expenses	97	301
Ordinary profit	6,709	6,834
Extraordinary income		
Gain on sale of non-current assets	3	536
Insurance claim income	3	3
Gain on sale of investment securities	263	382
Total extraordinary income	269	922
Extraordinary losses		
Loss on disposal of non-current assets	37	57
Loss on sale of investment securities	2	-
Loss on valuation of investment securities	-	335
Loss on sale of golf club membership	-	1
Settlement payments	16	2
Removal cancel loss	0	-
Total extraordinary losses	57	396
Profit before income taxes	6,921	7,360
Income taxes - current	1,437	1,627
Income taxes - deferred	(22)	(57)
Income taxes - refund	(16)	-
Total income taxes	1,397	1,569
Profit	5,524	5,790
Profit attributable to non-controlling interests	581	545
Profit attributable to owners of parent	4,942	5,244

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	5,524	5,790
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,851)	527
Foreign currency translation adjustment	824	100
Remeasurements of defined benefit plans, net of tax	210	302
Share of other comprehensive income of entities accounted for using equity method	1,355	38
Total other comprehensive income	538	969
Comprehensive income	6,062	6,760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,079	6,174
Comprehensive income attributable to non-controlling interests	983	585

## (3) Consolidated Statement of Changes in Equity

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
Treasury stock possession of stock ownership plan trust					-
Transfer of treasury stock to stock ownership plan trust					-
Increase of retained earnings by increase of subsidiaries company					-
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
Treasury stock possession of stock ownership plan trust						-
Transfer of treasury stock to stock ownership plan trust						-
Increase of retained earnings by increase of subsidiaries company						-
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

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,753	4,217	38,658	(1,097)	46,531
Changes during period					
Dividends of surplus			(2,578)		(2,578)
Profit attributable to owners of parent			5,244		5,244
Purchase of treasury shares				(1,019)	(1,019)
Disposal of treasury shares		8		3	11
Treasury stock possession of stock ownership plan trust		284		152	436
Transfer of treasury stock to stock ownership plan trust				(436)	(436)
Increase of retained earnings by increase of subsidiaries company			233		233
Net changes in items other than shareholders' equity					-
Total changes during period	-	292	2,899	(1,301)	1,890
Balance at end of period	4,753	4,510	41,557	(2,398)	48,422

	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	5,302	5,011	612	10,926	6,656	64,114
Changes during period						
Dividends of surplus				-		(2,578)
Profit attributable to owners of parent				-		5,244
Purchase of treasury shares				-		(1,019)
Disposal of treasury shares				-		11
Treasury stock possession of stock ownership plan trust						436
Transfer of treasury stock to stock ownership plan trust						(436)
Increase of retained earnings by increase of subsidiaries company						233
Net changes in items other than shareholders' equity	561	19	302	883	135	1,018
Total changes during period	561	19	302	883	135	2,909
Balance at end of period	5,863	5,031	915	11,809	6,791	67,023

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,921	7,360
Depreciation	2,953	2,817
Increase (decrease) in retirement benefit liability	(122)	(127)
Increase (decrease) in allowance for doubtful accounts	6	5
Interest and dividend income	(394)	(454)
Interest expenses	32	43
Share of loss (profit) of entities accounted for using equity method	(1,715)	(2,443)
Loss (gain) on sale of non-current assets	(1)	(524)
Loss (gain) on disposal of non-current assets	35	46
Loss (gain) on sale of investment securities	(260)	(382)
Loss (gain) on valuation of investment securities	-	335
Insurance claim income	(3)	(3)
Decrease (increase) in trade receivables	1,110	1,120
Decrease (increase) in inventories	(470)	(196)
Increase (decrease) in trade payables	(4,173)	(2,172)
Other, net	(975)	(548)
Subtotal	2,943	4,874
Interest and dividends received	1,885	3,220
Interest paid	(34)	(42)
Proceeds from insurance income	3	3
Income taxes paid	(1,685)	(1,636)
Income taxes refund	6	0
Net cash provided by (used in) operating activities	3,119	6,419
<b>Cash flows from investing activities</b>		
Payments into time deposits	(200)	(3,019)
Proceeds from withdrawal of time deposits	7	1
Purchase of property, plant and equipment and intangible assets	(1,400)	(2,566)
Proceeds from sale of property, plant and equipment and intangible assets	15	909
Purchase of investment securities	(13)	(868)
Proceeds from sale of investment securities	349	411
Loan advances	(7)	(10)
Proceeds from collection of loans receivable	39	29
Other, net	(27)	(78)
Net cash provided by (used in) investing activities	(1,237)	(5,191)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	250	(150)
Proceeds from long-term borrowings	213	-
Repayments of long-term borrowings	(898)	(556)
Purchase of treasury shares	-	(1,451)
Proceeds from sale of treasury shares	-	436
Dividends paid	(1,025)	(2,568)
Dividends paid to non-controlling interests	(565)	(476)
Other, net	(11)	(4)
Net cash provided by (used in) financing activities	(2,037)	(4,770)
Effect of exchange rate change on cash and cash equivalents	303	104
Net increase (decrease) in cash and cash equivalents	147	(3,437)
Cash and cash equivalents at beginning of period	15,876	16,024
Cash and cash equivalents at end of period	16,024	12,586

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on substantial changes in the amount of shareholders' equity)

The Company repurchased 312,700 shares and 150,000 shares respectively, pursuant to the resolutions of the Board of Directors meetings held on November 12, 2025, and March 18, 2026. Primarily as a result of these repurchases, treasury shares increased by 1,301 million yen during the fiscal year under review, resulting in an ending balance of 2,398 million yen.

(Notes concerning changes in the scope of consolidation or scope of equity method to be applied)

Effective from the first quarter of the fiscal year under review, Autoneum Nittoku Sound Proof Products India Pvt. Ltd. is accounted for using the equity method due to its increased materiality.

(Additional information)

(Employee stock ownership plan (ESOP) trust transaction)

The Company resolved at the Board of Directors meeting held on February 18, 2026, to introduce an Employee Stock Ownership Plan (ESOP) trust as an employee incentive plan designed to achieve sustainable growth and enhance mid- to long-term corporate value.

(1) Overview of the transaction

In accordance with the predetermined Stock Grant Regulations, the Company awards points to eligible employees and grants them shares corresponding to their accumulated points. To provide these shares, the Company contributes funds to the trust in advance; the trust then acquires the necessary shares—including those for future grants—and manages them as trust property.

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

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value within the trust (excluding ancillary expenses). As of March 31, 2026, the book value and the number of these treasury shares were 436 million yen and 183,200 shares, respectively.

(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, 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)	–
<b>Total</b>	<b>23,726</b>	<b>42,321</b>	<b>66,047</b>	<b>15</b>	<b>66,063</b>	<b>(3)</b>	<b>66,060</b>
<b>Segment profit</b>	<b>953</b>	<b>3,493</b>	<b>4,446</b>	<b>9</b>	<b>4,456</b>	<b>–</b>	<b>4,456</b>
<b>Segment assets</b>	<b>13,900</b>	<b>50,179</b>	<b>64,080</b>	<b>92</b>	<b>64,173</b>	<b>21,070</b>	<b>85,243</b>
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.

Fiscal year ended March 31, 2026

(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	19,311	42,561	61,872	16	61,889	–	61,889
Inter-segment net sales or transfers	3	–	3	–	3	(3)	–
Total	19,314	42,561	61,876	16	61,892	(3)	61,889
Segment profit	566	3,429	3,995	9	4,004	–	4,004
Segment assets	12,966	50,814	63,781	100	63,882	21,489	85,372
Other items							
Depreciation	226	2,554	2,781	–	2,781	–	2,781
Share of profit of entities accounted for using equity method	27	2,415	2,443	–	2,443	–	2,443
Investment in entities accounted for using equity method	431	13,608	14,040	–	14,040	–	14,040
Increase in property, plant and equipment and intangible assets	199	2,253	2,453	–	2,453	506	2,959

- 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 21,489 million yen and the increase in property, plant and equipment and intangible assets of 506 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, 2025		Fiscal year ended March 31, 2026	
Net assets per share (Yen)	2,641.54	Net assets per share (Yen)	2,828.85
Basic earnings per share (Yen)	227.24	Basic earnings per share (Yen)	242.39
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.	
		<p>Effective from the fiscal year under review, the Company introduced an Employee Stock Ownership Plan (ESOP) trust. In the calculation of net assets per share, the Company's shares held by the trust (183,200 shares as of March 31, 2026) are included in treasury shares, which are deducted from the total number of issued shares at the end of the period. Similarly, in the calculation of basic earnings per share, the average number of shares held by the trust during the period (10,001 shares for the fiscal year under review) is included in treasury shares and is therefore deducted in the calculation of the average number of shares outstanding during the period.</p>	

Note: Basis of calculation

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

	As of March 31, 2025	As of March 31, 2026
Total of net assets section (Million yen)	64,114	67,023
Amount deducted from the total of net assets (Million yen)	6,656	6,791
[of which, share acquisition rights]	—	—
[of which, amount attributable to non-controlling shareholders]	[6,656]	[6,791]
Net assets pertaining to common shares (Million yen)	57,458	60,232
Number of common shares used to calculate net assets per share (Thousand shares)	21,751	21,292

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

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share (Yen)		
Profit attributable to owners of parent (Million yen)	4,942	5,244
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	4,942	5,244
Average number of common shares during the period (Thousand shares)	21,749	21,638
Diluted earnings per share (Yen)	—	—

(Significant subsequent events)

Not applicable.