

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

<Japanese GAAP>

May 11, 2026

Company Name: **NICHIAS Corporation**
 Stock Exchange Listing: Tokyo Stock Exchange (Code number 5393)
 URL: <https://www.nichias.co.jp/nichias-E/>
 Representative: Katsumi Kametsu, President and Chief Executive Officer
 Inquiries: Tsukasa Yamamoto, Representative Director and Senior Managing Executive Officer
 Phone: +81-3-4413-1111
 Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2026
 Scheduled date of filing annual securities report: June 24, 2026
 Supplementary materials for financial results: Available
 Organization of financial results briefing: Yes (for institutional investors and analysts)
 Scheduled date of commencement of dividend payment: June 29, 2026

(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for fiscal 2025 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results

(Percentage figures represent changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025	251,910	(1.8)	37,014	(6.8)	39,377	(5.6)	31,634	(1.4)
FY2024	256,512	2.9	39,732	12.8	41,693	7.5	32,073	19.0

Note: Comprehensive income FY2025 ¥39,573 million---29.3%; FY2024 ¥30,596 million---(15.6)%

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income on total assets	Operating margin
	Yen	Yen	%	%	%
FY2025	165.59	—	13.9	13.2	14.7
FY2024	163.79	—	15.5	14.4	15.5

(Reference) Share of profit or loss on investments using the equity method: FY2025 ¥52 million; FY2024 ¥63 million

Note: Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. Basic earnings per share has been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	307,123	239,612	77.7	1,261.39
As of March 31, 2025	289,044	216,434	74.5	1,116.25

(Reference) Shareholders' equity: FY2025 ¥238,515 million; FY2024 ¥215,421 million

Note: Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. Net assets per share has been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Net cash from (used in) operating activities	Net cash from (used in) investing activities	Net cash from (used in) financing activities	Cash and cash equivalents at the end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2025	23,936	(10,154)	(16,992)	56,631
FY2024	31,246	(913)	(27,404)	58,611

2. Dividends

	Annual Dividends					Total Dividends	Dividend payout ratio	Ratio of dividends to net assets
	End of 1st quarter	End of 1st half	End of 3rd quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2024	—	52.00	—	56.00	108.00	7,019	22.0	3.4
FY2025	—	76.00	—	88.00	164.00	10,392	33.0	4.6
FY2026 (Forecast)	—	35.00	—	30.00	65.00		38.8	

Note: Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. For FY2024 and FY2025, the actual dividend amounts prior to the stock split are shown. For FY2027 (forecast), the figures following the stock split are shown.

3. Forecast of consolidated financial results for fiscal 2026 (April 1, 2026 to March 31, 2027)

(Percentage figures represent changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	130,000	5.9	20,500	15.3	20,500	11.6	14,500	13.8	75.90
Full year	270,000	7.2	45,000	21.6	45,000	14.3	32,000	1.2	167.51

Note: Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. For basic earnings per share in the consolidated financial forecast, the figures following the stock split are shown.

*Notes

- (1) Significant changes in the scope of consolidation during the period under review: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
 - 1) Changes in accounting policies due to revision of accounting standards: None
 - 2) Changes other than those in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (3) Number of shares outstanding (ordinary shares)
 - 1) Number of shares outstanding at the end of the year (including treasury stock)

FY2025 (As of March 31, 2026)	190,985,751 shares
FY2024 (As of March 31, 2025)	203,435,751 shares
 - 2) Number of shares of treasury stock at the end of the year

FY2025 (As of March 31, 2026)	1,896,849 shares
FY2024 (As of March 31, 2025)	10,448,946 shares
 - 3) Average number of shares outstanding during the year

FY2025 (As of March 31, 2026)	191,037,523 shares
FY2024 (As of March 31, 2025)	195,824,886 shares

Note: Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. The number of shares outstanding at the end of the year (including treasury stock), number of shares of treasury stock at the end of the year, and average number of shares outstanding during the year have been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

*This summary of financial statements is not subject to audit by a certified public accountant or auditor.

*Information concerning proper use of financial forecasts and other special notes

(Information concerning forward-looking statements)

1. Forward-looking statements concerning financial forecasts contained in these materials are based on information available to the Company when the forecasts were made, and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors. Please refer to "(4) Earnings forecasts" in "1. Overview of operating results" on page 3 for information concerning financial forecasts such as the assumptions used and factors that could cause these assumptions to change.

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

○ Attachment index

1. Overview of operating results	2
(1) Overview of operating results in FY2025 (April 1, 2025 to March 31, 2026)	2
(2) Overview of financial position	2
(3) Cash flows	3
(4) Earnings forecasts.....	3
(5) Policies for distribution of profit and dividends for FY2025 and FY2026.....	3
(6) Risk factors.....	4
2. Management policies	5
(1) The Group's basic management policy	5
(2) Target management indicators	6
3. Basic stance toward the selection of accounting standards	6
4. Consolidated financial statements and related notes	7
(1) Consolidated balance sheets	7
(2) Consolidated statements of income and consolidated statements of comprehensive income	9
(3) Consolidated statements of changes in shareholders' equity	11
(4) Consolidated statements of cash flows	13
(5) Notes regarding consolidated financial statements	15
(Notes regarding going concern assumption).....	15
(Unapplied accounting standards).....	15
(Segment information).....	15
(Per share information)	20
(Important subsequent events)	21
5. Other	24
Status of production, orders, and sales.....	24
6. Supplementary materials	25
(1) Key consolidated financial figures (trends).....	25
(2) Quarterly consolidated operating results (trends).....	25

1. Overview of operating results

(1) Overview of operating results in FY2025 (April 1, 2025 to March 31, 2026)

During FY2025, while the economy continued to show signs of a gradual recovery amid the lingering impact of U.S. trade policies, uncertainty in the global economy, particularly regarding the situation in the Middle East, has been growing, making it necessary to closely monitor future developments. In the manufacturing industry, capital investment moderately improved, but production and exports were flat. Overseas, while China continued its gradual economic slowdown, the U.S. economy continued to expand modestly despite some uncertainty, and emerging markets experienced gradual recovery.

In these conditions, the Group's net sales fell 1.8% year on year to ¥251,910 million. This was mainly due to soft demand for semiconductor production equipment in the Advanced Products Division.

In terms of profits, operating income fell 6.8% year on year to ¥37,014 million, ordinary income fell 5.6% year on year to ¥39,377 million, and profit attributable to owners of the parent company fell 1.4% year on year to ¥31,634 million.

Net sales by segment for FY2025 are as follows:

Sales in the **Energy and Industrial Plants Division** rose 1.3% year on year to ¥79,503 million due to especially strong demand for petroleum refining and petrochemicals, despite a reduction in nuclear power construction.

Sales in the **Industrial Products Division** increased 0.3% year on year to ¥53,321 million. This was due to steady demand for sealing materials for infrastructure in Japan.

Sales in the **Advanced Products Division** fell 12.3% year on year to ¥39,094 million, driven by soft demand for semiconductor production equipment.

Sales in the **Autoparts Division** rose 0.6% year on year to ¥51,504 million due to firm demand in Japan.

Sales in the **Building Materials Division** fell 2.1% year on year to ¥28,487 million due to factors such as the impact of delays in the construction processes of some large properties, despite firm shipments of wrap-type fire-proofing covering materials.

(2) Overview of financial position

Total assets at the end of FY2025 were ¥307,123 million, up ¥18,078 million compared with the end of the previous fiscal year. This was largely because net defined benefit assets increased by ¥4,669 million, investment securities increased by ¥4,092 million, raw materials and supplies increased by ¥2,677 million, and buildings and structures increased by ¥2,206 million.

Liabilities at the end of FY2025 were ¥67,510 million, down ¥5,099 million compared with the end of the previous fiscal year. This was largely a result of decreases in income taxes payable of ¥6,143 million and in notes and accounts payable – trade of ¥1,761 million, despite an increase in deferred tax liabilities of ¥2,897 million.

Net assets at the end of FY2025 were ¥239,612 million, up ¥23,178 million compared with the end of the previous fiscal year. This was largely because of recording profit attributable to owners of the parent company of ¥31,634 million, despite decreases due to dividends from surplus of ¥8,448 million and purchase of treasury stock of ¥8,009 million.

In addition, pursuant to a resolution adopted at the Board of Directors meeting held on February 9, 2026, the Company cancelled treasury stock valued at ¥19,522 million effective February 27, 2026.

(3) Cash flows

Cash and cash equivalents (hereinafter, "cash") at the end of FY2025 decreased by ¥1,979 million year on year to ¥56,631 million. Cash flows and factors affecting cash flows are as follows:

(Net cash provided by [used in] operating activities)

Net cash provided by operating activities was ¥23,936 million (compared with receipts of ¥31,246 million in FY2024).

This was primarily because, although cash decreased due to ¥15,179 million in income taxes paid and a ¥3,755 million decrease in notes and accounts payable – trade, cash increased due to ¥38,715 million in income before income taxes and ¥7,314 million in depreciation & amortization.

(Net cash provided by [used in] investing activities)

Net cash used in investing activities was ¥10,154 million (compared with expenditures of ¥913 million in FY2024).

This mainly reflected a decrease in cash due to ¥8,032 million in expenditures for the acquisition of property, plant and equipment and ¥1,008 million in purchase of investment securities.

(Net cash provided by [used in] financing activities)

Net cash used in financing activities was ¥16,992 million (compared with expenditures of ¥27,404 million in FY2024).

This was because of a decrease in cash due to ¥8,438 million in cash dividends paid and a decrease in treasury stock of ¥8,009 million.

(4) Earnings forecasts

In FY2026, we expect solid performance in all segments, particularly in the Advanced Products Business, where a recovery in semiconductor-related demand is anticipated. Based on these conditions, our earnings forecasts for FY2026 are net sales of ¥270,000 million, operating income of ¥45,000 million, ordinary income of ¥45,000 million, and profit attributable to owners of the parent company of ¥32,000 million.

The Company has prepared these earnings forecasts based on the information available as of the day that these materials were released, and actual results could differ from forecasts depending on a variety of factors.

(5) Policies for distribution of profit and dividends for FY2025 and FY2026

In addition to strengthening the management base in order to enhance earnings power, the basic policy of the NICHIAS Group with respect to the distribution of profits is to strive for the long-term and appropriate return of profits to shareholders by expanding the level of such profits available as dividends and increasing shareholder value, while retaining sufficient reserves for reinvestment.

Guided by this basic policy, we will focus on continuing to pay stable dividends, taking into account a range of factors that include the profit levels and financial conditions of the relevant fiscal year, and the availability of funds needed for capital investment and R&D to support future business development. In addition, the Company has set the dividend on equity ratio (DOE) at 5.0% or higher, and will continue to pay progressive dividends during the current medium-term management plan period, and set the total return ratio, which includes dividends and purchase of treasury stock, at 50% or higher.

In FY2025, we paid a first-half dividend of ¥76 per share and will pay year-end dividends of ¥88 per share.

In FY2026, we plan to pay ¥35 per share in interim dividends and a year-end dividend of ¥30 per share, based on the above policy and the number of shares after the stock split. However, the final decision on dividends will be made based on a comprehensive assessment of financial conditions and earnings in the next fiscal year.

(6) Risk factors

This section reviews matters that are believed likely to have a major impact on the decisions of investors. Note that matters related to future developments that are mentioned in this section are judgments of the Group that were made at the end of the fiscal year under review.

□ Business and economic fluctuation risk

The Group conducts manufacturing and sales of sealing materials such as gaskets and packing; manufacturing and sales of varieties of insulation materials using mainly rock wool and inorganic fibers; manufacturing and sales of corrosion-resistant materials and machine parts using high-performance resin polymer such as fluoropolymer; manufacturing and sales of automotive parts including sealing materials for engines and engine accessory parts with thermal insulation and soundproofing attributes; manufacturing and sales of non-combustible building materials centered on calcium silicate boards and insulation materials; and industrial thermal insulation and cryogenic insulation work for energy, gas, petroleum refining, and petrochemicals plants, and free-access floor work. The Group's customers comprise a wide range of industries, including petroleum, petrochemical, chemical, steel, electricity, gas, automotive, semiconductor, and construction. The Group is therefore reliant on industry-wide capital expenditure trends, anti-corrosion materials are reliant on semiconductor demand trends, automotive parts are reliant on production and unit sales trends in the automotive industry, and building materials are reliant on residential and building construction trends. Accordingly, the Group's earnings could ultimately be affected by business and economic fluctuations both overseas and in Japan.

□ Overseas business risk

The Group conducts business overseas, especially in the Asian region. In its overseas business, the Group is exposed to the risk of the occurrence of unfavorable economic factors and political turbulence, such as unpredictable changes in laws and regulations or drastic changes in financial conditions. If these types of risk were to materialize, it would interfere with the Group's business overseas, and this could affect the Group's earnings and financial status.

□ Raw materials procurement risk

The Group uses metals, coke, pulp, rubber, fluoropolymer resin, etc., as its main raw materials. The Group's earnings and financial condition could be impacted if changes in economic conditions or reduced supply capacity in the countries that supply these materials make it difficult for the Group to procure the necessary raw materials.

□ Receivables management risk

The Group holds receivables from its clients that include accounts and notes receivable. Although the Group always pays close attention to credit management, unexpected credit losses could impact the Group's earnings and financial condition.

□ Risks associated with accounting estimates

The Group estimates revenue recognition related to construction contracts, recoverable amounts related to impairment accounting of noncurrent assets, and the recoverability of deferred tax assets. These estimates are based on certain assumptions about the future, and the revision of such assumptions could impact the Group's business performance and financial position.

□ Retirement benefits obligation risk

The Group could incur losses if the market value of its pension assets dropped, investment returns on its pension assets fell, or if there were changes in the actuarial assumptions used to calculate the projected benefit obligations.

□ Product quality maintenance risk

Although the Group manufactures products based on the international quality assurance standard ISO 9001 at each of its manufacturing bases, there is no guarantee that all of its products will be free of defects and that there will be no complaints from customers in the future. Product defects could have an impact on the Group's reputation and as a result affect the Group's business performance and financial status.

□ Information security risk

The Group holds personal and confidential information about the Company and its customers and business partners. The Group takes measures to prevent this information leaking externally, including the maintenance of internal rules, thorough education, and strengthening of our security system. However, the Group's earnings and financial condition could be impacted due to compensation claims and other factors if such information is leaked.

□ Disaster risk

The Group has multiple production bases both overseas and in Japan. Should product supply be interrupted, we have measures in place that consider factors such as the degree of impact on customers, the importance in the market, and the possibility of switching to alternative products. However, the Group's earnings and financial condition could be impacted if a natural disaster such as an earthquake were to damage one of these production bases and cause problems with business operations.

□ Risk of compensation being payable to sufferers of health problems due to asbestos

The Company and some of its domestic subsidiaries have paid compensation in accordance with in-house regulations to employees and former employees who have died or received medical treatment in response to asbestos-related diseases caused by the Company. In addition, the Company and some of its domestic subsidiaries have paid financial compensation to neighboring citizens for cases in which certain standards have been fulfilled. It is possible that we could continue to be required to make compensation payments to sufferers of asbestos-related health problems in the future.

The Company has been sued for compensation for health problems caused by asbestos, and we will continue to respond appropriately.

2. Management policies

(1) The Group's basic management policy

The NICHIAS Group got its start in 1896 as a pioneer in Japan's heating and insulation industry and has achieved its growth by supplying products and services based on its insulation and protection technologies to a range of industrial sectors.

The Group established the NICHIAS Philosophy in 2011.

The NICHIAS Philosophy

"We contribute to the Earth's bright future through our 'Insulation and Protection' technologies."

In April 2025, based on our orientation for the future, we established a new Sustainability Policy and revised "Our Promise," which outlines principles governing attitudes of mind and actions for NICHIAS Group employees.

Sustainability Policy

"The NICHIAS Group is committed to achieving continuous growth and fostering a sustainable society through the practice of its corporate philosophy."

Our Promise

- We will work with our colleagues to provide beneficial value to society
- We will act responsibly, aware of our position as a member of society.
- We will build a circle of trust filled with "thank yous" and "happy faces."
- We will enhance our skills and knowledge to ensure that employees and the company grow together.

(2) Target management indicators

The Group's medium-term management plan "Shikumi 130" ending in FY2026 (FY2022–FY2026) was formulated based on the NICHIAS Philosophy with the aim of realizing a "Bright and friendly workplace." The earnings forecasts and expectations, as well as environmental targets, are as follows:

1) Earnings forecasts and expectations

	FY2025 result	FY2026 earnings forecast	FY2026 expectations
Net sales (millions of yen)	2,519	2,700	2,750
Operating profit margin (%)	14.7	16.7	17.3
ROE (%)	13.9	-	15.0 (or higher)
ROIC (%)	10.7	-	14.0

2) Environmental targets

	FY2026 target
CO ₂ emissions (10,000 t)	17.0
Industrial waste emissions (1,000 t)	17.1

* The medium-term management plan "Shikumi 130" comprises "shi," which stands for the Japanese word "shiwase" (happiness) and underlines our desire to create mechanisms for the happiness of our employees and their families; "ku," which stands for "kufu" (ingenuity) and our aim to resolve issues; and "mi," which stands for "mirai" (future) and signifies our aim of sustained growth toward a bright future. Under this plan we aim to build mechanisms ("shikumi") that can adapt to the rapid changes in the external environment and work on issues to achieve our targets for FY2026, which will be the 130th year since the Company was founded.

This plan is separated into a three-year first stage (FY2022 to FY2024) and a two-year second stage (FY2025 to FY2026). In light of changes in the environment, we will assess and verify progress on our targets as needed, and review issues to achieve the targets as needed.

3. Basic stance toward the selection of accounting standards

The NICHIAS Group prepares its consolidated financial statements based on J-GAAP to ensure that consolidated financial statements can be compared across time. In terms of the application of IFRS, an appropriate response will be made after fully considering circumstances in Japan and overseas.

4. Consolidated financial statements and related notes

(1) Consolidated balance sheets

(Millions of yen)

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	59,678	57,723
Notes and accounts receivable – trade	31,855	33,549
Electronically recorded monetary claims	16,277	16,606
Accounts receivable from completed construction contracts	23,885	22,327
Merchandise and finished goods	24,571	22,875
Work in process	3,848	3,896
Raw materials and supplies	24,612	27,290
Costs on uncompleted construction contracts	1,663	2,505
Other	3,661	5,562
Allowance for doubtful accounts	(7)	(22)
Total current assets	190,047	192,315
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	75,323	79,935
Accumulated depreciation and impairment loss	(40,953)	(43,359)
Buildings and structures, net	34,369	36,576
Machinery, equipment and vehicles	87,253	90,234
Accumulated depreciation and impairment loss	(75,180)	(77,385)
Machinery, equipment and vehicles, net	12,073	12,849
Land	15,255	15,270
Lease assets	445	471
Accumulated depreciation	(243)	(290)
Lease assets, net	202	181
Construction in progress	3,427	4,434
Other	13,927	14,531
Accumulated depreciation and impairment loss	(11,562)	(12,078)
Other, net	2,364	2,453
Total property, plant and equipment	67,692	71,765
Intangible assets		
Software	736	619
Other	775	1,449
Total intangible assets	1,511	2,068
Investments and other assets		
Investment securities	13,834	17,926
Long-term loans receivable	90	858
Net defined benefit asset	10,524	15,194
Deferred tax assets	1,381	2,552
Other	4,015	5,245
Allowance for doubtful accounts	(54)	(804)
Total investments and other assets	29,792	40,973
Total noncurrent assets	98,996	114,807
Total assets	289,044	307,123

(Millions of yen)

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	18,400	16,638
Electronically recorded monetary obligations	8,426	7,029
Short-term loans payable	9,870	9,750
Lease obligations	317	298
Accounts payable – other	4,897	7,046
Income taxes payable	8,582	2,439
Advances received on uncompleted construction contracts	205	611
Provision for bonuses	3,516	2,900
Other	5,556	5,430
Total current liabilities	59,774	52,144
Noncurrent liabilities		
Lease obligations	854	977
Deferred tax liabilities	3,400	6,298
Net defined benefit liability	4,513	4,344
Reserves for litigation losses	532	285
Other	3,533	3,458
Total noncurrent liabilities	12,835	15,365
Total liabilities	72,609	67,510
Net assets		
Shareholders' equity		
Capital stock	12,128	12,128
Capital surplus	13,852	12,753
Retained earnings	185,429	190,210
Treasury stock	(14,555)	(2,974)
Total shareholders' equity	196,855	212,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,978	9,090
Foreign currency translation adjustment	6,898	9,670
Remeasurement of defined benefit plans	4,689	7,636
Total accumulated other comprehensive income	18,566	26,397
Non-controlling interests	1,013	1,097
Total net assets	216,434	239,612
Total liabilities and net assets	289,044	307,123

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

	(Millions of yen)	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Net sales		
Net sales of merchandise and finished goods	187,858	180,201
Net sales of completed construction contracts	68,654	71,708
Total net sales	256,512	251,910
Cost of sales		
Cost of merchandise and finished goods sold	129,335	123,706
Cost of sales of completed construction contracts	56,403	58,307
Total cost of sales	185,739	182,013
Gross profit	70,773	69,897
Selling, general and administrative expenses		
Selling expenses	9,049	9,502
General and administrative expenses	21,991	23,380
Total selling, general and administrative expenses	31,041	32,883
Operating income	39,732	37,014
Non-operating income		
Interest income	222	153
Dividends income	660	591
Foreign exchange gain	-	588
Rent income	569	614
Equity in earnings of affiliates	63	52
Other	1,062	965
Total non-operating income	2,578	2,966
Non-operating expenses		
Interest expenses	232	214
Foreign exchange losses	86	-
Cost of lease revenue	32	39
Special contribution for asbestos	47	47
Other	218	301
Total non-operating expenses	617	602
Ordinary income	41,693	39,377
Extraordinary income		
Gain on sales of noncurrent assets	73	77
Gain on liquidation of subsidiaries and associates	138	-
Gain on sale of investment securities	4,985	226
Total extraordinary income	5,198	304
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	232	240
Impairment losses	418	-
Provision for litigation loss reserves	112	123
Litigation settlement	-	602
Loss due to disasters	163	-
Expenses related to factory reconstruction	605	-
Total extraordinary losses	1,533	966
Income before income taxes	45,358	38,715
Income taxes – current	13,964	7,539
Income taxes – deferred	(790)	(582)
Total income taxes	13,173	6,957
Net income	32,184	31,758
Net income attributable to non-controlling interests	111	124
Profit attributable to owners of the parent company	32,073	31,634

Consolidated comprehensive income statements

	(Millions of yen)	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Net income	32,184	31,758
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,561)	2,111
Foreign currency translation adjustment	2,589	2,757
Remeasurement of defined benefit plans	1,383	2,946
Total other comprehensive income	(1,587)	7,815
Comprehensive income	30,596	39,573
Breakdown		
Comprehensive income attributable to owners of the parent company	30,446	39,465
Comprehensive income attributable to minority interests	150	107

(3) Consolidated statements of changes in shareholders' equity

Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	12,128	13,892	160,058	(6,590)	179,488
Changes of items during the period					
Changes in ownership interests in parent company related to transactions with non-controlling interests		(61)			(61)
Dividends from surplus			(6,702)		(6,702)
Profit attributable to owners of the parent company			32,073		32,073
Purchase of treasury stock				(8,006)	(8,006)
Disposal of treasury stock		21		41	63
Cancellation of treasury stock					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(39)	25,371	(7,964)	17,367
Balance at the end of the period	12,128	13,852	185,429	(14,555)	196,855

	Total other cumulative comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total other cumulative comprehensive income		
Balance at the beginning of the period	12,540	4,351	3,301	20,192	1,236	200,918
Changes of items during the period						
Changes in ownership interests in parent company related to transactions with non-controlling interests						(61)
Dividends from surplus						(6,702)
Profit attributable to owners of the parent company						32,073
Purchase of treasury stock						(8,006)
Disposal of treasury stock						63
Cancellation of treasury stock						-
Net changes of items other than shareholders' equity	(5,561)	2,546	1,388	(1,626)	(223)	(1,850)
Total changes of items during the period	(5,561)	2,546	1,388	(1,626)	(223)	15,516
Balance at the end of the period	6,978	6,898	4,689	18,566	1,013	216,434

Fiscal Year 2025 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	12,128	13,852	185,429	(14,555)	196,855
Changes of items during the period					
Changes in ownership interests in parent company related to transactions with non-controlling interests					-
Dividends from surplus			(8,448)		(8,448)
Profit attributable to owners of the parent company			31,634		31,634
Purchase of treasury stock				(8,009)	(8,009)
Disposal of treasury stock		18		67	85
Cancellation of treasury stock		(1,118)	(18,404)	19,522	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(1,099)	4,781	11,580	15,262
Balance at the end of the period	12,128	12,753	190,210	(2,974)	212,117

	Total other cumulative comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total other cumulative comprehensive income		
Balance at the beginning of the period	6,978	6,898	4,689	18,566	1,013	216,434
Changes of items during the period						
Changes in ownership interests in parent company related to transactions with non-controlling interests						-
Dividends from surplus						(8,448)
Profit attributable to owners of the parent company						31,634
Purchase of treasury stock						(8,009)
Disposal of treasury stock						85
Cancellation of treasury stock						-
Net changes of items other than shareholders' equity	2,111	2,772	2,947	7,831	84	7,915
Total changes of items during the period	2,111	2,772	2,947	7,831	84	23,178
Balance at the end of the period	9,090	9,670	7,636	26,397	1,097	239,612

(4) Consolidated statements of cash flows

	(Millions of yen)	
	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Income before income taxes	45,358	38,715
Depreciation & amortization	7,626	7,314
Impairment losses	418	-
Expenses related to factory reconstruction	605	-
Loss on disaster	163	-
Loss (gain) on sales of noncurrent assets	158	162
Loss (gain) on liquidation of subsidiaries and associates	(138)	-
Increase (decrease) in allowance for doubtful accounts	10	702
Decrease (increase) in net defined benefit assets	(577)	(745)
Increase (decrease) in net defined benefit liability	68	199
Loss (gain) on sales of investment securities	(4,985)	(226)
Increase (decrease) in provision for bonuses	118	(620)
Interest and dividends income received	(883)	(745)
Interest expenses	232	214
Foreign exchange losses (gains)	320	(342)
Decrease (increase) in notes and accounts receivable – trade	3,989	308
Decrease (increase) in inventories	(3,527)	(319)
Decrease (increase) in costs on uncompleted construction contracts	(191)	(861)
Increase (decrease) in notes and accounts payable – trade	(5,085)	(3,755)
Decrease (increase) in accounts receivable – other	(149)	147
Increase (decrease) in accounts payable – other	(17)	(32)
Increase (decrease) in advances received on uncompleted construction contracts	(94)	391
Increase (decrease) in provisions for litigation losses	89	(246)
Other	284	(1,512)
Subtotal	43,790	38,748
Interest and dividends income received	883	745
Interest expenses paid	(236)	(214)
Loss due to disaster paid	(42)	-
Loss on liquidation of business paid	(550)	-
Expenses related to factory reconstruction paid	(137)	(234)
Income taxes paid	(12,483)	(15,179)
Income taxes refund	22	70
Net cash provided by (used in) operating activities	31,246	23,936
Cash flows from investing activities		
Net decrease (increase) in time deposits	(224)	(2)
Expenditures for the acquisition of property, plant and equipment	(6,764)	(8,032)
Proceeds from sales of property, plant and equipment	161	123
Expenditures for the acquisition of intangible fixed assets	(263)	(703)
Purchase of investment securities	(8)	(1,008)
Proceeds from sales of investment securities	5,883	292
Payments of loans receivable	(15)	(870)
Collection of loans receivable	91	94
Other	226	(45)
Net cash provided by (used in) investing activities	(913)	(10,154)

(Millions of yen)

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(6,935)	(120)
Redemption of bonds	(5,000)	-
Repayments of lease obligations	(316)	(357)
Net decrease (increase) in treasury stock	(8,006)	(8,009)
Cash dividends paid	(6,710)	(8,438)
Dividends paid to non-controlling interests	(47)	(23)
Other	(388)	(42)
Net cash provided by (used in) financing activities	(27,404)	(16,992)
Effect of exchange rate change on cash and cash equivalents	107	1,230
Net increase (decrease) in cash and cash equivalents	3,036	(1,979)
Cash and cash equivalents at beginning of period	55,574	58,611
Cash and cash equivalents at end of period	58,611	56,631

(5) Notes regarding consolidated financial statements

(Notes regarding going concern assumption)

Not applicable

(Unapplied accounting standards)

· “Accounting Standard for Leases, etc.” (ASBJ Statement No. 34, September 13, 2024)

· “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

Other related amendments to ASBJ statements, ASBJ guidance, Practical Issues Task Force (PITF) reports, and transferred guidances

1. Overview

These establish the treatment of all leases by lessees, including the recognition of assets and liabilities for all leases by lessees, similar to international accounting standards.

2. Scheduled date of application

The Company will apply the new accounting standard from the beginning of FY2027.

3. Effect of application of the aforementioned accounting standards

The Company is currently evaluating the effect of applying the Accounting Standard for Leases, etc., and others on its consolidated financial statements.

(Segment information)

(Segment information)

1. Overview of reporting segments

(1) Method of determining reporting segments

The Group’s reporting segments are components of the Group for which separate financial information is available, and which are evaluated regularly by decision-making bodies such as the Board of Directors in order to determine the allocation of resources and in assessing performance.

The Group consists of multiple business divisions in different markets, with each division conducting business based on comprehensive strategies formulated for the products and services they handle both in Japan and overseas.

Accordingly, the Group is composed of segments based on these business divisions. The five reporting segments are Energy and Industrial Plants, Industrial Products, Advanced Products, Autoparts, and Building Materials.

(2) Types of products and services included in each reporting segment

The main businesses of each reporting segment are as follows:

Name of segment	Main businesses
Energy and Industrial Plants	Design, installation work, and maintenance of thermal insulation, cryogenic insulation, fireproofing, soundproofing, and disaster prevention work for plants in industries including power, petroleum refining, petrochemicals, etc.; sales of sealing materials (gaskets and packing), thermal insulation materials made of inorganic fiber, and fluoropolymer products for plant facilities in petroleum refining and petrochemicals industries
Industrial Products	Manufacturing and sales of sealing materials (gaskets and packing), inorganic fiber insulating materials, fluoropolymer molding materials and processed goods, anticorrosive lining materials, and honeycomb filters for a broad range of industries including power, gas, steel, environment, medical, and food
Advanced Products	Manufacturing and sales of fluoropolymer products, inorganic fiber insulating materials, honeycomb filters, and sealing materials for semiconductor and LCD manufacturing equipment
Autoparts	Manufacturing and sales of automotive parts including sealing materials for engines and engine accessories, and parts with thermal insulation, noise reduction, and vibration control attributes
Building Materials	Manufacturing and sales of non-combustible interior & decorative boards composed mainly of calcium silicate and non-combustible building materials; construction of fireproofing protection with non-combustible building materials for office buildings, etc.; and design and installation work of free-access floors with various flooring materials

2. Methods of calculating the amounts of net sales, income (loss), assets, liabilities, and other items by reporting segment

Methods of accounting procedures for reporting business segments are generally the same as those used in the preparation of consolidated financial statements. The income of each reporting segment is an amount based on operating income. Note that intersegment sales and transfers are recorded at internal transfer prices that are reasonably calculated based on prevailing market prices.

3. Information on net sales, profit (loss), assets, and other items by reporting segment

Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segments						Adjustments (Note)	Amount stated in consolidated financial statements
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	78,456	53,184	44,584	51,196	29,090	256,512	—	256,512
Intersegment sales or transfers	—	11,134	—	—	—	11,134	(11,134)	—
Total	78,456	64,318	44,584	51,196	29,090	267,647	(11,134)	256,512
Segment profit	12,504	11,052	10,230	4,540	1,404	39,732	—	39,732
Segment assets	45,615	69,925	40,792	50,321	23,030	229,685	59,359	289,044
Other items								
Depreciation & amortization	420	2,881	1,800	1,933	590	7,626	—	7,626
Increase in property, plant and equipment and intangible assets	136	2,243	620	823	972	4,796	2,022	6,819

Notes: "Adjustments" are described below.

- (1) The ¥59,359 million adjustment in "Segment assets" consists of assets relating to Group assets that do not belong to specific reporting segments. Group assets mainly consist of the filing company's cash and deposits, assets attributable to the administrative and research divisions, deferred tax assets, etc.
- (2) The ¥2,022 million adjustment in "Increase in property, plant and equipment and intangible assets" consists of capital investments in assets attributable to the administrative and research divisions.

Fiscal Year 2025 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segments						Adjustments (Note)	Amount stated in consolidated financial statements
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	79,503	53,321	39,094	51,504	28,487	251,910	—	251,910
Intersegment sales or transfers	—	11,380	—	—	—	11,380	(11,380)	—
Total	79,503	64,701	39,094	51,504	28,487	263,290	(11,380)	251,910
Segment profit	11,982	10,117	6,907	5,313	2,693	37,014	—	37,014
Segment assets	47,358	75,554	44,522	51,616	24,103	243,156	63,966	307,123
Other items								
Depreciation & amortization	445	2,973	1,797	1,598	500	7,314	—	7,314
Increase in property, plant and equipment and intangible assets	185	5,231	2,139	691	1,243	9,491	1,539	11,031

Notes: "Adjustments" are described below.

- (1) The ¥63,966 million adjustment in "Segment assets" consists of assets relating to Group assets that do not belong to specific reporting segments. Group assets mainly consist of the filing company's cash and deposits, assets attributable to the administrative and research divisions, deferred tax assets, etc.

(2) The ¥1,539 million adjustment in “Increase in property, plant and equipment and intangible assets” consists of capital investments in assets attributable to the administrative and research divisions.

(Related information)

Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

Information by product and service is omitted because similar information is provided in “Segment information.”

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Asia	Other	Total
203,462	40,543	12,506	256,512

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Other	Total
52,833	12,948	1,910	67,692

3. Information on main customers

As there are no customers that account for over 10% of sales stated in the consolidated statements of income for sales to external customers, this information is omitted.

Fiscal Year 2025 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

Information by product and service is omitted because similar information is provided in “Segment information.”

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Asia	Other	Total
200,070	39,389	12,450	251,910

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Other	Total
55,338	14,651	1,775	71,765

3. Information on main customers

As there are no customers that account for over 10% of sales stated in the consolidated statements of income for sales to external customers, this information is omitted.

(Information related to impairment losses on noncurrent assets by reporting segment)

Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segments						Adjustments	Total
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Impairment losses	—	—	—	—	418	418	—	418

Fiscal Year 2025 (from April 1, 2025 to March 31, 2026)

Not applicable

(Per share information)

Net assets per share and the basis for calculation, and basic earnings per share and the basis for calculation are as follows:

Item	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Net assets per share	1,116.25 yen	1,261.39 yen
(Basis for calculation)		
Total net assets (millions of yen)	216,434	239,612
Amount to be deducted from total net assets (millions of yen)	1,013	1,097
(Of which, non-controlling interests)	(1,013)	(1,097)
Net assets attributable to common shares at the end of the fiscal year (millions of yen)	215,421	238,515
Number of common shares at the end of the fiscal year used for the calculation of net assets per share (thousand shares)	192,986	189,088

Item	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Basic earnings per share	163.79 yen	165.59 yen
(Basis for calculation)		
Profit attributable to owners of the parent company (millions of yen)	32,073	31,634
Amount not attributed to common shareholders (millions of yen)	—	—
Profit attributable to owners of the parent company related to common stock (millions of yen)	32,073	31,634
Average outstanding shares of common stock during the fiscal year (thousand shares)	195,824	191,037

Notes: 1. Diluted earnings per share is not noted because there are no potential shares.

2. Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. Net assets per share and basic earnings per share have been calculated on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(Important subsequent events)

(Stock split)

Pursuant to a resolution adopted at the Board of Directors meeting held on February 9, 2026, the Company conducted a stock split and partial amendment to the Articles of Incorporation in connection with the stock split, effective April 1, 2026.

1. Purpose of the stock split

By reducing the amount per investment unit of our shares, we aim to create an environment in which investors can invest more easily, to improve the liquidity of our shares, and to further expand our investor base.

2. Overview of the stock split

(1) Method of split

The Company carried out a three-for-one stock split for each share of common stock held by shareholders of record as of March 31, 2026.

(2) Number of shares increased by the split

Total number of shares issued before the stock split	63,661,917 shares
Number of shares increased by the stock split	127,323,834 shares
Total number of shares issued after the stock split	190,985,751 shares
Total number of authorized shares after the stock split	360,000,000 shares

(3) Schedule of split

Public notice of the record date	March 16, 2026
Record date	March 31, 2026
Effective date	April 1, 2026

3. Partial amendment to the Articles of Incorporation in connection with the stock split

(1) Reason for the amendment

In accordance with the stock split, the total number of authorized shares as stipulated in Article 6 of the Company's Articles of Incorporation was changed effective April 1, 2026, by resolution of the Board of Directors pursuant to Article 184, Paragraph 2 of the Companies Act.

(2) Contents of the amendment

The details of the amendment are as follows:

(Underlined portions indicate changes.)

Before amendment	After amendment
Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>120,000,000</u> shares.	Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>360,000,000</u> shares.

4. Other

(1) Amount of capital

There will be no change in the amount of the Company's capital due to this stock split.

(2) Dividends

As the effective date of the stock split is April 1, 2026, the year-end dividend for the fiscal year ending March 31, 2026, with a record date of March 31, 2026, will be based on the number of shares held prior to the stock split.

(Disposal of treasury stock under employee stock compensation systems)

At the Board of Directors meeting held on May 11, 2026, the Company resolved to dispose of treasury stock (hereinafter the "Treasury Stock Disposal") in connection with the introduction of a stock-grant plan.

1. Overview of disposal

(1) Disposal date	May 28, 2026
(2) Type and number of shares to be disposed of	156,080 common shares of the Company
(3) Disposal price	3,179 yen per share
(4) Total disposal price	496,178,320 yen
(5) Intended recipient of disposal	The Master Trust Bank of Japan, Ltd. (Stock-Grant ESOP Trust Account)
(6) Other	The Company has filed an extraordinary report regarding this share disposal in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for the disposal

The Company has resolved, at its Board of Directors meetings held on March 23, 2026 and May 11, 2026, to introduce a stock-grant employee stock ownership plan trust (hereinafter the "ESOP Trust") for employees of the Company, its subsidiaries, and other affiliated companies (excluding non-residents in Japan; hereinafter, "Eligible Employees") to express appreciation for employees' efforts and support, and to continue to foster a sense of belonging, encourage engagement in management, and enhance awareness of contributing to medium- to long-term performance and corporate value. For an overview of the ESOP Trust, please refer to the "Notice Concerning a Decision on the Details of a Stock-Grant Plan for Employees of the Company, its Subsidiaries, and Other Affiliated Companies," which was announced on May 11, 2026.

The Treasury Stock Disposal is being conducted in connection with the introduction of the ESOP Trust, and involves the transfer of treasury stock to The Master Trust Bank of Japan, Ltd. (Stock-Grant ESOP Trust Account), which serves as a co-trustee under the stock-grant ESOP trust agreement (hereinafter the "Trust Agreement") to be entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation (the trust established pursuant to the Trust Agreement is referred to as the "Trust").

The number of shares to be issued represents the number of shares expected to be granted to Eligible Employees during the trust period in accordance with the stock grant rules; the dilution effect amounts to 0.08% of the total number of shares issued (0.08% of the 629,016 total number of voting rights as of March 31, 2026. All figures are rounded to the nearest hundredth. Note that since, effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock, the extent of dilution and the percentage of total voting rights have been calculated taking this stock split into account.).

(Purchase of treasury stock)

At a meeting held on May 11, 2026, the Board of Directors passed a resolution, as follows, concerning the purchase of treasury stock, pursuant to Article 156 of the Companies Act, as applied pursuant to Article 165, Paragraph 3, of the same act.

1. Reason for the purchase of treasury stock

To improve shareholder returns and capital efficiency.

2. Resolution details

Type of shares to be purchased	Common shares of the Company
Total number of shares that may be purchased	2,300,000 shares (maximum)
Total share purchase price	5,000 million yen (maximum)
Purchase period	May 12, 2026 to September 30, 2026
Method of purchase	Market purchase on the Tokyo Stock Exchange

5. Other

Status of production, orders, and sales

1. Production output by segment

(Millions of yen, %)

Name of segment	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	Change over the previous fiscal year (%)	FY2025 composition ratio (%)
Industrial Products	42,433	42,674	0.6	36.1
Advanced Products	31,883	26,302	(17.5)	22.2
Autoparts	43,708	43,619	(0.2)	36.8
Building Materials	6,972	5,816	(16.6)	4.9
Total	124,998	118,413	(5.3)	100.0

2. Orders by segment

(Millions of yen, %)

Name of segment	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	Change over the previous fiscal year (%)	FY2025 composition ratio (%)
Energy and Industrial Plants	83,061	84,087	1.2	32.4
Industrial Products	57,253	51,312	(10.4)	19.8
Advanced Products	40,700	44,134	8.4	17.0
Autoparts	51,006	51,378	0.7	19.8
Building Materials	30,888	28,405	(8.0)	11.0
Total	262,909	259,317	(1.4)	100.0

3. Net sales by segment

(Millions of yen, %)

Name of segment	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)	Change over the previous fiscal year (%)	FY2025 composition ratio (%)
Energy and Industrial Plants	78,456	79,503	1.3	31.6
Industrial Products	53,184	53,321	0.3	21.2
Advanced Products	44,584	39,094	(12.3)	15.5
Autoparts	51,196	51,504	0.6	20.4
Building Materials	29,090	28,487	(2.1)	11.3
Total	256,512	251,910	(1.8)	100.0

6. Supplementary materials

Financial results supplementary materials

(Percentage figures represent changes from previous fiscal year)

(1) Key consolidated financial figures (trends)

(Millions of yen)

	Full Year							
	FY2021	FY2022	FY2023	FY2024	FY2025		FY2026	
	Result	Result	Result	Result	Result	Change	Forecast	Change
Net sales	216,236	238,116	249,391	256,512	251,910	(1.8)%	270,000	7.2%
Operating income	26,264	29,954	35,208	39,732	37,014	(6.8)%	45,000	21.6%
Operating margin (%)	12.1%	12.6%	14.1%	15.5%	14.7%		16.7%	
Ordinary income	30,572	33,082	38,787	41,693	39,377	(5.6)%	45,000	14.3%
Ordinary income margin (%)	14.1%	13.9%	15.6%	16.3%	15.6%		16.7%	
Profit attributable to owners of the parent	22,034	21,398	26,961	32,073	31,634	(1.4)%	32,000	1.2%
Net income margin (%)	10.2%	9.0%	10.8%	12.5%	12.6%		11.9%	
Basic earnings per share (yen)	110.73	107.53	135.53	163.79	165.59	1.1%	167.51	1.2%
Total assets	246,924	266,907	290,788	289,044	307,123	6.3%	—	—
Net assets	155,522	173,742	200,918	216,434	239,612	10.7%	—	—
Shareholders' equity	154,286	172,359	199,681	215,421	238,515	10.7%	—	—
Equity ratio (%)	62.5%	64.6%	68.7%	74.5%	77.7%		—	
Interest-bearing debt	25,652	25,892	24,286	12,611	12,800	1.5%	—	—
Interest-bearing debt ratio (%)	10.4%	9.7%	8.4%	4.4%	4.2%		—	
Capital expenditures	11,355	10,069	11,117	6,819	11,031	61.8%	13,000	17.8%
Depreciation & amortization	6,616	7,454	7,593	7,626	7,314	(4.1)%	8,000	9.4%
R&D expenses	6,110	5,715	6,037	6,209	6,808	9.6%	7,000	2.8%

1. The presentation method has been changed as of the fiscal year ended March 31, 2025. Ordinary income for the fiscal year ended March 31, 2024, is the amount after reclassification to reflect the change in presentation method.
2. Effective April 1, 2026, the Company has implemented a stock split at a ratio of 3 shares for each 1 share of its common stock. Basic earnings per share has been calculated on the assumption that the stock split had taken place at the beginning of the fiscal year ended March 31, 2022.

(2) Quarterly consolidated operating results (trends)

(Millions of yen)

	FY2024				FY2025				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Change
Net sales	63,256	63,394	66,283	63,579	62,044	60,699	62,271	66,894	5.2%
Operating income	10,546	9,307	11,109	8,768	9,229	8,549	7,531	11,703	33.5%
Operating margin (%)	16.7%	14.7%	16.8%	13.8%	14.9%	14.1%	12.1%	17.5%	
Ordinary income	12,060	8,572	12,639	8,420	9,233	9,127	8,560	12,455	47.9%
Ordinary income margin (%)	19.1%	13.5%	19.1%	13.2%	14.9%	15.0%	13.7%	18.6%	
Profit attributable to owners of the parent	8,547	5,910	8,594	9,021	6,569	6,168	8,468	10,427	15.6%
Net income margin (%)	13.5%	9.3%	13.0%	14.2%	10.6%	10.2%	13.6%	15.6%	

All forecasts and plans that are not historical facts in this document are future business results-related forecasts. These forecasts are based on information and data currently available to the Company, and various uncertain factors could cause actual results to differ.