



May 14, 2025

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

Company name : SMC Corporation  
 Listing : Tokyo Stock Exchange, Prime Market  
 Securities code : 6273  
 URL : <https://www.smcworld.com/ir/en-jp/>  
 Representative : Yoshiki Takada, President  
 Inquiries : Masahiro Ota, Director and Executive Officer ([disclosure.jp@smc.com](mailto:disclosure.jp@smc.com))  
 Scheduled date of annual general meeting of shareholders : June 27, 2025  
 Scheduled date to commence dividend payments : June 30, 2025  
 Scheduled date to file annual securities report : June 27, 2025  
 Preparation of supplementary material on financial results : Yes  
 Holding of financial results briefing : Yes (for institutional investors and analysts)

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

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

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	792,108	2.0	190,244	(3.0)	209,921	(16.4)	156,344	(12.3)
March 31, 2024	776,873	(5.8)	196,226	(24.0)	251,008	(18.0)	178,321	(20.6)

Note : Comprehensive income For the fiscal year ended March 31, 2025 : ￥ 139,704 million (48.7%)

For the fiscal year ended March 31, 2024 : ￥ 272,259 million 6.0%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	2,444.61	—	8.2	10.0	24.0
March 31, 2024	2,766.92	—	10.0	12.5	25.3

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	2,100,767	1,928,306	91.8	30,255.22
March 31, 2024	2,094,559	1,885,871	89.8	29,338.63

Reference : Equity As of March 31, 2025 : ￥ 1,928,281 million

As of March 31, 2024 : ￥ 1,881,586 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	196,656	35,234	(100,202)	531,649
March 31, 2024	98,207	(131,900)	(87,928)	405,586

## 2. Cash dividends

	Annual dividends per share					Total dividends	Dividend ratio	Dividend on equity
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	450.00	—	500.00	950.00	61,098	34.3	3.4
Fiscal year ended March 31, 2025	—	500.00	—	500.00	1,000.00	63,865	40.9	3.4
Fiscal year ending March 31, 2026 (Forecast)	—	500.00	—	500.00	1,000.00		38.2	

## 3. Forecasts of consolidated operating results for the year ending March 31, 2026

	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
Year ending March 31, 2026	850,000	7.3	215,000	13.0	232,000	10.5	167,000	6.8	2,620.27

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  1. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  2. Changes in accounting policies due to other reasons: None
  3. Changes in accounting estimates: None
  4. Restatement: None

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

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

As of March 31, 2025	67,369,359 shares
As of March 31, 2024	67,369,359 shares

2. Number of treasury shares at the end of the period

As of March 31, 2025	3,635,534 shares
As of March 31, 2024	3,235,951 shares

3. Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	63,954,414 shares
Fiscal year ended March 31, 2024	64,447,483 shares

- (Note) The Company's shares held by the Board Benefit Trust (BBT) for the Directors' Stock Compensation Plan (11,200 shares) is included in the number of treasury shares, which is excluded in the calculation for the above: 2. Number of treasury shares at the end of the period and 3. Average number of shares outstanding during the period.

**[Reference] Overview of non-consolidated financial results**

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

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	425,859	(4.5)	80,118	(19.5)	200,657	(11.7)	169,154	(6.0)
March 31, 2024	446,070	(12.6)	99,575	(30.2)	227,250	(11.6)	180,018	(11.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	2,644.91	—
March 31, 2024	2,793.25	—

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

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,384,829	1,281,525	92.5	20,107.47
March 31, 2024	1,329,020	1,201,517	90.4	18,734.65

Reference : Equity As of March 31, 2025 : ¥ 1,281,525 million

As of March 31, 2024 : ¥ 1,201,517 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**

1. Forecasts are based on information and certain premises that the Company considers to be reasonable at the time these consolidated financial results for the fiscal year are released.  
Some factors could cause actual results to differ from expectations.
2. The Company is scheduled to hold a financial results briefing for institutional investors and analysts on May 14, 2025. Presentation material will be released on the Company's website on the day.

## 1. Qualitative information about the results

### (1) Operating results

During the fiscal year (April 1, 2024 to March 31, 2025), although the inflationary pressures have eased, the outlook of the global economy increased uncertainty due to the prolonged conflicts in Ukraine and in the Middle East, policy change by the new U.S. administration, and concerns about recession in the Chinese economy, which led to continued restraint on capital investments in a wide range of industries.

As for the demand for automatic control equipment, in the semi-conductor and electrical machinery-related industries, even though a sign of demand recovery was seen in the second half of the fiscal year for the electrical machinery-related industry in Greater China, the demand did not reach a full-scale recovery for the semi-conductor-related industry in the regions including Japan, North America, and Korea. In the automotive-related industry, capital investments continued to hold back in North America, Japan and in Europe, due to the U.S. presidential election and other factors. Machine tool-related industry showed strength in Greater China, however, other regions remained to be in an adjustment phase. Sales to medical equipment-related, food machinery-related, and other industries remained sluggish, despite new post-covid demand for automation.

Under these circumstances, the SMC Group has continued to make aggressive worldwide capital investments to strengthen its product supply capability. The Group has also continued developing new products and providing solutions to realize lowering and reducing the air pressure used throughout the factory which contribute to a significant CO2 emission reduction at customers, establishing a BCP system, and utilizing its global human resources.

Within the business environment described above, the summary of consolidated business results for the fiscal year ended March 31, 2025 is as follows:

Net sales were 792,108 million yen (increased by 2.0%, yoy). From the geographic point of view, Greater China increased by 10.7%, yoy, despite Japan decreased by 1.1% and North America decreased by 6.9%.

Operating profit was 190,244 million yen (decreased by 3.0%, yoy), mainly due to the increases in cost ratio, and sales and administration costs such as personnel and repair expenses.

Ordinary profit was 209,921 million yen (decreased by 16.4%, yoy), mainly due to the increase in foreign exchange losses.

Profit before income taxes was 211,068 million yen (decreased by 16.5%, yoy), mainly due to the decrease in gain on sale of non-current assets and the increase in loss on retirement of non-current assets, in addition to the above effect.

Profit attributable to owners of parent was 156,344 million yen (decreased by 12.3%, yoy).

ROE became 8.2%, decreased by 1.8 points from the previous fiscal year end.

### (2) Financial position

Financial position as of the end of this fiscal year (March 31, 2025) are as follows:

Total assets were 2,100,767 million yen (a 6,208 million yen or 0.3% increase from the previous fiscal year end). This increase was caused mainly due to the decreases of 9,701 million yen in trade receivables and 29,896 million yen in inventories, and a 65,158 million yen increase in property, plant and equipment by the completion of the Company's new head office and capital investments at production sites.

Total liabilities were 172,461 million yen (a 36,227 million yen or 17.4% decrease from the previous fiscal year end). Trade payables decreased by 11,919 million yen and income taxes payable decreased by 11,092 million yen.

Total net assets were 1,928,306 million yen (a 42,435 million yen or 2.3% increase from the previous fiscal year end). This increase was caused mainly due to a 25,018 million yen increase in purchase of treasury shares, a 24,808 million yen decrease in foreign currency translation adjustment, and a 92,278 million yen increase in retained earnings which was mainly caused by the increase in profit attributable to owners of parent.

### **(3) Cash flows**

The balance of cash and cash equivalents as of the end of this fiscal year (March 31, 2025) was 531,649 million yen, an increase of 126,062 million yen, yoy.

#### **(Cash flows from operating activities)**

Net cash provided by operating activities was 196,656 million yen (a 98,449 million yen increase, yoy).

The main factors were:- 242,218 million yen (a 73,078 million yen inflow increase, yoy) from sales activities, 21,239 million yen (a 2,418 million yen inflow increase, yoy) from interest and dividends, and 66,725 million yen (a 22,945 million yen outflow decrease, yoy) from income taxes paid.

#### **(Cash flows from investing activities)**

Net cash used by investing activities was 35,234 million yen (a 167,135 million yen increase, yoy).

The main factors were:- 20,144 million yen (a 35,204 million yen outflow increase, yoy) from net payments in time deposits, 107,803 million yen (a 3,494 million yen outflow increase, yoy) from non-current assets, 10,782 million yen (a 53,920 million yen inflow increase, yoy) from net proceeds of securities, and 147,813 million yen (a 150,061 million yen inflow increase, yoy) from net proceeds of insurance funds.

With the above factors, the free cash flow for this fiscal year was a positive by 231,891 million yen (a 265,584 million yen inflow increase, yoy).

#### **(Cash flows from financing activities)**

Net cash used in financing activities was 100,202 million yen (a 12,274 million yen outflow increase, yoy).

The main factors were:- 64,048 million yen (a 5,985 million yen outflow increase, yoy) from dividends paid and 7,884 million yen (a 5,833 million yen outflow increase, yoy) from repayments of long-term borrowings.

### **(4) Outlook for the next fiscal year**

We estimate the outlook for the FY2025 remain uncertain by the U.S. policy developments.

Looking by sectors, in the semi-conductor and electrical machinery-related industries, there is a sign of recovery seen in Greater China in smart phones and home appliances. Although the current semi-conductor-related demand has not reached to a full-scale recovery in Japan, North America and Korea, we estimate it will recover in the mid- to latter half of the year. For the automotive-related industry, we estimate the EV-related demand will increase in Greater China and in other regions. We also estimate demands from the machine tool, medical equipment, and food machinery-related industries to increase, due to the demand increase for automation from labor-shortages.

Within this business environment, the Group will move forward expanding its regional market shares, cost reduction, and production efficiency by steadily executing capital investments, further expanding sales of diverse products and industries, expanding sales of non-pneumatic and energy-saving products including chillers, and providing solutions to realize lowering and reducing the air pressure used throughout the factory.

The consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar, the euro, the Chinese yuan against Japanese yen are 141 yen, 157 yen, and 19.50 yen respectively. Net sales 850,000 million yen, operating profit 215,000 million yen, ordinary profit 232,000 million yen and profit attributable to owners of parent 167,000 million yen. As for the U.S. tariff measures, we have included a decrease in profit and income in our forecast, reflecting both impacts - direct impact from the Group's purchasing costs and indirect impact from reduced capital investment by our customers.

Also, from FY2025, the Group will consolidate all the small sized companies which were previously out of the scope of consolidation. The impact of this change is estimated to be an additional 7 billion yen in sales and 1.1 billion yen in operating profit. In addition, as a part of strengthening our sales structure, we will merge our 2 Group companies, NIHON KIZAI Co., Ltd. and Seigyo Kizai Corporation on July 1, 2025. Both companies are our wholly owned consolidated companies that the impact on our performance is insignificant.

## **2. Basic concept on selection of accounting standards**

In order to maintain the adequacy in figure comparison at all times, SMC Group will continue to disclose consolidated financial statements in accordance with the accounting principles (GAAP) generally adopted in Japan.

We will appropriately consider adopting IFRS through addressing internal and external factors which affect both within and outside of Japan when necessary.

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	511,257	655,779
Notes and accounts receivable-trade	217,671	207,969
Securities	33	29,770
Merchandise and finished goods	197,300	173,938
Work in process	37,236	31,245
Raw materials and supplies	285,021	284,477
Other	60,500	39,896
Allowance for doubtful accounts	(1,030)	(1,236)
<b>Total current assets</b>	<b>1,307,990</b>	<b>1,421,842</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	148,360	176,837
Machinery, equipment and vehicles, net	68,166	75,144
Tools, furniture and fixtures, net	21,288	23,555
Land	90,484	105,475
Construction in progress	85,258	97,703
<b>Total property, plant and equipment</b>	<b>413,558</b>	<b>478,717</b>
<b>Intangible assets</b>		
Leasehold interests in land	11,719	11,018
Other	5,612	5,091
<b>Total intangible assets</b>	<b>17,332</b>	<b>16,110</b>
<b>Investments and other assets</b>		
Investment securities	172,436	145,267
Retirement benefit asset	17,492	23,816
Insurance funds	147,188	—
Deferred tax assets	10,868	10,983
Other	9,366	5,496
Allowance for doubtful accounts	(1,675)	(1,466)
<b>Total investments and other assets</b>	<b>355,677</b>	<b>184,097</b>
<b>Total non-current assets</b>	<b>786,568</b>	<b>678,925</b>
<b>Total assets</b>	<b>2,094,559</b>	<b>2,100,767</b>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	58,818	46,898
Short-term borrowings	7,342	5,041
Income taxes payable	29,316	18,223
Provision for bonuses	5,162	3,730
Other	63,960	61,745
<b>Total current liabilities</b>	<b>164,600</b>	<b>135,639</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,728	—
Deferred tax liabilities	21,802	20,054
Provision for retirement benefits for directors	720	620
Provision for share awards for directors	265	440
Retirement benefit liability	8,034	7,957
Other	7,538	7,749
<b>Total non-current liabilities</b>	<b>44,088</b>	<b>36,821</b>
<b>Total liabilities</b>	<b>208,688</b>	<b>172,461</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	61,005	61,005
Capital surplus	73,342	74,473
Retained earnings	1,716,354	1,808,633
Treasury shares	(194,795)	(219,814)
<b>Total shareholders' equity</b>	<b>1,655,906</b>	<b>1,724,298</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	14,777	14,492
Foreign currency translation adjustment	203,508	178,700
Remeasurements of defined benefit plans	7,394	10,789
<b>Total accumulated other comprehensive income</b>	<b>225,680</b>	<b>203,983</b>
<b>Non-controlling interests</b>	<b>4,284</b>	<b>25</b>
<b>Total net assets</b>	<b>1,885,871</b>	<b>1,928,306</b>
<b>Total liabilities and net assets</b>	<b>2,094,559</b>	<b>2,100,767</b>

## (2) Consolidated statement of income and Consolidated statement of comprehensive income

### Consolidated statement of income

	(Millions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
<b>Net sales</b>	<b>776,873</b>	<b>792,108</b>
<b>Cost of sales</b>	<b>413,796</b>	<b>429,069</b>
<b>Gross profit</b>	<b>363,077</b>	<b>363,038</b>
<b>Selling, general and administrative expenses</b>	<b>166,851</b>	<b>172,793</b>
<b>Operating profit</b>	<b>196,226</b>	<b>190,244</b>
<b>Non-operating income</b>		
Interest income	18,461	20,237
Gain on sale of securities	6,114	—
Foreign exchange gains	24,486	—
Other	5,900	4,151
<b>Total non-operating income</b>	<b>54,963</b>	<b>24,388</b>
<b>Non-operating expenses</b>		
Interest expenses	82	74
Foreign exchange losses	—	4,468
Commission for purchase of treasury shares	19	20
Other	79	147
<b>Total non-operating expenses</b>	<b>180</b>	<b>4,711</b>
<b>Ordinary profit</b>	<b>251,008</b>	<b>209,921</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	732	374
Gain on sale of investment securities	1,236	1,441
<b>Total extraordinary income</b>	<b>1,968</b>	<b>1,816</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	315	626
Other	8	43
<b>Total extraordinary losses</b>	<b>324</b>	<b>669</b>
<b>Profit before income taxes</b>	<b>252,653</b>	<b>211,068</b>
Income taxes-current	75,995	58,048
Income taxes-deferred	(1,695)	(3,439)
<b>Total income taxes</b>	<b>74,300</b>	<b>54,608</b>
<b>Profit</b>	<b>178,353</b>	<b>156,459</b>
<b>Profit attributable to non-controlling interests</b>	<b>32</b>	<b>115</b>
<b>Profit attributable to owners of parent</b>	<b>178,321</b>	<b>156,344</b>

## Consolidated statement of comprehensive income

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Profit</b>	<b>178,353</b>	<b>156,459</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	7,525	(532)
Foreign currency translation adjustment	83,274	(19,616)
Remeasurements of defined benefit plans, net of tax	3,106	3,393
<b>Total other comprehensive income</b>	<b>93,906</b>	<b>(16,755)</b>
<b>Comprehensive income</b>	<b>272,259</b>	<b>139,704</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	271,854	139,846
Comprehensive income attributable to non-controlling interests	404	(142)

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

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	61,005	73,342	1,596,086	(164,167)	1,566,266
Changes during period					
Dividends of surplus			(58,052)		(58,052)
Profit attributable to owners of parent			178,321		178,321
Purchase of treasury shares				(30,628)	(30,628)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	120,268	(30,628)	89,639
Balance at end of period	61,005	73,342	1,716,354	(194,795)	1,655,906

	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	7,573	120,275	4,298	132,146	3,912	1,702,325
Changes during period						
Dividends of surplus						(58,052)
Profit attributable to owners of parent						178,321
Purchase of treasury shares						(30,628)
Net changes in items other than shareholders' equity	7,204	83,233	3,096	93,533	372	93,906
Total changes during period	7,204	83,233	3,096	93,533	372	183,546
Balance at end of period	14,777	203,508	7,394	225,680	4,284	1,885,871

**Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	61,005	73,342	1,716,354	(194,795)	1,655,906
Changes during period					
Dividends of surplus			(64,065)		(64,065)
Profit attributable to owners of parent			156,344		156,344
Purchase of treasury shares				(25,018)	(25,018)
Change in ownership interest of parent due to transactions with non-controlling interests		1,131			1,131
Net changes in items other than shareholders' equity					
Total changes during period	—	1,131	92,278	(25,018)	68,392
Balance at end of period	61,005	74,473	1,808,633	(219,814)	1,724,298

	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	14,777	203,508	7,394	225,680	4,284	1,885,871
Changes during period						
Dividends of surplus						(64,065)
Profit attributable to owners of parent						156,344
Purchase of treasury Shares						(25,018)
Change in ownership interest of parent due to transactions with non-controlling interests						1,131
Net changes in items other than shareholders' equity	(284)	(24,808)	3,395	(21,696)	(4,259)	(25,956)
Total changes during Period	(284)	(24,808)	3,395	(21,696)	(4,259)	42,435
Balance at end of period	14,492	178,700	10,789	203,983	25	1,928,306

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	252,653	211,068
Depreciation	33,355	34,308
Increase (decrease) in allowance for doubtful accounts	274	44
Increase (decrease) in provision for retirement benefits for directors	226	(90)
Increase (decrease) in retirement benefit liability	285	302
Interest and dividend income	(19,039)	(20,716)
Interest expenses	82	74
Foreign exchange losses (gains)	(11,998)	(2,031)
Loss (gain) on sale of investment securities	(1,235)	(1,441)
Decrease (increase) in trade receivables	31,089	3,626
Decrease (increase) in inventories	(74,481)	23,620
Increase (decrease) in trade payables	(26,267)	(9,229)
Decrease (increase) in other current assets	(2,279)	4,283
Increase (decrease) in other current liabilities	(2,800)	(747)
Other, net	(10,723)	(852)
Subtotal	169,140	242,218
Interest and dividends received	18,820	21,239
Interest paid	(82)	(74)
Income taxes refund (paid)	(89,671)	(66,725)
<b>Net cash provided by (used in) operating activities</b>	<b>98,207</b>	<b>196,656</b>

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Cash flows from investing activities</b>		
Payments into time deposits	(124,751)	(134,157)
Proceeds from withdrawal of time deposits	139,812	114,012
Purchase of property, plant and equipment	(102,347)	(106,739)
Purchase of intangible assets	(1,961)	(1,063)
Purchase of short-term and long-term investment securities	(67,278)	(6,424)
Proceeds from sale and redemption of short-term and long-term investment securities	24,140	17,206
Income by reduction of capital of subsidiaries and affiliates	—	3,001
Purchase of insurance funds	(8,819)	(3,585)
Proceeds from maturity of insurance funds	6,572	151,399
Other, net	2,733	1,583
<b>Net cash provided by (used in) investing activities</b>	<b>(131,900)</b>	<b>35,234</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(181)	(145)
Proceeds from long-term borrowings	3,100	—
Repayments of long-term borrowings	(2,051)	(7,884)
Purchase of treasury shares	(30,628)	(25,018)
Dividends paid	(58,063)	(64,048)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(2,994)
Other, net	(103)	(110)
<b>Net cash provided by (used in) financing activities</b>	<b>(87,928)</b>	<b>(100,202)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>35,884</b>	<b>(5,625)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(85,737)</b>	<b>126,062</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>491,324</b>	<b>405,586</b>
<b>Cash and cash equivalents at end of period</b>	<b>405,586</b>	<b>531,649</b>

## **(5) Notes to consolidated financial statements**

### **(Notes on going-concern assumption)**

N/A

### **(Notes on changes of accounting policies)**

(Application of the “Accounting Standard for Current Income Taxes”, etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been adopted from the beginning of the fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the fiscal year ended March 31, 2025 and March 31, 2024 have been modified retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

### **(Notes on segment information)**

The Company and its consolidated subsidiaries are composed of a single business segment, Automatic control equipment business. The disclosure of segment information is thereby omitted.

**(Notes on per share information)**

	Year ended March 31, 2024	Year ended March 31, 2025
Net assets per share	29,338.63 yen	30,255.22 yen
Basic earnings per share	2,766.92 yen	2,444.61 yen

(Notes) (1) Diluted earnings per share is not presented as there is no dilutive shares.

(2) The basis for calculating the net assets per share is shown below.

(Millions of yen or thousand shares)

	Year ended March 31, 2024	Year ended March 31, 2025
Total net assets	1,885,871	1,928,306
Deductions from total net assets (within, non-controlling interests)	4,284 (4,284)	25 (25)
Net assets related to common shares at the end of the fiscal year	1,881,586	1,928,281
Number of common shares at the end of the fiscal year used to calculate net assets per share	64,133	63,733

(3) The basis for calculating basic earnings per share is shown below.

(Millions of yen or thousand shares)

	Year ended March 31, 2024	Year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent	178,321	156,344
Amount not attributable to owners of common shares	—	—
Profit attributable to owners of parent related to common shares	178,321	156,344
Average number of common shares for the year	64,447	63,954

(4) The company shares held by the Board Benefit Trust (BBT) for the Directors' Stock Compensation Plan is included in the number of treasury shares, which is deducted from the number of common shares issued at the end of the fiscal year when calculating the net assets per share (11,200 shares as of March 31, 2024, and March 31, 2025). The shares held by the trust are also included in the number of treasury shares, which is deducted from the average number of common shares for the year when calculating the basic earnings per share (8,004 shares during April 1, 2023 to March 31, 2024, and 11,200 shares during April 1, 2024 to March 31, 2025).

**(Notes on significant subsequent events)**

**(Repurchase of own shares)**

The Company resolved at the Board of Directors' Meeting held on May 14, 2025, to repurchase its own shares as follows.

- (1) Reason for the repurchase  
To enhance returns to shareholders and improve capital efficiency
- (2) Total number of shares to be repurchased  
Up to 750,000 shares
- (3) Total amount of repurchase  
Up to 30 billion yen
- (4) Period of repurchase  
From May 19, 2025 to March 24, 2026
- (5) Method of repurchase  
Market purchase on the Tokyo Stock Exchange

**(Cancellation of treasury shares)**

The Company resolved at the Board of Directors' Meeting held on May 14, 2025, to cancel its treasury shares as follows.

- (1) Total number of shares to be cancelled  
3,500,000 shares
- (2) Planned date of cancellation  
May 30, 2025

#### 4. Supplementary information

##### (1) Sales by region - customer location

(Millions of yen)

Japan	U.S.	China	Asia (excl. China)	Europe	Other	Total
158,116	88,937	208,690	151,612	144,414	40,336	792,108

(Note) Japan, U.S., and China (including Hong Kong) are individually disclosed since they consist 10% or above the consolidated net sales respectively.

##### (2) Sales by region - Group company location

(Millions of yen)

Japan	North America	Greater China	Other Asia	Europe	Other	Total
163,832	119,533	222,017	127,208	140,052	19,463	792,108

(Note) “North America” includes the sales amount of U.S., Canada, and Mexico, “Greater China” includes China, Hong Kong, and Taiwan.

##### (3) Consolidated Capital expenditures, Depreciation and R&D expenses

(Millions of yen)

	Year ended March 31, 2025 (Actual)		Year ending March 31, 2026 (Forecast)	
Capital expenditures	107,803	2.2%	180,000	67.0%
Depreciation	34,308	2.9%	42,300	23.3%
R&D expenses	33,351	7.1%	37,000	10.9%

##### (4) Foreign currency exchange rates

	Year ended March 31, 2025 (Actual)		Year ending March 31, 2026 (Forecast)
	(average)	(at end)	(average)
U S \$	¥ 152.59	¥ 149.53	¥ 141.00
E U R	¥ 163.86	¥ 162.03	¥ 157.00
C N Y	¥ 21.10	¥ 20.59	¥ 19.50

##### (5) Consolidated Full-time employees and Temporary employees

(Number of personnel)

	Year ended March 31, 2025	Difference from last year end
Full-time employees (at end)	23,114	(13)
Temporary employees (average)	5,481	110