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

May 14, 2025

Company name: TSUBAKIMOTO CHAIN CO.

Listing: Tokyo Stock Exchange

Securities code: 6371

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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 26, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Representative Director
Manager, Corporate Planning Department

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	279,193	4.6	22,854	7.5	25,332	8.0	22,122	19.2
March 31, 2024	266,812	6.1	21,262	12.0	23,450	11.9	18,551	35.0

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 18,562 million [(57.2) %]
Fiscal year ended March 31, 2024: ¥ 43,412 million [100.6 %]

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	212.65	-	8.5	6.6	8.2
March 31, 2024	170.55	-	7.7	6.4	8.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ (2million)
Fiscal year ended March 31, 2024: ¥ 17 million

(Note) Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. Profit per share is calculated assuming that such stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	371,510	262,162	69.9	2,533.14
March 31, 2024	391,298	260,559	66.0	2,402.41

(Reference) Equity: As of March 31, 2025: ¥ 259,810 million
As of March 31, 2024: ¥ 258,400 million

(Note) Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. Net assets per share is calculated assuming that such stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	21,297	(11,834)	(21,655)	63,316
March 31, 2024	38,580	(9,161)	(15,695)	74,655

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	60.00	-	100.00	160.00	5,759	31.3	2.4
March 31, 2025	-	99.00	-	47.00	-	8,220	37.6	3.2
Fiscal year ending								
March 31, 2026 (Forecast)	-	40.00	-	40.00	80.00		39.2	

(Note) Year-end dividend per share for the fiscal year ended March 31, 2025

Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. The year-end dividend per share for the fiscal year ended March 31, 2025 reflects the amount after the stock split. Accordingly, the total annual dividend per share is shown as “-.” If the stock split is not taken into account, the year-end dividend per share for the fiscal year ended March 31, 2025 is 141 yen, and the annual dividend per share is 240 yen. For details, please refer to “Proper use of earnings forecasts, and other special matters.”

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

(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, 2025	140,000	2.7	9,500	0.4	10,000	(10.9)	10,000	(0.1)	100.47
Full year	290,000	3.9	21,500	(5.9)	23,000	(9.2)	20,000	(9.6)	204.05

* 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: None

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

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 106,213,279 shares

March 31, 2024: 111,244,179 shares

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

March 31, 2025: 3,648,863 shares

March 31, 2024: 3,685,347 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 104,031,860 shares

Fiscal Year ended March 31, 2024: 108,774,846 shares

(Note) Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period,” and “Average number of shares outstanding during the period” are calculated assuming that such stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Overview of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	102,893	2.2	885	(61.6)	13,820	30.2	16,449	61.4
March 31, 2024	100,636	(1.5)	2,306	(51.4)	10,614	(21.1)	10,191	(13.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	158.12	-
March 31, 2024	93.69	-

(Note) Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. Profit per share is calculated assuming that such stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	226,996	145,607	64.1	1,419.67
March 31, 2024	253,509	152,228	60.0	1,415.31

(Reference) Equity: As of March 31, 2025: ¥ 145,607 million

As of March 31, 2024: ¥ 152,228 million

(Note) Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. Net assets per share is calculated assuming that such stock split was conducted at the beginning of the previous fiscal year.

* 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

For the assumptions underlying the consolidated results forecast, please refer to 1. Summary of Business Results, Etc. (4) Outlook for the Current Fiscal Year beginning on page 4 of the attached materials.

(Dividends after stock split)

Following the resolution to conduct a stock split adopted at the meeting of the Board of Directors held on May 14, 2024, the Company split its common shares at a ratio of 1 to 3, effective October 1, 2024. Annual dividends for the fiscal year ended March 31, 2025, converted to a pre-stock-split basis, are as follows.

Annual dividends for the fiscal year ended March 31, 2025

Dividend per share at the end of the second quarter 99 yen (Note 1); Year-end 141 yen (Note 2)

Annual dividend per share (pre-stock-split basis) for the fiscal year ended March 31, 2025 is 240 yen.

(Note 1) Dividend at the end of the second quarter was paid based on the number of shares before the stock split.

(Note 2) The amount reflects the dividend converted to a pre-stock-split basis.

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1. Summary of Business Results, Etc.

(1) Summary of Business Results in the Fiscal Year under Review

In the consolidated fiscal year under review (from April 1, 2024 to March 31, 2025), while the Chinese economy remained sluggish due to a prolonged real estate downturn and weak domestic demand, the global economy remained resilient, supported by continued strong growth in the U.S. driven by favorable employment and income conditions, and a moderate economic recovery in Europe amid easing inflationary pressures. The Japanese economy also followed a moderate recovery trend, supported by an expansion in capital investment and a rebound in personal consumption driven by a recovery in real wages.

Amid this environment, although affected by the downturn in the Chinese economy, the Tsubaki Group's business performance remained robust, driven by the continued strength of the Chain Business, and the launch of mass production for newly acquired projects in the Mobility Business. Combined with the impact of the weaker yen, orders received in the consolidated fiscal year under review increased 4.0% year on year to ¥273,523 million, and net sales increased 4.6% year on year to ¥279,193 million.

Operating profit increased 7.5% year on year to ¥22,854 million, and ordinary profit increased 8.0% year on year to ¥25,332 million, while profit attributable to owners of parent increased 19.2% year on year to ¥22,122 million.

Building toward "What we want to be in 2030" that we set forth in the Long-Term Vision 2030, the Tsubaki Group will continue to focus on implementing various initiatives with an awareness of capital cost, as well as strengthening management control, in addition to fully delivering on the initiatives under the Mid-Term Management Plan 2025 started in fiscal 2021. In addition, as a business group contributing to finding solutions to social issues, we will continue to strive to further advance our sustainability activities including the achievement of carbon neutrality.

Segment results are summarized as follows:

[Chains]

In the Chains segment, net sales increased year on year due to such factors as a rise in sales in Japan and China, and the effect of the weak yen.

The segment recorded a year-on-year increase of 5.4% in orders received to ¥92,779 million, while net sales increased 2.2% year on year to ¥94,254 million. However, operating profit decreased 4.9% year on year to ¥15,585 million due to various factors including a rise in labor costs in Japan, as well as a decline in North American sales.

[Motion Control]

In the Motion Control segment, net sales were up year on year, helped by factors such as increased sales in Japan, the Americas, South Korea, and Taiwan.

Consequently, the segment recorded a year-on-year increase of 5.3% in orders received to ¥22,391 million, a 4.2% year-on-year increase in net sales to ¥22,944 million, and a year-on-year increase of 16.6% in operating profit to ¥770 million.

[Mobility]

In the Mobility segment, net sales increased year on year, driven by increased sales of timing chain systems for automobile engines and other items at sales sites in Japan, the Americas, Europe, South Korea and other locations.

The segment recorded a year-on-year increase of 7.4% in orders received to ¥90,850 million, a year-on-year increase of 7.8% in net sales to ¥91,179 million, and a year-on-year increase of 6.0% in operating profit to ¥8,287 million.

[Materials Handling Systems]

In the Materials Handling Systems segment, there was a year-on-year increase in net sales due to an increase in sales of metalworking chips handling, coolant processing systems, and systems for the automotive industry in the Americas, and an increase in sales of systems for the logistics industry and automobile industry in Japan, along with other factors.

The segment recorded a year-on-year decrease of 2.1% in orders received to ¥64,910 million, and a 4.4% increase in net sales year on year to ¥68,106 million. Operating profit was ¥1,247 million (operating loss of ¥1,165 million in the previous fiscal year).

[Other]

Other orders received decreased 3.6% year on year to ¥2,591 million, and net sales decreased 1.2% year on year to ¥2,709 million, resulting in an operating loss of ¥833 million (operating loss of ¥944 million in the previous fiscal year).

(2) Summary of Financial Position in the Fiscal Year under Review

(Assets)

Assets were ¥371,510 million, down ¥19,788 million from the end of the previous consolidated fiscal year. This was attributable to various factors including a ¥9,375 million decrease in cash and deposits, a ¥7,175 million decrease in investment securities due to the sale of shares and other factors, a ¥2,656 million decrease in electronically recorded monetary claims - operating, and a ¥1,996 million decrease in inventories due to a reduction in merchandise and finished goods inventory, while other current assets increased by ¥1,437 million.

(Liabilities)

Liabilities were ¥109,348 million, down ¥21,390 million from the end of the previous consolidated fiscal year. This was attributable to various factors including a ¥11,048 million decrease in electronically recorded obligations - operating, due to factors such as shorter payment periods, a ¥3,566 million decrease in borrowings, a ¥2,308 million decrease in notes and accounts payable - trade, a ¥1,974 million decrease in deferred tax liabilities, a ¥1,494 million decrease in electronically recorded obligations - non-operating, and a ¥666 million decrease in income taxes payable.

(Net assets)

Net assets were ¥262,162 million, up ¥1,602 million from the end of the previous consolidated fiscal year. This was attributable to various factors including a ¥6,850 million increase in retained earnings, a ¥2,455 million increase in foreign currency translation adjustment due to fluctuation of exchange rates, despite a ¥6,171 million decrease in valuation difference on available-for-sale securities, and an increase of ¥1,642 million in treasury shares (decrease in net assets). The equity ratio increased 3.9 percentage points to 69.9%.

(3) Summary of Cash Flow in the Fiscal Year under Review

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the consolidated fiscal year amounted to ¥63,316 million, down ¥11,338 million from the end of the previous consolidated fiscal year.

Respective cash flows and their causes are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥21,297 million. This was attributable to various factors including profit before income taxes of ¥30,167 million, depreciation of ¥14,211 million, a ¥3,414 million decrease in trade receivables, and interest and dividends received of ¥3,075 million, which offset a decrease of ¥14,006 million in trade payables, payment of income taxes of ¥9,045 million, and gain on sale of investment securities of ¥5,088 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥11,834 million. This was attributable to various factors including disbursements of ¥13,159 million for capital investment payments, etc., ¥5,237 million for payments into time deposits, and ¥2,094 million for the acquisition of shares of subsidiaries and associates, which offset cash inflows of ¥5,668 million in proceeds from the sale of investment securities, and ¥3,403 million from the withdrawal of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥21,655 million. This was attributable to various factors including ¥10,005 million for the purchase of treasury shares, ¥6,984 million for dividend payments, and a ¥3,677 million decrease in borrowings.

(4) Outlook for the Current Fiscal Year

Regarding the outlook for the current fiscal year, the global economy is expected to remain uncertain due to a variety of factors, including trade frictions triggered by the U.S., the delayed recovery of the Chinese economy, and persistently high geopolitical risks in the Middle East.

Under such circumstances, the Tsubaki Group will continue to promote itself with an awareness of capital cost, enhancement of our manufacturing capabilities, strengthening of the earning power of our existing businesses, and development of new businesses and products that will lead to sustainable growth, with the aim of delivering on the initiatives under the Mid-Term Management Plan 2025.

The consolidated results forecast for the fiscal year ending March 31, 2026 is as follows.

Net sales: ¥ 290,000 million (3.9% increase year on year)

Operating profit: ¥ 21,500 million (5.9% decrease year on year)

Ordinary profit: ¥ 23,000 million (9.2% decrease year on year)

Profit attributable to owners of parent: ¥ 20,000 million (9.6% decrease year on year)

Exchange rate assumptions for the fiscal year ending March 31, 2026 (fiscal year 2025) are set at 1 USD=140 JPY, and 1 Euro=160 JPY.

The forecasts above are based on information currently available and certain assumptions that the Company regards as reasonable. Actual results may differ from these results forecasts depending on changes in the business environment surrounding the Tsubaki Group, market trends, exchange rate fluctuations, and other factors. Furthermore, factors that may affect the results are not limited to those listed above.

As set forth in the “Notice Regarding Estimated Extraordinary Gain from Sale of Policy-Held Shares” announced today, the Company resolved to sell its policy-held shares. The extraordinary gain from such sale is reflected in the consolidated earnings forecast for the fiscal year ending March 31, 2026.

Further, as set forth in the “Notice Regarding Execution of Business Integration Agreement and Share Exchange Agreement (Simplified Share Exchange) for Business Integration of Tsubakimoto Chain Co. and Daido Kogyo Co., Ltd.” announced today, the Company is working toward a business integration resulting in the Company becoming a wholly-owning parent company and Daido Kogyo Co., Ltd. becoming a wholly-owned subsidiary, and the impact of this business integration is reflected in the forecast for the consolidated earnings results for the fiscal year ending March 31, 2026.

(5) Profit Distribution Policy and Dividends for the Fiscal Year under Review and the Current Fiscal Year

The Tsubaki Group views returning profits to its shareholders as one of the highest priorities of management.

Regarding shareholder returns, with a view to focusing our attention on meeting the interests of our shareholders and with paying dividends that reflect consolidated business results as a fundamental policy, we aim to provide shareholder returns based on the comprehensive consideration of such factors as funding conditions and finances, and with a consolidated dividend payout ratio of at least 35% as a criterion.

In accordance with the policy above, we have decided to declare a year-end dividend of ¥47.00 per share for the fiscal year under review. Together with the interim dividend (of ¥33.00 per share), the total annual dividend will be ¥80.00 per share. We plan to utilize retained cash for strengthening our underlying financial standing, promoting future business expansion, and for other purposes.

In accordance with the policy above, dividends for the current fiscal year are planned as follows: an interim dividend

of ¥40.00 per share, and a year-end dividend of ¥40.00 per share, for a total annual dividend of ¥80.00 per share.

Note: Effective October 1, 2024, the Company split its common shares at a ratio of 1 to 3. The year-end dividend per share for the fiscal year ended March 31, 2025 reflects the amount after the stock split. If the stock split is not taken into account, dividends per share for the fiscal year ended March 31, 2025 include an interim dividend of ¥99.00, and a year-end dividend of ¥141.00, for a total annual dividend of ¥240.00 per share.

2. Basic Approach to the Selection of Accounting Standards

The Tsubaki Group applies Japanese standards and, for the time being, does not plan to adopt IFRS (International Financial Reporting Standards). However, we will consider our future responses in light of upcoming trends in accounting standards and other factors.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	77,321	67,945
Notes and accounts receivable - trade, and contract assets	47,095	47,041
Electronically recorded monetary claims - operating	20,255	17,598
Securities	603	780
Merchandise and finished goods	26,217	23,763
Work in process	16,959	17,668
Raw materials and supplies	14,980	14,728
Other	3,359	4,796
Allowance for doubtful accounts	(938)	(1,011)
Total current assets	205,853	193,313
Non-current assets		
Property, plant and equipment		
Buildings and structures	89,387	91,343
Accumulated depreciation	(54,853)	(57,664)
Buildings and structures, net	34,534	33,679
Machinery, equipment and vehicles	161,640	165,403
Accumulated depreciation	(125,752)	(131,575)
Machinery, equipment and vehicles, net	35,888	33,828
Tools, furniture and fixtures	36,972	38,965
Accumulated depreciation	(32,599)	(34,129)
Tools, furniture and fixtures, net	4,373	4,836
Land	38,533	38,686
Construction in progress	5,612	6,665
Total property, plant and equipment	118,942	117,695
Intangible assets		
Goodwill	1,216	1,677
Other	7,688	7,567
Total intangible assets	8,904	9,245
Investments and other assets		
Investment securities	47,052	39,876
Long-term loans receivable	13	9
Deferred tax assets	4,120	4,733
Retirement benefit asset	298	344
Other	6,219	6,394
Allowance for doubtful accounts	(106)	(102)
Total investments and other assets	57,598	51,255
Total non-current assets	185,444	178,197
Total assets	391,298	371,510

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,592	16,284
Electronically recorded obligations - operating	14,699	3,650
Short-term borrowings	4,183	4,271
Current portion of bonds payable	-	5,000
Current portion of long-term borrowings	5,801	1,573
Lease liabilities	758	753
Income taxes payable	2,906	2,239
Accrued consumption taxes	545	544
Provision for bonuses	6,133	6,141
Provision for loss on construction contracts	179	81
Provision for shareholder benefit program	46	126
Electronically recorded obligations - non-operating	2,809	1,315
Other	20,843	20,524
Total current liabilities	77,499	62,505
Non-current liabilities		
Bonds payable	15,000	10,000
Long-term borrowings	3,728	4,300
Lease liabilities	1,392	1,340
Deferred tax liabilities	13,713	11,738
Deferred tax liabilities for land revaluation	5,001	5,148
Provision for retirement benefits for directors (and other officers)	144	159
Retirement benefit liability	12,497	12,461
Asset retirement obligations	600	631
Other	1,159	1,060
Total non-current liabilities	53,238	46,842
Total liabilities	130,738	109,348
Net assets		
Shareholders' equity		
Share capital	17,076	17,076
Capital surplus	12,582	12,587
Retained earnings	185,285	192,135
Treasury shares	(4,375)	(6,018)
Total shareholders' equity	210,568	215,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,667	19,495
Deferred gains or losses on hedges	(61)	(13)
Revaluation reserve for land	(10,597)	(10,744)
Foreign currency translation adjustment	31,991	34,446
Remeasurements of defined benefit plans	831	844
Total accumulated other comprehensive income	47,831	44,028
Non-controlling interests	2,159	2,352
Total net assets	260,559	262,162
Total liabilities and net assets	391,298	371,510

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	266,812	279,193
Cost of sales	189,046	197,010
Gross profit	77,766	82,182
Selling, general and administrative expenses	56,503	59,328
Operating profit	21,262	22,854
Non-operating income		
Interest income	1,039	1,409
Dividend income	1,248	1,657
Share of profit of entities accounted for using equity method	17	-
Foreign exchange gains	308	-
Other	1,157	1,142
Total non-operating income	3,770	4,209
Non-operating expenses		
Interest expenses	319	295
Loss on sale and retirement of non-current assets	215	193
Share of loss of entities accounted for using equity method	-	2
Foreign exchange losses	-	384
Loss on valuation of derivatives	211	-
Restructuring expenses	279	-
Other	556	854
Total non-operating expenses	1,582	1,731
Ordinary profit	23,450	25,332
Extraordinary income		
Settlement income	1,270	-
Gain on sale of investment securities	2,448	5,088
Total extraordinary income	3,719	5,088
Extraordinary losses		
Impairment losses	594	21
Loss on valuation of investments in capital of subsidiaries and associates	-	113
Loss on valuation of investment securities	502	-
Loss on valuation of shares of subsidiaries and associates	178	118
Total extraordinary losses	1,275	253
Profit before income taxes	25,894	30,167
Income taxes - current	8,040	8,225
Income taxes - deferred	(758)	(226)
Total income taxes	7,282	7,998
Profit	18,611	22,169
Profit attributable to non-controlling interests	60	46
Profit attributable to owners of parent	18,551	22,122

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	18,611	22,169
Other comprehensive income		
Valuation difference on available-for-sale securities	11,725	(6,171)
Deferred gains or losses on hedges	(2)	47
Revaluation reserve for land	-	(147)
Foreign currency translation adjustment	12,128	2,618
Remeasurements of defined benefit plans, net of tax	927	12
Share of other comprehensive income of entities accounted for using equity method	22	33
Total other comprehensive income	24,801	(3,606)
Comprehensive income	43,412	18,562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,246	18,319
Comprehensive income attributable to non-controlling interests	165	243

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,076	13,573	174,799	(4,171)	201,279
Changes during period					
Dividends of surplus			(4,767)		(4,767)
Profit attributable to owners of parent			18,551		18,551
Purchase of treasury shares				(4,554)	(4,554)
Disposal of treasury shares		4		52	56
Cancellation of treasury shares		(993)	(3,279)	4,273	-
Increase by share exchanges		(0)		23	23
Purchase of shares of consolidated subsidiaries		(3)			(3)
Transfer from retained earnings to capital surplus		1	(1)		-
Reversal of revaluation reserve for land			(17)		(17)
Net changes in items other than shareholders' equity					
Total changes during period	-	(991)	10,485	(203)	9,289
Balance at end of period	17,076	12,582	185,285	(4,375)	210,568

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,941	(59)	(10,614)	19,946	(95)	23,119	2,184	226,582
Changes during period								
Dividends of surplus								(4,767)
Profit attributable to owners of parent								18,551
Purchase of treasury shares								(4,554)
Disposal of treasury shares								56
Cancellation of treasury shares								-
Increase by share exchanges								23
Purchase of shares of consolidated subsidiaries								(3)
Transfer from retained earnings to capital surplus								-

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Reversal of revaluation reserve for land								(17)
Net changes in items other than shareholders' equity	11,725	(2)	17	12,045	927	24,712	(25)	24,687
Total changes during period	11,725	(2)	17	12,045	927	24,712	(25)	33,977
Balance at end of period	25,667	(61)	(10,597)	31,991	831	47,831	2,159	260,559

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	17,076	12,582	185,285	(4,375)	210,568
Changes during period					
Dividends of surplus			(6,984)		(6,984)
Profit attributable to owners of parent			22,122		22,122
Purchase of treasury shares				(10,005)	(10,005)
Disposal of treasury shares		15		65	81
Cancellation of treasury shares		(15)	(8,281)	8,297	-
Increase by share exchanges					-
Purchase of shares of consolidated subsidiaries					-
Transfer from retained earnings to capital surplus		5	(5)		-
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	5	6,850	(1,642)	5,212
Balance at end of period	17,076	12,587	192,135	(6,018)	215,781

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	25,667	(61)	(10,597)	31,991	831	47,831	2,159	260,559
Changes during period								
Dividends of surplus								(6,984)
Profit attributable to owners of parent								22,122
Purchase of treasury shares								(10,005)
Disposal of treasury shares								81
Cancellation of treasury shares								-
Increase by share exchanges								-
Purchase of shares of consolidated subsidiaries								-
Transfer from retained earnings to capital surplus								-

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Reversal of revaluation reserve for land								-
Net changes in items other than shareholders' equity	(6,171)	47	(147)	2,455	12	(3,803)	192	(3,610)
Total changes during period	(6,171)	47	(147)	2,455	12	(3,803)	192	1,602
Balance at end of period	19,495	(13)	(10,744)	34,446	844	44,028	2,352	262,162

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	25,894	30,167
Depreciation	13,883	14,211
Impairment losses	594	21
Amortization of goodwill	184	212
Loss (gain) on sale and retirement of non-current assets	184	123
Loss (gain) on valuation of investment securities	502	72
Loss (gain) on sale of investment securities	(2,448)	(5,088)
Loss on valuation of shares of subsidiaries and associates	178	118
Loss on valuation of investments in capital of subsidiaries and affiliates	-	113
Subsidies for employment adjustment	(4)	-
Increase (decrease) in allowance for doubtful accounts	22	68
Increase (decrease) in retirement benefit liability	338	(88)
Decrease (increase) in trade receivables	(845)	3,414
Decrease (increase) in inventories	1,713	2,809
Increase (decrease) in trade payables	1,756	(14,006)
Other, net	1,114	(4,585)
Subtotal	43,070	27,565
Interest and dividends received	2,339	3,075
Interest paid	(298)	(297)
Proceeds from subsidies for employment adjustment	4	-
Income taxes paid	(6,534)	(9,045)
Net cash provided by (used in) operating activities	38,580	21,297
Cash flows from investing activities		
Payments into time deposits	(3,797)	(5,237)
Proceeds from withdrawal of time deposits	3,249	3,403
Purchase of investment securities	(620)	(21)
Proceeds from sale of investment securities	2,775	5,668
Purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	-	(624)
Purchase of shares of subsidiaries and associates	(70)	(2,094)
Net decrease (increase) in short-term loans receivable	(17)	(13)
Long-term loan advances	(20)	(13)
Proceeds from collection of long-term loans receivable	16	16
Purchase of non-current assets	(10,844)	(13,159)
Proceeds from sale of non-current assets	178	240
Payments for asset retirement obligations	(12)	-
Net cash provided by (used in) investing activities	(9,161)	(11,834)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,226)	(9)
Proceeds from long-term borrowings	36	2,150
Repayments of long-term borrowings	(315)	(5,817)
Repayments of finance lease liabilities	(698)	(937)
Dividends paid	(4,767)	(6,984)
Dividends paid to non-controlling interests	(170)	(50)
Purchase of treasury shares	(4,554)	(10,005)
Proceeds from sale of treasury shares	-	0
Net cash provided by (used in) financing activities	(15,695)	(21,655)
Effect of exchange rate change on cash and cash equivalents	3,952	854
Net increase (decrease) in cash and cash equivalents	17,677	(11,338)
Cash and cash equivalents at beginning of period	56,978	74,655
Cash and cash equivalents at end of period	74,655	63,316