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April 30, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: RIKEN TECHNOS CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4220
 URL: <https://www.rikentechnos.co.jp>
 Representative: Kazuaki Tokiwa, Representative Director, President & CEO
 Inquiries: Ryoichi Takami, Accounting General Manager
 Telephone: +81-3-5297-1650
 Scheduled date of annual general meeting of shareholders: June 20, 2025
 Scheduled date to commence dividend payments: June 23, 2025
 Scheduled date to file annual securities report: June 18, 2025
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for Institutional Investors & 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	128,141	1.9	10,488	19.5	10,587	10.9	7,370	7.1
March 31, 2024	125,739	1.8	8,775	16.9	9,544	19.8	6,880	51.0

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥9,155 million [(24.4)%]
 For the fiscal year ended March 31, 2024: ¥12,112 million [35.6%]

	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
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2025	137.67	–	11.4	9.1	8.2
March 31, 2024	114.24	–	10.8	8.4	7.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥ – million
 For the fiscal year ended March 31, 2024: ¥ – million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2025	116,469	75,780	55.7	1,267.50
March 31, 2024	115,650	74,017	55.7	1,171.61

Reference: Equity
 As of March 31, 2025: ¥64,868 million
 As of March 31, 2024: ¥64,440 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	11,547	(3,152)	(6,512)	24,447
March 31, 2024	10,753	(1,668)	(11,120)	21,852

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	12.00	–	20.00	32.00	1,884	28.0	2.9
Fiscal year ended March 31, 2025	–	14.00	–	27.00	41.00	2,159	29.8	3.4
Fiscal year ending March 31, 2026 (Forecast)	–	20.00	–	21.00	41.00		36.2	

Note: Total dividends include ¥32 million of dividends to Trust Account E that trust account established by Board Benefit Trust (BBT), Stock Benefit Trust (Employee Stockholding Association Purchase-type) and Employee Stock Benefit Trust (J-ESOP).

3. Consolidated financial forecasts for the fiscal year ending March 31, 2026 (from 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	64,500	1.7	4,700	(1.6)	4,600	(2.3)	2,600	(0.5)	50.80
Fiscal year ending March 31, 2025	134,000	4.6	10,500	0.1	10,300	(2.7)	5,800	(21.3)	113.33

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: - companies (-)

Excluded: - companies (-)

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

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

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to the attached document, page 14, " Significant Matters in Preparing Consolidated Financial Statements"

(3) Number of issued shares (common shares)

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

As of March 31, 2025	53,275,019 shares
As of March 31, 2024	55,775,107 shares

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

As of March 31, 2025	2,097,067 shares
As of March 31, 2024	773,800 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	53,538,506 shares
Fiscal year ended March 31, 2024	60,227,620 shares

Note: For the number of shares used as the basis for calculating basic earnings per share (consolidated), please refer to the attached document, page 25, " Per Share Information "

[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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	62,325	2.1	4,709	16.3	7,245	8.0	6,926	4.3
March 31, 2024	61,031	6.9	4,048	27.3	6,709	25.8	6,640	56.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	129.37	—
March 31, 2024	110.26	—

(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	73,453	52,156	71.0	1,019.12
March 31, 2024	78,494	53,973	68.8	981.30

Reference: Equity

As of March 31, 2025: ¥52,156 million

As of March 31, 2024: ¥53,973 million

2. Non-consolidated financial forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	31,000	—	2,500	—	2,000	—	39.08
Fiscal year ending March 31, 2025	63,500	1.9	6,800	(6.1)	5,400	(22.0)	105.51

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

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to RIKEN TECHNOS CORPORATION (the “Company”) and on certain assumptions deemed to be reasonable. Actual results, etc. may differ materially from the forecasts due to various factors. For the assumptions underlying the forecasts and the notes on the use of the forecasts, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the attached document.

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1. Overview of Operating Results, etc.

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

During the fiscal year ended March 31, 2025, the Japanese economy was on a moderate recovery track with steady growth in inbound-related spending and a recovery in new automobile sales volume in the second half of the fiscal year under review, on the back of better employment and income situations, despite consumer spending being partly stagnant due to high prices.

Economies overseas picked up on the whole thanks to the steady growth in consumer spending and capital investment in the U.S., despite continued uncertainties such as worries concerning the outlook for the Chinese economy and the situation in the Middle East, and developments of the U.S. policies.

Under such circumstances, the Company and its group companies (the “Group”) have been making tangible efforts for the Medium-term Business Plan, “Challenge Now for Change New 2024” which is now in its final year, under the four strategies of “Intensify global management and generate synergies,” “Stay ahead of customers’ expectations,” “Take on the challenge toward new businesses and products,” and “Contribute to solving environmental and social issues.”

As a result, net sales were 128,141 million yen (up 1.9% from the previous fiscal year; hereinafter “year-on-year”), operating profit was 10,488 million yen (up 19.5% year-on-year), ordinary profit was 10,587 million yen (up 10.9% year-on-year), and profit attributable to owners of parent was 7,370 million yen (up 7.1% year-on-year).

Operating results by segment are as shown below.

The name, abbreviation, and main markets of each respective reportable segment are as follows:

Transportation (TR): automobile, railroad, and shipping markets, etc.

Daily Life & Healthcare (DH): healthcare, materials for daily life, and food packaging markets, etc.

Electronics (EL): energy, communications, and IT equipment markets, etc.

Building & Construction (BC): housing, buildings, construction materials, and civil engineering markets

(Note) The terms in parentheses are abbreviations for the reportable segments.

<Transportation>

Domestic revenue increased due to the progress in transferring soaring raw material costs into sales prices of elastomer compounds in the automobile production market, despite the fall in automobile production.

Overseas revenue increased due to higher automobile production by Japanese manufacturers in North America and the progress in transferring soaring raw material costs into sales prices, despite a decline in sales owing to the fall in automobile production by Japanese manufacturers in the ASEAN market.

Segment profit increased due to expanded sales of elastomer compounds to new customers in Japan and revision of sales prices in Japan and overseas to fair and reasonable levels.

As a result, net sales amounted to 41,120 million yen (up 2.8% year-on-year) and segment profit was 4,869 million yen (up 33.5% year-on-year).

<Daily Life & Healthcare>

Domestic revenue increased due to higher sales of small-roll wrap products and elastomer compounds for consumer goods, despite lower sales of PVC compounds for consumer goods.

Overseas revenue increased due to higher sales of PVC compounds for medical and consumer goods.

Segment profit increased due to the revision of sales prices of food packaging products and also of overseas sales prices of PVC compounds for medical and consumer goods to fair and reasonable levels.

As a result, net sales amounted to 36,809 million yen (up 8.1% year-on-year) and segment profit was 3,522 million yen (up 28.8% year-on-year).

<Electronics>

Domestic revenue decreased due to lower sales of functional compounds and functional films, despite higher sales of compounds for robotics, FA, semiconductors and other use.

Overseas revenue increased due to higher sales of PVC compounds in China, the U.S. and Thailand markets.

Revenue for the segment as a whole decreased as a consequence of the Company's absorption-type merger of RIKEN TECHNOS INTERNATIONAL CORPORATION, which had been its consolidated subsidiary until the first quarter of the previous fiscal year.

Segment profit decreased due to lower sales of functional films.

As a result, net sales amounted to 24,689 million yen (down 1.3% year-on-year) and segment profit was 978 million yen (down 22.5% year-on-year).

<Building & Construction>

Domestic revenue decreased due to the settling down of extraordinary demand for PVC compounds for resin sashes and the resulting decline in sales, as well as lower sales of films for building materials owing to the sluggishness in the building materials market.

Overseas revenue decreased due to lower sales of PVC compounds in the U.S. building materials market.

Segment profit decreased due to lower sales of PVC compounds in the building materials markets in Japan and overseas.

As a result, net sales amounted to 25,450 million yen (down 4.3% year-on-year) and segment profit was 1,011 million yen (down 4.1% year-on-year).

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

Total assets as of March 31, 2025 increased by 818 million yen from the end of the previous fiscal year to 116,469 million yen. The increase was attributable to the increases in cash and deposits of 2,593 million yen, and raw materials and supplies of 1,614 million yen under current assets, as well as the increase in property, plant and equipment, including buildings and structures, net, of 2,107 million yen and the decrease in investments and other assets, including investment securities, of 4,190 million under non-current assets, among other factors.

Total liabilities decreased by 944 million yen from the end of the previous fiscal year to 40,689 million yen. The decrease was attributable to the decrease in notes and accounts payable – trade of 953 million yen, the increase in short-term borrowings of 1,352 million yen, and the decrease in income taxes payable of 874 million yen under current liabilities, as well as the increase in long-term borrowings of 429 million yen and the decrease in deferred tax liabilities of 1,087 million yen under non-current liabilities, among other factors.

Net assets increased by 1,762 million yen from the end of the previous fiscal year to 75,780 million yen. The increase was attributable to the increase in shareholders' equity, including retained earnings, of 1,525 million yen, the decrease in accumulated other comprehensive income, including valuation difference on available-for-sale securities and foreign currency translation adjustment, of 1,097 million yen, and the increase in non-controlling interests of 1,334 million yen, among other factors.

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

Cash and cash equivalents (hereinafter "cash") as of March 31, 2025 increased by 2,595 million yen from the end of the previous fiscal year and stood at 24,447 million yen.

(Cash Flows from Operating Activities)

Net cash provided by operating activities increased by 794 million yen from the previous fiscal year to 11,547 million yen. This was mainly due to cash inflows from profit before income taxes of 12,029 million yen, depreciation of 4,087 million yen, and the decrease in trade receivables of 4,131 million yen, while recording cash outflows from income taxes paid of 3,616 million yen, among other factors.

(Cash Flows from Investing Activities)

Net cash used in investing activities increased by 1,483 million yen from the previous fiscal year to 3,152 million yen. This was mainly due to cash outflows from purchase of property, plant and equipment of 4,298 million yen and purchase of intangible assets of 481 million yen, while recording cash inflows from proceeds from sale of investment securities of 1,801 million yen, among other factors.

(Cash Flows from Financing Activities)

Net cash used in financing activities decreased by 4,607 million yen from the previous fiscal year to 6,512 million yen. This was mainly due to cash outflows from purchase of treasury shares of 4,019 million yen, and dividends paid (including dividends paid to non-controlling interests) of 3,410 million yen, among other factors.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity-to-asset ratio (%)	56.4	56.3	56.4	55.7	55.7
Equity-to-asset ratio on a market value basis (%)	34.2	28.1	33.3	47.7	45.8
Interest-bearing liabilities to cash flows ratio (years)	1.1	2.2	1.2	0.9	1.0
Interest coverage ratio (times)	67.0	40.1	53.2	38.0	40.2

(Note) Equity-to-asset ratio: Equity/total assets

Equity-to-asset ratio on a market value basis: Total market value of shares/total assets

Interest-bearing liabilities to cash flows ratio: Interest-bearing liabilities/cash flows

Interest coverage ratio: Cash flows/interests paid

(Note 1) All figures are calculated based on consolidated financial figures.

(Note 2) Total market value of shares is calculated based on the number of issued shares excluding treasury shares.

(Note 3) Cash flows refer to operating cash flows.

(Note 4) Interest-bearing liabilities refer to all liabilities on which interests are paid among liabilities recorded on the consolidated balance sheets.

(4) Future Outlook

The Japanese economy is expected to follow a moderate recovery trend, underpinned by inbound tourism demand growth in addition to a recovery in internal demand, such as consumer spending and capital investment. However, the outlook will likely remain uncertain as there are concerns over the global economic slowdown due to the rises in U.S. tariffs, and the slowdown of consumer spending growth in Japan due to continuing high prices resulting from rising logistics cost and personnel expenses.

For the next fiscal year ending March 31, 2026, the Company expects consolidated net sales to amount to 134,000 million yen, operating profit to be 10,500 million yen, ordinary profit to be 10,300 million yen, and profit attributable to owners of parent to be 5,800 million yen.

The Company will launch a new three-year Medium-term Business Plan in the next fiscal year. Under the new three-year Medium-term Business Plan that advocates the management policy of "One Vision, New Stage 2027," we will focus on two pillars: increasing "Earning Power" and "Sustainability." To increase "Earning Power," the Group will pursue the three strategies of "Global One Company," "Stay Ahead of Customers' Expectations," and "Take on the Challenge Toward New Businesses and Products." With regard to "Sustainability," we will work on environmental issues, including decarbonization, as well as on advancing governance and risk management.

The Group will work as one to implement various initiatives towards the completion of the new three-year Medium-term Business plan and pursues our vision of aiming to become the leading provider of comfort for all living spaces.

2. Basic Views on Selection of Accounting Standards

To ensure comparability with domestic competitors, the Group applies Japanese accounting standards.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	21,879,258	24,472,764
Notes receivable - trade	868,089	735,947
Accounts receivable - trade	23,761,066	21,191,220
Electronically recorded monetary claims - operating	5,300,359	4,942,652
Merchandise and finished goods	10,138,020	10,936,170
Work in process	1,008,173	1,071,231
Raw materials and supplies	8,230,160	9,844,655
Other	718,438	1,214,363
Allowance for doubtful accounts	(82,722)	(86,058)
Total current assets	71,820,844	74,322,947
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,030,463	32,815,365
Accumulated depreciation	(18,946,559)	(20,753,715)
Buildings and structures, net	11,083,903	12,061,650
Machinery, equipment and vehicles	60,598,392	64,692,480
Accumulated depreciation	(52,072,966)	(55,979,884)
Machinery, equipment and vehicles, net	8,525,426	8,712,596
Land	6,460,388	6,592,746
Leased assets	139,833	248,439
Accumulated depreciation	(84,143)	(161,988)
Leased assets, net	55,690	86,451
Construction in progress	1,585,065	2,239,497
Other	6,494,640	6,977,695
Accumulated depreciation	(5,729,985)	(6,087,601)
Other, net	764,655	890,094
Total property, plant and equipment	28,475,130	30,583,035
Intangible assets		
Goodwill	4,365	–
Leased assets	6,642	3,375
Other	2,236,103	2,643,120
Total intangible assets	2,247,110	2,646,496
Investments and other assets		
Investment securities	10,509,751	6,194,352
Long-term loans receivable	1,483	1,159
Retirement benefit asset	1,270,649	1,524,780
Deferred tax assets	468,292	485,293
Other	859,896	715,843
Allowance for doubtful accounts	(2,399)	(4,549)
Total investments and other assets	13,107,672	8,916,879
Total non-current assets	43,829,913	42,146,411
Total assets	115,650,757	116,469,358

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,666,723	20,713,412
Electronically recorded obligations - operating	155,619	419,987
Short-term borrowings	7,749,221	9,102,182
Current portion of long-term borrowings	577,563	396,012
Lease liabilities	23,633	47,468
Income taxes payable	1,799,290	924,728
Provision for bonuses	1,083,302	1,105,819
Provision for bonuses for directors (and other officers)	116,592	116,654
Other	2,260,686	2,131,787
Total current liabilities	35,432,634	34,958,052
Non-current liabilities		
Long-term borrowings	1,768,768	2,198,657
Lease liabilities	32,936	54,848
Long-term income taxes payable	-	30,000
Deferred tax liabilities	2,765,927	1,678,008
Provision for share awards for directors (and other officers)	246,935	274,560
Retirement benefit liability	948,199	1,049,268
Asset retirement obligations	340,682	345,702
Other	97,346	100,150
Total non-current liabilities	6,200,796	5,731,196
Total liabilities	41,633,430	40,689,249
Net assets		
Shareholders' equity		
Share capital	8,514,018	8,514,018
Capital surplus	6,597,580	6,597,580
Retained earnings	39,535,079	42,595,295
Treasury shares	(364,877)	(1,899,288)
Total shareholders' equity	54,281,800	55,807,605
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,526,875	3,615,641
Foreign currency translation adjustment	3,223,620	5,013,068
Remeasurements of defined benefit plans	407,855	431,884
Total accumulated other comprehensive income	10,158,350	9,060,594
Non-controlling interests	9,577,176	10,911,908
Total net assets	74,017,327	75,780,109
Total liabilities and net assets	115,650,757	116,469,358

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

Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	125,739,116	128,141,144
Cost of sales	103,856,870	103,819,666
Gross profit	21,882,246	24,321,478
Selling, general and administrative expenses	13,106,752	13,832,968
Operating profit	8,775,493	10,488,509
Non-operating income		
Interest income	68,579	93,321
Dividend income	306,635	230,686
Foreign exchange gains	485,843	–
Other	250,896	148,900
Total non-operating income	1,111,954	472,909
Non-operating expenses		
Interest expenses	268,429	300,425
Foreign exchange losses	–	8,293
Other	74,110	65,231
Total non-operating expenses	342,539	373,950
Ordinary profit	9,544,907	10,587,468
Extraordinary income		
Gain on sale of non-current assets	15,329	3,469
Gain on sale of investment securities	1,886,468	1,592,270
Other	–	11,947
Total extraordinary income	1,901,798	1,607,687
Extraordinary losses		
Loss on sale of non-current assets	–	961
Loss on retirement of non-current assets	24,376	164,714
Impairment losses	120,371	–
Loss on sale of investment securities	1,182	–
Total extraordinary losses	145,930	165,675
Profit before income taxes	11,300,775	12,029,480
Income taxes - current	3,054,154	2,712,230
Income taxes - deferred	(94,240)	58,942
Total income taxes	2,959,913	2,771,173
Profit	8,340,861	9,258,306
Profit attributable to non-controlling interests	1,460,631	1,887,754
Profit attributable to owners of parent	6,880,230	7,370,551

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	8,340,861	9,258,306
Other comprehensive income		
Valuation difference on available-for-sale securities	1,624,981	(2,912,116)
Foreign currency translation adjustment	1,701,358	2,785,069
Remeasurements of defined benefit plans, net of tax	445,569	24,029
Total other comprehensive income	3,771,909	(103,017)
Comprehensive income	12,112,771	9,155,289
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,011,348	6,272,795
Comprehensive income attributable to non-controlling interests	2,101,422	2,882,493

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,514,018	6,597,580	41,463,280	(406,095)	56,168,784
Changes during period					
Dividends of surplus			(1,795,173)		(1,795,173)
Profit attributable to owners of parent			6,880,230		6,880,230
Purchase of treasury shares				(7,000,249)	(7,000,249)
Disposal of treasury shares				41,053	41,053
Cancellation of treasury shares			(7,000,413)	7,000,413	–
Other			(12,844)		(12,844)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,928,200)	41,217	(1,886,983)
Balance at end of period	8,514,018	6,597,580	39,535,079	(364,877)	54,281,800

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,904,961	2,159,985	(37,713)	7,027,233	8,969,215	72,165,232
Changes during period						
Dividends of surplus						(1,795,173)
Profit attributable to owners of parent						6,880,230
Purchase of treasury shares						(7,000,249)
Disposal of treasury shares						41,053
Cancellation of treasury shares						–
Other						(12,844)
Net changes in items other than shareholders' equity	1,621,913	1,063,634	445,569	3,131,117	607,960	3,739,078
Total changes during period	1,621,913	1,063,634	445,569	3,131,117	607,960	1,852,094
Balance at end of period	6,526,875	3,223,620	407,855	10,158,350	9,577,176	74,017,327

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

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,514,018	6,597,580	39,535,079	(364,877)	54,281,800
Changes during period					
Dividends of surplus			(1,870,498)		(1,870,498)
Profit attributable to owners of parent			7,370,551		7,370,551
Purchase of treasury shares				(4,019,751)	(4,019,751)
Disposal of treasury shares				57,274	57,274
Cancellation of treasury shares			(2,428,066)	2,428,066	-
Other			(11,770)		(11,770)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,060,215	(1,534,410)	1,525,804
Balance at end of period	8,514,018	6,597,580	42,595,295	(1,899,288)	55,807,605

	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	6,526,875	3,223,620	407,855	10,158,350	9,577,176	74,017,327
Changes during period						
Dividends of surplus						(1,870,498)
Profit attributable to owners of parent						7,370,551
Purchase of treasury shares						(4,019,751)
Disposal of treasury shares						57,274
Cancellation of treasury shares						-
Other						(11,770)
Net changes in items other than shareholders' equity	(2,911,233)	1,789,448	24,029	(1,097,756)	1,334,732	236,976
Total changes during period	(2,911,233)	1,789,448	24,029	(1,097,756)	1,334,732	1,762,781
Balance at end of period	3,615,641	5,013,068	431,884	9,060,594	10,911,908	75,780,109

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	11,300,775	12,029,480
Depreciation	3,777,888	4,087,543
Impairment losses	120,371	–
Amortization of goodwill	1,455	4,365
Increase (decrease) in provision for bonuses	269,022	7,303
Increase (decrease) in provision for bonuses for directors (and other officers)	23,871	62
Increase (decrease) in allowance for doubtful accounts	(604)	6,018
Increase (decrease) in retirement benefit liability	(72,589)	34,711
Increase (decrease) in provision for share awards for directors (and other officers)	46,147	27,625
Interest and dividend income	(375,214)	(324,008)
Interest expenses	268,429	300,425
Loss (gain) on sale of investment securities	(1,885,286)	(1,592,270)
Loss (gain) on sale of property, plant and equipment	(15,329)	(2,508)
Loss on retirement of non-current assets	24,376	164,714
Decrease (increase) in trade receivables	(797,019)	4,131,130
Decrease (increase) in inventories	67,848	(1,321,548)
Increase (decrease) in trade payables	(381,609)	(1,731,482)
Increase (decrease) in accrued consumption taxes	217,697	26,800
Other, net	41,617	(720,683)
Subtotal	12,631,846	15,127,678
Interest and dividends received	375,222	324,033
Interest paid	(283,191)	(287,484)
Income taxes paid	(1,970,147)	(3,616,329)
Net cash provided by (used in) operating activities	10,753,729	11,547,898
Cash flows from investing activities		
Payments into time deposits	(24,156)	(22,158)
Proceeds from withdrawal of time deposits	24,156	24,156
Purchase of property, plant and equipment	(4,037,270)	(4,298,605)
Proceeds from sale of property, plant and equipment	22,659	7,240
Purchase of intangible assets	(211,490)	(481,447)
Purchase of investment securities	(11,559)	–
Proceeds from sale of investment securities	2,587,075	1,801,357
Proceeds from collection of loans receivable	521	422
Other, net	(18,731)	(183,688)
Net cash provided by (used in) investing activities	(1,668,795)	(3,152,721)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(230,505)	879,060
Proceeds from long-term borrowings	–	681,615
Repayments of long-term borrowings	(584,329)	(616,628)
Repayments of lease liabilities	(23,936)	(27,106)
Purchase of treasury shares	(7,000,249)	(4,019,751)
Dividends paid	(1,793,165)	(1,867,339)
Dividends paid to non-controlling interests	(1,487,957)	(1,542,716)
Net cash provided by (used in) financing activities	(11,120,144)	(6,512,866)
Effect of exchange rate change on cash and cash equivalents	432,649	713,052
Net increase (decrease) in cash and cash equivalents	(1,602,560)	2,595,363
Cash and cash equivalents at beginning of period	23,454,955	21,852,394
Cash and cash equivalents at end of period	21,852,394	24,447,758

(5) Notes to Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

(Significant Matters in Preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 16 as of March 31, 2025

All the subsidiaries have been included in the scope of consolidation.

(2) The Company has no unconsolidated subsidiaries.

2. Application of equity method

The Company has no associates.

3. Fiscal year-end of consolidated subsidiaries

The consolidated subsidiaries whose balance sheet date is different from the consolidated balance sheet date are as follows:

<u>Company name</u>	<u>Balance sheet date</u>
RIKEN CABLE TECHNOLOGY CO., LTD.	December 31 *1
KYOEI PLASTIC MFG CO., LTD.	December 31 *1
RIKEN CHEMICAL PRODUCTS CORPORATION	December 31 *1
I.M.I Co., Ltd.	December 31 *1
RIKEN (THAILAND) CO., LTD.	December 31 *1
RIKEN ELASTOMERS (THAILAND) CO., LTD.	December 31 *1
PT. RIKEN INDONESIA	December 31 *1
SHANGHAI RIKEN TECHNOS CORPORATION	December 31 *1
RIKEN TECHNOS (JIANG SU) CORPORATION	December 31 *1
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	December 31 *1
RIKEN VIETNAM CO., LTD.	December 31 *1
RIKEN TECHNOS INDIA PVT. LTD.	December 31 *1
RIKEN U.S.A. CORPORATION	December 31 *1
RIKEN AMERICAS CORPORATION	December 31 *1
RIMTEC CORPORATION	December 31 *1
RIKEN ELASTOMERS CORPORATION	December 31 *1

*1. The financial statements as of the balance sheet date of the consolidated subsidiaries are used. However, for major transactions that occurred between that date and the consolidated balance sheet date, the necessary adjustments are made in the consolidated financial statements.

4. Accounting policies

(1) Valuation methods for significant assets

i) Securities

a. Held-to-maturity bonds

Stated at amortized cost (straight-line method).

b. Available-for-sale securities

Securities other than shares, etc. without market prices

Stated at fair value.

(Unrealized gains and losses, net of applicable taxes, are reported in a separate component of net assets, and costs of securities sold are determined by the moving-average method.)

Shares, etc. without market prices

Stated at cost determined by the moving-average method.

ii) Inventories

Inventories of the Company and domestic consolidated subsidiaries are mainly stated at cost determined by the moving-average method (the carrying amounts in the consolidated balance sheets are written

down due to a decline in profitability). Inventories of overseas consolidated subsidiaries are mainly stated at the lower of cost or market, determined by the average method.

iii) Derivatives

Stated at fair value.

(2) Depreciation and amortization of significant assets

i) Property, plant and equipment (excluding leased assets)

The Company and domestic consolidated subsidiaries mainly apply the declining-balance method. However, buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated by the straight-line method. Overseas consolidated subsidiaries apply the straight-line method.

The estimated useful lives of major items are as follows:

Buildings and structures	3 to 47 years
Machinery, equipment and vehicles	4 to 10 years

ii) Intangible assets (excluding leased assets)

The Company and domestic consolidated subsidiaries apply the straight-line method.

Internal use software is amortized by the straight-line method over its estimated useful life as internally determined (five years).

iii) Leased assets

The Company and domestic consolidated subsidiaries apply the straight-line method assuming the lease periods as useful lives with no residual value.

(3) Significant allowances

i) Allowance for doubtful accounts

To cover losses from bad debts for notes and accounts receivable - trade, loans receivable and others, an allowance for doubtful accounts is provided based on historical experience of bad debts for general receivables. For specific receivables, such as highly doubtful receivables, the collectibility is individually considered and the estimated amount of uncollectible accounts is provided as the allowance.

ii) Provision for bonuses

To cover bonus payments to employees, a provision for bonuses is provided in the amount to be paid for services rendered by employees during the fiscal year based mainly on the estimated amount of future bonus payment.

iii) Provision for bonuses for directors (and other officers)

To cover bonus payments to Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers, the Company records a provision for bonuses for directors (and other officers) in the amount of the portion applicable to the fiscal year, based on the estimated amount of future bonus payment.

iv) Provision for share awards for directors (and other officers)

To cover provision of shares in the Company to Directors and Executive Officers, the Company records a provision for executive officer incentive plan trust based on the estimated amount of share provision obligations as of the end of the current fiscal year.

(4) Method of recognizing retirement benefits

i) Method of attributing estimated retirement benefits to periods

For the purpose of attributing estimated retirement benefits to periods up to the end of the current fiscal year in the calculation of retirement benefit obligations, the benefit formula method is applied.

ii) Method of amortizing actuarial differences and past service cost

Past service cost is amortized by the straight-line method over a certain term within the average remaining service period of the eligible employees (13 years).

With regard to actuarial differences, the amount is amortized by the straight-line method over a certain term within the average remaining service period of the eligible employees (13 years) for each

applicable fiscal year, and expensed from the year following the year in which the gain or loss is recognized.

iii) Method of accounting for unrecognized actuarial differences and unrecognized past service cost

Unrecognized actuarial differences and unrecognized past service cost are recognized in remeasurements of defined benefit plans under accumulated other comprehensive income in net assets after adjusting for tax effects.

iv) Application of simplified accounting method at small companies

Some consolidated subsidiaries apply a simplified accounting method in which the retirement benefit liability and retirement benefit expenses are calculated by using a method in which the amount of retirement benefits to be paid in cases where all eligible employees retired at the fiscal year-end date is regarded as retirement benefit obligations.

(5) Significant standards for the recognition of revenue and expenses

Revenue from the sale of products and merchandise arises mainly from the manufacture and sale of compound products, film products and food packaging products, and the sale of merchandise. The Company or its consolidated subsidiary assumes performance obligations to deliver these products or merchandise in accordance with sales contracts with customers. The Company or its consolidated subsidiary considers that these performance obligations are fulfilled at the time of delivery, when the customer gains control over the product or merchandise, and revenue is recognized at this time. However, revenue from sales within Japan is recognized at the time of shipment. For export sales, the Company considers that its performance obligations are fulfilled when the products arrive at the place agreed upon with the customer, and revenue is recognized at that time.

Furthermore, with regard to transactions in which the Company or its consolidated subsidiary is considered to act in the capacity of an agent, the net amount receivable in exchange for merchandise provided by the third-party supplier, after deducting the amount payable to the third-party supplier, is recognized as revenue.

(6) Significant hedge accounting

i) Hedge accounting

For foreign currency-denominated monetary receivables and payables and others that have been hedged by forward exchange contracts, the allocation method is used. For interest rate swap contracts, the Company and its domestic consolidated subsidiaries apply the method in which the amount paid or received under the swap contract is added to or deducted from the interest on the hedged assets and liabilities (the exceptional accrual method), in cases where the requirements for the method are satisfied.

ii) Hedging instruments and hedged items

• Hedging instruments

Forward exchange contracts and interest rate swap contracts

• Hedged items

Foreign currency-denominated accounts receivable - trade and accounts payable - trade related to exports and imports of merchandise and finished goods, and interest on borrowings

iii) Hedging policy

Forward exchange contracts are only used within the scope of actual need in order to hedge the risk of fluctuations in foreign exchange rates. Interest rate swap contracts are used to hedge the interest rate fluctuation risk. Entering into derivative transactions for trading or speculative purposes is prohibited.

iv) Assessment of hedge effectiveness

An assessment of hedge effectiveness is omitted for forward exchange contracts to which the allocation method is applied and interest rate swap contracts that satisfy the requirements for the exceptional accrual method.

(Changes in Accounting Policies)

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

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and other standards from the beginning of the fiscal year under review.

Regarding the revisions to the categories in which to record income taxes (taxation on other comprehensive income), the Company follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, with regard to revisions related to the treatment in consolidated financial statements of gains or losses arising from the sale of subsidiary shares, etc. between consolidated companies when they are deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year under review. This change in accounting policies applies retroactively, and it has applied retroactively to the consolidated financial statements for the previous fiscal year. It has no impact on the consolidated financial statements for the previous fiscal year.

(Additional Information)

(Transactions of delivering the Company’s own stock to employees etc. through trusts)

(1) Board Benefit Trust (BBT)

In accordance with the resolution at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced a new stock-based compensation plan “Board Benefit Trust (BBT)” on September 14, 2016, for the purpose of raising awareness of Directors who execute business (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers toward their contributions to improving the mid- to long-term corporate performance and increasing the corporate value as well as making Directors who do not execute business (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members contribute to increasing the mid- to long-term corporate value through supervision or audit.

i) Overview of transactions

Based on the officers’ stock benefit plan which was established in advance, the Group grant points to Directors, etc. (Directors and Executive Officers). At the time of their retirement, the Group provides shares in the Company to the Directors, etc. who satisfy requirements for beneficiaries in proportion to the points which the Group has granted to them. With regard to the shares which will be provided to Directors etc. in the future, a trust bank acquires the Company’s treasury shares through third-party allotment by using the money contributed by the Company. Such shares are managed as trust assets separately.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 270,072 thousand yen and 587 thousand shares, respectively, while those as of the end of the fiscal year under review were 254,361 thousand yen and 553 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(2) Stock Benefit Trust (Employee Stockholding Association Purchase-type)

For the purpose of promoting welfare benefits for employees and giving incentives pertaining to the improvement of corporate value of the Company, the Company introduced “Stock Benefit Trust (Employee Stockholding Association Purchase-type)” (hereinafter referred to as the “Plan”), pursuant to the resolution at the Board of Directors meeting held on February 22, 2021.

i) Overview of transactions

The Plan is an incentive plan under which the benefits of a rise in the Company’s stock price are passed along to all the employees who are members of the “RIKEN TECHNOS Employee Stockholding Association” (hereinafter referred to as the “Stockholding Association”).

A trust bank as the trustee of the Plan acquires shares in the Company that are expected to be acquired by the Stockholding Association over the five years after the establishment of the trust, in advance, and sells those shares in the Company to the Stockholding Association as needed when it acquires the shares. If the amount equivalent to gain on sales of shares by the trust bank was accumulated in trust assets by the termination of this trust through the sale of shares to the Stockholding Association, the accumulated amount is distributed as residual assets to the members of the Company’s employee Stockholding Association who satisfy eligibility requirements for beneficiaries. The Company has guaranteed loans that the trust bank received to acquire shares in the Company. Therefore, if there is remaining loan amount that is equivalent to loss on sales of shares in the Company due to a decline in the Company’s stock price at the time of termination of the trust, the Company is required to pay the remaining loan amount under the guarantee agreement.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 94,804 thousand yen and 185 thousand shares, respectively, while those as of the end of the fiscal year under review were 53,241 thousand yen and 104 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(3) Employee Stock Benefit Trust (J-ESOP)

For the purpose of boosting morale and motivating employees to improve the Company's stock price and business performance by increasing the linkage between the Company's stock price and business performance with the compensation of employees, the Company introduced "Employee Stock Benefit Trust (J-ESOP)" (hereinafter referred to as the "Plan"), pursuant to the resolution at the Board of Directors meeting held on February 25, 2025.

i) Overview of transactions

The Plan is a trust-type plan based on the Employee Stock Ownership Plan (ESOP) in the U.S., and is designed to provide employees of the Company who meet certain requirements with the Company's shares and money equivalent to the amount of the Company's shares converted to market value (hereinafter referred to as the "Company's shares, etc.") based on the Stock benefit Regulations established by the Company in advance.

The Company grants points to employees in accordance with the Company's performance and their individual contributions, etc., and when they acquire the right to receive benefits under certain conditions, the Company provides them with the Company's shares, etc., equivalent to the points granted. Shares to be provided to employees in the future are acquired with money set up in advance in a trust and are segregated and managed as trust assets.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the fiscal year under review were 199,652 thousand yen and 179 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(Notes to Consolidated Balance Sheets)

*1. Overdraft agreements and unused overdraft facility balance

To flexibly secure working capital, the Company and its domestic consolidated subsidiaries have entered into overdraft agreements with banks with which they do business.

The unused balance of these prescribed limit agreements at the end of the period under review is as follows:

	(Thousands of yen)	
	As of March 31, 2024	As of March 31, 2025
Total overdraft facility limit	9,130,000	8,980,000
Outstanding borrowings within the limit	3,765,000	3,815,000
Unused balance	5,365,000	5,165,000

(Segment Information and Others)

[Segment information]

1. Summary of reportable segments

(1) Method of determining reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and that are evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

The Company has business units primarily by market at the head office. Each business unit supervises and plans its own domestic and overseas strategies by market and conducts global business activities.

Accordingly, the Group has classified the reportable segments based on markets and has four reportable segments, "transportation," "daily life & healthcare," "electronics," and "building & construction."

(2) The name, abbreviation, and main markets of each respective reportable segment

The name, abbreviation, and main markets of each respective reportable segment are as follows:

Transportation (TR): automobile, railroad, and shipping markets, etc.

Daily Life & Healthcare (DH): healthcare, materials for daily life, and food packaging markets, etc.

Electronics (EL): energy, communications, and IT equipment markets, etc.

Building & Construction (BC): housing, buildings, construction materials, and civil engineering markets

(Note) The terms in parentheses are abbreviations for the reportable segments.

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

Accounting policies of reported business segments are mostly consistent with those disclosed in "Significant Matters in Preparing Consolidated Financial Statements."

Segment profit is calculated on an operating profit basis.

Intersegment sales and transfers are based on actual market prices.

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

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
Revenue generated from contracts with customers	40,004,145	34,055,970	25,022,093	26,601,003	125,683,212	55,903	125,739,116	—	125,739,116
Sales to external customers	40,004,145	34,055,970	25,022,093	26,601,003	125,683,212	55,903	125,739,116	—	125,739,116
Intersegment sales or transfers	—	—	—	—	—	952,303	952,303	(952,303)	—
Total	40,004,145	34,055,970	25,022,093	26,601,003	125,683,212	1,008,207	126,691,420	(952,303)	125,739,116
Segment profit	3,647,389	2,735,531	1,262,681	1,055,320	8,700,922	77,765	8,778,688	(3,194)	8,775,493
Segment assets	11,218,375	11,199,667	12,327,577	8,109,657	42,855,277	450,227	43,305,505	72,345,252	115,650,757
Others									
Depreciation	1,473,536	645,943	825,242	832,454	3,777,177	710	3,777,888	—	3,777,888
Amortization of goodwill	—	—	—	1,455	1,455	—	1,455	—	1,455
Impairment loss	—	—	—	—	—	—	—	120,371	120,371
Increase in property, plant and equipment and intangible assets	—	271,495	34,632	—	306,127	—	306,127	3,826,271	4,132,399

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.

2. The adjustment to segment profit represents negative 3,194 thousand yen in inter-segment eliminations.

The adjustment to segment assets represents – thousand yen in inter-segment eliminations and 72,345,252 thousand yen in corporate assets. The corporate assets mainly include funds to manage surplus assets (cash and deposits), long-term investment funds (investment securities) and assets related to the administration division.

3. Segment profit is adjusted to operating profit in the consolidated statements of income.

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

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
Revenue generated from contracts with customers	41,120,587	36,809,056	24,689,147	25,450,816	128,069,607	71,536	128,141,144	—	128,141,144
Sales to external customers	41,120,587	36,809,056	24,689,147	25,450,816	128,069,607	71,536	128,141,144	—	128,141,144
Intersegment sales or transfers	—	—	—	—	—	1,364,883	1,364,883	(1,364,883)	—
Total	41,120,587	36,809,056	24,689,147	25,450,816	128,069,607	1,436,420	129,506,028	(1,364,883)	128,141,144
Segment profit	4,869,803	3,522,377	978,295	1,011,652	10,382,129	217,308	10,599,438	(110,928)	10,488,509
Segment assets	10,466,771	12,687,692	10,237,889	7,391,858	40,784,211	362,017	41,146,228	75,323,130	116,469,358
Others									
Depreciation	1,568,848	795,596	892,137	830,885	4,087,466	76	4,087,543	—	4,087,543
Amortization of goodwill	—	—	—	4,365	4,365	—	4,365	—	4,365
Impairment loss	—	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	—	444,197	12,366	—	456,563	—	456,563	4,450,295	4,906,859

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.

2. The adjustment to segment profit represents negative 110,928 thousand yen in inter-segment eliminations.

The adjustment to segment assets represents – thousand yen in inter-segment eliminations and 75,323,130 thousand yen in corporate assets. The corporate assets mainly include funds to manage surplus assets (cash and deposits), long-term investment funds (investment securities) and assets related to the administration division.

3. Segment profit is adjusted to operating profit in the consolidated statements of income.

[Related Information]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product and service

(Thousands of yen)

	TR	DH	EL	BC	Other	Total
Sales to external customers	40,004,145	34,055,970	25,022,093	26,601,003	55,903	125,739,116

2. Information by geographical area

(1) Net sales

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
63,059,343	14,419,888	16,114,552	8,497,469	47,626	23,600,236	125,739,116

(Note) Net sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
13,659,468	4,290,145	5,892,846	1,505,200	–	3,127,469	28,475,130

3. Information by major customer

This information has been omitted as there is no major external customer that accounts for 10% or more of the net sales recorded on the consolidated statements of income.

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

1. Information by product and service

(Thousands of yen)

	TR	DH	EL	BC	Other	Total
Sales to external customers	41,120,587	36,809,056	24,689,147	25,450,816	71,536	128,141,144

2. Information by geographical area

(1) Net sales

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
62,899,836	15,457,486	16,073,725	8,631,725	72,338	25,006,031	128,141,144

(Note) Net sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
13,659,328	4,626,892	6,720,145	1,637,037	–	3,939,631	30,583,035

3. Information by major customer

This information has been omitted as there is no major external customer that accounts for 10% or more of the net sales recorded on the consolidated statements of income.

[Information about Impairment Loss on Non-current Assets by Reportable Segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

This information has been omitted as identical information is disclosed in segment information.

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

Not applicable.

[Information about Amortization of Goodwill and Balance of Unamortized Goodwill by Reportable Segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segment					Other	Total	Adjustment	Amount recorded on the consolidated financial statements
	TR	DH	EL	BC	Total				
Balance as of March 31, 2024	-	-	-	4,365	4,365	-	4,365	-	4,365

(Note) Amortization of goodwill has been omitted, as identical information is disclosed in segment information.

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

Amortization of goodwill has been omitted as identical information is disclosed in segment information. In addition, there is no balance of unamortized goodwill for the current fiscal year.

[Information about Gain on Bargain Purchase by Reportable Segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

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

Not applicable.

(Per Share Information)

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,171.61	1,267.50
Basic earnings per share	114.24	137.67

(Notes) 1. Diluted earnings per share is not presented because there are no potential shares.

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (Thousands of yen)	6,880,230	7,370,551
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent regarding common stock (Thousands of yen)	6,880,230	7,370,551
Average number of shares of common stock outstanding during the period (Shares)	60,227,620	53,538,506

(Note) Shares in the Company held by Trust E Account are deducted from average number of shares of common stock outstanding during the period used for calculating basic earnings per share because they are recognized as treasury shares in consolidated financial statements.

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

	As of March 31, 2024	As of March 31, 2025
Total net assets (Thousands of yen)	74,017,327	75,780,109
Deduction from total net assets (Thousands of yen)	9,577,176	10,911,908
[Of the above, non-controlling interests (Thousands of yen)]	[9,577,176]	[10,911,908]
Net assets related to common stock (Thousands of yen)	64,440,151	64,868,200
Number of treasury shares of common stock (Shares)	773,800	2,097,067
Number of shares of common stock outstanding used for calculation of net assets per share (Shares)	55,001,307	51,177,952

(Note) Shares in the Company held by Trust E Account are deducted from average number of shares of common stock outstanding during the period used for calculating net assets per share because they are recognized as treasury shares in consolidated financial statements.

(Significant Subsequent Events)

Not applicable.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	15,059,216	16,540,001
Notes receivable - trade	604,745	494,833
Accounts receivable - trade	16,618,839	14,397,016
Electronically recorded monetary claims - operating	5,227,934	4,816,601
Merchandise and finished goods	5,597,423	5,720,816
Work in process	760,913	831,601
Raw materials and supplies	2,069,290	2,238,553
Prepaid expenses	227,341	196,015
Short-term loans receivable	318	216
Other	892,893	1,171,658
Allowance for doubtful accounts	(82,000)	(85,868)
Total current assets	46,976,916	46,321,446
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,402,208	4,241,429
Machinery, equipment	3,062,271	2,972,831
Vehicles	22,860	31,256
Tools, furniture and fixtures	558,896	584,585
Land	4,659,551	4,659,551
Leased assets	6,983	8,082
Construction in progress	40,346	209,958
Total property, plant and equipment	12,753,117	12,707,695
Intangible assets		
Software	675,868	599,763
Other	14,447	14,447
Total intangible assets	690,316	614,210
Investments and other assets		
Investment securities	10,484,263	6,171,207
Shares of subsidiaries and associates	4,548,885	4,548,885
Investments in capital of subsidiaries and associates	1,715,213	1,715,213
Long-term loans receivable from employees	432	216
Prepaid pension costs	920,399	1,040,410
Other	407,780	338,324
Allowance for doubtful accounts	(2,399)	(4,549)
Total investments and other assets	18,074,574	13,809,707
Total non-current assets	31,518,007	27,131,613
Total assets	78,494,923	73,453,059

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	14,866,509	13,603,959
Electronically recorded obligations - operating	155,619	256,737
Electronically recorded obligations - non-operating	90,630	29,685
Short-term borrowings	2,950,000	2,950,000
Lease liabilities	2,944	3,750
Accounts payable - other	382,360	254,658
Accrued expenses	886,600	838,913
Income taxes payable	1,387,073	588,727
Provision for bonuses	917,329	956,532
Provision for bonuses for directors (and other officers)	116,592	116,654
Other	224,766	269,585
Total current liabilities	21,980,426	19,869,203
Non-current liabilities		
Long-term borrowings	80,498	–
Lease liabilities	4,731	5,283
Long-term income taxes payable	–	30,000
Deferred tax liabilities	1,639,708	565,578
Provision for share awards for directors (and other officers)	246,935	274,560
Provision for retirement benefits	237,331	138,300
Asset retirement obligations	332,281	337,301
Other	–	76,289
Total non-current liabilities	2,541,486	1,427,315
Total liabilities	24,521,912	21,296,519
Net assets		
Shareholders' equity		
Share capital	8,514,018	8,514,018
Capital surplus		
Legal capital surplus	6,532,977	6,532,977
Total capital surplus	6,532,977	6,532,977
Retained earnings		
Legal retained earnings	1,107,369	1,107,369
Other retained earnings		
General reserve	12,000,000	12,000,000
Retained earnings brought forward	19,663,313	22,290,899
Total retained earnings	32,770,683	35,398,268
Treasury shares	(364,877)	(1,899,288)
Total shareholders' equity	47,452,802	48,545,976
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,520,209	3,610,563
Total valuation and translation adjustments	6,520,209	3,610,563
Total net assets	53,973,011	52,156,540
Total liabilities and net assets	78,494,923	73,453,059

(2) Non-Consolidated Statements of Income

Non-Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	61,031,409	62,325,106
Cost of sales	48,905,084	49,183,431
Gross profit	12,126,324	13,141,675
Selling, general and administrative expenses	8,077,572	8,432,021
Operating profit	4,048,752	4,709,654
Non-operating income		
Interest and dividend income	2,153,921	2,534,916
Foreign exchange gains	465,784	–
Other	121,124	134,113
Total non-operating income	2,740,831	2,669,030
Non-operating expenses		
Interest expenses	17,483	26,328
Foreign exchange losses	–	53,811
Depreciation of assets for rent	30,571	31,455
Other	32,112	22,005
Total non-operating expenses	80,167	133,601
Ordinary profit	6,709,415	7,245,082
Extraordinary income		
Gain on sale of non-current assets	2,981	1,649
Gain on sale of investment securities	1,886,468	1,592,270
Gain on extinguishment of tie-in shares	43,339	–
Other	–	11,947
Total extraordinary income	1,932,789	1,605,867
Extraordinary losses		
Loss on sale and retirement of non-current assets	21,299	157,341
Impairment losses	120,371	–
Total extraordinary losses	141,670	157,341
Profit before income taxes	8,500,534	8,693,608
Income taxes - current	1,933,261	1,647,264
Income taxes - deferred	(73,446)	120,193
Total income taxes	1,859,814	1,767,457
Profit	6,640,720	6,926,150

(3) Non-Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings
					General reserve
Balance at beginning of period	8,514,018	6,532,977	6,532,977	1,107,369	12,000,000
Changes during period					
Dividends of surplus					
Profit					
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	—	—	—
Balance at end of period	8,514,018	6,532,977	6,532,977	1,107,369	12,000,000

	Shareholders' equity				Valuation and translation adjustments		Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings	Total retained earnings					
	Retained earnings brought forward						
Balance at beginning of period	21,818,180	34,925,549	(406,095)	49,566,451	4,902,924	4,902,924	54,469,375
Changes during period							
Dividends of surplus	(1,795,173)	(1,795,173)		(1,795,173)			(1,795,173)
Profit	6,640,720	6,640,720		6,640,720			6,640,720
Purchase of treasury shares			(7,000,249)	(7,000,249)			(7,000,249)
Disposal of treasury shares			41,053	41,053			41,053
Cancellation of treasury shares	(7,000,413)	(7,000,413)	7,000,413	—			—
Net changes in items other than shareholders' equity					1,617,284	1,617,284	1,617,284
Total changes during period	(2,154,866)	(2,154,866)	41,217	(2,113,649)	1,617,284	1,617,284	(496,364)
Balance at end of period	19,663,313	32,770,683	(364,877)	47,452,802	6,520,209	6,520,209	53,973,011

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

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings
					General reserve
Balance at beginning of period	8,514,018	6,532,977	6,532,977	1,107,369	12,000,000
Changes during period					
Dividends of surplus					
Profit					
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	—	—	—
Balance at end of period	8,514,018	6,532,977	6,532,977	1,107,369	12,000,000

	Shareholders' equity				Valuation and translation adjustments		Total Net assets
	Retained earnings		Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings	Total retained earnings					
	Retained earnings brought forward						
Balance at beginning of period	19,663,313	32,770,683	(364,877)	47,452,802	6,520,209	6,520,209	53,973,011
Changes during period							
Dividends of surplus	(1,870,498)	(1,870,498)		(1,870,498)			(1,870,498)
Profit	6,926,150	6,926,150		6,926,150			6,926,150
Purchase of treasury shares			(4,019,751)	(4,019,751)			(4,019,751)
Disposal of treasury shares			57,274	57,274			57,274
Cancellation of treasury shares	(2,428,066)	(2,428,066)	2,428,066	—			—
Net changes in items other than shareholders' equity					(2,909,645)	(2,909,645)	(2,909,645)
Total changes during period	2,627,585	2,627,585	(1,534,410)	1,093,174	(2,909,645)	(2,909,645)	(1,816,471)
Balance at end of period	22,290,899	35,398,268	(1,899,288)	48,545,976	3,610,563	3,610,563	52,156,540

(4) Notes to Non-Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.