

(Translation)

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Consolidated Financial Results FY2024 (Apr. 1, 2024 – Mar. 31, 2025) [Japanese GAAP]



May 13, 2025

Company name: JAPAN MATERIAL Co., Ltd.
Stock exchange listing: Tokyo and Nagoya Stock Exchanges in Japan
Stock code: 6055
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Scheduled Ordinary General Meeting of Shareholders: June 25, 2025
Scheduled payment date of cash dividends: June 26, 2025
Scheduled filing date of Annual Securities Report: June 24, 2025
Preparation of supplemental material for financial results: None
IR briefing: Yes (for institutional investors and securities analysts in Japanese)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

1.1 Consolidated operating results (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2024	52,678	8.4	11,188	44.2	11,340	37.8	7,872	38.6
FY2023	48,592	4.4	7,759	(30.1)	8,230	(27.2)	5,681	(28.1)

(Note) Comprehensive income: FY2024: ¥8,578 million, 44.7%
FY2023: ¥5,929 million, (27.3%)

	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
FY2024	¥ 76.62	¥ –	% 15.5	% 18.6	% 21.2
FY2023	¥ 55.32	¥ –	% 12.5	% 15.1	% 16.0

(Reference) Share of profit/loss of entities accounted for using equity method: FY2024 ¥51 million
FY2023: (¥8 million)

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2025	¥ million 65,702	¥ million 54,583	% 82.4	¥ 526.79
As of Mar. 31, 2024	¥ million 56,427	¥ million 47,920	% 84.4	¥ 463.37

(Reference) Equity: As of Mar. 31, 2025: ¥54,130 million
As of Mar. 31, 2024: ¥47,605 million

1.3 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
	¥ million	¥ million	¥ million	¥ million
FY2024	14,195	(2,737)	(2,145)	14,945
FY2023	4,227	(5,099)	(2,133)	5,367

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends on equity (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2023	–	0.00	–	20.00	20.00	2,054	36.2	4.5
FY2024	–	0.00	–	24.00	24.00	2,466	31.3	4.8
FY2025 (forecast)	–	0.00	–	27.00	27.00		30.8	

3. Forecast of Consolidated Financial Results for the FY2025 (Apr. 1, 2025 – Mar. 31, 2026)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
1st half	25,000	8.4	5,200	17.5	5,200	21.3	3,500	19.6	34.06
Full-year	57,000	8.2	13,000	16.2	13,000	14.6	9,000	14.3	87.59

* Notes

1. Significant changes in the scope of consolidation during the period: None

Newly added: -

Excluded: -

2. Changes in accounting policies and accounting estimates, and restatements

a. Changes in accounting policies due to revisions in accounting standards, etc.: Yes

b. Changes in accounting policies other than a. above: None

c. Changes in accounting estimates: None

d. Restatements: None

(Note) For details, please refer to page 13 “(Note on Changes in Accounting Policies), 3.5 Notes to Consolidated Financial Statements, 3. Consolidated Financial Statements and Major Notes” of the attached materials.

3. Number of shares issued (ordinary shares)

a. Number of shares issued at the end of the period (including treasury shares)

As of Mar. 31, 2025 105,149,520 shares

As of Mar. 31, 2024 105,149,520 shares

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

As of Mar. 31, 2025 2,394,440 shares

As of Mar. 31, 2024 2,411,340 shares

c. Average number of shares issued and outstanding during the period (cumulative from the beginning of the fiscal year)

FY2024 102,749,880 shares

FY2023 102,700,796 shares

Reference: Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the FY2024 (Apr. 1, 2024 - Mar. 31, 2025)**

1.1 Non-consolidated operating results (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2024	28,822	(8.1)	5,211	24.7	7,855	20.3	5,667	23.2
FY2023	31,347	(0.1)	4,177	(44.1)	6,532	(31.8)	4,599	(32.6)

	Basic earnings per share	Diluted earnings per share
	¥	¥
FY2024	55.16	—
FY2023	44.78	—

1.2 Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of Mar. 31, 2025	49,132	43,407	88.3	422.44
As of Mar. 31, 2024	46,136	39,740	86.1	386.81

(Reference) Equity: As of Mar. 31, 2025: ¥43,407 million

As of Mar. 31, 2024: ¥39,740 million

* This summary of financial results is not subject to review by certified public accountants or an audit firm.

* Notes for proper use of forecasts and other remarks

Forecasts contain forward-looking statements based on estimates made as of the day of release of these materials. Actual results may differ materially depending on a number of factors including but not limited to potential risks and uncertainties. Please refer to page 4 “1.4 Future Outlook, 1. Overview of Operating Results” for forecast assumptions and notes on usage.

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1. Overview of Operating Results

1.1 Operating Results

During the fiscal year ended March 31, 2025 (hereinafter the “current fiscal year”), the Japanese economy remained on a modest recovery trend owing to growing demand from inbound tourists and improvements in the employment and income situation. However, the outlook still remains uncertain due to the unstable overseas situation and the U.S. Trump administration’s tariff policy.

In the industry to which the JAPAN MATERIAL Group (hereinafter the “Group”) belongs, demand related to generative AI remained strong and construction of a new semiconductor plant in Hokkaido was under way, but supply and demand for semiconductors other than generative AI applications remained weak.

Under such circumstances, in the Group’s Electronics business, the performance of the divisions engaged in the manufacture of specialty gas supply equipment and the design and construction of supply piping (hereinafter the “initial divisions”), which are driven by capital investment of customers, remained sluggish due to the slowdown of capital investments at semiconductor plants, the main customers.

Meanwhile, performance of the divisions engaged in the sales and management of specialty gases and the provision of technical services (hereinafter the “operations divisions”), which are driven by production activity, remained strong, led by the sales and management of specialty gases and the maintenance service for semiconductor manufacturing equipment, thanks to an improvement in the operating rates of NAND flash memory plants, the main customers.

Sales of digital signage-related products and products for the broadcasting industry remained brisk for the Graphics Solution business.

In the Solar Power business, we currently operate three solar power plants in Mie Prefecture that are running smoothly.

As a result, net sales for the current fiscal year were ¥52,678 million (up 8.4% year-on-year), with operating profit of ¥11,188 million (up 44.2% year-on-year), ordinary profit of ¥11,340 million (up 37.8% year-on-year), and profit attributable to owners of parent of ¥7,872 million (up 38.6% year-on-year).

Financial results by segments are follows:

1.1.1 Electronics business

In the initial divisions, sales decreased due to the slowdown of capital investments at semiconductor plants, the main customers, despite the continuation of capital investment. However, segment profit increased due to an improved cost ratio as material prices, which had been soaring, stabilized.

In the operations divisions, due to the expansion of the Total Facility Management (TFM) service, one of the Group’s strong features and an improvement in the operating rates of NAND flash memory plants, the main customers, both sales and segment profit increased compared with the previous fiscal year.

As a result, net sales were ¥50,555 million (up 7.7% year-on-year) with segment profit of ¥12,165 million (up 37.7% year-on-year).

* Total Facility Management (TFM) service

The Group is a total solutions group engaged in the infrastructure business relating to the supply of ultrapure water and specialty chemicals, as well as specialty gases, which are vital to the production process in semiconductor and LCD plants. The Group covers a comprehensive range of operations by the initial divisions and the operations divisions. The initial divisions are engaged in the development and manufacture of specialty gas supply equipment and the design and construction of supply piping from the specialty gas supply equipment to customers’ manufacturing equipment. The operations divisions are engaged in the sales and management of specialty gases and the provision of technical services to other relevant business.

1.1.2 Graphics Solution business

Sales and profit remained strong for the Graphics Solution business thanks to the continuation of proactive sales activities primarily for products for digital signage and graphics products such as video processors.

As a result, net sales were ¥1,921 million (up 31.6% year-on-year) with segment profit of ¥364 million (up 46.2% year-on-year)

1.1.3 Solar Power business

We currently operate three solar power plants in Mie Prefecture and sales and profit remained strong.

As a result, net sales were ¥200 million (down 3.4% year-on-year) with segment profit of ¥116 million (down 2.5% year-on-year).

1.2 Financial Position

(Assets)

Total assets at the end of the current fiscal year amounted to ¥65,702 million, up ¥9,275 million from the end of the previous fiscal year. This was mainly due to increases in cash and deposit of ¥10,199 million and buildings and structures of ¥2,378 million which were partially offset by decreases in construction in progress of ¥1,762 million and merchandise and finished goods of ¥1,192 million.

(Liabilities)

Total liabilities at the end of the current fiscal year amounted to ¥11,118 million, up ¥2,612 million from the end of the previous fiscal year. This was mainly due to increases in notes and accounts payable – trade of ¥1,085 million, income taxes payable of ¥1,049 million and accounts payable – other of ¥442 million.

(Net assets)

Total net assets at the end of the current fiscal year amounted to ¥54,583 million, up ¥6,663 million from the end of the previous fiscal year. This was mainly due to an increase in retained earnings of ¥5,922 million due to the recording of profit attributable to owners of parent of ¥7,872 million despite a decrease caused by the dividend payment of ¥2,054 million.

1.3 Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year amounted to ¥14,945 million, up ¥9,578 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥14,149 million, previous fiscal year was ¥4,227 million. The cash inflow factors include profit before income taxes of ¥11,329 million, decrease in inventories of ¥1,443 million, depreciation of ¥1,150 million, increase in trade payables of ¥994 million, decrease in advance payments to suppliers of ¥988 million and decrease in lease receivables and investments in leases of ¥464 million which were partially offset by the cash outflow factors such as income taxes paid of ¥2,518 million and increase in trade receivables of ¥728 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥2,737 million, previous fiscal year was ¥5,099 million. The cash inflow factors include proceeds from withdrawal of time deposits of ¥1,717 million, which were partially offset by the cash outflow factors such as purchase of property, plant and equipment of ¥2,126 million, payments into time deposits of ¥2,255 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,145 million, previous fiscal year was ¥2,133 million. The cash outflows factors include dividends paid of ¥2,054 million.

(Reference) Cash flow indicators

	As of Mar. 31, 2021	As of Mar. 31, 2022	As of Mar. 31, 2023	As of Mar. 31, 2024	As of Mar. 31, 2025
Equity ratio (%)	81.5	81.8	83.0	84.4	82.4
Equity ratio based on fair value (%)	345.1	392.5	461.6	438.6	189.9
Interest-bearing debt to cash flow ratio (%)	12.4	19.6	12.2	12.2	2.5
Interest coverage ratio (times)	1,108.2	698.9	657.7	529.8	2,227.7

Equity ratio: $\text{Equity} / \text{Total assets}$

Equity ratio based on fair value: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payment}$

(Notes) a. Each indicator is calculated using financial figures on a consolidated basis.

b. Market capitalization is calculated based on the number of shares issued and outstanding, excluding treasury shares.

c. The amount of cash flows is equal to net cash provided by operating activities in the consolidated statements of cash flows. The amount of interest-bearing debt is equal to the total amount of liabilities on the consolidated balance sheets that incur interest charges. The amount of interest payment is equal to that of interest paid on the consolidated statements of cash flows.

1.4 Future Outlook

The Japanese economy is expected to remain on a modest recovery trend in response to ongoing improvements in the employment and income situation. However, the economic outlook is expected to remain uncertain due to factors such as continued high prices of resources and materials, rising domestic prices, and the direction of the U.S. administration's tariff policy.

Under such circumstances, demand related to generative AI is expected to remain solid, and semiconductor prices are expected to rise as inventory adjustments in semiconductors are further making headway. As a result, the slackening of semiconductor supply and demand is expected to gradually improve. The Group is striving to develop its business to respond to customer requirements; the initial divisions respond to customers' capital investment and the operations divisions respond to customers' production activities. Accordingly, for the next fiscal year ending March 31, 2026, we expect net sales of ¥57,000 million, up 8.2% year-on-year, operating profit of ¥13,000 million, up 16.2% year-on-year, ordinary profit of ¥13,000 million, up 14.6% year-on-year, and profit attributable to owners of parent of ¥9,000 million, up 14.3% year-on-year.

Outlook by segment is as follows:

1.4.1 Electronics business

In the operations divisions, we will actively recruit engineers, develop and secure them within the Group to meet customer demands, thereby expanding our business areas. We will also strive to differentiate us from our competitors by leveraging the Total Facility Management (TFM) service, which is the Group's strength, and to strengthen our stable revenue base by delivering value higher than our customers expect. In the initial divisions, as we expect our main customers to continue to make capital investment, we will ensure to receive orders from them through proactive sales activities.

1.4.2 Graphics Solution business

We will offer total solutions encompassing the production of product content and the building of systems to a wider range of customers in the digital signage field. We will also strive to increase sales through proactive sales activities, promoting products for digital signage, such as contactless interactive signage, and graphics products, such as video processors.

Under our management philosophy of "Always Safety First", we will continue to contribute to the development of a sustainably society, deepen cooperation with our stakeholders to achieve further growth, and strengthen our environmental, social, and governance initiatives from the perspective of the SDGs.

2. Basic Approach to Selection of Accounting Standards

The Group's policy for the time being is to prepare the consolidated financial statements in accordance with Japanese GAAP, considering the potential to compare the consolidated financial statements between periods and between companies.

The Group will adopt International Financial Reporting Standards (IFRS) in a timely manner, considering the domestic and overseas circumstances.

3. Consolidated Financial Statements and Major Notes

3.1 Consolidated Balance Sheets

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,119	16,318
Notes and accounts receivable - trade, and contract assets	22,630	23,559
Lease receivables and investments in leases	464	257
Merchandise and finished goods	2,936	1,744
Work in process	1,201	1,082
Raw materials and supplies	3,597	3,650
Other	1,542	449
Allowance for doubtful accounts	(82)	(72)
Total current assets	38,409	46,990
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,105	14,058
Accumulated depreciation	(2,453)	(3,028)
Buildings and structures, net	8,651	11,030
Machinery, equipment and vehicles	2,400	2,757
Accumulated depreciation	(1,804)	(1,986)
Machinery, equipment and vehicles, net	595	770
Tools, furniture and fixtures	1,547	1,725
Accumulated depreciation	(1,130)	(1,266)
Tools, furniture and fixtures, net	417	458
Land	2,334	2,509
Leased assets	374	398
Accumulated depreciation	(181)	(278)
Leased assets, net	192	119
Construction in progress	1,912	149
Total property, plant and equipment	14,104	15,038
Intangible assets		
Goodwill	864	818
Customer-related intangible assets	835	807
Technology-related intangible assets	120	120
Other	60	85
Total intangible assets	1,880	1,831
Investments and other assets		
Investment securities	311	413
Lease receivables and investment assets	556	298
Guarantee deposits	116	119
Deferred tax assets	675	824
Other	704	301
Allowance for doubtful accounts	(331)	(114)
Total investments and other assets	2,032	1,842
Total non-current assets	18,018	18,712
Total assets	56,427	65,702

(Yen in millions)

As of March 31, 2024 As of March 31, 2025

Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,686	3,772
Accounts payable - other	733	1,175
Accrued expenses	587	661
Income taxes payable	1,448	2,498
Provision for bonuses	651	968
Other	701	618
Total current liabilities	6,809	9,694
Non-current liabilities		
Lease liabilities	253	105
Retirement benefit liability	961	1,103
Asset retirement obligations	28	31
Other	453	182
Total non-current liabilities	1,697	1,424
Total liabilities	8,506	11,118
Net assets		
Shareholders' equity		
Share capital	1,317	1,317
Capital surplus	1,821	1,849
Retained earnings	44,776	50,698
Treasury shares	(1,017)	(1,010)
Total shareholders' equity	46,897	52,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	69	89
Foreign currency translation adjustment	763	1,307
Remeasurements of defined benefit plans	(124)	(122)
Total accumulated other comprehensive income	707	1,274
Non-controlling interests	315	453
Total net assets	47,920	54,583
Total liabilities and net assets	56,427	65,702

3.2 Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Yen in millions)

	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Net sales	48,592	52,678
Cost of sales	36,572	36,518
Gross profit	12,019	16,160
Selling, general and administrative expenses	4,260	4,971
Operating profit	7,759	11,188
Non-operating income		
Interest income	38	55
Dividend income	6	6
Share of profit of entities accounted for using equity method	—	51
Foreign exchange gains	376	—
Rental income	15	14
Subsidy income	14	13
Management fee income	—	49
Other	41	30
Total non-operating income	492	222
Non-operating expenses		
Interest expenses	7	6
Share of loss of entities accounted for using equity method	8	—
Foreign exchange losses	—	61
Rental expenses on real estate	3	2
Other	2	0
Total non-operating expenses	21	70
Ordinary profit	8,230	11,340
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	165	11
Other	4	—
Total extraordinary losses	169	11
Profit before income taxes	8,060	11,329
Income taxes - current	2,414	3,533
Income taxes - deferred	(62)	(173)
Total income taxes	2,352	3,359
Profit	5,708	7,969
Profit attributable to non-controlling interests	27	97
Profit attributable to owners of parent	5,681	7,872

Consolidated Statements of Comprehensive Income

(Yen in millions)

	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Profit	5,708	7,969
Other comprehensive income		
Valuation difference on available-for-sale securities	61	20
Foreign currency translation adjustment	257	585
Remeasurements of defined benefit plans, net of tax	(98)	2
Total other comprehensive income	220	608
Comprehensive income	5,929	8,578
Comprehensive income attributable to:		
Owners of parent	5,900	8,439
Non-controlling interests	28	138

3.3 Consolidated Statements of Changes in Equity

Previous fiscal year (From Apr. 1, 2023 to Mar. 31, 2024)

(Yen in millions)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	1,317	1,643	41,147	(1,053)	43,054
Changes during period					
Dividends of surplus			(2,053)		(2,053)
Profit attributable to owners of parent			5,681		5,681
Disposal of treasury share		178		36	214
Net changes in items other than shareholders' equity					
Total changes during period	—	178	3,628	36	3,842
Balance at end of period	1,317	1,821	44,776	(1,017)	46,897

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7	505	(26)	487	—	43,541
Changes during period						
Dividends of surplus						(2,053)
Profit attributable to owners of parent						5,681
Disposal of treasury share						214
Net changes in items other than shareholders' equity	61	257	(98)	220	315	535
Total changes during period	61	257	(98)	220	315	4,378
Balance at end of period	69	763	(124)	707	315	47,920

Current fiscal year (From Apr. 1, 2024 to Mar. 31, 2025)

(Yen in millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317	1,821	44,776	(1,017)	46,897
Changes during period					
Dividends of surplus			(2,054)		(2,054)
Profit attributable to owners of parent			7,872		7,872
Disposal of treasury share		28		7	35
Changes in scope of consolidation			104		104
Net changes in items other than shareholders' equity					
Total changes during period	—	28	5,922	7	5,957
Balance at end of period	1,317	1,849	50,698	(1,010)	52,855

	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	69	763	(124)	707	315	47,920
Changes during period						
Dividends of surplus						(2,054)
Profit attributable to owners of parent						7,872
Disposal of treasury share						35
Changes in scope of consolidation						104
Net changes in items other than shareholders' equity	20	544	2	567	138	705
Total changes during period	20	544	2	567	138	6,663
Balance at end of period	89	1,307	(122)	1,274	453	54,583

3.4 Consolidated Statements of Cash Flows

(Yen in millions)

	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Cash flows from operating activities		
Profit before income taxes	8,060	11,329
Depreciation	898	1,150
Amortization of goodwill	54	140
Increase (decrease) in allowance for doubtful accounts	(39)	(18)
Increase (decrease) in provision for bonuses	11	314
Increase (decrease) in retirement benefit liability	111	143
Interest and dividend income	(44)	(62)
Interest expenses	7	6
Foreign exchange losses (gains)	(10)	27
Loss (gain) on sale and retirement of non-current assets	164	10
Decrease (increase) in trade receivables	(4,824)	(728)
Decrease (increase) in inventories	465	1,443
Net decrease (increase) in lease receivables and investments in leases	855	464
Decrease (increase) in guarantee deposits	—	2
Increase (decrease) in trade payables	(200)	994
Decrease (increase) in advance payments to suppliers	1,242	988
Other, net	486	450
Subtotal	7,239	16,655
Interest and dividends received	45	64
Interest paid	(7)	(6)
Income taxes paid	(3,049)	(2,518)
Net cash provided by (used in) operating activities	4,227	14,195
Cash flows from investing activities		
Payments into time deposits	(2,427)	(2,255)
Proceeds from withdrawal of time deposits	3,314	1,717
Purchase of property, plant and equipment	(3,855)	(2,126)
Purchase of intangible assets	(22)	(43)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,902)	—
Other, net	(206)	(29)
Net cash provided by (used in) investing activities	(5,099)	(2,737)
Cash flows from financing activities		
Dividends paid	(2,053)	(2,054)
Other, net	(80)	(90)
Net cash provided by (used in) financing activities	(2,133)	(2,145)
Effect of exchange rate change on cash and cash equivalents	85	94
Net increase (decrease) in cash and cash equivalents	(2,920)	9,407
Cash and cash equivalents at beginning of period	8,287	5,367
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	170
Cash and cash equivalents at end of period	5,367	14,945

3.5 Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Note on 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 regulations from the beginning of the fiscal year.

Regarding the amendments on the classification of income taxes, etc. (taxation on other comprehensive income), the Company complies with the transitional treatments specified in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and 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 policy has no impact on the consolidated financial statements.

Furthermore, regarding the amendments related to the review of the treatment in the consolidated financial statements for the deferral of tax on gains and losses arising from the sale of shares of subsidiaries within the group, the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year has been restated accordingly. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Segment Information, etc.)

[Segment Information]

3.5.1 Overview of reportable segments

a. Decision procedures for reportable segments

The Group’s reportable segments are the business units for which the Group is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine the distribution of management resources and evaluate their business results.

The Group has business divisions categorized by the sale of products and by the type of services, develops comprehensive strategies to market products and services in Japan and abroad, and conducts operations based on the strategies.

b. Types of products and services handled in each reportable segment

The Electronics business is mainly engaged in the manufacture of specialty gas supply equipment, the design and construction of supply piping, the sales and management of specialty gases, and the provision of technical services. The Graphics Solution business is mainly engaged in the sale of graphic boards and digital signage products. The Solar Power business is engaged in the sale of solar power generated to electric utilities.

3.5.2 Method of calculating the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for the reportable business segments are methods in accordance with the accounting policies adopted for preparation of the consolidated financial statements.

The amounts of reportable segment profit or loss is based on operating profit or loss. The amounts of inter-segment sales or transfers are determined based on current market prices.

3.5.3 Information on the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Previous fiscal year (From Apr. 1, 2023 to Mar. 31, 2024)

(Yen in millions)

	Reportable segments			Total
	Electronics	Graphics Solution	Solar Power	
Net sales				
To external customers	46,923	1,460	208	48,592
Inter-segment sales or transfers	–	–	–	–
Total	46,923	1,460	208	48,592
Segment profit	8,836	249	118	9,204
Segment assets	51,030	851	767	52,649
Other items				
Depreciation	732	5	62	801
Increase in property, plant and equipment and intangible assets	3,668	0	–	3,668

Current fiscal year (From Apr. 1, 2024 to Mar. 31, 2025)

(Yen in millions)

	Reportable segments			Total
	Electronics	Graphics Solution	Solar Power	
Net sales				
To external customers	50,555	1,921	200	52,678
Inter-segment sales or transfers	–	–	–	–
Total	50,555	1,921	200	52,678
Segment profit	12,165	364	116	12,645
Segment assets	54,016	781	720	55,518
Other items				
Depreciation	976	4	56	1,036
Increase in property, plant and equipment and intangible assets	2,086	4	12	2,102

3.5.4 Differences between total amounts of reportable segments and amounts presented on the consolidated financial statements, and details of the differences (reconciliations)

(Yen in millions)

Net sales	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Reportable segment total	48,592	52,678
Elimination of inter-segment transactions	–	–
Net sales on the consolidated financial statements	48,592	52,678

(Yen in millions)

Profit	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Reportable segment total	9,204	12,645
Corporate expenses (Note)	(1,458)	(1,470)
Other	12	25
Operating profit on the consolidated financial statements	7,759	11,188

(Note) Corporate expenses mainly consist of general and administrative expenses not allocated to any reportable segments.

(Yen in millions)

Assets	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Reportable segment total	52,649	55,518
Corporate assets (Note)	3,777	10,184
Total assets on the consolidated financial statements	56,427	65,702

(Note) Corporate assets mainly consist of the Company's surplus funds (cash and deposits, etc.) and assets related to administrative divisions, which are not allocated to any reportable segments.

(Yen in millions)

Other items	Reportable segment total		Adjustments		Amounts presented on the consolidated financial statements	
	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Depreciation	801	1,036	97	114	898	1,150
Increase in property, plant and equipment and intangible assets	3,668	2,102	340	124	4,009	2,226

(Note) The adjustments of depreciation are the amounts incurred in administrative divisions of the headquarters. The adjustments of increase in property, plant and equipment and intangible assets are the cost of such assets in administrative divisions of the headquarters.

(Summary of Revenue Recognition)

Disaggregation of revenue from contracts with customers
 Previous fiscal year (From Apr. 1, 2023 to Mar. 31, 2024)

(Yen in millions)

	Reportable Segments			Total
	Electronics	Graphics Solution	Solar Power	
Manufacture of specialty gas supply equipment	1,659	–	–	1,659
Design and construction of supply piping	16,296	–	–	16,296
Sales and management of specialty gases	15,092	–	–	15,092
Technical services	12,892	–	–	12,892
Sale of graphic boards	–	1,460	–	1,460
Solar power	–	–	208	208
Other	191	–	–	191
Profit from contracts with customers	46,131	1,460	208	47,800
Other profit	791	–	–	791
Net sales to external customers	46,923	1,460	208	48,592

Current fiscal year (From Apr. 1, 2024 to Mar. 31, 2025)

(Yen in millions)

	Reportable Segments			Total
	Electronics	Graphics Solution	Solar Power	
Manufacture of specialty gas supply equipment	883	–	–	883
Design and construction of supply piping	14,122	–	–	14,122
Sales and management of specialty gases	17,159	–	–	17,159
Technical services	17,895	–	–	17,895
Sale of graphic boards	–	1,921	–	1,921
Solar power	–	–	200	200
Other	193	–	–	193
Profit from contracts with customers	50,254	1,921	200	52,376
Other profit	301	–	–	301
Net sales to external customers	50,555	1,921	200	52,678

(Per-share Information)

	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Net assets per share	463.37 yen	526.79 yen
Basic earnings per share	55.32 yen	76.62 yen

(Notes) a. Diluted earnings per share is not presented because the Company has no potential shares.

b. The basis for calculation of basic earnings per share is as follows:

	From Apr. 1, 2023 to Mar. 31, 2024	From Apr. 1, 2024 to Mar. 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (¥ in millions)	5,681	7,872
Amount not attributable to ordinary shareholders (¥ in millions)	—	—
Profit attributable to ordinary shareholders of parent (¥ in millions)	5,681	7,872
Average number of ordinary shares issued and outstanding during the period (shares)	102,700,796	102,749,880

c. The basis for calculation of net assets per share is as follows:

	As of Mar. 31, 2024	As of Mar. 31, 2025
Total net assets (¥ in millions)	47,920	54,583
Amount deducted from total net assets (¥ in millions)	315	453
(of which non-controlling interests, ¥ in millions)	(315)	(453)
Amount of net assets related to ordinary shares at the end of the period (¥ in millions)	47,605	54,130
Number of ordinary shares used to calculate net assets per share at the end of the period (shares)	102,738,180	102,755,080

(Subsequent Events)

Not applicable.