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

May 15, 2025

Company name: LEC,INC.

Listing: Tokyo Stock Exchange

Securities code: 7874

URL: <https://www.lecinc.co.jp>

Representative: Mitsuo A

Chairperson and President

Inquiries: Hideo Masuda Director, Managing Executive Officer

Telephone: +81-3-3527-21

Scheduled date of annual general meeting of shareholders: June 26, 2025

Scheduled date to commence dividend payments: June 6, 2025

Scheduled date to file annual securities report: June 26, 2025

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|---------------------------|----------|--------------------------|-----------|--------------------------|-----------|---|------------|
| Fiscal year ended March 31, 2025 | Millions of yen 66,304 | % 9.1 | Millions of yen 2,710 | % 66.5 | Millions of yen 3,004 | % 78.1 | Millions of yen 1,729 | % 117.3 |
| March 31, 2024 | 60,783 | 9.6 | 1,628 | 78.7 | 1,687 | 55.9 | 796 | (15.5) |

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|-------------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended March 31, 2025 | Yen 52.82 | Yen 52.35 | % 4.9 | % 3.4 | % 4.1 |
| March 31, 2024 | 22.87 | 22.66 | 2.3 | 1.9 | 2.7 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|-------------------------|---------------------------|---------------------------|------------------------|----------------------|
| As of March 31, 2025 | Millions of yen 89,421 | Millions of yen 36,047 | % 38.5 | Yen 1,060.47 |
| March 31, 2024 | 89,244 | 37,593 | 39.8 | 1,019.74 |

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 4,213 | (10,759) | (251) | 13,708 |
| March 31, 2024 | 5,941 | (2,254) | 2,252 | 20,394 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|------------------|-----------------|-----------------|-----------|-----------|---------------------|-----------------------------|--|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended March 31, 2024 | Yen - | Yen 10.00 | Yen - | Yen 10.00 | Yen 20.00 | Millions of yen 715 | % 87.4 | % 2.0 |
| March 31, 2025 | - | 10.00 | - | 10.00 | 20.00 | 655 | 37.9 | 1.9 |
| Fiscal year ending March 31, 2026 (Forecast) | - | 10.00 | - | 10.00 | 20.00 | | 32.5 | |

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

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|-----|------------------|------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2025 | 35,000 | 7.1 | 1,700 | 38.1 | 1,800 | 14.7 | 1,150 | 2.6 | 35.38 |
| Full year | 70,000 | 5.6 | 3,000 | 10.7 | 3,100 | 3.2 | 2,000 | 15.6 | 61.53 |

* Notes:

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

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

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

| | |
|-----------------|-------------------|
| March 31, 2025: | 38,165,340 shares |
| March 31, 2024: | 38,165,340 shares |

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

| | |
|-----------------|------------------|
| March 31, 2025: | 5,663,492 shares |
| March 31, 2024: | 3,294,292 shares |

3) Average number of shares outstanding during the period:

| | |
|-----------------------------------|-------------------|
| Fiscal Year ended March 31, 2025: | 32,747,222 shares |
| Fiscal Year ended March 31, 2024: | 34,791,753 shares |

(Reference) Overview of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|-------------------------------------|---------------------------|-----------|--------------------------|-----------|--------------------------|-----------|--------------------------|-----------|
| Fiscal year ended March 31, 2025 | Millions of yen 62,671 | % 14.3 | Millions of yen 3,040 | % 46.7 | Millions of yen 3,137 | % 47.3 | Millions of yen 1,714 | % 88.2 |
| March 31, 2024 | 54,835 | 10.4 | 2,073 | 139.1 | 2,129 | 73.4 | 911 | 117.5 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| Fiscal year ended March 31, 2025 | Yen 52.37 | Yen 51.91 |
| March 31, 2024 | 26.18 | 25.94 |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|-------------------------|---------------------------|---------------------------|------------------------|----------------------|
| As of March 31, 2025 | Millions of yen 85,223 | Millions of yen 32,729 | % 38.2 | Yen 1,001.67 |
| March 31, 2024 | 82,624 | 33,994 | 40.9 | 968.95 |

(Reference) Equity: As of March 31, 2025: ¥ 32,556 million
As of March 31, 2024: ¥ 33,788 million

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

* Proper use of earnings forecasts, and other special matters

Business forecasts contained in this report are based on information available to the Company and on a certain assumption the Company considers reasonable on the date of this report's announcement, and it does not constitute the Company's intention to promise the accomplishment of the forecasts. Actual results may differ significantly from such forecasts due to various risks and uncertainties. In addition, the Company has introduced ESOP, and the Company shares owned by ESOP are included in treasury shares.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 33,001 | 29,955 |
| Notes and accounts receivable - trade | 10,686 | 10,904 |
| Securities | 470 | 300 |
| Merchandise and finished goods | 9,457 | 10,024 |
| Work in process | 619 | 654 |
| Raw materials and supplies | 2,317 | 2,054 |
| Other | 907 | 1,557 |
| Allowance for doubtful accounts | (4) | (0) |
| Total current assets | 57,455 | 55,449 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 16,056 | 16,232 |
| Accumulated depreciation | (8,225) | (8,872) |
| Buildings and structures, net | 7,831 | 7,360 |
| Machinery, equipment and vehicles | 15,664 | 15,882 |
| Accumulated depreciation | (9,912) | (11,055) |
| Machinery, equipment and vehicles, net | 5,752 | 4,827 |
| Land | 5,242 | 5,946 |
| Leased assets | 1,934 | 1,803 |
| Accumulated depreciation | (589) | (568) |
| Leased assets, net | 1,344 | 1,234 |
| Construction in progress | 2,036 | 561 |
| Other | 18,101 | 18,772 |
| Accumulated depreciation | (17,012) | (18,021) |
| Other, net | 1,088 | 751 |
| Total property, plant and equipment | 23,296 | 20,681 |
| Intangible assets | | |
| Goodwill | 4 | 2,590 |
| Other | 461 | 339 |
| Total intangible assets | 465 | 2,929 |
| Investments and other assets | | |
| Investment securities | 6,645 | 9,026 |
| Deferred tax assets | 295 | 318 |
| Other | 1,085 | 1,015 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 8,026 | 10,360 |
| Total non-current assets | 31,788 | 33,971 |
| Total assets | 89,244 | 89,421 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 2,242 | 2,634 |
| Short-term borrowings | 400 | - |
| Current portion of long-term borrowings | 5,303 | 4,000 |
| Lease liabilities | 108 | 90 |
| Income taxes payable | 790 | 406 |
| Provision for product warranties | 34 | 5 |
| Provision for bonuses | 404 | 413 |
| Provision for loss on disaster | 35 | 35 |
| Other | 2,792 | 2,192 |
| Total current liabilities | 12,111 | 9,777 |
| Non-current liabilities | | |
| Long-term borrowings | 37,030 | 40,900 |
| Lease liabilities | 1,439 | 1,349 |
| Provision for share awards | 269 | 262 |
| Retirement benefit liability | 312 | 273 |
| Asset retirement obligations | 27 | 27 |
| Deferred tax liabilities | 121 | 458 |
| Other | 338 | 325 |
| Total non-current liabilities | 39,539 | 43,596 |
| Total liabilities | 51,650 | 53,374 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,491 | 5,491 |
| Capital surplus | 7,236 | 7,410 |
| Retained earnings | 21,655 | 22,714 |
| Treasury shares | (1,967) | (5,366) |
| Total shareholders' equity | 32,415 | 30,250 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,425 | 3,384 |
| Deferred gains or losses on hedges | 2 | - |
| Foreign currency translation adjustment | 759 | 877 |
| Remeasurements of defined benefit plans | (43) | (45) |
| Total accumulated other comprehensive income | 3,143 | 4,216 |
| Share acquisition rights | 206 | 173 |
| Non-controlling interests | 1,828 | 1,406 |
| Total net assets | 37,593 | 36,047 |
| Total liabilities and net assets | 89,244 | 89,421 |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Net sales | 60,783 | 66,304 |
| Cost of sales | 44,590 | 48,853 |
| Gross profit | 16,193 | 17,450 |
| Selling, general and administrative expenses | 14,564 | 14,739 |
| Operating profit | 1,628 | 2,710 |
| Non-operating income | | |
| Interest income | 57 | 82 |
| Dividend income | 98 | 126 |
| Foreign exchange gains | - | 109 |
| Outsourcing service income | 59 | 138 |
| Subsidy income | 66 | 27 |
| Other | 147 | 171 |
| Total non-operating income | 429 | 655 |
| Non-operating expenses | | |
| Interest expenses | 204 | 260 |
| Share of loss of entities accounted for using equity method | 56 | 50 |
| Foreign exchange losses | 74 | - |
| Other | 34 | 51 |
| Total non-operating expenses | 370 | 362 |
| Ordinary profit | 1,687 | 3,004 |
| Extraordinary income | | |
| Gain on sale of investment securities | 60 | - |
| Total extraordinary income | 60 | - |
| Extraordinary losses | | |
| Impairment losses | 15 | 271 |
| Loss on retirement of non-current assets | 50 | 127 |
| Loss on valuation of investment securities | - | 211 |
| Loss on sale of shares of subsidiaries and associates | - | 145 |
| Total extraordinary losses | 65 | 756 |
| Profit before income taxes | 1,681 | 2,248 |
| Income taxes - current | 811 | 663 |
| Income taxes - deferred | (114) | (161) |
| Total income taxes | 697 | 501 |
| Profit | 984 | 1,746 |
| Profit attributable to non-controlling interests | 188 | 16 |
| Profit attributable to owners of parent | 796 | 1,729 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Profit | 984 | 1,746 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,052 | 959 |
| Deferred gains or losses on hedges | (250) | (3) |
| Foreign currency translation adjustment | 78 | 117 |
| Remeasurements of defined benefit plans, net of tax | (0) | (1) |
| Total other comprehensive income | 880 | 1,071 |
| Comprehensive income | 1,864 | 2,817 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,676 | 2,802 |
| Comprehensive income attributable to non-controlling interests | 187 | 15 |

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|------------------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges |
| Balance at beginning of period | 5,491 | 7,211 | 21,573 | (2,107) | 32,169 | 1,372 | 252 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | (713) | | (713) | | |
| Profit attributable to owners of parent | | | 796 | | 796 | | |
| Purchase of treasury shares | | | | - | - | | |
| Disposal of treasury shares | | 24 | | 139 | 164 | | |
| Other | | | | | - | | |
| Net changes in items other than shareholders' equity | | | | | | 1,052 | (250) |
| Total changes during period | - | 24 | 82 | 139 | 246 | 1,052 | (250) |
| Balance at end of period | 5,491 | 7,236 | 21,655 | (1,967) | 32,415 | 2,425 | 2 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|---|--|--------------------------|---------------------------|------------------|
| | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 681 | (43) | 2,263 | 206 | 1,640 | 36,279 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (713) |
| Profit attributable to owners of parent | | | | | | 796 |
| Purchase of treasury shares | | | | | | - |
| Disposal of treasury shares | | | | | | 164 |
| Other | | | | | | - |
| Net changes in items other than shareholders' equity | 78 | (0) | 880 | - | 187 | 1,068 |
| Total changes during period | 78 | (0) | 880 | - | 187 | 1,314 |
| Balance at end of period | 759 | (43) | 3,143 | 206 | 1,828 | 37,593 |

For the fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|---|------------------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges |
| Balance at beginning of period | 5,491 | 7,236 | 21,655 | (1,967) | 32,415 | 2,425 | 2 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | (679) | | (679) | | |
| Profit attributable to owners of parent | | | 1,729 | | 1,729 | | |
| Purchase of treasury shares | | | | (4,875) | (4,875) | | |
| Disposal of treasury shares | | 174 | | 1,477 | 1,651 | | |
| Other | | | 8 | | 8 | | |
| Net changes in items other than shareholders' equity | | | | | | 959 | (2) |
| Total changes during period | - | 174 | 1,059 | (3,398) | (2,164) | 959 | (2) |
| Balance at end of period | 5,491 | 7,410 | 22,714 | (5,366) | 30,250 | 3,384 | - |

| | Accumulated other comprehensive income | | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|---|--|--------------------------|---------------------------|------------------|
| | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 759 | (43) | 3,143 | 206 | 1,828 | 37,593 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (679) |
| Profit attributable to owners of parent | | | | | | 1,729 |
| Purchase of treasury shares | | | | | | (4,875) |
| Disposal of treasury shares | | | | | | 1,651 |
| Other | | | | | | 8 |
| Net changes in items other than shareholders' equity | 117 | (1) | 1,072 | (32) | (421) | 617 |
| Total changes during period | 117 | (1) | 1,072 | (32) | (421) | (1,546) |
| Balance at end of period | 877 | (45) | 4,216 | 173 | 1,406 | 36,047 |

Consolidated Statements of Cash Flows

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,681 | 2,248 |
| Depreciation | 4,364 | 3,354 |
| Impairment losses | 15 | 271 |
| Amortization of goodwill | 113 | 214 |
| Share-based payment expenses | 155 | 74 |
| Increase (decrease) in allowance for doubtful accounts | (1) | 0 |
| Increase (decrease) in provision for bonuses | 18 | 18 |
| Increase (decrease) in provision for product warranties | 26 | (29) |
| Increase (decrease) in retirement benefit liability | (49) | (39) |
| Increase (decrease) in provision for share awards | (3) | (6) |
| Interest and dividend income | (155) | (208) |
| Interest expenses | 204 | 260 |
| Foreign exchange losses (gains) | (20) | (94) |
| Loss (gain) on valuation of investment securities | - | 211 |
| Loss (gain) on sale of shares of subsidiaries and associates | - | 145 |
| Decrease (increase) in trade receivables | (959) | (647) |
| Decrease (increase) in inventories | 138 | (618) |
| Decrease (increase) in other current assets | 150 | (381) |
| Increase (decrease) in trade payables | (64) | 749 |
| Increase (decrease) in other current liabilities | 52 | (500) |
| Other, net | 42 | 234 |
| Subtotal | 5,708 | 5,257 |
| Interest and dividends received | 170 | 223 |
| Interest paid | (200) | (271) |
| Income taxes paid | (260) | (1,028) |
| Income taxes refund | 399 | 31 |
| Other, net | 124 | 1 |
| Net cash provided by (used in) operating activities | 5,941 | 4,213 |
| Cash flows from investing activities | | |
| Payments into time deposits | (12,928) | (21,219) |
| Proceeds from withdrawal of time deposits | 12,443 | 17,614 |
| Purchase of property, plant and equipment | (2,736) | (1,489) |
| Purchase of intangible assets | (42) | (23) |
| Proceeds from sale and redemption of short-term and long-term investment securities | 1,800 | 145 |
| Purchase of short-term and long-term investment securities | (800) | (1,516) |
| Payments for acquisition of businesses | - | (3,066) |
| Payments for sale of shares of subsidiaries resulting in change in scope of consolidation | - | (1,237) |
| Other, net | 9 | 35 |
| Net cash provided by (used in) investing activities | (2,254) | (10,759) |

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 2,400 | - |
| Repayments of short-term borrowings | (2,200) | - |
| Proceeds from long-term borrowings | 8,523 | 9,500 |
| Repayments of long-term borrowings | (5,643) | (5,650) |
| Repayments of finance lease liabilities | (113) | (108) |
| Purchase of treasury shares | - | (4,812) |
| Proceeds from disposal of treasury shares | - | 1,499 |
| Dividends paid | (713) | (679) |
| Net cash provided by (used in) financing activities | 2,252 | (251) |
| Effect of exchange rate change on cash and cash equivalents | 49 | 110 |
| Net increase (decrease) in cash and cash equivalents | 5,988 | (6,686) |
| Cash and cash equivalents at beginning of period | 14,405 | 20,394 |
| Cash and cash equivalents at end of period | 20,394 | 13,708 |