

Translation

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**Consolidated Financial Results
for the Year Ended June 30, 2025
(Based on Japanese GAAP)**

August 8, 2025

Company name: MAEDAKOSEN CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Stock code: 7821 URL <https://www.maedakosen.jp/>
Representative: President and COO Takahiro Maeda
Inquiries: Director, Managing Executive Officer Yasuo Saito TEL 0776-51-3535
Scheduled date of ordinary general meeting of shareholders: September 25, 2025
Scheduled date to file Securities Report: September 22, 2025
Scheduled date to commence dividend payments: September 26, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(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 June 30, 2025	64,108	14.8	12,026	12.0	12,259	9.1	9,489	18.9
Fiscal year ended June 30, 2024	55,833	11.2	10,736	26.4	11,236	29.3	7,979	51.8

Note: Comprehensive income For the fiscal year ended June 30, 2025: ¥ 9,274 million [15.0%]
For the fiscal year ended June 30, 2024: ¥ 8,066 million [38.8%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen	%	%	%
Fiscal year ended June 30, 2025	139.93	139.70	14.5	14.7	18.8
Fiscal year ended June 30, 2024	127.29	117.08	15.1	14.5	19.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended June 30, 2025: ¥ (0) million

For the fiscal year ended June 30, 2024: ¥ (0) million

Note: Effective July 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. The "earnings per share" and "diluted earnings per share" are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	86,959	68,446	78.6	1,019.63
As of June 30, 2024	80,243	62,522	77.8	918.48

Reference: Equity

As of June 30, 2025: ¥ 68,381 million

As of June 30, 2024: ¥ 62,454 million

Note: Effective July 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. The "net assets per share" is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of June 30, 2025	13,408	(7,829)	(4,711)	22,260
As of June 30, 2024	12,024	(423)	(5,196)	21,421

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended June 30, 2024	Yen —	Yen 20.00	Yen —	Yen 22.00	Yen 42.00	1,355	16.5	2.6
Fiscal year ended June 30, 2025	—	12.00	—	14.00	26.00	1,755	18.6	2.7
Fiscal year ending June 30, 2026 (Forecast)	—	14.00	—	14.00	28.00		24.7	

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Please refer to the "Notice concerning year-end dividends forecast for the fiscal year ended June 30, 2025" for revisions to the forecast of cash dividends released on August 8, 2025.

Note: Effective July 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. For the fiscal years ended June 30, 2024, the actual dividend amount before the stock split is shown. For the fiscal year ended June 30, 2025 and the forecast for the fiscal year ending June 30, 2026 takes into account the effect of this stock split.

3. Forecast of consolidated financial results for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd quarter	36,200	11.3	6,150	(14.0)	6,150	(14.9)	4,250	(14.0)	63.37
Full year	67,500	5.3	11,000	(8.5)	11,000	(10.3)	7,600	(19.9)	113.32

4. Notes

(1) Changes in significant subsidiaries during the fiscal year ended June 30, 2025

Yes

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Newly included: 1 company (Maedakosen Industrial Products Co., Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of June 30, 2025	68,080,612 shares	As of June 30, 2024	68,080,612 shares
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Number of treasury shares at the end of the period

As of June 30, 2025	1,015,775 shares	As of June 30, 2024	82,686 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended June 30, 2025	67,815,852 shares	Fiscal year ended June 30, 2024	62,693,500 shares
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Note: Effective July 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. The "number of issued shares at the end of the period," "number of treasury shares at the end of the period," and "average number of shares during the period" are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to "(4) Future outlook" of "1. Overview of operating results" on page 6 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

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1. Overview of operating results

(1) Overview of operating results for the current fiscal year

During the fiscal year under review, the Japanese economy continued to recover gradually with signs of a pickup in consumer spending due to improved employment and income environment, as well as steady capital investment amid strong corporate performance. On the other hand, the outlook remains uncertain due to ongoing geopolitical risk, including the prolonged situation in Ukraine, as well as the impact of fluctuations in resource and energy prices, rising domestic prices, and trends of US trade policy.

Operating under these conditions, the Group has been taking various measures based on the medium term business plan, Global Vision ∞ “PART II” (FY2023-FY2026) announced in August 2023.

In regards to strengthening existing businesses, we have made systematic facility investments for the purpose of expanding R&D (research and development) and improving production in order to provide high value-added products and techniques. In regards to M&A, we have completed the process of converting two companies expected to generate synergies in the Group's existing business into subsidiaries. In regards to expansion of global network, we actively developed initiatives to sell the Group's products such as construction-related materials and forged automobile wheels in the global market.

Additionally, we consider investment into human capital, which is the foundation of sustainable growth, to be an important management issue, and have implemented the introduction of a new training system, human resource exchange with overseas subsidiaries, various measures based on engagement survey results, and initiatives to promote active participation by women.

Based on the factors described above, net sales for fiscal year ended June 30, 2025 were ¥64,108 million (up 14.8% year on year). In terms of profits, operating profit was ¥12,026 million (up 12.0% year on year), ordinary profit was ¥12,259 million (up 9.1% year on year), and profit attributable to owners of parent was ¥9,489 million (up 18.9% year on year).

Operating results by segment are as follows.

(Social Infrastructure Business)

In our main public works business, sales of embankment reinforcement materials and ocean civil engineering products were strong due to progress on large scale projects, and sales of riverbank protection materials and landscape materials remained strong, resulting in increases in both sales and profit. In non-woven fabric products, sales of spunbond (continuous, long fiber non-woven fabric) for industrial and automotive materials were sluggish, but orders for medical and health materials were strong, resulting in increases in both sales and profits.

In our agriculture- and fisheries-related sector, sales and profits fell from the same period last year due to sluggish growth of some products, such as horticultural greenhouses in the agricultural supplies business, as well as the impact of weak sales unit prices in the marine products processing business. Sales and profits for MAEDAKOSEN VIETNAM CO., LTD., which is our overseas subsidiary, remained well as it was able to secure stable orders due to the expansion of its product range.

Additionally, during the fiscal year under review, the performances of SAIKOB CO., LTD., which became a subsidiary on December 19, 2024, and Mitsui Chemicals Industrial Products, Ltd. (currently Maedakosen Industrial Products Co., Ltd.), which became a subsidiary on April 1, 2025, contributed.

Based on the factors described above, net sales of this business were ¥36,395 million (up 14.9% year on year), and operating profit was ¥7,355 million (up 8.9% year on year).

(Industrial Infrastructure Business)

In the automobile wheel business, sales and profits remained well as a result of BBS Japan Co., Ltd., our subsidiary that manufacturers and sells forged automobile wheels, enjoying steady sales of OEM products for domestic automobile manufacturers and sales of aftermarket products, as well as due to significant growth in the business performance of BBS Japan's German subsidiary BBS Motorsport GmbH.

With regard to apparel and various industrial materials, despite the negative effect of an increase in costs related to the higher electricity rates and purchasing costs, sales of wiping cloth products used in precision equipment manufacturing recovered, resulting in positive trends in terms of both sales and profits.

Based on the factors described above, net sales of this business were ¥27,713 million (up 14.8% year on year), and operating profit was ¥6,010 million (up 17.8% year on year).

(2) Overview of financial position for the current fiscal year

(Assets)

As of June 30, 2025, total assets amounted to ¥86,959 million, an increase of ¥6,716 million from the end of the previous fiscal year. Current assets increased by ¥4,478 million from the end of the previous fiscal year. This was mainly due to increases of ¥1,332 million in merchandise and finished goods, ¥968 million in raw materials and supplies, ¥907 million in notes and accounts receivable - trade, and contract assets, and ¥839 million in cash and deposits. Non-current assets increased by ¥2,238 million from the end of the previous fiscal year. This was mainly due to increases of ¥1,956 million in property, plant and equipment and ¥222 million in investments and other assets.

(Liabilities)

As of June 30, 2025, total liabilities amounted to ¥18,513 million, an increase of ¥793 million from the end of the previous fiscal year. Current liabilities increased by ¥712 million from the end of the previous fiscal year. This was mainly due to increases of ¥1,232 million in income taxes payable, ¥1,042 million in accounts payable – other and ¥674 million in notes and accounts payable - trade, despite decreases of ¥1,164 million in electronically recorded obligations – operating and ¥1,023 million in other current liabilities. Non-current liabilities increased by ¥80 million from the end of the previous fiscal year. This was mainly due to increases of ¥662 million in retirement benefit liability, ¥206 million in deferred tax liabilities, and ¥105 million in other non-current liabilities, despite decreases of ¥638 million in lease liabilities and ¥279 million in long-term borrowings.

(Net assets)

As of June 30, 2025, total net assets amounted to ¥68,446 million, an increase of ¥5,923 million from the end of the previous fiscal year. This was mainly due to an increase of ¥7,924 million in retained earnings, despite an increase of ¥1,807 million in treasury shares.

(3) Overview of cash flows for the current fiscal year

At the end of the current fiscal year, cash and cash equivalents totaled ¥22,260 million, an increase of ¥839 million (up 3.9%) from the end of the previous fiscal year.

The status of each cash flow and their factors during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥13,408 million. This was mainly due to inflows such as profit before income taxes of ¥12,917 million, depreciation of ¥3,451 million, and decrease in trade receivables of ¥1,691, and outflows such as income taxes paid of ¥2,601 million, decrease in trade payables of ¥1,495 million, gain on negative goodwill of ¥1,146 million.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥7,829 million. This was mainly due to an inflow such as ¥1,520 million of proceeds from withdrawal of time deposits, and outflows such as ¥6,307 million of the purchase of shares of subsidiaries resulting in change in scope of consolidation, ¥2,149 million of purchase of property, plant and equipment, and ¥1,520 million of payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities totaled ¥4,711 million. This was mainly due to outflows such as ¥1,909 million of purchase of treasury shares, ¥1,563 million of dividends paid, ¥656 million of repayments of lease liabilities, ¥582 million of repayments of long-term borrowings.

(4) Future outlook

In the next fiscal year, while the Japanese economy is expected to see steady domestic demand, including with capital investment and consumer spending, the outlook is expected to remain uncertain due to factors such as the risk that US trade policy and fluctuations in foreign exchange markets could put downward pressure on domestic corporate performance and the risk that consumer spending could be dampened as a result of rising domestic prices impacting consumer sentiment.

Under these circumstances, in order to achieve sustainable growth into the future, the Group will strive to enhance corporate value by steadily implementing initiatives for strengthening existing businesses, expanding new businesses and initiatives for use of M&A, expanding business platform and strengthening domestic and overseas networks based on the growth strategy set forth in the medium term business plan.

Additionally, in continuously investing into human capital, the foundation supporting its growth, the Group will fulfill its social responsibility as a company and strive to contribute to society through its business activities.

The Social Infrastructure Business is expected to be in a business environment where public works investments mainly for disaster prevention, disaster mitigation, and national resilience as well as measures against aged and deteriorated infrastructures will continue to perform well and demand for technologies and products for social infrastructure, which is the Group's strength, will also continue to be strong. Additionally, sales are expected to increase due to the full year performance contribution from the two companies that became subsidiaries in the fiscal year ended June 30, 2025.

Meanwhile, the earnings environment is expected to see a temporary decline in profitability due to the continuation of factors contributing to increased costs, including rising raw material and distribution costs, as well as there being individual factors, such as some large scale projects that have been completed. In this environment, the Group's policy is to continue to make growth investments for the future.

Next, in the Industrial Infrastructure Business, BBS Japan Co., Ltd.'s OEM demand is expected to decline for automobile wheel business as there are concerns over US trade policy and global economy trends and the outlook for production and sales by automobile manufacturers is unclear. Meanwhile, over the medium to long term, demand for forged automobile wheels contributing to reducing automobile weight is expected to remain strong backed by such factors as the spread of EV and the social demand for reducing environmental impacts. The company will continue initiatives at manufacturing sites for quality improvement, and respond to increased demand for its lightweight and resilient forged automobile wheels by enhancing production capacity, further improving quality, and increasing production efficiency through facility investments. The company will work to expand its customer business in the aftermarket business by utilizing the brand recognition of BBS and working to enhance its sales system to capture demand for high-end, high-quality, and individualized products.

In the Industrial Infrastructure Business, we will improve the performance of the apparel and various industrial materials business by continuing to develop high value-added products such as its mainstay wiping cloth and providing high-end products to industries other than the hard-disk industry through the development of sales routes.

Based on the above, for the fiscal year ending June 30, 2026, we forecast consolidated net sales of ¥67,500 million (up5.3% year on year), operating profit of ¥11,000 million (down8.5% year on year), ordinary profit of ¥11,000 million (down10.3% year on year), and profit attributable to owners of parent of ¥7,600 million (down19.9% year on year).

The forecasted operating results for each segment are as follows.

Segment	Net sales		Operating profit		(Millions of yen)
	Current fiscal year	Next fiscal year outlook	Current fiscal year	Next fiscal year outlook	
Social infrastructure business	36,395	44,000	7,355	7,750	
Industry infrastructure business	27,713	23,500	6,010	4,700	
Common	—	—	(1,339)	(1,450)	
Total	64,108	67,500	12,026	11,000	

<Global Vision ∞>

As concrete measures for the above growth strategy, the group published its medium term business plan, “GLOBAL VISION ∞” on November 1, 2019. The measures to achieve these goals are “(1) Strengthen existing businesses and launching new businesses,” “(2) Expanding areas of business through M&A,” “(3) Expansion of global network,” and “(4) ESG+H (*New from FY2023).”

To implement the measures, we make active facility investments for the purpose of expanding R&D (research and development) and enhancing the production capacity in order to provide high value-added products and techniques, in the existing business. Further, in order to go forward into new business fields, irrespective of the existing ones, the group will continue practicing M&A and also promote business for fostering investments with the purpose of creating business synergies, while utilizing the results and know-hows achieved through the past merges and acquisitions. Besides, we aim to expand market shares of the group products by taking advantages of the technologies and sales networks in Japan and overseas and developing our businesses on a global basis.

In the Global Vision ∞ “PART II” (FY2023-FY2026), which is announced in August 2023, it is expected that the group will achieve the sales of ¥70 billion and operating profit of ¥12 billion in the fiscal year ending June 2027, which is the last year of the term of the PART II.

More specifically, in the PART II, facility investments amounting to ¥15 billion over the four years are planned as the investments to growing areas in the group businesses. The facility investments are intended for not only enhancing the production capacity but also increasing production efficiency through automation of product lines and labor savings, which are expected to contribute to our business performance in turn. In PART II, we have positioned “(2) Expanding areas of business through M&A” as a priority measure, and have set a total of ¥20 billion for M&A investment budget over four years, with the aim of accelerating growth through M&A. Under “(3) Expansion of global network,” we have made it a goal to increase the overseas sales ratio of the group up to 30% in the fiscal year ending June 2027.

In addition, as of PART II, the Group is actively addressing “(4) ESG + H,” positioning not only ESG (Environment, Social, Governance) but also H (Human, Health) as an important perspective related to all corporate activities. In particular, for initiatives related to human capital, the Group will strengthen investment in human capital, such as by continuously raising wages as well as by reviewing the internal training system in order to provide opportunities to learn and an environment in which employees can achieve self-growth.

(Progress of numerical targets)

(Millions of yen)

	Fiscal year ended June 30, 2023 (Actual)	Fiscal year ended June 30, 2024 (Actual)	Fiscal year ended June 30, 2025 (Actual)	Fiscal year ending June 30, 2026 (Planned)	Fiscal year ending June 30, 2027 (Planned)
Net sales	50,204	55,833	64,108	67,500	70,000
Operating profit	8,493	10,736	12,026	11,000	12,000
EBITDA	11,682	14,106	15,515	14,700	15,000
Profit attributable to owners of parent	5,258	7,979	9,489	7,600	8,000
ROE	12.4	15.1	14.5	10.7	12% or more

The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors.

(5) Basic policy regarding the distribution of profit and dividends for the current fiscal year and the next fiscal year

The Company understands that returning our profits to shareholders is one of important business issues. We will continue to pay a progressive dividend, as we have since listing, taking account of the future business development and the financial outlook for the current fiscal year and the medium to long-term outlook. We plan to use the internal reserve effectively in facility investments and R&D to improve future profitability of the Group through maintaining or enhancing its competitiveness, as well as in M&A leading to increased business fields and improved business performance.

The interim dividend for the period ended in June 2025 was distributed as an ordinary dividend of ¥12 per share. In addition, with regard to the year-end dividend, in light of the favorable consolidated business performance and the above policy, we plan to pay an ordinary dividend of ¥14 per share, an increase of ¥2 from the most recent forecast of ¥12 per share.

For the fiscal year ending in June 2026, the interim and year-end dividends are planned to be each ¥14 per share, which means the annual dividend will be ¥28 per share (entirely ordinary dividend).

2. Basic policy on adoption of accounting standards

For the time being, the Group's policy is to prepare consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of consolidated financial statements from period to period and the comparability among companies.

As for the application of International Financial Reporting Standards, we will take appropriate measures in consideration of various circumstances in Japan and overseas in the future.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	21,431	22,270
Notes and accounts receivable - trade, and contract assets	9,314	10,221
Electronically recorded monetary claims - operating	4,828	5,198
Merchandise and finished goods	6,882	8,215
Work in process	2,483	2,220
Raw materials and supplies	4,708	5,676
Short-term loans receivable from subsidiaries and associates	—	29
Current portion of long-term loans receivable from subsidiaries and associates	—	120
Other	794	933
Allowance for doubtful accounts	(58)	(22)
Total current assets	<u>50,384</u>	<u>54,862</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,039	19,301
Accumulated depreciation	(6,475)	(9,062)
Buildings and structures, net	9,564	10,239
Machinery, equipment and vehicles	23,360	28,384
Accumulated depreciation	(15,806)	(21,524)
Machinery, equipment and vehicles, net	7,553	6,859
Land	4,334	6,436
Leased assets	5,014	5,049
Accumulated depreciation	(1,820)	(2,373)
Leased assets, net	3,194	2,676
Construction in progress	102	381
Other	4,163	6,505
Accumulated depreciation	(3,398)	(5,627)
Other, net	764	878
Total property, plant and equipment	<u>25,513</u>	<u>27,470</u>
Intangible assets		
Software	194	194
Software in progress	4	19
Trademark right	460	411
Other	764	858
Total intangible assets	<u>1,425</u>	<u>1,484</u>
Investments and other assets		
Investment securities	857	935
Long-term loans receivable from subsidiaries and associates	120	—
Deferred tax assets	998	1,434
Other	943	773
Total investments and other assets	<u>2,919</u>	<u>3,142</u>
Total non-current assets	<u>29,858</u>	<u>32,097</u>
Total assets	<u>80,243</u>	<u>86,959</u>

MAEDAKOSEN CO., LTD. (7821)
Consolidated Financial Results for the Year Ended June 30, 2025

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,924	2,598
Electronically recorded obligations - operating	2,298	1,134
Current portion of long-term borrowings	399	270
Accounts payable - other	1,765	2,808
Lease liabilities	640	656
Income taxes payable	2,083	3,315
Provision for bonuses	1,032	1,098
Other	1,855	832
Total current liabilities	12,000	12,713
Non-current liabilities		
Long-term borrowings	635	355
Long-term accounts payable - other	612	612
Lease liabilities	3,226	2,588
Deferred tax liabilities	27	234
Provision for retirement benefits for directors (and other officers)	37	61
Retirement benefit liability	1,132	1,795
Other	46	151
Total non-current liabilities	5,719	5,799
Total liabilities	17,720	18,513
Net assets		
Shareholders' equity		
Share capital	6,422	6,422
Capital surplus	7,711	7,736
Retained earnings	46,711	54,635
Treasury shares	(107)	(1,915)
Total shareholders' equity	60,737	66,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	316	347
Foreign currency translation adjustment	1,338	1,105
Remeasurements of defined benefit plans	62	48
Total accumulated other comprehensive income	1,717	1,502
Share acquisition rights	68	64
Total net assets	62,522	68,446
Total liabilities and net assets	80,243	86,959

(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)
Consolidated statements of income (cumulative)

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	55,833	64,108
Cost of sales	35,110	40,315
Gross profit	20,723	23,792
Selling, general and administrative expenses		
Packing and transportation expenses	1,763	2,063
Design consignment expenses	123	114
Directors Compensations	485	533
Salaries and allowances	2,353	2,792
Provision for bonuses	528	552
Retirement benefit expenses	108	207
Provision for directors retirement benefits	4	4
Legal welfare expenses	512	562
Traveling and transportation expenses	287	338
Commission fee	409	432
Depreciation	225	252
Other	3,184	3,911
Total selling, general and administrative expenses	9,986	11,766
Operating profit	10,736	12,026
Non-operating income		
Interest income	35	105
Interest on securities	10	—
Dividend income	10	18
Foreign exchange gains	512	—
Insurance income	19	142
Subsidy income	70	207
Insurance premiums refunded cancellation	55	—
Compensation income	—	96
Gain on sale of non-current assets	36	190
Other	66	89
Total non-operating income	818	850
Non-operating expenses		
Interest expenses	163	92
Equity in losses of affiliates	—	316
Share issuance costs	44	—
Loss on retirement of non-current assets	78	140
Other	31	68
Total non-operating expenses	317	617
Ordinary profit	11,236	12,259
Extraordinary income		
Gain on negative goodwill	—	1,146
Total extraordinary income	—	1,146
Extraordinary loss		
Loss on valuation of investment securities	29	—
Loss on investments	—	488
Total extraordinary loss	29	488
Profit before income taxes	11,207	12,917
Income taxes - current	3,030	3,745
Income taxes - deferred	196	(316)
Total income taxes	3,227	3,428
Profit	7,979	9,489
Profit attributable to owners of parent	7,979	9,489

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Profit	7,979	9,489
Other comprehensive income		
Valuation difference on available-for-sale securities	(443)	31
Foreign currency translation adjustment	465	(232)
Remeasurements of defined benefit plans, net of tax	63	(13)
Total other comprehensive income	86	(214)
Comprehensive income	8,066	9,274
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,066	9,274

(3) Consolidated statement of changes in equity

Fiscal year ended June 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,472	3,461	39,763	(4,966)	41,731
Changes during period					
Issuance of new shares	2,950	2,950			5,900
Dividends of surplus			(1,032)		(1,032)
Profit attributable to owners of parent			7,979		7,979
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1,300		4,858	6,159
Net changes in items other than shareholders' equity					
Total changes during period	2,950	4,250	6,947	4,858	19,006
Balance at end of period	6,422	7,711	46,711	(107)	60,737

	Accumulated other comprehensive income				Share acquisition rights Valuation difference on available-for-sale securities	Total net assets Foreign currency translation adjustment
	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	759	872	(1)	1,630	68	43,430
Changes during period						
Issuance of new shares						5,900
Dividends of surplus						(1,032)
Profit attributable to owners of parent						7,979
Purchase of treasury shares						(0)
Disposal of treasury shares						6,159
Net changes in items other than shareholders' equity	(443)	465	63	86	—	86
Total changes during period	(443)	465	63	86	—	19,092
Balance at end of period	316	1,338	62	1,717	68	62,522

MAEDAKOSEN CO., LTD. (7821)
Consolidated Financial Results for the Year Ended June 30, 2025

Fiscal year ended June 30, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,422	7,711	46,711	(107)	60,737
Changes during period					
Dividends of surplus			(1,564)		(1,564)
Profit attributable to owners of parent			9,489		9,489
Purchase of treasury shares				(1,895)	(1,895)
Disposal of treasury shares		25		87	112
Net changes in items other than shareholders' equity					
Total changes during period	—	25	7,924	(1,807)	6,142
Balance at end of period	6,422	7,736	54,635	(1,915)	66,879

	Accumulated other comprehensive income				Share acquisition rights	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	316	1,338	62	1,717	68	62,522
Changes during period						
Dividends of surplus						(1,564)
Profit attributable to owners of parent						9,489
Purchase of treasury shares						(1,895)
Disposal of treasury shares						112
Net changes in items other than shareholders' equity	31	(232)	(13)	(214)	(3)	(218)
Total changes during period	31	(232)	(13)	(214)	(3)	5,923
Balance at end of period	347	1,105	48	1,502	64	68,446

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	11,207	12,917
Depreciation	3,370	3,451
Amortization of goodwill	—	38
Gain on negative goodwill	—	(1,146)
Share-based payment expenses	60	96
Increase(decrease) in allowance for doubtful accounts	22	(33)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	5
Increase (decrease) in retirement benefit liability	19	310
Increase (decrease) in provision for bonuses	57	(97)
Interest and dividend income	(56)	(123)
Interest expenses	163	92
Foreign exchange losses (gains)	(405)	9
Loss (gain) on sale of investment securities	29	—
Insurance claim income	(19)	(142)
Subsidy income	(70)	(207)
Surrender value of insurance policies	(55)	—
Compensation income	—	(96)
Loss on investments	—	488
Decrease (increase) in trade receivables	(643)	1,691
Decrease (increase) in inventories	0	325
Increase (decrease) in trade payables	545	(1,495)
Other, net	1,122	(343)
Subtotal	15,350	15,740
Interest and dividends received	46	123
Interest paid	(186)	(92)
Proceeds from insurance income	19	142
Proceeds from compensation	—	96
Income taxes paid	(3,204)	(2,601)
Net cash provided by (used in) operating activities	12,024	13,408

MAEDAKOSEN CO., LTD. (7821)
Consolidated Financial Results for the Year Ended June 30, 2025

	(Millions of yen)	
	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash flows from investing activities		
Payments into time deposits	(20)	(1,520)
Proceeds from withdrawal of time deposits	20	1,520
Purchase of property, plant and equipment	(2,789)	(2,149)
Payments for retirement of property, plant and equipment	(29)	(22)
Proceeds from sale of property, plant and equipment	184	315
Purchase of intangible assets	(134)	(69)
Proceeds from sale of intangible assets	—	187
Subsidies received	70	207
Purchase of investment securities	(12)	(5)
Proceeds from sale of investment securities	2,150	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(6,307)
Purchase of insurance funds	(5)	(2)
Proceeds from cancellation of insurance funds	122	74
Other, net	20	(58)
Net cash provided by (used in) investing activities	<u>(423)</u>	<u>(7,829)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,379)	—
Proceeds from long-term borrowings	3	—
Repayments of long-term borrowings	(1,163)	(582)
Repayments of lease liabilities	(624)	(656)
Purchase of treasury shares	(0)	(1,909)
Dividends paid	(1,032)	(1,563)
Other, net	—	0
Net cash provided by (used in) financing activities	<u>(5,196)</u>	<u>(4,711)</u>
Effect of exchange rate change on cash and cash equivalents	450	(28)
Net increase (decrease) in cash and cash equivalents	<u>6,854</u>	<u>839</u>
Cash and cash equivalents at beginning of period	14,566	21,421
Cash and cash equivalents at end of period	<u>21,421</u>	<u>22,260</u>

(5) Notes to consolidated financial statements

(Notes on going concern assumptions)

Not applicable.

(Notes on business combinations)

The Company has resolved to acquire all shares of Mitsui Chemicals Industrial Products, Ltd. (“MIP”) from its parent Mitsui Chemicals Inc. by resolution passed on June 26, 2024 pursuant to the provisions of Article 370 of the Companies Act and Article 25, paragraph (2) of the Company’s Articles of Incorporation (the “Share Acquisition”), and concluded a share transfer agreement.

Based on this agreement, the Company acquired all shares of MIP on April 1, 2025 as the date of execution of the share transfer, and made it a consolidated subsidiary on the same date, also changed its trade name to Maedakosen Industrial Products Co.,Ltd. on the same day.

(1) Outline of the business combination

(i) Name of the acquired company and its business

Name of the acquired company: Mitsui Chemicals Industrial Products, Ltd.

Description of business: Manufacture, processing, and sales of synthetic resin products, civil engineering materials, construction materials, and piping materials

(ii) Main reasons for the business combination

In its medium-term management plan (FY2023-FY2026), the Group is working to strengthen existing businesses and expand its fields of business by executing capital investments and M&A.

Established in 1964, MIP has a broad product lineup and advanced technological capabilities related to industrial materials that support Japan’s infrastructure. This company has established a solid position as a manufacturer of industrial materials, and its products for construction and civil engineering materials and piping materials have a high market share. We believe that there is a high affinity between the business of MIP and our social infrastructure business, as both businesses are involved in infrastructure development and maintenance.

Acquisition of the shares will enable the Company to strengthen its existing business by expanding its product lineup in the civil engineering materials field and scale of business. In addition to acquiring new products such as studded tiles in the construction materials field, we will be able to expand our fields of business by entering the piping materials field as a new business area. Furthermore, MIP possesses advanced resin processing technology, and we believe that synergies with our fiber and resin processing technology will create new value and further enhance the corporate value of our group.

(iii) Date of business combination

April 1, 2025

(iv) Legal form of business combination

Share acquisition in consideration for cash

(v) Name of the combined company after business combination

Maedakosen Industrial Products Co., Ltd.

(vi) Percentage of voting rights acquired

100%

(vii) Main basis for determining the acquiring company

The Company acquired the shares in consideration for cash.

(2) Period of the acquired company’s results included in the consolidated financial statements

April 1, 2025 to June 30, 2025

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	5,498 million yen
Acquisition cost		5,498 million yen

(4) Details and amounts of major acquisition-related costs

Advisory compensation, fees, etc.: 117 million yen

(5) Amount and cause of gain on negative goodwill

(i) Amount of gain on bargain purchase

1,146 million yen

(ii) Cause of gain on negative goodwill

As the market value of net assets at the time of the business combination exceeded the acquisition cost, the difference was recognized as a gain on bargain purchase.

(6) Amount of assets accepted and liabilities assumed on the date of business combination and their breakdown

Current assets	5,732 million yen
Non-current assets	3,347 million yen
Total assets	9,080 million yen
Current liabilities	1,886 million yen
Non-current liabilities	549 million yen
Total liabilities	2,435 million yen

(Notes on segment information)

(Segment information)

1. Overview of reportable segment

The reporting segments of the group are components of the company for which separate financial information is available and which are periodically reviewed by the board meeting to make decisions in allocation of business resources and evaluate its business performance.

The group is constituted of business segments, which are determined based on the products and services it offers and taking its economic characteristics and some other elements into consideration. Two of the business segments, namely, "Social Infrastructure Business", and "Industrial Infrastructure Business" were selected as the reporting segments on the basis of aggregation and quantitative criteria.

In our "Social Infrastructure Business", embankment reinforcement materials, geotextiles used in civil engineering, riverbank protection materials, slope disaster prevention products, adhesive anchors, polluted water diffusion prevention boom, plastic wood, drainage materials, polymer cement mortar, vegetation products, thinned wood products, non-woven fabric products, etc. are manufactured and sold.

In addition, our consolidated subsidiary, Maedakosen Industrial Products Co., Ltd., manufactures, processes and sells synthetic resin products, civil engineering materials, construction materials and piping materials. MIRAI no Agri CO., LTD., which is a consolidated subsidiary of MAEDAKOSEN, manufactures and sells harmful animal control products and agricultural supplies, designs, builds, and sells horticultural greenhouses and cultivation systems, and sells dairy farming products.

Besides, MIRAI TECHNO CO., LTD. manufactures and sells tents and canvas products and ocean civil engineering items, etc.; OKINAWA KOSEN CO., LTD. manufactures, sells, and rents civil engineering materials; Seven Chemical Inc. manufactures and sells waterproofing, protective, and finishing materials for exterior walls. And, SAIKODO CO., LTD., plans, designs, manufactures and sells supplies for kindergartens and nursery schools and playground equipment; and Kushiro High-Meal Co., Ltd. manufactures and sells fish meal and fish oil.

In our "Industrial Infrastructure Business", BBS Japan Co., Ltd., which is our consolidated subsidiary, manufactures and sells light alloy forged wheels for automobiles. MIRAI KOSEN CO., LTD., manufacturers, processes, and sells flat display panels used in a clean room and wiping cloth for precision equipment, as well as name ribbons, narrow woven and knit fabric secondary products including various industrial fibers, circular-knit products for apparel and various industrial materials, etc.

2. Calculation of net sales, profit or loss, assets and other items by reportable segment

The accounting method of business segments that are reported is in accordance with the accounting policies adopted to prepare the consolidated financial statements. Profits of reportable segments are based on operating profit.

Intersegment income and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets and other items by reportable segment and income breakdown information.

Fiscal year ended June 30, 2024

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amount reported on the consolidated financial statements (Note 2)
	Social Infrastructure Business	Industrial Infrastructure Business	Total		
Net sales					
Income from contracts with customers	31,687	24,145	55,833	—	55,833
Sales from external customers	31,687	24,145	55,833	—	55,833
Inter-segment sales and transfers	9	3	12	△12	—
Total	31,697	24,148	55,846	△12	55,833
Segment income	6,755	5,101	11,857	△1,120	10,736
Segment assets	29,019	31,780	60,799	19,443	80,243
Other Items					
Depreciation	953	2,352	3,305	64	3,370
Increase of property, plant and equipment and intangible assets	1,440	1,724	3,165	194	3,359

Notes: 1. Details of adjustments are as follows.

- (1) Adjustments for segment income of ¥(1,120) million are corporate expenses not allocated to an individual reportable segment. Corporate expenses primarily consist of expenses related to the administrative departments of the Company.
- (2) Adjustments for segment assets of ¥19,443 million are corporate assets not allocated to an individual reportable segment. Corporate assets primarily consist of the Company's surplus operating funds (cash and deposits) and assets related to administrative operations.
- (3) Adjustments for depreciation of other items of ¥64 million are depreciation of corporate assets. And, adjustments for increase of property, plant and equipment and intangible assets of ¥194 million are increase of corporate assets.

2. Segment income is adjusted to the operating profit recorded on the consolidated statements of income.

Fiscal year ended June 30, 2025

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amount reported on the consolidated financial statements (Note 2)
	Social Infrastructure Business	Industrial Infrastructure Business	Total		
Net sales					
Income from contracts with customers	36,395	27,713	64,108	—	64,108
Sales from external customers	36,395	27,713	64,108	—	64,108
Inter-segment sales and transfers	7	4	11	△11	—
Total	36,402	27,717	64,120	△11	64,108
Segment income	7,355	6,010	13,365	△1,339	12,026
Segment assets	37,828	31,690	69,519	17,440	86,959
Other Items					
Depreciation	1,006	2,354	3,361	90	3,451
Amortization of goodwill	38	—	38	—	38
Increase of property, plant and equipment and intangible assets	777	1,306	2,083	21	2,105

Notes: 1. Details of adjustments are as follows.

- (1) Adjustments for segment income of ¥(1,339) million are corporate expenses not allocated to an individual reportable segment. Corporate expenses primarily consist of expenses related to the administrative departments of the Company.
- (2) Adjustments for segment assets of ¥17,440 million are corporate assets not allocated to an individual reportable segment. Corporate assets primarily consist of the Company's surplus operating funds (cash and deposits) and assets related to administrative operations.
- (3) Adjustments for depreciation of other items of ¥90 million are depreciation of corporate assets. And, adjustments for increase of property, plant and equipment and intangible assets of ¥21 million are increase of corporate assets.

2. Segment income is adjusted to the operating profit recorded on the consolidated statements of income.

(Information Concerning the Amount of Goodwill Amortized and the Balance of Unamortized Goodwill by Reporting Segment)

Fiscal year ended June 30, 2024

Not applicable.

Fiscal year ended June 30, 2025

(Millions of yen)

	Social Infrastructure Business	Industrial Infrastructure Business	Common	Total
Amortization of current period	38	—	—	38
Balance at end of period	267	—	—	267

(Information Concerning the Gain on Negative Goodwill by Reporting Segment)

Fiscal year ended June 30, 2024

Not applicable.

Fiscal year ended June 30, 2025

In the current consolidated fiscal year, we recognized a gain on negative goodwill in the "Social Infrastructure Business" following the acquisition of shares in Mitsui Chemical Industrial Products Co., Ltd., making it a subsidiary. The amount of negative goodwill recognized due to this event was 1,146 million yen.

(Notes on per share information)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net assets per share	¥918.48	¥1,019.63
Earnings per share	¥127.29	¥139.93
Diluted earnings per share	¥117.08	¥139.70

Notes 1. The Company conducted a 2-for-1 stock split of shares of common stock on July 1, 2024. "Net assets per share," "Earnings per share" and "Diluted earnings per share" are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. The basis for calculating earnings per share and diluted earnings per share is as follows.

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Earnings per share		
Profit attributable to owners of parent (millions of yen)	7,979	9,489
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (millions of yen)	7,979	9,489
Average number of common shares during the period (shares)	62,693,500	67,815,852
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (millions of yen)	△6	—
Amortization of bond discount (tax equivalent (millions of yen))	(△6)	(—)
Increase in common share (shares)	5,405,830	109,270
(Share acquisition rights (shares))	(114,364)	(109,270)
(Bonds with share acquisition rights (shares))	(5,291,466)	(—)
Summary of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

(Notes on significant subsequent events)

Not applicable.