

May 13, 2025

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Based on Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6165
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Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 23, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	40,822	6.5	1,685	35.9	1,613	13.5	868	-
March 31, 2024	38,344	(10.4)	1,240	(49.1)	1,421	(40.6)	(577)	-

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥2,475 million [896.6%]
 For the fiscal year ended March 31, 2024: ¥248 million [(88.4)%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	33.65	33.63	4.3	5.2	4.1
March 31, 2024	(23.61)	-	(3.1)	4.7	3.2

Note: Although the Company has potential shares, diluted earnings per share for the fiscal year ended March 31, 2024 is not provided because basic loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	32,970	22,038	66.7	799.82
March 31, 2024	29,649	18,750	63.1	764.81

Reference: Equity
 As of March 31, 2025: ¥22,004 million
 As of March 31, 2024: ¥18,711 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,271	(2,415)	181	6,450
March 31, 2024	1,276	(680)	(2)	6,003

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	10.00	-	9.40	19.40	474	-	2.5
March 31, 2025	-	9.80	-	9.76	19.56	508	58.1	2.5
Fiscal year ending March 31, 2026 (Forecast)		9.06		9.06	18.12		277.0	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	19,950	(0.2)	480	(30.7)	460	(24.1)	15	(99.2)	0.55
Fiscal year ending March 31, 2026	39,880	(2.3)	1,150	(31.8)	1,130	(30.0)	180	(79.3)	6.54

4. Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No

- (3) Number of issued shares (common shares)

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

As of March 31, 2025	27,622,400 shares
As of March 31, 2024	24,622,400 shares

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

As of March 31, 2025	110,336 shares
As of March 31, 2024	157,072 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	25,809,151 shares
Fiscal year ended March 31, 2024	24,452,413 shares

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1. Overview of Operating Results, Etc.

(1) Overview of operating results for the period

During the fiscal year under review, the global economy held to a trajectory of moderate recovery overall, but the outlook remained subject to uncertainties amid factors that included persistently high raw material and energy costs, rising prices, and geopolitical concerns. Meanwhile, policy realignment associated with transition to the new presidential administration in the United States is bound to have a substantial impact on trade with China in particular, thereby giving rise to concerns of economic slowdown in the countries involved. China has been encountering robust performance with respect to its exports of precision equipment and electric vehicles, yet has been subject to sluggish domestic demand and a persisting economic slowdown attributable to a prolonged real estate slump and a sharp decline in direct investment from abroad.

In this environment, the Group worked on its mid-term business plan “Value Creation 2024 (VC2024) Revival,” encompassing the period extending from July 2023 to March 2025. “VC2024 Revival” aimed to achieve sustainable profit growth by specializing in the high-value-added custom-made products business and expanding sales of custom-made products in the FA field. The most important measures were set as: redevelopment of domestic business; and growth in overseas business. In the domestic business, the Company implemented management rationalization, including soliciting voluntary retirement and dissolving consolidated subsidiaries in September 2023, to redevelop the business structure. At the same time, the Company continued to implement its growth strategy in the overseas business, which has involved taking steps to prompt its evolution toward serving as a comprehensive machine parts company in China, re-focusing on the Indian market, and exploring options for establishing new sales offices and sales agents.

In seeking to advance the objectives of “VC2024 Revival,” the Company entered into a capital and business alliance agreement with MISUMI Group Inc. on October 7, 2024. The two companies are working together in fully leveraging their respective strengths, which entails harnessing the Punch Group’s strengths with respect to its advanced precision machining technology and attentive responsiveness to customer needs combined with the MISUMI Group’s strengths in terms of its leading digital technologies and its supply chain capabilities ensuring globally reliable, quick delivery. Through the alliance, the two companies aim to achieve growth and development on a concerted basis while mutually complementing and reinforcing each other’s strengths. For instance, the two companies engage in cross-supply of products from their respective areas of expertise and effectively enlist their logistics infrastructures to such ends, across an extensive range of metal processing domains overall encompassing everything from standardized components to custom parts, above and beyond automation equipment and such peripheral parts, and mold and die parts.

To mark the 50th anniversary of its founding in March 2025, the Company is formulating a long-term vision that articulates the Group’s “ideal state” over the next decade. The Company plans to release this long-term vision through channels that include the corporate website during the month of May 2025.

As for its latest operating results, the Company remained susceptible to adverse developments that included surging raw material and resource prices, shortages of components and other items, further price escalation of items procured from partner factories, and persistently high energy costs. Whereas actual results in Japan consequently underperformed those of the previous fiscal year, operating results in China, Southeast Asia, and Europe, the United States and others exceeded those of the previous fiscal year. In China, this is attributable to a situation where the Company has been encountering signs of recovery from previously sluggish performance that had resulted from factors such as a downturn in the automotive sector and a broader economic slowdown. In Southeast Asia as well as Europe, the United States and others, this is attributable to a situation where the Company actively participated in trade shows and engaged in efforts to strengthen relationships with its sales agents. Except for the Company and ASCE, Pintec, India Punch, the fiscal year of Group companies ends in December and the results from January to December 2024 are the consolidated financial results for the fiscal year under review. Meanwhile, liquidation of Pintec was completed in November 2024.

Net sales amounted to ¥11,613 million (down 6.6% year on year) for Japan; ¥23,383 million (up 14.4% year on year) for China; ¥1,951 million (up 2.6% year on year) for Southeast Asia; and ¥3,873 million (up 8.8% year on year) for Europe, the United States and others. This brought consolidated net sales to ¥40,822 million (up 6.5% year on year).

By industry, the results were ¥17,194 million (up 4.0% year on year) for automobile; ¥6,990 million (up 0.9% year on year) for electronic devices & semiconductors; ¥3,836 million (up 5.2% year on year) for consumer electronics & precision equipment; and ¥12,800 million (up 14.0% year on year) for other.

As for profits, operating profit was ¥1,685 million (up 35.9% year on year) due to factors such as an increase in sales in China and effects of management rationalization implemented in September 2023; ordinary profit was ¥1,613 million (up 13.5% year on year); and profit attributable to owners of parent was ¥868 million (loss attributable to owners of parent of ¥577 million in the previous fiscal year).

As for capital efficiency, return on invested capital (ROIC) was 6.0% (4.5% in the previous year), which constitutes an improvement from that of the previous fiscal year yet still below the target (10% or higher).

(2) Overview of financial position for the period

Assets

Total assets as of the end of the current fiscal year amounted to ¥32,970 million, an increase of ¥3,320 million compared with the end of the previous fiscal year. This was mainly due to increases of investment securities and accounts receivable - trade.

Liabilities

Total liabilities amounted to ¥10,931 million, an increase of ¥32 million compared with the end of the previous fiscal year. This was mainly due to an increase of notes and accounts payable - trade.

Net Assets

Total net assets amounted to ¥22,038 million, an increase of ¥3,287 million compared with the end of the previous fiscal year. This was mainly due to an increase of retained earnings as a result of recording profit attributable to owners of parent, an increase of share capital and capital surplus due to issuance of new shares, and an increase of foreign currency translation adjustment.

(3) Overview of cash flows for the period

Cash and cash equivalents as of the end of the current fiscal year increased by ¥446 million compared to the end of the previous fiscal year and amounted to ¥6,450 million.

Cash flows from operating activities

Net cash provided by operating activities for the current fiscal year amounted to ¥2,271 million (compared to ¥1,276 million provided for the previous fiscal year).

This was mainly due to profit before income taxes of ¥1,491 million and non-cash items such as impairment losses of ¥107 million and depreciation of ¥1,177 million, as well as income taxes paid of ¥509 million, and a decrease in trade payables of ¥247 million.

Cash flows from investing activities

Net cash used in investing activities for the current fiscal year amounted to ¥2,415 million (compared to ¥680 million used for the previous fiscal year).

This was mainly due to purchase of investment securities of ¥1,268 million, as well as purchase of property, plant and equipment of ¥1,019 million.

Cash flows from financing activities

Net cash provided by financing activities for the current fiscal year amounted to ¥181 million (compared to ¥2 million used for the previous fiscal year.)

This was mainly due to proceeds from issuance of shares of ¥1,269 million, net increase of short-term borrowings of ¥900 million, repayments of long-term borrowings of ¥1,355 million, and dividends paid of ¥470 million.

(4) Future prospects

During the fiscal year ended March 31, 2025, financial results mounted a recovery across the Group overall amid implementation of the new two-year plan “VC2024 Revival,” formulated in the previous fiscal year. In the overseas business, designated as a key management issue under the plan, results were largely in line with targets of the plan due to contributions of business in China and elsewhere. On the other hand, the Company did not achieve targets of the plan in the domestic business, which is also designated as a key management issue under the plan. This was due to a situation where measures to rationalize management disrupted the production system and culminated in a decline in sales activity levels to a much greater extent than anticipated, in addition to a slowdown in the automotive sector, which serves as the Company’s key market.

Amid these circumstances, the Company entered into a capital and business alliance agreement with the MISUMI Group to further intensify its shift to specializing in the custom-made products business as set forth under “VC2024 Revival.” The Company has already embarked on activities with the MISUMI Group with its sights set on multifaceted partnership, starting with cross-supply of products.

While this partnership is poised to result in significant benefits, many initiatives are still under discussion, thereby making it difficult to specifically factor in effects of the alliance on financial results for the fiscal year ending March 31, 2026. Therefore, the Company has decided to pause implementation of a mid-term business plan for one year to allow time for assessing effects of the alliance, during which time the Company will formulate its next mid-term business plan. In its domestic business, the Company will proceed with making adjustments to the production system and revamping its sales system in conformity to its alliance with the MISUMI Group. Through such efforts, the Company seeks to promptly recover from delays caused by management rationalization while also establishing a solid footing in

anticipation of future growth.

Meanwhile in the domestic business, efforts to improve systems for the sake of gaining more orders have encountered delays as a result of there having been an unexpected number of resignations of employees outside of the early voluntary retirement program subsequent to the Company's management rationalization initiative. As such, it will take a reasonable amount of time for the Company to establish an adequate system, despite progress currently being made in recruiting and training employees.

In its China operations, economic sentiment has been mounting a recovery, but cost of sales ratios are likely to increase amid a situation where numerous products have become subject to effects of price competition. The Company is also subject to economic downside risk in the Americas due to effects of trade policy. With respect to the prospective financial performance for the following fiscal year (ending March 31, 2026), based on these circumstances, the Company forecasts net sales of ¥39,880 million (a decrease of 2.3% year on year); operating profit of ¥1,150 million (a decrease of 31.8% year on year); ordinary profit of ¥1,130 million (a decrease of 30.0% year on year); and profit attributable to owners of parent of ¥180 million (a decrease of 79.3% year on year).

As for capital efficiency, return on invested capital (ROIC) is projected to be 4.0%.

The foregoing forecast of financial results have been prepared based on information currently obtainable by the Company as of the publication date of this document, and actual financial performance may differ from the forecast values due to various factors that arise.

2. Basic Policy Regarding Selection of Accounting Standards

The Group prepares its consolidated financial statements based on Japanese GAAP. The Company is considering the voluntary adoption of International Financial Reporting Standards (IFRS), but the adoption date is yet to be determined. The appropriate decision will be made by taking into account the coming state of affairs in Japan and the globe.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,031	6,495
Notes receivable - trade	1,735	1,682
Accounts receivable - trade	9,233	10,196
Merchandise and finished goods	2,333	2,491
Work in process	642	813
Raw materials and supplies	1,345	1,460
Other	614	447
Allowance for doubtful accounts	(33)	(68)
Total current assets	21,903	23,518
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,113	6,428
Accumulated depreciation	(4,515)	(4,862)
Buildings and structures, net	1,598	1,566
Machinery, equipment and vehicles	16,960	18,348
Accumulated depreciation	(13,091)	(14,119)
Machinery, equipment and vehicles, net	3,869	4,228
Tools, furniture and fixtures	2,819	3,089
Accumulated depreciation	(2,378)	(2,610)
Tools, furniture and fixtures, net	440	478
Land	741	749
Construction in progress	42	35
Other	525	596
Accumulated depreciation	(370)	(395)
Other, net	155	200
Total property, plant and equipment	6,848	7,259
Intangible assets		
Goodwill	417	368
Other	200	244
Total intangible assets	618	612
Investments and other assets		
Investment securities	0	1,248
Deferred tax assets	123	130
Retirement benefit asset	-	35
Other	188	184
Allowance for doubtful accounts	(33)	(20)
Total investments and other assets	278	1,579
Total non-current assets	7,745	9,451
Total assets	29,649	32,970

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,628	2,990
Electronically recorded obligations - operating	919	600
Short-term borrowings	-	900
Current portion of long-term borrowings	1,351	923
Income taxes payable	213	318
Provision for directors' bonuses	-	5
Provision for bonuses	302	314
Other	2,190	2,615
Total current liabilities	7,605	8,668
Non-current liabilities		
Long-term borrowings	2,202	1,278
Retirement benefit liability	825	619
Deferred tax liabilities	70	148
Other	195	215
Total non-current liabilities	3,293	2,262
Total liabilities	10,899	10,931
Net assets		
Shareholders' equity		
Share capital	3,406	4,040
Capital surplus	2,968	3,601
Retained earnings	8,961	9,360
Treasury shares	(76)	(53)
Total shareholders' equity	15,259	16,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	(20)
Foreign currency translation adjustment	3,491	4,915
Remeasurements of defined benefit plans	(40)	160
Total accumulated other comprehensive income	3,451	5,054
Share acquisition rights	14	5
Non-controlling interests	24	27
Total net assets	18,750	22,038
Total liabilities and net assets	29,649	32,970

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	38,344	40,822
Cost of sales	28,261	30,011
Gross profit	10,082	10,810
Selling, general and administrative expenses	8,842	9,124
Operating profit	1,240	1,685
Non-operating income		
Interest income	77	74
Foreign exchange gains	130	-
Gain on sale of scraps	23	32
Subsidy income	33	26
Other	33	21
Total non-operating income	297	155
Non-operating expenses		
Interest expenses	42	38
Foreign exchange losses	-	148
Other	74	39
Total non-operating expenses	116	227
Ordinary profit	1,421	1,613
Extraordinary income		
Gain on sale of non-current assets	97	3
Total extraordinary income	97	3
Extraordinary losses		
Loss on sale and retirement of non-current assets	14	18
Impairment losses	393	107
Loss on business restructuring	792	-
Retirement benefit expenses	45	-
Loss on liquidation of subsidiaries	357	-
Other	15	-
Total extraordinary losses	1,619	125
Profit (loss) before income taxes	(100)	1,491
Income taxes - current	416	634
Income taxes - deferred	54	(16)
Total income taxes	470	617
Net Profit (loss)	(571)	873
Profit attributable to non-controlling interests	5	5
Profit (loss) attributable to owners of parent	(577)	868

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net Profit (loss)	(571)	873
Other comprehensive income		
Foreign currency translation adjustment	748	1,421
Valuation difference on available-for-sale securities	-	(20)
Remeasurements of defined benefit plans, net of tax	71	200
Total other comprehensive income	819	1,601
Comprehensive income	248	2,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	247	2,471
Comprehensive income attributable to non-controlling interests	0	3

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,406	2,967	10,101	(94)	16,381
Issuance of new shares					
Dividends of surplus			(562)		(562)
Profit (loss) attributable to owners of parent			(577)		(577)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		17	18
Net changes in items other than shareholders' equity					
Total changes during period	-	0	(1,139)	17	(1,121)
Balance at end of period	3,406	2,968	8,961	(76)	15,259

	Accumulated other comprehensive income				Share acquisition rights	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	-	2,737	(111)	2,626	20	23	19,052
Issuance of new shares							
Dividends of surplus							(562)
Profit (loss) attributable to owners of parent							(577)
Purchase of treasury shares							(0)
Disposal of treasury shares							18
Net changes in items other than shareholders' equity		754	71	825	(6)	0	819
Total changes during period		754	71	825	(6)	0	(301)
Balance at end of period	-	3,491	(40)	3,451	14	24	18,750

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,406	2,968	8,961	(76)	15,259
Issuance of new shares	634	634			1,269
Dividends of surplus			(470)		(470)
Profit (loss) attributable to owners of parent			868		868
Purchase of treasury shares					
Disposal of treasury shares		(0)		23	23
Net changes in items other than shareholders' equity					
Total changes during period	634	633	398	23	1,690
Balance at end of period	4,040	3,601	9,360	(53)	16,949

	Accumulated other comprehensive income				Share acquisition rights	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	-	3,491	(40)	3,451	14	24	18,750
Issuance of new shares							1,269
Dividends of surplus							(470)
Profit (loss) attributable to owners of parent							868
Purchase of treasury shares							
Disposal of treasury shares							23
Net changes in items other than shareholders' equity	(20)	1,423	200	1,602	(8)	3	1,597
Total changes during period	(20)	1,423	200	1,602	(8)	3	3,287
Balance at end of period	(20)	4,915	160	5,054	5	27	22,038

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(100)	1,491
Depreciation	1,166	1,177
Impairment losses	393	107
Amortization of goodwill	49	49
Increase (decrease) in retirement benefit liability	(317)	46
Increase (decrease) in provision for bonuses	(77)	11
Increase (decrease) in provision for bonuses for directors (and other officers)	-	5
Increase (decrease) in allowance for doubtful accounts	(12)	18
Interest and dividend income	(77)	(74)
Interest expenses	42	38
Foreign exchange losses (gains)	(227)	32
Loss (gain) on sale and retirement of non-current assets	(82)	14
Decrease (increase) in trade receivables	948	77
Decrease (increase) in inventories	900	(153)
Increase (decrease) in trade payables	(315)	(247)
Increase (decrease) in accounts payable - other, and accrued expenses	(293)	150
Subsidy income	(33)	(26)
Other, net	(113)	4
Subtotal	1,847	2,722
Interest received	77	74
Interest paid	(53)	(41)
Subsidies received	33	26
Income taxes paid	(628)	(509)
Net cash provided by (used in) operating activities	1,276	2,271

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Net decrease (increase) in time deposits	(27)	(17)
Purchase of property, plant and equipment	(866)	(1,019)
Proceeds from sale of property, plant and equipment	253	10
Purchase of intangible assets	(47)	(117)
Purchase of investment securities	-	(1,268)
Proceeds from sale of investment securities	-	5
Proceeds from collection of long-term loans receivable	6	4
Long-term loan advances	(2)	(4)
Payments of leasehold and guarantee deposits	(17)	(45)
Proceeds from refund of leasehold and guarantee deposits	20	36
Other, net	0	0
Net cash provided by (used in) investing activities	(680)	(2,415)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,302)	900
Proceeds from long-term borrowings	3,400	-
Repayments of long-term borrowings	(1,312)	(1,355)
Repayments of installment payables	(71)	(8)
Repayments of lease liabilities	(143)	(152)
Redemption of bonds	(10)	-
Proceeds from issuance of shares	-	1,269
Dividends paid	(562)	(470)
Other, net	0	0
Net cash provided by (used in) financing activities	(2)	181
Effect of exchange rate change on cash and cash equivalents	196	408
Net increase (decrease) in cash and cash equivalents	791	446
Cash and cash equivalents at beginning of period	5,212	6,003
Cash and cash equivalents at end of period	6,003	6,450

(5) Notes on consolidated financial statements

Notes related to the going concern assumption

There is nothing to report.

Notes 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” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, the “Revised Guidance on Application of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance on Application of 2022 from the beginning of the fiscal year ended March 31, 2025. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the fiscal year ended March 31, 2024 have been prepared on a retrospective basis. This change in accounting policies has no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

Notes on segment information, etc.

[Segment Information]

This information is omitted because the Group has only one segment, the parts of molds and dies business.

[Related Information]

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

1. Information by Finished Goods or Service

This information is omitted because the Group's net sales to external customers in one category of finished goods or service exceeds 90% of net sales on the consolidated statement of income.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	China	Other	Total
12,438	20,443	5,462	38,344

Note: Sales are categorized by country or region based on the customer's location.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
1,193	5,028	627	6,848

3. Information by Major Customer

Information by major customer is omitted because, compared to net sales to all external customers, net sales to a specific customer does not amount to 10% of the net sales on the consolidated statement of income.

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

1. Information by Finished Goods or Service

This information is omitted because the Group's net sales to external customers in one category of finished goods or service exceeds 90% of net sales on the consolidated statement of income.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	China	Other	Total
11,613	23,383	5,825	40,822

Note: Sales are categorized by country or region based on the customer's location.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
1,334	5,245	678	7,259

3. Information by Major Customer

Information by major customer is omitted because, compared to net sales to all external customers, net sales to a specific customer does not amount to 10% of the net sales on the consolidated statement of income.

[Information on Impairment Losses on Non-Current Assets by Reporting Segment]

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

Consolidated impairment losses on non-current assets recorded in the current fiscal year amounted to ¥393 million. The information is not presented by reporting segment because the Group has only one segment, the parts of molds and dies business.

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

Consolidated impairment losses on non-current assets recorded in the current fiscal year amounted to ¥107 million. The information is not presented by reporting segment because the Group has only one segment, the parts of molds and dies business.

[Information on Amortization and Unamortized Balance of Goodwill by Reporting Segment]

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

Consolidated amortized goodwill and unamortized balance of goodwill recorded in the current fiscal year amounted to ¥49 million and ¥417 million, respectively. The information is not presented by reporting segment because the Group has only one segment, the parts of molds and dies business.

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

Consolidated amortized goodwill and unamortized balance of goodwill recorded in the current fiscal year amounted to ¥49 million and ¥368 million, respectively. The information is not presented by reporting segment because the Group has only one segment, the parts of molds and dies business.

[Information on Gain on Bargain Purchase by Reporting Segment]

There is nothing to report.

Per share information

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	764.81	799.82
Earnings (loss) per share	(23.61)	33.65
Diluted earnings per share	—	33.63

Notes: 1. Diluted earnings per share for the fiscal year ended March 31, 2024 is not shown because loss per share was recorded, although there are potential shares.

2. The calculations for the earnings (loss) per share and the diluted earnings per share are based on the following.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Earnings per share		
Profit (loss) attributable to owners of parent (million yen)	(577)	868
Profit not attributable to common shareholders (million yen)	—	—
Profit (loss) attributable to owners of parent pertaining to common shares (million yen)	(577)	868
Average number of common shares during the period (thousand shares)	24,452	25,809
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (million yen)	—	—
Number of increased common shares (thousand shares)	—	18
[Share acquisition rights (thousand shares)]	[—]	[18]
Overview of dilutive shares not included in calculating diluted earnings per share due to no dilutive effect	—	—

Significant events after the reporting period

There is nothing to report.

4. Non-consolidated Financial Statements and Significant Notes Thereto

(1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,301	844
Notes receivable - trade	782	512
Accounts receivable - trade	1,819	1,651
Merchandise and finished goods	707	691
Work in process	91	96
Raw materials and supplies	318	287
Prepaid expenses	65	43
Short-term loans receivable from subsidiaries and associates	140	140
Accounts receivable from subsidiaries and associates - other	1,014	1,208
Other	115	63
Allowance for doubtful accounts	(1)	(2)
Total current assets	6,356	5,536
Non-current assets		
Property, plant and equipment		
Buildings	458	449
Structures	0	0
Machinery and equipment	12	147
Vehicles	0	0
Tools, furniture and fixtures	6	26
Land	639	639
Construction in progress	0	0
Total property, plant and equipment	1,117	1,262
Intangible assets		
Software	12	37
Total intangible assets	12	37
Investments and other assets		
Investment securities	0	1,248
Shares of subsidiaries and associates	2,647	2,637
Investments in capital	5	0
Investments in capital of subsidiaries and associates	3,995	3,995
Distressed receivables	3	16
Long-term loans receivable from subsidiaries and associates	2,467	2,437
Long-term loans receivable from employees	4	4
Other	54	60
Allowance for doubtful accounts	(2,472)	(2,454)
Total investments and other assets	6,708	7,945
Total non-current assets	7,838	9,246
Total assets	14,195	14,782

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	140	9
Electronically recorded obligations - operating	919	600
Accounts payable - trade	646	597
Short-term borrowings	-	900
Current portion of long-term borrowings	1,351	923
Accounts payable - other	471	483
Accrued expenses	84	79
Income taxes payable	141	172
Deposits received	26	18
Unearned revenue	0	-
Provision for bonuses for directors (and other officers)	-	5
Provision for bonuses	294	305
Other	24	4
Total current liabilities	4,100	4,100
Non-current liabilities		
Long-term borrowings	2,202	1,278
Deferred tax liabilities	0	0
Provision for retirement benefits	756	801
Asset retirement obligations	117	119
Other	0	-
Total non-current liabilities	3,078	2,200
Total liabilities	7,178	6,301
Net assets		
Shareholders' equity		
Share capital	3,406	4,040
Capital surplus		
Legal capital surplus	952	1,587
Other capital surplus	2,015	2,014
Total capital surplus	2,968	3,601
Retained earnings		
Legal retained earnings	98	98
Other retained earnings		
General reserve	210	210
Retained earnings brought forward	395	597
Total retained earnings	704	906
Treasury shares	(76)	(53)
Total shareholders' equity	7,002	8,496
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-	(20)
Total valuation and translation adjustments	-	(20)
Share acquisition rights	14	5
Total net assets	7,016	8,481
Total liabilities and net assets	14,195	14,782

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	13,157	12,298
Cost of sales	9,422	8,941
Gross profit	3,734	3,357
Selling, general and administrative expenses	3,734	3,560
Operating profit (loss)	0	(203)
Non-operating income		
Interest income	52	17
Dividend income	1,171	1,304
Other	153	54
Total non-operating income	1,377	1,376
Non-operating expenses		
Interest expenses	29	22
Foreign exchange losses	-	147
Provision of allowance for doubtful accounts	291	-
Other	23	37
Total non-operating expenses	344	207
Ordinary profit	1,033	966
Extraordinary income		
Gain on sale of non-current assets	27	1
Gain on liquidation of subsidiaries	-	8
Total extraordinary income	27	9
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Impairment losses	350	107
Loss on business restructuring	792	-
Loss on liquidation of subsidiaries	39	-
Retirement benefit expenses	45	-
Total extraordinary losses	1,228	107
Profit (loss) before income taxes	(167)	868
Income taxes - current	173	196
Income taxes - deferred	(0)	(0)
Total income taxes	173	196
Net Profit (loss)	(340)	672

(3) Statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	3,406	952	2,014	2,967	98	210	1,299	1,607	(94)	7,887
Issuance of new shares										
Dividends of surplus							(562)	(562)		(562)
Profit (loss)							(340)	(340)		(340)
Purchase of treasury shares									(0)	(0)
Disposal of treasury shares			0	0					17	18
Net changes in items other than shareholders' equity										
Total changes during period	-	-	0	0	-	-	(903)	(903)	17	(885)
Balance at end of period	3,406	952	2,015	2,968	98	210	395	704	(76)	7,002

	Share acquisition rights	Total net assets
Balance at beginning of period	20	7,908
Issuance of new shares		
Dividends of surplus		(562)
Profit (loss)		(340)
Purchase of treasury shares		(0)
Disposal of treasury shares		18
Net changes in items other than shareholders' equity	(6)	(6)
Total changes during period	(6)	(891)
Balance at end of period	14	7,016

Statement of changes in equity
Fiscal year ended March 31, 2025

(Millions of yen)

(millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	3,406	952	2,015	2,968	98	210	395	704	(76)	7,002
Issuance of new shares	634	634		634						1,269
Dividends of surplus							(470)	(470)		(470)
Profit (loss)							672	672		672
Purchase of treasury shares										
Disposal of treasury shares			(0)	(0)					23	23
Net changes in items other than shareholders' equity										
Total changes during period	634	634	(0)	633	-	-	202	202	23	1,494
Balance at end of period	4,040	1,587	2,014	3,601	98	210	597	906	(53)	8,496

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	-	-	14	7,016
Issuance of new shares				1,269
Dividends of surplus				(470)
Profit (loss)				672
Purchase of treasury shares				
Disposal of treasury shares				23
Net changes in items other than shareholders' equity	(20)	(20)	(8)	(28)
Total changes during period	(20)	(20)	(8)	1,464
Balance at end of period	(20)	(20)	5	8,481