

May 13, 2025

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

Company name: PUNCH INDUSTRY CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6165
 URL: <https://www.punch.co.jp/ir/>
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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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	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)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
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

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	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

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	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

Fiscal year ended	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			
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
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

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

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

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

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