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May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Eagle Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Securities code: 6486
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 Representative: Tetsuji Tsuru, Representative Director, President
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 TEL: 03-3438-2291
 Scheduled date of ordinary general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 5, 2025
 Scheduled date to file Securities Report: June 24, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down, 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	168,172	0.7	8,494	4.8	12,024	(12.9)	4,877	(34.9)
March 31, 2024	167,042	6.1	8,107	(12.5)	13,799	12.4	7,491	10.2

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥5,144 million [(78.0)%]
 For the fiscal year ended March 31, 2024: ¥23,389 million [48.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit /total assets	Operating profit /net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	107.51	—	4.2	5.8	5.1
March 31, 2024	160.84	—	6.8	6.8	4.9

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥2,858 million
 For the fiscal year ended March 31, 2024: ¥3,317 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	203,484	122,519	55.9	2,517.54
March 31, 2024	209,914	125,671	55.6	2,570.06

Reference: Equity

As of March 31, 2025: ¥113,830 million

As of March 31, 2024: ¥116,762 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	13,692	(10,440)	(8,312)	24,890
March 31, 2024	17,741	(12,027)	(6,409)	31,054

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	35.00	—	45.00	80.00	3,765	49.7	3.4
Fiscal year ended March 31, 2025	—	50.00	—	50.00	100.00	4,650	93.0	3.9
Fiscal year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		53.3	

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	84,000	1.3	2,600	(39.0)	4,600	(20.0)	3,100	14.3	68.48
Fiscal year ending March 31, 2026	170,000	1.1	9,000	6.0	13,100	8.9	8,500	74.3	187.52

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (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 of prior period financial statements: No

Note: For details, please refer to “(5) Notes to the consolidated financial statements (Notes to changes in accounting policies)” in “3. Consolidated financial statements and significant notes thereto” on page 12 of the attached materials.

- (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	49,757,821 shares
As of March 31, 2024	49,757,821 shares

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

As of March 31, 2025	4,542,659 shares
As of March 31, 2024	4,326,163 shares

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

Fiscal year ended March 31, 2025	45,371,417 shares
Fiscal year ended March 31, 2024	46,578,827 shares

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	94,188	(3.9)	(257)	—	10,688	(12.2)	10,927	5.4
March 31, 2024	98,041	4.1	1,188	59.3	12,172	14.6	10,371	6.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	240.85	—
March 31, 2024	222.67	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	155,045	75,404	48.6	1,667.69
March 31, 2024	147,523	69,751	47.3	1,535.31

Reference: Equity

As of March 31, 2025: ¥75,404 million

As of March 31, 2024: ¥69,751 million

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. These statements do not purport that the Company pledges to realize such statements. In addition, actual results may differ due to various factors. For matters relating to the forecast, please refer to “(ii) Outlook for the fiscal year ending March 31, 2026” in “1. Overview of operating results, etc., (1) Overview of operating results” on page 2 of the attached materials.

1. Overview of operating results, etc.

(1) Overview of operating results

(i) Overview of operating results for the fiscal year ended March 31, 2025

The Group recorded net sales of 168,172 million yen (up 0.7% year on year), operating profit of 8,494 million yen (up 4.8% year on year), ordinary profit of 12,024 million yen (down 12.9% year on year) and profit attributable to owners of parent of 4,877 million yen (down 34.9% year on year) for the fiscal year ended March 31, 2025.

Sales of the Automotive and Construction Machinery Industries and the Semiconductor Industry were sluggish, but other businesses performed strongly, resulting in year-on-year increases in both sales and operating profit for the Group as a whole. Ordinary profit decreased as foreign exchange gains recorded in the previous fiscal year turned into foreign exchange losses. Profit attributable to owners of parent also decreased due to a decrease in ordinary profit and the posting of extraordinary losses, such as impairment losses, as well as an increase in profit attributable to non-controlling interests resulting from the reorganization within the Group of the General Machinery Industry.

The following show the results in each segment.

[Automotive and Construction Machinery Industries]

In this segment, sales of conventional products such as seals and control valves for internal combustion engines declined due to the progress in the electrification of automobiles on a global basis. Net sales in this segment were 87,592 million yen (down 3.2% year on year) and operating profit was 559 million yen (down 65.3% year on year), as, in particular, sales decreased domestically and in Southeast Asia region.

[General Machinery Industry]

In this segment, sales in India and Asia-Pacific region performed well throughout the year. Net sales in this segment were 40,836 million yen (up 6.2% year on year) and operating profit was 5,384 million yen (up 66.8% year on year), as, especially in Southeast Asia region, demand for repair work for petroleum refining and petrochemical plants grew.

[Semiconductor Industry]

Net sales in this segment were 12,584 million yen (down 16.6% year on year), as inventory adjustment in the market for the Company's products was delayed, despite the recovery of the semiconductor industry, especially in the generative AI-related field. Operating loss was 3,766 million yen (compared with operating loss of 753 million yen for the fiscal year ended March 31, 2024), as a decrease in sales and an increase in fixed costs as a result of upfront investments to prepare for future increases in demand.

[Marine Industry]

Net sales in this segment were 18,047 million yen (up 20.4% year on year) and operating profit was 5,278 million yen (up 56.4% year on year), due to strong demand for new shipbuilding and an increase in repair demand due to geopolitical issues etc.

[Aerospace Industry]

Net sales in this segment were 9,112 million yen (up 13.2% year on year) and operating profit was 1,027 million yen (up 64.3% year on year), due to growth in products for aircraft, including defense-related products, and for space applications.

(ii) Outlook for the fiscal year ending March 31, 2026

Although the trade policies of the new U.S. administration have increased uncertainty in the global economy, the Company expects an increase in sales and profit for the financial results of the fiscal year ending March 31, 2026.

The following show the outlook in each segment.

In the Automotive and Construction Machinery Industries, sales of solenoid valves for suspensions, for which the Company is expanding sales, are expected to increase for EVs, but sales are expected to decrease due to a decline in sales of conventional products for internal combustion engines.

In the General Machinery Industry, demand from domestic pump and compressor manufacturers is increasing in both domestic and external markets. In addition, the petroleum refining and petrochemical industries are continuously growing in emerging countries and regions, especially in India and the Asia-Pacific region, and sales of the Group's products and services are expected to increase.

In the Semiconductor Industry, demand for semiconductors is on an expansionary trend against the backdrop of the spread of generative AI. The excess distribution inventory of the Company's products is being eliminated, and in addition, the Company expects to expand sales of new products, which is expected to increase sales.

In the Marine Industry, sales are expected to be at the same level as the previous year due to a lull in demand for repairs, although demand for new shipbuilding continues to be strong.

In the Aerospace Industry, sales are expected to increase as demand for seals for small and medium-sized aircraft engines remains strong, and for space, demand is expanding mainly due to projects for rockets and satellites.

The consolidated financial results forecasts for the fiscal year ending March 31, 2026 are net sales of 170 billion yen (up 1.1% year on year), operating profit of 9 billion yen (up 6.0% year on year), ordinary profit of 13.1 billion yen (up 8.9% year on year), and profit attributable to owners of parent of 8.5 billion yen (up 74.3% year on year). The Company has factored in the impact on the Group's businesses resulting from the new U.S. administration's reciprocal tariff policy, mainly the increase in tariff burdens for U.S. Group companies in Automotive and Construction Machinery Industries, as a direct impact on the financial results forecasts.

(2) Overview of financial position

(i) Status of assets, liabilities and net assets

Assets at the end of the fiscal year ended March 31, 2025 were 203,484 million yen, down 6,429 million yen from the end of the fiscal year ended March 31, 2024. This was mainly due to a decrease of cash and deposits by 6,350 million yen.

Liabilities were 80,964 million yen, down 3,277 million yen from the end of the fiscal year ended March 31, 2024. This was mainly due to decreases of retirement benefit liability by 2,122 million yen, and long-term borrowings by 1,059 million yen.

Net assets were 122,519 million yen, down 3,152 million yen from the end of the fiscal year ended March 31, 2024. This was mainly due to decreases of 4,441 million yen caused by dividends of surplus, and foreign currency translation adjustment by 3,302 million yen, despite the recording of profit attributable to owners of parent of 4,877 million yen.

(ii) Status of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year ended March 31, 2025 were 24,890 million yen, down 6,163 million yen from the end of the fiscal year ended March 31, 2024.

The status of each cash flow and its major factors are as follows.

(Cash flows from operating activities)

Funds gained from operating activities were 13,692 million yen (down 22.8% year on year). This was mainly due to profit before income taxes of 11,557 million yen, depreciation of 10,535 million yen, and expenditures of 3,796 million yen for payment of income taxes.

(Cash flows from investing activities)

Funds used as a result of investing activities were 10,440 million yen (down 13.2% year on year). This was mainly due to payment of 10,657 million yen for the acquisition of property, plant and equipment.

(Cash flows from financing activities)

Funds used as a result of financing activities were 8,312 million yen (up 29.7% year on year). This was mainly due to acquisition of 11,000 million yen from long-term borrowings, as well as expenditures of 12,512 million yen for repayment of long-term borrowings, and 7,607 million yen for payment of cash dividends (including payment to non-controlling shareholders).

The trends of cash flow indicators are as follows.

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Equity ratio (%)	47.8	52.1	54.0	55.6	55.9
Equity ratio based on market value (%)	33.1	26.5	29.6	39.6	43.5
Ratio of interest-bearing debt to cash flow (year)	2.4	3.0	3.2	2.5	3.3
Interest coverage ratio (times)	43.7	31.3	32.3	35.0	26.6

Equity ratio: Equity / total assets

Equity ratio based on market value: Market capitalization / total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest paid

- (Notes)
1. All the indicators are calculated based on consolidated financial figures.
 2. Market capitalization is calculated by the closing share price at the end of the period × the total number of issued shares at the end of the period (after deduction of treasury shares).
 3. Cash flows are represented by operating cash flow.
 4. Interest-bearing debts are all liabilities that are recorded on the balance sheet and whose interest has been paid.

2. Basic stance on the selection of accounting standards

Taking into consideration the comparability of the consolidated financial statements between periods and between companies, our Group currently prepares its consolidated financial statements in accordance with the Japanese GAAP. For the application of IFRS, our Group has a policy to appropriately take measures taking developments in Japan and overseas into consideration.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	32,536	26,185
Notes receivable - trade	1,622	1,357
Accounts receivable - trade	32,953	33,689
Electronically recorded monetary claims - operating	6,429	6,247
Merchandise and finished goods	12,245	11,592
Work in process	9,003	9,141
Raw materials and supplies	14,522	15,568
Accounts receivable - other	4,213	4,936
Other	2,533	2,740
Allowance for doubtful accounts	(102)	(89)
Total current assets	115,956	111,369
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,813	58,893
Accumulated depreciation	(28,544)	(30,095)
Buildings and structures, net	25,268	28,798
Machinery, equipment and vehicles	97,106	93,187
Accumulated depreciation	(75,808)	(75,107)
Machinery, equipment and vehicles, net	21,297	18,080
Tools, furniture and fixtures	18,659	19,539
Accumulated depreciation	(15,213)	(15,648)
Tools, furniture and fixtures, net	3,445	3,890
Land	6,870	6,689
Leased assets	3,611	3,591
Accumulated depreciation	(2,005)	(2,284)
Leased assets, net	1,605	1,306
Construction in progress	6,895	4,081
Total property, plant and equipment	65,383	62,847
Intangible assets		
Goodwill	426	215
Other	1,899	1,945
Total intangible assets	2,325	2,160
Investments and other assets		
Investment securities	18,257	18,196
Long-term loans receivable	441	529
Retirement benefit asset	2,806	3,307
Deferred tax assets	3,164	3,574
Other	1,734	1,606
Allowance for doubtful accounts	(156)	(106)
Total investments and other assets	26,248	27,107
Total non-current assets	93,957	92,115
Total assets	209,914	203,484

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	9,134	8,488
Electronically recorded obligations - operating	2,742	2,807
Short-term borrowings	2,427	4,065
Current portion of long-term borrowings	11,975	11,515
Accounts payable - other	3,668	3,623
Lease liabilities	563	492
Income taxes payable	2,316	2,376
Contract liabilities	383	474
Deposits received from employees	4,345	4,374
Provision for bonuses	2,931	3,082
Provision for loss on orders received	800	230
Other	5,678	5,609
Total current liabilities	46,968	47,140
Non-current liabilities		
Long-term borrowings	24,735	23,676
Lease liabilities	874	647
Retirement benefit liability	10,146	8,023
Provision for environmental measures	299	299
Other	1,217	1,177
Total non-current liabilities	37,273	33,824
Total liabilities	84,242	80,964
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,819	11,827
Retained earnings	79,415	79,846
Treasury shares	(6,769)	(7,454)
Total shareholders' equity	94,956	94,710
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	877	727
Foreign currency translation adjustment	16,359	13,056
Remeasurements of defined benefit plans	4,568	5,336
Total accumulated other comprehensive income	21,805	19,120
Non-controlling interests	8,909	8,688
Total net assets	125,671	122,519
Total liabilities and net assets	209,914	203,484

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	167,042	168,172
Cost of sales	129,385	128,525
Gross profit	37,657	39,647
Selling, general and administrative expenses	29,549	31,153
Operating profit	8,107	8,494
Non-operating income		
Interest income	648	567
Dividend income	43	52
Share of profit of entities accounted for using equity method	3,317	2,858
Foreign exchange gains	1,630	–
Rental income	125	138
Other	638	989
Total non-operating income	6,404	4,606
Non-operating expenses		
Interest expenses	522	488
Foreign exchange losses	–	446
Expenses for product compensation	19	–
Other	170	141
Total non-operating expenses	712	1,076
Ordinary profit	13,799	12,024
Extraordinary income		
Gain on sale of non-current assets	11	26
Gain on sale of investment securities	151	359
Gain on revision of retirement benefit plan	–	1,057
Total extraordinary income	162	1,444
Extraordinary losses		
Loss on sale of non-current assets	6	0
Loss on retirement of non-current assets	69	91
Impairment losses	1,051	1,303
Amortization of past service cost	–	515
Total extraordinary losses	1,126	1,910
Profit before income taxes	12,835	11,557
Income taxes - current	3,647	4,246
Income taxes - deferred	101	(737)
Total income taxes	3,749	3,509
Profit	9,086	8,048
Profit attributable to non-controlling interests	1,594	3,170
Profit attributable to owners of parent	7,491	4,877

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	9,086	8,048
Other comprehensive income		
Valuation difference on available-for-sale securities	349	(154)
Foreign currency translation adjustment	7,536	(3,235)
Remeasurements of defined benefit plans, net of tax	4,225	864
Share of other comprehensive income of entities accounted for using equity method	2,190	(378)
Total other comprehensive income	14,302	(2,903)
Comprehensive income	23,389	5,144
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,127	2,192
Comprehensive income attributable to non-controlling interests	2,261	2,952

(3) Consolidated statements 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	10,490	11,819	75,824	(1,884)	96,249
Changes during period					
Dividends of surplus			(3,900)		(3,900)
Profit attributable to owners of parent			7,491		7,491
Purchase of treasury shares				(5,238)	(5,238)
Disposal of treasury shares				353	353
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,591	(4,884)	(1,293)
Balance at end of period	10,490	11,819	79,415	(6,769)	94,956

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	518	7,310	340	8,170	8,510	112,930
Changes during period						
Dividends of surplus						(3,900)
Profit attributable to owners of parent						7,491
Purchase of treasury shares						(5,238)
Disposal of treasury shares						353
Net changes in items other than shareholders' equity	358	9,048	4,228	13,635	399	14,035
Total changes during period	358	9,048	4,228	13,635	399	12,741
Balance at end of period	877	16,359	4,568	21,805	8,909	125,671

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	10,490	11,819	79,415	(6,769)	94,956
Changes during period					
Dividends of surplus			(4,441)		(4,441)
Change in scope of consolidation			(4)		(4)
Profit attributable to owners of parent			4,877		4,877
Purchase of shares of consolidated subsidiaries		7			7
Purchase of treasury shares				(1,020)	(1,020)
Disposal of treasury shares				335	335
Net changes in items other than shareholders' equity					
Total changes during period	—	7	431	(684)	(245)
Balance at end of period	10,490	11,827	79,846	(7,454)	94,710

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	877	16,359	4,568	21,805	8,909	125,671
Changes during period						
Dividends of surplus						(4,441)
Change in scope of consolidation						(4)
Profit attributable to owners of parent						4,877
Purchase of shares of consolidated subsidiaries						7
Purchase of treasury shares						(1,020)
Disposal of treasury shares						335
Net changes in items other than shareholders' equity	(150)	(3,302)	767	(2,685)	(220)	(2,906)
Total changes during period	(150)	(3,302)	767	(2,685)	(220)	(3,152)
Balance at end of period	727	13,056	5,336	19,120	8,688	122,519

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,835	11,557
Depreciation	10,550	10,535
Impairment losses	1,051	1,303
Share of loss (profit) of entities accounted for using equity method	(3,317)	(2,858)
Amortization of goodwill	387	200
Increase (decrease) in allowance for doubtful accounts	33	(60)
Increase (decrease) in provision for bonuses	68	163
Increase (decrease) in retirement benefit asset or liability	(39)	235
Interest and dividend income	(692)	(619)
Interest expenses	522	488
Loss (gain) on sale and retirement of property, plant and equipment	63	65
Loss (gain) on sale of investment securities	(151)	(359)
Decrease (increase) in trade receivables	(1,038)	(856)
Decrease (increase) in inventories	(1,166)	(1,112)
Decrease (increase) in other assets	182	(1,991)
Increase (decrease) in trade payables	(1,866)	(226)
Increase (decrease) in provision for loss on orders received	154	(570)
Increase (decrease) in other liabilities	956	529
Other, net	(589)	(851)
Subtotal	17,945	15,572
Interest and dividends received	3,584	2,432
Interest paid	(506)	(515)
Income taxes paid	(3,281)	(3,796)
Net cash provided by (used in) operating activities	17,741	13,692
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,148)	(10,657)
Proceeds from sale of property, plant and equipment	86	238
Purchase of intangible assets	(681)	(732)
Purchase of investment securities	(6)	(6)
Proceeds from sale of investment securities	283	398
Payments into time deposits	(157)	(346)
Proceeds from withdrawal of time deposits	70	599
Other, net	(474)	66
Net cash provided by (used in) investing activities	(12,027)	(10,440)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	15,773	17,745
Repayments of short-term borrowings	(15,520)	(15,589)
Proceeds from long-term borrowings	17,400	11,000
Repayments of long-term borrowings	(12,687)	(12,512)
Proceeds from sale of treasury shares	320	303
Purchase of treasury shares	(5,254)	(1,023)
Dividends paid	(3,900)	(4,441)
Dividends paid to non-controlling interests	(1,862)	(3,165)
Repayments of finance lease liabilities	(679)	(627)
Net cash provided by (used in) financing activities	(6,409)	(8,312)
Effect of exchange rate change on cash and cash equivalents	2,477	(1,103)
Net increase (decrease) in cash and cash equivalents	1,782	(6,163)
Cash and cash equivalents at beginning of period	29,271	31,054
Cash and cash equivalents at end of period	31,054	24,890

(5) Notes to the consolidated financial statements

(Notes to going concern assumption)

Not applicable.

(Notes to changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, hereinafter, the “2022 revised accounting standard”) from the beginning of the fiscal year ended March 31, 2025.

The revisions regarding the classification of corporate taxes (tax on other comprehensive income) follow the transitional treatment stipulated in the proviso to section 20-3 of the 2022 revised accounting standard and the transitional treatment stipulated in the proviso to section 65-2 paragraph (2) “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, hereinafter the “2022 revised implementation guidance”). The change in accounting policy has no impact on the consolidated financial statements.

In addition, the Company has applied the 2022 revised implementation guidance with regard to the amendments related to the revision of the treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities between consolidated companies from the beginning of the fiscal year ended March 31, 2025. Changes in accounting policy have been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. The change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Notes to segment information, etc.)

1. Overview of reporting segments

Our Group’s reporting segments, whose financial information is available for each component of our Group, are subject to regular examination by the Board of Directors in order to decide on the allocation of management resources and evaluate the financial results.

We have set a business domain for each industry in which our products are used, and defined the Automotive and Construction Machinery Industries, the General Machinery Industry, the Semiconductor Industry, the Marine Industry, and the Aerospace Industry as our five reporting segments.

2. Method to calculate the amounts of net sales, profit/loss, assets, liabilities and other items for each reporting segment

The method for accounting of operating segments we report is in accordance with the accounting policies adopted for the preparation of the consolidated financial statements.

Profit in the reporting segments are based on operating profit.

Inter-segment sales and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit/loss, assets, liabilities and other items for each reporting segment

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

(Millions of yen)

	Auto- motive and Construc- tion Machinery Industries	General Machinery Industry	Semi- conductor Industry	Marine Industry	Aerospace Industry	Total	Adjust- ment or Group- wide	Amount recorded on the consoli- dated financial statements
Net sales								
Net sales to external customers	90,468	38,460	15,080	14,984	8,049	167,042	—	167,042
Inter-segment sales or transfers	157	126	—	2	—	286	(286)	—
Total	90,626	38,586	15,080	14,986	8,049	167,329	(286)	167,042
Segment profit (loss)	1,611	3,228	(753)	3,374	625	8,086	20	8,107
Segment assets	98,583	49,884	18,971	11,383	11,641	190,464	19,449	209,914
Other items								
Depreciation	6,716	2,134	749	500	234	10,335	215	10,550
Increase in property, plant and equipment and intangible assets	4,608	1,523	4,943	243	125	11,444	496	11,941

Differences between the total amount of reporting segments and the amount recorded on the consolidated financial statements, and major components thereof (matters concerning adjustment of differences)

- (1) The segment profit/loss adjustment of 20 million yen is elimination of inter-segment transactions.
- (2) Segment profit/loss is adjusted based on operating profit on the consolidated statement of income.
- (3) Of the segment assets, the amount of Group-wide assets included in the field of “Adjustment or Group-wide” is 23,066 million yen. Its major components include our cash and deposits, accounts receivable - other, software, retirement benefit asset and deferred tax assets.
- (4) Of the amounts of increase in depreciation, property, plant and equipment and intangible assets in the field of “Other items,” the Group-wide amount included in the field of “Adjustment or Group-wide” mainly consists of our software.

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

(Millions of yen)

	Auto- motive and Construc- tion Machinery Industries	General Machinery Industry	Semi- conductor Industry	Marine Industry	Aerospace Industry	Total	Adjust- ment or Group- wide	Amount recorded on the consoli- dated financial statements
Net sales								
Net sales to external customers	87,592	40,836	12,584	18,047	9,112	168,172	–	168,172
Inter-segment sales or transfers	169	135	–	10	–	314	(314)	–
Total	87,761	40,971	12,584	18,057	9,112	168,487	(314)	168,172
Segment profit (loss)	559	5,384	(3,766)	5,278	1,027	8,483	11	8,494
Segment assets	89,701	50,347	23,150	12,379	13,411	188,990	14,494	203,484
Other items								
Depreciation	6,344	2,024	1,193	489	263	10,315	219	10,535
Increase in property, plant and equipment and intangible assets	3,620	2,157	3,849	611	545	10,783	507	11,290

Differences between the total amount of reporting segments and the amount recorded on the consolidated financial statements, and major components thereof (matters concerning adjustment of differences)

- (1) The segment profit/loss adjustment of 11 million yen is elimination of inter-segment transactions.
- (2) Segment profit/loss is adjusted based on operating profit on the consolidated statement of income.
- (3) Of the segment assets, the amount of Group-wide assets included in the field of “Adjustment or Group-wide” is 19,753 million yen. Its major components include our cash and deposits, accounts receivable - other, software, retirement benefit asset and deferred tax assets.
- (4) Of the amounts of increase in depreciation, property, plant and equipment and intangible assets in the field of “Other items,” the Group-wide amount included in the field of “Adjustment or Group-wide” mainly consists of our software.

(Notes to per-share information)

(Yen)

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	
Net assets per share	2,570.06	Net assets per share	2,517.54
Earnings per share	160.84	Earnings per share	107.51
Diluted earnings per share are not shown here since there are no dilutive shares.		Diluted earnings per share are not shown here since there are no dilutive shares.	

(Note) The following shows the basis for calculation of earnings per share.

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (millions of yen)	7,491	4,877
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent applicable to common shares (millions of yen)	7,491	4,877
Average number of shares during the period (shares)	46,578,827	45,371,417

(Notes to material post-balance sheet events)

Not applicable.