

May 9, 2025

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

Company name: KOHSOKU CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7504
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 24, 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	115,915	9.1	4,532	7.2	4,840	6.9	3,465	11.3
March 31, 2024	106,216	7.5	4,227	5.5	4,528	6.8	3,114	4.6

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,659 million [4.3%]
 For the fiscal year ended March 31, 2024: ¥3,507 million [17.0%]

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	179.11	-	9.0	7.9	3.9
March 31, 2024	161.19	-	8.8	7.7	4.0

(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	61,175	39,769	65.0	2,043.33
March 31, 2024	61,498	36,900	60.0	1,909.06

Reference: Equity
 As of March 31, 2025: ¥39,769 million
 As of March 31, 2024: ¥36,900 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	970	(2,517)	(947)	8,116
March 31, 2024	4,584	(1,580)	(1,062)	10,588

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	24.00	-	28.00	52.00	1,005	32.3	2.8
March 31, 2025	-	27.00	-	27.00	54.00	1,047	30.1	2.7
March 31, 2026 (Forecast)		58.00		58.00	116.00		62.0	

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	61,000	10.9	2,300	0.4	2,450	0.2	1,700	1.5	87.20
Fiscal year ending March 31, 2026	124,000	7.0	4,850	7.0	5,150	6.4	3,650	5.3	187.23

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (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: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For details, please refer to Appendix P.15, "3. Please refer to Consolidated Financial Statements and Major Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policy).

- (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	20,990,920 shares
As of March 31, 2024	20,990,920 shares

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

As of March 31, 2025	1,527,797 shares
As of March 31, 2024	1,661,803 shares

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

Fiscal year ended March 31, 2025	19,348,626 shares
Fiscal year ended March 31, 2024	19,322,629 shares

[Reference] Overview of non-consolidated financial results

1. 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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	98,711	11.2	3,855	9.3	4,312	9.3	3,160	13.9
March 31, 2024	88,800	8.3	3,527	7.3	3,944	7.6	2,774	4.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	163.32	-
March 31, 2024	143.56	-

(2) Non-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	52,549	32,851	62.5	1,687.89
March 31, 2024	53,287	30,436	57.1	1,574.65

Reference: Equity

As of March 31, 2025: ¥32,851 million

As of March 31, 2024: ¥30,436 million

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Please refer to "Summary of Business Results (4) Future Outlook".

Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	10,650,577	8,178,780
Notes and accounts receivable - trade, and contract assets	15,998,205	15,444,931
Electronically recorded monetary claims - operating	2,329,150	2,164,765
Securities	300,000	200,000
Merchandise and finished goods	5,539,559	6,412,961
Work in process	91,209	112,942
Raw materials and supplies	178,099	203,728
Other	284,275	326,183
Allowance for doubtful accounts	(26,652)	(56,768)
Total current assets	35,344,424	32,987,524
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,886,861	14,949,558
Accumulated depreciation	(8,469,619)	(8,849,652)
Buildings and structures, net	5,417,241	6,099,906
Machinery, equipment and vehicles	4,107,856	4,277,385
Accumulated depreciation	(3,050,085)	(3,160,269)
Machinery, equipment and vehicles, net	1,057,770	1,117,116
Land	11,366,080	11,939,286
Leased assets	641,025	640,722
Accumulated depreciation	(399,209)	(322,481)
Leased assets, net	241,816	318,241
Construction in progress	475,442	781,090
Other	1,384,560	1,495,892
Accumulated depreciation	(1,202,268)	(1,259,582)
Other, net	182,292	236,310
Total property, plant and equipment	18,740,644	20,491,950
Intangible assets		
Other	647,538	542,725
Total intangible assets	647,538	542,725
Investments and other assets		
Investment securities	5,429,222	5,931,900
Long-term loans receivable	202,365	-
Investment property	417,981	418,631
Accumulated depreciation	(143,963)	(148,140)
Investment property, net	274,017	270,490
Deferred tax assets	664,959	712,309
Other	256,592	296,307
Allowance for doubtful accounts	(61,316)	(58,192)
Total investments and other assets	6,765,841	7,152,815
Total non-current assets	26,154,024	28,187,491
Total assets	61,498,449	61,175,016

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,595,552	8,859,015
Electronically recorded obligations - operating	10,197,556	6,443,566
Accounts payable - other	1,029,004	1,203,837
Lease liabilities	114,321	119,215
Income taxes payable	794,358	877,692
Accrued consumption taxes	405,930	262,136
Provision for bonuses	1,271,243	1,428,045
Other	628,933	630,712
Total current liabilities	23,036,900	19,824,221
Non-current liabilities		
Long-term accounts payable - other	10,810	10,810
Lease liabilities	151,819	231,524
Deferred tax liabilities	527,344	576,287
Retirement benefit liability	804,383	690,179
Other	66,573	72,273
Total non-current liabilities	1,560,931	1,581,075
Total liabilities	24,597,832	21,405,297
Net assets		
Shareholders' equity		
Share capital	1,724,518	1,724,518
Capital surplus	1,858,290	2,022,787
Retained earnings	34,064,996	36,466,996
Treasury shares	(1,355,698)	(1,246,614)
Total shareholders' equity	36,292,106	38,967,686
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	703,110	790,377
Remeasurements of defined benefit plans	(94,599)	11,654
Total accumulated other comprehensive income	608,511	802,032
Total net assets	36,900,617	39,769,719
Total liabilities and net assets	61,498,449	61,175,016

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	106,216,978	115,915,464
Cost of sales	85,328,605	92,874,452
Gross profit	20,888,372	23,041,012
Selling, general and administrative expenses		
Freight and packing costs	2,676,251	2,970,859
Remuneration for directors (and other officers)	266,988	268,685
Salaries and allowances	5,830,852	6,441,070
Provision for bonuses	1,148,239	1,317,582
Retirement benefit expenses	174,681	171,024
Legal welfare expenses	1,140,448	1,232,137
Vehicle expenses	354,166	356,550
Communication expenses	314,348	335,118
Depreciation	668,302	680,410
Rent expenses on real estate	625,693	688,225
Other	3,460,466	4,046,885
Total selling, general and administrative expenses	16,660,439	18,508,550
Operating profit	4,227,933	4,532,461
Non-operating income		
Interest income	63,214	65,209
Dividend income	35,220	43,882
Purchase discounts	127,272	141,260
Rental income	42,583	40,369
Other	57,024	50,780
Total non-operating income	325,315	341,501
Non-operating expenses		
Rental costs	15,498	12,127
Other	9,420	21,493
Total non-operating expenses	24,918	33,621
Ordinary profit	4,528,329	4,840,342
Extraordinary income		
Gain on sale of investment securities	-	31,113
Insurance claim income	24,482	-
Total extraordinary income	24,482	31,113
Extraordinary losses		
Impairment losses	33,742	-
Loss on disaster	22,748	-
Total extraordinary losses	56,490	-
Profit before income taxes	4,496,321	4,871,455
Income taxes - current	1,421,269	1,508,313
Income taxes - deferred	(39,686)	(102,421)
Total income taxes	1,381,583	1,405,891
Profit	3,114,738	3,465,564
Profit attributable to owners of parent	3,114,738	3,465,564

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,114,738	3,465,564
Other comprehensive income		
Valuation difference on available-for-sale securities	383,603	87,266
Remeasurements of defined benefit plans, net of tax	9,278	106,254
Total other comprehensive income	392,882	193,520
Comprehensive income	3,507,620	3,659,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,507,620	3,659,085

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,690,450	1,858,290	31,858,339	(1,355,567)	34,051,511	319,506	(103,877)	215,629	34,267,140
Issuance of new shares	34,068				34,068				34,068
Dividends of surplus			(908,081)		(908,081)				(908,081)
Profit attributable to owners of parent			3,114,738		3,114,738				3,114,738
Purchase of treasury shares				(130)	(130)				(130)
Disposal of treasury shares									
Net changes in items other than shareholders' equity						383,603	9,278	392,882	392,882
Total changes during period	34,068	-	2,206,656	(130)	2,240,594	383,603	9,278	392,882	2,633,476
Balance at end of period	1,724,518	1,858,290	34,064,996	(1,355,698)	36,292,106	703,110	(94,599)	608,511	36,900,617

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,724,518	1,858,290	34,064,996	(1,355,698)	36,292,106	703,110	(94,599)	608,511	36,900,617
Issuance of new shares									
Dividends of surplus			(1,063,563)		(1,063,563)				(1,063,563)
Profit attributable to owners of parent			3,465,564		3,465,564				3,465,564
Purchase of treasury shares				(208)	(208)				(208)
Disposal of treasury shares		164,497		109,291	273,788				273,788
Net changes in items other than shareholders' equity						87,266	106,254	193,520	193,520
Total changes during period	-	164,497	2,402,000	109,083	2,675,580	87,266	106,254	193,520	2,869,101
Balance at end of period	1,724,518	2,022,787	36,466,996	(1,246,614)	38,967,686	790,377	11,654	802,032	39,769,719

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,496,321	4,871,455
Depreciation	952,221	977,831
Impairment losses	33,742	3,000
Loss on disaster	22,748	-
Increase (decrease) in provision for bonuses	84,781	156,326
Increase (decrease) in long-term accounts payable - other	(7,210)	-
Increase (decrease) in allowance for doubtful accounts	43,520	26,992
Increase (decrease) in retirement benefit liability	2,338	35,906
Interest and dividend income	(98,434)	(109,091)
Loss on retirement of property, plant and equipment	1,684	769
Loss (gain) on sale of property, plant and equipment	(1,184)	(1,321)
Loss on retirement of intangible assets	1,136	-
Loss (gain) on sale of investment securities	-	(31,113)
Loss (gain) on valuation of investment securities	-	1,966
Insurance claim income	(24,482)	-
Decrease (increase) in trade receivables	(2,427,498)	742,745
Decrease (increase) in inventories	(86,059)	(893,802)
Increase (decrease) in trade payables	2,717,720	(3,508,948)
Increase (decrease) in accrued consumption taxes	174,697	(146,039)
Decrease (increase) in other assets	(48,183)	(35,824)
Increase (decrease) in other liabilities	88,123	204,151
Subtotal	5,925,983	2,295,003
Interest and dividends received	103,110	111,476
Income taxes paid	(1,451,296)	(1,435,520)
Proceeds from insurance income	24,482	-
Payments associated with disaster loss	(17,969)	-
Net cash provided by (used in) operating activities	4,584,311	970,958

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(1,433,387)	(2,176,760)
Proceeds from sale of property, plant and equipment	1,184	4,159
Purchase of intangible assets	(129,358)	(110,775)
Purchase of investment securities	(194,880)	(568,272)
Proceeds from sale of investment securities	-	34,242
Proceeds from redemption of investment securities	200,000	300,000
Loan advances	(30,000)	-
Proceeds from collection of loans receivable	6,373	-
Net cash provided by (used in) investing activities	(1,580,068)	(2,517,407)
Cash flows from financing activities		
Repayments of finance lease liabilities	(153,586)	(116,753)
Proceeds from disposal of treasury shares	-	233,248
Net decrease (increase) in treasury shares	(130)	(208)
Dividends paid	(908,450)	(1,063,820)
Net cash provided by (used in) financing activities	(1,062,166)	(947,534)
Net increase (decrease) in cash and cash equivalents	1,942,076	(2,493,982)
Cash and cash equivalents at beginning of period	8,646,576	10,588,653
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	22,185
Cash and cash equivalents at end of period	10,588,653	8,116,855

(Notes on segment information, etc.)

Since the Group is a single segment of the "Manufacturing and Sales of Packaging Materials, etc.," the description is omitted.