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## Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: Sanken Electric Co., Ltd.  
Listing: Tokyo Stock Exchange  
Securities code: 6707  
URL: <https://www.sanken-ele.co.jp/>  
Representative: Hiroshi Takahashi, Representative Director, President & CEO  
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Telephone: +81-48-472-1111  
Scheduled date of annual general meeting of shareholders: June 27, 2025  
Scheduled date to commence dividend payments: -  
Scheduled date to file annual securities report: June 26, 2025  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	121,619	(48.3)	(3,788)	-	(14,276)	-	50,934	-
March 31, 2024	235,221	4.4	19,539	(25.3)	18,246	(33.0)	(8,112)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 22,083 million [ (4.6) %]  
Fiscal year ended March 31, 2024: ¥ 23,146 million [ (23.5) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	2,119.53	-	38.2	(4.4)	(3.1)
March 31, 2024	(335.99)	-	(7.0)	5.3	8.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ (3,666) million  
Fiscal year ended March 31, 2024: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	259,067	147,928	56.9	6,371.74
March 31, 2024	383,591	198,619	31.1	4,943.45

(Reference) Equity: As of March 31, 2025: ¥ 147,433 million  
As of March 31, 2024: ¥ 119,374 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(9,706)	98,051	(47,891)	60,744
March 31, 2024	15,528	(89,111)	51,275	48,115

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	15.00	-	0.00	15.00	363	-	0.3
March 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	0.00	0.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (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	43,800	(39.8)	(1,100)	-	(1,300)	-	(4,100)	-	(170.61)
Full year	89,200	(26.7)	400	-	(1,200)	-	(4,400)	-	(183.10)

### \* Notes:

#### (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - (Company name: )  
Excluded: 2 (Company name: Allegro MicroSystems, Inc. Polar Semiconductor, LLC )

#### (2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

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

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

March 31, 2025: 25,098,060 shares  
March 31, 2024: 25,098,060 shares

##### 2) Number of treasury shares at the end of the period:

March 31, 2025: 1,959,396 shares  
March 31, 2024: 950,014 shares

##### 3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 24,031,163 shares  
Fiscal Year ended March 31, 2024: 24,145,733 shares

## (Reference) Overview of Non-consolidated Financial Results

## 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

### (1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

17) Non-consolidated operating results					(Percentages indicate year-on-year changes)			
	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	83,024	13.8	(4,013)	-	(10,034)	-	79,345	-
March 31, 2024	72,945	(32.1)	(12,663)	-	(16,291)	-	(19,034)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	3,301.76	-
March 31, 2024	(788.34)	-

## (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	194,140	96,083	49.5	4,152.51
March 31, 2024	127,002	23,051	18.2	954.59

(Reference) Equity:	As of March 31, 2025:	¥	96,083 million
	As of March 31, 2024:	¥	23,051 million

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

\* The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid and we do not promise that these forecasts will be accomplished. Due to various factors, our actual performance could greatly differ from the forecast. For assumptions and notes regarding the forecasts, refer to "Forecast for the future".

# 1. OPERATING RESULTS

## (1) ANALYSIS OF OPERATING RESULTS

The consolidated fiscal year ended March 31, 2025 was the first year of the newly launched 2024 Medium-Term Management Plan (hereinafter referred to as the “24 Medium-Term Plan”), and it was a year designated as a period for rebuilding from the significant losses suffered as a result of the Noto Peninsula Earthquake that occurred in January 2024. Accordingly, we implemented corporate actions to quickly eliminate the deficit in distributable funds caused by the earthquake. The Company sold a portion of its shares in consolidated subsidiary Allegro MicroSystems, Inc. (“Allegro”) in August 2024, and used the funds obtained from this to develop a plan to address capital needs and fundamentally improve the Company’s financial position during the period of the 24 Medium-Term Plan. In addition, the Company completed a third-party allotment of shares in September 2024 with the aim of making consolidated subsidiary Polar Semiconductor, LLC (“PSL”) a US-registered foundry company. In this third-party allotment of shares, a portion of the funds obtained from the partial sale of shares in Allegro was contributed as support funds to PSL. Through a series of corporate actions, Allegro became an equity method affiliate of the Company, and the Company switched from a direct investment in PSL to an indirect investment through a limited partnership (“LPS”) formed by investment companies, and both companies were excluded as consolidated subsidiaries of the Company. As such, the fiscal year ended March 31, 2025 was a year of major changes for the Company.

Regarding the business environment during the current consolidated fiscal year, which saw many changes, the economic outlook became increasingly uncertain due to continued high inflation and the impact of US policy trends. With regard to the financial results during the consolidated fiscal year ended March 31, 2025, consolidated net sales were ¥121,619 million, down ¥113,601 million (48.3%) from the previous fiscal year, due to the exclusion of Allegro as a consolidated subsidiary. In terms of profit and loss, although there was an improvement at Sanken Core, the impact of the income environment at Allegro resulted in the Company recording consolidated operating loss of ¥3,788 million (consolidated operating profit of ¥19,539 million for the previous fiscal year) and consolidated ordinary loss of ¥14,276 million (consolidated ordinary profit of ¥18,246 million for the previous fiscal year). Due to the sale of a portion of our shares in Allegro, profit attributable to owners of parent was ¥50,934 million (loss attributable to owners of parent of ¥8,112 million for the previous fiscal year).

Using the funds obtained from the sale of a portion of its shares in Allegro, the Company repurchased its own shares (up to 6 million shares, up to ¥30 billion) from December 2024 as a measure for returns to shareholders.

Net sales by market, region and product are as follows.

### • Sales by market

(Millions of yen)

	FY2023		FY2024		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Automotive	141,536	60.2%	55,562	45.7%	-85,973	-60.7%
White Goods	47,322	20.1%	47,953	39.4%	630	1.3%
Industrial machinery, consumer goods, others	46,361	19.7%	18,103	14.9%	-28,258	-61.0%
Total	235,221	100.0%	121,619	100.0%	-113,601	-48.3%

• Sales by region

(Millions of yen)

	FY2023		FY2024		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Japan	53,527	22.8%	32,504	26.7%	-21,022	-39.3%
Asia	126,667	53.9%	76,964	63.3%	-49,702	-39.2%
North America	28,367	12.1%	6,474	5.3%	-21,893	-77.2%
Europe	26,659	11.3%	5,676	4.7%	-20,982	-78.7%
Total	235,221	100.0%	121,619	100.0%	-113,601	-48.3%

• Sales by product

(Millions of yen)

	FY2023		FY2024		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Power module	43,692	18.6%	54,925	45.2%	11,233	25.7%
Power device	99,609	42.3%	48,377	39.8%	-51,231	-51.4%
Sensor	91,919	39.1%	18,315	15.1%	-73,603	-80.1%
Total	235,221	100.0%	121,619	100.0%	-113,601	-48.3%

## (2) ANALYSIS OF FINANCIAL CONDITIONS

Assets as of the end of the current consolidated fiscal year were ¥259,067 million, a decrease of ¥124,524 million from the end of the previous consolidated fiscal year. This was mainly due to decreases in inventories of ¥25,874 million, property, plant and equipment of ¥60,736 million, and intangible assets of ¥71,098 million.

Liabilities were ¥111,138 million, a decrease of ¥73,833 million from the end of the previous consolidated fiscal year. This was mainly due to decreases in short-term borrowings including current portion of long-term borrowings of ¥16,843 million, accrued expenses of ¥12,224 million, and long-term borrowings of ¥49,245 million.

Net assets were ¥147,928 million, a decrease of ¥50,690 million from the end of the previous consolidated fiscal year. This was mainly due to decreases in foreign currency translation adjustment of ¥15,921 million and non-controlling interests of ¥78,749 million.

## (3) STATUS OF CASH FLOWS

Balance of cash and cash equivalents at the end of the current consolidated fiscal year was ¥60,744 million, an increase of ¥12,628 million as compared to the end of the previous consolidated fiscal year.

Net cash used in operating activities was ¥9,706 million, a decrease of ¥25,234 million as compared to the previous fiscal year. This was mainly due to an increase in inventories.

Net cash provided by investing activities was ¥98,051 million, an increase in income of ¥187,162 million as compared to the previous fiscal year. This was mainly due to proceeds from sale of investment securities.

Net cash used in financing activities was ¥47,891 million, an increase in expenditures of ¥99,167 million as compared to the previous fiscal year. This was mainly due to the proceeds from long-term borrowings in the previous fiscal year, a decrease in short-term borrowings in the current fiscal year and a decrease in commercial papers.

Our index trend concerning the financial conditions of the Company Group is as follows.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Equity ratio	35.8%	38.8%	36.8%	31.1%	56.9%
Equity ratio on the basis of market price	53.6%	51.3%	84.4%	42.2%	60.1%
Redemption years for liabilities	9.2 years	4.9 years	4.3 years	9.1years	-
Interest coverage ratio	8.4 times	24.5times	19.8times	6.0times	-

Equity ratio:

Equity ratio on the basis of market price:

Redemption years for liabilities:

Interest coverage ratio:

Equity / Total assets

Total amount of market price of stocks / Total assets

Interest-bearing debts / Cash flow from operating activities

Cash flow from operating activities / Interest paid

#### **(4) FORECAST FOR THE FUTURE**

In the 24 Medium-Term Plan, the fiscal year ended March 31, 2025 was designated as a period for rebuilding following the earthquake, and the next three years have been positioned as a phase for the achievement of full-scale growth. During the period of the 24 Medium-Term Plan, Sanken Core's highest priority will be to improve profitability. We intend to achieve this by continuing to improve the sales ratio of new products and obtaining appropriate selling price terms for existing products, as well as by working on thorough cost improvement. In this environment, the outlook for the global economy is expected to remain uncertain due to rising geopolitical risks and trends in reciprocal tariffs, etc. imposed by the US administration. There are also concerns about the impact of China's economic slowdown on the white goods market, and adjustments caused by investment control are expected to continue in the industrial machinery markets. In this extremely difficult-to-predict environment, we will implement further profit improvement measures in addition to the efforts mentioned above.

To achieve these targets, we have introduced a CxO (Chief x Officer) system as of the current fiscal year to clarify the division of responsibilities and roles in business execution. As Chief Executive Officer, the CEO will be fully responsible for management and will make final management decisions. The Chief Operating Officer (COO) will be responsible for implementing the management strategies formulated by the CEO, and the Chief Financial Officer (CFO) will be responsible for formulating and implementing financial strategies. Through this system, the Company intends to respond to various management issues and realize strategies quickly and accurately. We will also strive to enhance corporate value by promoting DX strategy and ESG management.

In addition, the Company decided to acquire all shares of POWDEC K.K., which owns proprietary gallium nitride ("GaN") epitaxial technology, and made the company a subsidiary on April 1, 2025. Through synergies with this company, we will improve our technological capabilities and enhance our competitive advantage in the GaN power device market, which we aim to expand in the future. To achieve this steady realization, we plan to absorb and merge with Powdec as of October 1 of this year.

For the consolidated financial forecast for the fiscal year ending March 31, 2026, we expect to achieve consolidated net sales of ¥89,200 million, consolidated operating profit of ¥400 million, consolidated ordinary loss of ¥1,200 million, and loss attributable to owners of parent of ¥4,400 million based on the assumed foreign exchange rate of ¥145 to the US dollar.

(Note)

The forecast described above is based upon information available as of the present time and assumptions we considered valid. Please be advised that there is a host of uncertain factors that could greatly impact actual performance, including global economic trends, the introduction of new products and their acceptance or lack thereof, and the impact of fair-market-value accounting.

#### **(5) DIVIDENDS FOR THE NEXT FISCAL YEAR**

The Company will continue to provide returns to shareholders by repurchasing its own shares (up to 6 million shares, up to ¥30 billion) in the fiscal year ending March 31, 2026. However, we are currently withdrawing from business associated with switching power supply products (former unit products) and restructuring production in the Group's back-end processes. As a result, we expect to incur one-time expenses that will result in a loss for the current fiscal year. Therefore, we will not be paying dividends for the fiscal year ending March 31, 2026. The Company plans to resume dividend payments for the fiscal year ending March 31, 2027, depending on the expected improvement in Sanken Core's profitability. The Company will also consider an appropriate dividend policy based on cash flow, investment plans, and other factors.

## **2. BASIC CONCEPT OF SELECTING ACCOUNTING STANDARD**

The Company adopts Japanese accounting standard in consideration of the comparability of consolidated financial statements over different accounting periods and the comparability among the consolidated financial statements of different companies. The Company will appropriately respond to the adoption of the IFRS in consideration of various conditions in Japan and overseas.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	50,363	51,405
Notes and accounts receivable - trade	34,201	20,329
Electronically recorded monetary claims - operating	1,895	3,324
Merchandise and finished goods	14,477	11,911
Work in process	45,089	24,810
Raw materials and supplies	9,978	6,949
Other	17,551	18,254
Allowance for doubtful accounts	(204)	(29)
Total current assets	173,353	136,955
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,348	17,225
Machinery, equipment and vehicles, net	53,133	12,881
Tools, furniture and fixtures, net	1,445	1,192
Land	7,601	2,764
Leased assets, net	4,293	587
Construction in progress	15,970	16,404
Total property, plant and equipment	111,792	51,056
Intangible assets		
Software	822	468
Goodwill	29,613	809
Technical assets	36,346	-
Other	5,683	90
Total intangible assets	72,466	1,368
Investments and other assets		
Investment securities	3,029	15,632
Shares of subsidiaries and associates	-	47,819
Deferred tax assets	8,941	238
Retirement benefit asset	3,994	5,071
Other	10,093	998
Allowance for doubtful accounts	(80)	(72)
Total investments and other assets	25,977	69,687
Total non-current assets	210,237	122,111
Total assets	383,591	259,067

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,186	5,888
Electronically recorded obligations - operating	3,377	3,909
Short-term borrowings	26,422	9,972
Current portion of long-term borrowings	12,129	11,736
Current portion of bonds payable	-	5,000
Commercial papers	9,000	1,000
Accounts payable - other	1,724	8,696
Lease liabilities	1,011	26
Accrued expenses	16,988	4,763
Income taxes payable	1,336	1,441
Provision for loss on disaster	688	287
Provision for performance-linked incentive compensation	77	214
Other	1,782	1,426
Total current liabilities	86,725	54,363
Non-current liabilities		
Bonds payable	15,000	10,000
Long-term borrowings	74,581	25,336
Long-term accounts payable - other	452	18,900
Lease liabilities	2,631	71
Deferred tax liabilities	2,583	1,095
Provision for share-based payments	176	359
Provision for retirement benefits for directors (and other officers)	5	5
Retirement benefit liability	2,064	274
Other	750	730
Total non-current liabilities	98,246	56,774
Total liabilities	184,971	111,138
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,896	20,896
Capital surplus	65,961	65,217
Retained earnings	9,213	60,148
Treasury shares	(4,282)	(10,781)
Total shareholders' equity	91,788	135,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	500	694
Foreign currency translation adjustment	26,879	10,957
Remeasurements of defined benefit plans	206	300
Total accumulated other comprehensive income	27,585	11,952
Non-controlling interests	79,244	495
Total net assets	198,619	147,928
<b>Total liabilities and net assets</b>	<b>383,591</b>	<b>259,067</b>



Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	235,221	121,619
Cost of sales	148,335	96,684
Gross profit	86,885	24,935
Selling, general and administrative expenses	67,346	28,723
Operating profit (loss)	19,539	(3,788)
Non-operating income		
Interest income	734	1,298
Dividend income	83	33
Gain on investments in money held in trust	603	73
Subsidies for employment adjustment	20	180
Miscellaneous income	630	447
Total non-operating income	2,072	2,033
Non-operating expenses		
Interest expenses	2,581	1,806
Foreign exchange losses	273	5,509
Share of loss of entities accounted for using equity method	-	3,666
Loss on investments in investment partnerships	18	1,305
Miscellaneous losses	492	234
Total non-operating expenses	3,365	12,522
Ordinary profit (loss)	18,246	(14,276)
Extraordinary income		
Gain on sale of non-current assets	-	1,613
Gain on change in equity	-	98,262
Gain on transfer from business divestitures	-	7,433
Total extraordinary income	-	107,309
Extraordinary losses		
Loss on disposal of non-current assets	66	45
Environmental expenses	-	128
Loss on liquidation of subsidiaries and associates	894	883
Impairment losses	2,176	1,449
Loss on sale of investment securities	451	-
Extra retirement payments	976	-
Loss on disaster	3,462	15
Provision for loss on disaster	688	-
Loss on business restructuring	-	40,008
Total extraordinary losses	8,716	42,531
Profit before income taxes	9,530	50,501
Income taxes - current	9,524	2,963
Income taxes - deferred	(2,388)	(1,660)
Total income taxes	7,135	1,303
Profit	2,394	49,198
Profit (loss) attributable to non-controlling interests	10,507	(1,736)
Profit (loss) attributable to owners of parent	(8,112)	50,934

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	2,394	49,198
Other comprehensive income		
Valuation difference on available-for-sale securities	296	187
Foreign currency translation adjustment	18,889	(24,440)
Remeasurements of defined benefit plans, net of tax	1,564	315
Share of other comprehensive income of entities accounted for using equity method	-	(3,177)
Total other comprehensive income	20,751	(27,114)
Comprehensive income	23,146	22,083
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,640	35,301
Comprehensive income attributable to non-controlling interests	14,505	(13,217)

# Consolidated Statements of Changes in Equity

For the 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	20,896	65,599	18,052	(4,287)	100,261
Changes during period					
Dividends of surplus			(726)		(726)
Profit (loss) attributable to owners of parent			(8,112)		(8,112)
Purchase of treasury shares				(14)	(14)
Disposal of treasury shares				19	19
Change in ownership interest of parent due to transactions with non-controlling interests		(1,126)			(1,126)
Share-based payments		1,487			1,487
Net changes in items other than shareholders' equity					-
Total changes during period	-	361	(8,839)	5	(8,472)
Balance at end of period	20,896	65,961	9,213	(4,282)	91,788

	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	203	12,131	(1,503)	10,832	62,101	173,195
Changes during period						
Dividends of surplus				-		(726)
Profit (loss) attributable to owners of parent				-		(8,112)
Purchase of treasury shares				-		(14)
Disposal of treasury shares				-		19
Change in ownership interest of parent due to transactions with non-controlling interests				-		(1,126)
Share-based payments				-		1,487
Net changes in items other than shareholders' equity	296	14,747	1,709	16,753	17,142	33,896
Total changes during period	296	14,747	1,709	16,753	17,142	25,423
Balance at end of period	500	26,879	206	27,585	79,244	198,619

For the 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	20,896	65,961	9,213	(4,282)	91,788
Changes during period					
Dividends of surplus					-
Profit (loss) attributable to owners of parent			50,934		50,934
Purchase of treasury shares				(6,506)	(6,506)
Disposal of treasury shares		(1)		8	6
Change in ownership interest of parent due to transactions with non-controlling interests		(656)			(656)
Share-based payments		(85)			(85)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(744)	50,934	(6,498)	43,692
Balance at end of period	20,896	65,217	60,148	(10,781)	135,481

	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	500	26,879	206	27,585	79,244	198,619
Changes during period						
Dividends of surplus				-		-
Profit (loss) attributable to owners of parent				-		50,934
Purchase of treasury shares				-		(6,506)
Disposal of treasury shares				-		6
Change in ownership interest of parent due to transactions with non-controlling interests				-		(656)
Share-based payments				-		(85)
Net changes in items other than shareholders' equity	194	(15,921)	94	(15,633)	(78,749)	(94,382)
Total changes during period	194	(15,921)	94	(15,633)	(78,749)	(50,690)
Balance at end of period	694	10,957	300	11,952	495	147,928

## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	9,530	50,501
Depreciation	20,848	10,843
Impairment losses	2,176	1,449
Increase (decrease) in allowance for doubtful accounts	176	5
Decrease (increase) in retirement benefit asset	(209)	(840)
Increase (decrease) in retirement benefit liability	192	(502)
Increase (decrease) in provision for loss on disaster	688	(400)
Interest and dividend income	(817)	(1,331)
Share-based payment expenses	6,139	1,544
Interest expenses	2,581	1,806
Loss (gain) on sale of property, plant and equipment	-	(1,613)
Loss (gain) on change in equity	-	(98,262)
Gain on transfer from business divestitures	-	(7,433)
Loss on business restructuring	-	40,008
Loss (gain) on investments in investment partnerships	-	1,305
Environmental expenses	-	128
Loss on liquidation of subsidiaries and associates	-	883
Loss (gain) on sale of investment securities	451	-
Decrease (increase) in trade receivables	7,750	1,527
Decrease (increase) in inventories	(5,321)	(8,810)
Increase (decrease) in trade payables	(7,897)	2,498
Other, net	(9,801)	(474)
Subtotal	26,486	(7,167)
Interest and dividends received	818	1,123
Interest paid	(2,584)	(1,748)
Income taxes paid	(9,192)	(1,913)
Net cash provided by (used in) operating activities	15,528	(9,706)
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,595)	(17,837)
Proceeds from sale of property, plant and equipment	157	2,197
Purchase of intangible assets	(781)	(403)
Purchase of investment securities	(16)	(15)
Proceeds from sale of investment securities	2,864	131,355
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(61,174)	-
Payments for transfer of business divestitures	-	(2,513)
Payments for business restructuring	-	(14,533)
Loan advances	-	(5)
Proceeds from collection of loans receivable	-	2
Other, net	(564)	(194)
Net cash provided by (used in) investing activities	(89,111)	98,051
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	11,772	(14,556)
Increase (decrease) in commercial papers	(1,000)	(8,000)
Repayments of finance lease liabilities	(772)	(329)
Proceeds from long-term borrowings	57,858	603
Repayments of long-term borrowings	(18,805)	(19,104)
Proceeds from issuance of bonds	2,962	-
Purchase of treasury shares	(14)	(6,503)

Dividends paid	(725)	(1)
Net cash provided by (used in) financing activities	51,275	(47,891)
Effect of exchange rate change on cash and cash equivalents	6,608	74
Net increase (decrease) in cash and cash equivalents	(15,699)	40,527
Cash and cash equivalents at beginning of period	63,814	48,115
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(27,899)
Cash and cash equivalents at end of period	48,115	60,744