

Financial Results for Fiscal Year Ended March 31, 2025

SUGIMOTO & CO., LTD.

9932

April 25, 2025

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Overview of Financial Results for Fiscal Year Ended March 31, 2025



Overview of Financial Results for Fiscal Year Ended March 31, 2025

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- Net sales and operating profit both increased in line with stable investments aimed at maintaining and repairing plant facilities and streamlining labor efficiency
- Sectors impacted by the global economic downturn remain sluggish

(Million yen)

	Mar. 2024	Mar. 2025	YoY Change	YoY Change (%)
Net sales	46,636	49,465	+2,828	+6.1%
Operating profit	2,281	2,395	+114	+5.0%
Ordinary profit	2,824	2,906	+82	+2.9%
Profit attributable to owners of parent	1,876	1,917	+41	+2.2%
ROE (%)	5.4	5.4	±0	±0 ppt
EPS (Yen)	93.11*	98.18	+5.07	+5.4%

Analysis of Changes in Operating Profit for Fiscal Year Ended March 31, 2025

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- Factors contributing to increase: Growth in operating profit in line with sales growth
- Factors contributing to decrease: Increases in IT cost due to introducing the new core system, personnel costs, etc.

(Million yen)



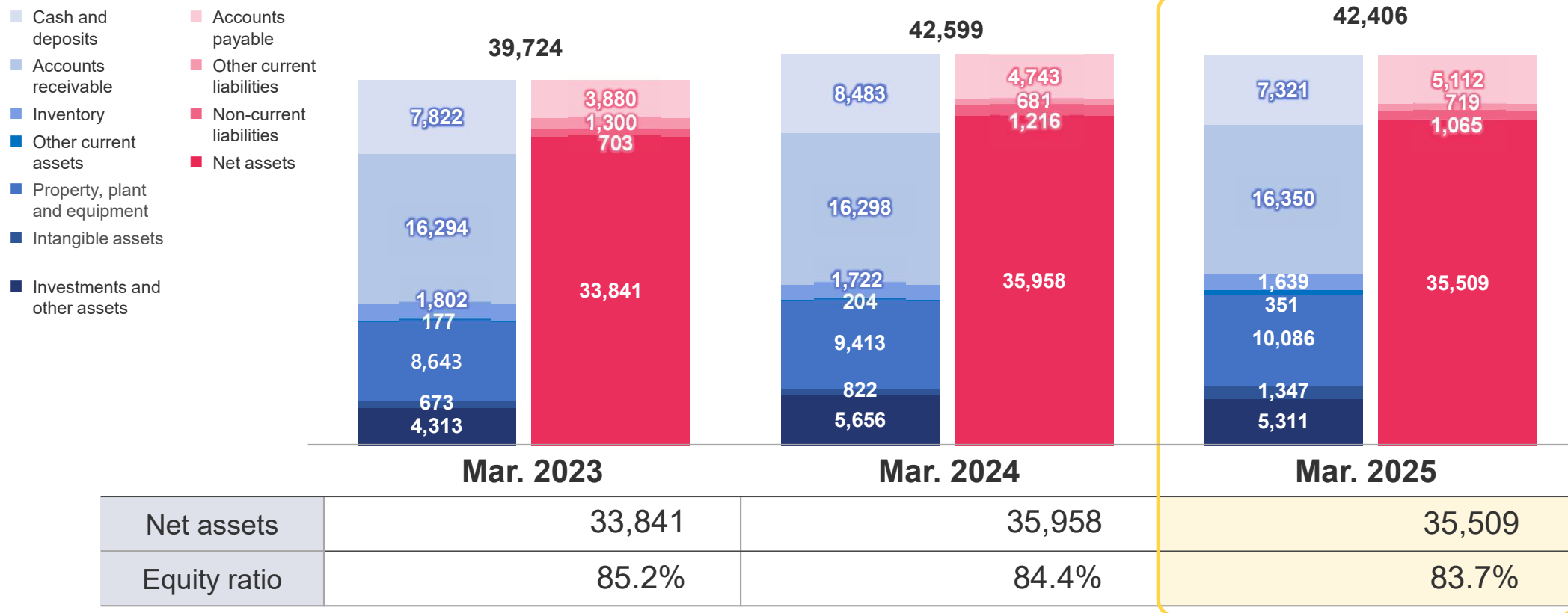
Main Items of Balance Sheet

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- Control of the equity ratio through active share buybacks, with a focus on optimizing the capital structure

Consolidated balance sheet

(Million yen)

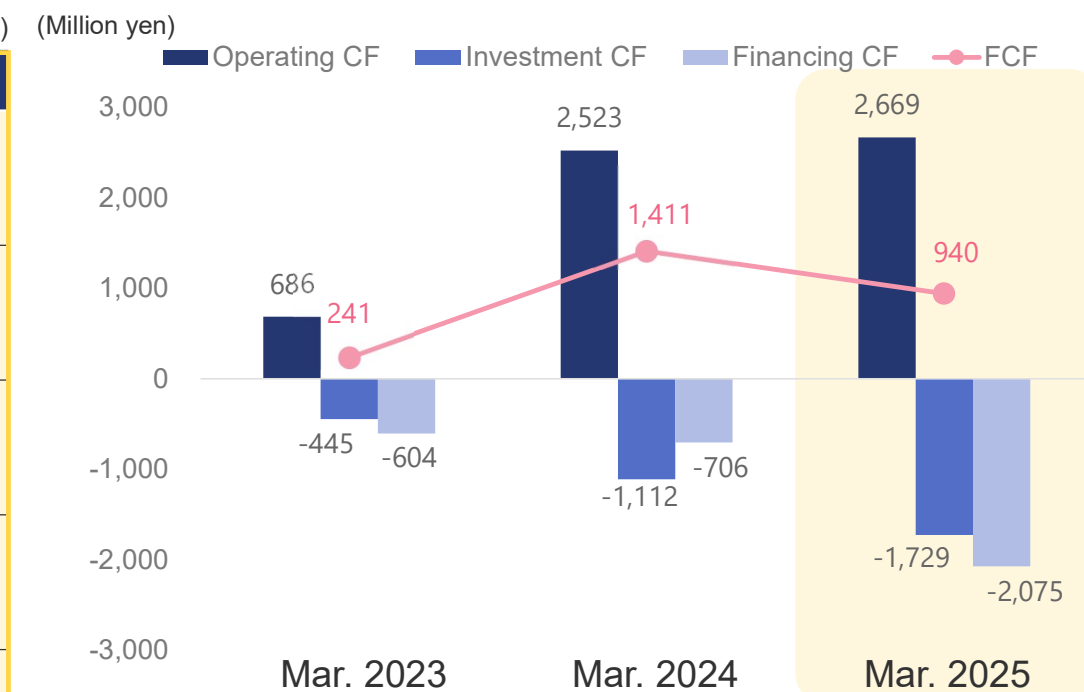


Cash Flow Statement

- Net cash inflow from operating activities was 2,669 million yen due to increased sales
- Net cash outflow from investing activities increased due to the acquisition of property, plant and equipment
- Free cash flow increased due to higher sales
- Net cash outflow from financing activities increased due to the purchase of treasury shares

Cash flow statement

	Mar. 2024	Mar. 2025
Net cash provided by (used in) operating activities	2,524	2,669
Net cash provided by (used in) investing activities	-1,112	-1,729
Net cash provided by (used in) financing activities	-706	-2,075
Net increase (decrease) in cash and cash equivalents	7,710	-1,136
Cash and cash equivalents at end of period	8,414	7,278



Earnings Forecast for Fiscal Year Ending March 31, 2026



Earnings Forecast for Fiscal Year Ending March 31, 2026

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- We are forecasting net sales growth as in the fiscal year ended March 2025, mainly due to our focus on the steel and semiconductor industries
- We forecast operating profit to be at the same level as in the fiscal year ended March 2025 due to increases in depreciation and amortization expenses (new core system and buildings) and investment in human capital

(Million yen)

	Mar. 2025 (Results)	Mar. 2026 (Forecast)	YoY Change	YoY Change (%)
Net sales	49,465	51,800	+2,335	+4.7%
Operating profit	2,395	2,380	-15	-0.7%
Ordinary profit	2,906	2,960	+54	+1.8%
Profit attributable to owners of parent	1,917	1,935	+18	+0.9%
EPS (Yen)	98.18	101.01	+2.83	+2.9%

Cash Allocation

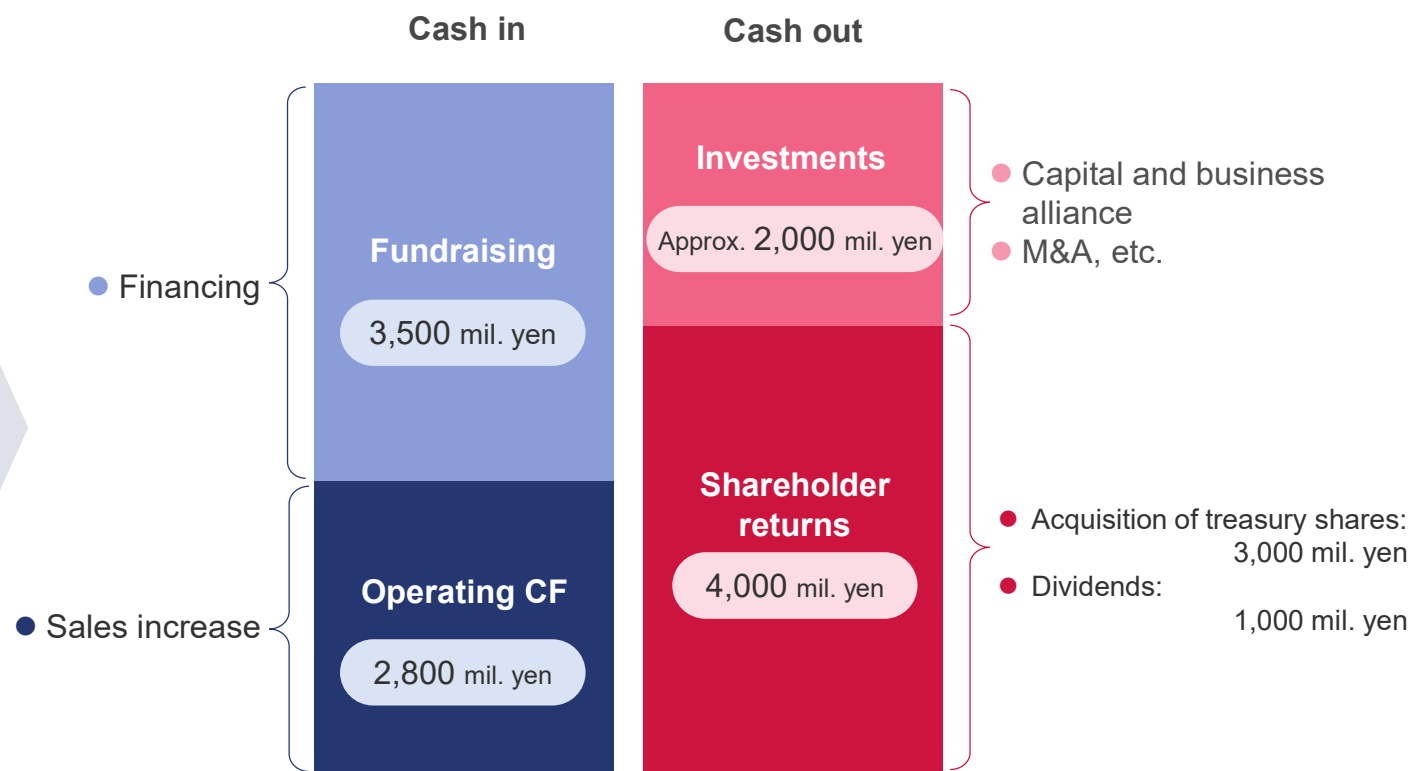
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- In the fiscal year ending March 31, 2026, we plan to carry out fundraising and allocate funds to active growth investments, including M&A, and shareholder returns


Mar. 2025



Mar. 2026



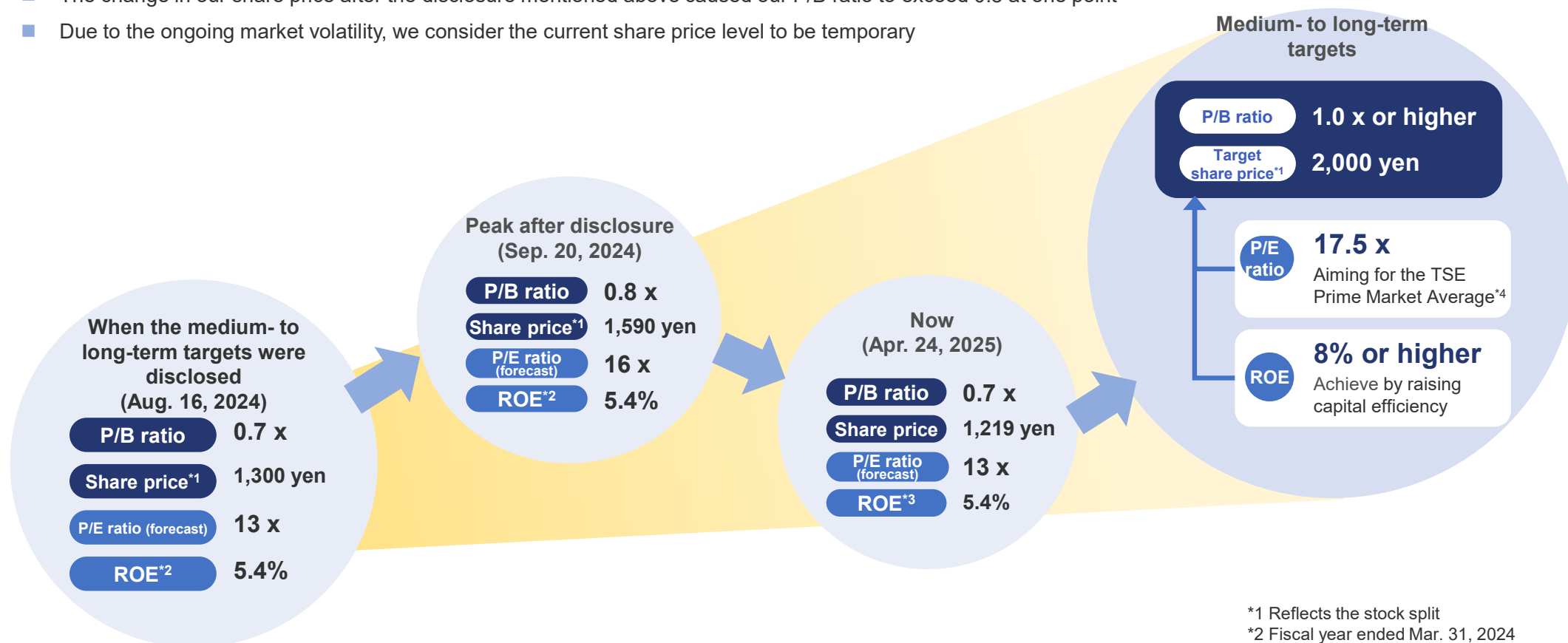
Progress of Initiatives to Increase Our Corporate Value



Indicator Targets for the Medium to Long Term

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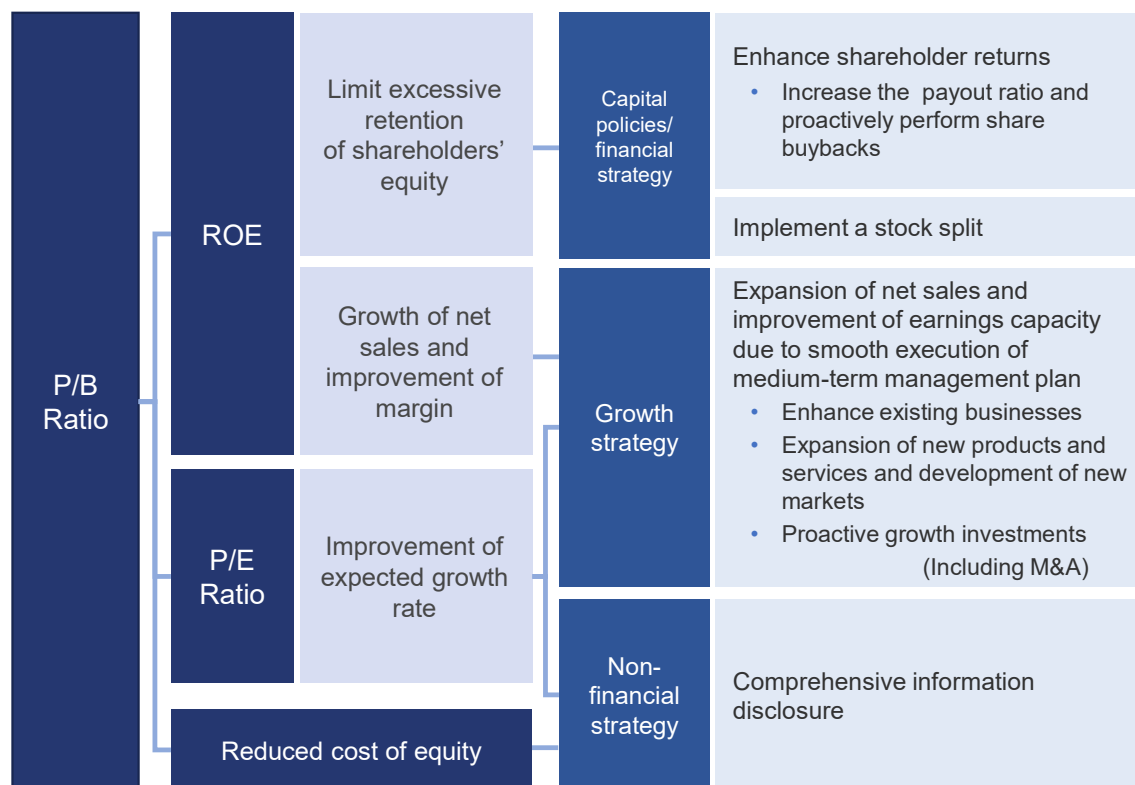
- Steadily implement measures for realizing the medium- to long-term indicators published in August 2024
—“Measures to achieve management that takes capital costs and share price into account”
- The change in our share price after the disclosure mentioned above caused our P/B ratio to exceed 0.8 at one point
- Due to the ongoing market volatility, we consider the current share price level to be temporary



^{*1} Reflects the stock split
^{*2} Fiscal year ended Mar. 31, 2024
^{*3} Fiscal year ended Mar. 31, 2025
^{*4} As of Mar. 31, 2024

Progress of the KPI of Each Measure (As of April 2025)

- In the fiscal year ended March 31, 2025, we made steady progress in capital policy initiatives
- In the fiscal year ending March 31, 2026, we plan to achieve the medium- to long-term payout ratio target ahead of schedule
- The next medium-term management plan will be determined based on the results of the 4th Medium-Term Management Plan



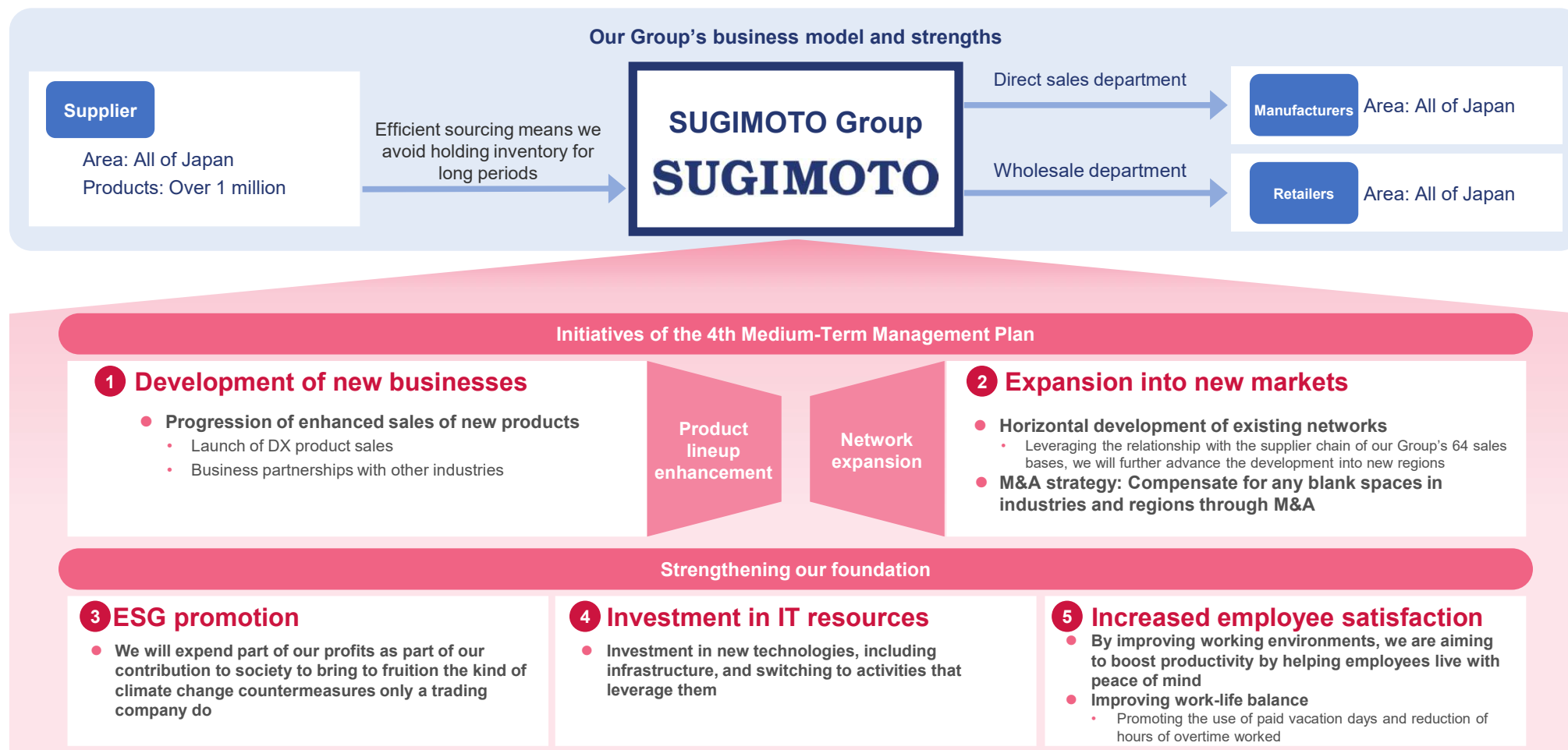
Actual	Plan	KPI
Mar. 2025	Mar. 2026	4th Medium-Term Plan Mar. 2027
<ul style="list-style-type: none"> Payout ratio: 44.6% Performed share buybacks (1,300 mil. yen) 	<ul style="list-style-type: none"> Payout ratio: 53.5% Continue to perform share buybacks (3,000 mil. yen) 	Maintain payout ratio of 50% or higher*
1:2	-	—
Net sales: 49,465 mil. yen Operating profit: 2,395 mil. yen	Net sales: 51,800 mil. yen Operating profit: 2,380 mil. yen	<u>Final year</u> Net sales: 55,830 mil. yen Operating profit: 2,860 mil. yen
<ul style="list-style-type: none"> Disclosed financial results briefing materials 	<ul style="list-style-type: none"> Continue disclosure of financial results briefing materials 	Comprehensive information disclosure

*The minimum dividend per share shall be 35 yen (after reflecting the stock split)

Initiatives to Accelerate Growth and Improve Profitability

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- In our 4th Medium-Term Management Plan “Start of the Next 100 years: Taking on the Challenge of Change,” we seek to cultivate a muscular physique with the resilience to withstand a rapidly changing environment based on five policies



Initiatives of the 4th Medium-Term Management Plan

- We began developing new businesses in the fiscal year ended March 31, 2025, and plan to expand them in the future
- While there was proactive consideration of investments, such as M&A, in the fiscal year ended March 31, 2025, these considerations did not lead to implementation. Therefore, concrete initiatives will begin from the fiscal year ending March 31, 2026

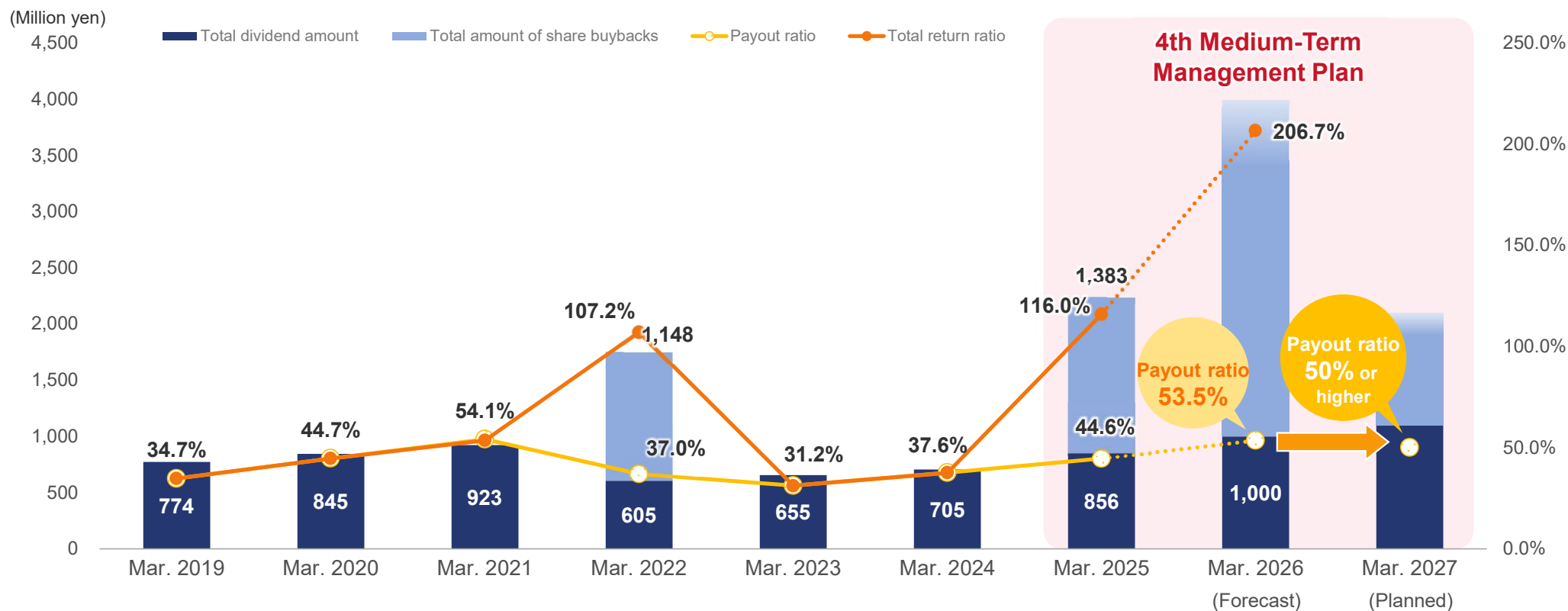
Individual policies	Initiatives of Mar. 2025	Initiatives for Mar. 2026
(1) Development of new businesses	<ul style="list-style-type: none"> • Began promoting DX product sales 	<ul style="list-style-type: none"> • Expand the DX product sales business • Begin a new capital and business alliance with an IT consulting business
(2) Expansion into new markets	<ul style="list-style-type: none"> • Although we actively considered M&A opportunities, we had no current investment targets 	<ul style="list-style-type: none"> • Expand networks and complement weaknesses through M&A
(3) ESG promotion	<ul style="list-style-type: none"> • Acquired KENKO Investment for Health certification • Donated to local government agencies 	<ul style="list-style-type: none"> • Acquire <i>Kurumin</i> certification • Donate to local government agencies
(4) Investment in IT resources	<ul style="list-style-type: none"> • Released a new core system • Moved in-house servers to the Cloud 	<ul style="list-style-type: none"> • Make progress to improve efficiency by adopting new technologies (such as AI)
(5) Increased employee satisfaction	<ul style="list-style-type: none"> • Improved paid vacation days (from 14 days to 15 days) • Reduced overtime hours 	<ul style="list-style-type: none"> • Improve workplace environments • Improve engagement

Policies

- During the 4th Medium-Term Management Plan, we will maintain a payout ratio of 50% or higher, in addition to implementing proactive share buybacks
- A judgment will be made while planning the next medium-term management plan based on the results of the 4th Medium-Term Management Plan

Mar. 2026 initiatives

- Carry out 3,000 million yen in share buybacks by March 2026
- The planned total amount of dividends for the fiscal year ending March 31, 2026, is 1,000 million yen (54* yen per share)



These materials are intended to provide information about our current plans and performance forecasts. Such future plans and forecast figures are made by the Company based on currently available information.

The actual results are subject to a variety of factors and conditions and may not be the same as the plan. These materials are not intended to confirm or guarantee the results described herein.

The word "SUGIMOTO" is written in a bold, dark blue, serif typeface. It is centered within a white rectangular area that is enclosed by a thin blue border.