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May 15,2025

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

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Listing: Tokyo Stock Exchange
Securities code: 3104
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Scheduled date of annual general meeting of shareholders: June 27,2025
Scheduled date to commence dividend payments: June 30,2025
Scheduled date to file annual securities report: June 25,2025
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.)

	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	42,912	18.8	6,476	129.8	6,675	103.7	4,477	111.4
March 31,2024	36,108	(4.1)	2,818	(42.2)	3,276	(35.0)	2,117	(37.7)

Note: Comprehensive income For the fiscal year ended March 31,2025: ¥4,767 million [70.7 %]
For the fiscal year ended March 31,2024: ¥2,793 million [(23.6) %]

	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	%	%	%
Fiscal year ended March 31,2025	405.82	—	9.8	10.3	15.1
March 31,2024	185.21	—	4.9	5.3	7.8

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31,2025	66,608	47,460	71.3	4,183.97
March 31,2024	62,512	43,973	70.3	3,878.12

Reference: Equity
As of March 31,2025: ¥47,459 million
As of March 31,2024: ¥43,973 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	8,656	(6,543)	(2,360)	8,048
March 31,2024	4,987	(3,094)	(1,786)	8,245

2. Cash dividends

	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	%	%
Fiscal year ended March 31,2024	—	55.00	—	55.00	110.00	1,254	59.4	2.9
Fiscal year ended March 31,2025	—	60.00	—	70.00	130.00	1,474	32.0	3.2
Fiscal year ending March 31,2026 (Forecast)	—	75.00	—	75.00	150.00		—	

3. Forecast of Consolidated financial results for the 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	22,700	7.8	3,380	12.9	3,480	13.3	2,270	8.3	200.12
Fiscal year ending March 31,2026	46,200	7.7	7,000	8.1	7,200	7.9	4,700	5.0	414.34

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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

(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	11,354,000 shares
As of March 31,2024	11,720,000 shares

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

As of March 31,2025	10,733 shares
As of March 31,2024	381,226 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31,2025	11,032,347 shares
Fiscal year ended March 31,2024	11,433,247 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.)

	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	4,348	21.4	1,123	92.0	1,273	72.3	1,448	92.0
March 31,2024	3,581	(22.8)	584	(66.8)	739	(61.3)	754	(57.8)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31,2025	131.29	—
March 31,2024	65.99	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2025	33,010	25,663	77.7	2,262.47
March 31,2024	32,520	25,378	78.0	2,238.20

Reference: Equity

As of March 31,2025: ¥25,663 million
As of March 31,2024: ¥25,378 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 The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors. Please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the attached materials for the assumptions used in forecasting financial results and precautionary statements regarding the use of financial results forecasts.

(Availability of supplementary explanatory materials on financial results and details of financial results briefing session)

The Company plans to hold a financial results briefing session (online) for institutional investors and analysts on May 16, 2025. In addition, the Company plans to post a video of the financial results briefing session and the briefing material on the Company's website after the briefing session

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for Fiscal Year Ended March 31, 2025

During the fiscal year ended March 31, 2025, the Japanese economy was on a moderate recovery trend, as corporate earnings improved and personal consumption recovered. However, the economic outlook remains uncertain, due to changes in the tariff policies of the new U.S. administration and geopolitical risks arising from the situations in the Middle East and Ukraine, as well as the rise in prices triggered by the foreign exchange situation where the weak yen and the soaring prices of raw materials.

In this economic environment, the Fujibo Group is implementing business portfolio reforms and reinforcing individual businesses, which are basic strategies of its Medium-term Management Plan, “Zokyo 21-25,” for the five-year period from 2021 to 2025. During this period, which marks the fourth year of the plan, the mainstay Polishing Pad Business upward an increasing trend amid the gradual recovery of the semiconductor market, driven particularly by the growing demand for advanced semiconductors for AI applications. In the Industrial Chemicals Business, signs of a recovery were apparent, and orders increased overall, as harsh market conditions mainly in electronic materials bottomed out, in addition to certain functional materials performing strongly. In the Lifestyle Apparel Business, although sales have been on a declining trend in Japan, apparel sales for overseas markets were solid in response to the rising demand in overseas markets.

As a result, for the fiscal year ended March 31, 2025, net sales amounted to ¥42,912 million, a year-on-year increase of ¥6,804 million (18.8%), operating profit amounted to ¥6,476 million, a year-on-year increase of ¥3,658 million (129.8%), and ordinary profit amounted to ¥6,675 million, a year-on-year increase of ¥3,398 million (103.7%). Adjusting results by adding or subtracting extraordinary income and losses, income taxes, etc., profit attributable to owners of parent amounted to ¥4,477 million, a year-on-year increase of ¥2,359 million (111.4%).

Results by segment are as described below.

1) Polishing Pad Business

After bottoming out in the first half of 2023, the global semiconductor market has been recovering at a moderate pace since the beginning of 2024. Against this backdrop, orders for polishing pads for semiconductor devices (CMP) increased, as demand increased for semiconductors for use in memory, including HBM, and advanced logic, fueled by the adoption of generative AI, as well as the ensuing rise in the inventory levels among some users. A certain level of sales for silicon wafers was secured due to strong demand in advanced product applications, despite the sluggish demand in applications for general-use products. Demand for hard disks applications by data centers recovered, while in terms of LCD glass applications, consumption of LCD panels has picked up in conjunction with growing TV demand from the latter part of the fiscal year, resulting in a rebound of orders.

As a result, net sales amounted to ¥19,307 million, a year-on-year increase of ¥5,891 million (43.9%), and operating profit amounted to ¥4,729 million, a year-on-year increase of ¥3,641 million (334.8%).

2) Industrial Chemicals Business

Demand for contract manufacturing of functional materials, pharmaceutical intermediates, agricultural chemical intermediates, etc., has been on a recovery path, despite the ongoing worldwide inventory adjustments of agricultural chemicals, thanks to the gradual expansion of the electronic materials market, including semiconductors, as inventory adjustments have settled down and orders remained strong. In addition, initiatives related to new products have been successful, and plant operation levels have improved.

As a result, net sales amounted to ¥13,474 million, a year-on-year increase of ¥955 million (7.6%), and operating profit amounted to ¥1,217 million, a year-on-year increase of ¥328 million (37.0%).

3) Lifestyle Apparel Business

A difficult environment persisted for textile materials due to the weak yen, as well as surging logistics and energy costs. Textile products struggled due to the impact of increased consumer frugality as well as a decline in the number of mass merchandisers. In the area of e-commerce sales, on the other hand, we sought to more effectively showcase our products by reinforcing our web marketing, including social media and search advertisements, and expanding our lineup of exclusive e-commerce products. The high quality of Japanese products gained recognition, and overseas sales were strong. In terms of profit, however, prices of raw materials and supplies continued to soar due to the ongoing the weak yen, and the gross margin ratio fell.

As a result, net sales amounted to ¥6,967 million, a year-on-year increase of ¥14 million (0.2%), and operating profit amounted to ¥586 million, a year-on-year decrease of ¥195 million (25.0%).

4) Other Businesses

In Chemical products division, sales increased from the previous fiscal year as orders for medical device parts and digital camera parts have been solid. In Molding division, the business situation remained uncertain due to quality assurance irregularities at automakers, the proposed merger of leading automakers, and delays in the shift to EVs. In addition, the business situation remained harsh for office equipment molds due to a changeover period in development projects and a decline in demand for hot runners for automotive connectors and smartphone application.

As a result, net sales amounted to ¥3,162 million, a year-on-year decrease of ¥57 million (1.8%), and operating profit amounted to a loss of ¥57 million, a year-on-year decrease of ¥116 million (197.8%).

(2) Overview of Financial Position for Fiscal Year Ended March 31, 2025

(Assets)

Total assets increased ¥4,096 million from the end of the previous fiscal year to ¥66,608 million.

Current assets increased ¥1,362 million to ¥25,052 million. This was mainly due to an increase in accounts receivable, despite a decrease in cash and deposits.

Non-current assets increased ¥2,733 million to ¥41,556 million. This was due to an increase in property, plant and equipment as a result of capital investments in the Polishing Pad Business and the Industrial Chemicals Business.

(Liabilities)

Total liabilities increased ¥609 million from the end of the previous fiscal year to ¥19,148 million.

Current liabilities increased ¥742 million to ¥12,499 million, while non-current liabilities decreased ¥132 million to ¥6,649 million. This was mainly due to increases in accounts payable and income taxes payable, despite a decrease in other current liabilities, including long-term and short-term borrowings and notes payable – facilities.

(Net assets)

Total net assets increased ¥3,486 million from the end of the previous fiscal year to ¥47,460 million. This was mainly due to an increase of ¥4,477 million as a result of recording profit attributable to owners of parent, despite a decrease of ¥1,304 million due to dividends of surplus.

(3) Overview of Cash Flows for Fiscal Year Ended March 31, 2025

Cash provided by operating activities during the fiscal year ended March 31, 2025, amounted to ¥8,656 million, due mainly to the recording of profit before income taxes and depreciation, despite an increase in accounts receivables and income taxes paid, etc.

Cash used in investing activities amounted to ¥6,543 million due mainly to purchase of non-current assets.

Cash used in financing activities amounted to ¥2,360 million due mainly to repayments of borrowings and dividends paid.

As a result, the balance of cash and cash equivalents as of March 31, 2025 decreased by ¥197 million from the end of the previous fiscal year to ¥8,048 million.

(4) Future Outlook

In the mainstay Polishing Pad Business, with the growth of AI-related investments in the semiconductor market, demand for advanced logic is expected to expand, and strong performance is anticipated going forward. The impact of U. S. tariff policy has not been factored into the financial results forecast as direct exports to the United States account for only a small portion. However, we continue to closely monitor the risk of a potential decline in demand in the future. In the Industrial Chemicals Business, we expect to a generally firm, due to upward trend of the electronic materials market. Furthermore, in the Lifestyle Apparel Business, performance is also expected to be generally firm, despite the ongoing harsh business environment.

As a result of the above, for the fiscal year ending March 31, 2026, the Company expects net sales of ¥46,200 million, up 7.7% year on year, operating profit of ¥7,000 million, up 8.1% year on year, ordinary profit of ¥7,200 million, up 7.9% year on year, and profit attributable to owners of parent of ¥4,700 million, up 5.0% year on year.

The financial results forecast is based on information available at the present time. Actual results may differ materially from forecast figures depending on various factors.

2. Basic Policy on the Selection of Accounting Standards

The Group intends to prepare its consolidated financial statements in accordance with Japanese standards for the time being, to ensure comparability of the consolidated financial statements between periods as well as between companies.

With regard to the International Financial Reporting Standards (IFRS), the Group will appropriately determine its application while considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 25, 2025
Assets		
Current assets		
Cash and deposits	8,262	8,065
Notes receivable - trade	284	214
Electronically recorded monetary claims - operating	605	533
Accounts receivable - trade	8,270	9,823
Merchandise and finished goods	1,071	1,031
Work in process	2,702	2,558
Raw materials and supplies	1,664	1,830
Other	837	1,000
Allowance for doubtful accounts	(7)	(7)
Total current assets	23,689	25,052
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,794	25,038
Accumulated depreciation	(11,987)	(12,957)
Buildings and structures, net	10,806	12,080
Machinery, equipment and vehicles	34,167	36,076
Accumulated depreciation	(27,604)	(29,087)
Machinery, equipment and vehicles, net	6,563	6,989
Land	13,858	15,068
Leased assets	193	200
Accumulated depreciation	(120)	(140)
Leased assets, net	72	60
Construction in progress	905	1,251
Other	4,783	5,058
Accumulated depreciation	(3,028)	(3,733)
Other, net	1,754	1,325
Total property, plant and equipment	33,962	36,776
Intangible assets		
Goodwill	1,002	862
Other	214	211
Total intangible assets	1,217	1,073
Investments and other assets		
Investment securities	2,773	2,923
Deferred tax assets	368	319
Other	501	462
Total investments and other assets	3,643	3,705
Total non-current assets	38,822	41,556
Total assets	62,512	66,608

(Millions of yen)

	As of March 31, 2024	As of March 25, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,156	4,772
Electronically recorded obligations - operating	1,095	1,276
Short-term borrowings	1,223	321
Lease liabilities	48	44
Income taxes payable	497	1,863
Contract liabilities	142	128
Provision for bonuses	734	815
Other	3,857	3,276
Total current liabilities	11,756	12,499
Non-current liabilities		
Long-term borrowings	210	150
Lease liabilities	74	46
Deferred tax liabilities	1,016	995
Deferred tax liabilities for land revaluation	723	744
Retirement benefit liability	4,170	4,088
Asset retirement obligations	500	523
Other	85	100
Total non-current liabilities	6,782	6,649
Total liabilities	18,539	19,148
Net assets		
Shareholders' equity		
Share capital	6,673	6,673
Capital surplus	2,213	1,273
Retained earnings	32,684	35,846
Treasury shares	(1,002)	(28)
Total shareholders' equity	40,569	43,765
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,204	1,329
Deferred gains or losses on hedges	(4)	(5)
Revaluation reserve for land	1,527	1,505
Foreign currency translation adjustment	742	936
Remeasurements of defined benefit plans	(67)	(71)
Total accumulated other comprehensive income	3,403	3,694
Non-controlling interests	0	0
Total net assets	43,973	47,460
Total liabilities and net assets	62,512	66,608

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	36,108	42,912
Cost of sales	25,495	28,028
Gross profit	10,613	14,884
Selling, general and administrative expenses		
Salaries and wages	1,539	1,576
Retirement benefit expenses	139	151
Provision for bonuses	168	183
Technical research expenses	1,506	1,747
Other	4,440	4,748
Total selling, general and administrative expenses	7,794	8,407
Operating profit	2,818	6,476
Non-operating income		
Interest income	1	5
Dividend income	76	83
Rental income from non-current assets	306	298
Subsidy income	200	—
Other	96	61
Total non-operating income	682	449
Non-operating expenses		
Interest expenses	24	20
Rental expenses on non-current assets	84	99
Idle asset expenses	28	28
Commitment fees	32	32
Foreign exchange losses	24	37
Other	29	32
Total non-operating expenses	224	250
Ordinary profit	3,276	6,675
Extraordinary income		
Gain on sale of non-current assets	14	5
Gain on sale of investment securities	128	208
Total extraordinary income	142	214
Extraordinary losses		
Loss on disposal of non-current assets	79	109
Impairment losses	88	141
Other	0	—
Total extraordinary losses	168	251
Profit before income taxes	3,251	6,638
Income taxes - current	1,094	2,208
Income taxes - deferred	39	(47)
Total income taxes	1,133	2,161
Profit	2,117	4,477
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,117	4,477

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	2,117	4,477
Other comprehensive income		
Valuation difference on available-for-sale securities	472	124
Deferred gains or losses on hedges	(5)	(1)
Revaluation reserve for land	—	(21)
Foreign currency translation adjustment	219	193
Remeasurements of defined benefit plans, net of tax	(10)	(4)
Total other comprehensive income	676	290
Comprehensive income	2,793	4,767
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,793	4,767
Comprehensive income attributable to non-controlling interests	0	0

(3) 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	6,673	2,206	31,815	(515)	40,179
Changes during period					
Dividends of surplus			(1,261)		(1,261)
Profit attributable to owners of parent			2,117		2,117
Reversal of revaluation reserve for land			13		13
Purchase of treasury shares				(501)	(501)
Disposal of treasury shares		7		14	22
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net change in items other than shareholders' equity					
Total changes during period	—	7	868	(487)	389
Balance at end of period	6,673	2,213	32,684	(1,002)	40,569

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	731	1	1,540	523	(56)	2,740	0	42,920
Changes during period								
Dividends of surplus								(1,261)
Profit attributable to owners of parent								2,117
Reversal of revaluation reserve for land								13
Purchase of treasury shares								(501)
Disposal of treasury shares								22
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Net change in items other than shareholders' equity	472	(5)	(13)	219	(10)	662	0	662
Total changes during period	472	(5)	(13)	219	(10)	662	0	1,052
Balance at end of period	1,204	(4)	1,527	742	(67)	3,403	0	43,973

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	6,673	2,213	32,684	(1,002)	40,569
Changes during period					
Dividends of surplus			(1,304)		(1,304)
Profit attributable to owners of parent			4,477		4,477
Reversal of revaluation reserve for land					—
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		11		13	25
Cancellation of treasury shares		(962)		962	—
Transfer from retained earnings to capital surplus		10	(10)		—
Net change in items other than shareholders' equity					
Total changes during period	—	(940)	3,162	973	3,195
Balance at end of period	6,673	1,273	35,846	(28)	43,765

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,204	(4)	1,527	742	(67)	3,403	0	43,973
Changes during period								
Dividends of surplus								(1,304)
Profit attributable to owners of parent								4,477
Reversal of revaluation reserve for land								—
Purchase of treasury shares								(2)
Disposal of treasury shares								25
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Net change in items other than shareholders' equity	124	(1)	(21)	193	(4)	290	0	290
Total changes during period	124	(1)	(21)	193	(4)	290	0	3,486
Balance at end of period	1,329	(5)	1,505	936	(71)	3,694	0	47,460

(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	3,251	6,638
Depreciation	3,329	3,382
Amortization of goodwill	140	140
Impairment losses	88	141
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in retirement benefit liability	(125)	(98)
Interest and dividend income	(78)	(89)
Interest expenses	24	20
Foreign exchange losses (gains)	18	25
Loss (gain) on sale of non-current assets	(14)	(5)
Loss (gain) on disposal of non-current assets	79	109
Loss (gain) on sale of investment securities	(128)	(208)
Decrease (increase) in trade receivables	(1,165)	(1,399)
Decrease (increase) in inventories	526	78
Increase (decrease) in trade payables	(4)	779
Other, net	165	(188)
Subtotal	6,107	9,326
Interest and dividends received	78	89
Interest paid	(23)	(20)
Subsidies received	30	30
Income taxes paid	(1,205)	(768)
Net cash provided by (used in) operating activities	4,987	8,656
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,282)	(6,751)
Proceeds from sale of property, plant and equipment and intangible assets	46	15
Payments for retirement of property, plant and equipment	(44)	(71)
Purchase of investment securities	(6)	(6)
Proceeds from sale of investment securities	183	270
Proceeds from collection of loans receivable	10	—
Net cash provided by (used in) investing activities	(3,094)	(6,543)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(140)	(947)
Proceeds from long-term borrowings	300	—
Repayments of long-term borrowings	(130)	(60)
Purchase of treasury shares	(501)	(2)
Dividends paid	(1,258)	(1,299)
Repayments of lease liabilities	(56)	(50)
Net cash provided by (used in) financing activities	(1,786)	(2,360)
Effect of exchange rate change on cash and cash equivalents	48	50
Net increase (decrease) in cash and cash equivalents	155	(197)
Cash and cash equivalents at beginning of period	8,090	8,245
Cash and cash equivalents at end of period	8,245	8,048

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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 referred to as the “Revised Accounting Standard 2022”), etc., from the beginning of the fiscal year ended March 31, 2025.

With regard to the amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares in subsidiaries resulting from transactions between consolidated companies is deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively, and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Accounting standards, etc., issued but not yet applied)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024, ASBJ), and other revisions of relevant guidance, including Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance.

(1) Overview

Similar to international accounting standards, these standards stipulate the treatment of all leases held by lessees, including the recognition of assets and liabilities.

(2) Scheduled date of application

The Company plans to apply these standards from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of the application of these accounting standards

The impact of the application of “Accounting Standard for Leases” and other standards on the consolidated financial statements is currently being evaluated.

(Segment information, etc.)

(1) Segment information

1. Overview of reportable segments

The reportable segments of the Company are those units for which discrete financial information can be obtained among the constituent units of the Group and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

The Company, as a holding company, engages in business activities by formulating comprehensive strategies for its products and services, both in Japan and overseas.

Therefore, the Group's segments are classified by products and services, and the three reportable segments are the "Polishing Pad Business," the "Industrial Chemicals Business," and the "Lifestyle Apparel Business."

The Polishing Pad Business manufactures and sells ultra-high precision polishing pads and non-woven fabric. The Industrial Chemicals Business manufactures and sells industrial chemicals. The Lifestyle Apparel Business manufactures, processes, and sells various textile products from materials such as spun yarns, knitted fabrics, and functional fibers to secondary products.

2. Method of calculating the amounts of net sales, profit or loss, assets, and other items of reportable segments

The accounting methods for reportable segments are mostly the same as the methods used in preparing the consolidated financial statements.

Segment profit is based on the values of operating profit.

3. Information on net sales, profit or loss, and assets and other items for each reportable segment and information on disaggregation of revenue

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the Consolidated Financial Statements (Note 3)
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total				
Net sales								
Revenue from contracts with customers	13,416	12,519	6,952	32,888	3,219	36,108	—	36,108
Other revenue	—	—	—	—	—	—	—	—
Net sales to outside customers	13,416	12,519	6,952	32,888	3,219	36,108	—	36,108
Inter-segment net sales or transfers	0	—	0	0	—	0	(0)	—
Total	13,417	12,519	6,952	32,889	3,219	36,109	(0)	36,108
Segment profit	1,087	888	782	2,758	59	2,817	0	2,818
Segment assets	22,263	11,754	5,912	39,930	5,524	45,454	17,058	62,512
Other items								
Depreciation	1,762	1,197	137	3,097	190	3,288	—	3,288
Amortization of goodwill	—	—	—	—	140	140	—	140
Increase in property, plant and equipment and intangible assets	1,583	989	114	2,686	501	3,187	51	3,239

- Notes:
1. The “Other” category represents business segments that are not included in the reportable segments. It includes the automotive-related business and the chemical products business.
 2. Adjustments are as follows.
 - (1) Adjustment of ¥0 million for segment profit includes elimination of intersegment transactions.
 - (2) Adjustment of ¥17,058 million for segment assets includes corporate assets of ¥17,058 million not attributable to any reportable segment and ¥(0) million in offsetting and elimination of receivables between segments. Corporate assets mainly comprise surplus funds (cash and deposits), long-term investments (investment securities), and rental real estate and assets attributable to the administrative department.
 - (3) Adjustment of ¥51 million for the increase in property, plant and equipment and intangible assets comprises capital investments including interior work for the Head Office building.
 3. Segment profit is adjusted with operating profit in the Consolidated Statements of Income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the Consolidated Financial Statements (Note 3)
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total				
Net sales								
Revenue from contracts with customers	19,307	13,474	6,967	39,750	3,162	42,912	—	42,912
Other revenue	—	—	—	—	—	—	—	—
Net sales to outside customers	19,307	13,474	6,967	39,750	3,162	42,912	—	42,912
Inter-segment net sales or transfers	1	—	3	4	—	4	(4)	—
Total	19,309	13,474	6,970	39,754	3,162	42,917	(4)	42,912
Segment profit (loss)	4,729	1,217	586	6,534	(57)	6,476	(0)	6,476
Segment assets	25,026	14,089	5,870	44,986	5,022	50,009	16,599	66,608
Other items								
Depreciation	1,866	1,145	132	3,144	220	3,364	—	3,364
Amortization of goodwill	—	—	—	—	140	140	—	140
Increase in property, plant and equipment and intangible assets	3,628	2,287	51	5,967	90	6,057	87	6,145

- Notes:
1. The “Other” category represents business segments that are not included in the reportable segments. It includes the automotive-related business and the chemical products business.
 2. Adjustments are as follows.
 - (1) Adjustment of ¥(0) million for segment profit (loss) includes elimination of intersegment transactions.
 - (2) Adjustment of ¥16,599 million for segment assets includes corporate assets of ¥16,599 million not attributable to any reportable segment and ¥(0) million in offsetting and elimination of receivables between segments. Corporate assets mainly comprise surplus funds (cash and deposits), long-term investments (investment securities), and rental real estate and assets attributable to the administrative department.
 - (3) Adjustment of ¥87 million for the increase in property, plant and equipment and intangible assets comprises capital investments including interior work for the Head Office building.
 3. Segment profit (loss) is adjusted with operating profit in the Consolidated Statements of Income.

(2) Related information

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by products and services

Information is omitted, as similar information has been disclosed in “Segment information.”

2. Geographic information

1) Net sales

(Millions of yen)

Japan	Others	Total
32,101	4,006	36,108

Note: Net sales are classified by country or region, based on the location of the customer.

2) Property, plant and equipment

Information is omitted, as the amount of property, plant and equipment located in Japan accounts for over 90% of the property, plant and equipment recorded in the Consolidated Balance Sheet.

3. Information by major customers

(Millions of yen)

Name of customer	Net sales	Name of relevant segment
Sumitomo Shoji Chemicals Co., Ltd.,	5,380	Polishing Pad Business
Mitsui Chemicals, Inc.	5,801	Industrial Chemicals Business

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by products and services

Information is omitted, as similar information has been disclosed in “Segment information.”

2. Geographic information

1) Net sales

(Millions of yen)

Japan	Others	Total
37,435	5,477	42,912

Note: Net sales are classified by country or region, based on the location of the customer.

2) Property, plant and equipment

(Millions of yen)

Japan	Others	Total
33,028	3,747	36,776

3. Information by major customers

(Millions of yen)

Name of customer	Net sales	Name of relevant segment
Sumitomo Shoji Chemicals Co., Ltd.,	8,229	Polishing Pad Business
Mitsui Chemicals, Inc.	5,874	Industrial Chemicals Business

(3) Information on impairment losses on non-current assets by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total			
Impairment loss	—	49	—	49	—	39	88

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total			
Impairment loss	—	15	94	110	30	0	141

(4) Information on amortization of goodwill and unamortized balance by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total			
Amortization of goodwill	—	—	—	—	140	—	140
Balance of unamortized goodwill	—	—	—	—	1,002	—	1,002

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total			
Amortization of goodwill	—	—	—	—	140	—	140
Balance of unamortized goodwill	—	—	—	—	862	—	862

(5) Information on gain on negative goodwill by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	3,878.12 yen	4,183.97 yen
Basic earnings per share	185.21 yen	405.82 yen

Notes:

1. Diluted earnings per share are not presented as there were no residual shares with dilutive effects.
2. The basis for the calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (Millions of yen)	2,117	4,477
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	2,117	4,477
Average number of common shares outstanding during the period (Thousands of shares)	11,433	11,032

3. The basis for the calculation of net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	43,973	47,460
Amount deducted from total net assets (Millions of yen)	0	0
(of which is non-controlling interests (Millions of yen))	(0)	(0)
Net assets related to common stock at the end of the period (Millions of yen)	43,973	47,459
Number of shares of common stock at the end of the period used to calculate net assets per share (Thousands of shares)	11,338	11,343

(Significant subsequent events)

Not applicable.