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May 15, 2025

## **Consolidated Financial Results** **for the Fiscal Year Ended March 31, 2025 [JGAAP]**

Company Name: DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.

Stock Code: 4116

(URL: <https://www.daicolor.co.jp/>)

Stock Exchange Listing: Tokyo

Representative: Koji Takahashi, Representative Director and President

Contact: Tatsuhiko Komada, Senior Managing Executive Officer, Chief Financial Officer

Phone: +81-3-3662-1638

Scheduled date of Annual General Meeting of Shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 30, 2025

Scheduled date to submit the Annual Securities Report: June 27, 2025

Availability of supplementary briefing material on annual results: Yes

Holding of Annual Results Briefing Session: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

### **1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)**

#### **(1) Consolidated Results of Operations**

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	124,760	4.1	7,004	53.9	7,764	55.2	10,289	181.1
Year ended March 31, 2024	119,824	(1.8)	4,550	72.7	5,003	48.3	3,660	82.3

(Note) Comprehensive income: Year ended March 31, 2025: ¥14,007 million [51.6%]

Year ended March 31, 2024: ¥9,239 million [72.9%]

	Profit per share	Fully diluted profit per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	599.63	—	8.4	4.0	5.6
Year ended March 31, 2024	207.95	—	3.2	2.6	3.8

(Reference) Equity in earnings of affiliated companies: Year ended March 31, 2025: ¥99 million

Year ended March 31, 2024: ¥(337) million

#### **(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	196,784	130,497	65.0	7,459.16
As of March 31, 2024	194,852	119,166	59.9	6,804.81

(Reference) Equity: As of March 31, 2025: ¥128,008 million

As of March 31, 2024: ¥116,748 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	4,165	1,415	(7,000)	21,696
Year ended March 31, 2024	9,020	(1,445)	(10,209)	21,425

### 2. Dividends

	Annual cash dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	–	40.00	–	70.00	110.00	1,887	52.9	1.7
Year ended March 31, 2025	–	66.00	–	90.00	156.00	2,677	26.0	2.2
Year ending March 31, 2026 (Forecast)	–	87.00	–	87.00	174.00		49.0	

(Note) Breakdown of Year-end dividend for Year ended March 31, 2024: Ordinary dividend: ¥40.00; Extraordinary dividend: ¥30.00

Breakdown of Interim dividend for Year ended March 31, 2025: Ordinary dividend: ¥51.00; Extraordinary dividend: ¥15.00

Breakdown of Year-end dividend for Year ended March 31, 2025: Ordinary dividend: ¥75.00; Extraordinary dividend: ¥15.00

Breakdown of Interim dividend for Year ending March 31, 2026 (Forecast): Ordinary dividend: ¥72.00; Extraordinary dividend: ¥15.00

Breakdown of Year-end dividend for Year ending March 31, 2026 (Forecast): Ordinary dividend: ¥72.00; Extraordinary dividend: ¥15.00

### 3. Earnings Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	64,200	3.3	3,600	3.6	4,200	12.0	3,200	(60.1)	186.47
Full year	127,300	2.0	7,200	2.8	8,200	5.6	6,100	(40.7)	355.45

#### \* Notes

- (1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2025: Applicable Included: – (–)  
Excluded: Two companies DSF CO., LTD. and DAICOLORCHEM EU, S.A.

- (2) Changes in accounting policies, changes in accounting estimates and restatements  
1) Changes in accounting policies due to the revision of accounting standards: Applicable  
2) Changes in accounting policies other than 1): Not applicable  
3) Changes in accounting estimates: Not applicable  
4) Restatements: Not applicable

(Note) For details, please refer to the “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements” on page 14 of this report.

- (3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):	As of March 31, 2025	18,113,110 shares	As of March 31, 2024	18,613,110 shares
2) Total number of treasury shares at the end of the period:	As of March 31, 2025	951,919 shares	As of March 31, 2024	1,456,394 shares
3) Average number of shares during the period:	Year ended March 31, 2025	17,160,156 shares	Year ended March 31, 2024	17,602,346 shares

(Reference) Summary of the Non-consolidated Financial Results

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

(1) Non-consolidated Results of Operations

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	99,605	2.2	2,574	370.3	6,820	136.9	13,182	554.4
Year ended March 31, 2024	97,466	(0.3)	547	—	2,879	52.7	2,014	6.5

	Profit per share	Fully diluted profit per share
	Yen	Yen
Year ended March 31, 2025	768.19	—
Year ended March 31, 2024	114.44	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	135,201	72,157	53.4	4,204.69
As of March 31, 2024	133,622	61,454	46.0	3,581.94

(Reference) Equity: As of March 31, 2025: ¥72,157 million  
As of March 31, 2024: ¥61,454 million

\* These consolidated financial results are outside the scope of audit by certified public accountants and audit corporations.

\* Explanation for the appropriate use of performance forecasts and other special notes:

- The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Overview of Business Results, etc. (4) Future Outlook” on page 4 of this report.

- The Company plans to hold annual results briefing session as follows. We also plan to disclose and publish the documents, etc. to be distributed at this session to the Tokyo Stock Exchange and on the Company’s website by the day before the session.

Date: Thursday, June 5, 2025 at 1:00 p.m.

Outline: Annual results briefing session for institutional investors and analysts

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## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Current Fiscal Year

Trends among the main customers of the Group in the fiscal year ended March 31, 2025 were as follows.

Transport equipment industry	In compounds, colorants, and polyurethanes for automobiles, domestic sales were on a recovery trend after bottoming out in the second quarter. While overseas sales to China were weak although sales to North America were strong.
Information-electronics industry	Sales of pigments for LCDs were weak from the second quarter onwards but sales of coatings for LCDs were steady throughout the year. Meanwhile, sales of pigments and colorants for office equipment were sluggish.
Packaging materials industry	Gravure printing ink for flexible packaging applications for food products and other uses performed well due to the elimination of inventory in distribution channels, while ink for beverage labels performed well due to weather factors driven by intense heat as well as strong demand from inbound tourists.
Building materials industry	Sales of colorants and coatings for new construction demand were sluggish but sales of colorants for use in renovations were steady.

As a result, net sales increased to ¥124,760 million, up by 4.1% compared with the same period of the previous fiscal year. Operating profit increased to ¥7,004 million and ordinary profit increased to ¥7,764 million, up by 53.9% and 55.2% respectively compared with the same period of the previous fiscal year, mainly due to the favorable performance of overseas subsidiaries and the effects of consolidating business bases following the completion of the relocation to the new plant. Profit attributable to owners of parent increased to ¥10,289 million, up by 181.1% compared with the same period of the previous fiscal year, mainly due to recording a ¥7,761 million gain on sale of non-current assets, including the former site of the Kawaguchi Production Plant, in extraordinary income, despite recording a ¥1,193 million loss on sale of investments in capital of subsidiaries and associates in extraordinary losses.

Operating results by reportable segment are as follows:

#### (Color & Functional Products)

In the Color & Functional Products segment, focused on pigments and related secondary processed products, the Group manufactures and sells pigments, colorants for fabrics, colorants used in plastics, resin compounds, pigment dispersion and functional materials.

Net sales of pigments and dispersion for the information-electronics industry were sluggish for LCD applications and OA equipment applications. Domestic sales of compounds and colorants for the transport equipment industry bottomed out in the second quarter and shifted to a recovery trend. Regarding overseas sales of compounds and colorants, sales of compounds for food packaging materials and automobiles were strong at local subsidiaries in Thailand and Vietnam, but sales for home appliance and OA equipment applications remained sluggish at a local subsidiary in China.

As a result, net sales in the segment stood at ¥67,325 million, up by 2.8% compared with the same period of the previous fiscal year, while operating profit was ¥3,134 million, up by 27.7% compared with the same period of the previous fiscal year.

#### (Polymers & Coating Materials)

In the Polymers & Coating Materials segment, focused on synthetic resins and specialty coatings, the Group manufactures and sells polyurethanes, polymers derived from natural substances, and UV and EB coating materials.

Sales of polyurethanes for the transport equipment industry in North America were strong, but the decline in production volume at automobile manufacturers and weakness in sales led to a sluggish performance overall. Sales for outdoor clothing applications in the clothing and accessories industry were favorable. Sales of thermal-recording coating materials for industrial materials industry recovered due to the completion of inventory adjustments. Sales of coating materials for the information-electronics industry were steady throughout the year. Overseas, sales of local subsidiaries in China for clothing and automobiles as well as sales of local subsidiaries

in the U.S. for automobiles were favorable.

As a result, net sales in the segment stood at ¥25,342 million, up by 6.0% compared with the same period of the previous fiscal year, while operating profit was ¥3,145 million, up by 18.3% compared with the same period of the previous fiscal year.

#### (Graphic & Printing Materials)

In the Graphic & Printing Materials segment, focused on inks for packaging, advertising, and publishing, the Group develops, manufactures, and sells a wide range of gravure, flexographic, and offset printing inks for various applications.

In gravure inks for the packaging materials industry, sales of flexible packaging applications for food products were firm due to the completion of adjustments in inventory distribution, and also sales of beverage label applications were firm due to intense heat and other weather factors as well as being supported by strong demand from inbound tourists. Sales of offset printing ink were weak due to a decrease in demand.

Overseas, a local subsidiary in Indonesia recorded an increase in revenue due to progress in the revision of sales prices, despite flat sales volume caused by increasingly intense competition and other factors.

As a result, net sales in the segment increased to ¥32,023 million, up by 5.6% compared with the same period of the previous fiscal year, and the segment transitioned into profitability with operating profit of ¥716 million (compared with operating loss of ¥561 million for the same period of the previous fiscal year) due to improvement in profit and loss resulting mainly from the effects of consolidating business bases following the completion of the relocation to the new plant and revisions to sales prices at overseas subsidiaries.

### (2) Overview of Financial Position for the Current Fiscal Year

#### (Assets)

Total assets as of March 31, 2025 increased by ¥1,931 million compared with the end of the previous fiscal year to ¥196,784 million. This was mainly due to increases in “retirement benefit asset” and “machinery, equipment and vehicles,” despite a decrease in “accounts receivable-trade.”

#### (Liabilities)

Total liabilities as of March 31, 2025 decreased by ¥9,398 million compared with the end of the previous fiscal year to ¥66,286 million. This was mainly due to decreases in interest-bearing debt and “retirement benefit liability,” despite an increase in “deferred tax liabilities.”

#### (Net assets)

Net assets as of March 31, 2025 increased by ¥11,330 million compared with the end of the previous fiscal year to ¥130,497 million. This was mainly due to an increase in “retained earnings” resulting from recording “profit attributable to owners of parent” and an increase in “foreign currency translation adjustment,” despite payment of dividends.

### (3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as “net cash”) as of March 31, 2025 increased by ¥271 million compared with the end of the previous fiscal year to ¥21,696 million.

Net cash provided by (used in) respective activities during the fiscal year ended March 31, 2025 are as follows:

#### (Net cash provided by (used in) operating activities)

Net cash provided by operating activities was ¥4,165 million, down by 53.8% compared with the same period of the previous fiscal year. This was mainly due to increases in net cash from the recording of “profit before income taxes” and “depreciation,” despite a decrease in net cash from a decrease in retirement benefit liability.

#### (Net cash provided by (used in) investing activities)

Net cash provided by investing activities was ¥1,415 million (compared with net cash used of ¥1,445 million for the same period of the previous fiscal year). This was mainly due to an increase in net cash from “proceeds from

sale of property, plant and equipment,” despite a decrease in net cash from “purchase of property, plant and equipment.”

(Net cash provided by (used in) financing activities)

Net cash used in financing activities was ¥7,000 million, down by 31.4% compared with the same period of the previous fiscal year. This was mainly due to decreases in net cash from repayments of borrowings and payment of dividends.

#### (4) Future Outlook

The Group is positioned as a midstream business in the chemical industry that supplies products to the transport equipment, information-electronics, packaging materials, building materials and various other industries.

Although we are paying close attention to trends in tariff policy in the United States, the outlook is uncertain, and our projections by industry are currently as follows.

Transport equipment industry	Sales of compounds and colorants for automobiles are expected to recover gradually due to progress in inventory adjustments in the supply chain.
Information-electronics industry	Sales of pigments and coatings for LCDs are expected to remain firm due to increases in panel size.
Packaging materials industry	Gravure printing ink is projected to remain firm due to inbound tourism and greater demand for beverage bottles.
Building materials industry	Sales of colorants and coatings are projected to see firm demand for renovation, despite a slowdown in the number of housing starts.

As a result, we forecast the following consolidated financial results for the next fiscal year.

<Assumed exchange rates: JPY/USD ¥148, JPY/EUR ¥159>

<Assumed naphtha price: ¥67,000>

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2025	64,200	3.3	3,600	3.6	4,200	12.0	3,200	(60.1)
Fiscal year ending March 31, 2026	127,300	2.0	7,200	2.8	8,200	5.6	6,100	(40.7)

#### (5) Basic Policy on the Distribution of Profits and Dividend Payment for the Current and Next Fiscal Years

In the three-year Medium-Term Management Plan “TRANSFORMATION for TOMORROW 2027” (“the Medium-Term Management Plan”), which began in April 2024, the Company set out a shareholder return policy for the period of the Medium-Term Management Plan with the following elements:

1. Total return ratio of 40 to 50% or a minimum annual dividend of ¥100 per share
2. In addition to 1., an extraordinary dividend (¥30) per share shall be paid each year over four years from the fiscal year ended March 31, 2024 (funded by the gain on transfer of the Company’s former Kawaguchi Production Plant)
3. Flexible purchase of treasury shares

However, at a meeting of the Board of Directors held on May 15, 2025, the Company resolved to change the shareholder return policy for the period of the Medium-Term Management Plan.

For details, please refer to the “Notice Concerning Change in Shareholder Return Policy” announced separately today (May 15, 2025).

## **2. Basic Approach in Choosing Accounting Standard**

With consideration given to comparability of consolidated financial statements among periods and companies, the Group has a policy to apply Japanese GAAP for the preparation of consolidated financial statements for the near fiscal years.

The Group will respond appropriately concerning the application of the International Financial Reporting Standards (IFRS) upon consideration of various factors 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 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	23,579	24,251
Notes receivable - trade	11,759	11,184
Accounts receivable - trade	41,464	40,381
Merchandise and finished goods	20,198	20,438
Work in process	768	1,215
Raw materials and supplies	10,641	10,942
Other	1,300	1,838
Allowance for doubtful accounts	(88)	(104)
Total current assets	109,625	110,147
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,537	53,186
Accumulated depreciation	(32,192)	(32,645)
Buildings and structures, net	20,344	20,540
Machinery, equipment and vehicles	60,338	62,913
Accumulated depreciation	(50,143)	(51,531)
Machinery, equipment and vehicles, net	10,195	11,381
Tools, furniture and fixtures	12,697	13,228
Accumulated depreciation	(10,563)	(10,866)
Tools, furniture and fixtures, net	2,134	2,362
Land	13,745	13,222
Leased assets	577	564
Accumulated depreciation	(444)	(481)
Leased assets, net	133	82
Construction in progress	1,290	1,362
Total property, plant and equipment	47,843	48,952
Intangible assets		
Other	1,175	1,241
Total intangible assets	1,175	1,241
Investments and other assets		
Investment securities	18,778	18,514
Investments in capital	934	61
Deferred tax assets	366	309
Retirement benefit asset	14,100	15,753
Other	2,046	1,818
Allowance for doubtful accounts	(17)	(15)
Total investments and other assets	36,207	36,442
Total non-current assets	85,227	86,636
Total assets	194,852	196,784

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,963	28,430
Short-term borrowings	11,686	10,521
Current portion of long-term borrowings	3,936	2,796
Lease liabilities	150	124
Income taxes payable	954	1,158
Provision for bonuses	1,799	1,826
Other	8,607	5,211
Total current liabilities	56,097	50,069
Non-current liabilities		
Long-term borrowings	9,316	7,526
Lease liabilities	190	75
Deferred tax liabilities	2,524	4,724
Retirement benefit liability	7,035	3,357
Other	520	533
Total non-current liabilities	19,587	16,217
Total liabilities	75,685	66,286
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,039	10,039
Capital surplus	9,768	9,768
Retained earnings	84,023	90,910
Treasury shares	(3,130)	(2,046)
Total shareholders' equity	100,701	108,673
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,044	6,758
Foreign currency translation adjustment	5,399	8,255
Remeasurements of defined benefit plans	3,601	4,321
Total accumulated other comprehensive income	16,046	19,334
Non-controlling interests	2,418	2,489
Total net assets	119,166	130,497
<b>Total liabilities and net assets</b>	<b>194,852</b>	<b>196,784</b>

(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	119,824	124,760
Cost of sales	97,468	99,539
Gross profit	22,356	25,221
Selling, general and administrative expenses		
Transportation costs	3,015	3,129
Provision of allowance for doubtful accounts	26	12
Salaries and allowances	5,549	5,719
Provision for bonuses	704	720
Retirement benefit expenses	236	170
Other	8,273	8,464
Total selling, general and administrative expenses	17,805	18,217
Operating profit	4,550	7,004
Non-operating income		
Interest income	279	456
Dividend income	420	428
Share of profit of entities accounted for using equity method	—	99
Foreign exchange gains	146	—
Dividend income of insurance	155	118
Other	405	612
Total non-operating income	1,408	1,715
Non-operating expenses		
Interest expenses	278	248
Share of loss of entities accounted for using equity method	337	—
Foreign exchange losses	—	234
Rental expenses on non-current assets	61	72
Loss on compensation of claims	171	208
Other	106	191
Total non-operating expenses	955	956
Ordinary profit	5,003	7,764
Extraordinary income		
Gain on sale of non-current assets	300	7,761
Gain on sale of investment securities	2,336	157
Other	193	194
Total extraordinary income	2,831	8,113
Extraordinary losses		
Impairment losses	2,255	8
Loss on retirement of non-current assets	114	190
Loss on sale of investment securities	0	29
Loss on sale of investments in capital of subsidiaries and associates	—	1,193
Loss on closing of plant	—	79
Other	122	2
Total extraordinary losses	2,493	1,504
Profit before income taxes	5,341	14,372
Income taxes - current	1,514	2,025
Income taxes - deferred	35	1,857
Total income taxes	1,550	3,882
Profit	3,791	10,489
Profit attributable to non-controlling interests	130	200
Profit attributable to owners of parent	3,660	10,289

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,791	10,489
Other comprehensive income		
Valuation difference on available-for-sale securities	926	(280)
Foreign currency translation adjustment	2,207	3,040
Remeasurements of defined benefit plans, net of tax	2,170	718
Share of other comprehensive income of entities accounted for using equity method	143	39
Total other comprehensive income	5,448	3,517
Comprehensive income	9,239	14,007
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,961	13,578
Comprehensive income attributable to non-controlling interests	278	429

(3) Consolidated Statements of Changes in Net Assets  
Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,039	9,768	81,791	(287)	101,312
Changes during period					
Dividends of surplus			(1,425)		(1,425)
Profit attributable to owners of parent			3,660		3,660
Purchase of treasury shares				(2,864)	(2,864)
Disposal of treasury shares			(2)	21	19
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,232	(2,842)	(610)
Balance at end of period	10,039	9,768	84,023	(3,130)	100,701

	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	6,113	3,201	1,431	10,745	2,243	114,301
Changes during period						
Dividends of surplus						(1,425)
Profit attributable to owners of parent						3,660
Purchase of treasury shares						(2,864)
Disposal of treasury shares						19
Net changes in items other than shareholders' equity	931	2,198	2,170	5,300	175	5,476
Total changes during period	931	2,198	2,170	5,300	175	4,865
Balance at end of period	7,044	5,399	3,601	16,046	2,418	119,166

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,039	9,768	84,023	(3,130)	100,701
Changes during period					
Dividends of surplus			(2,333)		(2,333)
Profit attributable to owners of parent			10,289		10,289
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		6		10	16
Cancellation of treasury shares		(6)	(1,068)	1,074	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,887	1,084	7,971
Balance at end of period	10,039	9,768	90,910	(2,046)	108,673

	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	7,044	5,399	3,601	16,046	2,418	119,166
Changes during period						
Dividends of surplus						(2,333)
Profit attributable to owners of parent						10,289
Purchase of treasury shares						(1)
Disposal of treasury shares						16
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(286)	2,855	719	3,288	70	3,359
Total changes during period	(286)	2,855	719	3,288	70	11,330
Balance at end of period	6,758	8,255	4,321	19,334	2,489	130,497

## (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	5,341	14,372
Depreciation	5,179	4,912
Impairment losses	2,255	8
Share-based payment expenses	19	17
Increase (decrease) in provision for bonuses	134	19
Increase (decrease) in allowance for doubtful accounts	1	8
Increase (decrease) in retirement benefit liability	(1,101)	(4,254)
Interest and dividend income	(700)	(885)
Interest expenses	278	248
Foreign exchange losses (gains)	58	(96)
Share of loss (profit) of entities accounted for using equity method	337	(99)
Dividends received from entities accounted for using equity method	57	73
Loss (gain) on sale of investment securities	(2,336)	1,065
Loss (gain) on sale of non-current assets	(250)	(7,760)
Loss on retirement of non-current assets	114	190
Decrease (increase) in trade receivables	(3,211)	2,442
Decrease (increase) in inventories	3,087	(266)
Increase (decrease) in trade payables	(401)	(1,241)
Other, net	166	(3,198)
Subtotal	9,025	5,556
Interest and dividends received	700	885
Interest paid	(283)	(262)
Income taxes paid	(421)	(2,013)
Net cash provided by (used in) operating activities	9,020	4,165
Cash flows from investing activities		
Payments into time deposits	(2,154)	(2,554)
Proceeds from withdrawal of time deposits	1,652	2,154
Purchase of property, plant and equipment	(4,454)	(5,437)
Proceeds from sale of property, plant and equipment	1,324	7,530
Purchase of intangible assets	(90)	(232)
Purchase of investment securities	(1,258)	(543)
Proceeds from sale of investment securities	3,336	429
Loan advances	(21)	(20)
Proceeds from collection of loans receivable	26	18
Other, net	192	72
Net cash provided by (used in) investing activities	(1,445)	1,415

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	2,970	3,617
Repayments of short-term borrowings	(3,790)	(4,834)
Proceeds from long-term borrowings	757	1,198
Repayments of long-term borrowings	(5,518)	(4,134)
Repayments of lease liabilities	(234)	(154)
Purchase of treasury shares	(2,864)	(1)
Dividends paid	(1,425)	(2,333)
Dividends paid to non-controlling interests	(102)	(358)
Net cash provided by (used in) financing activities	(10,209)	(7,000)
Effect of exchange rate change on cash and cash equivalents	954	1,690
Net increase (decrease) in cash and cash equivalents	(1,678)	271
Cash and cash equivalents at beginning of period	23,103	21,425
Cash and cash equivalents at end of period	21,425	21,696

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Change in Accounting Policies)

(Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies has no impact on the consolidated financial statements of the previous fiscal year.

(Notes to Segment Information, etc.)

1. Outline of reportable segments

Reportable segments of the Group are the organizational units for which separated financial information is available, and these segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

As a comprehensive high-tech and color science manufacturer, the Group deals in manufacturing and sales of various products related to coloring inside and outside of Japan, as well as conducting business related to coloring.

For this reason, the Group has listed three reportable segments by product types, namely “Color & Functional Products,” “Polymers & Coating Materials,” and “Graphic & Printing Materials.”

The main products/services in each reportable segment are as follows:

Reportable segments	Main Products/Services
Color & Functional Products	Manufacture and sale of pigments, colorants for fabrics, colorants used in plastics, resin compounds, pigment dispersion and functional materials, focused on pigments and related secondary processed products
Polymers & Coating Materials	Manufacture and sale of polyurethanes, polymers derived from natural substances, and UV and EB coating materials, focused on synthetic resins and specialty coatings
Graphic & Printing Materials	Development, manufacture, and sale of a wide range of gravure, flexographic, and offset printing inks for various applications, focused on inks for packaging, advertising, and publishing

2. Calculation method for net sales, operating profit or loss, assets, liabilities, and other items by the reportable segments

The method of accounting treatments for reportable segments is in accordance with the accounting policies adopted for preparation of the Consolidated Financial Statements.

Profit of reportable segments is the amount based on operating profit.

Intersegment net sales and transfer are based on prevailing market prices.

3. Information regarding net sales, operating profit or loss, assets, liabilities, and other items by the reportable segments

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated financial statements
	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	65,517	23,906	30,326	119,750	74	119,824
(2) Intersegment net sales and transfer	119	466	43	628	(628)	—
Total	65,636	24,372	30,369	120,379	(554)	119,824
Segment profit [Operating profit] (loss)	2,453	2,659	(561)	4,550	(0)	4,550
Segment assets	107,549	39,811	33,419	180,780	14,071	194,852
Other items						
Depreciation	2,776	1,397	1,004	5,179	—	5,179
Increases in property, plant and equipment and intangible assets	2,778	1,312	689	4,779	0	4,779

Note: The “Other” category comprises adjusted amounts and business that is not included in reportable segments, and includes the company that provides services such as property management for the Group companies.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated financial statements
	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	67,325	25,342	32,023	124,691	69	124,760
(2) Intersegment net sales and transfer	114	465	289	868	(868)	—
Total	67,439	25,807	32,312	125,560	(799)	124,760
Segment profit [Operating profit]	3,134	3,145	716	6,996	7	7,004
Segment assets	113,864	41,542	33,956	189,363	7,420	196,784
Other items						
Depreciation	2,798	1,437	676	4,912	—	4,912
Increases in property, plant and equipment and intangible assets	4,185	1,363	358	5,906	0	5,907

Note: The “Other” category comprises adjusted amounts and business that is not included in reportable segments, including real estate leasing, non-life insurance agency businesses, and other insurance intermediary agency businesses.

#### 4. Information on disaggregation of revenue from contracts with customers

<By region> <By contract>

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Total		
Japan	50,904	16,392	21,936	89,233	74	89,307
Asia (excluding Japan)	11,924	4,811	7,926	24,662	—	24,662
Other	2,688	2,702	463	5,854	0	5,854
Total	65,517	23,906	30,326	119,750	74	119,824
Revenue from contracts with customers	65,517	23,906	30,326	119,750	43	119,794
Other revenue	—	—	—	—	30	30
Net sales to external customers	65,517	23,906	30,326	119,750	74	119,824

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Total		
Japan	51,430	16,714	22,731	90,876	69	90,946
Asia (excluding Japan)	12,338	5,617	8,532	26,489	—	26,489
Other	3,556	3,010	758	7,325	—	7,325
Total	67,325	25,342	32,023	124,691	69	124,760
Revenue from contracts with customers	67,325	25,342	32,023	124,691	44	124,735
Other revenue	—	—	—	—	25	25
Net sales to external customers	67,325	25,342	32,023	124,691	69	124,760

<Impact of subcontract processing with charged receipt on net sales>

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	106,538	23,974	30,331	160,844	74	160,918
Amount of sales offset due to subcontract processing with charged receipt	(41,020)	(68)	(4)	(41,094)	—	(41,094)
Net sales to external customers	65,517	23,906	30,326	119,750	74	119,824

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	107,831	25,406	32,026	165,264	69	165,334
Amount of sales offset due to subcontract processing with charged receipt	(40,505)	(64)	(3)	(40,573)	—	(40,573)
Net sales to external customers	67,325	25,342	32,023	124,691	69	124,760

5. Information related to impairment losses on non-current assets or goodwill, etc. by the reportable segments

Fiscal year ended March 31, 2024

(Millions of yen)

	Color & Functional Products	Polymers & Coating Materials	Graphic & Printing Materials	Other	Total
Impairment losses	—	7	2,245	1	2,255

Fiscal year ended March 31, 2025

Descriptions are omitted, as the value is immaterial.

(Notes Related to Revenue Recognition)

Information on disaggregation of revenue from contracts with customers is presented in “(5) Notes to Consolidated Financial Statements (Notes to Segment Information, etc.).”

(Per Share Information)

Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Net assets per share	¥6,804.81	Net assets per share	¥7,459.16
Profit per share	¥207.95	Profit per share	¥599.63

Notes: 1. Fully diluted profit per share is not stated since the Company does not have residual securities.

2. The basis for calculation of net assets per share is as follows:

(Millions of yen unless otherwise stated)

	As of March 31, 2024	As of March 31, 2025
Total net assets	119,166	130,497
Amount deducted from the total net assets	2,418	2,489
(Non-controlling interests included in the above)	(2,418)	(2,489)
Amount of net assets related to common stock as of the end of the fiscal year	116,748	128,008
Number of shares of common stock used in the calculation of net assets per share as of the end of the fiscal year	17,156 thousand shares	17,161 thousand shares

3. The basis for calculation of profit per share is as follows:

(Millions of yen unless otherwise stated)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent	3,660	10,289
Profit not attributable to common shareholders	—	—
Profit related to common stock attributable to owners of parent	3,660	10,289
Average number of shares of common stock outstanding during the fiscal year	17,602 thousand shares	17,160 thousand shares

(Significant Subsequent Events)

Not applicable.