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August 7, 2025

Financial Results (Consolidated) for the Fiscal Year Ended June 30, 2025 <Japanese GAAP>

Company name: Furuya Metal Co., Ltd.
 Listing: Tokyo
 Stock code: 7826
 URL: <https://www.furuyametals.co.jp/english/>
 Representative: Takahito Furuya, President
 Inquiries: Naonori Odaka, Operating Officer, General Manager, Finance and Accounting Department
 TEL: +81-3-5977-3377

Scheduled date of ordinary general meeting of shareholders: September 25, 2025
 Scheduled date to commence dividend payments: September 11, 2025
 Scheduled date to file Securities Report: September 25, 2025
 Preparation of supplementary material on earnings: Yes
 Holding of earnings performance review: Yes

(Amounts have been rounded down to the nearest million yen.)

1. Consolidated earnings for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended June 30, 2025	57,379	20.7	9,538	(2.8)	9,389	(12.2)	6,468	(12.7)
Fiscal year ended June 30, 2024	47,527	(1.2)	9,813	(14.6)	10,690	(13.7)	7,410	(21.2)

Note: Comprehensive income: Fiscal year ended June 30, 2025: 6,343 million yen [(14.7)%]
 Fiscal year ended June 30, 2024: 7,440 million yen [(21.0)%]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Fiscal year ended June 30, 2025	263.29	262.42	10.4	7.9	16.6
Fiscal year ended June 30, 2024	322.47	321.26	14.2	10.7	20.6

Reference: Share of profit (loss) of entities accounted for using equity method

As of June 30, 2025: ¥ – million

As of June 30, 2024: ¥ – million

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. Net income per share and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	123,864	64,580	52.0	2,622.14
As of June 30, 2024	112,721	60,512	53.5	2,455.37

Reference: Equity capital: As of June 30, 2025: 64,441 million yen
 As of June 30, 2024: 60,287 million yen

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. Net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended June 30, 2025	921	(4,935)	4,785	13,044
Fiscal year ended June 30, 2024	3,213	(2,192)	8,140	12,298

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend 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 June 30, 2024	—	0.00	—	286.00	286.00	2,340	29.6	4.2
Fiscal year ended June 30, 2025	—	0.00	—	96.00	96.00	2,359	36.5	3.8
Fiscal year ending June 30, 2026 (Forecast)	—	0.00	—	60.00	60.00		30.7	

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None

2. The 286 yen year-end dividend for the fiscal year ended June 30, 2024 includes a 30 yen commemorative dividend for listing on the Tokyo Stock Exchange Prime Market.

3. The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. The actual dividend amount before such stock split is presented for the fiscal year ended June 30, 2024. The figures following such stock split are presented for the fiscal year ended June 30, 2025 and the fiscal year ending June 30, 2026 (forecast). This equates to 288 yen for the annual dividend for the fiscal year ended June 30, 2025 and 180 yen for the dividend for the fiscal year ending June 30, 2026 (forecast) if not considering the stock split.

**3. Consolidated earnings forecasts for the fiscal year ending June 30, 2026
(from July 1, 2025 to June 30, 2026)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	55,000	(4.1)	7,500	(21.4)	7,000	(25.4)	4,800	(25.8)	195.31

*** Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement of prior period financial statements after error corrections: None

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

- a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	25,389,636 shares
As of June 30, 2024	25,389,636 shares

- b. Number of treasury shares at the end of the period

As of June 30, 2025	813,595 shares
As of June 30, 2024	836,247 shares

- c. Average number of shares during the period

Fiscal year ended June 30, 2025	24,568,280 shares
Fiscal year ended June 30, 2024	22,980,745 shares

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period and average number of shares during the period are calculated based on the assumption that such stock split was conducted at the beginning of the previous fiscal year.

(Reference) Overview of non-consolidated earnings

**1. Non-consolidated earnings for the fiscal year ended June 30, 2025
(from July 1, 2024 to June 30, 2025)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended June 30, 2025	57,347	20.8	9,459	(2.9)	9,387	(12.5)	6,279	(15.8)
Fiscal year ended June 30, 2024	47,485	(0.9)	9,739	(14.7)	10,727	(13.7)	7,459	(21.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended June 30, 2025	255.60	254.77
Fiscal year ended June 30, 2024	324.58	323.36

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. Net income per share and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	123,429	64,157	51.9	2,607.42
As of June 30, 2024	112,345	60,154	53.5	2,446.55

Reference: Equity capital: As of June 30, 2025: 64,080 million yen
As of June 30, 2024: 60,071 million yen

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. Net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* **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**

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year

During the fiscal year under review (from July 1, 2024 to June 30, 2025), the global economy continued to recover gradually as a whole but sometimes became uncertain due to regional policy trends and geopolitical risks. In the United States, personal consumption remained strong and steady economic management was maintained even though interest rates were kept high. In Europe, the economy continued to lose momentum under prolonged inflation and continuing high interest rates. In China, the economy showed signs of recovery from economic slowdowns owing to recovery of large manufacturers, especially for automobiles and electronic devices, despite property market corrections and slowing personal consumption. Japan's domestic economy remained on a gradual recovery trend thanks to demand for inbound tourism and a recovery in corporate capital investment, but market environment continued to be uncertain, including sustained high prices of energy and raw materials and fluctuations in exchange rates.

In April 2025, the U.S. government imposed a flat 10-percent tariff on imports from countries around the world and started discussing the introduction of additional "reciprocal tariffs" with other countries. These measures may impact the supply chain strategy of the Company and other companies by creating uncertainty in international supply networks and in market conditions such as precious metal prices and exchange rate levels and thus the Company closely continues to keep a close watch on its trends.

"Digital-related markets" in which the Group is engaged, including for information and telecommunications, semiconductors, and electronics, are expected to continue to grow in the medium- to long-term against the backdrop of the progress toward an advanced information society. As for "green-related markets," which aim to realize a carbon-free society, having taken into consideration that investments in global hydrogen projects are being reconsidered and viewed cautiously, we are working on a medium- to long-term basis by assessing the degree of technological maturity and the policy trends of foreign countries. Prices of key precious metals the Company handles continued a mild decline, despite remaining at a high level, and affected the sales and profit of the Company for the fiscal year under review.

Under these circumstances, the Company's consolidated business results for the fiscal year under review were as follows: net sales of 57,379 million yen (up 20.7% YoY), gross profit of 14,188 million yen (down 3.3% YoY), operating income of 9,538 million yen (down 2.8% YoY), ordinary income of 9,389 million yen (down 12.2% YoY), and net income attributable to owners of parent of 6,468 million yen (down 12.7% YoY).

The results by business segment are shown below.

1) Results by segment

[Electronics]

Orders of iridium crucibles for single-crystal growth equipment of scintillators for medical applications (material that emits fluorescence when hit with radiation) remained steady, and orders were strong for iridium crucibles for optical crystal growth equipment for isolators (components that transmit only light traveling in the forward direction and block light traveling in the reverse direction) used in optical communications between data centers, while the recovery of orders for iridium crucibles for lithium tantalate single-crystal growth equipment for SAW devices for smartphones continued to lag. As a result, net sales were 5,904 million yen (down 6.8% YoY) and gross profit was 1,729 million yen (down 25.2% YoY).

[Thin film]

Orders for sputtering targets for HDDs (hard disk drives) used as storage media continued to be strong against a backdrop of robust data center investment, and the Company started selling target materials for next-generation telecommunications (BAW). As a result, net sales were 11,271 million yen (up 21.2% YoY) and gross profit was 4,305 million yen (up 23.7% YoY).

[Thermal]

Despite firm replacement demand for semiconductor manufacturing, there was little progress toward a full-scale recovery in orders due to restraint and delays in new investments and inventory adjustments by semiconductor equipment makers and overseas semiconductor manufacturers. As a result, net sales were 4,860 million yen (down 12.1% YoY) and gross profit was 1,548 million yen (down 27.0% YoY).

[Fine chemicals/Recycling]

Although the recovery of orders for compounds for OLED remained sluggish against a backdrop of inventory adjustments by customers, orders for compounds for chemical plants rebounded, and orders for precious metal

compounds for electrodes used in caustic soda production, etc. were strong, resulting in net sales of 26,328 million yen (up 30.1% YoY) and gross profit of 6,458 million yen (up 1.9% YoY).

[Supply chain support]

With a growing awareness of uncertainty over the global supply chain, there was strong demand for precious metal raw materials not related to orders for the Company's products, resulting in net sales of 7,653 million yen (up 34.5% YoY) and gross profit of 40 million yen (down 88.5% YoY).

2) Overseas sales

Overseas sales through the end of the fiscal year under review were 35,307 million yen (accounting for 61.5% of total sales). By region, export sales to Asia were 14,387 million yen (40.7% of overseas sales), export sales to North America were 9,078 million yen (25.7% of overseas sales) and export sales to Europe were 11,842 million yen (33.5% of overseas sales).

(2) Overview of financial position for the fiscal year

Total assets at the end of the fiscal year under review were 123,864 million yen, which was up 11,142 million yen from the previous fiscal year-end. The primary factor behind the increase was an increase of 11,346 million yen in raw materials and supplies. Total liabilities were 59,284 million yen, which was up 7,074 million yen from the previous fiscal year-end. The primary factors behind the increase were an increase of 1,082 million yen in current portion of long-term loans payable and an increase of 5,525 million yen in long-term loans payable. Total net assets were 64,580 million yen, which was up 4,067 million yen from the previous fiscal year-end. The primary factor behind the increase was an increase of 4,127 million yen in retained earnings.

(3) Overview of cash flows for the fiscal year

In the fiscal year under review, cash and cash equivalents totaled 13,044 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 921 million yen.

This was mainly due to income before income taxes of 9,214 million yen, loss on valuation of derivatives of 1,719 million yen, and a decrease in in notes and accounts receivable - trade of 2,655 million yen, despite an increase in inventories of 12,179 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 4,935 million yen.

This was mainly due to purchase of property, plant and equipment of 3,909 million yen, and purchase of intangible assets of 1,005 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 4,785 million yen.

This was mainly due to proceeds from long-term loans payable of 11,000 million yen, despite dividends paid of 2,351 million yen and repayments of long-term loans payable of 4,391 million yen.

Reference: Main cash flow indices

	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Equity ratio (%)	50.7	50.2	50.4	53.5	52.0
Equity ratio based on market value (%)	91.5	82.0	95.0	95.2	50.1
Interest-bearing debt to cash flow ratio (years)	—	—	—	6.6	31.0
Interest coverage ratio (times)	—	—	—	3.5	0.7

Equity ratio: Equity capital divided by total assets

Equity ratio based on market value: Market capitalization divided by total assets

Interest-bearing debt to cash flow ratio: Interest-bearing liabilities divided by cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities divided by interest payments

Note 1. Market capitalization is calculated based on the total number of issued shares less the number of treasury shares.

Note 2. Interest-bearing debt refers to all those liabilities on which interest is paid that are recorded on the balance sheets.

Note 3. Interest-bearing debt to cash flow ratio and interest coverage ratio other than the fiscal year ended June 30, 2024 and fiscal year ended June 30, 2025 are not shown, as cash flows from operating activities were negative.

(4) Outlook

Under the medium-term management plan “KFK Vision 2030,” the first year of which is the fiscal year ending June 30, 2026, the Company will accelerate its growth by taking advantage of core technologies and new technologies, further strengthening its five business pillars, and aggressively advancing into new growth fields.

In the electronics segment, the Company will strive to create high value-added products in the semiconductor field by centering on its processing technology for iridium and platinum. In the thin film segment, the Company will introduce new products to the semiconductor field such as MEMS by centering on core technologies cultivated in targets for HDDs. In the thermal segment, the Company will expand the production capacity for key products and focus on strengthening the development of new products. In the fine chemicals/recycling segment, the Company will work on the establishment of nano-alloy technology and aim to launch new products for green-related markets. Accordingly, the Company forecasts 55,000 million yen in net sales (down 4.1% YoY), 7,500 million yen in operating income (down 21.4% YoY), 7,000 million yen in ordinary income (down 25.4% YoY) and 4,800 million yen in net income attributable to owners of parent (down 25.8% YoY) in the fiscal year ending June 30, 2026. For the earnings forecasts, we assume an exchange rate of 146 yen to the dollar, taking into account the impact of the current level of precious metal prices.

2. Basic stance towards the selection of accounting standards

The Company started preparing consolidated financial statements in the fiscal year ended June 30, 2018. Giving consideration to the possibility of comparing the consolidated financial statements between terms and with other companies, as well as the burden in terms of structural adjustments that would be required for preparing financial statements based on IFRS (International Financial Reporting Standards), the Company has a policy of preparing the consolidated financial statements based on the generally accepted accounting standards in Japan (Japanese GAAP). Concerning the policy for the application of IFRS, the Company will respond to this issue appropriately while giving consideration to various circumstances in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	12,300	13,047
Notes receivable - trade	178	143
Accounts receivable - trade	6,074	3,451
Merchandise and finished goods	3,898	4,146
Work in process	5,015	5,599
Raw materials and supplies	61,301	72,648
Consumption taxes receivable	540	498
Derivatives	1,594	–
Other	523	174
Allowance for doubtful accounts	(0)	(0)
Total current assets	91,428	99,708
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,097	9,621
Accumulated depreciation	(4,879)	(5,157)
Buildings and structures, net	4,218	4,463
Machinery, equipment and vehicles	14,829	15,020
Accumulated depreciation	(5,304)	(5,560)
Machinery, equipment and vehicles, net	9,525	9,459
Land	1,960	3,009
Leased assets	1,539	1,469
Accumulated depreciation	(701)	(973)
Leased assets, net	838	496
Construction in progress	478	1,860
Other	602	645
Accumulated depreciation	(409)	(457)
Other, net	192	187
Total property, plant and equipment	17,213	19,477
Intangible assets		
Software in progress	1,956	2,952
Other	58	47
Total intangible assets	2,014	2,999
Investments and other assets		
Investment securities	44	52
Deferred tax assets	1,728	1,478
Other	293	150
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	2,064	1,679
Total non-current assets	21,293	24,156
Total assets	112,721	123,864

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,792	22,343
Accounts payable - other	3,527	2,942
Short-term loans payable	12,700	13,400
Current portion of long-term loans payable	3,291	4,374
Income taxes payable	1,990	1,125
Provision for bonuses	461	494
Provision for directors' bonuses	121	111
Accounts payable - facilities	378	256
Lease obligations	168	123
Derivative liabilities	–	124
Other	517	1,256
Total current liabilities	44,948	46,552
Non-current liabilities		
Long-term loans payable	5,300	10,826
Net defined benefit liability	901	980
Asset retirement obligations	43	42
Long-term accounts payable - other	401	401
Lease obligations	594	467
Other	19	13
Total non-current liabilities	7,260	12,731
Total liabilities	52,209	59,284
Net assets		
Shareholders' equity		
Capital stock	10,662	10,662
Capital surplus	12,313	12,348
Retained earnings	38,526	42,654
Treasury shares	(1,323)	(1,287)
Total shareholders' equity	60,178	64,377
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	1
Foreign currency translation adjustment	119	81
Remeasurements of defined benefit plans	(13)	(18)
Total accumulated other comprehensive income	108	64
Subscription rights to shares	83	77
Non-controlling interests	141	61
Total net assets	60,512	64,580
Total liabilities and net assets	112,721	123,864

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	47,527	57,379
Cost of sales	32,857	43,191
Gross profit	14,670	14,188
Selling, general and administrative expenses	4,856	4,650
Operating income	9,813	9,538
Non-operating income		
Rental income from buildings	16	21
Foreign exchange gains	20	2,193
Gain on valuation of derivatives	743	–
Subsidy income	1,040	760
Other	25	33
Total non-operating income	1,846	3,009
Non-operating expenses		
Interest expenses	905	1,245
Loss on valuation of derivatives	–	1,719
Other	64	193
Total non-operating expenses	969	3,158
Ordinary income	10,690	9,389
Extraordinary losses		
Impairment losses	–	58
Loss on valuation of shares of subsidiaries and associates	–	116
Total extraordinary losses	–	175
Income before income taxes	10,690	9,214
Income taxes - current	3,154	2,574
Income taxes - deferred	135	251
Total income taxes	3,289	2,825
Net income	7,400	6,388
Loss attributable to non-controlling interests	(10)	(80)
Net income attributable to owners of parent	7,410	6,468

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net income	7,400	6,388
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(1)
Foreign currency translation adjustment	35	(38)
Remeasurements of defined benefit plans, net of tax	5	(4)
Total other comprehensive income	40	(44)
Comprehensive income	7,440	6,343
Comprehensive income attributable to		
Owners of parent	7,450	6,423
Non-controlling interests	(10)	(80)

(3) Consolidated statement of changes in equity

Fiscal year ended June 30, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,445	7,070	32,895	(1,345)	44,066
Changes of items during period					
Issuance of new shares	5,217	5,217			10,435
Dividends of surplus			(1,780)		(1,780)
Net income attributable to owners of parent			7,410		7,410
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		24		22	47
Exercise of share acquisition rights					–
Net changes of items other than shareholders' equity					
Total changes of items during period	5,217	5,242	5,630	22	16,112
Balance at end of current period	10,662	12,313	38,526	(1,323)	60,178

	Accumulated other comprehensive income				Subscription rights to shares	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 current period	3	84	(18)	68	83	151	44,369
Changes of items during period							
Issuance of new shares							10,435
Dividends of surplus							(1,780)
Net income attributable to owners of parent							7,410
Purchase of treasury shares							(0)
Disposal of treasury shares							47
Exercise of share acquisition rights							–
Net changes of items other than shareholders' equity	(0)	35	5	40	–	(10)	29
Total changes of items during period	(0)	35	5	40	–	(10)	16,142
Balance at end of current period	2	119	(13)	108	83	141	60,512

Fiscal year ended June 30, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,662	12,313	38,526	(1,323)	60,178
Changes of items during period					
Issuance of new shares					–
Dividends of surplus			(2,340)		(2,340)
Net income attributable to owners of parent			6,468		6,468
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		38		26	65
Exercise of share acquisition rights		(2)		9	6
Net changes of items other than shareholders' equity					
Total changes of items during period	–	35	4,127	35	4,198
Balance at end of current period	10,662	12,348	42,654	(1,287)	64,377

	Accumulated other comprehensive income				Subscription rights to shares	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 current period	2	119	(13)	108	83	141	60,512
Changes of items during period							
Issuance of new shares							–
Dividends of surplus							(2,340)
Net income attributable to owners of parent							6,468
Purchase of treasury shares							(0)
Disposal of treasury shares							65
Exercise of share acquisition rights							6
Net changes of items other than shareholders' equity	(1)	(38)	(4)	(44)	(6)	(80)	(131)
Total changes of items during period	(1)	(38)	(4)	(44)	(6)	(80)	4,067
Balance at end of current period	1	81	(18)	64	77	61	64,580

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash flows from operating activities		
Income before income taxes	10,690	9,214
Depreciation	1,263	1,289
Increase (decrease) in allowance for doubtful accounts	(0)	0
Interest expenses	905	1,245
Foreign exchange losses (gains)	7	(2)
Loss (gain) on valuation of derivatives	(743)	1,719
Subsidy income	(1,040)	(760)
Decrease (increase) in notes and accounts receivable - trade	(1,356)	2,655
Decrease (increase) in inventories	(14,153)	(12,179)
Increase (decrease) in notes and accounts payable - trade	6,864	550
Increase (decrease) in advances received	(70)	577
Decrease (increase) in consumption taxes refund receivable	1,500	42
Increase (decrease) in accounts payable - other	1,180	(568)
Transfer from inventories to non-current assets	(1,613)	(300)
Transfer from non-current assets to inventories	1,885	403
Other	504	426
Subtotal	5,825	4,314
Interest and dividend income received	1	9
Interest expenses paid	(725)	(1,109)
Subsidies received	663	1,122
Income taxes paid	(2,551)	(3,415)
Net cash provided by (used in) operating activities	3,213	921
Cash flows from investing activities		
Purchase of intangible assets	(865)	(1,005)
Purchase of property, plant and equipment	(1,266)	(3,909)
Other	(60)	(20)
Net cash provided by (used in) investing activities	(2,192)	(4,935)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	–	700
Proceeds from long-term loans payable	3,300	11,000
Repayments of long-term loans payable	(3,496)	(4,391)
Proceeds from issuance of shares	10,384	–
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,774)	(2,351)
Repayments of lease obligations	(271)	(171)
Other	–	0
Net cash provided by (used in) financing activities	8,140	4,785
Effect of exchange rate change on cash and cash equivalents	22	(31)
Net increase (decrease) in cash and cash equivalents	9,184	739
Cash and cash equivalents at beginning of period	3,114	12,298
Increase in cash and cash equivalents resulting from merger	–	7
Cash and cash equivalents at end of period	12,298	13,044

(5) Notes to the consolidated financial statements**(Notes on premise of going concern)**

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

No items to report.

(Additional information)

(Reclassification between inventories and non-current assets)

The Group has reviewed the usage status of its precious metal assets and reclassified part of them between inventories and property, plant and equipment due to the change in holding purpose.

In the fiscal year ended June 30, 2025, the Group reclassified part of property, plant and equipment into inventories and part of inventories into property, plant and equipment, due to a change in the purpose of holding them. This has resulted in a decrease of 95 million yen in raw materials and supplies, a decrease of 228 million yen in machinery, equipment and vehicles, and an increase of 185 million yen in merchandise and finished goods. In addition, work in process increased by 13 million yen, and construction in progress increased by 124 million yen.

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
	Change (Millions of yen)	Change (Millions of yen)
Merchandise and finished goods	(234)	185
Raw materials and supplies	249	(95)
Work in process	257	13
Machinery, equipment and vehicles	28	(228)
Construction in progress	(300)	124

(Notes on segment information and other data)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

We primarily manufacture and sell industrial precious metal products.

The Group is made up of segments organized by product and service, and we have five reportable segments: "electronics," "thin film," "thermal," "fine chemicals/recycling" and "supply chain support."

The products or services by each segment are as follows:

Electronics: manufacturing and sales of electronic parts used in the manufacturing process for electronic products

Thin film: manufacturing and sales of precious metal targets used in forming thin films

Thermal: manufacturing and sales of temperature sensors primarily used in semiconductor manufacturing devices

Fine chemicals/Recycling: manufacturing and sales of precious metal compounds, and recovery and refinement of precious metals

Supply chain support: sales of main precious metal raw materials not related to orders for the Company's products.

2. Method of calculating net sales, profit, loss, assets, liabilities, or other items for each reportable segment

The accounting method for reportable operating segments is in accordance with the accounting policies adopted for preparation of the consolidated financial statements. Reportable segment profit is presented on a gross profit basis.

The Group does not allocate assets to operating segments because it does not use asset information for performance management.

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

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Millions of yen)

	Reportable segment						Other (Note 1)	Total (Note 2)
	Electronics	Thin film	Thermal	Fine chemicals/ Recycling	Supply chain support	Total		
Net sales								
Japan	3,254	2,282	3,875	11,837	2,363	23,612	160	23,773
Asia (Other than Japan)	65	4,695	1,454	159	3,324	9,699	280	9,980
Europe	18	421	42	5,167	—	5,650	—	5,650
North America	2,999	1,901	155	3,067	—	8,124	—	8,124
Revenue from contracts with customers	6,337	9,300	5,528	20,231	5,688	47,086	440	47,527
Sales to external customers	6,337	9,300	5,528	20,231	5,688	47,086	440	47,527
Intersegment sales or transfers	—	—	—	—	—	—	—	—
Total	6,337	9,300	5,528	20,231	5,688	47,086	440	47,527
Segment profit	2,312	3,480	2,121	6,341	354	14,610	59	14,670

Note 1. The category "Other" is the operating segment not included in the reportable segments, and mainly includes the sale of purchased products.

Note 2. The total segment profit is consistent with gross profit as recorded in the consolidated statement of income for the fiscal year ended June 30, 2024.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segment						Other (Note 1)	Total (Note 2)
	Electronics	Thin film	Thermal	Fine chemicals/ Recycling	Supply chain support	Total		
Net sales								
Japan	3,283	2,633	2,757	12,238	368	21,280	791	22,072
Asia (Other than Japan)	35	5,042	1,887	581	6,299	13,847	540	14,387
Europe	12	773	32	10,087	935	11,842	–	11,842
North America	2,573	2,821	184	3,420	49	9,048	30	9,078
Revenue from contracts with customers	5,904	11,271	4,860	26,328	7,653	56,018	1,361	57,379
Sales to external customers	5,904	11,271	4,860	26,328	7,653	56,018	1,361	57,379
Intersegment sales or transfers	–	–	–	–	–	–	–	–
Total	5,904	11,271	4,860	26,328	7,653	56,018	1,361	57,379
Segment profit	1,729	4,305	1,548	6,458	40	14,083	105	14,188

Note 1. The category “Other” is the operating segment not included in the reportable segments, and mainly includes the sale of purchased products.

Note 2. The total segment profit is consistent with gross profit as recorded in the consolidated statement of income for the fiscal year ended June 30, 2025.

[Related information]

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

1. Information on products and services

This is omitted as the categories are the same as those for product segments.

2. Information by regions

(1) Net sales

(Millions of yen)

Region	Japan	Asia (Other than Japan)	North America	Europe	Total
Sales to external customers	23,773	9,980	8,124	5,650	47,527

Notes: 1. Net sales are classified by country or region based on customers' location.

2. Net sales in North America include net sales of 8,117 million yen in America, which accounts for more than 10% of the net sales in the consolidated statement of income.

(2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount recorded in the consolidated balance sheet.

3. Information on major customers

(Millions of yen)

Customer's name or trade name	Net sales	Name of relevant segment
De Nora Permelec Ltd	11,271	Fine chemicals/Recycling

[Information on impairment loss of non-current assets by reportable segment]

No items to report.

[Information on amortization of goodwill and unamortized balance by reportable segment]

No items to report.

[Information on gain on negative goodwill by reportable segment]

No items to report.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

1. Information on products and services

This is omitted as the categories are the same as those for product segments.

2. Information by regions

(1) Net sales

(Millions of yen)

Region	Japan	Asia (Other than Japan)	North America	Europe	Total
Sales to external customers	22,072	14,387	9,078	11,842	57,379

Notes: 1. Net sales are classified by country or region based on customers' location.

2. Net sales in North America include net sales of 8,920 million yen in America, which accounts for more than 10% of the net sales in the consolidated statement of income.

3. Net sales in Europe include net sales of 9,388 million yen in Germany, which accounts for more than 10% of the net sales in the consolidated statement of income.

(2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount recorded in the consolidated balance sheet.

3. Information on major customers

(Millions of yen)

Customer's name or trade name	Net sales	Name of relevant segment
De Nora Permelec Ltd	8,780	Fine chemicals/Recycling
De Nora Deutschland GmbH	9,159	Fine chemicals/Recycling

[Information on impairment loss of non-current assets by reportable segment]

This information is insignificant and has therefore been omitted.

[Information on amortization of goodwill and unamortized balance by reportable segment]

No items to report.

[Information on gain on negative goodwill by reportable segment]

No items to report.

(Per share information)

(Yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net assets per share	2,455.37	2,622.14
Net income per share	322.47	263.29
Diluted net income per share	321.26	262.42

Notes: 1. The Company conducted a stock split of 3 shares for each ordinary share, effective July 1, 2024. Net assets per share, net income per share and diluted net income per share are calculated based on the assumption that such stock split was conducted at the beginning of the previous fiscal year.

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

	As of June 30, 2024	As of June 30, 2025
Total net assets (Millions of yen)	60,512	64,580
Amount deducted from the total net assets (Millions of yen)	224	138
[Of which subscription rights to shares (Millions of yen)]	[83]	[77]
Amount of net assets related to common shares at the end of the period (Millions of yen)	60,287	64,441
Number of common shares used in the calculation of net assets per share at the end of the period (Thousands of shares)	24,553	24,576

3. The basis for calculation of net income per share and diluted net income per share is as follows.

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net income per share		
Net income attributable to owners of parent (Millions of yen)	7,410	6,468
Net income not attributable to common shareholders (Millions of yen)	–	–
Net income attributable to owners of parent pertaining to common shares (Millions of yen)	7,410	6,468
Average number of shares during the period (Thousands of shares)	22,980	24,568
Diluted net income per share		
Adjustments to net income attributable to owners of parent (Millions of yen)	–	–
Increase in the number of common shares (Thousands of shares)	86	80
[Of which subscription rights to shares (Thousands of shares)]	[86]	[80]
Overview of potential shares not included in the calculation of diluted net income per share because of having no dilutive effect	–	

(Significant subsequent events)

No items to report.

4. Non-consolidated financial statements and significant notes thereto

(1) Balance sheet

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	11,787	12,586
Notes receivable - trade	178	143
Accounts receivable - trade	6,072	3,450
Merchandise and finished goods	3,897	4,146
Work in process	5,015	5,599
Raw materials and supplies	61,301	72,648
Prepaid expenses	98	136
Consumption taxes receivable	540	497
Derivatives	1,594	–
Other	449	62
Allowance for doubtful accounts	–	(0)
Total current assets	90,937	99,270
Non-current assets		
Property, plant and equipment		
Buildings	3,947	4,205
Structures	240	257
Machinery and equipment	9,481	9,448
Vehicles	3	4
Tools, furniture and fixtures	172	174
Land	1,960	3,009
Leased assets	838	496
Construction in progress	478	1,860
Total property, plant and equipment	17,121	19,457
Intangible assets		
Software in progress	1,956	2,952
Patent right	0	0
Software	50	43
Telephone subscription right	2	2
Right of using facilities	0	0
Trademark right	0	0
Total intangible assets	2,010	2,999
Investments and other assets		
Investment securities	43	51
Shares of subsidiaries and associates	379	59
Insurance funds	77	83
Deferred tax assets	1,711	1,456
Other	64	53
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	2,276	1,701
Total non-current assets	21,408	24,158
Total assets	112,345	123,429

(Millions of yen)

	As of June 30, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	21,792	22,343
Short-term loans payable	12,700	13,400
Current portion of long-term loans payable	3,291	4,374
Lease obligations	168	123
Accounts payable - other	3,557	2,977
Income taxes payable	1,988	1,123
Provision for bonuses	458	492
Provision for directors' bonuses	121	111
Accounts payable - facilities	378	256
Advances received	58	636
Other	449	736
Total current liabilities	44,965	46,576
Non-current liabilities		
Long-term loans payable	5,300	10,826
Lease obligations	594	467
Long-term accounts payable - other	401	401
Provision for retirement benefits	881	953
Asset retirement obligations	43	42
Other	4	4
Total non-current liabilities	7,225	12,695
Total liabilities	52,191	59,272
Net assets		
Shareholders' equity		
Capital stock	10,662	10,662
Capital surplus		
Legal capital surplus	10,631	10,631
Other capital surplus	1,681	1,716
Total capital surplus	12,313	12,348
Retained earnings		
Legal retained earnings	9	9
Other retained earnings		
General reserve	80	80
Retained earnings brought forward	38,326	42,265
Total retained earnings	38,415	42,355
Treasury shares	(1,323)	(1,287)
Total shareholders' equity	60,068	64,078
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2	1
Total valuation and translation adjustments	2	1
Subscription rights to shares	83	77
Total net assets	60,154	64,157
Total liabilities and net assets	112,345	123,429

(2) Statement of income

(Millions of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales		
Net sales of finished goods	41,738	49,590
Net sales of goods	5,747	7,757
Total net sales	47,485	57,347
Cost of sales		
Cost of finished goods sold		
Beginning finished goods inventory	1,117	1,588
Cost of products manufactured	27,495	36,438
Total	28,612	38,027
Transfer to other account	(419)	(185)
Ending finished goods inventory	1,588	2,750
Cost of finished goods sold	27,443	35,461
Cost of goods sold		
Beginning merchandise inventory	1,896	2,309
Cost of purchased goods	5,794	6,790
Total	7,690	9,099
Ending merchandise inventory	2,309	1,395
Cost of goods sold	5,381	7,703
Total cost of sales	32,825	43,165
Gross profit	14,660	14,181
Selling, general and administrative expenses	4,921	4,721
Operating income	9,739	9,459
Non-operating income		
Interest income	1	9
Gain on valuation of derivatives	743	–
Dividend income	102	71
Rental income from buildings	16	21
Foreign exchange gains	20	2,189
Subsidy income	1,040	760
Other	32	33
Total non-operating income	1,957	3,086
Non-operating expenses		
Interest expenses	905	1,245
Loss on valuation of derivatives	–	1,719
Other	64	193
Total non-operating expenses	969	3,159
Ordinary income	10,727	9,387
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	–	300
Total extraordinary losses	–	300
Income before income taxes	10,727	9,087
Income taxes - current	3,128	2,551
Income taxes - deferred	139	255
Total income taxes	3,268	2,807
Net income	7,459	6,279

(3) Statement of changes in equity

Fiscal year ended June 30, 2024

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of current period	5,445	5,414	1,656	7,070	9	80	32,647	32,737
Changes of items during period								
Issuance of new shares	5,217	5,217		5,217				
Dividends of surplus							(1,780)	(1,780)
Net income							7,459	7,459
Purchase of treasury shares								
Disposal of treasury shares			24	24				
Exercise of share acquisition rights								
Net changes of items other than shareholders' equity								
Total changes of items during period	5,217	5,217	24	5,242	—	—	5,678	5,678
Balance at end of current period	10,662	10,631	1,681	12,313	9	80	38,326	38,415

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(1,345)	43,907	3	3	83	43,993
Changes of items during period						
Issuance of new shares		10,435				10,435
Dividends of surplus		(1,780)				(1,780)
Net income		7,459				7,459
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	22	47				47
Exercise of share acquisition rights		—				—
Net changes of items other than shareholders' equity			(0)	(0)	—	(0)
Total changes of items during period	22	16,161	(0)	(0)	—	16,160
Balance at end of current period	(1,323)	60,068	2	2	83	60,154

Fiscal year ended June 30, 2025

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of current period	10,662	10,631	1,681	12,313	9	80	38,326	38,415
Changes of items during period								
Issuance of new shares								
Dividends of surplus							(2,340)	(2,340)
Net income							6,279	6,279
Purchase of treasury shares								
Disposal of treasury shares			38	38				
Exercise of share acquisition rights			(2)	(2)				
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	35	35	—	—	3,939	3,939
Balance at end of current period	10,662	10,631	1,716	12,348	9	80	42,265	42,355

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(1,323)	60,068	2	2	83	60,154
Changes of items during period						
Issuance of new shares		—				—
Dividends of surplus		(2,340)				(2,340)
Net income		6,279				6,279
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	26	65				65
Exercise of share acquisition rights	9	6				6
Net changes of items other than shareholders' equity			(1)	(1)	(6)	(7)
Total changes of items during period	35	4,010	(1)	(1)	(6)	4,003
Balance at end of current period	(1,287)	64,078	1	1	77	64,157

5. Other

Changes in Officers (Effective September 25, 2025 (planned))

- New candidates for Director

Outside Director Kazunori Ochiai (currently Director, Kojima Chemicals Co., Ltd.; Advisor, TANAKA PRECIOUS METAL TECHNOLOGIES Co., Ltd.)

Outside Director Hideki Wakabayashi (currently Technical Committee Member of NEDO); Examination member of the Okochi Award Examination Committee in the Okochi Memorial Foundation; Vice President and Director of Japan Society for Research Policy and Innovation Management; Distinguished Professor, Research and Education Institute for Semiconductors and Informatics, Kumamoto University; Visiting Professor, Ritsumeikan University Graduate School of Management; Outside Director(Audit & Supervisory Committee Member), V Technology Co., Ltd.); Advisor, Next-generation Edge AI Semiconductor Research and Development Project, Japan Science and Technology Agency (JST).

Outside Director (Audit and Supervisory Committee Member) Michio Nakajin (Attorney at law, Nakajin Law Office, currently Auditor, Inagora Inc.)

- Directors scheduled to resign

Outside Director Shoetsu Abe

Outside Director Shigeyuki Hiroki

Outside Director (Audit and Supervisory Committee Member) Hiroe Fukushima