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Member, Financial Accounting Standards Foundation

The Announcement date: May 15, 2025 (14:00 JST)

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

Company name: TOMOEGAWA CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 3878
 URL: <https://www.tomoegawa.co.jp/>
 Representative: Yoshio Inoue, President and Representative Director, Group CEO
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 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date to commence dividend payments: June 9, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	34,432	2.2	1,282	(3.7)	1,566	(4.7)	749	26.2
March 31, 2024	33,692	(1.4)	1,331	(35.1)	1,643	(23.6)	594	(59.1)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥948 million [(63.9%)]
 For the fiscal year ended March 31, 2024: ¥2,626 million [19.3%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	73.05	-	5.0	3.4	3.7
March 31, 2024	57.28	-	4.1	3.7	4.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥317 million
 For the fiscal year ended March 31, 2024: ¥311 million

(2) 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	46,087	19,630	33.1	1,511.71
March 31, 2024	45,713	19,396	32.2	1,417.49

Reference: Equity
 As of March 31, 2025: ¥15,241 million
 As of March 31, 2024: ¥14,700 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	1,799	(2,758)	500	4,853
March 31, 2024	4,185	(1,741)	(1,645)	5,345

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	-	0.00	-	15.00	15.00	155	26.2	1.1
Fiscal year ended March 31, 2025	-	0.00	-	15.00	15.00	151	20.5	1.0
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	15.00	15.00		20.5	

3. Forecasts of Consolidated financial results for Fiscal Year 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
First Half	17,000	(1.3)	400	(56.6)	450	(56.0)	250	(67.1)	24.36
Full year	36,000	4.6	1,400	9.2	1,550	(1.1)	750	0.1	73.09

*** Notes**

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

Note: For more information, please refer to “Ⅲ. Consolidated financial statements and Major explanatory notes thereto 5. Notes to consolidated financial statements (Notes on changes in accounting policies)” on page 17 (Attached Material).

(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	10,389,406 shares
As of March 31, 2024	10,389,406 shares

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

As of March 31, 2025	307,299 shares
As of March 31, 2024	18,380 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	10,260,995 shares
Fiscal year ended March 31, 2024	10,371,038 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	20,526	6.1	142	-	894	(24.4)	734	(30.0)
March 31, 2024	19,347	0.7	(249)	-	1,182	16.9	1,049	27.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	71.61	-
March 31, 2024	101.24	-

(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	27,106	5,682	21.0	563.60
March 31, 2024	26,411	5,298	20.1	510.87

Reference: Equity

As of March 31, 2025: ¥5,682 million
As of March 31, 2024: ¥5,298 million

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to “ I . Overview of operating results, etc., 4. The Projection of FY 2026 and dividends payment” on page 8 (Attached Material).

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I . Overview of operating results, etc.

Figures in Millions of yen, unless otherwise noted

1. Overview of operating results for the fiscal year under review

(1) Review of operating results

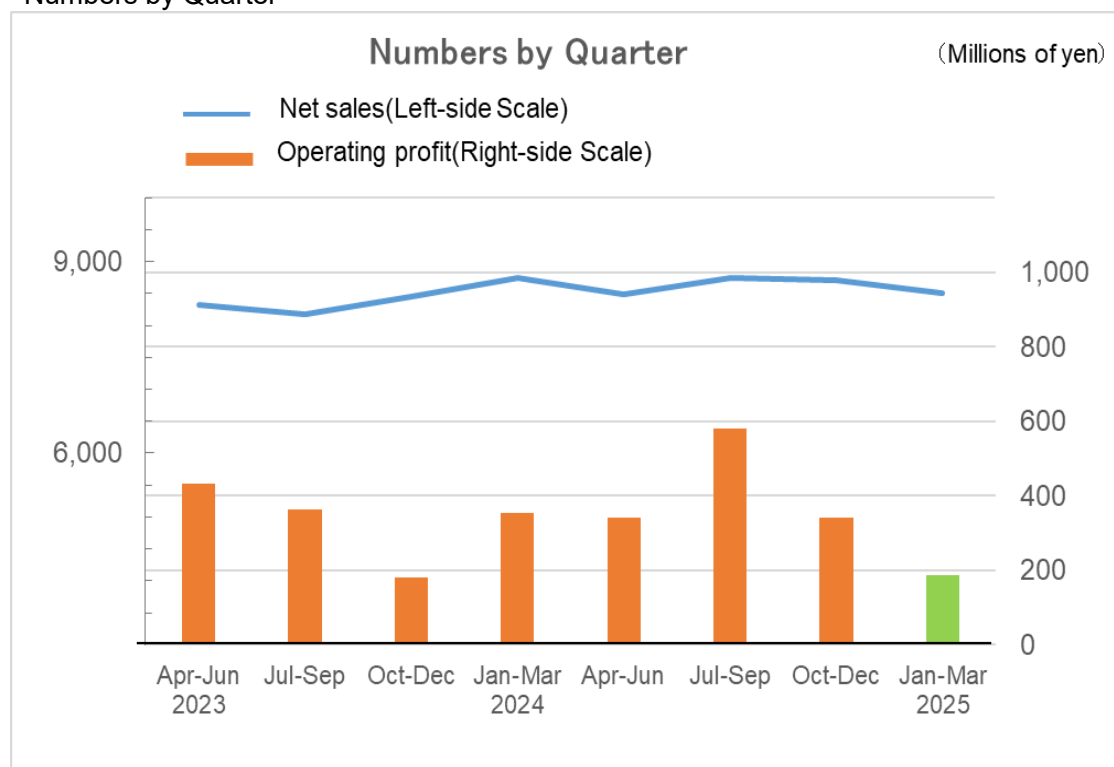
• Net sales and profit (loss)

from April 1, 2024 through March 31, 2025

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
FY 2025 ended on March 31, 2025	34,432	1,282	1,566	749	73.05Yen
Converted into Millions of US dollar (Note)	225.6	8.4	10.3	4.9	US\$0.48
FY 2024 ended on March 31, 2024	33,692	1,331	1,643	594	57.28Yen
Change to FY 2025 from FY 2024	739	▲48	▲76	155	15.77Yen
Percent Change from FY 2024 numbers	2.2%	▲3.7%	▲4.7%	26.2%	-
Initial forecasts for FY 2025 released on May 14, 2024	35,000	2,200	2,200	1,000	96.42Yen
Revised forecasts for FY 2025 released on April 25, 2025	34,000	1,250	1,550	750	73.09Yen
Change from FY 2025 Initial forecasts	▲567	▲917	▲633	▲250	▲23.37Yen
Change from FY 2025 revised forecasts on April 25, 2025	432	32	16	0	▲0.04Yen

Note: US dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥152.62

• Numbers by Quarter



• Observation of whole Fiscal Year 2025 (April 2024 to March 2025)

During the Fiscal Year (FY) 2025 (April 2024 to March 2025), net sales amounted to ¥34,432 million, up ¥739 million or +2.2% from the previous FY. Despite a decline in orders received in the Toner Segment toward the end of the FY due to sluggish market conditions, sales increased. This growth was driven by depreciation of yen, which boosted overseas-related sales. In addition, the successful bidding for overseas tender projects in the Coated Paper Business within the Functional Sheet Segment contributed significantly to the positive results.

Operating profit was ¥1,282 million, down ¥48 million or ▲3.7% from that of the previous FY, thanks to the positive effects of yen depreciation and price pass-through, there were increases in labor costs due to improved compensation, higher prices for various raw materials, and higher depreciation and repair costs due to aggressive capital expenditures. Ordinary profit was ¥1,566 million, down ¥76 million or ▲4.7% from that of the previous FY.

Profit attributable to owners of parent was ¥749 million, up ¥155 million or +26.2% from that of the previous FY, thanks to a decrease in income taxes-deferred and profit attributable to non-controlling interests.

As for the three months of the Fourth Quarter (4Q), the decline in orders in the Toner Segment together with the resulting production adjustments, and the provision of allowance for doubtful accounts for overseas customers are all contributing to the decrease in sales and profit. Operating profit for the 4Q (yellow-green bar) in the table above (Numbers by Quarter) excludes the effect of allowance for doubtful accounts for overseas customers.

(2) Consolidated operating results by segment

• Reportable segments figures

		FY 2024	FY 2025	Change to FY 2025 from FY 2024	Percent Change from FY 2024 numbers
Toner	Net sales	11,719	12,415	695	5.9%
	Operating profit	815	849	33	4.1%
Semiconductor and Display-related	Net sales	6,518	6,530	11	0.2%
	Operating profit	608	804	196	32.3%
Functional Sheet	Net sales	10,770	11,209	438	4.1%
	Operating profit(loss)	▲42	58	101	-
Security Media	Net sales	4,384	3,987	▲397	▲9.1%
	Operating profit	439	313	▲125	▲28.5%
New Business Development	Net sales	67	44	▲23	▲34.3%
	Operating loss	▲608	▲820	▲211	-

• Overview of reportable segments

< Toner >

As for the Toner Segment, net sales were ¥12,415 million, up ¥695 million or +5.9% from that of the previous FY, and Segment (operating) profit was ¥849 million, up ¥33 million or +4.1% from that of the previous FY.

Net sales increased mainly thanks to an increase in overseas-related sales converted at a weaker yen, which helped offset a decline in orders received toward the end of the FY due to sluggish market conditions. Segment (operating) profit increased thanks to the positive effect of depreciation of yen, despite the impact of lower orders received in the 4Q and the resulting production adjustments, and the recording of allowance for doubtful accounts for overseas customers.

< Semiconductor and Display-related >

As for the Semiconductor and Display-related Segment, net sales were ¥6,530 million, up ¥11 million or +0.2% from that of the previous FY, and Segment (operating) profit was ¥804 million, up ¥196 million or +32.3% from that of the previous FY.

In the Semiconductor and Display-related Segment, sales for Optical Film SBU, which had been strong through the Third Quarter, were sluggish in the 4Q, and net sales of Semiconductor Packaging Tape SBU remained at the same level as the previous year. Segment (operating) profit exceeded the previous FY's level as a result of efforts to maintain sales, improve productivity, and capture prototype income, despite increasing expenses associated with the launch of new products.

< Functional Sheet >

As for the Functional Sheet Segment, net sales were ¥11,209 million, up ¥438 million or +4.1% from that of the previous FY, and Segment (operating) profit was ¥58 million, up ¥101 million from that of the previous FY.

The Coated Paper SBU performed well, partly thanks to successful bidding for overseas tender projects, and the Papermaking SBU, including operation by subsidiaries, was firm. Segment (operating) profit increased from the previous FY. Although there was an increase in costs due to higher raw material prices, the Company was able to offset these increases by reflecting the cost rise in product prices and implementing various cost reduction measures.

< Security Media >

As for the Security Media Segment, net sales were ¥3,987 million, down ¥397 million or ▼9.1% from that of the previous FY, and Segment (operating) profit was ¥313 million, down ¥125 million or ▼28.5% from that of the previous FY.

Net sales decreased mainly due to a delay in the timing of orders for card-related products caused by inventory adjustments by some customers, as well as a decrease in sales of passbooks, promotional printed materials, and other products because of the completion of a temporary special demand project in the previous FY. Segment (operating) profit decreased due to lower net sales.

< New Business Development >

As for the New Business Development Segment, net sales were ¥44 million, down ¥23 million or ▼34.3% from that of the previous FY, and Segment (operating) loss was ¥820 million (loss of ¥608 million in the previous FY).

The Company is promoting the development and net sales of iCas and GREEN CHIP related products, and is concentrating on the launch of new products for semiconductor manufacturing equipment and cellulose microfiber using compounded resins.

2. Overview of financial position for the fiscal year under review

• Financial Position

March 31, 2025

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
End of FY 2025, March 31, 2025	46,087	19,630	33.1%	1,511.71Yen
Converted into Millions of US dollar (Note)	308.2	131.3	-	US\$10.11
End of FY 2024, March 31, 2024	45,713	19,396	32.2%	1,417.49Yen
Change to FY 2025 from FY 2024	373	233	0.9%	94.22Yen

Note: US dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥149.53

• Explanation regarding Financial Position

Total assets amounted to ¥46,087 million at the end of the current FY, up ¥373 million from the end of the previous FY. Current assets totaled ¥21,639 million, down ¥960 million from the end of the previous FY. This was mainly due to a decrease in cash and deposits, notes and accounts receivable-trade, despite an increase in inventories of finished goods and other assets. Non-current assets totaled ¥24,447 million, up ¥1,333 million from the end of the previous FY. This was mainly due to an increase in property, plant and equipment due to aggressive capital expenditures and an increase in intangible assets due to software investment, as well as an increase in investment securities due to share of profit of entities accounted for using equity method.

Total liabilities amounted to ¥26,457 million, up ¥139 million from the end of the previous FY. Current liabilities totaled ¥18,197 million, down ¥208 million from the end of the previous FY. This was mainly due to a decrease in notes and accounts payable-trade despite an increase in short-term borrowings. Non-current liabilities totaled ¥8,259 million, up ¥347 million from the end of the previous FY. This was mainly due to an increase in long-term borrowings. Interest-bearing debt increased ¥1,185 million from the end of the previous FY to ¥14,021 million.

Net assets amounted to ¥19,630 million, up ¥233 million from the end of the previous FY. As a result, the Equity-to-asset ratio was 33.1% (32.2% at the end of the previous FY). In November 2024, the Company acquired treasury share (¥214 million) to improve capital efficiency and implement flexible capital policy.

3. Review of cash flow position for the fiscal year under review

• Cash Flow

March 31, 2025

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY 2025 ended on March 31, 2025	1,799	(2,758)	500	4,853
Converted into Millions of US dollar (Note)	11.8	(18.1)	3.3	32.5
FY 2024 ended on March 31, 2024	4,185	(1,741)	(1,645)	5,345
Change to FY 2025 from FY 2024	(2,385)	(1,017)	2,145	(492)

Note: US dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥152.62 as for Cash flow and ¥149.53 as for Cash and cash equivalents at end of period

• Explanation regarding Cash Flow

Cash and cash equivalents (net cash) amounted to ¥4,853 million at the end of the current FY, down ¥492 million from the end of the previous FY.

Net cash provided by operating activities for current FY was ¥1,799 million, down ¥2,385 million from the previous FY. The main inflow factors were profit before income taxes of ¥1,396 million, depreciation (¥1,781 million), and a decrease in trade receivables (¥608 million). The outflow factors included an increase in inventories (¥446 million) and a decrease in trade payables (¥1,127 million).

Net cash used in investing activities for current FY was ¥2,758 million, up ¥1,017 million from the previous FY. The outflow factors included the purchase of property, plant and equipment (¥2,293 million) and the purchase of intangible assets (¥376 million).

Net cash provided by financing activities for current FY was ¥500 million, compared with ¥1,645 million used in the previous FY. The main inflow factors were net increase in short-term borrowings (¥972 million) and proceeds from long-term borrowings (¥2,118 million). The outflow factors included repayments of long-term borrowing (¥1,683 million), the purchase of treasury shares (¥214 million), and the purchase of treasury shares of subsidiaries (¥206 million).

[Reference] The trends in the Group's cash flow indicators are shown below.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Equity-to-asset ratio (%)	28.3	30.9	32.7	32.3	33.1
Market-based equity-to-asset ratio (%)	20.9	19.9	16.5	20.1	15.7
Interest bearing debt to cash flow ratio (annual)	3.4	3.8	12.6	3.1	7.8
Interest coverage ratio (times)	18.0	19.9	5.0	20.4	7.9

Note: Equity-to-asset ratio: Equity / Total assets

Market-based equity-to-asset ratio: Market capitalization / Total assets

Interest bearing debt to cash flow ratio: Interest bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest

* Each of these indicators are calculated from consolidated financial figures.

- * Market capitalization is calculated by multiplying year-end closing price by year-end issued shares (excluding treasury shares).
- * Cash flows from operating activities from the consolidated statements of cash flows are used for operating cash flow.
- * Interest bearing debts represent all debts on the consolidated balance sheet for which interest is paid.

4. The Projection of FY 2026 and dividends payment

• Forecasts of Current Fiscal Year, which will end on March 31, 2026

Forecast released	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
First Half	17,000	400	450	250	24.36Yen
Full year	36,000	1,400	1,550	750	73.09Yen

The business environment for the FY ending March 31, 2026, is expected to remain uncertain and challenging due to multiple external factors, including the economic slowdown in China, fluctuations in foreign exchange rates favoring a stronger yen, the delayed impact of rising raw material and labor costs, and ongoing uncertainty regarding US tariff policies.

For FY 2026, the Company has set its full-year net sales forecast at ¥36,000 million (up +4.6% from that of FY 2025). The Company faces challenges such as fluctuations in the external environment and the impact of a gradual decline in sales in the Display-related Business, which had been strong until the previous year, due to a change in the business policy of one of its customers. In the Toner Segment, the Company will strengthen its development system and launch new products to expand market share. In the Semiconductor-related products, the Company will launch Flexible Planar Heater, for which capital investment has been completed, and accelerate the development of related components. In addition, in the Functional Sheet Segment, the Company will steadily mass-produce new Functional Non-woven Fabric products and plan for business growth.

Operating profit forecast is set at ¥1,400 million, up +9.2% from that of the previous FY. The Company aims to increase sales despite the expected appreciation of yen. Although special factors such as the allowance for doubtful accounts recorded in the previous FY 4Q will disappear, the Company expects the significant impact of price hikes for key raw materials in the Toner Segment. The Company also expects increasing depreciation burden associated with investments to implement the DX strategy. Additionally, there will be an increasing cost burden to improve compensation and enhance the competitiveness of recruitment. Ordinary profit forecast is ¥1,550 million, down ▲1.1% from that of the previous. Profit attributable to owners of parent is estimated at ¥750 million (up 0.1% from that of FY 2025).

The Company will make ¥15 per share dividend payment under the policy that honors steady and continuous dividend payment.

II . Basic rationale for selection of accounting standards

TOMOEGAWA Group currently adopts Japanese accounting standards for its financial reporting in view of comparability between fiscal years on financial statements and comparability with other companies. Regarding the adoption of International Financial Reporting Standards, the Group will respond appropriately in consideration of circumstances in and outside Japan.

III. Consolidated financial statements and Major explanatory notes thereto

1. Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,417	4,925
Notes receivable - trade	524	381
Electronically recorded monetary claims - operating	855	914
Accounts receivable - trade	5,549	5,008
Finished goods	6,389	6,623
Work in process	59	78
Raw materials and supplies	2,371	2,526
Other	1,441	1,361
Allowance for doubtful accounts	△9	△180
Total current assets	22,600	21,639
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,520	4,503
Machinery, equipment and vehicles, net	3,839	4,224
Land	5,398	5,595
Leased assets, net	510	381
Construction in progress	381	741
Afforestation tree	632	631
Other, net	623	625
Total property, plant and equipment	15,906	16,703
Intangible assets		
Goodwill	30	22
Software	258	653
Other	119	93
Total intangible assets	408	768
Investments and other assets		
Investment securities	5,878	6,318
Deferred tax assets	124	138
Retirement benefit asset	490	241
Other	305	277
Allowance for doubtful accounts	△0	△0
Total investments and other assets	6,798	6,975
Total non-current assets	23,113	24,447
Total assets	45,713	46,087

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,253	5,123
Short-term borrowings	5,992	6,877
Current portion of long-term borrowings	1,617	1,562
Income taxes payable	232	160
Provision for bonuses	515	556
Other	3,793	3,917
Total current liabilities	18,405	18,197
Non-current liabilities		
Long-term borrowings	4,708	5,198
Lease liabilities	345	245
Deferred tax liabilities	1,301	1,263
Retirement benefit liability	1,043	1,026
Provision for retirement benefits for directors (and other officers)	323	336
Other	189	189
Total non-current liabilities	7,911	8,259
Total liabilities	26,317	26,457
Net assets		
Shareholders' equity		
Share capital	2,122	2,122
Capital surplus	897	1,209
Retained earnings	8,585	9,179
Treasury shares	△31	△245
Total shareholders' equity	11,574	12,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	646
Foreign currency translation adjustment	962	910
Remeasurements of defined benefit plans	1,587	1,417
Total accumulated other comprehensive income	3,125	2,974
Non-controlling interests	4,695	4,388
Total net assets	19,396	19,630
Total liabilities and net assets	45,713	46,087

2. Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	33,692	34,432
Cost of sales	26,324	26,447
Gross profit	7,367	7,984
Selling, general and administrative expenses		
Transportation costs	631	694
Salaries and allowances	1,568	1,641
Provision for bonuses	107	121
Provision for retirement benefits for directors (and other officers)	33	39
Depreciation	107	114
Research and development expenses	1,377	1,550
Other	2,210	2,540
Total selling, general and administrative expenses	6,036	6,701
Operating profit	1,331	1,282
Non-operating income		
Interest income	10	6
Dividend income	75	92
Foreign exchange gains	54	—
Share of profit of entities accounted for using equity method	311	317
Subsidy income	41	119
Other	103	164
Total non-operating income	598	700
Non-operating expenses		
Interest expenses	206	229
Foreign exchange losses	—	84
Financial fee	10	11
Other	69	90
Total non-operating expenses	286	416
Ordinary profit	1,643	1,566
Extraordinary income		
Gain on sale of non-current assets	3	6
Gain on sale of investment securities	39	14
Total extraordinary income	43	20
Extraordinary losses		
Loss on retirement of non-current assets	134	24
Impairment losses	183	164
Other	4	1
Total extraordinary losses	322	190
Profit before income taxes	1,363	1,396

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Income taxes - current	370	422
Income taxes - deferred	41	△71
Total income taxes	412	351
Profit	951	1,044
Profit attributable to		
Profit attributable to owners of parent	594	749
Profit attributable to non-controlling interests	357	294
Other comprehensive income		
Valuation difference on available-for-sale securities	464	143
Foreign currency translation adjustment	594	△69
Remeasurements of defined benefit plans, net of tax	616	△169
Total other comprehensive income	1,675	△96
Comprehensive income	2,626	948
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,014	597
Comprehensive income attributable to non-controlling interests	612	350

3. Consolidated statements of changes in net assets
Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,122	2,033	8,197	△31	12,322
Changes during period					
Dividends of surplus			△205		△205
Profit attributable to owners of parent			594		594
Purchase of treasury shares				△1,135	△1,135
Cancellation of treasury shares		△1,135		1,135	—
Net changes in items other than shareholders' equity					
Total changes during period	—	△1,135	388	△0	△747
Balance at end of period	2,122	897	8,585	△31	11,574

	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	241	492	971	1,705	4,342	18,370
Changes during period						
Dividends of surplus						△205
Profit attributable to owners of parent						594
Purchase of treasury shares						△1,135
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	334	469	616	1,420	352	1,773
Total changes during period	334	469	616	1,420	352	1,025
Balance at end of period	575	962	1,587	3,125	4,695	19,396

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,122	897	8,585	△31	11,574
Changes during period					
Dividends of surplus			△155		△155
Profit attributable to owners of parent			749		749
Purchase of treasury shares				△214	△214
Purchase of shares of consolidated subsidiaries treasury stock		312			312
Net changes in items other than shareholders' equity					
Total changes during period	—	312	593	△214	692
Balance at end of period	2,122	1,209	9,179	△245	12,267

	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	575	962	1,587	3,125	4,695	19,396
Changes during period						
Dividends of surplus						△155
Profit attributable to owners of parent						749
Purchase of treasury shares						△214
Purchase of shares of consolidated subsidiaries treasury stock						312
Net changes in items other than shareholders' equity	70	△51	△169	△151	△306	△458
Total changes during period	70	△51	△169	△151	△306	233
Balance at end of period	646	910	1,417	2,974	4,388	19,630

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	1,363	1,396
Depreciation	1,669	1,781
Impairment losses	183	164
Increase (decrease) in allowance for doubtful accounts	△81	174
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13	13
Increase (decrease) in retirement benefit liability	△80	△11
Subsidy income	△41	△119
Interest and dividend income	△86	△98
Interest expenses	206	229
Share of loss (profit) of entities accounted for using equity method	△311	△317
Loss on retirement of non-current assets	134	24
Loss (gain) on sale of non-current assets	0	△4
Loss (gain) on sale of investment securities	△39	△14
Decrease (increase) in trade receivables	△211	608
Decrease (increase) in inventories	683	△446
Increase (decrease) in trade payables	1,004	△1,127
Other, net	67	△304
Subtotal	4,474	1,948
Interest and dividends received	147	204
Interest paid	△205	△228
Income taxes paid	△581	△546
Income taxes refund	307	301
Other, net	41	119
Net cash provided by (used in) operating activities	4,185	1,799
Cash flows from investing activities		
Payments into time deposits	△64	△66
Proceeds from withdrawal of time deposits	64	66
Purchase of property, plant and equipment	△1,605	△2,293
Purchase of intangible assets	△127	△376
Payments for retirement of property, plant and equipment	△127	△119
Proceeds from sale of property, plant and equipment	4	11
Proceeds from sale of investment securities	112	21
Other, net	2	△2
Net cash provided by (used in) investing activities	△1,741	△2,758
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,595	972
Proceeds from long-term borrowings	1,050	2,118
Repayments of long-term borrowings	△2,497	△1,683
Purchase of treasury shares of subsidiaries	—	△206
Purchase of treasury shares	△1,135	△214
Dividends paid	△204	△155
Dividends paid to non-controlling interests	△259	△137
Other, net	△193	△193
Net cash provided by (used in) financing activities	△1,645	500
Effect of exchange rate change on cash and cash equivalents	263	△32
Net increase (decrease) in cash and cash equivalents	1,062	△492
Cash and cash equivalents at beginning of period	4,282	5,345
Cash and cash equivalents at end of period	5,345	4,853

5. Notes to consolidated financial statements
(Notes on Going Concern Assumption)
None.

(Notes on changes in accounting policies)

Application of Accounting Standard for Current Income Taxes

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022; hereinafter, "2022 Revised Accounting Standard") has been applied since the beginning of the FY.

Revisions concerning the recognition classification (taxation on other comprehensive income) of income taxes follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and 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; hereinafter, "2022 Revised Guidance"). This change in accounting policy has no impact on consolidated financial statements.

Regarding the revisions related to the review of treatment in consolidated financial statements when conducting a tax deferral of gains or losses on sale arising from the sale of subsidiary shares, etc. between consolidated companies, the 2022 Revised Guidance has been applied since the beginning of the FY. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous consolidated FY have been restated accordingly. This change in accounting policy has no impact on the prior year consolidated financial statements.

(Notes on segment information, etc.)

1. Reportable segments overview

The Company's group reportable segments are constituent units of the Group for which separate financial information is available. The Board of Directors and Representative Director, President (CEO) periodically reviews these segments in order to determine allocation of management resources and evaluate business performance.

The Group classifies its businesses by product area into Toner Business, Semiconductor and Display-related Business, Functional Sheet Business, Security Media Business and New Business Developed based on similarities in product content and economic characteristics, etc., and formulates comprehensive domestic and overseas strategies and develops business activities. Accordingly, the Group has five reportable segments: "Toner Segment", "Semiconductor and Display-related Segment", "Functional Sheet Segment", "Security Media Segment" and "New Business Development Segment".

Toner Business produces and sells Toner, while the Semiconductor and Display-related Business produces and sells semiconductor packaging tape, semiconductor-related component and optical film. Functional Sheet Business produces and sells functional non-woven fabric, coated paper-related products and papermaking-related products. Security Media Business produces, processes and sells securities, cards, forms and magnetic recording-related products, as well as information processing-related business. In the New Business Development, the Group develops and sells new products by integrating its basic and underlying technologies.

2. Method of calculating net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting method for the reported business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Values for profit (loss) shown in reportable segments are based on operating profit.

Inter-segment revenues and transfers are based on prevailing market prices.

3. Information concerning net sales and profit (loss) by reportable segment, and disaggregated revenue information

Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments						(Note 1) Other	Total	(Note 2) Adjustments	(Note 3) Amount in consolidated financial statements
	Toner	Semiconductor and Display-related	Functional Sheet	Security Media	New Business Development	Reportable segments				
Net sales										
Japan	2,017	3,812	9,616	4,384	60	19,890	161	20,051	—	20,051
China (including Hong Kong)	3,746	279	73	—	—	4,099	—	4,099	—	4,099
Other Asia	1,337	2,378	932	—	7	4,655	—	4,655	—	4,655
Europe	3,696	2	5	—	—	3,704	—	3,704	—	3,704
North America	659	46	143	—	—	849	—	849	—	849
Other	262	—	—	—	—	262	—	262	—	262
Revenue from contracts with customers	11,719	6,518	10,770	4,384	67	33,461	161	33,622	—	33,622
Other revenue	—	—	—	—	—	—	69	69	—	69
Revenues from external customers	11,719	6,518	10,770	4,384	67	33,461	231	33,692	—	33,692
Transactions with other segments	—	—	1,367	92	—	1,459	628	2,087	(2,087)	—
Net sales	11,719	6,518	12,138	4,476	67	34,921	859	35,780	(2,087)	33,692
Segment profit (loss)	815	608	(42)	439	(608)	1,212	78	1,291	39	1,331
Assets	10,189	6,218	10,746	6,564	33	33,752	195	33,947	11,765	45,713
Other items										
Depreciation	538	472	348	183	—	1,524	39	1,582	87	1,669
Amortization of goodwill	12	—	—	—	—	12	—	12	—	12
Increase in property, plant and equipment and intangible assets	341	636	671	172	—	1,821	21	1,842	216	2,059

Notes:

- The “Other” classification is for business segments not included in a reportable segment and includes logistics services, etc.
- Adjustments are as follows:
 - Segment profit (loss) in the above adjustment ¥39 million represents eliminations for inter-segment transactions.
 - Segment assets in the above adjustment ¥11,765 million represent company-wide assets. The main items of company-wide assets are surplus assets under management (cash and deposits), long-term investment funds (investment securities, etc.), and assets, etc. related to administrative divisions.

- (3) ¥87 million for adjustments for depreciation mainly consist of general management expenses that is not attributed to each reportable segment.
- (4) ¥216 million for adjustments for the increase in property, plant and equipment and intangible assets consist of capital expenditures mainly in company-wide common divisions at the Company.
3. Segment profit (loss) is adjusted with operating profit presented in the consolidated statements of income and consolidated statements of comprehensive income.

Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments						(Note 1) Other	Total	(Note 2) Adjustments	(Note 3) Amount in consolidated financial statements
	Toner	Semiconductor and Display-related	Functional Sheet	Security Media	New Business Development	Reportable segments				
Net sales										
Japan	1,728	3,747	9,935	3,987	44	19,443	174	19,617	—	19,617
China (including Hong Kong)	4,123	351	91	—	—	4,565	—	4,565	—	4,565
Other Asia	1,536	2,410	992	—	—	4,940	—	4,940	—	4,940
Europe	3,851	0	5	—	—	3,858	—	3,858	—	3,858
North America	828	20	184	—	—	1,032	—	1,032	—	1,032
Other	347	—	—	—	—	347	—	347	—	347
Revenue from contracts with customers	12,415	6,530	11,209	3,987	44	34,188	174	34,362	—	34,362
Other revenue	—	—	—	—	—	—	69	69	—	69
Revenues from external customers	12,415	6,530	11,209	3,987	44	34,188	244	34,432	—	34,432
Transactions with other segments	—	—	216	85	—	301	677	979	(979)	—
Net sales	12,415	6,530	11,425	4,073	44	34,489	921	35,411	(979)	34,432
Segment profit (loss)	849	804	58	313	(820)	1,206	52	1,259	23	1,282
Assets	10,194	6,497	11,097	6,790	94	34,674	167	34,841	11,246	46,087
Other items										
Depreciation	594	467	389	187	—	1,639	56	1,696	85	1,781
Amortization of goodwill	7	—	—	—	—	7	—	7	—	7
Increase in property, plant and equipment and intangible assets	437	655	1,075	384	—	2,554	69	2,623	485	3,109

Notes:

- The “Other” classification is for business segments not included in a reportable segment and includes logistics services, etc.
- Adjustments are as follows:
 - Segment profit (loss) in the above adjustment ¥23 million represents eliminations for inter-segment transactions.

- (2) Segment assets in the above adjustments ¥11,246 million represent company-wide assets. The main items of company-wide assets are surplus assets under management (cash and deposits), long-term investment funds (investment securities, etc.), and assets, etc. related to administrative divisions.
 - (3) ¥85 million for adjustments for depreciation mainly consist of general management expenses that is not attributed to each reportable segment.
 - (4) ¥485 million for adjustments for the increase in property, plant and equipment and intangible assets consist of capital expenditures mainly in company-wide common divisions at the Company.
3. Segment profit (loss) is adjusted with operating profit presented in the consolidated statements of income and consolidated statements of comprehensive income.

(Per Share Information)

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,417.49	1,511.71
Basic earnings per share	57.28	73.05

(Notes) 1. Because there was no potential shares, the amount for diluted earnings per share is omitted.

2. Basic earnings per share is calculated based on the following:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (Millions of yen)	594	749
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	594	749
Average number of common shares outstanding during the fiscal year (Shares)	10,371,038	10,260,995

3. Net assets per share is calculated based on the following:

	As of March 31, 2024	As of March 31, 2025
Net assets (Millions of yen)	19,396	19,630
Amount deducted from net assets (Millions of yen)	4,695	4,388
Of which: Non-controlling interests (Millions of yen)	(4,695)	(4,388)
Net assets attributable to common shares at the fiscal year-end (Millions of yen)	14,700	15,241
Number of common shares outstanding at the fiscal year-end used for the calculation of net assets per share (Shares)	10,371,026	10,082,107

(Significant events after reporting period)

None.