Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to June 30, 2024)
<Japanese GAAP>

August 5, 2024

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Stock Exchange Listing: Tokyo Stock Exchange (Code number 5393)
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Scheduled date of commencement of dividend payment: —
Supplementary materials for financial results: Available
Organization of financial results briefing: None

(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the first quarter of Fiscal Year 2024 (April 1, 2024 to June 30, 2024)

(1) Operating Results (cumulative)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024 Q1	63,256	6.9	10,546	38.0	12,060	32.3	8,547	34.5
FY2023 Q1	59,178	8.3	7,640	16.0	9,115	10.3	6,353	13.1

Note: Comprehensive income: FY2024 Q1 ¥9,663 million---4.5%; FY2023 Q1: ¥9,251 million---30.7%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2024 Q1	130.10	—
FY2023 Q1	95.78	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	294,341	207,290	70.0
As of March 31, 2024	290,788	200,918	68.7

(Reference) Shareholders' equity: FY2024 Q1 ¥205,998 million; as of March 31, 2024 (FY2023) ¥199,681 million

2. Dividends

	Annual Dividends				
	End of 1st quarter	End of 1st half	End of 3rd quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	—	48.00	—	50.00	98.00
FY2024	—				
FY2024 (Forecast)		52.00	—	52.00	104.00

Note: Adjustments from the most recently released dividend forecast: None

3. Forecast of consolidated financial results for Fiscal Year 2024 (April 1, 2024 to March 31, 2025)

(Percentage figures represent changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	123,000	2.5	19,000	21.1	21,500	16.4	14,800	14.0	225.25
Full year	253,000	1.4	39,500	12.2	42,500	9.0	29,300	8.7	445.90

Note: Adjustments from the most recently released consolidated results forecast: Yes
*For details of the revisions to our earnings forecasts, please see "Notice of Revisions to Earnings Forecasts" released separately today.

*Notes

(1) Significant changes in the scope of consolidation during the consolidated quarter under review: None
(2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None
(3) Changes in accounting policies, changes in accounting estimates, and restatements
1) Changes in accounting policies due to revision of accounting standards, etc.: None
2) Changes other than those in 1) above: None
3) Changes in accounting estimates: None
4) Restatements: None

(4) Number of shares outstanding (ordinary shares)

1) Number of shares issued at the end of the period (including treasury stock)
FY2024 Q1 (As of June 30, 2024) 67,811,917 shares
FY2023 (As of March 31, 2024) 67,811,917 shares
2) Number of shares of treasury stock at the end of the period
FY2024 Q1 (As of June 30, 2024) 2,111,441 shares
FY2023 (As of March 31, 2024) 2,111,342 shares
3) Average number of shares outstanding during the period
FY2024 Q1 (As of June 30, 2024) 65,700,505 shares
FY2023 Q1 (As of June 30, 2023) 66,331,636 shares

*Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None
*Information concerning proper use of financial forecasts and other special notes
(Information concerning forward-looking statements)
Forward-looking statements concerning financial forecasts contained in these materials are based on information available to the Company when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be realized, and actual results may differ significantly from the forecasts due to a variety of factors.

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

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1. Overview of operating results

(1) Overview of operating results in the consolidated quarter under review

During FY2024 Q1, the Japanese economy experienced moderate recovery, although slowdowns were recently observed. In the manufacturing industry, capital investment and production showed signs of improvement, while exports have shown weakness in recovery. Overseas, signs of a curbed economic rebound appeared in China, but growth was observed in the US, and emerging economies experienced a recovery.

In these conditions, the Group's net sales rose 6.9% year on year to ¥63,256 million. Sales increased mainly in the Energy and Industrial Plants Division, where demand remained strong for nuclear power, petroleum refining, and petrochemicals, as well as in the Advanced Products Division, where there were signs of recovery in demand for products for semiconductor production equipment.

In terms of profits, operating income rose 38.0% year on year to ¥10,546 million, ordinary income rose 32.3% year on year to ¥12,060 million, and profit attributable to owners of the parent rose 34.5% year on year to ¥8,547 million.

Net sales by segment for the first quarter of the fiscal year are as follows:

Sales in the **Energy and Industrial Plants Division** rose 19.6% year on year to ¥19,841 million, due to especially strong demand for nuclear power, petroleum refining, and petrochemicals.

Sales in the **Industrial Products Division** increased 0.5% year on year to ¥12,621 million. This was due to steady demand for sealing materials for infrastructure and fluoropolymer lining products in Japan, which offset sluggish demand for environmental products due to deterioration of economic conditions in China.

Sales in the **Advanced Products Division** rose 9.6% year on year to ¥11,528 million, owing to signs of recovery in demand for products for semiconductor production equipment.

Sales in the **Autoparts Division** rose 5.6% year on year to ¥12,420 million, due to the continuing weak yen trend in the exchange market despite impact from production cutbacks by domestic automobile manufacturers.

Sales in the **Building Materials Division** fell 11.6% year on year to ¥6,845 million due to the termination of production and sales of some products and the consolidation of product types as a result of a review of the business structure, despite demand for fireproof coating remaining firm even amid the impact of delays in the construction schedule of some large properties.

(2) Overview of financial position in the consolidated quarter under review

1) Assets, liabilities, and net assets

Total assets at the end of the first quarter of the consolidated fiscal year ending March 31, 2025 were ¥294,341 million, up ¥3,553 million compared with the end of the previous fiscal year. This was largely because cash and deposits rose by ¥5,898 million, buildings and structures rose by ¥3,109 million, and machinery, equipment and vehicles rose by ¥649 million, despite construction in progress falling by ¥2,795 million and electronically recorded monetary claims falling by ¥2,190 million.

Liabilities at the end of the first quarter of the fiscal year ending March 31, 2025 were ¥87,051 million, down ¥2,818 million compared with the end of the previous fiscal year. This was largely a result of decreases in income taxes payable of ¥3,752 million and in notes and accounts payable–trade of ¥1,309 million, while accrued expenses, etc. included in other current liabilities rose by ¥2,845 million.

Net assets at the end of the first quarter of the fiscal year ending March 31, 2025 were ¥207,290 million, up ¥6,371 million compared with the end of the previous fiscal year. This was largely because retained earnings rose by ¥5,262 million and foreign currency translation adjustment rose by ¥1,563 million.

2) Cash flows

Cash and cash equivalents at the end of the first quarter of the fiscal year ending March 31, 2025 (hereinafter, "cash") rose by ¥5,829 million compared with the end of the previous fiscal year, to ¥61,403 million. Cash flows and factors affecting cash flows are as follows:

(Net cash provided by [used in] operating activities)

Net cash provided by operating activities was ¥10,351 million (compared with receipts of ¥3,931 million in the same period of the previous fiscal year).

This was primarily because, although cash decreased due to ¥6,447 million in income taxes paid and a ¥1,815 million decrease in notes and accounts payable–trade, cash increased due to ¥12,050 million in income before

income taxes and a ¥4,437 million decrease in notes and accounts receivable–trade.

(Net cash provided by [used in] investing activities)

Net cash used in investing activities was ¥2,133 million (compared with expenditures of ¥3,190 million in the same period of the previous fiscal year).

This mainly reflected a decrease in cash due to ¥2,106 million in expenditures for the acquisition of property, plant and equipment.

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

Net cash used in financing activities was ¥3,217 million (compared with expenditures of ¥2,827 million in the same period of the previous fiscal year).

This was because of a decrease in cash due to ¥3,154 million paid in cash dividends.

(3) Explanation of information related to future prospects including consolidated results forecasts

The first-half and full-year earnings forecasts for the fiscal year ending March 31, 2025, announced on May 7, 2024, have been revised, mainly to reflect earnings progress in the first quarter of the consolidated fiscal year. For details, please see the “Notice of Revisions to Earnings Forecasts” released separately today.

The Company prepared these earnings forecasts based on the information available on the day that these materials were released, and actual results could differ from forecasts depending on a variety of factors.

2. Consolidated financial statements and related notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 Q1 (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	56,376	62,275
Notes and accounts receivable–trade	33,455	33,442
Electronically recorded monetary claims	18,000	15,809
Accounts receivable from completed construction contracts	23,999	22,247
Merchandise and finished goods	22,605	22,850
Work in process	3,687	3,771
Raw materials and supplies	22,115	22,496
Costs on uncompleted construction contracts	1,500	1,989
Others	3,381	3,369
Allowance for doubtful accounts	(7)	(15)
Total current assets	185,114	188,237
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	71,147	75,085
Accumulated depreciation and impairment loss	(40,412)	(41,241)
Buildings and structures, net	30,735	33,844
Machinery, equipment and vehicles	88,026	89,880
Accumulated depreciation and impairment loss	(75,126)	(76,330)
Machinery, equipment and vehicles, net	12,899	13,549
Land	15,254	15,271
Lease assets	475	472
Accumulated depreciation	(208)	(229)
Lease assets, net	266	243
Construction in progress	6,611	3,815
Others	13,623	13,800
Accumulated depreciation and impairment loss	(11,414)	(11,477)
Others, net	2,209	2,323
Total property, plant and equipment	67,976	69,047
Intangible assets		
Software	916	852
Others	660	684
Total intangible assets	1,577	1,537
Investments and other assets		
Investment securities	22,377	21,772
Long-term loans receivable	181	181
Net defined benefit asset	7,854	7,902
Deferred tax assets	1,422	1,372
Others	4,325	4,332
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	36,119	35,518
Total noncurrent assets	105,673	106,103
Total assets	290,788	294,341

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 Q1 (As of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	21,302	19,992
Electronically recorded monetary obligations	10,037	10,007
Current portion of bonds	5,000	5,000
Short-term loans payable	16,805	16,805
Accounts payable–other	5,229	5,202
Income taxes payable	6,905	3,152
Advances received on uncompleted construction contracts	299	244
Provision for bonuses	3,389	2,361
Others	6,305	9,151
Total current liabilities	75,274	71,917
Noncurrent liabilities		
Deferred tax liabilities	5,625	5,936
Net defined benefit liability	4,446	4,485
Reserves for litigation losses	443	465
Lease obligations	700	833
Others	3,380	3,413
Total noncurrent liabilities	14,595	15,133
Total liabilities	89,870	87,051
Net assets		
Shareholders' equity		
Capital stock	12,128	12,128
Capital surplus	13,892	13,892
Retained earnings	160,058	165,320
Treasury stock	(6,590)	(6,591)
Total shareholders' equity	179,488	184,750
Total other cumulative comprehensive income		
Valuation difference on available-for-sale securities	12,540	12,100
Foreign currency translation adjustment	4,351	5,915
Remeasurement of defined benefit plans	3,301	3,232
Total other cumulative comprehensive income	20,192	21,248
Non-controlling interests	1,236	1,291
Total net assets	200,918	207,290
Total liabilities and net assets	290,788	294,341

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

First quarter of consolidated fiscal year

(Millions of yen)

	FY2023 Q1 (From April 1, 2023 to June 30, 2023)	FY2024 Q1 (From April 1, 2024 to June 30, 2024)
Net sales		
Net sales of merchandise and finished goods	44,797	46,593
Net sales of completed construction contracts	14,380	16,663
Total net sales	59,178	63,256
Cost of sales		
Cost of merchandise and finished goods sold	32,065	31,638
Cost of sales of completed construction contracts	12,325	13,621
Total cost of sales	44,390	45,260
Gross profit	14,787	17,996
Selling, general and administrative expenses		
Selling expenses	2,139	2,246
General and administrative expenses	5,007	5,202
Total selling, general and administrative expenses	7,146	7,449
Operating income	7,640	10,546
Non-operating income		
Interest income	30	51
Dividends income	256	274
Foreign exchange gain	910	913
Rent income	141	144
Equity in earnings of affiliates	29	23
Others	173	197
Total non-operating income	1,541	1,604
Non-operating expenses		
Interest expenses	25	41
Others	40	49
Total non-operating expenses	65	91
Ordinary income	9,115	12,060
Extraordinary income		
Gain on sales of noncurrent assets	4	32
Total extraordinary income	4	32
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	11	20
Provision for litigation loss reserves	165	21
Total extraordinary losses	176	42
Income before income taxes	8,943	12,050
Income taxes–current	2,015	2,909
Income taxes–deferred	544	566
Total income taxes	2,560	3,475
Net income	6,382	8,574
Net income attributable to non-controlling interests	29	27
Profit attributable to owners of the parent	6,353	8,547

Quarterly consolidated statement of comprehensive income
First quarter of consolidated fiscal year

(Millions of yen)

	FY2023 Q1 (From April 1, 2023 to June 30, 2023)	FY2024 Q1 (From April 1, 2024 to June 30, 2024)
Net income	6,382	8,574
Other comprehensive income		
Valuation difference on available-for-sale securities	2,356	(440)
Foreign currency translation adjustment	455	1,597
Remeasurement of defined benefit plans	56	(68)
Total other comprehensive income	2,868	1,088
Comprehensive income	9,251	9,663
Breakdown		
Comprehensive income attributable to owners of the parent company	9,191	9,602
Comprehensive income attributable to non-controlling interests	59	60

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	FY2023 Q1 (From April 1, 2023 to June 30, 2023)	FY2024 Q1 (From April 1, 2024 to June 30, 2024)
Net cash provided by (used in) operating activities		
Income before income taxes	8,943	12,050
Depreciation & amortization	1,771	1,799
Loss (gain) on sales of noncurrent assets	7	(11)
Decrease (increase) in net defined benefit assets	(30)	(150)
Increase (decrease) in net defined benefit liability	23	44
Increase (decrease) in provision for bonuses	(1,310)	(1,035)
Interest and dividends income received	(286)	(326)
Interest expenses	25	41
Foreign exchange losses (gains)	(592)	(616)
Decrease (increase) in notes and accounts receivable–trade	371	4,437
Decrease (increase) in inventories	(1,496)	(13)
Decrease (increase) in costs on uncompleted construction contracts	(426)	(489)
Increase (decrease) in notes and accounts payable–trade	(2,049)	(1,815)
Increase (decrease) in accounts payable–other	(50)	(349)
Increase (decrease) in accrued expenses	2,870	3,146
Increase (decrease) in advances received on uncompleted construction contracts	(94)	(54)
Increase (decrease) in provisions for litigation losses	165	21
Others	327	(55)
Subtotal	8,166	16,623
Interest and dividends income received	286	326
Interest expenses paid	(21)	(35)
Proceeds from subsidy income	30	2
Loss on liquidation of business paid	-	(116)
Income taxes paid	(4,709)	(6,447)
Income taxes refund	178	-
Net cash provided by (used in) operating activities	3,931	10,351
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	-	(62)
Expenditures for the acquisition of property, plant and equipment	(3,141)	(2,106)
Proceeds from sales of property, plant and equipment	32	50
Expenditures for the acquisition of intangible fixed assets	(75)	(19)
Others	(6)	4
Net cash provided by (used in) investing activities	(3,190)	(2,133)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	650	-
Repayment of long-term loans payable	(500)	-
Cash dividends paid	(2,909)	(3,154)
Net decrease (increase) in treasury stock	(0)	(0)
Dividends paid to non-controlling interests	(1)	(5)
Others	(65)	(56)
Net cash provided by (used in) financing activities	(2,827)	(3,217)
Effect of exchange rate change on cash and cash equivalents	514	828
Net increase (decrease) in cash and cash equivalents	(1,572)	5,829
Cash and cash equivalents at beginning of period	58,962	55,574
Cash and cash equivalents at end of period	57,390	61,403

(4) Notes regarding quarterly consolidated financial statements

(Notes regarding segment information)

I. First quarter of fiscal year 2023 (April 1, 2023 to June 30, 2023)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments						Adjust-ments	Quarterly consolidated profit/loss posted
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	16,592	12,555	10,520	11,761	7,748	59,178	—	59,178
Intersegment sales or transfers	—	2,951	—	—	—	2,951	(2,951)	—
Total	16,592	15,507	10,520	11,761	7,748	62,129	(2,951)	59,178
Segment profit (loss)	2,158	2,594	2,369	683	(165)	7,640	—	7,640

2. Information related to impairment loss of noncurrent assets and goodwill by reporting segment:

Not applicable

II. First quarter of fiscal year 2024 (April 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments						Adjust-ments	Quarterly consolidated profit/loss posted
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	19,841	12,621	11,528	12,420	6,845	63,256	—	63,256
Intersegment sales or transfers	—	3,038	—	—	—	3,038	(3,038)	—
Total	19,841	15,659	11,528	12,420	6,845	66,294	(3,038)	63,256
Segment profit	3,384	2,874	2,719	1,245	322	10,546	—	10,546

2. Information related to impairment loss of noncurrent assets and goodwill by reporting segment:

Not applicable

(Notes regarding significant changes in shareholders' equity [if any])

Not applicable

(Notes regarding going concern assumption)

Not applicable

3. Supplementary Materials

Financial results supplementary materials

(Percentage figures represent changes from previous fiscal year)

(1) Key consolidated financial figures (Trends) (Millions of yen)

	First half			Full Year					
	FY2023	FY2024		FY2020	FY2021	FY2022	FY2023	FY2024	
	Result	Forecast	Change	Result	Result	Result	Result	Forecast	Change
Net sales	120,035	123,000	2.5%	196,372	216,236	238,116	249,391	253,000	1.4%
Operating income	15,690	19,000	21.1%	19,616	26,264	29,954	35,208	39,500	12.2%
Operating margin (%)	13.1%	15.4%		10.0%	12.1%	12.6%	14.1%	15.6%	
Ordinary income	18,478	21,500	16.4%	21,279	30,572	33,082	38,974	42,500	9.0%
Ordinary income margin (%)	15.4%	17.5%		10.8%	14.1%	13.9%	15.6%	16.8%	
Profit attributable to owners of the parent	12,978	14,800	14.0%	10,715	22,034	21,398	26,961	29,300	8.7%
Net income margin (%)	10.8%	12.0%		5.5%	10.2%	9.0%	10.8%	11.6%	
Basic earnings per share (yen)	195.65	225.25	15.1%	161.53	332.18	322.59	406.60	445.90	9.7%
Total assets	276,253	—	—	219,602	246,924	266,907	290,788	—	—
Net assets	187,031	—	—	136,450	155,522	173,742	200,918	—	—
Shareholders' equity	185,850	—	—	135,429	154,286	172,359	199,681	—	—
Equity ratio (%)	67.3%	—		61.7%	62.5%	64.6%	68.7%	—	
Interest-bearing debt	26,079	—	—	25,861	25,652	25,892	24,286	—	—
Interest-bearing debt ratio (%)	9.4%	—		11.8%	10.4%	9.7%	8.4%	—	
Capital expenditures	5,708	—	—	7,703	11,355	10,069	11,117	10,700	(3.8)%
Depreciation & amortization	3,654	—	—	6,536	6,616	7,454	7,593	7,700	1.4%
R&D expenses	2,976	—	—	6,168	6,110	5,715	6,037	6,000	(0.6)%

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29; March 31, 2020), etc. has been applied from the beginning of FY2021, and major management indicators, etc. for FY2021 and thereafter reflect the application of these accounting standards.

(2) Quarterly consolidated operating results (Trends) (Millions of yen)

	FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	Change
Net sales	59,178	60,857	65,061	64,294	63,256	6.9%
Operating income	7,640	8,049	9,806	9,712	10,546	38.0%
Operating margin (%)	12.9%	13.2%	15.1%	15.1%	16.7%	
Ordinary income	9,115	9,362	9,730	10,765	12,060	32.3%
Ordinary income margin (%)	15.4%	15.4%	15.0%	16.7%	19.1%	
Profit attributable to owners of the parent	6,353	6,625	6,703	7,279	8,547	34.5%
Net income margin (%)	10.7%	10.9%	10.3%	11.3%	13.5%	

All forecasts and plans that are not historical facts in this document are future business results-related forecasts. These are based on information and data currently available to the Company, and various uncertainties could cause actual results to differ.