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Sumitomo Osaka Cement Co., Ltd.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (JGAAP)

May 13, 2025

Company name	Sumitomo Osaka Cement Co., Ltd			Stock Exchange Listing		Tokyo
Stock code	5232		URL	https://www.soc.co.jp/		
Representative	(Job Title)	Representative Director, President	(Name)	Hirotsune Morohashi		
Contact Manager	(Job Title)	General Manager, Corporate Planning Department	(Name)	Masahiko Ebisui	(TEL)	+81-3-6370-2725
Scheduled date for the Ordinary General Meeting of Shareholders	June 26, 2025		Scheduled date to commence dividend payments	June 27, 2025		
Scheduled date of submission of annual securities report	June 26, 2025					
Availability of preparation of supplementary explanatory materials for financial results:			Available			
Availability to hold financial briefings:			Available (for securities analysts and institutional investors)			

(Figures are rounded down to the nearest million yen)

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

(1) Consolidated Operating Results (% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2025	219,465	(1.4)	9,351	29.0	9,367	10.5	9,008	(41.3)
FY ended March 31, 2024	222,502	8.7	7,251	–	8,476	–	15,339	–

(Note) Comprehensive income FY ended March 31, 2025 5,942 million yen [(63.5%)]
FY ended March 31, 2024 16,301 million yen [–%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Operating income margin
	Yen	Yen	%	%	%
FY ended March 31, 2025	270.37	–	4.7	2.6	4.3
FY ended March 31, 2024	447.85	–	8.1	2.4	3.3

(Reference) Equity in earnings of affiliates: FY ended March 31, 2025 (0) million yen
FY ended March 31, 2024 67 million yen

(2) Consolidated Financial Status

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2025	353,029	193,660	54.1	5,793.86
FY ended March 31, 2024	356,283	196,775	54.5	5,674.61

(Reference) Equity FY ended March 31, 2025 191,097 million yen
FY ended March 31, 2024 194,345 million yen

(3) Consolidated Cash Flow Status

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 31, 2025	24,885	(21,816)	(5,341)	16,511
FY ended March 31, 2024	43,731	(15,350)	(24,395)	18,662

2. Dividend Status

	Full-year dividend					Total dividend (total)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 31, 2024	–	60.00	–	60.00	120.00	4,114	26.8	2.2
FY ended March 31, 2025	–	60.00	–	60.00	120.00	3,964	44.4	2.1
End of March 31, 2026 (forecast)	–	60.00	–	60.00	120.00		27.5	

3. Fiscal Year Ending March 2026 Consolidated Performance Forecast
(From April 1, 2025, to March 31, 2026)

(% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	111,400	2.6	4,800	110.5	4,000	88.3	5,000	430.2	154.00
Full year	235,000	7.1	19,000	103.2	17,600	87.9	14,000	55.4	435.93

* Notes

(1) Significant Changes in the Scope of Consolidation during This Consolidated Fiscal Year: None

(2) Changes in Accounting Policies, Changes in Accounting Estimation or Restatements

① Changes in accounting policies due to the revision of accounting standards:	Yes
② Changes in accounting policies other than ①:	None
③ Changes in accounting estimation:	None
④ Restatements:	None

(3) Numbers of Shares Issued (Common Stock)

① Number of shares outstanding at the end of the period (including treasury stock)	FY ended March 31, 2025	33,237,017 shares	FY ended March 31, 2024	34,329,517 shares
② Number of treasury stock at the end of the period	FY ended March 31, 2025	254,255 shares	FY ended March 31, 2024	81,351 shares
③ Average number of shares during the period	FY ended March 31, 2025	33,317,888 shares	FY ended March 31, 2024	34,250,900 shares

(Reference) Overview of Individual Performance

1. Individual Performance of FY Ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

(1) Individual Operating Results

(% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2025	176,773	(2.6)	3,025	114.3	4,240	15.9	6,799	(47.6)
FY ended March 31, 2024	181,461	8.9	1,411	–	3,659	–	12,966	–

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended March 31, 2025	204.08	–
FY ended March 31, 2024	378.56	–

(2) Individual Financial Status

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2025	299,440	141,644	47.3	4,294.50
FY ended March 31, 2024	298,632	147,137	49.3	4,296.22

(Reference) Equity FY ended March 31, 2025 141,644 million yen
FY ended March 31, 2024 147,137 million yen

2. Individual Earnings Forecast for FY Ending March 2026 (From April 1, 2025, to March 31, 2026)

(% indicates year-on-year change)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	89,400	1.4	3,600	143.6	5,200	322.7	160.16
Full year	188,200	6.5	14,400	239.6	12,500	83.8	389.23

*Financial reports are outside of the scope of audit by certified public accountants or audit firm.

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

The statements regarding forecasts of financial results in this report are based on information that is available to the Company at present. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for profit forecasts and cautions concerning the use thereof, please refer to page 4 of the Appendix.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Fiscal Year under Review

In the current fiscal year under review, the Japanese economy was affected by rising prices, but it continued to recover moderately due to a pickup in capital investment, improvements in employment and income conditions, and other factors.

In the cement industry, domestic demand for cement was 32,656 thousand tons, down 5.6% from the previous fiscal year, as both public and private sector demand decreased due to factors such as a labor shortage and over-time work regulations in the construction and logistics industries. Exports, on the other hand, grew 19.7% year on year. As a result, the total sales volume of domestic manufacturers, including exports, was down 1.4% from the previous fiscal year to 40,839 thousand tons.

Under these circumstances, our group has implemented the “FY2023–25 Medium-Term Management Plan” since fiscal 2023. It has been working on various measures such as “improving profitability of existing businesses” to recover the profitability of the cement business and to improve profitability by acquiring market shares in next-generation optical communication parts; “building a foundation for growth” to expand scale and enhance profitability by investing resources in the electronic materials business for semiconductor manufacturing equipment, expand overseas business (the Australian business), and develop new business in the decarbonization field; and “strengthening management foundation” to develop strategies for human resources, R&D, IP, and DX.

As a result of the above, net sales for the current fiscal year under review totaled 219,465 million yen, down 1.4% from the previous fiscal year, due to decreased sales in the cement business and advanced materials business.

In terms of profits, ordinary income increased 890 million yen year on year to 9,367 million yen, mainly due to higher profits in the cement business and other businesses. However, due to a decrease in gains on sale of investment securities in the fiscal year under review, net income attributable to owners of the parent was 9,008 million yen, a year-on-year decrease of 6,331 million yen.

An overview by business is as follows.

Effective from the beginning of the current fiscal year, the Company’s subsidiary Chiyoda Engineering Co., Ltd. has changed its reportable segment classification from “Other” to “Cement”.

Comparisons with the previous fiscal year are based on figures that have been reclassified into the new reporting segment classifications.

Cement business

The domestic sales volume was lower than the previous fiscal year, and electricity purchase prices fell in the electricity supply business, resulting in net sales of

156,440 million yen, down 5,189 million yen (3.2%) from the previous fiscal year. Operating income improved by 2,313 million yen year on year to 877 million yen, mainly due to improved manufacturing costs.

Mineral resources business

Thanks to an increase in the sales volume of limestone for overseas steel markets, net sales were 17,367 million yen, an increase of 2,812 million yen (19.3%) from the previous fiscal year. Operating income was 3,148 million yen, an increase of 7 million yen (0.2%) year on year.

Cement-related products business

Net sales grew 1,870 million yen (8.6%) year on year to 23,591 million yen mainly due to an increase in the sales volume of secondary concrete products. Operating income was 1,839 million yen, an increase of 327 million yen (21.7%) year on year.

Optoelectronics business

Net sales grew 468 million yen (22.9%) year on year to 2,510 million yen mainly due to an increase in the sales volume of optoelectronic devices. Although it was improved by 314 million yen from the previous fiscal year due to cost reductions in optical communication parts and other factors, operating loss of 355 million yen was recorded.

Advanced materials business

The sales volume of electronic materials for semiconductor manufacturing equipment decreased, and net sales were 15,678 million yen, down 3,034 million yen (16.2%) from the previous fiscal year. Operating income was 2,264 million yen, a decrease of 628 million yen (21.7%) from the previous fiscal year.

Other businesses

Net sales grew 36 million yen (0.9%) year on year to 3,876 million yen, due to increased software sales. However, operating income decreased 41 million yen (2.5%) year on year to 1,617 million yen due to factors such as an increase in repair costs of real estate rental properties.

(2) Overview of Financial Results for the Current Fiscal Year

Total assets at the end of the current fiscal year were 353,029 million yen, down 3,254 million yen from the end of the previous fiscal year. This was mainly due to a decrease in investment securities.

Total liabilities at the end of the current fiscal year amounted to 159,369 million yen, down 139 million yen from the end of the previous fiscal year. The factors behind this were decreases in notes and accounts payable and short-term borrowings, offset by increases in commercial paper and corporate bonds.

Net assets at the end of the current fiscal year totaled 193,660 million yen, down 3,114 million yen from the end of the previous fiscal year. This was mainly due to a decrease in valuation difference on available-for-sale securities.

Cash and cash equivalents (hereinafter referred to as “funds”) for the current fiscal year increased 24,885 million yen from operating activities, but decreased 21,816 million yen from investing activities and 5,341 million yen from financing activities, making for a decrease of 2,150 million yen from the end of the previous fiscal year. As a result, the balance of funds at the end of the current fiscal year was 16,511 million yen (down 11.5% year on year).

(Operating Cash Flow)

Funds provided by operating activities was 24,885 million yen (43.1% decrease in income compared with the previous fiscal year). This was mainly due to internal reserves including a net income before income taxes of 12,773 million yen and depreciation of 22,573 million yen.

(Investment Cash Flow)

Funds used in investment activities were 21,816 million yen (42.1% increase in spending compared with the previous fiscal year). This was mainly due to an expenditure of 27,645 million yen for the acquisition of non-current assets and proceeds of 5,849 million yen from sales of investment securities.

(Financial Cash Flow)

Funds used in financing activities was 5,341 million yen (78.1% decrease in spending compared to the previous fiscal year). This was mainly due to the payment of treasury stock of 5,176 million yen.

(3) Outlook for Next Fiscal Year

While the Japanese economy faces the ongoing risk of downward pressure from factors including rising prices and US trade policies, it is expected to continue to recover moderately due to a pickup in capital investment and improvements in employment and income conditions among other factors.

In the cement industry, private-sector demand is expected to stay at the same level as the previous fiscal year, as private-sector capital investment is projected to remain firm. Meanwhile, public-sector demand is forecasted to decline due to higher construction costs and the further spread of work style reforms, particularly in urban areas. Consequently, domestic demand is expected to decline.

The full-year earnings forecast for the fiscal year ending March 31, 2026 (FY2025) is for net sales of 235,000 million yen (up 7.1% year on year), ordinary income of 17,600 million yen (up 87.9% year on year), and net income attributable to owners of the parent of 14,000 million yen (up 55.4% year on year).

(4) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years

The Company recognizes profit distribution to shareholders as an important matter that is basically determined in accordance with earnings.

In order to secure this profit in the future, as an organization in the cement manufacturing industry, which is an equipment industry, it is necessary to invest in constant equipment improvement and renewal, and we believe that it is essential to expand internal reserves for this purpose.

Based on the above perspectives, we will determine stable and continuous dividends based on a comprehensive assessment of the business environment, future prospects, and distributions for the previous fiscal year.

As of March 2025, we paid an interim dividend of 60.00 yen per share. We plan to propose a year-end dividend of 60.00 yen per share to the General Meeting of Shareholders.

In addition, in the medium-term management plan started in the fiscal year ended March 31, 2024 (fiscal 2023), we intend to improve earnings and implement shareholder returns based on capital efficiency. During the 2023-25 medium-term management plan period, we will aim for a total return ratio of 50% or more on average, over these three years based on the continuation of stable dividends.

Dividends for the fiscal year ending March 31, 2026, as described in the summary information “2. Dividend Status,” we expect an interim dividend of 60.00 yen per share and a year-end dividend of 60.00 yen per share.

2. Basic Approach to Selecting Accounting Standards

The Group’s policy is to prepare consolidated financial statements under Japanese standards for the time being, taking into account the comparability of consolidated financial statements between periods and between companies. Regarding the application of IFRS Accounting Standards we plan to respond appropriately in consideration of future domestic and international situations.

3. Notes on Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	18,724	16,554
Bills receivable and accounts receivable	43,334	40,992
Electronically recorded monetary claims	8,829	7,912
Goods and products	11,721	11,241
Work in process	94	70
Raw materials and supplies	23,771	23,482
Short-term loans receivable	380	377
Others	2,334	3,553
Allowance for doubtful accounts	(38)	(39)
Total of current assets	109,155	104,143
Non-current assets		
Tangible non-current assets		
Buildings and structures	180,341	183,038
Accumulated depreciation	(130,629)	(131,306)
Buildings and structures (net amount)	49,712	51,731
Machinery and equipment	492,651	508,169
Accumulated depreciation	(428,582)	(442,082)
Machinery and equipment (net amount)	64,068	66,087
Land	39,084	39,067
Construction in progress	12,962	16,280
Others	39,949	40,472
Accumulated depreciation	(21,279)	(21,849)
Others (net amount)	18,669	18,623
Total tangible non-current assets	184,499	191,789
Intangible assets		
Goodwill	63	31
Others	3,580	3,435
Total intangible assets	3,643	3,467
Investment and other assets		
Investment securities	44,850	39,372
Long-term loans	4,531	4,305
Deferred tax assets	994	1,014
Assets related to retirement benefits	3,803	4,171
Others	4,927	4,831
Allowance for doubtful accounts	(121)	(66)
Total investment and other assets	58,985	53,629
Total non-current assets	247,128	248,886
Total assets	356,283	353,029

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Liabilities		
Current Liabilities		
Notes and accounts payable	30,801	28,266
Electronically recorded liabilities	2,828	2,356
Short-term borrowings	25,273	18,822
Commercial paper	–	5,000
Long-term borrowings to be repaid within a year	8,228	8,648
Income taxes payable	3,032	1,685
Bonus reserve	2,538	2,688
Others	16,639	16,275
Total of current liabilities	89,342	83,742
Non-current Liabilities		
Corporate bonds	20,000	25,000
Long-term borrowings	26,027	25,863
Deferred tax liabilities	9,570	9,558
Reserve for retirement benefits for directors	122	125
Reserve for PCB waste disposal cost	2	1
Retirement benefit liability	922	1,013
Reserve for stock benefits	65	127
Asset retirement obligations	258	263
Others	13,196	13,672
Total non-current liabilities	70,166	75,626
Total liabilities	159,508	159,369
Net assets		
Shareholders' equity		
Capital	41,654	41,654
Capital surplus	10,488	10,466
Retained earnings	119,016	119,737
Treasury stocks	(311)	(992)
Total shareholders' equity	170,847	170,865
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,702	18,394
Foreign exchange adjustment amount	345	451
Accumulated adjustment for retirement benefits	1,450	1,385
Total of other accumulated comprehensive income	23,498	20,231
Non-controlling shareholder stake	2,430	2,562
Total net assets	196,775	193,660
Total liabilities and net assets	356,283	353,029

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

Consolidated Statement of Income

(Unit: Millions of yen)

	Previous consolidated fiscal year (from April 1, 2023, to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024, to March 31, 2025)
Net sales	222,502	219,465
Cost of sales	176,364	169,388
Gross income	46,137	50,077
Selling, general and administrative expenses	38,886	40,725
Operating income	7,251	9,351
Non-operating income		
Interest income	118	138
Dividend income	1,399	1,300
Exchange gain	425	–
Investment gain on equity method	67	–
Rent received	127	188
Others	779	645
Total non-operating income	2,919	2,273
Non-operating expenses		
Interest expense	893	1,029
Foreign exchange loss	–	516
Investment loss on equity method	–	0
Others	800	711
Total non-operating expenses	1,693	2,258
Ordinary income	8,476	9,367
Extraordinary income		
Gain on sale of non-current assets	27	75
Gain on sale of investment securities	11,366	4,361
Total extraordinary income	11,393	4,436
Extraordinary loss		
Loss on removal of non-current assets	1,229	1,013
Loss on sale of non-current assets	7	2
Impairment loss	–	14
Total extraordinary losses	1,236	1,030
Net income before income taxes	18,633	12,773
Corporate tax, resident tax and business tax	3,656	2,542
Corporate tax adjustment	(540)	1,022
Total corporate taxes	3,116	3,564
Net income	15,517	9,208
Net income attributable to non-controlling shareholders	178	200
Net income attributable to owners of the parent	15,339	9,008

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Previous consolidated fiscal year (from April 1, 2023, to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024, to March 31, 2025)
Net income	15,517	9,208
Other comprehensive income		
Valuation difference on available-for-sale securities	(394)	(3,309)
Foreign exchange adjustment amount	38	92
Adjustment amount for retirement benefits	1,068	(64)
Amount equivalent to equity in equity-method affiliates	71	16
Total other comprehensive income	784	(3,266)
Comprehensive income	16,301	5,942
(Breakdown)		
Comprehensive income for parent company shareholders	16,122	5,741
Comprehensive income for non-controlling shareholders	179	200

(3) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (From April 1, 2023, to March 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance at beginning of period	41,654	10,551	107,791	(272)	159,724
Changes during the period					
Dividend of surplus			(4,114)		(4,114)
Net income attributable to owners of the parent			15,339		15,339
Acquisition of treasury stock				(71)	(71)
Disposal of treasury stock		21		32	53
Cancellation of treasury stock					–
Changes in parent company's equity in transactions with non-controlling shareholders		(84)			(84)
Transfer from retained earnings to capital surplus					–
Net changes during the period to items other than shareholders' equity					
Total changes during the period	–	(63)	11,225	(39)	11,122
Balance at end of period	41,654	10,488	119,016	(311)	170,847

	Accumulated other comprehensive income				Non-controlling shareholder stake	Total net assets
	Valuation difference on available-for-sale securities	Foreign exchange adjustment amount	Accumulated adjustment for retirement benefits	Total of other accumulated comprehensive income		
Balance at beginning of period	22,093	239	382	22,714	2,152	184,591
Changes during the period						
Dividend of surplus						(4,114)
Net income attributable to owners of the parent						15,339
Acquisition of treasury stock						(71)
Disposal of treasury stock						53
Cancellation of treasury stock						–
Changes in parent company's equity in transactions with non-controlling shareholders						(84)
Transfer from retained earnings to capital surplus						–
Net changes during the period to items other than shareholders' equity	(390)	106	1,068	783	277	1,061
Total changes during the period	(390)	106	1,068	783	277	12,183
Balance at end of period	21,702	345	1,450	23,498	2,430	196,775

Current Consolidated Fiscal Year (From April 1, 2024, to March 31, 2025)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance at beginning of period	41,654	10,488	119,016	(311)	170,847
Changes during the period					
Dividend of surplus			(4,037)		(4,037)
Net income attributable to owners of the parent			9,008		9,008
Acquisition of treasury stock				(5,176)	(5,176)
Disposal of treasury stock		0		224	224
Cancellation of treasury stock		(4,271)		4,271	(0)
Transfer from retained earnings to capital surplus		4,249	(4,249)		–
Net changes during the period to items other than shareholders' equity					
Total changes during the period	–	(21)	721	(680)	18
Balance at end of period	41,654	10,466	119,737	(992)	170,865

	Accumulated other comprehensive income				Non-controlling shareholder stake	Total net assets
	Valuation difference on available-for-sale securities	Foreign exchange adjustment amount	Accumulated adjustment for retirement benefits	Total of other accumulated comprehensive income		
Balance at beginning of period	21,702	345	1,450	23,498	2,430	196,775
Changes during the period						
Dividend of surplus						(4,037)
Net income attributable to owners of the parent						9,008
Acquisition of treasury stock						(5,176)
Disposal of treasury stock						224
Cancellation of treasury stock						(0)
Transfer from retained earnings to capital surplus						–
Net changes during the period to items other than shareholders' equity	(3,307)	106	(64)	(3,266)	132	(3,133)
Total changes during the period	(3,307)	106	(64)	(3,266)	132	(3,114)
Balance at end of period	18,394	451	1,385	20,231	2,562	193,660

(4) Consolidated Statement of Cash Flow

(Unit: Millions of yen)

	Previous consolidated fiscal year (from April 1, 2023, to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Cash flow from operating activities		
Net income before income taxes	18,633	12,773
Depreciation	21,660	22,573
Impairment loss	–	14
Amortization of goodwill	31	31
Increase (decrease) in retirement benefit liability	(374)	(341)
Increase (decrease) in allowance for directors' retirement benefits	6	2
Increase (decrease) in allowance for doubtful accounts	41	(35)
Interest and dividend income	(1,517)	(1,438)
Interest expense	893	1,029
Foreign exchange (gain) loss	(336)	51
Equity in losses (earnings) of affiliates	(67)	0
Gain on sale of non-current assets	(27)	(75)
Loss on sale of non-current assets	7	2
Loss on removal of non-current assets	287	186
(Gain) loss on sale of investment securities	(11,366)	(4,361)
(Increase) decrease in trade receivables	(3,020)	3,941
(Increase) decrease in inventories	12,544	788
Increase (decrease) in accounts payable	1,658	(3,011)
Others	5,904	(3,739)
Subtotal	44,960	28,393
Amount of interest and dividends received	1,542	1,445
Amount of interest paid	(860)	(993)
Amount of corporate tax, etc. paid	(1,911)	(3,960)
Cash flow from operating activities	43,731	24,885
Cash flow from investing activities		
Purchase of non-current assets	(28,882)	(27,645)
Proceeds from sale of non-current assets	68	111
Payments for acquisition of investment securities	(5)	(5)
Proceeds from sale of investment securities	13,820	5,849
Expenditure on loans	(697)	(681)
Income from loan collection	391	582
Others	(46)	(27)
Cash flow from investing activities	(15,350)	(21,816)

(Unit: Millions of yen)

	Previous consolidated fiscal year (from April 1, 2023, to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024, to March 31, 2025)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(6,051)	(6,450)
Income from long-term borrowings	8,700	8,580
Expenditure for repayment of long-term borrowings	(7,847)	(8,323)
Proceeds from issuance of corporate bonds	–	5,000
Expenditure for redemption of bonds	(5,000)	–
Income from issuing commercial paper	29,000	5,000
Expenditure for redemption of commercial paper	(39,000)	–
Proceeds from sale of treasury stock	53	224
Payment for acquisition of treasury stock	(71)	(5,176)
Dividend payment amount	(4,114)	(4,037)
Amount of dividends paid to non-controlling shareholders	(44)	(67)
Others	(20)	(90)
Cash flow from financing activities	(24,395)	(5,341)
Exchange differences on cash and cash equivalents	176	121
Increase (decrease) in cash and cash equivalents	4,162	(2,150)
Beginning balance of cash and cash equivalents	14,500	18,662
Balance of cash and cash equivalents at end of period	18,662	16,511

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the “Revised 2022 Accounting Standard”) is applied from the beginning of the current fiscal year.

With respect to the revision regarding the classification of income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised 2022 Accounting Standard and paragraph 65-2-(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the “Revised 2022 guidance”) were applied. This change has no impact on the consolidated financial statements.

In addition, the Company has adopted the Revised 2022 Guidance to the revision of the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses on sale of investments in subsidiaries among consolidated companies, effective from the beginning of the current fiscal year. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retroactive basis. This change has no impact on the consolidated financial statements of the previous fiscal year.

(Accounting Standards Not Yet Applied)

- Accounting standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

  and other amendments to the relevant ASBJ Statements, ASBJ Guidance, Practical Solutions and Transferred Guidance.

I. Overview

The standard that prescribes the accounting treatment for recognizing assets and liabilities for all leases by the lessee, in alignment with international accounting standards.

II. Effective Date

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

III. Effect of Application of the Accounting Standards

The amount of impact is under evaluation at the time of preparation of the consolidated financial statements of the current fiscal year.

(Segment Information etc.)

a. Segment Information

I. Overview of Reportable Segments

The Company's reportable segments are the Company's constituent units for which separate financial information is available and are subject to regular review by the Board of Directors in order to make decisions on the allocation of management resources and to evaluate performance.

The Company consists of segments by product and service based on the cement segment and business divisions. We have six reportable segments: "cement," "mineral resources," "cement-related products," "optoelectronics," "advanced materials," and "others".

The major products in each segment are as follows.

Reportable segments	Major products
Cement	Various cements, cement-based solidifying agents, ready-mixed concrete, electric power supply, raw material and fuel recycling, engineering
Mineral resources	Limestone, dolomite, calcium carbonate, aggregate, silica fine powder
Cement-related products	Concrete structure repair/reinforcement (materials and construction), various admixtures, heavy metal pollution control materials, fish reefs and seaweed reefs, cathodic protection methods, various ground improvement constructions, PC (products and construction), various Hume pipes
Optoelectronics	Optical communication parts, optical measurement equipment, optoelectronic devices
Advanced materials	Various ceramics, various nanoparticle materials, antibacterial agents, cosmetic materials, various functional paints
Others	Real estate rental, software development

(Matters related to changes in reportable segments, etc.)

Effective from the beginning of the current fiscal year, the Company's subsidiary Chiyoda Engineering Co., Ltd. has changed its reportable segment classification from "Other" to "Cement".

The segment information for the previous fiscal year is presented based on the classification after the change.

II. Information About Amounts of Sales, Income or Loss, Assets, Liabilities and Other Items by Reportable Segment

Previous Consolidated Fiscal Year (From April 1, 2023, to March 31, 2024) (Unit: Millions of yen)

	Reportable segments							Note 1	Note 2
	Cement	Mineral resources	Cement-related products	Opto-electronics	Advanced materials	Others	Total	Adjustment amount	Consolidated
Net sales and operating income									
Net sales									
(1) Net sales to external customers	161,629	14,555	21,721	2,042	18,712	3,840	222,502	–	222,502
(2) Intersegment net sales and transfer	3,684	4,514	2,336	–	–	5,960	16,496	(16,496)	–
Total	165,313	19,070	24,058	2,042	18,712	9,801	238,998	(16,496)	222,502
Segment income /loss	(1,435)	3,141	1,511	(669)	2,893	1,658	7,099	151	7,251
Segment assets	259,252	38,917	20,783	1,623	17,028	20,584	358,190	(1,906)	356,283
Other items									
Depreciation	16,716	2,299	508	73	1,558	483	21,639	21	21,660
Amortization of goodwill	–	–	31	–	–	–	31	–	31
Increase in tangible and intangible assets	22,659	4,208	599	141	1,668	74	29,352	–	29,352

(Notes) 1. The adjustment amount is as follows;

(1) Segment income/loss adjustment of 151 million yen is intersegment transaction elimination.

(2) The minus 1,906 million yen segment asset adjustment includes 26,634 million yen in company-wide assets not allocated to business segments and minus 28,540 million yen in intersegment transaction eliminations. Company-wide assets are mainly long-term investment funds (investment securities) of the Company and assets related to administrative departments.

(3) The depreciation adjustment amount of 21 million yen is depreciation of 41 million yen related to company-wide assets and intersegment elimination of minus 19 million yen.

2. Segment income/loss is under adjustment with operating income of the consolidated statement of income.

Current Consolidated Fiscal Year (From April 1, 2024, to March 31, 2025) (Unit: Millions of yen)

	Reportable segments							Note 1	Note 2
	Cement	Mineral resources	Cement-related products	Opto-electronics	Advanced materials	Others	Total	Adjustment amount	Consolidated
Net sales and operating income									
Net sales									
(1) Net sales to external customers	156,440	17,367	23,591	2,510	15,678	3,876	219,465	–	219,465
(2) Intersegment net sales and transfer	3,724	2,960	2,515	2	–	4,900	14,102	(14,102)	–
Total	160,164	20,328	26,107	2,512	15,678	8,777	233,568	(14,102)	219,465
Segment income /loss	877	3,148	1,839	(355)	2,264	1,617	9,391	(39)	9,351
Segment assets	258,866	42,406	19,631	1,825	20,107	20,507	363,345	(10,315)	353,029
Other items									
Depreciation	17,520	2,530	516	97	1,403	473	22,542	31	22,573
Amortization of goodwill	–	–	31	–	–	–	31	–	31
Increase in tangible and intangible assets	21,209	5,124	389	103	3,913	85	30,825	–	30,825

(Notes) 1. The adjustment amount is as follows:

(1) Segment income/loss adjustment of minus 39 million yen is intersegment transaction elimination.

(2) Adjustment of segment assets of minus 10,315 million yen is 20,593 million yen in company-wide assets that are not allocated to the business segment, and minus 30,909 million yen in intersegment transaction eliminations. Company-wide assets are mainly long-term investment funds (investment securities) of the Company and assets related to administrative departments.

(3) The depreciation adjustment amount of 31 million yen is depreciation of company-wide assets of 40 million yen and intersegment eliminations of minus 8 million yen.

2. Segment income/loss is under adjustment with operating income of the consolidated statement of income.

b. Related Information

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

1. Information by product or service

A description is omitted because the segment information has the same information.

2. Information by Region

Net sales and tangible non-current assets

Net sales and tangible non-current assets in Japan account for more than 90% of total sales on the consolidated statement of income and tangible non-current assets on the consolidated balance sheet. Therefore, a description of information by region is omitted.

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

1. Information by product or service

A description is omitted because the segment information has the same information.

2. Information by Region

Net sales and tangible non-current assets

Net sales and tangible non-current assets in Japan account for more than 90% of total sales on the consolidated statement of income and tangible non-current assets on the consolidated balance sheet. Therefore, a description of information by region is omitted.

c. Information on Impairment Losses on Non-current Assets by Reportable Segment

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

Not applicable.

Current Consolidated Fiscal Year (From April 1, 2024, to March 31, 2025) (Unit: millions of yen)

	Reportable segments							Adjustment amount	Consolidated
	Cement	Mineral resources	Cement-related products	Opto-electronics	Advanced materials	Others	Total		
Impairment loss	0	8	–	–	–	–	9	5	14

d. Information on Goodwill Amortization and Unamortized Balance by Reportable Segment

Previous Consolidated Fiscal Period (From April 1, 2023, to March 31, 2024) (Unit: millions of yen)

	Reportable segments							Adjustment amount	Consolidated
	Cement	Mineral resources	Cement-related products	Opto-electronics	Advanced materials	Others	Total		
Amortization amount	–	–	31	–	–	–	31	–	31
Balance at end of period	–	–	63	–	–	–	63	–	63

Current Consolidated Fiscal Year (From April 1, 2024, to March 31, 2025) (Unit: millions of yen)

	Reportable segments							Adjustment amount	Consolidated
	Cement	Mineral resources	Cement-related products	Opto-electronics	Advanced materials	Others	Total		
Amortization amount	–	–	31	–	–	–	31	–	31
Balance at end of period	–	–	31	–	–	–	31	–	31

(Information Per Share)

Item	Previous consolidated fiscal year From April 1, 2023, to March 31, 2024	Current consolidated fiscal year From April 1, 2024, to March 31, 2025
Net assets per share (yen)	5,674.61	5,793.86
Net income per share (yen)	447.85	270.37

(Notes) 1. Diluted net income per share is not stated as there are no dilutive shares.

2. The basis for calculating net income per share is as follows.

	Previous consolidated fiscal year From April 1, 2023, to March 31, 2024	Current consolidated fiscal year From April 1, 2024, to March 31, 2025
Net income attributable to owners of the parent (millions of yen)	15,339	9,008
Amount not attributable to common shareholders (millions of yen)	–	–
Net income attributable to parent company for common shareholders, (millions of yen)	15,339	9,008
Average number of shares during the period (shares)	34,250,900	33,317,888

(Important Subsequent Matters)

Not applicable.

4. Supplementary Information

(1) Consolidated Net Sales and Income or Loss by Segment (Period Comparison)

(Unit: millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year	Year-on-year basis	Year-on-year rate of change (%)
Cement business	161,629	156,440	(5,189)	(3.2)
Mineral resources business	14,555	17,367	2,812	19.3
Cement-related products business	21,721	23,591	1,870	8.6
Optoelectronics business	2,042	2,510	468	22.9
Advanced materials business	18,712	15,678	(3,034)	(16.2)
Other business	3,840	3,876	36	0.9
Net sales for external customers	222,502	219,465	(3,037)	(1.4)
Cement business	(1,435)	877	2,313	–
Mineral resources business	3,141	3,148	7	0.2
Cement-related products business	1,511	1,839	327	21.7
Optoelectronics business	(669)	(355)	314	–
Advanced materials business	2,893	2,264	(628)	(21.7)
Other business	1,658	1,617	(41)	(2.5)
Adjustment amount	151	(39)	(191)	–
Operating income	7,251	9,351	2,100	29.0
Non-operating income	2,919	2,273	(645)	(22.1)
Non-operating expenses	1,693	2,258	564	33.3
Non-operating income	1,225	15	(1,210)	(98.8)
Ordinary income	8,476	9,367	890	10.5
Extraordinary income	11,393	4,436	(6,956)	(61.1)
Extraordinary loss	1,236	1,030	(205)	(16.6)
Extraordinary income	10,157	3,405	(6,751)	(66.5)
Net income attributable to owners of the parent	15,339	9,008	(6,331)	(41.3)

(2) Individual Financial Statements

(Individual Balance Sheet)

(Unit: millions of yen)

Item	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)	Comparison
(Assets)	298,632	299,440	808
Current assets	77,934	74,988	(2,946)
Cash and deposits	15,376	12,886	(2,489)
Bills receivable and accounts receivable	27,142	25,974	(1,167)
Electronically recorded monetary claims	2,271	2,621	349
Inventory	28,784	28,233	(551)
Other current assets	4,360	5,273	912
Non-current assets	220,697	224,452	3,755
Tangible and intangible non-current assets	153,855	161,067	7,211
Investment securities	38,619	32,747	(5,871)
Other non-current assets	28,222	30,637	2,414
Total assets	298,632	299,440	808
(Liabilities)	151,494	157,796	6,301
Current liabilities	89,502	89,711	209
Accounts payable	20,387	19,045	(1,341)
Corporate bonds and short-term borrowings	44,160	47,026	2,866
Other current liabilities	24,955	23,639	(1,315)
Non-current liabilities	61,992	68,084	6,092
Bonds/long-term borrowings	41,309	47,642	6,333
Deferred tax liabilities	8,422	7,642	(780)
Other non-current liabilities	12,260	12,799	539
(Net assets)	147,137	141,644	(5,492)
Capital	41,654	41,654	–
Capital surplus	10,435	10,413	(21)
Retained earnings	73,738	72,251	(1,487)
Treasury stocks	(311)	(992)	(680)
Valuation/conversion difference	21,621	18,318	(3,303)
Total liabilities and net assets	298,632	299,440	808

(Individual Income Statement)

(Unit: millions of yen)

Item	Previous fiscal year (from April 1, 2023, to March 31, 2024)	Current fiscal year (from April 1, 2024, to March 31, 2025)	Comparison
Net sales	181,461	176,773	(4,688)
Cost of sales	150,400	142,343	(8,057)
Selling, general and administrative expenses	29,648	31,404	1,755
Operating income	1,411	3,025	1,613
Non-operating income	3,478	3,457	(21)
Interest income and dividends	2,814	3,048	233
Other non-operating income	663	409	(254)
Non-operating expenses	1,230	2,242	1,011
Interest expense	775	993	218
Other non-operating expenses	455	1,248	793
Ordinary income	3,659	4,240	581
Extraordinary income	11,376	4,398	(6,978)
Extraordinary loss	1,106	1,015	(90)
Net income before income taxes	13,929	7,623	(6,306)
Corporate taxes	963	823	(139)
Net income	12,966	6,799	(6,166)

(Individual Statement of Changes in Equity)

(From April 1, 2024, to March 31, 2025) (Unit: millions of yen)

	Shareholders' equity								
	Capital	Capital surplus			Retained earnings				
					Other retained earnings				Total retained earnings
		Capital reserve	Other capital surplus	Total capital surplus	Exploration reserve	Reserve for reduction entry of non-current assets	Contingent reserve	Retained earnings	
Balance at beginning of period	41,654	10,413	21	10,435	47	1,918	25,097	46,675	73,738
Changes during the period									
Dividend of surplus								(4,037)	(4,037)
Accumulation of exploration reserves					3			(3)	–
Reversal of exploration reserves					(40)			40	–
Reversal of reserve for reduction entry of non-current assets						(48)		48	–
Net income								6,799	6,799
Acquisition of treasury stock									
Disposal of treasury stock			0	0					
Cancellation of treasury stock			(4,271)	(4,271)					
Transfer from retained earnings to capital surplus			4,249	4,249				(4,249)	(4,249)
Net changes during the period to items other than shareholders' equity									
Total changes during the period	–	–	(21)	(21)	(36)	(48)	–	(1,402)	(1,487)
Balance at end of period	41,654	10,413	–	10,413	10	1,869	25,097	45,273	72,251

	Shareholders' equity		Valuation/conversion difference		Total net assets
	Treasury stocks	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, conversion difference, etc.	
Balance at beginning of period	(311)	125,515	21,621	21,621	147,137
Changes during the period					
Dividend of surplus		(4,037)			(4,037)
Accumulation of exploration reserves		–			–
Reversal of exploration reserves		–			–
Reversal of reserve for reduction entry of non-current assets		–			–
Net income		6,799			6,799
Acquisition of treasury stock	(5,176)	(5,176)			(5,176)
Disposal of treasury stock	224	224			224
Cancellation of treasury stock	4,271	–			–
Transfer from retained earnings to capital surplus		–			–
Net changes during the period to items other than shareholders' equity			(3,303)	(3,303)	(3,303)
Total changes during the period	(680)	(2,189)	(3,303)	(3,303)	(5,492)
Balance at end of period	(992)	123,326	18,318	18,318	141,644