May 12, 2025

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (FY2024)

[Japanese GAAP]

Company name: ZUKEN Inc. Listing: Tokyo Stock Exchange
Stock code: 6947 URL: https://www.zuken.co.jp
Representative: Jinya Katsube, President and Representative Director
Contact: Susumu Yoshida, General Manager of Finance Department Tel: +81-45-942-1511
Scheduled date of Annual General Shareholders' Meeting: June 27, 2025
Scheduled date of payment of dividend: June 30, 2025
Scheduled date of filing of Annual Securities Report: June 20, 2025
Preparation of supplementary materials for financial results: None
Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

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

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal years ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2025	40,736	5.9	5,392	12.4	5,936	9.1	5,226	35.1
Mar. 31, 2024	38,466	9.7	4,796	8.3	5,439	14.9	3,868	21.0

Note: Comprehensive income (Millions of yen) Fiscal year ended Mar. 31, 2025: 4,834 (up 0.4%)
Fiscal year ended Mar. 31, 2024: 4,814 (up 29.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
Fiscal years ended	Yen	Yen	%	%	%
Mar. 31, 2025	236.99	-	13.0	9.3	13.2
Mar. 31, 2024	171.37	-	9.5	8.6	12.5

Reference: Equity in earnings of associates (Millions of yen) Fiscal year ended Mar. 31, 2025: 492
Fiscal year ended Mar. 31, 2024: 324

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2025	63,274	39,948	63.1	1,843.79
As of Mar. 31, 2024	63,879	41,017	63.3	1,818.20

Reference: Shareholders' equity (Millions of yen) As of Mar. 31, 2025: 39,948 As of Mar. 31, 2024: 40,454

(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 years ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2025	4,861	1,076	(5,957)	27,224
Mar. 31, 2024	4,880	(1,636)	(5,215)	27,295

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2024	-	25.00	-	30.00	55.00	1,226	32.1	3.1
Fiscal year ended Mar. 31, 2025	-	50.00	-	50.00	100.00	2,195	42.2	5.5
Fiscal year ending Mar. 31, 2026 (forecast)	-	50.00	-	50.00	100.00		47.8	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,000	5.6	5,600	3.9	6,300	6.1	4,450	(14.9)	209.00

Note: Only the full-year forecast is shown because Zuken manages performance on a fiscal year basis.
At the Board of Directors meeting held today, Zuken resolved and announced the purchase of its own shares. Net income per share is calculated considering the influence of this repurchase of treasury shares.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and accounting-based estimates, and restatements

(a) Changes in accounting policies due to revisions in accounting standards, others:	None
(b) Changes in accounting policies other than (a) above:	None
(c) Changes in accounting-based estimates:	None
(d) Restatements:	None

(3) Number of outstanding shares (common stock)

(a) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2025:	22,249,804 shares	As of Mar. 31, 2024:	22,249,804 shares

(b) Number of treasury shares at the end of the period

As of Mar. 31, 2025:	583,295 shares	As of Mar. 31, 2024:	10 shares

(c) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2025:	22,052,399 shares	Fiscal year ended Mar. 31, 2024:	22,573,772 shares

Reference: Summary of Non-consolidated Financial Results

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

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal years ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2025	13,384	5.8	2,085	15.0	4,125	10.1	3,863	226.7
Mar. 31, 2024	12,649	5.0	1,814	7.7	3,746	14.5	1,182	(49.5)

	Net income per share	Diluted net income per share
Fiscal years ended	Yen	Yen
Mar. 31, 2025	175.21	-
Mar. 31, 2024	52.40	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2025	39,709	32,698	82.3	1,509.18
As of Mar. 31, 2024	39,681	33,467	84.3	1,504.17

Reference: Shareholders' equity (Millions of yen) As of Mar. 31, 2025: 32,698 As of Mar. 31, 2024: 33,467

* This financial report is not subject to audit by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumption judged to be valid and information available to the Company's management at the time this report was prepared, but are not promises by the Company regarding future performance. Actual results may differ substantially from the forecasts for a number of reasons.

Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY2023 (As of Mar. 31, 2024)	FY2024 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	28,447,612	28,218,445
Notes receivable - trade	359,351	274,733
Accounts receivable - trade	6,889,139	6,960,412
Securities	6,700,000	6,700,000
Merchandise and finished goods	433,950	449,028
Work in process	184,107	122,029
Raw materials and supplies	1,396	3,511
Prepaid expenses	5,510,157	5,420,640
Other	409,070	378,421
Allowance for doubtful accounts	(37,848)	(31,261)
Total current assets	48,896,939	48,495,961
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,213,162	9,261,626
Accumulated depreciation	(6,713,321)	(6,772,785)
Buildings and structures, net	2,499,841	2,488,840
Machinery, equipment and vehicles	189,797	174,850
Accumulated depreciation	(70,125)	(99,453)
Machinery, equipment and vehicles, net	119,671	75,396
Tools, furniture and fixtures	2,608,303	2,580,105
Accumulated depreciation	(2,087,686)	(2,122,831)
Tools, furniture and fixtures, net	520,617	457,274
Land	3,009,821	3,009,821
Leased assets	189,167	194,371
Accumulated depreciation	(95,895)	(83,933)
Leased assets, net	93,271	110,437
Construction in progress	3,360	-
Total property, plant and equipment	6,246,583	6,141,770
Intangible assets		
Goodwill	110,427	54,821
Other	824,617	765,712
Total intangible assets	935,045	820,533
Investments and other assets		
Investment securities	3,888,261	3,410,311
Shares of subsidiaries and associates	2,407,877	2,715,131
Deferred tax assets	859,069	1,039,271
Other	665,037	671,770
Allowance for doubtful accounts	(19,257)	(20,489)
Total investments and other assets	7,800,989	7,815,994
Total non-current assets	14,982,617	14,778,298
Total assets	63,879,557	63,274,260

(Thousands of yen)

	FY2023 (As of Mar. 31, 2024)	FY2024 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	774,308	827,019
Income taxes payable	818,003	1,544,513
Advances received	12,888,531	12,772,768
Provision for bonuses	1,198,773	1,233,470
Provision for bonuses for directors (and other officers)	101,700	112,300
Other provisions	5,548	5,057
Other	3,000,379	2,884,319
Total current liabilities	18,787,244	19,379,447
Non-current liabilities		
Retirement benefit liability	3,813,933	3,690,937
Other	261,277	255,306
Total non-current liabilities	4,075,210	3,946,244
Total liabilities	22,862,454	23,325,692
Net assets		
Shareholders' equity		
Share capital	10,117,065	10,117,065
Capital surplus	8,662,477	7,625,112
Retained earnings	18,802,945	22,249,184
Treasury shares	(39)	(2,501,631)
Total shareholders' equity	37,582,447	37,489,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,080,581	1,766,657
Foreign currency translation adjustment	811,548	739,710
Remeasurements of defined benefit plans	(19,962)	(47,530)
Total accumulated other comprehensive income	2,872,166	2,458,837
Non-controlling interests	562,488	-
Total net assets	41,017,102	39,948,567
Total liabilities and net assets	63,879,557	63,274,260

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)
Net sales	38,466,233	40,736,294
Cost of sales	12,330,687	12,812,644
Gross profit	26,135,545	27,923,650
Selling, general and administrative expenses	21,338,810	22,531,397
Operating profit	4,796,735	5,392,252
Non-operating income		
Interest income	66,999	140,198
Dividend income	38,493	43,241
Foreign exchange gains	114,144	-
Share of profit of entities accounted for using equity method	324,825	492,018
Subsidy income	55,190	55,148
Other	56,920	78,638
Total non-operating income	656,574	809,246
Non-operating expenses		
Interest expenses	5,279	3,608
Foreign exchange losses	-	97,595
Commission expenses	-	158,872
Commission for purchase of treasury shares	7,999	5,000
Other	343	258
Total non-operating expenses	13,622	265,335
Ordinary profit	5,439,686	5,936,163
Extraordinary income		
Gain on sale of non-current assets	10,990	5,408
Gain on sale of investment securities	-	1,496,499
Gain on termination of retirement benefit plan	150,679	-
Total extraordinary income	161,669	1,501,907
Extraordinary losses		
Loss on disposal of non-current assets	5,693	3,168
Loss on valuation of investment securities	7,867	5,092
Extra retirement payments	69,315	-
Total extraordinary losses	82,876	8,260
Profit before income taxes	5,518,479	7,429,810
Income taxes-current	1,525,391	2,232,339
Income taxes-deferred	22,780	(50,486)
Total income taxes	1,548,172	2,181,853
Profit	3,970,307	5,247,956
Profit attributable to non-controlling interests	101,864	21,742
Profit attributable to owners of parent	3,868,443	5,226,214

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)
Profit	3,970,307	5,247,956
Other comprehensive income		
Valuation difference on available-for-sale securities	453,023	(350,919)
Foreign currency translation adjustment	394,254	(71,837)
Remeasurements of defined benefit plans, net of tax	(8,711)	(27,568)
Share of other comprehensive income of entities accounted for using equity method	5,371	36,995
Total other comprehensive income	843,938	(413,329)
Comprehensive income	4,814,246	4,834,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,712,381	4,812,885
Comprehensive income attributable to non-controlling interests	101,864	21,742

(3) Consolidated Statement of Changes in Equity

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117,065	8,662,477	20,096,025	(19,737)	38,855,831
Changes during period					
Dividends of surplus			(1,140,167)		(1,140,167)
Profit attributable to owners of parent			3,868,443		3,868,443
Purchase of treasury shares				(4,001,659)	(4,001,659)
Cancellation of treasury shares			(4,021,356)	4,021,356	-
Net changes other than shareholders' equity					
Total changes during period	-	-	(1,293,080)	19,697	(1,273,383)
Balance at end of period	10,117,065	8,662,477	18,802,945	(39)	37,582,447

	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	1,622,185	417,293	(11,251)	2,028,227	471,859	41,355,918
Changes during period						
Dividends of surplus						(1,140,167)
Profit attributable to owners of parent						3,868,443
Purchase of treasury shares						(4,001,659)
Cancellation of treasury shares						-
Net changes other than shareholders' equity	458,395	394,254	(8,711)	843,938	90,629	934,567
Total changes during period	458,395	394,254	(8,711)	843,938	90,629	(338,815)
Balance at end of period	2,080,581	811,548	(19,962)	2,872,166	562,488	41,017,102

FY2024 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117,065	8,662,477	18,802,945	(39)	37,582,447
Changes during period					
Dividends of surplus			(1,779,975)		(1,779,975)
Profit attributable to owners of parent			5,226,214		5,226,214
Purchase of shares of consolidated subsidiaries		(1,037,364)			(1,037,364)
Purchase of treasury shares				(2,501,591)	(2,501,591)
Net changes other than shareholders' equity					
Total changes during period	-	(1,037,364)	3,446,239	(2,501,591)	(92,717)
Balance at end of period	10,117,065	7,625,112	22,249,184	(2,501,631)	37,489,730

	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	2,080,581	811,548	(19,962)	2,872,166	562,488	41,017,102
Changes during period						
Dividends of surplus						(1,779,975)
Profit attributable to owners of parent						5,226,214
Purchase of shares of consolidated subsidiaries						(1,037,364)
Purchase of treasury shares						(2,501,591)
Net changes other than shareholders' equity	(313,924)	(71,837)	(27,568)	(413,329)	(562,488)	(975,817)
Total changes during period	(313,924)	(71,837)	(27,568)	(413,329)	(562,488)	(1,068,534)
Balance at end of period	1,766,657	739,710	(47,530)	2,458,837	-	39,948,567

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)	FY2024 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	5,518,479	7,429,810
Depreciation	849,971	830,150
Amortization of goodwill	53,035	55,386
Interest and dividend income	(105,493)	(183,440)
Foreign exchange losses (gains)	(27,753)	1,995
Share of loss (profit) of entities accounted for using equity method	(324,825)	(492,018)
Loss (gain) on valuation of investment securities	7,867	5,092
Loss (gain) on sale of investment securities	-	(1,496,499)
Decrease (increase) in trade receivables	(291,886)	(21,892)
Increase (decrease) in trade payables	130,189	(4,362)
Increase (decrease) in advances received	957,123	(83,360)
Decrease (increase) in prepaid expenses	(365,676)	83,594
Increase (decrease) in retirement benefit liability	(252,821)	(152,332)
Other, net	61,568	9
Subtotal	6,209,778	5,972,133
Interest and dividends received	291,098	415,468
Interest paid	(5,279)	(3,608)
Income taxes paid	(1,546,064)	(1,522,295)
Extra retirement payments	(69,315)	-
Net cash provided by (used in) operating activities	4,880,217	4,861,697
Cash flows from investing activities		
Decrease (increase) in time deposits	(989,200)	143,686
Purchase of property, plant and equipment	(329,981)	(283,165)
Purchase of intangible assets	(327,791)	(311,833)
Proceeds from sale of investment securities	-	1,496,499
Other, net	10,951	30,988
Net cash provided by (used in) investing activities	(1,636,021)	1,076,175
Cash flows from financing activities		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(1,610,349)
Purchase of treasury shares	(4,009,659)	(2,501,591)
Dividends paid	(1,140,167)	(1,779,975)
Other, net	(65,839)	(65,921)
Net cash provided by (used in) financing activities	(5,215,665)	(5,957,838)
Effect of exchange rate change on cash and cash equivalents	868,029	(51,908)
Net increase (decrease) in cash and cash equivalents	(1,103,439)	(71,874)
Cash and cash equivalents at beginning of period	28,399,343	27,295,903
Cash and cash equivalents at end of period	27,295,903	27,224,029

This financial report is solely a translation of a part of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.