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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

April 30, 2025

Company name: MEIWA CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 8103
URL: https://www.meiwa.co.jp
Representative: (Position) President (Name) Takashi Yoshida
Contact: (Position) General Manager Corporate Accounting & Finance Department (Name) Hiromichi Matsuki
Telephone: +81-3-3240-9534
Scheduled date of Annual General Meeting of Shareholders: June 27, 2025
Scheduled date of commencing dividend payments: June 30, 2025
Scheduled date of filing annual securities report: June 27, 2025
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	156,727	(1.0)	3,568	20.1	4,520	12.1	3,376	22.6
Fiscal year ended March 31, 2024	158,279	1.0	2,970	(18.7)	4,032	27.2	2,754	60.1

(Note) Comprehensive income:
Fiscal year ended March 31, 2025 ¥2,551 million [(36.6%)]
Fiscal year ended March 31, 2024 ¥4,027 million [40.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	83.28	—	8.8	5.7	2.3
Fiscal year ended March 31, 2024	66.09	—	7.5	4.9	1.9

(Reference) Equity in earnings (losses) of affiliated companies:
Fiscal year ended March 31, 2025: ¥641 million
Fiscal year ended March 31, 2024: ¥605 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	74,634	38,908	51.5	957.04
As of March 31, 2024	85,355	38,783	44.9	921.98

(Reference) Equity:
As of March 31, 2025: ¥38,468 million
As of March 31, 2024: ¥38,306 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2025	4,334	350	(5,811)	8,318
Fiscal year ended March 31, 2024	5,657	(202)	(4,346)	9,528

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	0.00	—	34.00	34.00	1,417	51.4	3.8
Fiscal year ended March 31, 2025	—	0.00	—	42.00	42.00	1,693	50.4	4.5
Fiscal year ending March 31, 2026 (Forecast)	—	0.00	—	38.00	38.00		50.9	

(Note) Total dividends include dividends paid on the Company's treasury shares held by the stock granting trust related to a performance-linked stock compensation system (¥4 million for the fiscal year ended March 31, 2024, ¥4 million for the fiscal year ended March 31, 2025).

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	160,000	2.1	3,200	(10.3)	4,000	(11.5)	3,000	(11.2)	74.63

* Notes:

(1) material changes in scope of consolidation during the period: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	Fiscal year ended March 31, 2025	40,332,400 Shares	Fiscal year ended March 31, 2024	41,780,000 shares
2) Total number of treasury shares at the end of the period	Fiscal year ended March 31, 2025	137,204 shares	Fiscal year ended March 31, 2024	232,415 shares
3) Average number of shares during the period	Fiscal year ended March 31, 2025	40,545,871 shares	Fiscal year ended March 31, 2024	41,676,869 shares

(Note) The Company has introduced a performance linked stock compensation system since fiscal year ended March 31, 2024. The number of treasury shares excluded in the calculation of the total number of treasury shares at the end of the period and the average number of shares during the period includes 120,189 shares of the Company held by the stock granting trust related to this system.

(Reference) Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	101,139	0.2	2,326	52.4	4,960	61.7	4,120	70.9
Fiscal year ended March 31, 2024	100,921	(1.8)	1,527	(15.2)	3,067	(19.7)	2,410	(18.6)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	101.63	—
Fiscal year ended March 31, 2024	57.85	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	45,875	20,152	43.9	501.36
As of March 31, 2024	53,269	19,442	36.5	467.95

(Reference) Equity:
As of March 31, 2025 ¥20,152 million
As of March 31, 2024 ¥19,442 million

* These financial results are outside the scope of audit conducted by a certified public accountant or an audit corporation.
* Explanation of the proper use of financial results forecast and other notes

The financial results forecast herein are based on information available as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

○ Index to attached documents

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1. Overview of operating results, etc.

(1) Overview of operating results of the fiscal year ended March 31, 2025

Net sales for the fiscal year ended March 2025 diminished by 1,552 million yen, or 1.0%, from the previous fiscal year, to 156,727 million yen. Operating income grew by 598 million yen, or 20.1%, to 3,568 million yen. Ordinary income grew by 488 million yen, or 12.1%, to 4,520 million yen. Income attributable to owners of parent grew by 622 million yen, or 22.6%, from the previous fiscal year, to 3,376 million yen.

This resulted in basic earnings per share for the fiscal year ended March 2025 of 83.28 yen and return on equity of 8.8%.

The major factors contributing to these results were as follows:

- Net sales decreased due to weak sales in Business Division 2, although Business Division 1 and Business Division 3 remained on par with the same period of the previous year.
- Operating income increased due to an increase in the ratio of high-margin products to sales.
- Ordinary Income increased due to an increase in investment income in operating profit and equity method.
- In addition to the above factors, net income attributable to owners of the parent increased due to an increase in gain on sales of investment securities.

The operating results by segment are described below.

The main businesses and products handled by each segment are as follows:

Name of segment	Main businesses	Main products
Business Division 1	Mineral Resource & Environmental Business Flame Retardants Business Construction Materials Business	Rare earth elements, rare earth metals, environmental products, metal-related products Flame retardants Heat-insulating materials, waterproof materials, interior trim materials
Business Division 2	Petroleum Products Business	Lubricating oils, base oils, additives
Business Division 3	High Performance Materials Business Functional Chemicals Business Functional Plastics Business Inorganic Chemicals Business	Film products, raw materials for printing Agents for making paper, raw materials for adhesives Functional plastic materials and functional plastics Inorganic chemicals
Automotive/Battery Materials Businesses	Automotive Business Battery Materials Business	Automotive parts-related products Battery materials

① Business Division 1

Net sales declined by 381 million yen, or 0.9%, to 42,340 million yen. Segment income grew by 851 million yen, or 56.1%, to 2,370 million yen. These results were due mainly to the performance, described below, of the respective businesses.

- In the Mineral Resource & Environmental Business, environmental products and metal-related products were sluggish. The performance of rare earth elements, rare earth metals, remained largely unchanged from the previous fiscal year.
- The performance of the Flame Retardants Business was strong.
- In the Construction Materials Business, the performance of waterproof materials was strong. The performance of interior trim materials and Heat-insulating materials remained largely unchanged from the previous fiscal year.

② Business Division 2

Net sales declined by 5,565 million yen, or 11.3%, from the previous fiscal year, to 43,790 million yen. Segment income declined by 175 million yen, or 17.9%, to 804 million yen. These results were due mainly to the performance, described below, of the respective businesses.

- The performance of base oils and additives for the domestic market performed well.
- Base oils and additives for overseas markets remained largely unchanged from the previous fiscal year.
- In the Chinese lubricant business, the performance of industrial machinery lubricants was strong; that of refrigerant oils was sluggish.

③ Business Division 3

Net sales grew by 1,207 million yen, or 2.1%, to 59,880 million yen. Segment income declined by 66 million yen, or 6.0%, to 1,031 million yen.These results were due mainly to the performance, described below, of the respective businesses.

- In the High Performance Materials Business, the performance of film products was strong, while performance of raw materials for printing remained largely unchanged from the previous fiscal year.
- In the Functional Chemicals Business, the performance of adhesives rwas strong.; the performance of agents for making paper was sluggish.
- In the Functional Plastics Business, the performance of functional plastic materials and functional plastics were sluggish.
- The Inorganic Chemicals Business was strong.

④ Automotive/Battery Materials Businesses

Net sales grew by 3,187 million yen, or 42.3%, to 10,715 million yen. Segment income grew by 34 million yen, or 9.2%, to 408 million yen.These results were due mainly to the performance, described below, of the respective businesses.

- In the Automotive Business, profit increased due to favorable earnings of equity-method affiliates.
- In the Battery Materials Business, sales of battery materials for automobiles and other in Chaina and Japan uses were strong.

(2) Overview of financial position in the fiscal year ended March 31, 2025

Total assets at the end of the fiscal year ended March 2025 were 74,634million yen, a decrease of 10,720 million yen, or 12.6%, from the end of the previous fiscal year. Liabilities were 35,726 million yen, a decrease of 10,845 million yen, or 23.3%, from the end of the previous fiscal year. Net assets were 38,908 million yen, an increase of 125 million yen, or 0.3%, from the end of the previous fiscal year.This resulted in an equity ratio of 51.5%.

The main contributing factors were as follows:

- Total assets saw a decrease in current assets of 9,725 million yen, or 14.5%, from the end of the previous fiscal year, due mainly to a decrease in trade receivables.
- Total liabilities saw a decrease in current liabilities of 9,785 million yen, or 23.3%, from the end of the previous fiscal year, due mainly to a decrease in trade payables and repayment of short-term borrowings
- Net assets saw an increase in retained earnings of 964 million yen, or 4.0%, from the end of the previous fiscal year, due mainly to an increase in surplus.

(3) Overview of cash flows in the fiscal year ended March 31, 2025

(million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024	Change
Cash flows from operating activities	5,657	4,334	(1,322)
Cash flows from investing activities	(202)	350	553
Cash flows from financing activities	(4,346)	(5,811)	(1,464)
Cash and cash equivalents at end of period	9,528	8,318	(1,210)

Cash and cash equivalents at the end of the fiscal year ended March 2025 were 8,318 million yen, a decrease of 1,210 million yen, or 12.7%, from the end of the previous fiscal year.

Cash flows from operating activities fell by 1,322 million yen, or 23.4%, from previous fiscal year, resulting in an increase in cash and cash equivalents of 4,334 million yen.

These results are due to an increase in cash and cash equivalents of 4,264 million yen resulting from net income before taxes of 4,708 million yen, adjusted for non-cash income and expenses and other items; an increase in cash and cash equivalents of 8,396 million yen, due mainly to an decrease in trade receivables and a decrease in inventories; and decreases in cash and cash equivalents of 7,205 million yen due to a decrease in trade payables and 1,199 million yen for the payment of income and other taxes.

Cash flows from investing activities grew by 553 million yen from the previous fiscal year, resulting in an increase in cash and cash equivalents of 350 million yen.

These results were 172 million yen in cash and cash equivalents due to the acquisition of property, plant and equipment, against an increase of 532 million yen from the sale of investment securities.

Cash flows from financing activities fell by 1,464 million yen, or 33.7%, from the previous fiscal year, resulting in a decrease in cash and cash equivalents of 5,811 million yen.

These results were due mainly to a decrease in funds of 3324 million yen due to debt repayment, 1412 million yen due to dividend payment, and 936 million yen due to the purchase of treasury stock.

(4) Outlook

① Outlook for the next fiscal year

The future is likely to remain uncertain due to changes in trade policy, including the reintroduction of tariff measures by the United States, as well as concerns about continued disruptions in international supply chains.Based on this outlook, the Company expects the Group's financial results for the next fiscal year to be net sales of 160.0 billion yen (up 2.1% from the preceding fiscal year); operating income of 3.2billion yen (down 10.3% from the preceding fiscal year); ordinary income of 4.0 billion yen (down 11.5% from the preceding fiscal year); and net income of 3.0 billion yen (down 11.2% from the preceding fiscal year).

The outlook for the next fiscal year is based on information currently available. Actual results may differ for various reasons, including economic trends and exchange rate trends.

(million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Fiscal year 2025-forecast	160,000	3,200	4,000	3,000
Fiscal year 2024-actual	156,727	3,568	4,520	3,376
Change (%)	2.1%	(10.3%)	(11.5%)	(11.2%)

Our company is currently promoting the 3-year Medium-Term Management Plan 2025 Plan, which ends in the fiscal year ending March 2026. The progress of Consolidated Profit, the quantitative target, is as follows.

(million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026
Quantitative target	2,200	2,400	2,600
Results and Forecasts	2,754	3,376	3,000

② Basic policy on the distribution of profits and dividends for the current and subsequent fiscal years

With regard to the distribution of profits to shareholders, the Company's policy is to distribute profits in a stable and sustainable manner. We will pursue flexible shareholder returns based on a consolidated dividend payout ratio of 50% while striving to maintain financial soundness. We will make effective use of internally retained funds for future business development and strengthen our management structure.

Based on this basic policy, the year-end dividend for the fiscal year ended March 31, 2025 will be an ordinary dividend of 42 yen per share.

In addition, we plan to pay an annual dividend of 38 yen per share in the next fiscal year.

2. Basic policy on choice of accounting standards

The Group applies Japanese accounting standards, taking into consideration the comparability of consolidated financial statements between periods and companies.

With regard to the application of IFRS, we intend to respond appropriately, duly accounting for adoption by companies within the same industry in Japan, the ratio of foreign shareholders, and other factors.

3. Consolidated financial statements and major accompanying notes

(1) Consolidated balance sheet

(million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	9,597	8,382
Notes, accounts receivable-trade and contract assets	38,303	33,538
Electronically-recorded monetary claims	10,601	7,882
Merchandise	8,070	7,019
Other	817	760
Allowance for doubtful accounts	(245)	(164)
Total current assets	67,144	57,418
Fixed assets		
Property, plant, and equipment		
Buildings and structures (net)	627	634
Machinery, equipment, and vehicles (net)	124	88
Tools, furniture and fixtures (net)	30	38
Land	452	452
Leased assets (net)	131	69
Construction in progress account	—	46
Total property, plant, and equipment	1,366	1,329
Intangible fixed assets		
Software	98	65
Other	11	11
Total intangible fixed assets	110	77
Investments and other assets		
Investments in securities	15,729	14,453
Long-term loans	5	4
Retirement benefit assets	—	288
Deferred tax assets	73	75
Other	970	1,010
Allowance for doubtful accounts	(44)	(24)
Total investments and other assets	16,734	15,809
Total fixed assets	18,210	17,215
Total assets	85,355	74,634

(million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Liabilities		
Current liabilities		
Notes, accounts payable-trade	30,504	23,768
Electronically-recorded monetary obligations	5,238	4,703
Short-term borrowings	4,296	991
Current portion of long-term borrowings	20	20
Lease liabilities	2	56
Accrued income taxes	465	795
Allowance for bonuses to employees	807	986
Allowance for directors' bonuses	19	15
Other	716	948
Total current liabilities	42,069	32,284
Fixed liabilities		
Long-term borrowings	541	521
Lease liabilities	128	12
Deferred tax liabilities	2,046	1,618
Allowance for stock compensation	18	30
Retirement benefit liabilities	559	84
Other	1,206	1,175
Total fixed liabilities	4,502	3,442
Total liabilities	46,571	35,726
Net assets		
Shareholder equity		
Common stock	4,024	4,024
Additional paid-in capital	2,761	2,793
Retained earnings	24,118	25,083
Treasury stock	(146)	(83)
Total shareholder equity	30,757	31,817
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,134	2,876
Deferred gains (losses) on hedges	(3)	(20)
Foreign currency translation adjustments	3,356	3,317
Remeasurements of defined benefit plans	60	477
Total accumulated other comprehensive income	7,548	6,651
Non-controlling interests	476	439
Total net assets	38,783	38,908
Total liabilities and net assets	85,355	74,634

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

Consolidated statement of income

(million yen)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Net sales	158,279	156,727
Cost of goods sold	146,724	144,174
Gross income	11,554	12,552
Selling, general, and administrative expenses	8,584	8,983
Operating income	2,970	3,568
Non-operating income		
Dividend income	308	240
Equity in earnings of affiliated companies	605	641
Other	263	178
Total non-operating income	1,177	1,061
Non-operating expense		
Interest expense	73	43
Foreign exchange loss	11	28
Loss on sale of electronically recorded receivables	2	26
Other	28	11
Total non-operating expense	115	109
Ordinary income	4,032	4,520
Extraordinary income		
Gain on sale of investments in securities	27	184
Gain on negative goodwill	—	37
Other	0	1
Total extraordinary income	27	224
Extraordinary loss		
Loss on sale of fixed assets	0	13
Loss on retirement of fixed assets	—	11
Loss on valuation of investment securities	—	10
Other	0	—
Total extraordinary loss	0	35
Income before income taxes	4,058	4,708
Corporate, local, and enterprise taxes	1,128	1,497
Tax adjustment	128	(238)
Total income taxes	1,257	1,258
Net income	2,801	3,450
Net income attributable to non-controlling interests	46	73
Net income attributable to owners of parent	2,754	3,376

Consolidated statement of comprehensive income

(million yen)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Net income	2,801	3,450
Other comprehensive income		
Valuation difference on available-for-sale securities	(322)	(1,069)
Deferred gains (losses) on hedging derivatives	0	(17)
Foreign currency translation adjustments	570	(146)
Remeasurements of defined benefit plans	177	431
Share of other comprehensive income (loss) of entities accounted for by the equity method	799	(96)
Total other comprehensive income (loss)	1,226	(898)
Comprehensive income (loss)	4,027	2,551
(Breakdown)		
Comprehensive income (loss) attributable to owners of parent	3,979	2,479
Comprehensive income (loss) attributable to non-controlling interests	48	71

(3) Consolidated statement of changes in equity

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

(million yen)

	Shareholder equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholder equity
Balance at the beginning of the year	4,024	2,761	22,370	(4)	29,151
Changes during the year					
Cash dividends			(1,044)		(1,044)
Net income attributable to owners of parent			2,754		2,754
Purchase of treasury shares				(142)	(142)
Retirement of treasury stock					—
Changes due to merger between consolidated and nonconsolidated subsidiaries			38		38
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries					—
Changes in items other than shareholder equity (net)					
Total changes during the year	—	—	1,748	(142)	1,606
Balance at the end of the year	4,024	2,761	24,118	(146)	30,757

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains (losses) on available for-sale securities	Deferred gains (losses) on hedging derivatives	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	4,124	(3)	2,313	(110)	6,323	447	35,922
Changes during the year							
Cash dividends							(1,044)
Net income attributable to owners of parent							2,754
Purchase of treasury shares							(142)
Retirement of treasury stock							—
Changes due to merger between consolidated and nonconsolidated subsidiaries							38
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries							—
Changes in items other than shareholder equity (net)	10	0	1,043	170	1,224	29	1,254
Total changes during the year	10	0	1,043	170	1,224	29	2,860
Balance at the end of the year	4,134	(3)	3,356	60	7,548	476	38,783

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

(million yen)

	Shareholder equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholder equity
Balance at the beginning of the year	4,024	2,761	24,118	(146)	30,757
Changes during the year					
Cash dividends			(1,412)		(1,412)
Net income attributable to owners of parent			3,376		3,376
Purchase of treasury shares				(936)	(936)
Retirement of treasury stock			(999)	999	—
Changes due to merger between consolidated and nonconsolidated subsidiaries					—
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries		31			31
Changes in items other than shareholder equity (net)					
Total changes during the year	—	31	964	63	1,059
Balance at the end of the year	4,024	2,793	25,083	(83)	31,817

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains (losses) on available for-sale securities	Deferred gains (losses) on hedging derivatives	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	4,134	(3)	3,356	60	7,548	476	38,783
Changes during the year							
Cash dividends							(1,412)
Net income attributable to owners of parent							3,376
Purchase of treasury shares							(936)
Retirement of treasury stock							—
Changes due to merger between consolidated and nonconsolidated subsidiaries							—
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries						(87)	(56)
Changes in items other than shareholder equity (net)	(1,258)	(17)	(38)	417	(897)	50	(846)
Total changes during the year	(1,258)	(17)	(38)	417	(897)	(36)	125
Balance at the end of the year	2,876	(20)	3,317	477	6,651	439	38,908

(4) Consolidated statement of cash flows

(million yen)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Income before income taxes	4,058	4,708
Depreciation and amortization	255	257
Equity in losses (earnings) of affiliated companies	(534)	(499)
Increase (decrease) in allowance for doubtful accounts	40	(100)
Increase (decrease) in retirement benefit liabilities	—	(105)
Increase (decrease) in liabilities for retirement benefits	(31)	(26)
Increase (decrease) in allowance for bonuses to employees	97	179
Interest and dividends received	(338)	(285)
Interest paid	73	43
(Gains) losses on the sale of investments in securities	(27)	(184)
Valuation (gains) losses on investments in securities	3	10
(Gains) losses on the sale of fixed assets	0	12
Decrease (increase) in trade receivables	(2,657)	7,388
Decrease (increase) in inventories	932	1,008
Increase (decrease) in trade payables	4,991	(7,205)
(Increase) decrease in other current assets	27	(156)
(Increase) decrease in other investments and other assets	(11)	(39)
Increase (decrease) in other current liabilities	(20)	182
Increase (decrease) in other fixed liabilities	32	(19)
Other	(35)	44
Subtotal	6,855	5,212
Interest and dividend received	373	366
Interest paid	(75)	(45)
Income and other taxes paid	(1,495)	(1,199)
Net cash provided by operating activities	5,657	4,334

(million yen)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Cash flows from investing activities		
Payments into time deposits	(57)	(57)
Proceeds from withdrawal of time deposits	57	63
Acquisition of investments in securities	(7)	(135)
Proceeds from sale of investments in securities	30	532
Acquisition of property, plant, and equipment	(202)	(172)
Proceeds from sale of property, plant, and equipment	1	9
Acquisition of intangible fixed assets	(25)	(20)
Disbursement for extension of short-term loans	(174)	(5)
Income from collection of short-term loans	176	137
Disbursement for extension of long-term loans	—	(4)
Income from collection of long-term loans	5	11
Other	(7)	(7)
Net cash used in investing activities	(202)	350
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,966)	(3,304)
Proceeds from long-term borrowings	500	—
Repayment of long-term borrowings	(615)	(20)
Dividends paid	(1,044)	(1,412)
Purchase of treasury stock	(142)	(936)
Dividends paid to non-controlling interest	(18)	(21)
Purchase of shares of subsidiaries without change in scope of consolidation	—	(56)
Other	(59)	(60)
Net cash used in financing activities	(4,346)	(5,811)
Effect of exchange rate changes on cash and cash equivalents	50	(84)
Net increase (decrease) in cash and cash equivalents	1,158	(1,210)
Cash and cash equivalents at beginning of period	8,352	9,528
Increase in cash and cash equivalents due to merger with non-consolidated subsidiaries	17	—
Cash and cash equivalents at end of period	9,528	8,318

(5) Notes on the consolidated financial statements

(Note concerning going concern assumption)

Not applicable

(Change in accounting policy)

(Application of Accounting Standards Concerning Corporation Tax, Inhabitant Tax, Enterprise Tax, etc.)

"Accounting standards for corporation tax, inhabitant tax, enterprise tax, etc."(Accounting Standard (ASBJ) No. 27 October 28, 2022. Hereinafter referred to as "Accounting Standard Revised 2022".) have been applied from the beginning of the current consolidated fiscal year.Amendments to the classification of income taxes (taxation on other comprehensive income) have been made in accordance with the transitional treatment set forth in the proviso to Section 20-3 of the Revised Accounting Standards of 2022 and the transitional treatment set forth in the proviso to Section 65-2 (2) of the (ASBJ Guidance No. 28 October 28, 2022. Hereinafter referred to as the "2022 Revision Application Guidelines".). The change in accounting policy has no impact on the consolidated financial statements.In addition, the Revised Accounting Guidelines of 2022 have been applied from the beginning of the current consolidated fiscal year to the revisions related to the review of the treatment in the consolidated financial statements in the case where gains and losses on sales of subsidiary shares, etc. arising from sales among consolidated companies are deferred for tax purposes. The change in accounting policy has been applied retroactively, and the consolidated financial statements for the previous consolidated fiscal year have been applied retroactively. The change in accounting policy has no impact on the consolidated financial statements for the previous consolidated fiscal year. (Change in accounting policy)

(Consolidated Statement of Changes in Net Assets)

(Acquisition of treasury stock)

As a result of the acquisition of treasury stock based on the resolution of the Board of Directors held on February 26, 2024, treasury stock increased by 939 million yen during the current fiscal year.

(Cancellation of treasury stock)

As a result of the cancellation of treasury stock based on the resolution of the Board of Directors held on February 26, 2024, on October 31, 2024, treasury stock and retained earnings decreased by 999 million yen each during the current fiscal year.

(Segment and other information)

(Segment information)

1 Overview of reportable segments

(1) Method of determining the reportable segments

The reportable segments of the Group are those constituent units of the Group for which separate financial information is available and which are subject to periodic review by the board of directors to determine the allocation of management resources and evaluate business performance.

The Group is organized into business divisions that are classified based on factors including line of business, characteristics of the products handled and market similarities. Each division pursues business activities based on comprehensive strategies formulated for the domestic and overseas markets.

Accordingly, the Group is composed of business segments based on business divisions and has four reportable segments: Business Division 1, Business Division 2, Business Division 3, and the Automotive/Battery Materials Businesses.

(2) Products and services for each reportable segment

Name of segment	Main Businesses	Main products
Business Division 1	Mineral Resource & Environmental Business Flame Retardants Business Construction Materials Business	Rare earth elements, rare earth metals, environmental products, metal-related products Flame retardants Heat-insulating materials, waterproof materials, interior trim materials
Business Division 2	Petroleum Products Business	Lubricating oils, base oils, additives
Business Division 3	High Performance Materials Business Functional Chemicals Business Functional Plastics Business Inorganic Chemicals Business	Film products, raw materials for printing Agents for making paper, raw materials for adhesives Functional plastic materials and functional plastics Inorganic chemicals
Automotive/Battery Materials Businesses	Automotive Business Battery Materials Business	Automotive parts-related products Battery materials

2 Method of calculation of the amounts of net sales, income or loss, assets, liabilities and other items of each reportable segment

The method of accounting adopted in the reported business segments is generally the same as described in “Important Matters Forming the Basis for the Preparation of Consolidated Financial Statements.”

Income for reportable segments represents ordinary income.

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

3 Information concerning amounts of net sales, income or loss, assets, liabilities and other items by reportable segment

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

(million yen)

	Reportable segments					Other (Note)	Total
	Business Division 1	Business Division 2	Business Division 3	Automotive/ Battery Materials Businesses	Total		
Net sales							
Japan	38,422	5,645	54,944	2,051	101,064	―	101,064
China	1,735	41,840	1,959	5,371	50,907	―	50,907
Other	2,563	1,870	1,768	104	6,308	0	6,308
Revenue from contracts with customers	42,722	49,356	58,672	7,527	158,279	0	158,279
Other revenue	―	―	―	―	―	―	―
Net sales to external customers	42,722	49,356	58,672	7,527	158,279	0	158,279
Inter-segment sales or transfers	38	134	17	―	190	―	190
Total	42,760	49,490	58,690	7,527	158,469	0	158,470
Segment income (loss)	1,518	979	1,097	373	3,969	(150)	3,819
Segment assets	18,467	14,465	31,961	10,719	75,613	99	75,712
Other items							
Depreciation expense	48	1	83	0	133	0	133
Goodwill amortization	―	―	―	―	―	―	―
Interest received	0	1	2	0	4	0	4
Interest paid	51	22	93	16	183	1	185
Equity in earnings (losses) of affiliated companies	△8	―	―	613	605	―	605
Investment in companies accounted for by the equity method	39	―	―	8,351	8,390	―	8,390
Increase in tangible and intangible fixed assets	15	―	199	―	214	―	214

(Note) “Other” consists of business segments not included in the reportable segments.

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

(million yen)

	Reportable segments					Other (Note)	Total
	Business Division 1	Business Division 2	Business Division 3	Automotive/ Battery Materials Businesses	Total		
Net sales							
Japan	39,209	5,929	55,987	1,542	102,668	—	102,668
China	1,419	36,056	2,020	9,081	48,577	0	48,578
Other	1,711	1,805	1,871	91	5,480	—	5,480
Revenue from contracts with customers	42,340	43,790	59,880	10,715	156,726	0	156,727
Other revenue	—	—	—	—	—	—	—
Net sales to external customers	42,340	43,790	59,880	10,715	156,726	0	156,727
Inter-segment sales or transfers	483	63	65	—	611	—	611
Total	42,823	43,853	59,945	10,715	157,338	0	157,338
Segment income (loss)	2,370	804	1,031	408	4,614	(205)	4,408
Segment assets	19,410	10,445	25,951	10,764	66,571	157	66,729
Other items							
Depreciation expense	47	1	82	—	131	—	131
Goodwill amortization	—	—	—	—	—	—	—
Interest received	0	3	4	4	13	0	13
Interest paid	67	22	113	17	222	2	224
Equity in earnings (losses) of affiliated companies	3	—	—	637	641	—	641
Investment in companies accounted for by the equity method	48	—	—	8,746	8,795	—	8,795
Increase in tangible and intangible fixed assets	63	—	93	—	157	35	192

(Note) “Other” consists of business segments not included in the reportable segments.

4 Differences between the total amount of the reportable segments and the amounts recorded on the consolidated financial statements and the main differences (matters concerning adjustment of differences)

(million yen)

Net sales	Previous fiscal year	Current fiscal year
Total reportable segments	158,469	157,338
Net sales for "Other"	0	0
Intersegment eliminations	(190)	(611)
Net sales on consolidated financial statements	158,279	156,727

(million yen)

Income or loss	Previous fiscal year	Current fiscal year
Total reportable segments	3,969	4,614
Income (loss) for Other	(150)	(205)
Intersegment eliminations	(84)	(89)
Corporate expenses (Note)	297	200
Ordinary income on consolidated financial statements	4,032	4,520

(Note) Corporate expenses are mainly general and administrative expenses and non-operating income and expenses not attributed to reportable segments.

(million yen)

Assets	Previous fiscal year	Current fiscal year
Total reportable segments	75,613	66,571
Assets for Other	99	157
Intersegment eliminations	(5)	(176)
Corporate assets (Note)	9,647	8,082
Total assets on consolidated financial statements	85,355	74,634

(Note) Corporate assets are principally the assets of the head office not attributable to reportable segments. They consist mainly of cash and deposits and investments in securities of the Company and assets of administrative divisions.

(million yen)

Other items	Total reportable segments		Other		Adjustments (Note)		Amount on consolidated financial statement	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation expense	133	131	0	—	121	126	255	257
Goodwill amortization	—	—	—	—	—	—	—	—
Interest received	4	13	0	0	24	30	29	44
Interest paid	183	222	1	2	(112)	(181)	73	43
Equity in earnings (losses) of affiliated companies	605	641	—	—	—	—	605	641
Investment in companies accounted for by the equity method	8,390	8,795	—	—	—	—	8,390	8,795
Increase in tangible and intangible fixed assets	214	157	—	35	207	19	422	211

(Note) 1. The adjustments to depreciation expenses represent corporate expenses not allocated to reportable segments.
2. The adjustments to interest received represent interest received by the head office and other amounts that have not been allocated to reportable segments.
3. The adjustments to interest paid represent corporate expenses not allocated to reportable segments.
4. The adjustments to increases in property, plant, and equipment and intangible fixed assets are as follows:
(Previous fiscal year) Mainly leased assets
(Current fiscal year) Mainly furniture and fixtures

(Related information)

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

1. Information by product and service

This information is omitted because the same information is disclosed in Segment information.

2. Information by region

(1) Net sales

(million yen)

Japan	China	Other	Total
101,064	50,907	6,308	158,279

(Note) Net sales are classified into countries or regions based on the location of the customer.

(2) Property, plant, and equipment

(million yen)

Japan	China	Other	Total
1,208	144	13	1,366

3. Information by major customer

This information is omitted because net sales to no single external customer accounts for 10% or more of the net sales on the consolidated statements of income.

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

1. Information by product and service

This information is omitted because the same information is disclosed in Segment information.

2. Information by region

(1) Net sales

(million yen)

Japan	China	Other	Total
102,668	48,578	5,480	156,727

(Note) Net sales are classified into countries or regions based on the location of the customer.

(2) Property, plant, and equipment

(million yen)

Japan	China	Other	Total
1,249	78	1	1,329

3. Information by major customer

This information is omitted because net sales to no single external customer accounts for 10% or more of the net sales on the consolidated statements of income.

(Information concerning impairment losses on fixed assets by reportable segment)

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

Not applicable

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

Not applicable

(Information on the amount of amortization of goodwill and unamortized balances by reportable segment)

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

Not applicable

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

Not applicable

(Information on gains on negative goodwill by reportable segment)

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

Not applicable

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

Not applicable

(Per share information)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	921.98 yen	957.04 yen
Basic earnings per share	66.09 yen	83.28yen

(Note) 1. Diluted earnings per share has been omitted due to the absence of potentially dilutive shares.

2. The basis for calculation of basic earnings per share is as follows:

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Net income attributable to owners of parent (million yen)	2,754	3,376
Amount not attributable to common shareholders (million yen)	—	—
Net income attributable to common shareholders of parent (million yen)	2,754	3,376
Average number of common shares during the year (Thousand shares)	41,676	40,545

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

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Total net assets (million yen)	38,783	38,908
Amounts deducted from total net assets (million yen)	476	439
(Non-controlling interests (million yen))	(476)	(439)
Net assets available to common shares at the end of the year (million yen)	38,306	38,468
Number of common shares at the end of the year used to calculate net assets per share (Thousand shares)	41,547	40,195

(Significant subsequent events)

Not applicable