



Summary of Financial Results for the Fiscal Year Ended March 31, 2025 [Japan GAAP] (Consolidated)

May 8, 2025

Company KOMATSU MATERE Co., Ltd.
Stock Code 3580 URL: <https://www.komatsumater.co.jp/>
Representative Nakayama Daisuke, President
Contact Shigeyuki Nakamura, Head of Corporate Planning Office
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Financial results briefing: Yes

Listed on the TSE
TEL: +81-761-55-8000

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended March 2025 (April 1, 2024, through March 31, 2025)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 2025	39,526	7.8	2,181	17.5	2,838	7.4	2,934	59.2
Year ended Mar. 2024	36,670	3.5	1,856	15.6	2,643	57.0	1,843	64.8

(Note) Comprehensive income: Year ended March 2025: 2,998 million yen (3.2%) Year ended March 2024: 2,906 million yen (56.1%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended Mar. 2025	73.42	—	7.6	5.5	5.5
Year ended Mar. 2024	46.03	—	5.0	5.4	5.1

(Reference) Investment earnings/loss on equity-method: Year ended March 2025: 351 million yen Year ended March 2024: 312 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	53,026	39,701	74.6	998.19
As of Mar. 31, 2024	49,998	37,937	75.6	943.89

(Reference) Shareholders' equity: As of March 31, 2025: 39,558 million yen As of March 31, 2024: 37,807 million yen

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	%	Yen
Year ended Mar. 2025	4,793	-5,693	-1,347	9,430
Year ended Mar. 2024	3,113	-228	-906	11,565

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Mar. 2024	—	12.00	—	10.00	22.00	884	47.8	2.4
Year ended Mar. 2025	—	12.00	—	13.00	25.00	1,000	34.1	2.6
Year ending Mar. 2026 (forecast)	—	13.00	—	13.00	26.00		49.1	

3. Forecast of consolidated financial results for the fiscal year ending March 2026 (April 1, 2025, through March 31, 2026)

(Percentages indicate year-on-year changes for the full year and quarter-on-quarter changes for each quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter (cumulative)	20,000	4.6	850	-26.9	1,100	-28.3	850	-47.8	21.45
Full year ending Mar. 2026	41,000	3.7	2,200	0.9	2,700	-4.9	2,100	-28.4	52.99

*** Notes**

(1) Significant changes in the scope of consolidation during the period under review: Yes

New: 1 company (Company name) NSK Echomark Co., Ltd.

Excluded: 1 company (Company name) KOMATSU SEIREN (SUZHOU) TEXTILE & DYEING Co., Ltd.

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

1) Changes in accounting policies associated with revision of accounting standards: : Yes

2) Changes in accounting policies other than 1) above : No

3) Changes in accounting estimates : No

4) Restatement : No

(3) Shares outstanding (common stock)

1) Number of shares outstanding at the end of period (treasury stock included)

As of March 31, 2025 43,140,999 shares

As of March 31, 2024 43,140,999 shares

2) Treasury stock at the end of period:

As of March 31, 2025 3,510,396 shares

As of March 31, 2024 3,086,630 shares

3) Average number of stock during period (cumulative period)

Year ended March 2025 39,973,976 shares

Year ended March 2024 40,037,444 shares

*The financial results summary is not subject to audit by a certified public accountant or auditing firm.

* Explanation of the proper use of financial forecasts and other special notes

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee that it will achieve these forecasts. Actual results may differ materially from these forecasts due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of earnings forecasts, please refer to “1. Qualitative Information on Financial Results (4) Outlook” on page 4 of the attached document.
- Supplementary materials for the financial statements will be posted on the Company's website immediately after the announcement of the financial statements.

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1. Qualitative Information on Financial Results

(1) Results of Operations

During the consolidated fiscal year under review, the Japanese economy maintained a moderate recovery trend, supported by improvements in employment and income conditions as well as an increase in inbound demand. On the other hand, the outlook remained uncertain due to the prolonged geopolitical risks, soaring prices including resource costs, fluctuations in foreign exchange rates, and concerns over future U.S. policies and the Chinese economy.

Under such economic conditions, the Company's businesses performed steadily, particularly in the apparel sector where domestic sales activities were strengthened, and efforts were also made to further expand sales in overseas markets such as Europe, the Middle East, and Asia. As a result, sales increased both domestically and internationally. In addition, to stimulate new demand in response to diversifying market needs, we continuously engaged in technological development and new product development, and during the fiscal year under review, we proceeded with four patent applications.

However, persistently high raw material and supply prices and rising electricity costs became negative factors that pressured profits by increasing corporate costs. Under these challenging circumstances, we implemented specific measures to secure earnings, including initiatives for total cost reduction through energy conservation, conversion to cheaper fuels, reduction of defective product losses, and productivity improvement, as well as product portfolio adjustments, introduction of high value-added products, and transfer of cost increases into sales prices along with sales expansion efforts.

Furthermore, during the consolidated fiscal year under review, we utilized the sensibilities and technologies cultivated in the fashion sector to organize two in-house exhibitions titled the "Active Materials Exhibition" in Tokyo, primarily targeting the sportswear and uniform markets. At the exhibition, we unveiled a renewed version of "MAWUS," a highly durable and multifunctional sustainable material with a 40-year history, as well as "QUATTRONI® EX," a breathable waterproof material utilizing a two-layer structure without lining.

In February, at Milano Unica, the world's premier fabric trade show held in Milan, Italy, our Company became the first non-European company to be permitted to exhibit with an independent booth. At Milano Unica, we showcased mainly environmentally conscious products, reflecting the growing global awareness of sustainability.

In response to the rising awareness of sustainability, the Company established a specialized department, the "QES Department," to proactively address a wide range of issues related to Quality Assurance, Environment & Energy, and Safety & Disaster Prevention. The QES Department plays a role in realizing internationally recognized sustainable management by actively communicating with mainly European and American brands, whose demands concerning human rights, environmental considerations, and product safety are increasing year by year.

Furthermore, our proprietary advanced post-processing technology, "SY Processing," has been performing well both domestically and internationally, particularly in the North American market. Since its launch in 2002, it has been well received for its natural texture, characterized by a wrinkled and relaxed feel. In response to the growing demand for "SY Processing," we made capital investments to strengthen our production system and expanded our production and sales structure.

In addition, as part of strengthening our corporate foundations set forth in our medium-term management plan, we have been implementing human capital management practices, such as enhancing employee welfare. Specifically, we relocated our Tokyo Sales Office to the POLA Aoyama Building, located in Aoyama, the heart of fashion trends in Tokyo, and renovated our Head Office, factory offices, and on-site welfare facilities. Through these initiatives, we aim to create an environment where employees can work comfortably, enhance their motivation, and take on new challenges.

As a result, for the consolidated fiscal year under review, net sales were 39,526 million yen (up 7.8% year on year), operating profit was 2,181 million yen (up 17.5% year on year), ordinary profit was 2,838 million yen (up 7.4% year on year), and profit attributable to owners of parent was 2,934 million yen (up 59.2% year on year), achieving both higher sales and higher profits compared to the previous fiscal year.

The segment performance is as follows.

(Textile Business)

In the Fashion fabrics division, we actively promoted high value-added, high-sensitivity, high-functionality materials and environmentally conscious products that meet market demands in both domestic and overseas markets, thereby driving expansion. During the consolidated fiscal year under review, sales were mainly driven by North American fashion markets and Middle Eastern traditional clothing markets.

Meanwhile, although demand in the overseas sports sector stagnated, domestic fashion demand generally increased, resulting in overall sales growth for this sector.

In the Highly functional fabrics division, despite withdrawing from unprofitable businesses in the living-related sector, orders increased in the automotive and daily-life-related materials sectors, resulting in overall sales growth for this sector as well.

In the finished products sector, we strengthened our sales structure and promoted the market penetration of our in-house brands, resulting in increased sales.

As a result, net sales in the Textile Business for the consolidated fiscal year under review amounted to 39,015 million yen.

(Other Businesses)

Net sales in the logistics sector for the consolidated fiscal year under review amounted to 511 million yen.

(2) Financial Position**Assets, Liabilities and Net Assets****(Assets)**

Total assets at the end of the consolidated fiscal year under review amounted to 53,026 million yen, an increase of 3,027 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to increases of 3,028 million yen in securities and investment securities, 365 million yen in cash and deposits, and 308 million yen in machinery, equipment and vehicles, despite decreases of 455 million yen in raw materials and supplies and 239 million yen in notes receivable.

(Liabilities)

Total liabilities at the end of the consolidated fiscal year under review amounted to 13,324 million yen, an increase of 1,263 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to increases of 461 million yen in notes and accounts payable, 170 million yen in provision for bonuses, 108 million yen in retirement benefit liabilities, and 92 million yen in income taxes payable.

(Net Assets)

Total net assets at the end of the consolidated fiscal year under review amounted to 39,701 million yen, an increase of 1,763 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,025 million yen in retained earnings, despite an increase of 297 million yen in treasury shares.

(3) Cash Flows

At the end of the consolidated fiscal year under review, cash and cash equivalents (hereinafter referred to as "funds") amounted to 9,430 million yen, a decrease of 2,134 million yen compared to the end of the previous consolidated fiscal year. The status of each cash flow for the consolidated fiscal year under review and the reasons for the changes are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 4,793 million yen (compared to 3,113 million yen provided in the previous fiscal year). Major sources of cash included profit before income taxes of 3,820 million yen, depreciation of 1,339 million yen, and loss on sale of property, plant and equipment of 737 million yen, while major uses of cash included a decrease in trade payables of 954 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 5,693 million yen (compared to 228 million yen used in the previous fiscal year). Major sources of cash included proceeds from redemption of securities of 3,500 million yen, while major uses of cash included purchase of securities amounting to 7,000 million yen and purchase of non-current assets amounting to 3,206 million yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 1,347 million yen (compared to 906 million yen used in the previous fiscal year). Major uses of cash included dividends paid amounting to 884 million yen and purchase of treasury shares amounting to 433 million yen.

(Reference) Trends in cash flow-related indicators

	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Equity ratio	79.0	75.0	75.2	75.6	74.6
Market-value-based equity ratio	89.9	120.4	58.1	62.1	58.7
Ratio of interest-bearing debt to cash flows	2.8	7.4	5.5	1.3	14.6
Interest coverage ratio	536,891.9	1,790,049.1	4,663,936.2	20,907.7	1,311.2

(Note) Equity ratio: Equity capital / Total assets

Market-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest paid

*All indicators are calculated based on consolidated financial figures.

*Market capitalization is calculated by multiplying the fiscal year-end share price by the number of shares issued at fiscal year-end (after deducting treasury shares).

*Cash flows from operating activities are based on cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded in the consolidated balance sheet on which interest is paid. Interest payments are based on the amount of interest paid as stated in the consolidated statement of cash flows.

(4) Outlook

With improvements in employment and income conditions and an increase in inbound demand, the economy is expected to recover gradually. However, due to persistently high prices, including elevated costs of raw materials and energy, as well as a decline in consumer sentiment toward apparel products driven by a frugal mindset, the outlook is expected to remain uncertain. In this way, the external environment surrounding the Group is constantly changing, and the business environment and structure are anticipated to differ from the past, requiring responses adapted to such changes. The Group will continue to place emphasis on branding strategies while striving to raise awareness of new products and promote them effectively. In addition, we recognize the need to make proactive management investments to ensure flexible responses by fully utilizing digital technologies.

For the fiscal year ending March 2026, we forecast consolidated net sales of 41.0 billion yen (up 3.7% year on year), operating profit of 2.2 billion yen (up 0.9% year on year), ordinary profit of 2.7 billion yen (down 4.9% year on year), and profit attributable to owners of parent of 2.1 billion yen (down 28.4% year on year). These forecasts are based on information currently available to the Company and are subject to significant changes.

(5) Basic Policy on Profit Distribution and Dividend for the Fiscal Year

Our Company regards returning profits to shareholders as one of the most crucial management priorities, and our basic policy is to continue providing stable dividends. When determining dividends, we will comprehensively consider securing internal reserves necessary for future business expansion, our financial condition, and future business performance.

Regarding the consolidated dividend payout ratio, we have aimed for 40% or higher and have worked to strengthen and enhance our earnings base to achieve this goal.

For the fiscal year under review, given the increase in sales and profits, we have placed emphasis on shareholder returns and set the year-end dividend at 13 yen per share (ordinary dividend). This results in an annual dividend of 25 yen per share (ordinary dividend), an increase of 3 yen per share compared to the previous fiscal year.

We plan to set the annual dividend for the next fiscal year at 26 yen per share.

Please note that the decision-making body for dividends of surplus is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

2. Accounting Policies

(1) Basic Policy of Company Management

Our Company, based on the three guiding principles of "Create excitement," "Contribute to the earth and society," and "Develop along with our employees," aims to become a "chemical materials manufacturer" that continuously creates materials full of "surprises" and "emotions."

To realize this vision, in today's rapidly changing business environment, we will strengthen our organizational structure to swiftly sense and flexibly respond to such environmental changes, and actively engage in management investments. Specifically, based on our medium-term management plan, we will strengthen initiatives such as expanding overseas businesses, developing high-value-added products, environmental conservation efforts, and human capital management initiatives.

Furthermore, within the Group, we will appropriately respond to drastic changes in the business environment, improve the efficiency and profitability of business activities across the Group, manage operations focusing on cash flow, and conduct management that emphasizes environmental conservation, human capital, and compliance.

(2) Management Indicators to Be Targeted

The Group recognizes that enhancing the growth potential and profitability of its businesses is essential to achieving sustainable improvement of corporate value. According to the medium-term management plan "KFW-2026," the Group institutes a basic policy of both expansion of business areas and strengthening of business foundations. In addition, by the fiscal year 2026, the Group aims to achieve the following goals: net sales of 42.0 billion yen, operating profit of 2.5 billion yen, operating profit margin of 6.0%, and return on equity (ROE) of more than 6.0%.

(3) Issues to Be Addressed by the Company

The business environment surrounding the Company continues to experience rising prices and increasing costs of raw materials and energy, and amid global instability, the outlook is expected to remain uncertain. In response to such environmental changes, not only short-term issues but also medium- to long-term challenges, the Group will work together to address the five key challenges outlined in the medium-term management plan "KFW-2026," announced in May 2024.

① Expansion of Overseas Business

To expand overseas sales, we will continue exploring new markets by leveraging the brand power and track record we have cultivated. We will also strengthen and establish sales structures and bases to promote global business development in the apparel and industrial material sectors, including the domestic market.

② Promotion of Sustainable Products and Businesses

We will accelerate initiatives to address the five key issues outlined in the "Komatsu Matere Sustainability Vision" and will prioritize responses to social and customer needs related to environmental problems. Additionally, to achieve our target of expanding the sales ratio of the environmentally friendly material group "MATERECO" to 50% by fiscal year 2030, we will expand our lineup of materials that achieve both "environmental impact reduction" and "functionality," thereby creating new value.

③ Promotion of Finished Product Business

Driven by our desire to directly deliver to consumers the excitement of our materials cultivated since our founding, we will promote the finished product business and aim to enhance the added value of our proprietary products to improve profitability.

④ Strengthening Human Resource Development and Enhancing Engagement

We will work to improve employee engagement from multiple perspectives to foster employee growth, enhance job satisfaction, and enable each employee to demonstrate their abilities fully.

⑤ Improvement of Manufacturing Environment and Enhancement of Welfare

We will earnestly work to create a comfortable working environment that enables employees to perform their tasks efficiently, and to build a production system that maximally utilizes digital transformation (DX).

3. Basic Policy Regarding Selection of Accounting Standards

Since the Group does not engage in international fundraising activities, we have decided to continue adopting Japanese GAAP. However, we intend to appropriately respond to developments in adopting IFRS by other domestic companies in the future.

4. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	9,065	9,430
Notes receivable - trade	1,470	1,231
Accounts receivable - trade	6,374	6,471
Securities	3,000	4,000
Merchandise and finished goods	1,813	1,656
Work in process	845	948
Raw materials and supplies	2,441	1,985
Other	131	182
Allowance for doubtful accounts	-20	-20
Total current assets	25,123	25,885
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,155	12,603
Accumulated depreciation	-9,577	-9,916
Buildings and structures (Net)	2,577	2,687
Machinery, equipment and vehicles	24,410	25,116
Accumulated depreciation	-22,355	-22,753
Machinery, equipment and vehicles (Net)	2,054	2,363
Land	2,280	2,307
Construction in progress	29	66
Other	2,551	2,768
Accumulated Depreciation	-2,102	-2,183
Other (Net)	449	584
Total property, plant and equipment	7,391	8,009
Intangible assets		
Goodwill	—	303
Other	972	1,496
Intangible assets	972	1,800
Investments and other assets		
Investment securities	14,157	16,185
Deferred tax assets	901	908
Other	1,489	382
Allowance for doubtful accounts	-37	-145
Total investments and other assets	16,511	17,331
Total non-current assets	24,875	27,140
Total assets	49,998	53,026

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,047	5,508
Income taxes payable	553	645
Contract liabilities	94	131
Provision for bonuses	600	770
Other	2,138	2,114
Total current liabilities	8,434	9,171
Non-current liabilities		
Retirement benefit liability	3,397	3,506
Other	229	647
Total non-current liabilities	3,627	4,153
Total liabilities	12,061	13,324
Net assets		
Shareholders' equity		
Share capital	4,680	4,680
Capital surplus	4,631	4,610
Retained earnings	29,972	31,998
Treasury shares	-3,533	-3,830
Total shareholders' equity	35,750	37,458
Accumulated other comprehensive income		
Valuation difference on marketable securities	1,544	1,984
Foreign currency translation adjustment	507	93
Remeasurements of defined benefit plans	4	22
Total accumulated other comprehensive income	2,056	2,100
Non-controlling interests	130	142
Total net assets	37,937	39,701
Total liabilities and net assets	49,998	53,026

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY2024 (For the fiscal year ended March 31, 2024)	FY2025 (For the fiscal year ended March 31, 2025)
Net sales	36,670	39,526
Cost of sales	29,413	31,165
Gross profit	7,256	8,360
Selling, general and administrative expenses	5,400	6,179
Operating profit	1,856	2,181
Non-operating profit		
Interest income	101	54
Dividend income	187	194
Foreign exchange gains	—	24
Share of profit of entities accounted for using equity method	312	351
Compensation for forced relocation	109	—
Other	141	130
Total non-operating income	852	754
Non-operating income		
Interest expenses	0	3
Foreign exchange losses	13	—
Cost of real estate lease revenue	34	24
Provision of allowance for doubtful accounts	—	58
Other	17	10
Total non-operating expenses	65	96
Ordinary profit	2,643	2,838
Extraordinary income		
Gain on sale of property, plant and equipment	1	83
Gain on sale of investment securities	0	954
Gain on liquidation of subsidiaries and associates	—	711
Gain on redemption of investment securities	—	101
Total extraordinary income	1	1,850
Extraordinary losses		
Loss on sale of non-current assets	18	—
Loss on retirement of non-current assets	76	820
Loss on valuation of investment securities	—	0
Impairment losses	33	—
Loss on disaster	13	33
Difference arising from execution of asset retirement obligations	—	14
Total extraordinary losses	141	868
Profit before income taxes	2,503	3,820
Income taxes - current	656	938
Income taxes - deferred	0	-70
Total income taxes	656	867
Profit	1,846	2,952
Profit attributable to non-controlling interests	3	18
Profit attributable to owners of parent	1,843	2,934

(Millions of yen)

	FY2024 (For the fiscal year ended March 31, 2024)	FY2025 (For the fiscal year ended March 31, 2025)
Profit	1,846	2,952
Other comprehensive income		
Valuation difference on available-for-sale securities	969	420
Foreign currency translation adjustment	100	-413
Remeasurements of defined benefit plans, net of tax	-0	17
Share of other comprehensive income of entities accounted for using equity method	-9	20
Total other comprehensive income	1,060	45
Comprehensive income	2,906	2,998
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,902	2,979
Comprehensive income attributable to non-controlling interests	4	19

(3) Consolidated Statement of Changes to Shareholder's Equity
Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated Other Comprehensive Income				Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Starting balance	4,680	4,658	29,014	-3,598	34,754	585	406	4	996	126	35,878
Changes during period											
Dividends of surplus			-884		-884						-884
Profit attributable to owners of parent			1,843		1,843						1,843
Purchase of treasury shares				-0	-0						-0
Disposal of treasury shares		-27		65	37						37
Items other than shareholder' equity net changes of items during the period						959	100	-0	1,059	3	1,063
Total changes during period	—	-27	958	65	996	959	100	-0	1,059	3	2,059
Current year-end balance	4,680	4,631	29,972	-3,533	35,750	1,544	507	4	2,056	130	37,937

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated Other Comprehensive Income				Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Starting balance	4,680	4,631	29,972	-3,533	35,750	1,544	507	4	2,056	130	37,937
Changes during period											
Dividends of surplus			-885		-885						-885
Profit attributable to owners of parent			2,934		2,934						2,934
Purchase of treasury shares				-433	-433						-433
Disposal of treasury shares		-44		136	91						91
Items other than shareholder' equity net changes of items during the period		24	-24		—						—
Total changes during period						440	-413	17	44	11	56
Current year-end balance	—	-20	2,025	-297	1,707	440	-413	17	44	11	1,763
Starting balance	4,680	4,610	31,998	-3,830	37,458	1,984	93	22	2,100	142	39,701

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	FY2024 (For the fiscal year ended March 31, 2024)	FY2025 (For the fiscal year ended March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	2,503	3,820
Depreciation	1,069	1,339
Increase (decrease) in retirement benefit liabilities	-73	106
Increase (decrease) in allowance for doubtful accounts	-2	56
Share of loss (profit) loss of entities accounted for using equity method	-312	-351
Interest and dividend income	-289	-249
Interest expenses	0	3
Loss (gain) on sale and retirement of non-current assets	93	737
Impairment losses	33	—
Loss (gain) on sale of investment securities	-0	-954
Loss (gain) on valuation of investment securities	—	0
Loss (gain) on redemption of investment securities	—	-101
Loss (gain) on liquidation of subsidiaries and associates	—	-711
Decrease (increase) in trade receivables	-308	270
Decrease (increase) in inventories	129	580
Increase (decrease) in trade payables	-428	416
Other	282	396
Sub-total	2,695	5,361
Interest and dividends received	309	261
Interest paid	-0	-3
Proceeds from compensation for forced relocation	109	—
Income taxes paid	-350	-826
Income taxes refund	349	0
Cash flows from operating activities	3,113	4,793
Cash flows from investing activities		
Purchase of securities	-1,500	-7,000
Proceeds from redemption of securities	3,100	3,500
Proceeds from liquidation of subsidiaries and associates	14	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-214
Purchase of investment securities	-502	-2,735
Proceeds from sale and redemption of investment securities	500	2,798
Purchase of non-current assets	-1,774	-3,206
Proceeds from sale of non-current assets	17	1,321
Long-term loan advances	-20	—
Other	-64	-158
Cash flows from investing activities	-228	-5,693
Cash flows from financing activities		
Dividends paid	-883	-884
Proceeds from disposal of treasury shares	—	49
Purchase of treasury shares	-0	-433
Other	-22	-71
Cash flows from financing activities	-906	-1,347
Effect of exchange rate change on cash and cash equivalents	129	112
Net increase (decrease) in cash and cash equivalents	2,108	-2,134
Cash and cash equivalents at beginning of period	9,457	11,565
Cash and cash equivalents at end of period	11,565	9,430

(5) Notes to the Consolidated Financial Statements

(Notes on ongoing concern assumption)

Not applicable

(Notes on changes in accounting policies)

(Application of Accounting Standards for Income Taxes, Inhabitant Taxes and Enterprise Taxes)

The Company has applied the “Accounting Standard for Income Taxes, Inhabitant Taxes and Enterprise Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, issued on October 28, 2022; hereinafter “the 2022 Revised Accounting Standard”) and related standards from the beginning of the consolidated fiscal year under review.

With respect to the amendment regarding the recognition of income taxes related to items included in other comprehensive income, the Company has applied the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter “the 2022 Revised Guidance”). These changes had no impact on the consolidated financial statements.

In addition, with regard to the revision related to the treatment of gains or losses arising from intra-group sales of shares of subsidiaries, which may be deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the consolidated fiscal year under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been presented after retrospective application. This change had no impact on the consolidated financial statements for the previous fiscal year.

(Notes on segment information)

[Segment information]

1. Overview of reportable segments

(1) Basis for determination of reportable segments

The Company's reportable segments are determined based on the nature of the businesses and separated financial information and are used by management in making decisions on the allocation of management resources and evaluating business performance, while formulating comprehensive business strategies. Accordingly, the Group has identified “Textile Business” and “Other Businesses” as its reportable segments.

(2) Types of products and services in each reportable segment

The “Textile Business” primarily engages in the planning, manufacturing, and sales of apparel fabrics, industrial materials, and related products. The “Other Businesses” mainly consist of logistics operations.

2. Basis for measurement of sales, profit, assets, and other items by reportable segment

The accounting methods used for reportable segments are generally consistent with those applied in preparing the consolidated financial statements.

3. Information on net sales, profit, assets, and other items by reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Adjustment account (Note 1)	Consolidated statements of income (Note 2)
	Textile	Others	Subtotal		
Sales					
Net sales to external customers	36,147	522	36,670	—	36,670
Intersegment sales or transfers	30	1,852	1,882	-1,882	—
Total	36,177	2,375	38,553	-1,882	36,670
Segment profit	1,763	80	1,844	11	1,856
Segment assets	43,485	6,410	49,895	102	49,998
Other items					
Depreciation and amortization	1,006	29	1,036	—	1,036
Impairment loss	33	—	33	—	33
Investments in affiliates accounted for using equity	—	4,485	4,485	—	4,485
Increase in property, plant and equipment and intangible assets	2,095	8	2,103	—	2,103

(Note) 1. The adjustments are as follows:

- (1) Adjusting to segment profit consists entirely of eliminating intersegment transactions.
 - (2) The adjustment to segment assets consists of eliminating intersegment transactions for -1,154 million yen and corporate assets not allocated to any reportable segment for 1,257 million yen.
2. Segment profit is adjusted with the operating profit shown in the consolidated income statement.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Adjustment account (Note 1)	Consolidated statements of income (Note 2)
	Textile	Others	Subtotal		
Sales					
Net Sales to External Customers	39,015	511	39,526	—	39,526
Intersegment sales or transfers	33	1,986	2,019	-2,019	—
Total	39,048	2,497	41,546	-2,019	39,526
Segment profit (loss)	2,090	78	2,169	11	2,181
Segment assets	47,612	6,563	54,176	-1,150	53,026
Other items					
Depreciation and amortization	1,292	26	1,318	—	1,318
Investments in affiliates accounted for using equity	—	4,843	4,843	—	4,843
Increase in property, plant and equipment and intangible assets	3,421	70	3,491	—	3,491

(Note) 1. The adjustments are as follows:

- (1) Adjusting to segment profit consists entirely of eliminating intersegment transactions.
 - (2) The adjustment to segment assets eliminates intersegment transactions for -1,150 million yen.
2. Segment profit is adjusted with the operating profit shown in the consolidated income statement.

(Per-share Information)

Net assets per share and the basis of calculation, as well as net income per share and the basis of calculation, are as follows:

Item	FY2024 (For the fiscal year ended March 31, 2024)	FY2025 (For the fiscal year ended March 31, 2025)
(1) Net assets per share	943.89 yen	998.19 yen
(Basis of calculation)		
Total net assets on the consolidated balance sheet (Millions of yen)	37,937	39,701
Net assets attributable to common stock (Millions of yen)	37,807	39,558
Main components of the difference (Millions of yen) Non-controlling interests	130	142
Total number of common Shares issued (Thousands of shares)	43,140	43,140
Number of treasury Shares of common stock (Thousands of shares)	3,086	3,510
Number of common shares used in calculation of net assets per share (Thousands of shares)	40,054	39,630

Item	FY2024 (For the fiscal year ended March 31, 2024)	FY2025 (For the fiscal year ended March 31, 2025)
(2) Net income per share	46.03 yen	73.42 yen
(Basis of Calculation)		
Profit attributable to owners of parent (Millions of yen)	1,843	2,934
Amount not attributable to common shareholders (Millions of yen)	—	
Profit attributable to common shareholders (Millions of yen)	1,843	2,934
Average number of shares of common stock outstanding during the period (Thousands of shares)	40,037	39,973

(Note) Diluted net income per share is not presented because there are no dilutive shares.

(Significant Event after Reporting Period)

Not applicable.

5. Other

Changes in Directors

The Company plans to transition to a Company with an Audit and Supervisory Committee, subject to the approval of the necessary amendments to the Articles of Incorporation at the 113th Annual General Meeting of Shareholders, scheduled for June 20, 2025.

1) Changes in Directors with titles (Scheduled for June 20, 2025)

Senior Executive Director (Member of the Board)

Toshiyasu Kometani (Current) Executive Director (Member of the Board), Head of Production Division

2) Other Director appointments (Scheduled for June 20, 2025)

Candidate for new appointment as Director

Shigeyuki Nakamura (Current) Senior Executive Officer, General Manager of Corporate Planning and Internal Audit Office

3) Other Director appointments (Scheduled for June 20, 2025)

Candidate for new appointment as Director

Directors as audit committee members

Kazuhiro Yonezawa (Current) Corporate Auditor of the Company

Outside Director as audit committee members

Seiji Sakashita (Current) Outside Corporate Auditor of the Company

Aki Yokogoshi (Current) Outside Corporate Auditor of the Company

4) Positions and responsibilities of all Directors and Auditors (Scheduled for June 20, 2025)

(“○” indicates new officers and changes in executive positions)

Chief Executive Officer	Hisae Sasaki	
President	Daisuke Nakayama	
○Senior Executive Director	Toshiyasu Kometani	Head of Production Division
Executive Director	Naoto Ogawa	Head of Technology Development
○Director	Shigeyuki Nakamura	
Outside Director (Part-time)	Hiroshi Onishi	
Outside Director (Part-time)	Shuji Yamashita	
Outside Director (Part-time)	Setsuro Horiuchi	
Outside Director (Part-time)	Tomonobu Nishimura	
○Director, Audit Committee Member	Kazuhiro Yonezawa	
○Outside Director, Audit Committee Member	Seiji Sakashita	
○Outside Director, Audit Committee Member	Aki Yokogoshi	