Summary of Consolidated Financial Statements for the Fiscal Year Ended March 2025 [Japanese Standards]

May 14, 2025

Listed Company Name: KROSAKI HARIMA CORPORATION
Listed on the Tokyo Stock Exchange and the Fukuoka Stock Exchange
Securities Code: 5352 URL: https://www.krosaki.co.jp/
Representative: Kazuhiro Egawa, President
Date to hold the Ordinary General Meeting of Shareholders to approve results: June 24, 2025
Date to start distributing dividends: June 25, 2025
Date to submit the Securities Report: June 20, 2025
Supplementary documents for this summary of financial statements: Yes
Explanation meeting for institutional investors and analysts on this summary of financial statements: Yes

(Figures shown are rounded down to the nearest million yen)

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

(1) Consolidated Business Results (Percentages indicate changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ended March 2025	177,921	0.5	14,082	(4.2)	15,316	(6.5)
Fiscal Year Ended March 2024	177,029	7.2	14,692	31.5	16,389	35.6

	Profit attributable to owners of parent		Profit per share	Diluted profit per share
	Millions of yen	%	Yen	Yen
Fiscal Year Ended March 2025	12,535	1.0	372.23	—
Fiscal Year Ended March 2024	12,416	49.9	368.64	—

Note: Comprehensive income was ¥12,713 million (-28.9%) for the fiscal year ended March 2025 and ¥17,889 million (47.0%) for the fiscal year ended March 2024.

	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	%	%	%
Fiscal Year Ended March 2025	13.8	8.4	7.9
Fiscal Year Ended March 2024	15.5	9.6	8.3

Reference: Share of profit of entities accounted for using equity method was ¥319 million for the fiscal year ended March 2025 and ¥366 million for the fiscal year ended March 2024.
Note: The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. "Profit per share" has been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	187,058	101,640	50.8	2,820.55
March 31, 2024	179,019	92,697	48.7	2,588.21

Reference: Equity capital was ¥94,988 million as of March 31, 2025, and ¥87,166 million as of March 31, 2024.
Note: The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. "Net assets per share" has been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year Ended March 2025	3,144	(4,331)	986	8,322
Fiscal Year Ended March 2024	13,724	(3,589)	(6,237)	8,483

2. Dividends

	Dividend				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 2024	—	160.00	—	240.00	400.00
Fiscal Year Ended March 2025	—	45.00	—	60.00	105.00
Fiscal Year Ending March 2026 (Forecast)	—	—	—	—	115.00

	Total dividends (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Millions of yen	%	%
Fiscal Year Ended March 2024	3,367	27.1	4.2
Fiscal Year Ended March 2025	3,536	28.2	3.9
Fiscal Year Ending March 2026 (Forecast)		38.7	

* The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. Dividends for the fiscal year ended March 31, 2024 represent the actual dividend amounts before the stock split. The dividend forecasts for the fiscal year ended March 2025 and the fiscal year ending March 2026 represent the amounts after the stock split. The forecasts of the interim and year-end dividends for the fiscal year ending March 2026 have not yet been determined because a decision will be made after closely observing the trends of business results. Each of these dividend forecasts will be disclosed when it becomes possible to do so.

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

(The percentages indicate the rates of increase or decrease compared with the preceding fiscal year.)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full Year	180,000	1.2	15,000	6.5	15, 000	(2.1)

	Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Yen
Full Year	10,000	(20.2)	296.93

* For details, see “(4) Outlook for the Future” under “1. Overview of Business Results, etc.” on page 5 of the attachment.

Notes:

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

(2) Changes in accounting policies or estimates and retrospective restatements
1. Changes in accounting policies in accordance with revision of accounting standards: None
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: None
4. Retrospective restatements: None

(3) Number of shares issued and outstanding (common stock)
1. Number of shares issued and outstanding as of the period-end (including treasury shares):
Fiscal Year ended March 2025: 36,458,112 Fiscal Year ended March 2024: 36,458,112
2. Number of treasury shares as of the period-end:
Fiscal Year ended March 2025: 2,781,034 Fiscal Year ended March 2024: 2,779,968
3. Average number of shares outstanding:
Fiscal Year ended March 2025: 33,677,568 Fiscal Year ended March 2024: 33,681,326

Note: The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. “Number of shares issued and outstanding as of the period-end,” “Number of treasury shares as of the period-end” and “Average number of shares outstanding” have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(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 Business Results (The percentages indicate the rates of increase or decrease compared with the preceding fiscal year.)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ended March 2025	109,086	1.6	6,766	(2.6)	10,356	7.7
Fiscal Year Ended March 2024	107,349	7.0	6,947	44.5	9,612	45.8

	Profit		Profit per share	Diluted profit per share
	Millions of yen	%	Yen	Yen
Fiscal Year Ended March 2025	9,467	13.7	281.13	—
Fiscal Year Ended March 2024	8,329	59.5	247.32	—

Note: The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. “Profit per share” has been calculated on the assumption that the stock split was conducted at the beginning of the previous business year.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	139,176	73,026	52.5	2,168.42
March 31, 2024	132,505	68,796	51.9	2,042.78

Reference: Equity capital was ¥73,026 million as of March 31, 2025, and ¥68,796 million as of March 31, 2024.

Note: The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. “Net assets per share” is calculated on the assumption that the stock split was conducted at the beginning of the previous business year.

The Summary of Consolidated Financial Statements is exempt from auditing by Certified Public Accountants or an Audit Corporation.

Statement regarding the proper use of financial forecasts and other special remarks:

Forward-looking statements, including the forecast of business results, in this Summary are based on information that has been obtained by the Company to date and certain assumptions that are deemed as reasonable, and the Company does not guarantee the realization of these statements. Please understand that actual results may differ significantly from those statements due to various factors. For details of the forecast of business results, see “(4) Outlook for the Future” under “1. Overview of Business Results, etc.” on page 5 of the attachment.

Contents of the Attachment

1. Overview of Business Results, etc.

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

During the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025), the Japanese economy continued on its moderate recovery trend despite certain setbacks in personal consumption.

However, the steel industry, the Group's main customers, saw a decline in domestic crude steel output due to the decreased domestic demand for steel products for the construction and manufacturing industries, as well as the impact of China's aggressive expansion of exports at disruptive prices to global markets. Domestic total crude steel output for the fiscal year ended March 31, 2025, decreased by 4.5% from the previous fiscal year to 82.95 million tons, marking a year-on-year decline for the third consecutive year. On a fiscal-year basis, this was the second-lowest level since fiscal 1970, following fiscal 2020 during the COVID-19 pandemic (82.78 million tons). According to the announcement by the World Steel Association, crude steel output from January to December 2024 decreased by 0.8% worldwide compared to a year earlier at 1,882.60 million tons, while that in India increased by 6.3% from a year earlier to 149.60 million tons.

In this challenging business environment, the Group promoted the expansion of sales in the solid Indian steel market, implemented self-help efforts to improve productivity and yields, etc., and steadily passed the rising costs of raw materials and other inputs on to selling prices. As a result, both consolidated net sales and profit in the fiscal year under review increased from the previous fiscal year. Although consolidated ordinary profit decreased year on year due in part to one-time differences including non-operating income from foreign exchange gains, it achieved a level exceeding the ¥15,000 million target set under the 2025 Revised Management Plan.

The business performance of the Group in the fiscal year under review was as follows.

[Net Sales]

The Group's net sales increased by ¥892 million from a year earlier to ¥177,921 million (up 0.5% year on year). This increase was mainly attributable to the steady passing of rising costs on to selling prices and the business expansion in both domestic and overseas markets in the Refractories business, as well as orders received for large-scale construction projects in the Furnace business. By region, net sales were ¥97,743 million in Japan (up 1.5% year on year), ¥42,062 million in India (up 9.1% year on year), ¥8,489 million in Asia (down 12.7% year on year), ¥18,077 million in Europe (down 12.6% year on year), and ¥11,547 million in Others (down 2.2% year on year). Overseas net sales amounted to ¥80,177 million (down 0.7% year on year), and the ratio of overseas net sales to total net sales was 45.1% (down 0.6 percentage points year on year).

[Gross profit]

Gross profit increased by ¥93 million from a year earlier to ¥35,470 million (up 0.3% year on year). The ratio of gross profit to net sales decreased by 0.1 percentage points from a year earlier to 19.9%.

[Operating profit]

Operating profit decreased by ¥609 million from a year earlier to ¥14,082 million (down 4.2% year on year), and the ratio of operating profit to net sales decreased by 0.4 percentage points from a year earlier to 7.9%. Selling, general and administrative expenses increased by ¥703 million from a year earlier to ¥21,388 million (up 3.4% year on year).

[Ordinary profit]

Ordinary profit decreased by ¥1,072 million to ¥15,316 million (down 6.5% year on year), and the ordinary income margin decreased by 0.6 percentage points to 8.6%. Non-operating income decreased by ¥490 million from a year earlier to ¥2,286 million (down 17.7% year on year) due to a decrease in foreign exchange gains, and non-operating expenses decreased by ¥27 million from a year earlier to ¥1,052 million (down 2.6% year on year) due in part to a decrease in interest expenses.

[Profit attributable to owners of parent]

Profit attributable to owners of parent increased by ¥119 million from a year earlier to ¥12,535 million (up 1.0% year on year). Extraordinary income increased by ¥1,300 million from a year earlier to ¥3,703 million (up 54.1% year on year) due to an increase in gain on sale of non-current assets, and extraordinary losses decreased by ¥305 million from a year earlier to ¥101 million (down 75.1% year on year) due to a decrease in loss on retirement of non-current assets.

Operating results for each business segment are as follows.

The net sales of each segment represent sales to external customers and do not include inter-segment sales or transfers. The amounts of segment profit (loss) are based on operating profit (loss).

[Refractories] (Manufacturing and sale of overall refractories used for various industrial furnaces)

Net sales in the Refractories segment decreased by 2.2% from a year earlier to ¥148,538 million, and segment profit decreased by 9.8% from a year earlier to ¥11,433 million, despite efforts to expand the Group’s business in the strong Indian steel market, among others, to offset the impact of a decrease in domestic and overseas crude steel output and a drop in one-time orders.

[Furnace] (Design, construction and repairs of various furnaces)

Net sales in the Furnace segment increased by 29.6% from a year earlier to ¥19,728 million owing to an upward revision in maintenance unit prices and orders received for large-scale construction projects, while segment profit increased by 175.0% from a year earlier to ¥1,518 million.

[Ceramics] (Manufacturing and sale of ceramics for various industries and sale of landscape materials)

Net sales in the Ceramics segment decreased by 5.1% from a year earlier to ¥7,809 million and segment profit decreased by 43.3% from a year earlier to ¥482 million. This was mainly attributable to a trough in orders received for ceramic materials for semiconductor manufacturing equipment and for thermal insulation materials for household fuel cells.

[Real Estate] (Renting out stores and warehouses, etc.)

Net sales in the Real Estate segment remained unchanged from a year earlier at ¥737 million, while segment profit increased by 4.3% from a year earlier to ¥594 million.

[Others] (Manufacturing and sale of lime for iron mills)

Net sales in the Others segment increased by 14.2% from a year earlier to ¥1,107 million, and segment profit increased by 13.1% from a year earlier to ¥55 million.

The Group withdrew from the lime business as of March 31, 2025.

(2) Overview of Financial Position for the Fiscal Year under Review

1) Assets

The Group's consolidated total assets at the end of the fiscal year ended March 2025 increased by ¥8,038 million from the previous year-end to ¥187,058 million. Current assets increased by ¥6,982 million to ¥126,148 million, and non-current assets increased by ¥1,056 million to ¥60,909 million.

A primary factor for the increase in current assets was an increase in notes and accounts receivable - trade, and contract assets mainly due to an increase in net sales. The main factor for the increase in non-current assets was an increase in machinery, equipment and vehicles due to acquisition of manufacturing facilities, etc.

2) Liabilities

The Group's consolidated total liabilities at the end of the fiscal year ended March 2025 decreased by ¥904 million from the previous year-end to ¥85,417 million. Current liabilities decreased by ¥303 million to ¥58,379 million, and non-current liabilities decreased by ¥600 million to ¥27,037 million.

A primary factor for the decrease in current liabilities was a decrease in short-term borrowings. The main factor for the decrease in non-current liabilities was a decrease in long-term borrowings.

3) Net assets

The Group's consolidated net assets at the end of the fiscal year ended March 2025 increased by ¥8,942 million from the previous year-end to ¥101,640 million.

A primary factor for the increase in net assets was an increase in retained earnings due to the recording of profit attributable to owners of parent.

As a result, the Group's equity ratio at the end of the fiscal year ended March 2025 was 50.8%.

Net assets per share increased from ¥2,588.21 at the previous year-end to ¥2,820.55. On April 1, 2024, the Company conducted a 4-for-1 stock split of its common shares. The "Net assets per share" has been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Overview of Cash Flows for the Fiscal Year under Review

The Group's cash and cash equivalents (hereinafter "cash") at the end of the fiscal year ended March 2024 decreased by ¥161 million from the previous year-end to ¥8,322 million.

The status of consolidated cash flows for the fiscal year ended March 2025 and contributing factors were as follows.

1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥3,144 million compared with ¥13,724 million provided for the previous year.

This consisted primarily of ¥18,917 million in profit before income taxes, ¥4,233 million in depreciation, a ¥5,433 million increase in trade receivables, a ¥3,930 million decrease in trade payables, and ¥5,792 million in income taxes paid.

2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥4,331 million compared with ¥3,589 million used for the previous year.

This consisted primarily of a ¥7,489 million payment for the purchase of non-current assets including some facilities, ¥1,749 million in proceeds from sale of non-current assets, and ¥1,944 million in proceeds from sale of investment securities.

3) Cash flows from financing activities

Net cash provided by financing activities amounted to ¥986 million compared with ¥6,237 million used for the previous year.

This consisted primarily of a ¥8,208 million decrease in short-term borrowings, a ¥12,000 million increase in commercial papers, ¥6,054 million in proceeds from long-term borrowings, ¥5,006 million in repayments of long-term borrowings, and ¥3,527 million in dividends paid.

(4) Outlook for the Future

With respect to the Group’s consolidated business results for the fiscal year ending March 31, 2026, although their outlook remains unclear due to unstable political and economic trends throughout the entire world, the Group expects to achieve the targets set under the 2025 Revised Management Plan by utilizing its ability to set prices commensurate with commodity value, technical strength, and global response capabilities.

Business results forecasts may vary significantly due to factors such as fluctuations in demand for refractories associated with trends in crude steel output, and fluctuations in the prices of materials, supplies, overseas transportation, and energy caused by trade issues and foreign exchange effects.

2. Basic Policy on the Selection of Accounting Standards

Although the Group is promoting the global development of its businesses, we intend to apply the Japanese accounting standards for preparing consolidated financial statements for the time being. For the application of the International Financial Reporting Standards, we will take the best possible responses upon consideration of the domestic and overseas circumstances.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2024 (As of March 31, 2024)	Fiscal Year Ended March 31, 2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	8,484	8,323
Notes and accounts receivable - trade, and contract assets	63,677	69,270
Merchandise and finished goods	18,460	18,345
Work in process	4,651	5,145
Raw materials and supplies	16,025	16,474
Other	8,485	9,067
Allowance for doubtful accounts	(619)	(477)
Total current assets	119,166	126,148
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,798	49,385
Accumulated depreciation	(32,106)	(33,048)
Buildings and structures, net	15,692	16,336
Machinery, equipment and vehicles	77,785	80,349
Accumulated depreciation	(60,970)	(61,394)
Machinery, equipment and vehicles, net	16,815	18,954
Tools, furniture and fixtures	6,302	6,707
Accumulated depreciation	(4,665)	(4,951)
Tools, furniture and fixtures, net	1,637	1,756
Land	6,758	7,320
Construction in progress	1,789	2,441
Total property, plant and equipment	42,693	46,809
Intangible assets		
Goodwill	3,733	3,094
Other	557	650
Total intangible assets	4,290	3,745
Investments and other assets		
Investment securities	6,838	3,966
Retirement benefit asset	4,348	4,625
Deferred tax assets	157	165
Other	1,753	1,843
Allowance for doubtful accounts	(229)	(246)
Total investments and other assets	12,869	10,354
Total non-current assets	59,852	60,909
Total assets	179,019	187,058

(Millions of yen)

	Fiscal Year Ended March 31, 2024 (As of March 31, 2024)	Fiscal Year Ended March 31, 2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	6,443	5,039
Accounts payable - trade	19,111	17,054
Short-term borrowings	14,386	7,905
Commercial papers	3,000	15,000
Income taxes payable	2,884	1,432
Provision for bonuses	3,828	3,779
Provision for loss on construction contracts	111	79
Asset retirement obligations	45	—
Other	8,871	8,088
Total current liabilities	58,683	58,379
Non-current liabilities		
Long-term borrowings	19,495	18,833
Deferred tax liabilities	2,884	2,916
Provision for retirement benefits for directors (and other officers)	491	527
Retirement benefit liability	547	586
Asset retirement obligations	137	153
Other	4,081	4,021
Total non-current liabilities	27,638	27,037
Total liabilities	86,321	85,417
Net assets		
Shareholders' equity		
Share capital	5,537	5,537
Capital surplus	1,971	1,971
Retained earnings	72,125	81,125
Treasury shares	(1,669)	(1,671)
Total shareholders' equity	77,965	86,962
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,408	1,878
Deferred gains or losses on hedges	15	—
Foreign currency translation adjustment	3,545	3,950
Remeasurements of defined benefit plans	2,231	2,196
Total accumulated other comprehensive income	9,200	8,025
Non-controlling interests	5,531	6,652
Total net assets	92,697	101,640
Total liabilities and net assets	179,019	187,058

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal Year from April 1, 2023, to March 31, 2024	Fiscal Year from April 1, 2024, to March 31, 2025
Net sales	177,029	177,921
Cost of sales	141,652	142,451
Gross profit	35,377	35,470
Selling, general and administrative expenses	20,684	21,388
Operating profit	14,692	14,082
Non-operating income		
Interest income	38	108
Dividend income	181	191
Share of profit of entities accounted for using equity method	366	319
Foreign exchange gains	1,324	649
Compensation income	17	386
Other	848	630
Total non-operating income	2,777	2,286
Non-operating expenses		
Interest expenses	534	378
Loss on removal of non-current assets	201	425
Other	344	248
Total non-operating expenses	1,080	1,052
Ordinary profit	16,389	15,316
Extraordinary income		
Gain on sale of non-current assets	857	2,365
Gain on sale of investment securities	1,545	1,337
Total extraordinary income	2,402	3,703
Extraordinary losses		
Loss on sale of non-current assets	14	1
Loss on retirement of non-current assets	216	31
Impairment losses	174	68
Other	0	—
Total extraordinary losses	406	101
Profit before income taxes	18,385	18,917
Income taxes - current	4,862	4,335
Income taxes - deferred	100	599
Total income taxes	4,963	4,934
Profit	13,422	13,983
Profit attributable to non-controlling interests	1,006	1,447
Profit attributable to owners of parent	12,416	12,535

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year from April 1, 2023, to March 31, 2024	Fiscal Year from April 1, 2024, to March 31, 2025
Profit	13,422	13,983
Other comprehensive income		
Valuation difference on available-for-sale securities	(141)	(1,529)
Deferred gains or losses on hedges	(139)	(15)
Foreign currency translation adjustment	3,345	218
Remeasurements of defined benefit plans, net of tax	1,355	(34)
Share of other comprehensive income of entities accounted for using equity method	46	91
Total other comprehensive income	4,466	(1,269)
Comprehensive income	17,889	12,713
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,515	11,360
Comprehensive income attributable to non-controlling interests	1,373	1,352

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2024 (from April 1, 2023, to March 31, 2024):

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,537	1,971	62,572	(1,654)	68,427
Changes during period					
Dividends of surplus			(2,863)		(2,863)
Profit attributable to owners of parent			12,416		12,416
Purchase of treasury shares				(14)	(14)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	9,553	(14)	9,538
Balance at end of period	5,537	1,971	72,125	(1,669)	77,965

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,549	155	520	875	5,101	4,330	77,858
Changes during period							
Dividends of surplus							(2,863)
Profit attributable to owners of parent							12,416
Purchase of treasury shares							(14)
Net changes in items other than shareholders' equity	(141)	(139)	3,024	1,355	4,099	1,201	5,300
Total changes during period	(141)	(139)	3,024	1,355	4,099	1,201	14,838
Balance at end of period	3,408	15	3,545	2,231	9,200	5,531	92,697

For the fiscal year ended March 31, 2025 (from April 1, 2024, to March 31, 2025):

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,537	1,971	72,125	(1,669)	77,965
Changes during period					
Dividends of surplus			(3,536)		(3,536)
Profit attributable to owners of parent			12,535		12,535
Purchase of treasury shares				(2)	(2)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	8,999	(2)	8,996
Balance at end of period	5,537	1,971	81,125	(1,671)	86,962

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,408	15	3,545	2,231	9,200	5,531	92,697
Changes during period							
Dividends of surplus							(3,536)
Profit attributable to owners of parent							12,535
Purchase of treasury shares							(2)
Net changes in items other than shareholders' equity	(1,530)	(15)	405	(34)	(1,174)	1,120	(54)
Total changes during period	(1,530)	(15)	405	(34)	(1,174)	1,120	8,942
Balance at end of period	1,878	—	3,950	2,196	8,025	6,652	101,640

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year from April 1, 2023, to March 31, 2024	Fiscal Year from April 1, 2024, to March 31, 2025
Cash flows from operating activities		
Profit before income taxes	18,385	18,917
Depreciation	3,873	4,233
Impairment losses	174	68
Amortization of goodwill	541	568
Increase (decrease) in allowance for doubtful accounts	122	(125)
Increase (decrease) in provision for bonuses	584	(37)
Increase (decrease) in retirement benefit liability	13	50
Increase (decrease) in other provisions	129	7
Interest and dividend income	(219)	(300)
Interest expenses	534	378
Foreign exchange losses (gains)	(49)	(55)
Share of loss (profit) of entities accounted for using equity method	(366)	(319)
Loss (gain) on sale of non-current assets	(842)	(2,363)
Loss on retirement of non-current assets	216	31
Loss (gain) on sale of investment securities	(1,545)	(1,337)
Decrease (increase) in trade receivables	(7,268)	(5,433)
Decrease (increase) in inventories	2,419	(368)
Increase (decrease) in trade payables	(430)	(3,930)
Other, net	1,004	(1,497)
Subtotal	17,278	8,483
Interest and dividends received	578	843
Interest paid	(542)	(390)
Income taxes paid	(3,590)	(5,792)
Net cash provided by (used in) operating activities	13,724	3,144
Cash flows from investing activities		
Purchase of non-current assets	(6,595)	(7,489)
Proceeds from sale of non-current assets	1,500	1,749
Payments for retirement of non-current assets	(285)	(504)
Payments into time deposits	(0)	(0)
Proceeds from sale of investment securities	1,888	1,944
Loan advances	(3)	(1)
Proceeds from collection of loans receivable	9	2
Other, net	(104)	(31)
Net cash provided by (used in) investing activities	(3,589)	(4,331)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,823	(8,208)
Increase (decrease) in commercial papers	(8,000)	12,000
Proceeds from long-term borrowings	6,954	6,054
Repayments of long-term borrowings	(4,938)	(5,006)
Purchase of treasury shares	(14)	(2)
Dividends paid	(2,853)	(3,527)
Dividends paid to non-controlling interests	(172)	(231)
Other, net	(35)	(92)
Net cash provided by (used in) financing activities	(6,237)	986
Effect of exchange rate change on cash and cash equivalents	160	39
Net increase (decrease) in cash and cash equivalents	4,058	(161)
Cash and cash equivalents at beginning of period	4,425	8,483
Cash and cash equivalents at end of period	8,483	8,322

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in the Method of Presentation)

(Consolidated statements of income)

In the previous fiscal year, “compensation income” was included in and reported under “other” within “non-operating income.” However, from the fiscal year under review, it is reported as a separate item because it exceeded 10% of the total non-operating income. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change.

As a result, ¥866 million that had been reported as “other” under “non-operating income” in the consolidated statements of income for the previous fiscal year has been reclassified as ¥17 million under “compensation income” and ¥848 million under “other.”

(Segments of an Enterprise and Related Information)

(Segment Information)

1. Description of reportable segments

The Company’s reportable segments are components of the Company, for which discrete financial information is available and the operating results are regularly reviewed by the Company’s Board of Directors to make decisions about resource allocation and assess the performance of the segments.

The Company has business divisions classified by the type of products and services they offer. Each business division plans and determines strategies for the division’s products and services in Japan and overseas, based on which the division conducts its operations.

The Company is composed of business segments based on the business divisions classified by products and services and designates Refractories, Furnace, Ceramics and Real Estate as its four reportable segments.

The Refractories segment engages in the manufacture and sale of general refractories used for various industrial furnaces. The Furnace segment engages in the design, construction and repair of various furnaces. The Ceramics segment engages in the manufacture and sale of ceramics for various industries and sale of landscape materials. The Real Estate segment constructs and rents out stores and warehouses, etc., on Company-owned land.

2. Method of calculation for the amounts of net sales, profits or losses, assets, liabilities and other items by reportable segment

The accounting method for the reportable segments is the same as the method for preparing the consolidated financial statements.

The amounts of segment profit or loss are based on operating profit or loss. The amounts of inter-segment sales or transfers are based on current market prices.

3. Net sales, profits or losses, assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023, to March 31, 2024):

(Millions of yen)

	Reportable Segments					Others[1]	Total	Adjustments[2]	Total[3]
	Refractories	Furnace	Ceramics	Real Estate	Total				
Net sales									
Net sales to external customers	151,867	15,228	8,226	737	176,059	969	177,029	—	177,029
Inter-segment sales or transfers	137	278	—	—	416	—	416	(416)	—
Total	152,005	15,506	8,226	737	176,475	969	177,445	(416)	177,029
Segment profit	12,673	551	851	569	14,646	48	14,695	(3)	14,692
Segment assets	146,557	10,015	9,044	712	166,330	380	166,710	12,308	179,019
Other items									
Depreciation	2,854	484	345	58	3,744	21	3,765	108	3,873
Amortization of goodwill	541	—	—	—	541	—	541	—	541
Increase in property, plant and equipment and intangible assets	4,596	339	541	175	5,653	22	5,676	11	5,687

Notes:

1. The "Others" segment is a business segment, although not designated as a reportable segment, that engages in the manufacture and sale of lime for iron mills.
2. Details of "Adjustments" are as follows.
   (1) An adjustment of ¥(3) million in segment profit includes mainly adjustments for unrealized profits.
   (2) An adjustment of ¥12,308 million in segment assets represents corporate assets not allocated to the reportable segments, which primarily consist of the long-term investment funds (investment securities) of the parent company and the assets relating to its administrative section.
   (3) Under the "Other items" section, an adjustment of ¥108 million in depreciation and an adjustment of ¥11 million in an increase in property, plant and equipment and intangible assets are related to corporate assets not allocated to the reportable segments.
3. Segment profit is presented so that the total reconciles with operating profit on the consolidated statement of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024, to March 31, 2025):

(Millions of yen)

	Reportable Segments					Others[1]	Total	Adjustments[2]	Total[3]
	Refractories	Furnace	Ceramics	Real Estate	Total				
Net sales									
Net sales to external customers	148,538	19,728	7,809	737	176,814	1,107	177,921	—	177,921
Inter-segment sales or transfers	71	383	—	—	454	—	454	(454)	—
Total	148,610	20,112	7,809	737	177,268	1,107	178,376	(454)	177,921
Segment profit	11,433	1,518	482	594	14,028	55	14,083	(1)	14,082
Segment assets	151,532	14,713	9,477	696	176,419	252	176,672	10,385	187,058
Other items									
Depreciation	3,190	495	408	32	4,126	22	4,149	83	4,233
Amortization of goodwill	568	—	—	—	568	—	568	—	568
Increase in property, plant and equipment and intangible assets	6,345	649	1,360	—	8,355	—	8,355	172	8,528

Notes:

1. The "Others" segment is a business segment, although not designated as a reportable segment, that engages in the manufacture and sale of lime for iron mills.
2. Details of "Adjustments" are as follows.
   (1) An adjustment of ¥(1) million in segment profit includes mainly adjustments for unrealized profits.
   (2) An adjustment of ¥10,385 million in segment assets represents corporate assets not allocated to the reportable segments, which primarily consist of the long-term investment funds (investment securities) of the parent company and the assets relating to its administrative section.
   (3) Under the "Other items" section, an adjustment of ¥83 million in depreciation and an adjustment of ¥172 million in an increase in property, plant and equipment and intangible assets are related to corporate assets not allocated to the reportable segments.
3. Segment profit is presented so that the total reconciles with operating profit on the consolidated statement of income.

4. Net sales by region

For the fiscal year ended March 31, 2024 (from April 1, 2023, to March 31, 2024):

(Millions of yen)

Japan	India	Asia	Europe	Others	Total
96,265	38,552	9,723	20,685	11,801	177,029

Note: The net sales by region are calculated by location of customers, which is classified into a nation or a region.

For the fiscal year ended March 31, 2025 (from April 1, 2024, to March 31, 2025):

(Millions of yen)

Japan	India	Asia	Europe	Others	Total
97,743	42,062	8,489	18,077	11,547	177,921

Note: The net sales by region are calculated by location of customers, which is classified into a nation or a region.

(Per Share Information)

	Fiscal Year from April 1, 2023, to March 31, 2024	Fiscal Year from April 1, 2024, to March 31, 2025
Net assets per share	¥2,588.21	¥2,820.55
Profit per share	¥368.64	¥372.23

Notes:
1. Diluted profit per share is not stated because there are no potential stocks.
2. The Company conducted a 4-for-1 stock split of its common shares as of April 1, 2024. Therefore, "Net assets per share" and "Profit per share" have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
3. The basis of calculation for profit per share is as follows.

	Fiscal Year from April 1, 2023, to March 31, 2024	Fiscal Year from April 1, 2024, to March 31, 2025
Profit attributable to owners of parent (¥Million)	12,416	12,535
Profit not attributable to shares of common stock (¥Million)	—	—
Profit attributable to owners of parent with shares of common stock (¥Million)	12,416	12,535
Average number of shares of common stock during the period (Thousand)	33,681	33,677

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

	Fiscal Year Ended March 31, 2024 (As of March 31, 2024)	Fiscal Year Ended March 31, 2025 (As of March 31, 2025)
Total net assets (¥Million)	92,697	101,640
Amount of deduction from total net assets (¥Million)	5,531	6,652
[Non-controlling interests] (¥Million)	[5,531]	[6,652]
Net assets attributable to shares of common stock (¥Million)	87,166	94,988
The number of shares of common stock used for the calculation of net assets per share (Thousand)	33,678	33,677

(Significant Subsequent Events)

Not applicable.

4. Others

Trend of Quarterly Business Results

(Millions of yen)

	Previous Fiscal Year				Fiscal Year Under Review			
	1Q (April to June)	2Q (July to Sept.)	3Q (Oct. to Dec.)	4Q (Jan. to March)	1Q (April to June)	2Q (July to Sept.)	3Q (Oct. to Dec.)	4Q (Jan. to March)
Net sales	45,357	44,041	44,950	42,679	43,939	44,150	45,198	44,632
Operating profit	4,133	3,462	4,349	2,747	3,121	3,161	4,115	3,683
Ordinary profit	4,754	3,839	4,454	3,340	3,561	2,978	4,414	4,361
Profit attributable to owners of parent	3,078	3,541	2,913	2,883	2,156	2,007	5,078	3,293