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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025(J-GAAP)

May 12, 2025

Company name: T.RAD Co., Ltd.

Code No.: 7236

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Contact: Kaoru Kinoshita, Managing Executive Officer,
In charge of Finance & Accounting

Listing: Tokyo Stock Exchange, Prime Market

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Scheduled date of the Ordinary General Meeting of Shareholders: June 24, 2025

Scheduled date of filing of securities report: June 26, 2025

Scheduled date of start of dividend payments: June 17, 2025

Supplemental materials prepared for consolidated financial results: None

Briefing on consolidated financial results: Yes

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Performance for the Fiscal Year Ended March 31, 2025

(April 1, 2024 to March 31, 2025)

(1) Consolidated operating performance

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	159,235	0.3	7,316	68.1	8,101	51.7	4,250	241.3
Fiscal year ended March 31, 2024	158,659	6.2	4,350	314.2	5,339	156.3	1,245	—

Note: Comprehensive income

Fiscal year ended March 31, 2025: ¥ 5,884 million (56.7%)

Fiscal year ended March 31, 2024: ¥ 3,753 million (—%)

	Net income per share	Diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	653.84	—	9.1	8.1	4.5
Fiscal year ended March 31, 2024	190.52	—	2.9	5.4	2.7

Reference: Equity earnings (losses) of affiliates

Fiscal year ended March 31, 2025: ¥ 492 million

Fiscal year ended March 31, 2024: ¥ 569 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	97,486	48,744	49.9	7,689.22
Fiscal year ended March 31, 2024	103,087	45,286	43.5	6,860.31

Reference: Shareholders' equity

As of March 31, 2025: ¥48,689 million

As of March 31, 2024: ¥44,890 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investment 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 31, 2025	7,563	(6,473)	(6,947)	15,698
Fiscal year ended March 31, 2024	16,968	(7,075)	(616)	20,204

2. Dividends

	Dividends per Share					Total Dividends Paid (Annual)	Payout Ratio (Consolidated)	Dividends per Net Assets (Consolidated)
	1Q	2Q	3Q	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	80.00	—	100.00	180.00	1,181	94.5	2.7
Fiscal year ended March 31, 2025	—	90.00	—	150.00	240.00	1,545	36.7	3.3
Fiscal year ending March 31, 2026 (Forecast)	—	120.00	—	120.00	240.00		76.0	

3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2026

(April 1, 2025 to March 31, 2026)

(Percentage figures indicate changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	140,000	-12.1	3,600	-50.8	4,200	-48.2	2,000	-52.9	315.84

*In light of the recent major changes in the U.S. customs policy, T.RAD Co., Ltd. (the “Company”) has formulated its performance forecast while taking into account the fluctuations in business results observed during past events. However, no specific calculations have been made regarding the amount attributable to the impact of the U.S. customs policy.

4. Other

(1) Changes in significant subsidiaries during the period

(changes in specific subsidiaries resulting in changes in the scope of consolidation): No

(2) Changes in accounting principles, procedures, presentation methods

1) Changes associated with revision of accounting standards: Yes

2) Changes other than 1): None

3) Changes accounting estimation procedures: None

4) Changes in presentation methods: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at end of year (including treasury stock)

As of March 31, 2025: 6,592,411 shares

As of March 31, 2024: 6,592,411 shares

2) Number of shares of treasury stock at end of period

As of March 31, 2025: 260,170 shares

As of March 31, 2024: 48,944 shares

3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025: 6,500,648 shares

Fiscal year ended March 31, 2024: 6,535,679 shares

(Reference) Summary of Non-consolidated Financial Performance**1. Non-consolidated Financial Performance for Fiscal Year Ended March 31, 2025**

(April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating performance

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	80,196	5.7	2,795	89.8	8,827	10.5	5,675	280.8
Fiscal year ended March 31, 2024	75,848	4.2	1,472	29.5	7,988	28.4	1,490	—

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2025	873.08	—
Fiscal year ended March 31, 2024	228.09	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	66,707	33,451	50.1	5,282.66
Fiscal year ended March 31, 2024	64,150	29,797	46.4	4,553.78

Reference: Shareholders' equity

As of March 31, 2025: ¥33,451 million

As of March 31, 2024: ¥29,797 million

2. Forecast of Non-Consolidated Financial Performance for the Fiscal Year Ending March 31, 2026

(April 1, 2025 to March 31, 2026)

(Percentage figures indicate changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	72,000	-10.2	400	-85.7	6,000	-32.0	4,200	-26.0	663.27

* The consolidated financial results presented herein are not subject to the audit procedures by certified public accountant or audit firm.

* Explanations for proper use of forecasts and other specific affairs

The forward-looking statement such as forecast of financial performance etc. described in this report based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ significantly from these projections due to various factors.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	FY2023	FY2024
	As of March 31, 2024	As of March 31, 2025
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	20,332	16,926
Notes receivable-trade	1,080	575
Electronically recorded monetary claims-operating	3,191	2,151
Accounts receivable-trade	25,587	24,677
Short-term investment securities	299	—
Merchandise and finished goods	3,572	3,563
Work in process	991	1,090
Raw materials and supplies	8,985	10,130
Others	2,703	2,799
Allowance for doubtful accounts	(127)	(494)
Total current assets	66,617	61,419
Noncurrent assets		
Tangible fixed assets		
Buildings and structures	24,058	25,119
Accumulated depreciation	(17,883)	(18,870)
Building and structures, net	6,175	6,248
Machinery, equipment and vehicles	64,059	69,659
Accumulated depreciation	(51,364)	(57,392)
Machinery, equipment and vehicles, net	12,694	12,266
Land	2,509	2,568
Lease assets	2,258	2,427
Accumulated depreciation	(836)	(1,129)
Lease assets, net	1,422	1,297
Construction in progress	3,650	4,044
Other tangible fixed assets	34,523	36,473
Accumulated depreciation	(32,840)	(34,568)
Other tangible fixed assets, net	1,682	1,905
Total tangible fixed assets	28,135	28,331
Intangible assets		
Other intangible assets	3,125	1,883
Total intangible assets	3,125	1,883
Investments and other assets		
Investment securities	1,998	2,841
Net defined benefit asset	2,431	2,300
Deferred tax assets	226	225
Others	558	484
Allowance for doubtful accounts	(5)	—
Total investments and other assets	5,210	5,851
Total noncurrent assets	36,470	36,067
Total assets	103,087	97,486

(Millions of yen)

	FY2023	FY2024
	As of March 31, 2024	As of March 31, 2025
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	15,685	12,550
Electronically recorded obligations - operating	5,917	3,623
Short-term loans payable	7,531	6,040
Lease obligations	447	477
Income taxes payable	1,089	849
Accrued expenses	3,793	3,687
Provision for bonuses	1,667	1,696
Provision for directors' bonuses	32	54
Provision for product warranties	787	1,209
Provision for loss on order received	228	214
Electronically recorded obligations - non-operating	482	241
Others	1,380	1,357
Total current liabilities	39,043	32,003
Noncurrent liabilities		
Long-term loans payable	14,340	12,590
Lease obligations	2,596	2,403
Deferred tax liabilities	1,315	1,017
Net defined benefit liability	294	404
Provision for share awards	44	186
Asset retirement obligations	93	94
Others	73	42
Total noncurrent liabilities	18,758	16,738
Total liabilities	57,801	48,742
(Net assets)		
Shareholders' equity		
Capital stock	8,570	8,570
Capital surplus	6,911	6,877
Retained earnings	22,510	25,512
Treasury stock	(114)	(901)
Total shareholders' equity	37,877	40,059
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19	18
Foreign currency translation adjustment	5,012	6,976
Remeasurements of defined benefit plans	1,980	1,635
Total accumulated other comprehensive income	7,012	8,630
Non-controlling interests	396	54
Total net assets	45,286	48,744
Total liabilities and net assets	103,087	97,486

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

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Net sales	158,659	159,235
Cost of sales	143,761	139,108
Gross profit	14,898	20,127
Selling, general and administrative expenses		
Packing and delivery expenses	1,554	1,797
Provision for product warranties	575	965
Directors' compensations	176	156
Salaries and allowances	2,421	2,603
Provision for bonuses	497	555
Provision for directors' bonuses	32	54
Provision for directors' retirement benefits	23	(36)
Retirement benefit expenses	15	50
Welfare expenses	1,509	1,584
Depreciation	314	487
Rent expenses	508	526
Transportation and communication expenses	486	465
Research and development expenses	1,199	1,687
Entertainment expenses	27	32
Provision of allowance for doubtful accounts	(10)	355
Commission Fee	289	328
Miscellaneous expenses	926	1,196
Total selling, general and administrative expenses	10,547	12,810
Operating income (loss)	4,350	7,316
Non-operating income		
Interest income	248	307
Dividends income	3	3
Equity in earnings of affiliates	569	492
Foreign exchange gains	508	6
Others	310	386
Total non-operating income	1,639	1,195
Non-operating expenses		
Interest expenses	642	407
Others	8	3
Total non-operating expenses	650	410
Ordinary income	5,339	8,101

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	87	12
Gain on sales of investment securities	199	—
Gain on sale of shares of subsidiaries and associates	218	—
Total extraordinary income	505	12
Extraordinary loss		
Loss on retirement of noncurrent assets	92	1,217
Loss on sales of noncurrent assets	9	11
Impairment loss	1,623	303
Total extraordinary loss	1,726	1,531
Income (loss) before income taxes	4,118	6,582
Income taxes-current	2,710	2,423
Income taxes-deferred	72	(102)
Total income taxes	2,782	2,320
Profit (loss)	1,336	4,261
Profit (loss) attributable to non-controlling interests	90	11
Profit (loss) attributable to owners of parent	1,245	4,250

(Consolidated statement of comprehensive income)

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Profit (loss)	1,336	4,261
Other comprehensive income		
Valuation difference on available-for-sale securities	7	(0)
Foreign currency translation adjustment	1,426	2,020
Remeasurements of defined benefit plans, net of tax	1,001	(340)
Share of other comprehensive income of associates accounted for using equity method	(18)	(56)
Total other comprehensive income	2,417	1,622
Comprehensive income	3,753	5,884
(Breakdown)		
Comprehensive income attributable to owners of parent	3,567	5,868
Comprehensive income attributable to non-controlling interests	185	15

(3) Consolidated statements of changes in net assets
Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2023	8,570	7,353	22,100	(452)	37,571
Changes of items during the period					
Dividends from surplus			(525)		(525)
Profit attributable to owners of parent			1,245		1,245
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		(1)	(21)	51	29
Retirement of treasury stock			(288)	288	—
Change in ownership interest of parent due to transactions with non-controlling interests		(441)			(441)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(442)	410	337	305
As of March 31, 2024	8,570	6,911	22,510	(114)	37,877

	Valuation and translation adjustments				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
As of April 1, 2023	11	3,700	977	4,690	1,589	43,851
Changes of items during the period						
Dividends from surplus						(525)
Profit attributable to owners of parent						1,245
Purchase of treasury stock						(2)
Disposal of treasury stock						29
Retirement of treasury stock						—
Change in ownership interest of parent due to transactions with non-controlling interests						(441)
Net changes of items other than shareholders' equity	7	1,312	1,002	2,322	(1,192)	1,129
Total changes of items during the period	7	1,312	1,002	2,322	(1,192)	1,435
As of March 31, 2024	19	5,012	1,980	7,012	396	45,286

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

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2024	8,570	6,911	22,510	(114)	37,877
Changes of items during the period					
Dividends from surplus			(1,248)		(1,248)
Profit attributable to owners of parent			4,250		4,250
Purchase of treasury stock				(820)	(820)
Disposal of treasury stock		13		33	47
Change in ownership interest of parent due to transactions with non-controlling interests		(47)			(47)
Net changes of items other than shareholders' equity			0		
Total changes of items during the period	—	(34)	3,001	(786)	2,181
As of March 31, 2025	8,570	6,877	25,512	(901)	40,059

	Valuation and translation adjustments				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
As of April 1, 2024	19	5,012	1,980	7,012	396	45,286
Changes of items during the period						
Dividends from surplus						(1,248)
Profit attributable to owners of parent						4,250
Purchase of treasury stock						(820)
Disposal of treasury stock						47
Change in ownership interest of parent due to transactions with non-controlling interests						(47)
Net changes of items other than shareholders' equity	(0)	1,964	(345)	1,618	(342)	1,276
Total changes of items during the period	(0)	1,964	(345)	1,618	(342)	3,457
As of March 31, 2025	18	6,976	1,635	8,630	54	48,744

(4) Consolidated statements of cash flows

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	4,118	6,582
Depreciation and amortization	6,219	5,655
Impairment loss	1,623	303
Retirement benefit expenses	(99)	(308)
Increase (decrease) in net defined benefit liability	(22)	28
Increase (decrease) in allowance for doubtful accounts	(132)	350
Increase (decrease) in provision for bonuses	308	26
Increase (decrease) in provision for directors' bonuses	7	21
Increase (decrease) in provision for product warranties	91	378
Loss on retirement of noncurrent assets	92	1,217
Loss (gain) on sales of tangible fixed assets	(77)	(1)
Loss (gain) on sales of investment securities	(418)	—
Interests and dividends income	(251)	(310)
Interests expenses	642	407
Foreign exchange losses (gains)	(190)	(370)
Equity in (earnings) losses of affiliates	(569)	(492)
Decrease (increase) in notes and accounts receivable-trade	(8)	3,773
Decrease (increase) in inventories	3,133	(340)
Increase (decrease) in notes and accounts payable-trade	2,504	(6,548)
Decrease (increase) in other current assets	244	(106)
Increase (decrease) in other current liabilities	532	(289)
Other, net	65	186
Subtotal	17,816	10,162
Interest and dividends income received	1,975	494
Interest expenses paid	(621)	(421)
Income taxes paid	(2,202)	(2,672)
Net cash provided by (used in) operating activities	16,968	7,563

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	1,787	1,366
Payments into time deposits	(1,849)	(2,140)
Purchase of tangible fixed assets	(6,084)	(5,047)
Proceeds from sales of tangible fixed assets	135	11
Purchase of intangible assets	(1,122)	(239)
Purchase of investment securities	(0)	(580)
Proceeds from sales of investment securities	203	—
Other, net	(146)	157
Net cash provided by (used in) investing activities	(7,075)	(6,473)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,219)	(5,464)
Proceeds from long-term loans payable	6,800	2,180
Repayment of long-term loans payable	(2,461)	(670)
Purchase of treasury stock	—	(820)
Cash dividends paid	(525)	(1,248)
Cash dividends paid to non-controlling shareholders	(246)	(100)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,610)	(381)
Others	(353)	(441)
Net cash provided by (used in) financing activities	(616)	(6,947)
Effect of exchange rate change on cash and cash equivalents	566	1,350
Net increase (decrease) in cash and cash equivalents	9,843	(4,506)
Cash and cash equivalents at beginning of period	10,361	20,204
Cash and cash equivalents at end of period	20,204	15,698

4. Non-Consolidated Financial Statements

(1) Non-consolidated balance sheets

(Millions of yen)

	FY2023	FY2024
	As of March 31, 2024	As of March 31, 2025
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	5,272	3,801
Electronically recorded monetary claims-operating	3,191	2,151
Accounts receivable-trade	16,909	16,642
Short-term investment securities	299	—
Merchandise and finished goods	1,560	1,868
Work in process	876	600
Raw materials and supplies	2,144	2,257
Prepaid expenses	125	106
Accounts receivable-other	2,111	3,550
Other current assets	7	16
Total current assets	32,500	30,996
Noncurrent assets		
Tangible Fixed Assets		
Buildings	13,790	13,692
Accumulated depreciation	(10,732)	(10,927)
Buildings, net	3,057	2,765
Structures	1,662	1,572
Accumulated depreciation	(1,388)	(1,337)
Structures, net	274	235
Machinery and equipment	28,626	29,060
Accumulated depreciation	(22,181)	(23,087)
Machinery and equipment, net	6,445	5,973
Vehicles	146	176
Accumulated depreciation	(118)	(119)
Vehicles, net	27	57
Tools, furniture and fixtures	26,769	27,231
Accumulated depreciation	(25,894)	(26,323)
Tools, furniture and fixtures, net	874	908
Land	1,782	1,782
Lease assets	6	6
Accumulated depreciation	(3)	(5)
Lease assets, net	2	1
Construction in progress	1,583	2,601
Other, net	0	0
Total Tangible Fixed Assets	14,047	14,325
Intangible assets		
Software	414	1,128
Other intangible assets	2,253	476
Total intangible assets	2,668	1,605

(Millions of yen)

	FY2023	FY2024
	As of March 31, 2024	As of March 31, 2025
	Amount	Amount
Investments and other assets		
Investment securities	40	39
Stocks of subsidiaries and affiliates	5,868	11,095
Investments in capital	73	72
Investments in capital of subsidiaries and affiliates	7,807	8,124
Long-term prepaid expenses	11	7
Insurance funds	16	—
Deferred tax assets	997	1,087
Others	126	130
Allowance for doubtful accounts	(5)	—
Allowance for investment loss	—	(776)
Total investments and other assets	14,934	19,780
Total noncurrent assets	31,650	35,710
Total assets	64,150	66,707
(Liabilities)		
Current liabilities		
Electronically recorded obligations – operating	5,917	3,623
Accounts payable-trade	7,624	7,320
Short-term loans payable	940	4,070
Lease obligations	1	0
Accounts payable-other	385	390
Income taxes payable	515	393
Accrued consumption taxes	188	300
Accrued expenses	1,620	1,668
Advances received	7	219
Deposits received	124	74
Provision for bonuses	1,600	1,615
Provision for directors' bonuses	32	54
Provision for product warranties	35	392
Electronically recorded obligations - non-operating	482	241
Others	7	12
Total current liabilities	19,483	20,378
Noncurrent liabilities		
Long-term loans payable	14,340	12,590
Lease obligations	1	0
Provision for retirement benefits	391	34
Provision for share awards	42	176
Asset retirement obligations	63	63
Others	30	11
Total noncurrent liabilities	14,869	12,877
Total liabilities	34,352	33,256

(Millions of yen)

	FY2023 As of March 31, 2024	FY2024 As of March 31, 2025
	Amount	Amount
(Net assets)		
Shareholders' equity		
Capital stock	8,570	8,570
Capital surplus		
Legal capital surplus	7,331	7,331
Other capital surplus	—	13
Total capital surplus	7,331	7,344
Retained earnings		
Legal retained earnings	1,097	1,097
Other retained earnings		
Reserve for dividends	500	500
Reserve for special account for advanced depreciation of noncurrent assets	100	95
General reserve	8,130	8,130
Retained earnings brought forward	4,163	8,595
Total retained earnings	13,991	18,417
Treasury stock	(114)	(901)
Total shareholders' equity	29,777	33,432
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19	18
Total valuation and translation adjustments	19	18
Total net assets	29,797	33,451
Total liabilities and net assets	64,150	66,707

(2) Non-consolidated statements of income

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Net sales	75,848	80,196
Cost of sales		
Beginning finished goods	1,440	1,395
Cost of products manufactured	61,553	61,975
Purchase of finished goods	1,400	2,259
Transfer from other account	4,392	5,098
Total	68,785	70,728
Finished goods transfer to other account	235	291
Ending finished goods	1,395	1,696
Cost of finished goods sold	67,154	68,741
Gross profit	8,694	11,455
Selling, general and administrative expenses		
Packing and delivery expenses	2,586	2,763
Advertising expenses	22	30
Provision for product warranties	5	393
Directors' compensations	153	141
Salaries and allowances	1,068	1,147
Provision for bonuses	372	410
Provision for directors' bonuses	32	54
Provision for retirement benefits	27	(42)
Welfare expenses	435	444
Depreciation	134	338
Repair expenses	119	142
Taxes and dues	106	111
Rent expenses	358	407
Transportation and communication expenses	327	287
Provision for share awards	14	43
Research and development expenses	1,105	1,634
Insurance expenses	12	10
Stationery expenses	36	50
Entertainment expenses	15	18
Commission Fee	226	191
Miscellaneous expenses	61	79
Total selling, general and administrative expense	7,222	8,659
Operating income (loss)	1,472	2,795
Non-operating income		
Interest income	41	36
Interest on securities	0	0
Dividends income	6,049	5,856
Foreign exchange gains	322	35
Others	172	218
Total non-operating income	6,587	6,147

(Millions of yen)

	FY2023 (Apr. 1, 2023–Mar. 31, 2024)	FY2024 (Apr. 1, 2024–Mar. 31, 2025)
	Amount	Amount
Non-operating expenses		
Interest expenses	63	102
Others	8	12
Total non-operating expenses	71	115
Ordinary income	7,988	8,827
Extraordinary income		
Gain on sales of noncurrent assets	73	5
Gain on sales of investment securities	199	—
Total extraordinary income	272	5
Extraordinary Loss		
Loss on sales of noncurrent assets	0	—
Loss on retirement of noncurrent assets	76	1,325
Impairment loss	—	0
Provision of allowance for investment loss	—	776
Loss on sale of shares of subsidiaries and associates	130	—
Loss on valuation of shares of subsidiaries and associates	3,877	—
Loss on valuation of investments in capital of subsidiaries and affiliates	1,405	65
Total extraordinary loss	5,489	2,168
Income before income taxes	2,771	6,664
Income taxes-current	1,327	1,080
Income taxes-deferred	(47)	(90)
Total income taxes	1,280	989
Net income(loss)	1,490	5,675

(3) Non-consolidated statements of changes in net assets
Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

(millions of yen)

	Shareholders' Equity									
	Capital stock	Capital Surplus			Retained Earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for dividends	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
As of April 1, 2023	8,570	7,331	1	7,332	1,097	500	110	8,130	3,496	13,334
Changes of items during the period										
Provision of reserve for advanced depreciation of non-current assets										—
Reversal of reserve for advanced depreciation of non-current assets							(10)		10	—
Dividends from surplus									(525)	(525)
Net income									1,490	1,490
Purchase of treasury stock										
Disposal of treasury stock			(1)	(1)					(21)	(21)
Retirement of treasury stock									(288)	(288)
Net changes of items other than shareholders' equity										
Total changes of items during the period	—	—	(1)	(1)	—	—	(10)	—	666	656
As of March 31, 2024	8,570	7,331	—	7,331	1,097	500	100	8,130	4,163	13,991

	Shareholders' Equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
As of April 1, 2023	(452)	28,785	11	11	28,797
Changes of items during the period					
Provision of reserve for advanced depreciation of non-current assets		—			—
Reversal of reserve for advanced depreciation of non-current assets		—			—
Dividends from surplus		(525)			(525)
Net income		1,490			1,490
Purchase of treasury stock	(2)	(2)			(2)
Disposal of treasury stock	51	29			29
Retirement of treasury stock	288	—			—
Net changes of items other than shareholders' equity			7	7	7
Total changes of items during the period	337	992	7	7	1,000
As of March 31, 2024	(114)	29,777	19	19	29,797

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

(Millions of yen)

	Shareholders' Equity									
	Capital stock	Capital Surplus			Legal retained earnings	Retained Earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings				Total retained earnings
						Reserve for dividends	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
As of April 1, 2024	8,570	7,331	—	7,331	1,097	500	100	8,130	4,163	13,991
Changes of items during the period										
Reversal of reserve for advanced depreciation of non-current assets							(5)		5	—
Dividends from surplus									(1,248)	(1,248)
Net income									5,675	5,675
Purchase of treasury stock										
Disposal of treasury stock			13	13						
Net changes of items other than shareholders' equity										
Total changes of items during the period	—	—	13	13	—	—	(5)	—	4,432	4,426
As of March 31, 2025	8,570	7,331	13	7,344	1,097	500	95	8,130	8,595	18,417

	Shareholders' Equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
As of April 1, 2024	(114)	29,777	19	19	29,797
Changes of items during the period					
Reversal of reserve for advanced depreciation of non-current assets		—			—
Dividends from surplus		(1,248)			(1,248)
Net income		5,675			5,675
Purchase of treasury stock	(820)	(820)			(820)
Disposal of treasury stock	33	47			47
Net changes of items other than shareholders' equity			(0)	(0)	(0)
Total changes of items during the period	(786)	3,654	(0)	(0)	3,653
As of March 31, 2025	(901)	33,432	18	18	33,451