

ADVANEX INC.
Flash Report(Consolidated Basis) --Summary
Results for fiscal year ended March 31, 2025



May 14, 2025

Company name: ADVANEX INC.

Code number: 5998

Representative: Eitaro Asada, Chairman & President

Inquiries: Tetsuya Yoshihara, Executive Director & CFO

Date of the General Meeting of the Shareholders: June 26, 2025

Expected date of payment for dividends: June 27, 2025

Filing date of securities report: June 27, 2025

Supplementary explanation material for financial results

Holding of presentation meeting for financial results

Stock listings: Tokyo Stock Exchange

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Yes

Yes

(Figures less than ¥1 million have been omitted.)

1. Performance

(1) Operating results

Years ended March 31

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2025	28,532	7.5	1,109	203.1	170	(79.5)	(628)	-
2024	26,549	7.8	365	497.2	832	42.2	268	347.0

Note: Comprehensive income(millions of yen): Mar. 2025: (113) -% Mar.2024: 1,118 227.7%

	Net income per share	Net income per share after dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
2025	(153.13)	-	(7.7)	0.6	3.9
2024	65.46	65.37	3.5	3.0	1.4

(2) Consolidated Financial position

At March 31

(Figures less than ¥1 million have been omitted.)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2025	28,505	8,093	28.4	1,969.08
2024	28,457	8,289	29.1	2,016.53

(Reference) Total shareholders' equity: March 31, 2025: ¥8,084 million, March 31, 2024: ¥8,281 million

(3) Cash flows

Years ended March 31

(Figures less than ¥1 million have been omitted.)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2025	492	(1,211)	912	4,185
2024	2,048	(640)	(457)	3,981

2. Dividends

Years ended March 31

Record date	Dividends per share				
	First quarter -end dividends	Second quarter -end dividends	Third quarter -end dividends	Year-end dividends	Total
	Yen	Yen	Yen	Yen	Yen
2024	---	---	---	20.00	20.00
2025	---	---	---	20.00	20.00
2026 (Forecast)	---	--	---	20.00	20.00

Note: The expected dividend amount has not been decided.

Record date	Total amount of dividends (for the entire fiscal year)	Payout ratio (consolidated)	Dividends-to-net assets ratio (consolidated)
	Millions of yen	%	%
2024	82	30.6	1.1
2025	82	-	1.0
2026 (Forecast)		164.3	

3. Forecasts for the Fiscal Year Ended March 31, 2026

Percentages indicate year-on-year increase (decrease).

Fiscal year	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
	28,000	(1.9)	500	(54.9)	250	46.5

Fiscal year	Net income (loss)		Net income (loss) per share
	Millions of yen	%	Yen
	50	-	12.18

4. Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): No
2. Changes in accounting principles, procedures, presentations, etc.
 - a. Changes associated with revision of accounting standards, etc: Yes
 - b. Changes other than a.: No
 - c. Changes in accounting estimates: No
 - d. Restatement: No
3. Number of shares outstanding (Common stock)

Number of shares outstanding at fiscal year-end(including treasury stock):

2025: 4,153,370 shares 2024: 4,153,370 shares

Number of shares of treasury stock at fiscal year-end:

2025: 47,469 shares 2024: 46,761 shares

Average Number of outstanding at term-end:

2025: 4,106,318 shares 2024: 4,107,279 shares

(Reference) FLASH REPORT (NON-CONSOLIDATED BASIS)

(1) Operating results

Years ended March 31

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income (loss)		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2025	10,245	2.6	220	82.6	1,346	147.2	586	-
2024	9,985	2.2	120	(31.0)	544	(5.6)	(374)	-

	Net income per share	Net income per share after dilution
	Yen	Yen
2025	142.87	-
2024	(91.06)	-

(2) Financial position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2025	17,837	1,489	8.3	360.64
2024	18,086	1,008	5.5	243.53

(Reference) Total shareholders' equity: March 31, 2025 ¥1,480 million, March 31, 2024: ¥1,000 million

Notes

- Audit procedures for financial statements under the Financial Instruments and Exchange Law are not completed at the time of disclosure of this Brief Report of Financial Results.

• The business forecasts presented in this report are based on information available to the management at the time of preparation, and are subject to a number of risks and uncertainties. Actual results may differ materially from those projected due to a wide range of factors.

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1. Overview of Business Performance and Financial Position

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

We have operations in 12 countries, including Japan, the Americas, Europe, and Asia. We manufacture and sell precision springs and other metalworking components primarily for automotive, healthcare, OA, and aerospace applications.

In the fiscal year under review, the business climate for automotive applications was sluggish due to the emergence of Chinese manufacturers and the impact of certification fraud. However, sales for OA equipment remained strong, and sales for healthcare, mainly in Europe and the United States, continued to expand steadily.

Under these circumstances, net sales for the fiscal year under review increased 7.5% year on year to ¥28.532 billion, and operating income increased 203.1% to ¥1.109 billion. On the other hand, ordinary income was 170 million yen mainly due to foreign exchange losses (761 million yen) arising from revaluation of assets and liabilities held by us and our overseas consolidated subsidiaries due to exchange rate fluctuations, and net loss attributable to owners of parent was 628 million yen mainly due to special retirement allowance arising from the closure of the plant in Singapore.

Results by business segment are as follows.

[Japan]

Net sales increased 2.6% year on year to ¥9.095 billion due to favorable sales for OA equipment and price increases. Segment income increased 96.9% year on year to ¥222 million.

[Americas]

Sales rose 27.9% to ¥5.41 billion due to a significant increase in production for medical use at our U.S. plant. Segment profit was ¥192 million, compared with a loss of ¥455 million in the same quarter of the previous fiscal year, due to an increase in profits at the U.S. plant and other factors.

[Europe]

Net sales increased 9.3% year on year to ¥3.399 billion. Segment income decreased 34.7% year on year to ¥150 million, mainly due to an increase in fixed costs resulting from higher personnel and energy costs.

[Asia]

Net sales increased 2.8% compared with the same quarter of the previous fiscal year to ¥10.627 billion due mainly to strong sales for OA equipment. Segment income increased 17.1% to ¥544 million.

(2) Overview of Financial Position

1. Assets

Total assets at the end of the fiscal year under review increased 47 million yen from the end of the previous fiscal year to 28.505 billion yen.

In the Assets section, total current assets decreased by 322 million yen to 14.653 billion yen. This was mainly due to a decrease of ¥601 million in cash and deposits, despite an increase of ¥256 million in notes and accounts receivable-trade.

Total non-current assets increased ¥370 million to ¥13.851 billion. The main reason was an increase in construction in progress due to the construction of a new plant in Ltd., our subsidiary Advanex(Thailand.

2. Liabilities

In the Liabilities section, total liabilities were 20.412 billion yen, an increase of 244 million yen from the end of the previous fiscal year.

This was mainly due to an increase in loans payable of 1.126 billion yen, despite decreases in electronically recorded obligations-operating of 835 million yen and lease obligations of 181 million yen.

3. Net assets

In net assets, total net assets decreased 196 million yen from the end of the previous fiscal year to 8.093 billion yen. The main reason for this was a decrease of ¥711 million in the total stockholder capital due to the occurrence of a net loss attributable to the parent company, which was ¥6 28 million, although the exchange conversion adjustment account increased ¥559 million.

As a result, the equity ratio was 28.4% (29.1% at the end of the previous fiscal year).

(3) The status of Cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review increased by 204 million yen from the end of the previous fiscal year to 4.185 billion yen. Cash flows for each category and factors affecting cash flows are as follows.

Net cash provided by operating activities increased ¥492 million (compared with net cash provided by operating activities of ¥2.048 billion in the previous fiscal year). Major cash inflows included cash reserves from depreciation and amortization of 1.531 billion yen and foreign exchange gains and losses of 675 million yen. Major cash outflows included a loss before income taxes of 302 million yen, change in notes and accounts receivable-trade of 391 million yen, change in inventories of 135 million yen, change in notes and accounts payable-trade of 287 million yen, interest payments of 370 million yen, and income taxes paid of 293 million yen.

Net cash used in investing activities was 1.211 billion yen (667 million yen used in investing activities in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of ¥2.069 billion.

Net cash provided by financing activities increased ¥912 million (compared with ¥445 million used in financing activities in the previous fiscal year). The main factor was an increase of ¥1.2 billion in borrowings.

(4) Outlook for the coming fiscal year

In the year ended March 31, 2026, the U.S. tariff policy had an impact on the global economy, and the geopolitical risks in Russia, Ukraine, the Middle East, and Pakistan were rising. This is an uncertain trend.

Against this backdrop, we are taking a cautious stance in our earnings forecasts for the next fiscal year. Net sales are expected to be 28 billion yen (down 1.9% year on year), operating income is expected to be 500 million yen (down 54.9% year on year), ordinary income is expected to be 250 million yen (up 46.5% year on year), and profit attributable to owners of parent is expected to be 50 million yen (loss of 628 million yen in the previous fiscal year).

2. Basic Concept Regarding Selection of Accounting Standards

Taking into account the comparability of consolidated financial statements among companies, our policy for the time being is to prepare consolidated financial statements under Japanese GAAP.

In the future, we intend to consider the application of IFRS based on the trends in the application of the International Financial Reporting Standards (IFRS) in Japan.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2024
ASSETS		
Current assets:		
Cash and time deposits	4,623,849	5,225,710
Trade notes and accounts receivable	5,062,345	4,806,095
Finished goods	1,876,782	1,960,173
Work in process	948,475	833,902
Raw materials and stored items	1,504,844	1,504,821
Other current assets	666,759	677,945
Allowance for doubtful accounts	(29,181)	(32,023)
Total current assets	14,653,876	14,976,625
Fixed assets:		
Tangible fixed assets		
Buildings and structures	8,890,497	10,564,811
Accumulated depreciation	(4,633,629)	(6,257,172)
Buildings and structures, net	4,256,868	4,307,638
Machinery and equipment	17,323,824	18,504,082
Accumulated depreciation	(13,168,716)	(13,777,563)
Machinery and equipment, net	4,155,107	4,726,518
Land	1,553,349	1,715,825
Leased assets	2,138,052	2,159,340
Accumulated depreciation	(1,153,039)	(1,021,129)
Leased assets, net	985,013	1,138,211
Construction in progress	1,549,193	345,230
Others	2,613,602	2,613,478
Accumulated depreciation	(2,334,450)	(2,347,460)
Other, net	279,152	266,017
Total tangible fixed assets	12,778,684	12,499,441
Intangible fixed assets		
Software	153,495	110,935
Leased assets	-	2,586
Others	86,940	70,435
Total intangible fixed assets	240,435	183,957
Investments and other assets		
Investment in securities	119,478	102,109
Retirement benefit asset	65,499	
Deferred income tax	48,167	47,647
Real estate for investment	169,999	519,350
Accumulated depreciation	-	(156,655)

	As of March 31, 2025	As of March 31, 2024
Real estate for investment, net	169,999	362,695
Others	429,878	285,714
Allowance for doubtful accounts	(245)	(245)
Total investments and other assets	832,777	797,921
Total fixed assets	13,481,321	13,851,897
Total assets	28,457,946	28,505,773
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	2,951,271	3,499,749
Short-term borrowings	5,929,366	4,739,303
Long-term borrowings due within one year	2,953,675	2,480,699
Lease obligations	203,118	229,441
Accrued income taxes	92,154	109,730
Contract Liability	127,884	99,674
Allowance for bonus	268,849	285,753
Provision for loss on litigation	100,000	-
Other current liabilities	1,328,132	1,527,495
Total current liabilities	13,945,450	12,971,847
Long-term liabilities:		
Long-term borrowings	4,017,240	4,544,507
Lease obligations	866,369	1,021,551
Deferred tax liabilities	383,956	364,396
Asset retirement obligations	40,481	56,445
Liabilities for Retirement Benefits	1,029,175	1,121,267
Other long-term liabilities	129,655	88,226
Total long-term liabilities	6,466,878	7,196,395
Total liabilities	20,412,329	20,168,243
NET ASSETS		
Shareholders' equity		
Common stock	100,000	100,000
Capital surplus	1,067,759	1,150,000
Retained earnings	4,674,197	5,302,982
Treasury stock	(80,336)	(79,773)
Total shareholders' equity	5,761,620	6,473,208
Accumulated other comprehensive income		
Valuation gain (loss) on other securities	(44,282)	(21,050)
Foreign exchange adjustment	2,283,913	1,724,740
Accumulated adjustment for Retirement Benefits	83,599	104,210
Total accumulated other comprehensive income	2,323,229	1,807,900
Subscription rights to shares	8,594	8,594

	As of March 31, 2025	As of March 31, 2024
Total net assets	8,093,444	8,289,703
Total liabilities and net assets	28,505,773	28,457,946

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

(Thousands of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Net sales	28,532,758	26,549,467
Cost of sales	21,603,854	20,753,343
Gross income	6,928,903	5,796,123
Selling, general and administrative expenses		
Delivery	604,433	579,551
Salary	2,576,450	2,367,339
Reserves for bonuses allowance	62,977	62,597
Retirement benefit expenses	62,403	98,272
Depreciation and amortization	107,899	115,153
Others	2,405,441	2,207,260
Total selling, general and administrative expenses	5,819,605	5,430,175
Operating income	1,109,298	365,948
Non-operating income		
Interests	66,483	48,517
Dividends income	-	513
Rental fees	100,992	117,434
Foreign exchange gains	-	664,359
Subsidy income	12,822	13,720
Subsidy income 2	3,498	5,989
Others	63,442	42,479
Total non-operating income	247,239	893,013
Non-operating expenses		
Interests	363,241	350,924
Foreign exchange loss	761,701	-
Compensation expenses	8,878	4,263
Rent cost of real estate	14,916	13,726
Others	37,133	57,178
Total non-operating expenses	1,185,871	426,093
Ordinary income or loss	170,665	832,868

	Year ended March 31, 2025	Year ended March 31, 2024
Extraordinary income		
Gain on sales of noncurrent assets	44,533	9,955
National subsidies	13,558	
Gain on bad debts recoverd	-	21,660
Total extraordinary income	58,091	31,615
Extraordinary loss		
Loss on sales of noncurrent assets	10,431	1,939
Loss on disposal of noncurrent assets	1,693	62,561
Loss on reduction of non-current assets	13,558	-
Impairment loss	-	100,319
Loss on business reorganization	33,568	-
Provision of allowance for litigation	100,000	-
Loss on disaster	-	3,083
Special retirement expense	371,838	52,839
Bad debt expense	-	23,956
Total extraordinary loss	531,090	244,700
Income or Loss before income taxes and minority Interests	(302,332)	619,782
Income, local and enterprise taxes	284,842	310,886
Adjustment for income taxes	41,609	40,027
Total income taxes	326,451	350,914
Loss before minority interests	(628,784)	268,868
Net income or loss	(628,784)	268,868

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Loss before minority interests	(628,784)	268,868
Other comprehensive income		
Valuation difference on available-for-sale securities	(23,231)	(10,374)
Foreign currency translation adjustment	559,172	771,533
Remeasurements of defined benefit plans	(20,611)	88,428
Accumulated other comprehensive income	515,329	849,586
Comprehensive income	(113,455)	1,118,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(113,455)	1,118,455

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from operating activities		
Income(Loss) before income taxes and minority interests	(302,332)	619,782
Depreciation and amortization	1,531,344	1,576,671
Impairment loss	-	100,319
Increase (decrease) in allowance for doubtful accounts	(2,919)	(3,835)
Increase (decrease) in allowance for bonuses	(18,886)	135,866
Increase (decrease) in liabilities for Retirement Benefits	(178,223)	63,757
Interest and dividends receivable	(66,483)	(49,030)
Interest payable	363,241	350,924
Foreign exchange losses (gains)	675,822	(733,619)
(Gain) loss on sale of fixed assets	(34,101)	(8,015)
(Gain) loss on disposal of fixed assets	1,693	62,561
Decrease (increase) in notes and accounts receivable-trade	(391,356)	(244,759)
Decrease (increase) in inventories	(135,860)	(4,275)
Increase (decrease) in notes and accounts payable	(287,357)	643,929
Others	(73,110)	173,722
Subtotal	1,081,468	2,684,001
Proceeds from interest and dividend receivable	74,242	53,208
Payment of interests	(370,375)	(354,783)
Payment of income taxes	(293,198)	(333,523)
Net cash provided by operating activities	492,136	2,048,902

(Thousands of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from investing activities		
Payments on purchase of tangible fixed assets	(2,069,008)	(481,287)
Proceeds from sales of tangible fixed assets	292,688	3,582
Payments on purchase of intangible fixed assets	(95,477)	(118,935)
Proceeds from sales of intangible assets	176	153
Payments on purchase of investment securities	(40,600)	(600)
Payments on paying in time deposits	(176,141)	(150,383)
Proceeds from withdrawal of time deposits	845,693	80,560
Other expenses	(3,288)	(4,632)
Others incomes	34,529	4,112
Net cash used in investing activities	(1,211,427)	(667,430)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,159,160	345,354
Proceeds from long-term borrowings	3,013,200	3,001,410
Repayments on long-term borrowings	(2,971,382)	(3,477,949)
Purchase of treasury stocks	(877)	(1,216)
Cash dividends paid	(82,132)	(49,377)
Proceeds from disposal of treasury shares	-	-
Others	(205,245)	(263,271)
Net cash used in financing activities	912,723	(445,050)
Effect of exchange rate changes on cash and cash equivalents	10,850	271,160
Net increase (decrease) in cash and cash equivalents	204,282	1,207,582
Cash and cash equivalents at the beginning of year	3,981,533	2,773,951
Cash and cash equivalents at the end of year	4,185,816	3,981,533

(4) Segment Information

1. Information related to sales and profit or loss amounts by reporting segment

Year ended March 31, 2025

(Thousands of yen)

	Japan	Americas	Europe	Ajia	Total
Net sales:					
Net sales to third parties	8,867,528	4,231,271	3,111,512	10,339,153	26,549,467
Intra-group net sales and transfers	1,117,614	2,019	115,490	212,532	1,447,656
Total sales	9,985,143	4,233,290	3,227,003	10,551,685	27,997,123
Segment income (loss)	113,147	(455,559)	230,413	464,974	352,975
Segment assets	20,505,062	5,902,358	3,358,877	12,560,819	42,327,118
Segment liability	17,082,522	8,561,122	842,836	3,184,820	29,671,301
Others					
Depreciation	517,653	327,405	222,413	512,758	1,580,231
amortization of goodwill	-	-	-	-	-
Net increase in tangible and intangible fixed assets	322,153	95,674	63,721	166,815	648,364

Year ended March 31, 2024

(Thousands of yen)

	Japan	Americas	Europe	Ajia	Total
Net sales:					
Net sales to third parties	9,095,596	5,410,330	3,399,506	10,627,324	28,532,758
Intra-group net sales and transfers	1,150,300	6,876	114,443	222,347	1,493,968
Total sales	10,245,897	5,417,207	3,513,949	10,849,672	30,026,726
Segment income (loss)	222,782	192,963	150,457	544,463	1,110,666
Segment assets	20,255,063	5,494,846	3,487,999	12,376,594	41,614,505
Segment liability	16,410,097	6,121,554	851,307	3,778,219	27,161,178
Others					
Depreciation	546,856	310,522	210,985	474,986	1,543,350
Amortization of goodwill	-	-	-	-	-
Net increase in tangible and intangible fixed assets	626,582	302,243	111,304	1,496,752	2,536,883

4. Non-Consolidated Financial Statements

(1) Condensed Non-Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2024
ASSETS		
Current assets		
Cash and deposits	554,330	630,021
Notes receivable-trade	42,787	94,784
Accounts receivable-trade	1,888,160	1,845,942
Merchandise and finished goods	352,431	400,980
Work in process	402,600	388,710
Raw materials and supplies	282,913	311,533
Prepaid expenses	101,258	38,786
Accounts receivable-other	78,981	111,343
Current portion of long-term loans receivable from subsidiaries and affiliates	2,458,531	3,093,679
other assets	279,457	244,556
Total Current assets	6,441,453	7,160,338
Noncurrent assets		
Property, plant and equipment		
Buildings	4,994,459	6,880,898
Accumulated depreciation	(2,579,707)	(4,475,488)
Buildings, net	2,414,752	2,405,409
Structures	261,387	279,019
Accumulated depreciation	(179,638)	(179,564)
Structures, net	81,748	99,455
Machinery and equipment	4,936,442	5,018,800
Accumulated depreciation	(4,290,882)	(4,397,122)
Machinery and equipment, net	645,559	621,677
Vehicles	10,971	10,121
Accumulated depreciation	(10,404)	(10,121)
Vehicles, net	566	0
Tools, furniture and fixtures	1,206,226	1,119,329
Accumulated depreciation	(1,100,926)	(1,057,917)
Tools, furniture and fixtures, net	105,300	61,412
Land	670,458	818,296
Lease assets	1,050,548	870,502
Accumulated depreciation	(517,126)	(384,275)
Lease assets, net	533,422	486,227
Construction in progress	93,398	165,231
Total Property, plant and equipment	4,545,205	4,657,710

Intangible assets		
Software	41,418	44,998
Software in progress	45,000	4,211
Lease asset	-	2,586
Telephone subscription right	13,384	13,384
Total Intangible assets	99,802	65,180
Investments and other assets		
Investment securities	69,478	92,109
Stocks of subsidiaries and affiliates	3,323,253	2,880,299
Investments in capital	50	50
Investments in capital of subsidiaries and affiliates	646,684	646,684
Claims provable in bankruptcy, claims provable in rehabilitation and other	245	245
Long-term loans receivable from subsidiaries and affiliates	2,466,803	3,904,505
Long-term prepaid expenses	6,298	3,552
Prepaid pension cost	73,672	
Deferred tax asset	-	42,406
Real estate for investment	169,999	286,999
Lease and guarantee deposits	49,292	48,024
Other	29,972	29,960
Allowance for doubtful accounts	(84,267)	(1,731,939)
Total Investments and other assets	6,751,484	6,202,897
Total Noncurrent assets	11,396,492	10,925,788
Total Net assets	17,837,946	18,086,126
Liabilities		
Current liabilities		
Notes payable-trade	1,593	2,091
Accounts payable-trade	743,595	1,578,728
Accounts payable	438,131	444,691
Short-term loans payable	6,564,816	6,166,226
Current portion of long-term loans payable	2,796,012	2,438,138
Accounts payable-other	144,135	126,113
Lease obligations	149,911	129,315
Accrued expenses	469,796	515,726
Income taxes payable	14,038	7,958
Deposits received	27,250	28,732
Provision for bonuses	116,164	123,605

Provision for loss on litigation	100,000	-
Other	2,232	102,526
Total current liabilities	11,567,676	11,663,855
Noncurrent liabilities		
Long-term loans payable	3,309,760	3,938,938
Provision for retirement benefits	909,886	978,851
Long-term accounts payable-other	123,587	82,121
Lease obligations	399,697	375,671
Asset retirement obligations	38,000	38,000
Total noncurrent liabilities	4,780,932	5,413,582
Total liabilities	16,348,609	17,077,438
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus		
Legal capital surplus	25,000	25,000
Amount of capital surplus	1,042,759	1,125,000
Total capital surplus	1,067,759	1,150,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	437,602	(149,080)
Total retained earnings	437,602	(149,080)
Treasury stock	(80,336)	(79,773)
Total shareholders' equity	1,525,025	1,021,145
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(44,282)	(21,050)
Total Valuation and translation adjustments	(44,282)	(21,050)
Subscription rights to shares	8,594	8,594
Total net assets	1,489,337	1,008,688
Total liabilities and net assets	17,837,946	18,086,126

(2) Condensed Non-Consolidated Statements of Income

(Thousands of yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Net sales	10,245,897	9,985,143
Cost of sales		
Beginning finished goods	400,980	371,431
Cost of products manufactured	7,801,727	7,755,511
Total	8,202,708	8,126,943
Ending finished goods	352,431	400,980
Cost of finished goods sold	7,850,276	7,725,963
Total cost of sales	7,850,276	7,725,963
Gross profit	2,395,621	2,259,180
Selling, general and administrative expenses		
Commission fee	183,670	169,069
Shipment expenses	426,632	400,997
Advertising expenses	6,294	7,087
Promotion expenses	8,747	7,846
Entertainment expenses	13,763	8,902
Directors' compensations	126,240	118,196
Employees' salaries and allowances	667,932	686,432
Provision for bonuses	33,844	37,487
Provision for retirement benefits	28,599	54,466
Legal welfare expenses	141,995	128,518
Welfare expenses	30,167	27,119
Other salaries	36,764	38,955
Traveling and transportation expenses	74,221	60,441
Communication expenses	19,584	20,167
Insurance expenses	19,622	17,771
Rent expenses	91,385	83,461
Office supplies expenses	20,804	11,274
Repair expenses	23,139	20,129
Taxes and dues	10,697	8,813
Education and training expenses	8,622	8,304
Research and development expenses	90,068	106,799
Depreciation	20,796	22,152
Miscellaneous expenses	91,532	94,050

Total selling, general and administrative expenses	2,175,129	2,138,446
Operating income (loss)	220,492	120,734
Non-operating income		
Interest income	137,305	144,850
Dividends income	1,372,533	198,622
Rent income	5,575	9,029
Foreign exchange gains	-	379,728
Subsidy income	12,822	13,720
Subsidy income 2	1,202	2,947
Miscellaneous income	15,547	10,007
Total non-operating income	1,544,985	758,906
Non-operating expenses		
Depreciation	-	-
Interest expenses	312,900	319,685
Foreign exchange loss	91,269	
Compensation expenses	18	2,076
Miscellaneous loss	14,515	13,172
Total non-operating expenses	418,703	334,934
Ordinary income	1,346,773	544,705
Extraordinary income		
Gain on sales of noncurrent assets	35,161	52
National subsidies	13,558	-
Total extraordinary income	48,720	52
Extraordinary loss		
Loss on disposal of non-current assets	1,758	1,304
Loss on disposal of non-current assets	863	57,631
Loss on reduction of non-current assets	13,558	
Loss on valuation of stocks of subsidiaries and	-	879
Provision of allowance for litigation	100,000	-
Loss on litigation	-	-
Provision of allowance for doubtful accounts	579,167	
Total extraordinary loss	695,348	792,407
Income before income taxes	700,145	(247,649)
Income taxes-current	71,072	86,966
Income taxes-deferred	42,389	39,393
Total income taxes	113,462	126,359
Net income	586,683	(374,009)