



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

May 15, 2025

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 Management, Corporate Strategy, IR Fields
 Scheduled date of annual general meeting of shareholders June 27, 2025 Scheduled date to commence dividend payments June 9, 2025
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 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes (For Institutional Investors and Analysts)

(Amounts are rounded down to the nearest million yen)

Consolidated Financial Results for the Year Ended March 31, 1.2025 (April 1, 2024-March 31, 2025)

(1) Consolidated Results of Operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	38,353	12.2	2,930	19.3	3,391	17.1	3,782	56.2
Year ended March 31, 2024	34,180	0.3	2,457	28.5	2,896	21.1	2,420	18.6

(NOTE) Comprehensive income Year ended March 31, 2025 1,957 Millions of yen (Δ58.7%) Year ended March 31, 2024 4,736 Millions of yen (64.4%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	135.78	-	6.3	4.1	7.6
Year ended March 31, 2024	85.83	-	4.2	3.8	7.2

(Reference) Equity in earnings of affiliates Year ended March 31, 2025 29 Millions of yen Year ended March 31, 2024 29 Millions of yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2025	82,697	60,019	72.1	2,188.25
Year ended March 31, 2024	82,017	60,301	73.1	2,125.77

Reference: Shareholders' equity Year ended March 31, 2025 59,645 Millions of yen Year ended March 31, 2024 59,983 Millions of yen

(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
Year ended March 31, 2025	4,720	Δ3,299	Δ2,396	12,824
Year ended March 31, 2024	Δ461	Δ3,822	3,828	13,746

2.Dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Year ended March 31, 2024	Yen -	Yen 20.00	Yen -	Yen 22.00	Yen 42.00	Millions of yen 1,185	% 48.9	% 2.0
Year ended March 31, 2025	-	21.00	-	24.00	45.00	1,240	33.1	2.1
Fiscal year ending March 31, 2026 (Forecast)	-	27.00	-	28.00	55.00		55.7	

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

(Percentages represent year-on-year changes for the full fiscal year and year-on-year changes for the quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	23,000	27.8	1,700	50.5	1,900	40.5	1,330	28.3	48.79
Full year	44,000	14.7	3,000	2.4	3,350	△1.2	2,690	△28.9	98.69

※ Notes

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

New:-(Company name:-), Excluded:-(Company name:-)

(2)Changes in accounting policies and changes or restatement of accounting estimates

① Changes in accounting policies due to revisions to accounting standards, etc.: Yes

② ① Changes in accounting policies other than the above: None

③ Changes in accounting estimates: None

④ Restatement of revisions: None

(3)Number of shares outstanding (common shares)

① Number of shares outstanding at the end of the period (including treasury share)

② Number of treasury share at the end of the period

③ Average number of shares during the period

Year ended March 31, 2025	28,732,800 Shares	Year ended March 31, 2024	32,732,800 Shares
Year ended March 31, 2025	1,475,638 Shares	Year ended March 31, 2024	4,515,300 Shares
Year ended March 31, 2025	27,855,790 Shares	Year ended March 31, 2024	28,205,937 Shares

※ The financial results are outside the scope of audits by a certified public accountant or an auditing firm.

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to "(4) Future Outlook" of "1. Overview of Operating Results, etc." on page 4 of [Attached Materials] for the assumptions upon which the forecasts are based and notes for using the forecasts.

(Method of Obtaining Supplementary Briefing Materials on Financial Results)

Supplementary materials for financial results will be posted on our website on May 15, 2025.

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1. Overview of Operating Results

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

Although the global economy remained firm during the fiscal year under review, the economy was unstable due to concerns over continued geopolitical risks and fluctuations in interest rates and foreign exchange rates. The domestic economy showed a gradual recovery trend backed by firm corporate performance, but the outlook remains uncertain due to price increases and fluctuations in the international situation.

In our group, we have worked to stabilize the operation of the Process Engineering business at the Ikoma Plant, which was opened in Nara Prefecture last year. At the same time, we have proceeded with the restructuring of the Konoike Plant to strengthen the production system for the Heat Exchanger business and the Valves business. We've also implemented measures to expand our business and improve productivity, including establishing affiliated companies in the Middle East and Southeast Asia. Against this background, orders received by our Group in the fiscal year under review increased 11.2% from the previous fiscal year to ¥42.269 billion due to strong performance in the Process Engineering business.

Net sales increased 12.2% year on year to ¥38.353 billion due to solid performance in the Heat Exchanger business and the Process Engineering business.

As for profit, there was an increase in personnel expenses due to wage increases and depreciation expenses associated with the opening of the Ikoma Plant, in addition to a surge in raw material prices. However, due to an increase in sales and an improvement in the profit margin, operating profit increased 19.3% year on year to ¥2.93 billion, and ordinary profit increased 17.1% year on year to ¥3.391 billion.

Profit attributable to owners of parent increased 56.2% year on year to ¥3.782 billion due to the gain on sale of strategic shareholdings as in the previous fiscal year and the recording of subsidy income.

Results of operations by segment are as follows.

"Heat Exchanger Segment"

The heat exchanger business manufactures and sells plate-type heat exchangers and other products for heating and cooling fluids, which are indispensable in various industries.

Orders received decreased 0.6% from the previous fiscal year to ¥16.793 billion. Maintenance projects in the domestic and Middle East were favorable, and sales for air-conditioning and other products were also favorable. However, there was a reactionary decline in large-scale projects in the previous fiscal year in plant and ship-related business.

Net sales increased 6.5% from the previous fiscal year to ¥16.152 billion. In addition to growth in maintenance projects, ship-related business with abundant backlog increased, and large-scale projects for CO₂ recovery and air conditioning were also contributed.

Segment profit decreased 26.7% to ¥1.342 billion due to the recording of a write-down of inventories and other factors, despite the increase in net sales and an improvement in the sales mix.

"Process engineering Segment"

The Process Engineering segment manufactures and sells cooking and disinfecting equipment, such as retort foods, as well as sterilizers and culture equipment for pharmaceuticals, and dyeing equipment for textile products.

Orders received increased 25.6% from the previous fiscal year to ¥20.165 billion. In pharmaceutical equipment, although there was a reactionary decline following a large-scale project in the previous fiscal year, orders for aseptically packaged rice production plants and plants related to drinking water in food equipment were received, and sales of dyeing equipment for overseas markets were favorable.

Net sales increased 22.8% from the previous fiscal year to 17.158 billion. In addition to generating in large-scale plant projects related to food, drinking water, and pharmaceuticals, sales of dyeing equipment, mainly for overseas markets, grew.

Segment profit come increased 439.1% year on year to ¥1.418 billion due to factors including an increase in sales and productivity improvements resulting from the start of operations at the Ikoma Plant.

"Valve Segment"

The Valve Business manufactures and sells ball valves and other products used in the control of various fluids.

Orders received increased 5.4% from the previous fiscal year to ¥5.221 billion. Sales for chemicals decreased, but sales for water and sewerage treatment facilities and for steel were strong.

Net sales were ¥4.954 billion, same level with the previous fiscal year. As in the case of orders received, sales for chemicals decreased, but sales for water and sewerage treatment facilities and for steel were strong.

Segment profit decreased 30.8% from the previous fiscal year to ¥292 million due mainly to higher raw material prices.

Performance by Segment (Millions of yen/(%): Year-on-year change)

	Heat Exchanger Segment	Process Engineering Segment	Valve Segment	Others
Orders received	16,793(△0.6%)	20,165(25.6%)	5,221(5.4%)	88(1.2%)
Net sales	16,152(6.5%)	17,158(22.8%)	4,954(△0.0%)	88(1.2%)
Segment profit	1,342(△26.7%)	1,418(439.1%)	292(△30.8%)	65(2.9%)

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

Assets

Assets at the end of the fiscal year under review were ¥82.697 billion, an increase of ¥679 million from ¥82.017 billion at the end of the previous fiscal year.

Current assets were ¥38.651 billion, an increase of ¥14 billion from ¥38.636 billion at the end of the previous fiscal year. The main factors include ¥12.914 billion in cash and deposits, ¥11.812 billion in notes and accounts receivable-trade and ¥13.388 billion in inventories. The main factor for the increase was ¥1.331 billion in inventories.

Non-current assets were ¥44.045 billion, an increase of ¥664 million from ¥43.38 billion at the end of the previous fiscal year. The main components were 13.041 billion yen for buildings and structures, 7.385 billion yen for land and 12.387 billion yen for investment securities. The main factor for the increase was construction in progress of 3.32 billion yen.

Liabilities

Liabilities at the end of the fiscal year under review were ¥22.677 billion, an increase of ¥961 million from ¥21.715 billion at the end of the previous fiscal year.

Current liabilities were ¥14.779 billion, an increase of ¥1.894 billion from ¥12.884 billion at the end of the previous fiscal year. The main components were ¥4.782 billion in trade payables and ¥5.841 billion in contractual liabilities. The main factor for the increase was contract liabilities of 2.053 billion yen.

Non-current liabilities were ¥7.898 billion, a decrease of ¥932 million from ¥8.831 billion at the end of the previous fiscal year. The main components were ¥4 billion in bonds and ¥2.626 billion in deferred tax liabilities. The main factor for the decrease was a deferred tax liability of ¥908 million.

(Net assets)

Net assets at the end of the fiscal year under review were ¥60.019 billion, a decrease of ¥282 million from ¥60.301 billion at the end of the previous fiscal year. The main components were ¥4.15 billion in capital, ¥5.438 billion in capital surplus, ¥44.369 billion in retained earnings, and ¥5.824 billion in valuation difference on available-for-sale securities. The main factors for the decrease were ¥3.382 billion in capital surplus and ¥2.319 billion in unrealized gain on available-for-sale securities.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review decreased by ¥922 million from ¥13.746 billion at the end of the previous fiscal year to ¥12.824 billion at the end of the fiscal year under review. Despite such positive factors as the recording of profit before income taxes of ¥5.15 billion and proceeds from sales of investment securities of ¥2.256 billion, there were negative factors such as expenditures of ¥5.491 billion for the acquisition of fixed assets and an increase in inventories of ¥1.251 billion.

The status of each cash flow during the current consolidated fiscal year and the factors thereof are as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥4.72 billion.

This was due to the recording of profit before income taxes and an increase in contractual liabilities, which outweighed the increase in inventories.

Cash flows from investing activities

Net cash used in investing activities was ¥3.299 billion.

This was due to an increase in payments for purchase of fixed assets, despite proceeds from sales of investment securities.

Cash flows from financing activities

Net cash used in financing activities was ¥2.396 billion.

This was mainly due to the payment of dividends and the purchase of treasury share.

<< Reference >> Cash Flow-Related Indicators

	Year ended March 31, 2024	Year ended March 31, 2025
Equity Ratio	73.1 %	72.1 %
Equity ratio based on market value	35.1 %	32.6 %
Interest-bearing debt/cash flow	- Year	1.1 Year
Interest coverage ratio (times)	- Times	256.5 Times

Equity ratio : Equity capital/Total assets

Equity ratio based on market value: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flows/Interest payments

※1. All figures are calculated on a consolidated basis.

※2. Market capitalization is calculated based on the number of shares outstanding, excluding treasury share.

※3. Operating cash flow is used as cash flow.

※4. Interest-bearing debt refers to all liabilities on the consolidated balance sheet for which interest is paid.

※5. Cash flow to interest-bearing debt ratio" and "Interest coverage ratio" for the year ended March 31, 5.2024 are not shown because operating cash flow is negative.

(4)Future Forecasts

Looking ahead, the global economy is expected to remain uncertain due to factors such as the continuation of geopolitical risks, fluctuations in interest rates and foreign exchange rates, and international tensions over customs measures. There are concerns that the pace of growth will slow in tandem with the cautious stance of economic activities.

While the current domestic economy is expected to show a gradual improvement trend, increases in raw material, labor, and logistics costs are expected to affect corporate performance.

Our Group will continue to strive to thoroughly manage costs and improve productivity. At the same time, as the final year of the "G-23" medium-term management plan, we will struggle to develop new products, expand our service business, and strengthen our production system in order to resolve social issues such as energy conservation and labor saving.

Based on the above, we forecast the following consolidated results for the fiscal year ending March 2026.

The impact of the U.S. tariff measures on business and results of operations may be indirectly affected to a certain extent. However, at this point, there is a high degree of uncertainty regarding risk factors, and it is difficult to reasonably estimate the extent of such uncertainty. Accordingly, these factors have not been factored into the results forecasts.

In the future, we plan to promptly disclose appropriate information in the event of a material change in the situation related to such factors.

<< Reference >> "Consolidated Earnings Forecasts" (April 1, 2025 to March 31, 2026) (Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share	(Reference) Orders received
First half	23,000	1,700	1,900	1,330	48.79 yen	20,000
Second half	21,000	1,300	1,450	1,360	49.90 yen	21,000
Full year	44,000	3,000	3,350	2,690	98.69 yen	41,000

(NOTE)Earnings forecasts are based on information available as of the date when this document was released. Various factors may cause actual results to differ materially from these forecasts.

2.Basic Approach to Selection of Accounting Standards

Our policy is to prepare consolidated financial statements under Japanese GAAP for the time being, considering the comparability of consolidated financial statements between periods and between companies. With regard to the application of the International Financial Reporting Standards (IFRS), our policy is to respond appropriately, taking into account domestic and overseas conditions.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	13,836	12,914
Notes receivable - trade	493	470
Accounts receivable - trade	7,809	8,106
Electronically recorded monetary claims - operating	3,137	3,236
Merchandise and finished goods	3,351	3,488
Work in process	5,035	7,274
Raw materials and supplies	3,670	2,624
Other	1,313	552
Allowance for doubtful accounts	(11)	(16)
Total current assets	38,636	38,651
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,635	25,109
Accumulated depreciation	(11,230)	(12,067)
Buildings and structures, net	13,405	13,041
Machinery, equipment and vehicles	12,173	12,592
Accumulated depreciation	(10,055)	(10,390)
Machinery, equipment and vehicles, net	2,117	2,201
Tools, furniture and fixtures	5,171	5,318
Accumulated depreciation	(4,536)	(4,674)
Tools, furniture and fixtures, net	635	643
Land	7,342	7,385
Construction in progress	416	3,736
Other	118	156
Accumulated depreciation	(69)	(86)
Other, net	48	70
Total property, plant and equipment	23,965	27,077
Intangible assets		
Software	168	164
Goodwill	57	35
Other	388	1,110
Total intangible assets	613	1,309
Investments and other assets		
Investment securities	16,170	12,387
Retirement benefit asset	1,687	2,307
Other	942	962
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	18,800	15,657
Total non-current assets	43,380	44,045
Total assets	82,017	82,697

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,709	2,787
Electronically recorded obligations - operating	2,018	1,994
Income taxes payable	308	1,275
Contract liabilities	3,788	5,841
Provision for product warranties	97	95
Provision for loss on orders received	211	23
Provision for bonuses	796	832
Other	1,953	1,928
Total current liabilities	12,884	14,779
Non-current liabilities		
Bonds payable	4,000	4,000
Long-term borrowings	1,000	1,000
Deferred tax liabilities	3,534	2,626
Retirement benefit liability	193	214
Other	103	57
Total non-current liabilities	8,831	7,898
Total liabilities	21,715	22,677
Net assets		
Shareholders' equity		
Share capital	4,150	4,150
Capital surplus	8,820	5,438
Retained earnings	41,983	44,369
Treasury shares	(3,892)	(1,321)
Total shareholders' equity	51,061	52,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,144	5,824
Deferred gains or losses on hedges	(30)	(8)
Foreign currency translation adjustment	598	762
Remeasurements of defined benefit plans	211	431
Total accumulated other comprehensive income	8,922	7,009
Non-controlling interests	317	374
Total net assets	60,301	60,019
Total liabilities and net assets	82,017	82,697

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	34,180	38,353
Cost of sales	25,876	28,579
Gross profit	8,304	9,773
Selling, general and administrative expenses	5,847	6,842
Operating profit	2,457	2,930
Non-operating income		
Interest income	16	26
Dividend income	395	422
Share of profit of entities accounted for using equity method	29	29
Foreign exchange gains	29	—
Other	36	49
Total non-operating income	507	528
Non-operating expenses		
Interest expenses	3	18
Bond issuance costs	30	—
Loss on sale of notes receivable - trade	0	1
Foreign exchange losses	—	15
Maintenance of inactive non-current asset	32	30
Other	1	2
Total non-operating expenses	68	68
Ordinary profit	2,896	3,391
Extraordinary income		
Gain on sale of non-current assets	3	3
Gain on sale of investment securities	719	1,565
Subsidy income	—	200
Total extraordinary income	722	1,769
Extraordinary losses		
Loss on sale and retirement of non-current assets	66	10
Plant transfer cost and other	168	—
Plant rebuilding expense	112	—
Disaster related expenses	10	—
Total extraordinary losses	357	10
Profit before income taxes	3,261	5,150
Income taxes - current	694	1,386
Income taxes - deferred	94	(113)
Total income taxes	789	1,273
Profit	2,472	3,877
Profit attributable to non-controlling interests	51	94
Profit attributable to owners of parent	2,420	3,782

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	2,472	3,877
Other comprehensive income		
Valuation difference on available-for-sale securities	2,126	(2,325)
Deferred gains or losses on hedges	(29)	22
Foreign currency translation adjustment	234	169
Remeasurements of defined benefit plans, net of tax	(56)	219
Share of other comprehensive income of entities accounted for using equity method	(10)	(5)
Total other comprehensive income	2,263	(1,919)
Comprehensive income	4,736	1,957
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,679	1,869
Comprehensive income attributable to non-controlling interests	56	87

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (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	4,150	8,818	40,501	(3,923)	49,546
Changes during period					
Dividends of surplus			(1,127)		(1,127)
Profit attributable to owners of parent			2,420		2,420
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		31	32
Cancellation of treasury shares					—
Change in scope of consolidation			189		189
Net changes in items other than shareholders' equity					—
Total changes during period	—	1	1,481	30	1,514
Balance at end of period	4,150	8,820	41,983	(3,892)	51,061

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,022	(1)	319	267	6,609	146	56,302
Changes during period							
Dividends of surplus							(1,127)
Profit attributable to owners of parent							2,420
Purchase of treasury shares							(0)
Disposal of treasury shares							32
Cancellation of treasury shares							—
Change in scope of consolidation			54		54	103	346
Net changes in items other than shareholders' equity	2,121	(29)	223	(56)	2,258	68	2,326
Total changes during period	2,121	(29)	278	(56)	2,313	171	3,999
Balance at end of period	8,144	(30)	598	211	8,922	317	60,301

Current fiscal year (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	4,150	8,820	41,983	(3,892)	51,061
Changes during period					
Dividends of surplus			(1,206)		(1,206)
Profit attributable to owners of parent			3,782		3,782
Purchase of treasury shares		2		(1,049)	(1,046)
Disposal of treasury shares		8		36	45
Cancellation of treasury shares		(3,393)	(190)	3,583	—
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(3,382)	2,385	2,570	1,574
Balance at end of period	4,150	5,438	44,369	(1,321)	52,635

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,144	(30)	598	211	8,922	317	60,301
Changes during period							
Dividends of surplus							(1,206)
Profit attributable to owners of parent							3,782
Purchase of treasury shares							(1,046)
Disposal of treasury shares							45
Cancellation of treasury shares							—
Change in scope of consolidation							—
Net changes in items other than shareholders' equity	(2,319)	22	164	219	(1,913)	56	(1,856)
Total changes during period	(2,319)	22	164	219	(1,913)	56	(282)
Balance at end of period	5,824	(8)	762	431	7,009	374	60,019

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,261	5,150
Depreciation	1,259	1,630
Amortization of goodwill	22	22
Increase (decrease) in allowance for doubtful accounts	(149)	5
Increase (decrease) in provision for product warranties	(161)	(2)
Increase (decrease) in provision for loss on orders received	155	(187)
Increase (decrease) in provision for bonuses	(37)	34
Decrease (increase) in retirement benefit asset	(362)	(299)
Increase (decrease) in retirement benefit liability	19	21
Interest and dividend income	(412)	(448)
Interest expenses	3	18
Bond issuance costs	30	—
Foreign exchange losses (gains)	(58)	(3)
Share of loss (profit) of entities accounted for using equity method	(29)	(29)
Loss (gain) on sale of investment securities	(719)	(1,565)
Loss (gain) on sale and retirement of non-current assets	63	6
Plant transfer cost and other	168	—
Plant rebuilding expense	112	—
Disaster related expenses	10	—
Subsidy income	—	(200)
Decrease (increase) in trade receivables	(866)	(349)
Decrease (increase) in inventories	(2,034)	(1,251)
Increase (decrease) in trade payables	385	(972)
Increase (decrease) in contract liabilities	261	1,986
Increase (decrease) in accrued consumption taxes	(712)	1,307
Decrease (increase) in accounts receivable - other	7	51
Other, net	5	(271)
Subtotal	222	4,653
Interest and dividends received	413	448
Interest paid	(2)	(18)
Subsidies received	—	200
Plant transfer cost and other paid	(154)	(14)
Plant rebuilding expense paid	(1)	(110)
Disaster related expenses paid	(10)	—
Income taxes refund (paid)	(928)	(437)
Net cash provided by (used in) operating activities	(461)	4,720
Cash flows from investing activities		
Payments into time deposits	(85)	(95)
Proceeds from withdrawal of time deposits	99	95
Payments into long-term time deposits	(0)	—
Proceeds from long-term time deposits	902	—
Purchase of non-current assets	(5,664)	(5,491)
Proceeds from sale of non-current assets	12	8
Purchase of investment securities	(4)	(5)
Proceeds from sale of investment securities	919	2,256
Decrease (increase) in short-term loans receivable	(0)	0
Long-term loan advances	—	(30)
Purchase of insurance funds	(49)	(90)
Proceeds from cancellation of insurance funds	44	123
Other, net	3	(71)
Net cash provided by (used in) investing activities	(3,822)	(3,299)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from long-term borrowings	1,000	—
Repayments of long-term borrowings	(2)	—
Proceeds from issuance of bonds	3,969	—
Repayments of lease liabilities	(10)	(14)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(106)
Purchase of treasury shares	(0)	(1,046)
Dividends paid	(1,123)	(1,202)
Dividends paid to non-controlling interests	(4)	(26)
Net cash provided by (used in) financing activities	3,828	(2,396)
Effect of exchange rate change on cash and cash equivalents	102	53
Net increase (decrease) in cash and cash equivalents	(351)	(922)
Cash and cash equivalents at beginning of period	13,871	13,746
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	227	—
Cash and cash equivalents at end of period	13,746	12,824

(5)Notes fo consolidated financial statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Income Taxes, Inhabitant Taxes and Enterprise Taxes, etc.)

"Accounting Standard for Income Taxes, Resident Taxes and Enterprise Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the current consolidated fiscal year.

Revisions to the classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Article 20-3 of the Revised Accounting Standard for 2022 and the transitional treatment stipulated in Article 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidance"). This change in accounting policy had no impact on the consolidated financial statements.

The Company has applied the revised guidance for 2022 from the beginning of the current fiscal year to revise the treatment of deferral of gains and losses on sales of shares of subsidiaries and others among the Companies for tax purposes in the consolidated financial statements. This change in accounting policy was applied retrospectively, and the consolidated financial statements for the previous fiscal year have been retrospectively applied. This change in accounting policy had no impact on the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information)

[Segment Information]

1.The outline of any Reporting Segment

The reportable segments of the Group are the constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating business performance. Based on our products and services, our Group has three reportable segments: the Heat Exchanger, the Process Engineering, and the Valve. Segments that do not fall into these categories are classified as "other."

Each segment develops comprehensive domestic and overseas strategies for the products and services it handles and conducts business activities.

Product overview for each segment is as follows.

The Heat Exchanger Segment manufactures and sells plate-type heat exchangers for the heating and cooling of fluids, which are indispensable in various industries.

The Process Engineering Segment manufactures and sells sterilizers for retort foods and other products, as well as sterilizers for pharmaceuticals and dyeing and finishing equipment for textile products.

The Valve Segment manufactures and sells ball valves and other products used in the control of various fluids.

2.Calculation method for net sales, profit or loss, assets and other items by reportable segment

The accounting methods for reportable segments are generally the same as those described in the accounting standards in "Significant Matters Forming the Basis for Preparation of Consolidated Financial Statements."

Profit (loss) of reportable segments is based on operating profit.

Assets of reportable segments are figures for trade receivables, inventories, and business fixed assets held by reportable segments.

Common assets such as the head office are not allocated to each reportable segment, but the related expenses are allocated to each reportable segment based on a reasonable basis.

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

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

(Millions of yen)

	Reportable Segments				Others (Note)	Total
	Heat Exchanger	Process Engineering	Valve	Total		
Net sales						
Sales to customers	15,161	13,977	4,954	34,093	87	34,180
Segment profit	1,831	263	423	2,517	63	2,580
Segment assets	19,611	20,346	4,913	44,871	908	45,780
Other items						
Depreciation and amortization	607	423	150	1,182	10	1,192
Increase in property, plant and equipment, and intangible assets	762	5,024	94	5,881	-	5,881

(NOTE)"Others" is a business segment that is not included in reportable segments, such as power generation business.

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

(Millions of yen)

	Reportable Segments				Others (Note)	Total
	Heat Exchanger	Process Engineering	Valve	Total		
Net sales						
Sales to customers	16,152	17,158	4,954	38,264	88	38,353
Segment profit	1,342	1,418	292	3,053	65	3,118
Segment assets	23,135	22,441	4,971	50,548	898	51,447
Other items						
Depreciation and amortization	646	698	139	1,485	10	1,496
Increase in property, plant and equipment, and intangible assets	4,630	650	108	5,389	-	5,389

(NOTE)"Others" is a business segment that is not included in reportable segments, such as power generation business.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements, and main details of said difference (matters related to difference reconciliation)

(Millions of yen)

Net sales	End of previous fiscal year	Current consolidated fiscal year
Reportable segments total	34,093	38,264
Net sales classified in "Other"	87	88
Net sales in the consolidated financial statements	34,180	38,353

(Millions of yen)

Profit	End of previous fiscal year	Current consolidated fiscal year
Reportable segments total	2,517	3,053
Profit of "Others" category	63	65
Amortization of goodwill	△22	△22
Corporate expenses (Note)	△156	△268
Adjustments to inventories	4	△10
Other adjustments	50	113
Operating profit in the consolidated financial statements	2,457	2,930

(NOTE) Corporate expenses mainly consist of general and administrative expenses and research and development expenses not attributable to reportable segments.

(Millions of yen)

Assets	End of previous fiscal year	Current consolidated fiscal year
Reportable segments total	44,871	50,548
Assets categorized in "Other"	908	898
Corporate assets (Note)	36,242	31,263
Adjustments to inventories	△4	△13
Total assets in the consolidated financial statements	82,017	82,697

(NOTE) Corporate assets include surplus fund management and long-term investment funds and assets related to administrative departments that are not attributable to reportable segments.

(Millions of yen)

Other items	Reportable segments total		Others		Adjusted amount		Carrying value	
	End of previous fiscal year	Current consolidated fiscal year	End of previous fiscal year	Current consolidated fiscal year	End of previous fiscal year	Current consolidated fiscal year	End of previous fiscal year	Current consolidated fiscal year
Depreciation and amortization	1,182	1,485	10	10	66	134	1,259	1,630
Increase in property, plant and equipment, and intangible assets	5,881	5,389	-	-	236	14	6,118	5,403

(NOTE) Adjustments to increase in depreciation, property, plant and equipment and intangible assets are investments in common assets that are not attributable to the respective segments.

(Per Share Information)

	End of previous fiscal year (April 1, 2023 To March 31, 2024)	Current consolidated fiscal year (April 1, 2024 To March 31, 2025)
Net assets per share	2,125.77 yen	2,188.25 yen
Earnings per share	85.83 yen	135.78 yen

(NOTE)1. Diluted net income per share is not presented because there are no dilutive shares.

2. The basis for calculating net assets per share is as follows.

	End of previous fiscal year (As of March 31, 2024)	Current consolidated fiscal year As of March 31, 2025
Total net assets (millions of yen)	60,301	60,019
Amount deducted from total net assets (million yen)	317	374
(Non-controlling interests (Millions of yen))	(317)	(374)
Net assets related to common share at the end of the fiscal year (million yen)	59,983	59,645
Number of shares of common share at the end of the fiscal year used for the calculation of net assets per share (shares)	28,217,500	27,257,162

3. The basis for calculating net income per share is as follows.

	End of previous fiscal year (April 1, 2023 To March 31, 2024)	Current consolidated fiscal year (April 1, 2024 To March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	2,420	3,782
Amount not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common share (millions of yen)	2,420	3,782
Average number of shares of common share outstanding during the period (shares)	28,205,937	27,855,790

(Significant subsequent events)

Not applicable.

4.Others

• Supplementary Information (IR Information)

(1)Breakdown of net sales by reportable segment

(Millions of yen)

Item	Previous fiscal year April 2023 to March 2024		Current fiscal year April 2024 to March 2025		Amount of change	Year-over-year
	Amount	Composition ratio	Amount	Composition ratio		
Heat Exchanger	(4,285)	(12.5 %)	(4,627)	(12.1 %)	(342)	(108.0 %)
	15,161	44.4	16,152	42.1	990	106.5
Process Engineering	(2,317)	(6.8)	(3,825)	(10.0)	(1,507)	(165.1)
	13,977	40.9	17,158	44.8	3,180	122.8
Valve	(774)	(2.3)	(865)	(2.2)	(90)	(111.7)
	4,954	14.5	4,954	12.9	0	100.0
Others	(-)	(-)	(-)	(-)	(0)	(-)
	87	0.2	88	0.2	1	101.2
Total	(7,377)	(21.6)	(9,318)	(24.3)	(1,940)	(126.3)
	34,180	100.0	38,353	100.0	4,172	112.2

N.B. Figures in parentheses are overseas sales figures.

(2)Orders Received and Order Backlog by Segment

Item	Previous fiscal year April 2023 to March 2024		Current fiscal year April 2024 to March 2025		Amount of change	Year-over-year	
	Amount	Composition ratio	Amount	Composition ratio			
R e c e i v e s d	Heat Exchanger	(5,297)	(13.9 %)	(5,446)	(12.9 %)	(Δ 149)	(102.8 %)
		16,900	44.5	16,793	39.7	107	99.4
	Process Engineering	(2,386)	(6.3)	(2,954)	(7.0)	(568)	(123.8)
		16,058	42.3	20,165	47.7	Δ 1,107	125.6
	Valve	(891)	(2.4)	(842)	(2.0)	(49)	(94.5)
4,953		13.0	5,221	12.4	268	105.4	
Others	(-)	(-)	(-)	(-)	(-)	(-)	
	87	0.2	88	0.2	1	101.2	
Total	(8,575)	(22.6)	(9,243)	(21.9)	(668)	(107.8)	
	37,999	100.0	42,269	100.0	4,269	111.2	
B a c k l e o r g	Heat Exchanger	(3,246)	(13.9)	(4,064)	(14.9)	(818)	(125.2)
		6,952	29.7	7,594	27.8	Δ 641	109.2
	Process Engineering	(2,547)	(10.9)	(1,676)	(6.1)	(870)	(65.8)
		15,140	64.6	18,147	66.4	Δ 3,007	119.9
	Valve	(335)	(1.4)	(313)	(1.1)	(22)	(93.3)
1,326		5.7	1,593	5.8	267	120.2	
Others	(-)	(-)	(-)	(-)	(-)	(-)	
	-	-	-	-	Δ -	-	
Total	(6,129)	(26.2)	(6,054)	(22.1)	(74)	(98.8)	
	23,419	100.0	27,335	100.0	3,916	116.7	

N.B. Figures in parentheses are the figures for overseas orders and overseas order backlog.