

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 25, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Konishi Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4956  
 URL: <https://www.bond.co.jp/>  
 Representative: Hirofumi Matsubata, Representative Director and President  
 Inquiries: Shinichi Okamoto, Director and Managing Executive Officer  
 Telephone: +81-6-6228-2877  
 Scheduled date of annual general meeting of shareholders: June 18, 2024  
 Scheduled date to commence dividend payments: June 19, 2024  
 Scheduled date to file annual securities report: June 18, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023, to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate 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	%
Fiscal year ended March 31, 2024	132,969	7.8	10,286	38.6	10,806	36.3	7,344	(26.8)
March 31, 2023	123,339	8.5	7,421	1.7	7,927	1.3	10,032	95.4

Notes: Comprehensive income Fiscal year ended March 31, 2024 ¥11,606 million [7.5%]  
 March 31, 2023 ¥10,791 million [89.7%]

	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	%	%	%
Fiscal year ended March 31, 2024	108.87	-	9.4	7.9	7.7
March 31, 2023	140.97	-	13.8	6.3	6.0

Reference: Share of profit (loss) of entities accounted for using equity method  
 Fiscal year ended March 31, 2024 ¥40 million  
 March 31, 2023 ¥31 million

Notes: The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. "Basic earnings per share" is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	140,850	84,685	56.6	1,222.36
March 31, 2023	132,874	81,482	57.9	1,086.96

Reference: Equity  
 As of March 31, 2024 ¥79,670 million  
 March 31, 2023 ¥76,975 million

Notes: The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. "Net assets per share" is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	8,139	(5,225)	(8,603)	25,627
Fiscal year ended March 31, 2023	4,606	3,549	(2,476)	31,268

### 2. Cash dividends

	Annual dividends per share					Total cash 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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	27.00	-	22.00	49.00	1,742	17.4	2.4
Fiscal year ended March 31, 2024	-	27.00	-	19.50	-	2,167	30.3	2.9
Fiscal year ending March 31, 2025 (forecast)	-	16.50	-	16.50	33.00		29.1	

Notes: 1. The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. Regarding dividends by the third quarter of the fiscal year ended March 31, 2024, the actual dividend amount before the stock split is stated. The full-year dividend per share for the fiscal year ended March 31, 2024, is not presented due to the stock split; however, the full-year dividend per share based on the pre-stock split standards is ¥66.00, an increase of ¥17.00.

2. Breakdown of dividends at the end of the second quarter for the fiscal year ended March 31, 2023:  
Ordinary dividend ¥22.00; 70th anniversary of the launch of bond (synthetic adhesive) commemorative dividend ¥5.00

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024, to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	66,500	1.8	4,600	(6.9)	4,800	(7.8)	3,100	(8.7)	47.56
Fiscal year ending March 31, 2025	139,000	4.5	10,700	4.0	11,000	1.8	7,400	0.8	113.54

\* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): No

Included: 0 companies, excluded 0 companies

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	70,414,880 shares
As of March 31, 2023	81,414,880 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024	5,237,078 shares
As of March 31, 2023	10,597,602 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	67,457,529 shares
Fiscal year ended March 31, 2023	71,167,454 shares

Notes: 1. The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

2. The Company cancelled 11,000,000 treasury shares (number of shares after taking into account the stock split) on October 13, 2023, pursuant to a resolution of the Board of Directors held on September 26, 2023.

**Reference: Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023, to March 31, 2024)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	88,500	7.9	5,953	41.2	6,915	32.2	5,347	(40.8)
March 31, 2023	82,025	9.1	4,217	8.4	5,232	6.2	9,035	149.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2024	79.27	-
March 31, 2023	126.97	-

Notes: The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. "Basic earnings per share" is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	112,018	59,243	52.9	908.96
March 31, 2023	109,502	60,572	55.3	855.33

Reference: Equity

As of	March 31, 2024	¥59,243	million
	March 31, 2023	¥60,572	million

Notes: The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. "Net assets per share" is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

\* Reports on financial results are exempt from an audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

- Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the earnings forecasts due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to “(4) Future outlook” in “1. Overview of operating results, etc.” on page 4 of the attached document.
- The Company plans to hold a presentation meeting for institutional investors and analysts on May 29, 2024 (Wednesday). A summary of the presentation materials for financial results to be distributed at the meeting will be posted on the Company’s website after the briefing.

## Index

1. Overview of operating results, etc.....	2
(1) Overview of operating results for the fiscal year under review.....	2
(2) Overview of financial position for the fiscal year under review.....	3
(3) Review of cash flow position for the fiscal year under review.....	3
(4) Future outlook.....	4
(5) Basic policy on profit distribution and dividends for fiscal 2024 and fiscal 2025 .....	5
2. Basic concept regarding selection of accounting standards.....	5
3. Consolidated financial statements and significant notes thereto .....	6
(1) Consolidated balance sheet.....	6
(2) Consolidated statement of income and consolidated statement of comprehensive income.....	8
(3) Consolidated statement of changes in equity.....	10
(4) Consolidated statement of cash flows.....	14
(5) Notes on premise of going concern .....	16
(6) Changes in significant basic matters for preparation of consolidated financial statements.....	16
(7) Notes to consolidated financial statements .....	17
Segment information, etc.....	17
Per share information.....	20
Omission of disclosure .....	20
Significant events after reporting period .....	20
4. Other.....	21
Change in officers.....	21
Reference: Supplementary Information on Financial Results for the Fiscal Year Ended March 31, 2024.....	22

## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year under review

During the fiscal year ended March 31, 2024 (fiscal year under review), the Japanese economy returned to a moderate recovery as the legal status of the COVID-19 pandemic was shifted and socioeconomic activities became more normalized. On the other hand, the situation affecting economic activities, such as soaring prices of resources/energy and raw materials due to the situation in the Middle East and Ukraine, and global monetary tightening, has been prolonged. Therefore, the outlook remains uncertain.

In this business environment, the Group worked to strengthen new business development, focused on growth areas, made its largest-ever capital investments in production, logistics, and DX-related areas, and implemented new capital policies. Through these efforts, the Group strived to further expand its business and improve management efficiency. In the Bond Business, the prices of raw materials used in adhesives, etc., still continued to rise. However, efforts for reflecting cost in product sales prices, and cost-saving progressed. In the Chemicals Business, sales of automotive products were strong. In the Construction Business, progress in repair, improvement, and reinforcement works in the social infrastructure market was also favorable.

As a result, the Group's operating results for the fiscal year under review were as follows. Net sales increased 7.8% year on year to 132,969 million yen, operating profit grew 38.6% year on year to 10,286 million yen, ordinary profit was up 36.3% year on year to 10,806 million yen, and profit attributable to owners of parent fell 26.8% year on year to 7,344 million yen due to the recording of a gain on sale of non-current assets resulting from the transfer of non-current assets in the second quarter of the fiscal year ended March 31, 2023.

Results by segment are as follows.

#### (i) Bond

In the general household field, sales through home improvement stores and convenience stores remained steady. In the housing-related field, new housing starts decreased due to rising construction costs. As a result, the sales volumes of adhesives for interior work decreased. In the industrial material field, the sales volumes of water-based adhesives used in paper-related applications decreased, but the sales volumes of elastic adhesives for automotive use, etc., increased. In the civil engineering and construction field, sales of sealing materials for construction and civil engineering and materials used in construction methods for preventing flaking increased in line with an increase in renovation projects.

The prices of raw materials used in adhesives and sealants still continued to rise. However, efforts for reflecting cost in product sales prices progressed, resulting in higher net sales and operating profit.

As a result of the above, net sales increased 3.9% year on year to 71,627 million yen and operating profit grew 45.7% year on year to 6,609 million yen.

#### (ii) Chemicals

In the chemical engineering field, sales of resin raw materials decreased. In the automobile field, sales of products for hybrid vehicles were strong due to the elimination of semiconductor shortages and new adoption. Sales for related merchandise for electronic and electrical appliances declined due to the impact of weaker demand for personal consumer products such as PCs, tablets, and smartphones. Regarding sales at Maruyasu & Co., Ltd., products for use in capacitors decreased.

As a result of the above, net sales increased 13.4% year on year to 39,305 million yen and operating profit grew 4.0% year on year to 1,315 million yen.

#### (iii) Construction

In the Construction Business, repair, improvement, and reinforcement works in the infrastructure and (housing) stock markets, particularly for public works, were continuously steady. The progress of construction was also good. As a result, net sales and operating profit of all five related construction companies increased significantly. In addition, CHUSHIN CONSTRUCTION CO., LTD., which became a subsidiary of the Company in January 2023, contributed to the increase in sales and profit.

As a result of the above, net sales increased 12.0% year on year to 21,857 million yen and operating profit grew 39.7% year on year to 2,244 million yen.

(iv) Other

The Other segment represents the Real Estate Rental Business, etc. Net sales decreased 2.0% year on year to 178 million yen and operating profit recorded 124 million yen (2 million yen in the same period of the previous year).

**(2) Overview of financial position for the fiscal year under review**

Total assets as of March 31, 2024, increased 7,975 million yen from the previous fiscal year-end to 140,850 million yen.

(i) Assets

Current assets decreased 1,808 million yen from the previous fiscal year-end to 92,625 million yen. This was mainly due to a decrease of 5,544 million yen in cash and deposits, despite an increase of 2,291 million yen in electronically recorded monetary claims – operating and an increase of 2,153 million yen in contract assets. Non-current assets increased 9,783 million yen from the previous fiscal year-end to 48,224 million yen mainly due to increases of 3,318 million yen in investment securities of investments and other assets, 2,577 million yen in construction in progress of property, plant and equipment, and 2,216 million yen in retirement benefit asset of investments and other assets.

(ii) Liabilities

Current liabilities increased by 3,288 million yen from the previous fiscal year-end to 49,144 million yen mainly due to an increase of 3,235 million yen in notes and accounts payable–trade. Non-current liabilities grew 1,484 million yen from the previous fiscal year-end to 7,020 million yen mainly due to an increase of 1,608 million yen in deferred tax liabilities.

(iii) Net assets

Net assets increased 3,202 million yen from the previous fiscal year-end to 84,685 million yen mainly due to increases of 2,075 million yen in valuation difference on available-for-sale securities and 1,390 million yen in remeasurements of defined benefit plans.

**(3) Review of cash flow position for the fiscal year under review**

Cash and cash equivalents (hereinafter “cash”) decreased 5,641 million yen during the fiscal year under review (increased 5,754 million yen in the same period of the previous year). This was comprised of cash flows from operating activities of 8,139 million yen (up 3,532 million yen year on year), cash flows used in investing activities of 5,225 million yen (3,549 million yen was provided in the same period of the previous year), and cash flows used in financing activities of 8,603 million yen (up 6,126 million yen year on year).

As a result, the balance of cash as of March 31, 2024, amounted to 25,627 million yen, a decrease of 5,641 million yen year on year.

(i) Cash flows from operating activities

Net cash provided by operating activities was 8,139 million yen (up 3,532 million yen year on year).

This was mainly due to profit before income taxes of 11,041 million yen, despite increases in trades receivables and contract assets of 3,838 million yen.

(ii) Cash flows from investing activities

Net cash used in investment activities was 5,225 million yen (3,549 million yen was provided in the same period of the previous year).

This was mainly due to purchase of property, plant and equipment of 5,101 million yen.

(iii) Cash flows from financing activities

Net cash used in financing activities was 8,603 million yen (up 6,126 million yen year on year).

This was mainly due to purchase of treasury shares of 6,758 million yen, and dividends paid of 1,676 million yen.

Trends in the various cash flow indicators are shown in the table below.

	(Unit)	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity-to-asset ratio	(%)	56.6	56.9	57.6	57.9	56.6
Market value equity ratio	(%)	48.9	56.2	46.8	51.0	72.4
Interest-bearing debt to cash flow ratio	(yearly)	0.1	0.1	0.1	0.0	0.0
Interest coverage ratio	(times)	446.6	513.7	584.5	447.6	745.0

Equity-to-asset ratio equity / total assets  
Market value equity ratio market capitalization / total assets  
Interest-bearing debt to cash flow ratio interest-bearing debt / cash flow  
Interest coverage ratio cash flow / interest payments

Note 1: All indicators are calculated using consolidated financial data.

Note 2: Market capitalization is calculated by multiplying the share price at the end of the fiscal year by the number of issued shares at the end of the fiscal year (excluding treasury shares).

Note 3: Cash flow means cash flows from operating activities.

Note 4: Interest-bearing debt includes the total amount of borrowings on the consolidated balance sheets.

Note 5: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and the cash flow indicator for the fiscal year ended March 31, 2021, is the indicator after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

#### (4) Future outlook

The Japanese economy in the fiscal year ending March 2025 is expected to recover moderately as personal consumption begins to pick up due to higher wages and capital investment due to improved corporate earnings increases. However, the outlook remains uncertain due to a slowdown in the global economy, particularly the recession in China, and the possibility that heightened geopolitical tensions could lead to higher crude oil prices. Under these circumstances, in the Bond Business, the number of housing starts is expected to be at the same level as the previous year because, in the housing-related sector, a recovery in housing demand is not expected due to increased construction costs, etc. On the other hand, in the civil engineering and construction field, repair, renovation, and reinforcement work in the stock market, such as buildings and condominiums, as well as in the infrastructure market, is expected to remain strong. Additionally, the outlook for raw material prices used in adhesives and sealants is uncertain, as prices remain high due to rising freight costs caused by the “logistics 2024 problem” (a cap on overtime work for truck drivers meaning that transportation capacity may become insufficient), rising energy costs, and other factors. In the Chemicals Business, growth is expected to continue in the automotive industry and industrial equipment, despite continuous concerns about a decline in consumer markets such as smartphones and personal computers. In the Construction Business, we continuously expect growth of demand for the development and maintenance of aging infrastructure due to the promotion of the Fundamental Plan for National Resilience (to prevent and mitigate disasters).

Under these circumstances, in the Group’s Bond Business, the Group will strengthen its core businesses, such as adhesives for the housing-related field and adhesives and sealants for civil engineering and construction. It will also endeavor to expand its business domains by developing products and strengthening new development activities for growth markets such as the electronic, electronic materials, and automobile industries.

In the Chemicals Business, we will promote the development of products utilizing our own technologies, which are being promoted by our Material Science Institute, with the aim of introducing them to the market. In addition, we will work to expand sales of heat-dissipation and heat-resistant products by strengthening sales activities in the growing markets of automobile, electronics and electrical appliances, and chemical industries.

In the Construction Business, we will work to further expand the repair, renovation, and reinforcement business in the social infrastructure, such as bridges, and building stock market, by utilizing adhesives and construction methods for repair, renovation, and reinforcement that the Bond Business possesses. In response to labor shortages, which is an issue, we will consider measures to strengthen recruitment and secure employment and



strive to build a system to sustain business expansion.

In our consolidated earnings forecasts for the fiscal year ending March 31, 2025, we forecast that net sales will increase 4.5% year on year to 139,000 million yen, operating profit will go up 4.0% year on year to 10,700 million yen, ordinary profit will rise 1.8% year on year to 11,000 million yen, and profit attributable to owners of parent will increase 0.8% year on year to 7,400 million yen.

**(5) Basic policy on profit distribution and dividends for fiscal 2024 and fiscal 2025**

As a basic policy on profit distribution, the Company believes that returning profits to shareholders is a vital issue facing company management. Our policy is to strive to strengthen the Company's business base by enhancing financial structure through revenue-focused business activities and to pay a sustainable and stable dividend with a payout ratio of 30% as a guideline based on considerations such as each fiscal year's business performance. We will also strive to improve business performance through measures including investing in automation, labor-saving manufacturing, and logistics facilities that can improve productivity; expanding business areas through M&A; and investing in introducing new core systems.

For the fiscal year under review (ended March 31, 2024), the Company forecasts a year-end dividend of 19.50 yen per share. In addition to an interim dividend of 27.00 yen (equivalent to 13.50 yen based on the post-stock-split basis) already paid, this will result in an annual dividend of 33.00 yen (based on the post-stock-split basis). By the way, it would be 66.00 yen if based on the pre-stock-split standards. Regarding dividends for the following fiscal year (ending March 31, 2025), the Company forecasts an interim dividend of 16.50 yen per share as an ordinary dividend and a year-end dividend of 16.50 yen and this will result in an annual dividend of 33.00 yen.

**2. Basic concept regarding selection of accounting standards**

The Group has adopted Japanese accounting standards in order to ensure comparability with other Japanese companies in the same industries.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	32,195	26,651
Notes receivable–trade	4,104	3,236
Electronically recorded monetary claims–operating	14,667	16,958
Accounts receivable–trade	24,898	25,252
Contract assets	5,749	7,902
Merchandise and finished goods	9,355	9,415
Work in process	314	281
Raw materials and supplies	1,640	1,537
Other	1,565	1,445
Allowance for doubtful accounts	(57)	(54)
Total current assets	94,434	92,625
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,493	27,608
Accumulated depreciation	(13,857)	(14,440)
Buildings and structures, net	11,635	13,167
Machinery, equipment and vehicles	17,746	18,170
Accumulated depreciation	(15,438)	(15,943)
Machinery, equipment and vehicles, net	2,307	2,227
Tools, furniture and fixtures	4,342	4,300
Accumulated depreciation	(3,824)	(3,779)
Tools, furniture and fixtures, net	518	520
Land	9,906	9,865
Leased assets	309	300
Accumulated depreciation	(184)	(196)
Leased assets, net	125	104
Construction in progress	1,252	3,829
Total property, plant and equipment	25,746	29,715
Intangible assets	1,188	1,978
Investments and other assets		
Investment securities	8,084	11,402
Long-term loans receivable	2	4
Guarantee deposits	380	372
Retirement benefit asset	1,791	4,007
Deferred tax assets	225	319
Other	1,040	441
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	11,506	16,530
Total non-current assets	38,440	48,224
Total assets	132,874	140,850

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	33,983	37,218
Electronically recorded obligations–operating	3,728	4,072
Short-term borrowings	48	50
Current portion of long-term borrowings	60	42
Lease obligations	20	19
Income taxes payable	3,298	1,087
Contract liabilities	360	286
Provision for bonuses	1,152	1,411
Provision for bonuses for directors (and other officers)	131	155
Other	3,070	4,798
Total current liabilities	45,856	49,144
Non-current liabilities		
Lease obligations	110	90
Long-term guarantee deposits	3,010	3,130
Long-term borrowings	116	76
Deferred tax liabilities	1,300	2,909
Retirement benefit liability	645	714
Other	353	98
Total non-current liabilities	5,536	7,020
Total liabilities	51,392	56,165
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,603	4,603
Capital surplus	4,557	4,422
Retained earnings	69,450	67,314
Treasury shares	(5,904)	(4,604)
Total shareholders' equity	72,707	71,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,611	4,687
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	450	650
Remeasurements of defined benefit plans	1,206	2,597
Total accumulated other comprehensive income	4,268	7,934
Non-controlling interests	4,507	5,014
Total net assets	81,482	84,685
Total liabilities and net assets	132,874	140,850

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

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	123,339	132,969
Cost of sales	99,756	106,312
Gross profit	23,583	26,657
Selling, general and administrative expenses	16,161	16,370
Operating profit	7,421	10,286
Non-operating income		
Interest income	22	31
Dividend income	247	260
Foreign exchange gains	51	70
Share of profit of entities accounted for using equity method	31	40
Other	238	259
Total non-operating income	591	661
Non-operating expenses		
Interest expenses	10	10
Commission expenses	0	47
Depreciation	39	46
Other	35	37
Total non-operating expenses	85	141
Ordinary profit	7,927	10,806
Extraordinary income		
Gain on sale of investment securities	0	285
Insurance claim income	-	92
Gain on sale of non-current assets	7,185	3
Total extraordinary income	7,185	381
Extraordinary losses		
Loss on disposal of non-current assets	60	60
Bad debt expenses	-	84
Other	0	2
Total extraordinary losses	61	147
Profit before income taxes	15,052	11,041
Income taxes—current	4,502	3,369
Income taxes—deferred	206	(73)
Total income taxes	4,709	3,295
Profit	10,342	7,745
Profit attributable to non-controlling interests	310	401
Profit attributable to owners of parent	10,032	7,344

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	10,342	7,745
Other comprehensive income		
Valuation difference on available-for-sale securities	238	2,232
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	205	195
Remeasurements of defined benefit plans, net of tax	4	1,390
Share of other comprehensive income of entities accounted for using equity method	0	41
Total other comprehensive income	449	3,860
Comprehensive income	10,791	11,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,444	11,010
Comprehensive income attributable to non-controlling interests	347	595

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,603	4,544	61,164	(5,504)	64,808
Changes during period					
Dividends of surplus			(1,747)		(1,747)
Profit attributable to owners of parent			10,032		10,032
Purchase of treasury shares				(442)	(442)
Disposal of treasury shares		13		42	55
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	13	8,285	(400)	7,898
Balance at end of period	4,603	4,557	69,450	(5,904)	72,707

	Accumulated other comprehensive income				
	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	2,383	0	270	1,201	3,856
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity	227	(0)	179	4	411
Total changes during period	227	(0)	179	4	411
Balance at end of period	2,611	(0)	450	1,206	4,268

	Non-controlling interests	Total net assets
Balance at beginning of period	4,232	72,897
Changes during period		
Dividends of surplus		(1,747)
Profit attributable to owners of parent		10,032
Purchase of treasury shares		(442)
Disposal of treasury shares		55
Cancellation of treasury shares		-
Net changes in items other than shareholders' equity	274	686
Total changes during period	274	8,584
Balance at end of period	4,507	81,482

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,603	4,557	69,450	(5,904)	72,707
Changes during period					
Dividends of surplus			(1,675)		(1,675)
Profit attributable to owners of parent			7,344		7,344
Purchase of treasury shares				(6,711)	(6,711)
Disposal of treasury shares		27		43	71
Cancellation of treasury shares		(162)	(7,804)	7,966	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(135)	(2,135)	1,299	(971)
Balance at end of period	4,603	4,422	67,314	(4,604)	71,735

	Accumulated other comprehensive income				
	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	2,611	(0)	450	1,206	4,268
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity	2,075	0	200	1,390	3,666
Total changes during period	2,075	0	200	1,390	3,666
Balance at end of period	4,687	-	650	2,597	7,934



	Non-controlling interests	Total net assets
Balance at beginning of period	4,507	81,482
Changes during period		
Dividends of surplus		(1,675)
Profit attributable to owners of parent		7,344
Purchase of treasury shares		(6,711)
Disposal of treasury shares		71
Cancellation of treasury shares		-
Net changes in items other than shareholders' equity	507	4,174
Total changes during period	507	3,202
Balance at end of period	5,014	84,685

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	15,052	11,041
Depreciation	2,050	1,819
Amortization of goodwill	106	127
Loss (gain) on sale of investment securities	0	(285)
Loss (gain) on disposal of property, plant and equipment	33	21
Loss (gain) on sale of property, plant and equipment	(7,183)	11
Bad debt expenses	-	84
Increase (decrease) in allowance for doubtful accounts	6	(3)
Increase (decrease) in provision for bonuses	26	258
Increase (decrease) in provision for bonuses for directors (and other officers)	14	24
Decrease (increase) in retirement benefit asset	(48)	(103)
Increase (decrease) in retirement benefit liability	0	(43)
Interest and dividend income	(270)	(291)
Interest expenses	10	10
Insurance claim income	-	(92)
Share of loss (profit) of entities accounted for using equity method	(31)	(40)
Decrease (increase) in trade receivables and contract assets	(2,973)	(3,838)
Decrease (increase) in inventories	(2,433)	144
Increase (decrease) in trade payables	2,304	3,495
Increase (decrease) in other current liabilities	(32)	684
Increase (decrease) in other non-current liabilities	30	(134)
Other	256	215
Subtotal	6,919	13,108
Interest and dividends received	270	291
Settlement received	-	150
Proceeds from insurance income	-	92
Interest paid	(10)	(10)
Income taxes paid	(2,573)	(5,492)
Cash flows from operating activities	4,606	8,139
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,607)	(1,302)
Proceeds from withdrawal of time deposits	1,587	1,764
Purchase of property, plant and equipment	(1,309)	(5,101)
Proceeds from sale of property, plant and equipment	6,471	92
Purchase of intangible assets	(92)	(984)
Purchase of investment securities	(71)	(97)
Proceeds from sale of investment securities	0	354
Proceeds from cancellation of insurance funds	-	49
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,475)	-
Other	45	(1)
Cash flows from investing activities	3,549	(5,225)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(3)	(2)
Repayments of lease obligations	(22)	(20)
Repayments of long-term borrowings	(184)	(57)
Purchase of treasury shares	(442)	(6,758)
Dividends paid	(1,748)	(1,676)
Dividends paid to non-controlling interests	(72)	(87)
Other	(4)	-
<b>Cash flows from financing activities</b>	<b>(2,476)</b>	<b>(8,603)</b>
Effect of exchange rate change on cash and cash equivalents	75	47
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,754</b>	<b>(5,641)</b>
Cash and cash equivalents at beginning of period	25,514	31,268
<b>Cash and cash equivalents at end of period</b>	<b>31,268</b>	<b>25,627</b>

**(5) Notes on premise of going concern**

Not applicable.

**(6) Changes in significant basic matters for preparation of consolidated financial statements**

Changes in presentation

Consolidated statement of income

“Foreign exchange gains,” which were included in “Other” of “Non-operating income” in the previous fiscal year, are independently presented from the fiscal year under review, as they exceeded 10% of the total amount of non-operating income. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, 289 million yen shown in “Other” of “Non-operating income” in the consolidated statement of income of the previous fiscal year has been reclassified as 51 million yen in “Foreign exchange gains” and 238 million yen in “Other.”

“Compensation expenses” in “Non-operating expenses,” which were independently presented in the previous fiscal year, are included in “Other” of “Non-operating expenses” from the fiscal year under review, as they decreased to no more than 10% of the total amount of non-operating expenses. Additionally, “Commission expenses,” which were included in “Other” of “Non-operating expenses” in the previous fiscal year, are independently presented from the fiscal year under review, as they exceeded 10% of the total amount of non-operating expenses. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, the 17 million yen of “Compensation expenses” and 18 million yen of “Other” shown in “Non-operating expenses” in the consolidated statement of income of the previous fiscal year have been reclassified as 0 million yen in “Commission expenses” and 35 million yen in “Other.”

“Gain on sale of investment securities,” which was included in “Other” of “Extraordinary income” in the previous fiscal year, is independently presented from the fiscal year under review, as it exceeded 10% of the total amount of extraordinary income. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, 0 million yen shown in “Other” of “Extraordinary income” in the consolidated statement of income of the previous fiscal year has been reclassified as 0 million yen in “Gain on sale of investment securities.”

**(7) Notes to consolidated financial statements**  
**Segment information, etc.**

Segment information

1 Description of reportable segments

The reportable segments of the Company are constituent units of the Company for which separate financial information is available. The Board of Directors periodically examines these segments to decide on the allocation of management resources and evaluate business performance.

The Company basically consists of three business divisions, the Bond Business, Chemicals Business, and Construction Business, with each business formulating a comprehensive strategy that includes Japan and overseas, and pursuing business activities.

Accordingly, the Group has the following three reportable segments: Bond, Chemicals, and Construction. “Bond” covers the manufacture and sale of industrial adhesives, adhesives for general household use, adhesives for construction, adhesives for civil engineering, sealing materials, adhesives for wall coverings, waxes, and adhesive tapes. “Chemicals” cover the sale of industrial chemicals, synthetic resins, resin mold products, materials for electronic components, and thin film materials. “Construction” covers undertaking contracts for repair, improvement, and reinforcement works in the infrastructure and used building markets.

2 Method of calculating net sales, profit or loss, and other items by reportable segment

The accounting method for the reported business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Values for profits shown in reportable segments are based on operating profit.

Intersegment internal revenues and transfers are based on market prices.

3 Disclosure of net sales, profit or loss, and other items by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated financial statements (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
Revenues from external customers	68,968	34,674	19,514	123,157	182	123,339	-	123,339
Intersegment sales and transfers	331	389	14	734	80	815	(815)	-
Total	69,299	35,064	19,528	123,892	262	124,155	(815)	123,339
Segment profit	4,536	1,265	1,606	7,408	2	7,411	10	7,421
Segment assets	68,043	43,371	17,104	128,519	3,623	132,143	731	132,874
Other items								
Depreciation	1,734	35	90	1,859	174	2,033	16	2,050
Amortization of goodwill	17	-	88	106	-	106	-	106
Investments in equity method affiliates	-	-	-	-	-	-	342	342
Increase in property, plant and equipment and intangible assets	1,622	55	698	2,376	290	2,667	-	2,667

Notes: 1 The “Other” category is a business segment not included in reportable segments, and includes the real estate rental business.

- 2 Details of adjustments are as follows:
  - (1) Adjustments of segment profit represent eliminations for intersegment transactions.
  - (2) The 731 million yen adjustment for segment assets includes minus 218 million yen of elimination of intersegment receivables and payables, minus 26 million yen of adjustment for unrealized gains, and 977 million yen of corporate assets not allocated to each reportable segment. Corporate assets consist mainly of surplus funds under management (time deposits) at the Company and investments in equity method affiliates.
  - (3) Adjustments of depreciation mainly represent depreciation unallocated to the reportable segments.
- 3 Segment profit is adjusted with operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated financial statements (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
Revenues from external customers	71,627	39,305	21,857	132,791	178	132,969	-	132,969
Intersegment sales and transfers	266	311	314	892	75	967	(967)	-
Total	71,894	39,616	22,172	133,683	253	133,937	(967)	132,969
Segment profit	6,609	1,315	2,244	10,169	124	10,294	(7)	10,286
Segment assets	74,490	44,137	18,017	136,646	3,423	140,069	781	140,850
Other items								
Depreciation	1,619	39	107	1,765	37	1,803	16	1,819
Amortization of goodwill	18	-	109	127	-	127	-	127
Investments in equity method affiliates	-	-	-	-	-	-	424	424
Increase in property, plant and equipment and intangible assets	6,460	157	364	6,982	2	6,984	-	6,984

Notes: 1 The "Other" category is a business segment not included in reportable segments, and includes the real estate rental business.

- 2 Details of adjustments are as follows:
  - (1) Adjustments of segment profit represent eliminations for intersegment transactions.
  - (2) The 781 million yen adjustment for segment assets includes minus 527 million yen of elimination of intersegment receivables and payables, 270 million yen of adjustment for unrealized gains, and 1,037 million yen of corporate assets not allocated to each reportable segment. Corporate assets consist mainly of surplus funds under management (time deposits) at the Company and investments in equity method affiliates.
  - (3) Adjustments of depreciation mainly represent depreciation unallocated to the reportable segments.
- 3 Segment profit is adjusted with operating profit in the consolidated statement of income.

Disclosure of impairment loss on non-current assets by reportable segment

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

Amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Bond	Chemicals	Construction	Total			
Amortization during period	17	-	88	106	-	-	106
Balance at end of period	51	-	472	523	-	-	523

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Bond	Chemicals	Construction	Total			
Amortization during period	18	-	109	127	-	-	127
Balance at end of period	36	-	362	399	-	-	399

Information about gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

Per share information

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	1,086.96 yen	1,222.36 yen
Basic earnings per share	140.97 yen	108.87 yen

- Notes: 1 Diluted earnings per share is not stated because there were no potential shares.  
2 The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. “Net assets per share” and “Basic earnings per share” are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.  
3 The basis for calculation is as follows:

(i) Net assets per share

	As of March 31, 2023	As of March 31, 2024
Total net assets (millions of yen)	81,482	84,685
Net assets attributable to common shares (millions of yen)	76,975	79,670
Main details of differences (millions of yen)		
Non-controlling interests	4,507	5,014
Number of issued common shares (thousand shares)	81,414	70,414
Number of treasury common shares (thousand shares)	10,597	5,237
Number of common shares used for calculating net assets per share (thousand shares)	70,817	65,177

(ii) Basic earnings per share

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (millions of yen)	10,032	7,344
Amounts not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common shares (millions of yen)	10,032	7,344
Average number of outstanding common shares during period (thousand shares)	71,167	67,457

Omission of disclosure

Notes other than the above are omitted because their disclosure is considered unnecessary in reports of financial results.

Significant events after reporting period

Not applicable.



**4. Other**

**Change in officers**

Disclosure will be made when the details of disclosure are determined.

## Reference: Supplementary Information on Financial Results for the Fiscal Year Ended March 31, 2024

### 1. Financial Results and Forecasts

(Millions of yen)

		Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Net sales	Consolidated	132,969	139,000	6,030	4.5%
Operating profit	Consolidated	10,286	10,700	413	4.0%
Ordinary profit	Consolidated	10,806	11,000	193	1.8%
Profit attributable to owners of parent	Consolidated	7,344	7,400	55	0.8%

### 2. Financial Results and Forecasts by Segment

(Millions of yen)

		Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Bond	Net sales	71,627	74,700	3,072	4.3%
	Operating profit	6,609	7,000	390	5.9%
Chemicals	Net sales	39,305	40,000	694	1.8%
	Operating profit	1,315	1,460	144	11.0%
Construction	Net sales	21,857	24,100	2,242	10.3%
	Operating profit	2,244	2,100	(144)	(6.4)%
Other	Net sales	178	200	21	12.0%
	Operating profit	124	140	15	12.2%
Adjustments	Net sales	-	-	-	-
	Operating profit	(7)	0	7	(100.0)%
Total	Net sales	132,969	139,000	6,030	4.5%
	Operating profit	10,286	10,700	413	4.0%

### 3. Indicators

(Millions of yen)

		Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Capital investment	Consolidated	6,984	5,874	(1,109)	(15.9)%
Depreciation	Consolidated	1,819	2,105	286	15.7%
Research and development	Consolidated	1,640	1,726	85	5.2%

Note 1: Figures are rounded down to the nearest 1 million yen.

Note 2: Changes (amount and %) are presented in comparison with the same period of the previous fiscal year.