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April 25, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4956
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 17, 2025
 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, 2025 (from April 1, 2024, to March 31, 2025)

(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, 2025	135,876	2.2	10,649	3.5	11,194	3.6	8,084	10.1
March 31, 2024	132,969	7.8	10,286	38.6	10,806	36.3	7,344	(26.8)

Notes: Comprehensive income Fiscal year ended March 31, 2025 ¥7,404 million [(36.2%)]
 March 31, 2024 ¥11,606 million [7.5%]

	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, 2025	121.03	-	9.7	8.1	7.8
March 31, 2024	108.87	-	9.4	7.9	7.7

Reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 31, 2025 ¥31 million
 March 31, 2024 ¥40 million

Note: 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, 2024.

(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, 2025	136,801	86,672	63.1	1,299.82
As of March 31, 2024	140,850	84,685	56.6	1,222.36

Reference: Equity As of March 31, 2025 ¥86,253 million
 As of March 31, 2024 ¥79,670 million

Note: 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, 2024.

(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, 2025	7,174	(7,310)	(5,621)	20,008
March 31, 2024	8,139	(5,225)	(8,603)	25,627

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, 2024	-	27.00	-	19.50	-	2,167	30.3	2.9
Fiscal year ended March 31, 2025	-	16.50	-	21.50	38.00	2,545	31.4	3.0
Fiscal year ending March 31, 2026 (forecast)	-	19.00	-	19.00	38.00		31.1	

- 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.
2. Breakdown of dividends at the end of the fiscal year ended March 31, 2025: Ordinary dividend ¥16.50; 100th anniversary of the establishment of the Company commemorative dividend ¥5.00

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

(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, 2025	67,200	2.2	4,750	(2.8)	5,000	(3.2)	3,350	0.1	50.48
Fiscal year ending March 31, 2026	142,000	4.5	10,670	0.2	11,200	0.1	8,100	0.2	122.06

* Notes

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

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, 2025	70,414,880 shares
As of March 31, 2024	70,414,880 shares

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

As of March 31, 2025	4,056,436 shares
As of March 31, 2024	5,237,078 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	66,797,404 shares
Fiscal year ended March 31, 2024	67,457,529 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, 2024.
2. Based on the resolution of the Board of Directors meeting held on May 22, 2024, the Company conducted a share exchange on June 30, 2024, making the Company's consolidated subsidiaries, Sunrise Corporation, Maruyasu & Co., Ltd., and Konishi Kouei Co., Ltd., wholly owned subsidiaries, and allocated 3,460,356 treasury shares.

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025
(from April 1, 2024, to March 31, 2025)

(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, 2025	88,500	(0.0)	6,204	4.2	7,226	4.5	5,782	8.1
March 31, 2024	88,500	7.9	5,953	41.2	6,915	32.2	5,347	(40.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	86.57	-
March 31, 2024	79.27	-

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, 2024.

(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, 2025	111,910	63,587	56.8	958.24
As of March 31, 2024	112,018	59,243	52.9	908.96

Reference: Equity As of March 31, 2025 ¥63,587 million
As of March 31, 2024 ¥59,243 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, 2024.

- * 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 28, 2025 (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.

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1. Overview of operating results, etc.

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

During the fiscal year ended March 31, 2025 (fiscal year under review), the Japanese economy showed a moderate recovery trend. This was due to improved employment and income conditions, which led to a turnaround in personal consumption, and solid corporate earnings driven by inbound demand. On the other hand, the economic outlook remains uncertain due to factors such as the certification fraud issue in the automobile industry, the stagnant Chinese economy, soaring resource prices, the impact of higher prices, and widespread concerns about a global economic slowdown due to the U.S. tariff policy.

In this business environment, the Group has launched its newly formulated “Medium-Term Management Plan 2027 (Fiscal Year Ending March 2025 to Fiscal Year Ending March 2027).” Based on this plan, the Group will strengthen new business development through the introduction of new products, further focus on growth areas, and make the largest-ever capital investments in production, logistics, and DX-related areas. The Group expands its business further and improves management efficiency through these efforts.

As a result, the Group’s operating results for the fiscal year under review were as follows. Net sales increased 2.2% year on year to 135,876 million yen, operating profit grew 3.5% year on year to 10,649 million yen, ordinary profit was up 3.6% year on year to 11,194 million yen, and profit attributable to owners of parent increased 10.1% year on year to 8,084 million yen.

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, sales of adhesives for interior work, etc., were sluggish due to a decline in the number of new housing starts caused by rising construction costs. However, sales of adhesives for building material manufacturing and exterior wall tiles, for which the Company is developing the market, increased due to the growing adoption of new products. In the industrial material field, sales increased due to expanded sales of elastic adhesives used in automobiles/electronic components, water-based adhesives used in paper-related applications, and adhesives for panels. The Company is developing new customers for these adhesives. In the civil engineering and construction field, sales of building sealing materials for construction rose in line with an increase in renovation projects.

As a result of the above, net sales increased 3.2% year on year to 73,898 million yen, and operating profit grew 4.5% year on year to 6,903 million yen.

(ii) Chemicals

In the chemical engineering field, sales fell due to prolonged production adjustments of resin raw materials affected by the economic slowdown in China. In the automobile field, sales decreased due to factors such as clients’ plant shutdowns caused by the certification fraud issue and a fall in unit selling prices linked to purchase prices. In the electronics and electrical appliance field, profits increased due to the lateral expansion to new models of smartphone-related products and growth in products for capacitors.

As a result of the above, net sales decreased 6.0% year on year to 36,929 million yen, and operating profit grew 2.9% year on year to 1,354 million yen.

(iii) Construction

In the Construction Business, sales and profits increased as construction was completed according to plan. In addition, order-taking activities for repair, improvement, and reinforcement works in the infrastructure and (housing) stock markets, particularly for public works, were progressing steadily.

As a result of the above, net sales increased 13.7% year on year to 24,861 million yen, and operating profit grew 1.1% year on year to 2,269 million yen.

(iv) Other

The Other segment represents the Real Estate Rental Business, etc. Net sales increased 4.3% year on year to 186 million yen, and operating profit grew 31.5% year on year to 164 million yen.

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

Total assets as of March 31, 2025, decreased 4,049 million yen from the previous fiscal year-end to 136,801 million yen.

(i) Assets

Current assets decreased 6,856 million yen from the previous fiscal year-end to 85,769 million yen. This was mainly due to decreases of 5,532 million yen in cash and deposits, 1,389 million yen in accounts receivable - trade, and 973 million yen in notes receivable - trade, despite an increase of 1,915 million yen in contract assets. Non-current assets increased 2,807 million yen from the previous fiscal year-end to 51,032 million yen. This was mainly due to increases of 3,688 million yen in buildings and structures of property, plant and equipment, 1,419 million yen in machinery, equipment and vehicles, and 1,128 million yen in intangible assets, despite decreases of 2,081 million yen in construction in progress of property, plant and equipment and 1,564 million yen in investment securities of investments and other assets.

(ii) Liabilities

Current liabilities were down 5,878 million yen from the previous fiscal year-end to 43,266 million yen, mainly due to decreases of 4,593 million yen in notes and accounts payable - trade and 1,319 million yen in electronically recorded obligations - operating. Non-current liabilities decreased 158 million yen from the previous fiscal year-end to 6,862 million yen mainly due to a decrease of 361 million yen in deferred tax liabilities.

(iii) Net assets

Net assets were up 1,987 million yen from the previous fiscal year-end to 86,672 million yen. This was mainly due to increases of 5,694 million yen in retained earnings and 1,619 million yen in capital surplus, despite a decrease of 4,595 million yen in non-controlling interests.

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

Cash and cash equivalents (hereinafter "cash") decreased 5,619 million yen during the fiscal year under review (down 22 million yen year on year). This was comprised of cash flows from operating activities of 7,174 million yen, cash flows used in investing activities of 7,310 million yen, and cash flows used in financing activities of 5,621 million yen.

As a result, the balance of cash as of March 31, 2025, amounted to 20,008 million yen, a decrease of 5,619 million yen year on year.

(i) Cash flows from operating activities

Net cash provided by operating activities was 7,174 million yen (down 964 million yen year on year). This was mainly due to profit before income taxes of 11,503 million yen, despite a decrease in trade payables of 5,715 million yen.

(ii) Cash flows from investing activities

Net cash used in investing activities was 7,310 million yen (up 2,085 million yen year on year). This was mainly due to purchase of property, plant and equipment of 6,956 million yen, payments into time deposits of 1,763 million yen, and purchase of intangible assets of 1,064 million yen, despite proceeds from withdrawal of time deposits of 1,684 million yen.

(iii) Cash flows from financing activities

Net cash used in financing activities was 5,621 million yen (down 2,981 million yen year on year). This was mainly due to purchase of treasury shares of 3,065 million yen, and dividends paid of 2,388 million yen.

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

	(Unit)	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity-to-asset ratio	(%)	56.9	57.6	57.9	56.6	63.1
Market value equity ratio	(%)	56.2	46.8	51.0	72.4	56.8
Interest-bearing debt to cash flow ratio	(yearly)	0.1	0.1	0.0	0.0	0.0
Interest coverage ratio	(times)	513.7	584.5	447.6	745.0	717.7

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 2026 is expected to recover moderately as wages and employment conditions improve and corporate capital investment tends to expand. However, the global economy may worsen due to uncertainties about the impact of U.S. policies, the resurgence of trade frictions, and a slowdown in the Chinese economy. Therefore, the outlook remains uncertain.

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 continued high construction costs. 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. In the Chemicals Business, due to the impact of U.S. tariff policies, uncertainty is expected to persist in the automotive industry and industrial equipment. 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 focus on increasing its market share in the non-housing sectors and 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 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 addition, we will promote the development of products utilizing our own technologies, which are being promoted by our Material Science Institute, and encourage their market introduction.

In the Construction Business, we will work to further expand the repair, renovation, and reinforcement business in social infrastructure, such as bridges, and the 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, 2026, we forecast that net sales will increase 4.5% year on year to 142,000 million yen, operating profit will go up 0.2% year on year to 10,670 million yen, ordinary profit will increase 0.1% year on year to 11,200 million yen, and profit attributable to owners of parent will increase 0.2% year on year to 8,100 million yen.

(5) Basic policy on profit distribution and dividends for fiscal 2025 and fiscal 2026

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.

Regarding a year-end dividend for the fiscal year under review (ended March 31, 2025), the ordinary dividend was 16.50 yen per share, and the dividend to commemorate the 100th anniversary of the establishment of the Company was 5.00 yen. In addition to the interim dividend of 16.50 yen already paid, these will result in an annual dividend of 38.00 yen. Regarding dividends for the following fiscal year (ending March 31, 2026), the Company forecasts an interim dividend of 19.00 yen per share as an ordinary dividend and a year-end dividend of 19.00 yen and this will result in an annual dividend of 38.00 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	26,651	21,118
Notes receivable–trade	3,236	2,262
Electronically recorded monetary claims–operating	16,958	16,522
Accounts receivable–trade	25,252	23,862
Contract assets	7,902	9,817
Merchandise and finished goods	9,415	8,534
Work in process	281	358
Raw materials and supplies	1,537	1,550
Other	1,445	1,772
Allowance for doubtful accounts	(54)	(30)
Total current assets	92,625	85,769
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,608	31,717
Accumulated depreciation	(14,440)	(14,861)
Buildings and structures, net	13,167	16,856
Machinery, equipment and vehicles	18,170	19,966
Accumulated depreciation	(15,943)	(16,320)
Machinery, equipment and vehicles, net	2,227	3,646
Tools, furniture and fixtures	4,300	4,463
Accumulated depreciation	(3,779)	(3,904)
Tools, furniture and fixtures, net	520	559
Land	9,865	9,855
Leased assets	300	293
Accumulated depreciation	(196)	(205)
Leased assets, net	104	88
Construction in progress	3,829	1,748
Total property, plant and equipment	29,715	32,754
Intangible assets	1,978	3,106
Investments and other assets		
Investment securities	11,402	9,838
Long-term loans receivable	4	2
Guarantee deposits	372	315
Retirement benefit asset	4,007	4,205
Deferred tax assets	319	346
Other	441	478
Allowance for doubtful accounts	(17)	(15)
Total investments and other assets	16,530	15,171
Total non-current assets	48,224	51,032
Total assets	140,850	136,801

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	37,218	32,625
Electronically recorded obligations–operating	4,072	2,752
Short-term borrowings	50	51
Current portion of long-term borrowings	42	38
Lease obligations	19	19
Income taxes payable	1,087	1,861
Contract liabilities	286	378
Provision for bonuses	1,411	1,519
Provision for bonuses for directors (and other officers)	155	190
Other	4,798	3,828
Total current liabilities	49,144	43,266
Non-current liabilities		
Lease obligations	90	70
Long-term guarantee deposits	3,130	3,297
Long-term borrowings	76	38
Deferred tax liabilities	2,909	2,548
Retirement benefit liability	714	808
Other	98	98
Total non-current liabilities	7,020	6,862
Total liabilities	56,165	50,128
Net assets		
Shareholders' equity		
Share capital	4,603	4,603
Capital surplus	4,422	6,041
Retained earnings	67,314	73,009
Treasury shares	(4,604)	(4,508)
Total shareholders' equity	71,735	79,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,687	3,696
Foreign currency translation adjustment	650	910
Remeasurements of defined benefit plans	2,597	2,500
Total accumulated other comprehensive income	7,934	7,107
Non-controlling interests	5,014	419
Total net assets	84,685	86,672
Total liabilities and net assets	140,850	136,801

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	132,969	135,876
Cost of sales	106,312	108,283
Gross profit	26,657	27,592
Selling, general and administrative expenses	16,370	16,943
Operating profit	10,286	10,649
Non-operating income		
Interest income	31	51
Dividend income	260	295
Share of profit of entities accounted for using equity method	40	31
Other	329	292
Total non-operating income	661	671
Non-operating expenses		
Interest expenses	10	10
Commission expenses	47	65
Depreciation	46	30
Other	37	20
Total non-operating expenses	141	126
Ordinary profit	10,806	11,194
Extraordinary income		
Gain on sale of investment securities	285	397
Gain on sale of non-current assets	3	92
Insurance claim income	92	-
Total extraordinary income	381	489
Extraordinary losses		
Loss on disposal of non-current assets	60	180
Bad debt expenses	84	-
Other	2	0
Total extraordinary losses	147	180
Profit before income taxes	11,041	11,503
Income taxes—current	3,369	3,342
Income taxes—deferred	(73)	(38)
Total income taxes	3,295	3,304
Profit	7,745	8,199
Profit attributable to non-controlling interests	401	114
Profit attributable to owners of parent	7,344	8,084

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	7,745	8,199
Other comprehensive income		
Valuation difference on available-for-sale securities	2,232	(989)
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	195	307
Remeasurements of defined benefit plans, net of tax	1,390	(96)
Share of other comprehensive income of entities accounted for using equity method	41	(17)
Total other comprehensive income	3,860	(795)
Comprehensive income	11,606	7,404
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,010	7,257
Comprehensive income attributable to non-controlling interests	595	147

(3) Consolidated statement of changes in equity

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	-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Increase by share exchange					-
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					
Change in ownership interest of parent due to transactions with non-controlling interests					
Increase due to share exchange					
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		-
Change in ownership interest of parent due to transactions with non-controlling interests		-
Increase due to share exchange		-
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

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,603	4,422	67,314	(4,604)	71,735
Changes during period					
Dividends of surplus			(2,389)		(2,389)
Profit attributable to owners of parent			8,084		8,084
Purchase of treasury shares				(2,999)	(2,999)
Disposal of treasury shares		20		53	74
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		139			139
Increase by share exchange		1,459		3,042	4,501
Net changes in items other than shareholders' equity					
Total changes during period	-	1,619	5,694	96	7,411
Balance at end of period	4,603	6,041	73,009	(4,508)	79,146

	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	4,687	-	650	2,597	7,934
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests					
Increase due to share exchange					
Net changes in items other than shareholders' equity	(990)	-	259	(96)	(827)
Total changes during period	(990)	-	259	(96)	(827)
Balance at end of period	3,696	-	910	2,500	7,107

	Non-controlling interests	Total net assets
Balance at beginning of period	5,014	84,685
Changes during period		
Dividends of surplus		(2,389)
Profit attributable to owners of parent		8,084
Purchase of treasury shares		(2,999)
Disposal of treasury shares		74
Cancellation of treasury shares		-
Change in ownership interest of parent due to transactions with non-controlling interests		139
Increase due to share exchange		4,501
Net changes in items other than shareholders' equity	(4,595)	(5,423)
Total changes during period	(4,595)	1,987
Balance at end of period	419	86,672

(4) Consolidated statement 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	11,041	11,503
Depreciation	1,819	2,082
Amortization of goodwill	127	128
Loss (gain) on sale of investment securities	(285)	(397)
Loss (gain) on disposal of property, plant and equipment	21	30
Loss (gain) on sale of property, plant and equipment	11	(92)
Bad debt expenses	84	-
Increase (decrease) in allowance for doubtful accounts	(3)	(28)
Increase (decrease) in provision for bonuses	258	107
Increase (decrease) in provision for bonuses for directors (and other officers)	24	34
Decrease (increase) in retirement benefit asset	(103)	(152)
Increase (decrease) in retirement benefit liability	(43)	(49)
Interest and dividend income	(291)	(346)
Interest expenses	10	10
Insurance claim income	(92)	-
Share of loss (profit) of entities accounted for using equity method	(40)	(31)
Decrease (increase) in trade receivables and contract assets	(3,838)	981
Decrease (increase) in inventories	144	871
Increase (decrease) in trade payables	3,495	(5,715)
Increase (decrease) in other current liabilities	684	(882)
Increase (decrease) in other non-current liabilities	(134)	162
Other	215	1,090
Subtotal	13,108	9,307
Interest and dividends received	291	346
Settlement received	150	-
Proceeds from insurance income	92	-
Interest paid	(10)	(9)
Income taxes paid	(5,492)	(2,469)
Cash flows from operating activities	8,139	7,174
Cash flows from investing activities		
Payments into time deposits	(1,302)	(1,763)
Proceeds from withdrawal of time deposits	1,764	1,684
Purchase of property, plant and equipment	(5,101)	(6,956)
Proceeds from sale of property, plant and equipment	92	129
Purchase of intangible assets	(984)	(1,064)
Purchase of investment securities	(97)	(86)
Proceeds from sale of investment securities	354	721
Proceeds from cancellation of insurance funds	49	20
Other	(1)	2
Cash flows from investing activities	(5,225)	(7,310)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2)	(4)
Repayments of lease obligations	(20)	(20)
Repayments of long-term borrowings	(57)	(42)
Purchase of treasury shares	(6,758)	(3,065)
Dividends paid	(1,676)	(2,388)
Dividends paid to non-controlling interests	(87)	(101)
Cash flows from financing activities	(8,603)	(5,621)
Effect of exchange rate change on cash and cash equivalents	47	139
Net increase (decrease) in cash and cash equivalents	(5,641)	(5,619)
Cash and cash equivalents at beginning of period	31,268	25,627
Cash and cash equivalents at end of period	25,627	20,008

(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” in “Non-operating income,” which were independently presented in the previous fiscal year, are included in “Other” of “Non-operating income” from the fiscal year under review, as they decreased to no more than 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, “Foreign exchange gains” of 70 million yen and “Other” of 259 million yen presented in “Non-operating income” in the consolidated statement of income of the previous fiscal year has been reclassified as 329 million yen in “Other.”

(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, assets, 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, assets, and other items by reportable segment
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.

Fiscal year ended March 31, 2025

(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	73,898	36,929	24,861	135,690	186	135,876	-	135,876
Intersegment sales and transfers	240	318	645	1,204	70	1,275	(1,275)	-
Total	74,139	37,248	25,506	136,894	256	137,151	(1,275)	135,876
Segment profit	6,903	1,354	2,269	10,528	164	10,692	(42)	10,649
Segment assets	75,900	38,733	18,143	132,777	3,361	136,139	662	136,801
Other items								
Depreciation	1,860	40	144	2,045	21	2,066	15	2,082
Amortization of goodwill	19	-	109	128	-	128	-	128
Investments in equity method affiliates	-	-	-	-	-	-	439	439
Increase in property, plant and equipment and intangible assets	7,559	227	63	7,850	-	7,850	(88)	7,761

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 662 million yen adjustment for segment assets includes minus 299 million yen of elimination of intersegment receivables and payables, minus 84 million yen of adjustment for unrealized gains, and 1,046 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.
- (4) The minus 88 million yen of adjustments of increase in property, plant and equipment and intangible assets mainly represent the elimination of unrealized gains.

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, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

Amortization and unamortized balance of goodwill by reportable segment

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

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Bond	Chemicals	Construction	Total			
Amortization during period	19	-	109	128	-	-	128
Balance at end of period	19	-	253	273	-	-	273

Information about gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

Per share information

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,222.36 yen	1,299.82 yen
Basic earnings per share	108.87 yen	121.03 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, 2024.
- 3 The basis for calculation is as follows:

(i) Net assets per share

	As of March 31, 2024	As of March 31, 2025
Total net assets (millions of yen)	84,685	86,672
Net assets attributable to common shares (millions of yen)	79,670	86,253
Main details of differences (millions of yen)		
Non-controlling interests	5,014	419
Number of issued common shares (thousand shares)	70,414	70,414
Number of treasury common shares (thousand shares)	5,237	4,056
Number of common shares used for calculating net assets per share (thousand shares)	65,177	66,358

(ii) Basic earnings per share

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (millions of yen)	7,344	8,084
Amounts not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common shares (millions of yen)	7,344	8,084
Average number of outstanding common shares during period (thousand shares)	67,457	66,797

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

In the fiscal year ended March 31, 2025, real estate lease revenue and cost of real estate lease revenue were recorded in “net sales” and “cost of sales” and disclosed as “other” segment. However, as a result of the reorganization of the Group’s real estate lease business, the Company will change its presentation method starting from the fiscal year ending March 31, 2026, and record these items in “non-operating income” and “non-operating expenses.”

After this change, the Group’s reporting segments will change from four segments of “Bond,” “Chemicals,” “Construction,” and “Other” to three segments of “Bond,” “Chemicals,” and “Construction.”

Information of net sales, profit or loss, assets, and other items by reportable segment in the fiscal year ended March 31, 2025, after the change in presentation method is currently being calculated.

4. Other

Change in officers

(i) Change in representative

Not applicable.

(ii) Change in other officers (scheduled as of June 24, 2025)

1. Candidate for new Director (Audit and Supervisory Committee Member)

Director: Chiaki Morimoto

Note: Ms. Chiaki Morimoto is a candidate for outside Director.

2. Directors scheduled to retire

(excluding Directors who are Audit and Supervisory Committee Members)

Director: Keiichi Oyama

Director: Satoru Kusakabe

Director: Toshihiko Iwao

3. Director scheduled to retire (Audit and Supervisory Committee Member)

Director: Kenji Kawada

Note: Mr. Kenji Kawada is an outside Director.

Reference: Supplementary Information on Financial Results for the Fiscal Year Ended March 31, 2025

1. Financial Results and Forecasts

(Millions of yen)

		Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Net sales	Consolidated	135,876	142,000	6,123	4.5%
Operating profit	Consolidated	10,649	10,670	20	0.2%
Ordinary profit	Consolidated	11,194	11,200	5	0.1%
Profit attributable to owners of parent	Consolidated	8,084	8,100	15	0.2%

2. Financial Results and Forecasts by Segment

(Millions of yen)

		Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Bond	Net sales	73,898	76,900	3,001	4.1%
	Operating profit	6,903	6,990	86	1.2%
Chemicals	Net sales	36,929	40,000	3,070	8.3%
	Operating profit	1,354	1,540	185	13.7%
Construction	Net sales	24,861	25,100	238	1.0%
	Operating profit	2,269	2,140	(129)	(5.7)%
Other	Net sales	186	-	(186)	-
	Operating profit	164	-	(164)	-
Adjustments	Net sales	-	-	-	-
	Operating profit	(42)	-	42	-
Total	Net sales	135,876	142,000	6,123	4.5%
	Operating profit	10,649	10,670	20	0.2%

3. Indicators

(Millions of yen)

		Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Capital investment	Consolidated	7,761	6,127	(1,634)	(21.1)%
Depreciation	Consolidated	2,082	3,129	1,047	50.3%
Research and development	Consolidated	1,654	1,600	(53)	(3.3)%

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.