

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets:		
Cash and deposits	63,542	59,748
Notes receivable - trade	12,718	14,787
Electronically recorded monetary claims - trade	61,894	64,497
Accounts receivable - trade	249,353	174,099
Contract assets	93,830	102,851
Merchandise and finished goods	84,472	94,892
Work in process	55,156	58,075
Raw materials and supplies	99,021	99,363
Other	57,083	63,974
Allowance for doubtful accounts	△10,401	△10,140
Total Current assets	766,672	722,148
Non-current assets:		
Net Property, plant and equipment	347,074	343,196
Intangible assets	30,318	31,280
Investments and other assets		
Investment securities	108,713	120,523
Retirement benefit asset	26,052	26,085
Other	36,904	32,275
Allowance for doubtful accounts	△3,627	△3,600
Total Investments and other assets	168,042	175,284
Total Non-current assets	545,435	549,760
Deferred assets	67	62
Total Assets	1,312,175	1,271,972

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities:		
Notes and accounts payable - trade	192,834	160,134
Short-term borrowings	10,716	9,720
Commercial papers	-	27,000
Income taxes payable	28,121	6,599
Contract liabilities	67,129	65,215
Provision for product warranties	3,706	3,683
Other	128,959	116,167
Total Current liabilities	431,466	388,521
Non-current liabilities:		
Bonds payable	30,000	30,000
Long-term borrowings	30,073	30,071
Provision for retirement benefits for directors (and other officers)	95	101
Retirement benefit liability	66,797	68,591
Other	23,083	22,230
Total Non-current liabilities	150,050	150,994
Total Liabilities	581,517	539,515
Net Assets		
Shareholders' equity:		
Share capital	47,586	47,586
Capital surplus	64,573	64,573
Retained earnings	493,885	492,264
Treasury shares	△4,273	△4,278
Total shareholders' equity	601,771	600,145
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	49,318	57,936
Deferred gains or losses on hedges	△2	431
Foreign currency translation adjustment	40,046	35,793
Remeasurements of defined benefit plans	633	498
Total Accumulated other comprehensive income	89,995	94,659
Non-controlling interests	38,891	37,652
Total Net assets	730,658	732,456
Total Liabilities and Net assets	1,312,175	1,271,972

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

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	236,387	247,916
Cost of sales	170,685	179,858
Gross profit	65,702	68,058
Selling, general and administrative expenses	48,448	49,966
Operating profit	17,254	18,091
Non-operating income		
Interest income	137	144
Dividend income	1,018	924
Foreign exchange gains	1,091	—
Other	170	429
Total Non-operating income	2,417	1,498
Non-operating expenses		
Interest expenses	757	806
Share of loss of entities accounted for using equity method	348	335
Depreciation of inactive non-current assets	30	315
Business conversion expenses	170	—
Foreign exchange losses	—	747
Other	113	59
Total Non-operating expenses	1,420	2,265
Ordinary profit	18,251	17,324
Extraordinary income		
Gain on sale of non-current assets	90	3
Gain on sale of investment securities	247	—
Total Extraordinary income	337	3
Extraordinary losses		
Loss on disposal of non-current assets	87	230
Total Extraordinary losses	87	230
Profit before income taxes	18,501	17,097
Income taxes	5,875	5,764
Profit	12,626	11,332
Profit attributable to non-controlling interests	1,150	407
Profit attributable to owners of parent	11,475	10,925

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	12,626	11,332
Other comprehensive income		
Valuation difference on available-for-sale securities	918	8,608
Deferred gains or losses on hedges	△124	433
Foreign currency translation adjustments	12,324	△4,525
Remeasurements of defined benefit plans	△140	△138
Share of other comprehensive income of associates accounted for using equity method	9	△52
Total other comprehensive Income	12,987	4,325
Comprehensive income	25,613	15,657
Comprehensive income attributable to owners of parent	23,340	15,588
Comprehensive income attributable to non-controlling interests	2,273	68

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	18,501	17,097
Depreciation and amortization	13,963	15,021
Increase (decrease) in allowance for doubtful accounts	△43	△133
Increase (decrease) in provision for product warranties	△40	△20
Interest and dividend income	△1,156	△1,068
Interest expenses	757	806
Foreign exchange losses (gains)	△207	104
Loss (gain) on sale of non-current assets	△90	△3
Loss (gain) on sale of investment securities	△247	—
Loss (gain) on disposal of non-current assets	87	230
Decrease (increase) in accounts receivable - trade, and contract assets	78,286	60,434
Decrease (increase) in inventories	△17,228	△15,096
Increase (decrease) in trade payables	△18,522	△31,925
Increase (decrease) in contract liabilities	24,882	△1,616
Other, net	△17,925	△7,916
Subtotal	81,017	35,914
Interest and dividends received	1,148	1,067
Interest paid	△768	△868
Income taxes paid	△15,153	△24,971
Net cash provided by (used in) operating activities	66,243	11,140
Cash flows from investing activities		
Purchase of property, plant and equipment	△26,065	△16,973
Proceeds from sale of property, plant and equipment	110	75
Purchase of intangible assets	△1,278	△2,979
Purchase of investment securities	△31	△22
Proceeds from sale of investment securities	260	—
Loan advances	△2,786	△6,743
Proceeds from collection of loans receivable	3,048	4,987
Other, net	△304	△60
Net cash provided by (used in) investing activities	△27,046	△21,716

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	583	△870
Increase (decrease) in commercial papers	△22,000	27,000
Proceeds from long-term loans borrowings	15,120	—
Repayments of long-term loans borrowings	△27,000	△5
Proceeds from issuance of bonds	10,000	—
Repayments of lease obligations	△5,652	△4,061
Purchase of treasury shares	△3	△4
Dividends paid	△10,712	△12,547
Dividends paid to non-controlling interests	△3,542	△1,301
Net cash provided by (used in) financing activities	△43,206	8,208
Effect of exchange rate changes on cash and cash equivalents	2,538	△1,392
Net increase (decrease) in cash and cash equivalents	△1,471	△3,759
Cash and cash equivalents at beginning of year	65,543	62,675
Increase in cash and cash equivalents resulting from change in scope of consolidation	1,205	—
Cash and cash equivalents at end of year	65,277	58,916

(4) Notes to the Consolidated Financial Statements

(Notes Regarding Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying deferred tax accounting to the profit before income taxes for the consolidated fiscal year, including the first quarter of the current fiscal year, and multiplying the estimated effective tax rate by profit before income taxes for the quarter.

For some consolidated companies where the estimated effective tax rate cannot be used, the statutory effective tax rate is used instead.

(Notes on Substantial Changes in the Amount of Shareholder's Equity)

None

(Notes Regarding Assumption of Going Concern)

None

(Segment information)

1. Information on Net Sales and Profit or Loss by Each Reporting Segment

Three months ended June 30, 2024

(Millions of yen)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Net sales								
Sales to third parties	64,645	79,944	52,814	30,114	8,869	236,387	—	236,387
Inter-segment sales and transfers	726	502	1,066	570	4,975	7,841	△7,841	—
Total sales	65,371	80,446	53,880	30,685	13,844	244,229	△7,841	236,387
Segment profits (losses)	3,383	1,872	7,731	5,176	792	18,955	△1,701	17,254

Notes: 1. "Others" segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.

2. The △1,701 million yen of adjustments for segment profit (loss) includes △1,759 million yen of corporate expenses that are not allocated to each reporting segment.

Corporate expenses are mainly expenses related to the Company's administrative department that are not attributable to the reportable segments.

3. Segment profits (losses) were reconciled to operating profit (loss) in the consolidated statements of income.

Three months ended June 30, 2025

(Millions of yen)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Net sales								
Sales to third parties	72,008	87,091	54,285	25,692	8,838	247,916	—	247,916
Inter-segment sales and transfers	1,747	675	555	627	4,934	8,540	△8,540	—
Total sales	73,756	87,767	54,840	26,319	13,773	256,457	△8,540	247,916
Segment profits (losses)	8,471	2,874	4,892	3,132	769	20,141	△2,049	18,091

Notes: 1. "Others" segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.

2. The △2,049 million yen of adjustments for segment profit (loss) includes △2,054 million yen of corporate expenses that are not allocated to each reporting segment.

Corporate expenses are mainly expenses related to the Company's administrative department that are not attributable to the reportable segments.

3. Segment profits (losses) were reconciled to operating profit (loss) in the consolidated statements of income.

2. Changes in Reporting Segments

Effective April 1, 2025, a reorganization was undertaken resulting in changes to the businesses included within the Energy and Industry reportable segments.

The reporting segment information for the three months ended June 30, 2024 has been reclassified to reflect this change.