

# Annual Financial Report **2025**

For the Fiscal Year Ended March 31, 2025



# Table of Contents

<b>CONSOLIDATED FINANCIAL HIGHLIGHTS .....</b>	<b>1</b>
<b>CONSOLIDATED BALANCE SHEET .....</b>	<b>2</b>
<b>CONSOLIDATED STATEMENT OF INCOME .....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>5</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS .....</b>	<b>6</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>7</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>9</b>
1. Basis of Presenting Consolidated Financial Statements .....	9
2. Summary of Significant Accounting Policies .....	9
3. U.S. Dollar Amounts .....	12
4. Accounting Estimates .....	12
5. Accounting Changes .....	13
6. Accounting Standards Issued but Not yet Effective .....	14
7. Property, Plant and Equipment .....	14
8. Intangible Assets .....	15
9. Contingent Liabilities .....	15
10. Commitment Line .....	15
11. Treatment of notes matured at the end of the fiscal year .....	15
12. Notes and Accounts Receivable - Trade, and Contract Assets .....	16
13. Revenue from contracts with customers .....	16
14. Selling, General and Administrative Expenses .....	16
15. Research and Development Costs .....	17
16. Other Comprehensive Income .....	17
17. Shareholders' Equity .....	18
18. Cash Flow Information .....	19
19. Leases .....	20
20. Financial Instruments .....	20
21. Securities .....	25
22. Derivative Financial Instruments .....	26
23. Employees' Retirement Benefits .....	28
24. Income Taxes .....	31
25. Asset Retirement Obligations .....	33
26. Rental Property .....	33
27. Revenue .....	34
28. Segment Information .....	36
29. Related Party Transactions .....	39
30. Net Income and Net Assets per Share .....	40
31. Short-term Bank Loans and Long-term Debt .....	41
32. Subsequent Event .....	41

## CONSOLIDATED FINANCIAL HIGHLIGHTS

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

March 31,	2025	2024	2023	2022	2021
Net sales	¥168,191	¥160,653	¥123,197	¥107,777	¥92,635
	\$1,124,876				
Operating income	¥14,095	¥13,614	¥5,765	¥4,236	¥381
	\$94,270				
Net income (loss)	¥12,597	¥17,920	¥6,441	¥3,725	¥(2,898)
	\$84,253				
Comprehensive income	¥10,735	¥25,949	¥7,392	¥6,212	¥43
	\$71,801				
Net assets	¥117,171	¥111,705	¥89,118	¥83,515	¥82,152
	\$783,649				
Total assets	¥199,607	¥253,172	¥205,100	¥166,989	¥134,296
	\$1,334,989				
Net assets per share	¥4,958.36	¥4,622.22	¥3,688.28	¥3,457.58	¥3,402.36
	\$33.16				
Net income (loss) per share	¥529.56	¥741.57	¥266.63	¥154.27	¥(120.05)
	\$3.54				
Cash dividends per share	¥140.00	¥140.00	¥107.50	¥75.00	¥199.30
	\$0.94				
Equity Ratio (%)	58.7	44.1	43.5	50.0	61.2
Return on equity (%)	11.0	17.8	7.5	4.6	(3.4)
Net cash provided by operating activities	¥8,331	¥9,307	¥934	¥11,299	¥192
	\$55,724				
Net cash used in investing activities	¥910	¥(3,805)	¥(563)	¥(1,264)	¥(1,537)
	\$6,088				
Net cash used in financing activities	¥6,532	¥(6,703)	¥(2,277)	¥(2,108)	¥(4,956)
	\$43,687				
Cash and cash equivalents at end of year	¥54,341	¥51,588	¥50,855	¥51,710	¥42,417
	\$363,441				
Capital expenditures	¥5,794	¥12,847	¥2,160	¥1,810	¥1,799
(property, plant and equipment)	\$38,753				
Depreciation	¥2,728	¥2,443	¥2,167	¥1,952	¥1,755
	\$18,248				
R & D costs	¥2,775	¥3,157	¥3,127	¥2,771	¥2,218
	\$18,565				
Number of employees	2,982	3,057	3,037	3,049	3,081

Note 1: In millions of yen (thousands of U.S. dollars), except for per-share data and number of employees.

Note 2: Yen amounts have been translated into U.S. dollars, for convenience only, at the exchange rate of ¥149.52=U.S.\$1.

See [Note 3, "U.S. Dollar Amounts"](#) of the Notes to the Consolidated Financial Statements.

Note 3: Cash dividends per shares includes a commemorative dividend ¥10.00 at the end of March 31, 2020.

Note 4: Cash dividends per shares includes a special dividend ¥124.30 at the end of March 31, 2021.

## CONSOLIDATED BALANCE SHEET

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

March 31, 2025

		Millions of yen		Thousands of U.S. dollars ( <a href="#">Note 3</a> )
ASSETS	Note	2025	2024	2025
Current assets:				
Cash and deposits	<a href="#">18, 20</a>	¥36,388	¥51,669	\$243,370
Notes and accounts receivable - trade, and contract assets	<a href="#">11, 12, 20, 27</a>	27,381	30,354	\$183,129
Allowance for doubtful receivables		(72)	(51)	(485)
Net receivables		27,308	30,303	182,644
Inventories:				
Finished products		35,790	69,097	239,367
Work in process		26,461	33,283	176,977
Raw materials and supplies		40	42	268
Total inventories		62,291	102,423	416,612
Other current assets	<a href="#">20, 22</a>	7,160	18,662	47,892
Total current assets		151,150	203,059	1,010,903
Property, plant and equipment, net	<a href="#">7, 26</a>	33,973	33,522	227,219
Intangible assets	<a href="#">8</a>	1,150	1,219	7,695
Investments and other assets:				
Investments in:				
Unconsolidated subsidiaries and affiliates	<a href="#">20</a>	229	249	1,535
Other securities	<a href="#">20, 21</a>	11,524	13,503	77,080
Long-term loans		2	3	18
Deferred tax assets	<a href="#">4, 24</a>	557	584	3,728
Other investments		1,018	1,030	6,810
Total investments and other assets		13,332	15,370	89,172
Total assets		¥199,607	¥253,172	\$1,334,989

LIABILITIES AND NET ASSETS	Note	Millions of yen		Thousands of U.S. dollars ( <a href="#">Note 3</a> )
		2025	2024	2025
Current liabilities:				
Short-term bank loans	<a href="#">20, 31</a>	¥10,135	¥11,030	\$67,784
Notes and accounts payable, trade	<a href="#">11, 20</a>	15,003	31,016	100,341
Income taxes payable	<a href="#">24</a>	2,895	4,134	19,368
Accrued expenses		2,101	3,310	14,056
Provision for bonuses		2,382	2,725	15,937
Warranty reserve		727	877	4,864
Contract liabilities	<a href="#">27</a>	36,353	75,070	243,136
Other current liabilities	<a href="#">20, 22, 31</a>	1,872	2,164	12,526
Total current liabilities		71,472	130,329	478,012
Long-term liabilities:				
Long-term accounts payable, other		0	5	0
Accrued directors' retirement benefits		26	27	175
Net retirement benefit liability	<a href="#">23</a>	6,826	6,610	45,653
Asset retirement obligations		413	393	2,768
Deferred tax liabilities	<a href="#">4, 24</a>	3,194	3,574	21,365
Other long-term liabilities	<a href="#">31</a>	503	526	3,368
Total long-term liabilities		10,964	11,137	73,328
Total liabilities		82,436	141,466	551,340
Contingent liabilities				
	<a href="#">9</a>			
Net assets:				
Shareholders' equity: <a href="#">17</a>				
Common stock		12,484	12,484	83,499
Additional paid-in capital		11,538	11,538	77,168
Retained earnings		82,222	79,140	549,910
Treasury stock, at cost		(3,631)	(7,877)	(24,289)
Total shareholders' equity		102,613	95,286	686,288
Accumulated other comprehensive income				
Unrealized holding gain on securities, net of tax	<a href="#">21</a>	6,448	8,123	43,127
Foreign currency translation adjustments		6,596	6,672	44,116
Remeasurements of defined benefit plans	<a href="#">23</a>	1,512	1,623	10,118
Total accumulated other comprehensive income		14,557	16,419	97,361
Total net assets	<a href="#">30</a>	117,171	111,705	783,649
Total liabilities and net assets		¥199,607	¥253,172	\$1,334,989

See accompanying notes to financial statements.

## CONSOLIDATED STATEMENT OF INCOME

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Year ended March 31, 2025

		Millions of yen		Thousands of U.S. dollars (Note 3)
	Note	2025	2024	2025
Net sales	<a href="#">27</a>	¥168,191	¥160,653	\$1,124,876
Cost of sales	<a href="#">15</a>	114,643	110,024	766,743
Gross profit		53,547	50,628	358,132
Selling, general and administrative expenses	<a href="#">14, 15</a>	39,452	37,014	263,862
Operating income		14,095	13,614	94,270
Other income:				
Interest and dividend income		720	697	4,822
Rent income		42	45	285
Foreign exchange gain		—	572	—
Received settlement fee		—	207	—
Gain on sales of property, plant and equipment		4,043	10,829	27,044
Gain on sales of investment securities	<a href="#">21</a>	—	91	—
Others		254	321	1,705
		5,062	12,766	33,856
Other expenses and losses:				
Interest expense		190	201	1,271
Foreign exchange losses		191	—	1,278
Closedown cost		211	—	1,417
Outsourcing expenses		—	88	—
Loss on disposal of property, plant and equipment and intangible assets		62	55	415
Loss on sale of shares of subsidiaries and associates		6	—	41
Loss on valuation of investment securities	<a href="#">21</a>	6	—	45
Loss on valuation of shares of subsidiaries and affiliates	<a href="#">21</a>	—	148	—
Extra retirement payments		157	—	1,054
Others		427	564	2,859
		1,253	1,059	8,380
Net income before income taxes		17,904	25,321	119,746
Income taxes	<a href="#">24</a>			
Current		5,063	4,558	33,867
Deferred		243	2,841	1,626
		5,306	7,400	35,492
Net income		12,597	17,920	84,253
Net income attributable to owners of parent	<a href="#">30</a>	¥12,597	¥17,920	\$84,253

See accompanying notes to financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Year ended March 31, 2025

		Millions of yen		Thousands of U.S. dollars ( <a href="#">Note 3</a> )
	Note	2025	2024	2025
Net income (loss)		¥12,597	¥17,920	\$84,253
Other comprehensive income (loss):				
Unrealized holding gain (loss) on securities, net of tax		(1,675)	4,058	(11,205)
Foreign currency translation adjustments		(75)	2,193	(507)
Remeasurements of defined benefit plans		(110)	1,776	(740)
Total other comprehensive income (loss)	<a href="#">16</a>	(1,861)	8,028	(12,453)
Comprehensive income		¥10,735	¥25,949	\$71,801
Comprehensive income attributable to:				
Owners of parent		10,735	25,949	71,801
Non-controlling interests		—	—	—

See accompanying notes to financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Year ended March 31, 2025

	Millions of yen							
	Common stock (Note 17)	Additional paid in capital	Retained earnings	Treasury stock (Note 17)	Unrealized gain on securities, net of tax	Translation adjustments	Remeasurements of defined benefit plans	Total net assets
Balance at April 1, 2023	¥12,484	¥11,538	¥64,594	¥(7,889)	¥4,065	¥4,478	¥(152)	¥89,118
Net income attributable to owners of parent			17,920					17,920
Purchases of treasury stock				(0)				(0)
Cash dividends (Note 17)			(3,383)					(3,383)
Restricted stock compensation			8	13				22
Net changes in items other than shareholders' equity					4,058	2,193	1,776	8,028
Balance at March 31, 2024	12,484	11,538	79,140	(7,877)	8,123	6,672	1,623	111,705
Net income attributable to owners of parent			12,597					12,597
Purchases of treasury stock				(2,000)				(2,000)
Cancellation of treasury shares		(15)	(6,169)	6,185				—
Cash dividends (Note 17)			(3,345)					(3,345)
Restricted stock compensation		15		60				76
Net changes in items other than shareholders' equity					(1,675)	(75)	(110)	(1,861)
Balance at March 31, 2025	¥12,484	¥11,538	¥82,222	¥(3,631)	¥6,448	¥6,596	¥1,512	¥117,171

	Thousands of U.S. dollars (Note 3)							
	Common stock (Note 17)	Additional paid in capital	Retained earnings	Treasury stock (Note 17)	Unrealized gain on securities, net of tax	Translation adjustments	Remeasurements of defined benefit plans	Total net assets
Balance at March 31, 2024	\$83,499	\$77,168	\$529,297	\$(52,682)	\$54,333	\$44,624	\$10,858	\$747,096
Net income attributable to owners of parent			84,253					84,253
Purchases of treasury stock				(13,379)				(13,379)
Cancellation of treasury shares		(103)	(41,263)	41,366				—
Cash dividends (Note 17)			(22,377)					(22,377)
Restricted stock compensation		103		405				508
Net changes in items other than shareholders' equity					(11,205)	(507)	(740)	(12,453)
Balance at March 31, 2025	\$83,499	\$77,168	\$549,910	\$(24,289)	\$43,127	\$44,116	\$10,118	\$783,649

See accompanying notes to financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Year ended March 31, 2025

		Millions of yen		Thousands of U.S. dollars (Note 3)
	Note	2025	2024	2025
Operating activities:				
Net income before income taxes		¥17,904	¥25,321	\$119,746
Adjustments to reconcile net income before income taxes to net cash provided by operating activities:				
Depreciation		2,728	2,443	18,248
Extra retirement payments		157	—	1,054
Amortization of goodwill		54	—	362
Allowance for doubtful receivables		(0)	15	(6)
Provision for bonuses		(342)	803	(2,292)
Warranty reserve		(150)	(156)	(1,006)
Directors' retirement benefit		(1)	(20)	(8)
Net defined benefit liability		105	(37)	704
Interest and dividend income		(720)	(697)	(4,822)
Interest expense		190	201	1,271
Loss (gain) on sale of shares of subsidiaries and associates		(1)	—	(11)
Loss (gain) on sales of investment securities		—	(91)	—
Loss on valuation of investment securities		6	—	45
Loss on valuation of shares of subsidiaries and affiliates		—	148	—
Received settlement fee		—	(207)	—
Gain or loss on sales and disposal of property, plant and equipment and intangible assets		(3,981)	(10,773)	(26,629)
Changes in operating assets and liabilities:				
Notes and accounts receivable - trade, and contract assets		2,973	(3,892)	19,885
Inventories		40,132	(21,975)	268,406
Notes and accounts payable, trade		(16,049)	(5,939)	(107,339)
Contract liabilities		(38,807)	26,141	(259,544)
Accrued expenses		(1,215)	826	(8,129)
Deposits received		0	70	5
Other accounts payable		(631)	51	(4,222)
Others		11,763	(2,921)	78,676
Sub total		14,113	9,308	94,394
Interest and dividend income received		717	746	4,801
Interest paid		(93)	(122)	(622)
Receipt of settlement fee		—	207	—
Income taxes paid		(6,249)	(832)	(41,795)
Extra retirement payments		(157)	—	(1,054)
Net cash provided by operating activities		8,331	9,307	55,724

		Millions of yen		Thousands of U.S. dollars ( <a href="#">Note 3</a> )
	Note	2025	2024	2025
Investing activities:				
Purchases of property, plant and equipment		(2,713)	(3,111)	(18,147)
Proceeds from sales of property, plant and equipment		4,274	4	28,586
Purchases of intangible assets		(219)	(107)	(1,466)
Proceeds from sales of investment securities		—	140	—
Purchase of investment securities		(300)	—	(2,007)
Proceeds from sale of shares of subsidiaries and associates		14	—	99
(Increase) decrease in short-term loans receivable		5	8	40
Collection of long-term loans receivable		0	0	5
Purchase of shares of subsidiaries resulting in change in scope of consolidation		—	(682)	—
Decrease (increase) in deposit in trust		(175)	(117)	(1,170)
Others		21	59	147
Net cash used in investing activities		910	(3,805)	6,088
Financing activities:				
Proceeds from short-term borrowings		—	274	—
Repayments of short-term borrowings		(885)	—	(5,921)
Repayments of long-term borrowings		—	(3,300)	—
Purchases of treasury stock		(2,000)	(0)	(13,379)
Cash dividends paid		(3,345)	(3,383)	(22,377)
Others		(300)	(293)	(2,010)
Net cash used in financing activities		(6,532)	(6,703)	(43,687)
Effect of exchange rate changes on cash and cash equivalents				
		42	1,935	286
Net increase (decrease) in cash and cash equivalents		2,752	733	18,410
Cash and cash equivalents at beginning of year		51,588	50,855	345,031
Cash and cash equivalents at end of year	<a href="#">18</a>	¥54,341	¥51,588	\$363,441

See accompanying notes to financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SHIBAURA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

## 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of SHIBAURA MACHINE CO., LTD. (the "Company") and its consolidated subsidiaries (collectively, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the fiscal year end and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside of Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

## 2. Summary of Significant Accounting Policies

### (a) Basis of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The consolidated financial statements include the accounts of the Companies.

All significant intercompany transactions and accounts and unrealized intercompany profits among consolidated entities are eliminated in consolidation.

Unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost.

### (b) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date, except for those perfectly hedged by forward contracts, which are translated using the contracted rate.

The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by foreign exchange derivatives.

All assets and liabilities of foreign consolidated subsidiaries are translated at the current rates at the respective balance sheet dates, except for components of shareholders' equity which are translated at their historical rates. The revenue and expense accounts of foreign consolidated subsidiaries are translated at the current rates at the respective balance sheet dates. Differences arising from translation are recognized directly in foreign currency translation adjustments in net assets.

### (c) Securities

Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of income taxes, directly included in net assets.

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

### (d) Inventories

Finished products and work in process are stated at the lower of cost, determined by the individual identification method, or their net realizable value. Raw materials and supplies are stated at the lower of cost, determined by the moving average method, or their net realizable value.

**(e) Allowance for doubtful receivables**

The allowance for doubtful receivables is stated at the amount determined based on the default ratio sustained over a specific period in the past and the estimated uncollectible amount determined based on the analysis of certain individual accounts, including probable bad debt and claims in bankruptcy.

**(f) Warranty reserve**

Warranty reserve is provided for warranty costs to be incurred during the warranty period based on historical experience.

**(g) Employee bonuses**

The bonuses paid to the employees are accrued based on the estimated amounts incurred and to be paid in the subsequent period.

**(h) Depreciation of property, plant and equipment (excluding leased assets)**

Depreciation of buildings is principally computed by the straight-line method, facilities attached to buildings and other non-building structures acquired on or after April 1, 2016 is computed by the straight-line method and depreciation of other property, plant and equipment is computed by the declining balance method over the estimated useful lives of respective assets, principally ranging from 3 to 60 years for buildings and structures, and from 3 to 22 years for machinery, equipment and vehicles.

**(i) Amortization of intangible assets**

Computer software held for internal use is amortized by the straight-line method over the corresponding economic useful life (5 years). Other intangible assets, including patent rights, are amortized by the straight-line method over the estimated useful lives of respective assets.

**(j) Goodwill**

Goodwill is amortized by the straight-line method over a reasonable estimated period of benefit.

**(k) Leased assets**

Leased assets under finance lease transactions that do not transfer ownership to the lessee are depreciated by the straight-line method over the lease term with no residual value.

**(l) Derivative financial instruments**

All derivatives are stated at fair value. Gains or losses arising from changes in fair value are charged or credited to income for the period in which they arise, except for derivatives that are designated as hedging instruments. Gains or losses arising from changes in fair value of the derivatives designated as cash flow hedging instruments, net of the applicable income taxes, are reported as a component of net assets.

**(m) Income taxes**

The Companies accrue current income taxes based on taxable income.

The Companies recognize a number of temporary differences for financial reporting purposes, which, in the case of expenses, are not currently deductible and in the case of income, are not currently taxable.

Income tax effects on such temporary differences between tax and financial reporting purposes are reflected as deferred income taxes in the consolidated financial statements using the asset and liability method.

**(n) Employees' retirement benefits**

Accrued employees' retirement benefits are provided based on the projected retirement benefit obligation and the fair value of plan assets at fiscal year-end.

The retirement benefit obligation for employees is attributed to each period by the benefit formula method.

Actuarial gain or loss is amortized in the following year in which the gain or loss is recognized primarily by the straight-line method over a period (10 years), which is shorter than the average remaining years of service of the employees.

**(o) Directors' retirement benefits**

Domestic consolidated subsidiaries accrue an estimated amount calculated in accordance with internal rules for retirement benefits for directors and corporate auditors.

**(p) Method of significant revenue and expense recognition standards****(1) Revenue from contracts with customers**

The Companies recognize revenue based on the five-step process below.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group engages in the manufacturing, sale, and maintenance services of products for the molding machinery, machine tools, control systems, and other businesses. Each business recognizes revenue as described below.

Revenue is measured based on the consideration specified in the contract with a customer. The total amount of consideration for the contract is allocated to all products and services based on their stand-alone selling prices. Stand-alone selling prices are calculated with reference to selling prices of similar products or services and other reasonably available information.

When consideration is received from a customer before a control of product is transferred and the period between the receipt of consideration from the customer and the timing of transfer originally scheduled in the contract exceeds one year, adjustments are made for the effects of significant interest components.

A product sale contract with a customer includes a clause which warrants that the product complies with agreed-upon specifications. The Company and its consolidated subsidiaries recognize warranty reserve for expenses related to such warranty.

**① Molding machinery business**

The molding machinery business engages in the manufacturing, sale, and maintenance services of injection molding machines, die casting machines, and extrusion machines. In a sales contract with a customer, the Companies have an obligation to manufacture and deliver the ordered product and enable the customer to engage in production activities using that product.

Revenue from the sale of products is typically recognized when control of products is transferred to the customer, i.e., when products are shipped to the location designated by the customer, delivered, and accepted by the customer. This is because at that timing, the legal title to and physical possession of the products and significant risks and rewards of ownership associated with the possession of the products are transferred to the customer and the Companies become entitled to receive payment from the customer.

**② Machine tools business**

The machine tools business engages in the manufacturing, sales, and maintenance services of machine tools (large size machines, double column type machining centers, boring machines, vertical boring and turning mills, etc.), high-precision machines, and others. In a sales contract with a customer, the Companies have an obligation to manufacture and deliver the ordered product and enable the customer to engage in production activities using that product.

Revenue from the sale of products is typically recognized when control of products is transferred to the customer, i.e., when products are shipped to the location designated by the customer, delivered, and accepted by the customer. This is because at that timing, the legal title to and physical possession of the products and significant risks and rewards of ownership associated with the possession of the products are transferred to the customer and the Companies become entitled to receive payment from the customer.

### ③ Control systems business

The control systems business engages in the manufacturing, sale, and maintenance services of industrial robots, electronic controls, and others. In a sales contract with a customer, the Companies have an obligation to manufacture and deliver the ordered product.

Revenue from the sale of products is typically recognized when control of products is transferred to the customer, i.e., when products are shipped to the location designated by the customer and delivered. This is because at that timing, the legal title to and physical possession of the products and significant risks and rewards of ownership associated with the possession of the products are transferred to the customer and the Companies become entitled to receive payment from the customer.

### (2) Other revenues

Revenue from real estate lease transactions is recognized over the lease period in accordance with the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).

### (q) Amounts per share of common stock

Net income per share is computed based on the weighted-average number of shares of common stock outstanding during a year.

Diluted net income per share is not presented since the Company has never issued any securities with dilutive effect, such as bonds with warrants and convertible bonds. Cash dividends per share represent the actual amount declared as applicable to the respective years.

### (r) Cash equivalents

In preparing the consolidated statement of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

## 3. U.S. Dollar Amounts

U.S. dollar amounts are included solely for the convenience of the readers and have been translated at the rate of ¥149.52=U.S.\$1, the approximate exchange rate prevailing in the Japanese foreign exchange market on March 31, 2025. This translation should not be construed as a representation that the yen amounts actually represent, have been, or could be converted into U.S. dollars.

## 4. Accounting Estimates

### Recoverability of deferred tax assets

#### (1) Amount recorded in the consolidated financial statements for the fiscal year

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Deferred tax assets (Balance Sheet amount)	¥557	¥584	\$3,728
Deferred tax assets (Before offsetting)	3,887	4,162	25,999
Deferred tax liabilities (Balance Sheet amount)	3,194	3,574	21,365
Deferred tax liabilities (Before offsetting)	6,524	7,153	43,637

**(2) Information on the contents of accounting estimates related to the identified items****① Method of calculation**

Deferred tax assets is recognized for the deductible temporary differences and the unused portion of tax loss carry forwards, based on projection of future taxable income. For the estimate of taxable income, the timing and amount of future taxable income is reasonably estimated and calculated based on the next fiscal year's business plan.

**② Key assumptions**

When determining the appropriateness of future taxable income before temporary differences, an estimate is made of the taxable income for the fiscal year in which the reversal of temporary differences, etc. is expected. Future taxable income is projected based on the business plans of the next fiscal year for each of the Group's companies, and such business plans are prepared by forecasting the timing of realization of backlog of orders for each product and the status of orders received for the next fiscal year.

**③ Impact on the consolidated financial statements for the following fiscal year**

The forecasts on the timing of realization of order backlog and the status of orders received for the next fiscal year, which constitute key assumptions, entail uncertainty of estimates. This is due to future uncertain economic conditions, where the Companies may see unexpected decreases in sales volumes and selling prices of some products, economic stagnation, inflation and monetary tightening in many countries caused by geopolitical risks. For this reason, the estimated amount of taxable income may change, and the change has a risk of having a significant impact on the determination of the recoverability of deferred tax assets.

**5. Accounting Changes**

The Companies have adopted the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and other standards from the beginning of the year ended March 31, 2025. The revisions concerning the accounting classification of income taxes (the taxation on other comprehensive income) have been applied in accordance with the transitional treatment provided for in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). This accounting change has no impact on the consolidated financial statements.

Regarding the revisions relating to the review of the treatment of gains and losses arising from the sale of subsidiaries' shares, etc., between consolidated companies, where these gains and losses are deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the year ended March 31, 2025. This accounting change has been applied retrospectively, and the consolidated financial statements for the year ended March 31, 2024 have been recalculated after retrospective application. This accounting change has no impact on consolidated financial statements for the year ended March 31, 2024.



## 6. Accounting Standards Issued but Not yet Effective

### **Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)**

### **Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024), etc.**

#### **(1) Outline**

As part of its efforts to converge the Japanese standards toward international compatibility, the Accounting Standards Board of Japan engaged in a consideration based on international accounting standards to develop an accounting standard for leases under which assets and liabilities are recognized for all leases held by a lessee. The approach taken in the newly announced standard is based on the single accounting model in IFRS 16. However, rather than mirroring IFRS 16, it adopts only its main provisions, resulting in a simplified and efficient accounting standard designed to largely eliminate the need for adjustments when applying the provisions of IFRS 16 to non-consolidated financial statements.

As the lessee's accounting treatment regarding the method for allocating lease expenses, similar to IFRS 16, the single accounting model is adopted for recording depreciation on right-of-use assets and an amount equivalent to interest on lease liabilities for all leases regardless of whether the lease is a finance or operating lease.

#### **(2) Scheduled date of adoption**

The Companies plan to apply the aforementioned standards and guidance from the beginning of the fiscal year ending March 31, 2028.

#### **(3) Impacts of the adoption of accounting standard and implementation guidance**

The impact of the application of Accounting Standard for Leases, etc. on the consolidated financial statements is currently under review.

## 7. Property, Plant and Equipment

Property, plant and equipment at March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Land	¥6,741	¥6,852	\$45,085
Buildings and structures	49,309	47,794	329,785
Machinery and equipment	25,947	24,656	173,537
Vehicles	283	283	1,897
Tools, furniture and fixtures	7,202	7,249	48,169
Lease assets	1,568	1,353	10,490
Construction in progress	221	2,566	1,482
Sub total	91,273	90,755	610,444
Less accumulated depreciation	(57,299)	(57,232)	(383,225)
Property, plant and equipment, net	¥33,973	¥33,522	\$227,219

Depreciation expenses for the years ended March 31, 2025 and 2024 were ¥2,728 million (\$18,248 thousand) and ¥2,443 million, respectively.

## 8. Intangible Assets

Intangible assets at March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Goodwill	¥378	¥463	\$2,532
Others	771	755	5,163
Total	¥1,150	¥1,219	\$7,695

## 9. Contingent Liabilities

Contingent liabilities for loans guaranteed by the Company, principally on behalf of non-consolidated subsidiaries and affiliated companies, were ¥548 million (\$3,670 thousand) and ¥560 million for the years ended March 31, 2025 and 2024, respectively.

## 10. Commitment Line

The Company has concluded commitment line contracts with three financial institutions in order to ensure that it can safely and flexibly meet any demand for funds. The balance of unused committed lines under these contracts at the end of the fiscal year was as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Total amount of commitment line	¥10,000	¥10,000	\$66,881
Funds borrowed	—	—	—
Unused amount	¥10,000	¥10,000	\$66,881

## 11. Treatment of notes matured at the end of the fiscal year

Settlement of notes receivables/payables maturing at the end of the fiscal year were accounted for on their actual clearing date. For the Year ended March 31, 2024, since the end of the fiscal year was a holiday of financial institutions, the following notes maturing at the end of the fiscal year were included in the consolidated balance sheet at the end of the fiscal year:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Notes and accounts receivable, trade	¥—	¥183	\$—
Notes and accounts payable, trade	—	34	—

## 12. Notes and Accounts Receivable - Trade, and Contract Assets

Notes and accounts receivable - trade, and contract assets arising from contracts with customers and contract assets at March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Notes	¥4,781	¥5,591	\$31,981
Accounts receivable, trade	19,235	23,129	128,650
Contract assets	3,363	1,634	22,499

## 13. Revenue from contracts with customers

Revenues are not separately presented for revenue from contracts with customers and other revenues. The amount of revenue from contracts with customers is presented in [Note 27, "Revenue"](#).

## 14. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Sales commission	¥3,124	¥3,305	\$20,899
Shipping expenses	8,298	6,726	55,504
Provision for warranty reserve	(145)	(175)	(970)
Personnel-expenses	14,372	13,550	96,127
Retirement benefit expenses	532	532	3,559
Depreciation	993	1,006	6,645
Rent expenses	1,157	1,147	7,742
Travel expenses	1,292	1,186	8,644
Research and development expenses	1,420	1,890	9,503
Subcontract expenses	826	756	5,531
Others	7,577	7,086	50,678
Total	¥39,452	¥37,014	\$263,862

## 15. Research and Development Costs

Research and development costs charged to income were ¥2,775 million (\$18,565 thousand) and ¥3,157 million for the years ended March 31, 2025 and 2024, respectively.

## 16. Other Comprehensive Income

The components of other comprehensive income (loss) for the years ended March 31, 2025 and 2024 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Unrealized holding gain (loss) on securities:			
Current period changes in unrealized gain (loss)	¥(2,278)	¥5,825	\$(15,237)
Reclassification adjustment	—	(91)	—
Total unrealized holding gain (loss) on securities before tax effects	(2,278)	5,734	(15,237)
Tax effects	602	(1,675)	4,032
Unrealized holding gain (loss) on securities, net of tax effects	(1,675)	4,058	(11,205)
Foreign currency translation adjustments:			
Current period changes	(75)	2,193	(507)
Reclassification adjustment	—	—	—
Total Foreign currency translation adjustments	(75)	2,193	(507)
Remeasurements of defined benefit plans			
Current period changes in remeasurements of defined benefit plans	(161)	1,760	(1,079)
Reclassification adjustment	50	15	339
Total remeasurements of defined benefit plans before tax effect	(110)	1,776	(740)
Tax effects	—	—	—
Remeasurements of defined benefit plans, net of tax effects	(110)	1,776	(740)
Total other comprehensive income (loss)	¥(1,861)	¥8,028	\$(12,453)

## 17. Shareholders' Equity

The Corporation Law of Japan, which went into effect on May 1, 2006, provides that an amount equal to 10% of the amount to be distributed as distribution of additional paid in capital (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and legal reserve, respectively, until the sum of the capital reserve and legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

### (a) Class and total number of shares outstanding, and class and number of treasury stocks

For the years ended March 31, 2025	Number of shares			
	April 1, 2024	Increase	Decrease	March 31, 2025
Shares issued:				
Common stocks	26,977,106	—	2,156,700	24,820,406
Treasury stock				
Common stocks (Note 1)	2,809,953	556,811	2,177,411	1,189,353

Note 1: Details of decrease was as follows:

Decrease due to the retirement of treasury shares 2,156,700 Shares

Note 2: Details of decrease was as follows:

Increase due to purchase of shares of less than standard unit 111 Shares

Increase due to purchase of treasury shares 556,700 Shares

Details of decrease was as follows:

Decrease due to the grant of restricted stock 20,711 Shares

Decrease due to the retirement of treasury shares 2,156,700 Shares

For the years ended March 31, 2024	Number of shares			
	April 1, 2023	Increase	Decrease	March 31, 2024
Shares issued:				
Common stocks	26,977,106	—	—	26,977,106
Treasury stock				
Common stocks (Note 1)	2,814,565	233	4,845	2,809,953

Note 1: Details of increase was as follows:

Increase due to purchase of shares of less than standard unit 233 Shares

Details of decrease was as follows:

Decrease due to the grant of restricted stock 4,845 Shares

### (b) Dividends paid

For the years ended March 31, 2025	Type of shares	Cash dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on May 13, 2024	Common stock	¥1,691 (\$11,314)	¥70.00 (\$0.47)	March 31, 2024	June 3, 2024
Meeting of the Board of Directors held on November 12, 2024	Common stock	¥1,654 (\$11,063)	¥70.00 (\$0.47)	September 30, 2024	December 3, 2024

For the years ended March 31, 2024	Type of shares	Cash dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on March 15, 2023	Common stock	¥1,691 (\$11,171)	¥70.00 (\$0.46)	March 31, 2023	June 5, 2023
Meeting of the Board of Directors held on November 8, 2023	Common stock	¥1,691 (\$11,171)	¥70.00 (\$0.46)	September 30, 2023	December 4, 2023

Note: In millions of yen (thousands of U.S. dollars), except for cash dividends per share.

## 18. Cash Flow Information

### (a) Cash and Cash Equivalents

The reconciliation between cash and deposits in the accompanying consolidated balance sheet and cash and cash equivalents in the accompanying consolidated statement of cash flows at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Cash and deposits	¥36,388	¥51,669	\$243,370
Securities	18,000	—	120,385
Deposit in trust	(47)	(80)	(315)
Cash and cash equivalents	¥54,341	¥51,588	\$363,441

### (b) Significant non-cash transactions

Significant non-cash transactions for the years ended March 31, 2025 and 2024 were as follows:

#### (1) Cancellation of treasury stocks

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Cancellation of treasury stocks	¥6,185	¥—	\$41,366

#### (2) Transfer and acquisition of fixed assets by equivalent exchange

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Increase in buildings and structures	¥—	¥10,991	\$—
Decrease in land	—	29	—
Other payments	—	136	—
Gain on sales of property, plant and equipment	¥—	¥10,824	\$—

### (c) The major components of assets and liabilities of the company that has become a consolidated subsidiary through the acquisition of shares

The main components of assets and liabilities at the time of consolidation associated with the inclusion of TECHNOLINK CO., LTD. in the scope of consolidation through the acquisition of shares, as well as the relationship between the cost of acquiring its shares and expenditures (net) for its acquisition for the years ended March 31, 2024 were as follows:

March 31, 2024	Millions of yen
Current assets	¥674
Fixed assets	196
Goodwill	463
Current liabilities	(342)
Long-term liabilities	(104)
Acquisition cost of shares	888
Cash and cash equivalents	(205)
Balance: Expenditures for acquisition	¥682

## 19. Leases

### (a) Finance lease transactions (Lessee)

Notes have been omitted based on immateriality.

### (b) Operating lease transactions (Lessee)

Notes have been omitted based on immateriality.

### (c) Finance lease transactions (Lessor)

Not applicable.

### (d) Operating lease transactions (Lessor)

Future lease payments pertaining to non-cancelable operating lease transactions for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Due within one year	¥655	¥76	\$4,383
Due after one year	2,511	294	16,795
Total	¥3,166	¥370	\$21,178

## 20. Financial Instruments

### Overview

#### (1) Policy for financial instruments

The Companies invest in short-term deposits for fund management, where temporary cash surplus is invested in low-risk financial instruments. The Companies raise funds through bank borrowings. The Companies use derivatives only to reduce risk, and do not enter into derivative transactions for speculative trading purposes.

#### (2) Financial instruments, related risk and risk management system

Operating receivables, such as notes and accounts receivable - trade, and contract assets are exposed to customer credit risk. The Companies try to reduce this risk by adhering to their sales management rules.

Securities mainly comprise negotiable certificates of deposit and similar instruments that are settled in a short period of time. Investments, consisting of marketable securities of corporations, are exposed to stock price fluctuation risk in the market. To address this risk, the Companies review stock prices in every quarter.

Operating payables, such as notes and accounts payable, trade are mainly due within six months. Borrowings are mainly used in for normal operations and capital investments. The maturity of borrowings is up to three years from the balance sheet date at the maximum.

Derivative transactions consist of foreign exchange forward contracts, etc. used for the purpose of hedging foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. These derivative transactions are managed under the internal management policies, to the extent deemed necessary. [Note 22, "Derivative Financial Instruments"](#) provides more information on hedge accounting, hedging instruments and methods, hedging policy, hedged items and assessments of hedge effectiveness.

The Finance Department of the Companies prepares and updates its cash flow plan to manage liquidity risk. A part of bank borrowings are subject to terms of financial covenants. If the Companies violate the terms of the financial covenants, the terms of the borrowings may be possibly revised.

#### (3) Supplemental information on the fair value of financial instruments

Fair value of financial instruments is calculated based on market prices, or by using reasonable estimates when market prices are not available. These estimates include variable factors, and are subject to fluctuation due to a change in underlying assumptions. The contract amounts of derivatives presented in [Note 22, "Derivative Financial Instruments"](#) below do not represent the actual market risk associated with derivative transactions.

**Fair value of financial instruments**

Carrying value of financial instruments as of March 31, 2025 and 2024, and their fair value were as follows:

Year ended March 31, 2025	Millions of yen		
	Carrying value	Fair value	Difference
Notes and accounts receivable - trade, and contract assets	¥27,381	¥27,372	¥(9)
Investment securities	11,201	11,201	—
<b>Total assets</b>	<b>¥38,582</b>	<b>¥38,573</b>	<b>(9)</b>
Long-term debt including current portion	—	—	—
<b>Total liabilities</b>	<b>¥—</b>	<b>¥—</b>	<b>¥—</b>
Derivatives	¥0	¥0	¥—

Year ended March 31, 2024	Millions of yen		
	Carrying value	Fair value	Difference
Notes and accounts receivable - trade, and contract assets	¥30,354	¥30,353	¥(1)
Investment securities	13,476	13,476	—
<b>Total assets</b>	<b>¥43,831</b>	<b>¥43,830</b>	<b>¥(1)</b>
Long-term debt including current portion	—	—	—
<b>Total liabilities</b>	<b>¥—</b>	<b>¥—</b>	<b>¥—</b>
Derivatives	¥(11)	¥(11)	¥—

Year ended March 31, 2025	Thousands of U.S. dollars		
	Carrying value	Fair value	Difference
Notes and accounts receivable - trade, and contract assets	\$183,129	\$183,068	\$(61)
Investment securities	74,915	74,915	—
<b>Total assets</b>	<b>258,044</b>	<b>257,983</b>	<b>(61)</b>
Long-term debt including current portion	—	—	—
<b>Total liabilities</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>
Derivatives	\$0	\$0	\$—

Note 1: "Cash and deposits", "Securities", "Notes and accounts payable, trade" and "Short-term bank loans" are omitted as the fair values approximate their carrying values because they are cash or settled in a short period of time.

Note 2: Investment securities for which the market prices are not available are not included in "Investment securities" in the above table. Carrying value of financial instruments as of March 31, 2025 and 2024 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Unlisted stocks	¥553	¥276	\$3,700

Note 3: Derivatives are presented as net amounts receivable or payable with net amounts payable in parentheses.



**(1) The aggregate annual maturities of financial assets**

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Year ended March 31, 2025				
Cash and deposits	¥36,384	¥—	¥—	¥—
Notes and accounts receivable - trade, and contract assets	27,300	81	—	—
Securities and investment securities	18,000	—	—	—
Total	¥81,935	¥84	¥—	¥—

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Year ended March 31, 2024				
Cash and deposits	¥51,665	¥—	¥—	¥—
Notes and accounts receivable - trade, and contract assets	30,270	84	—	—
Total	¥81,935	¥84	¥—	¥—

	Thousands of U.S. dollars			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Year ended March 31, 2025				
Cash and deposits	\$243,345	\$—	\$—	\$—
Notes and accounts receivable - trade, and contract assets	182,585	545	—	—
Securities and investment securities	120,385	—	—	—
Total	\$546,315	\$545	\$—	\$—

**(2) Annual maturities of short-term bank loans and long-term debt**

	Millions of yen					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Year ended March 31, 2025						
Short-term bank loans	¥10,135	¥—	¥—	¥—	¥—	¥—
Long-term debt	—	—	—	—	—	—
Total	¥10,135	¥—	¥—	¥—	¥—	¥—

	Millions of yen					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Year ended March 31, 2024						
Short-term bank loans	¥11,030	¥—	¥—	¥—	¥—	¥—
Long-term debt	—	—	—	—	—	—
Total	¥11,030	¥—	¥—	¥—	¥—	¥—

	Thousands of U.S. dollars					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Year ended March 31, 2025						
Short-term bank loans	\$67,784	\$—	\$—	\$—	\$—	\$—
Long-term debt	—	—	—	—	—	—
Total	\$67,784	\$—	\$—	\$—	\$—	\$—

**(3) Matters relating to breakdown of fair value of financial instruments by level**

Fair values of financial instruments are categorized into three levels as below on the basis of the observability and the materiality of the valuation inputs used in fair value measurements.

Fair values of Level 1: Fair values measured by quoted prices of the assets or liabilities being measured which are given in active markets among observable valuation inputs

Fair values of Level 2: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs

Fair values of Level 3: Fair values measured by unobservable valuation inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

**① Financial instruments recorded at fair value in the consolidated balance sheet**

Year ended March 31, 2025	Millions of yen			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥ 11,201	¥—	¥—	¥ 11,201
Other	¥—	¥18,000	¥—	¥18,000
Total Assets	¥11,201	¥18,000	¥—	¥29,201
Derivative Transactions				
Currency-Related Transactions	¥—	¥—	¥—	¥—
Total Liabilities	¥—	¥—	¥—	¥—

Year ended March 31, 2024	Millions of yen			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥13,476	¥—	¥—	¥13,476
Total Assets	¥13,476	¥—	¥—	¥13,476
Derivative Transactions				
Currency-Related Transactions	¥—	¥11	¥—	¥11
Total Liabilities	¥—	¥11	¥—	¥11

Year ended March 31, 2025	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	\$74,915	\$—	\$—	\$74,915
Other	\$—	\$120,385	\$—	\$120,385
Total Assets	\$74,915	\$—	\$—	\$195,300
Derivative Transactions				
Currency-Related Transactions	\$—	\$—	\$—	\$—
Total Liabilities	\$—	\$—	\$—	\$—

## ② Financial instruments other than financial instruments recorded at fair value in the consolidated balance sheet

Year ended March 31, 2025	Millions of yen			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	¥—	¥27,372	¥—	¥27,372
Total Assets	¥—	¥27,372	¥—	¥27,372
Long-term debt including current portion	¥—	¥—	¥—	¥—
Total Liabilities	¥—	¥—	¥—	¥—

Year ended March 31, 2024	Millions of yen			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	¥—	¥30,353	¥—	¥30,353
Total Assets	¥—	¥30,353	¥—	¥30,353
Long-term debt including current portion	¥—	¥—	¥—	¥—
Total Liabilities	¥—	¥—	¥—	¥—

Year ended March 31, 2025	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	\$—	\$183,068	\$—	\$183,068
Total Assets	\$—	\$183,068	\$—	\$183,068
Long-term debt including current portion	\$—	\$—	\$—	\$—
Total Liabilities	\$—	\$—	\$—	\$—

Note: Explanation of valuation techniques and valuation inputs used in fair value measurements

Securities and investment securities

Fair values of listed shares for which quoted market prices in active markets are available are categorized as Level 1. Securities included in “other” mainly comprise negotiable certificates of deposit and similar instruments. As these instruments are settled in a short period of time, their fair values are based on carrying values, which approximate the fair values, and are categorized as Level 2.

Derivative Transaction

Fair values of foreign exchange contracts are calculated based on quoted financial institutions and categorized as Level 2.

Notes and accounts receivable - trade, and contract assets

Fair value of notes and accounts receivable – trade, and contract assets is determined by discounting classified based on certain terms and estimated amount to be received which reflects credit risk, using highly secure interest rates for the remaining period except for those are settled in the short terms. These fair values are categorized as Level 2.

## 21. Securities

Information regarding marketable securities classified as other securities included in investment securities were as follows:

Year ended March 31, 2025	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gains
Equity securities	¥1,985	¥11,201	¥9,215
Other	18,000	18,000	—
	¥19,985	¥29,201	¥9,215

Year ended March 31, 2024	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gains
Equity securities	¥1,985	¥13,476	¥11,491
	¥1,985	¥13,476	¥11,491

Year ended March 31, 2024	Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gains
Equity securities	\$13,278	\$74,915	\$61,637
Other	120,385	120,385	—
	\$133,664	\$195,300	\$61,637

Proceeds from sales and gain on sales of investment securities classified as other securities were ¥159 million and ¥91 million for the year ended March 31, 2024.

The shares of Separator Design Co., Ltd., which were previously classified as shares of subsidiaries and affiliates, have been reclassified as other securities based on holding purpose, as the Company's ownership ratio has decreased due to the partial sale of these shares for the year ended March 31, 2025.

Loss on valuation of shares of subsidiaries and affiliates classified as other securities were ¥148 million for the Year ended March 31, 2024. In the recognition of loss on valuation, writing down the carrying value to fair value when the decline in fair value is deemed to be unrecoverable considering the financial position of the issuers of the securities.

Loss on valuation of investment securities classified as other securities was ¥6 million (\$45 thousand) for the year ended March 31, 2025. In the recognition of loss on valuation, total impairment is recognized when the fair value at the end of the fiscal year has fallen below 50% of the acquisition cost. When the fair value has fallen between 30% and 50%, an impairment of the amount deemed by taking into account recoverability etc. is recognized.

## 22. Derivative Financial Instruments

The Companies have entered into derivative transactions (foreign exchange contracts) in order to manage certain risks arising from adverse fluctuations in foreign currency exchange rates. The Company does not hold or issue derivative financial instruments for the purpose of speculative trading. Derivative transactions are entered into by the Finance Department under the rules approved by the Board of Directors. Derivative transactions are evaluated by the Corporate Auditing Office.

### Derivatives transactions to which hedge accounting is not adopted

		Millions of yen			
Year ended March 31, 2025	Hedged item	Contract amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Forward foreign currency exchange contracts:					
Foreign exchange contracts:					
Sell: U.S. dollars	Accounts receivable	¥35	¥—	¥0	¥0
Buy: Japanese yen	Accounts payable	657	—	0	0
Total		¥693	¥—	¥0	¥0

Year ended March 31, 2024	Hedged item	Millions of yen			
		Contract amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Forward foreign currency exchange contracts:					
Foreign exchange contracts:					
Sell: U.S. dollars	Accounts receivable	¥262	¥—	¥5	¥5
Buy: Japanese yen	Accounts payable	819	—	(17)	(17)
Total		¥1,082	¥—	¥(11)	¥(11)

		Thousands of U.S. dollars			
Year ended March 31, 2025	Hedged item	Contract amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Forward foreign currency exchange contracts:					
Foreign exchange contracts:					
Sell: U.S. dollars	Accounts receivable	\$241	\$—	\$0	\$0
Buy: Japanese yen	Accounts payable	4,397	—	0	0
Total		\$4,638	\$—	\$0	\$0

**Derivatives transactions to which hedge accounting is adopted**

Year ended March 31, 2025	Hedged item	Millions of yen		
		Contract amount	Contract amount due after one year	Fair value
Accounted for by the allocation method:				
Foreign exchange contracts:				
Sell: U.S. dollars	Accounts receivable	¥1,077	¥—	*
Buy: U.S. dollars	Accounts payable	—	—	—
Total		¥1,077	¥—	¥—

Year ended March 31, 2024	Hedged item	Millions of yen		
		Contract amount	Contract amount due after one year	Fair value
Accounted for by the allocation method:				
Foreign exchange contracts:				
Sell: U.S. dollars	Accounts receivable	¥876	¥—	*
Buy: U.S. dollars	Accounts payable	—	—	—
Total		¥876	¥—	¥—

Year ended March 31, 2025	Hedged item	Thousands of U.S. dollars		
		Contract amount	Contract amount due after one year	Fair value
Accounted for by the allocation method:				
Foreign exchange contracts:				
Sell: U.S. dollars	Accounts receivable	\$7,207	\$—	*
Buy: U.S. dollars	Accounts payable	—	—	—
Total		\$7,207	\$—	\$—

Note: Foreign exchange contracts are accounted for using the allocation method, which is accepted under JGAAP as a short cut method for foreign currency translation, as part of the accounts receivable and accounts payable. Therefore, the fair value of foreign exchange contracts is included in the fair value of the underlying accounts receivable.

## 23. Employees' Retirement Benefits

### (a) Overview

The Company and certain subsidiaries have funded defined benefit plans, i.e., lump-sum payment plans and defined benefit pension plans, and defined contribution plans for employees. Certain overseas subsidiaries have unfunded defined benefit plans for benefit payments to their employees.

Certain domestic subsidiaries participate in multiemployer pension plans. Multiemployer pension plans, in which pension assets belonging to the Companies are not reasonably determinable, are accounted for as if those are defined contribution plans.

Certain domestic consolidated subsidiaries have adopted the simplified method in calculating their projected benefit obligation.

### (b) Defined benefit plans

① The changes in the retirement benefit obligation during the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Retirement benefit obligation at beginning of year	¥12,001	¥13,312	\$80,265
Service cost	696	784	4,656
Interest cost	165	12	1,105
Actuarial gain or loss	21	(1,308)	142
Retirement benefit paid	(854)	(830)	(5,718)
Increase due to change in scope of consolidation	—	31	—
Retirement benefit obligation at end of year	¥12,028	¥12,001	\$80,451

② The changes in pension plan assets during the year ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Pension plan assets at beginning of year	¥5,391	¥4,919	\$36,056
Expected return on pension plan assets	35	30	238
Actuarial gain or loss	(140)	451	(937)
Contribution by the Companies	166	169	1,117
Retirement benefit paid	(250)	(180)	(1,676)
Pension plan assets at end of year	¥5,202	¥5,391	\$34,797

③ The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2025 and 2024 for the defined benefit plans

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Funded retirement benefit obligation	¥4,472	¥4,398	\$29,911
Pension plan assets at fair value	(5,202)	(5,391)	(34,797)
	(730)	(992)	(4,887)
Unfunded retirement benefit obligation	7,556	7,602	50,540
Net retirement benefit liability recognized in the consolidated balance sheet	6,826	6,610	45,653
Retirement benefit liability	6,826	6,610	45,653
Net retirement benefit liability recognized in the consolidated balance sheet	¥6,826	¥6,610	\$45,653

④ The components of retirement benefit expense for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Service cost	¥696	¥784	\$4,656
Interest assets	165	12	1,105
Expected return on pension assets	(35)	(30)	(238)
Actuarial gain or loss	50	15	339
Retirement benefit expense	¥876	¥782	\$5,862

⑤ Remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Actuarial gain or loss	¥(110)	¥1,776	\$(740)
Total	¥(110)	¥1,776	\$(740)

⑥ Remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Unrecognized actuarial loss	¥1,512	¥1,623	\$10,118
Total	¥1,512	¥1,623	\$10,118

⑦ The fair value of pension plan assets, by major category, as a percentage of total plan assets as of March 31, 2025 and 2024 were as follows:

March 31,	2025	2024
Domestic bonds	52%	52%
Domestic equity securities	14	14
Foreign bonds	13	13
Foreign equity securities	13	13
Insurance assets (General accounts)	7	7
Other	1	1
Total	100%	100%

The expected return on pension plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

⑧ The assumptions used in accounting for the above plans were as follows:

March 31,	2025	2024
Discount rate	1.5%	1.5%
Expected rate of return on pension plan assets	0.6	0.6
Expected rate of salary increase	9.0	9.0

The expected rate of salary increase was the rate of increase points calculated using the age specific index of the expected rate of salary increase under the retirement benefits point system.



**(c) Defined contribution plans**

The required contributions to defined contribution plans of the Company and certain domestic consolidated subsidiaries for the years ended March 31, 2025 and 2024 were ¥147 million (\$987 thousand) and ¥148 million, respectively.

**(d) Multiemployer pension plans**

The required contributions to the multiemployer pension plans for the years ended March 31, 2025 and 2024 were ¥22 million (\$149 thousand) and ¥23 million, respectively.

## ① Funded status of the multiemployer pension plans as of the most recent calculation dates

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Amount of pension assets	¥137,074	¥124,050	\$916,763
Total amount of actuarial obligations and minimum reserve			
in the pension financial calculation (Note)	120,649	124,414	806,914
Difference	¥16,424	¥(364)	\$109,848

Note: This item was presented as "Amount of obligations" in the previous fiscal year.

## ② The Companies' portion of contributions in multiemployer pension plans

March 31,	2025	2024
The Companies' portion in the total contributions of the multiemployer plans	0.497%	0.529%

The difference above was principally attributable to special reserve of ¥24,876 million (\$166,374 thousand) and ¥9,450 million at March 31, 2025 and 2024 and unrecognized prior service cost of ¥8,451 million (\$56,525 thousand) and ¥9,815 million at March 31, 2025 and 2024, respectively.

Prior service cost of the plans is amortized by the straight-line method over 20 years. The Companies paid and recognized premium contributions of ¥22 million (\$151 thousand) and ¥22 million for amortization of prior service cost in the consolidated financial statements for the years ended March 31, 2025 and 2024, respectively.

The Companies' portion of contributions described above was not equal to the actual share to be allocated to the Companies.

## 24. Income Taxes

Income taxes in Japan applicable to the Company and its domestic consolidated subsidiaries generally comprise corporation, enterprise and prefectural and municipal inhabitants taxes. The statutory tax rates for both years ended March 31, 2025 and 2024 were approximately 29.9%, respectively.

The reconciliation between the statutory tax rate and effective tax rate for the years ended March 31, 2025 and 2024 were as follows:

March 31,	2025	2024
Statutory tax rate	29.9%	29.9%
Per-capita portion of inhabitant tax	0.2	0.1
Permanently non-deductible expenses	2.2	1.6
Permanently non-taxable revenue such as dividends income	(0.7)	(0.2)
Change in valuation allowance	1.5	(1.8)
Effects of elimination in consolidation	(2.4)	0.0
Difference in statutory tax rates for foreign subsidiaries	0.3	0.1
Expiration of loss carryforward	0.1	0.1
Tax on pensions	(0.7)	0.4
Tax deductions	(1.5)	(1.2)
Others	0.7	0.2
Effective tax rate	29.6%	29.2%

The significant components of deferred tax assets and liabilities at March 31, 2025 and 2024 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Deferred tax assets:			
Tax loss carry forwards (Note)	¥429	¥207	\$2,869
Allowance for doubtful receivables	171	174	1,148
Net defined benefit liability	2,496	2,469	16,693
Devaluation of inventories	810	869	5,422
Unrealized intercompany profit on inventories	596	510	3,986
Provision for bonuses	709	819	4,746
Devaluation of securities	284	354	1,905
Enterprise taxes payable	209	224	1,402
Other	1,562	1,651	10,451
Total deferred tax assets	¥7,269	¥7,281	\$48,622
Valuation allowance of tax loss carry forwards	(429)	(201)	(2,869)
Valuation allowance of deductible temporary difference	(2,953)	(2,917)	(19,754)
Subtotal Valuation allowance	(3,382)	(3,119)	(22,623)
Net deferred tax assets	¥3,887	¥4,162	\$25,999
Deferred tax liabilities:			
Deferral of gain on sale of fixed assets	(2,427)	(2,473)	(16,237)
Unrealized holding gain on securities	(2,760)	(3,398)	(18,464)
Asset retirement obligations	(134)	(62)	(896)
Foreign consolidated subsidiaries' retained earnings	(1,060)	(1,179)	(7,090)
Others	(141)	(38)	(949)
Total deferred tax liabilities	¥(6,524)	¥(7,153)	\$(43,637)
Net deferred tax assets	¥(2,637)	¥2,990	\$(17,638)

Note: A breakdown of tax loss carryforwards and valuation allowance by expiry date as of March 31, 2025 and 2024 were as follows:

Year ended March 31, 2025	Millions of yen						Total
	Due in one years or less	Due after one year through two years	Due after two year through three years	Due after three year through four years	Due after four year through five years	After five years	
Tax loss carryforwards	¥49	¥22	¥61	¥93	¥102	¥99	¥429
Valuation allowance	(49)	(22)	(61)	(93)	(102)	(99)	(429)
Deferred tax assets	¥—	¥—	¥—	¥—	¥—	¥—	¥—

Year ended March 31, 2024	Millions of yen						Total
	Due in one years or less	Due after one year through two years	Due after two year through three years	Due after three year through four years	Due after four year through five years	After five years	
Tax loss carryforwards	¥62	¥21	¥22	¥32	¥51	¥17	¥207
Valuation allowance	(62)	(21)	(22)	(32)	(51)	(11)	(201)
Deferred tax assets	¥—	¥—	¥—	¥—	¥—	¥6	¥6

Year ended March 31, 2025	Thousands of U.S. dollars						Total
	Due in one years or less	Due after one year through two years	Due after two year through three years	Due after three year through four years	Due after four year through five years	After five years	
Tax loss carryforwards	\$334	\$149	\$410	\$625	\$684	\$667	\$2,869
Valuation allowance	(334)	(149)	(410)	(625)	(684)	(667)	(2,869)
Deferred tax assets	\$—	\$—	\$—	\$—	\$—	\$—	\$—

Note: The Company and its domestic consolidated subsidiaries have applied the group tax sharing system from the fiscal year ended March 31, 2023. In accordance with the “*Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System*” (ASBJ Practical Issues Task Force No. 42, August 12, 2021), the Company conducts accounting treatment and disclosure of corporate tax and local corporate tax or of their tax effect accounting.

#### Revisions to the amounts of deferred tax assets and deferred tax liabilities due to a change in the income tax rate

Pursuant to the establishment of the “*Act for Partial Amendment of the Income Tax Act*” (Act No. 13 of 2025) by the National Diet of Japan on March 31, 2025, the Special Defense Corporation Tax will be enforced for fiscal years beginning on or after April 1, 2026.

As a result, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities will increase from 29.86% to 30.76% for temporary differences expected to reverse in fiscal years starting on or after April 1, 2026.

As a result of this change, the amount of deferred tax liabilities (after deducting deferred tax assets) for the fiscal year ended March 31, 2025 increased by ¥125 million (\$836 thousand), income taxes - deferred increased by ¥44 million (\$296 thousand), and unrealized holding gain (loss) on securities decreased by ¥80 million (\$540 thousand).

## 25. Asset Retirement Obligations

This disclosure has been omitted for the year ended March 31, 2025 based on immateriality.

## 26. Rental Property

The Company owns logistics facilities, etc., for rent (including land) in Kanagawa Prefecture. The net loss from these rental properties were ¥770 million (\$5,154 thousand) and ¥321 million for the years ended March 31, 2025 and 2024, respectively (rental income and rental expenses are recorded under net sales and non-operating income, and cost of sales and non-operating expenses, respectively).

The carrying value of these rental properties recorded in the consolidated balance sheet, the amount of increase/decrease during the years ended March 31, 2025 and 2024, and the fair value at the end of the consolidated fiscal year were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Carrying values recorded in the consolidated balance sheet			
Beginning balance	¥10,371	¥22	\$69,362
Increase/decrease during the consolidated fiscal year	(440)	10,349	(2,946)
Ending balance	¥9,930	¥10,371	\$66,416
Fair value at the end of the consolidated fiscal year	¥25,699	¥26,131	\$171,880

Note 1: The carrying values recorded in the consolidated balance sheet are the acquisition cost less accumulated depreciation.

Note 2 :The main component of the increase/decrease during the consolidated fiscal year ended March 31, 2025 is an Decrease due to depreciation (¥472 million (\$3,162 thousand)).

Note 3 :The fair value of land at the end of the consolidated fiscal year has been calculated using indices deemed to appropriately reflect its market value. The fair value for buildings and other depreciable assets is recorded at their carrying value on the consolidated balance sheet.

## 27. Revenue

### (a) Breakdown of revenue from contracts with customers

Sales revenue breakdown by destination (location of external customers) and relationships between sales revenue breakdown and each business segment for the year ended March 31, 2025 and 2024 were as follows:

Year ended March 31, 2025	Millions of yen					
	Reportable segments				Other Products	Total
	Molding Machinery	Machine Tools	Control Systems	Sub total		
Japan	¥18,680	¥10,667	¥7,490	¥36,838	¥1,479	¥38,318
United states	9,758	3,592	35	13,386	—	13,386
China	84,155	4,019	237	88,413	—	88,413
Other Asia	20,895	1,789	291	22,976	22	22,998
Other	3,623	1,239	57	4,920	4	4,925
Revenue from contracts with customers	¥137,113	¥21,308	¥8,112	¥166,535	¥1,506	¥168,042
Revenue from other sources	¥—	¥—	¥—	¥—	¥148	¥148
Sales to external customers	¥137,113	¥21,308	¥8,112	¥166,535	¥1,655	¥168,191

Year ended March 31, 2024	Millions of yen					
	Reportable segments				Other Products	Total
	Molding Machinery	Machine Tools	Control Systems	Sub total		
Japan	¥19,434	¥12,302	¥9,319	¥41,056	¥1,199	¥42,255
United states	12,897	3,966	90	16,954	—	16,954
China	68,252	6,425	157	74,835	7	74,843
Other Asia	19,671	1,629	271	21,573	4	21,577
Other	3,265	1,655	80	5,001	10	5,012
Revenue from contracts with customers	¥123,521	¥25,980	¥9,919	¥159,421	¥1,221	¥160,643
Revenue from other sources	¥—	¥—	¥—	¥—	¥9	¥9
Sales to external customers	¥123,521	¥25,980	¥9,919	¥159,421	¥1,231	¥160,653

Year ended March 31, 2025	Thousands of U.S. dollars					
	Reportable segments				Other Products	Total
	Molding Machinery	Machine Tools	Control Systems	Sub total		
Japan	\$124,938	\$71,346	\$50,098	\$246,382	\$9,898	\$256,280
United states	65,264	24,029	238	89,531	—	89,531
China	562,839	26,886	1,591	591,315	—	591,315
Other Asia	139,752	11,967	1,947	153,666	150	153,816
Other	24,235	8,289	386	32,910	30	32,939
Revenue from contracts with customers	\$917,027	\$142,516	\$54,260	\$1,113,803	\$10,078	\$1,123,881
Revenue from other sources	\$—	\$—	\$—	\$—	\$995	\$995
Sales to external customers	\$917,027	\$142,516	\$54,260	\$1,113,803	\$11,073	\$1,124,876

Note 1: "Other products" is a business segment that is not included in the reportable segments. It included business activities related to casting, machining and environmental measurements, etc.

Note 2: "Revenue from other sources" is recognized in accordance with lease accounting standards. the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13)

**(b) Underlying information in understanding revenue from contracts with customers**

Underlying information in understanding revenue is as presented in [Note 2, "Summary of Significant Accounting Policies", "\(p\) Method of significant revenue and expense recognition standards"](#).

**(c) Reconciliation of satisfaction of performance obligations within contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue arising from contracts with customers existing at the end of the fiscal year expected to be recognized in and after the following fiscal year****(1) Balance of contract assets and contract liabilities, etc.**

Year ended March 31, 2025	Millions of yen	
	Beginning balance	Ending balance
Receivables arising from contracts with customers	¥28,720	¥24,017
Contract assets	1,634	3,363
Contract liabilities	75,070	36,353

Year ended March 31, 2024	Millions of yen	
	Beginning balance	Ending balance
Receivables arising from contracts with customers	¥24,210	¥28,720
Contract assets	1,991	1,634
Contract liabilities	48,755	75,070

Year ended March 31, 2025	Thousands of U.S. dollars	
	Beginning balance	Ending balance
Receivables arising from contracts with customers	\$192,084	\$160,631
Contract assets	10,931	22,499
Contract liabilities	502,077	243,136

Contract liabilities are mainly advances received from customers in relation to product purchases and are reversed upon recognition of revenue. Revenue recognized in the fiscal year ended March 31, 2025 and 2024, and included in the contract liability balance at the beginning of the fiscal year amounted to ¥57,537 million. (\$384,816 thousand) and ¥35,354 million, respectively.

The amount of revenue recognized in the fiscal year ended March 31, 2025 and 2024 from performance obligations that were satisfied (or partially satisfied) in previous fiscal years is immaterial.

**(2) Transaction price allocated to the remaining performance obligations**

The total transaction price allocated to the remaining performance obligations and the time frame the Companies expect to recognize the amount as revenue are as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Due in one years or less	¥82,039	¥143,523	\$548,688
Due after one year through two years	16,989	23,404	113,626
Due after two years through three years	10,411	2,304	69,631
More than three years	37	1,089	250
Total	¥109,477	¥170,322	\$732,195

## 28. Segment Information

### (a) General information on reportable segments

The reportable segments of the Companies are the business units for which the Company is able to obtain respective financial information separately in order for Board of Directors to conduct periodic assessments to determine distribution of management resources and evaluate their business results.

The Companies' business is classified into certain segments based on the types of products and services. The Companies' segments are categorized into the following three reportable segments: "Molding Machinery", "Machine Tools" and "Control Systems" based on the similarities of the economic nature, type of business and manufacturing method:

Molding Machinery:	Injection molding machines, Die casting machines, Plastic extrusion
Machine Tools:	Large size machine tools, Portal type machine tools, Machining centers, Horizontal boring machines, High-precision machines
Control Systems:	Controller, Industrial robot, Servo motor, Servo amplifier

### (b) Basis of measurement for reportable segment profit or loss, segment assets and other material items

The accounting treatment for the reportable business segments is generally the same as described in [Note 2, "Summary of Significant Accounting Policies"](#). Reportable segment income is calculated on the basis of operating income. The prices of intersegment transactions and transfers are calculated based on the market prices.

### (c) Reportable segment information

Reportable segment information of the Companies for the years ended March 31, 2025 and 2024 were as follows:

Year ended March 31, 2025	Millions of yen							
	Reportable segments				Other Products	Total	Adjustments	Consolidated
	Molding Machinery	Machine Tools	Control Systems	Sub total				
Net sales:								
External customers	¥137,113	¥21,308	¥8,112	¥166,535	¥1,655	¥168,191	¥—	¥168,191
Inter-segment	—	—	1,849	1,849	373	2,223	(2,223)	—
Total	137,113	21,308	9,962	168,385	2,028	170,414	(2,223)	168,191
Segment income	¥14,148	¥585	¥108	¥14,842	¥ (725)	¥14,117	¥ (22)	¥14,095
Segment assets	¥110,204	¥30,612	¥12,071	¥152,887	¥14,284	¥167,172	¥32,435	¥199,607
Others								
Depreciation	¥1,535	¥469	¥127	¥2,132	¥596	¥2,728	¥—	¥2,728
Capital expenditures	4,763	209	57	5,030	763	5,794	¥—	5,794

Year ended March 31, 2024	Millions of yen							
	Reportable segments				Other Products	Total	Adjustments	Consolidated
	Molding Machinery	Machine Tools	Control Systems	Sub total				
Net sales:								
External customers	¥123,521	¥25,980	¥9,919	¥159,421	¥1,231	¥160,653	¥—	¥160,653
Inter-segment	—	3	1,916	1,920	365	2,286	(2,286)	—
Total	123,521	25,983	11,836	161,341	1,597	162,939	(2,286)	160,653
Segment income	¥12,956	¥508	¥333	¥13,798	¥(223)	¥13,574	¥39	¥13,614
Segment assets	¥161,638	¥32,413	¥13,485	¥207,538	¥14,410	¥221,949	¥31,223	¥253,172
Others								
Depreciation	¥1,502	¥449	¥173	¥2,125	¥317	¥2,443	¥—	¥2,443
Capital expenditures	1,357	160	49	1,566	11,280	12,847	—	12,847

Year ended March 31, 2025	Thousands of U.S. dollars							
	Reportable segments				Other Products	Total	Adjustments	Consolidated
	Molding Machinery	Machine Tools	Control Systems	Sub total				
Net sales:								
External customers	\$917,027	\$142,516	\$54,260	\$1,113,803	\$11,073	\$1,124,876	\$—	\$1,124,876
Inter-segment	—	—	12,373	12,373	2,495	14,868	(14,868)	—
Total	917,027	142,516	66,632	1,126,175	13,568	1,139,743	(14,868)	1,124,876
Segment income	\$94,629	\$3,913	\$726	\$99,268	\$ (4,851)	\$94,418	\$ (148)	\$94,270
Segment assets	\$737,053	\$204,739	\$80,733	\$1,022,525	\$95,533	\$1,118,058	\$216,931	\$1,334,989
Others								
Depreciation	\$10,268	\$3,143	\$851	\$14,262	\$3,986	\$18,248	\$—	\$18,248
Capital expenditures	31,859	1,402	386	33,647	5,105	38,753	—	38,753

Note: "Other products" is a business segment that is not included in the reportable segments. It included business activities related to casting, machining and environmental measurements, etc.

**(d) Difference between total reportable segments and consolidated financial statements**

The main differences between total reportable segments and consolidated financial statements for the years ended March 31, 2025 and 2024 were as follows:

Sales	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Total reportable segments	¥168,385	¥161,341	\$1,126,175
Other products	2,028	1,597	13,568
Eliminations	(2,223)	(2,286)	(14,868)
Net sales in the consolidated financial statements	¥168,191	¥160,653	\$1,124,876
Income	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Total reportable segments	¥14,842	¥13,798	\$99,268
Other products	(725)	(223)	(4,851)
Eliminations	(22)	39	(148)
Operating income in the consolidated financial statements	¥14,095	¥13,614	\$94,270
Assets	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Year ended March 31,			
Total reportable segments	¥152,887	¥207,538	\$1,022,525
Other products	14,284	14,410	95,533
Company-wide assets	33,055	31,569	221,081
Eliminations	(620)	(346)	(4,150)
Net assets in the consolidated financial statements	¥199,607	¥253,172	\$1,334,989

Note: Company-wide assets are mainly cash and cash equivalents, securities and investment securities that are not allocated to the reportable segments.



**(e) Other information****(1) Information on products and services**

Information on products and services is not disclosed because reportable segment information is based on products and services.

**(2) Information on geographical areas**

Sales information by country or geographical areas for the years ended March 31, 2025 and 2024 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Japan	¥38,467	¥42,265	\$257,275
United States	13,386	16,954	89,531
China	88,413	74,843	591,315
Other Asia	22,998	21,577	153,816
Other	4,925	5,012	32,939
Total	¥168,191	¥160,653	\$1,124,876

Note: Sales figures are classified based on customer locations.

Property, plant and equipment information by country or geographical areas as of March 31, 2025 and 2024 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Japan	¥26,661	¥27,327	\$178,317
North America	761	811	5,094
India	5,241	4,098	35,054
Other Asia	1,308	1,285	8,755
Total	¥33,973	¥33,522	\$227,219

**(3) Information on major customers**

Information on major customers is not disclosed, because net sales to any customer did not exceed 10% of the consolidated net sales for the years ended March 31, 2025.

Customer name	Related segment	Millions of yen	Thousands of U.S. dollars
SINOMA LITHIUM BATTERY SEPARATOR (PINGXIANG) CO., LTD.	Molding Machinery	¥22,799	\$152,481
HEFEI GELLEC NEW ENERGY CO., LTD.	Molding Machinery	19,040	127,341

**(f) Information on impairment loss on fixed assets for each reportable segment**

Information on impairment loss on long-lived assets for the years ended March 31, 2025 and 2024 were as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Molding Machinery	¥—	¥—	\$—
Machine Tools	—	—	—
Control Systems	—	—	—
Other products	—	—	—
Adjustments	—	—	—
Total	¥—	¥—	\$—

**(g) Information on amortization of goodwill and unamortized balance for each reportable segment**

Information on amortization of goodwill and unamortized balance for the year ended March 31, 2025 and 2024 were as follows:

Amortization	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Molding Machinery	¥—	¥—	\$—
Machine Tools	—	—	—
Control Systems	54	—	362
Other products	—	—	—
Adjustments	—	—	—
Total	¥54	¥—	\$362

  

Unamortized balance	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Molding Machinery	¥—	¥—	\$—
Machine Tools	—	—	—
Control Systems	378	463	2,532
Other products	—	—	—
Adjustments	—	—	—
Total	¥378	¥463	\$2,532

**(h) Information on gain on negative goodwill for each reportable segment**

There was no applicable matter for the years ended March 31, 2025 and 2024.

**29. Related Party Transactions****(a) Transactions with related parties**

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

Type	Name	Percentage of voting rights holding (held)	Relationship with the related party	Details of transactions	Transaction amount	Account	Balance as of March 31
Officer	Shigetomo Sakamoto	(Held) Direct: 0.1%	President and Representative Director, President and Executive Officer of the Company	Disposal of treasury shares in return for contribution in kind of monetary remuneration claims (Note 1)	¥19 (\$127)	—	¥— (\$—)
Officer	Hiroaki Ota	(Held) Direct: 0.0%	Representative Director, Executive Operating Officer of the Company	Disposal of treasury shares in return for contribution in kind of monetary remuneration claims (Note 1)	¥12 (\$85)	—	¥— (\$—)

Note 1: This refers to the contribution in kind of monetary remuneration claims under a restricted share-based remuneration plan.

Note 2: In millions of yen (thousands of U.S. dollars)

**(b) Summary of financial information for significant affiliate company**

There was no applicable matter for the years ended March 31, 2025 and 2024.

**30. Net Income and Net Assets per Share**

Net income and net assets per share as of and for the years ended March 31, 2025 and 2024 were as follows:

	Yen		U.S. dollars
March 31,	2025	2024	2025
Net income per share	¥529.56	¥741.57	\$3.54
Net assets per share	4,958.36	4,622.22	33.16

Basic information for the calculation of net income per share was as follows:

	Thousands of shares	
March 31,	2025	2024
Weighted-average number of shares of common stock	23,789	24,166

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Net income	¥12,597	¥17,920	\$84,253
Net income not applicable to shareholders of common stock	—	—	—
Net income applicable to shareholders of common stock	¥12,597	¥17,920	\$84,253

Basic information for the calculation of net assets per share was as follows:

	Thousands of shares	
March 31,	2025	2024
Number of shares at year-end	23,631	24,167

	Millions of yen		Thousands of U.S. dollars
March 31,	2025	2024	2025
Net assets	¥117,171	¥111,705	\$783,649
Non-controlling interests in consolidated subsidiaries	—	—	—
Net assets applicable to shareholders of common stock	¥117,171	¥111,705	\$783,649

### 31. Short-term Bank Loans and Long-term Debt

The annual interest average rates applicable to the short-term bank loans outstanding as of March 31, 2025 and 2024 were 1.18% and 0.93%, respectively. Long-term debt as of March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
March 31,			
Loans, principally from Japanese banks and insurance companies:			
maturing 2024	¥—	¥—	\$—
	—	—	—
Less current portion	—	—	—
	¥—	¥—	\$—

The aggregate annual maturities of finance lease obligations at March 31, 2025 were as follows:

March 31, 2025	Millions of yen	Thousands of U.S. dollars
2026	¥243	\$1,627
2027	219	1,470
2028	171	1,144
2028	112	750
2029 and later	0	4
Total	¥746	\$4,995

### 32. Subsequent Event

#### Cash dividends

The following appropriation of retained earnings, which has not been reflected in the accompanying consolidated financial statements for the Year ended March 31, 2025, was approved at the meeting of the Board of Directors held on May 13, 2024.

	Type of shares	Cash dividends	Cash dividends per share	Record date	Effective date
Meeting of the Board of Directors held on May 12, 2025	Common stock	¥ 1,654 (\$11,063)	¥70.00 (\$0.47)	March 31, 2025	June 9, 2025

Note: In millions of yen (thousands of U.S. dollars), except for cash dividends per share.