

Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

* All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Operating results

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	160,339	(5.3)	14,526	(13.3)	16,269	(17.1)	12,478	(70.6)
Year ended March 31, 2023	169,309	(17.9)	16,757	130.7	19,637	64.5	42,494	-

Note: Comprehensive income: Year ended March 31, 2024: 15,546 million yen [(56.6) %]

Year ended March 31, 2023: 35,839 million yen [—%]

	Earnings per share		Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Basic	Diluted			
	Yen		%	%	%
Year ended March 31, 2024	503.55	—	11.4	7.5	9.1
Year ended March 31, 2023	1,222.21	—	37.0	7.7	9.9

Reference: Share of profit of entities accounted for using equity method: Year ended March 31, 2024: (296) million yen

Year ended March 31, 2023: 1,526 million yen

Notes:

Percentage figures for net sales, operating profit, ordinary profit and profit attributable to owners of parent represent year-on-year comparisons.

(2) Financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2024	214,404		120,050		53.6		4,637.42	
As of March 31, 2023	221,090		107,861		46.8		4,176.04	

Reference: Equity As of March 31, 2024: 114,916 million yen

As of March 31, 2023: 103,483 million yen

(3) Cash flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at year-end	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	
Year ended March 31, 2024	22,236		(3,338)		(15,971)		19,858	
Year ended March 31, 2023	16,599		19,958		(47,039)		16,672	

2. Dividends

	Dividends per share					Total dividends (full year)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q	2Q	3Q	4Q	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	37.50	—	77.50	115.00	3,389	9.4	3.2
Year ended March 31, 2024	—	57.50	—	101.50	159.00	4,020	31.6	3.6
Year ending March 31, 2025(forecast)	—	85.00	—	85.00	170.00		42.1	

3. Consolidated Financial Forecasts for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	72,000	(9.0)	4,000	(33.5)	4,500	(28.6)	3,500	(38.3)	141.24
Full year	156,000	(2.7)	11,000	(24.3)	12,500	(23.2)	10,000	(19.9)	403.55

Note: Percentage figures represent changes from the corresponding period in the previous year.

*This financial release is not subject to audit procedures.

*Cautionary note regarding forward-looking statements:

The above forecast is based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company's performance in the future.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	17,844	21,000
Notes and accounts receivable - trade, and contract assets	42,978	42,655
Merchandise and finished goods	27,977	28,768
Work in process	2,495	2,553
Raw materials and supplies	19,314	17,754
Other	4,608	3,179
Allowance for doubtful accounts	(116)	(116)
Total current assets	115,101	115,795
Non-current assets		
Property, plant and equipment		
Buildings and structures	82,986	81,429
Accumulated depreciation	(62,800)	(63,093)
Buildings and structures, net	20,185	18,335
Machinery, equipment and vehicles	149,714	150,191
Accumulated depreciation	(126,658)	(131,059)
Machinery, equipment and vehicles, net	23,056	19,131
Land	20,693	20,483
Construction in progress	2,195	2,033
Other	21,757	23,097
Accumulated depreciation	(17,989)	(18,874)
Other, net	3,768	4,222
Total property, plant and equipment	69,898	64,206
Intangible assets		
Other	980	835
Total intangible assets	980	835
Investments and other assets		
Investment securities	23,696	22,345
Long-term loans receivable	47	44
Retirement benefit asset	3,304	3,597
Deferred tax assets	7,073	6,492
Other	1,121	1,200
Allowance for doubtful accounts	(133)	(113)
Total investments and other assets	35,109	33,567
Total non-current assets	105,989	98,609
Total assets	221,090	214,404

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	21,681	15,903
Short-term borrowings	10,759	11,285
Current portion of bonds payable	10,000	—
Accrued expenses	7,344	5,918
Income taxes payable	814	1,973
Contract liabilities	916	967
Provision for bonuses	1,242	1,246
Provision for business restructuring	445	105
Other	7,868	7,603
Total current liabilities	61,073	45,004
Non-current liabilities		
Bonds payable	18,000	23,000
Long-term borrowings	26,334	18,720
Deferred tax liabilities	283	46
Provision for special repairs	1,676	2,058
Provision for share awards for directors (and other officers)	—	32
Provision for share awards for employees	—	192
Retirement benefit liability	5,571	5,145
Other	288	153
Total non-current liabilities	52,155	49,349
Total liabilities	113,228	94,353
Net assets		
Shareholders' equity		
Share capital	18,168	18,168
Capital surplus	8,109	8,109
Retained earnings	127,977	80,443
Treasury shares	(60,781)	(3,829)
Total shareholders' equity	93,474	102,891
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,832	5,680
Deferred gains or losses on hedges	34	21
Foreign currency translation adjustment	3,609	5,543
Remeasurements of defined benefit plans	532	778
Total accumulated other comprehensive income	10,008	12,024
Non-controlling interests	4,378	5,134
Total net assets	107,861	120,050
Total liabilities and net assets	221,090	214,404

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	169,309	160,339
Cost of sales	126,342	117,982
Gross profit	42,966	42,356
Selling, general and administrative expenses	26,208	27,829
Operating profit	16,757	14,526
Non-operating income		
Interest income	252	246
Dividend income	617	1,115
Share of profit of entities accounted for using equity method	1,526	—
Foreign exchange gains	829	834
Royalty income	1,176	657
Other	1,296	878
Total non-operating income	5,698	3,731
Non-operating expenses		
Interest expenses	326	353
Share of loss of entities accounted for using equity method	—	296
Loss on abandonment of non-current assets	699	427
Loss on abandonment of inventories	206	211
Taxes and dues	—	260
Provision of allowance for doubtful accounts	—	7
Other	1,588	430
Total non-operating expenses	2,819	1,989
Ordinary profit	19,637	16,269
Extraordinary income		
Gain on sale of non-current assets	15,132	59
Gain on sale of investment securities	12,035	3,185
Reversal of foreign currency translation adjustment	1,549	—
Gain on sale of businesses	—	70
Total extraordinary income	28,717	3,314
Extraordinary losses		
Loss on sale of non-current assets	65	1
Impairment losses	39	2,912
Loss on sale of investment securities	502	—
Business restructuring expenses	2,029	—
Loss on sale of shares of subsidiaries and associates	1,099	—
Loss on liquidation of subsidiaries and associates	0	115
Total extraordinary losses	3,736	3,030
Profit before income taxes	44,618	16,553
Income taxes - current	1,102	2,868
Income taxes - deferred	114	351
Total income taxes	1,216	3,219
Profit	43,401	13,333
Profit attributable to non-controlling interests	906	855
Profit attributable to owners of parent	42,494	12,478

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	43,401	13,333
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,899)	(158)
Deferred gains or losses on hedges	(252)	(6)
Foreign currency translation adjustment	571	1,764
Remeasurements of defined benefit plans, net of tax	(335)	246
Share of other comprehensive income of entities accounted for using equity method	354	367
Total other comprehensive income	(7,561)	2,213
Comprehensive income	35,839	15,546
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,758	14,503
Comprehensive income attributable to non-controlling interests	1,080	1,043

Consolidated Statements of Changes in Equity

Years ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,168	8,109	88,465	(6,402)	108,340
Changes during period					
Dividends of surplus			(2,982)		(2,982)
Profit attributable to owners of parent			42,494		42,494
Purchase of treasury shares				(54,378)	(54,378)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	39,511	(54,378)	(14,866)
Balance at end of period	18,168	8,109	127,977	(60,781)	93,474

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,725	286	2,863	868	17,744	3,977	130,063
Changes during period							
Dividends of surplus							(2,982)
Profit attributable to owners of parent							42,494
Purchase of treasury shares							(54,378)
Net changes in items other than shareholders' equity	(7,892)	(252)	745	(335)	(7,735)	400	(7,334)
Total changes during period	(7,892)	(252)	745	(335)	(7,735)	400	(22,201)
Balance at end of period	5,832	34	3,609	532	10,008	4,378	107,861

Years ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,168	8,109	127,977	(60,781)	93,474
Changes during period					
Dividends of surplus			(3,372)		(3,372)
Profit (loss) attributable to owners of parent			12,478		12,478
Change in scope of consolidation			311		311
Purchase of treasury shares				(2)	(2)
Cancellation of treasury shares			(56,774)	56,774	—
Disposal of treasury shares			(176)	177	0
Disposal of treasury shares by stocks payment trust				2	2
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(47,534)	56,951	9,417
Balance at end of period	18,168	8,109	80,443	(3,829)	102,891

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,832	34	3,609	532	10,008	4,378	107,861
Changes during period							
Dividends of surplus							(3,372)
Profit (loss) attributable to owners of parent							12,478
Change in scope of consolidation		(7)	(2)		(9)	132	435
Purchase of treasury shares							(2)
Cancellation of treasury shares							—
Disposal of treasury shares							0
Disposal of treasury shares by stocks payment trust							2
Net changes in items other than shareholders' equity	(151)	(6)	1,936	246	2,025	622	2,648
Total changes during period	(151)	(13)	1,934	246	2,015	755	12,188
Balance at end of period	5,680	21	5,543	778	12,024	5,134	120,050

Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	44,618	16,553
Depreciation	9,029	9,117
Impairment losses	39	2,912
Increase (decrease) in provisions	(4,442)	249
Increase (decrease) in retirement benefit liability	(198)	(73)
Business restructuring expenses	1,408	—
Loss (gain) on sale of businesses	—	(70)
Interest and dividend income	(869)	(1,361)
Interest expenses	326	353
Share of loss (profit) of entities accounted for using equity method	(1,526)	296
Loss (gain) on sale of investment securities	(11,533)	(3,185)
Loss (gain) on liquidation of subsidiaries and associates	0	115
Loss (gain) on sale of non-current assets	(15,107)	(65)
Loss on abandonment of non-current assets	699	427
Decrease (increase) in accounts receivable - trade, and contract assets	(1,396)	1,503
Decrease (increase) in inventories	(5,447)	2,626
Increase (decrease) in trade payables	3,159	(7,045)
Increase (decrease) in accrued consumption taxes	(407)	1,636
Increase (decrease) in accrued expenses	445	(1,550)
Other, net	(383)	271
Subtotal	18,412	22,714
Interest and dividends received	950	1,360
Interest paid	(299)	(349)
Income taxes paid	(2,463)	(1,488)
Net cash provided by (used in) operating activities	16,599	22,236
Cash flows from investing activities		
Payments into time deposits	(2,748)	(4,297)
Proceeds from withdrawal of time deposits	2,936	4,405
Purchase of property, plant and equipment	(6,359)	(7,099)
Proceeds from sale of property, plant and equipment	17,843	300
Purchase of investment securities	(10)	(23)
Proceeds from sale and redemption of investment securities	16,600	3,690
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(7,757)	—
Proceeds from liquidation of subsidiaries and associates	30	249
Proceeds from sale of businesses	—	70
Other, net	(576)	(633)
Net cash provided by (used in) investing activities	19,958	(3,338)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	803	1,776
Net increase (decrease) in commercial papers	(9,000)	—
Proceeds from long-term borrowings	18,000	—
Repayments of long-term borrowings	(6,685)	(8,864)
Proceeds from issuance of bonds	8,000	5,000
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(54,378)	(2)
Dividends paid	(2,982)	(3,372)
Dividends paid to non-controlling interests	(680)	(420)
Other, net	(116)	(87)
Net cash provided by (used in) financing activities	(47,039)	(15,971)
Effect of exchange rate change on cash and cash equivalents	246	(68)
Net increase (decrease) in cash and cash equivalents	(10,234)	2,858
Cash and cash equivalents at beginning of period	26,906	16,672
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	327
Cash and cash equivalents at end of period	16,672	19,858

Notes to Consolidated Financial Statements

Notes on premise of going concern

Not applicable.

Supplementary information

[Director Trust]

Based on the resolution of the meeting of the Board of Directors held on May 11, 2023, the Company has introduced an equity compensation plan using a trust for our directors, excluding outside directors, and executive officers who have entered into an entrustment agreement with us (hereinafter referred to as the "Plan for directors").

The purpose of the Plan for directors is to clarify the linkage between the remuneration of directors and our performance and stock price, and to raise the awareness that directors will contribute to improving the Company's medium-to long-term performance and increasing enterprise value by sharing profits and risks from stock price fluctuations with shareholders.

The accounting treatment for the Plan for directors is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF (Practical Issue Task Force) No. 30, March 26, 2015).

(1) Outline of the Plan for directors

The Plan for directors is an equity compensation plan under the trust established for the introduction of the Plan (hereinafter referred to as the "Trust") acquires shares of the Company, and a number of shares of the Company, which is equivalent to the number of points we grant to each director, is delivered to each director through the Trust.

In principle, the time when directors receive the delivery of Company's shares is upon the retirement of them.

(2) Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets at their carrying amounts (excluding incidental expenses). As of March 31, 2024, the carrying amount and the number of treasury shares remaining in the Trust are 367 million yen and 123,700 shares, respectively.

[Employee Trust]

Based on the resolution of the meeting of the Board of Directors held on May 11, 2023, the Company has introduced an equity compensation plan using a trust for our employees (hereinafter referred to as the "Plan for employees").

The purpose of the Plan for employees is to enhance the Company's mid-to long-term enterprise value by enhancing employee benefit programs and raising awareness of the Company's performance and stock price, thereby fostering a sense of participation in management.

The accounting treatment for the Plan for employees is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015).

(1) Outline of the Plan for employees

The Plan for employees is a stock-based compensation plan under the trust established for the introduction of the Plan (hereinafter referred to as the "Trust") acquires shares of the Company, and a number of shares of the Company is delivered to such employees through the Trust, which is equivalent to the number of points to be granted according to position, etc. for employees (but only for those who satisfy certain requirements).

In principle, the time when employees receive the delivery of Company's shares is upon the time of retirement of them.

(2) Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets at their carrying amounts (excluding incidental expenses). As of March 31, 2024, the carrying amount and the number of treasury shares remaining in the Trust are 1,045 million yen and 351,500 shares, respectively.

Segment Information

1. Information on net sales, profit or loss, assets, and other items by reportable segment

Millions of yen

Year ended March 31, 2023					
	Glass	Chemicals	Total	Adjustments*	Consolidated
Net sales:					
External customers	54,684	114,625	169,309	—	169,309
Intersegment	0	982	982	(982)	—
Total	54,684	115,608	170,292	(982)	169,309
Segment profit (Operating profit)	2,662	14,095	16,757	—	16,757
Segment assets	62,955	158,416	221,371	(281)	221,090
Other items					
Depreciation and amortization	1,986	7,042	9,029	—	9,029
Increase in property, plant and equipment and intangible assets	2,155	4,906	7,061	—	7,061

*Adjustments are intersegment eliminations.

Millions of yen

Year ended March 31, 2024					
	Glass	Chemicals	Total	Adjustments*	Consolidated
Net sales:					
External customers	59,413	100,926	160,339	—	160,339
Intersegment	49	1,204	1,253	(1,253)	—
Total	59,462	102,130	161,593	(1,253)	160,339
Segment profit (Operating profit)	3,938	10,588	14,526	—	14,526
Segment assets	63,292	151,525	214,818	(413)	214,404
Other items					
Depreciation and amortization	1,900	7,217	9,117	—	9,117
Increase in property, plant and equipment and intangible assets	1,384	4,762	6,147	—	6,147

*Adjustments are intersegment eliminations.

2. Impairment loss on non-current assets by reportable segment

Millions of yen

	Year ended March 31, 2023		
	Glass	Chemicals	Total
Impairment loss	-	39	39

Millions of yen

	Year ended March 31, 2024		
	Glass	Chemicals	Total
Impairment loss	48	2,863	2,912

(Significant subsequent events)

Divestiture of investment securities

In April 2024, the Company reached a basic agreement with the buyer regarding the shares of an affiliated company held by our group. As a result, the Company expects to record an extraordinary loss of approximately 1 billion yen in fiscal year 2024.