

May 30, 2025

Fiscal year ended March 31, 2024

Financial Results Briefing

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(As of March 31, 2025)
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Consolidated income statement

(Unit: million yen)

Accounts	2024/3	2025/3	Change	% Change	comment
Net Sales	125,085	132,281	7,196	5.8%	Although automobile production volume fell short of plan both at home and abroad, sales volume gradually recovered year-on-year, leading to increased revenue in all segments.
Operating income	15,258	14,998	-259	-1.7%	Profits declined due to rising costs associated with high raw material and steel prices and inflation.
Ordinary income	19,945	19,936	-9	-0.0%	Non-operating income 5,690 million yen (Equity in earnings of affiliates 1,825 million yen, etc.) Non-operating expenses 753 million yen
Net income attributable to parent company shareholders	13,194	13,112	-81	-0.6%	Extraordinary gain 1,186 million yen (Gain on sales of investment securities 1,012) Extraordinary loss 1,420 million yen (Business restructuring expenses 1,159)
Net income per share	114.43 yen	112.20 yen	-	-	
Ratio of ordinary income to total assets	7.9%	7.4%	-	-	
Return on equity (ROE)	7.5%	6.9%	-	-	
The average exchange rate (USD)	140.56 yen	151.58 yen	-	-	<ul style="list-style-type: none"> • Previous period: Average exchange rate from January 2023 to December 2023 • Current period: Average exchange rate from January 2024 to December 2024

■ Overseas sales ratio 46.4% (※Including exports from Japan) : 46.4%

■ Foreign currency translation effect : Sales approx. +3,043 million yen, Operating income approx. +269 million yen.

Variation analysis of operating income

(Unit: million yen)



Consolidated Business Results

(Unit: million yen)

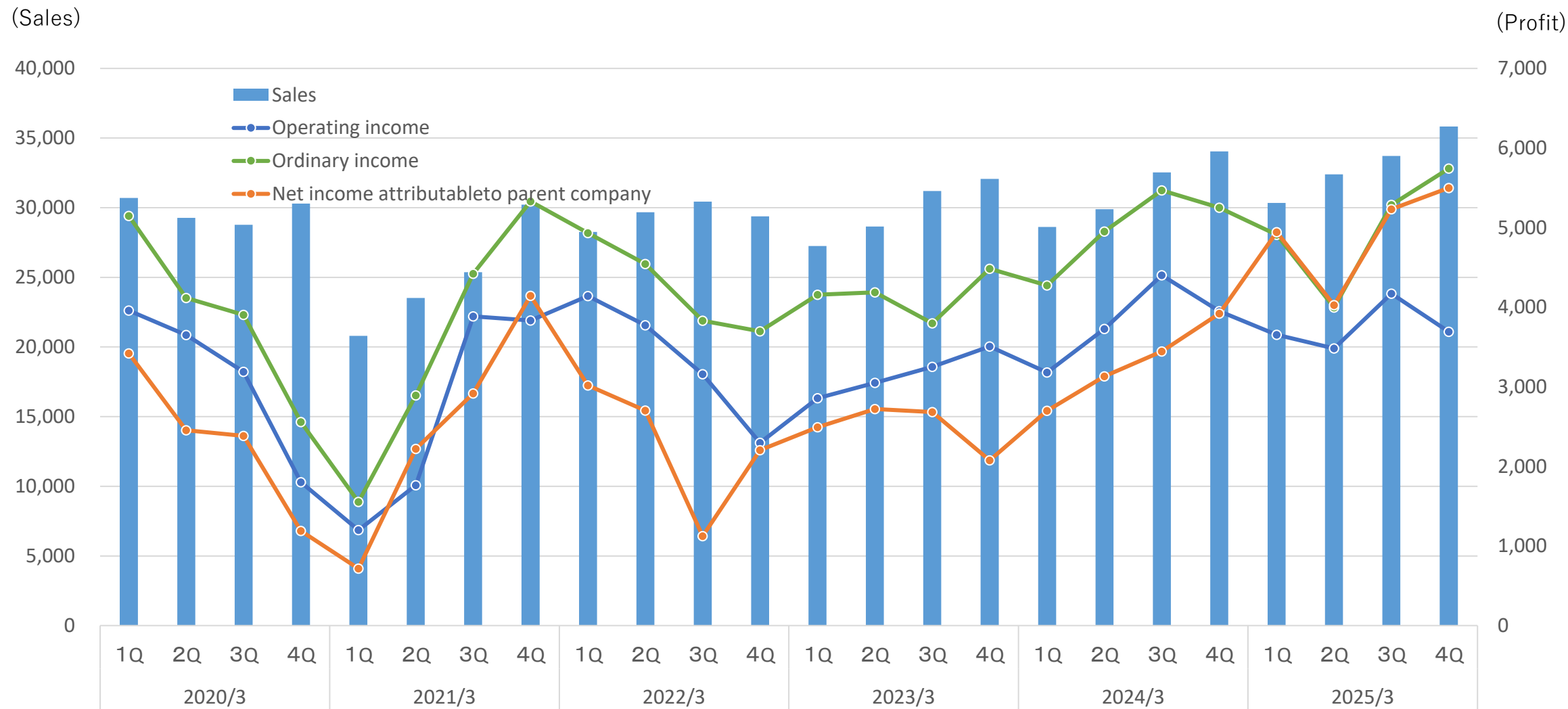
(Sales)

(profit)



Consolidated quarterly trend

(Unit: million yen)

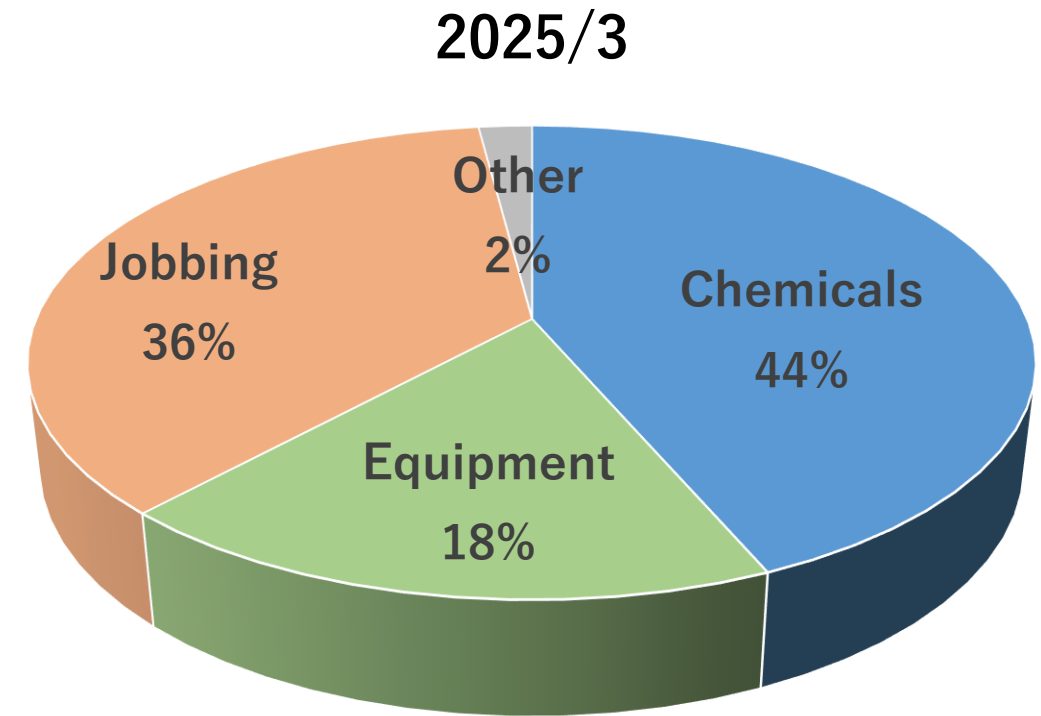


3rd

4th

Business segment and sales composition ratios

Business segment	Main business
Chemicals	<ul style="list-style-type: none"> • Surface treatment chemicals for adding corrosion resistance, creating a paint base, providing lubrication • Rolling oil and lubricants • Rust proof oil • Electroless plating solution (KANIGEN PLATING) • Other products for design features and other various purpose
Equipment	<ul style="list-style-type: none"> • Pretreatment, E-coat equipment • Wastewater treatment • Paint application and Robots • Paint Booth and Air Supply Unit • Powder Coating Equipment (PARKER IONICS) • Conveyors • Wet booths and Dry booths, etc.
Jobbing	<ul style="list-style-type: none"> • Rust proof coating • Salt-bath nitriding (ISONITE) • Gas carburizing, Carbonitriding, Low temperature carbonitriding • Gas nitrocarburizing • Electroless plating process (KANIGEN PLATING) • Solid lubrication • Other various surface treatment
Other	<ul style="list-style-type: none"> • Building maintenance • Medical • Others



Sales consolidated
132,281
million yen

Financial results of business segments by area

(Unit: million yen)

		Sales			Operating income		
		2024/3	2025/3	Changes	2024/3	2025/3	Changes
	Japan	32,215	32,284	69	4,994	5,245	250
	Asia	23,046	24,262	1,216	4,010	4,091	81
	Europe and North America	1,008	1,069	61	247	231	-16
	Inter-segment	1,402	1,379	-22	810	772	-38
	Chemicals	57,671	58,996	1,324	10,062	10,340	278
	Japan	8,566	16,003	7,436	11	224	212
	Asia	9,298	7,617	-1,680	137	111	-26
	Europe and North America	1,284	585	-698	74	79	5
	Inter-segment	470	479	9	303	269	-33
	Equipment	19,620	24,686	5,066	527	685	158
	Japan	25,690	24,944	-745	3,870	3,261	-608
	Asia	12,642	12,701	58	1,551	1,455	-96
	Europe and North America	8,489	10,108	1,618	41	74	32
	Inter-segment	41	51	9	261	226	-35
	Jobbing	46,864	47,805	940	5,724	5,016	-707
	Others	2,877	2,846	-31	90	75	-15
	Adjustments and Eliminations	-1,948	-2,052	-103	-1,146	-1,120	26
	Total	125,085	132,281	7,196	15,258	14,998	-259

■Chemicals

- In Japan, a gradual recovery was seen, mainly in the steel industry, and sales expansion in China and India also contributed, resulting in an increase in sales compared to the same period last year.
- Although raw material prices remain high, operating profit increased compared to the same period last year due to increased sales.

■Equipment

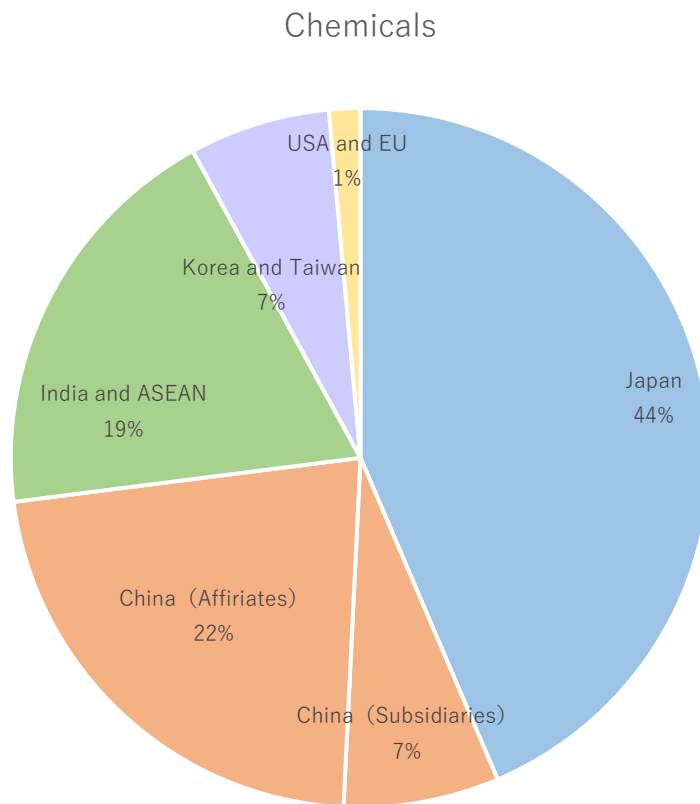
- In China, sales were sluggish due to factors such as a decline in large-scale projects, but sales increased in India and Japan.
- As a result, both sales and operating profit increased in total.

■Jobbing

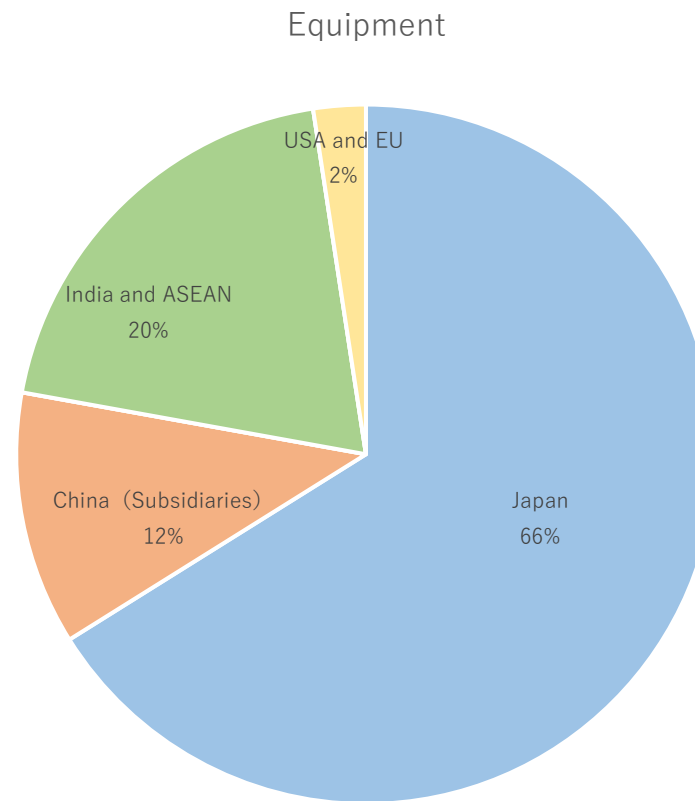
- Sales declined in Japan and Thailand, where vehicle production volumes declined compared to the previous year. Sales also declined in China, where sales volumes at Japanese automakers were sluggish.
- Operating profit declined as a result of lower profitability due to rising labor costs and inflation-related expenses.

(Note) Sales and profit of each segment include internal sales and transfers between segments.

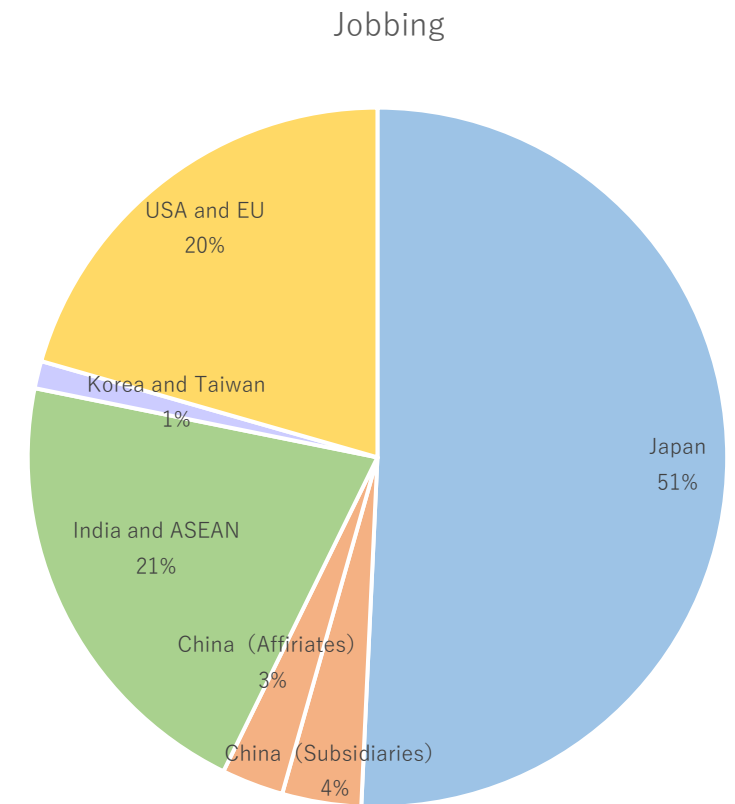
Percentage of sales by area (※including sales of equity method affiliates in China)



Subsidiaries 57,616 million yen
Affiliates 16,456 million yen



Subsidiaries 24,206 million yen
Affiliates - million yen



Subsidiaries 47,753 million yen
Affiliates 1,409 million yen

Promoting regional management
- Strengthening group collaboration and expanding overseas business -

Non-operating income and Extraordinary gain and loss

- In addition to interest and dividends received, equity in earnings of affiliates in Japan and China, as well as technology fees received, were recorded. As a result, ordinary profit amounted to 19,936 million yen.
- We recorded extraordinary profits of 1,186 million yen (including gains on sales of investment securities of 1,012 million yen) and extraordinary losses of 1,420 million yen (including business restructuring expenses of 1,159 million yen). As a result, Net income attributable to parent company shareholders amounted to 13,112 million yen.

(Unit: million yen)

	2024/3	2025/3	Changes
Operating income	15,258	14,998	-260
Non-operating profit	5,527	5,690	+163
Interest income	786	1,069	+283
Dividend income	655	802	+147
Technical support fee	795	791	-4
Equity in earnings of affiliates	1,176	1,825	+649
Other income	2,113	1,201	-912
Non-operating expenses	839	753	-86
Interest expense	12	17	+5
Other expense	827	734	-93
Ordinary income	19,945	19,936	-9
Extraordinary income	1,501	1,186	-315
Extraordinary loss	511	1,420	+909
Income before income taxes	20,935	19,702	-1,233
Income taxes	5,407	5,514	+107
Net income attributable to non-controlling interests	2,333	1,075	-1,258
Net income attributable to parent company shareholders	13,194	13,112	-82

Revenue from China and Taiwan area (Profits from subsidiaries and affiliates)

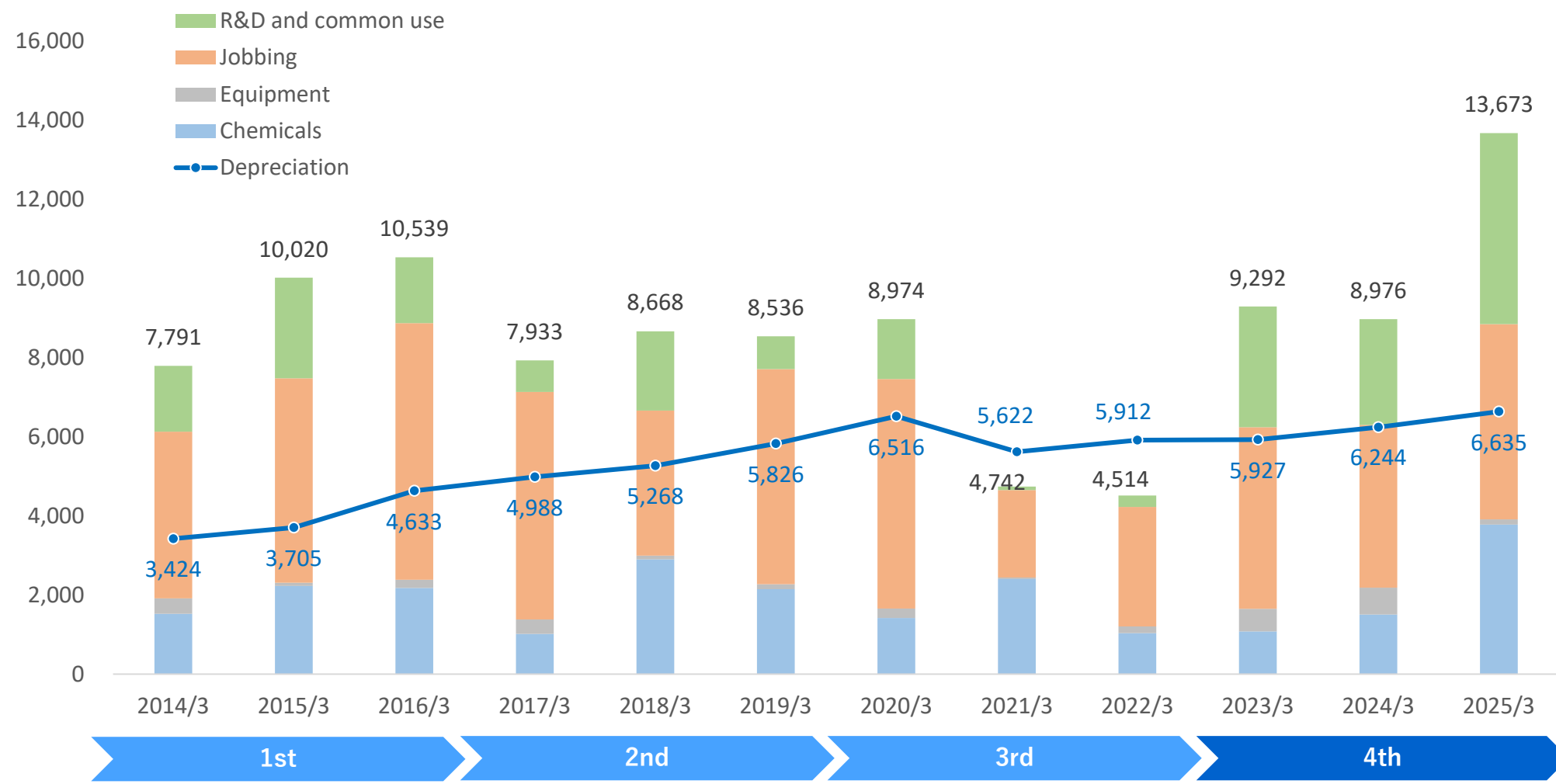
	2024/3	2025/3	Changes
Operating income	688	372	-316
Technical support fee	239	243	+4
Equity in earnings of affiliates	621	749	+127
Total	1,548	1,365	-183

Gain on sales of investment securities 1,012 million yen, etc.

Business restructuring expenses (impairment of business facilities in China) 1,159 million yen, etc.

Capital investment

(Unit: million yen)

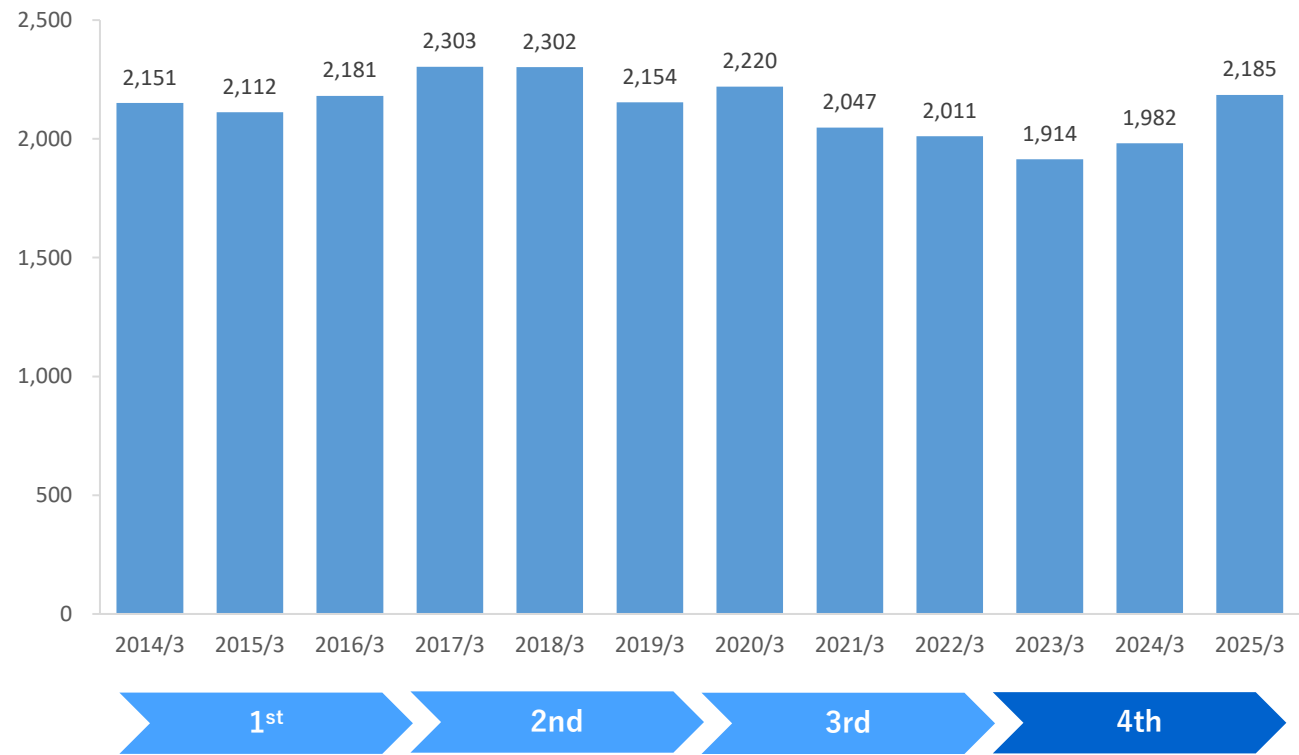


- The Parker Innovation Center will open in April 2025.
- In addition to regular maintenance, we will invest in factory automation and labor-saving measures to build a foundation for sustainable growth.

Research and Development

(Unit: million yen)

Research and Development Expenses



Parker Innovation Center (Opening in April 2025)

Parker Innovation Center opens, and the Advanced Technology Research Department and Core Technology Research Department are established.

- Developing surface modification technologies that contribute to addressing social issues, such as realizing a carbon-free society
- Developing technology for parts used in EV and next-generation automotive
- Developing technologies for new markets such as medical parts
- Developing technologies to meet local needs

More than 130 employees work at Parker Innovation Center, and we will continue to invest approximately 2,000 million yen in Research and Development every year.

- Creating diverse functions using our core technology in addition to rust prevention.
- Developing environmentally friendly products, such as chrome-free, phosphate-free formulations, sludge reduction, and reduced wastewater treatment load.
- Developing surface treatment technologies that contribute to the environment, such as reduction of CO2 emissions, saving energy, etc.
- Developing technologies for new markets such as medical parts. (We have got permission of the first-class marketing for medical devices since Feb 7, 2023.)



Consolidated balance sheet

(Unit: million yen)

	2024/3	2025/3	Changes	
Current assets	146,511	137,868	-8,643	Cash and deposits – 12,373
Fixed assets	123,307	129,381	+6,074	
Tangible and Intangible assets	68,579	71,177	+2,598	Acquisition +13,673, Depreciation -6,635
Investments and other assets	54,727	53,532	-1,195	Investment Securities -898
Total assets	269,819	267,250	-2,569	
Current liabilities	38,710	32,617	-6,093	Notes and accounts payable - 3,294, Unpaid corporate taxes - 1,681
Fixed liabilities	11,223	11,334	+111	
Total liabilities	49,933	43,951	-5,982	
Total net assets	219,885	223,298	+3,413	
Shareholders' equity	159,048	165,531	+6,483	Current profit +13,112, treasury stock -2,301, dividends -5,288
Accumulated other comprehensive profit	28,098	29,687	+1,589	
Non-controlling interests	32,738	28,080	-4,658	
Total liabilities and net assets	269,819	267,250	-2,569	

Shareholders' equity ratio

69.4%

73.0%

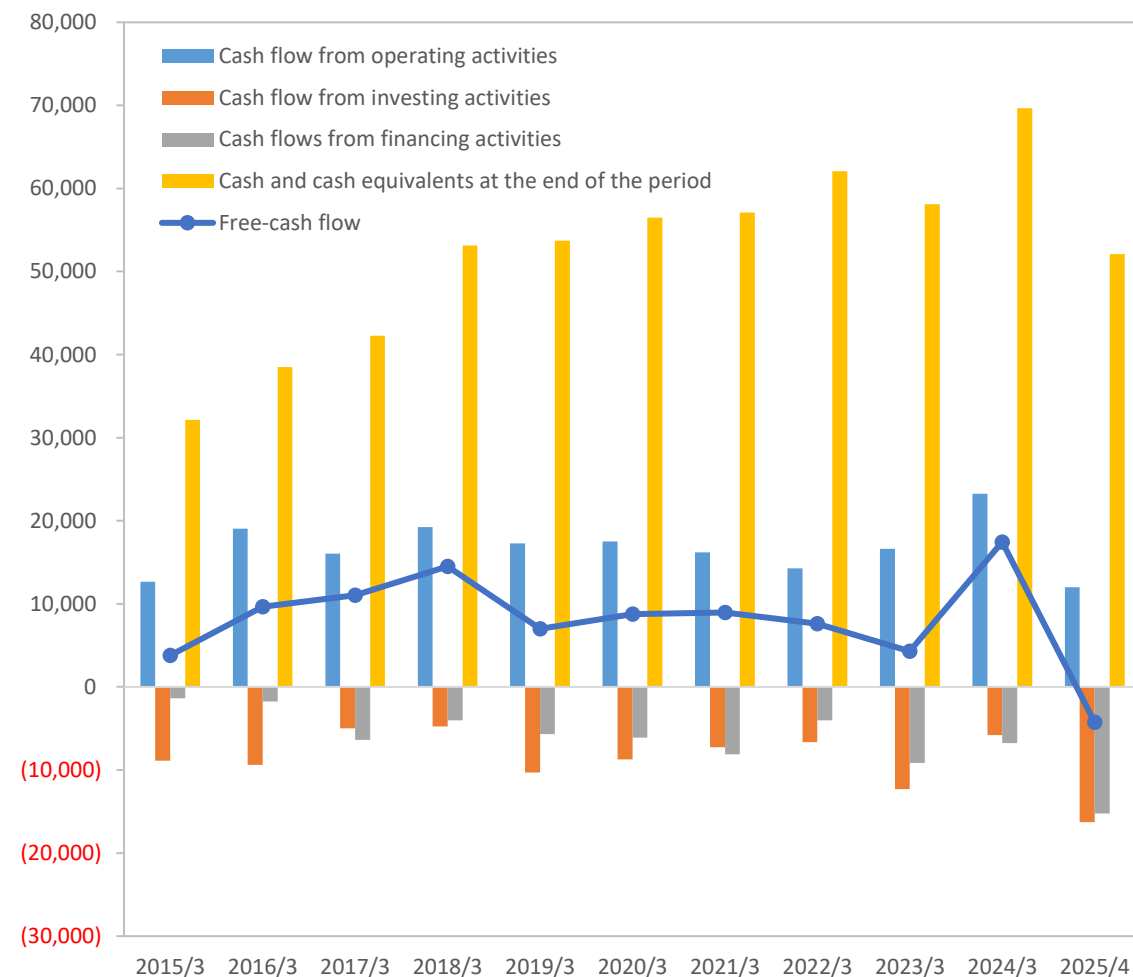
Shareholders' equity ratio is stable.

※Shareholders' equity ratio = ("Total net assets" – "Non-controlling interests") / Total liabilities and net assets

Consolidated cash flow

(Unit: million yen)

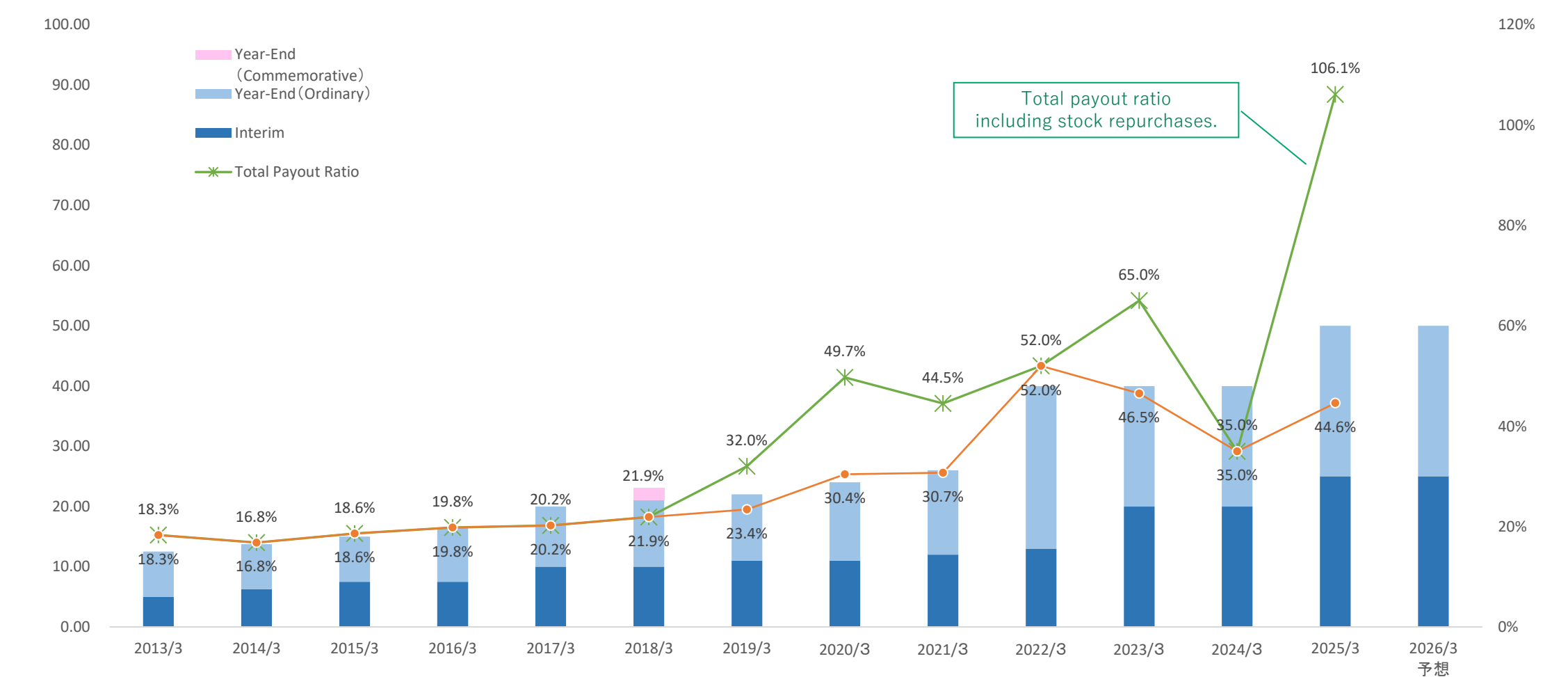
	2024/3	2025/3
Net cash provided by operating activities	22,776	12,010
Profit before income taxes	20,935	19,702
Depreciation and amortization	6,244	6,635
Others	-4,404	-14,327
Net cash used in investing activities	-5,784	-16,283
Purchase of property, plant and equipment	-7,422	-11,127
Others	1,637	-5,156
Net cash used in financing activities	-6,778	-15,227
Cash dividends paid	-4,731	-5,420
Dividend payments to Non-controlling interests	-1,260	-1,196
Purchase of treasury shares	-187	-8,062
Others	-599	-547
Effect of exchange rate change on cash and cash equivalents	1,350	1,937
Net increase (decrease) in cash and cash equivalents	11,562	-17,563
Cash and cash equivalents at beginning of the fiscal year	58,098	69,661
Cash and cash equivalents at end of the fiscal year	69,661	52,097



- The balance decreased due to increased expenditures for capital investment and acquisition of treasury stock.
- Free cash flow (“Operating cash flow”-“Cash flow from investing activities”) is negative.

Dividend policy and shareholder return

- We will pay stable dividends to shareholders on an ongoing basis and commit to enhancing shareholder value by utilizing retained earnings effectively.
- Taking into consideration consolidated business results and retained earnings required for future business development, we will determine the dividends based on a target payout ratio of 30% on a consolidated basis.
- In addition, since both the investment funds for growth and the security of the financial base have been secured to a certain extent, we will pay dividends exceeding our target ratio for the time being.
- We will repurchase stock as a measure to improve capital efficiency and future ROE.



Forecast for next fiscal year and prospects for achieving mid-term targets

(Unit: million yen)

	A Actual 2025/3	B Forecast 2025/3	B-A Change
Net Sales	132,281	131,000	-1,281
Operating income	14,998	14,000	-998
Ordinary income	19,936	18,500	-1,436
Net income attributable to parent company shareholders	13,112	12,000	-1,112
Operating profit margin	11.3%	10.6%	-
Sales ordinary income ratio	15.0%	14.1%	-
Ratio of ordinary income to total assets	151.58 yen	145.00 yen	-

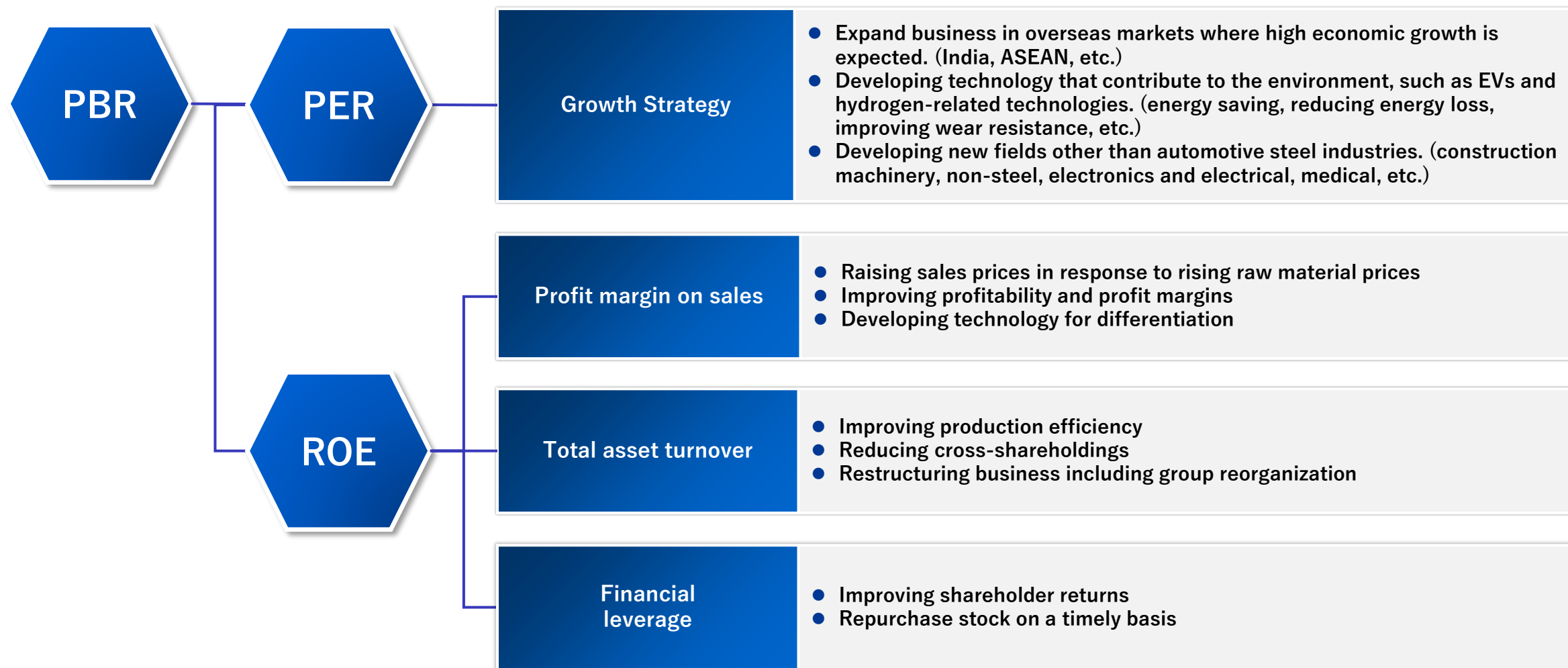
In Japan, the economy is expected to continue on a gradual recovery trend, with wage increases and expansion of capital investment expected on the back of favorable corporate profits. Overseas, gradual growth is expected to continue in the medium to long term, led by India and the ASEAN region, where high economic growth rates are expected.

On the other hand, there are many risk factors, such as rising resource and energy prices, continuing inflationary pressures, and concerns about an economic slowdown due to intensifying trade friction between the U.S. and China, so the future economic environment is likely to remain uncertain.

Taking this business environment into consideration, we are forecasting overall sales of 131,000 million yen for the fiscal year ending March 2025.

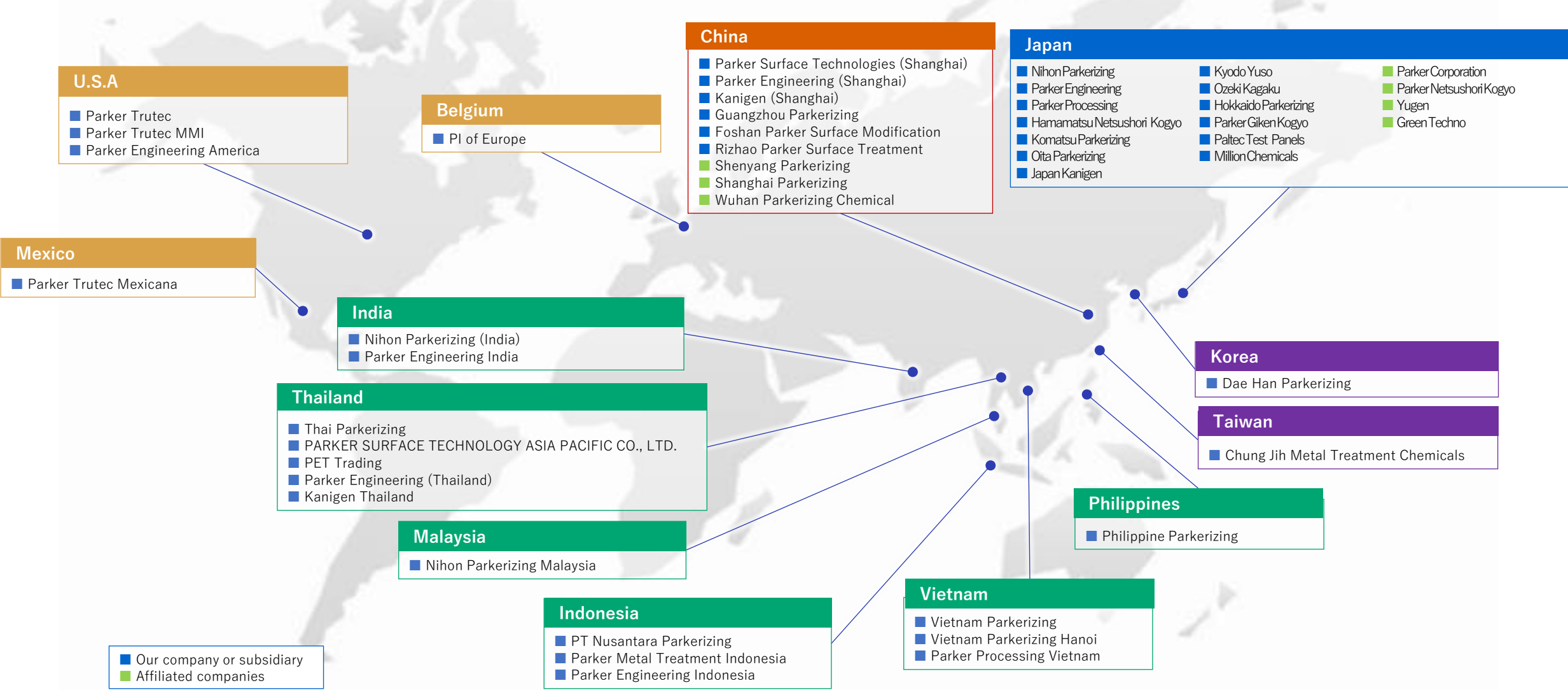
Improving capital efficiency and corporate value

Increasing corporate value by generating stable cash flows from existing businesses and expanding businesses in growth markets and new fields.



Subsidiaries and affiliated companies (As of March 31, 2025)

Strengthening cooperation between group companies × Expanding overseas business



Consolidated financial highlights

(Unit: million yen)

	1st				2nd			3rd			4th	
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Net Sales	99,793	102,514	109,063	109,569	114,840	129,207	119,028	99,918	117,752	119,177	125,085	132,281
Operating income	15,393	14,850	15,766	16,934	17,984	17,023	12,601	10,681	13,370	12,668	15,258	14,998
Ordinary income	18,046	17,453	17,921	18,779	20,750	20,130	15,723	14,197	17,003	16,625	19,945	19,936
Net income attributable to parent company shareholders	10,142	9,975	10,320	12,228	12,721	11,424	9,449	9,999	9,046	9,973	13,194	13,112
Operating profit margin	15.4%	14.5%	14.5%	15.5%	15.7%	13.2%	10.6%	10.7%	11.4%	10.6%	12.2%	11.3%
Sales ordinary income ratio	18.1%	17.0%	16.4%	17.1%	18.1%	15.6%	13.2%	14.2%	14.4%	13.9%	15.9%	15.1%
Ratio of ordinary income to total assets	11.5%	9.9%	9.5%	9.7%	10.0%	9.2%	7.2%	6.5%	7.6%	7.1%	7.9%	7.4%
Return on equity (ROE)	11.1%	9.4%	8.9%	10.2%	9.7%	8.2%	6.7%	6.8%	5.8%	6.1%	7.5%	6.9%
Shareholders' equity ratio	59.5%	61.1%	61.5%	62.5%	62.9%	64.2%	66.1%	68.8%	70.0%	70.3%	69.4%	73.0%

The forward-looking statements such as forecast of financial consolidated results contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from these forecast due to various factors.

Significant factors which may affect actual results include but are not limited to; a)state of the economy b)fluctuations in exchange rates c)product competitiveness, d)regulations and e)limits of intellectual property protection.

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Please make investment decisions at your own discretion.

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