

# MORESCO (5018)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2023		30,333	523	1,046	615	66.19	40.00	2,008.49
FY02/2024		31,886	1,225	1,826	1,283	139.01	45.00	2,179.85
FY02/2025CoE		34,000	1,500	1,850	1,050	114.50	45.00	-
FY02/2024		YoY	5.1%	134.2%	74.6%	-	-	-
FY02/2025CoE		YoY	6.6%	22.5%	1.3%	(18.2%)	-	-

Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY02/2024		7,596	257	395	224	-	-	-
Q2 FY02/2024		7,790	271	538	345	-	-	-
Q3 FY02/2024		8,345	522	766	766	-	-	-
Q4 FY02/2024		8,155	175	127	(52)	-	-	-
Q1 FY02/2025		8,254	189	450	250	-	-	-
Q1 FY02/2025		YoY	8.7%	(26.3%)	13.8%	11.6%	-	-

Source: Company Data, WRJ Calculation

## 1.0 Results Update (12 July 2024)

### Hard Disc Surface Lubricants


On 12 July 2024, MORESCO, running operations of R&D, manufacture and sale of chemical goods used in diverse applications with autos as the mainstay, released its Q1 FY02/2025 results. It has been revealed that sales of hard disc surface lubricants are now recovering. The hard disc surface lubricants, which are positioned as special lubricants used to lubricate the gap between hard disks and magnetic heads in hard disk drives, protect the information recorded on hard disks with a nano-level thin film and raise the reliability of hard disks, according to the Company. For Q1, demand related to investment in so-called data centers is showing a strength. More importantly, it is suggested that the recovery in sales of high value-added hard disc surface lubricants has generated a no negligible impact to the Company's earnings as whole. In light of a tendency that investment in data centers is to continue to grow steadily over the long-term, it should be possible for the Company to see ongoing increase in sales of hard disc surface lubricants for the future, as far as we could gather. Meanwhile, there is an aspect that the Q1 results were negatively affected by a one-time increase in SG&A expenses and other issues and short-term operating profit margin is under pressure. We are to interview the Company's management for further details, so that we should be able to update our Company Report and release afresh.

Our Company Report: [MORESCO \(5018\) Subsequent Operations \(10 June 2024\)](#)

IR Representative: Hirofumi Fujimoto, Director, Senior Executive Officer, CFO and Sustainability Officer  
 (81-(0)78-303-9010 / [hirofumi\\_fujimoto@moresco.co.jp](mailto:hirofumi_fujimoto@moresco.co.jp))

## 2.0 Company Profile

### Interface Science Specialist

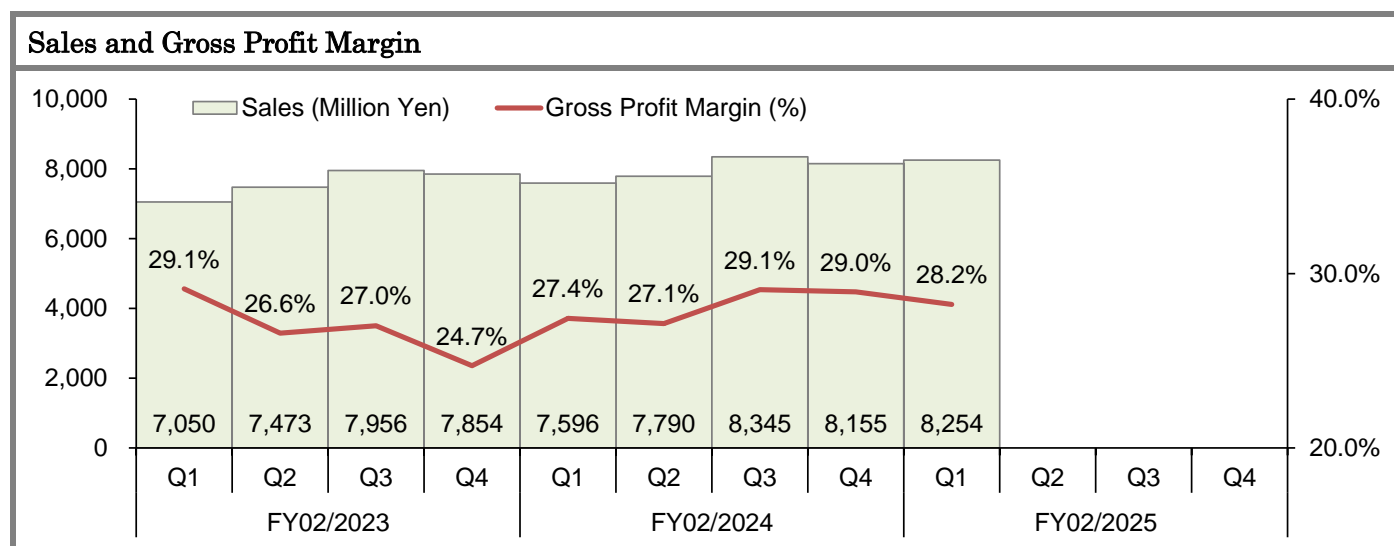
<b>Company Name</b>	MORESCO Corporation <a href="#">Company Website</a> <a href="#">IR Information</a> <a href="#">Share Price (Japanese)</a> 
<b>Established</b>	27 October 1958
<b>Listing</b>	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 5018) 4 April 2022: Tokyo Stock Exchange Prime Market 14 February 2011: Tokyo Stock Exchange 1st section 29 July 2008: Tokyo Stock Exchange 2nd section 13 November 2003: Registered on the over-the-counter market of JSDA
<b>Capital</b>	¥2,118m (as of the end of May 2024)
<b>No. of Shares</b>	9,696,500 shares, including 535,320 treasury shares (as of the end of May 2024)
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Independent (non-keiretsu) manufacturer of chemical goods, some 45% exposed to autos by application in terms of sales</li> <li>● Specializing in “interface science” with exclusive exposure to niche markets</li> <li>● Development, manufacture and sale of chemical goods to fulfil the functionalities of lubrications, adhesives and surface protections</li> </ul>
<b>Segments</b>	I . Japan II . China III. Southeast/South Asia (Thailand, Indonesia and India) IV. North America
<b>Representative</b>	CEO, Representative Director and President: Motohisa Morozumi
<b>Shareholders</b>	Matsumura Oil 11.5%, Cosmo Oil Lubricants 5.4%, ESOP 4.4%, NIPPON SODA 3.9%, Master Trust Bank of Japan, T. 3.8%, STARLITE Co., Ltd. 3.5% (as of the end of February 2024, but for treasury shares)
<b>Head Office</b>	Kobe-city, Hyogo-prefecture, JAPAN
<b>No. of Personnel</b>	Consolidated: 821, Parent: 387 (as of the end of February 2024)

Source: Company Data

## 3.0 Recent Trading and Prospects

### Q1 FY02/2025

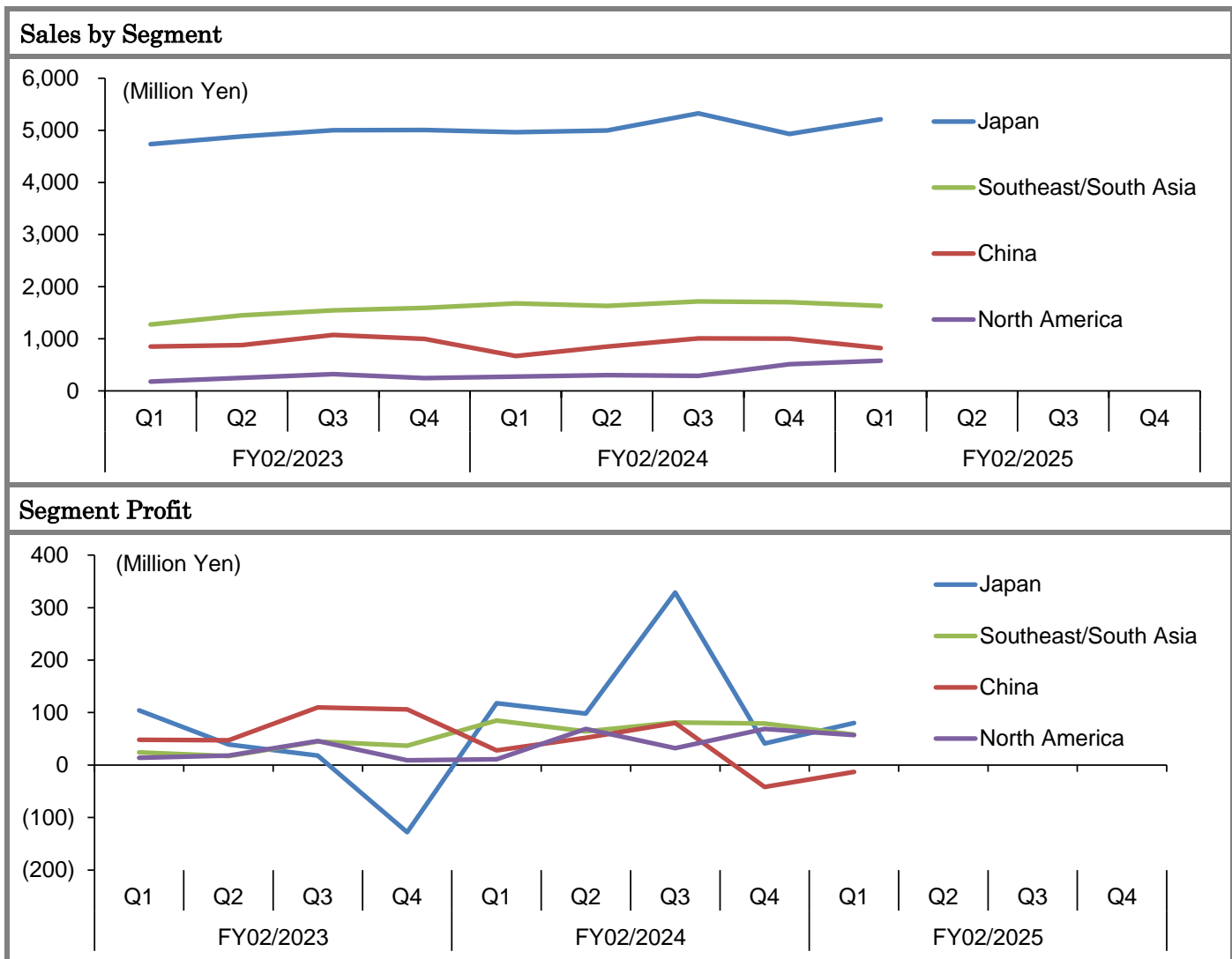
For Q1 FY02/2025, sales came in at ¥8,254m (up 8.7% YoY), operating profit ¥189m (down 26.3%), recurring profit ¥450m (up 13.8%) and profit attributable to owners of parent ¥250m (up 11.6%). The Company saw net non-operating gain of ¥261m (versus net gain of ¥138m during same period of the previous year), which was due mainly to yen's depreciation, having generated currency gain of ¥145m (gain of ¥70m). As well, the Company has made a change to include sales on the Synthetic Lubricants side as a part of sales on the Functional Fluids side from the Q1 results, while the data in this report are retroactively adjusted.



Source: Company Data, WRJ Calculation

Meanwhile, gross profit came in at ¥2,330m (up 11.9%) and SG&A expenses ¥2,140m (up 17.2%), implying gross profit margin of 28.2% (up 0.8% points) and SG&A ratio of 25.9% (up 1.9% points), having resulted in operating profit margin of 2.3% (down 1.1% points). Sales volume is increasing in Japan and overseas, while revision on selling prices to cope with higher raw material procurement costs is progressing. Thus, the Company is seeing gross profit margin at a rather elevated level. However, SG&A expenses have risen a lot, due to an add-on from new overseas subsidiaries and expenditures for one-time R&D project in Japan.

In Japan, the mainstay by region, sales came in at ¥5,213m (up 4.9%), segment profit ¥80m (down 32.1%) and segment profit margin 1.5% (down 0.8% points), having accounted for 63.2% of the Company's sales and 43.7% for segment profit. A recovery in sales for high value-added hard disc surface lubricants is mentioned as a key driver for earnings, but an impact from increased SG&A expenses is rather larger, according to the Company. On top of this, the auto production volume in Japan during the relevant period was sluggish, affected by some scandals uncovered, etc., which was another negative factor in a respect that the Company's performance has a high exposure to changes of the auto production volume in Japan.



Source: Company Data, WRJ Calculation

Meanwhile, in China, sales increased due mainly to a year-on-year increase in the local auto production volume, but it was also the case in China that the impact was not substantial enough to more than compensate for an increase in SG&A expenses, having resulted in loss to continue. In Southeast/South Asia (Thailand, Indonesia and India), sales and earnings were forced to decline due mainly to sluggish sales of hot melt adhesives. However, in North America, sales and earnings were on the rise to a substantial extent. In addition to steady increase in the local auto production volume, the Company has benefited from a net add-on in sales, stemming from consolidation of CROSS TECHNOLOGIES N.A. INC. as subsidiary.

#### FY02/2025 Company Forecasts

FY02/2025 initial Company forecasts have remained unchanged, going for prospective sales of ¥34,000m (up 6.6% YoY), operating profit of ¥1,500m (up 22.5%), recurring profit of ¥1,850m (up 1.3%) and profit attributable to owners of parent of ¥1,050m (down 18.2%), while operating profit margin of 4.4% (up 0.6% points). At the same time, Company forecasts are going for planned annual dividend of ¥45.00 per share, implying payout ratio of 39.3%.

## 4.0 Financial Statements

### Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
<b>Sales</b>	<b>7,596</b>	<b>15,386</b>	<b>23,731</b>	<b>31,886</b>	<b>8,254</b>	-	-	-	-	<b>+658</b>
Cost of Sales	5,513	11,188	17,108	22,902	5,925	-	-	-	-	+412
Gross Profit	2,083	4,197	6,623	8,984	2,330	-	-	-	-	+247
SG&A Expenses	1,826	3,669	5,572	7,759	2,140	-	-	-	-	+314
<b>Operating Profit</b>	<b>257</b>	<b>528</b>	<b>1,050</b>	<b>1,225</b>	<b>189</b>	-	-	-	-	<b>(68)</b>
Non-Operating Balance	138	405	649	601	261	-	-	-	-	+123
<b>Recurring Profit</b>	<b>395</b>	<b>933</b>	<b>1,699</b>	<b>1,826</b>	<b>450</b>	-	-	-	-	<b>+55</b>
Extraordinary Balance	-	-	250	229	(48)	-	-	-	-	(48)
Profit before Income Taxes	395	933	1,949	2,055	402	-	-	-	-	+7
Total Income Taxes	125	262	455	606	111	-	-	-	-	(14)
Profit Attributable to Non-Controlling Interests	47	102	159	165	42	-	-	-	-	(5)
<b>Profit Attributable to Owners of Parent</b>	<b>224</b>	<b>569</b>	<b>1,335</b>	<b>1,283</b>	<b>250</b>	-	-	-	-	<b>+26</b>
Sales YoY	+7.7%	+5.9%	+5.6%	+5.1%	+8.7%	-	-	-	-	-
Operating Profit YoY	+28.0%	+78.8%	+105.5%	+134.2%	(26.3%)	-	-	-	-	-
Recurring Profit YoY	(16.1%)	+10.4%	+48.6%	+74.6%	+13.8%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	(29.5%)	+13.0%	+85.8%	+108.8%	+11.6%	-	-	-	-	-
Gross Profit Margin	27.4%	27.3%	27.9%	28.2%	28.2%	-	-	-	-	+0.8%
SG&A Ratio	24.0%	23.8%	23.5%	24.3%	25.9%	-	-	-	-	+1.9%
Operating Profit Margin	3.4%	3.4%	4.4%	3.8%	2.3%	-	-	-	-	(1.1%)
Recurring Profit Margin	5.2%	6.1%	7.2%	5.7%	5.5%	-	-	-	-	+0.3%
Profit Attributable to Owners of Parent Margin	2.9%	3.7%	5.6%	4.0%	3.0%	-	-	-	-	+0.1%
Total Income Taxes / Profit before Income Taxes	31.6%	28.1%	23.3%	29.5%	27.6%	-	-	-	-	(4.0%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
<b>Sales</b>	<b>7,596</b>	<b>7,790</b>	<b>8,345</b>	<b>8,155</b>	<b>8,254</b>	-	-	-	-	<b>+658</b>
Cost of Sales	5,513	5,675	5,920	5,794	5,925	-	-	-	-	+412
Gross Profit	2,083	2,114	2,426	2,361	2,330	-	-	-	-	+247
SG&A Expenses	1,826	1,843	1,903	2,187	2,140	-	-	-	-	+314
<b>Operating Profit</b>	<b>257</b>	<b>271</b>	<b>522</b>	<b>175</b>	<b>189</b>	-	-	-	-	<b>(68)</b>
Non-Operating Balance	138	267	244	(48)	261	-	-	-	-	+123
<b>Recurring Profit</b>	<b>395</b>	<b>538</b>	<b>766</b>	<b>127</b>	<b>450</b>	-	-	-	-	<b>+55</b>
Extraordinary Balance	-	-	250	(21)	(48)	-	-	-	-	(48)
Profit before Income Taxes	395	538	1,016	106	402	-	-	-	-	+7
Total Income Taxes	125	137	193	151	111	-	-	-	-	(14)
Profit Attributable to Non-Controlling Interests	47	55	57	6	42	-	-	-	-	(5)
<b>Profit Attributable to Owners of Parent</b>	<b>224</b>	<b>345</b>	<b>766</b>	<b>(52)</b>	<b>250</b>	-	-	-	-	<b>+26</b>
Sales YoY	+7.7%	+4.2%	+4.9%	+3.8%	+8.7%	-	-	-	-	-
Operating Profit YoY	+28.0%	+188.3%	+141.7%	-	(26.3%)	-	-	-	-	-
Recurring Profit YoY	(16.1%)	+43.5%	+157.0%	-	+13.8%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	(29.5%)	+84.5%	+256.3%	-	+11.6%	-	-	-	-	-
Gross Profit Margin	27.4%	27.1%	29.1%	29.0%	28.2%	-	-	-	-	+0.8%
SG&A Ratio	24.0%	23.7%	22.8%	26.8%	25.9%	-	-	-	-	+1.9%
Operating Profit Margin	3.4%	3.5%	6.3%	2.1%	2.3%	-	-	-	-	(1.1%)
Recurring Profit Margin	5.2%	6.9%	9.2%	1.6%	5.5%	-	-	-	-	+0.3%
Profit Attributable to Owners of Parent Margin	2.9%	4.4%	9.2%	(0.6%)	3.0%	-	-	-	-	+0.1%
Total Income Taxes / Profit before Income Taxes	31.6%	25.5%	19.0%	142.5%	27.6%	-	-	-	-	(4.0%)

Source: Company Data, WRJ Calculation

## Segmented Information (Cumulative / Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2024	Q1 to Q2 02/2024	Q1 to Q3 02/2024	Q1 to Q4 02/2024	Q1 02/2025	Q1 to Q2 02/2025	Q1 to Q3 02/2025	Q1 to Q4 02/2025		
Japan	4,968	9,966	15,295	20,229	5,213	-	-	-	-	+245
China	670	1,522	2,532	3,536	824	-	-	-	-	+154
Southeast/South Asia (Thailand, Indonesia and India)	1,679	3,313	5,031	6,737	1,634	-	-	-	-	(45)
North America	278	584	872	1,384	583	-	-	-	-	+305
<b>Sales</b>	<b>7,596</b>	<b>15,386</b>	<b>23,731</b>	<b>31,886</b>	<b>8,254</b>	-	-	-	-	<b>+658</b>
Japan	118	216	545	586	80	-	-	-	-	(38)
China	28	80	160	118	(13)	-	-	-	-	(41)
Southeast/South Asia (Thailand, Indonesia and India)	85	149	230	309	58	-	-	-	-	(27)
North America	11	80	112	181	57	-	-	-	-	+46
<b>Segment Profit</b>	<b>242</b>	<b>525</b>	<b>1,046</b>	<b>1,194</b>	<b>183</b>	-	-	-	-	<b>(59)</b>
Adjustments	15	3	4	31	6	-	-	-	-	(9)
<b>Operating Profit</b>	<b>257</b>	<b>528</b>	<b>1,050</b>	<b>1,225</b>	<b>189</b>	-	-	-	-	<b>(68)</b>
Japan	2.4%	2.2%	3.6%	2.9%	1.5%	-	-	-	-	(0.8%)
China	4.2%	5.3%	6.3%	3.3%	(1.6%)	-	-	-	-	(5.8%)
Southeast/South Asia (Thailand, Indonesia and India)	5.1%	4.5%	4.6%	4.6%	3.5%	-	-	-	-	(1.5%)
North America	4.0%	13.7%	12.8%	13.1%	9.8%	-	-	-	-	+5.8%
<b>Segment Profit Margin</b>	<b>3.2%</b>	<b>3.4%</b>	<b>4.4%</b>	<b>3.7%</b>	<b>2.2%</b>	-	-	-	-	<b>(1.0%)</b>
Adjustments	0.2%	0.0%	0.0%	0.1%	0.1%	-	-	-	-	(0.1%)
<b>Operating Profit Margin</b>	<b>3.4%</b>	<b>3.4%</b>	<b>4.4%</b>	<b>3.8%</b>	<b>2.3%</b>	-	-	-	-	<b>(1.1%)</b>

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2024	Q2 02/2024	Q3 02/2024	Q4 02/2024	Q1 02/2025	Q2 02/2025	Q3 02/2025	Q4 02/2025		
Japan	4,968	4,998	5,329	4,934	5,213	-	-	-	-	+245
China	670	852	1,010	1,004	824	-	-	-	-	+154
Southeast/South Asia (Thailand, Indonesia and India)	1,679	1,634	1,718	1,706	1,634	-	-	-	-	(45)
North America	278	306	288	512	583	-	-	-	-	+305
<b>Sales</b>	<b>7,596</b>	<b>7,790</b>	<b>8,345</b>	<b>8,155</b>	<b>8,254</b>	-	-	-	-	<b>+658</b>
Japan	118	98	329	41	80	-	-	-	-	(38)
China	28	52	80	(42)	(13)	-	-	-	-	(41)
Southeast/South Asia (Thailand, Indonesia and India)	85	64	81	79	58	-	-	-	-	(27)
North America	11	69	32	69	57	-	-	-	-	+46
<b>Segment Profit</b>	<b>242</b>	<b>283</b>	<b>521</b>	<b>148</b>	<b>183</b>	-	-	-	-	<b>(59)</b>
Adjustments	15	(12)	1	27	6	-	-	-	-	(9)
<b>Operating Profit</b>	<b>257</b>	<b>271</b>	<b>522</b>	<b>175</b>	<b>189</b>	-	-	-	-	<b>(68)</b>
Japan	2.4%	2.0%	6.2%	0.8%	1.5%	-	-	-	-	(0.8%)
China	4.2%	6.1%	7.9%	(4.2%)	(1.6%)	-	-	-	-	(5.8%)
Southeast/South Asia (Thailand, Indonesia and India)	5.1%	3.9%	4.7%	4.6%	3.5%	-	-	-	-	(1.5%)
North America	4.0%	22.5%	11.1%	13.5%	9.8%	-	-	-	-	+5.8%
<b>Segment Profit Margin</b>	<b>3.2%</b>	<b>3.6%</b>	<b>6.2%</b>	<b>1.8%</b>	<b>2.2%</b>	-	-	-	-	<b>(1.0%)</b>
Adjustments	0.2%	(0.2%)	0.0%	0.3%	0.1%	-	-	-	-	(0.1%)
<b>Operating Profit Margin</b>	<b>3.4%</b>	<b>3.5%</b>	<b>6.3%</b>	<b>2.1%</b>	<b>2.3%</b>	-	-	-	-	<b>(1.1%)</b>

Source: Company Data, WRJ Calculation

## Sales by Business Division (Cumulative / Quarterly)

Sales by Business Division (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
Functional Fluids	3,989	8,343	12,922	17,584	4,696	-	-	-	-	+707
Liquid Paraffins & Sulfonates	998	1,940	2,993	3,909	1,076	-	-	-	-	+78
Hot Melt Adhesives	2,108	4,194	6,419	8,430	2,081	-	-	-	-	(27)
Energy Device Materials	30	54	124	200	52	-	-	-	-	+22
Other	470	856	1,272	1,764	349	-	-	-	-	(121)
<b>Sales</b>	<b>7,596</b>	<b>15,386</b>	<b>23,731</b>	<b>31,886</b>	<b>8,254</b>	-	-	-	-	<b>+658</b>
Functional Fluids	+1.7%	+4.1%	+3.7%	+4.6%	+17.7%	-	-	-	-	-
Liquid Paraffins & Sulfonates	+10.6%	+4.6%	+5.1%	+3.1%	+7.8%	-	-	-	-	-
Hot Melt Adhesives	+16.6%	+11.7%	+10.7%	+10.0%	(1.3%)	-	-	-	-	-
Energy Device Materials	(31.9%)	(35.7%)	(3.3%)	(4.6%)	+71.4%	-	-	-	-	-
Other	+26.4%	+5.3%	+2.6%	(5.1%)	(25.7%)	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+7.7%</b>	<b>+5.9%</b>	<b>+5.6%</b>	<b>+5.1%</b>	<b>+8.7%</b>	-	-	-	-	-
Functional Fluids	52.5%	54.2%	54.5%	55.1%	56.9%	-	-	-	-	-
Liquid Paraffins & Sulfonates	13.1%	12.6%	12.6%	12.3%	13.0%	-	-	-	-	-
Hot Melt Adhesives	27.8%	27.3%	27.0%	26.4%	25.2%	-	-	-	-	-
Energy Device Materials	0.4%	0.4%	0.5%	0.6%	0.6%	-	-	-	-	-
Other	6.2%	5.6%	5.4%	5.5%	4.2%	-	-	-	-	-
<b>Sales (Component Percentages)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-

Sales by Business Division (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
Functional Fluids	3,989	4,354	4,579	4,662	4,696	-	-	-	-	+707
Liquid Paraffins & Sulfonates	998	942	1,053	916	1,076	-	-	-	-	+78
Hot Melt Adhesives	2,108	2,086	2,225	2,011	2,081	-	-	-	-	(27)
Energy Device Materials	30	24	70	76	52	-	-	-	-	+22
Other	470	386	416	492	349	-	-	-	-	(121)
<b>Sales</b>	<b>7,596</b>	<b>7,790</b>	<b>8,345</b>	<b>8,155</b>	<b>8,254</b>	-	-	-	-	<b>+658</b>
Functional Fluids	+1.7%	+6.3%	+3.0%	+7.3%	+17.7%	-	-	-	-	-
Liquid Paraffins & Sulfonates	+10.6%	(1.2%)	+5.9%	(3.0%)	+7.8%	-	-	-	-	-
Hot Melt Adhesives	+16.6%	+7.2%	+8.7%	+7.9%	(1.3%)	-	-	-	-	-
Energy Device Materials	(31.9%)	(38.5%)	+59.1%	(6.2%)	+71.4%	-	-	-	-	-
Other	+26.4%	(12.3%)	(2.6%)	(20.6%)	(25.7%)	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+7.7%</b>	<b>+4.2%</b>	<b>+4.9%</b>	<b>+3.8%</b>	<b>+8.7%</b>	-	-	-	-	-
Functional Fluids	52.5%	55.9%	54.9%	57.2%	56.9%	-	-	-	-	-
Liquid Paraffins & Sulfonates	13.1%	12.1%	12.6%	11.2%	13.0%	-	-	-	-	-
Hot Melt Adhesives	27.8%	26.8%	26.7%	24.7%	25.2%	-	-	-	-	-
Energy Device Materials	0.4%	0.3%	0.8%	0.9%	0.6%	-	-	-	-	-
Other	6.2%	5.0%	5.0%	6.0%	4.2%	-	-	-	-	-
<b>Sales (Component Percentages)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-

Source: Company Data, WRJ Calculation

## Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2024	Q2 02/2024	Q3 02/2024	Q4 02/2024	Q1 02/2025	Q2 02/2025	Q3 02/2025	Q4 02/2025		
Cash and Deposit	3,935	3,756	5,952	5,636	4,993	-	-	-	-	+1,058
Accounts Receivables	7,462	7,453	8,016	7,942	8,237	-	-	-	-	+775
Inventory	6,451	6,378	6,505	6,687	7,035	-	-	-	-	+584
Other	564	566	1,399	724	730	-	-	-	-	+166
<b>Current Assets</b>	<b>18,412</b>	<b>18,153</b>	<b>21,872</b>	<b>20,989</b>	<b>20,995</b>	-	-	-	-	<b>+2,583</b>
Tangible Assets	8,666	9,114	9,540	10,140	10,280	-	-	-	-	+1,614
Intangible Assets	749	744	735	1,228	1,338	-	-	-	-	+589
Investments and Other Assets	4,068	4,166	4,370	4,695	4,754	-	-	-	-	+686
<b>Fixed Assets</b>	<b>13,483</b>	<b>14,024</b>	<b>14,645</b>	<b>16,063</b>	<b>16,372</b>	-	-	-	-	<b>+2,889</b>
<b>Deferred Assets</b>	<b>18</b>	<b>32</b>	<b>42</b>	<b>-</b>	<b>-</b>	-	-	-	-	<b>(18)</b>
<b>Total Assets</b>	<b>31,913</b>	<b>32,208</b>	<b>36,559</b>	<b>37,053</b>	<b>37,367</b>	-	-	-	-	<b>+5,454</b>
Accounts Payables	4,828	4,467	4,581	4,908	4,897	-	-	-	-	+69
Short-Term Debt	2,145	2,096	2,806	3,040	2,892	-	-	-	-	+747
Other	1,787	1,629	2,176	1,912	2,257	-	-	-	-	+470
<b>Current Liabilities</b>	<b>8,760</b>	<b>8,192</b>	<b>9,563</b>	<b>9,860</b>	<b>10,046</b>	-	-	-	-	<b>+1,286</b>
Long-Term Debt	942	887	2,994	3,065	2,762	-	-	-	-	+1,820
Other	667	748	814	1,006	970	-	-	-	-	+303
<b>Fixed Liabilities</b>	<b>1,609</b>	<b>1,635</b>	<b>3,808</b>	<b>4,071</b>	<b>3,732</b>	-	-	-	-	<b>+2,123</b>
<b>Total Liabilities</b>	<b>10,369</b>	<b>9,827</b>	<b>13,371</b>	<b>13,931</b>	<b>13,778</b>	-	-	-	-	<b>+3,409</b>
<b>Shareholders' Equity</b>	<b>17,327</b>	<b>17,678</b>	<b>18,254</b>	<b>18,202</b>	<b>18,121</b>	-	-	-	-	<b>+794</b>
Other	4,217	4,703	4,934	4,920	5,467	-	-	-	-	+1,250
<b>Net Assets</b>	<b>21,544</b>	<b>22,381</b>	<b>23,188</b>	<b>23,122</b>	<b>23,588</b>	-	-	-	-	<b>+2,044</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>31,913</b>	<b>32,208</b>	<b>36,559</b>	<b>37,053</b>	<b>37,367</b>	-	-	-	-	<b>+5,454</b>
Equity Capital	18,743	19,418	20,143	20,126	20,499	-	-	-	-	+1,756
Interest Bearing Debt	3,087	2,983	5,800	6,105	5,654	-	-	-	-	+2,567
Net Debt	(848)	(773)	(152)	469	661	-	-	-	-	+1,509
Equity Ratio	58.7%	60.3%	55.1%	54.3%	54.9%	-	-	-	-	-
Net Debt Equity Ratio	(4.5%)	(4.0%)	(0.8%)	2.3%	3.2%	-	-	-	-	-
ROE (12 months)	2.8%	3.5%	6.3%	6.6%	6.7%	-	-	-	-	-
ROA (12 months)	3.1%	3.6%	4.7%	5.3%	5.4%	-	-	-	-	-
Days for Inventory Turnover	106	102	100	105	108	-	-	-	-	-
Quick Ratio	130%	137%	146%	138%	132%	-	-	-	-	-
Current Ratio	210%	222%	229%	213%	209%	-	-	-	-	-

Source: Company Data, WRJ Calculation

## Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2024	Q1 to Q2 02/2024	Q1 to Q3 02/2024	Q1 to Q4 02/2024	Q1 02/2025	Q1 to Q2 02/2025	Q1 to Q3 02/2025	Q1 to Q4 02/2025		
Operating Cash Flow	-	1,004	-	2,934	-	-	-	-	-	-
Investing Cash Flow	-	(1,305)	-	(4,250)	-	-	-	-	-	-
<b>Operating Cash Flow and Investing Cash Flow</b>	<b>-</b>	<b>(301)</b>	<b>-</b>	<b>(1,316)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financing Cash Flow	-	(115)	-	2,819	-	-	-	-	-	-

Source: Company Data, WRJ Calculation



**Disclaimer**

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Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: [info@walden.co.jp](mailto:info@walden.co.jp)

Tel: 81-(0)3-3553-3769

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