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## Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: KATO WORKS CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 6390

URL: <http://www.kato-works.co.jp>

Representative: Kimiyasu Kato

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Scheduled date of annual general meeting of shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 30, 2025

Scheduled date to file annual securities report: June 30, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

President and Representative Director

Executive Officer and General Manager, Finance Control  
Department

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	52,932	(7.9)	903	(45.4)	1,401	(45.6)	(6,033)	-
March 31, 2024	57,498	(0.1)	1,654	31.4	2,575	38.1	4,235	76.3

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ (6,030) million [ -%]  
Fiscal year ended March 31, 2024: ¥ 5,230 million [ 88.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(514.48)	-	(12.7)	1.3	1.7
March 31, 2024	361.49	-	8.8	2.5	2.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 96 million  
Fiscal year ended March 31, 2024: ¥ 92 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	102,747	44,603	43.4	3,801.65
March 31, 2024	105,330	51,551	47.9	4,302.82

(Reference) Equity: As of March 31, 2025: ¥ 44,603 million  
As of March 31, 2024: ¥ 50,414 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(13,319)	(930)	6,638	14,763
March 31, 2024	(696)	1,627	1,401	22,366

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	20.00	-	45.00	65.00	761	18.0	1.5
March 31, 2025	-	35.00	-	35.00	70.00	821	-	1.7
Fiscal year ending March 31, 2026 (Forecast)	-	35.00	-	35.00	70.00		68.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	57,000	7.7	1,700	88.1	1,200	(14.4)	1,200	-	102.28

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:	)
Excluded:	-	(Company name:	)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025:	11,743,587 shares
March 31, 2024:	11,743,587 shares

2) Number of treasury shares at the end of the period:

March 31, 2025:	10,935 shares
March 31, 2024:	26,853 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025:	11,726,578 shares
Fiscal Year ended March 31, 2024:	11,716,934 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	46,653	(8.9)	621	(69.3)	1,660	(60.0)	(463)	-
March 31, 2024	51,190	0.4	2,022	16.2	4,152	71.8	6,054	64.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(39.52)	-
March 31, 2024	516.76	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	95,374	41,943	44.0	3,574.96
March 31, 2024	92,228	43,256	46.9	3,691.86

(Reference) Equity: As of March 31, 2025: ¥ 41,943 million  
As of March 31, 2024: ¥ 43,256 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	22,566	14,763
Notes receivable - trade	3,391	3,252
Accounts receivable - trade	22,740	14,731
Inventories	35,521	45,272
Other	1,836	2,621
Allowance for doubtful accounts	(3,242)	(347)
Total current assets	82,814	80,292
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,925	8,410
Machinery, equipment and vehicles, net	1,883	1,596
Land	5,170	5,170
Leased assets, net	34	31
Construction in progress	114	178
Other, net	705	889
Total property, plant and equipment	16,833	16,277
Intangible assets	706	1,318
Investments and other assets		
Investment securities	2,460	2,823
Distressed receivables	10,279	14,570
Retirement benefit asset	-	148
Deferred tax assets	1,448	1,004
Other	1,065	879
Allowance for doubtful accounts	(10,278)	(14,569)
Total investments and other assets	4,976	4,858
Total non-current assets	22,515	22,454
Total assets	105,330	102,747

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,303	4,230
Electronically recorded obligations - operating	8,321	6,306
Lease liabilities	34	9
Short-term borrowings	12,324	19,941
Current portion of bonds payable	1,524	524
Current portion of long-term borrowings	7,058	6,005
Income taxes payable	377	-
Provision for bonuses	616	653
Provision for product warranties	810	778
Other	2,049	2,182
Total current liabilities	38,420	40,630
Non-current liabilities		
Bonds payable	1,040	516
Long-term borrowings	13,740	16,792
Retirement benefit liability	114	40
Lease liabilities	-	21
Other	462	142
Total non-current liabilities	15,358	17,513
Total liabilities	53,779	58,144
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,935	2,935
Capital surplus	7,109	8,247
Retained earnings	34,431	27,457
Treasury shares	(39)	(16)
Total shareholders' equity	44,437	38,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	157	230
Foreign currency translation adjustment	5,733	5,623
Remeasurements of defined benefit plans	86	124
Total accumulated other comprehensive income	5,977	5,978
Non-controlling interests	1,136	-
Total net assets	51,551	44,603
Total liabilities and net assets	105,330	102,747

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	57,498	52,932
Cost of sales	46,978	44,332
Gross profit	10,520	8,599
Selling, general and administrative expenses	8,866	7,695
Operating profit	1,654	903
Non-operating income		
Interest income	39	21
Interest income on installment sale	36	23
Dividend income	24	15
Share of profit of entities accounted for using equity method	92	96
Foreign exchange gains	684	18
Rental income	469	509
Reversal of allowance for doubtful accounts	-	107
Reversal of provision for product warranties	191	68
Compensation income	-	464
Other	255	192
Total non-operating income	1,794	1,517
Non-operating expenses		
Rental expenses	388	436
Interest expenses	347	490
Other	136	93
Total non-operating expenses	873	1,019
Ordinary profit	2,575	1,401
Extraordinary income		
Gain on sale of non-current assets	1,417	163
Gain on sale of investment securities	0	-
Total extraordinary income	1,417	163
Extraordinary losses		
Impairment losses	764	-
Loss on retirement of non-current assets	-	53
Loss on valuation of shares of subsidiaries and associates	-	6
Loss on liquidation of subsidiaries	-	7,103
Business restructuring expenses	121	-
Total extraordinary losses	886	7,164
Profit (loss) before income taxes	3,106	(5,598)
Income taxes - current	393	142
Income taxes - deferred	(1,386)	362
Total income taxes	(992)	505
Profit (loss)	4,099	(6,103)
Loss attributable to non-controlling interests	(136)	(70)
Profit (loss) attributable to owners of parent	4,235	(6,033)

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	4,099	(6,103)
Other comprehensive income		
Valuation difference on available-for-sale securities	91	68
Foreign currency translation adjustment	978	(37)
Remeasurements of defined benefit plans, net of tax	58	38
Share of other comprehensive income of entities accounted for using equity method	3	4
Total other comprehensive income	1,131	73
Comprehensive income	5,230	(6,030)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,311	(6,032)
Comprehensive income attributable to non-controlling interests	(80)	1

# Consolidated Statements of Changes in Equity

For the fiscal year 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	2,935	7,109	30,781	(39)	40,788
Changes during period					
Dividends of surplus			(585)		(585)
Profit (loss) attributable to owners of parent			4,235		4,235
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,649	(0)	3,649
Balance at end of period	2,935	7,109	34,431	(39)	44,437

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	62	4,810	27	4,901	1,216	46,906
Changes during period						
Dividends of surplus						(585)
Profit (loss) attributable to owners of parent						4,235
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	94	922	58	1,076	(80)	995
Total changes during period	94	922	58	1,076	(80)	4,644
Balance at end of period	157	5,733	86	5,977	1,136	51,551



For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,935	7,109	34,431	(39)	44,437
Changes during period					
Dividends of surplus			(937)		(937)
Profit (loss) attributable to owners of parent			(6,033)		(6,033)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		23	20
Transfer to retained earnings from other capital surplus		2	(2)		-
Change in ownership interest of parent due to transactions with non-controlling interests		1,138	0		1,138
Net changes in items other than shareholders' equity					
Total changes during period	-	1,138	(6,973)	23	(5,812)
Balance at end of period	2,935	8,247	27,457	(16)	38,624

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	157	5,733	86	5,977	1,136	51,551
Changes during period						
Dividends of surplus						(937)
Profit (loss) attributable to owners of parent						(6,033)
Purchase of treasury shares						(0)
Disposal of treasury shares						20
Transfer to retained earnings from other capital surplus						-
Change in ownership interest of parent due to transactions with non-controlling interests						1,138
Net changes in items other than shareholders' equity	72	(109)	38	0	(1,136)	(1,135)
Total changes during period	72	(109)	38	0	(1,136)	(6,947)

Balance at end of period	230	5,623	124	5,978	-	44,603
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## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	3,106	(5,598)
Depreciation	1,424	1,351
Impairment losses	764	-
Increase (decrease) in allowance for doubtful accounts	678	(1,146)
Increase (decrease) in retirement benefit liability	(190)	(225)
Interest and dividend income	(64)	(37)
Rental income	(469)	(509)
Compensation income	-	(464)
Loss on liquidation of subsidiaries	-	7,103
Interest expenses	347	490
Rent expenses	315	363
Foreign exchange losses (gains)	51	(2)
Share of loss (profit) of entities accounted for using equity method	(92)	(96)
Increase (decrease) in unearned interest on installment sale	(15)	15
Loss (gain) on sale of non-current assets	(1,419)	(179)
Loss on retirement of non-current assets	4	55
Decrease (increase) in trade receivables	(178)	8,317
Decrease (increase) in distressed receivables	2	(4,496)
Decrease (increase) in inventories	(3,905)	(13,486)
Increase (decrease) in trade payables	(761)	(3,291)
Loss (gain) on sale of investment securities	(0)	-
Increase (decrease) in advances received	121	(246)
Decrease (increase) in advance payments to suppliers	24	28
Increase (decrease) in accrued expenses	158	(581)
Decrease (increase) in consumption taxes refund receivable	(328)	(1,299)
Increase (decrease) in accrued consumption taxes	(6)	13
Loss on valuation of shares of subsidiaries and associates	-	6
Other, net	89	989
Subtotal	(343)	(12,924)
Interest and dividends received	91	108
Proceeds from compensation	-	464
Interest paid	(347)	(483)
Income taxes paid	(96)	(484)
Net cash provided by (used in) operating activities	(696)	(13,319)
Cash flows from investing activities		
Proceeds from rental of investment property	470	512
Payments from rental of real estate for investment	(315)	(363)
Purchase of property, plant and equipment	(488)	(812)
Proceeds from sale of property, plant and equipment	2,518	34
Proceeds from sale of investment securities	3	-
Purchase of intangible assets	(363)	(469)
Payments into time deposits	(200)	-
Proceeds from withdrawal of time deposits	-	200
Purchase of shares of subsidiaries	-	(209)
Proceeds from cancellation of insurance funds	-	179
Other, net	2	(1)

Net cash provided by (used in) investing activities	1,627	(930)
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(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(0)
Net increase (decrease) in short-term borrowings	2,056	7,809
Proceeds from long-term borrowings	8,617	9,057
Repayments of long-term borrowings	(7,881)	(7,424)
Redemption of bonds	(524)	(1,524)
Purchase of treasury shares	(0)	(0)
Dividends paid	(583)	(935)
Repayments of installment payables	(282)	(340)
Other, net	-	(4)
Net cash provided by (used in) financing activities	1,401	6,638
Effect of exchange rate change on cash and cash equivalents	56	8
Net increase (decrease) in cash and cash equivalents	2,389	(7,602)
Cash and cash equivalents at beginning of period	19,977	22,366
Cash and cash equivalents at end of period	22,366	14,763