



Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

Company name: KATO WORKS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 6390

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Scheduled date to commence dividend payments: -

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 Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	12,429	14.8	(635)	-	(471)	-	(509)	-
June 30, 2024	10,823	(17.2)	(78)	-	438	(46.2)	(252)	-

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ (625) million [-%]
Three months ended June 30, 2024: ¥ 429 million [(58.0) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(44.06)	-
June 30, 2024	(21.54)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	97,264	43,052	44.2
March 31, 2025	102,747	44,603	43.4

(Reference) Equity: As of June 30, 2025: ¥ 43,035 million
As of March 31, 2025: ¥ 44,603 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		35.00	-	35.00	70.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2026 :

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	-	105.89

(Note) Revision to the financial results forecast announced most recently: None

At the meeting of the Board of Directors held on May 14, 2025, we resolved to acquire treasury stock.

"Net income per share" in the consolidated earnings forecasts for the fiscal year ending March 2026 is due to the impact of the acquisition of treasury stock.

* Notes:

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

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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: Yes
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 11,743,587 shares
March 31, 2025: 11,743,587 shares

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

June 30, 2025: 410,962 shares
March 31, 2025: 10,935 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 11,572,645 shares
Three months ended June 30, 2024: 11,716,733 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	14,763	12,479
Notes and accounts receivable - trade	17,983	16,293
Inventories	45,272	44,040
Other	2,621	2,373
Allowance for doubtful accounts	(347)	(345)
Total current assets	80,292	74,842
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,410	8,299
Machinery, equipment and vehicles, net	1,596	1,515
Land	5,170	5,170
Construction in progress	178	213
Other, net	921	923
Total property, plant and equipment	16,277	16,123
Intangible assets	1,318	1,318
Investments and other assets		
Investment securities	2,823	2,903
Distressed receivables	14,570	13,960
Retirement benefit asset	148	176
Deferred tax assets	1,004	1,025
Other	879	874
Allowance for doubtful accounts	(14,569)	(13,960)
Total investments and other assets	4,858	4,980
Total non-current assets	22,454	22,422
Total assets	102,747	97,264

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,230	3,920
Electronically recorded obligations - operating	6,306	5,131
Short-term borrowings	19,941	19,296
Current portion of bonds payable	524	524
Current portion of long-term borrowings	6,005	5,570
Income taxes payable	-	33
Provision for bonuses	653	324
Provision for product warranties	778	702
Other	2,191	2,361
Total current liabilities	40,630	37,865
Non-current liabilities		
Bonds payable	516	326
Long-term borrowings	16,792	15,821
Retirement benefit liability	40	37
Other	164	162
Total non-current liabilities	17,513	16,347
Total liabilities	58,144	54,212
Net assets		
Shareholders' equity		
Share capital	2,935	2,935
Capital surplus	8,247	8,222
Retained earnings	27,457	26,536
Treasury shares	(16)	(531)
Total shareholders' equity	38,624	37,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	230	234
Foreign currency translation adjustment	5,623	5,522
Remeasurements of defined benefit plans	124	113
Total accumulated other comprehensive income	5,978	5,870
Non-controlling interests	-	17
Total net assets	44,603	43,052
Total liabilities and net assets	102,747	97,264

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	10,823	12,429
Cost of sales	9,074	11,140
Gross profit	1,749	1,289
Selling, general and administrative expenses	1,827	1,924
Operating loss	(78)	(635)
Non-operating income		
Interest income	4	5
Interest income on installment sale	6	6
Dividend income	9	9
Share of profit of entities accounted for using equity method	20	94
Foreign exchange gains	350	-
Rental income	125	130
Reversal of allowance for doubtful accounts	101	247
Reversal of provision for product warranties	82	37
Other	28	61
Total non-operating income	731	593
Non-operating expenses		
Rental expenses	101	111
Interest expenses	101	172
Foreign exchange losses	-	108
Other	11	37
Total non-operating expenses	213	429
Ordinary profit (loss)	438	(471)
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	6	3
Loss on liquidation of subsidiaries	420	-
Total extraordinary losses	427	3
Profit (loss) before income taxes	10	(474)
Income taxes - current	57	22
Income taxes - deferred	212	19
Total income taxes	270	42
Loss	(259)	(517)
Loss attributable to non-controlling interests	(6)	(7)
Loss attributable to owners of parent	(252)	(509)

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Loss	(259)	(517)
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(0)
Foreign currency translation adjustment	665	(100)
Remeasurements of defined benefit plans, net of tax	(8)	(11)
Share of other comprehensive income of entities accounted for using equity method	0	4
Total other comprehensive income	688	(107)
Comprehensive income	429	(625)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	364	(617)
Comprehensive income attributable to non-controlling interests	64	(7)