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

May 13, 2025

Company name: Tsurumi Manufacturing Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6351
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date for commencement of dividend payments: June 11, 2025
 Scheduled date for filing of annual securities report: June 26, 2025
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from 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	
Fiscal year ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
March 31, 2025	68,058	8.7	10,251	14.6	10,492	(17.0)	8,783	6.0
March 31, 2024	62,629	11.4	8,941	23.1	12,638	40.6	8,288	32.4

Note: Comprehensive income

For the fiscal year ended March 31, 2025: ¥8,505 million [(33.5)%]

For the fiscal year ended March 31, 2024: ¥12,791 million [62.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	¥	¥	%	%	%
March 31, 2025	358.72	—	9.6	8.5	15.1
March 31, 2024	337.62	—	10.0	11.8	14.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥(60) million

For the fiscal year ended March 31, 2024: ¥138 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	¥ million	¥ million	%	¥
March 31, 2025	131,509	95,852	71.8	3,893.87
March 31, 2024	115,351	90,195	77.0	3,603.13

Reference: Equity

As of March 31, 2025: ¥94,399 million

As of March 31, 2024: ¥88,805 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 end of period
Fiscal year ended	¥ million	¥ million	¥ million	¥ million
March 31, 2025	7,027	(7,986)	2,530	28,144
March 31, 2024	9,534	(5,914)	1,483	26,813

2. Cash dividends

	Annual dividends per share					Total cash dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	¥	¥	¥	¥	¥	¥ million	%	%
March 31, 2024	—	22.00	—	28.00	50.00	1,230	14.8	1.5
March 31, 2025	—	24.00	—	30.00	54.00	1,315	15.1	1.4
March 31, 2026 (Forecast)	—	24.00	—	30.00	54.00		17.2	

Notes: 1. Breakdown of the second quarter-end dividend for the fiscal year ended March 31, 2024

Ordinary dividend: ¥20.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid for the acquisition of the Construction Technology Review and Certification for our newly developed Submersible Smashing Cutter Pumps BN series.

2. Breakdown of the fiscal year-end dividend for the fiscal year ended March 31, 2024

Ordinary dividend: ¥24.00 per share

Commemorative dividend*: ¥4.00 per share

* Commemorative dividend was paid for the 100th anniversary of Tsurumi Manufacturing Co., Ltd.

3. Breakdown of the second quarter-end dividend for the fiscal year ended March 31, 2025

Ordinary dividend: ¥22.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend was paid having made ZENIT INTERNATIONAL S.P.A. a wholly-owned subsidiary.

4. Breakdown of the fiscal year-end dividend for the fiscal year ended March 31, 2025

Ordinary dividend: ¥28.00 per share

Commemorative dividend*: ¥2.00 per share

* Commemorative dividend will be paid for the completion of the motor production building at the Kyoto Plant.

3. Consolidated financial results forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending September 30, 2025	31,000	7.3	4,500	1.9	4,500	21.0	3,200	(24.5)	132.00
Fiscal year ending March 31, 2026	71,000	4.3	10,400	1.5	10,800	2.9	7,600	(13.5)	313.49

Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Five companies (ZENIT INTERNATIONAL S.P.A. and four other companies)

Excluded: None

Note: For details, please refer to [Notes on changes in the scope of consolidation or application of the equity method] on page 14 of the attachment.

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

i. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

ii. Changes in accounting policies due to other reasons: None

iii. Changes in accounting estimates: None

iv. Restatements: None

Note: For details, please refer to [Notes on changes in accounting policies] on page 14 of the attachment.

(3) Number of issued shares (common shares)

i. Number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025: 27,500,000 shares

As of March 31, 2024: 27,500,000 shares

ii. Number of treasury shares at the end of the period

As of March 31, 2025: 3,256,838 shares

As of March 31, 2024: 2,853,336 shares

iii. Average number of shares outstanding during the period

Fiscal year ended March 31, 2025: 24,484,227 shares

Fiscal year ended March 31, 2024: 24,550,453 shares

Reference: Overview of non-consolidated financial results

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 changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Net profit	
Fiscal year ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
March 31, 2025	55,384	12.5	6,401	21.7	7,535	(21.7)	5,529	(11.1)
March 31, 2024	49,210	(2.0)	5,259	14.5	9,628	54.5	6,222	37.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	¥	¥
March 31, 2025	225.83	—
March 31, 2024	253.46	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	¥ million	¥ million	%	¥ million
March 31, 2025	98,811	67,140	67.9	2,769.46
March 31, 2024	88,077	64,112	72.8	2,601.28

Reference: Equity

As of March 31, 2025: ¥67,140 million

As of March 31, 2024: ¥64,112 million

* Summaries of financial results are not subject to reviews by a certified public accountant or audit firm.

* Explanations about the appropriate use of results forecasts and other remarks

The earnings forecasts and other forward-looking statements in this document are based on information currently available and certain assumptions the Company considers reasonable. The Company offers no guarantee that such forecasts will be achieved. Actual results may differ significantly due to various factors.

Index of the Appendix

1. Operating Results	2
(1) Overview of operating results for the fiscal year ended March 31, 2025	2
(2) Overview of financial position for the fiscal year ended March 31, 2025	3
(3) Overview of cash flows for the fiscal year ended March 31, 2025	3
(4) Future outlook	5
2. Basic Policy on the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Primary Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statement of Income and Comprehensive Income	8
Consolidated Statement of Income (year ended)	8
Consolidated Statement of Comprehensive Income (year ended)	9
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Notes on going-concern assumptions	14
Notes on changes in accounting policies	14
Notes on changes in the scope of consolidation or application of the equity method	14
Notes on segment information	15
Notes on per share information	19
Notes on significant subsequent events	20

1. Operating Results

(1) Overview of operating results for the fiscal year ended March 31, 2025

In the fiscal year under review, Japan's economy demonstrated a gradual rebound in consumer spending, supported by improvements in employment and income conditions, such as considerable increases in starting salaries for new graduates. In addition, strong inbound tourism demand and growth in corporate capital investment, among other factors, is contributing to the ongoing domestic demand-led economic recovery. Meanwhile, in the global economy, the future economic outlook grew increasingly uncertain due to prolonged instability in Ukraine and the Middle East, leading to persistently high global resource and energy prices. Moreover, exchange rates and developments in US tariff policies, among other factors, have contributed to a situation that still remains unpredictable.

In this environment, within the framework of the Group's new three-year medium-term management plan, Transformation 2027, which kicked off this fiscal year, we have sought to further strengthen our management foundation for the next 100 years by pressing ahead with reforms centered on manufacturing. In recognizing the responsibility that comes with the Group's products playing an essential role in social infrastructure, we have strived to maintain an infallible system so that we can continue to reliably supply products.

As a result, consolidated net sales for the fiscal year under review increased by ¥5,429 million (+8.7%) year on year to ¥68,058 million. Operating profit rose by ¥1,309 million (+14.6%) year on year to ¥10,251 million.

Ordinary profit came to ¥10,492 million, a year-on-year decrease of ¥2,146 million (−17.0%). This mainly owed to the recording of foreign exchange losses of ¥446 million in non-operating expenses in the fiscal year under review as the hitherto weak-yen trend subsided in comparison to the booking of foreign exchange gains of ¥2,625 million a year earlier.

Profit attributable to owners of parent increased by ¥494 million (+6.0%) year on year to ¥8,783 million. This reflected a gain on step acquisitions of ¥1,721 million recorded as extraordinary income after making ZENIT INTERNATIONAL S.P.A. a wholly owned subsidiary in July 2024.

Results by business segment were as follows.

Japan

In the construction machinery market, sales of labor-saving products and medium-sized submersible pumps to the rental industry were brisk, while orders for environmentally friendly electrode-type residue pumps also remained steady. In the plant equipment market, net sales increased due to growing interest in sustainability and efficiency in the tool factory equipment market, which drove stronger sales of high-efficiency submersible pumps and disaster prevention products. Also, orders expanded for pump equipment related to the government market.

As a result, consolidated net sales for the fiscal year under review were ¥56,020 million (+12.3% year on year) and segment profit was ¥7,723 million (+21.0% year on year).

North America

In the North American region, there was increased demand on the back of revitalized capital investment in the mining market, as well as stable demand for products in the construction and plant/factory markets. On the other hand, net sales declined as a result of more customers holding off purchases, reflecting the monitoring of the impact of reciprocal tariffs implemented by the new US administration, among other developments.

As a result, consolidated net sales for the fiscal year under review were ¥12,261 million (−6.4% year on year) and segment profit was ¥1,370 million (−13.1% year on year).

Asia

In the Asian region, domestic demand in ASEAN member countries was stable, and demand for plant/factory products in the Thailand and Indonesian markets was solid. These factors drove an overall increase in net sales.

As a result, consolidated net sales for the fiscal year under review were ¥15,674 million (+24.4% year on year) and segment profit was ¥1,778 million (+97.6% year on year).

Europe

In the European region, sales of pumps for the plant/factory market, particularly in Western Europe, were brisk. Consolidated net sales for the fiscal year under review were ¥3,522 million and segment profit was ¥204 million. In the interim consolidated accounting period, we acquired additional shares in the equity-method affiliate ZENIT INTERNATIONAL S.P.A., making it a subsidiary and including it in the scope of consolidation. Also, June 30, 2024 has been designated as the deemed acquisition date. For the interim consolidated accounting period, only the balance sheet was consolidated. The income statement has been consolidated from the third quarter onwards.

Other

In Australia, we steadily built up a track record in the construction market. However, the downturn in the Chinese economy affected pump demand, which led to a decrease in net sales.

As a result, consolidated net sales for the fiscal year under review were ¥6,535 million (−2.4% year on year) and segment profit was ¥802 million (−17.1% year on year).

(2) Overview of financial position as of March 31, 2025

Assets totaled ¥131,509 million at the end of the fiscal year under review, up ¥16,158 million from the end of the previous fiscal year.

This increase was mainly due to increases in cash and deposits by ¥1,947 million, accounts receivable–trade by ¥1,961 million, contract assets by ¥1,150 million, inventories by ¥3,797 million, and property, plant and equipment by ¥6,596 million due to the completion of the motor production building at our Kyoto Plant during the fiscal year under review, as well as increases in goodwill by ¥3,117 million and customer-related intangible assets by ¥899 million following our acquisition of additional shares in the equity-method affiliate ZENIT INTERNATIONAL S.P.A. and inclusion in the scope of consolidation. These increases outweighed a decrease in investment securities of ¥4,080 million.

Liabilities totaled ¥35,657 million, up ¥10,501 million from the end of the previous fiscal year.

This increase primarily reflects increases in notes and accounts payable–trade by ¥2,206 million, short-term borrowings by ¥6,700 million, other current liabilities by ¥2,069 million due to an increase in account payable other, and other non-current liabilities by ¥1,058 million mainly from long-term lease obligations owing to a change in the scope of consolidation, which offset a decrease in long-term borrowings of ¥1,609 million.

Net assets totaled ¥95,852 million, up ¥5,656 million from the end of the previous fiscal year.

This owes to an increase in retained earnings by ¥7,504 million, a decrease in foreign currency translation adjustment by ¥589 million, and the acquisition of treasury shares worth ¥1,449 million.

(3) Overview of cash flows for the fiscal year ended March 31, 2025

Cash and cash equivalents on a consolidated basis at the end of the fiscal year under review had increased by ¥1,330 million from the end of the previous fiscal year to ¥28,144 million.

The following is a summary of cash flows and the factors affecting cash flows for the fiscal year under review.

Cash flows from operating activities

The increase in funds from operating activities was ¥7,027 million, a decrease of ¥2,506 million compared to the

previous fiscal year.

This was mainly due to a decrease in proceeds from fluctuation of inventories of ¥4,153 million and an increase in income taxes paid of ¥1,006 million, which outweighed an increase in proceeds from fluctuation of trade payables of ¥2,637 million.

Cash flows from investing activities

The decrease in funds from investing activities was ¥7,986 million, an increase of ¥2,072 million compared to the previous fiscal year.

This primarily reflects increases in expenditures of ¥2,412 million for the acquisition of shares of subsidiaries associated with a change in the scope of consolidation and ¥1,243 million for the purchase of property, plant and equipment associated with the construction of a new building at our Kyoto Plant, which outweighed an increase in proceeds from withdrawal of time deposits of ¥1,711 million.

Cash flows from financing activities

The increase in funds from financing activities was ¥2,530 million, an increase of ¥1,046 million compared to the previous fiscal year.

This was mainly due to an increase in proceeds from short-term borrowings of ¥6,700 million, which outweighed an increase in expenditures of ¥1,421 million for the purchase of treasury shares and ¥896 million for the repayments of long-term borrowings, while there were also no new long-term borrowings (compared to ¥3,000 million in the previous fiscal year).

Reference: Indicators related to cash flow

	FYE March 31, 2023	FYE March 31, 2024	FYE March 31, 2025
Equity-to-asset ratio (%)	77.7	77.0	71.8
Equity-to-asset ratio based on market value (%)	51.3	80.0	57.1
Ratio of interest-bearing debt to cash flow (%)	241.7	104.9	236.4
Interest coverage ratio (x)	228.7	205.6	53.5

Equity-to-asset ratio: equity / total assets

Equity-to-asset ratio based on market value: market capitalization / total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payments

Notes:

1. All indicators are calculated using consolidated financial figures.
2. Market capitalization is calculated based on the number of shares outstanding (excluding treasury stock).
3. Cash flow refers to operating cash flow.
4. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet for which interest is paid.

(4) Future outlook

Looking ahead, concerns remain about the significant impact on both the Japanese and global economies due to the slowdown of the Chinese economy, heightened volatility in financial markets, persistently high energy and raw material prices due to prolonged instability in Ukraine and the Middle East, restrained consumer spending owing to higher prices of essential goods such as food, and developments in US tariff policies. Accordingly, the outlook for economic conditions both in Japan and overseas is expected to remain clouded for a certain period of time.

Within the framework of the Group's three-year medium-term management plan, Transformation 2027, which is now in its second year, we will look to further strengthen our management foundation for the next 100 years by pressing ahead with reforms centered on manufacturing. In recognizing the responsibility that comes with the Group's products playing an essential role in social infrastructure, we will strive to maintain an infallible system so that we can continue to reliably supply products. Furthermore, as outlined in the information we released in March 2025 regarding how we intend to achieve a style of management that is conscious of capital costs and the share price, we plan to steadily execute capital policies and growth strategies, deliver timely and appropriate shareholder returns, and allocate management resources accordingly.

In consolidated financial results for the fiscal year ending March 31, 2026, we forecast net sales of ¥71,000 million, operating profit of ¥10,400 million, ordinary profit of ¥10,800 million, and profit attributable to owners of parent of ¥7,600 million.

2. Basic Policy on the Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements in accordance with Japanese accounting standards for the time being, taking into consideration comparability of consolidated financial statements over time and comparability between companies.

As for IFRS, the Group's policy is to respond appropriately, taking into account various circumstances, including their adoption by other companies.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

As of March 31, 2024 and March 31, 2025

(¥ million)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	29,198	31,145
Notes receivable - trade	1,982	1,399
Electronically recorded monetary claims - operating	3,341	3,981
Accounts receivable - trade	16,024	17,985
Contract assets	1,899	3,049
Securities	2,160	1,405
Merchandise	2,577	827
Finished goods	7,842	13,860
Semi-finished goods	1,703	2,073
Work in process	1,228	1,152
Raw materials and supplies	3,153	2,388
Other	1,972	2,460
Allowance for doubtful accounts	(49)	(72)
Total current assets	73,033	81,657
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,979	20,157
Accumulated depreciation	(6,208)	(7,241)
Buildings and structures (net)	6,770	12,916
Machinery, equipment and vehicles	4,845	6,932
Accumulated depreciation	(3,513)	(3,575)
Machinery, equipment and vehicles (net)	1,332	3,356
Tools, furniture and fixtures	2,841	4,347
Accumulated depreciation	(2,482)	(3,650)
Tools, furniture and fixtures (net)	358	697
Land	9,074	9,122
Leased assets	123	1,542
Accumulated depreciation	(62)	(528)
Leased assets (net)	60	1,014
Construction in progress	3,707	795
Total property, plant and equipment	21,305	27,901
Intangible assets		
Goodwill	100	3,184
Customer-related intangible assets	—	899
Other	1,974	1,987
Total intangible assets	2,075	6,071
Investments and other assets		
Investment securities	16,742	12,662
Retirement benefit asset	744	1,088
Deferred tax assets	206	321
Other	1,243	1,807
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	18,936	15,878
Total non-current assets	42,317	49,852
Total assets	115,351	131,509

(¥ million)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,272	8,478
Short-term borrowings	—	6,700
Current portion of long-term borrowings	1,053	1,696
Income taxes payable	2,046	1,168
Contract liabilities	980	1,173
Provision for bonuses	1,456	1,249
Other	3,292	5,362
Total current liabilities	15,101	25,828
Non-current liabilities		
Long-term borrowings	8,893	7,283
Deferred tax liabilities	677	973
Provision for retirement benefits for directors	13	15
Retirement benefit liability	108	136
Other	361	1,419
Total non-current liabilities	10,053	9,828
Total liabilities	25,155	35,657
Net assets		
Shareholders' equity		
Share capital	5,188	5,188
Capital surplus	8,313	8,369
Retained earnings	68,498	76,003
Treasury shares	(2,991)	(4,423)
Total shareholders' equity	79,010	85,138
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,260	3,329
Foreign currency translation adjustment	6,266	5,677
Remeasurements of defined benefit plans	267	253
Total accumulated other comprehensive income	9,794	9,261
Non-controlling interests	1,390	1,452
Total net assets	90,195	95,852
Total liabilities and net assets	115,351	131,509

(2) Consolidated Statement of Income and Comprehensive Income**From April 1 to March 31, 2024 and 2025****Consolidated Statement of Income (year ended)**

(¥ million)

	Year ended March 31, 2024	Year ended March 31, 2025
Net sales	62,629	68,058
Cost of sales	40,162	41,905
Gross profit	22,466	26,152
Selling, general and administrative expenses		
Freight costs	879	1,159
Advertising expenses	289	325
Salaries and allowances	5,015	5,529
Provision for bonuses	901	776
Retirement benefit expenses	(93)	(168)
Provision for retirement benefits for directors	5	2
Rent expenses	236	253
Depreciation	372	408
Other	5,918	7,615
Total selling, general and administrative expenses	13,525	15,901
Operating profit	8,941	10,251
Non-operating income		
Interest income	434	523
Dividend income	241	350
Foreign exchange gains	2,625	—
Share of profit of entities accounted for using equity method	138	—
Other	436	299
Total non-operating income	3,876	1,173
Non-operating expenses		
Interest expenses	46	131
Loss on swap valuation	98	159
Foreign exchange losses	—	446
Share of loss of entities accounted for using equity method	—	60
Other	33	134
Total non-operating expenses	179	932
Ordinary profit	12,638	10,492
Extraordinary income		
Gain on step acquisitions	—	1,721
Gain on sale of investment securities	25	—
Subsidy income	222	360
Total extraordinary income	247	2,082
Extraordinary losses		
Loss on sale of investment securities	60	—
Impairment losses	672	287
Loss on tax purpose reduction entry of non-current assets	—	174
Total extraordinary losses	732	461
Profit before income taxes	12,153	12,112
Income taxes - current	3,442	3,041
Income taxes - deferred	144	141
Income taxes	3,586	3,183
Profit	8,566	8,929
Profit attributable to non-controlling interests	278	146
Profit attributable to owners of parent	8,288	8,783

Consolidated Statement of Comprehensive Income (year ended)

(¥ million)

	Year ended March 31, 2024	Year ended March 31, 2025
Profit	8,566	8,929
Other comprehensive income		
Valuation difference on available-for-sale securities	1,521	69
Foreign currency translation adjustment	2,334	(284)
Remeasurements of defined benefits plans, net of tax	172	(13)
Share of other comprehensive income of entities accounted for using equity method	195	(195)
Total other comprehensive income	4,224	(424)
Comprehensive income	12,791	8,505
Comprehensive income attributable to		
Owners of parent	12,467	8,249
Non-controlling interests	324	256

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (April 1, 2023 – March 31, 2024)

(¥ million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,188	8,028	61,191	(3,123)	71,285
Changes during period					
Dividends of surplus			(1,128)		(1,128)
Profit attributable to owners of parent			8,288		8,288
Purchase of treasury shares				(28)	(28)
Disposal of treasury shares		304		161	465
Change in ownership interest of parent due to transactions with non-controlling interests		(19)			(19)
Change in scope of consolidation			146		146
Net changes of items other than shareholders' equity					
Total changes during period	–	285	7,306	132	7,724
Balance at the end of the period	5,188	8,313	68,498	(2,991)	79,010

	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 the beginning of the period	1,739	3,771	94	5,605	1,270	78,161
Changes during period						
Dividends of surplus						(1,128)
Profit attributable to owners of parent						8,288
Purchase of treasury shares						(28)
Disposal of treasury shares						465
Change in ownership interest of parent due to transactions with non-controlling interests						(19)
Change in scope of consolidation						146
Net changes of items other than shareholders' equity	1,521	2,494	172	4,189	120	4,309
Total changes during period	1,521	2,494	172	4,189	120	12,034
Balance at the end of the period	3,260	6,266	267	9,794	1,390	90,195

Current fiscal year (April 1, 2024 – March 31, 2025)

(¥ million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,188	8,313	68,498	(2,991)	79,010
Changes during period					
Dividends of surplus			(1,278)		(1,278)
Profit attributable to owners of parent			8,783		8,783
Purchase of treasury shares				(1,449)	(1,449)
Disposal of treasury shares		55		17	73
Change in ownership interest of parent due to transactions with non-controlling interests					—
Change in scope of consolidation					—
Net changes of items other than shareholders' equity					
Total changes during period	—	55	7,504	(1,432)	6,128
Balance at the end of the period	5,188	8,369	76,003	(4,423)	85,138

	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 the beginning of the period	3,260	6,266	267	9,794	1,390	90,195
Changes during period						
Dividends of surplus						(1,278)
Profit attributable to owners of parent						8,783
Purchase of treasury shares						(1,449)
Disposal of treasury shares						73
Change in ownership interest of parent due to transactions with non-controlling interests						—
Change in scope of consolidation						—
Net changes of items other than shareholders' equity	69	(589)	(13)	(533)	62	(471)
Total changes during period	69	(589)	(13)	(533)	62	5,656
Balance at the end of the period	3,329	5,677	253	9,261	1,452	95,852

(4) Consolidated Statement of Cash Flows**From April 1 to March 31, 2024 and 2025**

(¥ million)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,153	12,112
Depreciation	1,400	1,694
Goodwill amortization	36	197
Amortization of customer-related intangible assets	—	47
Impairment losses	672	287
Share of loss (profit) of entities accounted for using equity method	(138)	60
Loss (gain) on step acquisitions	—	(1,721)
Increase (decrease) in allowance for doubtful accounts	(2)	6
Increase (decrease) in provision for bonuses	123	(237)
Increase (decrease) in retirement benefit liability	(0)	(10)
Interest and dividend income	(675)	(874)
Interest expenses	46	131
Foreign exchange losses (gains)	(1,322)	633
Loss (gain) on investments in securities	(145)	21
Loss (gain) on swap valuation	98	159
Subsidy income	(222)	(360)
Decrease (increase) in trade receivables	(1,356)	(1,871)
Decrease (increase) in inventories	2,577	(1,575)
Increase (decrease) in trade payables	(1,420)	1,216
Other	211	404
Subtotal	12,038	10,322
Interest and dividends received	638	949
Interest paid	(44)	(140)
Income taxes paid	(3,097)	(4,104)
Cash flows from operating activities	9,534	7,027
Cash flows from investing activities		
Payments into time deposits	(3,261)	(4,025)
Proceeds from withdrawal of time deposits	1,744	3,456
Proceeds from sale and redemption of securities	467	297
Purchase of property, plant and equipment	(4,618)	(5,862)
Purchase of intangible assets	(268)	(218)
Purchase of investment securities	(520)	(30)
Proceeds from sale and redemption of investment securities	293	403
Subsidies receive	88	560
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,412)
Other	160	(155)
Cash flows from investing activities	(5,914)	(7,986)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	6,700
Proceeds from long-term borrowings	3,000	—
Repayments of long-term borrowings	(157)	(1,053)
Purchase of treasury shares	(28)	(1,449)

(¥ million)

	Year ended March 31, 2024	Year ended March 31, 2025
Dividends paid	(1,128)	(1,278)
Dividends paid to non-controlling interests	(101)	(193)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(122)	—
Other	21	(193)
Cash flows from financing activities	1,483	2,530
Effect of exchange rate change on cash and cash equivalents	2,017	(240)
Net increase (decrease) in cash and cash equivalents	7,121	1,330
Cash and cash equivalents at beginning of period	19,436	26,813
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	256	—
Cash and cash equivalents at end of period	26,813	28,144

(5) Notes to Consolidated Financial Statements

Notes on going-concern assumptions

None.

Notes on changes in accounting policies

Application of the Accounting Standard for Current Income Taxes

We have applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard 2022”) from the beginning of the first quarter of the fiscal year under review.

Regarding the amendments to the classification of income taxes (taxation on other comprehensive income), we are following the transitional treatments prescribed in the provisory clause of paragraph 20-3 of the Revised Accounting Standard 2022 and in the provisory clause of paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “2022 Revised Implementation Guidance”). These changes in accounting policies will have no impact on consolidated financial statements.

Also, we have applied the 2022 Revised Implementation Guidance from the beginning of the fiscal year under review with respect to the amendments related to the revised treatment in consolidated financial statements of deferred tax treatment for gains or losses on the sale of subsidiary shares between consolidated companies. This change in accounting policy has been applied retroactively, and the consolidated financial statements for the previous fiscal year have been adjusted accordingly. This change in accounting policy will have no impact on the consolidated financial statements for the previous fiscal year.

Notes on changes in the scope of consolidation or application of the equity method

Significant changes in the scope of consolidation

From the interim consolidated accounting period, we included equity-method affiliate ZENIT INTERNATIONAL S.P.A. and its four subsidiaries in the scope of consolidation after acquiring additional shares in the company and making it a wholly owned subsidiary. Also, as June 30, 2024 is designated as the deemed acquisition date and the duration from that date to the closing date for the interim consolidated accounting period does not exceed three months, only the balance sheet was consolidated during the interim consolidated accounting period. The income statement has been consolidated from the third quarter onwards.

Significant changes in the scope of application of the equity method

From the interim consolidated accounting period, we included ZENIT INTERNATIONAL S.P.A., previously an equity-method affiliate, in the scope of consolidation. As June 30, 2024 is designated as the deemed acquisition date and the duration from that date to the closing date for the interim consolidated period does not exceed three months, we recorded share of profit (loss) of entities accounted for using equity method up to the interim consolidated accounting period.

Notes on segment information

[Segment Information]

1. Overview of reportable segments

The Company's reportable segments are business units for which separate financial information is available and are subject to regular review by the Board of Directors in order to make decisions about the allocation of management resources and assess performance.

The Company is primarily engaged in the manufacturing and sales of pumps. The local subsidiaries in each region operate as independent management units, with both the Company and the local subsidiaries formulating comprehensive strategies for their respective regions and undertaking business activities accordingly.

Therefore, our reportable segments are based on the four regions of Japan, North America, Asia, and Europe.

As stated under [Notes on changes in the scope of consolidation or application of the equity method], ZENIT INTERNATIONAL S.P.A., previously an equity-method affiliate, has been included in the scope of consolidation from the interim consolidated accounting period after we acquired additional shares in the company to make it a wholly owned subsidiary. Due to the significance and strong identity of this regional segment, we have decided to manage it as the "Europe" segment for management purposes and have therefore made changes to list it as a reportable segment. Also, June 30, 2024 has been designated as the deemed acquisition date. For the interim consolidated accounting period, only the balance sheet was consolidated. The income statement has been consolidated from the third quarter onwards.

2. Method of calculating net sales, profit or loss, and assets for each reportable segment

The accounting methods for the reported business segments are generally the same as those described in the section concerning important matters that form the basis for preparing consolidated financial statements in the Company's most recent annual securities report submitted on June 27, 2024.

Profit for the reportable segments is operating profit.

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, and other items for each reportable segment, as well as disaggregated revenue information

Previous fiscal year (April 1, 2023 to March 31, 2024)

(¥ million)

	Reportable segments					Other *1	Total	Adjustments *2	Amount in consolidated financial statements *3
	Japan	North America	Asia	Europe	Total				
Net sales									
Goods and services transferred at a point in time	31,454	13,105	6,241	—	50,801	4,710	55,511	—	55,511
Goods and services transferred over time	7,002	—	—	—	7,002	—	7,002	—	7,002
Revenue from contracts with customers	38,456	13,105	6,241	—	57,803	4,710	62,514	—	62,514
Other income	115	—	—	—	115	—	115	—	115
Sales to external customers	38,571	13,105	6,241	—	57,918	4,710	62,629	—	62,629
Intersegment sales or transfers	11,331	—	6,360	—	17,691	1,986	19,678	(19,678)	—
Total	49,903	13,105	12,601	—	75,610	6,697	82,308	(19,678)	62,629
Segment profit	6,385	1,576	900	—	8,862	967	9,830	(888)	8,941
Segment assets	61,873	13,649	17,082	—	92,606	7,447	100,054	15,296	115,351
Other items									
Depreciation	907	64	288	—	1,260	123	1,384	16	1,400
Impairment losses	672	—	—	—	672	—	672	—	672
Goodwill amortization	36	—	—	—	36	—	36	—	36
Amortization of customer-related intangible assets	—	—	—	—	—	—	—	—	—
Increase in property, plant and equipment, and intangible assets	4,505	294	112	—	4,911	71	4,983	—	4,983

Notes: 1. The "Other" category denotes business segments not included in the reportable segments, encompassing the business activities of local subsidiaries in China and other regions.

2. The adjustments are as follows.

- (1) The adjustment amount for segment profit of ¥888 million includes Company-wide expenses of ¥1,160 million not allocated to any reportable segment, an adjustment of ¥87 million for inventories, and other adjustments of ¥185 million. Company-wide expenses mainly consist of costs related to the administrative departments of the reporting company that do not belong to any reportable segment.
- (2) The adjustment amount for segment assets of ¥15,296 million includes Company-wide assets of ¥29,605 million not allocated to any reportable segment, an adjustment of ¥2,367 million for inventories, and inter-segment eliminations of ¥11,941 million. Company-wide assets mainly consist of surplus operating funds (cash and deposits, and securities), long-term investment funds (investment securities), deferred tax assets, and assets related to administrative departments.

3. Segment profit is reconciled with the operating profit in the consolidated statements of income.

Fiscal year under review (April 1, 2024 to March 31, 2025)

(¥ million)

	Reportable segments					Other *1	Total	Adjustments *2	Amount in consolidated financial statements *3
	Japan	North America	Asia	Europe	Total				
Net sales									
Goods and services transferred at a point in time	36,715	12,261	5,988	3,255	58,221	3,634	61,856	—	61,856
Goods and services transferred over time	6,093	—	—	—	6,093	—	6,093	—	6,093
Revenue from contracts with customers	42,809	12,261	5,988	3,255	64,315	3,634	67,950	—	67,950
Other income	108	—	—	—	108	—	108	—	108
Sales to external customers	42,918	12,261	5,988	3,255	64,424	3,634	68,058	—	68,058
Intersegment sales or transfers	13,101	—	9,686	267	23,055	2,900	25,956	(25,956)	—
Total	56,020	12,261	15,674	3,522	87,479	6,535	94,015	(25,956)	68,058
Segment profit	7,723	1,370	1,778	204	11,076	802	11,878	(1,627)	10,251
Segment assets	77,463	14,600	18,517	13,334	123,915	8,371	132,286	(777)	131,509
Other items									
Depreciation	1,096	69	280	111	1,558	120	1,678	15	1,694
Impairment losses	287	—	—	—	287	—	287	—	287
Goodwill amortization	33	—	—	164	197	—	197	—	197
Amortization of customer-related intangible assets	—	—	—	47	47	—	47	—	47
Increase in property, plant and equipment, and intangible assets	5,307	72	356	407	6,143	37	6,180	—	6,180

- Notes:
- The "Other" category denotes business segments not included in the reportable segments, encompassing the business activities of local subsidiaries in China and other regions.
 - The adjustments are as follows.
 - The adjustment amount for segment profit of ¥1,627 million includes Company-wide expenses of ¥1,379 million not allocated to any reportable segment, an adjustment of ¥356 million for inventories, and other adjustments of ¥108 million. Company-wide expenses mainly consist of costs related to the administrative departments of the reporting company that do not belong to any reportable segment.
 - The adjustment amount for segment assets of ¥777 million includes Company-wide assets of ¥25,573 million not allocated to any reportable segment, an adjustment of ¥2,724 million for inventories, and inter-segment eliminations of ¥23,626 million. Company-wide assets mainly consist of surplus operating funds (cash and deposits, and securities), long-term investment funds (investment securities), deferred tax assets, and assets related to administrative departments.
 - Segment profit is reconciled with operating profit in the consolidated statements of income.
 - ZENIT INTERNATIONAL S.P.A., previously an equity-method affiliate, has been included in the scope of consolidation from the interim consolidated accounting period after we acquired additional shares in the company to make it a wholly owned subsidiary. As a result, compared to the end of the previous fiscal year, the asset amounts for the reportable segments at the end of the fiscal year under review had increased by ¥6,576 million in the Japan segment and by ¥13,334 million in the Europe segment.

[Related information]

Previous fiscal year (April 1, 2023 to March 31, 2024)

1. Information about each product and service

Net sales to external customers in the sole category of products and services (manufacturing and sales of pumps) exceed 90% of net sales in the consolidated statements of income. For this reason, the details have been omitted.

2. Information about each region

(1) Net sales

Similar information about net sales is disclosed under [Segment Information]. For this reason, the details have been omitted.

(2) Property, plant and equipment

(¥ million)

Japan	North America	Asia	Europe	Other	Total
16,702	1,421	2,034	–	1,146	21,305

3. Information about major customers

No customers account for 10% or more of net sales to external customers in the consolidated statements of income. For this reason, no details are provided.

Fiscal year under review (April 1, 2024 to March 31, 2025)

1. Information about each product and service

Net sales to external customers in the sole category of products and services (manufacturing and sales of pumps) exceed 90% of net sales in the consolidated statements of income. For this reason, the details have been omitted.

2. Information about each region

(1) Net sales

Similar information is disclosed under [Segment Information]. For this reason, the details have been omitted.

(2) Property, plant and equipment

(¥ million)

Japan	North America	Asia	Europe	Other	Total
20,701	1,386	2,159	2,490	1,163	27,901

3. Information about major customers

No customers account for 10% or more of net sales to external customers in the consolidated statements of income. For this reason, no details are provided.

[Information on impairment losses on non-current assets for each reportable segment]

Similar information is disclosed under [Segment Information]. For this reason, the details have been omitted.

[Information on goodwill amortization and unamortized balance for each reportable segment]

Previous fiscal year (April 1, 2023 to March 31, 2024)

(¥ million)

	Reportable segments					Other	Corporate and eliminations	Total
	Japan	North America	Asia	Europe	Total			
Balance at the end of the period	100	–	–	–	100	–	–	100

Note: Similar information on goodwill amortization is disclosed under [Segment Information]. For this reason, the details have been omitted.

Fiscal year under review (April 1, 2024 to March 31, 2025)

(¥ million)

	Reportable segments					Other	Corporate and eliminations	Total
	Japan	North America	Asia	Europe	Total			
Balance at the end of the period	67	–	–	3,117	3,184	–	–	3,184

Notes: 1. Similar information on goodwill amortization is disclosed under [Segment Information]. For this reason, the details have been omitted.

2. From the interim consolidated accounting period, we included equity-method affiliate ZENIT INTERNATIONAL S.P.A. in the scope of consolidation after acquiring additional shares in the company and making it a wholly owned subsidiary.

Provisional accounting treatment for the allocation of acquisition costs during the interim and third quarter consolidated accounting periods was applied, but has been finalized in the fourth quarter consolidated accounting period. Accordingly, the provisionally calculated goodwill amount of ¥4,142 million decreased by ¥713 million to ¥3,429 million. The decrease was allocated to customer-related intangible assets and deferred tax liabilities to the tune of ¥989 million and ¥276 million, respectively.

[Information on negative goodwill for each reportable segment]

None.

Notes on per share information

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Fiscal year under review (April 1, 2024 to March 31, 2025)
Net assets per share	¥3,603.13	¥3,893.87
Basic earnings per share	¥337.62	¥358.72

Notes: 1. Diluted earnings per share is not disclosed because there are no dilutive shares.

2. The basis for calculating basic earnings per share is described below.

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Fiscal year under review (April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (¥ million)	8,288	8,783
Amount not attributable to common shareholders (¥ million)	–	–
Profit attributable to owners of parent related to common stock (¥ million)	8,288	8,783
Average number of common shares outstanding during the period (1,000 shares)	24,550	24,484

Notes on significant subsequent events

Purchase of treasury shares

At a meeting of the Board of Directors held on May 13, 2025, the Company passed a resolution to repurchase its own shares pursuant to Article 156 of the Companies Act as construed in accordance with the provisions of Article 165(3) of the Companies Act.

1. Reason for purchasing treasury shares
To execute a flexible capital policy that can accommodate changes in the operating environment
2. Details of the Board's resolution on the purchase of treasury shares
 - (1) Type of shares to be acquired
Common stock
 - (2) Total number of shares to be acquired
600,000 shares (maximum)
 - (3) Total value of shares to be acquired
¥2,400 million (maximum)
 - (4) Acquisition period
May 14, 2025 to November 11, 2025
 - (5) Method of acquisition
 - (i) Market buying using the off-auction own share repurchase trading system (ToSTNeT-3)
 - (ii) Tokyo Stock Exchange market buying

Cancellation of treasury shares

At a meeting of the Board of Directors held on May 13, 2025, the Company passed a resolution to cancel its own shares pursuant to Article 178 of the Companies Act.

1. Reason for cancelling treasury shares
To enhance capital efficiency and return profits to shareholders
2. Details of the Board's resolution on the cancellation of treasury shares
 - (1) Type of shares to be retired
Common stock
 - (2) Total number of shares to be cancelled
2,086,514 shares (ratio of total number of shares issued before cancellation: 8.64% [excluding treasury shares])
 - (3) Scheduled date of cancellation
May 20, 2025
 - (4) Total number of issued shares after cancellation
25,413,486 shares