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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <under Japanese GAAP>

May 13, 2025

Company name: ORGANO CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6368
 URL: <https://www.organo.co.jp/english/>
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 Scheduled date of ordinary general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

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	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	163,269	8.6	31,120	38.0	31,639	35.1	24,150	39.5
March 31, 2024	150,356	13.5	22,544	48.2	23,425	46.2	17,310	47.6

Note: Comprehensive income: Fiscal year ended March 31, 2025 ¥25,376 million [32.8%]
 Fiscal year ended March 31, 2024 ¥19,112 million [51.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	525.37	—	21.7	16.8	19.1
March 31, 2024	376.92	—	18.4	13.5	15.0

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

Fiscal year ended March 31, 2025 ¥122 million
 Fiscal year ended March 31, 2024 ¥203 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	194,396	121,194	62.2	2,631.24
March 31, 2024	182,703	102,147	55.8	2,218.53

(Reference) Equity: As of March 31, 2025 ¥120,947 million
 As of March 31, 2024 ¥101,928 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	21,100	(2,130)	(20,821)	16,751
March 31, 2024	3,726	(1,415)	(641)	17,642

2. Cash dividends

	Annual dividends per share					Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	41.00	—	61.00	102.00	4,694	27.1	5.0
Fiscal year ended March 31, 2025	—	71.00	—	89.00	160.00	7,363	30.5	6.6
Fiscal year ending March 31, 2026 (Forecast)	—	85.00	—	85.00	170.00		32.3	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from 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
Six months ending September 30, 2025 (cumulative)	77,500	4.3	11,500	0.2	11,500	(3.7)	7,500	(7.8)	163.16
Fiscal year ending March 31, 2026	175,000	7.2	31,500	1.2	32,000	1.1	24,200	0.2	526.48

*** Notes**

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

Newly included: –

Excluded: 1 company (ORGANO ECO TECH CORPORATION)

Note: For more details, please refer to “Significant changes in the scope of consolidation during the period” on page 16 of the attached material.

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

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

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

c. Changes in accounting estimates: None

d. Restatement: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	46,359,700 shares
As of March 31, 2024	46,359,700 shares

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

As of March 31, 2025	393,638 shares
As of March 31, 2024	415,524 shares

c. Average number of shares outstanding during the period

For the fiscal year ended March 31, 2025	45,968,156 shares
For the fiscal year ended March 31, 2024	45,925,048 shares

Note: The Company has introduced an Officer Share Delivery Trust, and shares of the Company held by the Trust have been included in treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

[Reference] Overview of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2025
(from April 1, 2024 to March 31, 2025)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	98,305	6.3	18,273	41.8	23,348	45.0	20,698	63.3
March 31, 2024	92,440	17.9	12,885	45.9	16,102	46.0	12,673	47.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	450.28	–
March 31, 2024	275.96	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	142,595	92,369	64.8	2,009.51
March 31, 2024	133,909	78,491	58.6	1,708.41

(Reference) Equity: As of March 31, 2025 ¥92,369 million
As of March 31, 2024 ¥78,491 million

<Reasons for year-on-year differences in non-consolidated financial results>

Differences between the results for the fiscal year under review and the results for the previous fiscal year occurred for the same reasons stated in “(1) Overview of operating results for the fiscal year under review” in “1. Overview of operating results, etc.” on 2 of the attached material.

Profit increased owing to the recording of gain on extinguishment of tie-in shares following the absorption-type merger with ORGANO ECO TECH CORPORATION.

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “(4) Future outlook” in “1. Overview of operating results, etc.” on page 6 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025), the global economy remained firm particularly in the U.S. despite the impact of an economic downturn in China and geopolitical risks such as the situation in the Middle East. The Japanese economy also showed signs of a moderate recovery amid continuing improvement of the employment and income environment. On the other hand, there are concerns about the impact of the U.S. trade policy on the global economy, and there is a sense of uncertainty about the outlook.

In the electronics industry, the Organo Group's main market, the overall situation continued to be brisk, as capital investment for cutting-edge semiconductors increased, reflecting increased demand for semiconductors related to generative artificial intelligence (AI). On the other hand, demand for semiconductors other than for AI applications, such as those for electric vehicles (EV) and smartphones, decreased and there was a sense of stagnation in certain fields. In the general industry, capital investment in the electronics peripherals field in Japan increased in line with the increase in capital investment in the electronics industry, and demand for maintenance generally remained at a high level. In the social infrastructure field, such as electric power/water supply and sewage, demand for replacement of facilities, various maintenance services, etc. remained strong.

Under these conditions, while promoting order-taking and delivery activities for large-scale projects in Japan and overseas, the Organo Group executed investment related to digital transformation (DX) with the aim of enhancing the efficiency of plant engineering processes and took steps to expand production and delivery capacities, such as promotion of measures for development and deployment of human resources worldwide. We have also promoted various measures to enhance R&D aimed at the creation of next-generation technology and new businesses, reinforce human capital by expanding recruitment and training, enhance sustainability and governance, and renew the enterprise system to promote efficient and rational digital management.

As a result, for the fiscal year ended March 31, 2025, orders received increased by 4.7% year on year to ¥151,272 million, net sales increased by 8.6% year on year to ¥163,269 million, operating profit increased by 38.0% to ¥31,120 million, ordinary profit increased by 35.1% to ¥31,639 million, profit attributable to owners of parent increased by 39.5% to ¥24,150 million, and return on equity (ROE) was 21.7%, compared to 18.4% for the previous fiscal year. Orders received were lower than the initial plan but exceeded the previous fiscal year's result. Net sales and the respective profit figures surpassed the actual results of the previous fiscal year and the levels of the initial plan across the board and achieved record highs as in the previous fiscal year. The carry-over balance for the order backlog, which will form the basis for sales from the next fiscal year onward, was ¥105,778 million (down 8.5% year on year), remaining at a high level.

(Millions of yen)

(millions of yen)

Category	79th term Fiscal year ended March 31, 2024	80th term (Fiscal year under review)		Year-on-year	Actual-to- forecast
		Fiscal year ended March 31, 2025			
		Initial plan	Actual result		
Orders received	144,468	155,000	151,272	4.7%	(2.4)%
Carry-over balance for order backlog	115,618	115,618	105,778	(8.5)%	(8.5)%
Net sales	150,356	155,000	163,269	8.6%	5.3%
Operating profit	22,544	23,000	31,120	38.0%	35.3%
Operating profit ratio (%)	15.0	14.8	19.1	—	—
Ordinary profit	23,425	23,000	31,639	35.1%	37.6%
Profit attributable to owners of parent	17,310	16,100	24,150	39.5%	50.0%
Return on equity (ROE) (%)	18.4	15.0	21.7	—	—

Results by segment are as follows.

Effective from the fiscal year ended March 31, 2025, the method of classification of the reportable segments has been changed and comparison with the fiscal year ended March 31, 2024, and analysis are based on the classification after the change.

[Water Treatment Engineering Business Unit]

Net sales ratio 84.6%	Orders received	¥126,327 million (Up 4.9% year on year)
	Net sales	¥138,130 million (Up 9.3% year on year)
	Operating profit	¥27,382 million (Up 43.3% year on year)

Major Business

● Major Business and Products

Plant Division	Service Solutions Division
Pure and ultrapure water production facilities	Replacement of expendable items
Industrial process water treatment facilities	Maintenance
Wastewater treatment and recovery facilities	Operational support services
Valuable material recovery facilities	Renovation and reconditioning
Production processing-related facilities	Contract water treatment
	Comprehensive maintenance

● Customers and Markets

Electronics industry	Electric power/ water supply and sewage	General industry
Semiconductors	Power plants	Pharmaceuticals, cosmetics
Flat panel display	Water purification plants	Food and beverage
Electronic parts	Sewage treatment plants	Machinery and chemicals

■ Orders received

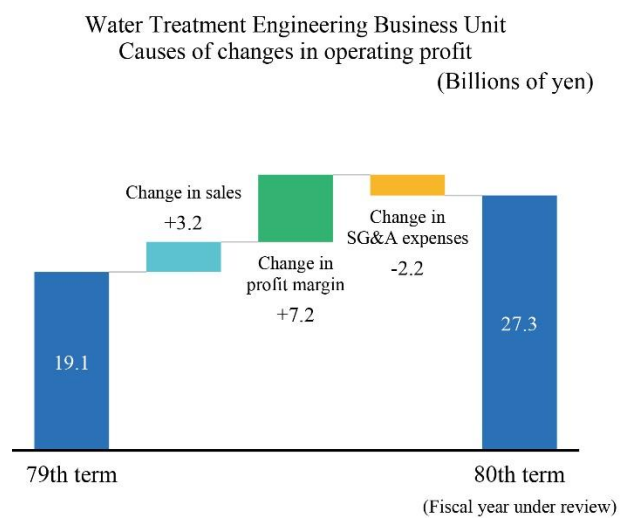
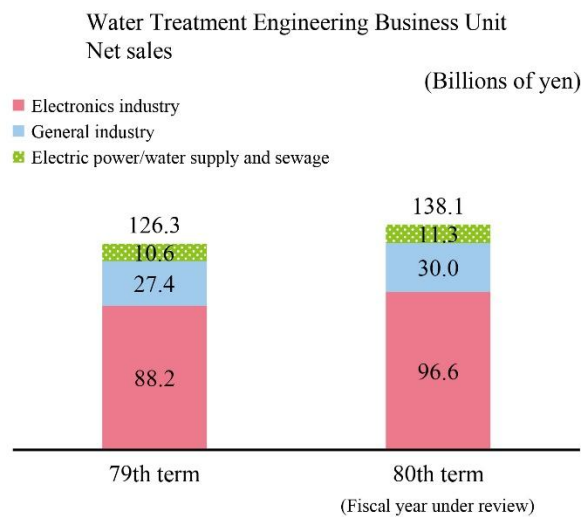
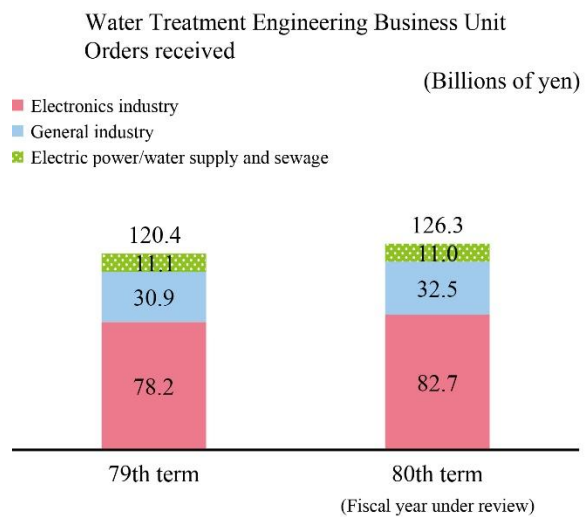
Orders received increased 4.9% year on year to ¥126,327 million. In the electronics industry, orders received were lower than the initial forecast because orders for large-scale projects in Japan, China, and Southeast Asia were received later than expected, with some still pending, although orders received in the Plant Division increased, mainly because orders received in Taiwan exceeded expectations. Orders received in the Service Solutions Division also increased, reflecting strong demand for solutions projects both in Japan and overseas, such as facility-owned services and various maintenance services. Orders received increased in the general industry, too, mainly due to orders received for ultrapure water facility for Hyper-Kamiokande and for large projects for electronics peripherals, in addition to the strong demand for solutions projects. On the other hand, orders received in the social infrastructure field decreased somewhat, owing to a decline in projects for water purification plants, despite orders received for replacement of power plans in Japan.

■ Net sales

Net sales increased 9.3% year on year to ¥138,130 million. In the electronics industry, net sales increased, reflecting steady progress of construction of large-scale projects in Taiwan and strong sales of solutions projects, such as facility-owned services and various maintenance services, replacement of expendable items for the facilities delivered, as well as renovation and reconditioning. In the general industry, net sales also increased, reflecting mostly steady progress in plant projects ordered in the previous fiscal year or earlier and strong sales of solutions projects. In the social infrastructure field, net sales increased, reflecting robust sales centering on power plants in Japan.

■ Operating profit

Operating profit increased 43.3% year on year to ¥27,382 million. This was attributable to an increase in sales from plant projects and growth in sales in the Service Solutions Division, whose profitability is higher than that for the Plant Division, and a higher gross profit margin. The gross profit margin of the Plant Division improved owing to the favorable order-receiving environment against the backdrop of strong capital investment, as well as various initiatives for profit improvement. The gross profit margin of the Service Solutions Division also improved mainly due to the growth of facility-owned services whose profitability is relatively high.



[Performance Products Business Unit]

Net sales ratio 15.4%	Orders received	¥24,944 million (Up 3.7% year on year)
	Net sales	¥25,139 million (Up 4.9% year on year)
	Operating profit	¥3,738 million (Up 8.9% year on year)

Major Business

● Major Business and Products

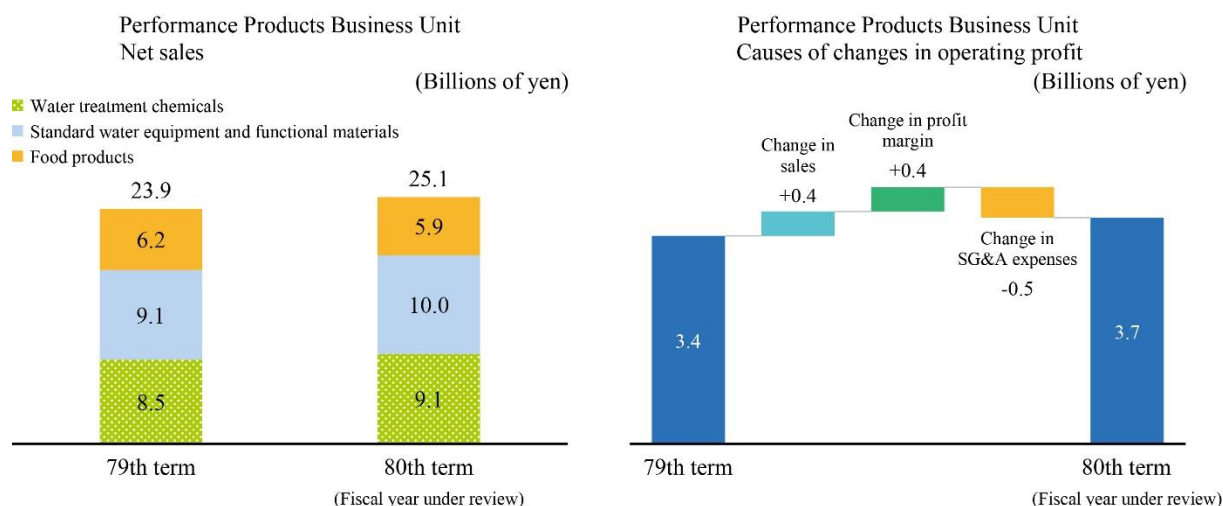
Water Treatment Chemicals Division	Standard Water Equipment and Functional Materials Division	Food Products Division
RO membrane protection chemicals, Wastewater treatment chemicals, Cooling water treatment chemicals, Cleaning chemicals, Boiler water treatment chemicals	Pure and ultrapure water production systems Filters Functional materials (separation and refinement materials)	Food ingredients Food processing agents
● Customers and Markets Various manufacturing industries Buildings and commercial facilities	● Customers and Markets Medical institutions, research institutions Various manufacturing industries Food and beverage, convenience stores	● Customers and Markets Food factories, food processing industry Beverage manufacturing Nursing care food, health food manufacturing

■ Orders received/Net sales

Orders received increased 3.7% year on year to ¥24,944 million and net sales increased 4.9% year on year to ¥25,139 million. Against the backdrop of strong semiconductor demand, sales of products for the electronics industry, including RO membrane protection chemicals and wastewater treatment chemicals, were brisk, resulting in an increase in net sales of the Water Treatment Chemicals Division. Net sales of the Standard Equipment and Functional Materials Division also increased, mainly due to an increase in sales of functional materials, such as ion exchange resin used for separation and refinement of electronic materials. On the other hand, net sales of the Food Products Division, which handles various food processing agents for processed foods, decreased due to progress of liquidation of unprofitable transactions.

■ Operating profit

Operating profit increased 8.9% year on year to ¥3,738 million. In addition to an increase in net sales of the products in general, an increase in sales of water treatment chemicals and functional materials for the electronics industry whose gross profit margin is relatively high, and the implementation of profit improvement measures, including price increases in line with increases in raw material prices, resulted in higher operating profit.



(2) Overview of financial position for the fiscal year under review

Current assets

Current assets as of March 31, 2025 amounted to ¥164,367 million, an increase of ¥10,897 million from the previous fiscal year end. This was mainly due to an increase of ¥7,697 million in investments in leases.

Non-current assets

Non-current assets as of March 31, 2025 amounted to ¥30,028 million, an increase of ¥795 million from the previous fiscal year end. This was mainly due to an increase of ¥542 million in construction in progress.

Current liabilities

Current liabilities as of March 31, 2025 amounted to ¥64,401 million, a decrease of ¥8,201 million from the previous fiscal year end. This was mainly due to a decrease of ¥15,187 million in short-term borrowings, despite an increase of ¥5,405 million in notes and accounts payable - trade.

Non-current liabilities

Non-current liabilities as of March 31, 2025 amounted to ¥8,799 million, an increase of ¥846 million from the previous fiscal year end. This was mainly due to an increase of ¥1,280 million in long-term borrowings.

Net Assets

Net assets as of March 31, 2025 amounted to ¥121,194 million, an increase of ¥19,046 million from the previous fiscal year end. This was mainly due to an increase of ¥18,075 million in retained earnings resulting from the recording of profit attributable to owners of parent.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter, “cash”) as of March 31, 2025 decreased by ¥891 million from the previous fiscal year end to ¥16,751 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥21,100 million. This was mainly because there was an increase in cash due to profit before income taxes despite a decrease in cash related to facility-owned services. (Net cash of ¥3,726 million was provided in the fiscal year ended March 31, 2024.)

The increase in investments in leases of ¥7,697 million in the statement of cash flows was mainly due to the transfer from inventories to investments in leases due to the completion of facilities for facility-owned services.

Cash flows from investing activities

Net cash used in investing activities was ¥2,130 million. This was mainly because there was a decrease in cash due to the purchase of property, plant and equipment of ¥2,262 million. (Net cash of ¥1,415 million was used in the fiscal year ended March 31, 2024.)

Cash flows from financing activities

Net cash used in financing activities was ¥20,821 million. The main items were a net decrease in short-term borrowings of ¥15,796 million and dividends paid of ¥6,074 million. (Net cash of ¥641 million was used in the fiscal year ended March 31, 2024.)

(4) Future outlook

With respect to the earnings forecasts for the fiscal year ending March 31, 2026, plans call for orders received of ¥180,000 million (up 19.0% year on year), net sales of ¥175,000 million (up 7.2% year on year), operating profit of ¥31,500 million (up 1.2% year on year), ordinary profit of ¥32,000 million (up 1.1% year on year), profit attributable to owners of parent of ¥24,200 million (up 0.2% year on year), and return on equity (ROE) of 18.8%.

Regarding orders received, we anticipate receiving orders for several large-scale semiconductor projects planned in Japan, Taiwan, and the U.S., among others. Regarding net sales, in addition to an increase in orders for large-scale projects, we expect progress in the construction of large-scale projects, which are included in the carry-over balance for order backlog, as well as higher sales in service solutions, such as maintenance and facility-owned services, and also of sales of water treatment chemicals and other performance products. In terms of profit, we anticipate increases in operating profit and other profit figures due to the effect of increased revenue from the expansion of sales, although plans call for a

proactive increase in selling, general and administrative expenses, including personnel expenses, investments for digital technology, and R&D expenses.

Amid the turmoil in the stock market and foreign exchange trends due to the U.S. tariff policy and other factors, there are concerns about a possible global recession. Uncertainty is prevailing in the electronics industry, our core market, regarding the trend of the semiconductor market. While there are concerns about possible postponement or suspension of investment plans for some projects, there are also signs that investment plans that exceed expectations are being considered, particularly for cutting-edge semiconductors. The currently identified impact, such as the situations of individual projects, is reflected in the earnings forecasts. However, we are not yet able to anticipate certain factors, such as the indirect impact of the economic downturn, and we will continue to closely monitor developments.

(Millions of yen, %)			
Category	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 Initial plan	Change
Orders received	151,272	180,000	19.0%
Carry-over balance for order backlog	105,778	110,778	4.7%
Net sales	163,269	175,000	7.2%
Operating profit	31,120	31,500	1.2%
Operating profit ratio (%)	19.1	18.0	—
Ordinary profit	31,639	32,000	1.1%
Profit attributable to owners of parent	24,150	24,200	0.2%
Return on equity (ROE) (%)	21.7	18.8	—

2. Basic policy regarding the selection of accounting standards

The Organo Group will prepare its consolidated financial statements in accordance with Japanese GAAP for the time being.

Meanwhile, we will remain attentive to developments in Japan and overseas with respect to the International Financial Reporting Standards (IFRS).

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,642	16,751
Notes receivable - trade	1,144	677
Accounts receivable - trade	42,977	42,549
Electronically recorded monetary claims - operating	4,452	4,502
Contract assets	33,651	36,223
Investments in leases	27,814	35,512
Merchandise and finished goods	7,707	8,010
Work in process	9,221	11,169
Raw materials and supplies	4,902	3,345
Other	3,978	5,719
Allowance for doubtful accounts	(23)	(94)
Total current assets	153,469	164,367
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,526	19,937
Accumulated depreciation	(13,550)	(13,992)
Buildings and structures, net	5,976	5,944
Machinery, equipment and vehicles	6,706	7,298
Accumulated depreciation	(5,828)	(6,206)
Machinery, equipment and vehicles, net	877	1,091
Land	12,304	12,437
Construction in progress	148	690
Other	6,557	7,078
Accumulated depreciation	(5,229)	(5,726)
Other, net	1,327	1,352
Total property, plant and equipment	20,634	21,516
Intangible assets	986	1,120
Investments and other assets		
Investment securities	2,835	2,373
Retirement benefit asset	1,955	2,260
Deferred tax assets	2,404	2,391
Other	600	505
Allowance for doubtful accounts	(183)	(138)
Total investments and other assets	7,613	7,391
Total non-current assets	29,233	30,028
Total assets	182,703	194,396

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,842	23,438
Electronically recorded obligations - operating	2,839	4,648
Short-term borrowings	34,065	18,877
Income taxes payable	3,605	5,042
Contract liabilities	3,920	2,564
Provision for bonuses	1,890	2,161
Provision for product warranties	1,686	1,349
Provision for loss on construction contracts	83	34
Provision for share awards for directors (and other officers)	107	103
Other	4,561	6,180
Total current liabilities	72,602	64,401
Non-current liabilities		
Long-term borrowings	2,400	3,680
Deferred tax liabilities	59	25
Retirement benefit liability	5,344	4,984
Other	149	110
Total non-current liabilities	7,953	8,799
Total liabilities	80,555	73,201
Net assets		
Shareholders' equity		
Share capital	8,225	8,225
Capital surplus	7,508	7,508
Retained earnings	82,907	100,982
Treasury shares	(518)	(746)
Total shareholders' equity	98,122	115,969
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	774	256
Foreign currency translation adjustment	1,923	3,397
Remeasurements of defined benefit plans	1,108	1,323
Total accumulated other comprehensive income	3,805	4,978
Non-controlling interests	219	246
Total net assets	102,147	121,194
Total liabilities and net assets	182,703	194,396

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net sales	150,356	163,269
Cost of sales	106,514	108,087
Gross profit	43,841	55,182
Selling, general and administrative expenses	21,297	24,061
Operating profit	22,544	31,120
Non-operating income		
Interest income	138	120
Dividend income	47	31
Foreign exchange gains	546	383
Share of profit of entities accounted for using equity method	203	122
Other	205	123
Total non-operating income	1,142	780
Non-operating expenses		
Interest expenses	240	246
Other	20	15
Total non-operating expenses	261	262
Ordinary profit	23,425	31,639
Extraordinary income		
Gain on sale of non-current assets	13	4
Gain on sale of investment securities	191	724
Gain on liquidation of subsidiaries	57	—
Total extraordinary income	262	728
Extraordinary losses		
Loss on abandonment of non-current assets	55	9
Total extraordinary losses	55	9
Profit before income taxes	23,633	32,358
Income taxes - current	6,503	8,107
Income taxes - deferred	(205)	63
Total income taxes	6,298	8,171
Profit	17,334	24,186
Profit attributable to non-controlling interests	24	36
Profit attributable to owners of parent	17,310	24,150

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Profit	17,334	24,186
Other comprehensive income		
Valuation difference on available-for-sale securities	232	(517)
Deferred gains or losses on hedges	2	—
Foreign currency translation adjustment	748	1,486
Remeasurements of defined benefit plans, net of tax	792	220
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	1,777	1,189
Comprehensive income	19,112	25,376
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,068	25,322
Comprehensive income attributable to non-controlling interests	43	53

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,225	7,508	69,002	(613)	84,123
Changes during period					
Dividends of surplus			(3,405)		(3,405)
Profit attributable to owners of parent			17,310		17,310
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				97	97
Net changes in items other than shareholders' equity					
Total changes during period	—	—	13,904	95	13,999
Balance at end of period	8,225	7,508	82,907	(518)	98,122

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	539	(2)	1,191	317	2,047	201	86,371
Changes during period							
Dividends of surplus							(3,405)
Profit attributable to owners of parent							17,310
Purchase of treasury shares							(2)
Disposal of treasury shares							97
Net changes in items other than shareholders' equity	234	2	731	790	1,758	17	1,776
Total changes during period	234	2	731	790	1,758	17	15,776
Balance at end of period	774	—	1,923	1,108	3,805	219	102,147

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,225	7,508	82,907	(518)	98,122
Changes during period					
Dividends of surplus			(6,074)		(6,074)
Profit attributable to owners of parent			24,150		24,150
Purchase of treasury shares				(330)	(330)
Disposal of treasury shares				101	101
Net changes in items other than shareholders' equity					
Total changes during period	—	—	18,075	(228)	17,846
Balance at end of period	8,225	7,508	100,982	(746)	115,969

	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	774	1,923	1,108	3,805	219	102,147
Changes during period						
Dividends of surplus						(6,074)
Profit attributable to owners of parent						24,150
Purchase of treasury shares						(330)
Disposal of treasury shares						101
Net changes in items other than shareholders' equity	(517)	1,474	215	1,172	27	1,200
Total changes during period	(517)	1,474	215	1,172	27	19,046
Balance at end of period	256	3,397	1,323	4,978	246	121,194

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	23,633	32,358
Depreciation	2,010	1,925
Increase (decrease) in provisions	1,111	2
Increase (decrease) in retirement benefit liability	64	(22)
Decrease (increase) in retirement benefit asset	(239)	(312)
Interest and dividend income	(186)	(151)
Interest expenses	240	246
Foreign exchange losses (gains)	(43)	(225)
Loss (gain) on liquidation of subsidiaries	(57)	—
Share of loss (profit) of entities accounted for using equity method	(203)	(122)
Loss (gain) on sale of non-current assets	(13)	(4)
Loss on abandonment of non-current assets	55	9
Loss (gain) on sale of investment securities	(191)	(724)
Decrease (increase) in trade receivables and contract assets	(4,825)	603
Decrease (increase) in investments in leases	(17,960)	(7,697)
Decrease (increase) in inventories	9,128	(472)
Increase (decrease) in trade payables	(3,721)	4,166
Other, net	814	(1,608)
Subtotal	9,614	27,970
Interest and dividends received	198	163
Interest paid	(238)	(249)
Proceeds from insurance income	114	9
Income taxes refund (paid)	(5,965)	(6,793)
Other, net	3	—
Net cash provided by (used in) operating activities	3,726	21,100
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,191)	(2,262)
Proceeds from sale of property, plant and equipment	14	4
Purchase of intangible assets	(456)	(427)
Purchase of investment securities	(2)	(303)
Proceeds from sale of investment securities	254	858
Loan advances	(30)	—
Other, net	(5)	(1)
Net cash provided by (used in) investing activities	(1,415)	(2,130)

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,676	(15,796)
Proceeds from long-term borrowings	—	3,100
Repayments of long-term borrowings	(1,700)	(1,495)
Purchase of treasury shares	(2)	(330)
Dividends paid	(3,405)	(6,074)
Dividends paid to non-controlling interests	(25)	(25)
Other, net	(184)	(199)
Net cash provided by (used in) financing activities	(641)	(20,821)
Effect of exchange rate change on cash and cash equivalents	415	960
Net increase (decrease) in cash and cash equivalents	2,084	(891)
Cash and cash equivalents at beginning of period	15,558	17,642
Cash and cash equivalents at end of period	17,642	16,751

(5) Notes to consolidated financial statements

Notes on premise of going concern

No items to report

Significant changes in the scope of consolidation during the period

Effective April 1, 2024, an absorption-type merger was conducted between the Company as the surviving company and its consolidated subsidiary ORGANO ECO TECH CORPORATION as the absorbed company.

Changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” etc.

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been applied effective from the beginning of the fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the Revised Guidance 2022 has been applied effective from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic reviews to determine the distribution of management resources and evaluate their business results.

Based on a system of separate business units according to the product and service, the Company formulates comprehensive strategies for Japan and overseas for products and services handled by each business unit, etc., and carries out its business activities.

Therefore, the Company is comprised of product and service segments based on the business units, etc., and the two reportable segments, Water Treatment Engineering Business Unit and Performance Products Business Unit, handle products with similar qualities and economic characteristics and services with similar contents.

Each reportable segment and the major products and businesses in the segments are as follows.

Reportable Segment	Major Products and Business	
Water Treatment Engineering Business Unit	Plant Division	Pure and ultrapure water production facilities, Industrial process water treatment facilities, Wastewater treatment and recovery facilities, Valuable material recovery facilities, Production processing-related facilities
	Service Solutions Division	Replacement of expendable items, Maintenance, Operational support services, Renovation and reconditioning, Contract water treatment, Comprehensive maintenance
Performance Products Business Unit	Water Treatment Chemicals Division	RO membrane protection chemicals, Wastewater treatment chemicals, Cooling water treatment chemicals, Cleaning chemicals, Boiler water treatment chemicals
	Standard Water Equipment and Functional Materials Division	Pure and ultrapure water production systems, Filters Functional materials (separation and refinement materials)
	Food Products Division	Food ingredients, Food processing agents

2. Calculation of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting methods used for reportable segments are the same as the accounting methods adopted for the preparation of consolidated financial statements.

Intersegment sales or transfers are determined by referencing general trading conditions in consideration of market prices, etc.

Moreover, the figures for segment profit are based on operating profit, and there are no discrepancies with the operating profit shown in the consolidated statement of income.

3. Net sales, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment			Adjustment (Note 1)	Reported in consolidated financial statements
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	126,393	23,962	150,356	—	150,356
Intersegment sales or transfers	0	395	396	(396)	—
Total	126,394	24,358	150,752	(396)	150,356
Segment profit	19,111	3,433	22,544	—	22,544
Segment assets	156,400	18,908	175,308	7,394	182,703
Other items					
Depreciation	1,594	415	2,010	—	2,010
Investment in entities accounted for using equity method	1,500	—	1,500	—	1,500
Increase in property, plant and equipment and intangible assets	1,431	424	1,855	—	1,855

Notes: 1. The adjustments of ¥7,394 million for segment assets are mainly deferred tax assets, retirement benefit asset, and long-term investment funds (investment securities).
2. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include amortization of and an increase in long-term prepaid expenses.

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment			Adjustment (Note 1)	Reported in consolidated financial statements
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	138,130	25,139	163,269	—	163,269
Intersegment sales or transfers	0	357	357	(357)	—
Total	138,130	25,496	163,627	(357)	163,269
Segment profit	27,382	3,738	31,120	—	31,120
Segment assets	169,371	18,086	187,457	6,938	194,396
Other items					
Depreciation	1,608	316	1,925	—	1,925
Investment in entities accounted for using equity method	1,610	—	1,610	—	1,610
Increase in property, plant and equipment and intangible assets	2,433	369	2,803	—	2,803

Notes: 1. The adjustments of ¥6,938 million for segment assets are mainly deferred tax assets, retirement benefit asset, and prepaid expenses.
2. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include amortization of and an increase in long-term prepaid expenses.

4. Matters relating to changes in reporting segments

In order to expand the functional materials business, which is a priority business, through the digital marketing strategy, etc. of the Performance Products Business, the Group transferred the Separation and

Refinement Sales Department under the Electronics Division of the Industrial Plant Business, and placed it under the Functional Materials Department of the Performance Products Business Division of the Performance Products Business. Accordingly, the separation and refinement business, which was previously included in the “Water Treatment Engineering Business Unit,” is now included in the “Performance Products Business Unit,” effective from the fiscal year ended March 31, 2025.

Segment information for the previous fiscal year ended March 31, 2024 is prepared and presented based on the classification after the change.

[Related information]

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

1. Information by product and service

This information has been omitted, as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Taiwan	China	Southeast Asia	Other	Total
96,544	18,555	19,996	13,110	2,149	150,356

Note: Net sales are classified into countries or regions based on customers' location.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan is more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Taiwan Semiconductor Manufacturing Company, Ltd.	23,198	Water Treatment Engineering Business Unit

Note: Net sales comprise sales to Taiwan Semiconductor Manufacturing Company, Ltd. and to its corporate group.

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

1. Information by product and service

This information has been omitted, as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Taiwan	China	Southeast Asia	Other	Total
100,225	27,854	20,543	12,112	2,533	163,269

Note: Net sales are classified into countries or regions based on customers' location.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan is more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Taiwan Semiconductor Manufacturing Company, Ltd.	22,785	Water Treatment Engineering Business Unit

Note: Net sales comprise sales to Taiwan Semiconductor Manufacturing Company, Ltd. and to its corporate group.

[Information relating to impairment loss of non-current assets by each reportable segment]

No items to report

[Information relating to amortization of goodwill and unamortized balance by each reportable segment]

No items to report

[Information relating to gain on bargain purchase by each reportable segment]

No items to report

Per share information

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	¥2,218.53	¥2,631.24
Basic earnings per share	¥376.92	¥525.37

Notes: 1. Diluted earnings per share is not presented since no potential shares exist.

2. When calculating net assets per share in the fiscal year ended March 31, 2025, common shares of the Company held by the Officer Share Delivery Trust have been included in treasury shares excluded from the total number of issued shares at the end of the period (77 thousand shares at the end of the fiscal year ended March 31, 2024; 54 thousand shares at the end of the fiscal year ended March 31, 2025). Moreover, when calculating basic earnings per share, they have been included in treasury shares excluded from the calculation of the average number of shares outstanding during the period (96 thousand shares in the fiscal year ended March 31, 2024; 53 thousand shares in the fiscal year ended March 31, 2025).

3. The basis for the calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (millions of yen)	17,310	24,150
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	17,310	24,150
Average number of common shares outstanding during the period (thousands of shares)	45,925	45,968

4. The basis for the calculation of net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (millions of yen)	102,147	121,194
Amount subtracted from total net assets (millions of yen)	219	246
[Of which non-controlling interests (millions of yen)]	[219]	[246]
Net assets at the end of period attributable to common share (millions of yen)	101,928	120,947
Number of common shares at the end of period used to calculate net assets per share (thousands of shares)	45,944	45,966

Significant subsequent events

Transfer of shares of a consolidated subsidiary

At a meeting of the Board of Directors held on November 29, 2024, the Company resolved to transfer part of its shareholding in the consolidated subsidiary PT Lautan Organo Water (hereinafter referred to as “LOW”) to PT Lautan Air Indonesia (hereinafter referred to as “LAI”), a subsidiary of PT Lautan Luas Tbk (hereinafter referred to as “LTL”) that is the Company’s partner in the joint venture LOW, as described below, and transferred shares on April 11, 2025.

Upon completion of the share transfer, LOW ceased to be a consolidated subsidiary, and became an equity-method affiliate, of the Company.

1. Reason for the share transfer

In 2012, the Company acquired 51% of the issued shares in LOW, which was LTL’s subsidiary under the name of PT Hydro Hitech Optima at the time. Through this joint venture with LTL, the Company has since engaged in the water treatment business targeting both Japanese and Indonesian clients; however, the business has been growing at a slower pace than initially anticipated.

LTL, meanwhile, has been expanding its water treatment business through LAI, a group company that conducts the business with focus on water treatment chemicals. Based on the consideration that the best way to boost LOW’s water treatment business in Indonesia would be to enhance the synergy with the LTL Group, the Company decided to transfer part of its shareholding to LAI.

Going forward, the Company will continue to engage in the water treatment business in Indonesia through this joint venture with the LTL Group, while always being mindful of optimizing the business portfolio.

2. Outline of the company to which the shares will be transferred (LAI)

(1)	Name	PT Lautan Air Indonesia
(2)	Description of business	Water treatment
(3)	Share capital	4,000 million Indonesian rupiah (approximately 36 million yen)

Note: One Indonesian rupiah is equal to 0.0090 yen (as of March 31, 2025).

3. Date of share transfer

April 11, 2025

4. Outline of the joint venture (LOW)

(1)	Name	PT Lautan Organo Water
(2)	Description of business	Water treatment engineering
(3)	Share capital	18,000 million Indonesian rupiah (approximately 162 million yen)

5. Number of shares to be transferred, transfer price, gains or losses from the transfer, and status of shareholding before and after the transfer

(1)	Number of shares held before the transfer	9,180 (ownership ratio: 51.0%)
(2)	Number of shares to be transferred	3,780
(3)	Transfer price	16,234 million Indonesian rupiah (137 million yen)
(4)	Gains or losses from the transfer	Being calculated
(5)	Number of shares to be held after the transfer	5,400 (ownership ratio: 30.0%)