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April 24, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Hogy Medical Co., Ltd.
 Listing: Prime Market, Tokyo Stock Exchange
 Securities code: 3593
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 Scheduled date of annual general meeting of shareholders: June 20, 2025
 Scheduled date to commence dividend payments: May 30, 2025
 Scheduled date to file annual securities report: June 19, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

I. 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	39,138	0.1	3,810	(8.6)	3,645	(14.1)	1,520	(45.8)
March 31, 2024	39,100	0.3	4,169	(37.2)	4,245	(36.2)	2,804	(35.0)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥1,636 million, down 62.0%

For the fiscal year ended March 31, 2024: ¥4,310 million, down 19.9%

	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	Yen	Yen	%	%	%
March 31, 2025	67.98	—	1.9	3.7	9.7
March 31, 2024	115.57	—	3.3	4.2	10.7

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

For the fiscal year ended March 31, 2025: ¥— million

For the fiscal year ended March 31, 2024: ¥— 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	97,895	74,332	75.9	¥3,447.34
March 31, 2024	100,041	86,120	86.1	3,547.47

Reference: Equity

As of March 31, 2025: ¥74,324 million

As of March 31, 2024: ¥86,111 million

3. Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	11,555	(3,917)	(5,455)	21,334
March 31, 2024	7,117	(3,262)	(3,892)	18,623

II. 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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	20.00	20.00	20.00	20.00	80.00	1,941	69.2	2.3
Fiscal year ended March 31, 2025	20.00	20.00	20.00	20.00	80.00	1,779	117.7	2.3
Fiscal year ending March 31, 2026 (Forecast)	23.75	23.75	23.75	23.75	95.00		67.8	

III. Forecast for Fiscal 2025 (April 1, 2025–March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	20,170	2.8	1,840	(11.7)	1,900	(6.7)	1,300	(30.4)	60.30
Full year	41,790	6.8	4,300	12.8	4,430	21.5	3,020	98.6	140.08

Notes

1. Significant changes in the scope of consolidation during the period: None
2. Changes in accounting policies, changes in accounting estimates, and restatement
 - (1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (2) Changes in accounting policies due to other reasons: None
 - (3) Changes in accounting estimates: None
 - (4) Restatement: None

3. Number of issued shares (common shares)

- (1) Total number of issued shares at the end of the fiscal year (including treasury shares)

As of March 31, 2025	22,535,463 shares
As of March 31, 2024	25,256,963 shares

- (2) Number of treasury shares at the end of the fiscal year

As of March 31, 2025	975,631 shares
As of March 31, 2024	982,821 shares

- (3) Average number of shares outstanding during the fiscal year

Fiscal year ended March 31, 2025	22,370,003 shares
Fiscal year ended March 31, 2024	24,268,040 shares

Reference: Overview of Non-consolidated Financial Results

I. 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	38,531	(0.1)	3,231	(12.1)	2,986	(20.8)	876	(58.2)
March 31, 2024	38,569	0.5	3,676	(39.9)	3,771	(39.9)	2,097	(48.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	39.18	—
March 31, 2024	86.44	—

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	83,767	61,225	73.1	2,839.82
March 31, 2024	89,892	74,924	83.3	3,086.60

Reference: Equity

As of March 31, 2025: ¥61,225 million

As of March 31, 2024: ¥74,924 million

II. Forecast for Fiscal 2025 (April 1, 2025–March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	19,880	2.9	1,740	(4.4)	1,710	7.2	1,200	(20.1)	55.66
Full year	41,140	6.8	3,700	14.5	3,900	30.6	2,720	210.3	126.16

Notes:

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

2. Appropriate use of business forecasts; other special items

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Accordingly, the Company cannot make promises to achieve such forecasts. Due to various circumstances, however, actual results may differ significantly from such statements. For cautionary notes on assumptions underlying the Company's forecasts and the usage of such forecasts, please refer to "1. Performance" on page 6.

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I. Performance and Financial Position

1. Performance

During the fiscal year under review, the business environment surrounding the Hogy Medical Group remained severe. In the healthcare sector, soaring prices of materials and utilities put pressure on business management, in addition to which, problems such as labor shortages and increasing labor costs have emerged since full-scale reforms to doctors' working practices were implemented in April 2024.

Under these circumstances, the Hogy Medical Group aggressively developed high-value-added products that contribute to medical safety as well as operational efficiency and other improvements to hospital management. The performance of Premium Kit, our most important strategic product, was particularly noteworthy. Premium Kit has been warmly evaluated by customers as a high-value-added product that significantly reduces the time and effort required by customers before, during, and after surgery and ensures medical safety during surgery. Accordingly, it has generated increases in sales since its launch. Sales of Premium Kit grew substantially during the fiscal year under review as well. On the other hand, sales of nonwoven fabric products continued to decrease.

As a result, consolidated net sales for the year amounted to ¥39,138 million, up 0.1% from the previous year. Sales of surgical kit products rose 2.0%, to ¥26,018 million, of which Premium Kit sales climbed 17.7%, to ¥13,326 million. In terms of cost of sales, although depreciation expenses decreased and productivity improved, the cost of sales ratio nevertheless came to 67.8% (up 1.2 points from the previous year) due to the impact of the persistently weak yen, the appropriate valuation and disposal of inventory, and rising costs of raw materials, among other factors. Selling, general, and administrative (SG&A) expenses decreased overall thanks to cost containment efforts. As a result, operating profit declined 8.6%, to ¥3,810 million.

During the fiscal year under review, as part of structural reforms, the Company reviewed its idle asset holdings and non-core businesses, resulting in the recording of write-downs on investment securities and shares of affiliated companies, as well as an additional provisions for allowances for doubtful accounts. Due to an increase in the tax burden rate accompanying the recording of these write-downs and other factors, for which tax effects cannot be recognized, profit attributable to owners of parent declined 45.8% to ¥1,520 million.

Forecast for FY2025

The official medical fees revisions implemented in fiscal 2024 resulted in a large positive revision of 0.88% for the core portion, but with material costs, labor costs, and other items continuing to rise, the business environment for medical institutions is expected to remain severe. Improving both medical safety and productivity of hospital operations, as well as the sustainability of the medical care system itself, are expected to become social priorities.

In terms of sales activities, in Japan we will actively develop proposals for improving management, such as reducing workload, primarily through our Premium Kit, in order to address issues such as productivity improvement and labor shortages at medical facilities, especially advanced acute care hospitals and acute care hospitals, and contribute to solving these issues. By promoting the sales reforms that we have been implementing since the previous fiscal year and widening the range of kit components, we will expand the number of procedures that can be performed and improve unit prices. Overseas, our sales subsidiary Hogy Medical Asia Pacific Pte. Ltd. in Singapore and our Indonesian sales sub-subsidiary P.T. Hogy Medical Sales Indonesia will actively introduce our products to major hospitals in Singapore and Indonesia and other ASEAN countries.

In production activities, we will work to further improve productivity in addition to raising capacity utilization rates through sales growth. Considering the decline in depreciation expenses, we expect the cost of sales ratio to improve.

Concurrently, we will continue to carry out structural reforms with a view to achieving sustainable growth in the medium to long term. SG&A expenses are expected to increase due to higher R&D expenditures aimed at

strengthening product appeal, as well as ongoing investment in human resources and digital transformation to enhance sales capabilities and boost productivity across the Company.

In light of the aforementioned circumstances, our consolidated performance forecasts for the next fiscal year are as follows.

Consolidated Performance Forecasts for FY2025

Net sales	Y41,790 million (Up 6.8% YOY)
Operating profit	¥4,300 million (Up 12.8% YOY)
Ordinary profit	¥4,430 million (Up 21.5% YOY)
Profit attributable to owners of parent	¥3,020 million (Up 98.6% YOY)

2. Financial Position

(1) Assets, liabilities, and net assets

As of March 31, 2025, total assets amounted to ¥97,895 million, down ¥2,146 million from March 31, 2024.

During the period, total current assets rose ¥1,174 million, to ¥44,200 million. Factors included a ¥2,586 million increase in cash and bank deposits, a ¥1,320 million decrease in notes and accounts receivable, a ¥488 million increase in inventories, and a ¥675 million decrease in accrued consumption taxes and other. Within fixed assets, property, plant and equipment increased ¥50 million, to ¥45,763 million, reflecting an increase of ¥2,016 million in buildings and structures largely due to the fact that the increase stemming from expansion of the P.T. Hogy Indonesia factory exceeded the decrease due to depreciation, a decrease of ¥2,989 million largely due to depreciation of equipment and vehicles, and a ¥984 million increase in construction in progress. Intangibles decreased ¥118 million, to ¥377 million, mainly due to ¥196 million in depreciation. Investments and other assets decreased ¥3,253 million, to ¥7,554 million, mainly due to a ¥3,230 million decrease in investment securities stemming from the partial sale of, and write-downs on, equity holdings, as well as a ¥186 increase in allowances for doubtful accounts. As a result, total fixed assets ended the period at ¥53,694 million.

At fiscal year-end, total liabilities amounted to ¥23,562 million, up ¥9,640 million. Current liabilities increased ¥2,140 million to ¥10,381 million, mainly reflecting a ¥939 million increase in income taxes payable, a ¥906 million increase in accrued consumption taxes, and ¥333 million increase in other accounts payable. Long-term liabilities increased ¥7,500 million to ¥13,180 million, mainly reflecting a ¥10,000 million increase due to long-term borrowings, a ¥1,999 million decrease due to repayment of long-term borrowings, and a ¥642 million decrease in deferred tax liabilities due to the partial sale of equity holdings.

Net assets at year-end totaled ¥74,332 million, down ¥11,787 million. Factors included an increase due to ¥1,520 million in profit attributable to owners of parent, a ¥1,833 million decrease due to distributions from retained earnings, a decrease of ¥1,264 million due to write-downs on other securities reflecting the partial sale of equity holdings, and a ¥1,267 million increase in currency translation adjustments. In addition, based on the resolution of the Board of Directors meeting held on July 17, 2024, we repurchased and retired 2,721,500 shares of our stock, resulting in a ¥10,899 million decrease in retained earnings.

As a result, the equity ratio dipped to 75.9%, down from 86.81% from March 31, 2024.

(2) Cash flows

Cash and cash equivalents at the end of the year stood at ¥21,334 million, up ¥2,710 million from a year earlier. This reflected cash flow factors described below.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥11,555 million, compared to ¥7,117 million in the previous year. Factors in this result included ¥2,934 million in income before income taxes, ¥5,741 million in depreciation, the recording ¥1,109 million in gains on the sale of investment, ¥529 million in impairment losses, and ¥1,090 million in write-downs on investment securities, a ¥1,437 million decrease in notes and accounts receivable, a ¥906 million increase in accrued consumption taxes and other, a ¥675 million decrease in accrued consumption taxes and other, and ¥737 million in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities totaled ¥3,917 million, compared to ¥3,262 million in the previous year. Main factors included ¥5,230 million in purchase of property, plant and equipment and ¥1,303 million in sale of investment securities.

Cash flows from financing activities

Net cash used in financing activities was ¥5,455 million, compared to ¥3,892 million in the previous year. Main factors included ¥10,000 million from long-term borrowings, ¥1,999 million in repayments of long-term borrowings, ¥11,623 million from the repurchase of the Company's own shares, and ¥1,833 million in dividends paid.

For the next fiscal year, we expect net cash provided by operating activities of around ¥7,860 million; net cash used in investing activities of around ¥5,280 million, mainly due to purchases of property, plant and equipment; and net cash used in financing activities of around ¥3,720 million, mainly influenced by repayments of long-term borrowings and payments of dividends.

Cash Flow Indicators

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Equity ratio	80.8%	81.8%	86.1%	75.9%
Equity ratio based on market price	107.0%	101.6%	94.7%	110.5%
Debt coverage	1.1 years	0.8 years	0.8 years	1.2 years
Interest coverage ratio	1,292.1 times	311.8 times	306.5 times	163.1 times

Notes:

1. Equity ratio: Equity capital/Total assets
2. Equity ratio based on market price: Total stock value based on market price/Total assets
3. Debt coverage: Interest-bearing debt/Operating cash flow
4. Interest coverage ratio: Operating cash flow/Interest paid
 - (1) Each index is calculated based on consolidated financial figures.
 - (2) Market value of total stock is calculated by multiplying the stock price (closing price at the end of the year) by the number of shares outstanding at the end of the year.
 - (3) Operating cash flow is calculated using net cash provided by operating activities (listed in the Consolidated Statements of Cash Flows)
 - (4) Interest-bearing debt refers to all debt that incurs interest (listed in the Consolidated Balance Sheets). However, it does not include long-term debt stated under guidance of Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ PITF No. 30, March 26, 2015). For interest paid, the amount shown in the Consolidated Statements of Cash Flows is used.

II. Basic Approach to Selection of Accounting Standards

To allow reliable year-on-year and company-to-company comparisons, the Hogy Medical Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards.

With respect to application of IFRS, our policy is to respond appropriately based on consideration of various domestic and overseas circumstances.

III. Consolidated Financial Statements and Notes

1. Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	19,419	22,005
Notes receivable - trade	2,711	1,596
Electronically recorded monetary claims - operating	4,307	4,322
Accounts receivable - trade	5,747	5,527
Merchandise and finished goods	4,502	4,734
Work in process	390	453
Raw materials and supplies	4,563	4,757
Other	1,382	803
Allowance for doubtful accounts	(0)	(0)
Total current assets	43,025	44,200
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,188	52,054
Accumulated depreciation	(28,654)	(30,503)
Buildings and structures, net	19,534	21,550
Machinery, equipment and vehicles	60,228	61,169
Accumulated depreciation	(45,502)	(49,432)
Machinery, equipment and vehicles, net	14,726	11,736
Land	9,728	9,793
Construction in progress	1,241	2,226
Other	5,951	5,760
Accumulated depreciation	(5,470)	(5,304)
Other, net	481	456
Total property, plant and equipment	45,712	45,763
Intangible assets		
Software	377	243
Software in progress	3	21
Telephone subscription right	13	13
Other	100	97
Total intangible assets	495	377
Investments and other assets		
Investment securities	9,213	5,982
Guarantee deposits	396	492
Deferred tax assets	263	301
Other	943	971
Allowance for doubtful accounts	(8)	(194)
Total investments and other assets	10,807	7,554
Total non-current assets	57,015	53,694
Total assets	100,041	97,895

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,834	4,765
Current portion of long-term borrowings	1,999	1,999
Income taxes payable	102	1,041
Provision for bonuses	464	458
Provision for bonuses for directors (and other officers)	70	70
Provision for losses on lease contracts	—	48
Notes payable - facilities	155	120
Accounts payable - other	131	465
Other	482	1,413
Total current liabilities	8,241	10,381
Non-current liabilities		
Long-term borrowings	3,669	11,670
Deferred tax liabilities	942	299
Retirement benefit liability	509	553
Long-term accounts payable – other	32	—
Provision for losses on lease contracts	—	120
Other	526	537
Total non-current liabilities	5,680	13,180
Total liabilities	13,921	23,562
Net assets		
Shareholders' equity		
Share capital	7,123	7,123
Capital surplus	8,294	8,294
Retained earnings	67,762	56,552
Treasury shares	(3,217)	(3,909)
Total shareholders' equity	79,962	68,060
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,418	2,154
Deferred gains or losses on hedges	—	112
Foreign currency translation adjustment	2,831	4,098
Remeasurements of defined benefit plans	(101)	(102)
Total accumulated other comprehensive income	6,148	6,263
Non-controlling interests	8	8
Total net assets	86,120	74,332
Total liabilities and net assets	100,041	97,895

2. Statements of Income and Comprehensive Income

(Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	39,100	39,138
Cost of sales	26,037	26,517
Gross profit	13,063	12,621
Selling, general and administrative expenses	8,894	8,810
Operating profit	4,169	3,810
Non-operating income		
Interest income	249	214
Dividend income	58	71
Foreign exchange gains	—	33
Insurance claim income	35	0
Rental income	62	77
Other	34	59
Total non-operating income	440	457
Non-operating expenses		
Interest expenses	23	70
Foreign exchange losses	37	—
Provision of allowance for doubtful accounts	—	183
Loss on investments in investment partnerships	187	65
Commission for purchase of treasury shares	—	46
Rental costs	94	88
Provision of reserve for loss on lease contracts	—	168
Other	21	0
Total non-operating expenses	363	622
Ordinary profit	4,245	3,645
Extraordinary income		
Gain on sale of non-current assets	40	—
Gain on sale of investment securities	—	1,109
Total extraordinary income	40	1,109
Extraordinary losses		
Loss on sale of non-current assets	—	1
Loss on abandonment of non-current assets	11	4
Impairment losses	198	529
Loss on valuation of investment securities	—	1,090
Loss on valuation of shares of subsidiaries and associates	—	188
Loss on sale of golf club membership	—	5
Total extraordinary losses	210	1,820
Profit before income taxes	4,075	2,934
Income taxes - current	1,183	1,622
Income taxes - deferred	99	(209)
Total income taxes	1,282	1,413
Profit	2,793	1,520
Profit (loss) attributable to non-controlling interests	(11)	0
Profit attributable to owners of parent	2,804	1,520

(Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	2,793	1,520
Other comprehensive income		
Valuation difference on available-for-sale securities	699	(1,264)
Deferred gains or losses on hedges	(102)	112
Foreign currency translation adjustment	917	1,267
Remeasurements of defined benefit plans, net of tax	3	(0)
Total other comprehensive income	1,516	115
Comprehensive income	4,310	1,636
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,321	1,635
Comprehensive income attributable to non-controlling interests	(10)	0

3. Statements of Changes in Shareholders' Equity

(April 1, 2023–March 31, 2024)

(Millions of yen)

	Shareholders' equity					Total shareholders' equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares			
Balance at the beginning of the fiscal year	7,123	8,270	91,142	(27,561)		78,974	
Changes during the fiscal year							
Dividends of surplus			(1,892)			(1,892)	
Profit attributable to owners of parent			2,804			2,804	
Purchase of treasury shares				(0)		(0)	
Disposal of treasury shares		(3)		56		53	
Cancellation of treasury shares		(24,288)		24,288		—	
Transfer from retained earnings to capital surplus		24,291	(24,291)			—	
Change in ownership interest of parent due to transactions with non-controlling interests		23				23	
Net changes in items other than Shareholders' equity							
Total changes during the fiscal year	—	23	(23,379)	24,344		988	
Balance at the end of the fiscal year	7,123	8,294	67,762	(3,217)		79,962	
	Accumulated other comprehensive income					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 the beginning of the fiscal year	2,719	102	1,914	(104)	4,632	72	83,678
Changes during the fiscal year							
Dividends of surplus							(1,892)
Profit attributable to owners of parent							2,804
Purchase of treasury shares							(0)
Disposal of treasury shares							53
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in ownership interest of parent due to transactions with non-controlling interests							23
Net changes in items other than Shareholders' equity	699	(102)	916	3	1,516	(63)	1,453
Total changes during the fiscal year	699	(102)	916	3	1,516	(63)	2,441
Balance at the end of the fiscal year	3,418	—	2,831	(101)	6,148	8	86,120

(April 1, 2024–March 31, 2025)

(Millions of yen)

	Shareholders' equity					Total shareholders' equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares			
Balance at the beginning of the fiscal year	7,123	8,294	67,762	(3,217)		79,962	
Changes during the fiscal year							
Dividends of surplus			(1,833)			(1,833)	
Profit attributable to owners of parent			1,520			1,520	
Purchase of treasury shares				(11,623)		(11,623)	
Disposal of treasury shares		2		31		33	
Cancellation of treasury shares		(10,899)		10,899		—	
Transfer from retained earnings to capital surplus		10,897	(10,897)			—	
Net changes in items other than Shareholders' equity							
Total changes during the fiscal year	—	—	(11,210)	(692)		(11,902)	
Balance at the end of the fiscal year	7,123	8,294	56,552	(3,909)		68,060	

	Accumulated other comprehensive income						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	Non-controlling interests	
Balance at the beginning of the fiscal year	3,418	—	2,831	(101)	6,148	8	86,120
Changes during the fiscal year							
Dividends of surplus							(1,833)
Profit attributable to owners of parent							1,520
Purchase of treasury shares							(11,623)
Disposal of treasury shares							33
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than Shareholders' equity	(1,264)	112	1,267	(0)	114	0	115
Total changes during the fiscal year	(1,264)	112	1,267	(0)	114	0	(11,787)
Balance at the end of the fiscal year	2,154	112	4,098	(102)	6,263	8	74,332

4. Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,075	2,934
Depreciation	6,607	5,741
Increase (decrease) in retirement benefit liability	9	(19)
Increase (decrease) in allowance for doubtful accounts	0	186
Interest and dividend income	(307)	(285)
Interest expenses	23	70
Loss (gain) on investments in investment partnerships	187	65
Foreign exchange losses (gains)	42	24
Loss (gain) on sale of property, plant and equipment	(40)	1
Loss (gain) on sale of investment securities	—	(1,109)
Loss (gain) on disposal of property, plant and equipment	11	4
Impairment losses	198	529
Loss (gain) on valuation of investment securities	—	1,090
Loss on valuation of shares of subsidiaries and associates	—	188
Decrease (increase) in trade receivables	(739)	1,437
Decrease (increase) in inventories	(410)	(188)
Increase (decrease) in trade payables	(40)	(185)
Increase (decrease) in accrued consumption taxes	(562)	906
Decrease (increase) in consumption taxes refund receivable	(675)	675
Decrease (increase) in other current assets	(50)	(82)
Increase (decrease) in other current liabilities	(170)	133
Decrease (increase) in other investments	(61)	(384)
Increase (decrease) in other non-current liabilities	(3)	85
Other, net	1,007	213
Subtotal	9,101	12,033
Interest and dividends received	291	330
Interest paid	(23)	(70)
Income taxes paid	(2,252)	(737)
Net cash provided by (used in) operating activities	7,117	11,555
Cash flows from investing activities		
Payments into time deposits	(287)	(2)
Proceeds from withdrawal of time deposits	2	159
Purchase of investment securities	(206)	(280)
Proceeds from sale of investment securities	—	1,303
Purchase of property, plant and equipment	(2,686)	(5,230)
Proceeds from sale of property, plant and equipment	43	4
Purchase of intangible assets	(115)	(77)
Proceeds from distributions from investment partnerships	63	204
Loan advances	(50)	(25)
Proceeds from collection of loans receivable	0	2
Decrease (increase) in investments and other assets	(27)	23
Net cash provided by (used in) investing activities	(3,262)	(3,917)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	(1,999)	(1,999)
Purchase of treasury shares	(0)	(11,623)
Dividends paid	(1,892)	(1,833)
Net cash provided by (used in) financing activities	(3,892)	(5,455)
Effect of exchange rate change on cash and cash equivalents	310	528
Net increase (decrease) in cash and cash equivalents	272	2,710
Cash and cash equivalents at the beginning of the fiscal year	18,351	18,623
Cash and cash equivalents at the end of the fiscal year	18,623	21,334

5. Notes on Consolidated Financial Statements

Note related to ongoing concern assumption

Not applicable.

Note on segment information

The Company and its consolidated subsidiaries are engaged in the manufacture and sales of medical-use consumables and in peripheral activities, which together are regarded as a single business. Accordingly, there are no classified segments for disclosure purposes.

Notes on per-share information

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	¥3,547.47	¥3,447.34
Profit per share	¥115.57	¥67.98

Notes:

1. Diluted profit per share is not shown because there are no diluted shares outstanding.
2. The basis for calculating profit per share is shown below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent	¥2,804 million	¥1,520 million
Profit attributable to owners of parent related to common stock	¥2,804 million	¥1,520 million
Average number of shares during the fiscal year	24,268,040 shares	22,370,003 shares

Notes on subsequent events

Not applicable.