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May 11, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: NIPPON THOMPSON CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6480
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 22, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for securities analysts and institutional investors)

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

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

(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, 2026	63,031	15.9	4,102	249.6	5,162	262.9	4,069	626.8
March 31, 2025	54,384	(1.2)	1,173	(64.7)	1,422	(69.6)	559	(81.6)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥8,518 million [—%]
 For the fiscal year ended March 31, 2025: ¥296 million [(96.2)%]

	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	Yen	Yen	%	%	%
March 31, 2026	58.51	58.39	5.1	4.2	6.5
March 31, 2025	8.11	8.09	0.7	1.2	2.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥— million
 For the fiscal year ended March 31, 2025: ¥— million

Note: The Company changed its accounting policy beginning with the fiscal year ended March 31, 2026. The figures for the fiscal year ended March 31, 2025 are stated after adjustment is applied retroactively for the change.

(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, 2026	125,459	83,184	66.2	1,191.00
March 31, 2025	121,106	76,072	62.7	1,099.01

Reference: Equity
 As of March 31, 2026: ¥83,111 million
 As of March 31, 2025: ¥75,972 million

Note: The Company changed its accounting policy beginning with the fiscal year ended March 31, 2026. The figures for the fiscal year ended March 31, 2025 are stated after adjustment is applied retroactively for the change.

(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, 2026	9,479	(3,725)	(6,197)	22,968
March 31, 2025	6,449	(3,435)	912	22,678

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	9.50	—	9.50	19.00	1,338	234.3	1.7
Fiscal year ended March 31, 2026	—	14.00	—	15.50	29.50	2,090	50.4	2.6
Fiscal year ending March 31, 2027 (Forecast)	—	16.00	—	16.00	32.00		32.4	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
First half	37,200	23.0	3,700	139.7	3,400	91.4	2,400	40.6	34.64
Full year	75,000	19.0	8,200	99.9	8,100	56.9	6,800	67.1	98.66

* **Notes**

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

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For further details, please refer to “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 12.

(3) Number of issued shares (common shares)

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

As of March 31, 2026	73,501,425 shares
As of March 31, 2025	73,501,425 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	3,718,760 shares
As of March 31, 2025	4,372,794 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	69,545,918 shares
Fiscal year ended March 31, 2025	69,017,657 shares

Note: The number of treasury shares at the end of the period includes Nippon Thompson shares held by the share-issuing trust account for executives and by the employee stock ownership plan (ESOP) trust account (1,460,100 shares as of March 31, 2026 and 1,292,900 shares as of March 31, 2025). In the calculation of the average number of shares outstanding during the period, Nippon Thompson shares held by the share-issuing trust account for executives and the ESOP trust account are included in excluded treasury stock (1,173,750 shares as of March 31, 2026 and 1,399,158 shares as of March 31, 2025).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	49,461	16.1	1,783	—	4,595	—	3,743	—
March 31, 2025	42,593	(2.9)	(625)	—	101	(96.8)	(820)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	53.83	53.71
March 31, 2025	(11.89)	—

(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, 2026	99,764	60,776	60.8	869.88
March 31, 2025	98,281	56,264	57.1	812.47

Reference: Equity

As of March 31, 2026:	¥60,702 million
As of March 31, 2025:	¥56,164 million

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

* Proper use of earnings forecasts and other special matters

Performance forecasts presented herein are based on information available to the Nippon Thompson Group (the “Group”) as of the date of this document, May 11, 2026. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections. For performance forecasts, please refer to “1. Qualitative Information on Financial Results (4) Outlook” on page 3.

1. Qualitative Information on Financial Results

(1) Explanation of Operating Results

During the fiscal year ended March 31, 2026, the global economy stayed on a moderate recovery path, supported by economic policy measures implemented by various countries as well as solid capital investment demand, despite continuing uncertainties due to the impact of U.S. trade policy, escalating tensions in the Middle East, and other factors.

Against this backdrop, the Group entered the second year of its “IKO Medium-term Business Plan 2026 Connect for Growth —The Future of Innovation, Connected by IKO—,” which sets out the basic policies of focusing on enhancement in areas of strength and rebuilding our global business structure, and promoted various measures that leverage the Company’s strengths. In August 2025, R&D Center China was established within our sales subsidiary, IKO-THOMPSON (SHANGHAI) LTD, with the aim of further reinforcing our technical development and our ability to rapidly respond to customers in the Chinese market. In addition, to materialize our global strategy aimed at achieving long-term growth, we reorganized our corporate structure to adopt a divisional system in October 2025, aiming to expedite decision-making, enhance the specialization of key functions, and create new revenue opportunities.

From a sales perspective, we participated in trade exhibitions in Japan and overseas, and actively held seminars and mini-exhibitions at customer offices to deepen business relationships with existing customers and cultivate new markets and customers.

In terms of product development, we enhanced our lineup of high-value-added products that meet customer needs by launching 11 new products, including the Anti-Creep Cage Crossed Roller Way V CRWG...V, which combines higher load capacity and longer stroke, the Lightweight Crossed Roller Bearings LCRB, which has a weight reduction of over 60% compared to conventional products, and the Nano Linear NT 100V, a low-profile, high-thrust Linear Motor Table equipped with a newly designed engine.

From a production standpoint, we worked to improve production efficiency by promoting the improvement and optimization of the production function of our bases in Japan and overseas, as well as the automation of processes, with the aim of building a responsive global production system.

Turning to the Group’s operational results, net sales increased in Japan as demand rose for electronics-related devices such as semiconductor manufacturing equipment and practical equipment, as well as for machine tools. In North America, net sales increased as demand rose for general industrial machinery, including robots and various medical equipment. In Europe, net sales increased thanks to a recovery in demand for commercial application products and weak yen benefits. In China, net sales increased owing to higher semiconductor-related demand and large-scale capital investment projects. Other regions, comprising mainly Singapore and Taiwan, also saw increases in net sales.

As a result, consolidated net sales for the fiscal year ended March 31, 2026 totaled ¥63,031 million, up 15.9% year on year. On the earnings front, due to some factors such as the effects of the increase in net sales and increase in production volume, operating profit was ¥4,102 million, up 249.6% year on year, ordinary profit was ¥5,162 million, up 262.9% year on year, and profit attributable to owners of parent was ¥4,069 million, up 626.8% year on year.

In the fiscal year ended March 31, 2026, net production of Needle Roller Bearings and Linear Motion Rolling Guides was ¥52,369 million based on average sales price, up 13.5% year on year. And, net orders of Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components were up 29.8% year on year to ¥72,503 million.

Because the Group manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components on an integrated basis, disclosure of segment information has been omitted. Sales of Needle Roller Bearings and Linear Motion Rolling Guides totaled ¥56,533 million, up 17.9% year on year. Sales of Machine Components were ¥6,497 million, up 1.2% year on year.

Business Segment Information

	Fiscal year ended March 31, 2026		Fiscal year ended March 31, 2025		Change	
	Millions of yen	Component percentages	Millions of yen	Component percentages	Millions of yen	Percentage change
Needle Roller Bearings, Linear Motion Rolling Guides	56,533	89.7	47,966	88.2	8,567	17.9
Machine Components	6,497	10.3	6,417	11.8	79	1.2
Total net sales	63,031	100.0	54,384	100.0	8,646	15.9

(2) Explanation of Financial Position

Assets, liabilities and net assets

Total assets as of March 31, 2026, totaled ¥125,459 million, an increase of ¥4,352 million compared with the end of the previous fiscal year. This mainly comprised increases in cash and deposits of ¥568 million, notes and accounts receivable - trade of ¥3,169 million, investment securities of ¥3,286 million, and retirement benefit asset of ¥724 million, as well as a decrease in inventories of ¥3,985 million.

Total liabilities amounted to ¥42,274 million, a decrease of ¥2,759 million compared with the end of the previous fiscal year. This mainly comprised increases in income taxes payable of ¥703 million, deferred tax liabilities of ¥390 million, accrued expenses of ¥304 million, and allowance for factory closure losses of ¥413 million, as well as a decrease in long-term borrowings of ¥4,647 million.

Total net assets amounted to ¥83,184 million, an increase of ¥7,112 million compared with the end of the previous fiscal year. This mainly comprised increases in retained earnings of ¥2,413 million, valuation difference on available-for-sale securities of ¥2,163 million, and foreign currency translation adjustments of ¥2,162 million.

(3) Explanation of Cash Flows

Cash and cash equivalents as of March 31, 2026 totaled ¥22,968 million, an increase of ¥290 million compared with the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥9,479 million, an increase of ¥3,029 million compared with the previous fiscal year. The major inflows were profit before income taxes of ¥4,752 million, depreciation and amortization of ¥3,217 million, and decrease in inventories of ¥5,246 million, while the major outflows were increase in trade receivables of ¥2,638 million and income taxes paid of ¥567 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥3,725 million, an increase of ¥289 million compared with the previous fiscal year. The major inflow was proceeds from withdrawal of time deposits of ¥1,470 million, while the major outflows were payments into time deposits of ¥1,613 million and payments for purchase of property, plant and equipment of ¥3,256 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥6,197 million (proceeds of ¥912 million in the previous fiscal year). The major inflow was proceeds from long-term borrowings of ¥3,018 million, while the major outflows were repayments of long-term borrowings of ¥7,665 million and cash dividends paid of ¥1,665 million.

The trend of cash flow indices is as follows:

	For the periods ended			
	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023
Equity ratio (%)	66.2	62.7	64.1	62.7
Equity ratio on market value basis (%)	47.4	27.7	36.8	36.1
Debt repayment period (Years)	3.2	5.4	—	3.5
Interest coverage ratio (Times)	31.5	25.6	—	63.9

Notes:

Equity ratio:	Total shareholders' equity / total assets
Equity ratio on market value basis:	Aggregate market value of common stock / total assets
Debt repayment period:	Interest-bearing liabilities / cash flows from operating activities
Interest coverage ratio:	Cash flows from operating activities / interest payments

1. All indices based on consolidated financial figures.
2. Aggregate market value of common stock:
Market price at the period-end x number of shares outstanding at the period-end (excluding treasury stock)
3. Cash flows from operating activities corresponds to the cash flow from operating activities in the consolidated statements of cash flows. Interest-bearing liabilities include all liabilities reported on the consolidated balance sheets for which the Group is paying interest. Interest payments correspond to the interest paid in the consolidated statements of cash flows.

(4) Outlook

Looking ahead, the outlook for the Group's operating environment remains highly uncertain due to factors such as rising trade costs as a result of U.S. tariff policy, surging resource prices and inflation, sharp exchange rate fluctuations, and expansion of geopolitical risks caused by escalating tensions in the Middle East. In addition, shifting international conditions have increased the risk of a global economic slowdown. There are also concerns that supply-side impacts, such as difficulties procuring raw materials and components, could arise across the entire supply chain.

Against this backdrop, demand for capital investment, particularly in electronics-related devices, is expected to remain steady, supported by increased semiconductor demand for generative AI and moves toward automation and labor-saving due to labor shortages. The Group will monitor changes in the external environment closely, pursue flexible and timely management decisions, and strengthen its ability to address risks through measures such as reinforcing supply chain. The Group will also promote strategic initiatives in line with the current Medium-term Business Plan, with the aim of achieving sustainable improvement in corporate value.

In light of these economic conditions, the Group is forecasting consolidated net sales of ¥75,000 million, operating profit of ¥8,200 million, ordinary profit of ¥8,100 million, and profit attributable to owners of parent of ¥6,800 million. The assumed exchange rates underlying this financial results forecast are 1 USD = ¥150, 1 EUR = ¥175, and 1 CNY = ¥22.

Heightened geopolitical risks caused by escalating tensions in the Middle East, among other factors, could affect business performance. However, this possibility has not been incorporated into the current financial result forecasts. We will promptly disclose any impacts on our financial results once they come to light.

(5) Fundamental Earnings Distribution Policy and Dividends for the Current and Next Fiscal Periods

Nippon Thompson Co., Ltd. (the "Company") positions the return of profits to shareholders as one of its major management issues. With regard to the distribution of profits, while the Company's basic policy is to maintain stable dividends by taking performance levels into overall consideration, it will also strive to further enhance shareholder returns.

In addition, while giving heed to such factors as the future business environment, the Group intends to retain sufficient internal reserves. Specifically in this regard, the Group works to strengthen its management base and improve earnings power to maximize corporate value. Simultaneously, it reviews production systems that

respond to rapid technological innovation and fluctuating demand and makes such investments as new product development.

In keeping with the basic policy and as a result of a general review of, for example, the level of performance over the fiscal year and internal reserves, the Company plans a year-end dividend of ¥15.5 per share. Including the interim dividend of ¥14 per share, the planned full-year dividend payment will be ¥29.5 per share.

The Company is forecasting a dividend of ¥32 per share (including an interim dividend of ¥16 per share) for the fiscal year ending March 31, 2027.

2. Basic Stance on Selection of Accounting Methods

The Group applies “Japanese GAAP” to facilitate the comparison of consolidated financial statements with different reporting periods.

As for the adoption of “International Financial Reporting Standards (IFRS),” the Group maintains a policy of continuing to appropriately respond to the situation going forward.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	25,002	24,434
Notes and accounts receivable - trade	17,167	13,997
Finished products	16,959	19,752
Work in process	10,555	10,978
Raw material	7,734	8,504
Others	1,819	1,946
Less: Allowance for doubtful accounts	(8)	(11)
Total current assets	79,231	79,602
Non-current assets		
Tangible fixed assets		
Buildings and structures	27,814	26,994
Accumulated depreciation	(20,843)	(20,035)
Buildings and structures, net	6,970	6,958
Machinery and vehicles	63,215	61,177
Accumulated depreciation	(52,302)	(50,460)
Machinery and vehicles, net	10,913	10,716
Tools, furniture and fixtures	11,713	11,385
Accumulated depreciation	(10,926)	(10,693)
Tools, furniture and fixtures, net	787	692
Land	2,852	2,850
Lease assets	855	800
Accumulated depreciation	(495)	(444)
Lease assets, net	360	355
Construction in progress	653	952
Others	1,390	1,150
Total tangible fixed assets	23,928	23,677
Intangible fixed assets	1,996	1,949
Investments and other assets		
Investment securities	14,397	11,110
Deferred tax assets	340	172
Retirement benefit asset	2,112	1,388
Others	3,473	3,230
Less: Allowance for doubtful accounts	(21)	(23)
Total investments and other assets	20,303	15,876
Total non-current assets	46,227	41,503
Total assets	125,459	121,106

(Millions of yen)

	As of March 31, 2026	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,205	3,977
Current portion of bonds	5,000	–
Current portion of long-term borrowings	6,663	7,415
Lease liabilities	432	371
Accrued expenses	3,147	2,842
Income taxes payable	864	160
Allowance for directors' bonuses	58	44
Allowance for factory closure losses	413	–
Others	1,729	2,234
Total current liabilities	22,514	17,046
Non-current liabilities		
Corporate bonds	5,000	10,000
Long-term borrowings	12,294	16,190
Lease liabilities	1,151	927
Deferred tax liabilities	852	462
Net defined benefit liabilities	32	32
Provision for share-based remuneration for directors	288	248
Others	139	127
Total non-current liabilities	19,759	27,987
Total liabilities	42,274	45,034
Net assets		
Shareholders' equity		
Common stock	9,533	9,533
Capital surplus	12,963	12,886
Retained earnings	47,945	45,531
Treasury stock	(2,126)	(2,324)
Total shareholders' equity	68,315	65,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,916	4,753
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustments	7,555	5,392
Remeasurements of defined benefit plans	325	200
Total accumulated other comprehensive income	14,795	10,346
Subscription rights to shares	73	99
Total net assets	83,184	76,072
Total liabilities and net assets	125,459	121,106

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025
Net sales	63,031	54,384
Cost of sales	42,832	37,680
Gross profit	20,198	16,703
Selling, general and administrative expenses	16,095	15,529
Operating profit	4,102	1,173
Non-operating income		
Interest income	108	94
Dividend income	337	317
Foreign exchange gains	625	—
Insurance claim income	17	13
Others	371	281
Total non-operating income	1,460	708
Non-operating expenses		
Interest expenses	294	266
Loss on retirement of non-current assets	13	20
Foreign exchange losses	—	79
Bond issuance cost	—	33
Economic compensation	49	—
Others	43	59
Total non-operating expenses	401	459
Ordinary profit	5,162	1,422
Extraordinary income		
Insurance income	—	226
Gain on sale of investment securities	430	1,153
Total extraordinary income	430	1,380
Extraordinary losses		
Loss on disaster	—	234
Impairment losses	426	629
Provision for allowance for factory closure losses	413	—
Total extraordinary losses	839	864
Profit before income taxes	4,752	1,938
Income taxes - current	1,507	768
Income taxes - deferred	(824)	610
Total income taxes	683	1,379
Profit	4,069	559
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	4,069	559

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025
Profit	4,069	559
Other comprehensive income		
Valuation difference on available-for-sale securities	2,163	(253)
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustments	2,162	(1)
Remeasurements of defined benefit plans	125	(8)
Total other comprehensive income	4,449	(262)
Comprehensive income	8,518	296
Breakdown:		
Comprehensive income attributable to owners of parent	8,518	296
Comprehensive income attributable to non-controlling interests	—	—

(3) Statement of Changes in Consolidated Shareholders' Equity

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2025	9,533	12,886	45,531	(2,324)	65,626
Cumulative impact of changes in accounting policies					
Balance as of April 1, 2025 restated to reflect changes in accounting policy	9,533	12,886	45,531	(2,324)	65,626
Changes during the period					
Cash dividends			(1,655)		(1,655)
Profit attributable to owners of parent			4,069		4,069
Acquisition of treasury stock				(518)	(518)
Disposal of treasury stock		77		716	793
Net changes in items other than shareholders' equity					
Total changes during the period	—	77	2,413	198	2,689
As of March 31, 2026	9,533	12,963	47,945	(2,126)	68,315

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized holding gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
As of April 1, 2025	4,753	(0)	5,392	200	10,346	99	76,072
Cumulative impact of changes in accounting policies							
Balance as of April 1, 2025 restated to reflect changes in accounting policy	4,753	(0)	5,392	200	10,346	99	76,072
Changes during the period							
Cash dividends							(1,655)
Profit attributable to owners of parent							4,069
Acquisition of treasury stock							(518)
Disposal of treasury stock							793
Net changes in items other than shareholders' equity	2,163	(2)	2,162	125	4,449	(26)	4,423
Total changes during the period	2,163	(2)	2,162	125	4,449	(26)	7,112
As of March 31, 2026	6,916	(2)	7,555	325	14,795	73	83,184

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital Surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2024	9,533	12,886	45,451	(2,430)	65,440
Cumulative impact of changes in accounting policies			859		859
Balance as of April 1, 2024 restated to reflect changes in accounting policy	9,533	12,886	46,310	(2,430)	66,299
Changes during the period					
Cash dividends			(1,337)		(1,337)
Profit attributable to owners of parent			559		559
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock			(1)	106	104
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	(779)	106	(673)
As of March 31, 2025	9,533	12,886	45,531	(2,324)	65,626

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized holding gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
As of April 1, 2024	5,007	(1)	5,394	208	10,609	114	76,164
Cumulative impact of changes in accounting policies							859
Balance as of April 1, 2024 restated to reflect changes in accounting policy	5,007	(1)	5,394	208	10,609	114	77,023
Changes during the period							
Cash dividends							(1,337)
Profit attributable to owners of parent							559
Acquisition of treasury stock							(0)
Disposal of treasury stock							104
Net changes in items other than shareholders' equity	(253)	0	(1)	(8)	(262)	(15)	(278)
Total changes during the period	(253)	0	(1)	(8)	(262)	(15)	(951)
As of March 31, 2025	4,753	(0)	5,392	200	10,346	99	76,072

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,752	1,938
Depreciation and amortization	3,217	3,240
Impairment losses	426	629
Increase (decrease) in net defined benefit liabilities	(72)	(73)
Increase (decrease) in allowance for factory closure losses	413	—
Interest and dividend income	(446)	(412)
Interest expenses	294	266
Insurance claim income	—	(226)
Loss on disaster	—	234
Foreign exchange losses (gains)	(352)	338
Loss (gain) on sales of investment securities	(430)	(1,153)
Decrease (increase) in trade receivables	(2,638)	(568)
Decrease (increase) in inventories	5,246	3,142
Decrease (increase) in accounts receivable - other	115	501
Increase (decrease) in trade payables	(226)	(579)
Increase (decrease) in accrued expenses	275	(159)
Others-net	(673)	(175)
Subtotal	9,901	6,942
Interest and dividends received	446	412
Interest paid	(300)	(251)
Proceeds from insurance income	—	225
Payments associated with disaster loss	—	(35)
Income taxes paid	(567)	(843)
Net cash provided by (used in) operating activities	9,479	6,449
Cash flows from investing activities		
Payments into time deposits	(1,613)	(2,136)
Proceeds from withdrawal of time deposits	1,470	1,144
Purchase of property, plant and equipment	(3,256)	(3,180)
Purchase of intangible assets	(232)	(451)
Proceeds from sale of investment securities	539	1,599
Purchase of insurance funds	(343)	(311)
Proceeds from cancellation of insurance funds	45	—
Others-net	(334)	(100)
Net cash provided by (used in) investing activities	(3,725)	(3,435)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(5,000)
Proceeds from long-term borrowings	3,018	13,500
Repayments of long-term borrowings	(7,665)	(6,114)
Proceeds from issuance of bonds	—	5,000
Redemption of bonds	—	(5,000)
Dividends paid	(1,665)	(1,327)
Purchase of treasury shares	(518)	(0)
Proceeds from sale of treasury shares	840	89
Others-net	(206)	(235)
Net cash provided by (used in) financing activities	(6,197)	912
Effect of exchange rate change on cash and cash equivalents	733	(229)
Net increase (decrease) in cash and cash equivalents	290	3,697
Cash and cash equivalents at beginning of period	22,678	18,980
Cash and cash equivalents at end of period	22,968	22,678

(5) Notes to Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable.

(Changes in Accounting Policies)

(Change in the method for elimination of unrealized profits and losses)

Previously, we calculated unrealized profits and losses related to intragroup sale and purchase of inventories by multiplying the purchasing entity's asset balance in a foreign currency by the selling entity's percentage margin, then translating the obtained amount in a foreign currency into yen using the exchange rate prevailing at the end of a reporting period. Since the fiscal year ended March 31, 2026, we have changed the calculation method, so that we multiply the selling entity's selling price by the selling entity's percentage margin.

This change is intended to mitigate the impact of temporary currency exchange rate changes on profits and losses and other accounts in a reporting period, which has become more significant, and apply a method that makes it possible to account for unrealized profits and losses in amounts that more appropriately represent their actual state.

This accounting policy change has been applied retroactively, and the consolidated financial statements for the fiscal year ended March 31, 2025 reflect the retroactive application.

As a result, in the consolidated balance sheet as of March 31, 2025, finished products increased by ¥440 million, and retained earnings increased by the same amount, compared to their amounts before applying this accounting policy change. In the consolidated statements of income for the fiscal year ended March 31, 2025, cost of sales increased by ¥418 million, and operating profit, ordinary profit, and profit before income taxes decreased by the same amount.

In addition, in the consolidated statements of cash flows for the fiscal year ended March 31, 2025, profit before income taxes decreased by ¥418 million, and decrease (increase) in inventories increased by the same amount.

As the amount of the cumulative impact was included in net assets at the beginning of the fiscal year ended March 31, 2025, retained earnings at the beginning of the same fiscal year increased by ¥859 million.

In the fiscal year ended March 31, 2025, net assets per share increased by ¥6.37, while earnings per share decreased by ¥6.07.

(Segment Information, etc.)

The disclosure of segment information has been omitted as the Group operates under a single business segment of manufacture and sale of Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components and its significance is minimal.

(Per Share Information)

	Yen	
	March 31, 2026	March 31, 2025
Net assets per share	1,191.00	1,099.01
Earnings per share	58.51	8.11
Diluted earnings per share	58.39	8.09

Notes: 1. Basis for calculations of earnings per share and diluted earnings per share is as follows.

	Millions of yen	
	March 31, 2026	March 31, 2025
Earnings per share		
Profit attributable to owners of parent	4,069	559
Value not attributed to common stock	—	—
Profit attributable to owners of parent pertaining to common stock	4,069	559
Average number of shares outstanding at period-end	69,545,918 shares	69,017,657 shares
Diluted earnings per share		
Adjustment value of profit attributable to owners of parent	—	—
Increase in number of shares outstanding (of which subscription rights to shares)	148,018 shares (148,018 shares)	192,998 shares (192,998 shares)
Residual shares not included in the calculation of diluted earnings income per share because they have no dilutive effect	—	—

2. With regard to the computation of the number of shares outstanding at period-end, which is used to determine net assets per share, and the average number of shares outstanding at period-end, which is used to determine earnings per share for the period, the shares held by the share-issuing trust for executives and the ESOP trust are included in treasury stock to be deducted.

(Important Subsequent Events)

(Acquisition of Own Shares)

The Company has resolved, at a meeting of the Board of Directors held on May 11, 2026, the matters concerning the acquisition of own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Paragraph 3, Article 165 Article of the same Act.

1. Reasons for acquisition of own shares

As part of the shareholder returns policy in the Medium-term Business Plan 2026, the Company has set a goal of total payout ratio of 50% or more. Under the policy, the Company conducts the acquisition of own shares so as to implement flexible capital policy, enhance shareholder returns, and improve capital efficiency.

2. Details of matters related to acquisition

- | | |
|--|--|
| (1) Class of shares to be acquired: | Common stock |
| (2) Total number of shares to be acquired: | Up to 1,424,900 shares |
| (3) Total amount of share acquisition costs: | Up to ¥1,600 million |
| (4) Acquisition period: | From May 12, 2026, to September 30, 2026 |
| (5) Acquisition method: | Market purchases on the Tokyo Stock Exchange |