Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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

May 13, 2025

Company name: Meito Sangyo Co., Ltd.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 2207
URL: https://www.meito-sangyo.co.jp
Representative: Masuo Mitsuya ,Representative Director and President
Inquiries: Masanao Kurimoto ,Manager of Accounting Department
Telephone: +81-52-521-7111
Scheduled date of annual general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file annual securities report: June 25, 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.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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	28,071	15.1	1,405	505.7	2,671	86.8	4,719	-
March 31, 2024	24,392	7.3	232	144.1	1,430	26.3	(703)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 4,362 million [(36.3)%]
Fiscal year ended March 31, 2024: ¥ 6,851 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	278.83	-	8.9	3.2	5.0
March 31, 2024	(41.59)	-	(1.5)	1.9	1.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 43 million
Fiscal year ended March 31, 2024: ¥ 48 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	83,325	54,912	65.9	3,243.94
March 31, 2024	82,247	51,068	62.1	3,018.83

(Reference) Equity: As of March 31, 2025: ¥ 54,912 million
As of March 31, 2024: ¥ 51,068 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 period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	4,236	960	(4,365)	7,194
March 31, 2024	2,903	(3,611)	1,718	6,362

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	13.00	-	15.00	28.00	473	-	1.0
March 31, 2025	-	17.00	-	18.00	35.00	592	12.6	1.1
Fiscal year ending March 31, 2026 (Forecast)	-	20.00	-	20.00	40.00		33.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,500	5.1	1,600	13.8	2,800	4.8	2,000	(57.6)	118.15

* Notes:

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

Newly included: 1 (Company name: PCS Co., Ltd.)

Excluded: - (Company name:)

(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 period (including treasury shares):

March 31, 2025: 17,289,308 shares

March 31, 2024: 17,277,683 shares

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

March 31, 2025: 361,525 shares

March 31, 2024: 360,874 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 16,924,461 shares

Fiscal Year ended March 31, 2024: 16,913,301 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	20,102	5.9	1,017	99.5	2,229	34.0	3,883	-
March 31, 2024	18,981	9.2	509	398.0	1,663	51.7	(18)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	229.48	-
March 31, 2024	(1.10)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	78,778	52,963	67.2	3,128.76
March 31, 2024	78,675	50,084	63.7	2,960.61

(Reference) Equity: As of March 31, 2025: ¥ 52,963 million
As of March 31, 2024: ¥ 50,084 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

[Disclaimer regarding forward-looking statements and other information]

Forward-looking statements, such as business forecasts, included in this document are based on management’s estimates, assumptions, and projections at the time of publication. These statements do not represent a promise or commitment by the Company to achieve those forecasts. Actual operating results may differ significantly due to various factors.

Table of Contents - Attachments

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The Japanese economy in the fiscal year ended March 31, 2025 showed a moderate recovery on the back of the improving employment and income environment and increasing demand from inbound tourists. Meanwhile, the outlook remained uncertain due to such factors as inflation and trends in U.S. trade policy.

In the markets for the confectionery and food business, which is one of the core businesses of the Group, the business environment remained difficult due to heightened budget consciousness among consumers, reflecting the clear impact of product price revisions that have taken place as a result of soaring ingredient prices and rising personnel and logistics costs.

Under such circumstances, the Group started the new medium-term management plan MEITO CHALLENGE 2026, which aimed for corporate value improvement with the slogan of "Challenge for the future: Taking on challenges that create the future." The Group continued to commit to ensuring the safety and improving the quality of products, as well as offered high-quality and high-value-added products in pursuit of tastiness, joy, and health and promoted products from core brands, including Alphabet Chocolate, Pukupukutai, and the Stick Mate series. In addition, in marking the 80th anniversary in February 2025, the Company revisited the raison d'etre of the Group, the business of which has diversified. This prompted the Company to change the trade name to MEITO CO., LTD., on the condition that a partial amendment to the Articles of Incorporation is approved at the Annual General Meeting of Shareholders to be held on June 26, 2025. By aligning the trade name with the Meito brand, which customers have long been familiar with, the Company aims to evolve in Japan and abroad and seeks to further increase brand recognition and corporate value.

As a result, net sales for the fiscal year ended March 31, 2025 increased by 15.1% year on year to ¥28,071 million, greatly exceeding the previous fiscal year's results. This is due in part to the net increase resulting from the addition of the sales of Oimoya Co., Ltd., which was made a consolidated subsidiary in February 2024. Operating profit increased by 505.7% year on year to ¥1,405 million, mainly due to the addition of the profit of Oimoya Co., Ltd. and strong performance of other subsidiaries, in addition to the increase in net sales and improvement in the cost-to-sales ratio thanks to changes in product volume per unit and product price revisions. Ordinary profit increased by 86.8% year on year to ¥2,671 million, mainly due to an increase in dividend income, in addition to the improvement in operating profit. The Group recorded a profit attributable to owners of parent of ¥4,719 million, mainly as a result of posting a gain on sale of investment securities of ¥3,363 million under extraordinary income. The Group had recorded a loss attributable to owners of parent of ¥703 million for the fiscal year ended March 31, 2024.

Business performance by segment is as follows:

(Food Business)

Net sales for each division are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Year-on-year change (%)	Year-on-year change (Amount)
Confectionery	18,805	15,737	19.5%	3,067
Powdered drink mix	2,864	2,838	0.9%	25
Ice cream	2,308	2,097	10.0%	210
Other food	427	360	18.5%	66
Food Business total	24,405	21,035	16.0%	3,370

In the fiscal year ended March 31, 2025, changes in product volume per unit and product price revisions were implemented for certain products. This was due to a difficult business environment, characterized by soaring ingredient prices and persistently high energy costs.

Sales increased in the mainstay confectionery division, thanks to promotional activities, including "Pukupukutai 35th anniversary present campaign," and contribution of the sales of mainstay sweet potato confectionery of Oimoya Co., Ltd., which has been made a consolidated subsidiary. Sales of chocolate products increased due to a rise in the sales of Alphabet Chocolate, a core brand, and other products. Sales of candy products remained largely unchanged from the previous fiscal year, as sales decreased for the Company's own products but increased for contract-manufactured products. Sales at ACE BAKERY Co., Ltd., a consolidated subsidiary of the Company, increased due to a substantial growth in the sales of jelly products, backed by strong sales of the Freeze and Eat Sherbet series.

The powdered drink mix division worked on TV commercials and other promotional measures. Accordingly, sales slightly increased due to an increase in the sales of Aroma-Rich Milk Cocoa, despite decreases in the sales of Royal Milk Tea and other products.

Sales increased in the ice cream division, with both the Company's own products and contract-manufactured products remaining strong thanks to the record hot weather and prolonged heat of late summer.

As a result, net sales for the Food Business increased by 16.0% year on year to ¥24,405 million. Operating profit increased by 289.8% year on year to ¥1,477 million mainly due to the addition of the profit of Oimoya Co., Ltd. and strong performance of other subsidiaries, in addition to the increase in net sales and improvement in the cost-to-sales ratio thanks to changes in product volume per unit and product price revisions.

(Fine Chemicals Business)

Net sales for each division are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Year-on-year change (%)	Year-on-year change (Amount)
Enzyme	1,873	1,749	7.1%	123
Pharmaceuticals	1,316	1,137	15.7%	179
Other fine chemicals	199	187	6.4%	11
Fine Chemicals Business total	3,389	3,074	10.2%	314

The enzyme division operates mainly in overseas markets, and the division drove forward intense sales activities amid intensifying sales competition with overseas companies. As a result, sales increased as the sales of Lipase, a lipolytic enzyme, grew substantially in the overseas market, while the sales of Rennet, a milk-clotting enzyme for cheese making remained largely unchanged from the previous fiscal year.

Sales increased in the pharmaceuticals division due to an increase in the sales of Dextran Magnetite, used for medical equipment for detecting breast cancer metastasis.

As a result, net sales for the Fine Chemicals Business increased by 10.2% year on year to ¥3,389 million. Operating profit increased by 38.9% year on year to ¥837 million mainly due to the increase in net sales and strong sales of products with high profit margins.

(Real Estate Business)

For the Real Estate Business, net sales decreased by 2.3% year on year to ¥276 million and operating profit decreased by 5.3% year on year to ¥94 million. This was mainly due to the sale of rental parking lots.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year ended March 31, 2025 increased by ¥1,077 million from the end of the previous fiscal year to ¥83,325 million. This was primarily attributable to an increase in construction in progress due to the construction of a new factory, despite a decrease in investment securities mainly due to the sale of shares.

Total liabilities decreased by ¥2,766 million from the end of the previous fiscal year to ¥28,412 million. This was primarily attributable to decreases in short-term borrowings and long-term borrowings, despite an increase in income taxes payable.

Net assets increased by ¥3,843 million from the end of the previous fiscal year to ¥54,912 million. This was primarily attributable to an increase in retained earnings.

As a result, the capital adequacy ratio stood at 65.9% (62.1% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year ended March 31, 2025 increased by ¥831 million from the end of the previous fiscal year to ¥7,194 million.

The status of cash flows for the fiscal year ended March 31, 2025 and the main factors contributed to the results are as follows:

Net cash provided by operating activities was ¥4,236 million (a cash inflow of ¥2,903 million for the previous fiscal year). The main factor for increase in cash was a profit before income taxes of ¥6,371 million, while the main factors for decrease were an increase in inventories of ¥540 million and income taxes paid of ¥504 million.

Net cash provided by investing activities was ¥960 million (a cash outflow of ¥3,611 million for the previous fiscal year). The main factors for increase in cash were proceeds from sale and redemption of short-term and long-term investment securities of ¥4,230 million and proceeds from sale of property, plant and equipment of ¥364 million, while the main factor for decrease was purchase of property, plant and equipment of ¥3,522 million.

Net cash used in financing activities was ¥4,365 million (a cash inflow of ¥1,718 for the previous fiscal year). The main factors for decrease in cash were a net decrease in short-term borrowings of ¥3,070 million and repayments of long-term borrowings of ¥765 million.

(Reference) Transition of indicators related to cash flows

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Capital adequacy ratio (%)	63.1	63.5	62.1	65.9
Capital adequacy ratio based on market value (%)	37.9	39.7	36.7	40.5
Cash flow to interest-bearing debt ratio (%)	440.1	–	446.5	217.2
Interest coverage ratio (times)	65.8	–	81.0	81.1

(Note) Capital adequacy ratio: Equity / Total assets

Capital adequacy ratio based on market value: Market capitalization of shares / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payment

*All indicators were calculated based on consolidated financial figures.

*Market capitalization of shares was calculated by multiplying the closing share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (excluding treasury shares).

*Operating cash flows represent cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt covers all liabilities recorded in the consolidated balance sheet that bear interest. Interest payment represents interest paid in the consolidated statement of cash flows.

*Cash flow to interest-bearing debt ratio and interest coverage ratio are omitted for the fiscal year when the operating cash flow was negative.

(4) Future Outlook

Going forward, the Japanese economy is expected to recover moderately, with the employment and income environment improving and demand from inbound tourists increasing. Meanwhile, the outlook is considered to remain uncertain due to such factors as the impact of continued price hikes on personal consumption and future trade policy of the U.S.

Under such circumstances, a difficult business environment is forecast to continue for businesses related to the Group, as cocoa bean and other ingredient prices soar and energy costs remain persistently high. Other factors contributed to the forecast include the shrinking domestic market due to the aging and declining population, the intensifying competition to sell due to strong demand for low prices among consumers, and rising personnel and logistics expenses.

Against such backdrop, the Group will work toward the achievement of MEITO CHALLENGE 2026, the medium-term management plan for the three years from the fiscal year ended March 31, 2025. The Group will aim to achieve sustainable growth and improve corporate value by implementing the (i) sales strategy, (ii) production strategy, (iii) organizational and personnel strategy, and (iv) financial strategy set out in the growth strategy.

Based on the above, the financial results forecast for the fiscal year ending March 31, 2026 is as follows: Net sales are forecast to be ¥29,500 million (up 5.1% year on year). Operating profit is expected to be ¥1,600 million (up 13.8% year on year), and ordinary profit is expected to be ¥2,800 million (up 4.8% year on year). This is mainly due to improved profits thanks to changes in product volume per unit and product price revisions for certain products, which took place in the previous fiscal year, while ingredient prices are expected to soar further. Profit attributable to owners of parent is forecast to be ¥2,000 million (down 57.6% year on year).

Net sales by segment are forecast to be ¥25,800 million for the Food Business (up 5.7% year on year), ¥3,400 million for the Fine Chemicals Business (up 0.3% year on year), and ¥300 million for the Real Estate Business (up 8.5% year on year).

(5) Basic Policy for Profit Distribution and Dividends for the Fiscal Year Under Review and the Following Fiscal Year

The basis of the Company’s policy is to maintain and continuously pay stable dividends to shareholders, while making investments for future growth and striving to enhance profitability and improve capital efficiency. The Company intends to pay progressive dividends continuously.

Taking into account the trends in business performance, business environment, and other factors, the Company plans to pay ¥18 per share for the year-end dividend for the fiscal year ended March 31, 2025, an increase of ¥2 from the initially planned ¥16 including a commemorative dividend of ¥2 for the 80th anniversary. The annual dividend is expected to be ¥35, including the interim dividend of ¥17 that has already been paid.

As for the dividend for the fiscal year ending March 31, 2026, the Company plans to pay ¥40 per share in total. This consists of an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share.

For the fiscal year ending March 31, 2027, a dividend of ¥45 is planned as indicated in the medium-term management plan as the management indicator (KPI) for dividends.

In addition, the Company offers shareholder benefits to shareholders who are on the shareholder register at the end of September and March each year (at the end of the first half of each fiscal year and at the end of each fiscal year).

2. Basic Policy on Selection of Accounting Standards

The Group has adopted the Japanese GAAP, taking into consideration the comparability of consolidated financial statements across periods, comparability with other companies, and other factors.

The Group intends to respond appropriately with regard to the application of the International Financial Reporting Standards (IFRS), giving consideration to changes in the business environment surrounding the Group, the status of application of the standards in Japan, and other factors.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,362	7,194
Notes receivable - trade	74	51
Accounts receivable - trade	6,044	5,494
Securities	250	-
Merchandise and finished goods	1,756	1,915
Work in process	674	785
Raw materials and supplies	1,507	1,785
Other	331	203
Allowance for doubtful accounts	(2)	(35)
Total current assets	16,998	17,395
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,371	18,585
Accumulated depreciation	(8,781)	(9,061)
Buildings and structures, net	9,590	9,523
Machinery, equipment and vehicles	20,591	21,029
Accumulated depreciation	(15,488)	(16,178)
Machinery, equipment and vehicles, net	5,103	4,850
Tools, furniture and fixtures	1,219	1,318
Accumulated depreciation	(1,025)	(1,026)
Tools, furniture and fixtures, net	194	291
Land	3,850	3,863
Construction in progress	104	1,719
Total property, plant and equipment	18,843	20,249
Intangible assets		
Trademark right	1,538	1,447
Goodwill	499	460
Other	112	149
Total intangible assets	2,149	2,057
Investments and other assets		
Investment securities	43,793	43,064
Long-term loans receivable	10	10
Deferred tax assets	5	17
Other	476	558
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	44,256	43,621
Total non-current assets	65,249	65,929
Total assets	82,247	83,325

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,067	2,882
Short-term borrowings	3,070	-
Current portion of long-term borrowings	765	796
Accounts payable - other	919	713
Accrued expenses	2,548	2,692
Income taxes payable	232	1,346
Provision for noncurrent assets removal cost	31	62
Other	364	344
Total current liabilities	10,998	8,838
Non-current liabilities		
Long-term borrowings	9,079	8,342
Deferred tax liabilities	8,058	8,410
Provision for retirement benefits for directors (and other officers)	45	13
Provision for noncurrent assets removal cost	100	-
Retirement benefit liability	2,668	2,435
Other	228	371
Total non-current liabilities	20,180	19,574
Total liabilities	31,178	28,412
Net assets		
Shareholders' equity		
Share capital	1,323	1,335
Capital surplus	86	98
Retained earnings	27,788	31,965
Treasury shares	(688)	(689)
Total shareholders' equity	28,509	32,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,484	22,004
Remeasurements of defined benefit plans	74	197
Total accumulated other comprehensive income	22,559	22,202
Total net assets	51,068	54,912
Total liabilities and net assets	82,247	83,325

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	24,392	28,071
Cost of sales	19,020	20,086
Gross profit	5,372	7,985
Selling, general and administrative expenses		
Promotion expenses	34	253
Transportation and storage costs	1,749	2,073
Advertising expenses	157	314
Salaries, allowances and bonuses	1,688	2,068
Retirement benefit expenses	40	41
Provision for retirement benefits for directors (and other officers)	4	3
Provision of allowance for doubtful accounts	0	32
Depreciation	89	161
Other	1,378	1,629
Total selling, general and administrative expenses	5,140	6,579
Operating profit	232	1,405
Non-operating income		
Interest income	2	3
Dividend income	968	1,167
Gain on sale of investment securities	121	1
Share of profit of entities accounted for using equity method	48	43
Bounty on establishment of new business facilities	95	140
Other	150	32
Total non-operating income	1,387	1,387
Non-operating expenses		
Interest expenses	35	52
Loss on sale and retirement of non-current assets	146	60
Other	6	9
Total non-operating expenses	189	122
Ordinary profit	1,430	2,671
Extraordinary income		
Gain on sale of investment securities	9	3,363
Gain on sale of non-current assets	-	342
Gain on reversal of asset retirement obligations	31	-
Gain on sale of shares of subsidiaries and associates	29	-
Total extraordinary income	71	3,706
Extraordinary losses		
Loss on sale and retirement of non-current assets	-	5
Impairment losses	2,231	-
Provision for disposal of property and equipment	38	-
Total extraordinary losses	2,269	5
Profit (loss) before income taxes	(768)	6,371
Income taxes - current	346	1,584
Income taxes - deferred	(411)	67
Total income taxes	(64)	1,652
Profit (loss)	(703)	4,719
Profit (loss) attributable to owners of parent	(703)	4,719

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	(703)	4,719
Other comprehensive income		
Valuation difference on available-for-sale securities	7,555	(479)
Remeasurements of defined benefit plans, net of tax	(0)	123
Total other comprehensive income	7,555	(356)
Comprehensive income	6,851	4,362
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,851	4,362

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,313	76	28,931	(687)	29,633
Changes during period					
Issuance of new shares	10	10			20
Dividends of surplus			(439)		(439)
Profit (loss) attributable to owners of parent			(703)		(703)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	10	10	(1,143)	(1)	(1,123)
Balance at end of period	1,323	86	27,788	(688)	28,509

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	14,928	74	15,003	44,637
Changes during period				
Issuance of new shares				20
Dividends of surplus				(439)
Profit (loss) attributable to owners of parent				(703)
Purchase of treasury shares				(1)
Disposal of treasury shares				-
Net changes in items other than shareholders' equity	7,555	(0)	7,555	7,555
Total changes during period	7,555	(0)	7,555	6,431
Balance at end of period	22,484	74	22,559	51,068

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,323	86	27,788	(688)	28,509
Changes during period					
Issuance of new shares	11	11			23
Dividends of surplus			(541)		(541)
Profit (loss) attributable to owners of parent			4,719		4,719
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	11	11	4,177	(0)	4,199
Balance at end of period	1,335	98	31,965	(689)	32,709

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	22,484	74	22,559	51,068
Changes during period				
Issuance of new shares				23
Dividends of surplus				(541)
Profit (loss) attributable to owners of parent				4,719
Purchase of treasury shares				(0)
Disposal of treasury shares				-
Net changes in items other than shareholders' equity	(479)	123	(356)	(356)
Total changes during period	(479)	123	(356)	3,843
Balance at end of period	22,004	197	22,202	54,912

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(768)	6,371
Depreciation	1,832	1,853
Impairment losses	2,231	-
Amortization of goodwill	-	45
Increase (decrease) in retirement benefit liability	(84)	(55)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(11)	(31)
Increase (decrease) in allowance for doubtful accounts	0	32
Loss (gain) on sale of short-term and long-term investment securities	(131)	(3,365)
Loss (gain) on sale of shares of subsidiaries and associates	(29)	-
Loss (gain) on sale and retirement of property, plant and equipment	146	(276)
Gain on reversal of asset retirement obligations	(31)	-
Increase (decrease) in provision of noncurrent assets removal	38	(68)
Interest and dividend income	(971)	(1,170)
Interest expenses	35	52
Share of loss (profit) of entities accounted for using equity method	(34)	(31)
Bounty on establishment of new business facilities	(95)	(140)
Decrease (increase) in trade receivables	(730)	616
Decrease (increase) in inventories	(357)	(540)
Increase (decrease) in trade payables	(110)	(215)
Decrease (increase) in consumption taxes refund receivable	266	-
Other, net	(73)	403
Subtotal	1,120	3,479
Interest and dividends received	979	1,172
Interest paid	(35)	(52)
Bounty on establishment of new business facilities received	95	140
Income taxes paid	(182)	(504)
Income taxes refund	926	1
Net cash provided by (used in) operating activities	2,903	4,236
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(10)	(108)
Proceeds from sale and redemption of short-term and long-term investment securities	2,778	4,230
Purchase of property, plant and equipment	(4,211)	(3,522)
Proceeds from sale of property, plant and equipment	0	364
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,083)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	64
Removal loss of property, plant and equipment	(3)	(6)
Other, net	(81)	(61)
Net cash provided by (used in) investing activities	(3,611)	960
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,970	(3,070)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Repayments of long-term borrowings	(765)	(765)
Purchase of treasury shares	(1)	(0)
Dividends paid	(439)	(541)
Other, net	(45)	11
Net cash provided by (used in) financing activities	1,718	(4,365)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	1,010	831
Cash and cash equivalents at beginning of period	5,351	6,362
Cash and cash equivalents at end of period	6,362	7,194

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant accounting policies for preparation of consolidated financial statements)

1. Scope of consolidation

Number of consolidated subsidiaries All 8 subsidiaries

Names of major consolidated subsidiaries ACE BAKERY Co., Ltd., Meito Nyugyo Co., Ltd., Prince Golf Co., Ltd., Oimoya Co., Ltd., Hiramatsu Shoten Co., Ltd., PCS Co., Ltd.

PCS Co., Ltd. was made a subsidiary through the acquisition of its shares, and is included in consolidated subsidiaries from the fiscal year ended March 31, 2025. Since its deemed acquisition date is December 31, 2024, and the difference from the closing date of the Company's fiscal year does not exceed three months, only the balance sheets are consolidated for the fiscal year ended March 31, 2025.

2. Application of equity method

(1) Number of associates accounted for using equity method 1 company

Name of company, etc. Meito Adams Co., Ltd.

(2) Name, etc. of associates not accounted for using equity method

Meito Tateshina Sanso Co., Ltd.

Reasons for not applying equity method

Excluding the associate not accounted for using equity method from the scope of equity method accounting has a negligible effect on the Company's consolidated financial statements in terms of profit (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), etc., and the associate is also not significant as a whole. The associate is therefore excluded from the scope of equity method accounting.

(3) Specific information deemed necessary about application of equity method

The company accounted for using equity method closes its fiscal year on a date other than the closing date of the Company's fiscal year. The financial statements for the fiscal year of the company accounted for using equity method are therefore used.

3. Fiscal years of consolidated subsidiaries

The fiscal years of major consolidated subsidiaries end on December 31. Since the difference from the closing date of the Company's fiscal year does not exceed three months, the financial statements for each company's fiscal year are used based on the Regulations on Consolidated Financial Statements. Adjustments were made as needed for significant transactions made between January 1, 2025 and March 31, 2025, the closing date of the Company's fiscal year.

4. Accounting policies

(1) Basis and method for valuation of significant assets

(i) Securities

・Available-for-sale securities

Securities other than shares that do not have a market value

Fair value method based on the market price, etc. on the closing date of the Company's fiscal year (with the entire amount of valuation differences recorded directly into net assets, and the cost of sales calculated mainly using the moving average method)

Shares that do not have a market value

Moving average cost method

(ii) Inventories

Mainly moving average cost method (with amount shown on balance sheet written down as profitability declines)

(2) Depreciation method for significant depreciable assets

(i) Property, plant and equipment (excluding leased assets)

・Machinery

Mainly the straight-line method

For certain consolidated subsidiaries, the declining balance method is applied.

・Buildings (excluding facilities) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016

The straight-line method

・Other property, plant and equipment

The declining balance method

The service life of major assets is as follows:

Buildings and structures	3 to 60 years
Machinery, equipment and vehicles	2 to 17 years
Tools, furniture and fixtures	2 to 20 years

(ii) Intangible assets

The straight-line method

The service life of major assets is as follows:

Trademark right	17 years
Software (for internal use)	5 years (internal service life)

(iii) Leased assets

For leased assets related to finance lease transactions with the right of ownership not transferred, the straight-line method is applied using the lease term as service life and a residual value of zero.

(3) Recognition criteria for significant provisions

(i) Allowance for doubtful accounts

To provide for potential losses resulting from the non-payment of receivables, an allowance is made for the amount deemed irrecoverable by using historical default rates, etc. for general receivables and examining the recoverability on an individual claim basis for specific receivables, such as those designated as potentially irrecoverable.

(ii) Provision for retirement benefits for directors (and other officers)

To provide for the payment of retirement benefits to directors (and other officers), certain consolidated subsidiaries make an allowance for the amount of payment due as of the fiscal year-end based on their internal regulations.

(iii) Provision for noncurrent assets removal cost

To provide for the payment of costs associated with the dismantlement and removal of non-current assets, an allowance is made for the estimated cost.

(4) Recognition criteria for significant revenue and expenses

The details of main performance obligations in major businesses and the timing at which the Company typically recognizes revenue are as follows:

(i) Food Business

Revenue is mainly generated from the sales of chocolate, powdered drink mixes, jelly, baumkuchen, ice cream, sweet potato sweets, candy, etc.

Revenue is recognized at the time of shipment, given that the period from the time of shipment to the time when the control of the product is transferred to the customer is an ordinary period.

Revenue from the Food Business is calculated based on the price specified in the contract less estimated sales promotion expenses, etc., and is recognized to the extent that a material reversal is highly unlikely.

(ii) Fine Chemicals Business

Revenue is mainly generated from the sales of Rennet (milk-clotting enzyme for cheese making), Lipase (lipolytic enzyme), Dextran (plasma volume expander and blood flow improving agent), etc.

Revenue from domestic transactions is recognized at the time of shipment, given that the period from the time of shipment to the time when the control of the product is transferred to the customer is an ordinary period. Revenue from most overseas transactions is recognized at the time of shipping, given that sales is recognized when the performance obligation for the transaction is satisfied. For overseas transactions under certain conditions, revenue is recognized when the product is accepted by the customer.

Revenue from the Fine Chemicals Business is calculated based on the price specified in the contract less estimated sales promotion expenses, etc., and is recognized to the extent that a material reversal is highly unlikely.

(5) Accounting treatment related to retirement benefits

(i) Method for attributing estimated retirement benefits to the period

When calculating retirement benefit liabilities, the straight-line attribution method is used for attributing estimated retirement benefits to the period up to the end of the fiscal year under review.

(ii) Method for treating actuarial gains and losses as expenses

All actuarial gains and losses are treated as expenses in the fiscal year following the fiscal year in which they arise.

(iii) Adoption of the simplified method for small-sized companies

In calculating their retirement benefit liability and retirement benefit expenses, the consolidated subsidiaries adopt the simplified method, where retirement benefit liabilities are stated as the amount to be paid if all eligible employees voluntarily retired at the end of the fiscal year.

(6) Method and period of amortization of goodwill

Goodwill is amortized mainly on a straight-line basis over a period of 11 years.

(7) Scope of cash in the consolidated statement of cash flows

Cash (cash and cash equivalents) in the consolidated statement of cash flows consists of cash on hand, deposits available for withdrawal at any time, and short-term investments readily convertible into cash, incurring minimal risk from fluctuations in value, and expiring within three months from the date of acquisition.

(Business combination, etc.)

Finalization of provisional treatment for business combination

The provisional accounting treatment in the previous fiscal year for the business combination with Oimoya Co., Ltd., which took place on February 9, 2024, was finalized in the six months ended September 30, 2024.

Following the finalization of the provisional accounting treatment, a significant revision to the initial allocation of the acquisition cost has been reflected in the comparative information included the consolidated financial statements for the fiscal year ended March 31, 2025.

As a result, goodwill decreased by ¥1,016 million to ¥497 million from the provisionally calculated amount of ¥1,514 million. The decrease in goodwill was due to increases in trademark right of ¥1,538 million and deferred tax liabilities of ¥521 million. This has no impact on retained earnings at the end of the previous fiscal year.

The method and period of amortization of goodwill and trademark right are as follows:

Goodwill	Amortized in equal amounts over 11 years
Trademark right	Amortized in equal amounts over 17 years

The provisional accounting treatment in the previous fiscal year for the business combination with Hiramatsu Shoten Co., Ltd., which took place on February 9, 2024, was finalized in the six months ended September 30, 2024. The finalization of the provisional accounting treatment did not result in a revision to the amount of goodwill.

The method and period of amortization of goodwill are as follows:

Goodwill	Amortized in equal amounts over 11 years

(Segment information, etc.)

1. Overview of reportable segments

The Company's reportable segments are components of the Group for which separate financial information is available, and which are evaluated regularly by the Board of Directors to determine the allocation of management resources and assess performance.

Each business division formulates comprehensive domestic and overseas strategies for products and services it handles, and rolls out business activities.

The Company therefore consists of segments by product and service based on business divisions. The three reportable segments are the Food Business, Fine Chemicals Business, and Real Estate Business.

The Food Business manufactures and sells chocolate, powdered drink mixes, jelly, baumkuchen, ice cream, sweet potato sweets, candy, cake, nutritional food, etc.

The Fine Chemicals Business manufactures and sells Rennet (milk-clotting enzyme for cheese making), Lipase (lipolytic enzyme), Dextran Sulfate (anti-hyperlipidemic agent, etc.), Dextran (plasma volume expander, blood flow improving agent, etc.), Dextran Magnetite (MRI contrast medium, raw material for medical equipment, etc.), flavorings (food additives), Iron Dextran (drug for animals), mixed feed, etc.

The Real Estate Business engages in golf course management, real estate leasing, etc.

2. Method for calculating the amounts of net sales, income (loss), assets, liabilities, and other items by reportable segment

The accounting method for the reportable segments is largely the same as described in "Significant accounting policies for preparation of consolidated financial statements."

3. Information on the amounts of net sales, income (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Food Business	Fine Chemicals Business	Real Estate Business	Total		
Net sales						
Net sales to outside customers	21,035	3,074	283	24,392	–	24,392
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	21,035	3,074	283	24,392	–	24,392
Segment income (loss)	378	603	99	1,081	(849)	232
Segment assets	26,747	4,501	1,213	32,462	49,785	82,247
Other items						
Depreciation	1,427	349	30	1,807	24	1,832
Amortization of goodwill	–	–	–	–	–	–
Impairment losses	2,208	–	–	2,208	22	2,231
Increases in property, plant and equipment and intangible assets	2,409	684	8	3,102	860	3,963

(Notes) 1. The amount of adjustment is as follows:

(1) The adjustment of ¥(849) million to segment income is general and administrative expenses of ¥(849) million not attributable to any reportable segment

(2) The adjustment of ¥49,785 million to segment assets is corporate assets not allocated to any reportable segment.

(3) The adjustment of ¥24 million to depreciation is depreciation of corporate assets not allocated to any reportable segment.

(4) The adjustment of ¥22 million to impairment losses is impairment losses on corporate assets not allocated to any reportable segment.
(5) The adjustment of ¥860 million to increases in property, plant and equipment and intangible assets is corporate assets not allocated to any reportable segment.
2. The total amount of segment income has been reconciled with operating profit in the consolidated statement of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Food Business	Fine Chemicals Business	Real Estate Business	Total		
Net sales						
Net sales to outside customers	24,405	3,389	276	28,071	–	28,071
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	24,405	3,389	276	28,071	–	28,071
Segment income (loss)	1,477	837	94	2,409	(1,003)	1,405
Segment assets	27,668	6,061	1,294	35,024	48,300	83,325
Other items						
Depreciation	1,397	356	29	1,783	69	1,853
Amortization of goodwill	45	–	–	45	–	45
Impairment losses	–	–	–	–	–	–
Increases in property, plant and equipment and intangible assets	1,109	1,669	8	2,788	133	2,921

(Notes) 1. The amount of adjustment is as follows:
(1) The adjustment of ¥(1,003) million to segment income is general and administrative expenses of ¥(1,003) million not attributable to any reportable segment
(2) The adjustment of ¥48,300 million to segment assets is corporate assets not allocated to any reportable segment.
(3) The adjustment of ¥69 million to depreciation is depreciation of corporate assets not allocated to any reportable segment.
(4) The adjustment of ¥133 million to increases in property, plant and equipment and intangible assets is corporate assets not allocated to any reportable segment.
2. The total amount of segment income has been reconciled with operating profit in the consolidated statement of income.
3. The amounts disclosed in the segment information for the fiscal year ended March 31, 2024 reflect the significant revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment, described in “Notes to Consolidated Financial Statements (Business combination, etc.).

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥3,018.83	¥3,243.94
Basic earnings (loss) per share	¥(41.59)	¥278.83

(Notes) 1. Diluted earnings per share for the fiscal year ended March 31, 2025 are not presented because there were no potential shares. Diluted earnings per share for the fiscal year ended March 31, 2024 are not presented because a basic loss per share was recorded and there were no potential shares.

2. The basis for the calculation of basic earnings (loss) per share is as follows:

Item	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss) attributable to owners of parent (Millions of yen)	(703)	4,719
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent relating to common shares (Millions of yen)	(703)	4,719
Average number of common shares outstanding during the period (Thousand shares)	16,913	16,924

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

Item	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	51,068	54,912
Amount deducted from total net assets (Millions of yen)	–	–
Net assets relating to common shares at the end of the period (Millions of yen)	51,068	54,912
Number of common shares at the end of the period used for the calculation of net assets per share (Thousand shares)	16,916	16,927

(Significant subsequent events)

Not applicable.

4. Other

Change of Officers

(i) Change of representative
Not applicable.

(ii) Change of other officers (scheduled on June 26, 2025)

New candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)

Director, Manager of Fine Chemicals Department, Manager of Fine Chemicals Sales Department, and Plant Manager of Hachioji Plant	Kazunori Harada	(currently Senior Executive Officer, Manager of Fine Chemicals Department, Manager of Fine Chemicals Sales Department, and Plant Manager of Hachioji Plant)

(Appendix)

Meito Sangyo Co., Ltd.

Reference Material for the Financial Results for the Fiscal Year Ended March 31, 2025

(Millions of yen; figures are rounded down to the nearest million yen)

1. Financial Results for the five years from the Fiscal year ended March 31, 2021 to the Fiscal year ended March 31, 2025

(Consolidated)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	24,180	21,136	22,727	24,392	28,071
Operating profit	403	350	95	232	1,405
Ordinary profit	1,356	1,233	1,132	1,430	2,671
Profit attributable to owners of parent	1,023	1,816	700	(703)	4,719

(Non-consolidated)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	18,513	16,003	17,381	18,981	20,102
Operating profit	154	267	102	509	1,017
Ordinary profit	1,087	1,110	1,096	1,663	2,229
Profit	812	1,742	701	(18)	3,883

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and other standards have been applied since fiscal year ended March 31, 2022.
Net sales figures for FYE3/2022 and later are those after the application of the said accounting standard, etc.

2. Net sales forecast by business segment

(Consolidated)

	Fiscal year ending March 31, 2026 Forecast	Change	Fiscal year ended March 31, 2025
Food Business	25,800	5.7%	24,405
Fine Chemicals Business	3,400	0.3%	3,389
Real Estate Business	300	8.5%	276
Total	29,500	5.1%	28,071

3. Capital investment

(Consolidated)

Fiscal year ending March 31, 2026 Forecast	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024
5,900	2,921	3,963