

# **MESCO, Inc. and Subsidiaries**

**Consolidated Financial Statements  
For the year ended March 31,  
2024 and 2025**



# Financial Highlights

Mesco, Inc. and Consolidated Subsidiaries

Years ended March 31

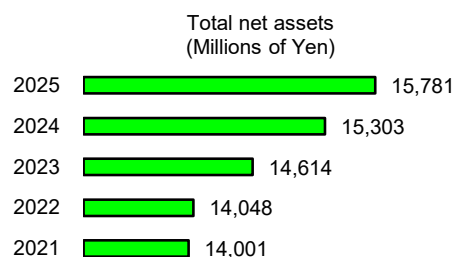
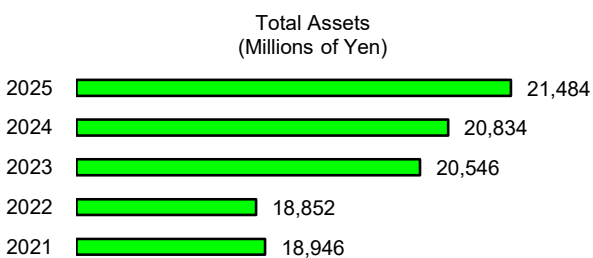
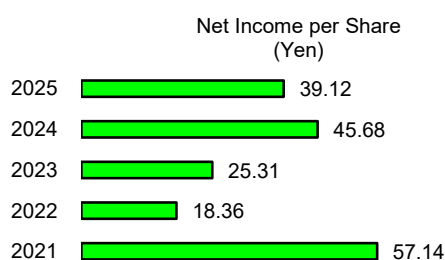
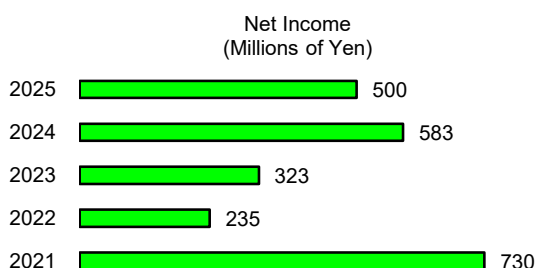
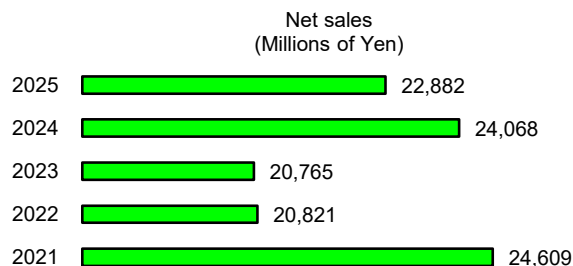
Thousands of

U.S. dollars

Millions of yen

	2023	2024	2025	2025
<b>Consolidated Performance</b>				
Net sales	¥20,765	¥24,068	<b>¥22,882</b>	<b>\$153,023</b>
Net income	323	583	<b>500</b>	<b>3,341</b>
Total assets	20,546	20,834	<b>21,484</b>	<b>143,675</b>
Total net assets	14,614	15,303	<b>15,781</b>	<b>105,536</b>
Net income per share(¥,\$)	25.31	45.68	<b>39.12</b>	<b>0.26</b>
Cash dividends per share(¥,\$)	33.00	18.00	<b>16.00</b>	<b>0.11</b>

Notes: 1. All U.S. dollar figures are translated from Japanese yen amounts, for convenience only, at the rate of ¥ 149.53 to US\$1.00, the rate prevailing at March 31, 2025.  
2. In this report, fiscal 2025 represents the year ended March 31, 2025.



# Financial Section

## Five-Year Summary

Mesco, Inc. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen				
	2021	2022	2023	2024	2025
<b>Consolidated Performance</b>					
<b>For the year:</b>					
Orders	¥17,939	¥22,424	¥25,600	¥20,290	<b>¥28,077</b>
Net sales	24,609	20,821	20,765	24,068	<b>22,882</b>
Cost of sales	21,145	17,863	17,560	20,575	<b>19,299</b>
Gross profit	3,463	2,958	3,205	3,493	<b>3,583</b>
Selling, general and administrative expenses	2,487	2,651	2,718	2,762	<b>2,737</b>
Operating income	976	307	486	732	<b>846</b>
Income before income taxes	1,067	382	494	848	<b>793</b>
Net income	730	235	323	583	<b>500</b>
<b>At year-end:</b>					
Total current assets	¥16,674	¥16,659	¥18,293	¥18,357	<b>¥19,093</b>
Total assets	18,946	18,852	20,546	20,834	<b>21,484</b>
Total current liabilities	3,823	3,609	4,673	4,375	<b>4,530</b>
Long-term liabilities	1,121	1,195	1,259	1,156	<b>1,173</b>
Total net assets	14,001	14,048	14,614	15,303	<b>15,781</b>
<b>Per share data:</b>					
Net income ( ¥ )	¥57.14	¥18.36	¥25.31	¥45.68	<b>¥39.12</b>
Cash dividends applicable to the year ( ¥ )	33.00	33.00	33.00	18.00	<b>16.00</b>
<b>Number of employees ( person )</b>	384	384	386	391	<b>392</b>

## Financial Review

### Overview

During the fiscal year ended March 31, 2025, the Japanese economy continued to recover, but the economic outlook remains uncertain due to factors such as the stagnant Chinese economy, rising resource prices, widespread concerns about a global economic slowdown due to the U.S. tariff policy, and other factors. Under these conditions, the financial results in each business segment were as follows.

Under these circumstances, on a consolidated basis, the Company's net sales during fiscal year amounted to ¥22,882 million (**US\$153,023 thousand**), down 4.9%, or ¥1,187 million, from the previous year.

At the earnings level, the gross profit increased 2.6% to ¥3,583 million (**US\$23,958 thousand**), whereas, the gross profit margin was 15.7%, which was up as compared to the previous year.

Selling, general and administrative (SGA) expenses decreased 0.9% or ¥24 million, to ¥2,737 million (**US\$18,302 thousand**).

As a result, operating income increased 15.6%, or ¥114 million, to ¥846 million (**US\$5,657 thousand**), and income before income taxes decreased 6.4%, or ¥55 million, to ¥793 million (**US\$5,304 thousand**).

Income taxes totaled ¥294 million (**US\$1,963 thousand**), up 11.0%, or ¥29 million (**US\$194 thousand**).

Consequently, net income decreased 14.4%, or ¥83 million, to ¥500 million (**US\$3,341 thousand**).

Net income per share was ¥39.12 (**US\$0.26**), and cash dividends applicable to the year was ¥16.00 (**US\$0.11**) per share.

### Segment Information

#### Engineering

The Engineering Group's net sales decreased 18.0%, or ¥2,992 million, to ¥13,633 million (**US\$91,170 thousand**), reflecting a decrease of orders.

Accordingly, segment (ordinary) profit decreased 45.7% or ¥415 million, to ¥494 million (**US\$3,305 thousand**).

#### Piping and Soundproof materials

The Piping and Soundproof materials Group's net sales increased 27.1%, or ¥2,025 million, to ¥9,506 million (**US\$63,573 thousand**) mainly due to the Submarine Water Supply and Distribution Pipeline Replacement Project.

Consequently, segment (ordinary) profit increased 75.6% or ¥593 million, to ¥1,378 million (**US\$9,217 thousand**).

### Financial Position

The Company's total assets increased 3.1%, or ¥650 million, during this period, amounting to ¥21,484 million (**US\$143,675 thousand**). This was chiefly attributable to an increase of ¥1,724 million in Notes and accounts receivable and a decrease of ¥1,051 million in Cash and deposits.

Total liabilities increased 3.1%, or ¥172 million, to ¥5,703 million (**US\$38,139 thousand**), owing to an increase of ¥477 million in Advances received on uncompleted construction contracts.

Factors that included an increase of ¥500 million in net income led to an increase in total net assets of ¥477 million, to ¥15,781 million (**US\$105,536 thousand**).

As a result, Company's equity ratio remains at 73.5%, the same as previous year. The Company had no interest-bearing debt at fiscal year-end.

## Cash Flows

Net cash provided by operating activities decreased ¥1,759 million, to net cash outflow of ¥921 million (US\$6,160 thousand), mainly reflecting ¥793 million of income before income taxes, ¥1,899 million of increase in notes and accounts receivable, ¥481 million of decrease in notes and accounts payable, ¥343 million of decrease in costs on uncompleted construction contracts and ¥478 million of increase in advances received uncompleted construction contracts.

Net cash used in investing activities came to net cash outflow of ¥121 million (US\$807 thousand), due mainly to ¥123 million of the acquisition of property, plant and equipment.

Net cash used in financing activities amounted to net cash outflow of ¥230 million (US\$1,539 thousand), owing to ¥230 million payments for cash dividends.

As a result, cash and cash equivalents at the end of fiscal year decreased ¥871 million, to ¥6,760 million (US\$45,211 thousand).

## Forward-Looking Statement

The Company projects that its consolidated net sales in fiscal 2025, ended March 31, 2026 will amount to ¥27,445 million, up 19.9% from the level in fiscal 2024.

This projection was made by the Company based on information currently available, and it is subject to change due to various potential risks and uncertain elements. Accordingly, if events do not correspond to some of the many assumptions made by the Company to provide a basis for the projections, actual performance may be considerably different from projected performance.

Mesco and Consolidated Subsidiaries  
Years ended March 31, 2026 ( Prospect )

	Millions of yen 2026	Millions of U.S.dollars (Note 1) 2026
Net sales	¥27,445	\$183.0
Net income	¥470	\$3.1
Net income per share ( ¥ , \$ )	¥37.04	\$0.2

# Consolidated Balance Sheets

MESCO, Inc. and Consolidated Subsidiaries

Years ended March 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2024	2025	2025
<b>Assets</b>			
<b>Current assets:</b>			
Cash and time deposits (Note 5)	¥4,053	¥4,233	\$28,309
Notes and accounts receivable			
Trade	8,621	10,341	69,155
Unconsolidated subsidiaries	0	5	33
Costs on uncompleted construction contracts	1,292	948	6,343
Inventories (Note 3)	651	815	5,450
Deposits to the holding company (Note 5)	3,578	2,527	16,902
Other current assets	172	235	1,574
Less: Allowance for doubtful accounts	(10)	(12)	(82)
<b>Total current assets</b>	<b>18,357</b>	<b>19,093</b>	<b>127,685</b>
<b>Investments and other assets:</b>			
Investment securities: (Note 12)			
Unconsolidated subsidiaries	81	88	586
Others	0	0	0
Deferred tax assets (Note 10)	239	278	1,856
Asset for retirement benefits	440	329	2,200
Others	254	433	2,894
Less: Allowance for doubtful accounts	(34)	(228)	(1,523)
<b>Total Investments and other assets</b>	<b>980</b>	<b>899</b>	<b>6,013</b>
<b>Property, plant and equipment:</b>			
Land	1,099	1,099	7,350
Buildings and structures	686	685	4,584
Machinery, vehicles and equipment	2,898	2,965	19,829
Construction in progress	1	7	47
	4,684	4,757	31,810
Less: Accumulated depreciation	(3,187)	(3,265)	(21,833)
<b>Total Property, plant and equipment</b>	<b>1,497</b>	<b>1,492</b>	<b>9,977</b>
<b>Total assets</b>	<b>¥20,834</b>	<b>¥21,484</b>	<b>\$143,675</b>

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2024	2025	2025
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities:</b>			
Notes and accounts payable:			
Trade	¥2,938	¥2,464	\$16,477
Others	268	214	1,430
Accrued income taxes	142	78	522
Advances received	242	719	4,811
Accrued bonuses	376	403	2,693
Allowance for warranties for completed construction	70	51	339
Allowance for expected losses on construction contracts in process	77	103	687
Other current liabilities	262	499	3,338
Total current liabilities	4,375	4,530	30,296
<b>Long-term Liabilities:</b>			
Liability for retirement benefits	1,093	1,131	7,561
Directors' retirement benefits	17	14	91
Deferred tax liabilities (Note 10)	1	1	7
Others	44	28	184
Total Long-term liabilities	1,156	1,173	7,843
<b>Contingent Liabilities(Note 7)</b>			
<b>Net Assets(Note 8)</b>			
Shareholders' equity:			
Common stock			
Authorized - 32,000 thousand shares			
Issued - 12,771 thousand shares	1,085	1,085	7,258
Capital surplus	684	684	4,577
Retained earnings	12,753	13,022	87,089
Total Shareholders' equity	14,522	14,792	98,924
Valuation, translation adjustments and others:			
Unrealized gains ( losses ) on hedging derivatives,net of tax	(8)	(47)	(315)
Foreign currency translation adjustments	465	897	5,999
Remeasurement of defined benefit plans	324	139	928
Total valuation, translation adjustments and others	781	989	6,611
Total net assets	15,303	15,781	105,536
Total liabilities and net assets	¥20,834	¥21,484	\$143,675

See accompanying notes.

# Consolidated Statements of Income

MESCO, Inc. and Consolidated Subsidiaries  
Years ended March 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2024	2025	2025
<b>Net sales (Note 9):</b>			
Construction contracts (Note 2)	¥20,182	¥18,264	\$122,139
Net sales on sideline business			
Net sales of merchandise	2,202	2,031	13,582
Net sales of finished goods	1,684	2,587	17,302
Total net sales of side line business	3,886	4,618	30,884
Total net sales	24,068	22,882	153,023
<b>Cost of sales:</b>			
Construction contracts (Note 2)	17,287	15,576	104,166
Cost of sales on sideline business			
Cost of merchandise sold	1,856	1,638	10,952
Cost of finished goods sold	1,431	2,085	13,946
Total cost of sales on sideline business	3,288	3,723	24,898
Total cost of sales	20,575	19,299	129,065
<b>Gross profit:</b>			
Construction contracts (Note 2)	2,895	2,688	17,973
Gross profit on sideline business			
Gross profit-merchandise	346	393	2,630
Gross profit-finished goods	252	502	3,356
Total gross profit on sideline business	598	895	5,985
Total gross profit	3,493	3,583	23,958
<b>Selling , general and administrative expenses (Note 6)</b>	2,762	2,737	18,302
Operating income	732	846	5,657
Other income (expense):			
Interest and dividends income	101	136	912
Gain on reversal of allowance for doubtful accounts	1	—	—
Interest expense	(0)	(0)	(1)
Equity in gains(losses) of unconsolidated subsidiaries	(2)	(3)	(21)
Foreign exchange gain (loss)	2	1	9
Loss on disposal of property, plant and equipment	(0)	(1)	(5)
Loss on retirement of inventories	—	(7)	(45)
Provision of allowance for doubtful accounts	—	(194)	(1,296)
Others , net	14	14	95
Total other income	116	(53)	(353)
<b>Income before income taxes</b>	848	793	5,304
<b>Income taxes (Note 10):</b>			
Current	276	233	1,558
Deferred	(12)	61	405
Total income taxes	264	294	1,963
<b>Net income</b>	¥583	¥500	\$3,341
<b>Net income attributable to owners of parent</b>	¥583	¥500	\$3,341
	Yen	Yen	U.S. dollars(Note 1)
<b>Amounts per share of common stock:</b>			
Net income (Note 14)	¥45.68	¥39.12	\$0.26
Cash dividends applicable to the year	18.00	16.00	0.11

See accompanying notes.



## Consolidated Statements of Comprehensive Income

MESCO, Inc. and Consolidated Subsidiaries

Years ended March 31, 2024 and 2025

	Millions of yen	Millions of yen	Thousands of U.S.dollars (Note 1)
	2024	2025	2025
<b>Net income</b>	583	<b>500</b>	<b>3,341</b>
Other comprehensive income			
Unrealized gains (losses) on hedging derivatives, net of tax	11	(39)	(262)
Foreign currency translation adjustments	163	422	2,825
Remeasurements of defined benefit plans	347	(185)	(1,239)
Share of other comprehensive income of associates accounted for using equity method	7	10	67
Total other comprehensive income (Note 15)	527	208	1,390
<b>Comprehensive income (Note 15)</b>	<b>1,111</b>	<b>707</b>	<b>4,731</b>
(Breakdown)			
Comprehensive income attributable to :			
Owners of the parent	1,111	707	4,731

See accompanying notes.

## Consolidated Statements of Changes in Net Assets

MESCO, Inc. and Consolidated Subsidiaries  
Years ended March 31, 2024 and 2025

	Number of shares of common stock issued (Thousands)	Shareholders' equity				Valuation, translation adjustments and others				
		Common stock	Capital surplus	Retained earnings (Note 8)	Total shareholders' equity	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Remesure- ments of defined benefit plans	Total valuation, translation adjustments and others	Total net assets
		Millions of yen								
<b>Net assets at April 1, 2024</b>	12,772	¥1,085	¥684	¥12,753	<b>¥14,522</b>	¥(8)	¥465	¥324	¥781	<b>¥15,303</b>
Cash dividends				(230)	<b>(230)</b>					<b>(230)</b>
Net income				500	<b>500</b>					<b>500</b>
Net changes during the year						(39)	432	(185)	208	<b>208</b>
<b>Balance at March 31, 2025</b>	<b>12,772</b>	<b>¥1,085</b>	<b>¥684</b>	<b>¥13,022</b>	<b>¥14,792</b>	<b>¥(47)</b>	<b>¥897</b>	<b>¥139</b>	<b>¥989</b>	<b>¥15,781</b>

	Number of shares of common stock issued (Thousands)	Shareholders' equity				Valuation, translation adjustments and others				
		Common stock	Capital surplus	Retained earnings (Note 8)	Total shareholders' equity	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Remesure- ments of defined benefit plans	Total valuation, translation adjustments and others	Total net assets
		Millions of yen								
<b>Net assets at April 1, 2023</b>	12,772	¥1,085	¥684	¥12,591	<b>¥14,361</b>	¥(19)	¥295	¥(23)	¥253	<b>¥14,614</b>
Cash dividends				(421)	<b>(421)</b>					<b>(421)</b>
Net income				583	<b>583</b>					<b>583</b>
Net changes during the year						11	170	347	527	<b>527</b>
<b>Balance at March 31, 2024</b>	<b>12,772</b>	<b>¥1,085</b>	<b>¥684</b>	<b>¥12,753</b>	<b>¥14,522</b>	<b>¥(8)</b>	<b>¥465</b>	<b>¥324</b>	<b>¥781</b>	<b>¥15,303</b>

		Shareholders' equity				Valuation, translation adjustments and others				
		Common stock	Capital surplus	Retained earnings (Note 8)	Total shareholders' equity	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Remesure- ments of defined benefit plans	Total valuation, translation adjustments and others	Total net assets
		Thousands of U.S. dollars (Note 1)								
<b>Net assets at April 1, 2023</b>		\$7,258	\$4,577	\$85,285	<b>\$97,121</b>	\$(53)	\$3,108	\$2,167	\$5,222	<b>\$102,342</b>
Cash dividends				(1,537)	<b>(1,537)</b>					<b>(1,537)</b>
Net income				3,341	<b>3,341</b>					<b>3,341</b>
Net changes during the year						(262)	2,891	(1,239)	1,390	<b>1,390</b>
<b>Balance at March 31, 2024</b>		<b>\$7,258</b>	<b>\$4,577</b>	<b>\$87,089</b>	<b>\$98,924</b>	<b>\$(315)</b>	<b>\$5,999</b>	<b>\$928</b>	<b>\$6,611</b>	<b>\$105,536</b>

See accompanying notes.

# Consolidated Statements of Cash Flows

MESCO, Inc. and Consolidated Subsidiaries

Years ended March 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2024	2025	2025
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥848	¥793	\$5,304
Depreciation and amortization	134	131	878
Loss on retirement of non-current assets	0	1	5
Increase(Decrease) in allowance for doubtful accounts	(0)	196	1,309
Increase(Decrease) in employees' bonuses	9	27	178
Equity in losses(gains) of unconsolidated subsidiaries	2	3	21
Decrease(Increase) in asset for employees' retirement benefits	(28)	(117)	(784)
Increase(Decrease) in liability for employees' retirement benefits	54	(0)	(2)
Increase(Decrease) in allowance for warranties for completed construction	31	(19)	(130)
Increase(Decrease) in allowance for expected losses on construction contracts in process	20	25	170
Interest and dividends income	(101)	(136)	(912)
Decrease (Increase) in notes and accounts receivable	(268)	(1,899)	(12,701)
Decrease (Increase) in costs on uncompleted construction contracts	744	343	2,297
Decrease (Increase) in inventories	(190)	(164)	(1,096)
Increase (Decrease) in accounts payable	(101)	(481)	(3,216)
Increase (Decrease) in advances received	(396)	478	3,194
Others, net	74	(38)	(251)
Subtotal	831	(858)	(5,736)
Interest and dividends received	101	136	912
Interest paid	(0)	(0)	(1)
Income taxes paid	(94)	(200)	(1,335)
Income taxes received	0	—	—
Net cash provided by operating activities	838	(921)	(6,160)
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment	(99)	(123)	(822)
Acquisition of intangible assets	(23)	(11)	(74)
Payments for retirement of non-current assets	(0)	(0)	(0)
Others , net	(13)	13	89
Net cash used in investing activities	(135)	(121)	(807)
<b>Cash flows from financing activities:</b>			
Payment for purchase of treasury stock	(422)	(230)	(1,539)
Net cash used in financing activities	(422)	(230)	(1,539)
Effect of exchange rate changes on cash and cash equivalents	159	401	2,679
Net increase in cash and cash equivalents	440	(871)	(5,827)
Cash and cash equivalents at beginning of year	7,191	7,632	51,038
Cash and cash equivalents at end of year (Note 5)	¥7,632	¥6,760	\$45,211

See accompanying notes.

# Notes to Consolidated Financial Statements

MESCO, Inc. and Consolidated Subsidiaries

Years ended March 31, 2024 and 2025

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## 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the specified six items as applicable.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions) from the consolidated financial statements of MESCO, Inc. ("the Company") prepared in accordance with Japanese GAAP.

Amounts less than one million yen have been rounded off in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen shown herein do not necessarily agree with the sums of the individual amounts.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2025, which was ¥149.53 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

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## 2. Summary of Significant Accounting Policies

### a) Consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries (the "Companies"). All significant intercompany transactions, accounts and unrealized profits among the Companies have been eliminated in consolidation. Investments in the unconsolidated subsidiaries and significant affiliates, which the Company and its subsidiaries are able to influence, in a material degree, their financial and operating decision-making, is accounted for by the equity method after the elimination of unrealized intercompany profits. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries are recorded based on the fair value at the time when the Company acquired control of the respective subsidiaries.

### b) Goodwill

The consolidation difference between acquisition cost and net assets at the date of acquisition is shown as the goodwill.

### c) Foreign currency translation and foreign currency financial statements

Revenues and expenses are translated at the rates of exchange prevailing when transactions are made. Monetary claims and liabilities denominated in foreign currencies are generally translated into each reporting currency at the rates of foreign exchange prevailing at the balance sheet dates and the resulting translation gains or losses are included in earnings. All assets, liabilities, revenues and expenses of consolidated foreign subsidiaries are translated into Japanese yen at the rates prevailing at their balance sheet dates. The resulting translation adjustments are shown as "Foreign currency translation adjustments," a component of net assets.

**d) Cash and cash equivalents**

In the accompanying statements of cash flows, cash and cash equivalents include cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition which have high liquidity and negligible risk of price fluctuation.

**e) Marketable securities and investment securities**

Available-for-sale securities with fair market values are stated at fair market values, and the corresponding unrealized holding gains or losses, net of applicable income taxes, are reported as a component of net assets.

Realized gains and losses on sale of such securities are computed using average cost.

Other available-for-sale securities with no available fair market value are stated at average cost.

**f) Derivative transactions and hedge accounting**

The Company generally state derivative financial instruments at fair value and recognize changes in the fair value as gains or losses unless they are used for hedging purposes and qualified for hedge accounting.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company generally defers recognition of gains or losses resulting from changes in their fair value until the related gains or losses on the hedged items are recognized.

All of derivative contracts are based on actual demand and not for trading in the short term or for speculation.

For commodities forward transaction for purchases of inventories and currency forward contracts , the Company evaluates hedge effectiveness by comparing the cumulative changes in cash flows or the changes in fair value of the hedged items with the corresponding changes in the hedging derivative instruments.

The hedge effectiveness is skipped for currency forward contracts that are believed to have high hedge effectiveness, such as in cases where hedging instruments and hedged items share the same important characteristics.

**g) Inventories**

Costs on uncompleted construction contracts : At cost on an individual basis

Inventories of side line business : At cost on an individual basis

Other inventories : At cost using average method

The carrying value of inventories on the balance sheet is presented at book value after write-down for a decline in earnings.

**h) Property, plant and equipment**

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is generally computed by the declining-balance method based on the estimated durable years of these depreciable assets, except the straight-line method is applied to: (1) buildings, excluding building fixtures, acquired after March 31, 1998 and (2) property, plant and equipment of consolidated subsidiaries. The durable years of these assets generally range from 6 to 38 years for buildings and structures and 2 to 20 years for machinery and equipment.

**i) Allowance for doubtful accounts**

The Company and consolidated subsidiaries provide the allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying a percentage based on collection experience to the remaining accounts.

**j) Allowance for warranties on completed construction**

Allowance for warranties on completed construction is provided as an estimated amount calculated using an actual percentage of related losses during a past certain period.

**k) Allowance for expected losses on contraction contracts in process**

An allowance is provided for estimated future losses related to the construction contracts in process.

**m) Director's retirement benefits**

Directors are generally entitled to receive retirement benefits based on the Company's internal rules. Their retirement benefits are accrued at the amount required to pay in accordance with the internal rules if the directors had retired at the balance sheet date.

**n) Research and development expenses**

Research and development expenses are charged to statements of income as incurred.

**o) Income taxes**

The Companies recognize tax effects of temporary differences between the financial statement basis and the tax basis of assets and liabilities. The provision for income taxes is computed based on the pretax income of each of the Companies, with certain adjustments required for consolidation and tax purposes.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

**p) Net income, diluted net income and cash dividends per share**

Net income per share is computed based on the weighted-average number of shares of common stock outstanding during the respective fiscal year.

Diluted net income per share is not presented as there were no shares with dilutive effects in 2024 and 2025.

Cash dividends per share represent the historical amount applicable to the respective year.

**q) Recognition of revenues and related costs**

Recognition of net sales and cost of sales of completed construction contracts

Construction contracts whose outcome can be estimated reliably: Percentage-of-completion method

Other construction contracts: Completed-contract method

**r) Reclassification**

Certain prior year amounts have been reclassified to conform to the 2025 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

**s) Accounting of consumption tax**

Consumption tax generally withheld upon sale, as well as that paid for purchases of goods or services, are recorded as a liability or an asset, and are excluded from the relevant revenue, costs or expenses.

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### 3. Inventories

Inventories as of March 31, 2024 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars(Note1)
	2024	2025	2025
Merchandise and finished goods	¥290	¥410	\$2,742
Raw material and supplies	361	405	2,707
Total	¥651	¥815	\$5,450

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### 4. Allowance for expected losses on construction contracts in process

Amounts of costs on uncompleted construction contracts and merchandise and finished goods, for which a construction loss is anticipated, matching with allowance for expected losses on construction contracts were as follows:

	Million	Million	Thousands of U.S. dollars(Note1)
	2024	2025	2025
Allowance for expected losses on construction contracts in process	¥77	¥103	\$687
Costs on uncompleted construction contracts	0	0	0
Merchandise and finished goods	0	0	0
Total	¥77	¥103	\$687

Note: Costs on uncompleted construction contracts for which a construction loss is anticipated and allowance for expected losses on construction contracts in process are presented without being offset.

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### 5. Amounts of Cash and Cash Equivalents

Amounts of cash and cash equivalents at March 31, 2024 and 2025 were reconciled with cash and time deposits as follows:

	Million	Million	Thousands of U.S. dollars(Note1)
	2024	2025	2025
Cash and time deposits	¥4,053	¥4,233	\$28,309
Deposits to the holding company	3,578	2,527	16,902
Total: Cash and cash equivalents	¥7,632	¥6,760	\$45,211

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### 6. Research and Development Expenses

Research and development expenses included in general and administrative expenses amounted to ¥ 54 million and ¥ 44 million (US\$296 thousand), for the years ended March 31, 2024 and 2025, respectively.

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### 7. Contingent Liabilities

Contingent liabilities at March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars(Note1)
	2024	2025	2025
Notes receivable securitized with recourse	—	—	—
Total	—	—	—

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## **8.Net Assets**

The Japanese Company Law provides that an amount equal to 10 % of cash dividends and other cash appropriations of retained earnings must be set aside as a legal earnings reserve included in retained earnings until the total amount of capital surplus and the legal earnings reserve equals 25% of common stock.

The excess of the total amount of capital surplus and the legal earnings reserve over 25% of common stock can be transferred to retained earnings by a resolution of the shareholders, which may be available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with the Japanese Company Law.



## 9. Segment information

The operations of the Companies for the years ended March 31, 2024 and 2025 were summarized as follows.

### (a) Overview of reportable segments

The reportable segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

The Company has business sectors categorized by products and services in head office, and each business sectors plans business strategies comprehensively and operates business activities domestically and internationally.

As a result, the Company reports two segments, such as "Engineering" and "Piping and Soundproof

### (b) Basis for Calculating amounts of net sales, profit or loss, assets, and other items by reported segment

Accounting procedure for reported segments is mostly the same as procedures indicated in 2. Summary of Significant Accounting Policies. Profit for reported segments is based on ordinary income. Sales for inter-segment are based on actual market prices.

### (c) Information on amounts of net sales, profit or loss, and other items by reported segment

Segment information as of and for the fiscal year ended March 31, 2024 was as follows:

	Millions of yen		
	Engineering	Piping and Soundproof materials	Total
Year ended March 31, 2024			
Sales			
Outside customers	¥16,621	¥7,447	¥24,068
intergroup	3	34	38
Total	16,625	7,481	24,106
Segment profit (loss)	¥909	¥785	¥1,694

	Thousands of U.S. dollars ( Note 1 )		
	Engineering	Piping and Soundproof Materials	Total
Year ended March 31, 2024			
Sales			
Outside customers	\$109,834	\$49,211	\$159,045
intergroup	23	225	248
Total	109,856	49,436	159,293
Segment profit (loss)	\$6,010	\$5,187	\$11,196

Segment information as of and for the fiscal year ended March 31, 2025 was as follows:

	Millions of yen		
	Engineering	Piping and Soundproof materials	Total
Year ended March 31, 2025			
Sales			
Outside customers	¥13,505	¥9,376	¥22,882
intergroup	127	130	257
Total	13,633	9,506	23,139
Segment profit (loss)	¥494	¥1,378	¥1,873

	Thousands of U.S. dollars ( Note 1 )		
	Engineering	Piping and Soundproof Materials	Total
Year ended March 31, 2025			
Sales			
Outside customers	\$90,317	\$62,706	\$153,023
intergroup	852	867	1,719
Total	91,170	63,573	154,742
Segment profit (loss)	\$3,305	\$9,217	\$12,523

(d) Adjustments of difference between the total of Segment information and the total of financial report

Millions of yen		
Sales	March 31,2024	March 31,2025
Segment total	¥24,106	¥23,139
Intergroup	(38)	(257)
Sales on financial report	24,068	22,882

Millions of yen		Millions of yen
Profits	March 31,2024	March 31,2025
Segment total	¥1,694	¥1,873
Corporation	(847)	(878)
Ordinary Profits on financial report	847	995

Thousands of U.S.dolla thousands of U.S.dollars		
Sales	March 31,2024	March 31,2025
Segment total	\$159,293	\$154,742
Intergroup	(248)	(1,719)
Sales on financial report	159,045	153,023

Thousands of U.S.dolla thousands of U.S.dollars		
Profits	March 31,2024	March 31,2025
Segment total	\$11,196	\$12,523
Corporation	(5,599)	(5,871)
Ordinary Profits on financial report	5,598	6,652

(e) Relative Information

March 31, 2025

1. Area information

Sales

Millions of yen

Japan	Other s	Total
¥19,716	¥3,165	¥22,882

Thousands of U.S.dollars

Japan	Other s	Total
\$131,856	\$21,167	\$153,023

2. Main Customer Information

Millions of yen

Customer's name	Sales	Relevant Segment
Mitsui Mining and Smelting Co., Ltd.	¥2,688	Engineering
Hachinohe Smelting Co., Ltd.	1,424	Engineering
Kamioka Smelting Co., Ltd.	1,168	Engineering

Thousands of U.S.dollars

Customer's name	Sales	Relevant Segment
Mitsui Mining and Smelting Co., Ltd.	\$17,976	Engineering
Hachinohe Smelting Co., Ltd.	9,524	Engineering
Kamioka Smelting Co., Ltd.	7,814	Engineering

## 10. Income Taxes

The Company is subject to a number of taxes based on income, which, in the aggregate, indicate statutory rates in Japan of approximately 30.5% for the years ended March 31, 2024 and 2025.

Its foreign subsidiaries were subject to the income taxes of the countries in which they operate.

Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars(Note1)
	2024	2025	2025
Deferred tax assets:			
Unpaid enterprise tax	¥ 15	¥10	\$69
Accrued business office taxes	3	4	24
Excess accrued bonuses to employees	115	123	821
Allowance for warranties for completed construction	21	15	103
Allowance for expected losses on construction contracts in process	24	31	209
Employees' retirement benefits	376	387	2,587
Directors' retirement benefits	10	4	28
Excess bad debt expenses	12	74	496
Loss on valuation of golf course membership	11	6	40
Loss on valuation of inventories	3	8	55
Accrued social insurance	19	21	138
Unrealized gains (losses) on hedging derivatives, net of tax	—	1	6
Others	19	16	107
Subtotal	630	700	4,684
Valuation allowance	(28)	(85)	(568)
Total deferred tax assets	602	616	4,117
Deferred tax liabilities:			
Retained earnings of foreign subsidiaries	¥185	¥205	\$1,369
Accumulated adjustments for retirement benefit	142	61	407
Prepaid pension costs	35	72	484
Unrealized gains (losses) on hedging derivatives, net of tax	1	—	—
Others	0	1	7
Total deferred tax liabilities	364	339	2,267
Net deferred tax assets	238	277	1,850

The net deferred tax assets at March 31, 2024 and 2025 were contained in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars(Note1)
	2024	2025	2025
Deferred tax assets - non current	¥239	¥278	\$1,856
Deferred tax liabilities - non current	(1)	(1)	(7)

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## 11. Financial Instruments

### (a) Conditions of Financial Instruments

#### 1. Policy for financial instruments

The Companies raise funds primarily through bank loans.

Temporary fund surpluses are managed principally through short-term deposits.

The Companies utilize financial assets with high degrees of safety for surplus funds.

The Companies use derivatives to reduce risk as described below and do not enter into derivatives for trading in the short term or for speculation.

#### 2. Description of financial instruments, risk

Notes and accounts receivable from completed construction contracts- are exposed to the credit risks of customers.

Because the Companies are expanding their business globally, certain trade receivables denominated in foreign currencies are exposed to foreign currency exchange rate fluctuation risk. For this risk, currency forward contracts are used on a certain portion of the positions that are considered as necessary.

Deposits to the holding company is deposits paid to the holding company in accordance with the policy of management for temporary fund surpluses.

Investment securities are equity securities, and most of which is equity security for unconsolidated subsidiary.

The majority of notes and accounts payable for construction contracts have payment due dates of less than one year. A portion of those are denominated in foreign currencies in association with the import of materials and equipments, raw materials and others are thus exposed to foreign currency exchange rate fluctuation risks. For this risk, currency forward contracts are used on a certain portion of the positions that are considered as necessary.

Derivative transactions entered into by the Companies are implemented and controlled based on the Company's internal policies. Moreover, in order to mitigate credit risk, the Companies only conduct business with highly rated financial institutions and trading companies.

Regarding derivative transactions, please refer to "Notes to Consolidated Financial Statements 13. Derivative Transactions".

#### 3. Description of risk management system

Supplementary explanation regarding fair value of financial instruments

The fair value of financial instruments is measured based on the market price, if available, or reasonably estimated value if a market price is not available. Because fair value is estimated based on certain assumptions, the fair value might differ if different assumptions are used.

In addition, the contract amount of the derivative transactions described below in Notes 12 (Derivative Transactions) does not represent the market risk of the derivative transactions.

### (b) Fair value of financial instruments

The carrying amounts on the consolidated balance sheets, fair value, and differences as of March 31, 2025 are as next page. In addition, financial instruments, of which it is extremely difficult to measure the fair value, are not included. (Please refer to "2. Financial instruments whose fair value is extremely difficult to measure")

Millions of yen			
	Consolidated balance sheet amount	Fair value	Difference
<b>Year ended March 31, 2025</b>			
Assets:			
(a)Cash and time deposits:	¥4,233	¥4,233	¥ —
(b)Notes and accounts receivable from completed construction contracts:	10,346	10,346	—
(c) Deposits to the holding company:	2,527	2,527	—
Total:	17,106	17,106	—
Liabilities:			
(a)Notes and accounts payable for construction contracts:	(2,464)	(2,464)	—
(b)Advances received on uncompleted construction contracts:	(719)	(719)	—
Total:	(3,183)	(3,183)	—
Derivative transactions	(68)	(68)	—

Notes: Derivative assets and liabilities are on net basis. Items that are net liabilities are shown in parenthesis.

Thousands of U.S.dollars (Note 1)			
	Consolidated balance sheet amount	Fair value	Difference
<b>Year ended March 31, 2025</b>			
Assets:			
(a)Cash and time deposits:	\$28,309	\$28,309	\$ —
(b)Notes and accounts receivable from completed construction contracts:	69,188	69,188	—
(c) Deposits to the holding company:	16,902	16,902	—
Total:	114,399	114,399	—
Liabilities:			
(a)Notes and accounts payable for construction contracts:	(16,477)	(16,477)	—
(b)Advances received on uncompleted construction contracts:	(4,811)	(4,811)	—
Total:	(21,288)	(21,288)	—
Derivative transactions	(454)	(454)	—

Notes: Derivative assets and liabilities are on net basis. Items that are net liabilities are shown in parenthesis.

#### Notes:

##### 1. Method of estimating fair value of financial instruments

###### Assets:

###### (a)Cash and time deposits and (c)Deposits to the holding company:

The consolidated balance sheet amounts approximate fair value because of the short maturity of these instruments.

###### (b)Notes and accounts receivable from completed construction contracts:

The fair values of these financial instruments are equivalent to the book value, because of the short term settlements;  
although, the fair value of notes and accounts receivable from completed construction contracts due over one year are based on the present value of discounted cash flows using the interest rate determined by the factors such as bonds issued by the government of Japan.

###### Liabilities:

###### (a)Notes and accounts payable for construction contracts (b)Advances received on uncompleted construction contracts:

The consolidated balance sheet amounts approximate fair value because of the short maturity of these instruments.

###### Derivative transactions:

Contract amount, fair value, unrealized gain or loss, and others are described in “Notes to Consolidated Financial Statements 13. Derivative Transactions” .

2. Financial instruments whose fair value is extremely difficult to measure

Classification	Consolidated balance sheet amount	
	Millions of yen	Thousands of U.S.dollars(Note 1)
Unlisted equity securities	<b>¥88</b>	<b>\$586</b>
Investment securities is only unlisted equity securities, and there is no market value and extremely difficult to measure the fair value.		

3. The redemption schedule for money claim with maturity date subsequent to the consolidated balance sheets date

	Millions of yen	
	April 1 , 2025 to March 31 , 2026	April 1 , 2026 to March 31 , 2030
<b>Year ended March 31, 2025</b>		
(a)Cash and time deposits:	<b>¥4,233</b>	<b>¥—</b>
(b)Notes and accounts receivable	<b>10,346</b>	<b>—</b>
from completed construction contracts:		
(c) Deposits to the holding company:	<b>2,527</b>	<b>—</b>
Total:	<b>17,106</b>	<b>—</b>
	Thousands of U.S.dollars (Note 1)	
	April 1 , 2025 to March 31 , 2026	April 1 , 2026 to March 31 , 2030
<b>Year ended March 31, 2025</b>		
(a)Cash and time deposits:	<b>\$28,309</b>	<b>\$ —</b>
(b)Notes and accounts receivable	<b>69,188</b>	<b>—</b>
from completed construction contracts:		
(c) Deposits to the holding company:	<b>16,902</b>	<b>—</b>
Total:	<b>114,399</b>	<b>—</b>



## 12.Derivative Transactions

The Company used currency forward contracts to hedge transactions, such as sales denominated in foreign currencies and forecasted purchases of inventories (mainly construction materials and raw materials) against foreign currency exchange risk.

The Companies utilized commodities forward transaction to reduce the Company's exposure to fluctuations in raw material prices which is subject to international market fluctuation.

All of these contracts were based on actual demand and not for trading in the short term or for speculation.

(a) Derivative transactions for which hedge accounting had not been applied as of March 31, 2025 were as follows:

Type		Millions of Yen	Thousands of U.S. dollars(Note 1)
Forward contracts			
Buying:	Contract amounts	34	\$225
metal:	Due over one year		
	Market value	34	227
	Net unrealized gains	0	2

Notes: Market values of commodity forward contracts are based on forward rates or prices provided by financial institutions

(b) Derivative transactions for which hedge accounting had been applied as of March 31, 2025 were as follows:

Currency-related derivatives

Type	Hedged items		Millions of yen	Thousands of U.S. dollars(Note 1)
			2025	2025
Forward contracts				
Selling:				
U.S.dollars:	Notes and accounts receivable from completed construction contracts	Contract amounts	¥389	\$2,603
		Due over one year	(—)	(—)
		Market value	379	2,534
		Unrealized gain(loss)	10	69
Euros:	Notes and accounts receivable from completed construction contracts	Contract amounts	¥1,949	\$13,035
		Due over one year	173	1,159
		Market value	2,193	14,667
		Unrealized gain(loss)	(71)	(473)
Thai Baht	Notes and accounts receivable from completed construction contracts	Contract amounts	¥9	\$63
		Due over one year	(—)	(—)
		Market value	10	64
		Unrealized gain(loss)	0	(1)

Type	Hedged items		Millions of yen	Thousands of U.S. dollars(Note 1)
			2025	2025
Buying:				
U.S.dollars:	Notes and accounts payable for construction contracts	Contract amounts	¥176	\$1,176
		Due over one year	(—)	(—)
		Market value	172	1,151
		Unrealized gain(loss)	(4)	(25)
Euros:	Notes and accounts payable for construction contracts	Contract amounts	¥1	\$7
		Due over one year	(—)	(—)
		Market value	1	8
		Unrealized gain(loss)	0	0
Canadian dollars:	Notes and accounts payable for construction contracts	Contract amounts	¥16	\$104
		Due over one year	(—)	(—)
		Market value	15	101
		Unrealized gain(loss)	0	(3)
Australia dollars:	Notes and accounts payable for construction contracts	Contract amounts	¥93	\$623
		Due over one year	(—)	(—)
		Market value	90	601
		Unrealized gain(loss)	(3)	(22)
Total		Contract amounts	¥2,633	\$17,611
		Due over one year	173	1,159
		Market value	2,860	19,125
		Unrealized gain(loss)	(68)	(456)

Notes:

(a)The deferred hedge method is applied as hedge accounting methods.

(b)Market values of currency forward contracts are based on prices provided by financial institutions.

### 13.Related Party Transactions

1. Year ended March 31, 2024

(1) Transactions of the Company with its holding company and significant shareholders, for the year ended March 31, 2024 were as follows:

Millions of Yen				
2024				
(a) Name	Transactions during the year ended		Balance at the end of the year	
(b) Attribution	31-Mar-24			
(c) Capital (Millions of yen)				
(d) Equity ownership percentage held by the holding company	Description of transaction	Amount	Account	Amount
(a) Mitsui Mining And Smelting Co.,Ltd.	Sales	¥4,567	Notes and accounts receivable from completed construction contracts	¥1,931
			Advances received on uncompleted construction contracts	—
(b) Holding Company	Purchases	920	Notes and accounts payable from completed construction contracts	224
			Other current liabilities	143
(c) 42,129	Deposit of funds	98	Deposits to the holding company	3,578
(d) Direct 100%	Interest income	10	—	—
	Interest expense	0	—	—

Thousands of U.S.dollars				
2024				
(a) Name	Transactions during the year ended		Balance at the end of the year	
(b) Attribution	31-Mar-24			
(c) Capital (Millions of yen)				
(d) Equity ownership percentage held by the holding company	Description of transaction	Amount	Account	Amount
(a) Mitsui Mining And Smelting Co.,Ltd.	Sales	\$30,179	Notes and accounts receivable from completed construction contracts	\$12,761
			Advances received on uncompleted construction contracts	—
(b) Holding Company	Purchases	6,079	Notes and accounts payable from completed construction contracts	1,482
			Other current liabilities	947
(c) 42,129	Deposit of funds	648	Deposits to the holding company	23,646
(d) Direct 100%	Interest income	67	—	—
	Interest expense	2	—	—

Notes :

- The amounts stated above do not include consumption tax, except for the balance at fiscal year end, which includes the consumption tax amount.
- Business conditions and policy of business conditions
  - The amount of orders was determined properly on an arm's – length basis as in the case of other general transactions
  - The purchase amount of raw materials for metal processing was determined properly considering normal market prices as in the case of other general transactions
  - The interest rate of deposits paid to its holding company was determined properly considering normal market interest rates as in the case of other general transactions
- The transaction amount of withdrawal of funds is stated in net increase basis.

2. Year ended March 31, 2025

(1) Transactions of the Company with its holding company and significant shareholders, for the year ended March 31, 2025 were as follows:

Millions of Yen				
2025				
(a) Name	Transactions during the year ended		Balance at the end of the year	
(b) Attribution	31-Mar-25			
(c) Capital (Millions of yen)				
(d) Equity ownership percentage held by the holding company	Description of transaction	Amount	Account	Amount
(a) Mitsui Mining And Smelting Co.,Ltd.	Sales	¥2,688	Notes and accounts receivable from completed construction contracts	¥570
			Advances received on uncompleted construction contracts	—
(b) Holding Company	Purchases	1,300	Notes and accounts payable from completed construction contracts	247
			Other current liabilities	119
(c) 42,223	Deposit of funds	1,067	Deposits to the holding company	2,527
(d) Direct 100%	Interest income	16	—	—
	Interest expense	0	—	—

Thousands of U.S.dollars				
2025				
(a) Name	Transactions during the year ended		Balance at the end of the year	
(b) Attribution	31-Mar-25			
(c) Capital (Millions of yen)				
(d) Equity ownership percentage held by the holding company	Description of transaction	Amount	Account	Amount
(a) Mitsui Mining And Smelting Co.,Ltd.	Sales	\$17,976	Notes and accounts receivable from completed construction contracts	\$3,815
			Advances received on uncompleted construction contracts	—
(b) Holding Company	Purchases	8,693	Notes and accounts payable from completed construction contracts	1,654
			Other current liabilities	794
(c) 42,223	Deposit of funds	7,135	Deposits to the holding company	16,902
(d) Direct 100%	Interest income	107	—	—
	Interest expense	1	—	—

Notes :

- The amounts stated above do not include consumption tax, except for the balance at fiscal year end, which includes the consumption tax amount.
- Business conditions and policy of business conditions
  - The amount of orders was determined properly on an arm's – length basis as in the case of other general transactions
  - The purchase amount of raw materials for metal processing was determined properly considering normal market prices as in the case of other general transactions
  - The interest rate of deposits paid to its holding company was determined properly considering normal market interest rates as in the case of other general transactions
- The transaction amount of withdrawal of funds is stated in net increase basis.

#### 14.Earnings per Share of Common Stock

Earnings per share of common stock at March 31, 2024 and 2025 were as follows:

	Net income (Millions of yen)	Weighted- average shares (Thousands)	Net income per share (Yen)	Net income per share (U.S.dollars (Note 1))
<b>Year ended March 31, 2024</b>				
Net income available to common shareholders	<b>¥583</b>	<b>12,772</b>	<b>¥45.68</b>	<b>\$0.30</b>
	Net income (Millions of yen)	Weighted- average shares (Thousands)	Net income per share (Yen)	Net income per share (U.S.dollars (Note 1))
<b>Year ended March 31, 2025</b>				
Net income available to common shareholders	<b>¥500</b>	<b>12,772</b>	<b>¥39.12</b>	<b>\$0.26</b>

#### 15.Consolidated Statement of Comprehensive Income

##### Year ended March 31, 2024 and 2025

Amounts reclassified to net income in the current period that were recognized in other comprehensive income in the current or previous periods and tax effects for each component of other comprehensive income were as follows:

	Millions of yen		Thousands of U.S. dollars(Note1)
	2024	2025	2025
Unrealized gains (losses) on hedging derivatives:			
Increase(decrease) during the year	(¥11)	(¥68)	(\$454)
Reclassification adjustments	27	11	76
Sub-total, before income tax and tax effect	15	(57)	(378)
income tax and tax effect	(5)	17	116
total	11	(39)	(262)
Foreign currency translation adjustments:			
Increase(decrease) during the year	163	422	2,825
total	163	422	2,825
Share of other comprehensive income of associates accounted for using equity			
Increase(decrease) during the year	7	10	67
total	7	10	67
Retirement Benefits adjustments			
Increase(decrease) during the year	513	(116)	(778)
Reclassification adjustments	(14)	(150)	(1,005)
Sub-total, before income tax and tax effect	499	(267)	(1,783)
income tax and tax effect	(152)	81	544
total	347	(185)	(1,239)
Total other comprehensive income	527	208	1,390

## Directors and Auditors

(As of June 20, 2025)

President and Representative Director

**Yoichi Tanaka**

Directors

**Kazuhiro Ide**

**Hironobu Kurata**

**Ken-ichi Yokokawa**

**Makoto Kawahara**

Auditors

**Kenji Miyamoto**

**Keiichi Kuroda**

## Corporate Data

(As of March 31, 2025)

**Established:** February 17, 1964

**Authorized Capital:** 32,000,000 shares

**Shares issued:** 12,771,836 shares

**Paid-in capital:** ¥ 1,085,350,000

**Number of shareholders:** 1

### The Holding Company:

	Percentage of outstanding shares (%)
Mitsui Mining & Smelting Co.,Ltd.	100

### Consolidated subsidiaries:

	Paid-in Capital (Millions)	Share (%)
MESCO(U.S.A.),INC.	¥13	100
MESCOENG(MALAYSIA) SDN.BHD.	¥22	100
TAIWAN MESCO Co.,Ltd.	¥18	100

### Non-consolidated subsidiaries:

	Paid-in Capital (Millions)	Share (%)
SIAM MESCO Co.,Ltd.	¥6	49

## Directory

### Head Office

3-2-1 Kinshi, Sumida-ku, Tokyo  
130-8531 Japan  
Phone:(03)5610-7839 Fax:(03)5610-7863

### Oita Pipe Plant

843-18 Kasugaura, Seike, Oita-Shi, Oita,  
870-0011 Japan  
Phone:(097)538-2100 Fax:(097)538-1501

### Branch Offices

#### Tohoku

76 Hamanayachi, Kawaragi, Hachinohe-shi,  
Aomori, 039-1161 Japan  
Phone:(0178)28-2041 Fax:(0178)28-5251

#### Kamioka

1-1, Shikama, Kamioka-cho  
Hida-shi, Gifu, 506-1114 Japan  
Phone:(0578)82-3539 Fax:(0578)83-2862

#### Kyushu

2100 Tosen, Omuta-shi, Fukuoka  
836-0003 Japan  
Phone:(0944)57-3190 Fax:(0944)54-5539

#### Philippine Branch

Barangay Taganito, Claver, Surigao del Norte,  
the Republic of the Philippines

#### Indonesia Representative Office

Kaw.Industri Suryacipta, Jl. Surya Lestari Kav.C-3,  
Kutamekar Ciampel Karawang Jawa Barat 41361

### Subsidiaries

#### MESCOENG(MALAYSIA) SDN.BHD.

No. W1202, 12th Floor, West Tower, Wisma Consplant1,  
Subang Jaya, 47500 Selangor , Malaysia  
Jaya, Selangor Darul Ehsan, Malaysia  
Phone : 60-3-5880-8880 Fax : 60-3-5880-5802

#### TAIWAN MESCO Co.,Ltd.

13F.-5, No.360, Sec.2, Taiwan Blvd., North Dist.,  
Taichung City 404, Taiwan(R.O.C)  
Phone : 886-4-2322-3366 Fax : 886-49-225-7702

#### SIAM MESCO Co.,Ltd.

622 Emporium Tower 14th/5 Floor, Sukhumvit Road,  
Klongton Sub-district, Klongtoey District, Bangkok 10110,  
Thailand  
Phone : 66-2-260-8441 Fax : 66-2-260-8442

#### MESCO(U.S.A), INC.

Suite 207 232 N. Broadway, Greensburg, Indiana, 47240, USA

### Marketing Offices

#### Sapporo

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Sapporo-shi, Hokkaido 060-0031 Japan  
Phone:(011)232-8031 Fax:(011)232-8033

#### Sendai

1-11-1 Hon-machi, Aoba-ku, Sendai-shi,  
Miyagi, 980-0014 Japan  
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#### Tokyo

3-2-1 Kinshi, Sumida-ku, Tokyo  
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Phone:(03)5610-7850 Fax:(03)5610-7867

#### Nagoya

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Aichi, 460-0075 Japan  
Phone:(052)953-0371 Fax:(052)953-0466

#### Osaka

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564-0063 Japan  
Phone:(06)6387-6510 Fax:(06)4861-7716

#### Hiroshima

4-1 Inari-machi, Minami-ku, Hiroshima-shi  
Hiroshima, 732-0827 Japan  
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#### Fukuoka

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Fukuoka 814-0001 Japan  
Phone:(092)843-7729 Fax:(092)843-7780

#### Hokuriku

1-3-16 Shimonaka-cho, Fukui-shi,  
Fukui 918-8211 Japan  
Phone:(077)643-9282 Fax:(077)643-9283