

# Business report

## 85th term

(Established 107 years ago since 1918 (Taisho 7) and 1926 (Showa 100))

From: April 1, 2024

To: March 31, 2025

(Company policy)

# "Love and Creativity"

Showa Kako Co., Ltd.

Consolidated: SKC, KKC, STC, MQC, WKA, SKI, SKB, 7 companies in total

# Consolidated Balance Sheets

April 1, 2020 - March 31, 2020

(Unit: yen)

Assets		Liabilities	
Subjects	Amount	Subjects	Amount
<b>Current assets</b>	<b>8,476,109,821</b>	<b>Current liabilities</b>	<b>2,575,699,411</b>
Cash and deposits	3,131,888,425	Notes and accounts payable	1,074,444,581
Notes and accounts receivable	2,463,059,872	Accounts payable/accrued expenses	435,191,792
Securities	58,579,096	Unpaid corporate taxes	320,209,743
Inventory	2,332,967,807	Short-term borrowings	646,461,360
Other current assets	502,558,621	Other current liabilities	99,391,935
Allowance for doubtful accounts	△ 12,944,000	<b>Fixed debt</b>	<b>5,697,676,436</b>
<b>Fixed assets</b>	<b>7,407,120,937</b>	Long-term borrowings	5,697,676,436
Tangible fixed assets (excluding land)	2,920,031,589	Provisions	0
land	4,215,738,458	capital	80,000,000
Intangible fixed assets	21,735,464	Capital Surplus	689,725,000
Investments and other assets	249,615,426	Retained earnings	7,002,293,367
<b>Deferred Assets</b>	<b>98,703,315</b>	Treasury stock	△ 68,100,107
Deferred Assets	98,703,315	Foreign currency translation adjustment account	4,639,966
<b>Total assets</b>	<b>15,981,934,073</b>	<b>Total liabilities and net assets</b>	<b>15,981,934,073</b>

# Consolidated income statement

From: April 1, 2020

To: March 31, 2020

Showa Kako Consolidated

(Unit: yen)

Subjects	Amount	
<b>Sales</b>		<b>13,320,929,974</b>
Cost of Sales	9,619,022,698	
Gross Profit		3,701,907,276
Selling, general and administrative expenses	2,200,319,904	
<b>Operating profit</b>		<b>1,501,587,372</b>
Non-operating income	114,822,320	
Non-operating expenses	89,630,887	
<b>Ordinary Profit</b>		<b>1,526,778,805</b>
special profit	24,219,942	
extraordinary loss	218,283,421	
<b>Net income before taxes and other adjustments</b>		<b>1,332,715,326</b>
Corporate tax, resident tax and busin	504,414,061	
<b>net income</b>		<b>828,301,265</b>

# Balance Sheet

April 1, 2020 - March 31, 2020

Showa Kako Co., Ltd.

(Unit: yen)

Assets		Liabilities	
Subjects	Amount	Subjects	Amount
<b>Current assets</b>	<b>7,333,486,960</b>	<b>Current liabilities</b>	<b>2,113,738,768</b>
Cash and deposits	2,493,566,791	Bills payable	28,144,133
Notes Receivable	380,683,281	Accounts Payable	1,300,401,213
accounts receivable	1,984,855,991	Accounts payable	244,316,839
Securities	56,857,096	Accrued expenses	42,250,503
Product/goods inventory	906,895,910	Unpaid corporate taxes	256,727,700
Work in process inventory	666,236,793	Deposit	32,354,033
Raw materials inventory	342,190,958	Unpaid Corporate Tax/(AGS)	16,324,275
		Dividend	

Factory consumables inventory	13,561,062	Suspense receipt	21,693,032
Other current assets/other (AGS)	500,639,078	Advance payment	65,680
Allowance for doubtful accounts	△ 12,000,000	Current portion of long-term loans	171,461,360
<b>Fixed assets</b>	<b>7,026,153,942</b>	<b>Fixed debt</b>	<b>5,303,190,720</b>
<u>Tangible fixed assets</u>	<u>5,675,270,819</u>	Long-term borrowings	4,724,603,200
building	895,469,495	Deposit security deposit	219,354,000
Building accessories	281,959,037	Other liabilities/provisions	359,233,520
Constructs mechanical equipment	154,417,553	<b>Total Liabilities</b>	<b>7,416,929,488</b>
Vehicle transport equipment	609,489,872	<b>Net assets</b>	
Tools, equipment, fixtures, small fixed assets, etc. (AGS)	1,819,501	<b>Shareholders' Equity</b>	
land	68,436,426	capital	100,000,000
<u>Intangible fixed assets</u>	<u>10,829,883</u>	capital reserve	2,631,236,773
Telephone subscription rights	904,404	profit reserve	4,279,574,748
Software	2,342,667	Treasury stock	△ 68,100,107
Other intangible fixed assets	7,582,812	Retained earnings carried forward	
<u>investment</u>	<u>1,243,237,337</u>		
Investment securities and capital contributions	1,054,759,252		
Long-term loan	2,268,034		
Deposit/Guarantee	100,878,000		

Other (insurance reserves)	85,332,051		
Deferred Assets:	96,815,903	<b>Total net assets</b>	<b>6,942,711,414</b>
<b>Total assets</b>	<b>14,359,640,902</b>	<b>Total liabilities and net assets</b>	<b>14,359,640,902</b>

(Note)

Accumulated depreciation of property, plant and equipment 3,236,737,576

# Income statement

From: April 1, 2020

To: March 31, 2020

Showa Kako Co., Ltd.

(Unit: yen)

Subjects	Amount
<b>Sales</b>	<b>11,986,350,026</b>
Cost of Sales	9,401,992,836
Beginning inventory	851,767,333
Current manufacturing cost and purchases	9,457,121,413
<u>total</u>	<u>10,308,888,746</u>
Ending inventory	△ 906,895,910
<b>Gross Profit</b>	<b>2,584,357,190</b>
Selling and administrative expenses	386,658,481
General and administrative expenses	889,356,781
<b>Operating profit</b>	<b>1,308,341,928</b>
<u>Non-operating income</u>	<u>175,172,544</u>
Interest Received	3,008,476
Dividends received	101,213,507
Miscellaneous income	70,950,561
<u>Non-operating expenses</u>	<u>63,138,881</u>
Interest Expenses	51,423,652
Discount interest	0
Discount interest	11,715,229
Miscellaneous losses	
<b>Ordinary Profit</b>	<b>1,420,375,591</b>
special profit	718,458
extraordinary loss	130,909,657
<b>Pretax profit</b>	<b>1,290,184,392</b>
Corporate tax, resident tax and business tax	395,896,100
<b>Net income</b>	<b>894,288,292</b>

(Note) Ordinary depreciation range of depreciable assets for the current period

282,252,655

Amount of depreciation

282,252,655

# Individual Notes Table

**1. These financial statements are prepared in accordance with the guidelines for accounting for small and medium-sized enterprises.**

## **2. Notes on significant accounting policies**

(1) Valuation standards and methods for securities

- |                               |                        |
|-------------------------------|------------------------|
| ① Something with market value | Historical cost method |
| ② Items with no market value  | Historical cost method |

(2) Valuation standards and methods for inventories

Cost method based on the weighted average method

(3) Depreciation method for fixed assets

Tangible fixed as Straight-line method as provided for in the Corporation Tax Law

Service life

Building: 8 to 25 years old

Building accessories: 3 to 20 years

Construction: 8 years to 45 years

Mechanical equipment: 2 years to 22 years

Tools and equipment: 2 years to 20 years

Vehicle transport equipment: 4 to 7 years

Intangible fixed  
assets

Straight-line method as provided for in the  
Corporation Tax Law

(4) Accounting for lease transactions

Finance leases other than those that transfer ownership of the leased assets to the lessee are

accounted for by a method similar to that applicable to ordinary operating leases.

(5) Accounting standards for allowance for doubtful accounts

In order to prepare for losses due to bad debts, we consider the possibility of collecting specific

receivables, such as loans of doubtful concerns, on a case-by-case basis, based on the statutory

provision rate stipulated in accordance with the provisions of the Corporation Tax Act for general

receivables, and record the amount that is expected to be uncollectible.

(6) Accounting for consumption taxes

Consumption taxes are accounted for by the tax exclusion method.

## **3. Notes to the Balance Sheet**

umulated depreciation of tangible fixed assets: 2,961,469,506

#### **4. Notes regarding the statement of changes in shareholders' equity**

(1) Issued shares

End of previous period...62,968,428 shares

End of current period: 62,968,428 shares

(2) Number of treasury shares as of the last day of the fiscal year

1,718,939 shares