

# Business Report

## 86<sup>th</sup> Term

(108 year since founded in 1918)

From: April 1, 2025

To: March 31, 2026

Corporate Philosophy

# “Love and Creation”

Showa Kako Co., Ltd.

# Consolidated Balance Sheet

April 1, 2025~March 31, 2026

(Unit : Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current Assets</b>	<b>7,991,424,588</b>	<b>Current liabilities</b>	<b>3,566,048,283</b>
Cash and deposits	2,730,608,500	Notes and accounts payable	1,000,426,228
Notes and account receivables	2,120,362,870	Accounts payable/Accrued expenses	239,979,966
Securities	85,452,903	Unpaid corporate taxes	9,528,607
Inventories	2,687,254,013	Short-term debts	2,256,433,360
Other current assets	380,690,302	Other current liabilities	59,680,122
Allowance for doubtful accounts	△ 12,944,000	<b>Fixed Debt</b>	<b>3,732,195,280</b>
<b>Fixed Assets</b>	<b>7,352,404,476</b>	Long-term loans	3,174,329,840
Tangible assets (excluding lands)	2,843,272,908	Provisions	557,865,440
Lands	4,228,738,458	Capital	80,000,000
Intangible assets	32,680,856	Capital Surplus	80,000,000
Investment and other assets	247,712,254	Retained Earnings	8,120,487,781
<b>Deferred Assets</b>	<b>110,160,458</b>	Treasury stocks	△ 128,764,299
Deferred assets	110,160,458	Foreign currency translation adjustment	4,022,477
<b>Total Assets</b>	<b>15,453,989,522</b>	<b>Total Liabilities and Net Assets</b>	<b>15,453,989,522</b>

# Consolidated Income Statement

From : April 1, 2025

To : March 31, 2026

Showa Kako consolidated

(Unit:Yen)

Item	Amount	
<b>Sales</b>		<b>11,506,913,981</b>
Cost of sales	8,524,868,610	
Gross profit		2,982,045,371
Selling, general, and administrative expenses	1,782,365,797	
<b>Operating Profit</b>		<b>1,199,679,574</b>
Non-operating incomes	59,721,782	
Non-operating expenses	75,434,448	
<b>Ordinary Profit</b>		<b>1,183,966,908</b>
Special incomes	24,006,778	
Extraordinary losses	554,450,325	
<b>Profit before taxes and other adjustments</b>		<b>653,523,361</b>
Corporate taxes, resident taxes, business taxes	234,724,236	
<b>Profit</b>		<b>418,799,125</b>

# Balance Sheet

April 1, 2025~March 31, 2026

Showa Kako Co., Ltd.

(Unit : Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current Assets</b>	<b>7,897,616,107</b>	<b>Current Liabilities</b>	<b>3,550,426,535</b>
Cash and deposits	2,695,812,074	Notes payable	12,242,537
Notes receivable	405,779,174	Accounts payable- trade	976,144,332
Accounts receivable	1,696,550,546	Short-term debts	2,100,000,000
Securities	85,452,903	Account payable- others	170,870,825
Products/Goods inventory	1,498,177,101	Accrued expenses	67,250,184
Work in process	654,928,311	Corporate taxes payable	8,965,900
Raw materials	501,100,793	Deposit	7,733,333
Factory supplies	30,355,978	Corporate taxes payable(AGS)	12,121,500
Other current assets/Other(AGS)	342,403,227	Suspense receipt	0
Allowance for doubtful accounts	△ 12,944,000	Advance payment	38,664,564
<b>Fixed Assets</b>	<b>7,267,973,488</b>	Long-term loans due within one year	156,433,360
<u>Tangible assets</u>	<u>6,827,131,358</u>	<b>Fixed Debt</b>	<b>3,726,035,280</b>
Buildings	1,301,153,310	Long-term loans	3,168,169,840
Building facilities	321,606,527	Deposit security	176,061,200
Structures	204,697,950	Provisions	378,633,520
Machinery equipments	690,321,801	Lease obligations	3,170,720
Vehicles	2,967,740	<b>Total Liabilities</b>	<b>7,276,461,815</b>
Tools, equipments, fixtures, others	56,485,325	<b>Net Assets</b>	
Land	4,102,655,650	<b>Shareholders equity</b>	
Construction in progress	144,476,655		
Lease	2,766,400		

<u>Intangible assets</u>	<u>13,574,861</u>	Capital	100,000,000
Telephone	1,497,000	Capital reserve	2,631,236,773
subscription rights			
Software	4,522,669	Retained Earnings	5,286,655,306
Other intangible	7,555,192	Other retained	0
assets			
<u>Investments</u>	<u>317,106,811</u>	Treasury Stock	△ 128,764,299
Investment Securities an	122,330,716	Retained earnings	
d Shares		carried forward	
Long-term loan	588,034		
receivable			
Deposits/Guarantees	100,811,000		
Others (Insurance	93,377,061		
funds)			
Deferred assets	<u>110,160,458</u>	<b>Total Net Assets</b>	<b>7,889,127,780</b>
<b>Total Assets</b>	<b>15,165,589,595</b>	<b>Total Liabilities and</b>	<b>15,165,589,595</b>
		<b>net Assets</b>	

(Note)

Accumulated depreciation of property, plant and equipment ¥4,822,109,191

# Income Statement

From : April 1, 2025

To : March 31, 2026

Showa Kako Co., Ltd.

(Unit : Yen)

Item	Amount
<b>Sales</b>	<b>11,361,612,661</b>
Cost of sales	8,439,494,706
Finished goods brought forward	1,025,323,270
Merchandise brought forward	112,351,773
Cost of products manufactured during current period	7,147,784,862
Cost of merchandise purchased during current period	1,652,211,902
Finished goods at end of current period	△ 1,244,639,702
Merchandise at end of period	△ 253,537,399
<b>Gross Profit</b>	<b>2,922,117,955</b>
Selling expenses	593,263,453
General and administrative expenses	1,121,864,956
<b>Operating profit</b>	<b>1,206,989,546</b>
<u>Non operating incomes</u>	<u>55,072,251</u>
Interest incomes	5,100,127
Dividend incomes	3,021,595
Miscellaneous incomes	46,950,529
<u>Non-operating expenses</u>	<u>74,991,344</u>
Interest expenses	66,527,140
Interest on discounts	250,245
Miscellaneous losses	8,213,959
<b>Ordinary Profit</b>	<b>1,187,070,453</b>
Extraordinary income	339,856,208
Extraordinary losses	264,234,494
<b>Profit before Taxes</b>	<b>1,262,692,167</b>
Corporate taxes, resident taxes, business taxes	233,910,761
<b>Profit</b>	<b>1,028,781,406</b>

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(Note) Regular depreciation limit for depreciable assets for the current period 306,961,401円

Amount of depreciation implemented

306,961,401円

# Individual Notes Table

1. These financial statements are prepared in accordance with the Guidelines for Corporate Accounting for Small and Medium-Sized Enterprises.

## 2. Notes on Significant Accounting Policies

### (1) Valuation standards and methods for securities

- ① Securities with market value: Cost method
- ② Securities without market value: Cost method

### (2) Valuation standards and methods for inventories: Cost method based on the total average method

### (3) Depreciation method for non-current assets

Tangible assets: Straight-line method under the provisions of the Corporation Tax Act

Service life:

- Buildings: 8 to 25 years
- Facilities attached to buildings: 3 to 20 years
- Structures: 8 to 45 years
- Machinery and equipment: 2 to 22 years
- Tools, furniture and fixtures: 2 to 20 years
- Vehicles: 4 to 7 years

Intangible assets: Straight-line method under the provisions of the Corporation Tax Act

### (4) Accounting method for lease transactions: Finance lease transactions other than those in which ownership of the leased property is transferred to the lessee are accounted for in a manner similar to ordinary rental transactions.

### (5) Basis for recording allowance for doubtful accounts: To prepare for losses due to bad debts of receivables, for general receivables, the statutory provision rate under the provisions of the Corporation Tax Act is applied. For specific receivables such as doubtful receivables, the recoverability is individually reviewed, and the estimated uncollectible amount is recorded.

### (6) Accounting treatment for consumption taxes, etc.: The accounting treatment for consumption taxes, etc. is based on the tax-excluded method.

## 3. Notes to Balance Sheet

Accumulated depreciation of tangible assets: ¥4,822,109,191

## 4. Notes to Statement of Changes in Shareholders' Equity

### (1) Matters concerning issued shares

- End of previous period: 62,968,428 shares
- End of current period: 62,968,428 shares

### (2) Number of treasury shares at the end of the fiscal year: 1,718,939 shares

# Audit Report

May 12, 2026

To: Mr. Hironosuke Ogura,  
Representative Director and President, Showa Kako Co., Ltd.

As the Corporate Auditor of Showa Kako Co., Ltd., I have audited the balance sheet, statement of income, statement of changes in equity, notes to non-consolidated financial statements, and supplementary schedules for the 86th fiscal year from April 1, Reiwa 7 to March 31, 2026. As a result, I find them to be lawful and accurate.

Furthermore, no misconduct regarding the execution of duties by Directors, nor any material facts violating laws, regulations, or the Articles of Incorporation, were found.

Kazuhiko Ogura, Corporate Auditor (Seal)