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Consolidated Financial Results for the Year Ended October 31, 2024 [Japanese GAAP]

December 11, 2024

Company name: TOMOE ENGINEERING CO.,LTD.

Listing: Tokyo

Securities code: 6309

URL: <https://www.tomo-e.co.jp>

Representative: Akitomo Tamai

President

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Scheduled date of annual general meeting of shareholders: January 30, 2025

Scheduled date to commence dividend payments: January 31, 2025

Scheduled date to file annual securities report: January 30, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2024 (November 1, 2023 to October 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended October 31, 2024	52,119	5.0	4,703	16.2	4,775	16.0	3,616	32.3
October 31, 2023	49,628	8.9	4,048	22.7	4,115	20.3	2,733	2.8

(Note) Comprehensive income: Fiscal year ended October 31, 2024: ¥ 3,845 million [23.1%]
Fiscal year ended October 31, 2023: ¥ 3,123 million [2.6%]

	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
	Yen	Yen	%	%	%
Fiscal year ended October 31, 2024	362.40	-	9.5	9.3	9.0
October 31, 2023	273.95	-	7.7	8.7	8.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended October 31, 2024: ¥ - million
Fiscal year ended October 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2024	53,189	39,351	74.0	3,943.70
October 31, 2023	49,007	36,832	75.2	3,691.32

(Reference) Equity: As of October 31, 2024: ¥ 39,351 million
As of October 31, 2023: ¥ 36,832 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended October 31, 2024	3,363	(629)	(1,327)	14,933
October 31, 2023	3,512	(99)	(678)	13,519

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	%	%
October 31, 2023	-	40.00	-	70.00	110.00	1,097	40.2	3.1
October 31, 2024	-	63.00	-	82.00	145.00	1,446	40.0	3.8
Fiscal year ending October 31, 2025 (Forecast)	-	73.00	-	73.00	146.00		40.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2025 (November 1, 2024 to October 31, 2025)

(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	57,000	9.4	4,960	5.5	5,000	4.7	3,620	0.1	362.79

* Notes:

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

None

Newly included: - (Company name:)
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):

October 31, 2024: 10,533,200 shares
October 31, 2023: 10,533,200 shares

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

October 31, 2024: 554,940 shares
October 31, 2023: 554,940 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended October 31, 2024: 9,978,260 shares
Fiscal Year ended October 31, 2023: 9,978,260 shares

*This financial report is exempt from the review by certified public accountant or audit firm.

*Explanations for appropriate use of the earnings forecast and other special instructions

The forward-looking statements such as a forecast of our financial results described herein are based on the information currently available to us and the assumptions that we believe are reasonable. Actual results could differ materially due to various factors.

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1. Overview of Operating Results

(1) Overview of Current Operating Results

During the consolidated fiscal year under review, the growth of Japan's economy, after staying flat at the beginning of the period, dipped into the negative before turning positive at present, against the backdrop of growth in personal consumption. Overseas, on the other hand, the U.S. economy remained strong and the European economy continued on a low-growth trajectory, while the Chinese economy lacked vigor and was unable to dispel a sense of uncertainty.

Given these circumstances, the Tomoe Engineering Group leverages its global business base and network, versatile knowledge and diversity to create value and achieve sustainable growth and undertakes activities to further enhance its corporate value under the current Mid-term Business Plan “For Sustainable Future” (November 2022 - October 2025).

Net sales for the Tomoe Engineering Group for the consolidated fiscal year under review increased 5.0% from the previous fiscal year to 52,119 million yen, its highest-ever level of net sales, reflecting an increase in sales in the Chemical Products Business. With respect to earnings, the Group also recorded its highest-ever levels in each profit measure. Operating profit increased 16.2% year on year to 4,703 million yen, while ordinary profit came to 4,775 million yen, an increase of 16.0% year on year due to profit growth in both of the Group's businesses. Profit attributable to owners of parent increased 32.3% year on year to 3,616 million yen as a result of the recognition of the tax effect from the resolution to dissolve and liquidate consolidated subsidiaries (Interstella Co., Ltd., which was engaged in the compounding business in China, and its wholly owned subsidiary Interstella Plastics (Shenzhen) Co., Ltd.).

Furthermore, as already announced, the Group has decided to build a new factory on its newly acquired industrial site in Ayase-shi, Kanagawa, to promote the expansion of overseas business. The new factory will mainly be used for the purpose of manufacturing large-size centrifuges, for which demand is expected to increase, mainly in overseas markets. Part of the Company's Sagami Factory and Tomoe Machinery Co., Ltd., a wholly owned subsidiary of the Company responsible for sheet metal welding fabrication of centrifuges, is scheduled to be relocated to this site. This acquisition of the fixed assets has had no impact on the Group's consolidated business results for the consolidated fiscal year under review. The Group will promptly disclose any matters requiring disclosure in the future.

Operating results by segment were as follows.

(Machinery & Equipment Business)

In the Machinery & Equipment Business, net sales for the consolidated fiscal year under review were 13,004 million yen, little changed from the previous fiscal year. Sales of machinery to customers overseas declined substantially and the growth in sales to meet domestic public sector demand was also sluggish. However, the segment experienced robust sales of equipment and construction work for domestic public and private sector demand, in addition to strong sales of components and repair services across all fields.

(Millions of Yen)

	Product classification	Machinery	Equipment and construction work	Components and repair services	TOTAL
Public sector	October 2023	909	977	2,700	4,586
	October 2024	414	1,164	2,936	4,515
	Difference	-494	187	235	-71
Private sector	October 2023	704	15	2,212	2,932
	October 2024	857	339	2,429	3,626
	Difference	153	324	216	694
Overseas markets	October 2023	2,797	160	2,565	5,522
	October 2024	1,650	73	3,138	4,862
	Difference	-1,146	-86	573	-659
TOTAL	October 2023	4,411	1,152	7,477	13,041
	October 2024	2,922	1,577	8,504	13,004
	Difference	-1,488	424	1,026	-37

With respect to earnings, operating profit was 1,187 million yen, up 43.1% year on year, mainly reflecting growth in sales of highly profitable components and repair services, as well as the projects carried over from the previous fiscal year especially in terms of overseas earnings.

(Chemical Products Business)

In the Chemical Products Business, net sales for the consolidated fiscal year under review increased 6.9% year on year to 39,115 million yen. This reflected growth in sales of materials for semiconductor manufacturing devices including power semiconductors in the advanced materials sector, materials mainly for building and fireproofing in the industrial materials sector, materials mainly for motor vehicles and electronic devices in the mineral products sector, and materials mainly for coating applications in the chemical products sector, whereas net sales of synthetic resin-related products in general and materials for semiconductor assembling devices in the electronic materials sector were sluggish.

(Millions of yen)

	October 2023	October 2024	Difference
Synthetic resin sector	5,298	4,523	-774
Industrial materials sector	5,738	6,592	854
Mineral products sector	5,630	6,329	699
Chemical products sector	8,573	9,633	1,059
Advanced materials sector	6,190	7,204	1,014
Electronic materials sector	4,910	4,679	-230
Other products (foreign liquor)	246	151	-94
Total	36,587	39,115	2,528

With respect to earnings, operating profit was 3,516 million yen, up 9.2% year on year, reflecting strong sales.

(2) Overview of Current Financial Condition

Current assets at the end of the consolidated fiscal year under review were 42,239 million yen, up 3,210 million yen from the end of the previous consolidated fiscal year, reflecting increases in cash and deposits, and merchandise and finished goods, while electronically recorded monetary claims - operating decreased. Non-current assets were 10,949 million yen, up 972 million yen from the end of the previous consolidated fiscal year, mainly because retirement benefit asset increased while Intangible assets decreased. Liabilities increased 1,664 million yen from the end of the previous consolidated fiscal year to 13,838 million yen, mainly because notes and accounts payable – trade, and contract liabilities increased while deferred tax liabilities decreased.

Net assets stood at 39,351 million yen, up 2,518 million yen from the end of the previous consolidated fiscal year. This mainly reflected an increase in retained earnings resulting from the recording of profit attributable to owners of parent.

As a result of the above changes, the capital adequacy ratio at the end of the consolidated fiscal year under review stood at 74.0%, a decrease of 1.2 points compared with the 75.2% at the end of the previous consolidated fiscal year.

(3) Overview of Current Cash Flow

Cash and cash equivalents (“cash”) as of the end of the current consolidated fiscal year increased by 1,413 million yen from the end of the previous consolidated fiscal year to 14,933 million yen, reflecting positive cash flow provided by operating activities and expenditures for both investment activities and financing activities. The status of each consolidated cash flow and their factors during the current consolidated fiscal year that led to these results are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the current consolidated fiscal year was 3,363 million yen. This was because cash provided by profit before income taxes of 4,667 million yen, cash retention from depreciation of 357 million yen, and the increase in funds resulting from an increase in trade payables of 1,023 million yen, exceeded cash used in income taxes paid of 1,358 million yen and the increase in inventories of 1,437 million yen. Net cash provided was 148 million yen less than the 3,512 million yen provided in the previous fiscal year.

(Cash flows from investing activities)

Net cash used in investing activities in the current consolidated fiscal year was 629 million yen. This reflected 507 million yen of cash used in the purchase of property, plant and equipment and 207 million yen of cash used in the increase in guarantee deposits, which exceeded proceeds from sale of investment securities of 89 million yen. Net cash used was 530 million yen more than the 99 million yen used in the previous consolidated fiscal year.

(Cash flows from financing activities)

Net cash used in financing activities in the current consolidated fiscal year was 1,327 million yen, reflecting dividends paid of 1,327 million yen. Net cash used was 648 million yen more than the 678 million yen in the previous consolidated fiscal year.

(Reference) Trends in cash flow indices

	Fiscal Year Ended October 31, 2020	Fiscal Year Ended October 31, 2021	Fiscal Year Ended October 31, 2022	Fiscal Year Ended October 31, 2023	Fiscal Year Ended October 31, 2024
Capital Adequacy Ratio (Percent)	77.2	73.6	75.2	75.2	74.0
Capital Adequacy Ratio Based on Market Value (Percent)	50.4	52.5	51.5	54.3	70.8
Ratio of Interest-bearing Debt to Cash Flow (Years)	0.1	0.0	—	0.0	0.0
Interest Coverage Ratio (Times)	93.0	884.0	—	2,320.8	9,841.9

Capital adequacy ratio: Equity / Total assets

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

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payment

(Notes)

1. All indices are calculated on the basis of consolidated financial figures.
2. Market capitalization is calculated based on the number of issued shares excluding treasury shares.
3. Cash flow refers to cash flows from operating activities.
4. Interest-bearing debt refers to all debt reported on the consolidated balance sheets for which interest is being paid.
5. The ratio of interest-bearing debt to cash flow and the interest coverage ratio for the fiscal year ended October 31, 2022, are not stated due to negative operating cash flow.

(4) Outlook for the Next Fiscal Year (November 1, 2024 - October 31, 2025)

In the consolidated fiscal year ending October 31, 2025, the pace of recovery of Japan's economy is expected to remain moderate due to factors such as the introduction of additional tariffs by the new U.S. administration, soaring energy and raw materials costs resulting from the prolonged Russia-Ukraine conflict and conflict in the Middle East, and the impact of dramatic movements in foreign exchange rates, despite forecast growth in personal consumption and capital investment. Overseas, the U.S. economy is expected to remain resilient, but forecasts indicate a slowdown in Chinese economic growth and low economic growth in Europe.

The Group has formulated a medium-term business plan, "For Sustainable Future" (the fiscal year ended October 31, 2023, through the fiscal year ending October 31, 2025), which concludes on October 31, 2025, and has been promoting various initiatives to achieve sustainable growth and enhance corporate value. In this context, in the fiscal year ended October 31, 2024, the second year of the medium-term business plan, the Group achieved its highest-ever level of consolidated ordinary profit for the second consecutive fiscal year. This also exceeded our consolidated ordinary profit target for the final year of the plan (4.4 billion yen), which we had already revised upward. In light of these circumstances, by aggressively upgrading our business strategies, we have revised upward our targets for the final year of this medium-term business plan (fiscal year ending October 31, 2025) to consolidated net sales of 57 billion yen, ordinary profit of 5 billion yen, and ROE of 8.9%, striving to achieve the further enhancement of corporate value.

In the Machinery & Equipment Business, we recognize the expansion of overseas business as a key issue linked to achieving further growth for the Group. In India, where future growth is anticipated, we will convert the representative office established in the consolidated fiscal year under review into a local subsidiary, aiming to expand sales to the chemical products market. We will also accelerate our inroads into markets in the Americas, focusing on our U.S. subsidiary, and strengthen our sales capabilities in Southeast Asia to improve business results. Furthermore, as part of our efforts to address the SDGs and decarbonization, we will launch sales of binary power generation equipment targeting unused heat resources such as private sector heat waste, as well as focusing on the development of products and merchandise that lead to the reduction of environmental impact as the third pillar of our business. As a result of these efforts, net sales for the consolidated fiscal year ending October 31, 2025 are projected to increase 20.0% year on year to 15,600 million yen. Operating profit is expected to increase 23.8% year on-year to 1,470 million yen, reflecting the effect of higher revenue, despite an anticipated increase in SG&A expenses due to higher personnel expenses and research and development costs that will be necessary for future growth.

In the Chemical Products Business, we likewise recognize the expansion of overseas business as a key issue. We will engage in expanding our business in Southeast Asia through coordination between our Southeast Asian locations (Thailand, Vietnam, and Malaysia) and opening up the Indian market, primarily for fireproofing materials. We will bolster our workforce in Europe, based on the Czech Republic, to strengthen our sales capabilities and bring about an improvement in business performance. Materials for power semiconductors, which have contributed to expanding performance in this business for several years now, are expected to see further market growth. We will therefore engage in strengthening our systems to enable us to further expand sales, then building on this to promote the development of environmentally friendly products that contribute to energy conservation for automobiles, including EVs. In addition, we have launched full-scale efforts in the life sciences field, where we will focus on initiatives to contribute to addressing the SDGs and decarbonization by developing food additives, functional materials, and other raw materials for the food industry. As a result of these efforts, net sales for the consolidated fiscal year ending October 31, 2025 are projected to increase 5.8% year on year to 41,400 million yen. However, operating profit is expected to decrease 0.7% year on year to 3,490 million yen, due to an anticipated increase in SG&A expenses associated with higher personnel expenses and sales development costs that will be necessary for future growth.

As a result of these efforts, for the Tomoe Engineering Group in the consolidated fiscal year ending October 31, 2025, we project net sales of 57,000 million yen, up 9.4% year on year, operating profit of 4,960 million yen, up 5.5% year on year, ordinary profit of 5,000 million yen, up 4.7% year on year, and profit attributable to owners of parent of 3,620 million yen, roughly on par with that of the previous fiscal year.

The operating results forecasts for the next period described above are based on information available to the Company at the time the forecasts were prepared and assumptions judged to be reasonable. Actual operating results might differ from these forecasts depending upon changes in domestic and international financial and economic conditions, the supply and demand situation for products, various risk factors and other uncertainties.

(5) Basic Policy for Profit Sharing and Dividends for Fiscal 2024 and 2025

We consider the sharing of profit to shareholders to be one of our top business priorities, and our dividend policy for the current mid-term business plan period (fiscal year ended October 31, 2023 - fiscal year ending October 31, 2025) is as follows.

[While maintaining a sound financial position, we will pay stable dividends with a target consolidated payout ratio of 40% or more, comprehensively taking into account the medium- to long-term business outlook, business strategy, and other factors.]

Based on this policy, we plan to pay a year-end dividend of 82 yen per share (145 yen per share for the full year), an increase of 19 yen per share on the full-year forecast, for the end of the consolidated fiscal year ended October 31, 2024, taking into consideration our financial position, performance for the fiscal year under review and future prospects.

We plan to increase the annual dividend forecast for the fiscal year ending October 31, 2025, by 1 yen per share over the annual dividend for the consolidated fiscal year ended October 31, 2024, to 146 yen per share (including an interim dividend of 73 yen per share) in order to return profits to our shareholders, taking into consideration the projected increase in consolidated ordinary profit and our financial position, despite little change in consolidated profit.

2. Basic Approach to the Selection of Accounting Standards

At the present time, the Tomoe Engineering Group has adopted Japan GAAP, based on factors such as comparability between firms, and the Group's policy concerning the application of IFRS will be to respond while referring to outside trends and other considerations.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2023	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	13,519,519	14,933,001
Notes and accounts receivable - trade, and contract assets	13,053,566	13,697,782
Electronically recorded monetary claims - operating	4,534,946	4,425,248
Merchandise and finished goods	5,023,516	5,749,852
Work in process	1,413,836	2,091,500
Raw materials and supplies	1,118,239	1,099,906
Other	442,065	315,149
Allowance for doubtful accounts	(75,966)	(72,649)
Total current assets	39,029,723	42,239,792
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,142,178	5,175,931
Accumulated depreciation	(2,361,073)	(2,488,144)
Buildings and structures, net	2,781,104	2,687,786
Machinery, equipment and vehicles	4,276,421	4,262,997
Accumulated depreciation	(3,947,522)	(3,970,210)
Machinery, equipment and vehicles, net	328,898	292,787
Land	2,304,322	2,303,880
Construction in progress	-	264,116
Other	1,173,898	1,242,703
Accumulated depreciation	(1,093,060)	(1,130,946)
Other, net	80,837	111,756
Total property, plant and equipment	5,495,162	5,660,328
Intangible assets	135,706	103,598
Investments and other assets		
Investment securities	1,461,804	1,522,972
Guarantee deposits	555,604	761,120
Retirement benefit asset	2,235,326	2,801,814
Deferred tax assets	11,981	23,572
Other	103,258	98,509
Allowance for doubtful accounts	(21,551)	(21,950)
Total investments and other assets	4,346,423	5,186,039
Total non-current assets	9,977,293	10,949,967
Total assets	49,007,016	53,189,759

(Thousands of yen)

	As of October 31, 2023	As of October 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,348,081	4,978,220
Electronically recorded obligations - operating	2,286,828	2,627,941
Accounts payable - other	808,811	973,481
Income taxes payable	731,645	948,559
Contract liabilities	483,376	850,261
Provision for bonuses	1,791,344	2,031,278
Provision for bonuses for directors (and other officers)	110,816	133,953
Allowance for product warranty	190,085	386,569
Other	608,366	317,442
Total current liabilities	11,359,356	13,247,708
Non-current liabilities		
Retirement benefit liability	86,239	83,687
Deferred tax liabilities	728,469	507,062
Total non-current liabilities	814,709	590,749
Total liabilities	12,174,065	13,838,457
Net assets		
Shareholders' equity		
Share capital	1,061,210	1,061,210
Capital surplus	1,483,410	1,483,410
Retained earnings	32,937,306	35,226,297
Treasury shares	(364,148)	(364,148)
Total shareholders' equity	35,117,778	37,406,768
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	505,132	570,384
Deferred gains or losses on hedges	3,928	16,598
Foreign currency translation adjustment	904,168	746,069
Remeasurements of defined benefit plans	301,944	611,481
Total accumulated other comprehensive income	1,715,173	1,944,533
Total net assets	36,832,951	39,351,302
Total liabilities and net assets	49,007,016	53,189,759

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Net sales	49,628,889	52,119,436
Cost of sales	37,083,894	38,627,525
Gross profit	12,544,994	13,491,911
Selling, general and administrative expenses	8,496,959	8,788,712
Operating profit	4,048,035	4,703,198
Non-operating income		
Interest income	19,485	15,344
Dividend income	49,312	50,638
Rental income	8,030	6,659
Other	40,691	25,175
Total non-operating income	117,519	97,817
Non-operating expenses		
Interest expenses	1,600	326
Commission expenses	9,000	9,008
Guarantee commission	1,455	2,266
Foreign exchange losses	37,034	12,641
Other	1,445	1,391
Total non-operating expenses	50,537	25,634
Ordinary profit	4,115,017	4,775,381
Extraordinary income		
Gain on sale of investment securities	85,615	57,706
Gain on sale of shares of subsidiaries and associates	-	27,506
Total extraordinary income	85,615	85,213
Extraordinary losses		
Impairment losses	178,207	-
Loss on retirement of non-current assets	-	7,732
Loss on liquidation of business	-	185,315
Total extraordinary losses	178,207	193,047
Profit before income taxes	4,022,426	4,667,546
Income taxes - current	1,293,280	1,566,063
Income taxes - deferred	(4,406)	(514,615)
Total income taxes	1,288,874	1,051,447
Profit	2,733,551	3,616,098
Profit attributable to owners of parent	2,733,551	3,616,098

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Profit	2,733,551	3,616,098
Other comprehensive income		
Valuation difference on available-for-sale securities	142,386	65,251
Deferred gains or losses on hedges	(7,709)	12,670
Foreign currency translation adjustment	103,018	(158,098)
Remeasurements of defined benefit plans, net of tax	152,421	309,536
Total other comprehensive income	390,117	229,360
Comprehensive income	3,123,668	3,845,459
(Breakdown)		
Comprehensive income attributable to owners of parent	3,123,668	3,845,459

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended October 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,061,210	1,483,410	30,882,276	(364,148)	33,062,747
Changes during period					
Dividends of surplus			(678,521)		(678,521)
Profit attributable to owners of parent			2,733,551		2,733,551
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,055,030	-	2,055,030
Balance at end of period	1,061,210	1,483,410	32,937,306	(364,148)	35,117,778

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	362,745	11,637	801,149	149,523	1,325,056	34,387,804
Changes during period						
Dividends of surplus						(678,521)
Profit attributable to owners of parent						2,733,551
Net changes in items other than shareholders' equity	142,386	(7,709)	103,018	152,421	390,117	390,117
Total changes during period	142,386	(7,709)	103,018	152,421	390,117	2,445,147
Balance at end of period	505,132	3,928	904,168	301,944	1,715,173	36,832,951

For the fiscal year ended October 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,061,210	1,483,410	32,937,306	(364,148)	35,117,778
Changes during period					
Dividends of surplus			(1,327,108)		(1,327,108)
Profit attributable to owners of parent			3,616,098		3,616,098
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,288,990	-	2,288,990
Balance at end of period	1,061,210	1,483,410	35,226,297	(364,148)	37,406,768

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	505,132	3,928	904,168	301,944	1,715,173	36,832,951
Changes during period						
Dividends of surplus						(1,327,108)
Profit attributable to owners of parent						3,616,098
Net changes in items other than shareholders' equity	65,251	12,670	(158,098)	309,536	229,360	229,360
Total changes during period	65,251	12,670	(158,098)	309,536	229,360	2,518,350
Balance at end of period	570,384	16,598	746,069	611,481	1,944,533	39,351,302

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,022,426	4,667,546
Depreciation	392,621	357,327
Increase (decrease) in provision for bonuses	283,021	240,750
Increase (decrease) in provision for bonuses for directors (and other officers)	6,927	23,136
Allowance for product warranty (increase/decrease)	(10,202)	196,484
Increase (decrease) in retirement benefit liability	12,118	(2,552)
Decrease (increase) in retirement benefit asset	(57,477)	(59,047)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5,460)	-
Increase (decrease) in allowance for doubtful accounts	(10,184)	439
Interest and dividend income	(68,798)	(65,982)
Interest expenses	1,600	326
Foreign exchange losses (gains)	(17,504)	7,593
Loss (gain) on sale of investment securities	(85,615)	(57,706)
Loss (gain) on sale of shares of subsidiaries and associates	-	(27,506)
Impairment losses	178,207	-
Loss on retirement of non-current assets	-	7,732
Loss on liquidation of business	-	185,315
Decrease (increase) in accounts receivable - trade, and contract assets	(772,727)	(597,366)
Decrease (increase) in inventories	728,520	(1,437,158)
Decrease (increase) in advance payments to suppliers	(202,123)	162,542
Increase (decrease) in trade payables	(217,528)	1,023,754
Increase (decrease) in accounts payable - other	10,782	25,155
Increase (decrease) in contract liabilities	190,247	369,870
Increase (decrease) in accrued consumption taxes	524,250	(335,311)
Other, net	(123,723)	(30,398)
Subtotal	4,779,378	4,654,946
Interest and dividends received	68,263	67,423
Interest paid	(1,600)	(341)
Income taxes refund (paid)	(1,333,788)	(1,358,035)
Net cash provided by (used in) operating activities	3,512,252	3,363,993

(Thousands of yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Cash flows from investing activities		
Payments into time deposits	(4,200,000)	(4,000,000)
Proceeds from withdrawal of time deposits	4,200,000	4,000,000
Purchase of property, plant and equipment	(155,872)	(507,894)
Purchase of intangible assets	(73,946)	(39,632)
Purchase of investment securities	(1,525)	(1,480)
Proceeds from sale of investment securities	138,457	89,880
Proceeds from sale of shares of subsidiaries and associates	-	31,506
Loan advances	(6,246)	(300)
Proceeds from collection of loans receivable	5,076	6,955
Guarantee deposits (increase)	9,121	(207,107)
Other, net	(14,078)	(1,804)
Net cash provided by (used in) investing activities	(99,014)	(629,876)
Cash flows from financing activities		
Dividends paid	(678,521)	(1,327,108)
Net cash provided by (used in) financing activities	(678,521)	(1,327,108)
Effect of exchange rate change on cash and cash equivalents	52,218	6,473
Net increase (decrease) in cash and cash equivalents	2,786,935	1,413,482
Cash and cash equivalents at beginning of period	10,732,583	13,519,519
Cash and cash equivalents at end of period	13,519,519	14,933,001

(5) Notes for Consolidated Financial Statements

(Notes for premise of going concern)

There are no pertinent matters to report.

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

TOMOE Engineering Co., Ltd. has established two operational headquarters. These operational headquarters are developing their business activities by planning comprehensive domestic and overseas strategies for the respective manufactured and commercial products they handle.

We have therefore assumed these two businesses, referred to as the “Machinery & Equipment Business” and the “Chemical Products Business,” to be our company reportable segments. The Machinery & Equipment Business mainly manufactures and sells centrifuge decanters, and the Chemical Products Business mainly stocks and sells chemical industry products.

The Company’s reportable segments are those units of the Company for which discrete financial information is available and for which the Board of Directors regularly conducts reviews for the purpose of making decisions about management resources to be allocated to the segments and to assess segment performance.

2. Method for calculating amounts of net sales, profit (loss), assets, liabilities and other items for each reportable segments

The accounting methods for reportable segments are identical to those adopted for preparation of the consolidated financial statements.

3. Information concerning the amount of net sales, profit (loss), assets, liabilities and other items for each reportable segment

Previous Consolidated Fiscal Year (November 1, 2022, to October 31, 2023)

(Thousands of yen)

	Reportable Segment			Amount of Adjustment (Note 1)	Consolidated Financial Statements Reported Amount
	Machinery & Equipment Business	Chemical Products Business	Total		
Net Sales					
Sales to External Customers	13,041,426	36,587,463	49,628,889	—	49,628,889
Internal Sales among Segments or Amount Transferred	—	—	—	—	—
Total	13,041,426	36,587,463	49,628,889	—	49,628,889
Segment Profit	829,244	3,218,791	4,048,035	—	4,048,035
Segment Assets	10,965,168	23,059,524	34,024,693	14,982,323	49,007,016
Other Items					
Depreciation	282,546	110,075	392,621	—	392,621
Increase in Property, Plant and Equipment, and Intangible Assets	192,062	89,401	281,463	—	281,463

(Notes)

1. The adjustment amount for segment assets is the assets of the entire company that are not allocated to each reportable segment, and is mainly idle operating funds (cash and deposits), and long-term investments (investment securities)
2. The total amount for segment profit agrees with the operating profit reported on the Consolidated Statements of Income.

Current Consolidated Fiscal Year (November 1, 2023, to October 31, 2024)

(Thousands of yen)

	Reportable Segment			Amount of Adjustment (Note 1)	Consolidated Financial Statements Reported Amount
	Machinery & Equipment Business	Chemical Products Business	Total		
Net Sales					
Sales to External Customers	13,004,007	39,115,429	52,119,436	—	52,119,436
Internal Sales among Segments or Amount Transferred	—	—	—	—	—
Total	13,004,007	39,115,429	52,119,436	—	52,119,436
Segment Profit	1,187,032	3,516,166	4,703,198	—	4,703,198
Segment Assets	12,016,697	24,716,088	36,732,785	16,456,974	53,189,759
Other Items					
Depreciation	292,124	65,203	357,327	—	357,327
Increase in Property, Plant and Equipment, and Intangible Assets	460,103	44,953	505,057	—	505,057

(Notes)

1. The adjustment amount for segment assets is the assets of the entire company that are not allocated to each reportable segment and is mainly idle operating funds (cash and deposits), and long-term investments (investment securities).
2. The total amount for segment profit agrees with the operating profit reported on the Consolidated Statements of Income.

[Related information]

Previous Consolidated Fiscal Year (November 1, 2022, to October 31, 2023)

1. Information by product and service

The Company has omitted a description of information by product and service because the same information is disclosed in segment information.

2. Regional Information

(1) Net Sales

(Thousands of yen)

Japan	Asia	Other	Total
38,844,772	9,007,105	1,777,010	49,628,889

(Note) Net sales are classified by country or region based on the customer's location.

(2) Property, Plant and Equipment

(Thousands of yen)

Japan	Asia	Other	Total
5,264,482	90,471	140,208	5,495,162

3. Main Customer Information

The Company has omitted a description of sales to external customers as there are no customers to which sales account for more than 10% of the net sales reported in the Consolidated Statements of Income.

Current Consolidated Fiscal Year (November 1, 2023, to October 31, 2024)

1. Information by product and service

The Company has omitted a description of information by product and service because the same information is disclosed in segment information.

2. Regional Information

(1) Net Sales

(Thousands of yen)

Japan	Asia	Other	Total
41,905,904	8,436,807	1,776,724	52,119,436

(Note) Net sales are classified by country or region based on the customer's location.

(2) Property, Plant and Equipment

(Thousands of yen)

Japan	Asia	Other	Total
5,434,020	51,350	174,957	5,660,328

3. Main Customer Information

The Company has omitted a description of sales to external customers as there are no customers to which sales account for more than 10% of the net sales reported in the Consolidated Statements of Income.

[Information concerning impairment losses on non-current assets by reportable segment]

Previous Consolidated Fiscal Year (November 1, 2022, to October 31, 2023)

(Thousands of yen)

	Reportable Segment			Whole company – Elimination	Total
	Machinery & Equipment Business	Chemical Products Business	Total		
Impairment Losses	—	178,207	178,207	—	178,207

Current Consolidated Fiscal Year (November 1, 2023, to October 31, 2024)

None

[Information concerning amortization of goodwill and unamortized balances by reportable segment]

None

[Information concerning gain on bargain purchase by reportable segment]

None

(Per Share Information)

	Previous Consolidated Fiscal Year (November 1, 2022, to October 31, 2023)	Current Consolidated Fiscal Year (November 1, 2023, to October 31, 2024)
Net Assets per Share	¥3,691.32	¥3,943.70
Basic Earnings per Share	¥273.95	¥362.40

(Note 1) Diluted earnings per share is not presented as there is no dilutive share.

(Note 2) Calculation basis for basic earnings per share is as follows:

	Previous Consolidated Fiscal Year (November 1, 2022, to October 31, 2023)	Current Consolidated Fiscal Year (November 1, 2023, to October 31, 2024)
Basic Earnings per Share		
Profit Attributable to Owners of Parent (thousands of yen)	2,733,551	3,616,098
Profit Attributable to Owners of Parent for Common Shares (thousands of yen)	2,733,551	3,616,098
Average Number of Shares Outstanding during the Fiscal Year (shares)	9,978,260	9,978,260

(Note 3) Calculation basis for net assets per share is as follows:

	Previous Consolidated Fiscal Year (As of October 31, 2023)	Current Consolidated Fiscal Year (As of October 31, 2024)
Total for Net Assets (thousands of yen)	36,832,951	39,351,302
Net Assets for Common Shares at the End of the Fiscal Year (thousands of yen)	36,832,951	39,351,302
Number of Common Shares at the End of the Fiscal Year Used for Calculation of Net Assets per Share (shares)	9,978,260	9,978,260

(Significant subsequent events)

None

4. Other Notes

(1) Changes of Directors (effective January 30, 2025)

1) New candidate for appointment as Director serving as an Audit & Supervisory Committee Member

Name	New Position	Current Position
Takako Ochi	Director serving as an Audit & Supervisory Committee Member (Outside Director)	CPA Tax Accountant Outside Audit & Supervisory Board Member, J Trust Global Securities Co., Ltd. Outside Audit & Supervisory Board Member, K.R.S. Corporation

2) Director serving as an Audit & Supervisory Committee Member scheduled to retire

Name	Current Position
Tatsuo Hasunuma	Director serving as an Audit & Supervisory Committee Member (Outside Director)