



May 21, 2025

Company name: Neturen Co., Ltd.
Name of representative: Katsumi Omiya, Representative Director, Member of the Board, President and Chief Executive Officer
(Securities code: 5976; Prime Market of the Tokyo Stock Exchange)
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(Correction / Correction of Numerical Data)

Notice Concerning Revision of

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

Neturen Co., Ltd. (the “Company”) hereby discloses the correction of the “Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]” released on May 12, 2025. The numerical data has also been revised and is jointly announced.

1. Reason for correction

It was discovered that there were some errors in offsetting intercompany transactions in the “Consolidated Statements of Income and Comprehensive Income for the Year Ended March 31, 2025”.

2. Details of correction

Corrected figures are shown with underline. The outline of the corrections is as follows.

< Consolidated Statements of Income and Comprehensive Income (For the fiscal year ended March 31, 2025) >
(Millions of Yen)

| Items | Before Correction | After Correction |
|---------------|-------------------|------------------|
| Net sales | 57,501 | 57,563 |
| Cost of sales | 47,155 | 47,217 |

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

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

May 12, 2025

Company name: Neturen Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 5976

URL: <https://www.k-neturen.co.jp/>

Representative: Katsumi Omiya, Representative Director, Member of the Board and President

Inquiries: Hideaki Shinohara, General Manager, Accounting Department, Administrative Headquarters

Telephone: +81-3-3443-5441

Scheduled date of annual general meeting of shareholders: June 26, 2025

Scheduled date to commence dividend payments: June 27, 2025

Scheduled date to file annual securities report: June 27, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended March 31, 2025 | 57,563 | 0.6 | 1,617 | (0.9) | 2,321 | (7.6) | 1,815 | 17.7 |
| March 31, 2024 | 57,205 | (0.6) | 1,632 | (31.9) | 2,511 | (18.7) | 1,542 | 304.4 |

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 4,132 million [(1.2) %]
Fiscal year ended March 31, 2024: ¥ 4,182 million [34.1 %]

| | 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 March 31, 2025 | 51.59 | - | 3.0 | 2.8 | 2.8 |
| March 31, 2024 | 41.91 | - | 2.6 | 3.1 | 2.9 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 157 million
Fiscal year ended March 31, 2024: ¥ 140 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 March 31, 2025 | 83,760 | 66,329 | 71.1 | 1,736.23 |
| March 31, 2024 | 80,613 | 66,471 | 74.4 | 1,657.44 |

(Reference) Equity: As of March 31, 2025: ¥ 59,540 million
As of March 31, 2024: ¥ 60,005 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 March 31, 2025 | 4,107 | (3,404) | 1,713 | 17,580 |
| March 31, 2024 | 4,193 | (1,647) | (5,080) | 14,810 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|-----------------|-----------------------------|--|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| March 31, 2024 | - | 24.00 | - | 25.00 | 49.00 | 1,787 | 116.9 | 3.0 |
| March 31, 2025 | - | 25.00 | - | 26.00 | 51.00 | 1,771 | 98.8 | 3.0 |
| Fiscal year ending March 31, 2026 (Forecast) | - | 33.00 | - | 34.00 | 67.00 | | 176.7 | |

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

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|------------|------------------|--------|-----------------|--------|---|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2025 | 27,000 | (6.9) | 300 | (64.9) | 500 | (56.7) | 300 | (51.2) | 8.75 |
| Full year | 58,000 | <u>0.8</u> | 1,600 | (1.1) | 2,100 | (9.5) | 1,300 | (28.4) | 37.91 |

* 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: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 34,495,400 shares
March 31, 2024: 37,138,900 shares

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

March 31, 2025: 202,180 shares
March 31, 2024: 934,883 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 35,197,831 shares
Fiscal Year ended March 31, 2024: 36,812,619 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 15,904 | 19,143 |
| Notes and accounts receivable - trade, and contract assets | 12,707 | 11,640 |
| Electronically recorded monetary claims - operating | 4,124 | 3,605 |
| Securities | 276 | 269 |
| Merchandise and finished goods | 1,159 | 1,541 |
| Work in process | 2,845 | 1,967 |
| Raw materials and supplies | 3,471 | 3,623 |
| Other | 1,430 | 3,227 |
| Allowance for doubtful accounts | (166) | (234) |
| Total current assets | 41,753 | 44,785 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 22,865 | 23,812 |
| Accumulated depreciation | (15,095) | (15,778) |
| Buildings and structures, net | 7,769 | 8,034 |
| Machinery, equipment and vehicles | 52,117 | 53,162 |
| Accumulated depreciation | (46,229) | (47,282) |
| Machinery, equipment and vehicles, net | 5,888 | 5,879 |
| Land | 9,940 | 9,909 |
| Leased assets | 576 | 588 |
| Accumulated depreciation | (238) | (285) |
| Leased assets, net | 338 | 303 |
| Construction in progress | 1,767 | 1,783 |
| Other | 2,916 | 2,985 |
| Accumulated depreciation | (2,552) | (2,598) |
| Other, net | 363 | 387 |
| Total property, plant and equipment | 26,067 | 26,297 |
| Intangible assets | | |
| Leasehold interests in land | 925 | 982 |
| Other | 102 | 85 |
| Total intangible assets | 1,027 | 1,067 |
| Investments and other assets | | |
| Investment securities | 9,984 | 9,857 |
| Long-term loans receivable | 18 | 20 |
| Retirement benefit asset | 0 | 244 |
| Deferred tax assets | 92 | 86 |
| Other | 1,747 | 1,478 |
| Allowance for doubtful accounts | (78) | (77) |
| Total investments and other assets | 11,765 | 11,610 |
| Total non-current assets | 38,860 | 38,975 |
| Total assets | 80,613 | 83,760 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,958 | 3,337 |
| Electronically recorded obligations - operating | 4,149 | 2,125 |
| Short-term borrowings | 670 | 1,947 |
| Lease liabilities | 107 | 81 |
| Income taxes payable | 542 | 389 |
| Provision for bonuses | 685 | 646 |
| Provision for bonuses for directors (and other officers) | 13 | 17 |
| Provision for share awards for directors (and other officers) | 17 | 7 |
| Other | 2,648 | 2,652 |
| Total current liabilities | 12,794 | 11,205 |
| Non-current liabilities | | |
| Long-term borrowings | 16 | 4,846 |
| Lease liabilities | 379 | 358 |
| Deferred tax liabilities | 626 | 769 |
| Provision for share awards for directors (and other officers) | 8 | 8 |
| Retirement benefit liability | 36 | 80 |
| Other | 280 | 163 |
| Total non-current liabilities | 1,348 | 6,225 |
| Total liabilities | 14,142 | 17,431 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,418 | 6,418 |
| Capital surplus | 1,725 | 1,714 |
| Retained earnings | 46,397 | 43,850 |
| Treasury shares | (816) | (197) |
| Total shareholders' equity | 53,724 | 51,785 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,392 | 2,528 |
| Foreign currency translation adjustment | 3,547 | 4,815 |
| Remeasurements of defined benefit plans | 341 | 411 |
| Total accumulated other comprehensive income | 6,281 | 7,755 |
| Non-controlling interests | 6,465 | 6,788 |
| Total net assets | 66,471 | 66,329 |
| Total liabilities and net assets | 80,613 | 83,760 |

Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Net sales | 57,205 | <u>57,563</u> |
| Cost of sales | 47,354 | <u>47,217</u> |
| Gross profit | 9,850 | 10,346 |
| Selling, general and administrative expenses | | |
| Selling expenses | 2,774 | 3,085 |
| General and administrative expenses | 5,443 | 5,642 |
| Total selling, general and administrative expenses | 8,218 | 8,728 |
| Operating profit | 1,632 | 1,617 |
| Non-operating income | | |
| Interest income | 140 | 125 |
| Dividend income | 186 | 188 |
| Subsidy income | 1 | - |
| Subsidy income | 3 | 3 |
| Insurance claim and dividend income | 83 | 14 |
| Share of profit of entities accounted for using equity method | 140 | 157 |
| Gain on sale of scraps | 165 | 129 |
| Foreign exchange gains | 138 | 13 |
| Other | 90 | 179 |
| Total non-operating income | 951 | 811 |
| Non-operating expenses | | |
| Interest expenses | 57 | 69 |
| Depreciation of inactive non-current assets | 4 | 23 |
| Other | 11 | 14 |
| Total non-operating expenses | 72 | 108 |
| Ordinary profit | 2,511 | 2,321 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 14 | 11 |
| Gain on sale of investment securities | 285 | 1,217 |
| Insurance claim income | 8 | 12 |
| Subsidy income | 13 | 20 |
| Other | 2 | 1 |
| Total extraordinary income | 324 | 1,263 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | - | 3 |
| Loss on retirement of non-current assets | 17 | 46 |
| Impairment losses | - | 712 |
| Loss on sale of investment securities | 77 | 0 |
| Compensation for damage | 90 | - |
| Other | 4 | 4 |
| Total extraordinary losses | 189 | 766 |

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Profit before income taxes | 2,645 | 2,818 |
| Income taxes - current | 696 | 572 |
| Income taxes - deferred | (105) | 29 |
| Total income taxes | 590 | 602 |
| Profit | 2,055 | 2,216 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 1,542 | 1,815 |
| Profit attributable to non-controlling interests | 512 | 400 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 488 | 117 |
| Foreign currency translation adjustment | 1,202 | 1,718 |
| Remeasurements of defined benefit plans, net of tax | 174 | 70 |
| Share of other comprehensive income of entities accounted for using equity method | 261 | 10 |
| Total other comprehensive income | 2,127 | 1,916 |
| Comprehensive income | 4,182 | 4,132 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,427 | 3,289 |
| Comprehensive income attributable to non-controlling interests | 755 | 842 |

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 6,418 | 1,627 | 47,639 | (688) | 54,997 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,447) | | (1,447) |
| Profit attributable to owners of parent | | | 1,542 | | 1,542 |
| Purchase of treasury shares | | | | (1,500) | (1,500) |
| Disposal of treasury shares | | 6 | | 28 | 34 |
| Cancellation of treasury shares | | (1,344) | | 1,344 | - |
| Transfer from retained earnings to capital surplus | | 1,337 | (1,337) | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 98 | | | 98 |
| Capital increase of consolidated subsidiaries | | | | | - |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 98 | (1,242) | (127) | (1,272) |
| Balance at end of period | 6,418 | 1,725 | 46,397 | (816) | 53,724 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,868 | 2,361 | 167 | 4,397 | 7,155 | 66,549 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (1,447) |
| Profit attributable to owners of parent | | | | | | 1,542 |
| Purchase of treasury shares | | | | | | (1,500) |
| Disposal of treasury shares | | | | | | 34 |
| Cancellation of treasury shares | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling | | | | | | 98 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| interests | | | | | | |
| Capital increase of consolidated subsidiaries | | | | | | - |
| Net changes in items other than shareholders' equity | 524 | 1,185 | 174 | 1,884 | (690) | 1,194 |
| Total changes during period | 524 | 1,185 | 174 | 1,884 | (690) | (78) |
| Balance at end of period | 2,392 | 3,547 | 341 | 6,281 | 6,465 | 66,471 |

For the fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 6,418 | 1,725 | 46,397 | (816) | 53,724 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,785) | | (1,785) |
| Profit attributable to owners of parent | | | 1,815 | | 1,815 |
| Purchase of treasury shares | | | | (2,000) | (2,000) |
| Disposal of treasury shares | | 5 | | 36 | 41 |
| Cancellation of treasury shares | | (2,582) | | 2,582 | - |
| Transfer from retained earnings to capital surplus | | 2,577 | (2,577) | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | - |
| Capital increase of consolidated subsidiaries | | (10) | | | (10) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (10) | (2,546) | 618 | (1,938) |
| Balance at end of period | 6,418 | 1,714 | 43,850 | (197) | 51,785 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 2,392 | 3,547 | 341 | 6,281 | 6,465 | 66,471 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (1,785) |
| Profit attributable to owners of parent | | | | | | 1,815 |
| Purchase of treasury shares | | | | | | (2,000) |
| Disposal of treasury shares | | | | | | 41 |
| Cancellation of treasury shares | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | - |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Capital increase of consolidated subsidiaries | | | | | 10 | - |
| Net changes in items other than shareholders' equity | 135 | 1,267 | 70 | 1,473 | 312 | 1,785 |
| Total changes during period | 135 | 1,267 | 70 | 1,473 | 323 | (141) |
| Balance at end of period | 2,528 | 4,815 | 411 | 7,755 | 6,788 | 66,329 |

Consolidated Statements of Cash Flows

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,645 | 2,818 |
| Depreciation | 2,377 | 2,334 |
| Impairment losses | - | 712 |
| Increase (decrease) in allowance for doubtful accounts | (94) | 54 |
| Increase (decrease) in provision for bonuses | 127 | (39) |
| Decrease (increase) in retirement benefit asset | 2 | (244) |
| Increase (decrease) in retirement benefit liability | (75) | 153 |
| Interest and dividend income | (327) | (313) |
| Interest expenses | 57 | 69 |
| Foreign exchange losses (gains) | (85) | 0 |
| Share of loss (profit) of entities accounted for using equity method | (140) | (157) |
| Loss (gain) on sale of property, plant and equipment | (14) | (8) |
| Loss (gain) on disposal of property, plant and equipment | 17 | 46 |
| Loss (gain) on sale of investment securities | (208) | (1,217) |
| Decrease (increase) in trade receivables | (1,617) | 1,973 |
| Decrease (increase) in inventories | (392) | 640 |
| Increase (decrease) in trade payables | 745 | (2,771) |
| Decrease (increase) in advance payments to suppliers | 644 | 47 |
| Increase (decrease) in accrued consumption taxes | (69) | 130 |
| Other, net | 333 | 220 |
| Subtotal | 3,927 | 4,454 |
| Interest and dividends received | 383 | 379 |
| Interest paid | (58) | (67) |
| Income taxes refund (paid) | (59) | (658) |
| Net cash provided by (used in) operating activities | 4,193 | 4,107 |
| Cash flows from investing activities | | |
| Payments into time deposits | (1,646) | (2,004) |
| Proceeds from withdrawal of time deposits | 1,641 | 1,564 |
| Purchase of property, plant and equipment | (2,285) | (2,653) |
| Proceeds from sale of property, plant and equipment | 16 | 34 |
| Purchase of intangible assets | (244) | (28) |
| Purchase of investment securities | (4) | (4) |
| Proceeds from sale and redemption of investment securities | 1,048 | 0 |
| Loan advances | (17) | (47) |
| Proceeds from collection of loans receivable | 16 | 12 |
| Purchase of long-term prepaid expenses | (144) | (143) |
| Other, net | (27) | (134) |
| Net cash provided by (used in) investing activities | (1,647) | (3,404) |

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 1,160 | 1,670 |
| Repayments of short-term borrowings | (1,806) | (1,600) |
| Proceeds from long-term borrowings | - | 6,050 |
| Repayments of long-term borrowings | (109) | (13) |
| Purchase of treasury shares | (1,500) | (2,000) |
| Dividends paid | (1,447) | (1,785) |
| Dividends paid to non-controlling interests | (548) | (530) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (799) | - |
| Other, net | (28) | (77) |
| Net cash provided by (used in) financing activities | (5,080) | 1,713 |
| Effect of exchange rate change on cash and cash equivalents | 433 | 353 |
| Net increase (decrease) in cash and cash equivalents | (2,100) | 2,770 |
| Cash and cash equivalents at beginning of period | 16,911 | 14,810 |
| Cash and cash equivalents at end of period | 14,810 | 17,580 |

Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

1 Overview of reportable segments

The Company's reportable segments are components within the Company for which discrete financial information is available and are regularly reviewed by the Company's Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Company adopted a business division system centered on two business divisions, the "Specialty Steel and Wire Products Division" and "Induction Heating Division." Each business division cooperates with organizations such as the Corporate Planning Office, the Administrative Headquarters, and the Business Planning and Development Headquarters and formulates comprehensive strategies for domestic and overseas businesses in relation to the products and services it handles and carries out business activities accordingly. In addition, our affiliated companies operate their businesses under each business division.

Therefore, the Group is comprised of segments that are classified according to products and services based on its business divisions. The reportable segments of the Group are "Specialty Steel and Wire Products Division" and "Induction Heating Division."

"Specialty Steel and Wire Products Division" manufactures PC steel bars, deformed PC steel bars and shear reinforcement for civil engineering and construction, high-strength spring steel wire (ITW) mainly used for suspension springs for automobiles and two-wheeled vehicles, and automotive parts and construction machine parts, etc. "Induction Heating Division" is not only engaged in induction heat treatment service of critical safety parts for automobiles and machining equipment, etc., but also manufactures induction heating equipment for each industrial field.

2 Calculation methods of net sales, profit (loss), assets, liabilities and other items by reportable segment

Reportable segment profit consists of figures based on operating income (after amortization of goodwill). Inter-segment net sales and transfers are based on market price.

3 Information on the amount of net sales, profit (loss), assets, liabilities and other items by reportable segment
For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

| | Reportable segment | | | Other (Note) | Total |
|---|--|----------------------------|--------|--------------|--------|
| | Specialty Steel and Wire Products Division | Induction Heating Division | Total | | |
| Net Sales | | | | | |
| Net sales to external customers | 36,822 | 20,241 | 57,064 | 140 | 57,205 |
| Inter-segment net sales or transfers | — | 23 | 23 | — | 23 |
| Total | 36,822 | 20,265 | 57,087 | 140 | 57,228 |
| Segment profit | 123 | 1,448 | 1,572 | 55 | 1,628 |
| Segment assets | 33,362 | 25,944 | 59,307 | 1,819 | 61,127 |
| Other items | | | | | |
| Depreciation | 1,182 | 1,181 | 2,364 | 13 | 2,377 |
| Increase in property, plant and equipment and intangible assets | 1,245 | 1,041 | 2,287 | 279 | 2,566 |

(Note) The “Other” category represents business segments that are not included in the reportable segments, and covers activities such as real estate leasing business.

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

(Million yen)

| | Reportable segment | | | Other (Note) | Total |
|---|--|----------------------------|---------------|--------------|---------------|
| | Specialty Steel and Wire Products Division | Induction Heating Division | Total | | |
| Net Sales | | | | | |
| Net sales to external customers | 36,568 | <u>20,851</u> | <u>57,420</u> | 143 | <u>57,563</u> |
| Inter-segment net sales or transfers | — | 44 | 44 | — | 44 |
| Total | 36,568 | <u>20,896</u> | <u>57,465</u> | 143 | <u>57,608</u> |
| Segment profit | 180 | 1,377 | 1,557 | 56 | 1,613 |
| Segment assets | 32,611 | 26,483 | 59,095 | 1,751 | 60,847 |
| Other items | | | | | |
| Depreciation | 1,200 | 1,100 | 2,301 | 13 | 2,314 |
| Increase in property, plant and equipment and intangible assets | 1,049 | 1,545 | 2,594 | 71 | 2,666 |

(Note) The “Other” category represents business segments that are not included in the reportable segments, and covers activities such as real estate leasing business.

4 Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements as well as main components of the differences (items in relation to adjustment of differences)

(Million yen)

| Net Sales | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Total amount of reportable segment | 57,087 | 57,465 |
| Net sales in “Other” category | 140 | 143 |
| Elimination of intersegment transactions | (23) | (44) |
| Net sales in consolidated financial statements | 57,205 | 57,563 |

(Million yen)

| Profit | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Total amount of reportable segment | 1,572 | 1,557 |
| Profit in “Other” category | 55 | 56 |
| Elimination of intersegment transactions | 4 | 3 |
| Operating income in consolidated financial statements | 1,632 | 1,617 |

(Million yen)

| Assets | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Total amount of reportable segment | 59,307 | 59,095 |
| Assets in “Other” category | 1,819 | 1,751 |
| Corporate assets (Note) | 19,507 | 22,925 |
| Elimination of intersegment transactions | (21) | (12) |
| Total assets in consolidated financial statements | 80,613 | 83,760 |

(Note) Corporate assets mainly consist of cash and deposits of the parent company, long-term investment funds (investment securities), and assets related to the administrative departments of the Company, all of which do not belong to the reportable segments.

(Million yen)

| Other items | Total amount of reportable segment | | Other | | Adjustment | | Amount recorded in consolidated financial statements | |
|--|--|--|--|--|--|--|--|--|
| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
| Depreciation | 2,364 | 2,301 | 13 | 13 | 0 | 20 | 2,377 | 2,334 |
| Increase in property, plant and equipment and intangible assets | 2,287 | 2,594 | 279 | 71 | 59 | 50 | 2,626 | 2,716 |

(Note) The adjustment amounts for increase in property, plant and equipment and intangible assets mainly consist of the amount of capital expenditure related to the administrative departments that do not belong to the reportable segments.