

Financial Results of the Fiscal Year Ended March 31, 2025

May 23, 2025



Neturen Co., Ltd.



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1. Overview of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

- Sales increased by 0.5% compared to last year due to successful cost passing to the sales prices and exchange gain of the sales of overseas subsidiaries.
- Operational profit reduced by 0.9% compared to last year because of increased fixed cost caused by reduced production volume.

(Million yen)

	FY2023	FY2024	Change	Change Rate (%)
Net Sales	57,205	57,563	358	0.6%
Operating income	1,632	1,617	▲14	▲0.9%
Ordinary income	2,511	2,321	▲189	▲7.6%
Profit attributable to owners of parent	1,542	1,815	273	17.7%
Return on equity (ROE)	2.6%	3.0%	—	—
Return on assets (ROA)	3.1%	2.8%	—	—
Return on Investment Capital (ROIC)	2.6%	2.7%	—	—

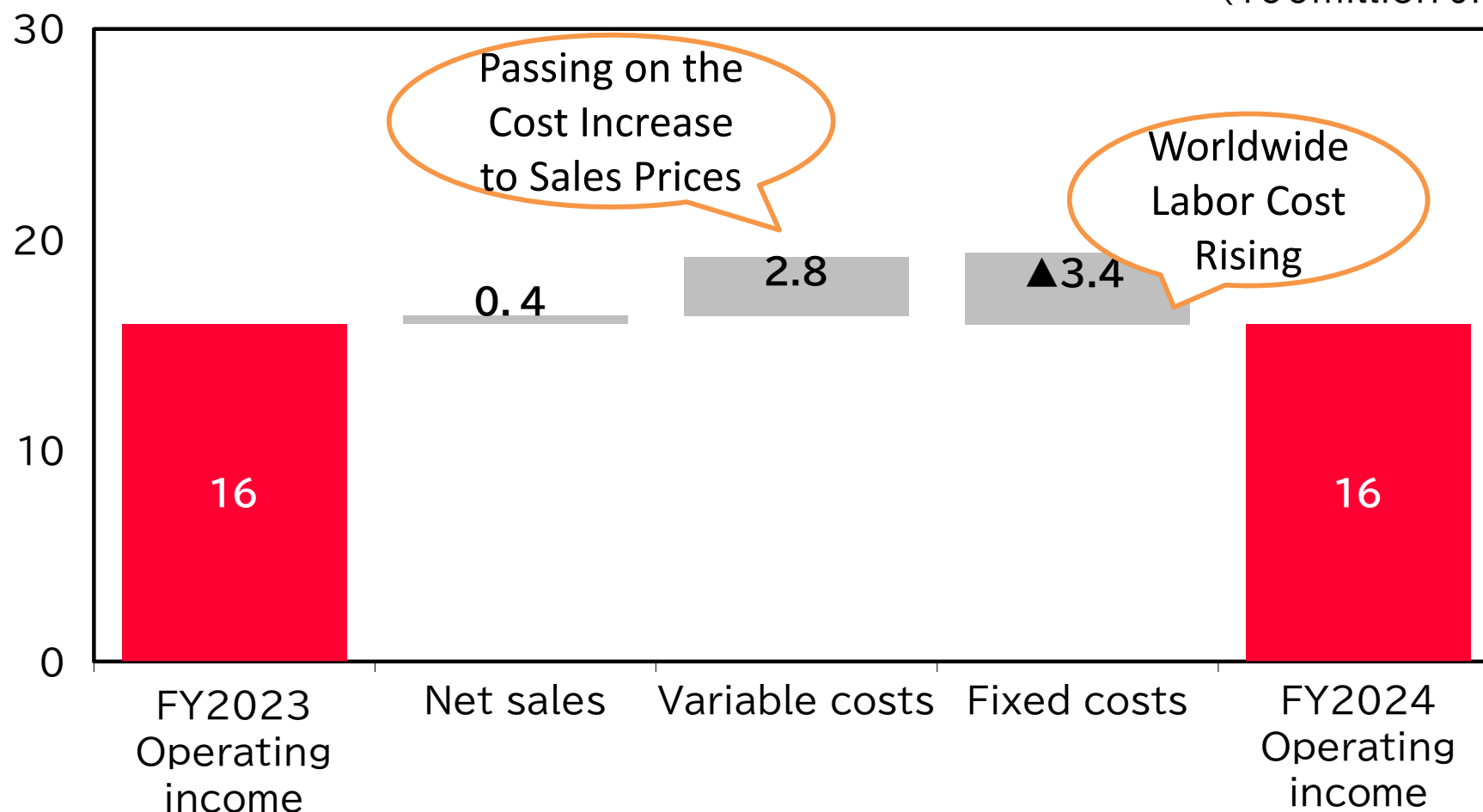
2. Consolidated Statements of Income

(Million yen)

Item	Year	FY2023	FY2024	Change	Change Rate (%)
Net sales		57,205	57,563	358	0.6%
Cost of sales		47,354	47,217	▲136	▲0.3%
Gross income		9,850	10,346	495	5.0%
Selling, general and administrative expenses		8,218	8,728	510	6.2%
Operating income		1,632	1,617	▲14	▲0.9%
Non-operating income		951	811	▲139	▲14.7%
Non-operating expenses		72	108	35	49.0%
Ordinary income		2,511	2,321	▲189	▲7.6%
Extraordinary income		324	1,263	939	289.4%
Extraordinary losses		189	766	576	303.5%
Profit before income taxes		2,645	2,818	172	6.5%
Income taxes – current		696	572	▲123	▲17.7%
Income taxes – deferred		▲105	29	135	0.0%
Total income taxes		2,055	2,216	160	7.8%
Profit attributable to:					
Profit attributable to owners of parent		1,542	1,815	273	17.7%
Profit attributable to non-controlling interests		512	400	▲112	▲21.9%

3. Factors Affecting Changes in Consolidated Operating Income

- Profit gain by ¥40M due to sales increase, and ¥280M by successful passing of material and electricity cost increase to our sales prices.
 - Profit decline by ¥340M because of worldwide rising labor cost and fixed cost increase because of sales reduction in construction, construction machinery and machine tool industry.
- (100million JPY)



4. Breakdown of Extraordinary Income/Losses

- Extraordinary income of ¥1,217M was recorded by sale of investment securities.
- Extraordinary loss of ¥712M was recorded by recognizing impairment losses.

Extraordinary Income	Amount	Content
Sale of investment security	¥1,217M	<ul style="list-style-type: none">• All of Chita Kogyo Co.'s common shares which we had hold were tendered in the tender offer conducted by KYB Corporation and it was successfully completed.

Extraordinary Losses	Amount	Content
Impairment of equipment in Kani Plant	¥479M	<ul style="list-style-type: none">• Finish production of automobile models which our parts were installed.• Finish production of motorcycles by insolvency of our customer.
Impairment of equipment in Kani NH Plant	¥233M	<ul style="list-style-type: none">• Reduction of heat treatment service to automobile companies.

5. Segment Information (Consolidated Net Sales)

- Specialty Steel and Wire Products Division: Sales to construction industry increased even market was not good, but those to construction machinery decreased according to bad market condition. ITW for automotive industry increased but rack bars and motorcycle parts decreased a lot.
- Induction Heating Division: Sales increased due to stable orders of equipment even sales to automobile parts declined in the latter half of the year and those to construction machinery and machine tool remained downturn whole year.

(Million JPY)

Business segment	Main products/services	FY2023	FY2024	Change	Change (%)
Specialty Steel and Wire Products Division	Steel bars for prestressed concrete (PC) High-strength shear reinforcement High-strength spring steel wire ITW® Hollow rack bars Slewing bearings (construction equipment parts)	36,822	36,568	▲253	▲0.7%
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services	20,241	20,851	609	3.0%
Others	Leasing business others	140	143	2	1.7%
Total		57,205	57,563	358	0.6%

6. Segment Information (Consolidated Operating Income)

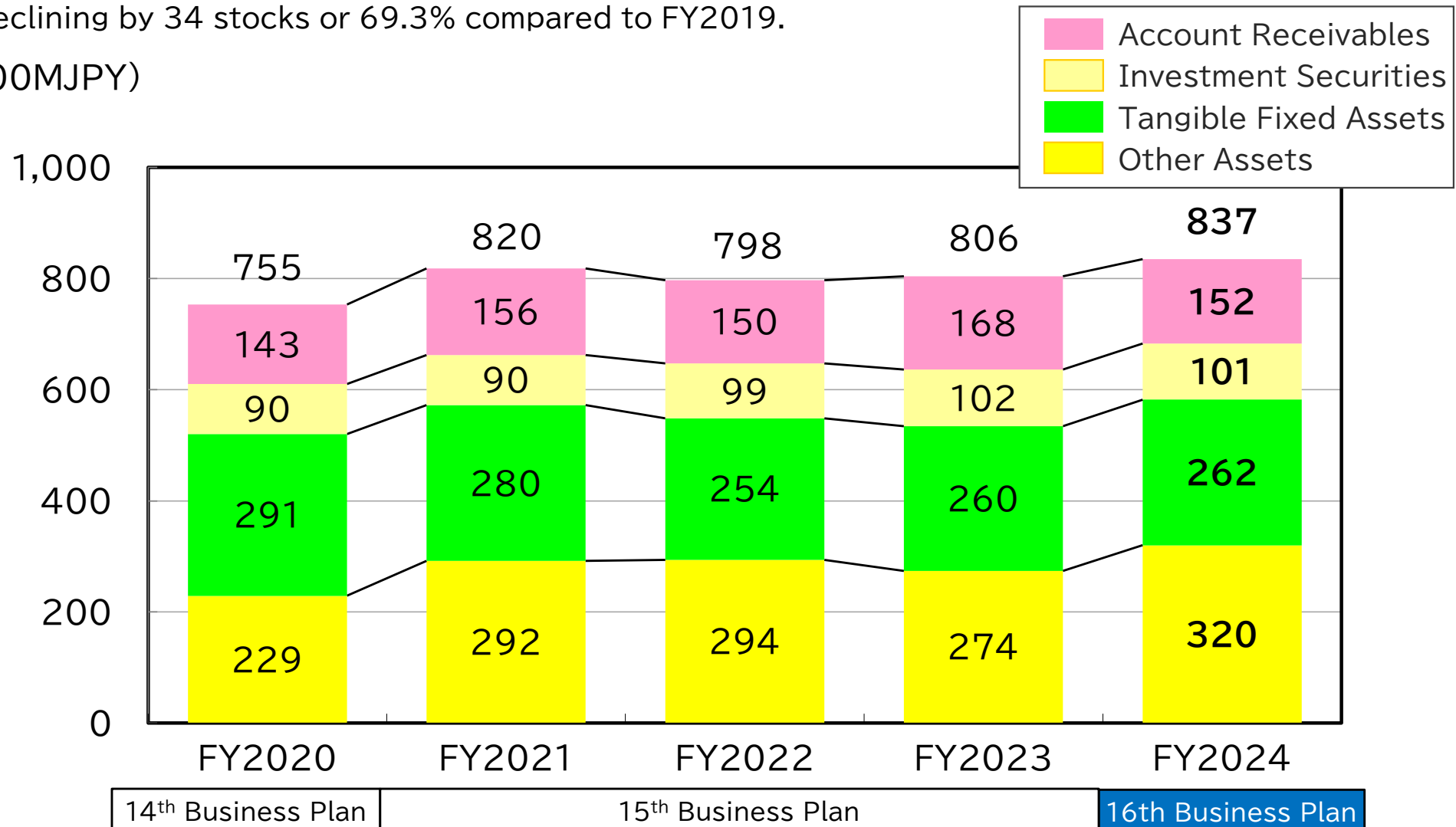
- Specialty Steel and Wire Products Division: Income gained due to sales increase of the high strength shear reinforcement bars and successful passing on the escalated cost to sales prices even sales of construction machine parts, rack bars and motorcycle parts declined a lot.
 - Induction Heating Division: Income reduced by increased fixed cost caused by slow production of automobiles in the second half of the year and low demand of construction machinery and machine tool whole year .
- (Million JPY)

Business segments	Main products/services	FY2023	FY2024	Change	Change Rate (%)
Specialty Steel and Wire Products Division	Steel bars for prestressed concrete (PC) High-strength shear reinforcement High-strength spring steel wire ITW® Hollow rack bars Slewing bearings (construction equipment parts)	123	180	56	45.3%
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services	1,448	1,377	▲71	▲4.9%
Others	Leasing business others	55	56	0	1.8%
Elimination of intersegment transactions		4	3	0	▲8.0%
Total		1,632	1,617	▲14	▲0.9%

7. YoY Consolidated Asset Trend

- Total asset increased by 3.9% YoY because of increase in cash and deposits by borrowing long term loan.
- The market value of policy-holding stocks included in investment securities has been on an upward trend due to rising share prices. However, the number of such stocks has decreased each year, declining by 34 stocks or 69.3% compared to FY2019.

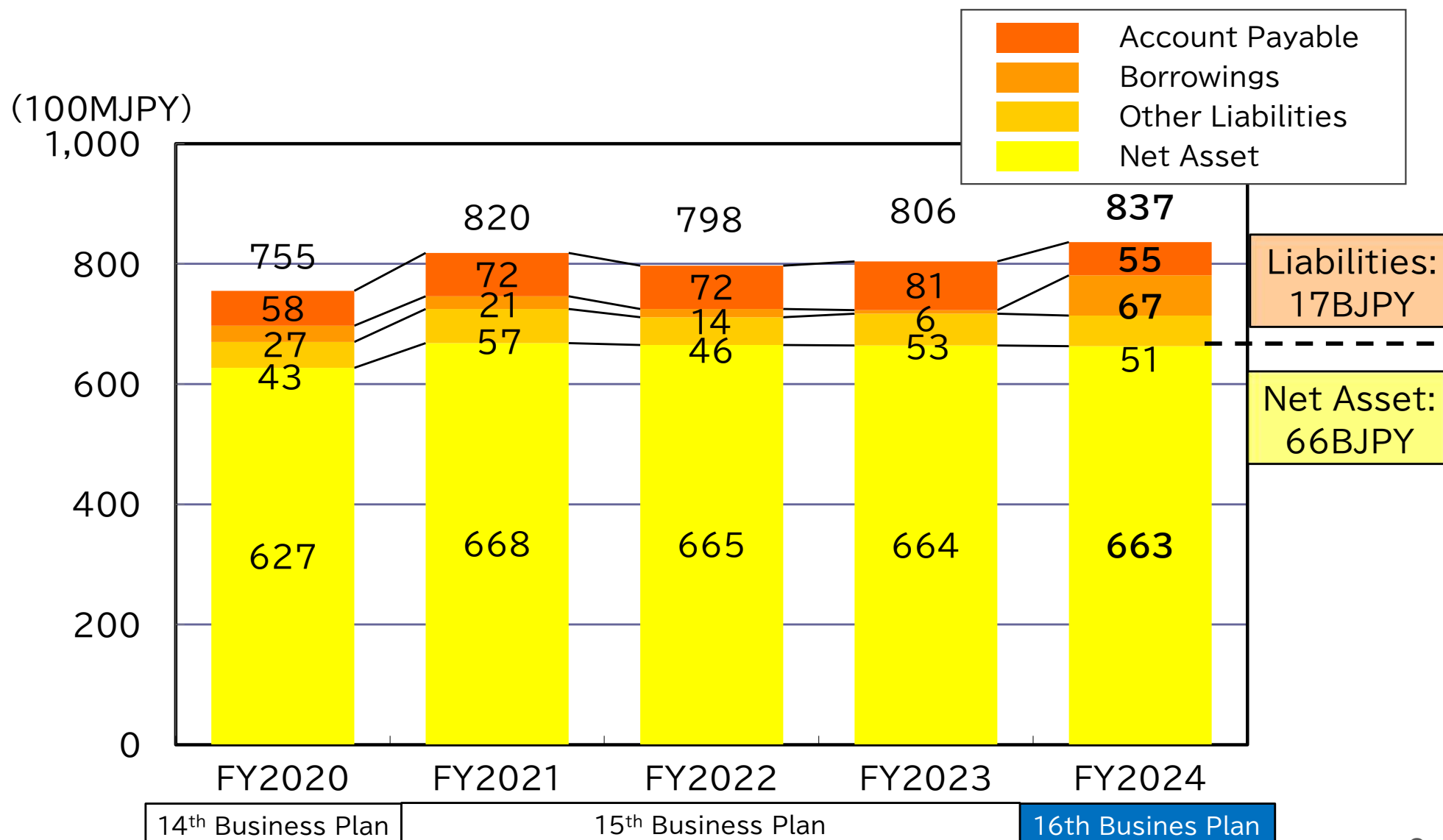
(100MJPY)



※ Other Assets include cash, deposits and inventories.

8. YoY Consolidated Liabilities and Equity Trend

- Liabilities increased by 23.3% compared to the previous year, mainly due to long-term borrowing from financial institutions for capital investment.
- Net assets decreased by 0.2% compared to the previous year owing to share buybacks and dividend payments, despite an increase of 1.3 billion JPY in foreign currency translation adjustments.



9. FY2024 Cash Flows (Consolidated)

- Operating cash flow remained flat compared to the previous year due in part to a decrease in account receivables.
- Investing cash flow increased in outflows due to higher acquisition of fixed assets.
- Financing cash flow increased due to long-term borrowings, despite dividend payments and share buybacks.

(Million yen)

Item		FY2023	FY2024	Change
	Profit before income taxes	2,645	2,818	172
	Depreciation	2,377	2,334	▲42
	Impairment loss	—	712	712
	Decrease (increase) in trade receivables	▲1,617	1,973	3,591
	Increase (decrease) in trade payables	745	▲2,771	▲3,516
	Other, net	41	▲960	▲1,002
	Cash flows from operating activities	4,193	4,107	▲85
	Cash flows from investing activities	▲1,647	▲3,404	▲1,757
	Free cash flows	2,546	703	▲1,842
	Borrowings	▲756	6,106	6,863
	Purchase of treasury shares	▲1,500	▲2,000	▲500
	Dividends paid	▲1,447	▲1,785	▲337
	Other, net	▲1,376	▲608	768
	Cash flows from financing activities	▲5,080	1,713	6,793
	Cash flows at end of period	14,810	17,580	2,770