

Note: This document has been translated from 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.

May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



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 25, 2026

Scheduled date to commence dividend payments: June 26, 2026

Scheduled date to file annual securities report: June 24, 2026

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, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	58,277	1.2	1,892	17.0	2,663	14.8	1,329	(26.8)
March 31, 2025	57,563	0.6	1,617	(0.9)	2,321	(7.6)	1,815	17.7

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 3,221 million [(22.0) %]

For the fiscal year ended March 31, 2025: ¥ 4,132 million [(1.2) %]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	39.76	-	2.3	3.1	3.2
March 31, 2025	51.59	-	3.0	2.8	2.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ 213 million

For the fiscal year ended March 31, 2025: ¥ 157 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	88,146	65,378	66.0	1,785.61
March 31, 2025	83,760	66,329	71.1	1,736.23

Reference: Equity

As of March 31, 2026: ¥ 58,219 million

As of March 31, 2025: ¥ 59,540 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	1,773	(5,235)	(121)	14,204
March 31, 2025	4,107	(3,404)	1,713	17,580

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	25.00	-	26.00	51.00	1,771	98.8	3.0
Fiscal year ended March 31, 2026	-	33.00	-	38.00	71.00	2,353	178.6	4.0
Fiscal year ending March 31, 2027 (Forecast)	-	35.00	-	36.00	71.00		154.3	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2026	31,000	17.5	800	56.2	1,000	13.6	500	8.1	15.34
Full year	64,000	9.8	2,100	11.0	2,500	(6.2)	1,500	12.9	46.01

* Notes

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

Yes

Newly included:	2	companies(Dohken Co., Ltd.,MDI Corporation)
Excluded:	-	companies()

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	32,805,400 shares
As of March 31, 2025	34,495,400 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	200,680 shares
As of March 31, 2025	202,180 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	33,426,981 shares
Fiscal Year ended March 31, 2025	35,197,831 shares

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

* Proper use of earnings forecasts, and other special matters
(Notes on forward-looking statements, etc.)

The forward-looking statements contained in this document are based on judgments made in accordance with information available at the time of the release of this document and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.

For the assumptions used for the financial results forecast as well as precautions regarding the use of such forecast, please refer to “1. Qualitative Information on Quarterly Financial Results (4) Explanation Regarding Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Attachments (Japanese version only).

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy continued to recover gradually, withdriven by employment growth and income increase. However, the economic outlook remains uncertain due to the factors such as U.S. tariff policies and increasing geopolitical risks.

Under these circumstances, the Group has been working to achieve the numerical targets of the 16th medium-term management plan “Aggressive Challenge One NETUREN 2026” (a plan covering the three years from April 2024 to March 2027), which is based on four basic strategies : “Create new drivers to grow”, “Generate growth engines”, “Expand market globally” and “Develop employees with self-motivation at work”. Furthermore, we are continuing efforts to pass on increased costs, such as rising personnel expenses, to selling prices, while implementing thorough cost reductions.

Based on the strategies outlined in the medium-term management plan, we have added Dohken Co., Ltd. (a consolidated subsidiary), MDI Corporation (a consolidated subsidiary), and ANDO Imagineering Group Inc. (an affiliate not accounted for under the equity method) into our Group.

Dohken manufactures and sells high-quality precast concrete products that are supplied as components mainly for high-rise buildings. In the future, the construction industry will face further labor shortages and an aging workforce. Therefore, Neturen Group believes that demand for precast concrete products will also increase to shorten construction period and improve quality control at construction sites.

MDI specializes in thermal management technology offering comprehensive services - from waste heat recovery consulting to the design, manufacture, sale and maintenance of energy-saving systems. These solutions help a variety of factories reduce CO2 emissions, conserve energy, improve their working environment which helps prevent their employees from heatstroke. Consequently, MDI has seen a steady increase in orders from a diverse range of companies committed to SDGs and CO2 reduction. As businesses are increasingly required to adopt heatstroke prevention measures, Neturen group believes that market demand for MDI's business will continue to grow for the future.

ANDO Imagineering Group is an architectural engineering firm that specializes in structural design for various types of buildings including PC (Prestressed Concrete) structures and handles architectural design in-house.

The company is expected to create synergies by combining its design technologies and know-how with our Group's high-strength PC steel manufacturing and processing technology, as well as our high-strength PC product manufacturing technology.

These companies have their own technical strengths, so we strongly expect them to contribute to the expansion of our business domain and growth in revenue and profits.

As a result, sales for this consolidated fiscal year were ¥58,277 million (up 1.2% year on year), despite a sluggish market of our operating industry. The reasons for the gain were successful passing on the increased costs to sales prices, and the inclusion of Doken Co., Ltd. in the consolidated group.

Operating profit was ¥1,892 million (up 17.0% year on year), and ordinary profit was ¥2,663 million (up 14.8% year on year).

Profit attributable to owners of parent was ¥1,329 million (down 26.8% year on year), including impairment loss on fixed assets of ¥257 million. The year-on-year decline was caused by the recording of a gain on sales of investment securities of ¥1,217 million in the previous fiscal year.

The Group will strive to increase orders and improve profits, while proactively engaging in sales activities - including passing on increased costs to selling prices - and to continue thorough cost reduction efforts, thereby working to enhance its corporate value.

Results by business segment are as follows.

1) Specialty Steel and Wire Products Division

Sales of civil engineering and construction-related products continued to be affected by the sluggish construction industry, labor shortages, and delays in the construction schedule due to rising costs of construction materials.

Net sales of the high-strength spring steel wire for automotive applications increased year-on-year. While domestic sales decreased due to a decline in production support for some customers and sluggish sales volumes at some automakers using our products, overseas sales remained robust.

Sales of construction machinery-related products increased compared to the same period last year due to robust construction markets in Japan and China and successful passing on of increased costs to selling prices.

As a result, net sales were ¥36,335 million (down 0.6% year-on-year), while operating profit was ¥464 million (up 157.8% year-on-year), thanks to the strong performance of overseas sales of high-strength spring steel wire and construction machinery-related products, as well as price revisions for civil engineering and construction-related products.

2) Induction Heating Division

Sales of induction heat treatment-related services to the automotive industry decreased during the second half of the fiscal year driven by a decline in customer orders resulting from the prolonged impact of US tariffs.

Although orders for machine tools gradually recovered from the fourth quarter of the previous fiscal year this was not enough to offset the overall decline, resulting in a decrease compared to the same period the previous year.

Sales of the induction heating equipment-related products decreased both domestically and internationally compared to the same period of the previous year due to factors such as customers postponing their capital investment plans, as well as and economic downturn and delayed in customers' schedules in China.

As a result, sales were ¥19,526 million (down 6.4% year on year) and operating profit was ¥1,301 million (down 5.5% year on year).

3) Others

This segment covers revenues such as real estate leasing that are not included in the reportable segments, as well as the revenues and expenses of Doken Co., Ltd. and MDI Co., Ltd., which have recently joined our group.

Leasing properties owned by the Company are making stable contribution to performance, although small in scale.

In addition, we the earnings of Doken, which has become a newly consolidated subsidiary, and recorded ¥133 million in expenses related to the acquisition of its shares. Regarding the profit and loss of MDI, its earnings will be reflected starting from the next fiscal year, but we recorded ¥56 million in share acquisition expenses in the current consolidated fiscal year.

As a result, sales were ¥2,416 million (up 1,586.0% year on year), and operating profit was ¥122 million (up 115.8% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the current consolidated fiscal year were ¥88,146 million (up 5.2% year on year). Although there were asset-decreasing factors such as share acquisition expenses for Doken and MDI, the purchase of treasury stock and dividend payments, total assets increased primarily due to recording assets including goodwill from the addition of the two new consolidated subsidiaries.

Total liabilities at the end of the current consolidated fiscal year were ¥22,768 million (up 30.6% year on year), this was mainly due to an increase in borrowings, which offset decrease in account payables.

Net assets at the end of the current consolidated fiscal year were ¥65,378 million (down 1.4% year on year). This decline was primarily due to dividend payments and share buybacks, despite increase in valuation differences on available-for-sale securities and foreign currency translation adjustments. As a result, the equity ratio at the end of the fiscal year under review was 66.0%.

(3) Overview of Cash Flows for the Fiscal Year under Review

The balance of cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review was ¥14,204 million (decrease of ¥3,375 million from the end of the previous fiscal year), the breakdown is as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥1,773 million (compared to ¥4,107 million provided in the previous fiscal year).

This was mainly due to the recording of profit before income taxes of ¥2,344 million and an increase in trade payables of ¥1,108 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥5,235 million (compared to ¥3,404 million used in the previous fiscal year).

This was mainly due to the purchase of property, plant and equipment of ¥3,990 million and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥2,128 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥121 million (compared to ¥1,713 million provided in the previous fiscal year).

This was mainly due to repayment of long-term borrowings of ¥5,244 million, purchase of treasury shares of ¥2,000 million and dividends paid of ¥2,005 million in spite of proceeds of new long-term borrowings from ¥9,602 million.

(Reference) Trends in cash flow-related indicators

	Fiscal years ended March 31				
	2022	2023	2024	2025	2026
Equity ratio	72.7	74.3	74.4	71.1	66.0
Equity ratio based on market value	28.8	32.8	50.3	39.6	46.5
Interest-bearing debt to cash flow ratio	0.3	0.4	0.2	1.7	6.6
Interest coverage ratio	145.4	65.6	73.4	58.7	15.3

(Notes) 1. Calculation method of each indicator

- 1) Equity ratio: Equity / total assets
 - 2) Equity ratio based on market value: Total market value of shares (closing price of stock × total number of issued and outstanding shares) / total assets
 - 3) Interest-bearing debt to cash flow ratio: Interest-bearing debt / cash flow from operating activities
 - 4) Interest coverage ratio: Cash flow from operating activities / interest payments
2. Total market value of shares is calculated based on the number of issued and outstanding shares excluding treasury shares. Cash flow from operating activities is net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows. Interest-bearing debt refers to borrowings recorded on the Consolidated Balance Sheets. The amount of interest payments is the amount of interest expenses recorded on the Consolidated Statements of Income and Comprehensive Income.

(4) Future Outlook

In Japan, we anticipate that the uncertain outlook will continue due to ongoing inflation and intensifying labor shortages. Overseas, uncertainty is driven by rising geopolitical risks, such as US tariff policies, concerns over the economic slowdown in China, and the prolonged conflict in Ukraine. Furthermore, the volatile situation in the Middle East could potentially impact on the Group's business operations.

Despite this unpredictable operating environment, we project net sales of ¥64,000 million, operating profit of ¥2,100 million, ordinary profit of ¥2,500 million, and profit attributable to owners of the parent of ¥1,500 million for the fiscal year ending March 31, 2027. These projections are based on demand forecasts within the currently foreseeable scope, incorporating strategic sales activities to pass on inflation-driven cost increases into selling prices, alongside internal efforts such as Group-wide cost-reduction initiatives.

Note that we have revised the financial target of the final year of the 16th Medium-Term Management Plan, "Aggressive Challenge One NETUREN 2026" (a three-year plan), to reflect these consolidated forecast figures. For details, please refer to the "Notice Regarding the Revision of the 16th Medium-Term Management Plan" disclosed today (May 13, 2026).

These forecasts are based on information presently available and include many uncertain factors. Actual results may differ from these forecasts due to changes in business conditions and other factors.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Dividends for the fiscal year ended March 31, 2026

The Company has a basic policy to maintain stable dividends to shareholders while making strategic investments for growth and conducting stable business operations.

Note that “stable dividends” refers to a dividend on equity (DOE) rate of 4.0% or more.

Regarding the year-end dividend (ordinary dividend) for the fiscal year ended March 31, 2026, we proposed a year-end dividend of ¥38 per share, prioritizing shareholder returns and comprehensively taking into consideration our business performance, financial conditions, and other factors.

As a result, the total annual dividend, including the interim dividend of ¥33, will be ¥71 per share.

Dividends for the fiscal year ending March 31, 2027

Regarding dividends for the next fiscal year, although the business environment remains uncertain, we plan to pay an interim dividend of ¥35 per share and a year-end dividend of ¥36 per share, resulting in a total annual dividend of ¥71 per share, in accordance with our revised dividend policy.

2. Basic Policy on Selection of Accounting Standards

The Group’s policy for the time being is to prepare its consolidated financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), ensuring the comparability of consolidated financial statements across periods and companies.

Regarding the adoption of International Financial Reporting Standards (IFRS), the Group will respond appropriately in consideration of various domestic and international circumstances.

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	19,143	17,153
Notes and accounts receivable - trade, and contract assets	11,640	12,762
Electronically recorded monetary claims - operating	3,605	4,313
Securities	269	339
Merchandise and finished goods	1,541	1,683
Work in process	1,967	2,031
Raw materials and supplies	3,623	3,888
Other	3,227	1,759
Allowance for doubtful accounts	(234)	(179)
Total current assets	44,785	43,753
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,812	26,269
Accumulated depreciation	(15,778)	(17,042)
Buildings and structures, net	8,034	9,227
Machinery, equipment and vehicles	53,162	54,970
Accumulated depreciation	(47,282)	(48,529)
Machinery, equipment and vehicles, net	5,879	6,441
Land	9,909	10,377
Leased assets	588	570
Accumulated depreciation	(285)	(354)
Leased assets, net	303	216
Construction in progress	1,783	2,545
Other	2,985	3,313
Accumulated depreciation	(2,598)	(2,804)
Other, net	387	509
Total property, plant and equipment	26,297	29,318
Intangible assets		
Leasehold interests in land	982	976
Goodwill	-	1,626
Other	85	105
Total intangible assets	1,067	2,709
Investments and other assets		
Investment securities	9,857	10,949
Long-term loans receivable	20	21
Retirement benefit asset	244	650
Deferred tax assets	86	151
Other	1,478	670
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	11,610	12,365
Total non-current assets	38,975	44,393
Total assets	83,760	88,146

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,337	4,035
Electronically recorded obligations - operating	2,125	1,615
Short-term borrowings	1,947	3,799
Lease liabilities	81	79
Income taxes payable	389	271
Provision for bonuses	646	812
Provision for bonuses for directors (and other officers)	17	44
Provision for share awards for directors (and other officers)	7	11
Other	2,652	2,389
Total current liabilities	11,205	13,060
Non-current liabilities		
Long-term borrowings	4,846	7,819
Lease liabilities	358	297
Deferred tax liabilities	769	1,130
Provision for share awards for directors (and other officers)	8	16
Retirement benefit liability	80	129
Other	163	315
Total non-current liabilities	6,225	9,708
Total liabilities	17,431	22,768
Net assets		
Shareholders' equity		
Share capital	6,418	6,418
Capital surplus	1,714	1,714
Retained earnings	43,850	41,239
Treasury shares	(197)	(230)
Total shareholders' equity	51,785	49,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,528	2,970
Foreign currency translation adjustment	4,815	5,463
Remeasurements of defined benefit plans	411	643
Total accumulated other comprehensive income	7,755	9,077
Non-controlling interests	6,788	7,159
Total net assets	66,329	65,378
Total liabilities and net assets	83,760	88,146

Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	57,563	58,277
Cost of sales	47,217	47,069
Gross profit	10,346	11,208
Selling, general and administrative expenses		
Selling expenses	3,085	2,945
General and administrative expenses	5,642	6,370
Total selling, general and administrative expenses	8,728	9,315
Operating profit	1,617	1,892
Non-operating income		
Interest income	125	126
Dividend income	188	200
Subsidy income	3	3
Insurance claim and dividend income	14	50
Share of profit of entities accounted for using equity method	157	213
Gain on sale of scraps	129	156
Foreign exchange gains	13	-
Gain on investments in silent partnerships	-	104
Other	179	136
Total non-operating income	811	994
Non-operating expenses		
Interest expenses	69	115
Foreign exchange losses	-	19
Depreciation of inactive non-current assets	23	33
Other	14	53
Total non-operating expenses	108	222
Ordinary profit	2,321	2,663
Extraordinary income		
Gain on sale of non-current assets	11	4
Gain on sale of investment securities	1,217	3
Insurance claim income	12	11
Subsidy income	20	7
Other	1	0
Total extraordinary income	1,263	28
Extraordinary losses		
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	46	79
Impairment losses	712	257
Loss on sale of investment securities	0	-
Other	4	10
Total extraordinary losses	766	347

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit before income taxes	2,818	2,344
Income taxes - current	572	572
Income taxes - deferred	29	1
Total income taxes	602	573
Profit	2,216	1,771
Profit attributable to		
Profit attributable to owners of parent	1,815	1,329
Profit attributable to non-controlling interests	400	442
Other comprehensive income		
Valuation difference on available-for-sale securities	117	432
Foreign currency translation adjustment	1,718	705
Remeasurements of defined benefit plans, net of tax	70	231
Share of other comprehensive income of entities accounted for using equity method	10	80
Total other comprehensive income	1,916	1,450
Comprehensive income	4,132	3,221
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,289	2,651
Comprehensive income attributable to non-controlling interests	842	570

Consolidated Statement of Changes in Equity
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 scope of consolidation					-
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 scope of consolidation						-
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

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,418	1,714	43,850	(197)	51,785
Changes during period					
Dividends of surplus			(2,005)		(2,005)
Profit attributable to owners of parent			1,329		1,329
Purchase of treasury shares				(2,000)	(2,000)
Disposal of treasury shares		0		32	33
Cancellation of treasury shares		(1,935)		1,935	-
Transfer from retained earnings to capital surplus		1,934	(1,934)		-
Change in scope of consolidation					-
Capital increase of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(2,610)	(32)	(2,643)
Balance at end of period	6,418	1,714	41,239	(230)	49,141

	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	2,528	4,815	411	7,755	6,788	66,329
Changes during period						
Dividends of surplus						(2,005)
Profit attributable to owners of parent						1,329
Purchase of treasury shares						(2,000)
Disposal of treasury shares						33
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Change in scope of consolidation					203	203
Capital increase of consolidated subsidiaries						-
Net changes in items other than shareholders' equity	442	648	231	1,322	167	1,490
Total changes during period	442	648	231	1,322	370	(950)
Balance at end of period	2,970	5,463	643	9,077	7,159	65,378

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,818	2,344
Depreciation	2,334	2,276
Impairment losses	712	257
Amortization of goodwill	-	87
Increase (decrease) in allowance for doubtful accounts	54	(71)
Increase (decrease) in provision for bonuses	(39)	148
Decrease (increase) in retirement benefit asset	(244)	(406)
Increase (decrease) in retirement benefit liability	153	349
Interest and dividend income	(313)	(327)
Interest expenses	69	115
Foreign exchange losses (gains)	0	(29)
Share of loss (profit) of entities accounted for using equity method	(157)	(213)
Loss (gain) on sale of property, plant and equipment	(8)	(4)
Loss (gain) on disposal of property, plant and equipment	46	79
Loss (gain) on sale of investment securities	(1,217)	-
Decrease (increase) in trade receivables	1,973	(1,108)
Decrease (increase) in inventories	640	342
Increase (decrease) in trade payables	(2,771)	(461)
Decrease (increase) in advance payments to suppliers	47	(134)
Increase (decrease) in advances received	(26)	(846)
Increase (decrease) in accrued consumption taxes	130	(104)
Other, net	247	(91)
Subtotal	4,454	2,200
Interest and dividends received	379	414
Interest paid	(67)	(111)
Income taxes refund (paid)	(658)	(729)
Net cash provided by (used in) operating activities	4,107	1,773
Cash flows from investing activities		
Payments into time deposits	(2,004)	(3,478)
Proceeds from withdrawal of time deposits	1,564	3,029
Purchase of property, plant and equipment	(2,653)	(3,990)
Proceeds from sale of property, plant and equipment	34	4
Purchase of intangible assets	(28)	(41)
Purchase of investment securities	(4)	(103)
Proceeds from sale and redemption of investment securities	0	1,691
Loan advances	(47)	(19)
Proceeds from collection of loans receivable	12	15
Purchase of shares of subsidiaries and associates	-	(109)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(2,128)
Purchase of long-term prepaid expenses	(143)	(30)
Other, net	(134)	(74)
Net cash provided by (used in) investing activities	(3,404)	(5,235)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	1,670	4,602
Repayments of short-term borrowings	(1,600)	(3,970)
Proceeds from long-term borrowings	6,050	5,000
Repayments of long-term borrowings	(13)	(1,274)
Purchase of treasury shares	(2,000)	(2,000)
Dividends paid	(1,785)	(2,005)
Dividends paid to non-controlling interests	(530)	(402)
Other, net	(77)	(70)
Net cash provided by (used in) financing activities	1,713	(121)
Effect of exchange rate change on cash and cash equivalents	353	207
Net increase (decrease) in cash and cash equivalents	2,770	(3,375)
Cash and cash equivalents at beginning of period	14,810	17,580
Cash and cash equivalents at end of period	17,580	14,204

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, 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	20,851	57,420	143	57,563
Inter-segment net sales or transfers	–	44	44	–	44
Total	36,568	20,896	57,465	143	57,608
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.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Reportable segment			Other (Note)	Total
	Specialty Steel and Wire Products Division	Induction Heating Division	Total		
Net Sales					
Net sales to external customers	36,335	19,526	55,861	2,416	58,277
Inter-segment net sales or transfers	–	76	76	9	86
Total	36,335	19,602	55,937	2,426	58,363
Segment profit	464	1,301	1,766	122	1,888
Segment assets	33,856	27,502	61,359	6,550	67,910
Other items					
Depreciation	1,181	1,024	2,205	40	2,246
Increase in property, plant and equipment and intangible assets	877	2,656	3,533	350	3,884

(Note) The “Other” category represents business segments that are not included in the reportable segments, and includes the real estate leasing business and other businesses.

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, 2025	For the fiscal year ended March 31, 2026
Total amount of reportable segment	57,465	55,937
Net sales in "Other" category	143	2,426
Elimination of intersegment transactions	(44)	(86)
Net sales in consolidated financial statements	57,563	58,277

(Million yen)

Profit	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Total amount of reportable segment	1,557	1,766
Profit in "Other" category	56	122
Elimination of intersegment transactions	3	3
Operating income in consolidated financial statements	1,617	1,892

(Million yen)

Assets	As of March 31, 2025	As of March 31, 2026
Total amount of reportable segment	59,095	61,359
Assets in "Other" category	1,751	6,550
Corporate assets (Note)	22,925	20,247
Elimination of intersegment transactions	(12)	(10)
Total assets in consolidated financial statements	83,760	88,146

(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, 2025	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Depreciation	2,301	2,205	13	40	20	29	2,334	2,276
Increase in property, plant and equipment and intangible assets	2,594	3,533	71	350	50	125	2,716	4,009

(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.