

Financial Results of the Fiscal Year Ended March 31, 2026

May 26, 2026

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Neturen Co., Ltd.



W-ECO

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1. Overview of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

- Despite the impact of the stagnant customer industries, net sales rose by ¥714 million YoY (up 1.2%) due to successful cost passing to the sales prices, increased sales volume of overseas bases, and the contribution of sales by subsidiaries newly included in consolidated results as of FY2025.
- Operating income increased by ¥274 million YoY (up 17.0%) as a result of sales price revisions, improvements to variable costs, and the performance of the subsidiaries newly included in consolidated results.

(Million yen)

	FY2024	FY2025	Change	Change Rate (%)
Net Sales	57,563	58,277	714	1.2%
Operating income	1,617	1,892	274	17.0%
Ordinary income	2,321	2,663	342	14.8%
Profit attributable to owners of parent	1,815	1,329	(486)	(26.8)%
Return on equity (ROE)	3.0%	2.3%	—	(0.7)%
Return on assets (ROA)	2.8%	3.1%	—	0.2%
Return on Investment Capital (ROIC)	2.7%	2.7%	—	0.0%

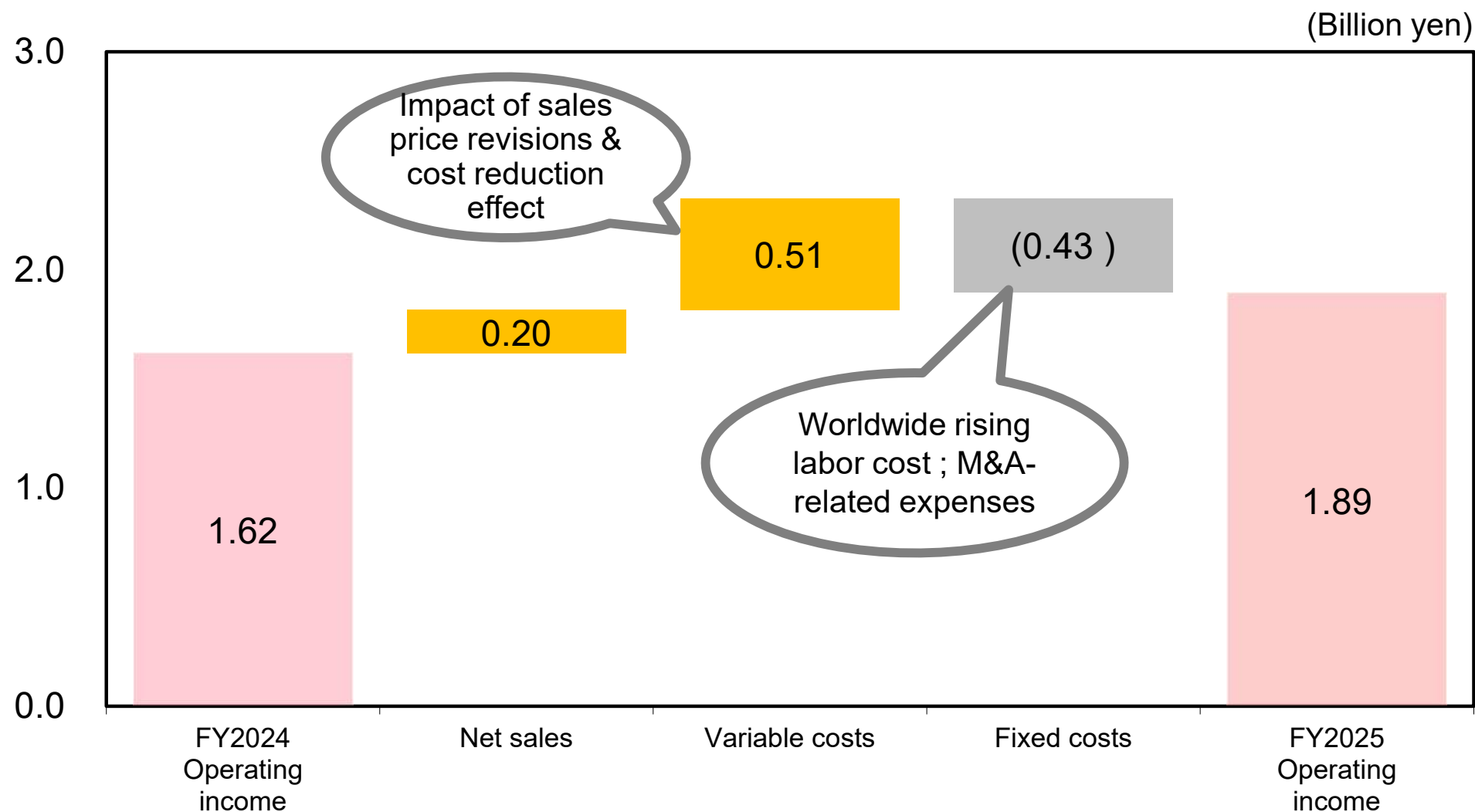
2. Consolidated Statements of Income

(Million yen)

Item	Year	FY2024	FY2025	Change	Change Rate (%)
Net sales		57,563	58,277	714	1.2%
Cost of sales		47,217	47,069	(148)	(0.3)%
Gross income		10,346	11,208	862	8.3%
Selling, general and administrative expenses		8,728	9,315	587	6.7%
Operating income		1,617	1,892	274	17.0%
Non-operating income		811	994	182	22.4%
Non-operating expenses		108	222	114	105.3%
Ordinary income		2,321	2,663	342	14.8%
Extraordinary income		1,263	28	(1,235)	(97.7)%
Extraordinary loss (explained in later slide)		766	347	(418)	(54.6)%
Profit before income taxes		2,818	2,344	(473)	(16.8)%
Income taxes – current		572	572	0	(0.1)%
Income taxes – deferred		29	1	(28)	(95.8)%
Total income taxes		2,216	1,771	(444)	(20.1)%
Profit attributable to:					
Profit attributable to owners of parent		1,815	1,329	(486)	(26.8)%
Profit attributable to non-controlling interests		400	442	41	10.5%

3. Factors Affecting Changes in Consolidated Operating Income

- Profit gain by approx. ¥0.2 billion due to increase in net sales
- Profit gain by approx. ¥0.5 billion due to improvement of variable costs resulting from the progress of sales price revisions, cost reduction effect
- Profit decline by approx. ¥0.4 billion due to fixed cost factors such as worldwide rising labor cost and the recording of share acquisition expenses stemming from M&A



4. Breakdown of Extraordinary Losses

- Extraordinary losses of ¥347 million were recorded (includes impairment loss of ¥257 million).

Extraordinary losses (impairment loss)

(Million yen)

Extraordinary Losses	Amount	Description
Impairment loss at Neturen (China) Slewing Bearing Co., Ltd.	257	Following finalization of the timing of the plant relocation requested by the Chinese government, the book value of assets (mainly buildings) no longer needed due to the old plant's closure was written down.

5. Segment Information (Consolidated Net Sales)

- Specialty Steel and Wire Products Division: Sales to the civil engineering and construction industry declined due to continuous delays in construction and project starts. Sales to the construction equipment industry rose due to impact of sales price revisions and recovery of orders received. ITW® sales to the automotive industry increased, buoyed by strong performance overseas. Sales of motorcycle parts were resumed following their suspension last year due to insolvency of our customer.
- Induction Heating Division: Sales of contract manufacturing shrank due to a drop in automotive industry orders in the second half of the fiscal year, and the ongoing sluggish market conditions for the construction equipment and machine tools industries. Equipment-related sales fell due to delays in shipment.
- Others: Sales increased as a result of newly including Dohken in the scope of consolidation.

(Million yen)

Business segment	Main products/services	FY2024	FY2025	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)	36,568	36,335	(233)	(0.6)%
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services	20,851	19,526	(1,325)	(6.4)%
Others	M&A-related business Leasing business Others	143	2,416	2,272	—
Total		57,563	58,277	714	1.2%

6. Segment Information (Consolidated Operating Income)

- Specialty Steel and Wire Products Division: Income grew due to factors such as strong sales of high-strength spring steel wire ITW® to overseas automotive customers and increased sales of construction equipment parts, as well as the start of sales price revisions for products for civil engineering and construction.
- Induction Heating Division: Income decreased due to a decline in contract manufacturing sales, postponement of an equipment business investment project due to customer circumstances, and shipment delays.
- Others: Income climbed despite the recording of share acquisition expenses stemming from M&A and goodwill amortization expenses.

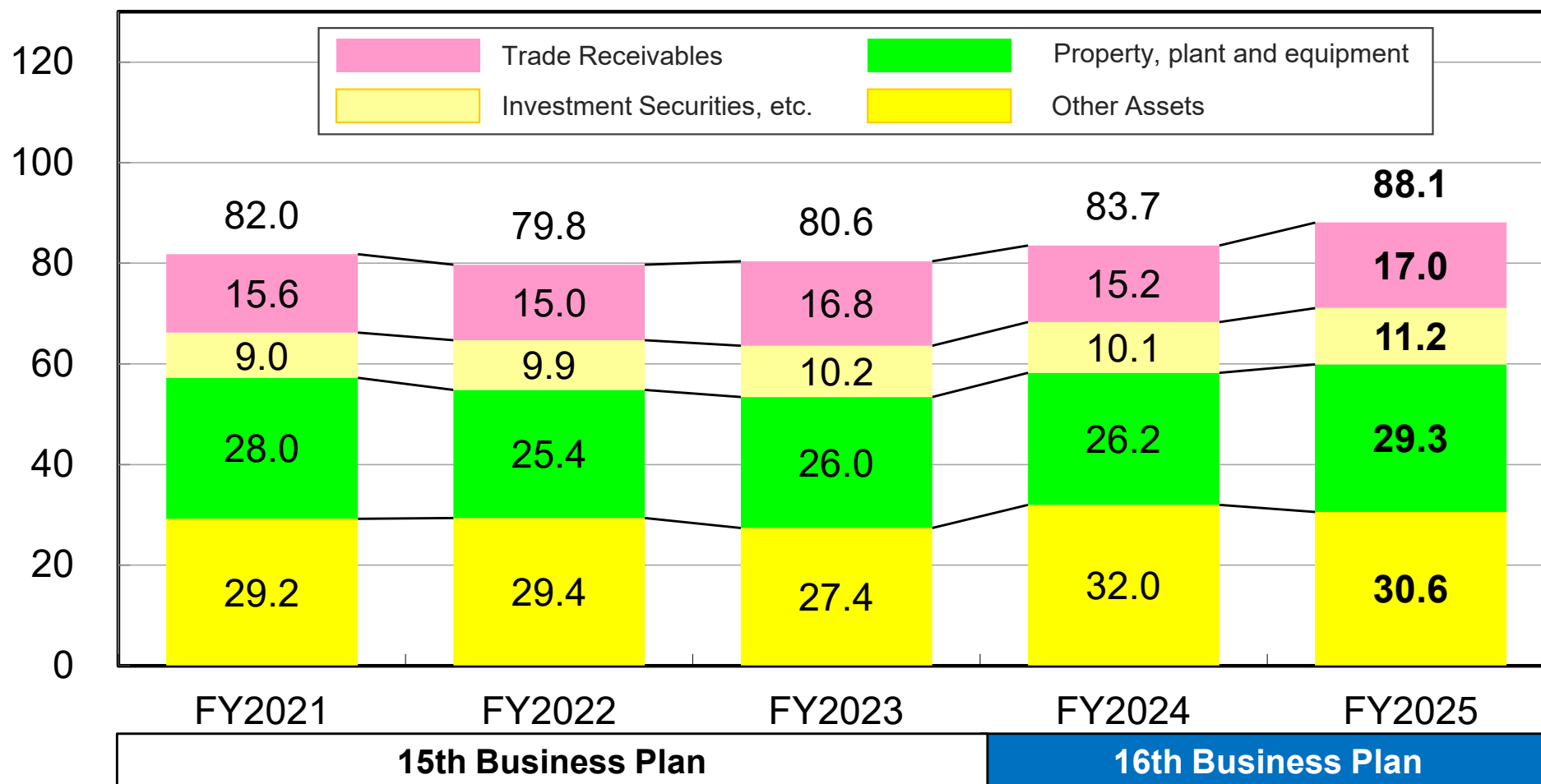
(Million yen)

Business segment	Main products/services	FY2024	FY2025	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)	180	464	284	157.8%
Induction Heating Division	Induction heat treatment-related services Induction heating equipment/services	1,377	1,301	(75)	(5.5)%
Others	M&A-related business Leasing business Others	56	122	65	115.8%
Total		1,617	1,892	274	17.0%

7. YoY Consolidated Asset Trend

- Total assets increased by ¥4.4 billion YoY owing to newly including Dohken and MDI in the scope of consolidation, which were acquired through M&A. Cash and deposits decreased due to purchase of treasury shares, and dividends paid.
- The market value of cross-shareholdings, which are included in investment securities, trended upward with rising share prices. However, the number of stocks held as cross-shareholdings shrank, decreasing by 34 stocks, or 69.3%, compared to FY2019.

(Billion yen)



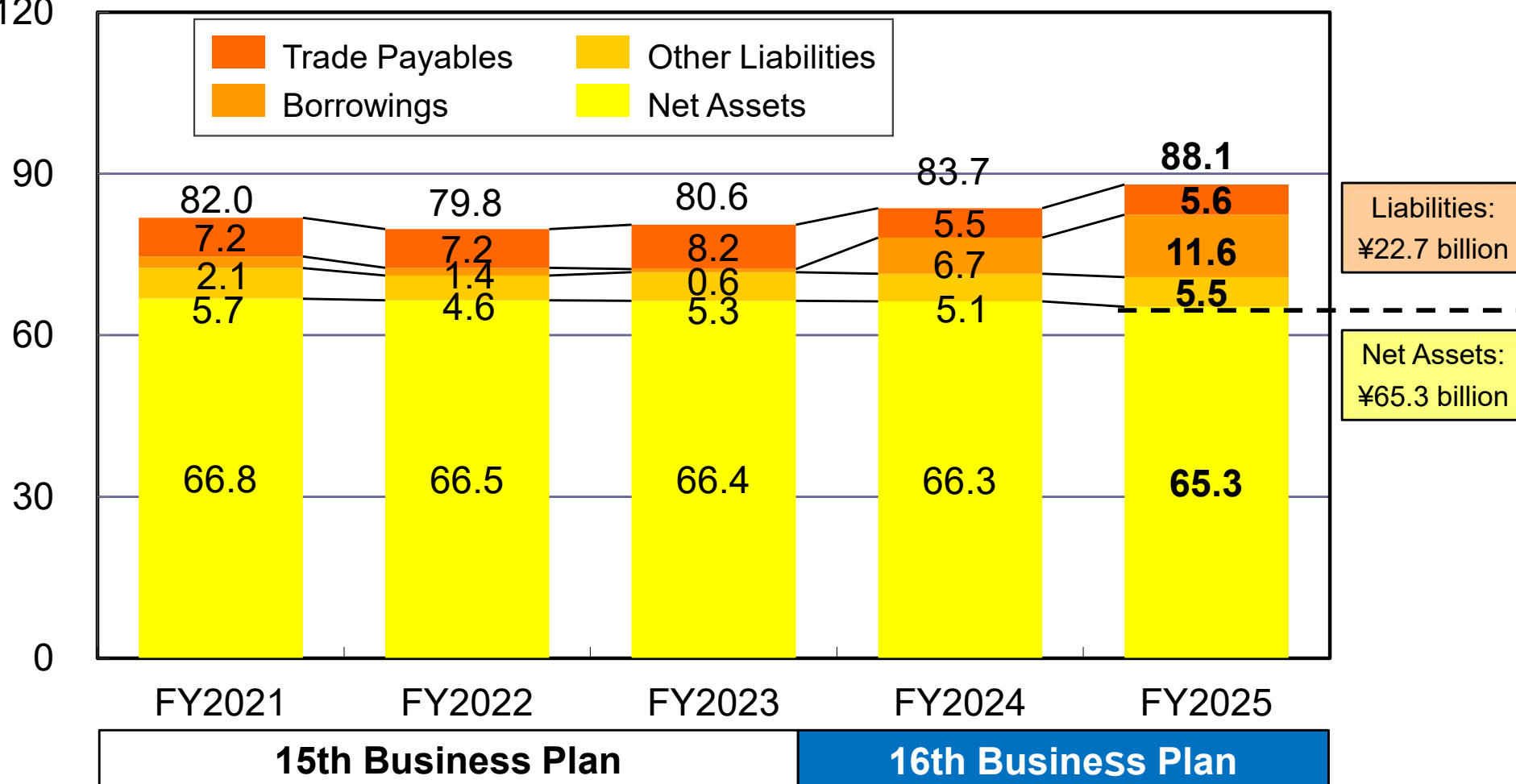
* Other Assets include cash, deposits and inventories.

8. Balance of Liabilities and Net Assets (Consolidated)

- Liabilities increased by ¥5.3 billion YoY owing to newly including Dohken and MDI in the scope of consolidation, which were acquired through M&A, and long-term borrowings from financial institutions.
- Net assets decreased by ¥1.0 billion YoY due to purchase of treasury shares, despite an increase of approx. ¥0.6 billion in foreign currency translation adjustments resulting from the depreciation of the yen.

(Billion yen)

120



9. FY2025 Cash Flows (Consolidated)

- Operating cash inflows decreased due in part to an increase in trade receivables.
- Investing cash outflows increased due in part to the acquisition of property, plant and equipment, and acquisition of subsidiary shares.
- Financing cash outflows increased due in part to dividends paid and purchase of treasury shares, despite borrowings made.

(Million yen)

Item	FY2024	FY2025	Change
Profit before income taxes	2,818	2,344	(474)
Depreciation	2,334	2,276	(58)
Impairment loss	712	257	(455)
Decrease (increase) in trade receivables	1,973	(1,108)	(3,081)
Decrease (increase) in trade payables	(2,771)	(461)	2,310
Other, net	(960)	(1,535)	(575)
Cash flows from operating activities	4,107	1,773	(2,334)
Cash flows from investing activities	(3,404)	(5,235)	(1,831)
Free cash flows	703	(3,462)	(4,165)
Borrowings	6,106	4,358	(1,748)
Purchase of treasury shares	(2,000)	(2,000)	0
Dividends paid	(1,785)	(2,005)	(220)
Other, net	(608)	(474)	134
Cash flows from financing activities	1,713	(121)	(1,834)
Cash flows at end of period	17,580	14,204	(3,376)

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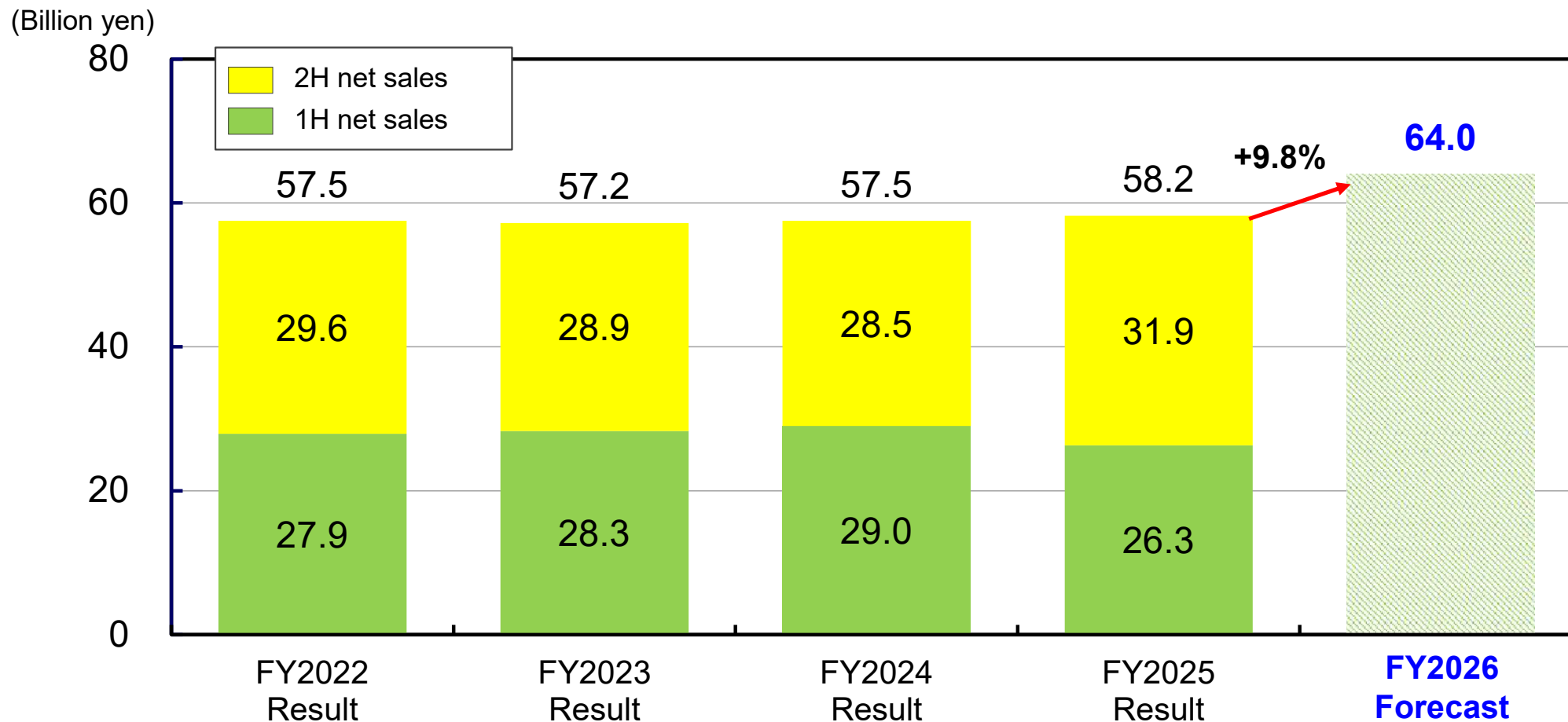
- II. Trends in Business Results



10. Consolidated Net Sales

- Civil engineering and construction industry sales are anticipated to be robust in FY2026, supported in part by progress in sales price revisions.

Net sales are forecasted to total ¥64.0 billion, as orders for high-strength spring steel wire ITW® from overseas automotive customers are trending upward and the machine tools market is showing signs of recovery.



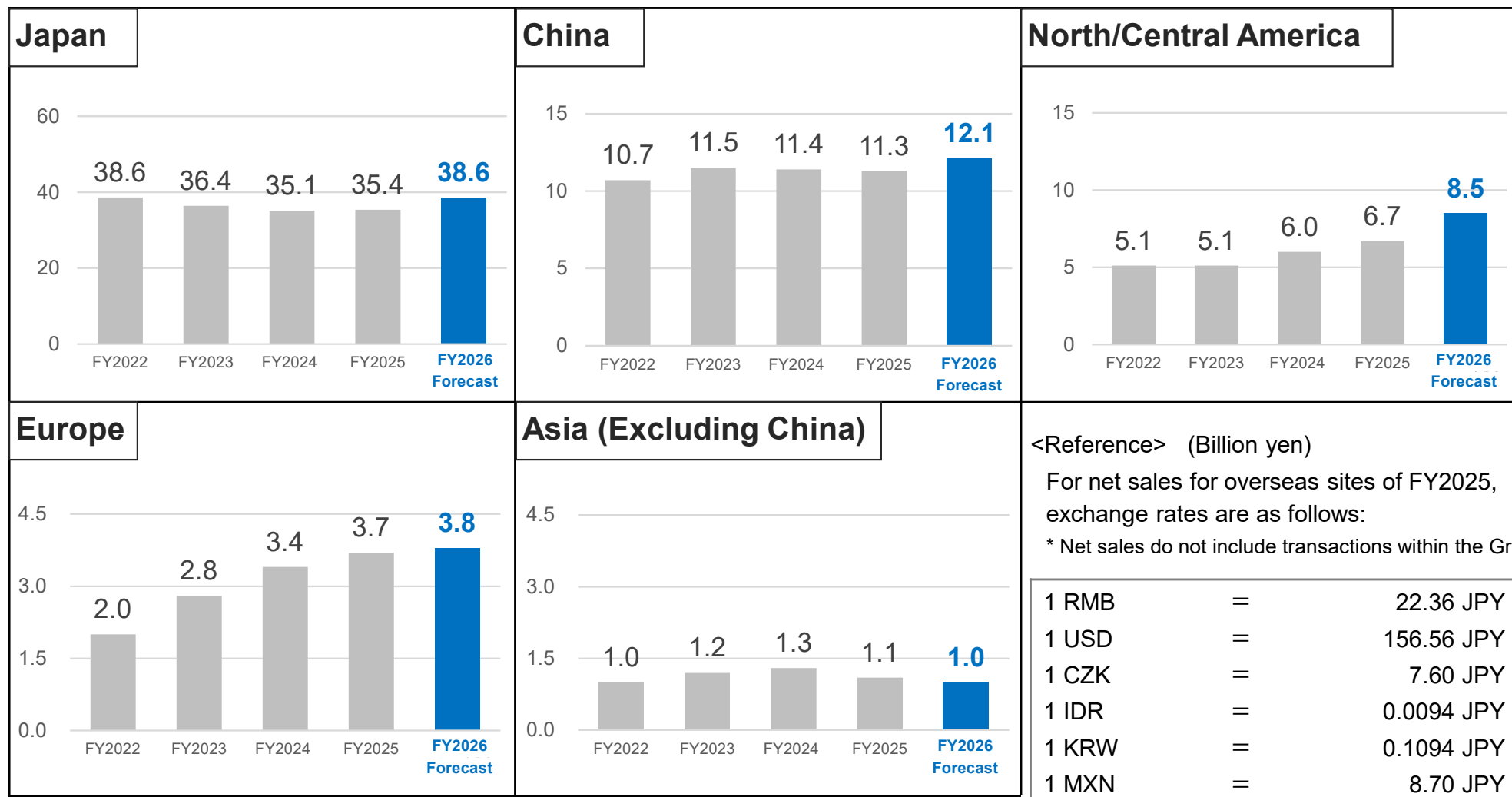
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[Exchange Rates]

FY2026	1 RMB =	23.11 JPY	1 USD =	159.88 JPY
FY2025	1 RMB =	22.36 JPY	1 USD =	156.56 JPY

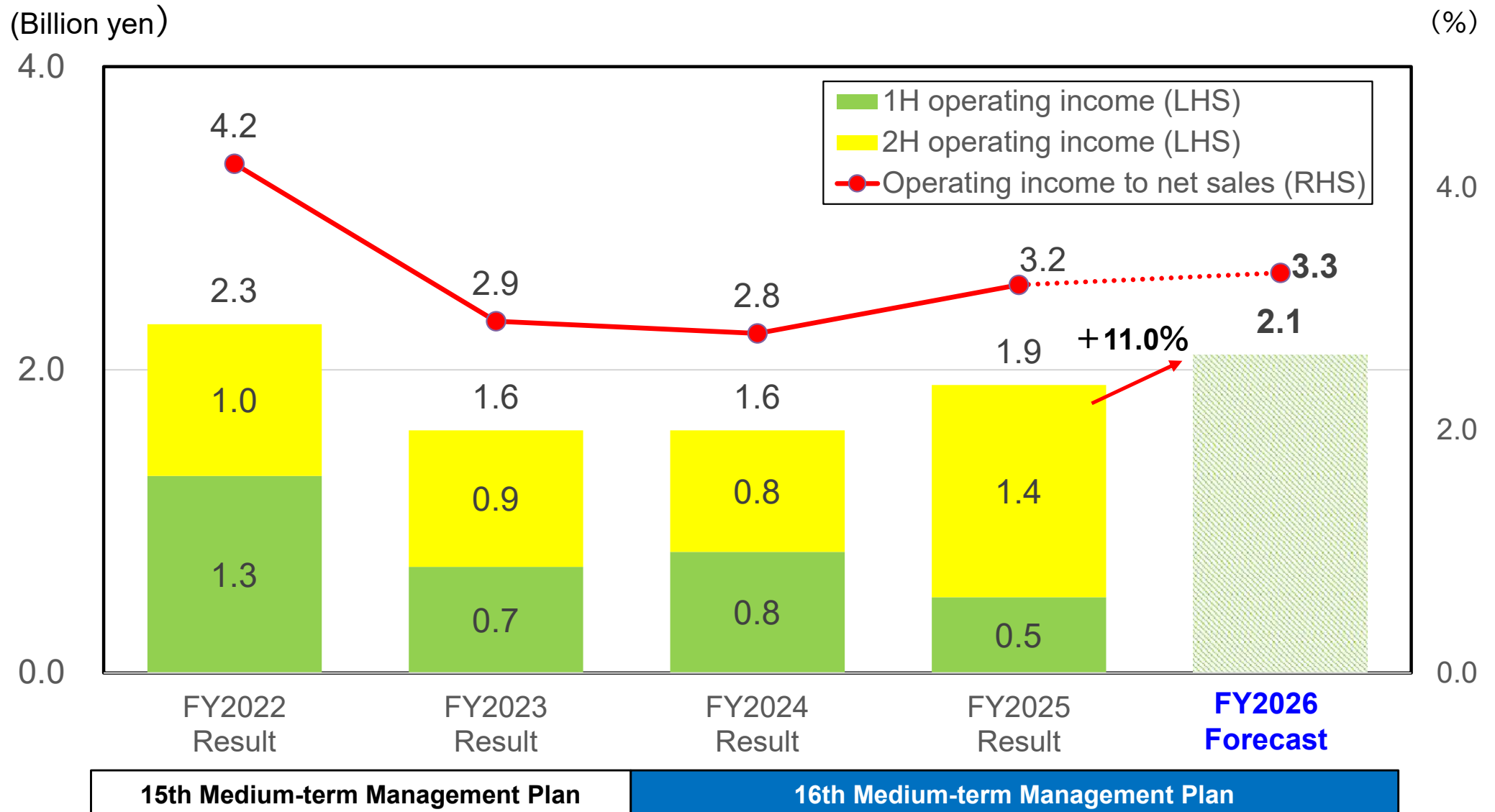
11. Net Sales by Region

- FY2025** Net sales in Japan increased due to the inclusion of new subsidiaries in the scope of consolidation and progress in sales price revisions. Net sales in China remained on par with the previous fiscal year, despite the challenging market conditions. Net sales rose YoY in North/Central America and Europe, driven by an increase in orders received and the impact of a weak yen in Europe and China.
- FY2026** Net sales in Japan are expected to grow from increased sales volume. Net sales are also anticipated to expand in China and North/Central America with the capture of demand from mainly the automobile industry.



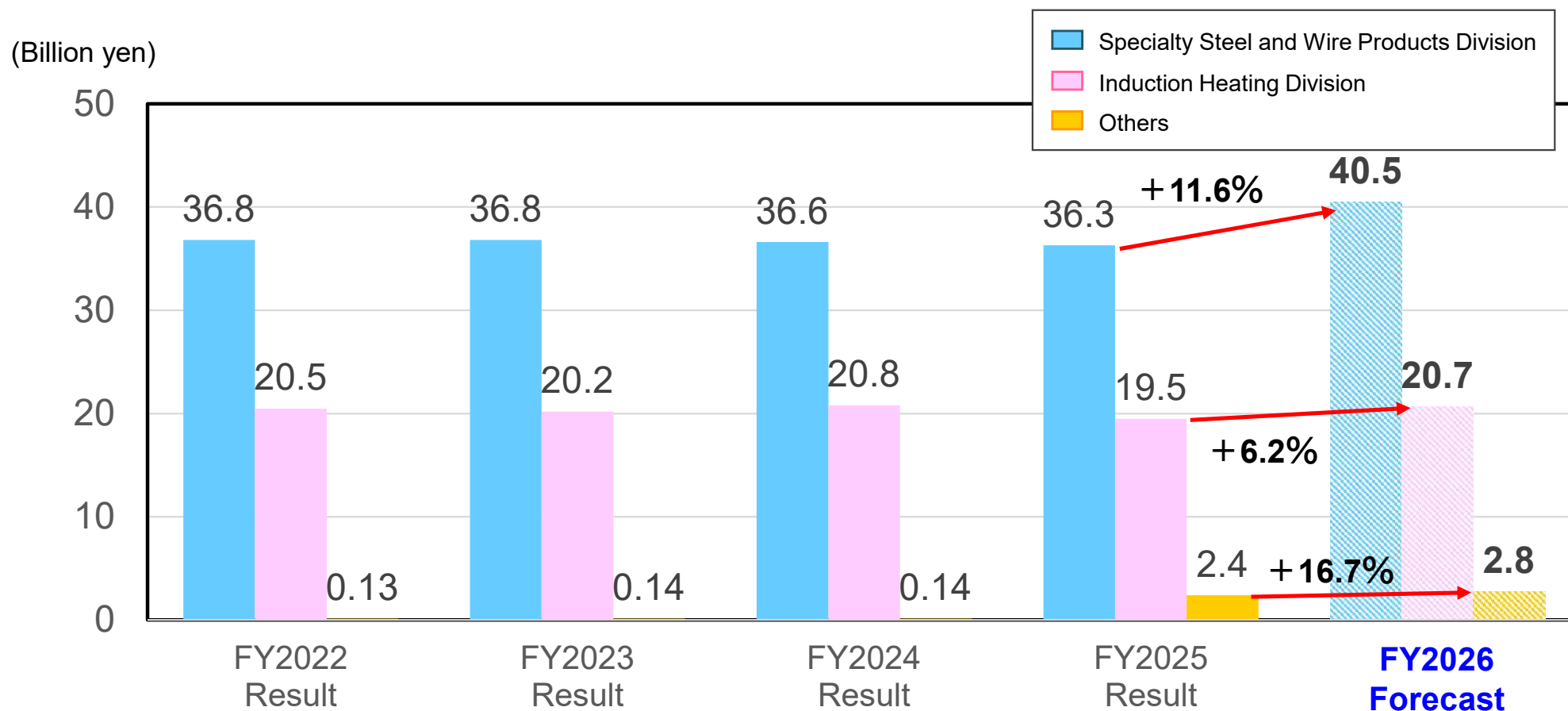
12. Consolidated Operating Income / Consolidated Operating Income to Net Sales Ratio

- Operating income for FY2026 is forecasted to total ¥2.1 billion, based on expectations that civil engineering and construction industry sales will rise due to sales price revisions, the sales volume of high-strength spring steel wire ITW® to overseas automotive customers will grow, and the sales volume to the machine tool industry will expand.



13. Segment Information (Consolidated Net Sales)

- Specialty Steel and Wire Products Division:** In FY2026, net sales are expected to grow in the civil engineering and construction industry due to the implementation of sales price revisions. ITW® sales by overseas bases are anticipated to increase. Sales to the construction equipment industry are forecasted to shrink.
- Induction Heating Division:** In FY2026, contract processing orders from the automobile and construction equipment industries will likely remain level. Orders from the machine tool industry are expected to stay on a recovery track. Equipment sales are forecasted to grow, including those from projects carried over from the previous fiscal year.
- Others:** In addition to sales of Dohken, sales of MDI will be newly included in FY2026 results.

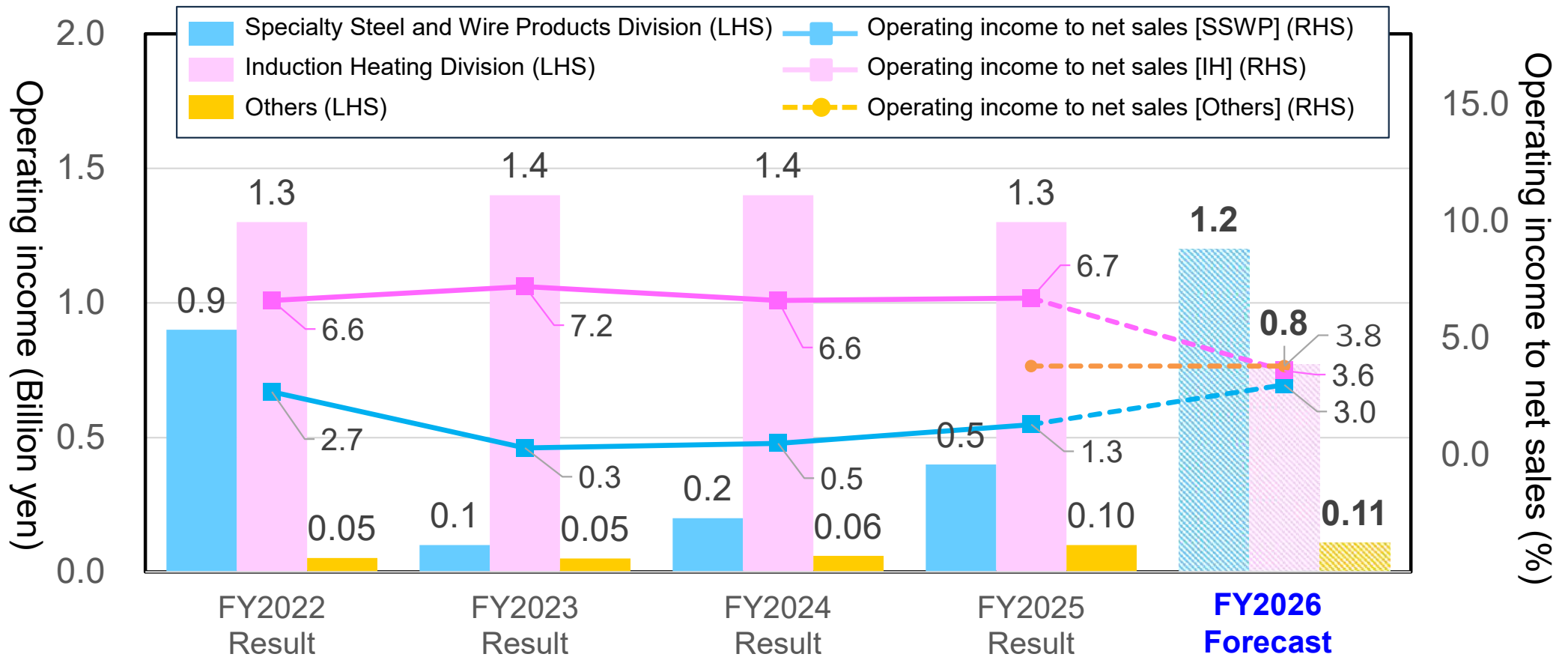


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14. Segment Information (Operating Income / Operating Income to Net Sales)

- Specialty Steel and Wire Products Division:** Operating income is forecasted to increase in FY2026, partly due to sales price revisions for the civil engineering and construction industry, and the expected improvement of ITW® profitability overseas.
- Induction Heating Division:** In FY2026, orders received from the machine tool industry are expected to recover, but orders received from the automotive and construction equipment industries are forecasted to level off. Also, costs will likely rise at overseas bases and the burden of fixed costs will grow because amortization will begin for a large-scale investment in Japan. As a result, operating income is forecasted to decrease.
- Others:** Although MDI's operating income will be added in FY2026, operating income as a whole is expected to be flat due to a drop in Dohken's operating income stemming from construction delays.

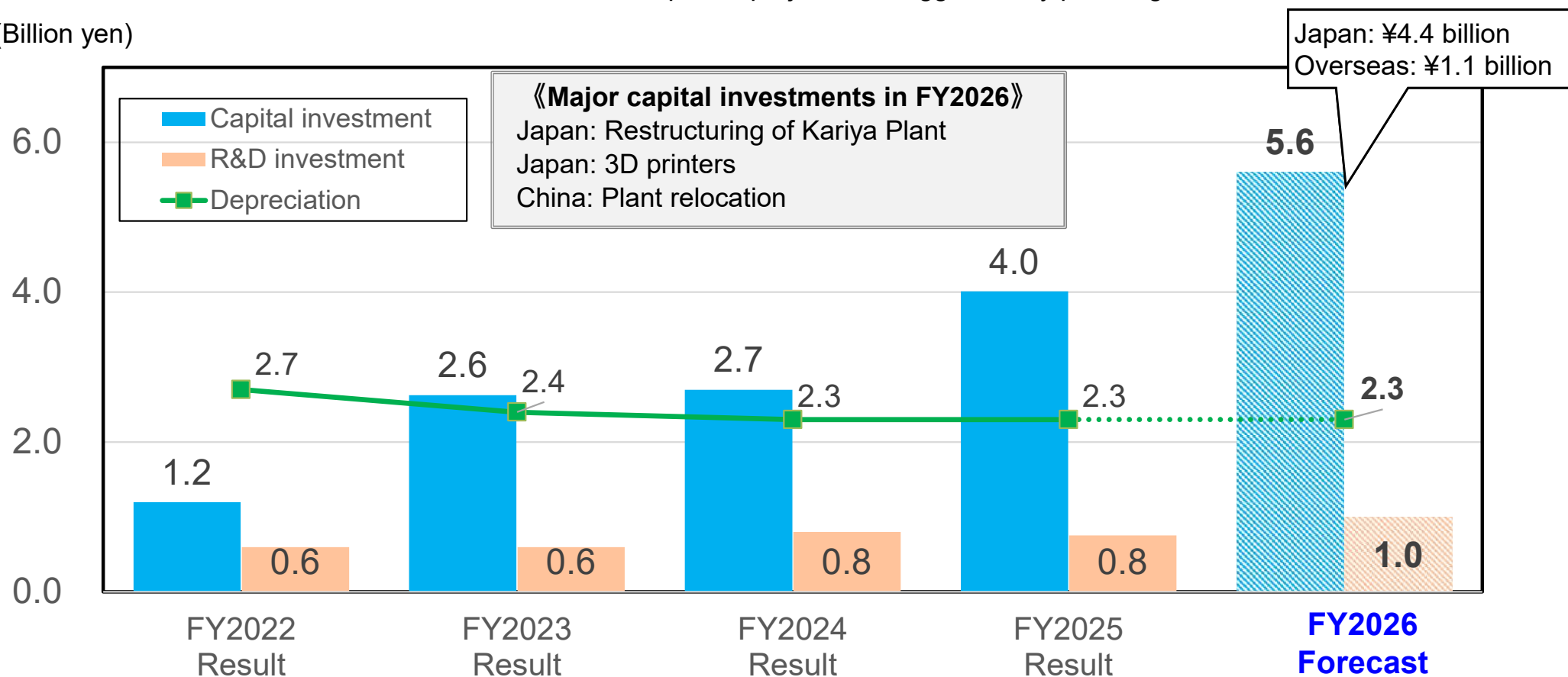


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15. Capital Investment / R&D Investment / Depreciation

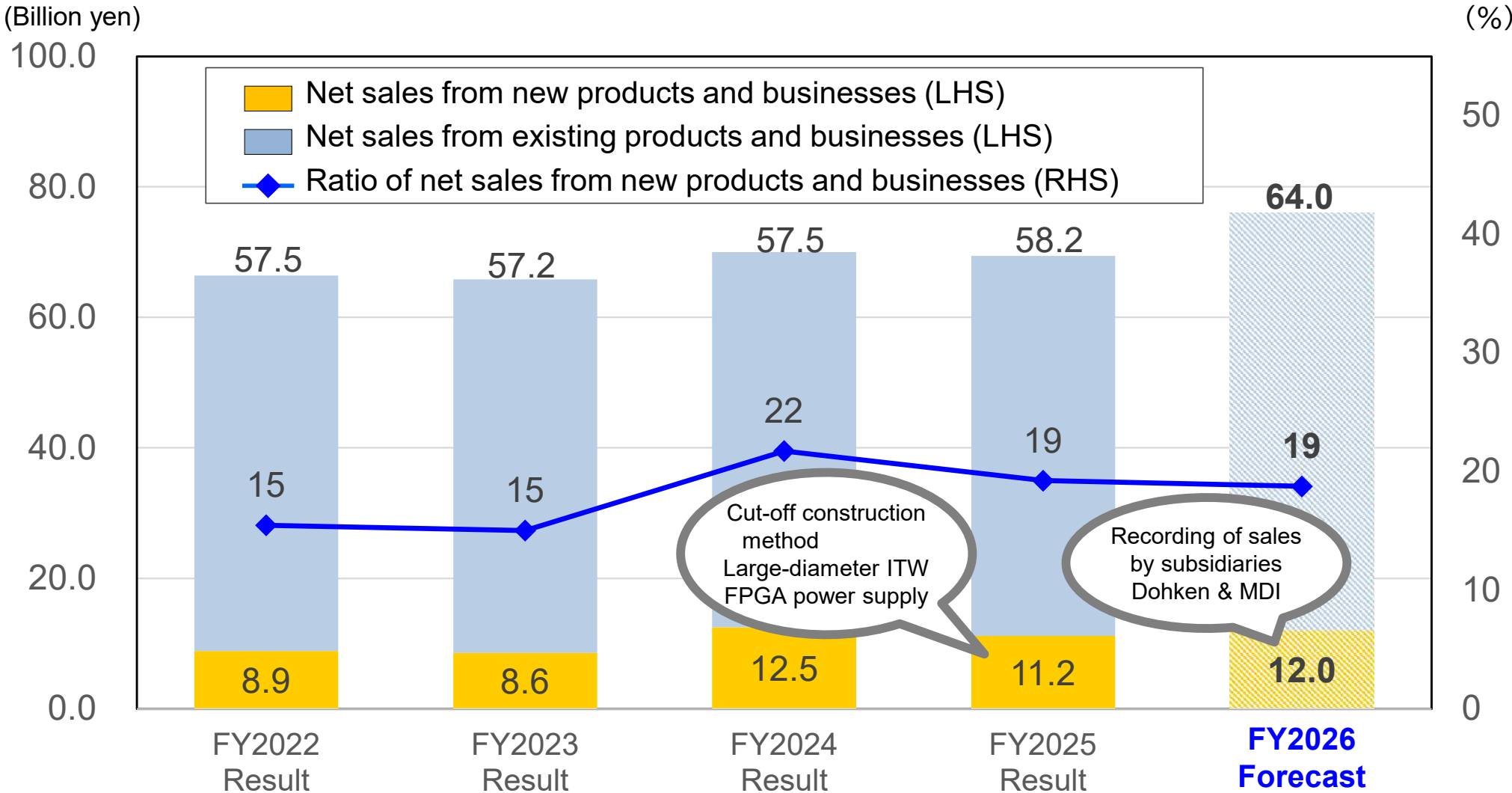
- Capital investment:
 - FY2025: Kariya Plant restructuring, plant seismic retrofitting, production expansion in Indonesia, and other investments
 - FY2026: Kariya Plant restructuring, plant relocation in China, etc.; includes approx. ¥2.0 billion carried over from previous fiscal year
- R&D investment:
 - FY2025: Continued investment in next-generation technology development and R&D aimed at supporting sustainable growth
 - FY2026: Investments are expected to rise with efforts to create new growth drivers by taking on more development projects and aggressively pursuing investments

(Billion yen)



16. Net Sales of New Products and New Businesses

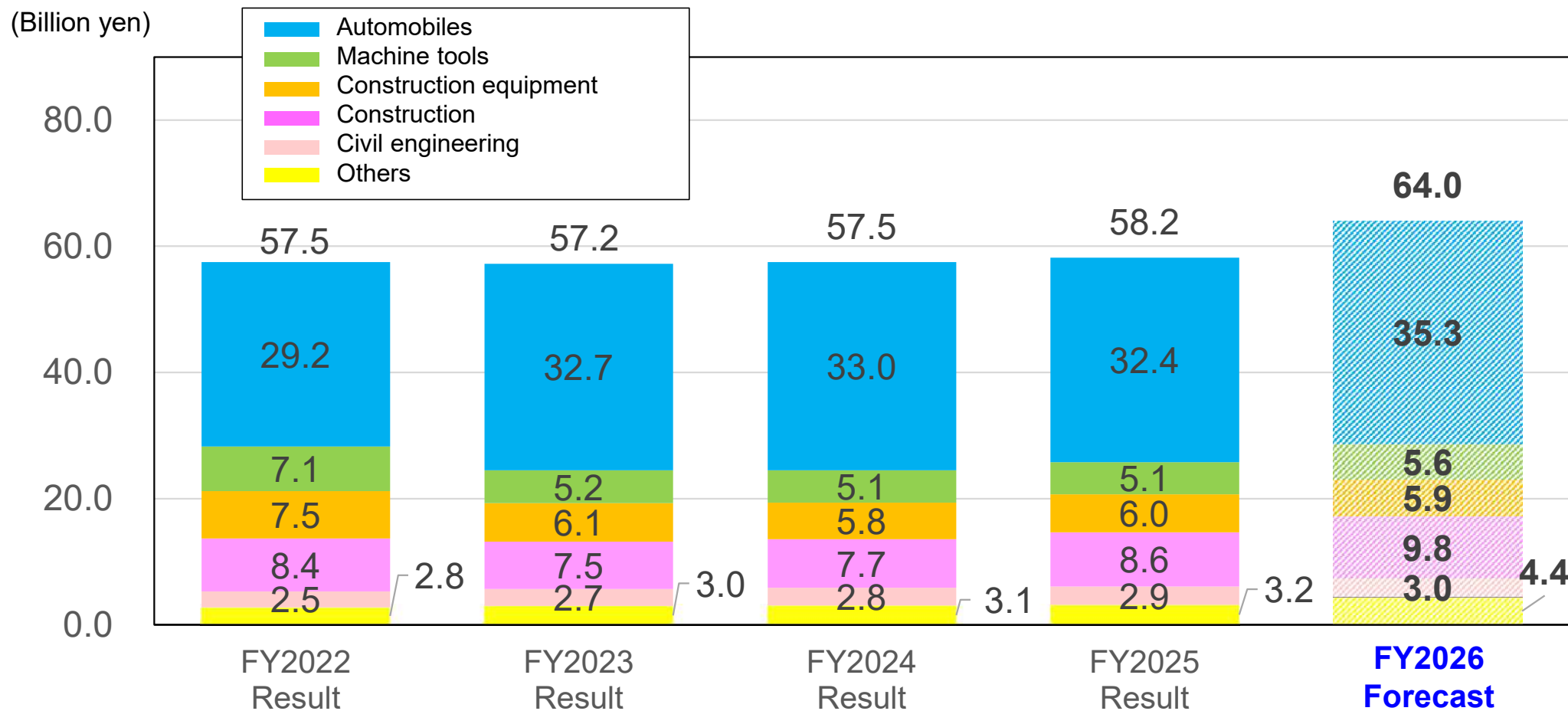
- The ratio of net sales from new products and new businesses is forecasted to exceed 19% in FY2026, despite replacements stemming from the end of the registration period as new products based on our standards.



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17. Net Sales by Industry

- FY2025 Net sales increased as a whole, supported by the growth of consolidated results from the inclusion of new subsidiary sales to the construction industry.
- FY2026 Among sales to the automobile industry, overseas orders for ITW® are forecasted to track strongly. Also, civil engineering and construction industry sales are expected to grow YoY with progress in projects where sales price revisions were made.



15th Medium-term Management Plan

16th Medium-term Management Plan