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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Under IFRS]



Company name: Daido Steel Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange
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Scheduled date of annual general meeting of shareholders: June 25, 2025
Scheduled date to commence dividend payments: June 26, 2025
Scheduled date to file annual securities report: June 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Revenue		Operating Profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	574,945	(0.6)	39,408	(6.7)	42,653	(5.4)	30,560	(6.2)	28,314	(7.3)	31,541	(56.9)
March 31, 2024	578,564	(0.1)	42,250	(15.5)	45,068	(14.2)	32,574	(15.6)	30,555	(15.8)	73,123	63.5

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	134.57	134.53	6.7	5.4	6.9
March 31, 2024	143.37	143.35	7.9	5.8	7.3

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2025: ¥ 1,217 million
Year ended March 31, 2024: ¥ 881 million

(Note) A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. "Basic earnings per share" and "Diluted earnings per share" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
As of March 31, 2025	782,974	469,144	429,278	54.8	2,085.61
March 31, 2024	788,734	457,313	418,562	53.1	1,963.95

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2025	53,516	(15,586)	(22,715)	61,218
March 31, 2024	50,239	13,618	(76,484)	46,008

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	—	100.00	—	26.00	—	9,829	32.1	2.5
March 31, 2025	—	21.00	—	26.00	47.00	9,850	34.9	2.3
Fiscal year ending March 31, 2026 (Forecast)	—	16.00	—	—	—		—	

(Note)1 A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. Due to the stock split, the total dividends for the year ended March 31, 2024 is not disclosed.

(Note) 2 The dividend forecasts for the year-end as of the Fiscal year ending March 31, 2026 are undecided.

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

(% indicates changes from the previous corresponding period.)

	Revenue		Operating Profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	275,000	(3.0)	12,500	(31.5)	13,000	(33.7)	8,000	(34.2)	38.87
Full year	—	—	—	—	—	—	—	—	—

(Note) The forecast for the Fiscal year ending March 31, 2026 will be disclosed as soon as it is possible to estimate reasonable calculations.

* Notes:

(1) Significant changes in the scope of consolidation during the period: No

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

1) Changes in accounting policies required by IFRS: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

(3) Total number of issued shares (ordinary shares)

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

As of March 31, 2025 217,243,845 shares

As of March 31, 2024 217,243,845 shares

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

As of March 31, 2025 11,415,081 shares

As of March 31, 2024 4,120,540 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2025 210,414,548 shares

Fiscal year ended March 31, 2024 213,125,393 shares

(Note) A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. “Average number of shares” has been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	385,260	(0.4)	30,488	15.9	36,674	(13.7)	34,993	(31.2)
March 31, 2024	386,646	(2.3)	26,313	(9.0)	42,497	18.2	50,893	81.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	166.26	—
March 31, 2024	238.73	—

(Note) A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. “Basic earnings per share” has been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal year ended	Million yen	Million yen	%	Yen
March 31, 2025	528,616	301,516	57.0	1,464.46
March 31, 2024	537,383	294,949	54.9	1,383.54

(Reference) Shareholders' equity: As of March 31, 2025: ¥301,516 million

As of March 31, 2024: ¥294,949 million

(Note) Non-consolidated financial results are based on Japanese GAAP.

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

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results and others

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

The consolidated operating results of the Group for the fiscal year ended March 31, 2025 are as follows.

(Millions of yen)	Revenue	Operating Profit	Adjusted operating profit	Profit before tax	Profit attributable to owners of parent
Fiscal year ended March 31, 2025	574,945	39,408	43,953	42,653	28,314
Fiscal year ended March 31, 2024	578,564	42,250	40,448	45,068	30,555
Y o Y change [%]	(3,618) [(0.6%)]	(2,842) [(6.7%)]	3,505 [8.7%]	(2,414) [(5.4%)]	(2,241) [(7.3%)]

(Note) Adjusted operating profit has been calculated after making adjustments for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave from operating profit.

In the fiscal year ended March 31, 2025, revenue decreased by ¥3,618 million year on year to ¥574,945 million, due mainly to a decrease in orders from automobile-related customers, the major users of our products. For details of revenue, please refer to operating results by segment.

The price of scrap iron, the main raw material, remained high but has been somewhat weaker in and after the second quarter. Additionally, nickel prices have been on a moderate decline in the second half. The continuing high prices of crude oil and LNG have contributed to high energy costs, including the cost of electricity. Overall fuel and material prices are high, and the Company continues to engage in thorough cost cuts and pass on rising costs to sales prices in an effort to secure an appropriate margin. Additional expenses of ¥2,193 million incurred in the liquidation procedures of a Chinese magnetic subsidiary have been included in operating profit for the fiscal year ended March 31, 2025.

As a result, due to having recorded the gain on sale of ¥7,230 million from the sale of the trust beneficiary right (with a building with land sublease right) of AEON MALL Atsuta in the previous fiscal year, operating profit decreased by ¥2,842 million year on year to ¥39,408 million. Profit before tax decreased by ¥2,414 million year on year to ¥42,653 million and profit attributable to owners of parent decreased by ¥2,241 million year on year to ¥28,314 million.

Operating results by segment are as follows.

(Millions of yen)	Revenue			Operating Profit		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Y o Y change [%]	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Y o Y change
Specialty Steel	218,743	210,162	(8,581) [(3.9%)]	13,724	12,088	(1,635)
High Performance Materials and Magnetic Materials	202,384	200,863	(1,520) [(0.8%)]	10,275	11,028	753
Parts for Automobile and Industrial Equipment	104,996	113,031	8,034 [7.7%]	5,719	11,337	5,618
Engineering	23,091	24,067	975 [4.2%]	2,136	2,201	64
Trading and Service	29,347	26,820	(2,526) [(8.6%)]	10,369	2,770	(7,599)

Specialty Steel

Sales volume of structural steel declined as a result of waning demand due to the effects of poor sales by Japanese automobile manufacturers, mainly in China and other countries and due to the effects of sluggish demand for industrial equipment. Sales volume of tool steel also declined due to stagnant automobile-related demand. As a result, in this segment, both revenue and profit declined from the previous fiscal year.

High Performance Materials and Magnetic Materials

Sales volume of stainless steel increased, despite the slow recovery in demand for certain industrial equipment, due to the increase in demand for data-center HDDs (hard disk drives) in the first half. Additionally, the sales volume of superalloys increased in line with the recovery of electrical- and electronic-related demand. Revenue from magnetic products declined due to declining demand for industrial equipment and other related products as well as the liquidation of a Chinese magnetic subsidiary. Revenue from titanium products increased due to the effects of the raw materials market and the depreciating yen, despite inventory adjustments for certain products, including medical products. As a result, in this segment, revenue decreased from the previous fiscal year due to the weak nickel market and other factors, while operating profit increased from the previous fiscal year.

Parts for Automobile and Industrial Equipment

Revenue from engine valve parts increased due to growing demand in areas such as North America. Revenue from precision castings

increased due to the increase in demand for turbo parts. Sales volume of die forgings decreased due to a decline in automobile- and truck-related demand. Revenue from open-die forgings increased due to increased orders resulting from our expanded certification for the manufacture of drilling equipment, in addition to the strong performance of aircraft-related and heavy electrical products. As a result, in this segment, revenue increased from the previous fiscal year, and profit increased significantly.

Engineering

In this segment, both revenue and profit increased from the previous fiscal year due to the increased sales of steel melting facilities.

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

Total assets of the Group at the end of the fiscal year ended March 31, 2025 decreased by ¥5,759 million from the end of the previous fiscal year to ¥782,974 million. The main increase in total assets was ¥14,438 million in property, plant and equipment, and the main decrease was ¥27,245 million in other financial assets under non-current assets.

The main factors for the increase and decrease in total assets were as follows:

- Property, plant and equipment increased mainly due to strategic capital investments in fast-growing areas.
- Other financial assets under non-current assets decreased mainly due to the sale of equities.

Cash and cash equivalents increased and trade and other receivables decreased mainly due to the effects of the previous fiscal year-end falling on a bank holiday.

Additionally, equity of the Group, including non-controlling interests at the end of the fiscal year ended March 31, 2025 increased by ¥11,830 million from the end of the previous fiscal year to ¥469,144 million. The main increase and decrease in equity were the increase of ¥20,645 million in retained earnings and the increase of ¥8,404 million in treasury shares.

The main factors for the increase and decrease in equity were as follows.

- Retained earnings increased mainly due to the reporting of ¥28,314 million in profit attributable to owners of parent.
- Treasury shares increased mainly due to the purchase of treasury shares.

As a result, the ratio of equity attributable to owners of parent to total assets as of the end of the fiscal year ended March 31, 2025 was 54.8%.

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

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year ended March 31, 2025 increased by ¥15,210 million compared to the end of the previous fiscal year to ¥61,218 million.

Cash flows in each area of activity for the fiscal year ended March 31, 2025 and their respective contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥53,516 million (compared to a cash inflow of ¥50,239 million in the previous fiscal year). The main increase factors were ¥42,653 million in profit before tax and a decrease of ¥23,578 million in trade and other receivables, while the main decrease factor was ¥25,400 million in income taxes paid.

(Cash flows from investing activities)

Net cash used in investment activities amounted to ¥15,586 million (compared to a cash inflow of ¥13,618 million in the previous fiscal year). The main outflow factor was ¥41,646 million in the purchase of property, plant and equipment, intangible assets, and investment property. The main inflow factor was ¥24,203 million in proceeds from sale of equity instruments.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥22,715 million (compared to a cash outflow of ¥76,484 million in the previous fiscal year). The main outflow factors were ¥30,833 million in repayments of borrowings and ¥10,033 million in dividends paid. The main inflow factor was ¥18,090 million in proceeds from borrowings.

Trends in cash flow indicators of the Group are as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	46.4	53.1	54.8
Equity ratio on a market value basis (%)	28.7	49.1	31.3
Ratio of interest-bearing debt to cash flows (Years)	8.6	3.5	3.3
Interest coverage ratio (Times)	30.0	44.6	39.6

(Notes) Equity ratio: Equity attributable to owners of parent / Total assets

Equity ratio on a market value basis: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

- The indices are calculated based on consolidated financial figures.
- Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (excluding treasury shares).
- Operating cash flows refer to the cash flows from operating activities in the Consolidated Statement of Cash Flows. Interest-bearing debt refers to all of the liabilities recorded in the Consolidated Statement of Financial Position for which the Group is paying interest. Interest payments refer to the amount of interest paid in the Consolidated Statement of Cash Flows.

(4) Future outlook

A wide range of impacts is expected with the changes in trade policies, including the tariff policies of the U.S. There is a mounting risk of the international supply chain being disrupted due to the trends of China's countermeasures against U.S. trade policies and the increasing instability of international trade. These developments are thought to broadly impact the global economy, such as causing changes in personal consumption associated with the fluctuating prices in each country, impacting production and sales strategies in corporate activities, and affecting each country's monetary policies and fluctuations in foreign exchange, which, in turn, are leading to greater uncertainty. In addition, the current business climate is fraught with geopolitical risks such as the situation in Ukraine and the U.S.-China conflict over Taiwan.

Demand from automobile-related customers, the major users of our products, has been declining due to stagnant sales of Japanese automobile manufacturers, mainly in China and other countries. Industrial equipment witnessed a moderate recovery in demand in FY2024. However, the production levels of Japanese manufacturers remain low and as such, any significant pickup in demand in FY2025 is improbable. In terms of the demand for semiconductor-related products, inventory adjustments among certain users, which continued throughout FY2024, are expected to extend to the latter half of FY2025.

In such a climate, in terms of cost, we will continue to implement thorough cost cuts and to secure an appropriate margin by passing on appropriate price increases to our customers in response to cost pressures such as labor costs and inflation. Furthermore, as the sales volume of specialty steel, our foundation, falters, we will respond more adaptably to the changes in production volume by exploring production structures that align with the changing volume and being more selective in choosing capital investment projects and work to expand our highly competitive products in growing markets, among other efforts.

In light of these circumstances, for the first half of FY2025, we expect net sales of ¥275,000 million, operating profit of ¥12,500 million, profit before tax of ¥13,000 million, and profit attributable to owners of parent of ¥8,000 million. As for the full-year financial results forecast, it is difficult to predict the indirect impact of the U.S. trade policies at the current time. The Company intends to disclose its full-year forecast, as soon as it is in a position to estimate such impact.

As for medium- to long-term initiatives, we will transform our business portfolio to increase the product lineup in growth markets and offer new value, including offering next-generation products to new customers. In terms of capital investments, in FY2024, to meet the demand for semiconductor-related products, we installed two VAR furnaces at Chita Second Plant (Chita, Aichi Prefecture). Currently, we are also looking ahead to the future growth in demand for superalloys in such areas as aerospace and energy, and proceeding with large investments of around ¥30 billion, under the banner of the "Superalloy Manufacturing Process Transformation Project." Going forward, we will continue to drive the transformation of our business portfolio and ensure business stability by closely examining the projected returns on our investments based on the changes in the external environment and executing investment projects that are expected to enhance our corporate value over the medium to long term.

(5) Basic Policy on Profit Allocation and Dividends for the Current and Following Fiscal Years

The Company's dividend policy is to continue the stable return of profits to shareholders. The Company strives to meet the expectations of its shareholders through a comprehensive consideration of the consolidated business results and dividend payout ratios, as well as its funding needs and financial situation. We will set the consolidated dividend payout ratio at 30% or more, which will become the basis for considering profit allocation in line with business performance, along with other factors such as the progress of profit levels, the levels of interest-bearing debt, and the status of capital investments. Internal reserves will be used to manage the levels of interest-bearing debt and ensure the Company's financial soundness while also being utilized for capital investments and R&D to continuously enhance corporate value, such as efforts to expand strategic products to enable carbon neutrality and business portfolio transformation, as well as investments in human capital and the expansion of new businesses.

Based on the above policy, for the fiscal year ended March 31, 2025, the Company paid an interim dividend of ¥21 per share. For the year-end dividend, the Company will submit a proposal to pay a dividend of ¥26 per share at the Annual General Meeting of Shareholders to be held in June 2025.

As for the fiscal year ending March 31, 2026, the Company plans to pay an interim dividend of ¥16 per share.

The forecast for the year-end dividend will be disclosed as soon as the full-year consolidated financial results forecast has been determined.

2. Basic Policy on Selection of Accounting Standards

The Group has voluntarily adopted the International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2024, to improve the international comparability of financial information in the capital markets and to enhance group management through the standardization of accounting policies.

3. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	46,008	61,218
Trade and other receivables	170,907	147,433
Contract assets	2,803	5,419
Inventories	186,717	195,483
Other financial assets	1,986	939
Other current assets	7,011	6,505
Total current assets	415,434	416,999
Non-current assets		
Property, plant and equipment	220,030	234,469
Right-of-use assets	5,640	6,362
Intangible assets	4,958	6,559
Investment property	4,370	4,224
Investments accounted for using equity method	20,195	21,154
Other financial assets	81,699	54,454
Retirement benefit asset	30,826	34,392
Deferred tax assets	3,619	3,227
Other non-current assets	1,958	1,129
Total non-current assets	373,300	365,975
Total assets	788,734	782,974

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	72,275	67,998
Contract liabilities	1,999	2,619
Bonds and borrowings	49,698	72,203
Lease liabilities	1,681	1,933
Other financial liabilities	1,940	1,716
Income taxes payable	15,237	7,936
Provisions	368	554
Other current liabilities	27,456	27,296
Total current liabilities	170,658	182,259
Non-current liabilities		
Bonds and borrowings	121,390	98,633
Lease liabilities	3,464	4,077
Other financial liabilities	810	747
Retirement benefit liability	13,393	12,103
Provisions	3,399	3,411
Deferred tax liabilities	17,102	11,355
Other non-current liabilities	1,201	1,242
Total non-current liabilities	160,762	131,571
Total liabilities	331,420	313,830
Equity		
Share capital	37,172	37,172
Capital surplus	31,411	31,438
Retained earnings	312,243	332,888
Treasury shares	(3,674)	(12,078)
Other components of equity	41,410	39,857
Total equity attributable to owners of parent	418,562	429,278
Non-controlling interests	38,750	39,865
Total equity	457,313	469,144
Total liabilities and equity	788,734	782,974

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	578,564	574,945
Cost of sales	480,618	470,757
Gross profit	97,946	104,187
Selling, general and administrative expenses	59,073	61,335
Other income	8,317	1,002
Other expenses	4,939	4,446
Operating profit	42,250	39,408
Finance income	3,069	3,114
Finance costs	1,133	1,088
Share of profit of investments accounted for using equity method	881	1,217
Profit before tax	45,068	42,653
Income tax expense	12,493	12,092
Profit	32,574	30,560
Profit attributable to		
Owners of parent	30,555	28,314
Non-controlling interests	2,019	2,246
Profit	32,574	30,560
Earnings per share		
Basic earnings per share (Yen)	143.37	134.57
Diluted earnings per share (Yen)	143.35	134.53

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	32,574	30,560
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	24,779	(2,340)
Remeasurements of defined benefit plans	10,912	3,051
Share of other comprehensive income of investments accounted for using equity method	291	(49)
Total of items that will not be reclassified to profit or loss	35,983	661
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,547	331
Cash flow hedges	(8)	(3)
Share of other comprehensive income of investments accounted for using equity method	25	(8)
Total of items that may be reclassified to profit or loss	4,565	319
Other comprehensive income	40,548	981
Comprehensive income	73,123	31,541
Comprehensive income attributable to		
Owners of parent	70,198	29,128
Non-controlling interests	2,924	2,413
Comprehensive income	73,123	31,541

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2023	37,172	31,346	274,326	(3,668)	22,002	(4,881)
Profit	—	—	30,555	—	—	—
Other comprehensive income	—	—	—	—	25,062	10,805
Comprehensive income	—	—	30,555	—	25,062	10,805
Purchase of treasury shares	—	—	—	(6)	—	—
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	(9,816)	—	—	—
Share-based payment transactions	—	95	—	—	—	—
Changes in ownership interest in subsidiaries	—	(30)	—	—	(0)	1
Transfer from other components of equity to retained earnings	—	—	17,177	—	(17,177)	—
Other	—	—	(0)	—	0	—
Total transactions with owners	—	64	7,360	(6)	(17,177)	1
Balance as of March 31, 2024	37,172	31,411	312,243	(3,674)	29,887	5,925

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total Equity
	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance as of April 1, 2023	1,803	20	18,944	358,122	36,644	394,767
Profit	—	—	—	30,555	2,019	32,574
Other comprehensive income	3,783	(8)	39,642	39,642	905	40,548
Comprehensive income	3,783	(8)	39,642	70,198	2,924	73,123
Purchase of treasury shares	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	(9,816)	(908)	(10,724)
Share-based payment transactions	—	—	—	95	—	95
Changes in ownership interest in subsidiaries	(1)	—	(0)	(30)	55	25
Transfer from other components of equity to retained earnings	—	—	(17,177)	—	—	—
Other	—	—	0	—	33	33
Total transactions with owners	(1)	—	(17,177)	(9,757)	(819)	(10,576)
Balance as of March 31, 2024	5,585	11	41,410	418,562	38,750	457,313

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2024	37,172	31,411	312,243	(3,674)	29,887	5,925
Profit	—	—	28,314	—	—	—
Other comprehensive income	—	—	—	—	(2,386)	2,953
Comprehensive income	—	—	28,314	—	(2,386)	2,953
Purchase of treasury shares	—	—	—	(8,500)	—	—
Disposal of treasury shares	—	0	—	0	—	—
Dividends	—	—	(10,043)	—	—	—
Share-based payment transactions	—	(0)	—	95	—	—
Changes in ownership interest in subsidiaries	—	33	—	—	(0)	1
Transfer from other components of equity to retained earnings	—	—	2,377	—	(2,377)	—
Other	—	(5)	(3)	—	3	—
Total transactions with owners	—	27	(7,669)	(8,404)	(2,373)	1
Balance as of March 31, 2025	37,172	31,438	332,888	(12,078)	25,127	8,880

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total Equity
	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance as of April 1, 2024	5,585	11	41,410	418,562	38,750	457,313
Profit	—	—	—	28,314	2,246	30,560
Other comprehensive income	250	(3)	813	813	167	981
Comprehensive income	250	(3)	813	29,128	2,413	31,541
Purchase of treasury shares	—	—	—	(8,500)	—	(8,500)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	—	(10,043)	(1,037)	(11,080)
Share-based payment transactions	—	—	—	95	—	95
Changes in ownership interest in subsidiaries	4	—	6	40	(315)	(275)
Transfer from other components of equity to retained earnings	—	—	(2,377)	—	—	—
Other	—	—	3	(5)	54	48
Total transactions with owners	4	—	(2,366)	(18,412)	(1,298)	(19,711)
Balance as of March 31, 2025	5,841	7	39,857	429,278	39,865	469,144

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	45,068	42,653
Depreciation and amortization	29,764	30,265
Impairment losses	2,649	828
Interest and dividend income	(2,962)	(2,966)
Interest expenses	1,160	1,368
Share of loss (profit) of investments accounted for using equity method	(881)	(1,217)
Loss (gain) on sale of fixed assets	(7,376)	(998)
Decrease (increase) in trade and other receivables	(12,490)	23,578
Decrease (increase) in inventories	6,880	(8,352)
Increase (decrease) in trade and other payables	(1,620)	(5,469)
Other	1,527	(2,582)
Subtotal	61,720	77,107
Interest received	386	349
Dividends received	2,721	2,813
Interest paid	(1,125)	(1,352)
Income taxes paid	(13,463)	(25,400)
Net cash provided by (used in) operating activities	50,239	53,516
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(32,355)	(41,646)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	10,372	1,679
Purchase of equity instruments	(23)	(25)
Proceeds from sale of equity instruments	35,771	24,203
Other	(146)	202
Net cash provided by (used in) investing activities	13,618	(15,586)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(40,278)	11,993
Proceeds from borrowings	70,419	18,090
Repayments of borrowings	(93,960)	(30,833)
Repayments of lease liabilities	(1,938)	(2,098)
Purchase of treasury shares	(6)	(8,500)
Dividends paid	(9,802)	(10,033)
Dividends paid to non-controlling interests	(906)	(1,034)
Other	(11)	(298)
Net cash provided by (used in) financing activities	(76,484)	(22,715)
Effect of exchange rate changes on cash and cash equivalents	2,146	(4)
Net increase (decrease) in cash and cash equivalents	(10,480)	15,210
Cash and cash equivalents at beginning of period	56,488	46,008
Cash and cash equivalents at end of period	46,008	61,218

4. Supplementary briefing material

(1) Condensed Statement of Profit and Loss (cumulative)

(Millions of yen, %)

	Actual			Forecast	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY Change [% of Change]	2Q September 2025	YoY Change [% of Change]
Revenue	578,564	574,945	(3,618) [(0.6%)]	275,000	(8,439) [(3.0%)]
Operating profit	42,250	39,408	(2,842) [(6.7%)]	12,500	(5,758) [(31.5%)]
Adjusted operating profit *	40,448	43,953	3,505 [8.7%]	13,400	(7,319) [(35.3%)]
Profit before tax	45,068	42,653	(2,414) [(5.4%)]	13,000	(6,608) [(33.7%)]
Profit attributable to owners of parent	30,555	28,314	(2,241) [(7.3%)]	8,000	(4,152) [(34.2%)]
Sales volume of Specialty Steel (thou. tons)	1,072	1,015	(57)	500	(19)

* Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave from operating profit

(2) Revenue and Adjusted Operating Profit by reportable segment

(Millions of yen)

	Actual				Forecast			
	Revenue		Adjusted Operating Profit		Revenue		Adjusted Operating Profit	
	Fiscal year ended March 31, 2025	YoY Change	Fiscal year ended March 31, 2025	YoY Change	2Q September 2025	YoY Change	2Q September 2025	YoY Change
Specialty Steel	210,162	(8,581)	13,105	(392)	99,000	(6,478)	3,400	(2,887)
High Performance Materials and Magnetic Materials	200,863	(1,520)	13,761	(596)	96,000	(4,116)	5,300	(2,026)
Parts for Automobile and Industrial Equipment	113,031	8,034	11,877	4,545	54,000	265	2,800	(2,115)
Engineering	24,067	975	2,343	125	12,000	1,412	500	(313)
Trading and Service	26,820	(2,526)	2,883	(134)	14,000	477	1,400	23
Elimination of inter-segment	—	—	(17)	(43)	—	—	—	2
Total	574,945	(3,618)	43,953	3,505	275,000	(8,439)	13,400	(7,319)

(3) Reasons for change in the amount of Adjusted Operating Profit (YoY comparison)

(100 millions of yen)

Actual			
Reasons for increase	Amount	Reasons for decrease	Amount
1. Raw material and fuel cost	83	1. Sales price	44
2. Sales mix change	41	2. Fixed cost	23
		3. Variable cost	18
		4. Sales volume	3
Total (a)	124	Total (b)	88
		Change (a) - (b)	36

(100 millions of yen)

Forecast (2Q September 2025)			
Reasons for increase	Amount	Reasons for decrease	Amount
1. Raw material and fuel cost	75	1. Sales price	58
		2. Fixed cost	40
		3. Sales mix change	22
		4. Sales volume	19
		5. Variable cost	9
Total (a)	75	Total (b)	148
		Change (a) - (b)	(73)

(Reference: Market condition)

		Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	2Q September 2025
H2	(Thousands of yen/t)	43.7	38.2	33.0
Nickel (LME)	(One dollar/lb)	8.7	7.5	7.0
Exchange rate (TTM)	(yen/dollar)	144.6	152.6	140.0

(4) Condensed Statement of Financial Position

(Millions of yen)

Item	As of March 31, 2024	As of March 31, 2025	Change	Item	As of March 31, 2024	As of March 31, 2025	Change
Current assets	<u>415,434</u>	<u>416,999</u>	<u>1,565</u>	Liabilities	<u>331,420</u>	<u>313,830</u>	<u>(17,590)</u>
Cash and deposits	46,008	61,218	15,210	Trade payables	72,275	67,998	(4,277)
Trade receivables	170,907	147,433	(23,473)	Interest-bearing debt	176,235	176,848	612
Inventories	186,717	195,483	8,765	Other	82,910	68,984	(13,926)
Other	11,800	12,863	1,062				
Non-current assets	<u>373,300</u>	<u>365,975</u>	<u>(7,325)</u>	Equity	<u>457,313</u>	<u>469,144</u>	<u>11,830</u>
Property, plant and equipment	220,030	234,469	14,438	Equity attributable to owners of parent	418,562	429,278	10,715
Other	153,269	131,505	(21,764)	Non-controlling interests	38,750	39,865	1,114
Total assets	788,734	782,974	(5,759)	Total liabilities and equity	788,734	782,974	(5,759)

(5) Amount of capital expenditures (based on completion of construction) and depreciation and amortization

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change
Capital expenditures	36,910	46,858	9,948
Depreciation and amortization	29,764	30,265	500

(Reference) Historical Financial Results

(Millions of yen)

	J-GAAP		
	Actual		
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	412,722	529,667	578,564
Operating income	10,070	36,982	46,986
Ordinary income	12,642	39,200	48,122
Profit attributable to owners of parent	4,516	26,894	36,438

(Millions of yen)

	IFRS	
	Actual	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	578,564	574,945
Operating profit	42,250	39,408
Profit before tax	45,068	42,653
Profit attributable to owners of parent	30,555	28,314