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**Consolidated Financial Results**  
for the Fiscal Year Ended March 31, 2026  
[Under IFRS]



Company name: Daido Steel Co., Ltd.  
Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange  
Code number: 5471  
URL: <https://www.daido.co.jp/>  
Representative: Tetsuya Shimizu, President and Representative Executive Director  
Contact: Takashi Nagai, General Manager, General Affairs Department  
Phone: +81-52-963-7501  
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 25, 2026  
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, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating Profit		Adjusted operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended												
March 31, 2026	578,129	0.6	42,081	6.8	39,920	(9.2)	44,756	4.9	34,878	14.1	32,605	15.2
March 31, 2025	574,945	(0.6)	39,408	(6.7)	43,953	8.7	42,653	(5.4)	30,560	(6.2)	28,314	(7.3)

	Total comprehensive income		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
	Million yen	%	Yen	Yen	%	%	%
Fiscal year ended							
March 31, 2026	62,530	98.2	161.74	161.70	7.2	5.5	7.3
March 31, 2025	31,541	(56.9)	134.57	134.53	6.7	5.4	6.9

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2026: ¥ 1,275 million

Year ended March 31, 2025: ¥ 1,217 million

(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.

(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, 2026	856,380	513,457	472,565	55.2	2,364.55
March 31, 2025	782,974	469,144	429,278	54.8	2,085.61

(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	Million yen	Million yen	Million yen	Million yen
March 31, 2026	66,096	(48,248)	(18,459)	63,072
March 31, 2025	53,516	(15,586)	(22,715)	61,218

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, 2025	—	21.00	—	26.00	47.00	9,850	34.9	2.3
March 31, 2026	—	22.00	—	27.00	49.00	9,811	30.3	2.2
Fiscal year ending March 31, 2027 (Forecast)	—	24.00	—	28.00	52.00		37.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating Profit		Adjusted operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	305,000	7.2	21,000	13.7	18,700	1.0	22,000	12.0	14,000	8.2	70.05
Full year	630,000	9.0	40,000	(4.9)	40,100	0.5	42,000	(6.2)	27,500	(15.7)	137.60

\* Notes:

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

Newly included: 1 company (Nippon Koshuha Steel Co., Ltd.)

(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, 2026 217,243,845 shares
- As of March 31, 2025 217,243,845 shares

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

- As of March 31, 2026 17,390,041 shares
- As of March 31, 2025 11,415,081 shares

3) Average number of shares during the period:

- Fiscal year ended March 31, 2026 201,591,054 shares
- Fiscal year ended March 31, 2025 210,414,548 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	372,709	(3.3)	23,557	(22.7)	29,740	(18.9)	28,462	(18.7)
March 31, 2025	385,260	(0.4)	30,488	15.9	36,674	(13.7)	34,993	(31.2)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	141.15	—
March 31, 2025	166.26	—

(2) Non-consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2026	558,143	313,344	56.1	1,567.39
March 31, 2025	528,616	301,516	57.0	1,464.46

(Reference) Shareholders' equity: As of March 31, 2026: ¥313,344 million

As of March 31, 2025: ¥301,516 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, 2026 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, 2026	578,129	42,081	39,920	44,756	32,605
Fiscal year ended March 31, 2025	574,945	39,408	43,953	42,653	28,314
Y o Y change [%]	3,184 [0.6%]	2,673 [6.8%]	(4,033) [(9.2%)]	2,103 [4.9%]	4,291 [15.2%]

(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, 2026, revenue increased by ¥3,184 million year on year to ¥578,129 million, as orders from automobile-related customers, the major users of our products, remained at the same levels as the previous fiscal year. For details of revenue, please refer to operating results by segment.

The price of scrap iron, the main raw material, remained high throughout the year and trended upward toward the end of the fiscal year. Nickel prices, while mostly stable, started to rise in certain instances from January 2026 onward. The prices of crude oil and LNG were affected by geopolitical risk, such as supply concerns, reflecting the escalating tension in the Middle East. Fuel and material prices were generally 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.

As a result, operating profit increased by ¥2,673 million year on year to ¥42,081 million. Profit before tax increased by ¥2,103 million year on year to ¥44,756 million and profit attributable to owners of parent increased by ¥4,291 million year on year to ¥32,605 million.

Operating results by segment are as follows.

(Millions of yen)	Revenue			Operating Profit		
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Y o Y change [%]	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Y o Y change
Specialty Steel	210,162	207,781	(2,380) [(1.1%)]	12,088	13,380	1,291
High Performance Materials and Magnetic Materials	200,863	199,753	(1,109) [(0.6%)]	11,028	14,884	3,855
Parts for Automobile and Industrial Equipment	113,031	117,937	4,905 [4.3%]	11,337	8,160	(3,177)
Engineering	24,067	26,625	2,557 [10.6%]	2,201	2,622	421
Trading and Service	26,820	26,031	(789) [(2.9%)]	2,770	3,022	251

#### Specialty Steel

Sales volume of structural steel increased due to the moderate recovery in demand for industrial equipment, despite automobile-related demand remaining at levels comparable to the previous fiscal year. Sales volume of tool steel declined due to stagnant automobile-related demand. As a result, in this segment, revenue decreased, but operating profit increased from the previous fiscal year.

### High Performance Materials and Magnetic Materials

Orders for stainless steel increased from the previous fiscal year due to an upward swing in demand for data-center HDDs (hard disk drives) and the moderate recovery in demand for industrial equipment. Demand for superalloys for electric and electronic equipment decreased. In terms of magnetic products, there has been an increase in demand for the Company's heavy rare earth-free magnets, which do not contain, for example, dysprosium (Dy) and terbium (Tb), and a spike in revenue, in conjunction with China's stricter restrictions on heavy rare earth exports. Revenue from titanium products decreased due to such factors as the continuing inventory adjustments for certain medical products. As a result, in this segment, operating profit increased from the previous fiscal year, having incurred liquidation expenses of the Chinese magnetic subsidiary in 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. As for precision castings, demand for turbo parts increased. Sales volume of die forgings decreased due to a decline in automobile- and truck-related demand. As for open-die forgings, orders for valves for ships and heavy electrical products remained at high levels, and orders for aircraft-related products grew toward the second half of the fiscal year. However, demand for drilling equipment was lackluster, and together with the effects of continuing inventory adjustments, orders declined. As a result, in this segment, while revenue increased from the previous fiscal year, operating profit decreased as a result of incurring one-time expenses in conjunction with changes in production allocation under the Superalloy Manufacturing Process Transforming Project.

### Engineering

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

## (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, 2026 increased by ¥73,405 million from the end of the previous fiscal year to ¥856,380 million. The main increase in total assets were ¥22,256 million in retirement benefit asset, ¥20,832 million in property, plant and equipment and ¥16,018 million in inventories.

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

- Retirement benefit asset increased due to an increase in pension assets resulting from the rise in stock prices, among other factors.
- Property, plant and equipment increased mainly due to strategic capital investments in fast-growing areas.
- Inventories increased due to the effects of newly consolidating Nippon Koshuha Steel Co., Ltd.

Additionally, equity of the Group, including non-controlling interests at the end of the fiscal year ended March 31, 2026 increased by ¥44,313 million from the end of the previous fiscal year to ¥513,457 million. The main increase and decrease in equity were the increased of ¥27,827 million in retained earnings, the increased of ¥21,547 million in other components of equity and the increased of ¥6,532 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 ¥32,605 million in profit attributable to owners of parent.
- Other components of equity increased mainly due to an increase in pension assets resulting from the rise in stock prices, among other factors.
- 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, 2026 was 55.2%.

### (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, 2026 increased by ¥1,853 million compared to the end of the previous fiscal year to ¥63,072 million.

Cash flows in each area of activity for the fiscal year ended March 31, 2026 and their respective contributing factors are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥66,096 million (compared to a cash inflow of ¥53,516 million in the previous fiscal year). The main increase factors were ¥44,756 million in profit before tax and ¥31,129 million in depreciation and amortization, which are non-cash items, while the main decrease factor was ¥16,737 million in income taxes paid.

#### (Cash flows from investing activities)

Net cash used in investment activities amounted to ¥48,248 million (compared to a cash outflow of ¥15,586 million in the previous fiscal year). The main outflow factors were ¥52,555 million in the purchase of property, plant and equipment, intangible assets, and investment property and ¥10,190 million in payments for acquisition of subsidiaries. The main inflow factor was ¥14,292 million in proceeds from sale of equity instruments.

#### (Cash flows from financing activities)

Net cash used in financing activities amounted to ¥18,459 million (compared to a cash outflow of ¥22,715 million in the previous fiscal year). The main outflow factors were ¥45,943 million in repayments of borrowings, ¥9,765 million in dividends paid and ¥6,604 million in purchase of treasury shares. The main inflow factor was ¥40,658 million in proceeds from borrowings.

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	53.1	54.8	55.2
Equity ratio on a market value basis (%)	49.1	31.3	42.3
Ratio of interest-bearing debt to cash flows (Years)	3.5	3.3	2.7
Interest coverage ratio (Times)	44.6	39.6	44.8

(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

The situation in the Middle East, trade policies, including the tariff policies of the U.S., and China's export restrictions are expected to have a wide range of effects. Such effects could heighten the risk of disrupting the international supply chain. These developments may also cause changes in personal consumption associated with the fluctuating prices in each country and impact production and sales strategies in corporate activities. Moreover, the various effects of monetary policy and foreign exchange fluctuations on the global economy have also led 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 mainly due to the contracting market share of Japanese automobile manufacturers in China, ASEAN, and other countries. Industrial equipment witnessed a moderate recovery in the latter half of FY2025. In terms of semiconductor-related products, although inventory adjustments continued, starting from January 2026, driven by growing demand for AI applications, certain users have been markedly increasing their inventory levels, and orders are expected to rise going forward. In terms of open-die forgings, orders for aircraft-related products, valves for ships, and heavy electrical products are expected to remain strong. As for drilling equipment, while the adjustment phase has continued, there is a possibility that the trend in demand will change, triggered by fluctuations in crude oil prices, and we intend to closely monitor this trend. In terms of magnetic products, there has been an upswing in demand for the Company's heavy rare earth-free magnets, which do not contain, for example, dysprosium (Dy) and terbium (Tb), in conjunction with China's stricter restrictions on heavy rare earth exports, and we expect this robust demand to continue.

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 adaptively 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.

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), and we will continue to take measures to address the anticipated growth in demand going forward. For magnets for main and auxiliary motors and sensors, in April 2026, we installed a new magnet manufacturing line for EV drive motors to meet the growing demand for the Company's heavy rare-earth-free magnets. Currently, we are also looking ahead to future growth in demand for superalloys in such areas as aerospace and energy, and proceeding with large investments of around ¥36,000 million, under the banner of the "Superalloy Manufacturing Process Transforming 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.

In light of these circumstances, for FY2026, we expect revenue of ¥630,000 million, operating profit of ¥40,000 million, profit before tax of ¥42,000 million, and profit attributable to owners of parent of ¥27,500 million.

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

The Company's dividend policy is to maintain financial soundness. The Company strives to meet the expectations of its shareholders with stable returns through a comprehensive consideration of the consolidated business results and dividend payout ratios, as well as its funding needs and financial situation. In October 2025, the Company adopted a new shareholder return policy (applied from the fiscal year ended March 31, 2026) to improve shareholder returns and enhance capital efficiency. The changes in the shareholder return policy are as follows:

<Previous shareholder return policy>

- The Company's basic policy is to provide stable profit returns to shareholders, targeting a consolidated dividend payout ratio of 30% or more.
- Considering enhancement of shareholder returns based on the progress of optimizing cash allocation.

<New shareholder return policy (applied from the fiscal year ended March 31, 2026)>

- The Company's basic policy is to maintain financial soundness, targeting a consolidated dividend payout ratio of 30% or more. However, the lower limit of DOE is set at 2.5%\*.
- Share buybacks are also taken into consideration, based on the progress of optimizing cash allocation.

\*Shareholders' equity: Equity attributable to owners of the parent excluding other components of equity

DOE: Dividend payment / Shareholders' equity as of the end of the previous fiscal year

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, 2026, the Company paid an interim dividend of ¥22 per share. For the year-end dividend, the Company will submit a proposal to pay a dividend of ¥27 per share at the Annual General Meeting of Shareholders to be held in June 2026.

As for the fiscal year ending March 31, 2027, the Company plans to pay an interim dividend of ¥24 per share, a year-end dividend of ¥28 per share for an annual dividend of ¥52 per share.

## 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	61,218	63,072
Trade and other receivables	147,433	158,935
Contract assets	5,419	3,060
Inventories	195,483	211,501
Other financial assets	939	1,276
Other current assets	6,505	9,442
Total current assets	416,999	447,288
Non-current assets		
Property, plant and equipment	234,469	255,302
Right-of-use assets	6,362	6,379
Intangible assets	6,559	8,632
Investment property	4,224	4,258
Investments accounted for using equity method	21,154	22,622
Other financial assets	54,454	50,781
Retirement benefit asset	34,392	56,648
Deferred tax assets	3,227	3,276
Other non-current assets	1,129	1,190
Total non-current assets	365,975	409,091
Total assets	782,974	856,380

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	67,998	72,039
Contract liabilities	2,619	15,020
Bonds and borrowings	72,203	71,751
Lease liabilities	1,933	2,186
Other financial liabilities	1,716	1,900
Income taxes payable	7,936	6,192
Provisions	554	873
Other current liabilities	27,296	29,735
Total current liabilities	182,259	199,699
Non-current liabilities		
Bonds and borrowings	98,633	101,863
Lease liabilities	4,077	5,960
Other financial liabilities	747	648
Retirement benefit liability	12,103	13,559
Provisions	3,411	5,426
Deferred tax liabilities	11,355	13,661
Other non-current liabilities	1,242	2,102
Total non-current liabilities	131,571	143,223
Total liabilities	313,830	342,922
Equity		
Share capital	37,172	37,172
Capital surplus	31,438	31,882
Retained earnings	332,888	360,715
Treasury shares	(12,078)	(18,610)
Other components of equity	39,857	61,405
Total equity attributable to owners of parent	429,278	472,565
Non-controlling interests	39,865	40,892
Total equity	469,144	513,457
Total liabilities and equity	782,974	856,380

(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, 2025	Fiscal year ended March 31, 2026
Revenue	574,945	578,129
Cost of sales	470,757	476,828
Gross profit	104,187	101,301
Selling, general and administrative expenses	61,335	64,790
Other income	1,002	6,299
Other expenses	4,446	729
Operating profit	39,408	42,081
Finance income	3,114	2,450
Finance costs	1,088	1,050
Share of profit of investments accounted for using equity method	1,217	1,275
Profit before tax	42,653	44,756
Income tax expense	12,092	9,878
Profit	30,560	34,878
Profit attributable to		
Owners of parent	28,314	32,605
Non-controlling interests	2,246	2,272
Profit	30,560	34,878
Earnings per share		
Basic earnings per share (Yen)	134.57	161.74
Diluted earnings per share (Yen)	134.53	161.70

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	30,560	34,878
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(2,340)	6,997
Remeasurements of defined benefit plans	3,051	15,282
Share of other comprehensive income of investments accounted for using equity method	(49)	338
Total of items that will not be reclassified to profit or loss	661	22,617
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	331	5,023
Cash flow hedges	(3)	(7)
Share of other comprehensive income of investments accounted for using equity method	(8)	18
Total of items that may be reclassified to profit or loss	319	5,034
Other comprehensive income	981	27,652
Comprehensive income	31,541	62,530
Comprehensive income attributable to		
Owners of parent	29,128	59,130
Non-controlling interests	2,413	3,399
Comprehensive income	31,541	62,530

(3) Consolidated Statement of Changes in Equity  
Fiscal year ended March 31, 2025

(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, 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

	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, 2025	37,172	31,438	332,888	(12,078)	25,127	8,880
Profit	—	—	32,605	—	—	—
Other comprehensive income	—	—	—	—	7,327	15,170
Comprehensive income	—	—	32,605	—	7,327	15,170
Purchase of treasury shares	—	—	—	(6,604)	—	—
Disposal of treasury shares	—	(0)	—	0	—	—
Dividends	—	—	(9,768)	—	—	—
Share-based payment transactions	—	18	—	72	—	—
Changes in ownership interest in subsidiaries	—	447	0	—	(0)	3
Transfer from other components of equity to retained earnings	—	—	4,989	—	(4,989)	—
Other	—	(22)	—	—	—	—
Total transactions with owners	—	443	(4,778)	(6,532)	(4,989)	3
Balance as of March 31, 2026	37,172	31,882	360,715	(18,610)	27,465	24,053

	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, 2025	5,841	7	39,857	429,278	39,865	469,144
Profit	—	—	—	32,605	2,272	34,878
Other comprehensive income	4,034	(7)	26,524	26,524	1,127	27,652
Comprehensive income	4,034	(7)	26,524	59,130	3,399	62,530
Purchase of treasury shares	—	—	—	(6,604)	—	(6,604)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	—	(9,768)	(972)	(10,741)
Share-based payment transactions	—	—	—	91	—	91
Changes in ownership interest in subsidiaries	9	—	12	460	(1,413)	(953)
Transfer from other components of equity to retained earnings	—	—	(4,989)	—	—	—
Other	—	—	—	(22)	13	(8)
Total transactions with owners	9	—	(4,976)	(15,844)	(2,372)	(18,216)
Balance as of March 31, 2026	9,886	—	61,405	472,565	40,892	513,457

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	42,653	44,756
Depreciation and amortization	30,265	31,129
Impairment losses	828	521
Gain on bargain purchase	—	(5,336)
Interest and dividend income	(2,966)	(2,275)
Interest expenses	1,368	1,588
Share of loss (profit) of investments accounted for using equity method	(1,217)	(1,275)
Loss (gain) on sale of fixed assets	(998)	(21)
Decrease (increase) in trade and other receivables	23,578	(2,577)
Decrease (increase) in inventories	(8,352)	801
Increase (decrease) in trade and other payables	(5,469)	(677)
Increase (decrease) in contract liabilities	792	12,335
Other	(3,374)	2,891
Subtotal	77,107	81,861
Interest received	349	335
Dividends received	2,813	2,110
Interest paid	(1,352)	(1,474)
Income taxes paid	(25,400)	(16,737)
Net cash provided by (used in) operating activities	53,516	66,096
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(41,646)	(52,555)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	1,679	132
Purchase of equity instruments	(25)	(23)
Proceeds from sale of equity instruments	24,203	14,292
Payments for acquisition of subsidiaries	(799)	(10,190)
Other	1,002	95
Net cash provided by (used in) investing activities	(15,586)	(48,248)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	11,993	7,527
Proceeds from borrowings	18,090	40,658
Repayments of borrowings	(30,833)	(45,943)
Repayments of lease liabilities	(2,098)	(2,241)
Purchase of treasury shares	(8,500)	(6,604)
Dividends paid	(10,033)	(9,765)
Dividends paid to non-controlling interests	(1,034)	(972)
Other	(298)	(1,117)
Net cash provided by (used in) financing activities	(22,715)	(18,459)
Effect of exchange rate changes on cash and cash equivalents	(4)	2,465
Net increase (decrease) in cash and cash equivalents	15,210	1,853
Cash and cash equivalents at beginning of period	46,008	61,218
Cash and cash equivalents at end of period	61,218	63,072

#### 4. Supplementary briefing material

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

(Millions of yen, %)

	Actual			Forecast	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY Change [% of Change]	Fiscal year ending March 31, 2027	YoY Change [% of Change]
Revenue	574,945	578,129	3,184 [0.6%]	630,000	51,870 [9.0%]
Operating profit	39,408	42,081	2,673 [6.8%]	40,000	(2,081) [(4.9%)]
Adjusted operating profit *	43,953	39,920	(4,033) [(9.2%)]	40,100	180 [0.5%]
Profit before tax	42,653	44,756	2,103 [4.9%]	42,000	(2,756) [(6.2%)]
Profit attributable to owners of parent	28,314	32,605	4,291 [15.2%]	27,500	(5,105) [(15.7%)]
Sales volume of Specialty Steel (thou. tons)	1,015	1,025	10	1,042	17

\* 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, 2026	YoY Change	Fiscal year ended March 31, 2026	YoY Change	Fiscal year ending March 31, 2027	YoY Change	Fiscal year ending March 31, 2027	YoY Change
Specialty Steel	207,781	(2,380)	11,302	(1,803)	230,000	22,218	8,300	(3,002)
High Performance Materials and Magnetic Materials	199,753	(1,109)	13,389	(372)	230,000	30,246	18,600	5,211
Parts for Automobile and Industrial Equipment	117,937	4,905	9,366	(2,511)	120,000	2,062	9,200	(166)
Engineering	26,625	2,557	2,743	400	23,000	(3,625)	1,000	(1,743)
Trading and Service	26,031	(789)	3,107	224	27,000	968	3,000	(107)
Elimination of inter-segment	—	—	11	29	—	—	—	(11)
Total	578,129	3,184	39,920	(4,033)	630,000	51,870	40,100	180

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

(100 millions of yen)

(100 millions of yen)

Actual				Forecast			
Reasons for increase	Amount	Reasons for decrease	Amount	Reasons for increase	Amount	Reasons for decrease	Amount
1. Raw material and fuel cost	114	1. Sales price	65	1. Sales price	70	1. Raw material and fuel cost	97
2. Sales volume	4	2. Fixed cost	48	2. Sales volume	54	2. Fixed cost	69
		3. Sales mix change	41	3. Sales mix change	43		
		4. Variable cost	5	4. Variable cost	1		
Total (a)	118	Total (b)	159	Total (a)	168	Total (b)	166
		Change (a) - (b)	(41)			Change (a) - (b)	2

(Reference: Market condition)

		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027
H2	(Thousands of yen/t)	38.2	35.7	44.5
Nickel (LME)	(One dollar/lb)	7.5	7.1	8.0
Exchange rate (TTM)	(yen/dollar)	152.6	150.8	155.0

(4) Condensed Statement of Financial Position

(Millions of yen)

Item	As of March 31, 2025	As of March 31, 2026	Change	Item	As of March 31, 2025	As of March 31, 2026	Change
Current assets	416,999	447,288	30,288	Liabilities	313,830	342,922	29,091
Cash and deposits	61,218	63,072	1,853	Trade payables	67,998	72,039	4,041
Trade receivables	147,433	158,935	11,501	Interest-bearing debt	176,848	181,761	4,913
Inventories	195,483	211,501	16,018	Other	68,984	89,120	20,136
Other	12,863	13,778	915				
Non-current assets	365,975	409,091	43,116	Equity	469,144	513,457	44,313
Property, plant and equipment	234,469	255,302	20,832	Equity attributable to owners of parent	429,278	472,565	43,286
Other	131,505	153,789	22,284	Non-controlling interests	39,865	40,892	1,027
Total assets	782,974	856,380	73,405	Total liabilities and equity	782,974	856,380	73,405

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY change	Fiscal year ending March 31, 2027
Capital expenditures	46,858	53,152	6,294	61,200
Depreciation and amortization	30,265	31,129	864	34,000

(Reference) Historical Financial Results

(Millions of yen)

(Millions of yen)

	J-GAAP	IFRS				
	Actual	Actual			Forecast	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027	
Net sales	578,564	Revenue	578,564	574,945	578,129	630,000
Operating income	46,986	Operating profit	42,250	39,408	42,081	40,000
Ordinary income	48,122	Profit before tax	45,068	42,653	44,756	42,000
Profit attributable to owners of parent	36,438	Profit attributable to owners of parent	30,555	28,314	32,605	27,500