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April 24, 2026

## Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: TOKYO STEEL MANUFACTURING CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 5423

URL: <https://www.tokyosteel.co.jp/>

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Scheduled date of annual general meeting of shareholders: June 24, 2026

Scheduled date to commence dividend payments: June 25, 2026

Scheduled date to file annual securities report: June 23, 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. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	268,095	(18.0)	7,230	(76.0)	8,632	(72.7)	11,557	(45.5)
March 31, 2025	326,775	(11.0)	30,105	(20.9)	31,612	(20.4)	21,203	(24.2)

  

	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
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2026	112.56	-	5.4	3.0	2.7
March 31, 2025	197.96	-	10.2	10.5	9.2

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

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

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

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	291,597	221,132	75.8	2,156.96
March 31, 2025	292,973	209,918	71.7	2,014.68

Reference: Equity

As of March 31, 2026: ¥ 221,132 million

As of March 31, 2025: ¥ 209,918 million

#### (3) Non-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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2026	(3,282)	(10,837)	(8,156)	73,470
March 31, 2025	19,588	(21,876)	(13,766)	96,111

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	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	-	25.00	50.00	5,289	25.3	2.6
Fiscal year ended March 31, 2026	-	25.00	-	25.00	50.00	5,126	44.4	2.4
Fiscal year ending March 31, 2027 (Forecast)	-	20.00	-	20.00	40.00		-	

## 3. Non-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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	155,000	15.8	(4,000)	-	(3,000)	-	0	-	-
Full year	315,000	17.5	(4,000)	-	(2,500)	-	0	-	-

### \* Notes

(1) 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

(2) 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	110,064,249 shares
As of March 31, 2025	110,064,249 shares

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

As of March 31, 2026	7,544,134 shares
As of March 31, 2025	5,869,407 shares

- (iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	102,680,580 shares
Fiscal Year ended March 31, 2025	107,108,615 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

The forward-looking statements contained above are based on information available as of the date of publication of this document and involve various uncertain factors. Actual business results may differ materially depending on factors such as the price of iron scrap, which is our primary raw material, and steel market conditions. For further details regarding the above forecasts, please refer to page 3 of the attached document, "1. Overview of Operating Results, (4) Future Outlook.

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## 1. Overview of Business Results, etc.

### (1) Summary of Business Results

During the current fiscal year, steel market conditions remained challenging, as steel exports from China stayed at elevated levels while delays in domestic construction projects that had been accumulating over several years were yet to be resolved.

Under these circumstances, although the price of iron scrap, our primary raw material, fell below the previous year's level, the decline in product selling prices was even more pronounced. In addition, fixed costs increased due to a decrease in production volume. While overall cost levels were kept roughly in line with the previous year through reductions in various material costs, both operating income and ordinary income fell significantly below the previous fiscal year's results.

Net sales amounted to ¥268,095 million (compared to ¥326,775 million in the previous year). Operating income was ¥7,230 million (compared to ¥30,105 million in the previous year), ordinary income was ¥8,632 million (compared to ¥31,612 million in the previous year), and net income attributable to owners of the parent was ¥11,557 million (compared to ¥21,203 million in the previous year).

In light of the above, we intend to maintain the year-end dividend at ¥25 per share for the current fiscal year, bringing the annual dividend to ¥50 per share, including the interim dividend already paid.

### (2) Summary of financial position

Total assets at the end of the current fiscal year decreased by ¥1,376 million from the end of the previous fiscal year to ¥291,597 million. Total liabilities decreased by ¥12,589 million from the end of the previous fiscal year to ¥70,465 million.

Total net assets increased by ¥11,213 million from the end of the previous fiscal year to ¥221,132 million, primarily due to an increase in retained earnings.

### (3) Summary of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") decreased by ¥22,640 million compared to the end of the previous fiscal year, resulting in a closing balance of ¥73,470 million at the end of the current fiscal year. Free cash flow, calculated by combining cash flows from operating activities and investing activities, resulted in a net outflow of ¥14,120 million.

(Net cash provided by (used in) operating activities)

Funds used in operating activities amounted to ¥3,282 million (compared to funds obtained from operating activities of ¥19,588 million in the previous fiscal year). This was primarily attributable to an increase in inventories of ¥4,105 million and income taxes paid of ¥7,193 million, among other factors.

(Net cash provided by (used in) investing activities)

Funds used in investing activities amounted to ¥10,837 million (compared to ¥21,876 million in the previous fiscal year). This was primarily attributable to payments for the acquisition of property, plant and equipment of ¥22,555 million, among other factors.

(Net cash provided by (used in) financing activities)

Funds used in financing activities amounted to ¥8,156 million (compared to ¥13,766 million in the previous fiscal year). This was attributable to payments for the acquisition of treasury shares of ¥2,648 million and dividend payments of ¥5,161 million.

#### Trends in cash flow indices

Fiscal year ended	March 2022	March 2023	March 2024	March 2025	March 2026
Equity ratio (%)	65.9	66.2	65.6	71.7	75.8
Market value basis Equity ratio (%)	56.1	55.8	58.5	56.5	56.9
Ratio of interest-bearing debt to cash flow (%)	23.4	12.0	12.5	30.7	-
Interest coverage Ratio (times)	971.5	2,181.4	3,657.1	691.0	-

Equity ratio: shareholders' equity/total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt/operating cash flow

Interest coverage ratio: operating cash flow/interest payments

\*1. Cash flow uses operating cash flow. Interest payments are based on the amount of interest paid in the statement of cash flows.

\*2. Interest-bearing liabilities are all liabilities on the balance sheet for which interest is paid.

\*3 The cash flow to interest-bearing debt ratio and interest coverage ratio for the fiscal year ended March 2026 are not presented, as operating cash flow was negative.

#### (4)Future Outlook

With regard to the outlook for the future, in addition to concerns over the continued high level of steel exports from China, serious risks have emerged regarding the broad impact on supply chains, including energy costs, arising from the heightened tensions in the Middle East region. Furthermore, in the domestic market, we are faced with an unprecedented situation in which the floor area of steel-framed construction starts last year fell to its lowest level in approximately 60 years, and there are concerns that an extremely challenging business environment will continue.

Under these circumstances, we regard the growing social demand for decarbonization and resource recycling as a definitive business opportunity, and will actively promote the expansion of our product lineup and diversification of our business partners to meet the growing needs for electric furnace steel products across a wide range of fields, thereby steadily laying the groundwork for the future. At the same time, the entire company will work together to further strengthen our competitiveness through thorough cost reductions, including further reductions in the basic unit of use.

As the shift toward decarbonization across society has now become an established course of action, and its concrete momentum is becoming increasingly certain in the steel industry as well, our electric furnace steel products were officially adopted in November of last year in the automotive sector, which demands extremely stringent quality standards. This achievement has broadly demonstrated the feasibility of advancing low-CO<sub>2</sub> steel materials produced through the electric furnace method and realizing a circular economy.

Going forward, we will continue to take on the challenge of "upcycling" iron scrap, a valuable resource in Japan, into higher-grade steel products through the enhancement of added value and the expansion of application areas for electric furnace steel products, and will actively contribute to the realization of a "recycling-oriented society" and a "decarbonized society."

We are firmly committed to making concerted efforts as a united company to further improve our business performance and corporate value, by vigorously advancing our relentless pursuit of cost reductions and quality improvements while reliably meeting the diversifying needs of our customers.

#### 2. Basic Rationale for Selection of Accounting Standards

The Company prepares its non-consolidated financial statements in accordance with Japanese Generally Accepted Accounting Principles (J-GAAP). While closely monitoring developments regarding the future adoption of IFRS (International Financial Reporting Standards), we will endeavor to establish an appropriate framework to respond accordingly.

### 3. Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

A key characteristic of the ordinary steel electric furnace industry, to which our Company belongs, is that it is both a capital-intensive industry and a market-sensitive industry. In order to maintain the latest production technologies within the industry and continue to grow while sustaining high productivity and competitiveness, it is necessary to carry out equipment renewals carefully yet boldly at appropriate times. Given that our performance is highly susceptible to economic fluctuations as a market-sensitive industry, internal reserves are of utmost importance in enabling us to make accurate investment decisions at our own discretion, and we believe this is connected to securing long-term benefits for our shareholders.

Based on the above philosophy, we have promoted capital investments that contribute to the future and have further improved productivity and competitiveness to achieve a high level of profitability, while returning profits to shareholders through dividends and the acquisition of treasury shares. We have now decided to make this policy more explicit, and going forward, we will aim, in principle, for a total return payout ratio of 25% to 30% in our future profit distribution.

Based on the above policy, with regard to the dividend for the current fiscal year, we intend to pay a year-end dividend of ¥25 per share, bringing the annual dividend to ¥50 per share, including the interim dividend already paid. With regard to the dividend for the next fiscal year, we intend to pay an annual dividend of ¥40 per share (interim dividend of ¥20 per share and year-end dividend of ¥20 per share).

### 4. Status of the Corporate Group

The corporate group centered on the Company consists of one company, the Company (manufacturing and sales of steel products).

### 5. Management Policy

#### (1) Basic Management Policies of the Company

Through the recycling of steel resources, we will strive to conserve energy and resources, thereby contributing to the preservation of the environment. Furthermore, through the introduction of advanced equipment and the enhancement of our technological capabilities, we will contribute to economic development by manufacturing high-quality, competitively priced products that meet the needs of our customers.

#### (2) Target Management Indicators

As the economy becomes increasingly globalized and more competitive, it will become increasingly important to make investments in a precise and agile manner. By viewing the contribution to cash flow as an indicator for making management decisions to promote individual businesses, we will strive to build a stronger corporate foundation that will allow us to enhance our internal reserves and accurately execute necessary future investments.

#### (3) Medium- to Long-term Company Management Strategy

In the course of promoting advanced utilization of steel scrap, we have been working to add value to and diversify our products and improve productivity and quality. In order to meet the increasingly diverse needs of our customers, we will continue to expand the variety of products we manufacture, further improve productivity and quality, and further reduce costs. In addition, we will further enhance our financial position so that we can continue to invest appropriately and flexibly in new construction, improvement, and renewal of facilities to meet the demands of our customers.

# Non-consolidated Financial Statements and Primary Notes

## Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	21,111	63,470
Electronically recorded monetary claims - operating	958	893
Accounts receivable - trade	28,260	26,556
Securities	75,000	10,500
Merchandise and finished goods	21,605	24,933
Raw materials and supplies	15,294	16,071
Other	1,953	3,067
Allowance for doubtful accounts	(30)	(28)
<b>Total current assets</b>	<b>164,153</b>	<b>145,465</b>
Non-current assets		
Property, plant and equipment		
Buildings	64,272	66,832
Accumulated depreciation and impairment	(55,412)	(56,122)
Buildings, net	8,859	10,710
Structures	26,437	26,807
Accumulated depreciation and impairment	(23,503)	(23,709)
Structures, net	2,933	3,097
Machinery and equipment	353,750	359,390
Accumulated depreciation and impairment	(312,826)	(316,777)
Machinery and equipment, net	40,923	42,612
Vehicles	1,601	1,928
Accumulated depreciation and impairment	(977)	(1,217)
Vehicles, net	623	711
Tools, furniture and fixtures	16,486	16,638
Accumulated depreciation and impairment	(11,303)	(11,194)
Tools, furniture and fixtures, net	5,182	5,444
Land	33,060	33,027
Leased assets	859	1,601
Accumulated depreciation	(236)	(352)
Leased assets, net	622	1,249
Construction in progress	10,554	14,531
<b>Total property, plant and equipment</b>	<b>102,760</b>	<b>111,385</b>
Intangible assets		
Software	441	538
Other	19	8
<b>Total intangible assets</b>	<b>460</b>	<b>546</b>
Investments and other assets		
Investment securities	25,392	34,012
Long-term loans receivable	56	47
Long-term prepaid expenses	45	31
Other	104	109
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>25,598</b>	<b>34,200</b>
<b>Total non-current assets</b>	<b>128,820</b>	<b>146,132</b>
<b>Total assets</b>	<b>292,973</b>	<b>291,597</b>

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Electronically recorded obligations - operating	1,656	579
Accounts payable - trade	35,471	32,567
Accounts payable - other	7,352	4,438
Accrued expenses	13,334	10,659
Income taxes payable	3,318	-
Accrued consumption taxes	904	-
Contract liabilities	2,852	1,858
Deposits received	148	113
Provision for bonuses	884	780
Other	184	567
Total current liabilities	66,107	51,566
Non-current liabilities		
Provision for retirement benefits	6,517	6,118
Lease liabilities	39	273
Asset retirement obligations	189	189
Deferred tax liabilities	4,564	6,670
Other	5,636	5,646
Total non-current liabilities	16,947	18,899
<b>Total liabilities</b>	<b>83,055</b>	<b>70,465</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	30,894	30,894
Capital surplus		
Legal capital surplus	28,844	28,844
Other capital surplus	-	1
Total capital surplus	28,844	28,846
Retained earnings		
Legal retained earnings	3,863	3,863
Other retained earnings		
Reserve for tax purpose reduction entry	1,358	1,223
Retained earnings brought forward	142,741	149,265
Total retained earnings	147,963	154,353
Treasury shares	(9,140)	(11,763)
Total shareholders' equity	198,562	202,329
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,356	18,802
Total valuation and translation adjustments	11,356	18,802
<b>Total net assets</b>	<b>209,918</b>	<b>221,132</b>
<b>Total liabilities and net assets</b>	<b>292,973</b>	<b>291,597</b>

## Non-consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	326,775	268,095
Cost of sales	268,751	236,022
Gross profit	58,023	32,072
Selling, general and administrative expenses	27,917	24,841
Operating profit	30,105	7,230
Non-operating income		
Interest income	115	369
Interest on securities	173	205
Dividend income	681	766
Purchase discounts	188	223
Miscellaneous income	434	340
Total non-operating income	1,593	1,905
Non-operating expenses		
Interest expenses	28	135
Foreign exchange losses	2	154
Taxes and dues	17	16
Miscellaneous losses	38	197
Total non-operating expenses	86	504
Ordinary profit	31,612	8,632
Extraordinary income		
Gain on sale of non-current assets	0	4,759
Gain on disposal of non-current assets	8	13
Gain on sale of investment securities	-	2,599
Total extraordinary income	8	7,372
Extraordinary losses		
Loss on sale of non-current assets	0	19
Loss on disposal of non-current assets	1,059	922
Environmental expenses	-	464
Suspension loss of operations	-	499
Cost for restoring facilities	853	-
Total extraordinary losses	1,912	1,906
Profit before income taxes	29,708	14,098
Income taxes - current	8,002	3,901
Income taxes - deferred	503	(1,361)
Total income taxes	8,505	2,540
Profit	21,203	11,557

Non-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		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						Reserve for tax purpose reduction entry	Retained earnings brought forward
Balance at beginning of period	30,894	28,844	16	28,861	3,863	1,456	169,312
Changes during period							
Reversal of reserve for tax purpose reduction entry						(98)	98
Dividends of surplus							(5,414)
Profit							21,203
Purchase of treasury shares							
Disposal of treasury shares			4	4			
Cancellation of treasury shares			(42,480)	(42,480)			
Transfer to retained earnings from other capital surplus			42,458	42,458			(42,458)
Net changes in items other than shareholders' equity							
Total changes during period	-	-	(16)	(16)	-	(98)	(26,571)
Balance at end of period	30,894	28,844	-	28,844	3,863	1,358	142,741

	Shareholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Total retained earnings					
Balance at beginning of period	174,633	(43,299)	191,090	12,817	12,817	203,907
Changes during period						
Reversal of reserve for tax purpose reduction entry	-		-			-
Dividends of surplus	(5,414)		(5,414)			(5,414)
Profit	21,203		21,203			21,203
Purchase of treasury shares		(8,335)	(8,335)			(8,335)
Disposal of treasury shares		14	19			19
Cancellation of treasury shares		42,480	-			-
Transfer to retained earnings from other capital surplus	(42,458)		-			-
Net changes in items other than shareholders' equity				(1,460)	(1,460)	(1,460)
Total changes during period	(26,669)	34,158	7,472	(1,460)	(1,460)	6,011

	Shareholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Total retained earnings						
Balance at end of period	147,963	(9,140)	198,562	11,356	11,356	209,918

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
					Reserve for tax purpose reduction entry	Retained earnings brought forward	
Balance at beginning of period	30,894	28,844	-	28,844	3,863	1,358	142,741
Changes during period							
Reversal of reserve for tax purpose reduction entry						(134)	134
Dividends of surplus							(5,167)
Profit							11,557
Purchase of treasury shares							
Disposal of treasury shares			1	1			
Cancellation of treasury shares							
Transfer to retained earnings from other capital surplus							
Net changes in items other than shareholders' equity							
Total changes during period	-	-	1	1	-	(134)	6,524
Balance at end of period	30,894	28,844	1	28,846	3,863	1,223	149,265

	Shareholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Total retained earnings					
Balance at beginning of period	147,963	(9,140)	198,562	11,356	11,356	209,918
Changes during period						
Reversal of reserve for tax purpose reduction entry	-		-			-
Dividends of surplus	(5,167)		(5,167)			(5,167)
Profit	11,557		11,557			11,557
Purchase of treasury shares		(2,641)	(2,641)			(2,641)
Disposal of treasury shares		18	19			19
Cancellation of treasury shares			-			-
Transfer to retained earnings from other capital surplus			-			-
Net changes in items other than shareholders' equity				7,445	7,445	7,445
Total changes during period	6,389	(2,623)	3,767	7,445	7,445	11,213
Balance at end of period	154,353	(11,763)	202,329	18,802	18,802	221,132

## Non-consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	29,708	14,098
Depreciation	6,809	8,087
Increase (decrease) in provision for retirement benefits	(129)	(399)
Increase (decrease) in provision for bonuses	(170)	(103)
Increase (decrease) in allowance for doubtful accounts	(7)	(2)
Interest and dividend income	(970)	(1,341)
Interest expenses	28	135
National Subsidy income	(81)	(81)
Foreign exchange losses (gains)	52	363
Gain on sale of non-current assets	(0)	(4,759)
Gain on sale of fixed assets	(8)	(13)
Loss on disposals of non-current assets	1,059	922
Cost for restoring facilities	853	-
Environmental expenses	-	464
Loss (gain) on sale of investment securities	-	(2,599)
Suspension loss of operations	-	499
Decrease (increase) in trade receivables	7,627	1,769
Decrease (increase) in inventories	7,354	(4,105)
Decrease (increase) in accounts receivable - other	(303)	722
Decrease (increase) in consumption taxes refund receivable	816	(1,528)
Increase (decrease) in trade payables	(17,366)	(3,982)
Increase (decrease) in accrued expenses	(3,124)	(2,726)
Increase (decrease) in contract liabilities	(738)	(993)
Increase (decrease) in accrued consumption taxes	904	(904)
Increase (decrease) in income taxes payable	(104)	(123)
Other, net	(286)	32
Subtotal	31,922	3,429
Interest and dividends received	962	1,318
Interest paid	(28)	(135)
Payments for loss on operational pause	-	(318)
Payments for Environmental Expenses	-	(464)
Subsidies received	81	81
Payments for restoration of facilities	(853)	-
Income taxes refund (paid)	(12,496)	(7,193)
Net cash provided by (used in) operating activities	19,588	(3,282)
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(2,010)	-
Proceeds from sale of investment securities	-	2,691
Proceeds from redemption of investment securities	2,900	1,700
Purchase of property, plant and equipment	(22,362)	(22,555)
Proceeds from sale of property, plant and equipment	-	7,683
Other, net	(404)	(357)
Net cash provided by (used in) investing activities	(21,876)	(10,837)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(8,358)	(2,648)
Dividends paid	(5,408)	(5,161)
Repayments of lease liabilities	-	(346)
Net cash provided by (used in) financing activities	(13,766)	(8,156)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Effect of exchange rate change on cash and cash equivalents	(53)	(364)
Net increase (decrease) in cash and cash equivalents	(16,108)	(22,640)
Cash and cash equivalents at beginning of period	112,219	96,111
Cash and cash equivalents at end of period	96,111	73,470

(5)Notes to Financial Statements

(Notes regarding assumption of going concern)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

(1) Acquisition of treasury stock

Pursuant to a resolution of the Board of Directors meeting held on July 26, 2024, the Company purchased 1,685,800 shares of treasury stock during the period from April 1, 2025 to May 21, 2025. As a result, treasury stock increased by ¥2,640 million during the current fiscal year.

(Changes in accounting policy)

Not applicable.

(Notes to Statements of Income)

Major items and amounts of selling, general and administrative expenses are as follows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
freight expenses	22,491	19,801
Allowance for doubtful accounts	△7	△2
salaries and allowances	977	999
Provision for bonuses	56	53
Retirement benefit expenses	40	10
Depreciation and amortization	249	327

(Equity in earnings (losses), etc.)

Not applicable.

(Segment Information, etc.)

This information is omitted because the Company operates in a single segment of the steel business.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	2,014.68 yen	2,156.96 yen
Net income per share	197.96 yen	112.56 yen

(Notes) 1. Diluted net income per share is not shown because there are no residual shares.

2. Basis for calculation of net income per share is as follows

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net income (Millions of yen)	21,203	11,557
Amount not attributable to common shareholders (Millions of yen)	—	—
Common stock related to common stock Net income (Millions of yen)	21,203	11,557
Average number of shares during the period (shares)	107,108,615	102,680,580

(Significant subsequent events)

(Acquisition of Treasury Stock)

At the Board of Directors meeting held on April 24, 2026, the Company resolved the following matters concerning the acquisition of treasury stock.

① Reason for acquiring treasury stock

The acquisition of treasury stock is intended to enable the flexible implementation of capital management policies.

② Class of shares to be acquired

Common shares of the Company

③ Total number of shares to be acquired

1,500,000 shares (maximum)

(Ratio to total number of issued shares (excluding treasury stock): 1.46%)

④ Total acquisition price

¥2,700 million (maximum)

⑤ Acquisition period

From May 1, 2026 to September 30, 2026

⑥ Acquisition method

Market purchase

(Omission of disclosure)

Disclosure of notes regarding lease transactions, transactions with related parties, tax effect accounting, financial instruments, marketable securities, derivative transactions, retirement benefit accounting, and other related matters has been omitted, as such disclosure is not considered to be of significant necessity in the context of the financial results summary.

7. Others

(1)Production and Sales

(Comparative Production)

list of articles	by period	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
		thousand tonnes	thousand tonnes
Steel making		3,204	3,070
Rolling		2,914	2,806

(Comparative sales volume)

Varieties sold	by period	For the fiscal year ended March 31, 2025			For the fiscal year ended March 31, 2026		
		volume	unit price	Amount of money	volume	unit price	Amount of money
		thousand tonnes	Thousands of yen	Millions of yen	thousand tonnes	Thousands of yen	Millions of yen
Products		2,948	106.7	314,527	2,760	94.3	260,360
(of which exports)		(423)	(95.2)	(40,319)	(348)	(85.8)	(29,945)
Others		191	64.0	12,247	149	51.7	7,734
(of which exports)		(17)	(74.8)	(1,336)	(16)	(74.2)	(1,249)
total amount		3,139	104.1	326,775	2,910	92.1	268,095
(of which exports)		(441)	(94.3)	(41,655)	(365)	(85.3)	(31,195)

(Capital Expenditures, etc.)

item	by period	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Depreciation and amortization		6.8 billion yen	8.0 billion yen
Capital expenditures for property, plant and equipment		24.2 billion yen	20.0 billion yen