

Summary of Financial Statements for the Fiscal Year Ended March 31, 2025 [Japanese GAAP] (Consolidated)



May 14, 2025

Shares listed on: Tokyo Stock Exchange

Name of listed company: MITSUBISHI STEEL MFG. CO., LTD.
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Scheduled date of regular general meeting of shareholders: June 20, 2025
Scheduled start date of dividend payments: June 23, 2025
Scheduled date for filing securities report: June 20, 2025
Supplementary briefing materials on results available: Yes
Briefing on results held: Yes (For securities analysts and institutional investors)

(All figures are rounded down to the nearest million yen.)

1. Financial results for fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated operating results (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	159,584	(6.1)	6,564	36.5	4,854	149.1	2,363	—
Fiscal year ended March 31, 2024	169,943	(0.3)	4,808	(13.3)	1,949	(47.9)	(969)	—

Note: Comprehensive income: Fiscal year ended March 31, 2025: 3,685 million yen (—%); Fiscal year ended March 31, 2024: (660) million yen (—%)

	Net income per share	Diluted net income per share	Return on Equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	155.92	—	5.6	3.4	4.1
Fiscal year ended March 31, 2024	(63.50)	—	(2.3)	1.3	2.8

Reference: Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2025: 73 million yen; Fiscal year ended March 31, 2024: 33 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	138,667	49,851	30.8	2,820.29
Fiscal year ended March 31, 2024	147,071	47,832	28.0	2,704.29

Reference: Shareholders' equity: Fiscal year ended March 31, 2025: 42,643 million yen; Fiscal year ended March 31, 2024: 41,148 million yen

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	6,010	(5,171)	(6,541)	16,141
Fiscal year ended March 31, 2024	6,477	(3,971)	(11,607)	22,215

2. Dividends

	Annual dividends per share					Total annual dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End Q1	End Q2	End Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	25.00	—	35.00	60.00	926	—	2.2
Fiscal year ended March 31, 2025	—	30.00	—	34.00	64.00	987	41.0	2.3
Fiscal year ending March 31, 2026 (forecast)	—	40.00	—	40.00	80.00		40.4	

3. Forecast of consolidated financial results for fiscal year ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages represent year-on-year changes in the case of full-year figures and changes from the same quarter of the previous fiscal year in the case of quarterly figures)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	78,000	(3.1)	3,000	(5.2)	2,160	29.9	1,300	—	85.77
Full year	159,000	(0.4)	7,400	12.7	5,700	17.4	3,000	26.9	197.92

Notes

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

Newly added: — companies (name: —)

Removed: 1 company (name: MSSC Ahle GmbH)

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

① Changes in accounting policies due to the revisions of accounting standards, etc.: Yes

② Any changes in accounting policies other than those under ① above: None

③ Changes in accounting estimates: None

④ Retrospective restatements: None

(3) Number of shares outstanding (common shares)

① Number of shares outstanding at the end of the period (including treasury stock)

② Number of treasury shares at the end of the period

③ Average number of shares during the period

Fiscal year ended March 31, 2025	15,709,968 shares	Fiscal year ended March 31, 2024	15,709,968 shares
Fiscal year ended March 31, 2025	589,574 shares	Fiscal year ended March 31, 2024	494,006 shares
Fiscal year ended March 31, 2025	15,157,419 shares	Fiscal year ended March 31, 2024	15,272,796 shares

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Non-consolidated operating results

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	84,705	0.2	3,582	32.2	1,891	—	(83)	—
Fiscal year ended March 31, 2024	84,504	(6.1)	2,709	(63.1)	(3,392)	—	(4,394)	—

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2025	(5.50)	—
Fiscal year ended March 31, 2024	(287.72)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	80,643	26,885	33.3	1,778.12
Fiscal year ended March 31, 2024	85,671	28,106	32.8	1,847.20

Reference: Shareholders' equity: Fiscal year ended March 31, 2025: 26,885 million yen; Fiscal year ended March 31, 2024: 28,106 million yen

* Summaries of financial results are not subject to audit procedures by a certified public accountant or audit firm.

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

The forecasts of financial results were prepared based on information available at this time. Actual results may differ from forecasts depending on various future factors.

For detailed information on financial forecasts, refer to 1. Overview of Operating Results, etc.: (4) Future Outlook on page 6 of the Attached Materials.

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1. Overview of Operating Results, etc.

(1) Overview of This Year's Operating Results

[Operating Results]

(Unit: millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Fiscal year ended March 31, 2025	159,584	6,564	4,854	2,363	155.92 yen
Fiscal year ended March 31, 2024	169,943	4,808	1,949	(969)	(63.50) yen
Change	(10,359)	1,755	2,905	3,333	

During the consolidated fiscal year under review (April 2024 through March 2025), conditions in the construction machinery industry, a major source of demand for Group products, remained poor, despite continuing recovery in demand since the dramatic decline in the second half of the previous fiscal year. In addition, various other factors impacted the automotive industry, including poor sales and production adjustments among some manufacturers in Japan and around the world.

Procurement costs remained high due to various factors, including increases in various costs such as energy prices and exchange rate fluctuations, even as the market cost of raw materials dropped.

Under these conditions, the Group posted consolidated net sales of 159,584 million yen in the fiscal year under review, 10,359 million yen (6.1%) lower year on year, due to lower sales volumes to the construction machinery and automotive industries, although mass production began on some large-scale projects for the strategic business of precision spring components. Consolidated operating income was 6,564 million yen, up 1,755 million yen (36.5 %) from the previous fiscal year, due to various factors such as contributions to earnings from the strategic businesses of precision spring components and the overseas steel bars business, although sales volume decreased.

Net income attributable to owners of the parent company was 2,363 million yen, up 3,333 million yen from a net loss attributable to owners of the parent company of 969 million yen in the previous fiscal year. Contributing factors included higher operating income and lower non-operating expenses, despite the recording of extraordinary losses, including those on our withdrawal from the German springs business.

Results by business segment are reviewed below.

Segment results

(Unit: millions of yen)

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2024		Year-on-year changes			
	Net sales	Operating income	Net sales	Operating income	Net sales		Operating income	
Special Steel Bars Business	81,526	3,318	88,850	2,311	(7,324)	(8.2%)	1,006	43.5%
Springs Business	66,098	2,005	70,570	962	(4,471)	(6.3%)	1,042	108.3%
Formed & Fabricated Products Business	9,221	411	9,419	751	(197)	(2.1%)	(340)	(45.3%)
Machinery Business	10,455	709	10,018	704	437	4.4%	4	0.7%
Other businesses	3,673	145	3,411	78	262	7.7%	67	86.1%
Subtotal	170,975	6,590	182,270	4,809				
Adjustments	(11,391)	(25)	(12,326)	(0)				
Total	159,584	6,564	169,943	4,808	(10,359)	(6.1%)	1,755	36.5%

The Special Steel Bars Business posted net sales of 81,526 million yen, down 7,324 million yen (8.2%) year on year. This decline reflected lower sales volumes resulting from various factors, including slow auto sales due to more stringent reviews of loan applications in Indonesia and Thailand in the overseas business in Indonesia, in addition to lower sales volumes to the domestic construction machinery industry. Operating income was 3,318 million yen, up 1,006 million yen (43.5%) from the previous fiscal year. Despite the impact of lower sales volumes, profit increased due to progress with improvements in selling prices and costs in Japan and Indonesia. In particular, the break-even point was lowered due to an improvement in manufacturing costs, and JATIM is shifting to a structure that can secure stable earnings even in a severe environment.

The Springs Business posted net sales of 66,098 million yen, down 4,471 million yen (6.3%) year on year. While sales volumes were up in the priority strategic business of precision spring components, this was overshadowed by the impact of lower sales volumes of products for the automotive and construction machinery industries. Operating income was up 1,042 million yen (108.3%) from the previous fiscal year to 2,005 million yen. This dramatic increase was spurred by factors such as contributions to earnings from a large-scale project for precision spring components.

The Formed & Fabricated Products Business posted net sales of 9,221 million yen, down 197 million yen (2.1 %) year on year. This decline reflected lower sales volumes of special alloy powders for digital devices such as smartphone and so on, in Chinese and Taiwanese market. Operating income was down 340 million yen (45.3%) from the previous fiscal year to 411 million yen due to delays in reflecting the higher production costs of precision castings to sale price, in addition to lower sales volumes for special alloy powders.

The Machinery Business posted net sales of 10,455 million yen, up 437 million yen (4.4%) year on year, resulting from higher sales of forging machinery and other products. However, due to the composition of the product lineup, operating income was up only slightly, by 4 million yen (0.7%), from the previous fiscal year, to 709 million yen.

Orders received in the fiscal year under review were up year on year. This is expected to contribute to earnings in the next fiscal year and beyond, a timeframe in which orders received are expected to remain strong.

Other businesses, including the distribution and service businesses, posted net sales of 3,673 million yen, up 262 million yen (7.7%) from the previous year, and operating income of 145 million yen, up 67 million yen (86.1%) from the previous fiscal year.

(2) Overview of This Year's Financial Position

Total assets at the end of the consolidated fiscal year under review were 138,667 million yen, down 8,403 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decline in cash equivalents from the repayment of borrowings. Total liabilities at the end of the consolidated fiscal year under review were 88,815 million yen, down 10,422 million yen from the end of the previous consolidated fiscal year due mainly to repayment of borrowings and payment of notes and accounts payable.

Net assets at the end of the current fiscal year were 49,851 million yen, up 2,018 million yen from the end of the previous consolidated fiscal year, due mainly to net income attributable to owners of parent and an increase in foreign currency translation adjustments accompanying exchange rate fluctuations.

(3) Overview of This Year's Cash Flows

During the consolidated fiscal year under review, net cash flows from operating activities was 6,010 million yen; net cash used in investment activities was 5,171 million yen; and net cash used in financing activities was 6,541 million yen.

As a result, cash and cash equivalents fell by 5,668 million yen during the consolidated fiscal year under review to 16,141 million yen at year's end.

[Cash flows from operating activities]

Cash inflows from net income before taxes and other adjustments of 4,209 million yen, depreciation and amortization of 4,119 million yen, and decrease in inventory of 2,399 million yen were partially offset by cash outflows, including decrease in trade payables of 6,405 million yen, resulting in net cash flows from operating activities of 6,010 million yen.

[Cash flows from investing activities]

Net cash used in investment activities totaled 5,171 million yen. This included expenditures of 4,620 million yen for purchases of property, plant, and equipment.

[Cash flows from financing activities]

Net cash used in financing activities totaled 6,541 million yen, reflecting cash inflows including loans payable of 5,850 million yen, and cash outflows, including repayments of loans payable of 11,128 million yen and dividend payment of 1,002 million.

(4) Future Outlook

In the fiscal year ending March 2026, we expect sales to grow in the strategic business of precision spring components and in the Machinery Business, where orders received remain strong. On the other hand, we expect to confront various risks, including the impact of US tariffs, such as delays in demand recovery and cost increase. As such, we forecast consolidated net sales of 159,000 million yen, consolidated operating income of 7,400 million yen, consolidated ordinary income of 5,700 million yen, and net income attributable to owners of the parent company of 3,000 million yen. Amid dramatically changing and uncertain business conditions, we also plan additional structural reforms at facilities. As we make progress on optimizing the business portfolio, we will proceed with investments of resources in priority facilities, including the increasingly important facilities and in strategic businesses, to contribute to the Company's sustained growth.

We are also reviewing our shareholder return policy to increase shareholder value. For more information, see "Notice of Changes in Dividend Policy" released today.

2. Basic Approach to Selection of Accounting Standards

To facilitate comparisons from period to period and between entities, the Group for the time being will continue to prepare its consolidated financial statements based on J-GAAP.

The Group will duly address the application of International Financial Reporting Standards (IFRS) after taking into account various circumstances both in Japan and abroad.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024	Consolidated fiscal year ended March 31, 2025
Assets		
Current assets		
Cash and deposits	22,237	16,163
Notes and accounts receivable-trade and contract assets	29,725	30,268
Electronically recorded monetary claims	4,224	4,193
Merchandise and finished goods	14,948	12,178
Work in process	6,544	6,424
Raw materials and supplies	9,987	10,082
Other	5,304	4,026
Allowance for doubtful accounts	(55)	(56)
Total current assets	92,916	83,281
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	8,632	8,134
Machinery, equipment and vehicles, net	12,170	11,783
Land	15,473	15,778
Leased assets, net	1,003	1,002
Other, net	1,069	1,475
Total property, plant and equipment	38,348	38,174
Intangible fixed assets		
Other	790	661
Total intangible fixed assets	790	661
Investments and other assets		
Investment securities	5,914	6,009
Distressed receivables	—	4,417
Net defined benefit assets	7,117	7,122
Guarantee deposits	—	675
Other	1,984	1,650
Allowance for doubtful accounts	(0)	(3,323)
Total investments and other assets	15,015	16,550
Total fixed assets	54,154	55,386
Total assets	147,071	138,667

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024	Consolidated fiscal year ended March 31, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	17,401	11,707
Electronically recorded monetary obligations	4,816	3,674
Short-term loans payable	20,120	22,787
Income taxes payable	242	722
Accrued consumption taxes	499	405
Contract liabilities	246	588
Other	5,330	5,544
Total current liabilities	48,659	45,429
Non-current liabilities		
Long-term loans payable	35,619	28,224
Lease obligations	1,228	1,274
Provision for directors' retirement benefits	115	134
Provision for directors' stock benefits	5	55
Provision for loss on business liquidation	69	334
Provision for loss on litigation	—	675
Net defined benefit liabilities	9,861	9,053
Other	3,679	3,634
Total non-current liabilities	50,579	43,385
Total liabilities	99,238	88,815
Net assets		
Shareholders' equity		
Capital stock	10,003	10,003
Capital surplus	2,229	2,225
Retained earnings	32,881	33,723
Treasury stock	(1,484)	(1,620)
Total shareholders' equity	43,630	44,332
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	805	849
Foreign currency translation adjustments	(4,889)	(3,900)
Accumulated remeasurements of defined benefit plans	1,601	1,362
Total accumulated other comprehensive income	(2,482)	(1,688)
Non-controlling interests	6,684	7,207
Total net assets	47,832	49,851
Total liabilities and net assets	147,071	138,667

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated statement of income

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Net sales	169,943	159,584
Cost of sales	148,155	135,871
Gross profit	21,788	23,712
Selling, general and administrative expenses	16,979	17,148
Operating income	4,808	6,564
Non-operating income		
Interest income	96	185
Dividend income	58	45
Equity in earnings of affiliates	33	73
Other	606	395
Total non-operating income	795	700
Non-operating expenses		
Interest expenses	1,697	1,490
Foreign exchange losses	1,262	460
Other	694	459
Total non-operating expenses	3,654	2,410
Ordinary income	1,949	4,854
Extraordinary income		
Gain on sales of investment securities	115	233
Insurance claim income	78	198
Compensation income	—	668
Other	1	—
Total extraordinary income	195	1,100
Extraordinary losses		
Impairment loss	1,315	—
Provision for loss on business liquidation	—	349
Loss on liquidation of business	—	720
Provision for loss on litigation	—	675
Other	90	—
Total extraordinary losses	1,406	1,745
Income before income taxes	738	4,209
Income taxes-current	915	1,030
Income taxes-deferred	533	402
Total income taxes	1,448	1,433
Profit (Loss)	(709)	2,776
Profit attributable to non-controlling interests	259	413
Net income (loss) attributable to owners of parent	(969)	2,363

Consolidated statement of comprehensive income

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Profit	(709)	2,776
Other comprehensive income		
Valuation difference on available-for-sale securities	377	52
Foreign currency translation adjustments	(1,087)	1,122
Remeasurements of defined benefit plans	739	(257)
Share of other comprehensive income of entities accounted for using equity method	18	(9)
Total other comprehensive income	49	909
Comprehensive income	(660)	3,685
(Breakdown)		
Comprehensive income attributable to owners of parent	(1,138)	3,157
Comprehensive income attributable to non-controlling interests	477	528

(3) Consolidated Statement of Changes in Equity

Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	10,003	2,236	34,855	(1,301)	45,793
Changes during period					
Changes in shares of parent arising from transactions with non-controlling interests		(6)			(6)
Dividends of surplus			(1,003)		(1,003)
Net loss attributable to owners of the parent company			(969)		(969)
Purchase of treasury stock				(259)	(259)
Disposal of treasury shares				76	76
Change of scope of consolidation					—
Net changes of items other than shareholders' equity					—
Total changes during period	—	(6)	(1,973)	(182)	(2,162)
Balance at end of period	10,003	2,229	32,881	(1,484)	43,630

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	435	(3,679)	929	(2,313)	6,208	49,688
Changes during period						
Changes in shares of parent arising from transactions with non-controlling interests					6	—
Dividends of surplus						(1,003)
Net loss attributable to owners of the parent company						(969)
Purchase of treasury stock						(259)
Disposal of treasury shares						76
Change of scope of consolidation						—
Net changes of items other than shareholders' equity	370	(1,210)	671	(168)	469	300
Total changes during period	370	(1,210)	671	(168)	476	(1,855)
Balance at end of period	805	(4,889)	1,601	(2,482)	6,684	47,832

Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	10,003	2,229	32,881	(1,484)	43,630
Changes during period					
Changes in shares of parent arising from transactions with non-controlling interests		(3)			(3)
Dividends of surplus			(1,003)		(1,003)
Net income attributable to owners of the parent company			2,363		2,363
Purchase of treasury stock				(141)	(141)
Disposal of treasury shares				5	5
Change of scope of consolidation			(518)		(518)
Net changes of items other than shareholders' equity					—
Total changes during period	—	(3)	841	(135)	701
Balance at end of period	10,003	2,225	33,723	(1,620)	44,332

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	805	(4,889)	1,601	(2,482)	6,684	47,832
Changes during period						
Changes in shares of parent arising from transactions with non-controlling interests					3	(0)
Dividends of surplus						(1,003)
Net income attributable to owners of the parent company						2,363
Purchase of treasury stock						(141)
Disposal of treasury shares						5
Change of scope of consolidation		302		302		(216)
Net changes of items other than shareholders' equity	43	686	(239)	491	519	1,011
Total changes during period	43	989	(239)	794	523	2,018
Balance at end of period	849	(3,900)	1,362	(1,688)	7,207	49,851

(4) Consolidated Statement of Cash Flows

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Cash flows from operating activities		
Income before income taxes	738	4,209
Depreciation and amortization	4,139	4,119
Impairment loss	1,315	—
Loss on business withdrawal	—	720
Insurance claim income	(78)	(198)
Increase (decrease) in allowance for doubtful accounts	(15)	(206)
Increase (decrease) in net defined benefit liabilities	568	(92)
(Increase) decrease in net defined benefit assets	(794)	(154)
Increase (decrease) in provision for loss on business liquidation	1	297
Increase (decrease) in provision for loss on litigation	—	675
Increase (decrease) in other provisions	(34)	—
Interest and dividend income	(154)	(230)
Interest expenses	1,697	1,490
Foreign exchange losses (gains)	(226)	64
Equity in (earnings) losses of affiliates	(33)	(73)
Loss (gain) on sales and disposal of property, plant and equipment and intangible fixed assets	36	59
Loss (gain) on sales of investment securities	(115)	(233)
Decrease (increase) in notes and accounts receivable-trade	3,829	(1,235)
Decrease (increase) in inventories	3,157	2,399
Decrease (increase) in distressed receivables	—	(72)
Increase (decrease) in notes and accounts payable-trade	274	(6,405)
Decrease (increase) in accounts receivable-other	1,183	550
Other	(5,343)	1,426
Subtotal	10,146	7,111
Interest and dividend income received	151	232
Interest expenses paid	(1,782)	(1,489)
Income taxes (paid) refund	(2,040)	(42)
Insurance claim income received	78	198
Other payments	(77)	1
Net cash provided by (used in) operating activities	6,477	6,010

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Cash flows from investing activities		
Payments into time deposits	(24)	(24)
Proceeds from withdrawal of time deposits	24	24
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	153	281
Purchase of property, plant and equipment	(3,637)	(4,620)
Proceeds from sales of property, plant and equipment	17	38
Payments for disposal of property, plant and equipment	(28)	(42)
Purchase of intangible fixed assets	(422)	(166)
Purchase of long-term prepaid expenses	(1)	(0)
Payments for loans receivable	(45)	(21)
Proceeds from collection of loans receivable	56	36
Purchase of shares of subsidiaries and associates	(57)	—
Payments of guarantee deposits	—	(675)
Other	(4)	1
Net cash provided by (used in) investing activities	(3,971)	(5,171)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,100)	(975)
Proceeds from long-term loans payable	1,200	5,850
Repayment of long-term loans payable	(5,991)	(10,152)
Purchase of treasury stock	(259)	(141)
Disposal of treasury stock	76	5
Dividends paid to non-controlling interests	(8)	(8)
Repayments of lease obligations	(525)	(116)
Cash dividends paid	(998)	(1,002)
Purchase of shares of subsidiaries not resulting in changes in scope of consolidation	—	(0)
Net cash provided by (used in) financing activities	(11,607)	(6,541)
Effect of exchange rate changes on cash and cash equivalents	719	32
Net increase (decrease) in cash and cash equivalents	(8,383)	(5,668)
Cash and cash equivalents at beginning of period	30,599	22,215
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(406)
Cash and cash equivalents at end of period	22,215	16,141

(5) Notes on Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable

(Changes in Significant Subsidiaries During the fiscal year Ended March 31, 2025)

During the consolidated fiscal year ending March 31, 2025, our subsidiary MSSC Ahle GmbH filed for the commencement of insolvency proceedings in June 2024 and filed for bankruptcy with the local court in July, 2024.

As a result, it was recognized that there is no longer a valid parent-subsidiary relationship between Mitsubishi Steel and MSSC Ahle GmbH. Therefore, since July 2024, which corresponds to the third quarter of the fiscal year for Ahle (ending December 31), MSSC Ahle GmbH is excluded from consolidated subsidiaries of Mitsubishi Steel.

(Change in accounting policies)

-Application of the Accounting Standard for Current Income Taxes

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied from the start of the consolidated fiscal year under review.

The provisional handling specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) have been applied for revisions related to the accounting classifications of income tax (taxation on other comprehensive income). This change in accounting policies has had no effect on the consolidated financial statements for the consolidated fiscal year under review.

For revisions related to the revised handling of consolidated financial statements in the carryover of gains/losses arising in connection with the sale of securities such as stock in subsidiaries among consolidated companies, the 2022 Revised Guidance has been applied since the start of the consolidated fiscal year under review. This change in accounting policies is applied retroactively; consolidated financial statements for the previous consolidated fiscal year represent financial figures after retroactive application of this change. This change in accounting policies has had no effect on the consolidated financial statements for the previous consolidated fiscal year.

-Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules

The “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ Practical Solution No. 46, March 22, 2024) has been applied from the beginning of the fiscal year ended March 31, 2025. The impact of this change in accounting policies on the consolidated financial statements is immaterial.

(Segment Information, etc.)

1. Overview of reporting segments

The Company's reporting segments are components of the Company for which separate financial information is available and that are subject to periodic review by the Board of Directors and the Management Committee in determining the allocation of management resources and evaluating business performance.

The Company classifies its business divisions by product. Each business division engages in business activities based on comprehensive strategies for its products for Japan and overseas markets.

Accordingly, the Company consists of product-specific segments based on its business divisions. Its four reporting segments are the Special Steel Bars Business, Springs Business, Formed & Fabricated Products Business, and Machinery Business.

Major products in each reporting segment are shown below.

Reporting segment	Major products, etc.
Special Steel Bars	Special steel bars (carbon steels, low-alloy steels, spring steels, non-heated steels, bearing steels, free-cutting steels, tool steels, nitriding steels)
Springs	Coil springs, stabilizer bars, leaf springs, torsion bars, coiled wave springs, precision springs, various hinges, precision press products, plastic molded products, press assemblies, rubber track pads for shoe plates, tire protectors, tire chains, and various other automobile and construction-machinery repair parts and products
Formed & Fabricated Products	Special alloy powder, fine special alloy powder, precision castings, precision machinery products, castings, general forgings, special alloy materials and special alloy machinery products
Machinery	Forging machinery, industrial machinery, steel fabrication, environmental recycling equipment

2. Net sales, income (loss), assets, and other amounts by reporting segment

I Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Unit: millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount in consolidated financial statements
	Special Steel Bars	Springs	Formed & Fabricated Products	Machinery				
Net sales								
Sales to external customers	78,969	70,540	9,228	9,700	1,505	169,943	—	169,943
Inter-segment sales or transfers	9,881	30	191	317	1,905	12,326	(12,326)	—
Total	88,850	70,570	9,419	10,018	3,411	182,270	(12,326)	169,943
Segment income (loss) (Note 4)	2,311	962	751	704	78	4,809	(0)	4,808
Segment assets (Note 3)	60,785	54,651	11,474	15,976	3,131	146,018	1,052	147,071
Depreciation and amortization	1,606	1,597	598	270	66	4,139	—	4,139
Increase in property, plant and equipment and intangible fixed assets	1,734	2,074	236	523	26	4,595	—	4,595

Notes:

1. The "Other" category includes businesses such as distribution and services not included in reporting segments.
2. Adjustments to net sales include adjustments for internal transactions. Adjustments to segment income include elimination of inter-segment transactions.
3. Adjustments to segment assets consist of corporate assets not allocated to reporting segments.
4. Segment income is adjusted against operating income reported on the Consolidated Statement of Income.

II Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Unit: millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount in consolidated financial statements
	Special Steel Bars	Springs	Formed & Fabricated Products	Machinery				
Net sales								
Sales to external customers	72,715	66,076	8,999	10,185	1,606	159,584	—	159,584
Inter-segment sales or transfers	8,811	22	221	270	2,066	11,391	(11,391)	—
Total	81,526	66,098	9,221	10,455	3,673	170,975	(11,391)	159,584
Segment income (loss) (Note 4)	3,318	2,005	411	709	145	6,590	(25)	6,564
Segment assets (Note 3)	56,664	51,355	10,887	15,701	3,254	137,863	803	138,667
Depreciation and amortization	1,764	1,403	563	333	55	4,119	—	4,119
Increase in property, plant and equipment and intangible fixed assets	1,716	1,152	283	1,069	23	4,244	—	4,244

Notes:

- The “Other” category includes businesses such as distribution and services not included in reporting segments.
 - Adjustments to net sales include adjustments for internal transactions. Adjustments to segment income include elimination of inter-segment transactions.
 - Adjustments to segment assets consist of corporate assets not allocated to reporting segments.
 - Segment income (loss) is adjusted against operating income reported on the Consolidated Statement of Income.
 - MSSC Ahle GmbH is excluded from consolidated subsidiaries of Mitsubishi Steel since July 2024. In net sales, segment income and other items (increases in depreciation, property, plant and equipment and intangible assets) Figures include results up to the date of deconsolidation.
3. Matters related to amounts of net sales, profit (loss), assets, liabilities, and other accounts by reporting segment
Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Unit: millions of yen)

	Reporting segment					Other	Companywide/ eliminated	Total
	Special Steel Bars	Springs	Formed & Fabricated Products	Machinery	Total			
Impairment loss	—	1,315	—	—	1,315	—	—	1,315

Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

Not applicable

(Revenue Recognition)

1. Breakdown of revenue arising from contracts with customers

Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Unit: millions of yen)

	Reporting segment				Other (Note)	Total
	Special Steel Bars	Springs	Formed & Fabricated Products	Machinery		
Net sales						
Japan	67,424	24,486	4,299	8,716	1,505	106,432
North America	216	32,052	376	235	—	32,879
Asia	11,325	9,385	3,516	247	—	24,474
Europe	—	4,575	1,024	500	—	6,100
Other	3	40	12	—	—	56
Revenue arising from contracts with customers	78,969	70,540	9,228	9,700	1,505	169,943
Net sales to external customers	78,969	70,540	9,228	9,700	1,505	169,943

Note: The “Other” category includes businesses such as distribution and services not included in reporting segments.

Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Unit: millions of yen)

	Reporting segment				Other (Note)	Total
	Special Steel Bars	Springs	Formed & Fabricated Products	Machinery		
Net sales						
Japan	62,722	24,355	4,371	8,996	1,606	102,052
North America	109	27,204	542	—	—	27,856
Asia	9,883	12,021	3,180	248	—	25,333
Europe	—	2,467	899	940	—	4,307
Other	—	28	6	—	—	34
Revenue arising from contracts with customers	72,715	66,076	8,999	10,185	1,606	159,584
Net sales to external customers	72,715	66,076	8,999	10,185	1,606	159,584

Note: The “Other” category includes businesses such as distribution and services not included in reporting segments.

(Per Share Information)

(Unit: millions of yen)

	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Net assets per share	2,704.29 yen	2,820.29 yen
Profit (loss) per share	(63.50) yen	155.92 yen

Notes:

1. Diluted net income per share is not stated for the previous consolidated fiscal year because no shares were subject to dilution.
2. For calculations of net income per share, shares of Company stock held by the board incentive plan (BIP) trust, an executive incentive plan, are included in treasury stock, which is excluded from calculations of average number of shares during the period. The number of shares of treasury stock held by the BIP trust was 221,421 shares during the previous consolidated fiscal year and 316,365 shares during the consolidated fiscal year under review. The average number of shares during the period of such treasury stock excluded from calculations of net income per share was 161,796 shares during the previous consolidated fiscal year and 246,276 shares during the consolidated fiscal year under review.
3. The bases for calculation of net income per share are as follows:

	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Consolidated fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Net income (loss) attributable to owners of parent (millions of yen)	(969)	2,363
Value not attributed to common shares (millions of yen)	—	—
Net income (loss) attributable to owners of parent (millions of yen)	(969)	2,363
Average number of outstanding common shares during the period (shares)	15,272,796	15,157,419

4. The bases for calculation of net assets per share are as follows:

	March 31, 2024 (Consolidated)	March 31, 2025 (Consolidated)
Total net assets (millions of yen)	47,832	49,851
Breakdown of amounts deducted from total net assets		
Non-controlling interests (millions of yen)	6,684	7,207
Net assets at end of period applicable to common shares (millions of yen)	41,148	42,643
Number of common shares at end of period used in calculating net assets per share (shares)	15,215,962	15,120,394

(Material Subsequent Events)

Not applicable

4. Appendix (Consolidated)

(Unit: millions of yen)

1. Financial results

	Full year				Full year		
	Fiscal year ended March 31, 2024 (April 2023 – March 2024)	Fiscal year ended March 31, 2025 (April 2024 – March 2025)	Year-on-year change		Results for fiscal year ended March 2025	Forecast for fiscal year ending March 2026*	
				Changes (%)		Forecast for fiscal year ending March 2026	Changes (%)
Net sales	169,943	159,584	(10,359)	(6.1)	159,584	159,000	(0.4)
Operating income	4,808	6,564	1,755	36.5	6,564	7,400	12.7
Ordinary income (loss)	1,949	4,854	2,905	149.1	4,854	5,700	17.4
Net income (loss) attributable to owners of parent	(969)	2,363	3,333	—	2,363	3,000	26.9

* Announced on May 14, 2025

Net income (loss) per share	(63.50)	155.92	155.92	197.92
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2. Quarterly results

	Fiscal year ended March 2024				Fiscal year ended March 2025			
	Q1 (April - June)	Q2 (July - Sept.)	Q3 (Oct. - Dec.)	Q4 (Jan. - March)	Q1 (April - June)	Q2 (July - Sept.)	Q3 (Oct. - Dec.)	Q4 (Jan. - March)
Net sales	41,288	45,332	39,341	43,981	40,569	39,947	39,071	39,996
Operating income (loss)	806	2,065	(88)	2,024	1,344	1,818	1,828	1,572
Ordinary income (loss)	662	1,408	(1,233)	1,111	1,244	418	2,450	740
Net income (loss) attributable to owners of parent	33	888	(1,488)	(404)	147	(115)	975	1,355

3. Net sales by segment

	Fiscal year ended March 2024				Fiscal year ended March 2025			
	Q1 (April - June)	Q2 (July - Sept.)	Q3 (Oct. - Dec.)	Q4 (Jan. - March)	Q1 (April - June)	Q2 (July - Sept.)	Q3 (Oct. - Dec.)	Q4 (Jan. - March)
Special Steel Bars	23,106	24,199	21,337	20,206	20,479	20,649	20,504	19,893
Springs	16,165	18,807	16,277	19,320	18,124	15,453	16,636	15,884
Formed & Fabricated Products	2,228	2,249	2,204	2,735	2,413	2,199	2,240	2,367
Machinery	2,008	2,444	2,178	3,386	1,621	3,118	1,725	3,990
Other	848	882	841	838	967	872	918	915
Adjustments	(3,070)	(3,251)	(3,498)	(2,505)	(3,036)	(2,345)	(2,954)	(3,054)
Total	41,288	45,332	39,341	43,981	40,569	39,947	39,071	39,996

4. Summary of Consolidated Balance Sheet

Account	March 31, 2024	March 31, 2025	Changes	Account	March 31, 2024	March 31, 2025	Changes
Current assets	92,916	83,281	(9,635)	Liabilities	99,238	88,815	(10,422)
Cash and deposits	22,237	16,163	(6,074)	Notes and accounts payable-trade	22,218	15,382	(6,836)
Notes and accounts receivable-trade	33,950	34,462	512	Interest-bearing debt	55,740	51,012	(4,727)
Inventories	31,479	28,685	(2,794)	Other	21,279	22,420	1,140
Other	5,248	3,970	(1,278)	Net assets	47,832	49,851	2,018
Fixed assets	54,154	55,386	1,231	Shareholders' equity	43,630	44,332	701
Property, plant and equipment	38,348	38,174	(174)	Accumulated other comprehensive income	(2,482)	(1,688)	794
Intangible fixed assets	790	661	(129)	Non-controlling interests	6,684	7,207	523
Investments and other assets	15,015	16,550	1,535	Total liabilities and net assets	147,071	138,667	(8,403)
Total assets	147,071	138,667	(8,403)				