



Consolidated Financial Results for the Term Ended March 31, 2025 [JGAAP]

May 15, 2025

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 Listing: Tokyo Stock Exchange, Fukuoka Stock Exchange
 Securities code: 7414
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 Scheduled date for Annual Meeting of Shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled filing date for Annual Securities Report: June 30, 2025
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

(Amounts of less than ¥1 million are rounded)

1. Consolidated financial results for the term ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	271,942	(3.5)	6,810	(17.2)	6,902	(17.3)	4,885	(15.2)
Fiscal year ended March 31, 2024	281,933	7.3	8,219	(15.6)	8,342	(16.2)	5,761	(18.0)

Note: Comprehensive income Fiscal year ended March 31, 2025 ¥5,025 million [(23.7%)]
 Fiscal year ended March 31, 2024 ¥6,585 million [(6.1%)]

	Net income per share	Diluted net profit per share for the term	Net profit margin on equity capital	Ordinary profit ratio on total assets	Operating profit ratio on net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	192.43	—	5.1	3.4	2.5
Fiscal year ended March 31, 2024	229.93	223.61	6.3	4.2	2.9

Note: Diluted net profit per share for the term is not stated as there are no dilutive shares.

(2) 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, 2025	203,530	98,273	47.8	3,876.59
As of March 31, 2024	208,502	95,550	45.4	3,716.79

Reference: Equity

As of March 31, 2025 97,387 million yen
 As of March 31, 2024 94,732 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents as of the end of term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	5,239	(15,125)	7,632	4,186
Fiscal year ended March 31, 2024	15,942	(20,778)	8,662	6,440

2. Cash dividends

	Annual dividends per share					Total amount of dividends	Payout ratio (Consolidated)	Net assets payout ratio (Consolidated)
	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, 2024	-	36.00	-	33.00	69.00	1,742	30.0	1.9
Fiscal year ended March 31, 2025	-	34.00	-	35.00	69.00	1,745	35.9	1.8
Fiscal year ending March 31, 2026 (forecast)	-	34.00	-	35.00	69.00		43.3	

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated financial results forecasts for FY2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes for the full year and quarterly increase/decrease for each quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (accumulated)	135,400	(1.6)	2,900	(21.5)	2,900	(23.6)	1,900	(25.0)	75.63
Full-year	275,700	1.4	6,100	(10.4)	6,000	(13.1)	4,000	(18.1)	159.22

*Notes

(1) Material changes in the scope of consolidation during the period: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to reasons other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, see “(5) Notes to Consolidated Financial Statements (Notes on changes in accounting policies)” in “3. Consolidated Financial Statements and Significant Notes Thereto” on page 13 of the Attachment.

(3) 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, 2025	25,123,913
As of March 31, 2024	25,715,186

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

As of March 31, 2025	2,010
As of March 31, 2024	227,346

(iii) Average number of shares outstanding at the end of the period

Fiscal year ended March 31, 2025	25,389,197
Fiscal year ended March 31, 2024	25,054,969

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for term ended March 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	234,228	(5.6)	5,279	(19.2)	5,343	(19.5)	3,912	(17.8)
Fiscal year ended March 31, 2024	248,199	5.3	6,530	(14.2)	6,635	(15.6)	4,760	(17.7)

	Net income per share	Diluted net profit per share for the term
	Yen	Yen
Fiscal year ended March 31, 2025	154.11	—
Fiscal year ended March 31, 2024	189.98	184.75

Note: Diluted net profit per share for the term is not stated as there are no dilutive shares.

(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, 2025	185,342	86,564	46.7	3,445.77
As of March 31, 2024	189,874	84,966	44.7	3,333.59

Reference: Equity

As of March 31, 2025

86,564 million yen

As of March 31, 2024

84,966 million yen

2. Non-consolidated financial results forecast for term ending March 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes for the full year and quarterly increase/decrease for each quarter.)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (accumulated)	119,500	(0.7)	2,100	(28.1)	2,000	(33.4)	1,400	(32.1)	55.72
Full-year	243,200	3.8	4,300	(18.6)	4,200	(21.4)	2,900	(25.9)	115.43

*The financial results report is exempt from an audit conducted by certified public accountants or an audit corporation

*Proper use of earnings forecasts, and other special matters

Forward-looking statements such as earnings forecasts contained in this material are based on information available to the Company, as well as certain assumptions that the Company judges to be reasonable, and are not intended to be a promise that the Company will achieve them. Furthermore, actual results may differ significantly depending on various factors. For conditions underlying the financial results forecast and cautions concerning the use of the financial results forecast, please see “(4) Future outlook” in “1. Overview of Operating Results” on page 3 of the Attachment.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Period

Japan's economy during the current fiscal year under review experienced a trend of increasing concerns over a deteriorating business sentiment with the rise of inflation and the continued depreciation of the yen due to changes in overseas conditions, such as the invasion of Ukraine and China's unstable economy. Furthermore, despite some signs of economic activity picking up in the short term supported by the Government's economic measures to promote wage increases, the recovery of inbound demand, and others, the future outlook continues to be uncertain, primarily due to numerous unstable factors including the evolving situation surrounding U.S. tariff measures.

In the steel and construction materials distribution industry to which the Group belongs, while demand for the construction industry saw large-scale projects in urban areas such as commercial buildings and logistics/factory facilities, as well as disaster recovery work, overall domestic demand remained sluggish, though without extreme slumps, due to variances depending on the type and category of the region and other business. In addition, the market for steel products gradually weakened due to international market conditions and domestic supply and demand trends.

In the Group, the Iron and Steel Sales business faced sluggish demand, with the steel product market also showing weakness. Amid intensifying sales competition, we actively proceeded with facility development for the medium to long term, including the new relocation of the Saga and Yamaguchi Sales Offices and the opening of the Shizuoka Center in Shizuoka City. Concurrently, we aggressively expanded processing facilities to enhance added value at each existing location. In addition, we sought to reduce logistics costs and streamline inventory management by enhancing inter-base collaboration for the effective utilization of inventory and processing facilities. These efforts contributed to increased sales volumes and improved profitability.

We faced difficult times in the Sales of Construction Materials and Contract Construction business, with sales for the construction industry, our main customer, suffering from a significant increase in building costs and labor shortage, and resulting in delayed construction starts and cancellation of plans for small and medium-sized condominiums and commercial facilities, especially in regional cities. However, large-scale projects such as commercial facilities for redevelopment projects and distribution warehouses already under contracts, were steady, and we actively worked to expand the sales of civil engineering and construction materials, including those for disaster recovery.

As a result, net sales for the fiscal year under review amounted to 271,942 million yen (down 3.5% year-on-year). In terms of profit and loss, although profit has increased in the Contract Construction business, the margin rate decreased in the Iron and Steel Sales business, centered on stock merchandise sales. There was also an increase in selling, general and administrative expenses mainly due to an increase in freight costs, personnel expenses and depreciation. As a result, operating profit was 6,810 million yen (down 17.2% year-on-year), ordinary profit came to 6,902 million yen (down 17.3% year-on-year) and profit attributable to owners of parent was 4,885 million yen (down 15.2% year-on-year).

Results by segment are as follows:

(i) Kyushu and Chugoku region

While net sales have decreased year-on-year due to a slight drop in sales volume and weakening unit prices in the Iron and Steel Sales business, overall revenue increased. This growth was driven by the expansion of the Contract Construction business and contributions from our consolidated subsidiaries, Onoken Okinawa Co., Ltd. And Onoken Steel Co., Ltd. As for profit and loss, although profits increased in the Contract Construction business, they decreased in the Iron and Steel Sales business due to a decrease in sales quantity, a fall in margin rate. In addition, selling, general and administrative expenses increased, resulting in a decrease in profits. As a result, net sales to external customers amounted to 152,836 million yen (up 1.2% year-on-year), and segment profit was 4,126 million yen (down 2.9% year-on-year).

(ii) Kansai and Chukyo region

In terms of net sales, unit sales price in the Iron and Steel Sales business remained sluggish and coupled with a decrease in sales quantity, resulted in lower revenue. As for profit and loss, a drop in the sales quantity and fall in margin rate centered on shipment of inventory for the Iron and Steel Sales business, coupled with an increase in selling, general and administrative expenses, resulted in a decrease in profit. As a result, net sales to external customers were 66,238 million yen (down 9.4% year-on-year) with a segment profit of 1,036 million yen (down 34.2% year-on-year).

(iii) Kanto and Tohoku region

In terms of net sales, unit sales price in the Iron and Steel Sales business remained sluggish compared with the previous term, though sales quantity was maintained at the same level as the previous fiscal year, and this resulted in lower revenue. Profit decreased significantly due to a large increase in selling, general and administrative expenses, including costs related to the opening of the Shizuoka Center. As a result, net sales to external customers were 52,866 million yen (down 8.4% year-on-year) with a segment profit of 1,694 million yen (down 29.5% year-on-year).

(2) Overview of Financial Position for the Current Term

(Assets)

Assets decreased 4,972 million yen from the end of previous fiscal year to 203,530 million yen. The main factors were decreases of 7,979 million yen in notes receivable - trade, 7,365 million yen in electronically recorded monetary claims-operating, 3,359 million yen in accounts receivable - trade, and 3,483 million yen in construction in progress, in spite of increases of 1,852 million yen in contract assets, 3,079 million yen in other current assets, and 12,323 million yen in buildings and structures.

(Liabilities)

Liabilities fell 7,695 million yen from the end of previous fiscal year to 105,256 million yen. The main factors were decreases of 5,486 million yen in notes and accounts payable - trade, 8,468 million yen in electronically recorded obligations - operating, 1,056 million yen in income taxes payable, and 1,755 million yen in other current liabilities, despite increases of 4,380 million yen in short-term borrowings and 5,127 million yen in long-term borrowings.

(Net assets)

Net assets were up 2,723 million yen from the end of previous fiscal year to 98,273 million yen. The main factor was an increase of 2,358 million yen in retained earnings despite a decrease of 306 million yen in treasury shares.

(3) Overview of Cash Flows for the Current Term

Cash and cash equivalents (hereinafter “funds”) at the end of the current fiscal year decreased 2,253 million yen from the end of previous fiscal year to 4,186 million yen.

The status of each cash flow and their factors for the current fiscal year are as follows:

(Cash flows from operating activities)

Funds acquired as the result of operating activities in the current fiscal year were 5,239 million yen (15,942 million yen was acquired in the previous consolidated fiscal year). This was mainly due to profit before income taxes of 6,904 million yen and depreciation of 3,721 million yen, and a 16,914 million yen decrease in trade receivables, against a decrease of 13,954 million yen in trade payables, an increase of 1,751 million yen in consumption taxes refund receivable, a decrease of 1,092 million yen in accrued consumption taxes, a decrease of 1,054 million yen in other current liabilities, and a payment of income taxes of 2,917 million yen.

(Cash flows from investing activities)

As the result of our investing activities, funds used were 15,125 million yen (20,778 million yen was used in the previous consolidated fiscal year). This was mainly due to an expenditure of 14,656 million yen in purchase of property, plant and equipment.

(Cash flows from financing activities)

Funds acquired as the result of financing activities were 7,632 million yen (8,662 million yen was acquired in the previous consolidated fiscal year). This was mainly from a net increase of 4,380 million yen in short-term borrowing and proceeds of 6,400 million yen from long-term borrowings despite 1,706 million yen in payment of dividends.

(4) Future Outlook

As for the future outlook, overseas conditions are rapidly changing due to various measures, including tariff measures in the United States, causing significant negative impacts on Japan’s domestic economy, such as volatile stock and exchange markets. As a result, economic uncertainty is increasing.

In this context, the Group faces a challenging situation characterized by remaining uncertainty in demand not only from the construction industry (our main sales channel) but also from the manufacturing sector. This is compounded by increasing regional disparities and a continuous rise in management costs like personnel expenses, which is widening the profit gap among companies.

Regarding the Iron and Steel Sales business, the steel product market is projected to continue its weakening trend, influenced by developments among overseas manufacturers, and intensifying competition is foreseen due to stagnant demand. Consequently, finding ways to secure profits has become a big issue.

In addition, we believe redevelopment of commercial facilities in urban areas and construction of large-scale factories and distribution facilities will continue in the Sales of Construction Materials and Contract Construction business. However, there is no stopping the rise in construction costs, and there are delays in orders for new small to medium-sized projects mainly in regional cities. Although a substantial order backlog has been secured, the outlook is uncertain, as future changes in economic conditions could lead to anticipated delays in project commencement or revisions of plans.

Under such unstable circumstances, we at the Company group will persistently pursue the fundamental strategies of “expanding

sales areas” and “improving sales share,” and to achieve this, we will promote community-based management that can more precisely address customer needs. This includes strengthening our sales and inventory system to adapt flexibly to demand fluctuations based on our “Long-Term Vision 2035,” continuing capital investments for value creation to minimize susceptibility to steel market volatility, and striving to strengthen sales through M&A.

As a result, in the full-term forecast for the term ending March 31, 2026, we expect to record net sales of 275,700 million yen (up 1.4% year-on-year), with ordinary profit of 6,000 million yen (down 13/1% year-on-year), and 4,000 million yen in profit attributable to owners of parent (down 18.1% year-on-year).

Furthermore, the above-mentioned earnings forecasts are based on information available as of the release date of this briefing, and actual results may differ from the expected numbers due to various factors from now.

2. Basic Concept Concerning the Adoption of Accounting Standards

The Company group has adopted Japanese GAAP to ensure comparisons can be made with other companies in the same trade in Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	6,692	4,438
Notes receivable - trade	15,763	7,784
Electronically recorded monetary claims - operating	26,589	19,224
Accounts receivable - trade	41,455	38,096
Contract assets	1,304	3,156
Merchandise and finished goods	28,215	29,053
Raw materials and supplies	3,561	3,103
Other	4,828	7,908
Allowance for doubtful accounts	(137)	(117)
Total current assets	128,274	112,648
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,933	52,782
Accumulated depreciation	(17,477)	(19,003)
Buildings and structures (net amount)	21,455	33,778
Machinery, equipment and vehicles	16,849	19,422
Accumulated depreciation	(11,232)	(12,954)
Machinery, equipment and vehicles (net amount)	5,617	6,468
Land	34,167	35,274
Other	774	833
Accumulated depreciation	(582)	(642)
Other (net amount)	192	190
Construction in progress	12,764	9,280
Total property, plant and equipment	74,196	84,992
Intangible assets		
Goodwill	290	240
Other	377	406
Total intangible assets	667	647
Investments and other assets		
Investment securities	3,056	2,020
Long-term loans receivable	20	20
Long-term loans receivable from employees	25	28
Long-term loans receivable from subsidiaries and associates	1,095	1,095
Deferred tax assets	577	463
Other	705	1,668
Allowance for doubtful accounts	(117)	(55)
Total investments and other assets	5,363	5,241
Total non-current assets	80,227	90,881
Total assets	208,502	203,530

(Millions of yen)

	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,400	25,913
Electronically recorded obligations - operating	22,542	14,074
Short-term borrowings	28,850	33,230
Current portion of long-term borrowings	434	1,267
Current portion of bonds payable	370	-
Income taxes payable	1,637	580
Contract liabilities	686	451
Provision for bonuses	1,423	1,168
Other	6,091	4,336
Total current liabilities	93,437	81,023
Non-current liabilities		
Long-term borrowings	17,110	22,238
Provision for retirement benefits for directors (and other officers)	9	7
Retirement benefit liability	1,333	1,284
Asset retirement obligations	173	175
Other	886	526
Total non-current liabilities	19,514	24,233
Total liabilities	112,952	105,256
Net assets		
Shareholders' equity		
Share capital	6,842	6,947
Capital surplus	6,809	6,621
Retained earnings	80,557	82,915
Treasury shares	(309)	(2)
Total shareholders' equity	93,900	96,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	856	833
Deferred gains or losses on hedges	5	(14)
Remeasurements of defined benefit plans	(29)	86
Total accumulated other comprehensive income	832	905
Non-controlling interests	817	886
Total net assets	95,550	98,273
Total liabilities and net assets	208,502	203,530

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

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net sales	281,933	271,942
Cost of sales	255,193	244,901
Gross profit	26,740	27,041
Selling, general and administrative expenses	18,520	20,230
Operating profit	8,219	6,810
Non-operating income		
Interest income	5	11
Dividend income	45	53
Purchase discounts	15	20
Early settlement discount charge	29	24
Rental income from buildings	82	92
Gain on sale of investment securities	42	14
Subsidy income	82	38
Litigation settlement	-	33
Other	49	69
Total non-operating income	353	356
Non-operating expenses		
Interest expenses	46	234
Loss on retirement of non-current assets	1	5
Loss on tax-purpose reduction entry of non-current assets	72	-
Commission expenses	83	1
Other	27	22
Total non-operating expenses	230	264
Ordinary profit	8,342	6,902
Extraordinary income		
Gain on sale of non-current assets	26	2
Total extraordinary income	26	2
Profit before income taxes	8,369	6,904
Income taxes - current	2,768	1,848
Income taxes - deferred	(281)	98
Total income taxes	2,487	1,946
Profit	5,882	4,957
Profit attributable to non-controlling interests	121	71
Profit attributable to owners of parent	5,761	4,885

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Profit	5,882	4,957
Other comprehensive income		
Valuation difference on available-for-sale securities	599	(28)
Deferred gains or losses on hedges	8	(19)
Remeasurements of defined benefit plans, net of tax	95	115
Total other comprehensive income	703	67
Comprehensive income	6,585	5,025
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	6,457	4,958
Comprehensive income attributable to non-controlling interests	128	66

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current term	6,537	6,498	76,797	(341)	89,492
Changes during period					
Issuance of new shares	305	305			610
Dividends of surplus			(2,001)		(2,001)
Profit attributable to owners of parent			5,761		5,761
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		5		32	38
Net changes in items other than shareholders' equity (net amount)					
Total changes during period	305	310	3,759	32	4,408
Balance at the end of the current term	6,842	6,809	80,557	(309)	93,900

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current term	257	(2)	(125)	129	700	90,321
Changes during period						
Issuance of new shares						610
Dividends of surplus						(2,001)
Profit attributable to owners of parent						5,761
Purchase of treasury shares						(0)
Disposal of treasury shares						38
Net changes in items other than shareholders' equity (net amount)	599	8	95	703	116	820
Total changes during period	599	8	95	703	116	5,228
Balance at the end of the current term	856	5	(29)	832	817	95,550

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current term	6,842	6,809	80,557	(309)	93,900
Changes during period					
Issuance of new shares	105	105			210
Dividends of surplus			(1,707)		(1,707)
Profit attributable to owners of parent			4,885		4,885
Purchase of treasury shares				(999)	(999)
Disposal of treasury shares		(9)		207	198
Cancellation of treasury shares		(279)	(819)	1,099	-
Change in ownership interest of parent due to transactions with non-controlling interests		(4)			(4)
Net changes in items other than shareholders' equity (net amount)					
Total changes during period	105	(187)	2,358	306	2,581
Balance at the end of the current term	6,947	6,621	82,915	(2)	96,482

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current term	856	5	(29)	832	817	95,550
Changes during period						
Issuance of new shares						210
Dividends of surplus						(1,707)
Profit attributable to owners of parent						4,885
Purchase of treasury shares						(999)
Disposal of treasury shares						198
Cancellation of treasury shares						-
Change in ownership interest of parent due to transactions with non-controlling interests						(4)
Net changes in items other than shareholders' equity (net amount)	(23)	(19)	115	72	69	142
Total changes during period	(23)	(19)	115	72	69	2,723
Balance at the end of the current term	833	(14)	86	905	886	98,273

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	8,369	6,904
Depreciation	2,893	3,721
Amortization of goodwill	43	49
Amortization of intangible assets	75	81
Amortization of long-term prepaid expenses	7	7
Increase (decrease) in provision for bonuses	(46)	(255)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(1)
Increase (decrease) in provision for loss on construction contracts	(8)	-
Increase (decrease) in allowance for doubtful accounts	(605)	(82)
Increase (decrease) in retirement benefit liability	69	7
Interest and dividend income	(51)	(64)
Loss (gain) on redemption of bonds	(0)	-
Interest expenses	46	234
Subsidy income	(82)	(38)
Loss (gain) on sale of investment securities	(42)	(14)
Loss (gain) on valuation of investment securities	-	0
Loss (gain) on sale of property, plant and equipment	(26)	(2)
Loss on retirement of non-current assets	1	5
Loss on tax-purpose reduction entry of non-current assets	72	-
Decrease (increase) in trade receivables	(2,029)	16,914
Decrease (increase) in inventories	4,146	(380)
Decrease (increase) in other current assets	1,615	(943)
Increase (decrease) in trade payables	1,383	(13,954)
Decrease (increase) in consumption taxes refund receivable	-	(1,751)
Increase (decrease) in accrued consumption taxes	624	(1,092)
Increase (decrease) in other current liabilities	614	(1,054)
Decrease (increase) in other non-current assets	(15)	68
Increase (decrease) in other non-current liabilities	(6)	(388)
Other	361	323
Subtotal	17,411	8,293
Interest and dividends received	50	64
Interest paid	(46)	(238)
Subsidies received	82	38
Income taxes paid	(1,556)	(2,917)
Net cash provided by (used in) operating activities	15,942	5,239

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	110	-
Purchase of property, plant and equipment	(18,200)	(14,656)
Proceeds from sale of property, plant and equipment	32	1
Purchase of investment securities	(4)	(7)
Proceeds from sale of investment securities	73	18
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,497)	-
Purchase of shares of subsidiaries and associates	(142)	-
Purchase of intangible assets	(90)	(144)
Loan advances to subsidiaries and associates	(1,095)	(318)
Long-term loan advances to employees	(19)	(5)
Proceeds from collection of long-term loans receivable from employees	20	2
Decrease (increase) in investments and other assets	35	(13)
Net cash provided by (used in) investing activities	(20,778)	(15,125)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,700)	4,380
Repayments of long-term borrowings	(239)	(439)
Proceeds from long-term borrowings	17,614	6,400
Purchase of treasury shares	(0)	(999)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(2)
Dividends paid	(2,011)	(1,706)
Net cash provided by (used in) financing activities	8,662	7,632
Net increase (decrease) in cash and cash equivalents	3,826	(2,253)
Balance of cash and cash equivalents as of the beginning of fiscal year	2,613	6,440
Balance of cash and cash equivalents as of the end of fiscal year	6,440	4,186

(5) Notes to Consolidated Financial Statements

(Notes on assumptions of going concern)

Not applicable.

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Corporate Tax, Inhabitants Tax, Enterprise Tax, etc.,” etc.)

Starting from the beginning of the fiscal year ended March 31, 2025, we began to apply “Accounting Standard for Corporate Tax, Inhabitants Tax, Enterprise Tax, etc.” etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as “Revised Accounting Standard for 2022”).

With regard to the revision of the accounting classification for income taxes (taxation on other comprehensive income), we complied with the transitional treatment set forth in the proviso of Paragraph 20-3 of the Revised Accounting Standards of 2022 and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Application Guidelines 2022”). The above-mentioned accounting policy change had no impact on the consolidated financial statements.

With regard to the revision to treatment in the consolidated financial statements in the case of deferring, for tax purposes, gains and losses on sales of shares of subsidiaries between consolidated companies, we began to apply the 2022 revision application guidelines starting from the beginning of the fiscal year ended March 31, 2025. We applied this accounting policy change retroactively, so the consolidated financial statements for the fiscal year ended March 31, 2024 are ones after the retroactive application. The above-mentioned accounting policy change had no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

(Notes on segment information, etc.)

[Segment information]

1. Overview of reporting segments

The Company's reporting segments are subject to periodic review by the Board of Directors in order to determine the allocation of management resources. Being elements that form the Company, separate financial information can be obtained for each reporting segment.

The Company primarily sells steel and building products and undertakes some construction contracting work in various parts of Japan. Each regional base formulates a comprehensive strategy to carry out its business activities.

Therefore, the Company is formed by regional segments based on a sales structure with "Kyushu and Chugoku," "Kansai and Chukyo," and "Kanto and Tohoku" as the three reporting segments.

2. Method of calculating net sales, profit or loss, assets, liabilities, and other items for each reporting segment

The method of accounting for each reporting business segment is the same as indicated in "Important matters that form the basis of the preparation of consolidated financial statements."

Profits for each reporting segment are numbers based on operating profit (before amortization of goodwill).

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information concerning the amount of net sales, profit or loss, assets, liabilities, and other items for each reporting segment and breakdown of information on revenues

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Kyushu and Chugoku	Kansai and Chukyo	Kanto and Tohoku	Total
Net sales				
Iron and Steel/Construction Materials Sales business				
Steel plates, etc.	26,370	36,544	16,188	79,103
Steel bars, etc.	35,436	25,218	27,980	88,635
Round bars	30,033	1,776	5,253	37,064
Wire rods, etc.	1,179	1,310	36	2,526
Construction equipment	15,629	3,214	101	18,945
Contract Construction business	42,042	5,024	8,066	55,133
Other	111	-	-	111
Revenue from contracts with customers	150,803	73,089	57,627	281,519
Other revenues	292	22	98	413
Net sales to external customers	151,095	73,111	57,726	281,933
Internal net sales or transfers between segments	1,690	3,823	479	5,992
Total	152,785	76,935	58,205	287,926
Segment profit	4,252	1,573	2,404	8,230
Segment assets	94,185	55,395	52,599	202,180
Other items				
Depreciation	1,074	1,334	491	2,900
Increase in property, plant and equipment and intangible assets	7,504	948	10,053	18,506

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Kyushu and Chugoku	Kansai and Chukyo	Kanto and Tohoku	Total
Net sales				
Iron and Steel/Construction Materials Sales business				
Steel plates, etc.	28,275	33,347	16,600	78,223
Steel bars, etc.	31,267	23,140	26,413	80,820
Round bars	27,208	1,712	4,985	33,906
Wire rods, etc.	932	1,384	10	2,327
Construction equipment	17,650	2,497	189	20,337
Contract Construction business	47,100	4,134	4,562	55,796
Other	108	-	-	108
Revenue from contracts with customers	152,543	66,215	52,760	271,519
Other revenues	293	23	105	422
Net sales to external customers	152,836	66,238	52,866	271,942
Internal net sales or transfers between segments	930	2,088	70	3,090
Total	153,767	68,327	52,937	275,033
Segment profit	4,126	1,036	1,694	6,857
Segment assets	95,744	47,904	55,875	199,524
Other items				
Depreciation	1,455	1,315	970	3,741
Increase in property, plant and equipment and intangible assets	9,566	558	16,617	26,742

4. Difference between the total amount of reporting segments and amount recorded in consolidated financial statement and main contents of the said difference

(Millions of yen)

Profit	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total reporting segments	8,230	6,857
Elimination of intersegment business transactions	(7)	34
Amount of adjustment of inventories	56	(5)
Amount of amortization of goodwill	(43)	(49)
Amount of amortization of customer-related assets	(16)	(26)
Operating profit in consolidated financial statements	8,219	6,810

(Millions of yen)

Assets	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total reporting segments	202,180	199,524
Elimination of intersegment business transactions	(11,246)	(10,702)
Amount of adjustment of inventories	(57)	(63)
Corporate assets (Note)	17,626	14,771
Total assets in consolidated financial statements	208,502	203,530

Note: Corporate assets consist mainly of cash and deposits of the Company and assets, etc. related to administrative divisions.

(Millions of yen)

Other items	Total reporting segments		Other		Adjustments		Amount reported in consolidated financial statements	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Depreciation	2,900	3,741	-	-	68	61	2,968	3,802
Increase in property, plant and equipment and intangible assets	18,506	26,742	-	-	17	25	18,523	26,768

Note: Adjustments for depreciation; and adjustments for increase in property, plant and equipment and intangible assets are related to corporate assets.

[Related information]

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

1. Information on each item of finished goods and services

(Millions of yen)

	Iron and Steel/Construction Materials Sales	Contract Construction	Real Estate Rental, etc.	Total
Net sales to external customers	226,274	55,133	525	281,933

2. Information of each region

(1) Net sales

A description is omitted as net sales to external customers in Japan exceed 90% of those on the consolidated statement of income.

(2) Property, plant and equipment

A description is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information on each major customer

Not applicable.

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

1. Information on each item of finished goods and services

(Millions of yen)

	Iron and Steel/Construction Materials Sales	Contract Construction	Real Estate Rental, etc.	Total
Net sales to external customers	215,614	55,796	531	271,942

2. Information of each region

(1) Net sales

A description is omitted as net sales to external customers in Japan exceed 90% of those on the consolidated statement of income.

(2) Property, plant and equipment

A description is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information on each major customer

Not applicable.

[Information regarding impairment losses of non-current assets for each segment]

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

Not applicable.

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

Not applicable.

[Information regarding the amount of amortization and unamortized balance of goodwill for each reporting segment]

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Kyushu and Chugoku	Kansai and Chukyo	Kanto and Tohoku	Company-wide, elimination	Total
Amortized amount for current term	-	-	-	43	43
Balance at the end of the current term	-	-	-	290	290

Note: The amount of "Company-wide, elimination" indicates the amortized amount and unamortized balance of goodwill not distributed to each reporting segment.

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Kyushu and Chugoku	Kansai and Chukyo	Kanto and Tohoku	Company-wide, elimination	Total
Amortized amount for current term	-	-	-	49	49
Balance at the end of the current term	-	-	-	240	240

Note: The amount of "Company-wide, elimination" indicates the amortized amount and unamortized balance of goodwill not

distributed to each reporting segment.

[Information regarding gain on bargain purchase for each reporting segment]

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

Not applicable.

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	3,716.79 yen	3,876.59 yen
Net income per share	229.93 yen	192.43 yen
Diluted net profit per share for the term	223.61 yen	-

Note: The basis for calculating net income per share and diluted net income per share is as follows:

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net income per share		
Profit attributable to owners of parent (millions of yen)	5,761	4,885
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common stock (millions of yen)	5,761	4,885
Average number of shares during the term (thousand shares)	25,054	25,389
Diluted net profit per share for the term		
Adjustment of profit attributable to owners of parent (millions of yen)	(0)	-
(of which, interest expenses (after deduction of tax equivalent amount)) (millions of yen)	[(0)]	-
Increase in number of common stocks (thousand shares)	705	-
(of which, convertible-bond type bonds with share acquisition rights (thousand shares))	(705)	-
Summary of dilutive shares that were not included in the calculation of diluted profit per share, as they have no dilution effects.	-	

Note: Diluted profit per share for the fiscal year under review is not stated due to the absence of dilutive shares.

(Omission of disclosure)

Disclosure of notes for consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows has been omitted as the necessity of disclosure in the financial results report is not considered to be large.

Disclosure of notes for lease transactions, financial instruments, securities, derivatives, retirement benefits, tax effect accounting, asset retirement obligations, rental and other real estate, revenue recognition, and related party information has been omitted as the necessity of their disclosure is not considered to be large.

(Significant subsequent events)

(Purchase of treasury shares)

At a meeting of the Board of Directors held on May 15, 2025, the Company resolved to purchase its own shares, pursuant to Article 156 of the Companies Act of Japan, as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act.

1 Reason for purchase of treasury shares

The purchase of treasury shares is aimed at enhancing shareholder returns, further enhancing corporate value by improving capital efficiency, and implementing flexible capital policies.

2 Details of the matters related to purchase

(1) Class of shares to be purchased	Common stock of the Company
(2) Total number of shares to be purchased	Up to 400,000 (1.59% of the total number of issued shares (excluding treasury shares))
(3) Total value of shares to be purchased	Up to 500 million yen
(4) Period of purchase	May 19, 2025 – August 31, 2025
(5) Method of purchase	Market purchase on the Tokyo Stock Exchange

4. Other

Changes in officers

(i) Change in Representative Director

For information concerning the change in Representative Director, please refer to the “Notice Concerning Change in Representative Director” publicly announced on February 12, 2025.

(ii) Changes in other directors

- New director candidates (excluding those who are candidates for Audit and Supervisory Committee members)
Director: Sho Ono (currently Tokyo Branch Manager)
- Retiring director
Managing Director: Atsushi Takamure

(iii) Scheduled date of appointment and retirement

June 27, 2025