

May 8, 2025

Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

Company name: SATOSHOJI CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 8065
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 Scheduled date of annual general meeting of shareholders: June 19, 2025
 Scheduled date to commence dividend payments: June 20, 2025
 Scheduled date to file annual securities report: June 19, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year 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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	284,552	3.9	6,817	5.2	7,191	(1.4)	6,015	(7.1)
March 31, 2024	273,975	(0.4)	6,479	5.6	7,293	8.5	6,478	4.6

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥5,105 million [(52.3)%]
 For the fiscal year ended March 31, 2024: ¥10,705 million [62.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	285.90	281.19	9.0	4.2	2.4
March 31, 2024	306.89	299.91	10.7	4.3	2.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥55 million
 For the fiscal year ended March 31, 2024: ¥47 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	171,143	68,454	39.8	3,247.11
March 31, 2024	172,870	65,202	37.5	3,081.59

Reference: Equity
 As of March 31, 2025: ¥68,143 million
 As of March 31, 2024: ¥64,819 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,139	(3,001)	1,293	3,912
March 31, 2024	8,229	(2,727)	(5,788)	3,115

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (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	-	32.00	-	41.00	73.00	1,538	23.8	2.5
Fiscal year ended March 31, 2025	-	34.00	-	42.00	76.00	1,599	26.6	2.4
Fiscal year ending March 31, 2026 (Forecast)		38.00		38.00	76.00		28.6	

Note: Revisions from the most recently published dividend forecasts: possession
For the revision of the dividend forecast, please refer to the "Notice Regarding the Year-End Dividend Forecast" released today (May 8, 2025).

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

(Percentages indicate year-on-year changes.)									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	139,500	(0.2)	2,950	6.3	3,200	5.1	2,700	(4.5)	128.32
Fiscal year ending March 31, 2026	290,000	1.9	6,800	(0.3)	7,200	0.1	5,600	(6.9)	266.14

*Notes

- (1) Significant 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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (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	21,799,050 shares
As of March 31, 2024	21,799,050 shares
- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	813,079 shares
As of March 31, 2024	764,743 shares
- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	21,041,166 shares
Fiscal year ended March 31, 2024	21,108,938 shares

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	241,136	2.0	5,375	(6.3)	4,836	(10.1)
March 31, 2024	236,384	(2.8)	5,734	12.5	5,377	7.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	229.85	226.06
March 31, 2024	254.77	248.98

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	151,579	56,617	37.2	2,683.87
March 31, 2024	154,932	54,973	35.2	2,595.92

Reference: Equity

As of March 31, 2025: ¥56,323 million

As of March 31, 2024: ¥54,603 million

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 ~ March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	117,500	(1.8)	2,450	(2.0)	2,150	(18.3)	102.18
Fiscal year ending March 31, 2026	243,500	1.0	5,100	(5.1)	4,050	(16.3)	192.48

* 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

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and are found to be reasonable. It is based on a certain premise that we refuse, and it is not intended to be a promise by the Company to realize it. In addition, actual business performance, etc. may vary due to a variety of factors. Conditions on which earnings forecasts are premised and when using earnings forecasts

For precautions, please refer to the attached document page 3 "1. Please refer to "Summary of Business Results (4) Future Outlook".

(How to obtain supplementary explanatory materials for financial results)

Supplementary financial results materials will be posted on TDnet and the Company's website (<https://www.satoshoji.co.jp/ja/ir.html>) on May 14, 2025.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,175	3,912
Notes receivable - trade	6,298	3,110
Electronically recorded monetary claims - operating	31,395	27,133
Accounts receivable - trade	53,720	54,952
Merchandise and finished goods	28,956	29,453
Other	4,933	7,321
Allowance for doubtful accounts	(212)	(287)
Total current assets	128,267	125,596
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,436	17,485
Accumulated depreciation	(10,320)	(10,493)
Buildings and structures, net	6,115	6,991
Machinery, equipment and vehicles	8,180	8,307
Accumulated depreciation	(6,787)	(6,367)
Machinery, equipment and vehicles, net	1,393	1,939
Land	13,001	14,320
Construction in progress	838	996
Other	1,075	1,219
Accumulated depreciation	(762)	(880)
Other, net	312	339
Total property, plant and equipment	21,661	24,587
Intangible assets	186	208
Investments and other assets		
Investment securities	20,498	17,927
Deferred tax assets	90	96
Retirement benefit asset	1,079	1,165
Other	1,157	1,676
Allowance for doubtful accounts	(71)	(114)
Total investments and other assets	22,755	20,751
Total non-current assets	44,602	45,547
Total assets	172,870	171,143

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	55,178	49,605
Electronically recorded obligations - operating	13,127	9,137
Short-term borrowings	18,165	26,061
Income taxes payable	1,147	1,537
Contract liabilities	451	1,550
Provision for bonuses	1,489	1,903
Other	2,570	2,462
Total current liabilities	92,128	92,257
Non-current liabilities		
Long-term borrowings	10,657	6,141
Deferred tax liabilities	4,311	3,767
Retirement benefit liability	172	217
Provision for retirement benefits for directors (and other officers)	58	60
Other	338	244
Total non-current liabilities	15,538	10,431
Total liabilities	107,667	102,688
Net assets		
Shareholders' equity		
Share capital	1,321	1,321
Capital surplus	818	732
Retained earnings	51,919	56,376
Treasury shares	(872)	(1,006)
Total shareholders' equity	53,186	57,423
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,920	8,599
Deferred gains or losses on hedges	0	(6)
Foreign currency translation adjustment	1,711	2,126
Total accumulated other comprehensive income	11,632	10,720
Share acquisition rights	369	293
Non-controlling interests	14	17
Total net assets	65,202	68,454
Total liabilities and net assets	172,870	171,143

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	273,975	284,552
Cost of sales	253,125	261,780
Gross profit	20,849	22,771
Selling, general and administrative expenses	14,370	15,954
Operating profit	6,479	6,817
Non-operating income		
Interest income	13	30
Dividend income	838	641
Rental income	125	102
Purchase discounts	39	42
Share of profit of entities accounted for using equity method	47	55
Foreign exchange gains	58	-
Other	64	81
Total non-operating income	1,187	954
Non-operating expenses		
Interest expenses	281	402
Loss on sale of trade receivables	22	4
Rental expenses	25	62
Foreign exchange losses	-	20
Other	43	90
Total non-operating expenses	373	579
Ordinary profit	7,293	7,191
Extraordinary income		
Gain on sale of non-current assets	3	478
Gain on sale of investment securities	1,622	872
Other	5	6
Total extraordinary income	1,631	1,356
Extraordinary losses		
Loss on retirement of non-current assets	2	5
Loss on sale of investment securities	3	6
Loss on valuation of investment securities	19	3
Loss on valuation of shares of subsidiaries and associates	45	-
Impairment losses	-	61
Loss on sale of shares of subsidiaries	-	68
Other	1	-
Total extraordinary losses	72	145
Profit before income taxes	8,851	8,402
Income taxes - current	2,259	2,548
Income taxes - deferred	111	(163)
Total income taxes	2,371	2,384
Profit	6,480	6,018
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	6,478	6,015

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	6,480	6,018
Other comprehensive income		
Valuation difference on available-for-sale securities	3,607	(1,321)
Deferred gains or losses on hedges	7	(6)
Foreign currency translation adjustment	601	404
Share of other comprehensive income of entities accounted for using equity method	9	11
Total other comprehensive income	4,224	(912)
Comprehensive income	10,705	5,105
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,702	5,102
Comprehensive income attributable to non-controlling interests	3	3

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,321	838	46,915	(760)	48,315
Dividends of surplus			(1,477)		(1,477)
Profit attributable to owners of parent			6,478		6,478
Purchase of treasury shares				(176)	(176)
Disposal of treasury shares		(19)		64	45
Change in scope of consolidation					-
Other			2		2
Net changes in items other than shareholders' equity					-
Total changes during period	-	(19)	5,003	(112)	4,871
Balance at end of period	1,321	818	51,919	(872)	53,186

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	6,312	(6)	1,101	7,408	367	11	56,102
Dividends of surplus							(1,477)
Profit attributable to owners of parent							6,478
Purchase of treasury shares							(176)
Disposal of treasury shares							45
Change in scope of consolidation							-
Other							2
Net changes in items other than shareholders' equity	3,607	7	609	4,224	1	2	4,228
Total changes during period	3,607	7	609	4,224	1	2	9,100
Balance at end of period	9,920	0	1,711	11,632	369	14	65,202

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,321	818	51,919	(872)	53,186
Dividends of surplus			(1,580)		(1,580)
Profit attributable to owners of parent			6,015		6,015
Purchase of treasury shares				(323)	(323)
Disposal of treasury shares		(70)		189	118
Change in scope of consolidation		(16)	20		4
Other			2		2
Net changes in items other than shareholders' equity					-
Total changes during period	-	(86)	4,457	(133)	4,236
Balance at end of period	1,321	732	56,376	(1,006)	57,423

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	9,920	0	1,711	11,632	369	14	65,202
Dividends of surplus							(1,580)
Profit attributable to owners of parent							6,015
Purchase of treasury shares							(323)
Disposal of treasury shares							118
Change in scope of consolidation	1			1			5
Other							2
Net changes in items other than shareholders' equity	(1,321)	(6)	415	(913)	(75)	3	(985)
Total changes during period	(1,320)	(6)	415	(912)	(75)	3	3,251
Balance at end of period	8,599	(6)	2,126	10,720	293	17	68,454

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	8,851	8,402
Depreciation	1,051	1,151
Increase (decrease) in allowance for doubtful accounts	(377)	20
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(13)	1
Decrease (increase) in retirement benefit asset	(281)	(85)
Increase (decrease) in retirement benefit liability	16	15
Interest and dividend income	(851)	(671)
Interest expenses	281	402
Share of loss (profit) of entities accounted for using equity method	(47)	(55)
Loss (gain) on sale of investment securities	(1,619)	(865)
Loss (gain) on sale and retirement of property, plant and equipment	(0)	(473)
Loss (gain) on sale of shares of subsidiaries and associates	-	68
Decrease (increase) in trade receivables	(1,513)	7,692
Decrease (increase) in inventories	1,756	429
Increase (decrease) in trade payables	2,523	(10,802)
Other, net	429	(1,168)
Subtotal	10,206	4,064
Interest and dividends received	853	672
Interest paid	(286)	(406)
Income taxes paid	(2,544)	(2,191)
Net cash provided by (used in) operating activities	8,229	2,139

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,864)	(4,303)
Proceeds from sale of property, plant and equipment	20	582
Purchase of intangible assets	(107)	(37)
Purchase of investment securities	(26)	(286)
Proceeds from sale of investment securities	1,877	1,266
Purchase of shares of subsidiaries and associates	-	(444)
Proceeds from sale of shares of subsidiaries and associates	160	-
Purchase of shares of subsidiaries	-	(34)
Proceeds from sale of shares of subsidiaries	-	42
Loan advances	(12)	(228)
Proceeds from collection of loans receivable	91	372
Other, net	135	71
Net cash provided by (used in) investing activities	(2,727)	(3,001)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,601)	7,645
Proceeds from long-term borrowings	3,000	-
Repayments of long-term borrowings	(4,560)	(4,645)
Purchase of treasury shares	(176)	(323)
Dividends paid	(1,475)	(1,583)
Other, net	25	200
Net cash provided by (used in) financing activities	(5,788)	1,293
Effect of exchange rate change on cash and cash equivalents	117	49
Net increase (decrease) in cash and cash equivalents	(170)	480
Cash and cash equivalents at beginning of period	3,286	3,115
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	315
Cash and cash equivalents at end of period	3,115	3,912

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group organizes its organization based on the products it handles, and grasps the plans and results of each organization.

Accordingly, the Group has identified six reporting segments for each product it handles: the Steel Business, the Nonferrous Metals Business, the Electronics Business, the Life Sales Business, the Machinery and Tools Business, and the Business Development Business.

The Steel segment sells ordinary steel, specialty steel, and construction materials and equipment.

The Non-Ferrous Metals segment sells aluminum, zinc, metal-silicon, copper alloys and other non-ferrous products.

The Electronics segment sells laminate materials for printed wiring boards and auxiliary materials related to manufacturing.

The "Life Sales Business" includes metal tableware and cutlery, precious metals and accessories, business supplies such as tableware and kitchen utensils, novelty goods for corporate sales promotions, personal karaoke, etc., as well as the Scandinavian Danish tableware brand "DANSK" and Japan's leading industrial designer and cultural meritorious "Sori Yanagi" We sell products designed by him.

The Machinery & Tools segment sells machine tools and various equipment and equipment, imported machinery, cutting tools, grinding wheels, etc., as well as proposes comprehensive factory automation.

In the Business Development Business, we work with manufacturers with unique technologies to develop and propose environmentally friendly products that take into account the latest technologies demanded by the times and the preservation of the global environment.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Iron and Steel	Non-ferrous Metals	Electronic	Life Sales	Machinery and Tools	Business Development	Total	Adjustment amount (Note 1)	Amount recorded in consolidated financial statements (Note 2) (Note 3)
Sales									
Revenues from external customers	181,785	39,281	35,841	8,141	4,396	4,530	273,975	-	273,975
Transactions with other segments	-	-	-	-	-	-	-	-	-
Total	181,785	39,281	35,841	8,141	4,396	4,530	273,975	-	273,975
Segment profit (loss)	3,947	588	1,633	241	(63)	131	6,479	-	6,479
Segment Assets	107,268	16,930	17,333	5,055	1,633	1,847	150,069	22,801	172,870
Other items									
Depreciation and amortization (Note 4)	812	104	84	18	5	7	1,033	18	1,051
Increase in property, plant and equipment and intangible assets (Note 5)	4,574	5	260	4	1	0	4,846	126	4,972

Note: 1. The amount of adjustment is as follows.

(1) Adjusted segment assets of ¥22,801 million are assets not attributable to the reporting segment.

(2) The 18 million yen adjustment for depreciation and amortization is for assets not attributable to the reporting segment.

(3) The adjustment of 126 million yen for the increase in property, plant and equipment and intangible assets relates to assets not attributable to the reporting segment.

Are.

2. Segment profit or loss (loss) is consistent with operating income in the consolidated statements of income.

3. Segment assets are in line with total assets on the consolidated balance sheet.

4. Depreciation includes amortization of long-term prepaid expenses.

5. The increase in property, plant and equipment and intangible assets includes an increase in long-term upfront expenses.

	Iron and Steel	Non-ferrous Metals	Electronic	Life Sales	Machinery and Tools	Business Development	Total	Adjustment amount (Note 1)	Amount recorded in consolidated financial statements (Note 2) (Note 3)
Sales									
Revenues from external customers	177,897	41,954	43,633	9,744	6,889	4,433	284,552	-	284,552
Transactions with other segments	-	-	-	-	-	-	-	-	-
Total	177,897	41,954	43,633	9,744	6,889	4,433	284,552	-	284,552
Segment Profit	3,365	404	2,235	430	227	154	6,817	-	6,817
Segment Assets	103,099	16,480	22,702	3,902	2,702	1,732	150,619	20,524	171,143
Other items									
Depreciation and amortization (Note 4)	888	101	95	18	5	6	1,116	34	1,151
Increase in property, plant and equipment and intangible assets (Note 5)	3,985	3	310	9	1	0	4,310	30	4,341

Note: 1. The amount of adjustment is as follows.

(1) Adjusted segment assets of ¥20,524 million are assets not attributable to the reporting segment.

(2) The adjustment for depreciation and amortization of ¥34 million relates to assets not attributable to the reporting segment.

(3) The adjustment amount of 30 million yen for the increase in property, plant and equipment and intangible assets relates to assets not attributable to the reporting segment.

Are.

2. Segment profit is consistent with operating income in the consolidated statements of income.

3. Segment assets are in line with total assets on the consolidated balance sheet.

4. Depreciation includes amortization of long-term prepaid expenses.

5. The increase in property, plant and equipment and intangible assets includes an increase in long-term upfront expenses.

6. Information on impairment losses or goodwill on fixed assets in the reporting segment

(Significant impairment loss on fixed assets)

In the Steel Business segment, impairment loss on fixed assets was 27 million yen.

In the adjustment item, an impairment loss of 34 million yen was recorded on fixed assets not attributable to the reporting segment.