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May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: YOTAI REFRACTORIES CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 5357

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

Representative: Mitsuo Taguchi

President

Inquiries: Shinichiro Takebayashi

Senior Managing Director, General Manager of General Affairs
Department of Head Office

Telephone: +81-72-430-2100

Scheduled date of annual general meeting of shareholders: June 25, 2026

Scheduled date to commence dividend payments: June 26, 2026

Scheduled date to file annual securities report: June 24, 2026

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	29,585	1.0	3,595	3.2	3,770	3.6	2,469	(5.8)
March 31, 2025	29,305	0.6	3,484	(3.3)	3,640	(1.7)	2,623	(32.4)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 2,975 million [6.4%]
For the fiscal year ended March 31, 2025: ¥ 2,796 million [(28.4)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	134.35	-	7.3	9.0	12.2
March 31, 2025	141.66	-	8.0	8.7	11.9

(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, 2026	42,234	34,425	81.5	1,868.30
March 31, 2025	41,379	32,948	79.6	1,796.97

Reference: Equity

As of March 31, 2026: ¥ 34,425 million

As of March 31, 2025: ¥ 32,948 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, 2026	2,500	(1,491)	(1,689)	5,748
March 31, 2025	4,431	(2,245)	(2,263)	6,412

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, 2025	-	45.00	-	45.00	90.00	1,674	63.5	5.1
Fiscal year ended March 31, 2026	-	45.00	-	45.00	90.00	1,659	67.0	4.9
Fiscal year ending March 31, 2027 (Forecast)	-	45.00	-	45.00	90.00		63.8	

Note: Breakdown of the year-end dividend for the fiscal year ended March 31, 2026 :

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit 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, 2026	14,500	3.9	1,750	31.8	1,800	28.2	1,250	63.5	67.78
Full year	30,000	1.4	3,800	5.7	3,900	3.4	2,600	5.3	140.99

* Notes

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

Newly included: - companies()

Excluded: - companies()

(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, 2026	19,594,000 shares
As of March 31, 2025	19,594,000 shares

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

As of March 31, 2026	1,167,885 shares
As of March 31, 2025	1,258,325 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	18,383,454 shares
Fiscal Year ended March 31, 2025	18,518,225 shares

Note: The number of shares of the Company held by the YOTAI Employee Shareholding Association Exclusive Trust Account (15,400 shares as of March 31, 2026, 93,900 shares as of March 31, 2025) under the "Trust-type Employee Shareholding Incentive Plan (E-Ship)" is included in the number of treasury shares, which was to be deducted from the calculation of the total number of issued shares at the end of the period. For the purpose of calculating annual earnings per share, the Company's shares held by the trust are also included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period (53,544 shares as of March 31, 2026, 131,882 shares as of March 31, 2025).

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	29,585	1.0	3,485	4.0	3,787	8.0	2,526	0.1
March 31, 2025	29,305	1.3	3,351	(2.9)	3,506	(6.2)	2,522	(30.6)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	137.41	-
March 31, 2025	136.21	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	41,866	34,274	81.9	1,860.10
March 31, 2025	41,141	32,705	79.5	1,783.72

Reference: Equity

As of March 31, 2026: ¥ 34,274 million

As of March 31, 2025: ¥ 32,705 million

* 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

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

1) Operating Results for the Fiscal Year Under Review

During the fiscal year under review (April 1, 2025 to March 31, 2026), the Japanese economy sustained a moderate pace of recovery as the job market and income environment were on the way to improvement and capital investment remained solid. Toward the end of the fiscal year, however, the United States and Israeli attacks on Iran heightened uncertainty over the outlook for the Japanese economy.

The global outlook also became more uncertain due to the impact of the US trade policies, tensions between Japan and China, and the increasingly tense situations in the Middle East.

In this climate, the Yotai Group made ceaseless efforts to maintain high profitability. Specifically, it worked to develop new products tailored to customer needs, increase technical service personnel, pursue active sales, strengthen the stable and low-cost supply system through the streamlining of facilities, promote health and productivity management in keeping with its safety-first motto, and reduce greenhouse gas emissions.

As a result, for the fiscal year under review, consolidated net sales increased by ¥279 million year on year to ¥29,585 million, marking another record high.

Operating profit rose by ¥111 million to ¥3,595 million, and ordinary profit expanded by ¥130 million to ¥3,770 million, on a year-on-year basis.

Profit attributable to owners of parent decreased by ¥153 million year on year to ¥2,469 million.

As for the year-end dividend for the fiscal year under review, after taking into account comprehensive factors such as the Company's financial position and operating results, the Company has decided to pay a dividend of ¥45 per share.

As a result, together with the interim dividend of ¥45 per share paid in December 2025, the annual dividend will be ¥90 per share.

Financial results by reportable segment were as described below.

(Refractories)

For the fiscal year under review, the refractories business recorded year-on-year increases in net sales by 0.0% to ¥24,177 million and in segment profit by 0.7% to ¥4,757 million owing mainly to increased orders from the glass industry.

(Engineering)

For the fiscal year under review, the engineering business recorded year-on-year increases in net sales by 5.2% to ¥5,407 million and in segment profit by 11.2% to ¥796 million thanks primarily to increased orders from the nonferrous industry.

(2) Overview of Financial Position for the Fiscal Year Under Review

1) Status of Assets, Liabilities, and Net Assets

Total assets amounted to ¥42,234 million, an increase of ¥854 million compared to the end of the previous fiscal year. This was attributable principally to increases in notes and accounts receivable - trade and investment securities, which offset a decrease in cash and deposits and other factors. Total liabilities at the end of the fiscal year under review stood at ¥7,808 million, a decline of ¥621 million compared to the end of the previous fiscal year. This was owing chiefly to decreases in electronically recorded obligations - operating and accounts payable - trade.

Net assets came to ¥34,425 million, an increase of ¥1,476 million compared to the end of the previous fiscal year. This was attributable mainly to increases in retained earnings and valuation difference on available-for-sale securities.

As a result, the equity-to-asset ratio stood at 81.5%, an increase of 1.9 percentage points compared to 79.6% at the end of the previous fiscal year. Based on that, the Group considers its financial position to be generally sound.

(3) Overview of Cash Flows for the Fiscal Year Under Review

The Group's cash and cash equivalents at the end of the fiscal year under review amounted to ¥5,748 million, a decrease of ¥663 million compared to the end of the previous fiscal year. The status of respective cash flows was as stated below.

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year under review amounted to ¥2,500 million (a decline of ¥1,931 million year on year). This was primarily on account of ¥3,439 million in profit before income taxes and ¥1,422 million in depreciation, which cancelled out outlay factors such as ¥931 million for income taxes paid and a ¥900 million increase in trade receivables.

The year-on-year decline in net cash provided by operating activities was chiefly caused by the difference between the decrease and increase in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year under review amounted to ¥1,491 million (a decline of ¥754 million year on year). This was owing mainly to ¥1,420 million for purchase of property, plant and equipment.

The year-on-year decline in net cash used in investing activities was chiefly caused by a decrease in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities for the fiscal year under review amounted to ¥1,689 million (a decline of ¥574 million year on year). This was attributable principally to ¥1,654 million for dividends paid.

The year-on-year decline in net cash used in financing activities was chiefly caused by a decrease in purchase of treasury shares.

(Reference) Cash Flow Indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio (%)	77.7	78.4	76.5	79.6	81.5
Equity-to-asset ratio based on market value (%)	67.0	75.2	64.3	75.3	79.1
Interest coverage ratio (times)	761.1	6,224.6	9,223.4	15,916.3	5,786.3

Equity-to-asset ratio: Equity/Total assets

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

Interest coverage ratio: Operating cash flows/Interest payments

- (Notes)
- All indicators are calculated based on consolidated financial figures.
 - Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (after deduction of treasury shares).
 - Operating cash flows and interest payments represent "Net cash provided by (used in) operating activities" and "Interest paid" reported in the Consolidated Statements of Cash Flows.

(4) Future Outlook

Domestically, the economy is in a moderate recovery trend but its outlook is expected to remain uncertain, affected by such factors as soaring raw materials prices and energy costs, fluctuating exchange rates, and worsening worker shortages. Globally, the impact of the US trade policies, geopolitical risks, and destabilizing Japan-China relations on the Japanese economy is a cause of concern and requires continued close monitoring.

To address this situation, the Group will expand sales of new high-value-added products, improve the quality of products and services, develop new sources of revenue through overseas expansion and the strengthening of its R&D system, promote rationalization and efficiency through continuous reinforcement of its production system, and advance the stable and sustainable stockpiling of raw materials, thereby enhancing its corporate value.

For the consolidated financial result forecasts for the fiscal year ending March 31, 2027, the Group projects net sales of ¥30,000 million, operating profit of ¥3,800 million, ordinary profit of ¥3,900 million, and profit attributable to owners of parent of ¥2,600 million. It should be noted that the above forecasts and other forward-looking statements are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and actual results may differ significantly due to various factors.

(5) Significant Events Relating to Going Concern Assumption

Not applicable.

2. Basic Policy on Selection of Accounting Standards

The majority of the Group's stakeholders, including shareholders, creditors, and business partners, are based in Japan, and the Group has limited need for fundraising overseas. Accordingly, it prepares its financial statements in accordance with Japanese Generally Accepted Accounting Principles (JGAAP).

As for the adoption of the International Financial Reporting Standards (IFRS), the Group intends to respond appropriately in consideration of relevant circumstances both in Japan and overseas and the trends of its peers.

3.Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	6,412,094	5,748,945
Notes and accounts receivable - trade	9,298,203	10,135,940
Contract assets	75,904	88,679
Electronically recorded monetary claims - operating	2,014,581	2,083,873
Finished goods	5,203,930	5,225,354
Work in process	309,547	294,944
Raw materials and supplies	6,100,163	5,996,401
Other	171,554	138,799
Allowance for doubtful accounts	(1,800)	(1,800)
Total current assets	29,584,180	29,711,140
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,612,426	3,588,923
Machinery, equipment and vehicles, net	2,279,838	2,297,810
Land	1,422,875	1,422,875
Construction in progress	371,562	442,249
Other, net	566,859	528,585
Total property, plant and equipment	8,253,562	8,280,444
Intangible assets	321,724	297,191
Investments and other assets		
Investment securities	3,085,052	3,830,718
Other	135,503	115,406
Allowance for doubtful accounts	(850)	(850)
Total investments and other assets	3,219,705	3,945,274
Total non-current assets	11,794,992	12,522,911
Total assets	41,379,172	42,234,051

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,981,577	1,681,953
Electronically recorded obligations - operating	2,397,671	1,846,129
Current portion of long-term borrowings	-	28,370
Accounts payable - other	175,501	127,083
Accrued expenses	1,472,539	1,518,984
Income taxes payable	410,444	488,391
Provision for bonuses for directors (and other officers)	40,940	40,570
Other	229,017	273,250
Total current liabilities	6,707,692	6,004,734
Non-current liabilities		
Long-term borrowings	170,090	-
Deferred tax liabilities	106,983	296,357
Retirement benefit liability	1,280,599	1,379,856
Other	165,086	127,636
Total non-current liabilities	1,722,759	1,803,849
Total liabilities	8,430,452	7,808,583
Net assets		
Shareholders' equity		
Share capital	2,654,519	2,654,519
Capital surplus	1,710,876	1,717,003
Retained earnings	28,556,746	29,367,387
Treasury shares	(1,569,311)	(1,415,377)
Total shareholders' equity	31,352,830	32,323,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,474,856	1,980,371
Deferred gains or losses on hedges	(8,199)	28,057
Foreign currency translation adjustment	33,713	35,487
Remeasurements of defined benefit plans	95,519	58,019
Total accumulated other comprehensive income	1,595,889	2,101,935
Total net assets	32,948,720	34,425,468
Total liabilities and net assets	41,379,172	42,234,051

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	29,305,404	29,585,030
Cost of sales	23,074,775	23,211,880
Gross profit	6,230,629	6,373,149
Selling, general and administrative expenses	2,746,182	2,777,330
Operating profit	3,484,446	3,595,818
Non-operating income		
Interest income	9,535	10,567
Dividend income	100,887	120,660
Rental income from real estate	17,825	17,138
Foreign exchange gains	2,153	1,418
Gain on sale of investment securities	-	21,154
Subsidy income	23,462	5,736
Gain on sale of scraps	14,362	11,381
Other	14,205	18,843
Total non-operating income	182,432	206,901
Non-operating expenses		
Interest expenses	278	432
Commission for purchase of treasury shares	699	-
Loss on retirement of non-current assets	22,867	29,674
Other	2,638	1,897
Total non-operating expenses	26,483	32,003
Ordinary profit	3,640,395	3,770,717
Extraordinary income		
Gain on sale of investment securities	77,883	-
Total extraordinary income	77,883	-
Extraordinary losses		
Impairment losses	-	26,681
Tender offer related expenses	20,000	305,000
Total extraordinary losses	20,000	331,681
Profit before income taxes	3,698,279	3,439,035
Income taxes - current	1,096,301	1,011,541
Income taxes - deferred	(21,239)	(42,345)
Total income taxes	1,075,061	969,195
Profit	2,623,217	2,469,840
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,623,217	2,469,840

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	2,623,217	2,469,840
Other comprehensive income		
Valuation difference on available-for-sale securities	1,446	505,514
Deferred gains or losses on hedges	(25,628)	36,257
Foreign currency translation adjustment	33,266	1,774
Remeasurements of defined benefit plans, net of tax	163,955	(37,500)
Total other comprehensive income	173,040	506,045
Comprehensive income	2,796,258	2,975,885
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,796,258	2,975,885
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,654,519	1,710,876	28,888,103	(2,145,303)	31,108,195
Changes during period					
Dividends of surplus			(1,962,401)		(1,962,401)
Transfer from retained earnings to capital surplus		992,173	(992,173)		-
Profit attributable to owners of parent			2,623,217		2,623,217
Purchase of treasury shares				(849,868)	(849,868)
Disposal of treasury shares		128,009		305,677	433,687
Cancellation of treasury shares		(1,120,183)		1,120,183	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(331,357)	575,992	244,635
Balance at end of period	2,654,519	1,710,876	28,556,746	(1,569,311)	31,352,830

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,473,410	17,428	446	(68,435)	1,422,849	32,531,045
Changes during period						
Dividends of surplus						(1,962,401)
Transfer from retained earnings to capital surplus						-
Profit attributable to owners of parent						2,623,217
Purchase of treasury shares						(849,868)
Disposal of treasury shares						433,687
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	1,446	(25,628)	33,266	163,955	173,040	173,040
Total changes during period	1,446	(25,628)	33,266	163,955	173,040	417,675
Balance at end of period	1,474,856	(8,199)	33,713	95,519	1,595,889	32,948,720

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,654,519	1,710,876	28,556,746	(1,569,311)	31,352,830
Changes during period					
Dividends of surplus			(1,659,199)		(1,659,199)
Transfer from retained earnings to capital surplus					-
Profit attributable to owners of parent			2,469,840		2,469,840
Purchase of treasury shares				(126)	(126)
Disposal of treasury shares		6,127		154,060	160,187
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	6,127	810,641	153,933	970,702
Balance at end of period	2,654,519	1,717,003	29,367,387	(1,415,377)	32,323,532

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,474,856	(8,199)	33,713	95,519	1,595,889	32,948,720
Changes during period						
Dividends of surplus						(1,659,199)
Transfer from retained earnings to capital surplus						-
Profit attributable to owners of parent						2,469,840
Purchase of treasury shares						(126)
Disposal of treasury shares						160,187
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	505,514	36,257	1,774	(37,500)	506,045	506,045
Total changes during period	505,514	36,257	1,774	(37,500)	506,045	1,476,747
Balance at end of period	1,980,371	28,057	35,487	58,019	2,101,935	34,425,468

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	3,698,279	3,439,035
Depreciation	1,384,470	1,422,117
Impairment losses	-	26,681
Increase (decrease) in allowance for doubtful accounts	(2,941)	-
Increase (decrease) in retirement benefit liability	12,416	99,256
Interest and dividend income	(110,423)	(131,228)
Interest expenses	278	432
Tender offer-related expenses	20,000	305,000
Loss (gain) on sale of investment securities	(77,883)	(21,154)
Decrease (increase) in trade receivables	1,628,276	(900,035)
Decrease (increase) in inventories	11,364	96,941
Increase (decrease) in trade payables	(246,320)	(784,420)
Increase (decrease) in provision for bonuses for directors (and other officers)	3,690	(370)
Other, net	(394,756)	53,860
Subtotal	5,926,449	3,606,115
Interest and dividends received	110,423	131,228
Interest paid	(278)	(432)
Income taxes paid	(1,585,149)	(931,743)
Tender Offer-Related Expenses paid	(20,000)	(305,000)
Net cash provided by (used in) operating activities	4,431,444	2,500,168
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,292,486)	(1,420,645)
Payments for retirement of property, plant and equipment	(17,390)	(17,700)
Purchase of intangible assets	(53,583)	(66,180)
Purchase of investment securities	(17,598)	(18,551)
Proceeds from sale of investment securities	135,129	31,831
Net cash provided by (used in) investing activities	(2,245,929)	(1,491,245)
Cash flows from financing activities		
Proceeds from long-term borrowings	290,000	-
Repayments of long-term borrowings	(119,910)	(141,720)
Purchase of treasury shares	(849,868)	(124)
Proceeds from disposal of treasury shares	406,550	136,977
Dividends paid	(1,958,030)	(1,654,660)
Other, net	(32,383)	(29,838)
Net cash provided by (used in) financing activities	(2,263,641)	(1,689,365)
Effect of exchange rate change on cash and cash equivalents	30,199	17,293
Net increase (decrease) in cash and cash equivalents	(47,927)	(663,148)
Cash and cash equivalents at beginning of period	6,460,021	6,412,094
Cash and cash equivalents at end of period	6,412,094	5,748,945

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

(Transactions to deliver Company shares to employees, etc. through a trust)

In accordance with the resolution of the Board of Directors' meeting held on May 16, 2024, the Company introduced a Trust-type Employee Shareholding Incentive Plan, or E-Ship, (the "Plan") as part of human capital management with three goals: incentivizing employees to increase the Company's value over the medium to long term; enhancing the employee benefit package; and helping the Company grow consistently by motivating employees to work even harder through equity participation as shareholders.

(i) Transaction overview

The Plan is designed to incentivize all the employees participating in the Yotai Employee Shareholding Association (the "Association") through the following transactions: First, the Company opened a trust account ("E-Ship Trust") dedicated to the Association at a trust bank. Then, the E-Ship Trust acquired in advance Company shares in the number expected to be obtained over the ensuing three years by the Association, through a private placement from the Company and using funds borrowed from a partner financial institution. Thereafter, the E-Ship Trust sells the Company shares to the Association on a recurring basis. When the E-Ship Trust is terminated, an amount corresponding to gains on sale of shares accumulated in the trust up to that time, if any, will be distributed as residual assets to persons meeting the beneficiary eligibility requirements. Note that the Company has guaranteed the debt taken out by the E-Ship Trust to acquire Company shares. Therefore, in the event that the falling share price of the Company leads to an amount corresponding to losses on sale of shares accumulated in the E-Ship Trust and that the trust at the time of its termination has an outstanding debt in the amount corresponding to such losses on sale of shares, it will be the Company to repay the outstanding debt.

(ii) Company shares remaining in the trust

The Company shares remaining in the trust are recognized as treasury shares in the net assets section at their carrying amount (net of ancillary expenses) in the trust. The carrying amount and the number of those treasury shares were ¥166 million and 93,900 shares at the end of the previous fiscal year, and ¥27 million and 15,400 shares at the end of the fiscal year under review.

(iii) Carrying amount of debt recognized applying the gross method

¥170 million at the end of the previous fiscal year and ¥28 million at the end of the fiscal year under review.

(Segment Information, Etc.)

1. Overview of reportable segments

The reportable segments of the Company are the Company's components, for which separate financial information is available and that are regularly reviewed by the Board of Directors for the decision of resource allocation and the evaluation of performance.

The Company basically comprises the refractories business and the engineering business. It formulates comprehensive domestic and overseas strategies and conducts business activities for each business unit.

Accordingly, the Company classifies "refractories" and "engineering" as its two reportable segments.

The refractories segment engages in the manufacture and sale of fireproof bricks by different types of materials such as alkaline bricks, high alumina-made bricks, clay-made bricks, and silica bricks mainly for the steel industry, the nonferrous industry, the cement industry, the glass industry, and others such as ceramic and environmental system-related furnaces, as well as monolithic refractories. The engineering segment designs and constructs various industrial furnaces that use refractories as well as environmental equipment, and also contracts maintenance services as required.

2. Calculation method used for determining the amounts of net sales, profit or loss, assets, and other items of reportable segments

The accounting methods applied to the reportable business segments are the same as those used in the preparation of the consolidated financial statements. Segment profits are based on operating profit.

3. Information on net sales, profit or loss, assets, and other items of reportable segments

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segment			Other	Total
	Refractories	Engineering	Total		
Net sales					
Revenue from contracts with customers	24,167,070	5,138,334	29,305,404	—	29,305,404
Net sales to outside customers (Disaggregation by industry)	24,167,070	5,138,334	29,305,404	—	29,305,404
Steel	12,031,932	665,174	12,697,106	—	12,697,106
Other	12,135,137	4,473,160	16,608,297	—	16,608,297
Intersegment net sales or transfers	—	—	—	—	—
Total	24,167,070	5,138,334	29,305,404	—	29,305,404
Segment profit	4,723,278	716,319	5,439,598	—	5,439,598
Segment assets	27,763,895	1,985,853	29,749,748	—	29,749,748
Other items					
Depreciation	1,313,797	27,871	1,341,668	—	1,341,668
Increase in property, plant and equipment and intangible assets	2,293,435	16,148	2,309,584	—	2,309,584

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segment			Other	Total
	Refractories	Engineering	Total		
Net sales					
Revenue from contracts with customers	24,177,661	5,407,368	29,585,030	—	29,585,030
Net sales to outside customers (Disaggregation by industry)	24,177,661	5,407,368	29,585,030	—	29,585,030
Steel	11,853,528	624,917	12,478,445	—	12,478,445
Other	12,324,132	4,782,451	17,106,584	—	17,106,584
Intersegment net sales or transfers	—	—	—	—	—
Total	24,177,661	5,407,368	29,585,030	—	29,585,030
Segment profit	4,757,905	796,492	5,554,398	—	5,554,398
Segment assets	28,485,201	2,068,650	30,553,851	—	30,553,851
Other items					
Depreciation	1,356,550	25,334	1,381,884	—	1,381,884
Increase in property, plant and equipment and intangible assets	1,440,688	12,614	1,453,302	—	1,453,302

4. Difference between the total amount of reportable segments and the amounts recognized on the consolidated financial statements, and the main details of such differences (matters related to difference reconciliation)

(Thousands of yen)

Net sales	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segments total	29,305,404	29,585,030
Net sales of the “Other” category	—	—
Elimination of intersegment transactions	—	—
Net sales on the consolidated financial statements	29,305,404	29,585,030

(Thousands of yen)

Profit	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segments total	5,439,598	5,554,398
Profit of the “Other” category	—	—
Elimination of intersegment transactions	—	—
Corporate expenses ^(Note)	(1,955,151)	(1,958,579)
Operating profit on the consolidated financial statements	3,484,446	3,595,818

Note: Corporate expenses mainly comprise general and administrative expenses not attributable to any reportable segment.

(Thousands of yen)

Assets	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segments total	29,749,748	30,553,851
Assets of the “Other” category	—	—
Elimination of intersegment transactions	—	—
Corporate assets ^(Note)	11,629,424	11,680,200
Total assets on the consolidated financial statements	41,379,172	42,234,051

Note: Corporate assets mainly comprise surplus funds (cash and deposits), long-term investments (investment securities), and other assets of the administrative division that are not attributable to any reportable segment.

(Thousands of yen)

Other items	Reportable segments total		Other		Adjustment		Amount recognized on consolidated financial statements	
	FY ended March 31, 2025	FY ended March 31, 2026	FY ended March 31, 2025	FY ended March 31, 2026	FY ended March 31, 2025	FY ended March 31, 2026	FY ended March 31, 2025	FY ended March 31, 2026
Depreciation	1,341,668	1,381,884	—	—	42,801	40,232	1,384,470	1,422,117
Increase in property, plant and equipment and intangible assets	2,309,584	1,453,302	—	—	36,485	33,522	2,346,069	1,486,825

Note: Adjustment of increase in property, plant and equipment and intangible assets comprises the amounts of capital investments of the head office administrative division, etc.

(Per Share Information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	¥1,796.97	¥1,868.30
Basic earnings per share	¥141.66	¥134.35

- (Notes) 1. Diluted earnings per share are not presented as there were no residual shares of dilutive effects.
2. Starting from the first quarter of the fiscal year ended March 31, 2025, the Company introduced the Trust-type Employee Shareholding Incentive Plan (E-Ship). Accordingly, for the purpose of calculating basic earnings per share, the Company's shares held by the YOTAI Employee Shareholding Association Exclusive Trust Account are included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period (131,882 shares as of March 31, 2025 and 53,544 shares as of March 31, 2026).
3. The basis for the calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (Thousands of yen)	2,623,217	2,469,840
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousands of yen)	2,623,217	2,469,840
Average number of common shares outstanding during the period (Shares)	18,518,225	18,383,454

(Significant Subsequent Events)

Not applicable.

4. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	5,928,866	5,220,517
Notes receivable - trade	104,428	29,045
Electronically recorded monetary claims - operating	2,014,581	2,083,873
Accounts receivable - trade	9,160,528	9,979,792
Contract assets	75,904	88,679
Finished goods	5,252,565	5,268,956
Work in process	309,547	294,944
Raw materials and supplies	6,100,163	5,996,401
Prepaid expenses	43,593	35,584
Other	127,466	115,394
Allowance for doubtful accounts	(1,800)	(1,800)
Total current assets	29,115,846	29,111,390
Non-current assets		
Property, plant and equipment		
Buildings, net	2,273,800	2,280,320
Structures, net	1,278,136	1,249,345
Machinery and equipment, net	2,214,102	2,235,021
Vehicles, net	63,207	61,086
Tools, furniture and fixtures, net	396,974	385,825
Land	1,422,875	1,422,875
Leased assets, net	169,885	142,760
Construction in progress	371,562	442,249
Total property, plant and equipment	8,190,544	8,219,484
Intangible assets		
Software	303,111	275,268
Software in progress	8,555	11,924
Right to use facilities	4,559	4,530
Total intangible assets	316,226	291,723
Investments and other assets		
Investment securities	3,085,052	3,830,718
Investments in capital	73	73
Investments in capital of subsidiaries and associates	298,800	298,800
Long-term prepaid expenses	32,120	4,814
Facility membership	50,890	50,890
Other	52,420	59,629
Allowance for doubtful accounts	(850)	(850)
Total investments and other assets	3,518,505	4,244,074
Total non-current assets	12,025,276	12,755,282
Total assets	41,141,122	41,866,672

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,889,299	1,410,769
Electronically recorded obligations - operating	2,397,671	1,846,129
Current portion of long-term borrowings	-	28,370
Accounts payable - other	175,288	126,443
Accrued expenses	1,470,269	1,516,552
Income taxes payable	404,100	479,203
Accrued consumption taxes	142,545	216,335
Contract liabilities	2,667	-
Deposits received	33,730	29,322
Provision for bonuses for directors (and other officers)	40,940	40,570
Other	48,536	37,449
Total current liabilities	6,605,050	5,731,146
Non-current liabilities		
Long-term borrowings	170,090	-
Deferred tax liabilities	70,717	264,410
Provision for retirement benefits	1,424,544	1,469,055
Other	165,086	127,636
Total non-current liabilities	1,830,438	1,861,102
Total liabilities	8,435,488	7,592,249
Net assets		
Shareholders' equity		
Share capital	2,654,519	2,654,519
Capital surplus		
Legal capital surplus	1,710,876	1,710,876
Other capital surplus	-	6,127
Total capital surplus	1,710,876	1,717,003
Retained earnings		
Legal retained earnings	455,231	455,231
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	312,231	293,445
General reserve	4,300,000	4,300,000
Retained earnings brought forward	23,375,429	24,261,173
Total retained earnings	28,442,892	29,309,849
Treasury shares	(1,569,311)	(1,415,377)
Total shareholders' equity	31,238,977	32,265,995
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,474,856	1,980,371
Deferred gains or losses on hedges	(8,199)	28,057
Total valuation and translation adjustments	1,466,656	2,008,428
Total net assets	32,705,633	34,274,423
Total liabilities and net assets	41,141,122	41,866,672

(2) Non-consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	29,305,404	29,585,030
Cost of sales	23,304,965	23,408,651
Gross profit	6,000,439	6,176,378
Selling, general and administrative expenses	2,649,033	2,691,161
Operating profit	3,351,405	3,485,216
Non-operating income		
Interest income	8,684	10,244
Dividend income	100,887	248,186
Rental income from real estate	17,825	17,138
Foreign exchange gains	2,153	1,418
Gain on sale of investment securities	-	21,154
Subsidy income	23,462	5,736
Gain on sale of scraps	14,362	11,381
Other	14,205	18,839
Total non-operating income	181,581	334,100
Non-operating expenses		
Interest expenses	278	432
Commission for purchase of treasury shares	699	-
Loss on retirement of non-current assets	22,867	29,674
Other	2,506	1,645
Total non-operating expenses	26,351	31,751
Ordinary profit	3,506,636	3,787,565
Extraordinary income		
Gain on sale of investment securities	77,883	-
Total extraordinary income	77,883	-
Extraordinary losses		
Impairment losses	-	26,681
Tender offer related expenses	20,000	305,000
Total extraordinary losses	20,000	331,681
Profit before income taxes	3,564,520	3,455,884
Income taxes - current	1,061,861	984,998
Income taxes - deferred	(19,766)	(55,270)
Total income taxes	1,042,094	929,728
Profit	2,522,425	2,526,156

(3) Non-consolidated Statement of Changes in
Equity For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	2,654,519	1,710,876	-	1,710,876
Changes during period				
Dividends of surplus				
Transfer from retained earnings to capital surplus			992,173	992,173
Profit				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Purchase of treasury shares				
Disposal of treasury shares			128,009	128,009
Cancellation of treasury shares			(1,120,183)	(1,120,183)
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	2,654,519	1,710,876	-	1,710,876

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
Reserve for tax purpose reduction entry of non-current assets		General reserve	Retained earnings brought forward		
Balance at beginning of period	455,231	336,370	4,300,000	23,783,439	28,875,041
Changes during period					
Dividends of surplus				(1,962,401)	(1,962,401)
Transfer from retained earnings to capital surplus				(992,173)	(992,173)
Profit				2,522,425	2,522,425
Reversal of reserve for tax purpose reduction entry of non-current assets		(24,138)		24,138	-
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	(24,138)	-	(408,009)	(432,148)
Balance at end of period	455,231	312,231	4,300,000	23,375,429	28,442,892

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(2,145,303)	31,095,133	1,473,410	17,428	1,490,839	32,585,973
Changes during period						
Dividends of surplus		(1,962,401)				(1,962,401)
Transfer from retained earnings to capital surplus		-				-
Profit		2,522,425				2,522,425
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(849,868)	(849,868)				(849,868)
Disposal of treasury shares	305,677	433,687				433,687
Cancellation of treasury shares	1,120,183	-				-
Net changes in items other than shareholders' equity			1,446	(25,628)	(24,182)	(24,182)
Total changes during period	575,992	143,843	1,446	(25,628)	(24,182)	119,660
Balance at end of period	(1,569,311)	31,238,977	1,474,856	(8,199)	1,466,656	32,705,633

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	2,654,519	1,710,876	-	1,710,876
Changes during period				
Dividends of surplus				
Transfer from retained earnings to capital surplus				
Profit				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Purchase of treasury shares				
Disposal of treasury shares			6,127	6,127
Cancellation of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	6,127	6,127
Balance at end of period	2,654,519	1,710,876	6,127	1,717,003

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
Reserve for tax purpose reduction entry of non-current assets		General reserve	Retained earnings brought forward		
Balance at beginning of period	455,231	312,231	4,300,000	23,375,429	28,442,892
Changes during period					
Dividends of surplus				(1,659,199)	(1,659,199)
Transfer from retained earnings to capital surplus					
Profit				2,526,156	2,526,156
Reversal of reserve for tax purpose reduction entry of non-current assets		(18,786)		18,786	-
Purchase of treasury shares					
Disposal of treasury shares					
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	(18,786)	-	885,743	866,957
Balance at end of period	455,231	293,445	4,300,000	24,261,173	29,309,849

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,569,311)	31,238,977	1,474,856	(8,199)	1,466,656	32,705,633
Changes during period						
Dividends of surplus		(1,659,199)				(1,659,199)
Transfer from retained earnings to capital surplus		-				-
Profit		2,526,156				2,526,156
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(126)	(126)				(126)
Disposal of treasury shares	154,060	160,187				160,187
Cancellation of treasury shares		-				-
Net changes in items other than shareholders' equity			505,514	36,257	541,771	541,771
Total changes during period	153,933	1,027,018	505,514	36,257	541,771	1,568,789
Balance at end of period	(1,415,377)	32,265,995	1,980,371	28,057	2,008,428	34,274,423

(4) Notes to Non-consolidated Financial Statements

(Per Share Information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	¥1,783.72	¥1,860.10
Basic earnings per share	¥136.21	¥137.41

- (Notes) 1. Diluted earnings per share are not presented as there were no residual shares of dilutive effects.
2. Starting from the first quarter of the fiscal year ended March 31, 2025, the Company introduced the Trust-type Employee Shareholding Incentive Plan (E-Ship). Accordingly, for the purpose of calculating basic earnings per share, the Company's shares held by the YOTAI Employee Shareholding Association Exclusive Trust Account are included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period (131,882 shares as of March 31, 2025 and 53,544 shares as of March 31, 2026).
3. The basis for the calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (Thousands of yen)	2,522,425	2,526,156
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit relating to common shares (Thousands of yen)	2,522,425	2,526,156
Average number of common shares outstanding during the period (Shares)	18,518,225	18,383,454