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Notice Concerning Differences between the Consolidated Earnings Forecast and Actual Results for the Second Quarter (Interim) of the Fiscal Year Ending March 31, 2026, and Revisions to the Full-Year Earnings Forecast

We announced on July 31, 2025, the consolidated earnings forecast for the second quarter of the fiscal year ending March 31, 2026 (April 1, 2025 - March 31, 2026). However, differences have arisen between the previously announced forecast and the actual results announced today. Taking into consideration recent business performance, we have revised our full-year consolidated earnings forecast as follows.

1. Differences between the consolidated earnings forecast and actual results for the second quarter of the fiscal year ending March 31, 2026 (Interim), (April 1, 2025 - September 30, 2025)

	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
Previous forecast (A)	74,500	1,300	25,000	16,500	267.67
Actual results(B)	76,180	1,994	27,928	19,133	310.82
Change (B-A)	1,680	694	2,928	2,633	
Percentage change (%)	2.3	53.4	11.7	16.0	
(Reference) Results for the second quarter (interim period) of the previous fiscal year (The second quarter of the fiscal year ended March 31, 2025)	78,359	4,300	41,172	28,253	443.47

2. Revision of Consolidated Earnings Forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	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
Previous forecast (A)	147,000	2,000	50,000	34,000	551.57
Revised forecast (B)	156,000	3,500	56,000	38,000	622.13
Change (B-A)	9,000	1,500	6,000	4,000	
Percentage change (%)	6.1	75.0	12.0	11.8	
(Reference) Previous results (The fiscal year ended March 31, 2025)	168,268	11,493	54,402	31,833	502.51

3. Reason for the Revision

Regarding the consolidated results for the interim period, compared to the previous forecast, mainly domestic consolidated subsidiaries (Steel (Japan) Segment and Trackwork materials Segment) achieved higher revenue and profit due to increased sales volume. In addition, our ordinary profit increased due to a decrease in foreign exchange losses resulting from the continued weakness of the yen.

Regarding the full-year earnings forecast, there appears to be no end in sight to China's exports of low-priced overproduced steel products resulting from continued weak domestic demand, and the global slump in steel demand and the continued softness of steel market conditions are expected to linger. Demand for H-beams, the Group's main product, and other steel products used in civil engineering and construction is expected to remain generally lackluster, and intense price competition is projected to continue with the exception of the U.S. business benefiting from strengthened U.S. government tariffs. In each of our locations, we will implement countermeasures against low-priced Chinese steel and will continue to strive to secure sales volume, maintain metal margins, and reduce costs.

Based on the above, consolidated subsidiary SYS (Thailand) and equity-method affiliate NYS (U.S.) are expected to outperform the previous forecast. In addition, the continued weakness of the yen is anticipated. As a result, we have revised our forecasts upward as follows: net sales of ¥156,000 million (up ¥9,000 million from the previous forecast), operating profit of ¥3,500 million (up ¥1,500 million), ordinary profit of ¥56,000 million (up ¥6,000 million), and profit attributable to owners of parent of ¥38,000 million (up ¥4,000 million).

(Note) The earnings forecasts are based on information available to the Company at the time of this announcement and on certain assumptions deemed reasonable. Actual results may differ materially due to various factors.

In the fiscal year ended March 31, 2025, the provisional accounting treatment related to a business combination was finalized, and the figures for the second quarter (interim period) of that fiscal year ended March 31, 2025 reflect the finalized accounting treatment.