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October 31, 2025

## Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: YAMATO KOGYO CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 5444

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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: December 3, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

### 1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

#### (1) Consolidated operating results (cumulative)

(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	%
Six months ended September 30, 2025	76,180	(2.8)	1,994	(53.6)	27,928	(32.2)	19,133	(32.3)
September 30, 2024	78,359	(2.5)	4,300	(45.2)	41,172	(18.7)	28,253	(22.3)

Note: Comprehensive income

For the six months ended September 30, 2025: ¥ (11,162) million [ -% ]

For the six months ended September 30, 2024: ¥ 80,001 million [ 8.2% ]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	310.82	-
September 30, 2024	443.47	-

Note: During the previous fiscal year, the Company finalized the provisional accounting treatment for the business combination, and figures for the six months ended September 30, 2024 have been adjusted to reflect this finalized accounting treatment.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of September 30, 2025	Millions of yen	Millions of yen	%
September 30, 2025	619,196	567,863	84.8
March 31, 2025	657,481	602,940	84.8

Reference: Equity

As of September 30, 2025: ¥ 525,242 million

As of March 31, 2025: ¥ 557,572 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 200.00	Yen -	Yen 200.00	Yen 400.00
Fiscal year ending March 31, 2026	-	200.00			
Fiscal year ending March 31, 2026 (Forecast)				-	200.00 400.00

Note: 1 Revisions to the forecast of cash dividends most recently announced: None

2 The interim dividend for the second quarter and the year-end dividend for the fiscal year ending March 31, 2025 each include a commemorative dividend of 50 yen per share (annually 100 yen per share).

## 3. Consolidated financial result forecasts 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	
Full year	156,000	(7.3)	3,500	(69.5)	56,000	2.9	38,000	19.4	622.13	

Note: Revisions to the financial result forecast most recently announced: Yes

### \* Notes

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

Newly included: - companies ( )  
Excluded: - companies ( )

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	65,000,000 shares
As of March 31, 2025	65,000,000 shares

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

As of September 30, 2025	3,919,939 shares
As of March 31, 2025	2,673,900 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	61,557,767 shares
Six months ended September 30, 2024	63,708,553 shares

\* Review of the Japanese-language originals of the attached consolidated Semi-annual financial statements by certified public accountants or an audit firm: None

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Group and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Group. Actual business and other results may differ substantially due to various factors. Please refer to 1. Qualitative Information on Quarterly Results, (3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements on page 4 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

## Appendix

## Table of Contents

1. Qualitative Information on Semi-annual Results.....	2
(1) Overview of Operating Results.....	2
(2) Overview of Financial Position .....	3
(3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements .....	4
2. Semi-annual Consolidated Financial Statements and Primary Notes.....	7
(1) Semi-annual Consolidated Balance Sheet.....	7
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income.....	9
(3) Semi-annual Consolidated Statement of Cash Flows .....	11
(4) Notes to Semi-annual Consolidated Financial Statements.....	12
(Notes on Going Concern Assumptions).....	12
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	12
(Application of Special Accounting Treatment for the Preparation of Semi-annual Consolidated Financial Statements).....	12
(Additional Information).....	12
(Segment Information, etc.) .....	13
(Business Combinations).....	14
(Significant Subsequent Events) .....	15

## 1. Qualitative Information on Semi-annual Results

### (1) Overview of Operating Results

During the six months ended September 30, 2025, as the slump in domestic demand in China is ongoing, the business environment surrounding the Group tends to be deteriorating due to the intensifying competition from low-priced Chinese steel, mainly in the ASEAN region, and the impact of weak demand for steel products and softening market conditions. However, we managed to secure high earning in our business in the U.S., which is a core source of profits, supported in part by the U.S. government's strengthened tariff measures. With regard to the Middle East business, we signed the share sale and purchase agreement on June 18, 2025 ("SPA") and recognized an additional loss of 5.7 billion yen (including a 4.9 billion yen loss in equity in earnings of affiliate and a 0.7 billion yen in extraordinary losses). The necessary procedures under local laws and regulations, as set out in the SPA, are currently in progress toward the closing of the share transfer by the end of the current consolidated fiscal year.

In Japan, market for structural steel continues to weaken further due to prolonged stagnation in construction demand resulting from shortage of construction capacity and persistently high construction costs. At Yamato Steel Co., Ltd., we are striving to secure orders by implementing integrated production and sales operations to meet short delivery schedules and capturing demand in the civil engineering sector. However, maintaining prices and securing order volumes has remained challenging. Higher costs such as electricity costs and the impact of the operational suspension due to preliminary construction for the rolling mill renewal from mid-September to mid-October, resulted in a year-on-year decline in both sales and profit.

As a result, net sales of the Steel (Japan) segment decreased by ¥1,256 million year on year to ¥26,369 million, and segment profit (operating profit) decreased by ¥795 million year on year to ¥1,438 million.

Results for the period from January to June 2025 for our consolidated subsidiaries in Thailand and Indonesia and our equity-method affiliates in the U.S., Vietnam, and South Korea have been incorporated into the consolidated accounts for the six months ended September 30, 2025.

At our Thai consolidated subsidiary, Siam Yamato Steel Co., Ltd. (SYS), demand for structural steel in Thailand is recovering, driven by public works projects such as flood control projects and private-sector projects such as data centers, but severe competition from low-priced Chinese steel remains ongoing. Driven by stronger sales strategies, sales volume increased slightly year on year, but the market for structural steel is softening in both domestic and export markets, leading to a decline in metal margins and resulting in a year-on-year decline in both sales and profit.

As a result, net sales of the Steel (Thailand) segment decreased by ¥3,377 million year on year to ¥32,005 million, and segment profit (operating profit) decreased by ¥1,903 million to ¥1,548 million.

At our Indonesian consolidated subsidiary, PT Garuda Yamato Steel (GYS), sales volume remains sluggish due to the impact of a significant reduction in infrastructure investment budgets as a result of budget revisions under the new administration, U.S. tariff measures, and suspension of private-sector projects. The company has secured relatively high metal margins among our bases in ASEAN, but the market for structural steel continues to weaken further due to stagnant demand and intensifying competition with domestic and overseas manufacturers.

As a result, net sales of the Steel (Indonesia) segment increased by ¥1,264 million year on year (only the second quarter was reported in the previous fiscal year) to ¥11,039 million, and segment loss (operating loss) decreased by ¥853 million year on year to ¥31 million. Note that the segment loss of ¥31 million includes amortization of intangible assets of ¥90 million and amortization of goodwill of ¥509 million associated with the business combination.

At Nucor-Yamato Steel Company (NYS), our equity-method affiliate in the U.S., demand has remained firm, particularly for large-scale construction projects related to data centers and stadiums. Sales volume and selling prices have improved since the first quarter of the current fiscal year, supported by strengthened tariff measures implemented by the U.S. government. Although metal margins have expanded compared to the first quarter of the current fiscal year, they have slightly declined year on year. In terms of performance, stable high profitability was maintained, despite a year-on-year decrease in profit.

At POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (PY VINA), our equity-method affiliate in Vietnam, as the economy in Vietnam remains firm, the demand for structural steel is on a recovery trend. In addition, we have also made efforts to secure sales volume through exports to South Korea and other countries. In terms of performance, profit increased year on year.

At YK Steel Corporation (YKS), our equity-method affiliate in South Korea, production and sales volume have declined significantly as prolonged downturn in the construction and real estate industries led to a significant decline in demand for rebars. In terms of performance, a decrease in sales volume and a decline in selling prices led to a deterioration in metal margins, resulting in a decrease in profit year on year.

As a result of the above, consolidated net sales for the six months in the current fiscal year decreased by ¥2,179 million year on year to ¥76,180 million. Consolidated operating profit decreased by ¥2,306 million year on year to ¥1,994 million, ordinary profit decreased by ¥13,243 million to ¥27,928 million, and profit attributable to owners of parent decreased by ¥9,119 million to ¥19,133 million.

HYOKI KAIUN KAI SHA, LTD., a company we concluded a capital and business alliance agreement with on January 31, 2025, is treated as an equity-method affiliate from the end of the first quarter of the fiscal year ending March 31, 2026.

Please note that the average foreign exchange rates for the first six months of the fiscal year under review that were used in the preparation of the consolidated financial statements from the financial statements of overseas subsidiaries and affiliates were as follows.

(For all overseas companies, the first six months of the fiscal year under review was from January to June 2025)

147.48 yen/U.S. dollar, 4.42 yen/baht, 9.68 won/yen

Average foreign exchange rates for the first six months of the previous fiscal year were as follows:

(For all overseas companies, the first six months of the previous fiscal year ran from January to June 2024)

154.08 yen/U.S. dollar, 4.23 yen/baht, 8.76 won/yen

## (2) Overview of Financial Position

### (i) Changes in financial position

At the end of the second quarter of the current fiscal year, total assets were ¥619,196 million, a decrease of ¥38,284 million from the end of the previous fiscal year.

Total liabilities were ¥51,333 million, a decrease of ¥3,207 million from the end of the previous fiscal year.

Total net assets at the end of the second quarter of the current fiscal year decreased ¥35,077 million from the end of the previous fiscal year to ¥567,863 million. The main factors behind this were an increase due to profit attributable to owners of parent, and decreases caused by dividend payments, purchase of treasury shares, and a decrease in foreign currency translation adjustment due to the strong yen.

Please note that the foreign exchange rates used in the preparation of the consolidated financial statements and translating the assets and liabilities of the domestic companies from the financial statements of overseas subsidiaries and affiliates at the end of the second quarter of the fiscal year under review were as follows.

(For all overseas companies, the end of the second quarter of the fiscal year under review was June 30, 2025)

144.82 yen/U.S. dollar, 4.43 yen/baht, 9.37 won/yen

(For all domestic companies, the end of the second quarter of the fiscal year under review was September 30, 2025)

148.89 yen/U.S. dollar

Also, exchange rates for the end of the previous fiscal year are as follows:

(For all overseas companies, the end of the previous fiscal year was December 31, 2024)

158.17 yen/U.S. dollar, 4.65 yen/baht, 9.29 won/yen

(For all domestic companies, the end of the previous fiscal year was March 31, 2025)

149.53 yen/U.S. dollar

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities was ¥37,569 million, due mainly to profit before income taxes, and cash distributions from the equity-method affiliate in the U.S.

(Cash flows from investing activities)

Net cash used in investing activities was ¥79,828 million, due mainly to payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥24,526 million, due mainly to dividends paid and the purchase of treasury stock.

Taking into account the effect of exchange rate changes on cash and cash equivalents of negative ¥6,439 million, cash and cash equivalents at the end of the second quarter of the current fiscal year decreased ¥73,225 million from the end of the previous fiscal year, to ¥50,796 million.

(3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Looking ahead, 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.

Regarding the full-year earnings forecast, 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).

For further details, please refer to the "Notice Concerning Differences Between Consolidated Earnings Forecasts and Actual Results for the Six Months Ended September 30, 2025, and Revisions to the Full Year Earnings Forecasts" announced today.

Our current assumptions regarding business conditions in each country/region are as follows.

Japan (Yamato Steel)

The prolonged stagnation in construction demand has further weakened the market for structural steel, and combined with rising costs, this has further reduced profitability. In response, we are implementing initiatives to improve profits, such as raising prices on certain products and working to secure orders through integrated production and sales operations to meet short delivery schedules. Sales volume, primarily in the civil engineering sector, which remains relatively strong, is expected to slightly exceed our previous forecast. However, with steel scrap prices on an upward trend, we expect it will take some time for the business environment to improve. Regarding the performance, we forecast profits to be the same level as the previous forecast, decreasing year on year.

Thailand (SYS)

Despite political instability, demand for structural steel in Thailand is gradually recovering, supported by public works projects such as flood control projects and power transmission towers, as well as private-sector projects such as tourism development and data centers. In addition, demand in export markets is also showing signs of recovery, particularly driven by infrastructure investment. Also, amid continued fierce competition from low-priced Chinese steel in both the domestic and export markets, we are strengthening sales strategies to regain market share. Regarding the performance, due to the increase in sales volume, we forecast an increase in profits compared to the previous forecast, decreasing year on year.

Furthermore, Thailand's Ministry of Commerce has been conducting an anti-dumping (AD) investigation concerning H-beams imported from China since November 2024. While the tariff rate is currently provisional, duties ranging from 30.86% to 54.19% (five years) are expected to take effect this year.

#### Indonesia (GYS)

In addition to significant cuts in government-led infrastructure investment budgets, the impact of U.S. tariff measures and political instability is causing the prolonged slump in demand for structural steel. Low-priced Chinese steel continue to flow increasingly into the market despite trade barriers, intensifying competition with domestic and overseas manufacturers. We have been working to strengthen our sales strategies through initiatives such as the launch of production and sales of earthquake-resistant construction steel materials. However, we continue to face sales challenges. Regarding the performance, we forecast profits to be the same level as the previous forecast, decreasing year on year.

#### United States (NYS)

While the U.S. economy faces concerns about a downturn due to reciprocal tariff measures, it currently remains firm. Demand for large products in large-scale construction projects such as data centers, convention centers, and stadiums, is trending upward. Furthermore, demand in the civil engineering sector, including infrastructure investment, is also robust, and order backlogs remain at high levels. The market for structural steel is trending upward due to the impact of higher import tariffs on steel products, and we forecast an increase in profits compared to the previous forecast, increasing year on year.

#### Vietnam (PY VINA)

The Vietnamese economy has been performing robustly, and demand for structural steel in Vietnam is on a recovery trend, primarily driven by government investment in infrastructure. The domestic market for structural steel appears to have bottomed out, but the ongoing severe competition from inexpensive imported products, such as Chinese steel, is expected to cause a delay in increasing selling prices, including those for export sales. Regarding the performance, we forecast profits to be the same level as the previous forecast, increasing year on year.

#### South Korea (YKS)

Although the economy in South Korea is showing signs of bottoming out, a recovery in the construction and real estate industries is expected to take time. While the decline in demand for rebars continues unabated and the business environment remains challenging, we are making efforts to improve market conditions by continuing to adapt our production in line with demand. As for performance, we are expecting profits to be the same level as the previous forecast, decreasing year on year.

Please note that for the January–December 2025 period, revenues generated and costs incurred by our overseas subsidiaries and affiliates have been translated into Japanese yen based on the following exchange rates:

(Average rates for the period)

145.84 yen/U.S. dollar, 4.44 yen/baht, and 9.65 won/yen

The following exchange rates have been applied for translating the year-end (meaning the end of December 2025 for overseas subsidiaries and affiliates and the end of March 2026 for domestic subsidiaries and affiliates) assets and liabilities of each subsidiary and affiliate:

(End of period rates for all overseas subsidiaries and affiliates)

140.00 yen/U.S. dollar, 4.35 yen/baht, 10.02 won/yen

(End of period for all domestic subsidiaries and affiliates)

140.00 yen/U.S. dollar

(Reference)

Assumptions of the previous forecast

(Average rates for the period)

141.24 yen/U.S. dollar, 4.29 yen/baht, 9.85 won/yen

(End of period rates for all overseas subsidiaries and affiliates)  
135.00 yen/U.S. dollar, 4.17 yen/baht, 10.09 won/yen  
(End of period rates for all domestic subsidiaries and affiliates)  
135.00 yen/U.S. dollar

Previous year's results

(Average rates for the period)  
152.27 yen/U.S. dollar, 4.32 yen/baht, 8.96 won/yen  
(End of period rates for all overseas subsidiaries and affiliates)  
158.17 yen/U.S. dollar, 4.65 yen/baht, 9.29 won/yen  
(End of period rates for all domestic subsidiaries and affiliates)  
149.53 yen/U.S. dollar

## 2. Semi-annual Consolidated Financial Statements and Primary Notes

## (1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	224,968	215,869
Notes and accounts receivable - trade	24,055	23,412
Merchandise and finished goods	24,530	22,353
Work in process	891	994
Raw materials and supplies	29,797	27,008
Short-term loans receivable from subsidiaries and associates	-	7,742
Other	5,893	6,754
Allowance for doubtful accounts	(21)	(17)
Total current assets	310,115	304,117
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,324	20,256
Machinery, equipment and vehicles, net	55,791	51,935
Land	29,882	28,850
Construction in progress	5,198	5,185
Other, net	2,921	3,633
Total property, plant and equipment	115,119	109,861
Intangible assets		
Goodwill	13,895	12,213
Other	3,851	3,554
Total intangible assets	17,746	15,767
Investments and other assets		
Investment securities	74,427	73,380
Investments in capital	110,827	94,457
Long-term loans receivable from subsidiaries and associates	21,673	13,838
Retirement benefit asset	1,513	1,773
Other	6,132	6,074
Allowance for doubtful accounts	(74)	(73)
Total investments and other assets	214,499	189,450
Total non-current assets	347,365	315,079
<b>Total assets</b>	<b>657,481</b>	<b>619,196</b>

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	10,197	8,275
Current portion of long-term borrowings	1,174	1,070
Accounts payable - other	3,761	3,309
Accrued expenses	3,394	3,349
Income taxes payable	2,190	1,307
Advances received	1,858	1,870
Provision for bonuses	862	1,070
Other	1,824	2,169
<b>Total current liabilities</b>	<b>25,265</b>	<b>22,423</b>
<b>Non-current liabilities</b>		
Long-term borrowings	782	178
Deferred tax liabilities	20,057	20,568
Retirement benefit liability	3,145	3,000
Other	5,290	5,162
<b>Total non-current liabilities</b>	<b>29,275</b>	<b>28,910</b>
<b>Total liabilities</b>	<b>54,540</b>	<b>51,333</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	7,996	7,996
Capital surplus	228	236
Retained earnings	424,470	431,181
Treasury shares	(12,326)	(23,276)
<b>Total shareholders' equity</b>	<b>420,369</b>	<b>416,137</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	10,463	14,264
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	126,419	94,228
Remeasurements of defined benefit plans	321	612
<b>Total accumulated other comprehensive income</b>	<b>137,203</b>	<b>109,105</b>
<b>Non-controlling interests</b>	<b>45,367</b>	<b>42,621</b>
<b>Total net assets</b>	<b>602,940</b>	<b>567,863</b>
<b>Total liabilities and net assets</b>	<b>657,481</b>	<b>619,196</b>

## (2) Semi-annual Consolidated Statements of Income and Comprehensive Income

## Semi-annual Consolidated Statement of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	78,359	76,180
Cost of sales	65,400	65,645
<b>Gross profit</b>	<b>12,959</b>	<b>10,534</b>
Selling, general and administrative expenses		
Packing and transportation costs	2,459	2,622
Salaries and allowances	1,174	1,508
Provision for bonuses	321	311
Retirement benefit expenses	119	160
Subsidiary stock acquisition-related cost	1,161	-
Other	3,422	3,937
Total selling, general and administrative expenses	8,658	8,540
Operating profit	4,300	1,994
Non-operating income		
Interest income	6,690	4,488
Dividend income	305	363
Equity in earnings of affiliates	29,734	21,093
Foreign exchange gains	96	-
Other	444	795
Total non-operating income	37,269	26,740
Non-operating expenses		
Interest expenses	108	111
Foreign exchange losses	-	618
Loss on valuation of derivatives	203	-
Loss on disaster	8	-
Other	78	76
Total non-operating expenses	398	806
Ordinary profit	41,172	27,928
Extraordinary income		
Gain on sale of non-current assets	14	9
Total extraordinary income	14	9
Extraordinary losses		
Loss on retirement of non-current assets	124	245
Provision for loss on litigation	59	53
Provision for loss on transfer of receivables	-	735
Other	12	13
Total extraordinary losses	196	1,048
Profit before income taxes	40,989	26,889
Income taxes - current	10,629	8,457
Income taxes - deferred	1,297	(1,103)
Total income taxes	11,926	7,353
Profit	29,062	19,536
Profit attributable to non-controlling interests	809	402
Profit attributable to owners of parent	28,253	19,133

## Semi-annual Consolidated Statement of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	29,062	19,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,987)	3,780
Foreign currency translation adjustment	30,557	(23,711)
Remeasurements of defined benefit plans, net of tax	(13)	292
Share of other comprehensive income of entities accounted for using equity method	22,381	(11,059)
Total other comprehensive income	50,938	(30,698)
Comprehensive income	80,001	(11,162)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	76,609	(8,965)
Comprehensive income attributable to non-controlling interests	3,391	(2,197)

## (3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	40,989	26,889
Depreciation	4,135	5,063
Interest and dividend income	(6,995)	(4,851)
Interest expenses	108	111
Equity in (earnings) losses of affiliates	(29,734)	(21,093)
Decrease (increase) in trade receivables	8,488	374
Decrease (increase) in inventories	2,802	2,619
Increase (decrease) in trade payables	(1,296)	(1,677)
Other, net	(2,314)	2,705
<b>Subtotal</b>	<b>16,182</b>	<b>10,141</b>
Interest and dividends received	55,468	37,386
Interest paid	(72)	(65)
Income taxes paid	(14,221)	(9,893)
<b>Net cash provided by (used in) operating activities</b>	<b>57,355</b>	<b>37,569</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(101,523)	(270,385)
Proceeds from withdrawal of time deposits	43,448	196,377
Purchase of property, plant and equipment	(5,679)	(5,396)
Purchase of shares of subsidiaries and associates	-	(224)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(50,405)	-
Other, net	(126)	(199)
<b>Net cash provided by (used in) investing activities</b>	<b>(114,286)</b>	<b>(79,828)</b>
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(1,284)	(570)
Purchase of treasury shares	(0)	(10,776)
Dividends paid	(15,848)	(12,416)
Dividends paid to non-controlling interests	(632)	(549)
Other, net	(200)	(213)
<b>Net cash provided by (used in) financing activities</b>	<b>(17,966)</b>	<b>(24,526)</b>
Effect of exchange rate change on cash and cash equivalents	13,169	(6,439)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(61,727)</b>	<b>(73,225)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>168,695</b>	<b>124,021</b>
<b>Cash and cash equivalents at end of period</b>	<b>106,967</b>	<b>50,796</b>

(4) Notes to Semi-annual Consolidated Financial Statements  
(Notes on Going Concern Assumptions)  
Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)  
(Purchase of treasury shares)

At the meeting of the Board of Directors held on October 31, 2024, the Company resolved on the acquisition of its own shares in accordance with Article 156 of the Companies Act, applied by replacement under Article 165, paragraph (3) of the same Act. Based on the resolution, the Company has been acquiring its own shares with the maximum of 3,000,000 shares and ¥25,500 million in total during the period from November 1, 2024 to October 31, 2025. The Company acquired 1,226,800 shares of its own shares during the six months ended September 30, 2025, and treasury shares increased by ¥10,774 million. As a result, treasury shares were ¥23,276 million at the end of the second quarter of the fiscal year under review.

(Application of Special Accounting Treatment for the Preparation of Semi-annual Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year ending March 31, 2026, excluding certain subsidiaries, and multiplying profit before income taxes for the second quarter by the estimated effective tax rate.

(Additional Information)

(Recording of equity in losses of affiliates and provision for loss on transfer of receivables for Middle East business)

In accordance with the final agreement of the share transfer agreement for the Middle East business, we have additionally recorded ¥4,909 million of equity in loss of affiliates, and ¥735 million of provision for loss on transfer of receivables.

## (Segment Information, etc.)

I. Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

## 1. Information about Operating Revenues and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segment					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Sub total				
Net sales									
(1) Sales to customers	27,626	35,383	9,774	4,076	76,862	1,497	78,359	–	78,359
(2) Inter-segment sales and transfers	307	–	–	–	307	–	307	(307)	–
Total	27,934	35,383	9,774	4,076	77,169	1,497	78,667	(307)	78,359
Segment profit	2,233	3,451	821	566	7,073	182	7,256	(2,955)	4,300

(Notes) 1. The “Other” category consists of business segments not included in reportable segments, and includes manufacture and sale of counterweights, transportation, medical waste treatment, and real estate leasing.

2. The reconciliations of segment profit included corporate general expenses of ¥(2,955) million which were not allocated to the reportable segments. Corporate general expenses consist mainly of general expenses that are not attributable to the reportable segments, and include subsidiary stock acquisition-related cost.

3. Certain reconciliations were made between segment profit and operating profit in the semi-annual consolidated statements of income.

4. Segment profit reflects the amounts following the finalization of provisional accounting treatment described under “Business Combinations.”

## 2. Changes in Reportable Segments

The Company and its subsidiary Siam Yamato Steel Co., Ltd. jointly acquired 80% of the shares of PT Nusantara Baja Profil (“NBP”) of Indonesia effective May 31, 2024. NBP changed its trade name to PT Garuda Yamato Steel (“GYS”) as of the same date.

As the Group consists of reportable segments categorized by business or region, with each based on a production and sales structure, we have added “Steel (Indonesia)” as a new reportable segment.

Since GYS has been included in the scope of consolidation from the end of the first quarter, its financial results have been incorporated in the consolidated financial results from the six months ended September 30, 2025.

## 3. Disclosure of Impairment Losses on Non-current Assets or Goodwill, etc. for Each Reportable Segment

## (Significant Change in Amount of Goodwill)

The “Steel (Indonesia)” segment recorded goodwill of ¥13,603 million. This amount reflects significant revision of the initial allocation of acquisition cost following the finalization of provisional accounting treatment related to business combination.

## II. Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

## 1. Information about Operating Revenues and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segment					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Sub total				
Net sales									
(1) Sales to customers	26,369	32,005	11,039	4,745	74,160	2,019	76,180	–	76,180
(2) Inter-segment sales and transfers	348	167	–	–	515	–	515	(515)	–
Total	26,718	32,173	11,039	4,745	74,676	2,019	76,695	(515)	76,180
Segment profit (loss)	1,438	1,548	(31)	844	3,799	217	4,016	(2,022)	1,994

(Notes)

1. The “Other” category consists of business segments not included in reportable segments, and includes manufacture and sale of counterweights, transportation, medical waste treatment, and real estate leasing.
2. The reconciliations of segment profit (loss) included corporate general expenses of ¥(2,022) million which were not allocated to the reportable segments. Corporate general expenses consist mainly of general expenses that are not attributable to the reportable segments.
3. Certain reconciliations were made between segment profit (loss) and operating profit in the semi-annual consolidated statements of income.

## (Business Combinations)

(Significant revision of the initial allocation of acquisition cost in comparative information)

The Company and its consolidated subsidiary Siam Yamato Steel Company Limited jointly acquired 80% of shares of PT Nusantara Baja Profil, of Indonesia, on May 31, 2024. Also, PT Nusantara Baja Profil changed its name to PT Garuda Yamato Steel (“GYS”) as of the same date.

For this business combination, provisional accounting treatment was applied during the first six months of the previous fiscal year, and it was finalized at the end of the previous fiscal year.

With the finalization of provisional accounting treatment, the comparative information included in the semi-annual consolidated financial statements for the six months ended September 30, 2025 reflects the significant revision of initial allocation of acquisition cost and the goodwill of ¥15,519 million, which was provisionally calculated, was finalized at ¥13,603 million following the finalization of the allocation of acquisition cost.

As a result, in the semi-annual consolidated statements of income for the first six months of the previous fiscal year, operating profit, ordinary profit, and profit before income taxes each decreased by ¥705 million, profit decreased by ¥468 million, and profit attributable to owners of parent decreased by ¥296 million.

Also, in the semi-annual consolidated statement of cash flows for the first six months of the previous fiscal year, cash flows from operating activities recorded a decrease of ¥705 million in profit before income taxes, an increase of ¥95 million in depreciation, a decrease of ¥38 million in amortization of goodwill, and a increase of ¥648 million in inventories.

## (Significant Subsequent Events)

## (Acquisition of own shares)

The Company resolved, at a meeting of the Board of Directors held on October 31, 2025 the matters concerning the acquisition of own shares. The details are described below.

(i) Reason for acquisition of own shares	To implement a flexible capital policy.
(ii) Class of shares to be acquired	Common shares
(iii) Total number of shares to be acquired	up to 1,000,000 shares
(iv) Total amount of share acquisition costs	up to ¥12,000,000,000
(v) Acquisition period	From November 4, 2025 to March 24, 2026
(vi) Acquisition method	Market purchase

## (Cancellation of own shares)

The Company resolved, at a meeting of the Board of Directors held on October 31, 2025 the matters concerning the cancellation of own shares. The details are described below.

(i) Reason for cancellation of own shares	To implement a flexible capital policy.
(ii) Class of shares to be cancelled	Common shares
(iii) Total number of shares to be cancelled	3,000,000 shares
(iv) Total number of issued shares after cancellation	62,000,000 shares
(v) Scheduled cancellation date	November 17, 2025