

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

January 23, 2026

Non-consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: TOKYO STEEL MANUFACTURING CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 5423

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

Representative: Nobuaki Nara

President

Executive Officer and General Manager, Business Administration
Division

Inquiries: Soichiro Tsuda

Telephone: +81-3-3501-7721

Scheduled date to commence dividend payments: -

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. Non-consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit				
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%			
Nine months ended											
December 31, 2025	201,846	(20.8)	8,175	(65.2)	9,536	(61.6)	9,399	(44.3)			
December 31, 2024	254,712	(7.9)	23,512	(22.0)	24,821	(20.9)	16,864	(23.9)			
Basic earnings per share			Diluted earnings per share								
Nine months ended	Yen		Yen								
December 31, 2025	91.50		-								
December 31, 2024	156.39		-								

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of			%
December 31, 2025	Millions of yen 303,835	Millions of yen 218,695	72.0
March 31, 2025	292,973	209,918	71.7

Reference: Equity

As of December 31, 2025: ¥ 218,695 million

As of March 31, 2025: ¥ 209,918 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 25.00	Yen -	Yen 25.00	Yen 50.00
Fiscal year ending March 31, 2026	-	25.00	-		
Fiscal year ending March 31, 2026 (Forecast)				25.00	50.00

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

3. Non-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		Basic earnings per share
	Millions of yen	%	Yen						
Full year	272,200	(16.7)	8,200	(72.8)	9,800	(69.0)	8,800	(58.5)	85.84

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

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: 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 December 31, 2025	110,064,249 shares
As of March 31, 2025	110,064,249 shares

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

As of December 31, 2025	7,544,089 shares
As of March 31, 2025	5,869,407 shares

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

Nine months ended December 31, 2025	102,728,716 shares
Nine months ended December 31, 2024	107,834,583 shares

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

* Proper use of earnings forecasts, and other special matters

The above forecasts are based on information available as of the announcement date of this material and contain various uncertainties. Actual results may vary significantly depending on factors such as the price of steel scrap, which is our primary raw material, and market conditions for steel products. For matters related to the above forecasts, please refer to 'Attachment, Page 2: 1. Qualitative Information Regarding the Current Interim Financial Results (3) Explanation of Forward-Looking Statements such as Business Forecasts.'

Table of Contents of Appendix

1. Overview of operating results, etc.....	2
(1) Overview of operating result.....	2
(2) Overview of financial position.....	2
(3) Explanation of earnings forecasts and other forward-looking statements.....	2
2. Quarterly Non-consolidated Financial Statements and Principal Notes.....	3
(1) Quarterly Non-consolidated Balance Sheet.....	3
(2) Quarterly Non-consolidated Statement of Income.....	5
(3) Notes to Quarterly non-consolidated financial statements.....	6
3. Supplementary information.....	7

1. Overview of operating results, etc.

(1) Overview of operating result

During the October-December period, product shipment volumes, unit sales prices, and scrap prices—our main raw material—progressed largely as expected. Additionally, the reduction in fixed cost burden accompanying increased production volumes led to a period profit that exceeded the plan. For the cumulative nine-month period, operating profit was 8,175 million yen, ordinary profit was 9,536 million yen, and quarterly net profit was 9,399 million yen.

(2) Overview of financial position

Total assets for the current third quarter increased by 10,861 million yen compared to the previous fiscal year-end to 303,835 million yen. Total liabilities increased by 2,085 million yen compared to the previous fiscal year-end to 85,140 million yen. Total net assets increased by 8,776 million yen compared to the previous fiscal year-end to 218,695 million yen.

(3) Explanation of earnings forecasts and other forward-looking statements

Regarding the future outlook, amid the ongoing downturn in the Chinese economy and the resulting increase in steel export volumes to record-high levels, uncertainty in overseas steel markets persists. In the domestic market as well, factors such as labor shortages and construction delays or plan revisions stemming from rising construction costs continue to occur, negatively impacting construction material demand, and an unexpectedly severe business environment is expected to continue.

Under these circumstances, we will focus on improving profitability by optimizing selling prices and reducing costs, including through reviews of raw material consumption rates.

In light of the above circumstances, we are revising our full-year earnings forecast announced on October 17, 2025.

2 . Quarterly Non-consolidated Financial Statements and Principal Notes

(1)Quarterly Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	21,111	84,818
Electronically recorded monetary claims - operating	958	792
Accounts receivable - trade	28,260	24,712
Securities	75,000	5,500
Merchandise and finished goods	21,605	25,013
Raw materials and supplies	15,294	16,554
Other	1,953	3,095
Allowance for doubtful accounts	(30)	(26)
Total current assets	<u>164,153</u>	<u>160,462</u>
Non-current assets		
Property, plant and equipment		
Buildings, net	8,859	9,712
Machinery and equipment, net	40,923	42,512
Land	33,060	33,027
Leased assets, net	622	1,278
Construction in progress	10,554	12,467
Other, net	8,739	9,241
Total property, plant and equipment	<u>102,760</u>	<u>108,240</u>
Intangible assets	460	554
Investments and other assets		
Investment securities	25,392	34,390
Other	206	188
Total investments and other assets	<u>25,598</u>	<u>34,578</u>
Total non-current assets	<u>128,820</u>	<u>143,373</u>
Total assets	<u>292,973</u>	<u>303,835</u>

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	35,471	40,326
Electronically recorded obligations - operating	1,656	1,672
Accounts payable - other	7,352	6,040
Accrued expenses	13,334	13,681
Income taxes payable	3,318	-
Accrued consumption taxes	904	-
Provision for bonuses	884	290
Other	3,184	2,592
Total current liabilities	66,107	64,604
Non-current liabilities		
Provision for retirement benefits	6,517	6,203
Lease liabilities	39	286
Other	10,390	14,046
Total non-current liabilities	16,947	20,536
Total liabilities	83,055	85,140
Net assets		
Shareholders' equity		
Share capital	30,894	30,894
Capital surplus	28,844	28,846
Retained earnings	147,963	152,195
Treasury shares	(9,140)	(11,763)
Total shareholders' equity	198,562	200,171
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,356	18,523
Total valuation and translation adjustments	11,356	18,523
Total net assets	209,918	218,695
Total liabilities and net assets	292,973	303,835

(2)Quarterly Non-consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	254,712	201,846
Cost of sales	209,953	175,067
Gross profit	44,758	26,778
Selling, general and administrative expenses	21,246	18,603
Operating profit	23,512	8,175
Non-operating income		
Interest income	179	383
Dividend income	681	738
Purchase discounts	143	157
Foreign exchange gains	27	51
Rental income	89	96
Other	243	193
Total non-operating income	1,364	1,620
Non-operating expenses		
Interest expenses	17	120
Taxes and dues	12	8
Environmental expenses	-	48
Other	24	82
Total non-operating expenses	54	259
Ordinary profit	24,821	9,536
Extraordinary income		
Gain on sale of non-current assets	0	4,757
Gain on disposal of non-current assets	6	8
Total extraordinary income	7	4,766
Extraordinary losses		
Loss on disposal of non-current assets	683	750
Suspension loss of operations	-	498
Cost for restoring facilities	853	-
Total extraordinary losses	1,537	1,249
Profit before income taxes	23,291	13,053
Income taxes - current	5,870	3,345
Income taxes - deferred	556	308
Total income taxes	6,427	3,654
Profit	16,864	9,399

(3) Notes to Quarterly Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholder's equity)

Based on the resolution of the Board of Directors meeting held on July 26, 2024, the Company purchased 1,685,800 shares of treasury stock between April 1, 2025, and May 21, 2025. As a result, treasury stock increased by ¥2,640 million for the nine months ended December 31, 2025.

(Notes on quarterly non-consolidated statement of cash flows)

Quarterly non-consolidated statement of cash flows has not been prepared for the nine months ended December 31, 2025. Depreciation expenses (including amortization expenses pertaining to intangible assets) are as follows.

	(in millions of yen)	
	Nine months ended	Nine months ended
	December 31, 2024	December 31, 2025
Depreciation	4,926	6,012

(Notes on segment information, etc.)

[Segment information]

The Company operates only in a single segment of business and as such no separate segment reporting is required.

(Significant Subsequent Events)

Not applicable.

3. Supplementary information

(Comparative production volume)

(in thousands of metric tons)

Article	period	Nine months ended	Nine months ended
		December 31, 2024	December 31, 2025
Steel making		2,444	2,313
Rolling		2,222	2,126

(Comparative sales volume)

Article	period	Nine months ended			Nine months ended		
		December 31, 2024	December 31, 2025	Volume (in thousands of metric tons)	Unit price (thousand yen)	Amount (millions of yen)	volume (in thousands of metric tons)
Products		2,253	108.7	244,860	2,066	94.8	195,960
(of which export)		(325)	(97.1)	(31,566)	(298)	(85.8)	(25,589)
Others		149	66.0	9,852	112	52.1	5,885
(of which export)		(11)	(76.5)	(901)	(8)	(73.6)	(660)
Total		2,402	106.0	254,712	2,179	92.6	201,846
(of which export)		(336)	(96.4)	(32,467)	(307)	(85.4)	(26,249)

(Capital expenditures, etc.)

(in billions of yen)

Item	period	Nine months ended	Nine months ended
		December 31, 2024	December 31, 2025
Depreciation and amortization		4.9	6.0
Capital expenditures for property, plant and equipment		19.0	14.5