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July 31, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: YAMATO KOGYO CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 5444
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	39,195	(0.0)	(446)	-	22,151	112.3	12,291	107.9
June 30, 2025	39,199	15.1	1,115	(28.5)	10,433	(57.7)	5,911	(66.4)

Note: Comprehensive income
For the three months ended June 30, 2026: ¥ 17,366 million [-%]
For the three months ended June 30, 2025: ¥ (16,758) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	205.71	-
June 30, 2025	95.70	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	646,693	586,557	84.6
March 31, 2026	633,540	581,417	85.5

Reference: Equity
As of June 30, 2026: ¥ 546,880 million
As of March 31, 2026: ¥ 541,745 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	200.00	-	200.00	400.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		200.00	-	200.00	400.00

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

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	86,500	13.5	800	(59.9)	45,500	62.9	28,500	49.0	476.97
Full year	178,000	11.0	3,200	(28.8)	87,000	33.4	57,500	(7.8)	962.30

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 quarterly 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 June 30, 2026	62,000,000 shares
As of March 31, 2026	62,000,000 shares

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

As of June 30, 2026	2,247,590 shares
As of March 31, 2026	2,247,590 shares

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

Three months ended June 30, 2026	59,752,410 shares
Three months ended June 30, 2025	61,765,347 shares

* Review of the Japanese-language originals of the attached consolidated quarterly 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.

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1. Qualitative Information on Quarterly Results

(1) Overview of Operating Results

During the three months ended June 30, 2026, in Japan and the ASEAN region, where the Group has consolidated subsidiaries, a full-scale improvement in steel demand and market conditions takes further time as a whole due in part to the influx of low-priced Chinese steel and the impact of the situation in the Middle East. On the other hand, in the U.S. business, market conditions continued on an upward trend backed by robust demand, enabling the Group to secure an even higher level of earnings. As a result, differences in the business environment among our bases became increasingly pronounced.

The situation at each base is as follows.

In Japan, amid continued stagnant demand for both the construction and civil engineering projects, the business environment remained challenging partly due to rising steel scrap prices driven by the weakness of the yen. Under these circumstances, at Yamato Steel Co., Ltd., although we made efforts to pass on cost increases to selling prices, it was unable to fully absorb the rise in various costs. In addition, operations were suspended for two months due to preliminary construction for the rolling mill renewal from May to June, resulting in a significant year-on-year decline in both sales and profit.

As a result, net sales of the Steel (Japan) segment decreased by ¥4,503 million year on year to ¥9,203 million, and segment profit (operating profit) decreased by ¥2,761 million year on year to negative ¥1,863 million, resulting in the recording of an operating loss.

Results for the period from January to March 2026 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 three months ended June 30, 2026.

At our Thai consolidated subsidiary, Siam Yamato Steel Co., Ltd. (SYS), demand for structural steel in Thailand is on a recovery trend. Following the effectuation of a five-year anti-dumping duty measure (ranging from 30.86% to 54.19%) on Chinese steel in November 2025, the influx of Chinese steel showed a downward trend, and domestic sales volume increased year on year. In the export market, although severe competition from Chinese steel continued, improved domestic business environment resulted in year-on-year increases in both sales and profit.

As a result, net sales of the Steel (Thailand) segment increased by ¥3,578 million year on year to ¥20,252 million, and segment profit (operating profit) increased by ¥1,581 million to ¥2,228 million.

At our Indonesian consolidated subsidiary, PT Garuda Yamato Steel (GYS), although infrastructure investment budgets remained constrained, demand for structural steel remained on a gradual recovery trend as delayed private-sector projects began to move forward, resulting in a slight year-on-year increase in sales volume. Meanwhile, selling prices remained on a downward trend due to the influx of low-priced Chinese steel and intensified competition with domestic manufacturers, resulting in a deterioration of metal margins and year-on-year growth in sales but a decline in profit.

As a result, net sales of the Steel (Indonesia) segment increased by ¥890 million year on year to ¥6,606 million, and segment profit (operating profit) decreased by ¥132 million to ¥84 million. Note that the segment profit includes amortization of intangible assets of ¥46 million and amortization of goodwill of ¥262 million associated with the business combination.

At Nucor-Yamato Steel Company (NYS), our equity-method affiliate in the U.S., demand for structural steel continued to be driven by data center construction, and sales volume remained on an upward trend. While a high level of order backlog was maintained, selling prices were raised by more than the increases in steel scrap prices and various costs, and metal margins also expanded, resulting in a significant year-on-year increase in profit in terms of performance.

At POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (PY VINA), our equity-method affiliate in Vietnam, although the economy in Vietnam remained firm, a recovery in domestic demand for structural steel has taken time, and increases in both sales volume and selling prices remained limited. Furthermore, export sales to South Korea and other countries also have been stagnant. As a result, performance remained broadly in line with the same period of the previous fiscal year, and the business only managed to remain profitable.

At YK Steel Corporation (YKS), our equity-method affiliate in South Korea, amid continued sluggish demand for rebars in South Korea, both production and sales volumes remained weak. Although selling price increases and other measures to improve profitability have been implemented, their impact has been limited, and business performance has remained challenging, broadly in line with the same period of the previous year.

As a result of the above, net sales for the three months in the current fiscal year decreased by ¥4 million year on year to ¥39,195 million. Consolidated operating profit decreased by ¥1,562 million year on year to negative ¥446 million, ordinary profit increased by ¥11,717 million to ¥22,151 million, and profit attributable to owners of parent increased by ¥6,380 million to ¥12,291 million.

With respect to the receivable for the sale of shares of the Middle East business, the purchaser, Foulath Holding B.S.C. ("Foulath"), has indicated its intention to make an early repayment in accordance with the sale and purchase agreement. Accordingly, provision for discount expense on long-term receivable of ¥3,193 million was recorded as an extraordinary loss. For further details, please refer to "2. Quarterly Consolidated Financial Statements and Notes (4) Notes to Quarterly Consolidated Financial Statements (Additional Information)."

Please note that the average foreign exchange rates for the first three months of the current fiscal year 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 three months of the current fiscal year were from January to March 2026)
156.47 yen/U.S. dollar, 4.94 yen/baht, 0.0093 yen/Indonesian rupiah

Average foreign exchange rates for the first three months of the previous fiscal year were as follows:
(For all overseas companies, the first three months of the previous fiscal year ran from January to March 2025)
151.18 yen/U.S. dollar, 4.46 yen/baht, 0.0092 yen/Indonesian rupiah

(2) Overview of Financial Position

(i) Changes in financial position

At the end of the first quarter of the fiscal year ending March 31, 2027, total assets were ¥646,693 million, an increase of ¥13,152 million from the end of the previous fiscal year.

Total liabilities were ¥60,135 million, an increase of ¥8,013 million from the end of the previous fiscal year.

Total net assets at the end of the first quarter of the fiscal year ending March 31, 2027 increased by ¥5,139 million from the end of the previous fiscal year to ¥586,557 million. The main factors behind this were increases due to profit attributable to owners of parent and in foreign currency translation adjustment resulting from the weakness of the yen, and a decrease caused by dividends paid.

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 first quarter of the current fiscal year were as follows.

(For all overseas companies, the end of the first quarter of the current fiscal year was March 31, 2026)
159.93 yen/U.S. dollar, 4.88 yen/baht, 0.0094 yen/Indonesian rupiah
(For all domestic companies, the end of the first quarter of the current fiscal year was June 30, 2026)
162.45 yen/U.S. dollar

Also, exchange rates for the end of previous fiscal year are as follows:
(For all overseas companies, the end of the previous fiscal year was December 31, 2025)
156.54 yen/U.S. dollar, 4.95 yen/baht, 0.0093 yen/Indonesian rupiah
(For all domestic companies, the end of the previous fiscal year was March 31, 2026)
159.93 yen/U.S. dollar

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities was ¥37,358 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 provided by investing activities was ¥50,940 million, due mainly to proceeds from withdrawal of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥11,581 million, due mainly to dividends paid.

Taking into account the effect of exchange rate changes on cash and cash equivalents of ¥2,954 million, cash and cash equivalents at the end of the first quarter of the current fiscal year increased by ¥79,671 million from the end of the previous fiscal year to ¥155,129 million.

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

Looking ahead, as tensions in the Middle East continue to escalate, uncertainty over the global economic outlook has heightened further. Exports of low-priced steel products from China are expected to remain at high levels due to sluggish steel demand in China. Under these circumstances, in all our bases other than the U.S., the business environment surrounding the Group will remain generally challenging. Meanwhile, in our U.S. business, the supply-demand balance is expected to be maintained, and the business environment is expected to continue enabling us to secure a high level of profitability. In each of our locations, we will strengthen our sales strategies, including measures to address the influx of Chinese steel, and will continue to strive to secure sales volume, maintain and improve metal margins, and reduce costs.

Based on the above, we have reflected the fact that our Thai consolidated subsidiary's performance remained above the expectations in the first half of the fiscal year, as well as the expectation that our equity-method affiliate in the U.S. will outperform our expectations in both the first half and the full year of the fiscal year, while primarily incorporating a deterioration in profits in the steel business of our Japanese consolidated subsidiary for the full fiscal year. As a result, we have revised our forecasts for the first half of the fiscal year as follows: net sales of ¥86,500 million (up ¥6,500 million from the previous forecast), operating profit of ¥800 million (up ¥300 million), ordinary profit of ¥45,500 million (up ¥10,500 million), and profit attributable to owners of parent of ¥28,500 million (up ¥4,500 million). In addition, we have revised our full-year earnings forecasts as follows: net sales of ¥178,000 million (up ¥12,000 million), operating profit of ¥3,200 million (down ¥1,300 million), ordinary profit of ¥87,000 million (up ¥19,000 million), and profit attributable to owners of parent of ¥57,500 million (up ¥10,500 million).

For further details, please refer to the "Notice Concerning Revisions to Earnings Forecasts" announced today.

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

Japan (Yamato Steel)

Despite lingering demand stagnation for both the construction and civil engineering projects, a mild pickup in demand is expected from the second half of the fiscal year onward, mainly in the civil engineering sector. However, the business environment will remain challenging mainly due to persistently high steel scrap prices driven by the weakness of the yen and rising energy costs resulting from situation in the Middle East. Under such an environment, we are working to strengthen sales further, including cost reduction, integrated production and sales operations to meet short delivery schedules and collaboration with the JFE Steel group in the H-beams business. However, steel scrap prices have remained above our initial assumptions, and the improvement in metal margins through passing on cost increases is expected to take time. We expect performance to be below the previous forecast, with an operating loss, profits decreasing year on year.

Thailand (SYS)

Demand for structural steel in Thailand has remained on a recovery trend, supported by public works projects such as railway and port development, as well as private-sector capital investment, particularly in data center-related projects. Since the effectuation of a five-year anti-dumping duty measure on Chinese H-beam in November 2025, imports of the products have declined, and sales volumes have increased, with share being on a recovery trend. Meanwhile, amid the continued influx of Chinese steel exempt from duties, we are strengthening our sales strategy to further improve profitability by addressing the influx of Chinese steel while expanding exports outside the ASEAN region. We expect performance to be at the same level as the previous forecast , with profits increasing year on year.

Indonesia (GYS)

In infrastructure investment, although the execution of power transmission towers projects has been delayed, school construction projects are progressing steadily. In addition, private-sector projects, particularly in the oil and gas-related facilities and data centers, remained above our initial assumptions in the first half of the fiscal year, partly due to rush demand in anticipation of higher material prices due to the situation in the Middle East. However, recently, amid uncertainty about government policies and the weakness of the rupiah, cautious sentiment toward the market outlook has spread, and some orders have been postponed. In addition, as steel scrap prices have entered an upward trend, price competition with domestic and overseas manufacturers is expected to intensify further, in addition to the influx of low-priced Chinese steel. We expect performance to be at the same level as the previous forecast and year on year.

United States (NYS)

Although uncertainty about the political outlook remains ahead of the midterm elections, the economy is expected to remain firm, supported mainly by domestic demand such as robust AI-related investments. Demand for structural steel, particularly for data center projects, has remained solid, and order backlogs remain at high levels. As high import tariffs on steel products remain in place, the steel market has been on an upward trend. Combined with expanded sales of high-value-added products, this is expected to enable us to maintain high selling prices and metal margins. We expect performance to show a significant increase in profit compared with the previous forecast, with profits increasing year on year.

Vietnam (PY VINA)

The Vietnamese economy has maintained a relatively high growth rate, and demand for structural steel is expected to recover moderately, mainly for public-sector investments. However, amid continued severe competition from inexpensive imported products, such as Chinese steel, it is expected to take time for selling prices in the domestic market to improve. In addition, a full-scale recovery in demand for structural steel is also unlikely in South Korea, our major export destination. We expect performance to be at the same level as the previous forecast and year on year.

South Korea (YKS)

Although the economy in South Korea is showing signs of a pickup, a recovery in demand for rebars is expected to take further time. Although the rebar market is showing signs of bottoming out, the business environment remains challenging. Under these circumstances, we are strengthening sales to government agencies, increasing selling prices, and promoting further cost reductions. We expect performance to be at the same level as the previous forecast, with profits increasing year on year.

Please note that for the January–December 2026 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)
155.30 yen/U.S. dollar, 4.74 yen/baht, and 0.0089 yen/Indonesian rupiah

The following exchange rates have been applied for translating the year-end (meaning the end of December 2026 for overseas subsidiaries and affiliates and the end of March 2027 for domestic subsidiaries and affiliates) assets and liabilities of each subsidiary and affiliate:

(End of period rates for all overseas subsidiaries and affiliates)
152.00 yen/U.S. dollar, 4.57 yen/baht, 0.0085 yen/Indonesian rupiah
(End of period rates for all domestic subsidiaries and affiliates)
152.00 yen/U.S. dollar

(Reference)
Assumptions of the previous forecast
(Average rates for the period)
147.87 yen/U.S. dollar, 4.56 yen/baht, 0.0087 yen/Indonesian rupiah

(End of period rates for all overseas subsidiaries and affiliates on December 31, 2026)
145.00 yen/U.S. dollar, 4.44 yen/baht, 0.0085 yen/Indonesian rupiah
(End of period rates for all domestic subsidiaries and affiliates on March 31, 2027)
145.00 yen/U.S. dollar

Previous year’s results
(Average rates for the period)
149.78 yen/U.S. dollar, 4.57 yen/baht, 0.0091 yen/Indonesian rupiah
(End of period rates for all overseas subsidiaries and affiliates on December 31, 2025)
156.54 yen/U.S. dollar, 4.95 yen/baht, 0.0093 yen/Indonesian rupiah
(End of period rates for all domestic subsidiaries and affiliates on March 31, 2026)
159.93 yen/U.S. dollar

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	219,383	243,297
Notes and accounts receivable - trade	23,176	21,702
Securities	-	2,000
Merchandise and finished goods	24,189	20,963
Work in process	1,060	1,221
Raw materials and supplies	28,275	32,860
Other	14,083	14,826
Allowance for doubtful accounts	(24)	(28)
Total current assets	310,145	336,844
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,970	23,790
Machinery, equipment and vehicles, net	53,858	52,493
Land	29,489	29,197
Construction in progress	7,796	6,944
Other, net	3,827	3,752
Total property, plant and equipment	115,942	116,179
Intangible assets		
Goodwill	12,192	12,028
Other	3,669	3,621
Total intangible assets	15,862	15,649
Investments and other assets		
Investment securities	46,877	46,230
Investments in capital	122,413	111,090
Retirement benefit asset	2,119	2,117
Long-term accounts receivable - other	12,966	10,756
Other	7,298	7,899
Allowance for doubtful accounts	(84)	(73)
Total investments and other assets	191,590	178,019
Total non-current assets	323,395	309,849
Total assets	633,540	646,693

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,099	7,321
Current portion of long-term borrowings	744	470
Accounts payable - other	4,641	5,196
Accrued expenses	3,522	3,460
Income taxes payable	730	4,404
Advances received	1,473	3,239
Provision for bonuses	919	613
Other	1,295	5,910
Total current liabilities	22,426	30,615
Non-current liabilities		
Deferred tax liabilities	20,919	21,076
Retirement benefit liability	3,173	2,934
Other	5,602	5,508
Total non-current liabilities	29,696	29,519
Total liabilities	52,122	60,135
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	101	101
Retained earnings	438,530	438,913
Treasury shares	(14,074)	(14,074)
Total shareholders' equity	432,554	432,936
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,279	7,928
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	100,057	105,177
Remeasurements of defined benefit plans	851	835
Total accumulated other comprehensive income	109,190	113,943
Non-controlling interests	39,672	39,677
Total net assets	581,417	586,557
Total liabilities and net assets	633,540	646,693

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	39,199	39,195
Cost of sales	33,713	35,321
Gross profit	5,486	3,873
Selling, general and administrative expenses		
Packing and transportation costs	1,324	1,189
Salaries and allowances	798	811
Provision for bonuses	166	183
Retirement benefit expenses	71	(2)
Other	2,009	2,137
Total selling, general and administrative expenses	4,370	4,320
Operating profit (loss)	1,115	(446)
Non-operating income		
Interest income	2,193	1,482
Dividend income	353	166
Equity in earnings of affiliates	7,372	20,594
Foreign exchange gains	-	870
Other	254	245
Total non-operating income	10,173	23,359
Non-operating expenses		
Interest expenses	60	40
Foreign exchange losses	747	-
Loss on valuation of derivatives	-	706
Other	48	15
Total non-operating expenses	856	761
Ordinary profit	10,433	22,151
Extraordinary income		
Gain on sale of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on retirement of non-current assets	42	112
Provision for loss on litigation	27	26
Provision for loss on transfer of receivables	718	-
Provision for discount expense on long-term receivable	-	3,193
Total extraordinary losses	788	3,332
Profit before income taxes	9,646	18,818
Income taxes - current	4,196	5,845
Income taxes - deferred	(635)	308
Total income taxes	3,560	6,153
Profit	6,086	12,664
Profit attributable to non-controlling interests	175	373
Profit attributable to owners of parent	5,911	12,291

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	6,086	12,664
Other comprehensive income		
Valuation difference on available-for-sale securities	1,824	(377)
Foreign currency translation adjustment	(17,472)	2,603
Remeasurements of defined benefit plans, net of tax	307	(15)
Share of other comprehensive income of entities accounted for using equity method	(7,504)	2,490
Total other comprehensive income	(22,845)	4,701
Comprehensive income	(16,758)	17,366
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(14,946)	17,044
Comprehensive income attributable to non-controlling interests	(1,811)	321

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	9,646	18,818
Depreciation	2,529	2,809
Interest and dividend income	(2,547)	(1,649)
Interest expenses	60	40
Equity in (earnings) losses of affiliates	(7,372)	(20,594)
Decrease (increase) in trade receivables	302	1,423
Decrease (increase) in inventories	1,692	(1,671)
Increase (decrease) in trade payables	(1,353)	(1,744)
Other, net	2,033	4,056
Subtotal	4,991	1,488
Interest and dividends received	28,578	36,608
Interest paid	(36)	(13)
Income taxes paid	(1,208)	(725)
Net cash provided by (used in) operating activities	32,324	37,358
Cash flows from investing activities		
Payments into time deposits	(142,231)	(46,167)
Proceeds from withdrawal of time deposits	64,348	100,563
Purchase of property, plant and equipment	(2,001)	(3,307)
Purchase of shares of subsidiaries and associates	(213)	-
Other, net	(91)	(148)
Net cash provided by (used in) investing activities	(80,189)	50,940
Cash flows from financing activities		
Repayments of long-term borrowings	(292)	(279)
Purchase of treasury shares	(5,392)	-
Dividends paid	(11,250)	(10,953)
Dividends paid to non-controlling interests	(549)	(316)
Other, net	(25)	(32)
Net cash provided by (used in) financing activities	(17,509)	(11,581)
Effect of exchange rate change on cash and cash equivalents	(4,457)	2,954
Net increase (decrease) in cash and cash equivalents	(69,831)	79,671
Cash and cash equivalents at beginning of period	124,021	75,458
Cash and cash equivalents at end of period	54,189	155,129

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

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

Not applicable.

(Application of Special Accounting Treatment for the Preparation of Quarterly 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, 2027, excluding certain subsidiaries, and multiplying profit before income taxes for the quarter by the estimated effective tax rate.

(Additional Information)

(Early collection of the receivable for the sale of shares)

On June 18, 2025, the Company entered into the share sale and purchase agreement with Foulath for the sale of the shares of SULB Company BSC (c) and United Steel Company ("Sulb") Bahrain venture Co. W. L. L., which are the Company's equity-method affiliates engaged in the Middle East business. Under the agreement, the USD 140 million receivable is, in principle, to be repaid in installments over the long term, and the Company received USD 30 million in February 2026 as a partial installment payment. The agreement also includes an early repayment provision.

Following the indication received from Foulath on May 28, 2026 of its intention to exercise the early repayment provision, the Company recorded provision for discount expense on long-term receivable of USD 20 million (¥3,193 million), representing the reduction amount under the provision, as an extraordinary loss in the first quarter of the fiscal year ending March 31, 2027. The remaining balance of USD 90 million after the exercise of the early repayment provision is expected to be collected in a lump sum during the fiscal year ending March 31, 2027.

(Segment Information, etc.)

I. Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Information about Net Sales and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Subtotal				
Net sales									
(1) Sales to customers	13,707	16,674	5,715	2,118	38,216	983	39,199	–	39,199
(2) Inter-segment sales and transfers	220	–	–	–	220	–	220	(220)	–
Total	13,928	16,674	5,715	2,118	38,436	983	39,420	(220)	39,199
Segment profit	897	646	216	318	2,079	108	2,187	(1,071)	1,115

(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 ¥ (1,071) 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 and operating profit in the quarterly consolidated statements of income.

II. Three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

1. Information about Net Sales and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Subtotal				
Net sales									
(1) Sales to customers	9,203	20,252	6,606	2,119	38,182	1,012	39,195	–	39,195
(2) Inter-segment sales and transfers	115	–	–	–	115	–	115	(115)	–
Total	9,319	20,252	6,606	2,119	38,298	1,012	39,310	(115)	39,195
Segment profit or (loss)	(1,863)	2,228	84	179	629	26	656	(1,103)	(446)

(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 or (loss) included corporate general expenses of ¥ (1,103) 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 or (loss) and operating loss in the quarterly consolidated statements of income.

(Significant Subsequent Events)

Not applicable.