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October 31, 2025

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 (Fiscal Year 2026) (Six Months Ended September 30, 2025) <Under Japanese GAAP>

Company name:	Kyoei Steel, Ltd.	Stock exchange listed: Tokyo	
Stock code:	5440	URL: https://www.kyoeisteel.co.jp/en/	
Representative:	Shogo Sakamoto, President and Representative Director		
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Scheduled date of filing of semi-annual securities report: (Japanese version only):	November 10, 2025
Scheduled date of payment of dividend:	December 5, 2025
Preparation of supplementary materials for financial results:	Yes

(Millions of yen with fractional amounts rounded off, unless otherwise noted)

1. Consolidated Financial Results for the Second Quarter (from April 1, 2025 to September 30, 2025) of Fiscal Year 2026

(1) Consolidated operating results (Percentages represent 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	154,683	(3.9)	9,208	55.7	8,482	38.3	5,433	7.3
Six months ended September 30, 2024	161,037	3.5	5,915	(40.5)	6,135	(38.6)	5,066	(35.6)

Note: Comprehensive income
Six months ended September 30, 2025: 2,584 million yen [(72.8)%]
Six months ended September 30, 2024: 9,499 million yen [(22.3)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	125.01	–
Six months ended September 30, 2024	116.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	338,354	209,076	60.0
As of March 31, 2025	352,828	209,157	57.5

Reference: Equity
As of September 30, 2025: 203,087 million yen
As of March 31, 2025: 202,988 million yen

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2025	–	30.00	–	60.00	90.00
Fiscal Year 2026	–	30.00			
Fiscal Year 2026 (Forecast)			–	60.00	90.00

Note: Revisions to the most recently announced dividend forecast: None

3. Forecasts of Consolidated Earnings for Fiscal Year 2026 (from April 1, 2025 to March 31, 2026)

(Percentages represent 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	323,000	0.0	17,000	10.9	16,000	1.6	10,500	(2.7)	241.61

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

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

Newly added: None Excluded: None

(2) Application of special accounting methods for presenting semi-annual consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

1) Number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	44,898,730 shares
As of March 31, 2025	44,898,730 shares

2) Number of treasury shares at the end of the period

As of September 30, 2025	1,439,803 shares
As of March 31, 2025	1,439,755 shares

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

Six months ended September 30, 2025	43,458,951 shares
Six months ended September 30, 2024	43,458,975 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on information available at the date of publication for this document and certain assumptions regarding factors that may influence future results at the date of publication. Actual results may vary significantly from these forecasts due to a wide range of factors.

Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	64,495	50,022
Notes receivable - trade	257	46
Accounts receivable - trade	53,371	49,926
Electronically recorded monetary claims - operating	18,011	17,451
Securities	–	8,000
Merchandise and finished goods	37,361	32,635
Raw materials and supplies	31,220	32,950
Other	7,025	8,167
Allowance for doubtful accounts	(442)	(398)
Total current assets	211,297	198,798
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,501	20,538
Machinery, equipment and vehicles, net	38,365	36,660
Land	32,161	32,024
Other, net	17,712	19,342
Total property, plant and equipment	109,738	108,563
Intangible assets		
Goodwill	702	622
Other	2,379	2,142
Total intangible assets	3,081	2,764
Investments and other assets		
Investment securities	17,526	17,880
Long-term loans receivable	150	15
Retirement benefit asset	6,133	6,149
Deferred tax assets	2,889	2,417
Other	2,050	1,803
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	28,712	28,229
Total non-current assets	141,531	139,555
Total assets	352,828	338,354

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,374	23,710
Electronically recorded obligations - operating	5,538	7,015
Short-term borrowings	50,369	40,360
Current portion of long-term borrowings	5,128	5,034
Current portion of bonds payable	–	10,000
Income taxes payable	3,267	2,544
Provision for bonuses	1,059	1,593
Other	16,525	12,014
Total current liabilities	103,259	102,269
Non-current liabilities		
Bonds payable	10,000	–
Long-term borrowings	18,053	15,154
Deferred tax liabilities	4,246	4,028
Deferred tax liabilities for land revaluation	2,463	2,463
Retirement benefit liability	3,996	3,870
Other	1,653	1,493
Total non-current liabilities	40,411	27,009
Total liabilities	143,671	129,278
Net assets		
Shareholders’ equity		
Share capital	18,516	18,516
Capital surplus	19,621	19,595
Retained earnings	142,043	144,868
Treasury shares	(1,700)	(1,700)
Total shareholders’ equity	178,479	181,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,171	3,395
Deferred gains or losses on hedges	120	95
Revaluation reserve for land	4,498	4,498
Foreign currency translation adjustment	12,541	9,797
Remeasurements of defined benefit plans	4,179	4,024
Total accumulated other comprehensive income	24,509	21,809
Non-controlling interests	6,169	5,989
Total net assets	209,157	209,076
Total liabilities and net assets	352,828	338,354

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

(Semi-annual Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	161,037	154,683
Cost of sales	143,551	134,328
Gross profit	17,486	20,355
Selling, general and administrative expenses	11,571	11,147
Operating profit	5,915	9,208
Non-operating income		
Interest income	509	405
Dividend income	200	193
Share of profit of entities accounted for using equity method	652	273
Other	367	468
Total non-operating income	1,729	1,340
Non-operating expenses		
Interest expenses	1,386	1,207
Foreign exchange losses	50	804
Other	73	55
Total non-operating expenses	1,509	2,066
Ordinary profit	6,135	8,482
Extraordinary income		
Gain on sale and retirement of non-current assets	27	69
Insurance claim income	819	13
Subsidy income	561	–
Total extraordinary income	1,407	82
Extraordinary losses		
Loss on sale and retirement of non-current assets	128	120
Loss on accident	66	–
Loss on abandonment of goods	–	61
Other	4	2
Total extraordinary losses	198	182
Profit before income taxes	7,344	8,382
Income taxes	2,283	2,434
Profit	5,061	5,948
Profit (loss) attributable to non-controlling interests	(5)	515
Profit attributable to owners of parent	5,066	5, 433

(Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	5,061	5,948
Other comprehensive income		
Valuation difference on available-for-sale securities	(908)	225
Deferred gains or losses on hedges	(4)	(27)
Foreign currency translation adjustment	5,141	(3,407)
Remeasurements of defined benefit plans, net of tax	209	(155)
Total other comprehensive income	4,439	(3,364)
Comprehensive income	9,499	2,584
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,999	2,733
Comprehensive income attributable to non-controlling interests	501	(149)

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	7,344	8,382
Depreciation	4,280	3,794
Amortization of goodwill	58	55
Increase (decrease) in provisions	862	530
Increase (decrease) in retirement benefit liability	366	(126)
Share of loss (profit) of entities accounted for using equity method	(652)	(273)
Loss (gain) on sale and retirement of non-current assets	101	51
Loss on accident	66	–
Loss on abandonment of goods	–	61
Insurance claim income	(819)	(13)
Interest and dividend income	(709)	(599)
Subsidy income	(561)	–
Interest expenses	1,386	1,207
Decrease (increase) in trade receivables	22,035	2,027
Decrease (increase) in inventories	(4,456)	(132)
Increase (decrease) in trade payables	(5,142)	4,718
Increase (decrease) in accrued consumption taxes	(1,373)	(183)
Decrease (increase) in retirement benefit asset	(489)	(66)
Other, net	(1,451)	(1,539)
Subtotal	20,846	17,893
Interest and dividends received	1,355	763
Interest paid	(1,643)	(1,244)
Payments associated with loss on accident	(58)	–
Proceeds from insurance income	819	13
Subsidies received	561	–
Income taxes refund (paid)	(6,872)	(3,293)
Net cash provided by (used in) operating activities	15,008	14,132
Cash flows from investing activities		
Payments into time deposits and other	(3,431)	(9,828)
Proceeds from withdrawal of time deposits and other	26,146	15,620
Purchase of securities	–	(4,000)
Purchase of investment securities	(24)	(4)
Loan advances	(154)	(206)
Proceeds from collection of loans receivable	39	62
Purchase of property, plant and equipment	(7,311)	(9,031)
Proceeds from sale of property, plant and equipment	21	65
Purchase of intangible assets	(79)	(60)
Other, net	(116)	(111)
Net cash provided by (used in) investing activities	15,091	(7,495)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,225)	(5,384)
Repayments of long-term borrowings	(2,193)	(2,527)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(632)	–
Dividends paid	(3,248)	(2,607)
Dividends paid to non-controlling interests	(98)	(57)
Other, net	(119)	(180)
Net cash provided by (used in) financing activities	(11,515)	(10,757)
Effect of exchange rate change on cash and cash equivalents	956	(179)
Net increase (decrease) in cash and cash equivalents	19,541	(4,298)
Cash and cash equivalents at beginning of period	26,094	38,052
Cash and cash equivalents at end of period	45,635	33,754