



January 16, 2026

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(Stock code: 5440, TSE Prime Market)
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(Progress of Disclosing Matters) Notice Regarding Some Changes to Plan for Capital Investment in U.S. Business Base

KYOEI STEEL LTD. (the "Company") announces that it has made some changes to the plan for capital investment published on January 31, 2025 in conjunction with the construction of a new Melt Shop and major modification of existing Rolling Mill equipment at Vinton Steel LLC, which is one of its businesses in the United States and a consolidated subsidiary (hereinafter called "Vinton Steel") and, as the contents of the plan have been partially revised, the Company has decided to increase the annual production capacity to 360,000 net tons*. Details are as follows.

1. Changes in the capital investment

In the NeXuS II 2026, a medium-term business plan covering the period from FY2025 through FY2027, the Company is working on ways to strengthen the overseas steel business, and especially its North American business. In the same vein, with respect to Vinton Steel, where the old equipment became outdated, it decided to improve and stabilize profitability through measures aiming at significant productivity improvement such the construction of a new melt shop and major modification of rolling mill equipment.

With the aim of further improving production efficiency and increasing production capacity, the Company has added certain equipment and revised some of the equipment specifications. In addition to this, when reflecting inflation, rising material and construction costs, and the impact of reciprocal tariffs in the United States, the investment amount has exceeded that in the previous announcement. Consequently, the total investment is expected to increase by US\$72 million, reaching US\$327 million.

The Company will secure funding for this capital investment through a combination of internal funds, bank loans, Industrial Revenue Bond (IRB)-tax exempt bond program offered by the state of Texas, and other options. The Company is carefully evaluating the optimal financing method.

This capital investment will be carried out within the total 60 billion yen North American strategic investment framework announced in our mid-term management plan.

2. Outline of the capital investment plan

- 1) Capital investment:
 - (1) Construction of a new melt shop (manufactured by Tenova)
 - (2) Major modification of the existing Rolling Mill equipment
(manufactured by Pomini Long Rolling Mills)
 - (3) Engineering and construction management will be conducted by
Techint Engineering & Construction
- 2) Capacity: Melt Shop: 360,000 net tons per year (an increase of 30,000 net tons from the previous announcement)
Rolling Mill: 360,000 net tons per year (an increase of 30,000 net tons from the previous announcement)

- 3) Total investment: US\$327 million
- 4) Products to be produced: Rebars and round bars for grinding balls

3. Outline

- 1) Start date of construction work: April 2026
- 2) Start date of operations for the new melt shop: March 2027
- 3) Start date of integrated commercial production on the new line: October 2027

Foundation work and other preliminary construction activities are progressing as scheduled.

4. Overview of the relevant subsidiary

Corporate name: Vinton Steel LLC

Location: Texas, U.S.

Representative: Koichiro Natsume, President

Description of Business: Production and Sale of steel products (Rebars and round bars for grinding balls)

Capital: US\$48 million

Year established: 1962 (Acquired by the Company in December 2016)

Investment ratio: KYOEI STEEL America LLC** 100%

5. Future outlook

The Company considers that this matter will have no impact on the Group's consolidated financial results for the current fiscal year. Revisions to the financial results forecasts, if any, will be promptly disclosed.

* One net ton: About 0.907 metric tons

** KYOEI STEEL America LLC is the U.S. steel business headquarters wholly owned by the Company.

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