KYOEI STEEL

July 31, 2026

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (Fiscal Year 2027) (Three Months Ended June 30, 2026) <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 payment of dividend: –
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 First Quarter (from April 1, 2026 to June 30, 2026) of Fiscal Year 2027

(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	%
Three months ended June 30, 2026	87,118	17.5	3,404	(20.9)	3,406	(16.2)	1,939	(28.8)
Three months ended June 30, 2025	74,152	(5.3)	4,302	39.2	4,066	5.3	2,724	3.5

Note: Comprehensive income
Three months ended June 30, 2026: 3,144 million yen [–%]
Three months ended June 30, 2025: (369) million yen [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	44.61	–
Three months ended June 30, 2025	62.69	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	368,722	219,281	57.3
As of March 31, 2026	373,127	218,808	56.7

Reference: Equity
As of June 30, 2026: 211,328 million yen
As of March 31, 2026: 211,661 million yen

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2026	–	30.00	–	60.00	90.00
Fiscal Year 2027	–				
Fiscal Year 2027 (Forecast)		30.00	–	40.00	70.00

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

3. Forecasts of Consolidated Earnings for Fiscal Year 2027 (from April 1, 2026 to March 31, 2027)

(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
First half	179,000	15.7	6,500	(29.4)	6,000	(29.3)	3,300	(39.3)	75.93
Full year	362,000	14.9	15,500	(8.6)	14,000	(13.6)	8,400	(14.8)	193.29

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

*** 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 quarterly 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 June 30, 2026	44,898,730 shares
As of March 31, 2026	44,898,730 shares

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

As of June 30, 2026	1,439,844 shares
As of March 31, 2026	1,439,844 shares

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

Three months ended June 30, 2026	43,458,886 shares
Three months ended June 30, 2025	43,458,975 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

* 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.

Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	62,947	48,694
Notes receivable - trade	6	4
Accounts receivable - trade	49,833	53,189
Electronically recorded monetary claims - operating	16,228	17,691
Securities	6,000	7,000
Merchandise and finished goods	36,448	37,727
Raw materials and supplies	33,931	36,003
Other	16,241	14,252
Allowance for doubtful accounts	(576)	(593)
Total current assets	221,057	213,966
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,785	24,114
Machinery, equipment and vehicles, net	46,237	47,149
Land	33,005	33,041
Other, net	13,399	16,250
Total property, plant and equipment	117,426	120,555
Intangible assets		
Goodwill	613	586
Other	2,225	2,144
Total intangible assets	2,838	2,730
Investments and other assets		
Investment securities	17,644	17,178
Long-term loans receivable	1,311	1,394
Retirement benefit asset	8,613	8,797
Deferred tax assets	2,392	2,218
Other	2,213	2,253
Allowance for doubtful accounts	(368)	(369)
Total investments and other assets	31,806	31,470
Total non-current assets	152,070	154,756
Total assets	373,127	368,722

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,877	28,989
Electronically recorded obligations - operating	6,857	8,013
Short-term borrowings	40,955	42,288
Current portion of long-term borrowings	5,003	4,958
Current portion of bonds payable	10,000	–
Income taxes payable	1,172	305
Provision for bonuses	1,217	948
Other	13,597	12,466
Total current liabilities	102,677	97,967
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	28,670	28,432
Deferred tax liabilities	4,754	4,863
Deferred tax liabilities for land revaluation	2,463	2,465
Retirement benefit liability	4,286	4,314
Other	1,468	1,401
Total non-current liabilities	51,642	51,474
Total liabilities	154,319	149,441
Net assets		
Shareholders’ equity		
Share capital	18,516	18,516
Capital surplus	19,595	19,595
Retained earnings	147,968	147,295
Treasury shares	(1,700)	(1,700)
Total shareholders’ equity	184,378	183,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,335	3,067
Deferred gains or losses on hedges	31	65
Revaluation reserve for land	4,526	4,529
Foreign currency translation adjustment	13,825	14,429
Remeasurements of defined benefit plans	5,566	5,533
Total accumulated other comprehensive income	27,283	27,623
Non-controlling interests	7,147	7,953
Total net assets	218,808	219,281
Total liabilities and net assets	373,127	368,722

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	74,152	87,118
Cost of sales	64,057	77,796
Gross profit	10,095	9,322
Selling, general and administrative expenses	5,793	5,918
Operating profit	4,302	3,404
Non-operating income		
Interest income	243	214
Dividend income	177	156
Share of profit of entities accounted for using equity method	199	–
Foreign exchange gains	–	204
Other	209	129
Total non-operating income	827	704
Non-operating expenses		
Interest expenses	619	650
Share of loss of entities accounted for using equity method	–	23
Foreign exchange losses	413	–
Other	31	28
Total non-operating expenses	1,063	702
Ordinary profit	4,066	3,406
Extraordinary income		
Gain on sale and retirement of non-current assets	57	8
Insurance claim income	14	–
Total extraordinary income	71	8
Extraordinary losses		
Loss on sale and retirement of non-current assets	13	22
Other	0	2
Total extraordinary losses	13	25
Profit before income taxes	4,124	3,389
Income taxes	1,415	738
Profit	2,709	2,650
Profit (loss) attributable to non-controlling interests	(16)	711
Profit attributable to owners of parent	2,724	1,939

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	2,709	2,650
Other comprehensive income		
Valuation difference on available-for-sale securities	(304)	(268)
Deferred gains or losses on hedges	(19)	34
Foreign currency translation adjustment	(2,579)	761
Remeasurements of defined benefit plans, net of tax	(176)	(33)
Total other comprehensive income	(3,078)	494
Comprehensive income	(369)	3,144
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10	2,276
Comprehensive income attributable to non-controlling interests	(379)	868

(3) Notes to Quarterly Consolidated Financial Statements

Notes on Segment and Other Information

I. First three months of the fiscal year ended March 31, 2026 (from April 1, 2025 to June 30, 2025)

1. Information related to net sales and profit/loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments				Others (Note 1)	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Domestic Steel Business	Overseas Steel Business	Material Recycling Business	Total			
Net sales							
Revenue from contracts with customers	32,687	38,825	1,343	72,855	1,297	–	74,152
Sales to external customers	32,687	38,825	1,343	72,855	1,297	–	74,152
Inter-segment sales and transfers	4	18	144	166	243	(409)	–
Total	32,691	38,843	1,487	73,021	1,540	(409)	74,152
Segment profit	3,968	592	30	4,589	178	(466)	4,302

Notes:
1. “Others” represent the businesses which are not included in any of the reportable segments and mainly consist of harbor operation, castings and insurance agent businesses.
2. The adjustment of (466) million yen to “segment profit” includes 3 million yen in eliminations for intersegment transactions and (469) million yen in corporate costs that are not allocated to reportable segments. Corporate costs mainly include general and administration expenses of the Company’s head office that cannot be attributed to reportable segments.
3. “Segment profit” is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses of non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in the amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

II. First three months of the fiscal year ending March 31, 2027 (from April 1, 2026 to June 30, 2026)

1. Information related to net sales and profit/loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments				Others (Note 1)	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Domestic Steel Business	Overseas Steel Business	Material Recycling Business	Total			
Net sales							
Revenue from contracts with customers	31,268	52,924	1,666	85,859	1,259	–	87,118
Sales to external customers	31,268	52,924	1,666	85,859	1,259	–	87,118
Inter-segment sales and transfers	7	4	122	133	217	(350)	–
Total	31,275	52,928	1,788	85,992	1,476	(350)	87,118
Segment profit	288	3,171	311	3,769	140	(505)	3,404

Notes:
1. “Others” represent the businesses which are not included in any of the reportable segments and mainly consist of harbor operation, castings and insurance agent businesses.
2. The adjustment of (505) million yen to “segment profit” includes 2 million yen in eliminations for intersegment transactions and (508) million yen in corporate costs that are not allocated to reportable segments. Corporate costs mainly include general and administration expenses of the Company’s head office that cannot be attributed to reportable segments.
3. “Segment profit” is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses of non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in the amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable.

Notes on Going Concern Assumption

Not applicable.

Notes on Quarterly Consolidated Statements of Cash Flows

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	2,050	2,144
Amortization of goodwill	28	30