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KYOEI STEEL

FASF

July 31, 2026

Company name:	Kyoei Steel, Ltd.
Representative:	Shogo Sakamoto, President and Representative Director (Stock code: 5440, TSE Prime Market)
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(Progress of Disclosing Matters) Notice Regarding Further Changes to Plan for Capital Investment in U.S. Business Base

KYOEI STEEL LTD. (the "Company") announces that, at a meeting of its Board of Directors held on July 31, 2026, it resolved to make further changes to the plan for capital investment, for which changes were announced on January 16, 2026, 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"). Details are as follows.

1. Changes in the capital investment

Item	Before	After
Total investment	US$327 million	US$437 million
Schedule: 1) Start date of construction work 2) Start date of operations for the new melt shop 3) Completion of rolling mill equipment and start date of integrated commercial production	 April 2026 March 2027 October 2027	 July 2026 July 2027 October 2027 (no change)

2. Explanation of changes in the capital investment

In 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 In the same vein, with respect to Vinton Steel, where the old equipment became outdated, the Company aims to improve and stabilize profitability through productivity improvements and other measures by constructing a new melt shop and making major modifications to rolling mill equipment.

The Company announced on January 16, 2026 that it had added certain equipment, revised some of the equipment specifications, and changed the investment amount with the aim of further improving production efficiency and increasing production capacity. The total investment is now expected to increase to US$437 million, exceeding the amount announced previously, as a result of factors including higher construction material prices and logistics costs due to inflation in the United States and the impact of the situation in the Middle East, as well as higher construction costs amid the rapid expansion of demand for large-scale construction projects in and around Texas. The increased funds for the capital investment will be secured through a combination of internal funds, bank loans, and other options, and the Company will carefully evaluate the optimal financing method.

Despite this increase, the Company expects to maintain the equity ratio of 50% or more and the net D/E ratio of 0.5 times or less, which are set as financial KPIs in the medium-term business plan.

At the same time, the Company has reviewed the construction schedule again and revised it as shown above. There is no change from the initial plan to the start date of integrated commercial production on the new line.

This capital investment is a project to establish a core plant for the Company's North American business with unique competitiveness through the establishment of direct billet transfer welding and rolling technology, the world's first manufacturing technology of its kind. The Company will work to complete the plan as scheduled as a future growth pillar of the Group.

3. Outline of the capital investment plan (underlined items indicate changes made this time)

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
Rolling Mill: 360,000 net tons per year

3) Total investment: <u>US$437 million</u>

4) Products to be produced: Rebars and round bars for grinding balls

4. Outline (underlined items indicate changes made this time)

1) Start date of construction work: <u>July 2026</u>
2) Start date of operations for the new melt shop: <u>July 2027</u>
3) Start date of integrated commercial production on the new line: October 2027

Foundation work and other preliminary construction activities have been completed as scheduled.

5. 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$148 million
Year established: 1962 (Acquired by the Company in December 2016)
Investment ratio: KYOEI STEEL America LLC** 100%

6. 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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