

Company name: Kyoei Steel, Ltd.  
 Representative: Yasuyuki Hiroto, President and Representative Director  
 (Stock code: 5440, TSE Prime Market)  
 Inquiries: Akinori Masuda, Executive Officer and General Manager  
 of Corporate Planning Dept.  
 (Tel. 06-6346-5221)

## Notice Regarding Revisions to Financial Forecast

In the light of recent trends of our earnings, we are announcing the following revisions to the financial forecast announced on July 31, 2024.

### 1. Revisions to consolidated earnings forecast figures for fiscal year ending March 31, 2025 (April 1, 2024 - March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Millions of yen 336,000	Millions of yen 17,500	Millions of yen 18,000	Millions of yen 12,500	yen 287.63
Latest revised forecast (B)	323,000	15,000	15,000	12,000	276.12
Change (B-A)	△13,000	△2,500	△3,000	△500	
Percentage change	△3.9	△14.3	△16.7	△4.0	
(Reference) Results for fiscal year ended March 31, 2024	320,982	21,055	21,034	13,826	318.13

### 2. Reasons for revisions

In the Domestic Steel Business, we expect the demand for steel construction materials in the second half to continue to be weak, like it was in the first half, primarily due to delays in construction work caused by labor shortages at construction and logistics sites. Meanwhile, the price of iron scrap, a material used in steel construction, is expected to be lower than initially assumed. This will create a larger gap between the buying and selling prices. Overall, we anticipate that results for the full year will be roughly in line with our plan.

In the Overseas Steel Business, overall results are expected to be below the plan. Although demand for steel is recovering in Vietnam, profits are anticipated to remain weak due to an intensifying competitive environment and persistently low market prices caused by a downturn in China's real estate sector. At the bases in southern Vietnam, however, a turnaround toward profitability is in sight thanks to the recovery of the sales volume and effective cost-reduction measures in production processes, although the results are anticipated to fall short of the plan. In North America, demand is expected to remain firm, but the US base is unlikely to move into the black despite efforts to improve performance, including cost reductions. The Canadian base is anticipated to perform well due to an increase in shipments, which reflects a market recovery, and strong sales of small-diameter rebar, which is being sold in earnest beginning in the spring of this year.

We plan to post the remaining insurance benefit related to the fire at the US base in August 2023 as extraordinary income.

Based on the above, we have revised the net sales, operating profit, ordinary profit, and profit attributable to owners of parent forecasts downward.