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Non-consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

July 18, 2025

Company name: TOKYO STEEL MANUFACTURING CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 5423

URL: <https://www.tokyosteel.co.jp/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President

Executive Officer, General Manager of Corporate Management
Department

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	73,862	(21.4)	4,767	(50.8)	5,314	(48.1)	3,728	(43.2)
June 30, 2024	93,948	(8.6)	9,695	(21.1)	10,249	(20.9)	6,559	(25.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	36.18	-
June 30, 2024	60.21	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	296,284	209,504	70.7
March 31, 2025	292,973	209,918	71.7

(Reference) Equity: As of June 30, 2025: ¥ 209,504 million
As of March 31, 2025: ¥ 209,918 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	25.00	-	25.00	50.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		25.00	-	25.00	50.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025 (累計)	139,500	(20.0)	7,100	(49.0)	7,700	(48.3)	5,000	(49.1)	48.78
Full year	293,500	(10.2)	16,100	(46.5)	17,200	(45.6)	11,000	(48.1)	107.31

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025: 110,064,249 shares

March 31, 2025: 110,064,249 shares

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

June 30, 2025: 7,555,343 shares

March 31, 2025: 5,869,407 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 103,044,228 shares

Three months ended June 30, 2024: 108,927,051 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forecasts presented herein are based on information available as of the date of this document's release and involve various uncertainties. Actual performance may differ significantly due to factors such as fluctuations in the price of iron scrap, our primary raw material, and steel market conditions. For further details regarding these forecasts, please refer to "(3) Explanation of earnings forecasts and other forward-looking statements" in "1. Overview of operating results, etc " on page 2 of the attached materials.

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1. Overview of operating results, etc.

(1) Overview of operating results for the first three months

During the April-June quarter, shipment volumes, unit sales prices, and scrap prices, our main raw material, remained at levels close to our initial projections. As a result, although the quarterly performance fell slightly short of the planned figures, it progressed largely in line with our expectations.

(2) Overview of financial position for the first three months

Total assets as of the end of the first quarter increased by 3,310 million yen from the previous fiscal year-end to 296,284 million yen. Total liabilities increased by 3,724 million yen from the previous fiscal year-end to 86,780 million yen. Total net assets decreased by 414 million yen from the previous fiscal year-end to 209,504 million yen.

(3) Explanation of earnings forecasts and other forward-looking statements

Looking ahead, we expect the challenging overseas market conditions triggered by protectionist measures in various countries, including the United States' tariff policies, to persist. Domestically, factors such as delays in construction projects due to labor shortages are expected to continue. Notably, domestic production of H-shaped steel in the 2024 fiscal year fell below 3 million tons for the first time in approximately half a century, and the 2025 fiscal year has also started off on a weak note. We believe that it will take additional time for demand to improve.

Under these circumstances, we are concerned that the price reduction of our products in the first quarter will be reflected in future product shipment prices, and that the business situation will remain challenging.

For the reasons outlined above, we have revised our forecasts for the first half and full year ending April 2025, which were announced on April 25, 2025.

Under our profit-oriented policy, we will strive to increase profits by working to meet demand and capturing further demand for products that contribute to the realization of a decarbonized society, such as our "Hobo zero" low CO₂ steel products.

2. Quarterly Non-consolidated Financial Statements and Primary Notes

(1) Quarterly Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	21,111	14,437
Electronically recorded monetary claims - operating	958	752
Accounts receivable - trade	28,260	28,978
Securities	75,000	76,000
Merchandise and finished goods	21,605	23,959
Raw materials and supplies	15,294	14,997
Other	1,953	2,145
Allowance for doubtful accounts	(30)	(31)
Total current assets	164,153	161,241
Non-current assets		
Property, plant and equipment		
Buildings, net	8,859	9,416
Machinery and equipment, net	40,923	40,901
Land	33,060	33,060
Leased assets, net	622	1,335
Construction in progress	10,554	14,176
Other, net	8,739	8,909
Total property, plant and equipment	102,760	107,799
Intangible assets	460	547
Investments and other assets		
Other	25,598	26,696
Total investments and other assets	25,598	26,696
Total non-current assets	128,820	135,043
Total assets	292,973	296,284

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	35,471	39,721
Electronically recorded obligations - operating	1,656	1,799
Accounts payable - other	7,352	7,464
Accrued expenses	13,334	15,733
Income taxes payable	3,318	1,587
Provision for bonuses	884	280
Other	4,089	2,675
Total current liabilities	66,107	69,263
Non-current liabilities		
Provision for retirement benefits	6,517	6,420
Other	10,429	11,096
Total non-current liabilities	16,947	17,516
Total liabilities	83,055	86,780
Net assets		
Shareholders' equity		
Share capital	30,894	30,894
Capital surplus	28,844	28,844
Retained earnings	147,963	149,086
Treasury shares	(9,140)	(11,781)
Total shareholders' equity	198,562	197,044
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,356	12,459
Total valuation and translation adjustments	11,356	12,459
Total net assets	209,918	209,504
Total liabilities and net assets	292,973	296,284

(2) Quarterly Non-consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	93,948	73,862
Cost of sales	76,967	62,459
Gross profit	16,981	11,403
Selling, general and administrative expenses	7,285	6,635
Operating profit	9,695	4,767
Non-operating income		
Interest income	18	97
Dividend income	344	353
Purchase discounts	66	62
Foreign exchange gains	99	41
Rental income	29	31
Other	8	79
Total non-operating income	567	666
Non-operating expenses		
Interest expenses	6	105
Other	6	13
Total non-operating expenses	12	119
Ordinary profit	10,249	5,314
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on disposal of non-current assets	1	2
Total extraordinary income	1	3
Extraordinary losses		
Loss on disposal of non-current assets	239	241
Restoration expenses on facilities	842	-
Total extraordinary losses	1,081	241
Profit before income taxes	9,169	5,076
Income taxes - current	2,541	1,495
Income taxes - deferred	69	(146)
Total income taxes	2,610	1,348
Profit	6,559	3,728

(3) Notes to Quarterly non-consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholder's equity)

Based on the resolution of the Board of Directors meeting held on July 26, 2024, the Company purchased 1,685,800 shares of treasury stock from April 1, 2025 to May 21, 2025. As a result, the amount of treasury stock increased by ¥2,640 million for the three months ended June 30, 2025,

(Notes on quarterly non-consolidated statement of cash flows)

Quarterly non-consolidated statement of cash flows has not been prepared for the first three months ended June 30, 2025. Depreciation expenses (including amortization expenses pertaining to intangible assets) are as follows.

	(in millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,575	1,961

(Notes on segment information, etc.)

[Segment information]

The Company operates only in a single segment of business and as such no separate segment reporting is required.

(Significant Subsequent Events)

Not applicable.

3. Supplementary information

(Comparative production volume)

(in thousands of metric tons)

Article \ period	Three months ended June 30, 2024	Three months ended June 30, 2025
Steel making	833	851
Rolling	782	774

(Comparative sales volume)

Article \ period	Three months ended June 30, 2024			Three months ended June 30, 2025		
	Volume (in thousands of metric tons)	Unit price (thousand yen)	Amount (millions of yen)	volume (in thousands of metric tons)	Unit price (thousand yen)	Amount (millions of yen)
Products	819	110.4	90,499	746	96.2	71,760
(of which export)	(132)	(101.5)	(13,502)	(137)	(81.9)	(11,217)
Others	50	68.2	3,449	40	51.5	2,102
(of which export)	(2)	(81.3)	(231)	(2)	(72.3)	(215)
Total	870	107.9	93,948	786	93.9	73,862
(of which export)	(135)	(101.1)	(13,734)	(139)	(81.7)	(11,433)

(Capital expenditures, etc.)

(in billions of yen)

Item \ period	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation and amortization	15	19
Capital expenditures for property, plant and equipment	52	71