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July 17, 2026

Non-consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: TOKYO STEEL MANUFACTURING CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 5423

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

Representative: Nobuaki Nara President

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Non-consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	72,927	(1.3)	(2,307)	-	(1,743)	-	1,882	(49.5)
June 30, 2025	73,862	(21.4)	4,767	(50.8)	5,314	(48.1)	3,728	(43.2)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	18.40	-
June 30, 2025	36.18	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	288,905	217,343	75.2
March 31, 2026	292,995	222,089	75.8

Reference: Equity

As of June 30, 2026: ¥ 217,343 million

As of March 31, 2026: ¥ 222,089 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	25.00	-	25.00	50.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		20.00	-	20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026 (Cumulative)	155,000	15.8	(4,000)	-	(3,000)	-	1,000	(78.1)	9.81
Full year	315,000	17.5	(4,000)	-	(2,500)	-	1,000	(91.3)	9.81

Note: Revisions to the financial result forecast most recently announced: 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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of June 30, 2026	110,064,249 shares
As of March 31, 2026	110,064,249 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	8,123,434 shares
As of March 31, 2026	7,544,134 shares

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

Three months ended June 30, 2026	102,299,840 shares
Three months ended June 30, 2025	103,044,228 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 forward-looking statements contained in the forecasts above are based on information available as of the date of this announcement and involve various uncertain factors. Actual results may differ materially due to fluctuations in the price of iron scrap, which is our primary raw material, as well as steel market conditions and other factors. For further details regarding the above forecasts, please refer to page 2 of the attached document, “1. Overview of operating results, etc, (3) Explanation of earnings forecasts and other forward-looking statements.”

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1. Overview of operating results, etc.

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

In response to a sharp surge in scrap prices driven by escalating tensions in the Middle East, our company implemented a total of three product price revisions since the end of the previous fiscal year. However, as it takes a considerable amount of time for the product price increases to be reflected in actual shipment prices relative to the rise in raw material procurement costs, we recorded an operating loss of ¥2,307 million in the first quarter. On the other hand, as a result of divesting assets including investment securities, profit for the quarter came to ¥1,882 million.

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

Total assets for the first quarter decreased by ¥4,089 million compared to the end of the previous fiscal year, amounting to ¥288,905 million. Total liabilities increased by ¥655 million compared to the end of the previous fiscal year, amounting to ¥71,561 million.

Total net assets decreased by ¥4,745 million compared to the end of the previous fiscal year, amounting to ¥217,343 million.

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

With regard to the future outlook, we anticipate a gradual improvement in profitability heading into the second half of the fiscal year, as the product price increases are progressively reflected in shipment prices.

While we remain concerned about continued upward cost pressure stemming from uncertainty surrounding the Middle East situation and rising electricity and fuel costs, our company will pursue ongoing improvement activities — including enhancements to manufacturing yield rates — under a profitability-focused policy, while also working to establish a production structure aligned with actual demand. In addition, we will strive to improve earnings by capturing new demand through the expanded sales of low-CO2 steel products, including our "Hobo Zero" (Almost Zero).

Please note that the earnings forecasts for the cumulative second quarter period and the full fiscal year will be revised from the forecasts announced on April 24, 2026, taking into account the first quarter results.

Quarterly Non-consolidated Financial Statements and Primary Notes

Quarterly Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	63,470	53,384
Electronically recorded monetary claims - operating	893	1,162
Accounts receivable - trade	26,556	28,803
Securities	10,500	10,000
Merchandise and finished goods	24,933	30,069
Raw materials and supplies	16,071	18,600
Other	3,067	4,221
Allowance for doubtful accounts	(28)	(30)
Total current assets	145,465	146,211
Non-current assets		
Property, plant and equipment		
Buildings, net	10,710	10,611
Machinery and equipment, net	42,612	42,254
Land	33,027	32,315
Leased assets, net	1,249	1,220
Construction in progress	14,531	14,576
Other, net	9,253	9,748
Total property, plant and equipment	111,385	110,727
Intangible assets	546	504
Investments and other assets		
Investment securities	35,410	30,821
Other	187	640
Total investments and other assets	35,597	31,462
Total non-current assets	147,530	142,694
Total assets	292,995	288,905

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	32,567	33,359
Electronically recorded obligations - operating	579	257
Accounts payable - other	4,438	3,671
Accrued expenses	10,659	12,702
Provision for bonuses	780	251
Other	2,540	3,609
Total current liabilities	51,566	53,850
Non-current liabilities		
Provision for retirement benefits	6,118	6,351
Other	13,220	11,359
Total non-current liabilities	19,339	17,710
Total liabilities	70,906	71,561
Net assets		
Shareholders' equity		
Share capital	30,894	30,894
Capital surplus	28,846	28,846
Retained earnings	154,353	153,672
Treasury shares	(11,763)	(12,760)
Total shareholders' equity	202,329	200,652
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19,759	16,690
Total valuation and translation adjustments	19,759	16,690
Total net assets	222,089	217,343
Total liabilities and net assets	292,995	288,905

Quarterly Non-consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	73,862	72,927
Cost of sales	62,459	68,793
Gross profit	11,403	4,134
Selling, general and administrative expenses	6,635	6,441
Operating profit (loss)	4,767	(2,307)
Non-operating income		
Interest income	97	188
Dividend income	353	367
Purchase discounts	62	34
Other	152	119
Total non-operating income	666	710
Non-operating expenses		
Interest expenses	105	67
Foreign exchange losses	-	31
Other	13	47
Total non-operating expenses	119	146
Ordinary profit (loss)	5,314	(1,743)
Extraordinary income		
Gain on sale of non-current assets	0	993
Gain on disposal of non-current assets	2	0
Gain on sale of investment securities	-	3,403
Total extraordinary income	3	4,397
Extraordinary losses		
Loss on disposal of non-current assets	241	133
Total extraordinary losses	241	133
Profit before income taxes	5,076	2,519
Income taxes - current	1,495	593
Income taxes - deferred	(146)	43
Total income taxes	1,348	637
Profit	3,728	1,882

(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 April 24, 2026, the Company purchased 579,300 shares of treasury stock from May 1, 2026 to September 30, 2026. As a result, the amount of treasury stock increased by ¥996 million for the three months ended June 30, 2026,

(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, 2026. Depreciation expenses (including amortization expenses pertaining to intangible assets) are as follows.

(in millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	1,961	2,142

(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, 2025	Three months ended June 30, 2026
Steel making	851	838
Rolling	774	767

(Comparative sales volume)

Article \ period	Three months ended June 30, 2025			Three months ended June 30, 2026		
	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	746	96.2	71,760	739	96.8	71,582
(of which export)	(137)	(81.9)	(11,217)	(109)	(95.3)	(10,429)
Others	40	51.5	2,102	27	48.9	1,344
(of which export)	(2)	(72.3)	(215)	(-)	(-)	(-)
Total	786	93.9	73,862	766	95.1	72,927
(of which export)	(139)	(81.7)	(11,433)	(109)	(95.3)	(10,429)

(Capital expenditures, etc.) (in billions of yen)

Item \ period	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation and amortization	1.9	2.1
Capital expenditures for property, plant and equipment	7.1	2.3