July 17, 2026

Q1 FY2026 Financial Results Presentation

TOKYO STEEL MANUFACTURING CO., LTD.
(TSE Prime: 5423)

Outline

CARBON MINUS × UPCYCLING EcoVision2050

Financial Results Highlights

Q1 FY2026 Results (April-June 2026)

- Net sales: 72.9 billion yen, Operating profit: -2.3 billion yen
- Product shipment volume: 739 thousand metric tons (of which, 629 thousand metric tons for domestic, 109 thousand metric tons for export)
- Although the Company has implemented a total of three product price revisions since the end of the previous fiscal year, it takes some time for the product price increases implemented to date in response to rising raw material purchase prices to be reflected in the product shipping price. As a result, an operating loss of 2.3 billion yen was recorded in Q1 FY2026.

Full Year Forecasts for FY2026

- Net sales: 315.0 billion yen, Operating profit: -4.0 billion yen (increased revenue and decreased profit year-on-year)
- Concerns that uncertainty surrounding the situation in the Middle East and cost pressures, including rising electricity and fuel costs, will persist

(Our initiatives)

- Product price increases, improvement in manufacturing yield, establishment of a production system aligned with demand, and expansion of sales of low-CO2 steel products, including our “Hobo Zero” (Almost Zero) products

1

Q1 FY2026 Financial Results

Summary of Q1 FY2026 Financial Results

CARBONMINUS × UPCYCLING EcoVision2050

In response to the sharp rise in steel scrap prices amid escalating tensions in the Middle East, the Company has implemented a total of three product price revisions since the end of the previous fiscal year. However, it takes some time for the product price increases implemented to date in response to rising raw material purchase prices to be reflected in the product shipping price. As a result, an operating loss of 2.3 billion yen was recorded in Q1 FY2026. On the other hand, as a result of selling assets including investment securities, profit for the quarter was 1.8 billion yen.

(100 million yen)

	FY2025			FY2026		
	1Q	1H	Full year	1Q	Revised 1H (Initial forecast)	Revised Full Year (Initial forecast)
Net sales	738	1,338	2,680	729	1,550 (1,550)	3,150 (3,150)
Operating profit	47	60	72	-23	-40 (-40)	-40 (-40)
Ordinary profit	53	69	86	-17	-30 (-30)	-25 (-25)
Profit	37	45	115	18	10 (0)	10 (0)

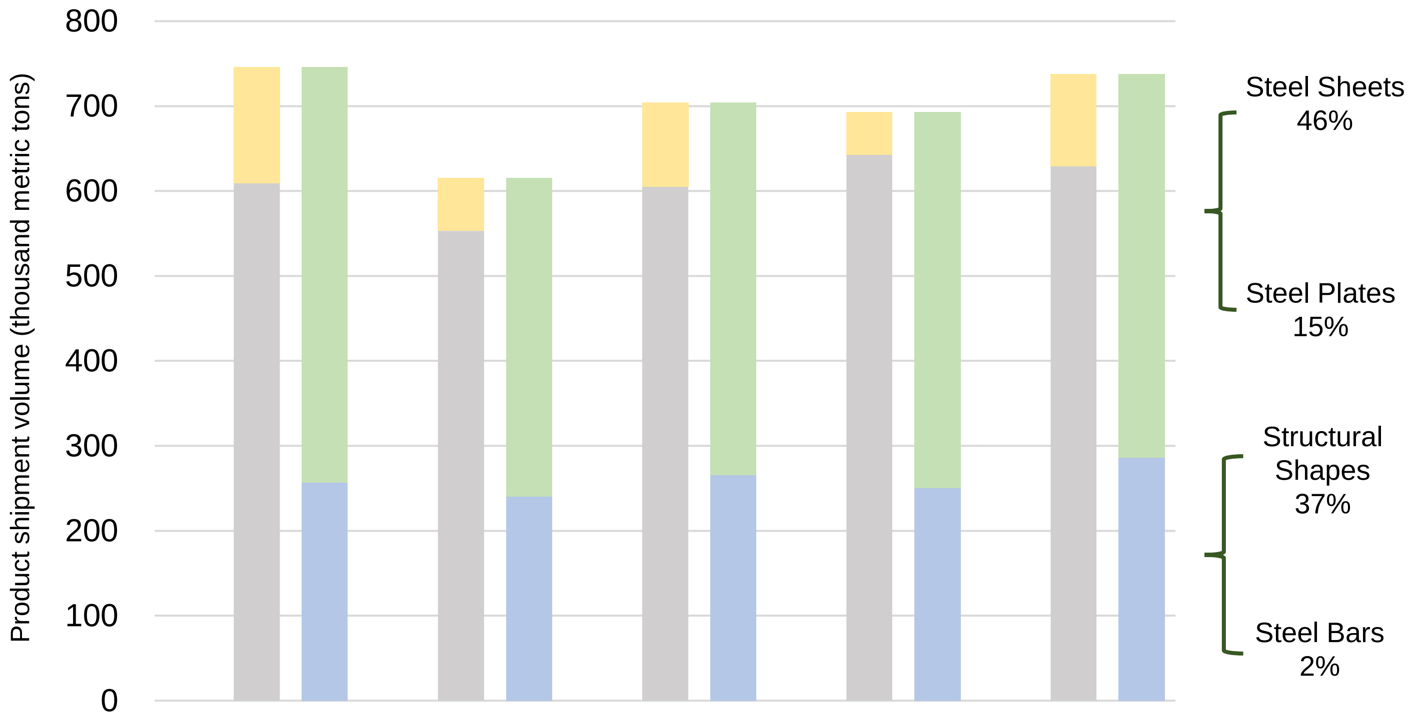
Trends in Product Shipment Volume

CARBONMINUS × UPCYCLING EcoVision2050

Trends in product shipment volume (domestic, export) and production of crude steel and steel products

	FY25.1Q	FY25.2Q	FY25.3Q	FY25.4Q	FY26.1Q
Domestic (thousand metric tons)	608	553	606	643	629
Unit sales price (thousand yen)	99.4	95.8	93.8	93.2	97.1
Export (thousand metric tons)	137	62	99	50	109
Unit sales price (thousand yen)	81.9	88.7	89.4	86.1	95.3
Total (thousand metric tons)	746	615	705	694	739
Unit sales price (thousand yen)	96.2	95.1	93.2	92.7	96.8
Crude steel production (thousand metric tons)	851	653	809	756	838
Steel products production (thousand metric tons)	774	596	755	679	767

Domestic and export ratios and product mix



(%)

	FY25.1Q	FY25.2Q	FY25.3Q	FY25.4Q	FY26.1Q
Export	18	10	14	7	15
Domestic	82	90	86	93	85
Steel Sheets and Plates (right axis, green)	66	61	62	64	61
Structural Steel (right axis, blue)	34	39	38	36	39

Trends in Product Shipping Price, Steel Scrap Purchase Price, and Metal Spread

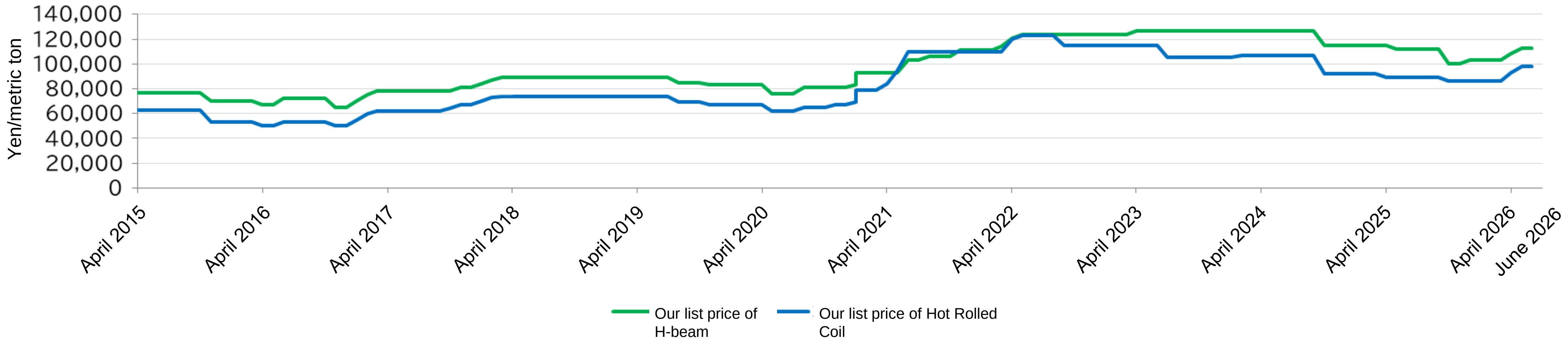
In 1Q, the product shipping price increased by about 4,100 yen/metric ton compared with the previous 4Q, and the steel scrap purchase price increased by about 8,200 yen/metric ton. Consequently, the metal spread narrowed by about 4,100 yen/metric ton.

*Steel scrap purchase price is the average unit price of steel scrap used during the quarter.

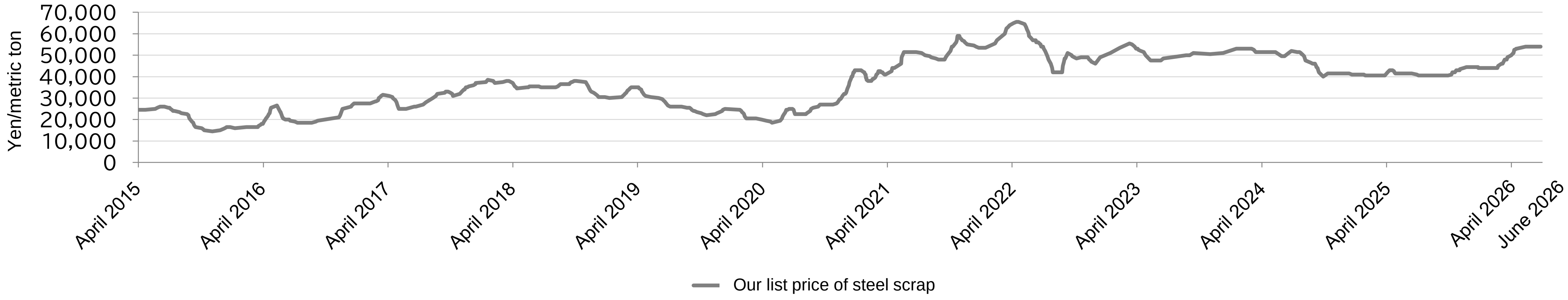
Trends in Our List Prices of Products (Hot Rolled Coil, H-Beam) and Steel Scrap (Tahara Plant/Special Grade, Onshore)

CARBON MINUS × UPCYCLING EcoVision2050

Trends in our list prices of hot rolled coil and H-beam

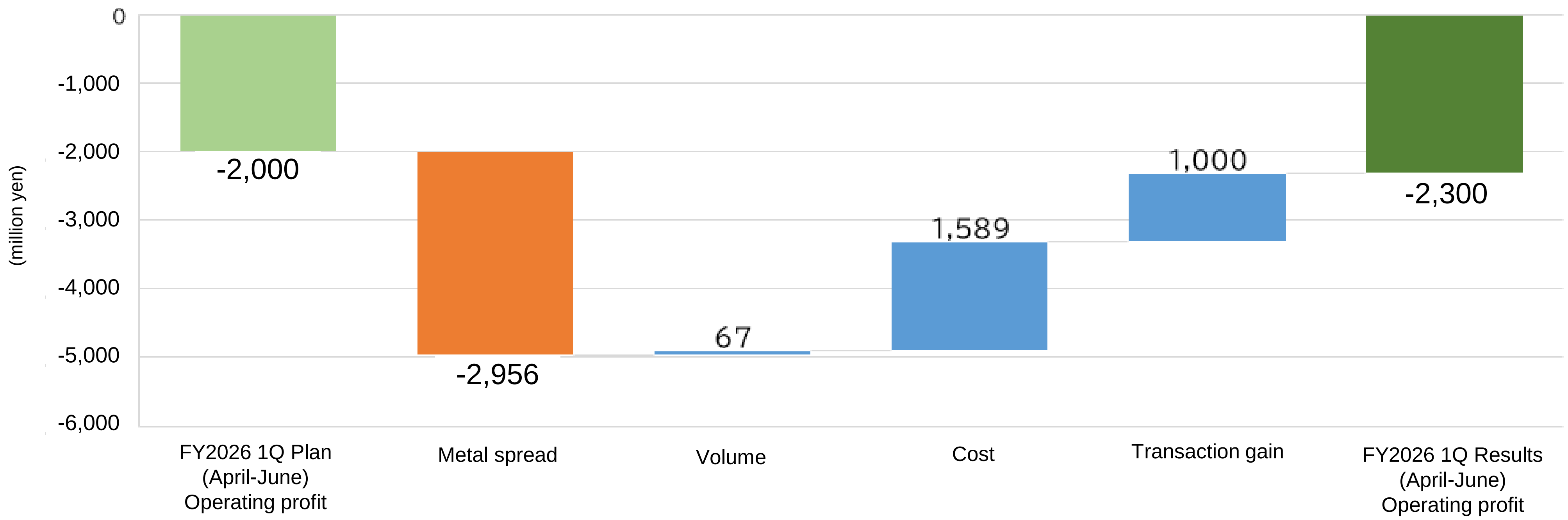


Trend in our list prices of steel scrap (Tahara plant/special grade, onshore)



Factors Affecting Operating Profit

FY2026 1Q Plan (April-June) → FY2026 1Q Results (April-June)



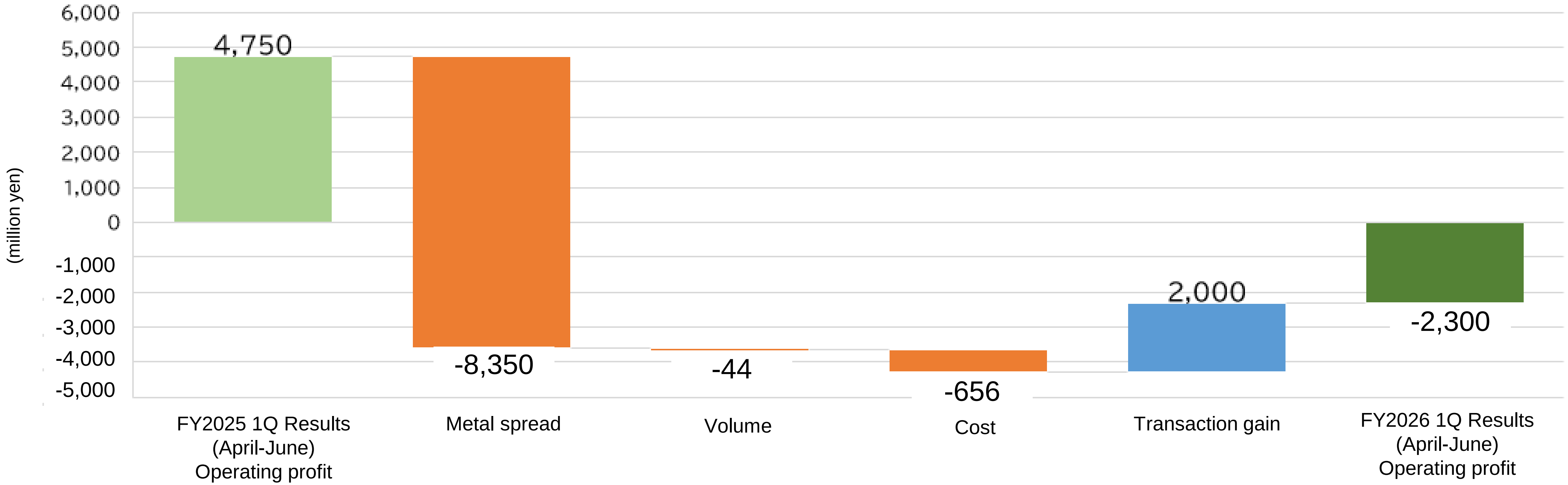
	FY2026 1Q Plan (April-June)	FY2026 1Q Results (April-June)	Changes
Volume (metric tons)	765,000	739,000	-26,000
Unit price (Yen/metric ton)	100,800	96,800	-4,000
Scrap price (Yen/metric ton)	55,200	55,200	0
Spread (Yen/metric ton)	45,600	41,600	-4,000
Operating profit (million yen)	-2,000	-2,300	-300

*Operating profit is rounded (same applies below).

Factors Affecting Operating Profit

CARBON MINUS × UPCYCLING EcoVision2050

FY2025 1Q Results (April-June) → FY2026 1Q Results (April-June)



	FY2025 1Q Results (April-June)	FY2026 1Q Results (April-June)	Changes
Volume (metric tons)	746,000	739,000	-7,000
Unit price (Yen/metric ton)	96,200	96,800	600
Scrap price (Yen/metric ton)	43,300	55,200	11,900
Spread (Yen/metric ton)	52,900	41,600	-11,300
Operating profit (million yen)	4,750	-2,300	-7,050

CARBONMINUS × UPCYCLING
EcoVision2050

2

Financial Result Forecasts for FY2026

Financial Result Forecasts for FY2026

<External environment>

Concerns that uncertainty surrounding the situation in the Middle East and cost pressures, including rising electricity and fuel costs, will persist

⇨ As the product price increases are gradually reflected in the product shipping price, we expect profitability to improve as we move into the second half of the fiscal year.
Furthermore, we will strive to improve profitability through ongoing improvement activities, including improvements in manufacturing yield, as well as by establishing a production system aligned with demand and expanding sales of low-CO2 steel products, including "Hobo Zero" products.

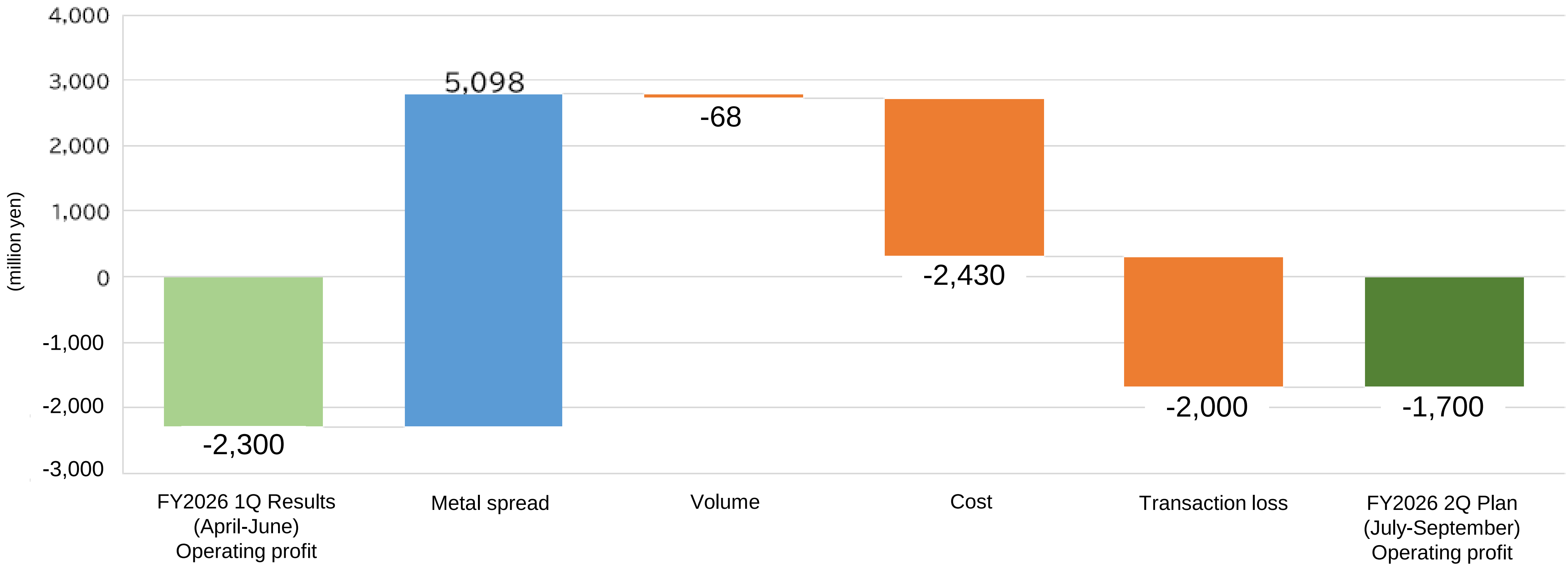
(100 million yen)

	FY2025 Results		FY2026 (Announced on April 24)		FY2026 (Revised on July 17)	
	1H	Full year	1H	Full year	1H	Full year
Net sales	1,338	2,680	1,550	3,150	1,550	3,150
Operating profit	60	72	-40	-40	-40	-40
Ordinary profit	69	86	-30	-25	-30	-25
Profit	45	115	0	0	10	10

Factors Affecting Operating Profit

CARBONMINUS × UPCYCLING EcoVision2050

FY2026 1Q Results (April-June) → FY2026 2Q Plan (July-September)



	FY2026 1Q Results (April-June)	FY2026 2Q Plan (July-September)	Changes
Volume (metric tons)	739,000	761,000	22,000
Unit price (Yen/metric ton)	96,800	104,000	7,200
Scrap price (Yen/metric ton)	55,200	55,700	500
Spread (Yen/metric ton)	41,600	48,300	6,700
Operating profit (million yen)	-2,300	-1,700	600

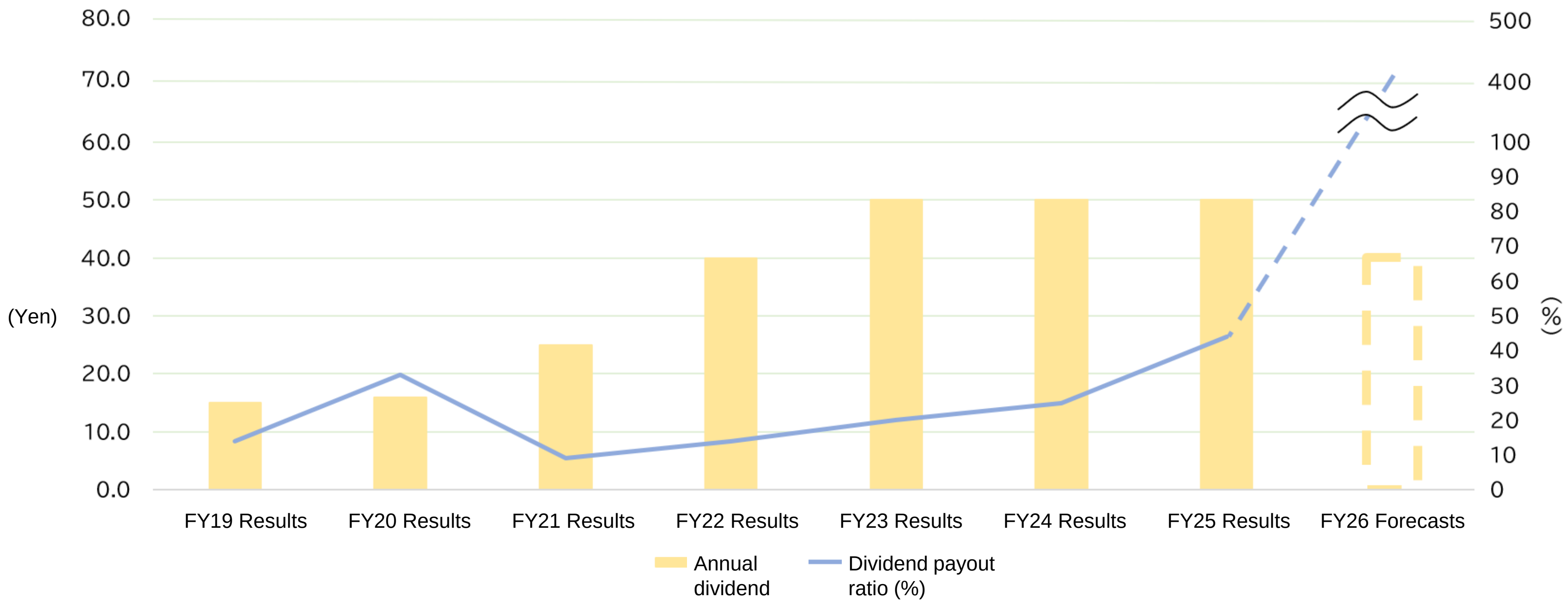
3

Shareholder Return

Shareholder Return

FY	FY19 Results	FY20 Results	FY21 Results	FY22 Results	FY23 Results	FY24 Results	FY25 Results	FY26 Forecasts
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen
Interim dividend	7.0	8.0	10.0	20.0	25.0	25.0	25.0	20.0
Year-end dividend	8.0	8.0	15.0	20.0	25.0	25.0	25.0	20.0
Annual dividend	15.0	16.0	25.0	40.0	50.0	50.0	50.0	40.0
Total amount of treasury stock purchased (million yen)	11,778	1,999	5,710	3,499	3,731	9,999	2,700	–
Dividend payout ratio (%)	14	33	9	14	20	25	44	408
Total return ratio (%)	99	66	27	26	33	72	68	408

Trends in dividends and payout ratio



*Regarding the total amount of treasury stock purchased, the figures for FY19 to FY24 are actual amounts, while the figure for FY25 is the amount approved by resolution.
*The dividend payout ratio for FY26 is calculated by dividing dividends per share by profit per share under the full year forecasts.

4

Reference Information

Held Tokyo Steel Technical Forum 2026

Held on May 13, 2026

We held the Tokyo Steel Technical Forum 2026 for the first time, inviting a wide range of partner companies to help them understand the latest trends in steel products made using electric arc furnaces that contribute to building a decarbonized, circular society.

Tokyo Steel Technical Forum 2026 Event Report (Video)

https://www.youtube.com/watch?v=hejtumdSSw0

Signed the UN Global Compact

CARBONMINUS × UPCYCLING
EcoVision2050

Announced on June 2, 2026
We signed the UN Global Compact (UNGC*), an initiative proposed by the United Nations, and were registered as a participating company on May 15, 2026. We also joined the Global Compact Network Japan, whose members include Japanese companies and other organizations that have signed the UNGC.

WE SUPPORT
UN GLOBAL COMPACT

* UNGC https://unglobalcompact.org/
It is the world's largest sustainability initiative, through which the United Nations and the private sector (companies and organizations) work together to build a healthy global society.
It is a voluntary initiative through which companies and organizations act as responsible members of society and achieve sustainable growth by exercising responsible, creative leadership.

CARBON MINUS × UPCYCLING
EcoVision2050