October 23, 2026

CARBONMINUS × UPCYCLING
EcoVision2050

FY2026 H1 Financial Results Presentation

TOKYO STEEL MANUFACTURING CO., LTD.

(TSE Prime: 5423)

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Financial Results Highlights

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FY2026 H1 Results (April-September 2026)

- Net sales: 150.4 billion yen, Operating profit: -3.5 billion yen
- Product shipment volume: 1,468 thousand metric tons (of which, 1,202 thousand metric tons for domestic, 266 thousand metric tons for export)
- In the July-September quarter, operating profit was better than planned, as the product shipping price increased as expected and the purchase price of steel scrap, our main raw material, was lower than expected.
- Net profit for H1 was also better than planned as a result of progress in asset sales.

Full Year Forecasts for FY2026

- Net sales: 326.0 billion yen, Operating profit: 1.0 billion yen (down 86.2% year-on-year)
- We expect to record an operating profit for the full year as the price revisions already implemented are reflected in the product shipping price.



(Our initiatives)

- Strengthen our ability to respond quickly and flexibly to changes in product supply and demand and raw material market conditions
- We will pursue further cost reductions across the Company, including reducing raw material consumption.

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FY2026 H1 Financial Results

Summary of FY2026 H1 Financial Results

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- In the July-September quarter, operating profit was better than planned, as the product shipping price increased as expected and the purchase price of steel scrap, our main raw material, was lower than expected.
- Net profit for H1 was also better than planned as a result of progress in asset sales.

(100 million yen)

	FY2025 Results			FY2026			
	Q1	Q2	H1	Q1	Q2	H1	H1 Forecast (Announced on July 17, 2026)
Net Sales	738	600	1,338	729	774	1,504	1,550
Operating profit	47	12	60	-23	-12	-35	-40
Ordinary profit	53	16	69	-17	-12	-29	-30
Net profit for the fiscal year	37	8	45	18	5	23	10

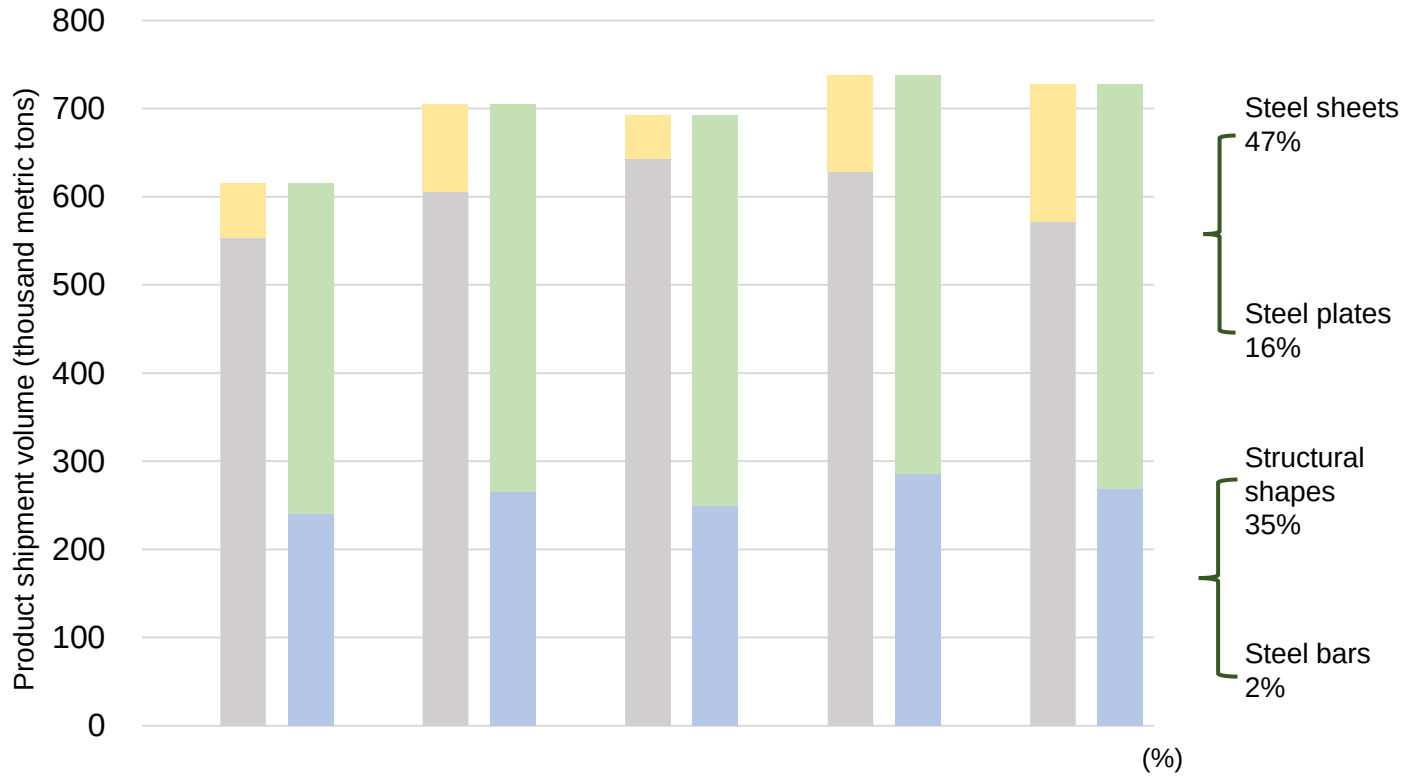
Trends in Product Shipment Volume

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

	FY25. Q2	FY25. Q3	FY25. Q4	FY26. Q1	FY26. Q2
Domestic (thousand metric tons)	553	606	643	629	572
Unit sales price (thousand yen)	95.8	93.8	93.2	97.1	104.1
Export (thousand metric tons)	62	99	50	109	156
Unit sales price (thousand yen)	88.7	89.4	86.1	95.3	103.9
Total (thousand metric tons)	615	705	694	739	729
Unit sales price (thousand yen)	95.1	93.2	92.7	96.8	104.1
Crude steel production (thousand metric tons)	653	809	756	838	772
Steel products production (thousand metric tons)	596	755	679	767	725

Domestic and export ratios and product mix



	FY25.Q2	FY25.Q3	FY25.Q4	FY26.Q1	FY26.Q2
Export (left axis, orange)	10	14	7	15	22
Domestic (left axis, gray)	90	86	93	85	78
Steel Sheets and Plates (right axis, green)	61	62	64	61	63
Structural Steel (right axis, blue)	39	38	36	39	37

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

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In Q2, the product shipping price increased by about 7,200 yen/metric ton compared with Q1, and the steel scrap purchase price decreased by about 1,500 yen/metric ton. Consequently, the metal spread widened by about 8,700 yen/metric ton.

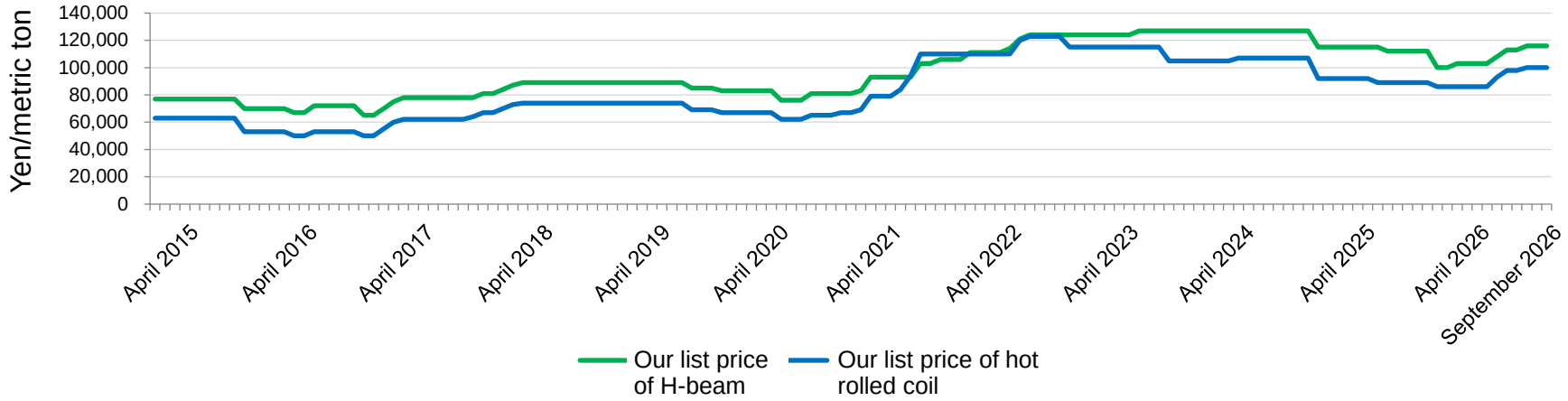


*Steel scrap purchase price is the average unit price of steel scrap used during the quarter.

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

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



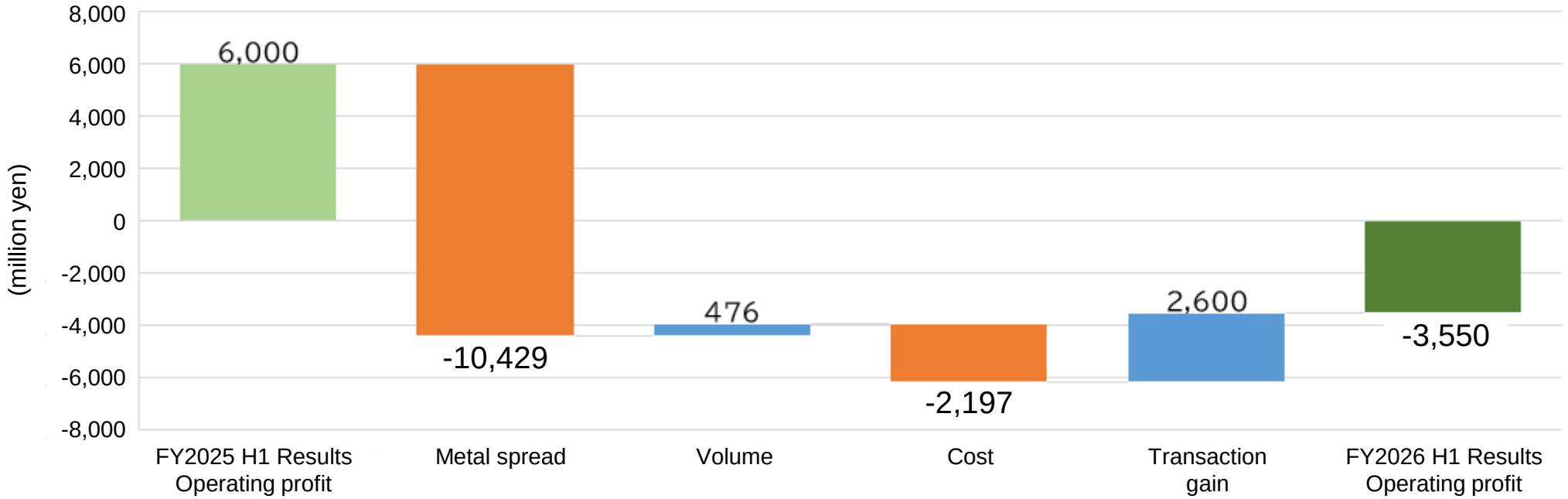
Trend in our list prices of steel scrap (Tahara plant/special grade, onshore)



Factors Affecting Operating Profit

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FY2025 H1 results → FY2026 H1 results



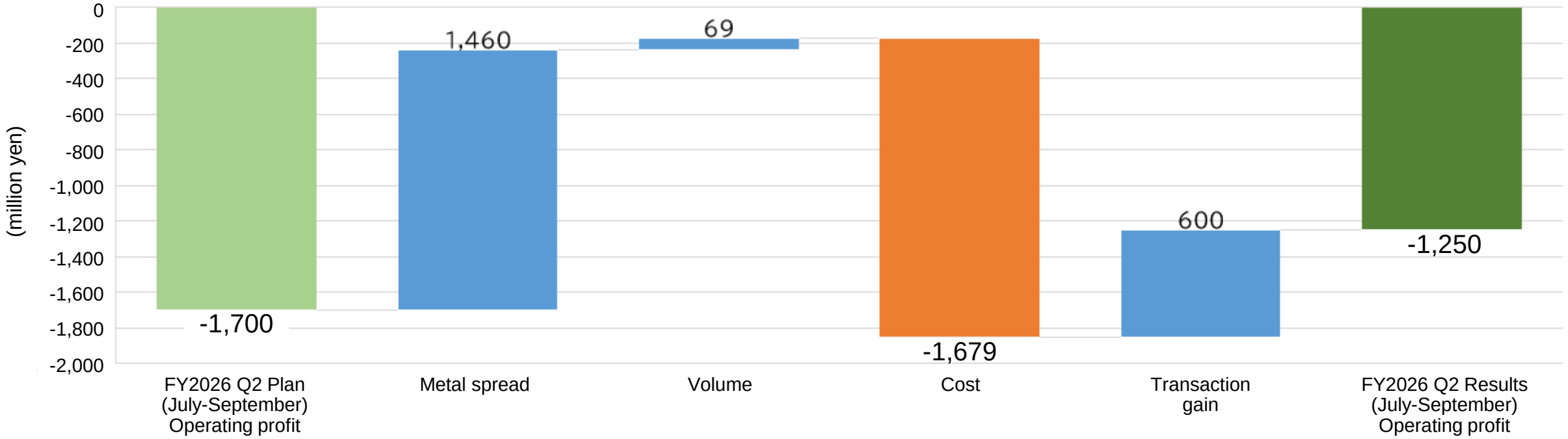
	FY2025 H1 Results	FY2026 H1 Results	Changes
Volume (metric tons)	1,361,000	1,469,000	108,000
Unit price (Yen/metric ton)	95,700	100,400	4,700
Scrap price (Yen/metric ton)	42,700	54,500	11,800
Spread (Yen/metric ton)	53,000	45,900	-7,100
Operating profit (million yen)	6,000	-3,550	-9,550

*Operating profit is rounded (same applies below).

Factors Affecting Operating Profit

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FY2026 Q2 Plan (July-September) → FY2026 Q2 Results (July-September)

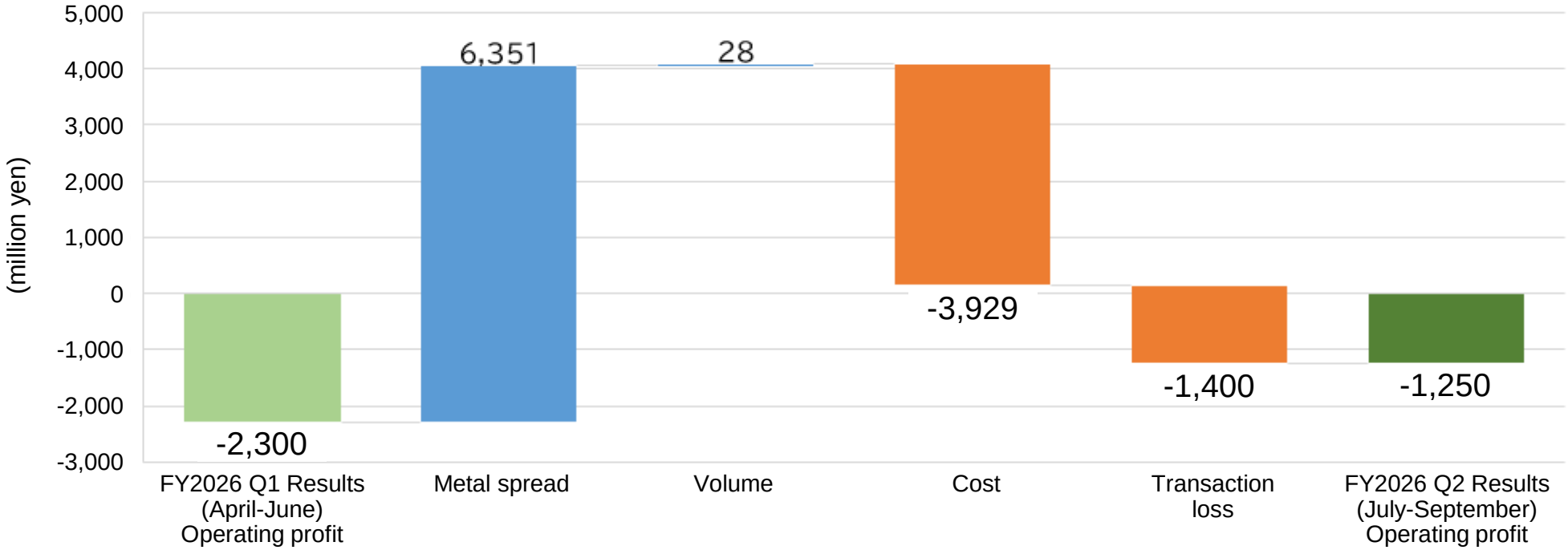


	FY2026 Q2 Plan (July-September)	FY2026 Q2 Results (July-September)	Changes
Volume (metric tons)	761,000	730,000	-31,000
Unit price (Yen/metric ton)	104,000	104,000	0
Scrap price (Yen/metric ton)	55,700	53,700	-2,000
Spread (Yen/metric ton)	48,300	50,300	2,000
Operating profit (million yen)	-1,700	-1,250	450

Factors Affecting Operating Profit

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FY2026 Q1 Results (April-June) → FY2026 Q2 Results (July-September)



	FY2026 Q1 Results (April-June)	FY2026 Q2 Results (July-September)	Changes
Volume (metric tons)	739,000	730,000	-9,000
Unit price (Yen/metric ton)	96,800	104,000	7,200
Scrap price (Yen/metric ton)	55,200	53,700	-1,500
Spread (Yen/metric ton)	41,600	50,300	8,700
Operating profit (million yen)	-2,300	-1,250	1,050

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Financial Result Forecasts for FY2026

Financial Result Forecasts for FY2026

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- We expect to record an operating profit for the full year as the price revisions already implemented are reflected in the product shipping price.

(Our initiatives)
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- We will pursue further cost reductions across the Company, including reducing raw material consumption.

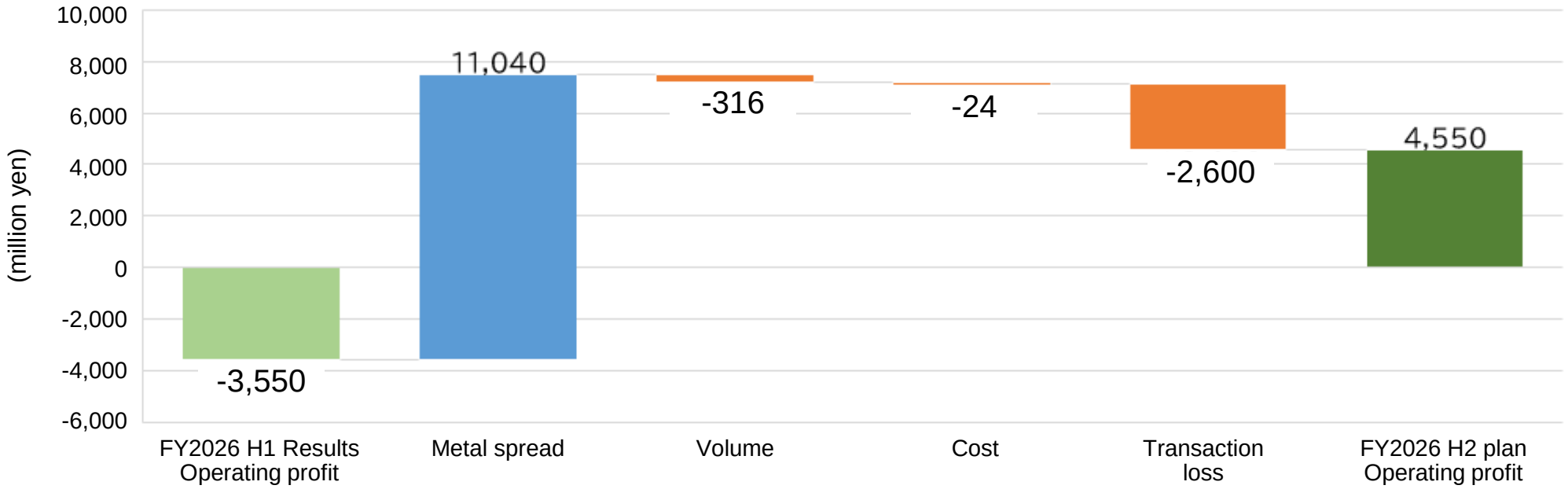
(100 million yen)

	FY2025 Results		FY2026			
			Results	Announced on October 23, 2026	Announced on July 17, 2026	
	H1	Full year	H1	Full year forecast	H1 Forecast	Full year forecast
Net Sales	1,338	2,680	1,504	3,260	1,550	3,150
Operating profit	60	72	-35	10	-40	-40
Ordinary profit	69	86	-29	20	-30	-25
Net profit for the fiscal year	45	115	23	70	10	10

Factors Affecting Operating Profit

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FY2026 H1 results → FY2026 H2 plan

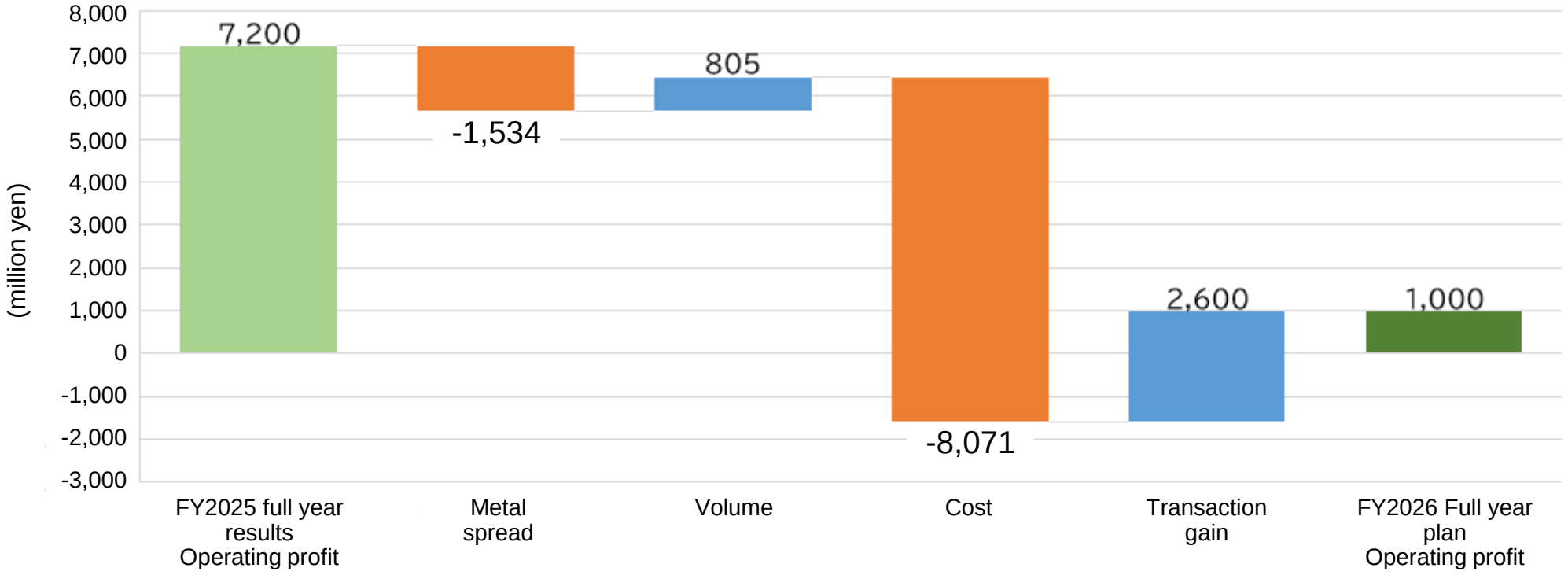


	FY2026 H1 Results	FY2026 H2 plan	Changes
Volume (metric tons)	1,469,000	1,600,000	131,000
Unit price (Yen/metric ton)	100,400	107,300	6,900
Scrap price (Yen/metric ton)	54,500	54,500	0
Spread (Yen/metric ton)	45,900	52,800	6,900
Operating profit (million yen)	-3,550	4,550	8,100

Factors Affecting Operating Profit

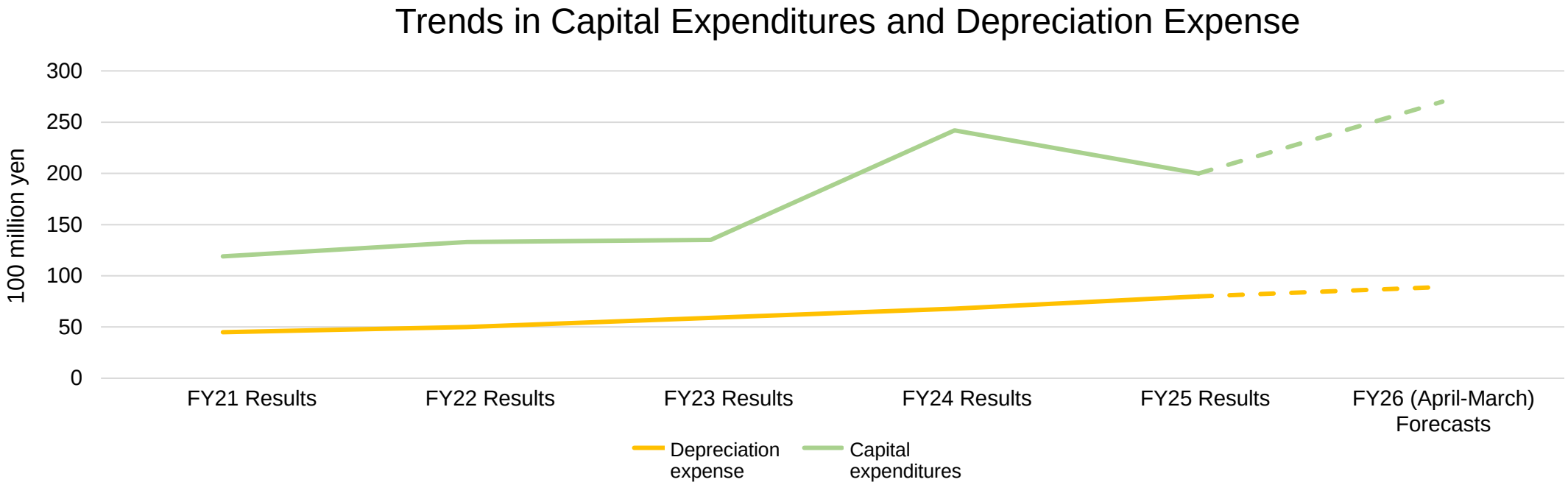
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FY2025 Full year results → FY2026 Full year plan



	FY2025 Full year results	FY2026 Full year plan	Changes
Volume (metric tons)	2,760,000	3,069,000	309,000
Unit price (Yen/metric ton)	94,300	104,000	9,700
Scrap price (Yen/metric ton)	44,300	54,500	10,200
Spread (Yen/metric ton)	50,000	49,500	-500
Operating profit (million yen)	7,200	1,000	-6,200

Capital Expenditures and Depreciation Expense



Fiscal year (FY)	2021 Results	2022 Results	2023 Results	2024 Results	2025 Results	2026 (April-September Results)	2026 (April-March Forecasts)
Depreciation expense (100 million yen)	45	50	59	68	80	43	89
Capital expenditures (100 million yen)	119	133	135	242	200	76	270

- We plan to invest approximately 10.0 billion yen in cold-rolling facilities at the Okayama Plant in March 2027 (FY26, Q4).

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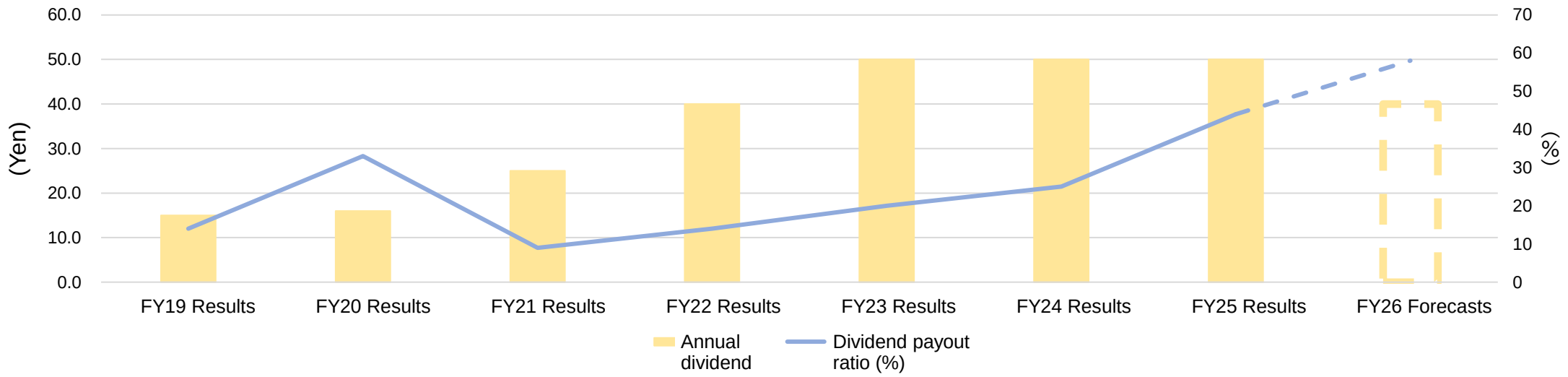
Shareholder Returns

Shareholder Returns

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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	2,591	-
Dividend payout ratio (%)	14	33	9	14	20	25	44	58
Total return ratio (%)	99	66	27	26	33	72	67	58

Trends in dividends and payout ratio



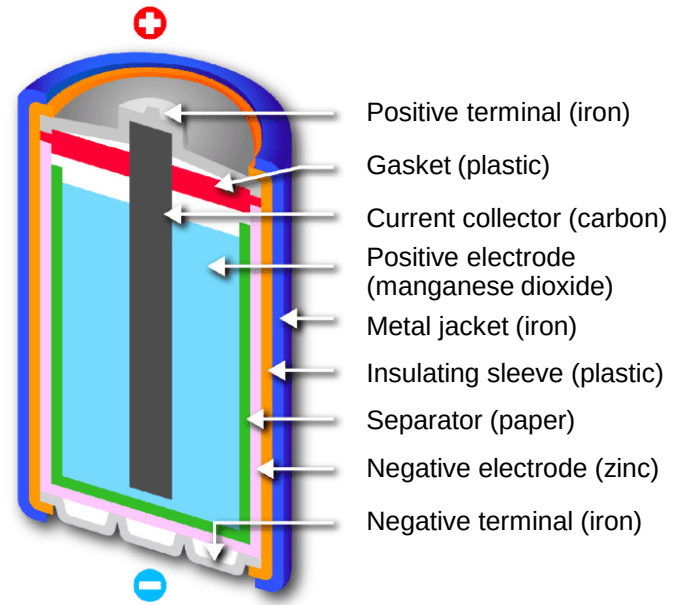
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Reference Information

Kyushu Plant Obtains Permit to Recycle Waste Dry-Cell Batteries

Announced on July 23, 2026

We will further contribute to a circular economy by drawing on the world-leading operating technologies developed through our own advanced recycling initiatives to safely and cost-effectively render waste harmless in electric arc furnaces.



Example of a zinc-carbon (manganese) battery

Dry-cell batteries contain valuable resources such as iron, manganese, zinc, and carbon. Each person uses 0.5 kg of dry-cell batteries per year, and many of these batteries end up in landfills without being recycled.
By making effective use of steelmaking electric arc furnaces, we will transform these valuable resources into new products more efficiently and at lower cost than conventional waste dry-cell battery recycling.

Upcycled Tin-Plated Steel Sheets Used for Button Badge Components

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Announced on September 17, 2026

New button badge components manufactured by Sanko Shoji Co., Ltd. use Tokyo Steel's low-CO_2 steel, “Hobo Zero,” as the base material. Using steel sheets upcycled from end-of-life scrap as the base material for tin-plated steel sheets is a groundbreaking initiative, even by global standards.



Courtesy of Sanko Shoji Co., Ltd.

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