



NAKAYAMA STEEL WORKS, LTD.

Supplementary Materials for FY2025 H1 Financial Results

Nov. 6, 2025

Key points for financial results①

➤ FY2025 H1 Results

- ✓ Both net sales and profit were as expected compared to the figures announced on Aug.6
- ✓ Net sales of 76.6 billion yen and ordinary profit of 2.9 billion yen (decrease in sales and profit year-on-year)
- ✓ Decrease in sales due to sluggish domestic demand (delays in construction project due to labor shortage and material costs , and the impact of overproduction in China , etc.)

Key points for financial results ②

Full-year Forecast for FY2025

- ✓ For the full-year forecast, both net sales and profit are revised downward from the Aug.6 announced figures (Oct.31 disclosed)
- ✓ Net sales of 151 billion yen and ordinary profit of 4 billion yen (decrease in sales and profit year-on-year)
- ✓ Market conditions are expected to continue to deteriorate in the second half of FY2025 (due to the U.S. tariff policy, overproduction in China, labor shortages, soaring materials, etc.)
- ✓ Due to a substation accident that occurred at the end of September, the electric arc furnace has been out of operation
(scheduled for restoration and restart in late December)
- ✓ The impact on earnings due to the suspension of electric arc furnace operation is approximately 1.5 billion yen

Dividend Forecast

- ✓ Dividend reduction due to downward revision of earnings (Annual dividend: from 24 yen per share to 13 yen per share)

Summary of financial results for FY2025 H1

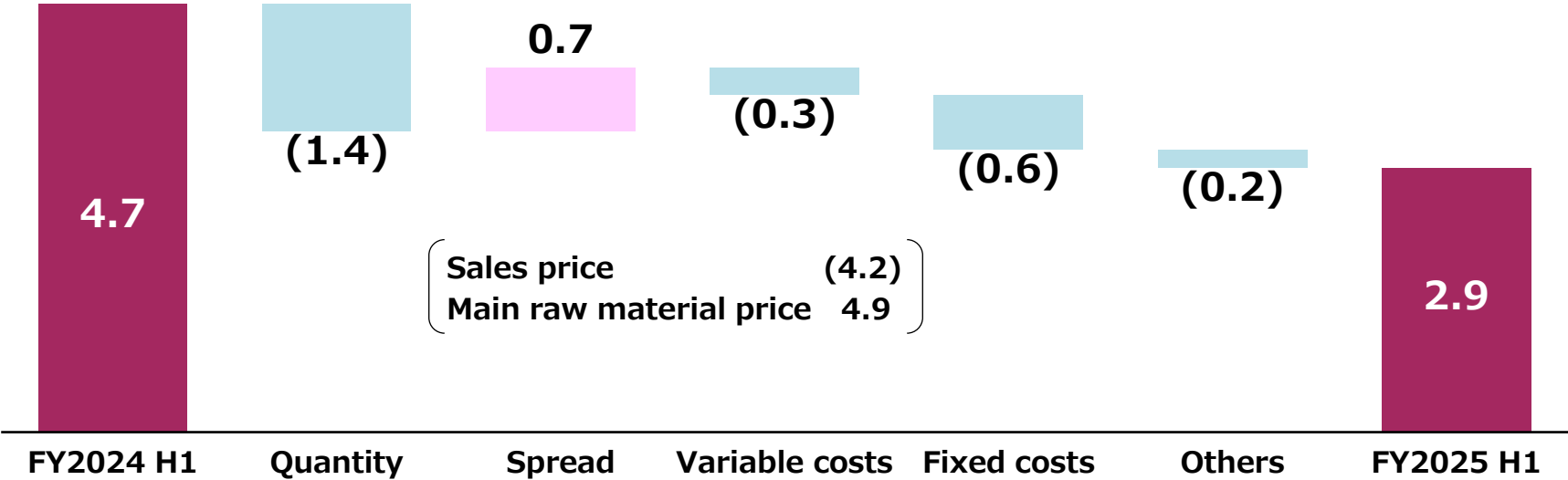
- In the first half of FY2025, sales and profit were generally in line with our expectations based on the figures announced on Aug. 6, but sales and profit decreased year-on-year.
- Sales decreased by 12.9 billion yen or 14% due to a decrease in sales volume and lower sales prices.
- While the sales prices declined, the spread improved due to the decrease in main raw material prices..
- Costs increased due to increases in fixed costs such as labor costs and depreciation and amortization costs, as well as revised electricity tariffs and environmental assessment fees.

								(Billions of yen)			
	FY2024 H1			FY2025 H1				Y-o-Y (② - ①)		vs. Published value (② - ③)	
	Q1	Q2	Total①	Q1	Q2	Total②	(Figures published on Aug. 6)③	Amount	Percentage change	Amount	Percentage change
Net sales	47.7	41.9	89.5	38.9	37.7	76.6	76.5	(12.9)	(14.4%)	0.1	+0.1%
Operating profit	2.6	2.2	4.8	1.8	1.2	3.0	2.9	(1.8)	(36.9%)	0.1	+4.1%
Ordinary profit	2.6	2.1	4.7	1.8	1.2	2.9	2.7	(1.8)	(37.6%)	0.2	+8.6%
ROS	5.4%	5.1%	5.2%	4.6%	3.1%	3.8%	3.5%	-	(1.4%)	-	+0.3%
Net profit	1.7	1.5	3.2	1.1	0.6	1.7	1.5	(1.5)	(46.7%)	0.2	+14.2%

Analysis of changes in ordinary profit—FY2024 H1 vs. FY2025 H1

<Year-on-year>

(Billions of yen)



Quantity of steel by type

(Thousand tons)

	FY2024 H1	FY2025 H1	Y-o-Y
Bars and wire rods	107	98	(9)
Coils	223	178	(45)
Steel plates	119	107	(12)
Building materials	86	80	(5)
Contract	3	4	1
Total steels	538	466	(72)
of which Exports	19	11	(8)

Spread

	Sales volume (Thousand tons)	Sales price (Thousand yen/t)	Scrap price (Thousand yen/t)	Spread (Thousand yen/t)
FY2024 H1	538	128.7	52.2	76.5
FY2025 H1	466	120.6	43.3	77.3
Y-o-Y	(72)	(8.1)	(8.9)	0.8

Consolidated balance sheets

- **Equity ratio** : End of Mar. 2025 **71.6%** End of Sep. 2025 **72.0%**
- **Net interest-bearing debt** : End of Mar. 2025 **(6.3) billion yen** End of Sep. 2025 **(12) billion yen**
(Billions of yen)

		Mar. 2025	Sep. 2025	Change
Assets	Cash and deposits	15.3	20.8	5.5
	Accounts receivable(including electronically recorded monetary claims)	42.3	41.8	(0.5)
	Inventories	34.0	27.9	(6.0)
	Property, plant and equipment	48.3	49.7	1.5
	Others	9.2	9.2	0.0
	Total assets	149.1	149.5	0.4
Liabilities	Trade payables (including electronically recorded obligations)	16.9	15.3	(1.5)
	Interest-bearing debt	9.1	8.8	(0.3)
	Deferred tax liabilities	4.2	4.3	0.1
	Provisions	4.7	4.5	(0.2)
	Others	7.5	9.0	1.5
	Total liabilities	42.3	41.9	(0.4)
Net assets	Shareholders' equity	103.1	103.6	0.5
	Others	3.7	4.0	0.3
	Total net assets	106.8	107.6	0.8
	Total liabilities and net assets	149.1	149.5	0.4

Earnings and dividend forecasts for FY2025

- Net sales are expected to decrease by 18.3 billion yen year-on-year due to a decrease in sales volume and a decline in sales prices.
- Ordinary profit is expected to be a loss of 4.1 billion yen, reflecting lower sales volume and sales prices, as well as losses associated with the suspension of electric arc furnace operation following an accident at a substation.
- Dividend is expected to be 13 yen per share, a decrease of 27 yen year-on-year, due to the decrease in net profit (an 11 yen per share decrease from the figure announced on Aug. 6).

(Billions of yen)

Earnings	FY2024			FY2025				Year-on-year ②-①		vs. Published value ②-③	
	H1	H2	Full-year	H1	H2	Full-year Forecasts	Figure published on Aug.6	Amount	Percentage change	Amount	Percentage change
	Results	Results	①	Results	Forecasts	②	③				
Net sales	89.5	79.8	169.3	76.6	74.4	151.0	157.5	(18.3)	(10.8%)	(6.5)	(4.1%)
Operating profit	4.8	3.7	8.4	3.0	1.2	4.2	7.3	(4.2)	(50.2%)	(3.1)	(42.5%)
Ordinary profit	4.7	3.4	8.1	2.9	1.1	4.0	7.0	(4.1)	(50.7%)	(3.0)	(42.9%)
ROS	5.2%	4.3%	4.8%	3.8%	1.5%	2.6%	4.4%	-	(2.1%)	-	(1.8%)
Net profit	3.2	2.5	5.7	1.7	0.6	2.3	4.2	(3.4)	(59.6%)	(1.9)	(45.8%)
Dividend per share	18yen	22yen	40yen	8yen	5yen	13yen	24yen	(27yen)	(67.5%)	(11yen)	(45.8%)

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