



**NAKAYAMA STEEL WORKS, LTD.**

# **FY2025 H1 Financial Results Briefing Materials**

**Nov. 11, 2025**

# Table of contents

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1. **Greetings from the New President and New Financial Officer**
2. **Explanation of the Overview of the Substation Accident**
3. **FY2025 H1 Financial Results**
4. **FY2025 Full-year Earnings and Dividend Forecasts**
5. **Overview and Progress of Long-Term Plan**

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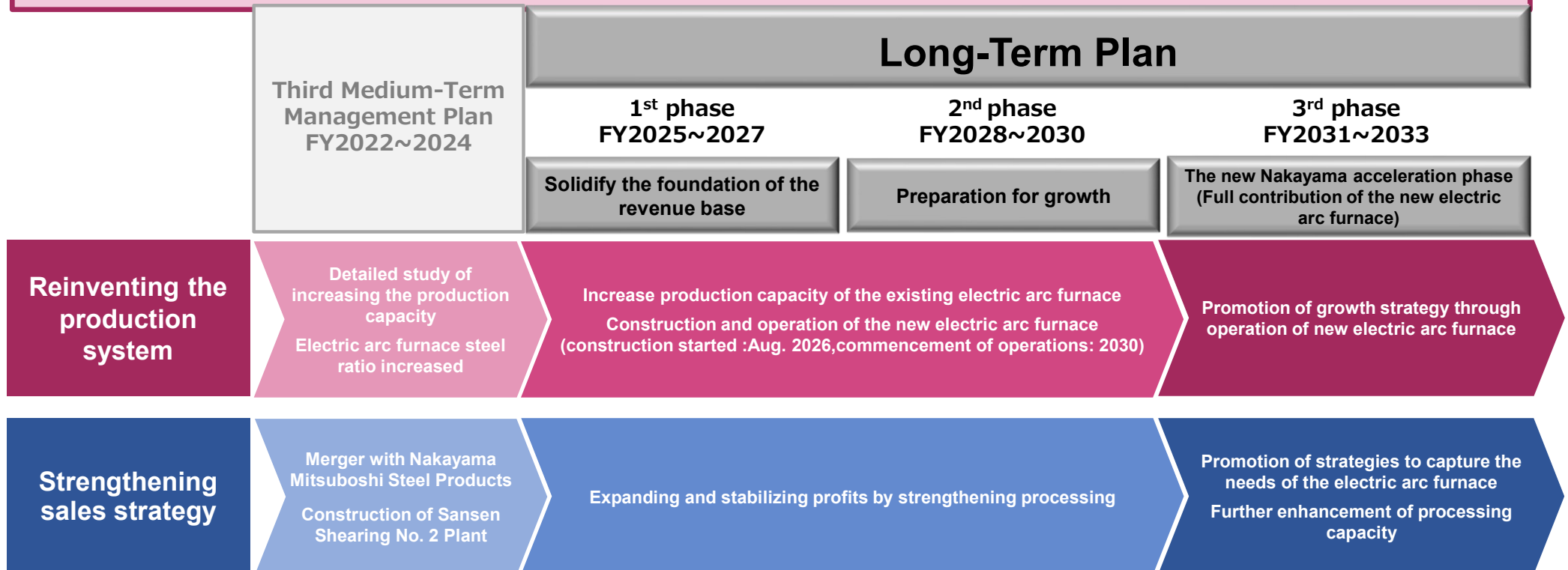
# **1. Greetings from the New President and New Financial Officer**

# Business strategy: 2033 Long-Term Plan (project plan and strategic plan)

## ■ Slogan for achieving the 2033 Long-Term Plan

### Toward a new stage of growth based on the new electric arc furnace project

- Establish a strong presence in the domestic electric arc furnace slabs
- Pursue the unique quality of NAKAYAMA in response to user needs in a recycling-oriented society
- Ignition of the three-stage rocket (Phase 1~ 3) for the start of the new Nakayama Steel Works



# Financial strategy : capital allocation

## Capital Allocations from FY2025 to FY2029 (up to the start-up of the new electric arc furnace)

### Cash-in

**Operating CF**  
approximately 53  
billion yen

**Nippon Steel equity  
investment**  
approximately 24.5 billion yen  
(\* investment in a joint  
venture)

**Bank borrowings  
sales of assets, etc.**

### Cash-out

**Investment in the new  
electric arc furnace**  
Approximately 95 billion  
yen

\* Investment in new  
electric arc furnace is the  
sum of capital investment by  
the Company and the joint  
venture

**Maintenance and renewal and  
other growth investment**  
Approximately 35 billion yen

**Shareholder returns**  
Approximately  
10 billion yen

#### Investment in new electric arc furnace (growth investment)

- Contributing to the realization of a carbon-neutral, recycling-oriented society by expanding the use of electric arc furnace steel(reducing CO<sub>2</sub> emissions by 46% compared to FY2013)
- Introduction of the new electric arc furnace (1,200 thousand tons/year) with more than twice the production capacity of existing electric arc furnace
- Strengthen cost competitiveness by switching from external iron sources to in-house iron sources, saving energy, improving productivity, and optimizing plant layouts.
- Effects of supplying electric arc furnace steel slabs and hot rolled electric arc furnace products based on business alliance with Nippon Steel (improvement and stabilization of profitability)

#### Maintenance and renewal and other growth investment

- Prioritize investment related to stable and safe operations
- Income investment other than investment in the new electric arc furnace(construction of a 600 thousand tons/year system using existing electric arc furnace and strengthening of processing strategy (including consideration of M & A) until the start of operation of the new electric arc furnace)

#### Shareholder returns

- Maintain stable dividends with a consolidated dividend payout ratio of 30% or higher as a guideline
- Consider strengthening shareholder returns based on earnings and cash flows after completion of the new electric arc furnace

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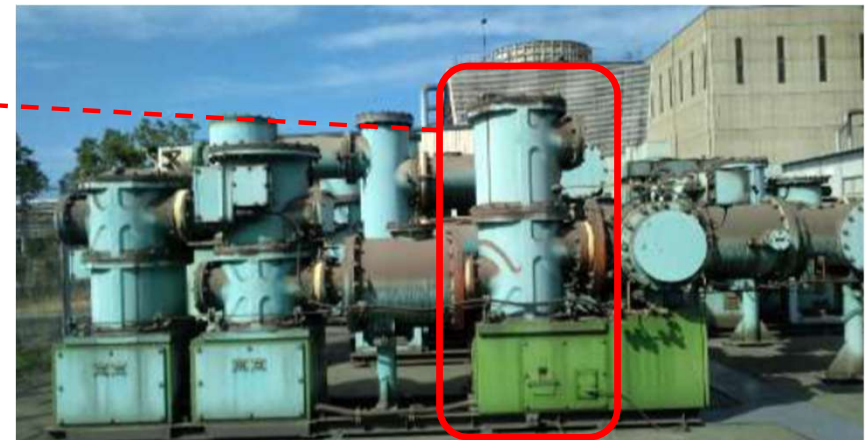
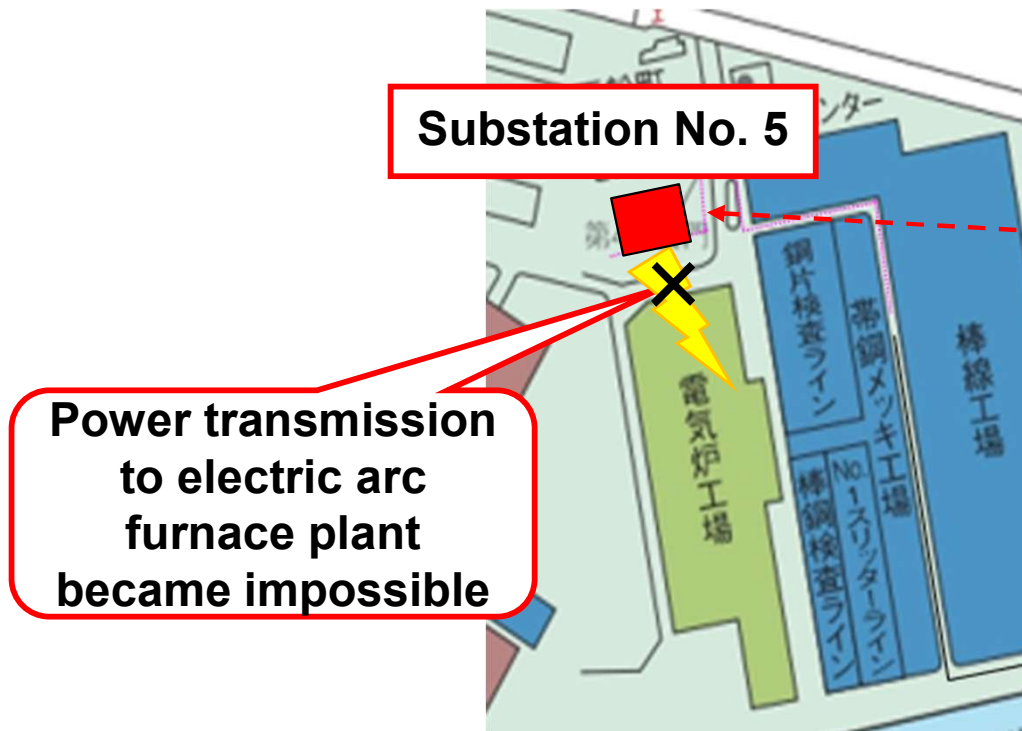
## **2. Explanation of the Overview of the Substation Accident**

# Situation of the accident at Substation No. 5 (1)

## 1. Summary of the accident

- Occurrence location : Substation No. 5, Funamachi, Taisho-ku, Osaka-shi
- Occurrence date : Sep. 26, 2025
- Details of the accident : A trip\* occurred in the electric arc furnace transmission circuit breaker at the substation.  
The cause of the accident is currently under investigation.
- Impact of the accident : No human damage was confirmed as a result of this accident.  
Power transmission from the Substation No.5 to the electric arc furnace has become impossible, and the electric arc furnace has been shut down.

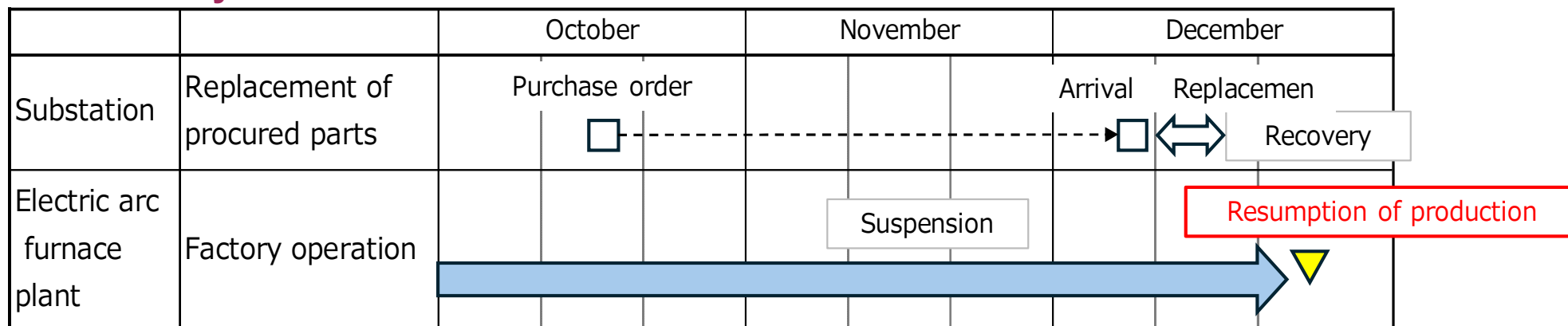
(\*Trip = Current disconnection due to fault detection)



External view of Substation No. 5  
(The red-framed section is the circuit breaker)

# Situation of the accident at Substation No. 5 (2)

## 2. Recovery schedule



For replacement parts within the circuit breaker, as these are custom ordered items and delivery will take approximately two months

Scheduled to resume operations and production in late December

## 3. Measures during the electric arc furnace shutdown period

Urgent arrangement of purchased slabs and alternative production

→ Minimize the impact on suppliers

## 4. Financial impact of the substation accident

The impact of the suspension of electric arc furnace operation on earnings is approximately 1.5 billion yen (effects of reduced production, transfer of iron sources, etc.)



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## **3. FY2025 H1 Financial Results**

# Key points for financial results

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## ➤ 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.)

# Summary of financial results for FY2025 H1

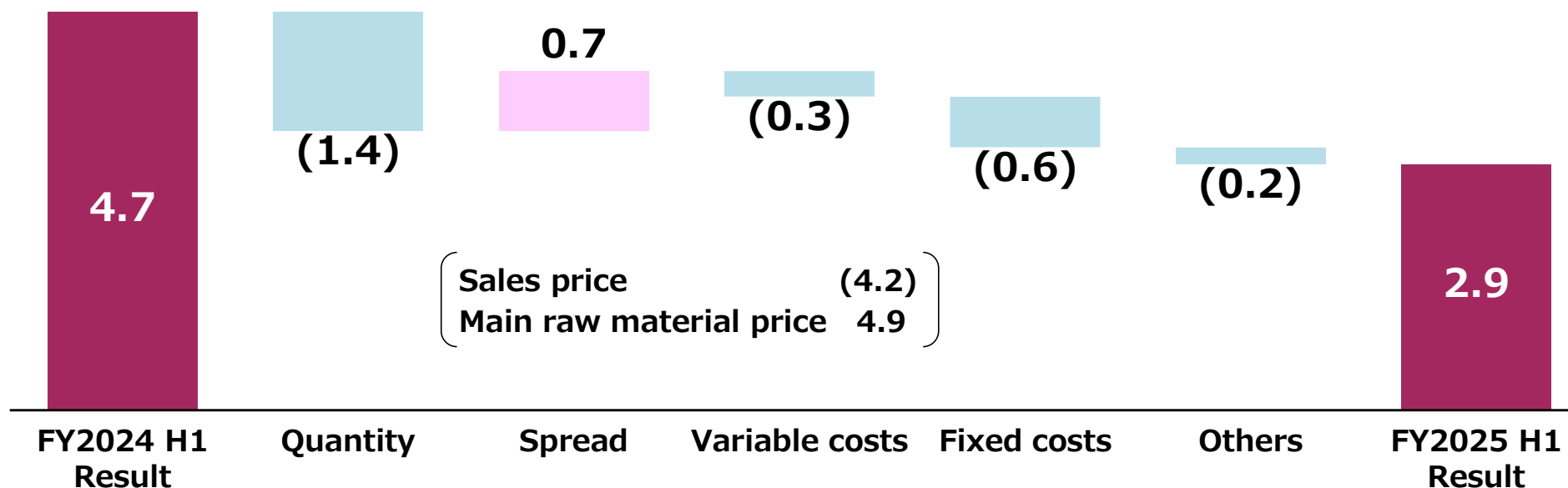
- In the first half of FY2025, sales and profit were generally in line with our expectations based on the figures announced on Aug. 6, but sales and profit decreased year-on-year.
- Sales decreased by 12.9 billion yen or 14% due to a decrease in sales volume and lower sales prices.
- While the sales 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)

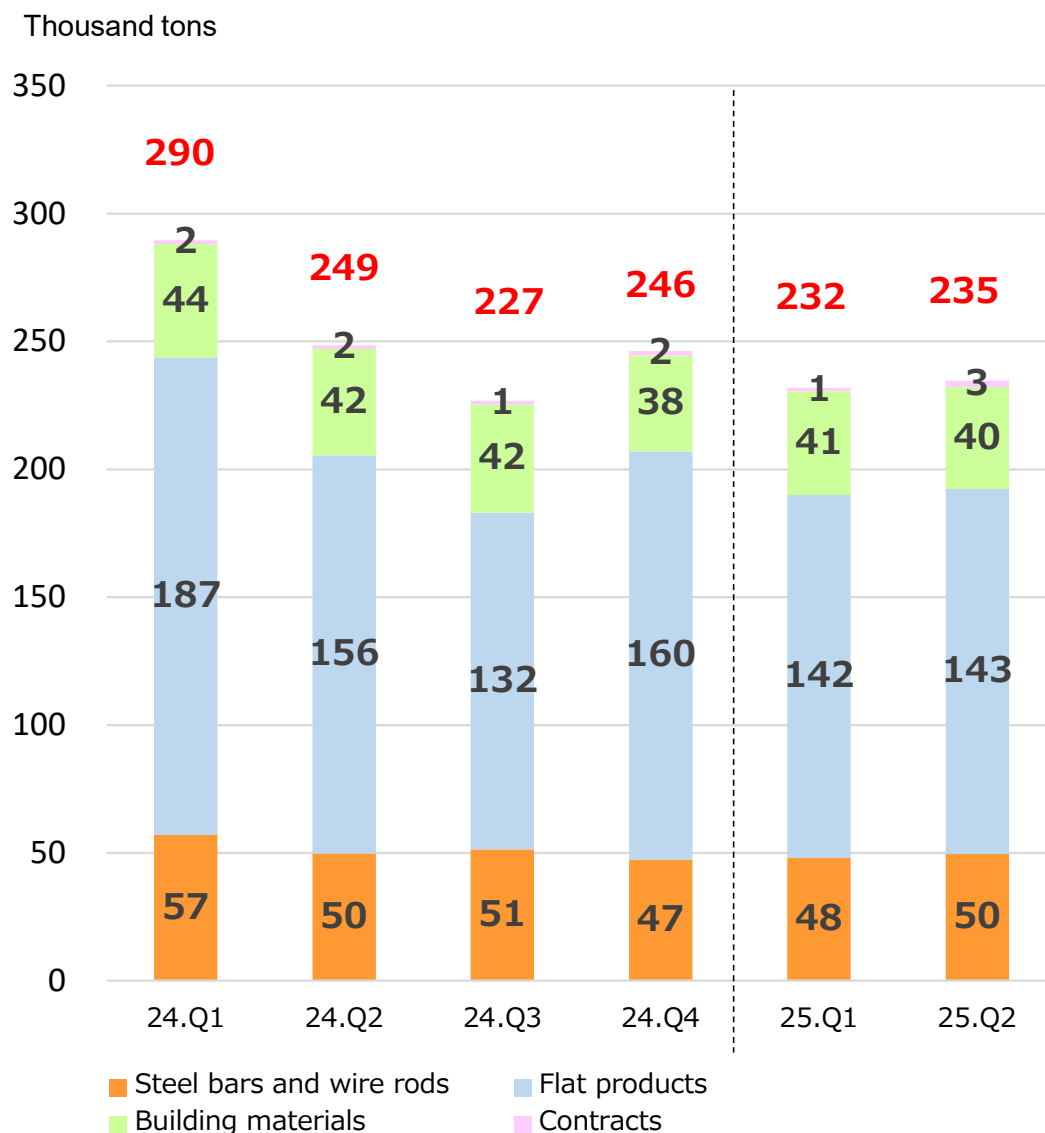
	FY2024 H1	FY2025 H1	Y-o-Y
Bars and wire rods	107	98	(9)
Coils	223	178	(45)
Steel plates	119	107	(12)
Building materials	86	80	(5)
Contract	3	4	1
<b>Total steels</b>	<b>538</b>	<b>466</b>	<b>(72)</b>
of which Exports	19	11	(8)

## Spread

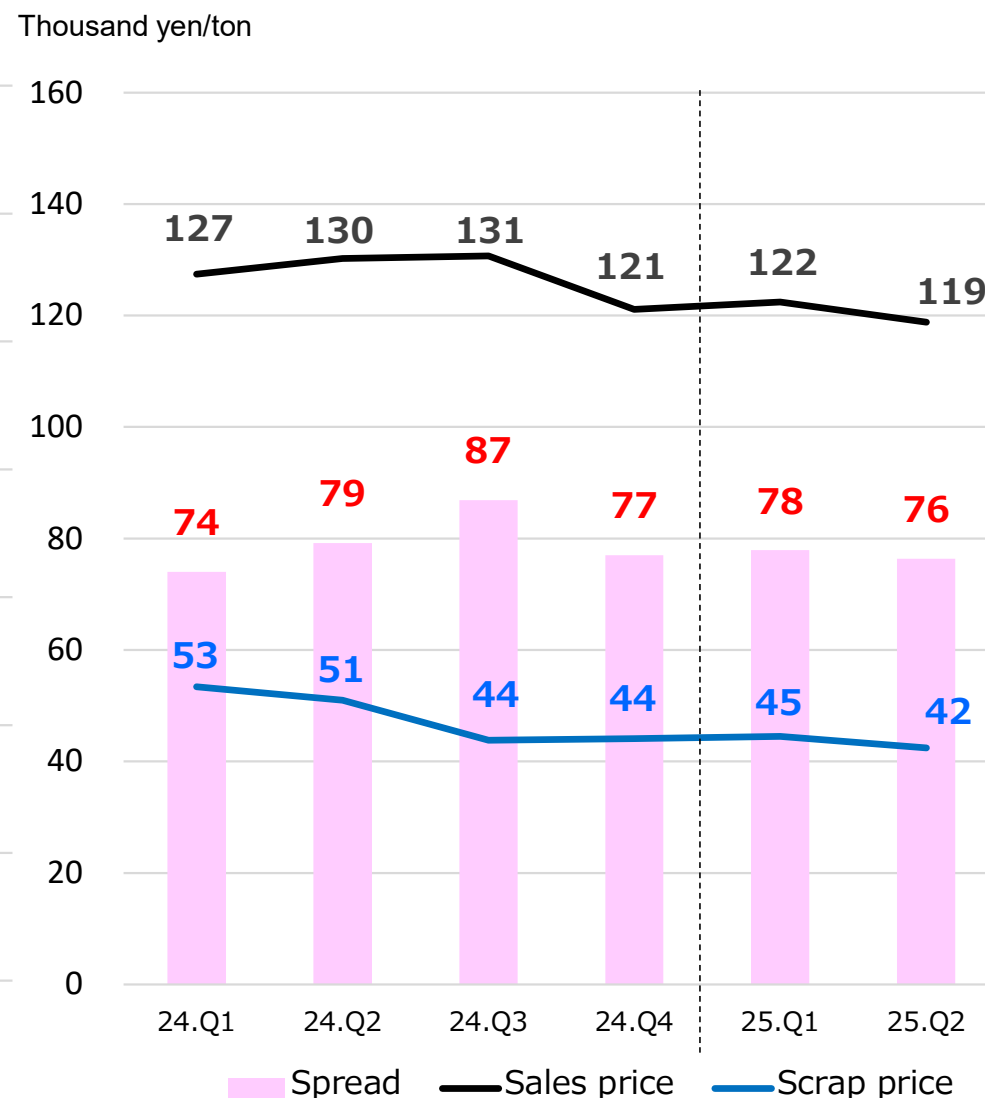
	Sales volume (Thousand tons)	Sales price (Thousand yen/t)	Scrap price (Thousand yen/t)	Spread (Thousand yen/t)
FY2024 H1	538	128.7	52.2	76.5
FY2025 H1	466	120.6	43.3	77.3
Y-o-Y	(72)	(8.1)	(8.9)	0.8

# Changes in sales volume , sales price , and scrap price

## Sales volume



## Sales price and scrap price



# Balance sheets and cash flows

## Balance sheets

Item	Mar. 2025	Sep. 2025	Change
<b>Cash and deposits</b>	<b>15.3</b>	<b>20.8</b>	<b>5.5</b>
Accounts receivable *1	42.3	41.8	(0.5)
Inventories	34.0	27.9	(6.0)
Others	0.9	0.6	(0.3)
<b>Current assets</b>	<b>92.5</b>	<b>91.2</b>	<b>(1.4)</b>
Property, plant and equipment / Intangible	48.8	50.2	1.4
Investments and other assets	7.9	8.2	0.3
<b>Non-current assets</b>	<b>56.6</b>	<b>58.4</b>	<b>1.7</b>
<b>Total assets</b>	<b>149.1</b>	<b>149.5</b>	<b>0.4</b>

\*1 including electronically recorded monetary claims

Item	Mar. 2025	Sep. 2025	Change
Trade payables *2	16.9	15.3	(1.5)
<b>Interest-bearing debt</b>	<b>9.1</b>	<b>8.8</b>	<b>(0.3)</b>
Deferred tax liabilities	4.2	4.3	0.1
Provisions	4.7	4.5	(0.2)
Others	7.5	9.0	1.5
<b>Liabilities</b>	<b>42.3</b>	<b>41.9</b>	<b>(0.4)</b>
<b>Shareholders' equity</b>	<b>103.1</b>	<b>103.6</b>	<b>0.5</b>
Other comprehensive income	3.7	4.0	0.3
<b>Net assets</b>	<b>106.8</b>	<b>107.6</b>	<b>0.8</b>
<b>Total liabilities and net assets</b>	<b>149.1</b>	<b>149.5</b>	<b>0.4</b>

\*2 including electronically recorded obligations

Net interest-bearing  
debt (6.3) (12.0) (5.7)

Equity ratio 71.6% 72.0% 0.4pt

ROE 5.4% 3.2% (2.2pt)

## Cash flows

(Billions of yen)

	FY2025 H1
Profit before income taxes	2.6
Depreciation	1.5
Change in working capital	5.0
Income taxes paid	(0.7)
Increase (decrease) in accrued consumption taxes	1.0
Others	(0.1)
<b>Cash flows from operating activities</b>	<b>9.3</b>
Purchase of non-current assets	(2.3)
Others	0.1
<b>Cash flows from investing activities</b>	<b>(2.3)</b>
Change in interest-bearing debt	(0.3)
Dividends paid	(1.2)
Others	(0.2)
<b>Cash flows from financing activities</b>	<b>(1.6)</b>
<b>Total cash flows</b>	<b>5.5</b>
<b>Cash and deposits at beginning of period</b>	<b>15.3</b>
<b>Cash and deposits at end of period</b>	<b>20.8</b>

4.1

FC/F  
+ 7.0

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## **4. FY2025 Full-year Earnings and Dividend Forecasts**

# Key points for financial results (forecasts)

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## Full-year Forecast for FY2025

- ✓ For the full-year forecast, both net sales and profit are revised downward from the Aug. 6 announced figures (published on Oct. 31)
- ✓ 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)



# Recognition of the present status

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## (Oct. 2025: the Ministry of Economy, Trade and Industry outlook for FY2025)

- ✓ Architecture : A slight decrease from the previous fiscal year due to continued delays and reductions in construction
- ✓ Civil engineering : Public works remained at a high level, but private sector will continue to be sluggish due to labor shortage and high cost of materials, slightly decrease from the previous fiscal year
- ✓ Construction and industrial machinery : Continuing sluggish overall, slightly decrease from the previous fiscal year
- ✓ Automotive : Decrease from the previous fiscal year due to the continued impact of U.S. tariff policies

## (The Company's sales volume forecast)

- ✓ FY2025 H2 : The slump in steel demand persists, and we anticipate it will take time for conditions to improve. Consequently, we expect order intake to remain challenging. Although the electric arc furnace will be out of operation until late December due to a substation accident, we will minimize the impact on our customers, including through recovery in Q4.

# Earnings and dividend forecasts for FY2025

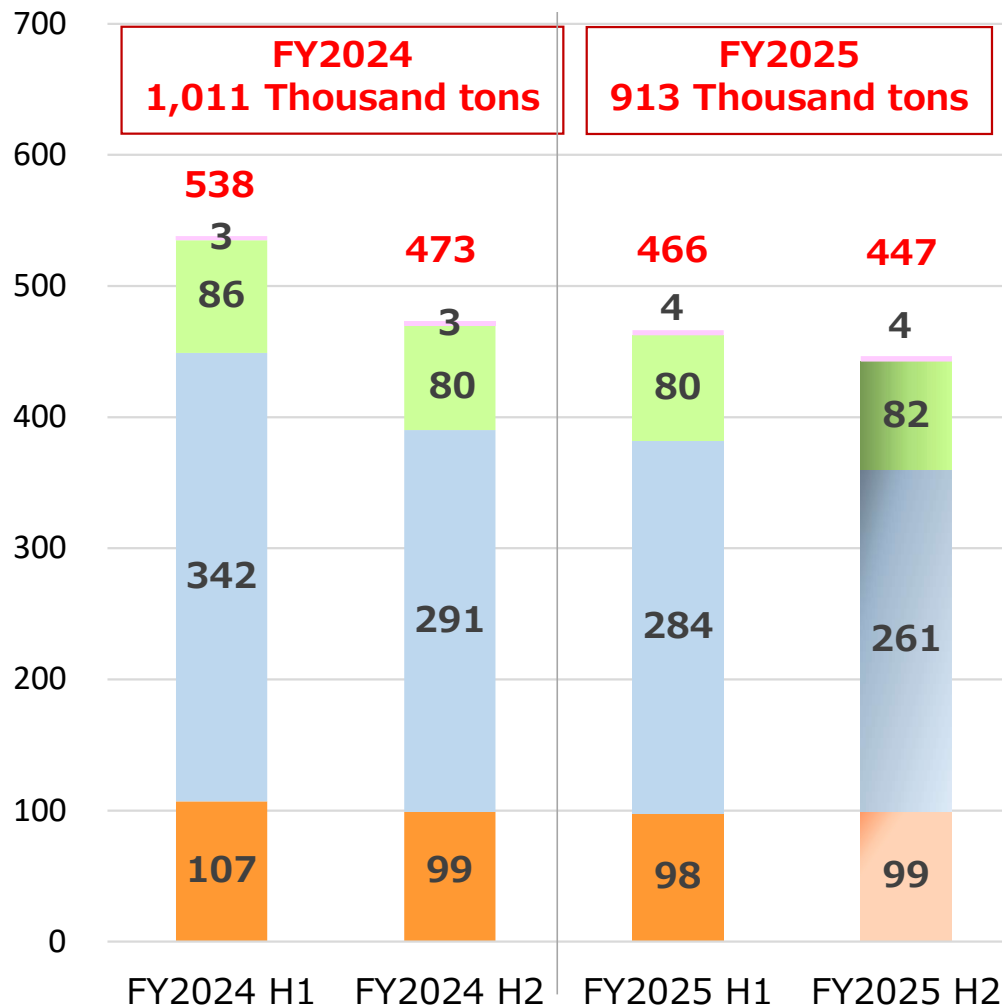
- Net sales are expected to decrease by 18.3 billion yen year-on-year due to a decrease in sales volume and a decline in sales prices.
- Ordinary profit is expected to be a loss of 4.1 billion yen, reflecting lower sales volume and sales prices, as well as losses associated with the suspension of electric 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)

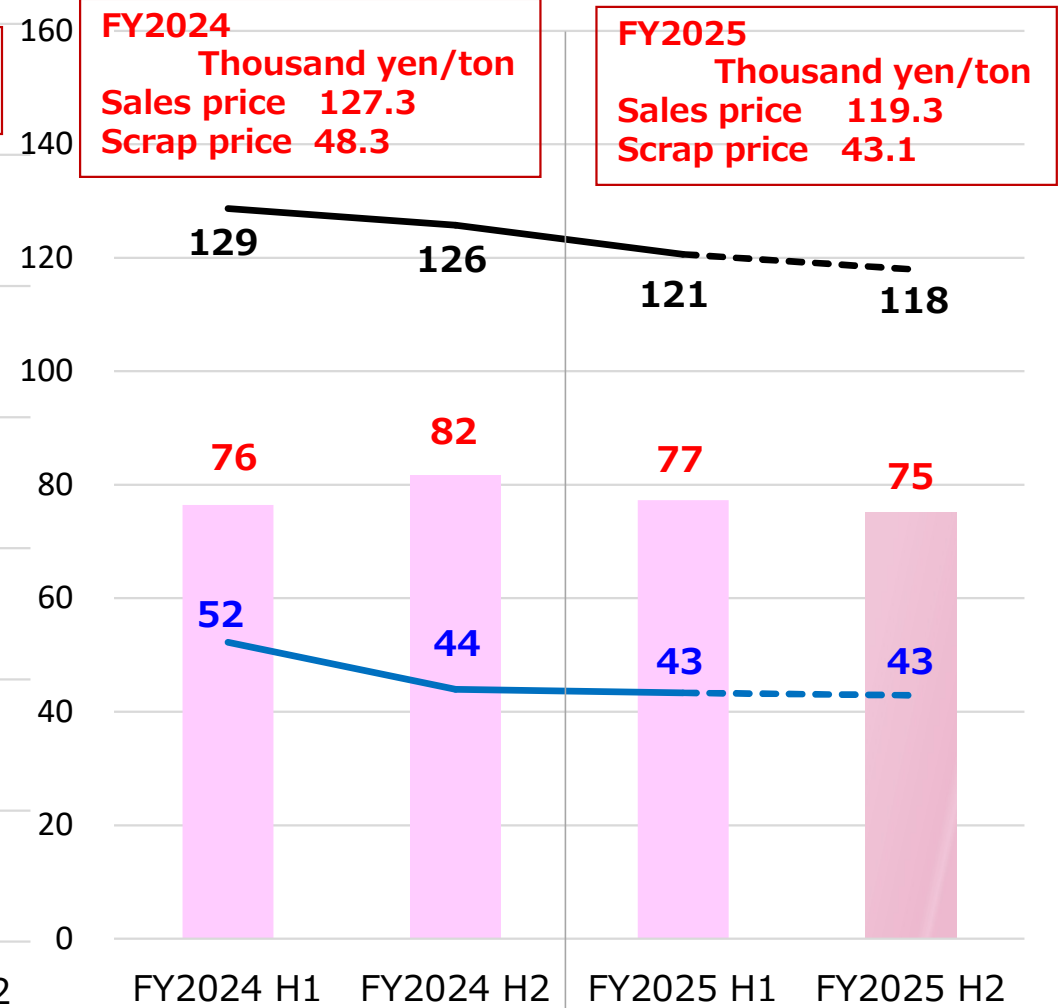
Earnings	FY2024			FY2025				Year-on-year		vs. Published value	
	H1	H2	Full-year	H1	H2	Full-year Forecasts	Figure published on Aug.6	②-①		②-③	
	Results	Results	①	Results	Forecasts	②	③	Amount	Percentage change	Amount	Percentage change
Net sales	89.5	79.8	169.3	76.6	74.4	151.0	157.5	(18.3)	(10.8%)	(6.5)	(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%)

# Assumptions for FY2025 H2 – Changes in sales volume, sales price, and scrap price

## Sales volume



## Sales price and scrap utilization price

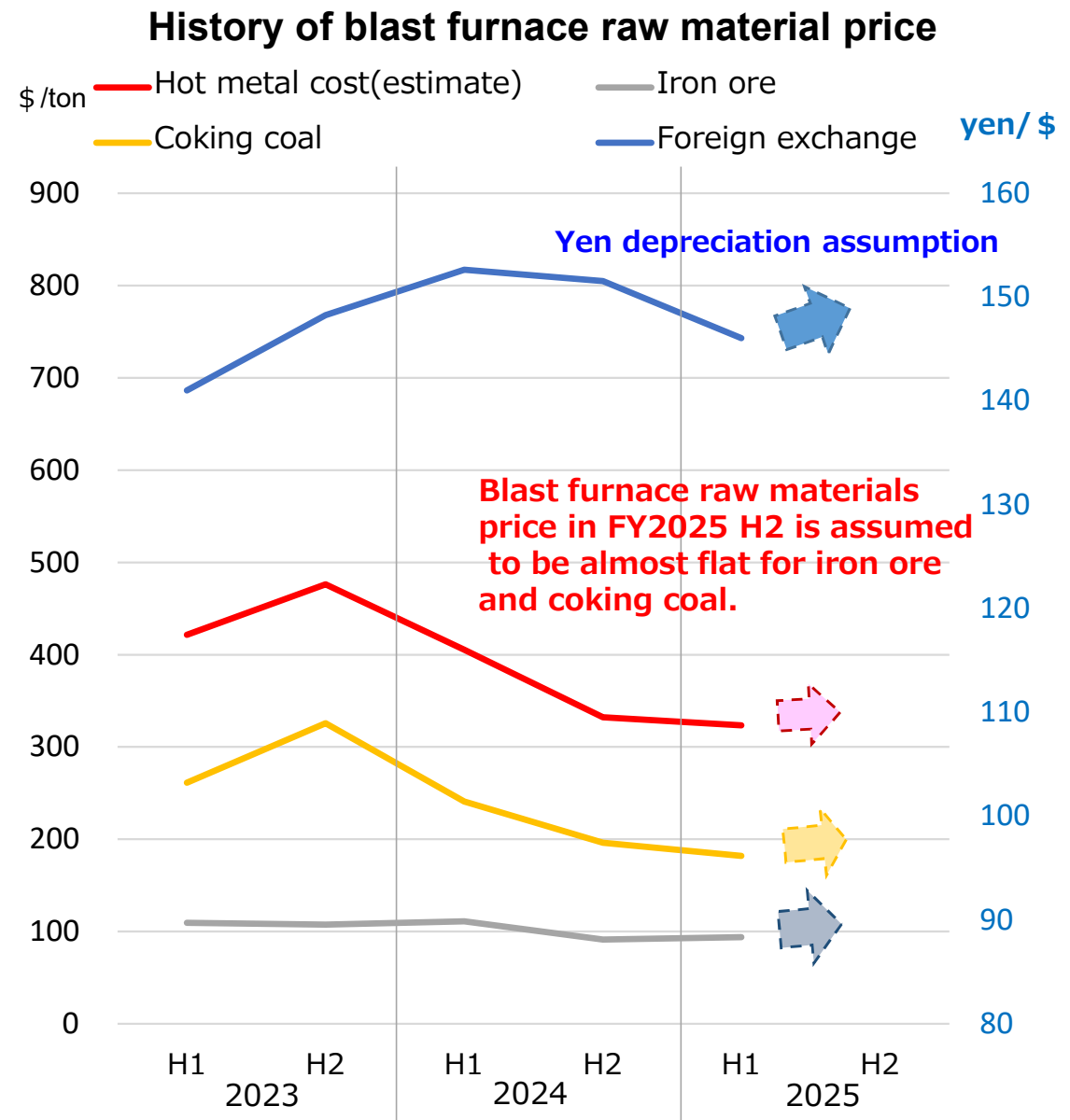
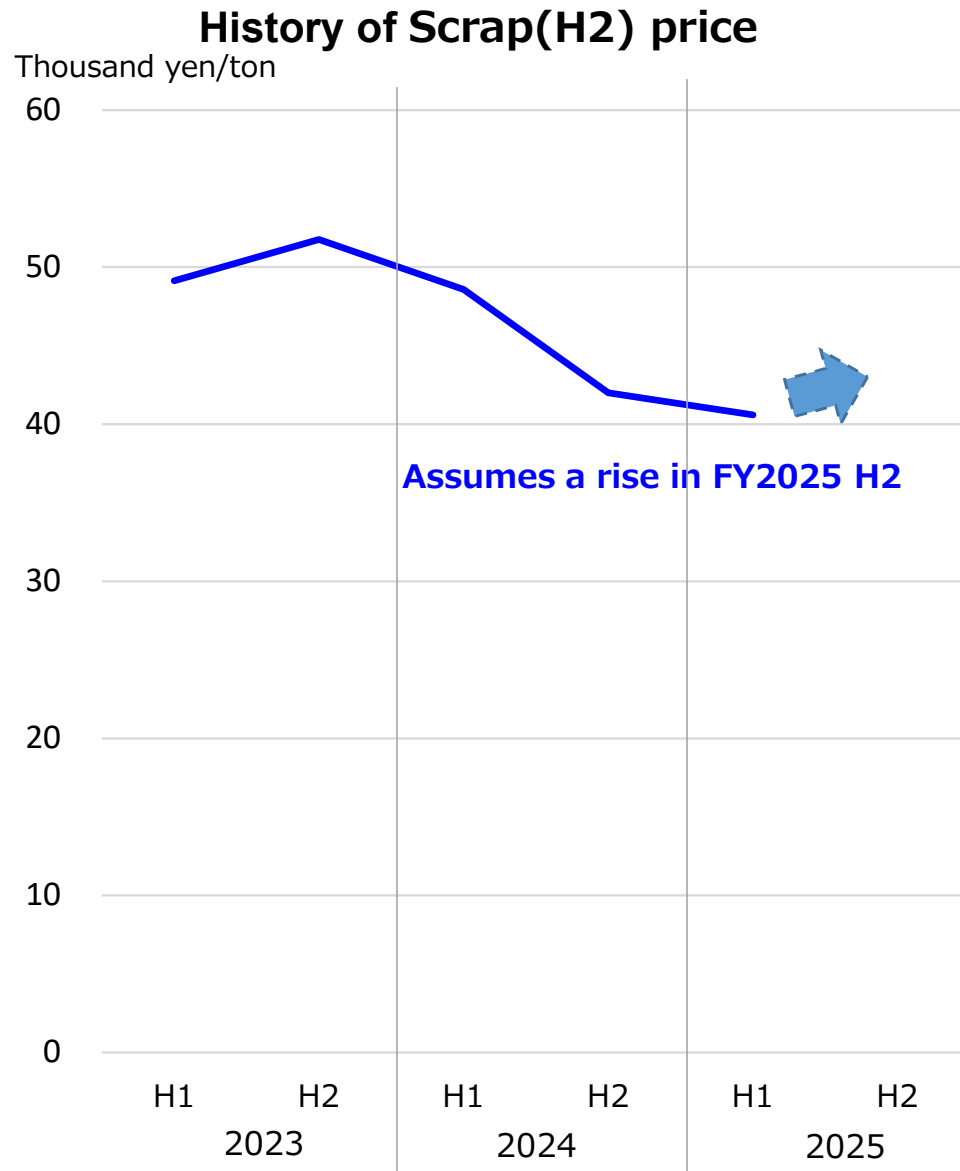


■ Steel bars and wire rods    ■ Flat products  
■ Building materials    ■ Contracts

■ Spread    — Sales price    — Scrap price

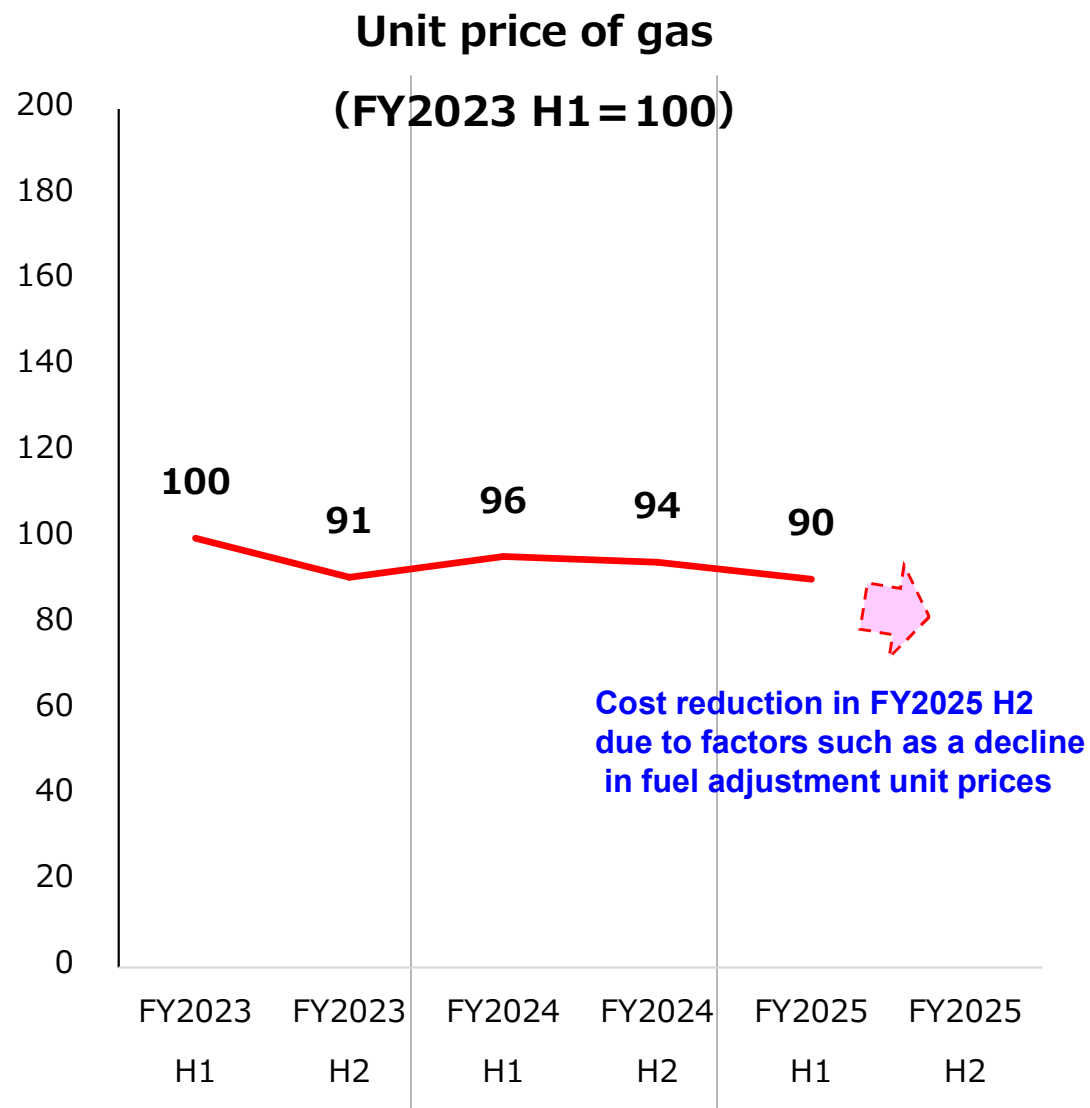
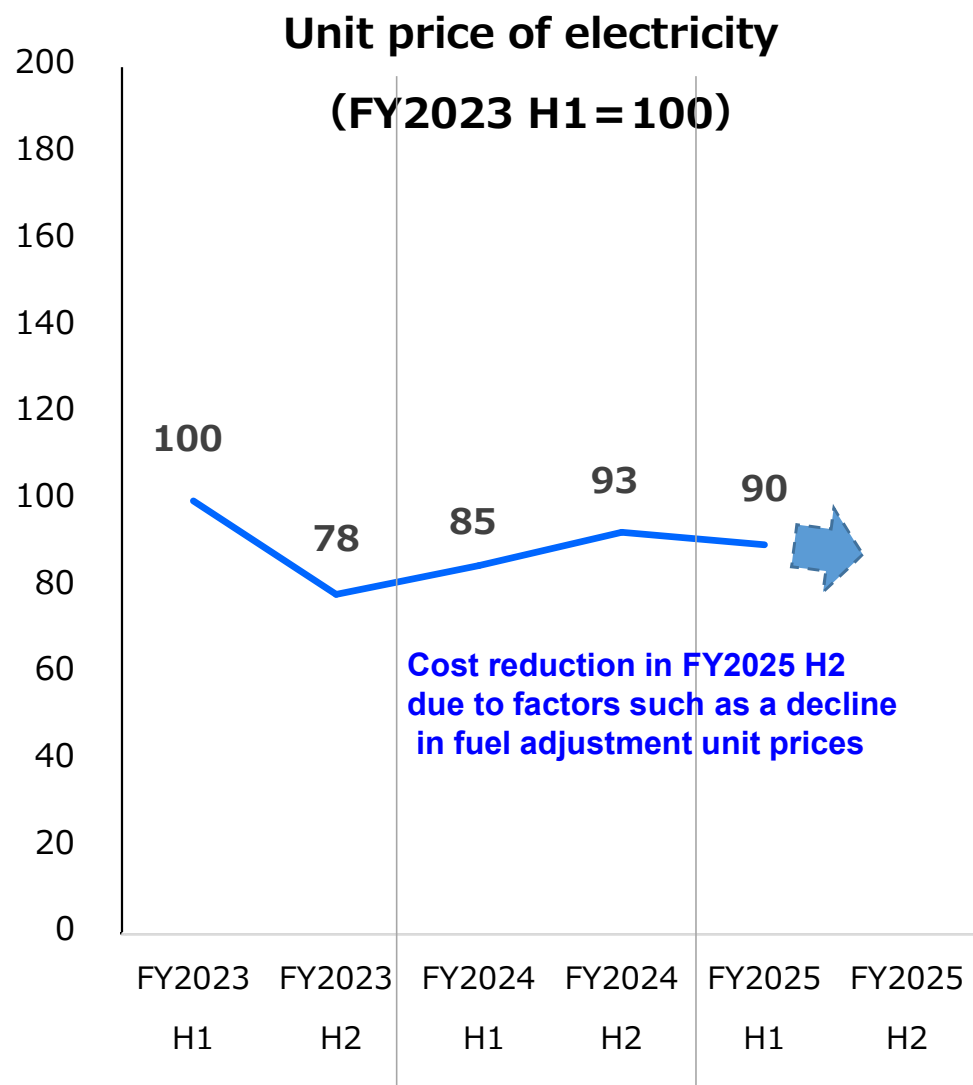
# Changes in main raw materials price

## —Market condition for scrap and blast furnace raw materials



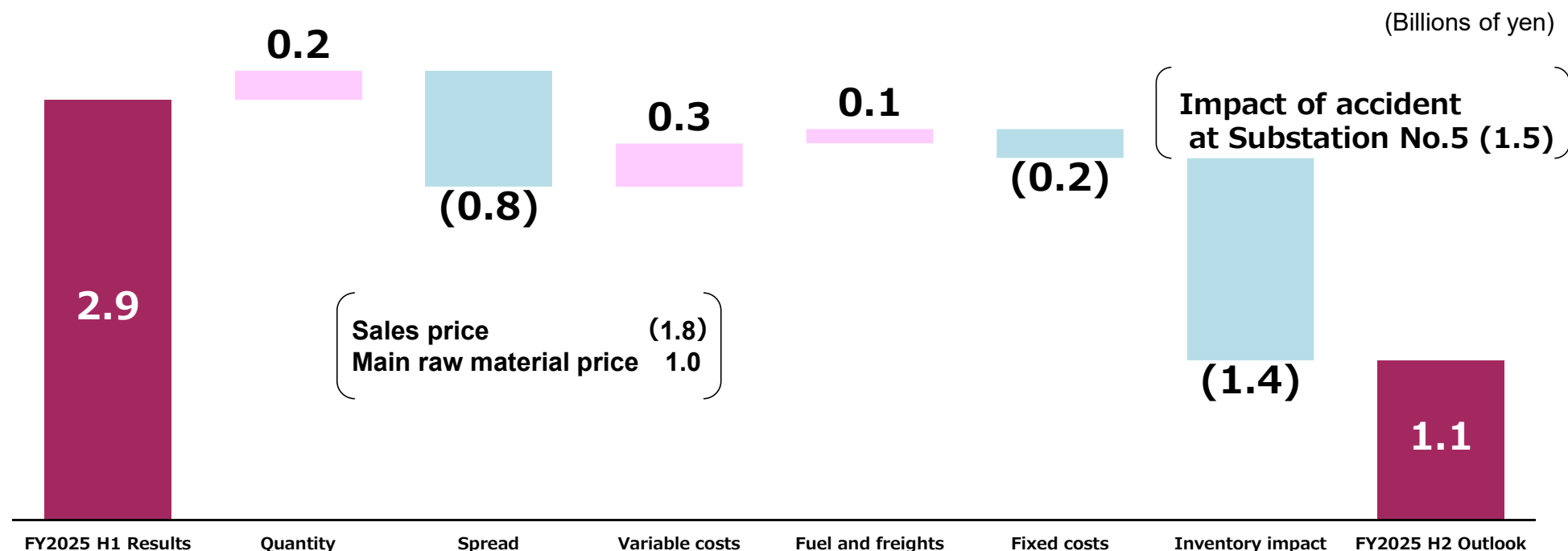
(Source: Nikkan Shikyo Tsushinsha Co., Ltd.)

# Changes in energy price



# Analysis of changes in ordinary profit — FY2025 H1 Results vs. FY2025 H2 Outlook

## <Half-on-Half>



### Quantity of steel by type

(Thousand tons)

	FY2025 H1	FY2025 H2	H-o-H
Bars and wire rods	98	99	2
Coils	178	158	(20)
Steel plates	107	104	(3)
Building materials	80	82	2
Contract	4	4	0
<b>Total steels</b>	466	447	(20)
of which Exports	11	7	(3)

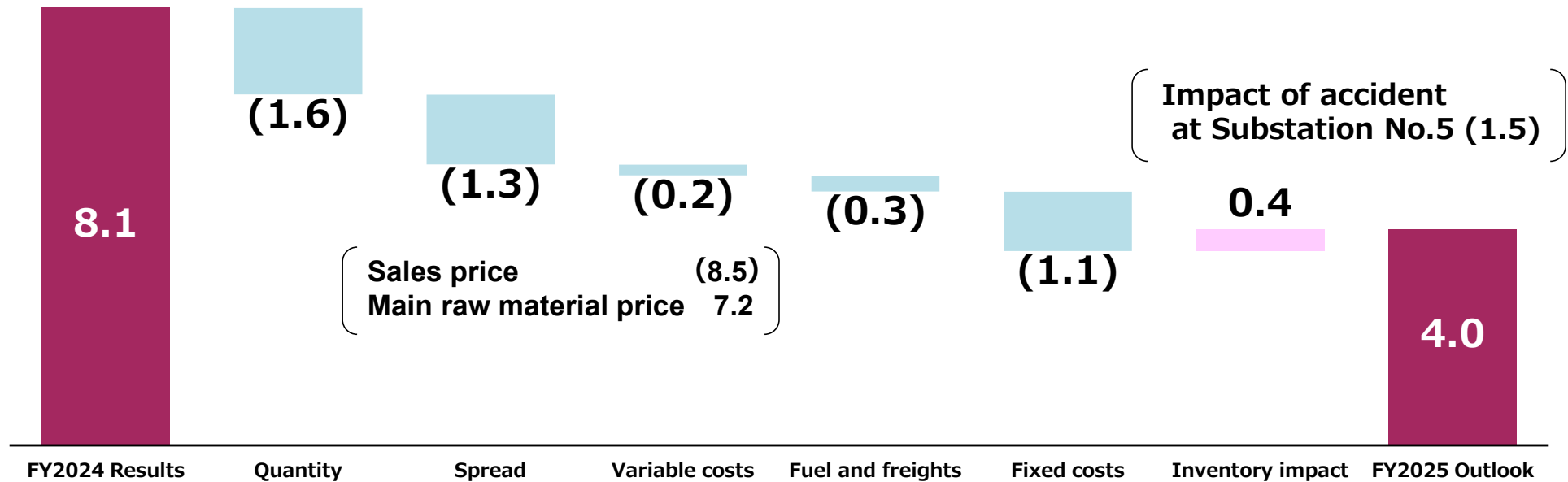
### Spread

	Sales volume (Thousand tons)	Sales price (Thousand yen/t)	Scrap price (Thousand yen/t)	Spread (Thousand yen/t)
FY2025 H1	466	120.6	43.3	77.3
FY2025 H2	447	118.0	42.9	75.1
H-o-H	(20)	(2.6)	(0.4)	(2.2)

# Analysis of changes in ordinary profit — FY2024 Results vs. FY2025 Outlook

<Year-on-Year>

(Billions of yen)



## Quantity of steel by type

(Thousand tons)

	FY2024	FY2025	Y-o-Y
Bars and wire rods	206	197	(9)
Coils	412	335	(76)
Steel plates	222	210	(12)
Building materials	165	162	(3)
Contract	6	8	2
<b>Total steels</b>	<b>1,011</b>	<b>913</b>	<b>(98)</b>
of which Exports	40	18	(22)

## Spread

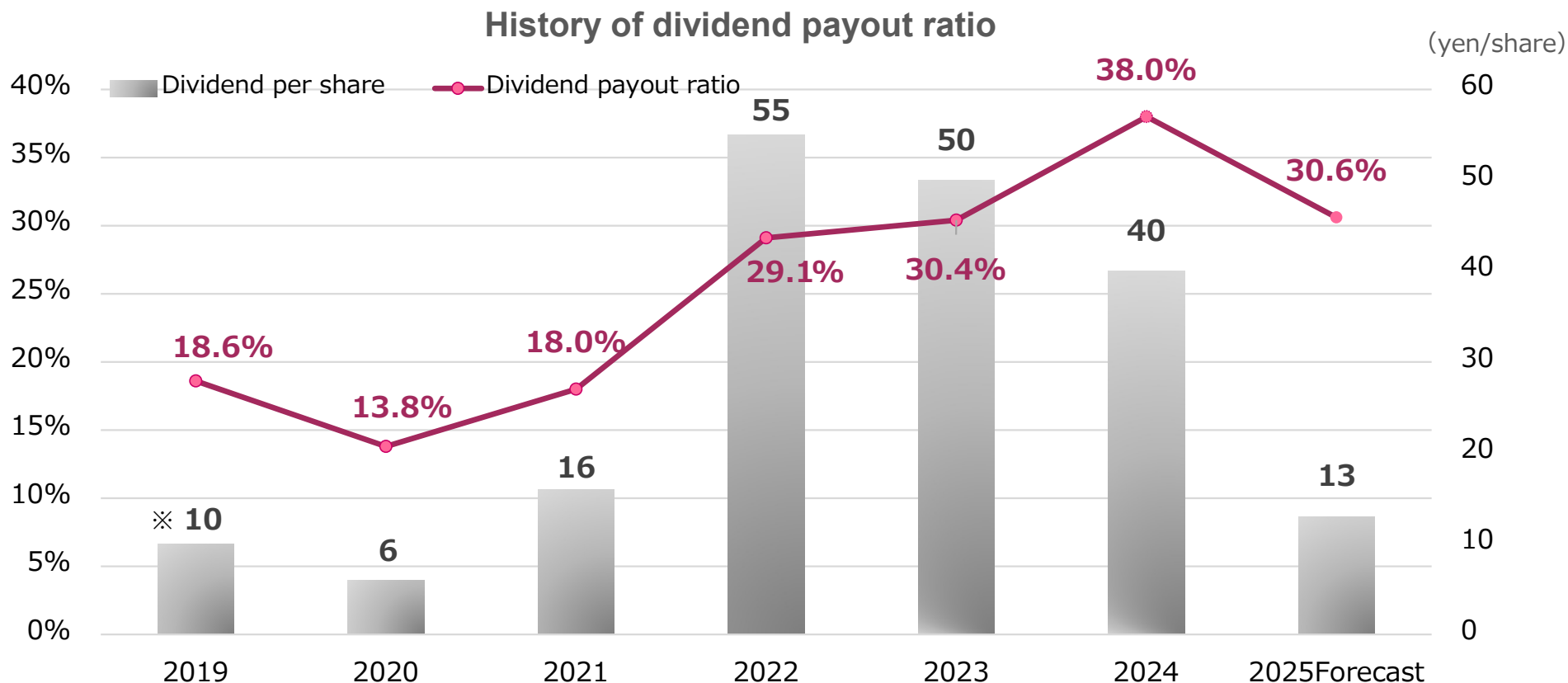
	Sales volume (Thousand tons)	Sales price (Thousand yen/t)	Scrap price (Thousand yen/t)	Spread (Thousand yen/t)
FY2024	1,011	127.3	48.3	79.0
<b>FY2025</b>	<b>913</b>	<b>119.3</b>	<b>43.1</b>	<b>76.2</b>
Y-o-Y	(98)	(8.0)	(5.1)	(2.9)

# Dividend policy

## Shareholder Return Policy and Dividend Target

Our basic policy for allocation of profits is to realize stable dividends, while securing internal reserves necessary to enhance our management base and financial position as well as to prepare for future business development. In addition, we have set a consolidated dividend payout ratio target of 30% or higher, continuing from the previous medium-term management plan.

In FY2025, we plan to pay an annual dividend of 13 yen per share, a decrease of 27 yen from the previous fiscal year due to the downward revision of earnings.

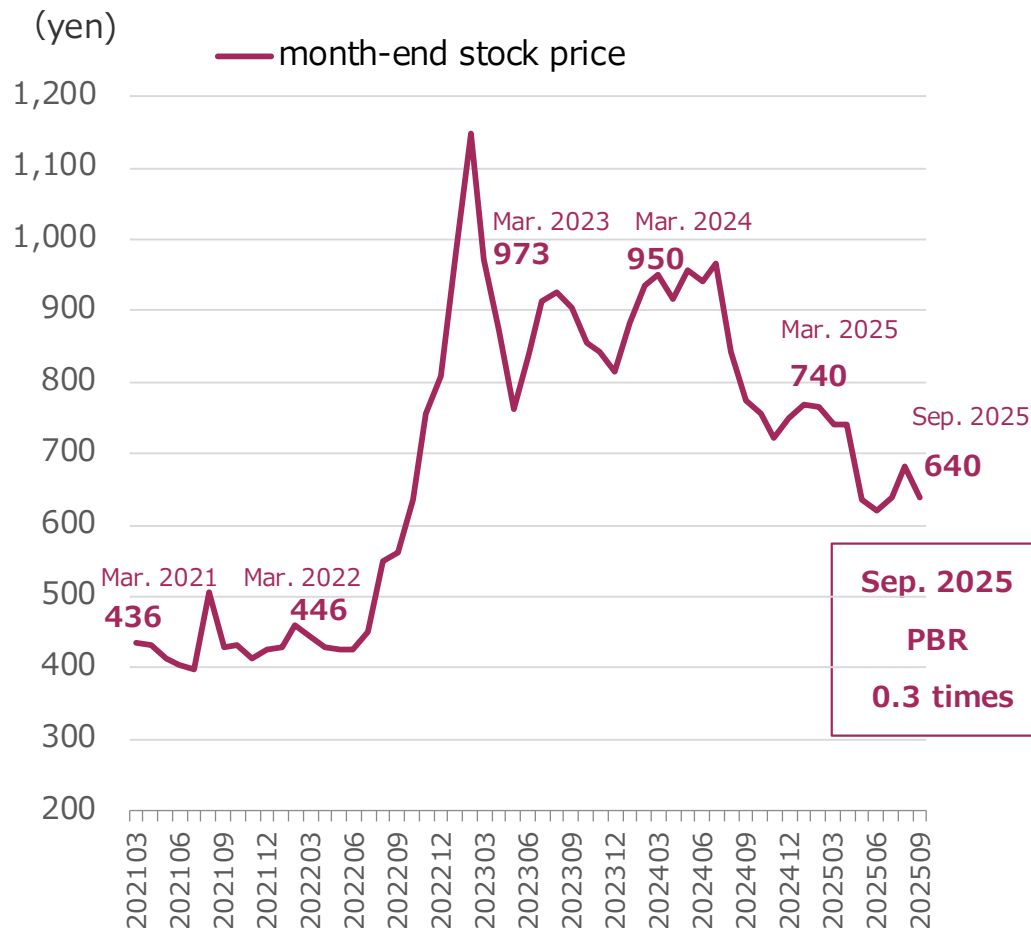


\*Including commemorative dividend of 2 yen/share

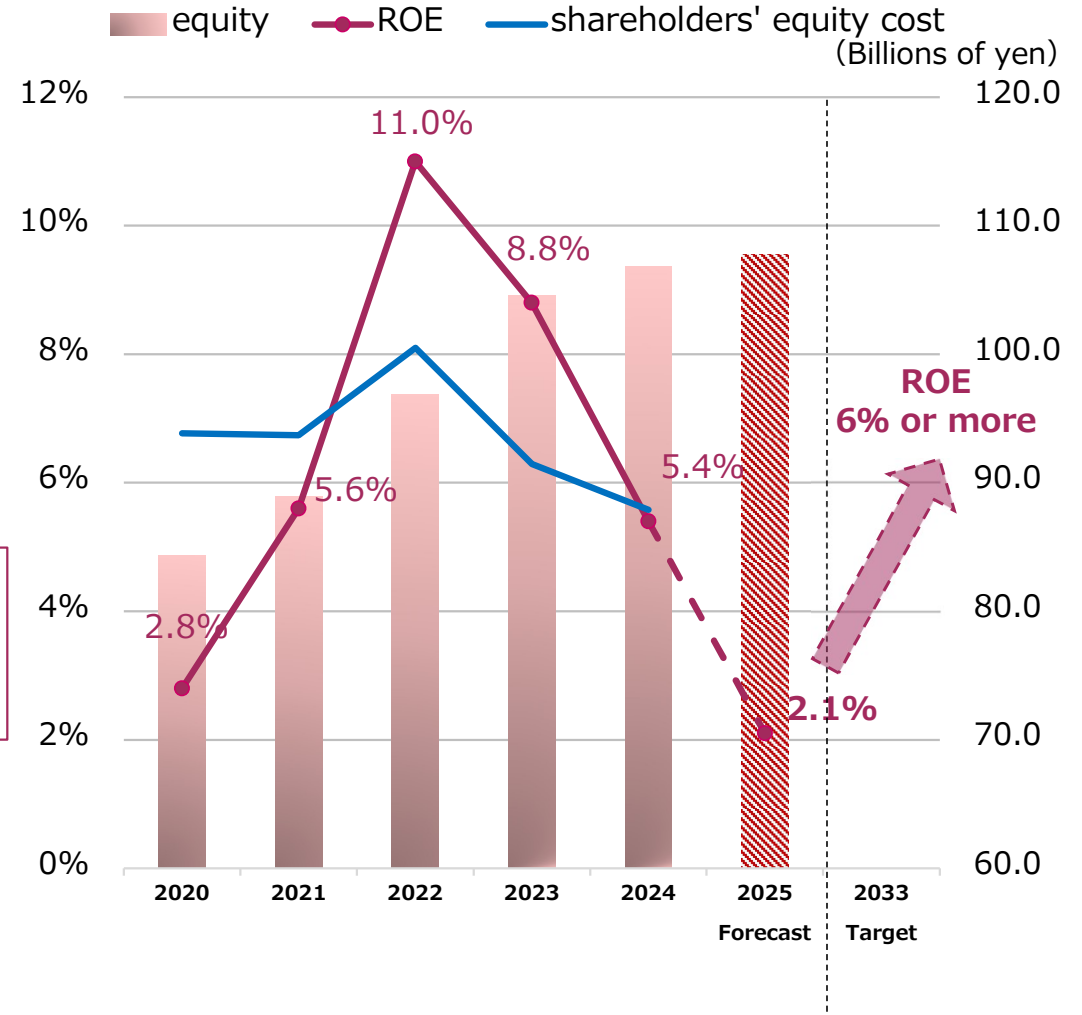


# Stock price and capital efficiency

## History of the Company's stock price



## ROE, shareholders' equity cost, and equity



# Practicing management conscious of cost of capital and stock price

## Toward Improvement of PBR

ROE  
improvement

### ① Overachievement of the Long-Term Plan 2033 Target (Final Fiscal Year)

- Ordinary profit : 13 billion yen or more
- EBITDA : 26 billion yen or more
- ROE : 6% or more
- Dividend payout ratio : 30% or more

### ② Effective use of assets

- Invest the proceeds from the funds for sale of one's real estate holding

### ③ Growth strategy

- Promotion of Group-wide processing strategy
- Promotion of meeting the needs of electric arc furnace

Market  
valuation  
improvement

### ① Promotion of ESG

- Decarbonization efforts
- Human capital management
- Strengthening governance

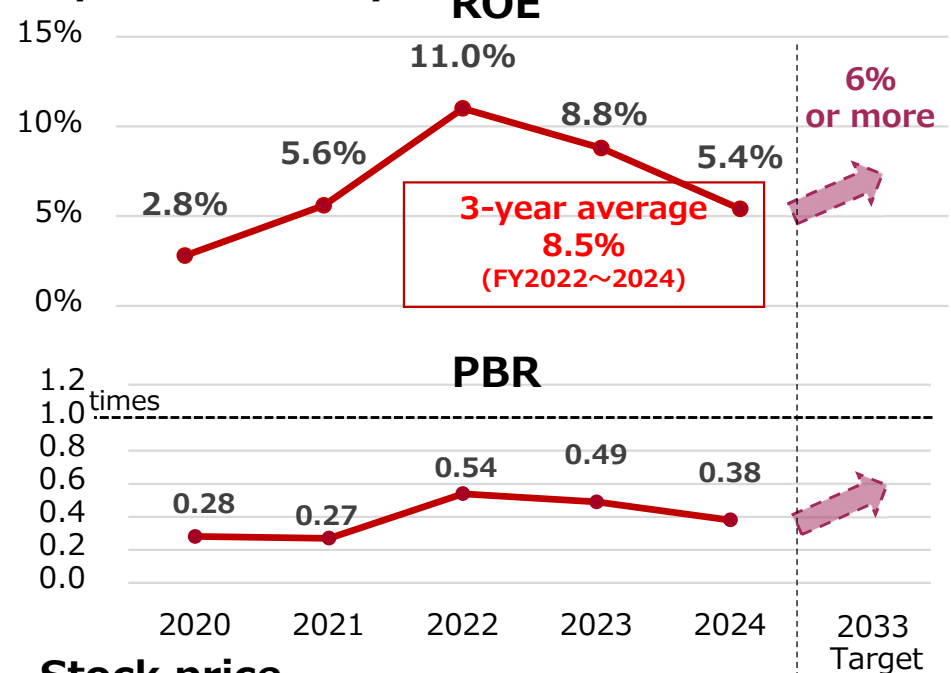
### ② Strengthening IR and other activities

- Enhance disclosure
- Strengthen information dissemination
- promote dialogue with investors

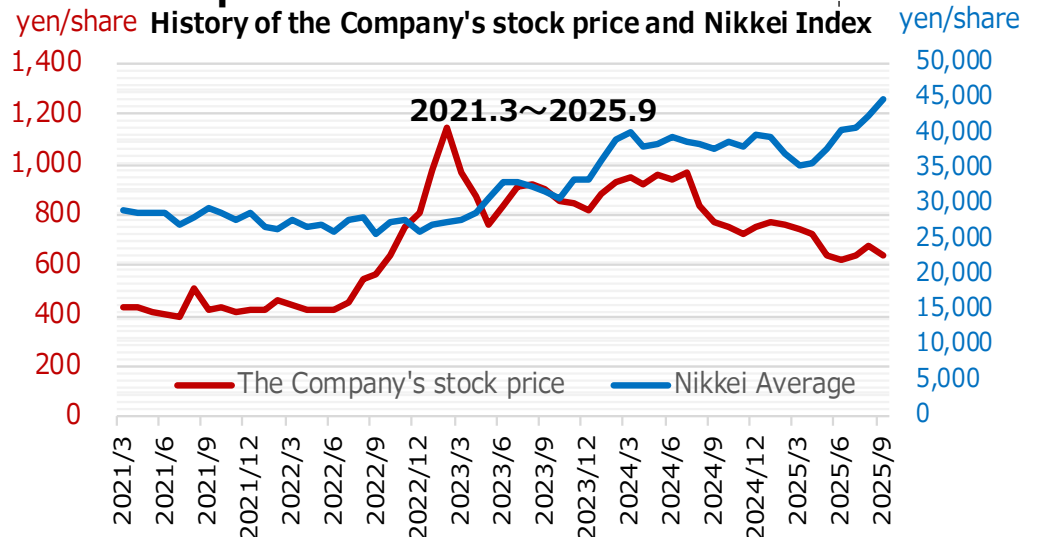
### ③ Dividend policy

- Exceeded the Medium-Term Management Plan and maintained a dividend payout ratio of 30% or more

## Capital efficiency



## Stock price



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## **5. Overview and Progress of Long-Term Plan**

# Key policy directions in the Long-Term Plan

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## 1) Contributing to the realization of a carbon-neutral, recycling-oriented society

- Reduce CO<sub>2</sub> emissions by 46% in FY 2030 compared to FY 2013

## 2) Improvement of earnings structure and reform of product portfolio

- Increase the ratio of in-house iron sources (50 thousand tons /month) and expand the use of electric arc furnace steel products

## 3) Strengthening business partnerships

- Business alliance with Nippon Steel Corporation and Chubu Steel Plate Co., Ltd.  
Promotion of processing strategy

## 4) Establishment of a system the operation of new electric arc furnace

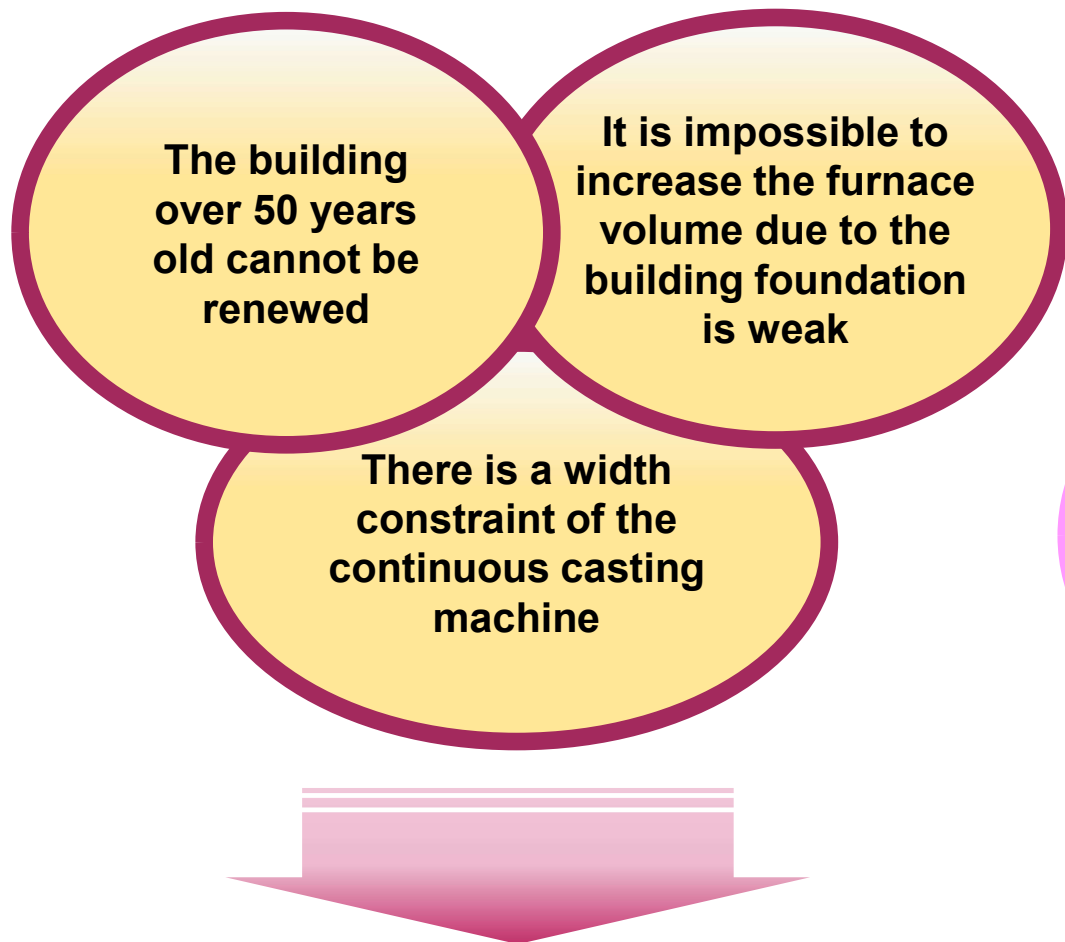
- Production 1,200 thousand tons/year, slabs hot charge for hot strip and plate mill

## 5) Strengthening the management foundation

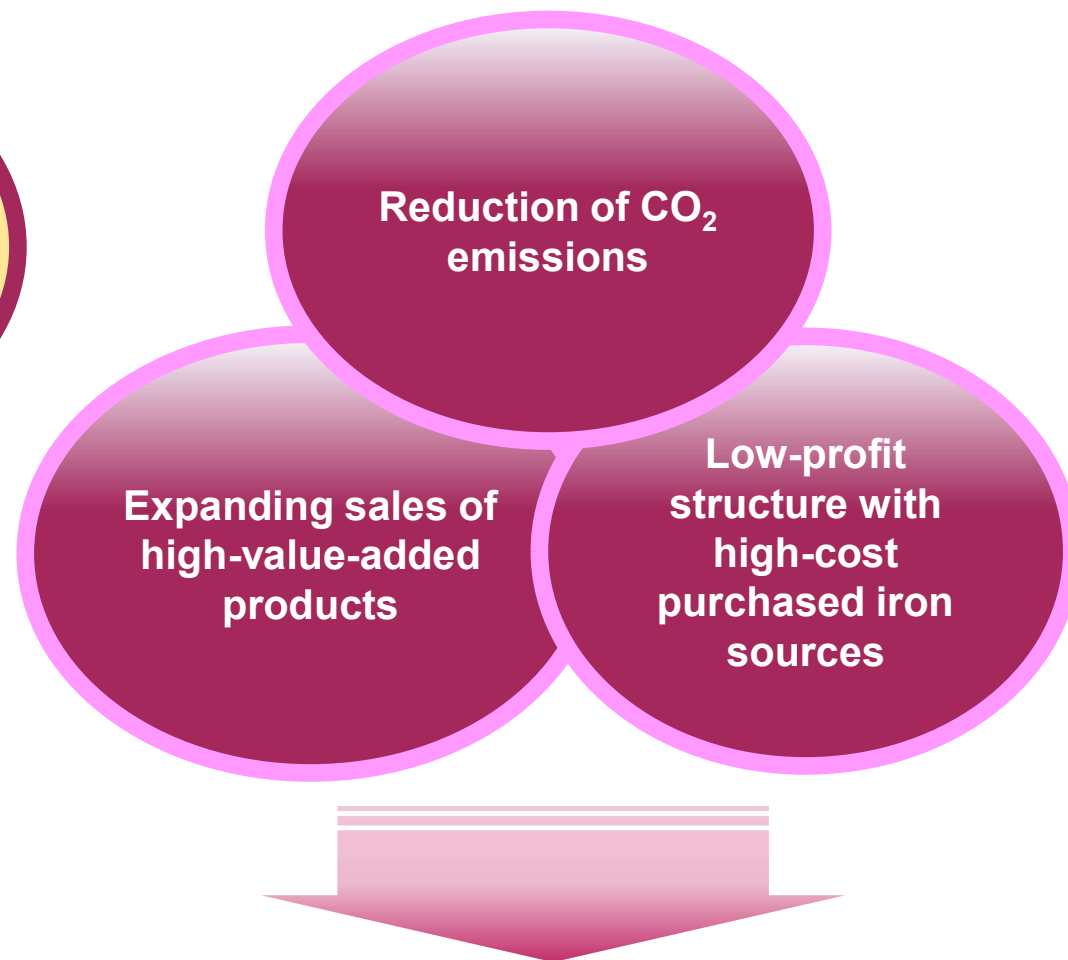
- Promote operational efficiency through DX and shift to high-value-added operations

# Necessity of new electric arc furnace installation

## ■ Issues with the existing electric arc furnace



## ■ Company-wide issues



**Construction of the new electric arc furnace is an essential business strategy**

# Investment in new electric arc furnace: scheme to establish a joint venture with Nippon Steel (strengthening business cooperation)

**Scheme: Establish a new company with Nippon Steel and supply products to Nippon Steel**

- ① Establish a company with steelmaking facilities, including electric arc furnace, at Nakayama's plant
- ② Nakayama Steel Works leases and operates steelmaking facilities
- ③ Supply to Nippon Steel some of slabs, hot rolled coils, etc. from Nakayama Steel Works

## Future schedule (planned)

- Nov. 2025 Execution of the Joint venture agreement
- Mar. 2026 Establishment of new Joint venture
- 2030 or later Start of operation

**Total investment: Approximately 95 billion yen**

**Investment: Approximately 50 billion yen**

**Equity ratio : Nakayama Steel Works 51%,  
Nippon Steel 49%**

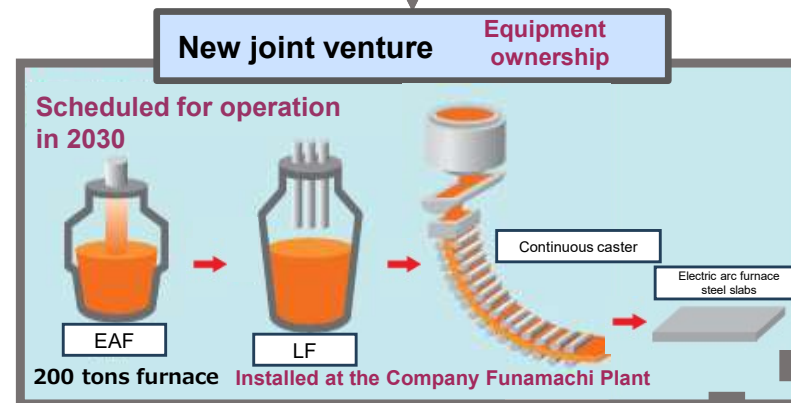
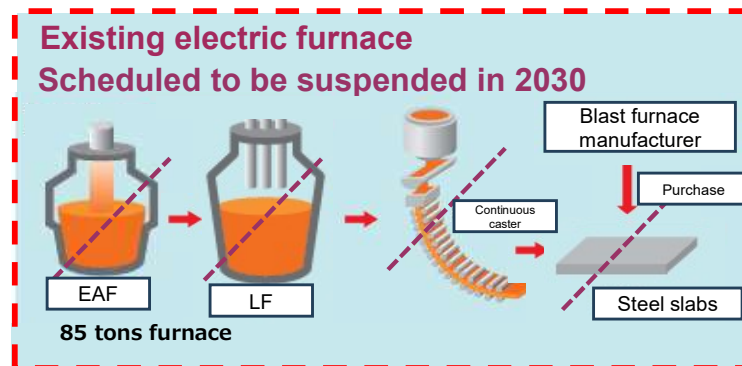


**NAKAYAMA  
STEEL WORKS, LTD.**

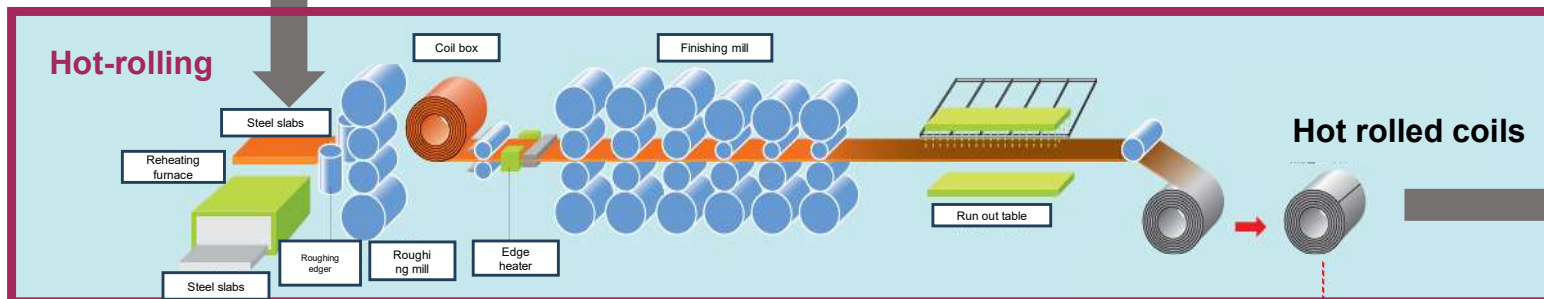
Investment 51%

Investment 49%

**NIPPON STEEL**



Nakayama Steel Works will operate the new electric arc furnace to manufacture slabs



Partial supply

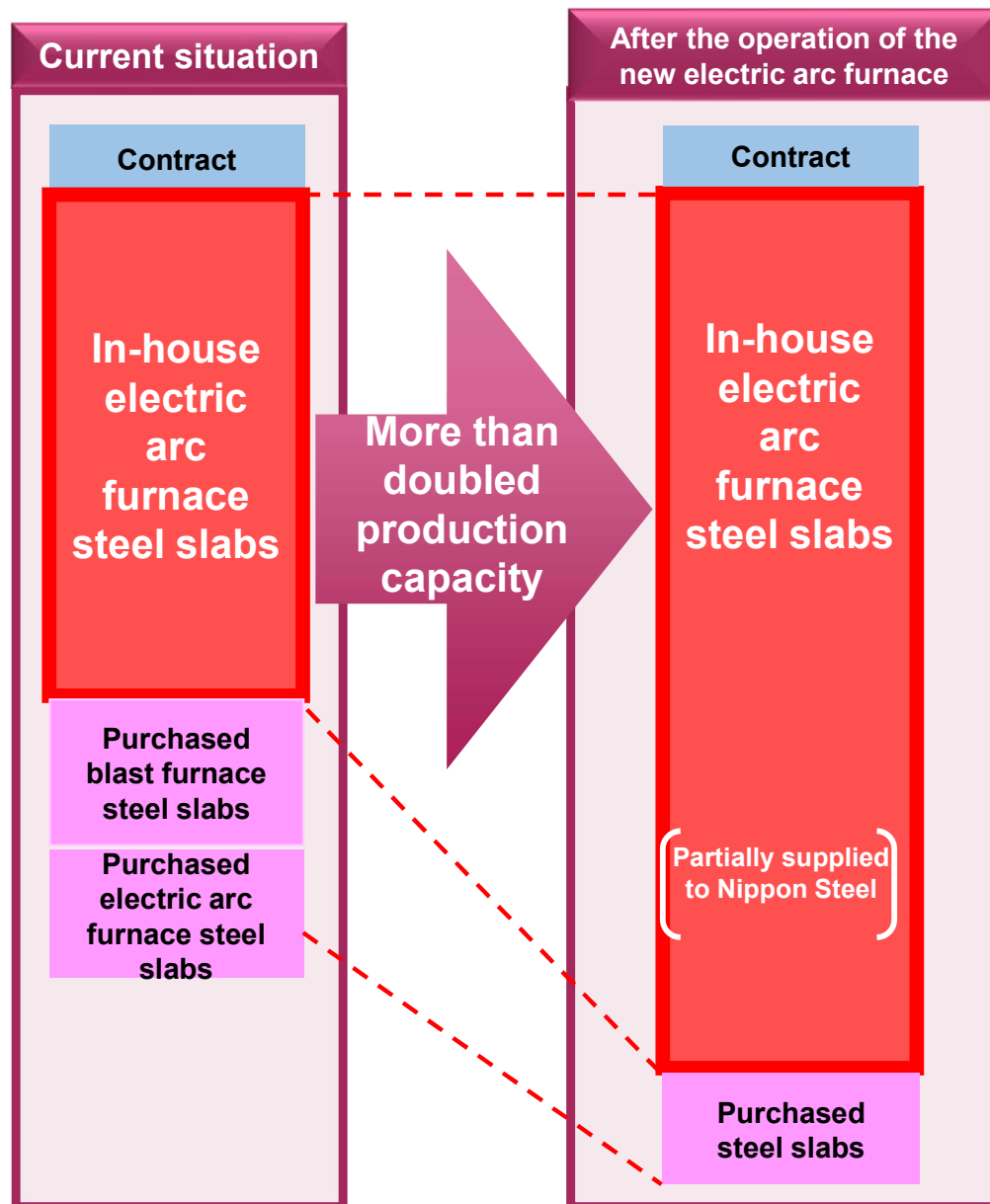
Partial supply

Steel slabs

Hot rolled coils etc.

# Overview and objectives of the New Electric Arc Furnace Project

## Changes in iron source composition of flat products



## Establishment of a joint venture with Nippon Steel

### ◆ Aims of Nippon Steel

Expansion of product lineup of electric arc furnace materials

Utilizing the technology and infrastructure of Nakayama Steel Works

### ◆ Aims of Nakayama Steel Works

Stable production by increasing contract production

Capturing needs for electric arc furnace materials

Improving transport efficiency by using large quays

Securing stable earnings

**Win-win projects that meet the needs of both companies**

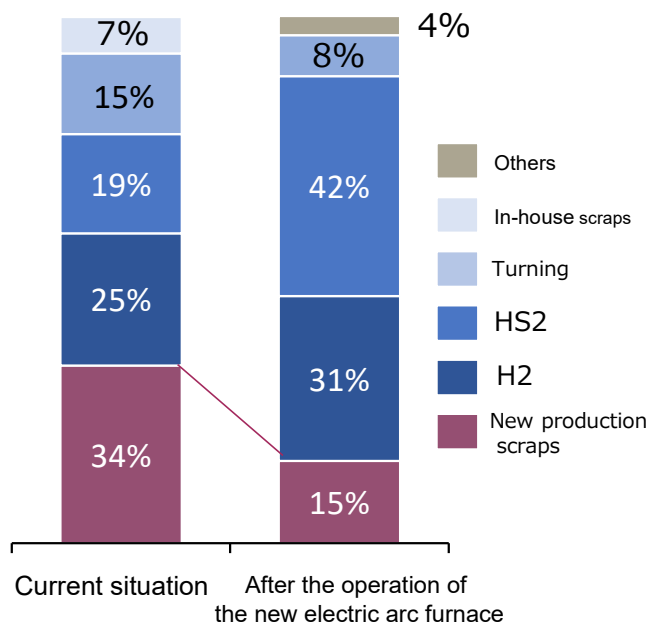


# Effect of introduction of new electric arc furnace equipment

## Overview of new electric arc furnace equipment

※Photo is an image of the equipment.

### Iron resource



### Steelmaking



#### Iron scraps

- ◆ Change from current outdoor storage to indoor storage (planned)⇒ Prevention of quality deterioration
- ◆ Direct delivery from scraps yard to electric arc furnace
- ◆ Collection by overland and sea from all over the country

#### Electric arc furnace, Continuous caster

- ◆ Scraps continuous loading saves manpower and exhaust gas preheating increases energy savings by more than 10%
- ◆ Expansion to 200 tons furnace⇒ Reduced variation in ingredients⇒ To reduce the ratio of high-grade scraps
- ◆ Steel slabs cast width extension ( 4 feet⇒5feet) ⇒ Expanding sales mainly of steel plates
- ◆ Produce steel slabs of the required size by changing the width during casting ⇒ Significantly reduced steel slabs inventory

**Realization of slabs hot charge for hot rolling** (Reduction of heating furnace costs and inventories)



# Progress toward construction of the new electric arc furnace

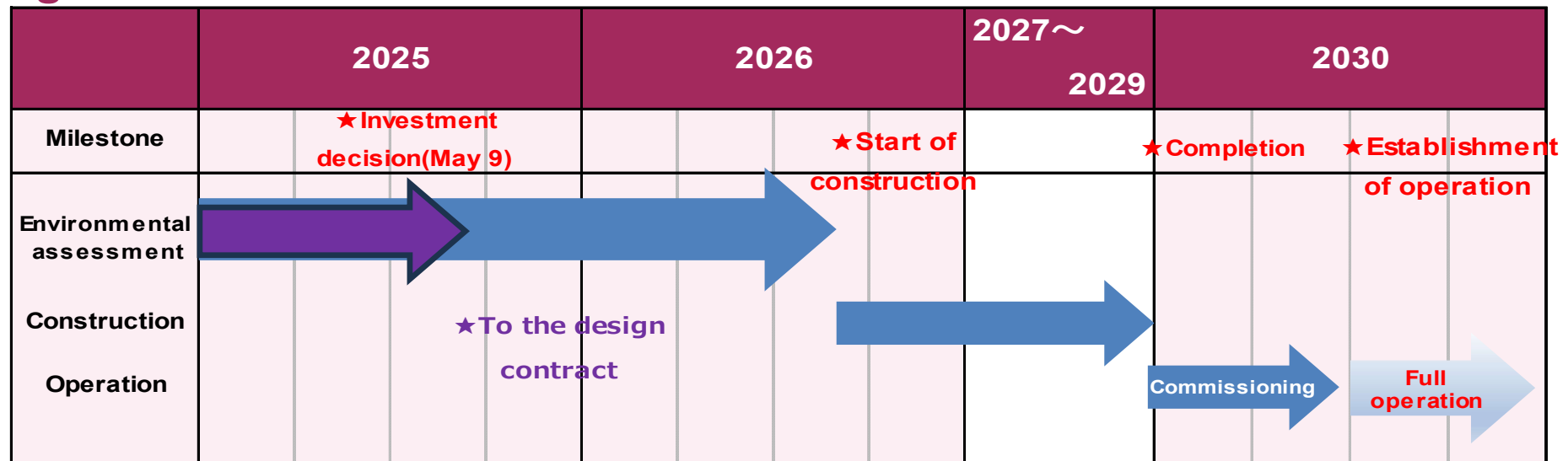
## Completion of reinforcement work for existing electric arc furnace

- Nov.–Dec. 2024: Replacement of furnace legs (20 days)
- May–Jun. 2025: Furnace transformer replacement and furnace bottom electrode multi-pin conversion (35 days)



Completed on schedule,  
operating smoothly  
(Efforts toward 50 thousand  
tons /month production capacity)

## Progress toward construction of the new electric arc furnace



### (Progress of environmental assessment)

- From Dec. 2023: Start of the environmental assessment
- May 2025: Completion of the on-site survey (air, noise, vibration, traffic volume, etc.)
- From Jun. 2025: Preparation of the draft report
- From Dec. 2025: Publication and public inspection of the draft report and scheduled residents' briefing session



Following completion of  
the environmental  
assessment , proceed with  
the construction of the new  
electric arc furnace.

### (Progress of construction of new electric arc furnace)

- Nov. 2025 : Contract for basic design of electric arc furnace, continuous casting machine and building is currently being implemented

# Long-Term Plan targets (FY 2030 and FY 2033)

## Key KPIs (Financial)

	FY2024 Result		FY2030 Target		FY2033 Target
Ordinary profit	8.1 billion yen		10 billion yen or more		13 billion yen or more
EBITDA	11.3 billion yen	➤	22 billion yen or more	➤	26 billion yen or more
ROE	5.4%		5% or more		6% or more
Dividend payout ratio	38%		30% or more		30% or more*1

\*1 Consider strengthening shareholder returns based on earnings and cash flows after completion of the new electric arc furnace

# Roadmap toward carbon neutrality by 2050

- Towards a 46% reduction by 2030, we are promoting efforts to increase production capacity by expanding the operating hours of existing electric arc furnace.

		Target	Up to 2030	Up to 2040	Up to 2050
CO <sub>2</sub> emissions reduction rate (Scopes 1, 2, and 3)			(46%)		Net zero
1	Increase in the ratio of in-house electric furnace steel products	Scope 3	Expand time of electric furnace operation (day and night operation)	Increase production capacity of electric furnaces	
2	Improvement of per-unit of fuels used	Scope 1	Shorten the track time from casting to rolling	Introduce hot direct rolling at the time of enhancement of electric furnaces	
				Transition from coal-based materials to bio-coke at the time of enhancement of electric furnace production capacity	
3	Improvement of per-unit of electricity used	Scope 2	Introduce energy-saving facilities and improve operations		
			Introduce new power system into electric furnaces		
4	Utilization of new types of fuels (methanation, hydrogen), ammonia, etc.	Scope 1	Expand the use of new fuels for heating furnaces, melting furnaces, etc.		
			Conversion of fuels for vessels (the Group's companies)		
5	Introduction of renewable energy and exhaust heat recovery power generation facilities	Scope 2	Introduce photovoltaic power generation facilities and PPAs		
			Introduce energy-saving facilities and improve operations		
6	Expanded utilization of renewable energy-based electricity	Scope 2	Expand utilization of renewable energy-based electricity		
7	Expanded procurement of low-carbon iron sources	Scope 3	Expand procurement of electric furnace iron sources, and lower carbon for blast furnace iron sources		
8	Carbon offsets	Scopes 1 and 2			Procurement of credits and others

# Contributing to the realization of a carbon-neutral, recycling-oriented society

## Expanding the application of electric arc furnace steel products (flat products)

- Electric arc furnace steel application ratio ⇒ Expanded sequentially to 68% in FY2023, 74% in FY2024, and 78% in FY2025 H1
- Base materials for cold-rolling manufacturers ⇒ Expansion and promotion into base materials for cold-rolled plating, in addition to conventional cold-rolled base materials
- For high-pressure containers and home appliances ⇒ Proprietary development, commencement of mass production

## Use of electric arc furnace materials for building material products

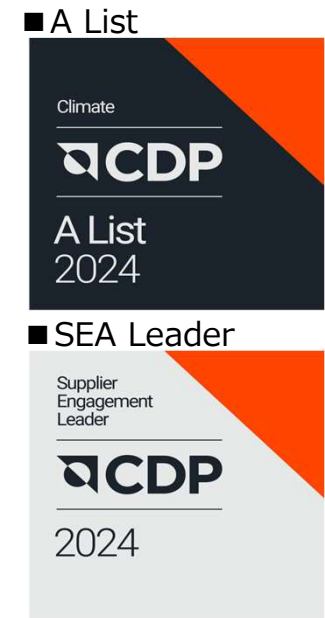
- Oct. 2024: "Low CO<sub>2</sub> Electric Arc Furnace Steel" is displayed on the product label of all black and colored light shaped steel and pipes in October production
- Jun. 2025: Public relations in steel industry newspapers
- Sep. 2025 and later : In the future, this will be rolled out sequentially to building materials plating products



# Contributing to the realization of a carbon-neutral, recycling-oriented society

## CDP2025 responses: \* Scoring the level of corporate environmental measures

- Feb. 2025: Selected as A List in CDP2024 Climate Change Survey  
(2% of respondents)
- Jul. 2025: Selected as Supplier Engagement Leader in CDP2024 SEA  
(6% of respondents)
- Sep.2025 : In addition to "climate change," "water security" has been answered for CDP2025 → Scores will be finalized around Feb. 2026



## Environmental Label (SuMPO EPD ) Acquisition:

\* Product Environmental Declaration (evaluation and certification of environmental impact throughout the product life cycle)

- FY2025 H2~ : Certification is planned for bar and wire products (steel bars, wire rods, and bar-in-coils)
- FY2026 H1~ : Aim to gradually acquire certification for building materials, steel sheets, and steel products

## Blue Carbon Initiatives (Marine Engineering)

- Sep. 2025: Exhibited a model of the seaweed bed substrate currently being rolled out nationwide at the Osaka-Kansai Expo.

“A vibrant sea teeming with life: continuing our commitment ‘The Osaka Blue Carbon Declaration from the Expo site to the world’”



## Hitachinaka Logistics Centre Opened (Nov. 4,2025)

- ◆ Expanding sales in the Northern Kanto and Tohoku regions  
(Aiming to acquire new customers by making it possible to manufacture 5-foot width )
- ◆ Enhanced highway network  
(direct connection to Kita-Kanto Expressway and Ken-O Expressway)
- ◆ Available to replace land transportation from Kansai to Niigata area
- ◆ Available as an alternative location for Keihin Port
- ◆ Avoidance port and earthquake-resistant reinforced Quay for business continuity planning in case of disaster

## A large industrial building with a corrugated metal facade. The building features prominent blue and white diagonal stripes. In the center, the Chinese characters '中山製鋁所' (Zhongshan Aluminum Plant) are written in red. To the left of the text is a red triangular logo with a white geometric pattern. The building is set against a clear blue sky.

## A wide-angle photograph of the interior of a large industrial building. The ceiling is high and features a complex steel truss system with numerous lights. A blue overhead crane is suspended from the ceiling. The floor is polished and reflects the overhead lights. In the background, a large open bay door reveals a bright outdoor area with a blue sky and some greenery. The walls are made of corrugated metal panels.

- Storage area: approx. 3,000 m<sup>2</sup>, maximum storage capacity: 6,000 tons
- Coastal cargo handling and warehouse costs are entrusted to TOYO WHARF & WAREHOUSE CO.,LTD . via MITSUBOSHI KAIUN KAISHA, LTD.

### Location of Hitachinaka Port

This map illustrates the location of Hitachinaka Port and its connection to the surrounding region. The port is situated on the coast of Ibaraki Prefecture, with the 'Hitachinaka Port New establishment' area highlighted in red. The map shows the 'Existing' port area near Tokyo Bay, marked with a red star. Major roads and highways are depicted in green, including the Tohoku Expressway (東北自動車道), the Arakawa Expressway (荒川自動車道), and the Utsunomiya Expressway (宇都宮自動車道). The map also shows the location of Ibaraki Port and the surrounding cities of Maebashi (前橋市), Maebashi (前橋市), and Maebashi (前橋市). The map includes a scale bar indicating distances of 25km, 50km, 75km, and 100km.

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