



**Creating
the Future**

FY2025 Q3 Financial Results Briefing Materials

 **NAKAYAMA STEEL WORKS, LTD.** (Stock code:5408)
Feb. 5, 2026

**with the
Power of Iron**

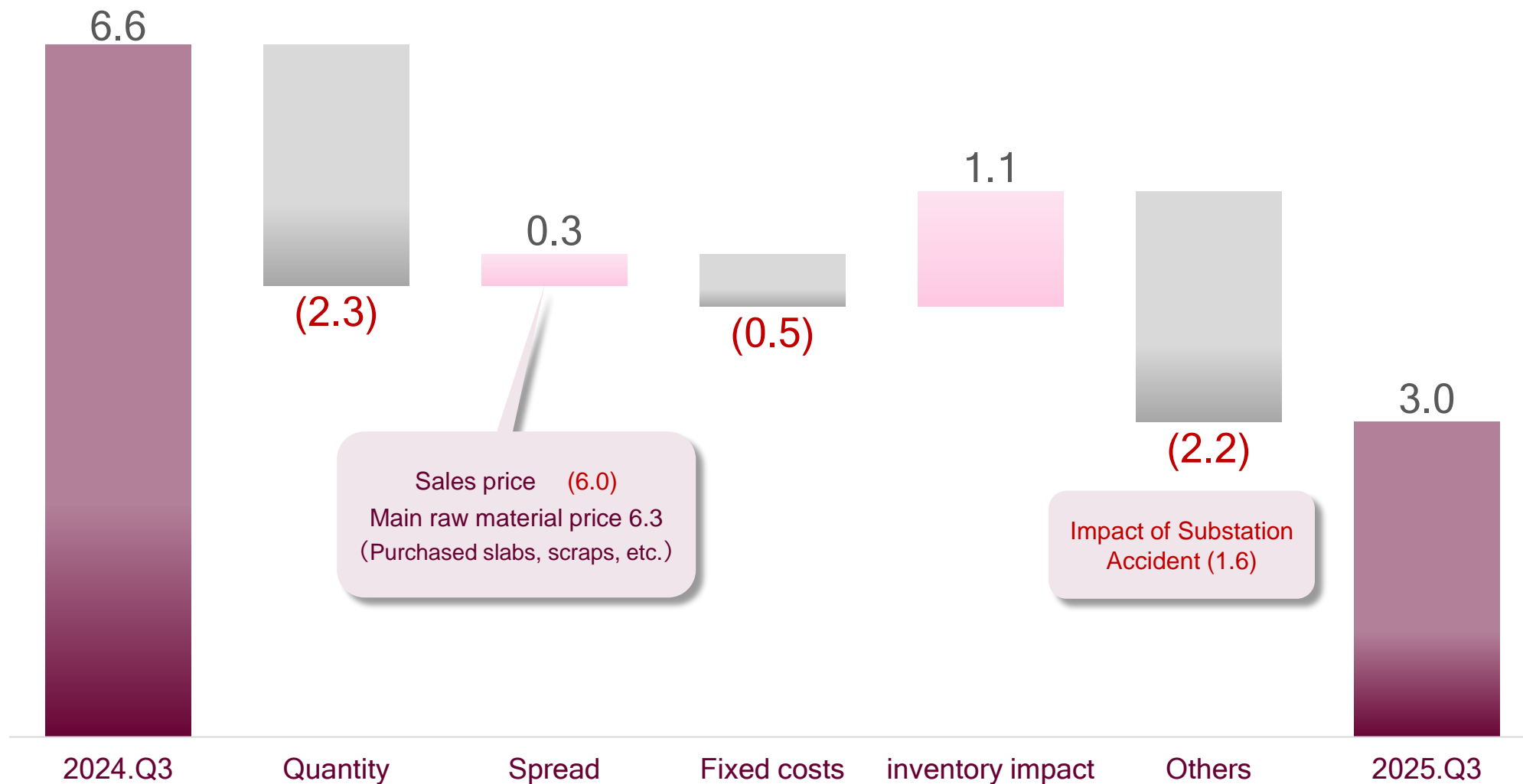
Quarterly Results

(Billions of yen)	FY2024 Q3 Cumulative(A)	FY2025 Q3 Cumulative(B)				Change (B)-(A)
			Q1	Q2	Q3	
Net sales	129.7	109.7	38.9	37.7	33.1	(20.0)
Operating profit	6.7	3.2	1.8	1.2	0.2	(3.5)
Ordinary profit	6.6	3.0	1.8	1.2	0	(3.6)
(ROS)	5.1%	2.7%	4.6%	3.1%	0.1%	(2.4%)P
Net profit	4.5	1.7	1.1	0.6	0	(2.9)

Reduced Sales Volume Due to Weak Demand and Decreased Sales and Profit Due to the Impact of the Substation Accident

- Sales volume declined due to sluggish demand, mainly in the construction industry. However, while the electric arc furnace was suspended caused by an accident at a substation, the Company maintained product supply to its customers by purchasing alternative iron sources while adjusting shipments.
- Sales prices have been falling due to the inflow of cheap imported steel products amid a severe demand environment.
- The third quarter standalone profit remained modest due to reduced earnings caused by costs of 1.6 billion yen related to the suspension of the electric arc furnace, the replacement of alternative iron sources, and repairs to substation equipment. The spreads improved as the decline in iron source prices exceeded the decrease in selling prices.

Analysis of changes in ordinary profit FY2024 Q3 ➡ FY2025 Q3



Consolidated Balance Sheets

(Billion of yen)	Mar. 2025	Dec. 2025	Change	(Billion of yen)	Mar. 2025	Dec. 2025	Change
Cash and deposits	15.3	23.8	8.4	Trade payables	16.9	18.8	2.0
Accounts receivable	42.3	38.0	(4.3)	Interest-bearing liabilities	9.1	8.7	(0.4)
Inventories	34.0	28.3	(5.6)	Deferred tax liabilities	4.2	4.4	(0.2)
Others	0.9	1.1	0.2	Provisions	4.7	3.9	(0.8)
Current assets	92.5	91.2	0.5	Others	7.5	6.9	(0.6)
Property, plant and equipment	48.3	50.0	1.7	Liabilities	42.3	42.7	0.3
Intangible fixed assets	0.5	0.4	(0.1)	Shareholders' equity	103.1	103.1	0.1
Investments and other	7.9	8.4	0.5	Others	3.7	4.2	0.4
Fixed assets	56.6	58.8	2.1	Net assets	106.8	107.3	0.5
Total assets	149.1	150.0	0.8	Total liabilities	149.1	150.0	0.8
				Net assets			

【 Factors for Changes by Account 】

•Cash and deposits

Decrease in working capital due to reduced accounts receivable (including electronically recorded monetary claims - operating)and inventories, and increased trade payables (including electronically recorded obligations - operating).

Securing cash reserves as much as possible to prepare for investment in new electric arc furnace.

• Accounts receivable

Decrease due to reduced revenue

•Inventories

Production of in-house steel slabs halted due to the suspension of electric arc furnace, in addition to a decrease in purchased slabs due to inventory adjustments.

•Trade payables

Despite reduced revenue, purchases of steel slabs increased due to the suspension of electric arc furnace operation.

04 Full-year Forecast for FY2025

Full-year Forecast for FY2025

(Billions of yen)	FY2024 Results ①			Previous Published value ②	This time Published value ③	Change			
	H1 Results	H2 Results				H1 Results	H2 Forecasts	Y-o-Y ③-①	Q-o-Q ③-②
Net sales	169.3	89.5	79.8	151.0	148.0	76.6	71.4	(21.3)	(3.0)
Operating profit	8.4	4.8	3.7	4.2	4.2	3.0	1.2	(4.2)	±0
Ordinary profit	8.1	4.7	3.4	4.0	4.0	2.9	1.1	(4.1)	±0
ROS	4.8%	5.2%	4.3%	2.6%	2.7%	3.8%	1.5%	(2.1%)P	+0.1%P
Net profit	5.7	3.2	2.5	2.3	2.3	1.7	0.6	(3.4)	±0
Dividend per share	40yen	18yen	22yen	13yen	13yen	8yen	5yen	(27)yen	±0

- Due to a decline in sales volume caused by sluggish demand, net sales are expected to decrease by 3 billion yen compared to the previous forecast (Nov. 6, 2025).
- The annual dividend is expected to be 13 yen per share, unchanged from the previous announcement.
Until the completion of the new electric arc furnace, the consolidated dividend payout ratio is targeted at 30% or more.

This document is not a disclosure document under the Financial Instruments and Exchange Act, and no guarantee is given with respect to the accuracy and completeness of the information contained herein. The forward-looking statements contained herein are based on information available at the time of preparation of the document and are subject to uncertainties. Therefore, please do not make investment decisions based solely on this document. NAKAYAMA STEEL WORKS has no responsibility for any loss or damage arising from the use of this document.