

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

July 31, 2025

Company name: YAMATO KOGYO CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 5444

URL: <https://www.yamatokogyo.co.jp>

Representative: Mikio Kobayashi

Inquiries: Yoshikazu Kotera

Telephone: +81-79-273-1061

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

President
Managing Executive Officer

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	39,199	15.1	1,115	(28.5)	10,433	(57.7)	5,911	(66.4)
June 30, 2024	34,050	(19.9)	1,560	(62.1)	24,689	(2.8)	17,574	(4.0)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ (16,758) million [-%]
Three months ended June 30, 2024: ¥ 41,972 million [74.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	95.70	-
June 30, 2024	275.87	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	623,834	567,608	84.1
March 31, 2025	657,481	602,940	84.8

(Reference) Equity: As of June 30, 2025: ¥ 524,602 million
As of March 31, 2025: ¥ 557,572 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	200.00	-	200.00	400.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		200.00	-	200.00	400.00

(Note) 1 Revision to the forecast for dividends announced most recently: None

2 The interim dividend for the second quarter and the year-end dividend for the fiscal year ending March 31, 2025 each include a commemorative dividend of 50 yen per share (annually 100 yen per share).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	74,500	(4.9)	1,300	(69.8)	25,000	(39.3)	16,500	(41.6)	267.67
Full year	147,000	(12.6)	2,000	(82.6)	50,000	(8.1)	34,000	6.8	551.57

(Note) 1 Revision to the financial results forecast announced most recently: Yes

2 Provisional accounting treatment related to business combination has been finalized during the fiscal year ended March 31, 2025, and the results forecast for the fiscal half-year ending September 30, 2025 reflects the finalization of provisional accounting treatment.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025: 65,000,000 shares

March 31, 2025: 65,000,000 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 3,357,891 shares

March 31, 2025: 2,673,900 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 61,765,347 shares

Three months ended June 30, 2024: 63,705,212 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Group and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Group. Actual business and other results may differ substantially due to various factors. Please refer to 1. Qualitative Information on Quarterly Results, (3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements on page 4 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Appendix

Table of Contents

1. Qualitative Information on Quarterly Results	2
(1) Overview of Operating Results.....	2
(2) Overview of Financial Position.....	3
(3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements... ..	4
2. Quarterly Consolidated Financial Statements and Notes.....	6
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
(3) Quarterly Consolidated Statement of Cash Flows	10
(4) Notes to Quarterly Consolidated Financial Statements	11
(Notes on Going Concern Assumptions)	11
(Notes on Significant Changes in the Amount of Shareholders' Equity)	11
(Application of Special Accounting Treatment for the Preparation of Quarterly Consolidated Financial Statements)	11
(Additional Information)	11
(Segment Information, etc.).....	12
(Significant Subsequent Events).....	13

1. Qualitative Information on Quarterly Results

(1) Overview of Operating Results

During the three months ended June 30, 2025, the business environment surrounding the Group deteriorated due to intensifying competition from inexpensive Chinese products, mainly in the ASEAN region, and the impact of weak demand for steel products and softening market conditions. However, we managed to secure high earning in our business in the U.S., which is a core source of profits. Additionally, in connection with the final agreement on the share transfer agreement for the Middle East business, we have recognized an additional loss of ¥5.5 billion (including a ¥4.8 billion loss in equity in earnings of affiliate and a ¥0.7 billion loss in extraordinary losses). For further details, please refer to the “Notice Concerning the Share Transfer of an Equity-Method Affiliates Related to the Middle East Business” announced on June 18, 2025.

In Japan, market for structural steel continues to be weak due to prolonged stagnation in construction demand resulting from shortage of construction capacity and persistently high construction costs. At Yamato Steel Co., Ltd., we are striving to secure orders by implementing integrated production and sales operations to meet short delivery schedules and capturing demand in the civil engineering sector. However, maintaining prices and securing order volumes remains challenging. In addition, higher costs such as electricity costs and depreciation expenses are weighing on profitability, resulting in a year-on-year decline in profits.

As a result, net sales of the Steel (Japan) segment increased by ¥508 million year on year to ¥13,707 million, and segment profit (operating profit) decreased by ¥423 million year on year to ¥897 million.

Results for the period from January to March 2025 for our consolidated subsidiaries in Thailand and Indonesia and our equity-method affiliates in the U.S., Vietnam, and South Korea have been incorporated into the consolidated accounts for the three months ended June 30, 2025.

In the Thai consolidated subsidiary, Siam Yamato Steel Co., Ltd. (SYS), severe competition from inexpensive Chinese products continued in both the domestic and export markets, but sales volume increased slightly year on year owing to strengthened sales strategies. However, metal margins continued to deteriorate due to a decline in selling prices.

As a result, net sales of the Steel (Thailand) segment decreased by ¥1,718 million year on year to ¥16,674 million, and segment profit (operating profit) decreased by ¥1,366 million to ¥646 million.

At our Indonesian consolidated subsidiary, PT Garuda Yamato Steel (GYS), sales volume was sluggish due to the impact of a significant reduction in infrastructure investment budgets as a result of budget revisions under the new administration. The company has secured relatively high metal margins among our bases in ASEAN, but the market for structural steel is softening amid stagnant demand and intensifying competition.

As a result, the Steel (Indonesia) segment reported net sales of ¥5,715 million and segment profit (operating profit) of ¥216 million. Note that the segment profit includes amortization of intangible assets of ¥46 million and amortization of goodwill of ¥261 million associated with the business combination.

At Nucor-Yamato Steel Company (NYS), our equity-method affiliate in the U.S., demand remained firm, particularly for large-scale construction projects related to data centers and stadiums. In addition, we saw recovery in demand from distributors who held back purchases ahead of the presidential election, resulting in an upward trend of sales volume. Metal margins remained at a high level, with a slight year-on-year decline. In terms of performance, stable high profitability was maintained, despite a year-on-year decrease in profit.

At POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (PY VINA), our equity-method affiliate in Vietnam, although domestic demand is recovering, intense competition with imported products continues. Despite efforts to secure sales volume through exports to South Korea and other countries, performance declined year on year due to the impact of deteriorating market conditions in export destinations.

At YK Steel Corporation (YKS), our equity-method affiliate in South Korea, sales continued to be sluggish as prolonged downturn in the construction and real estate industries as well as political instability led to a significant decline in demand for rebars. In terms of performance, a decrease in sales volume and a decline in selling prices led to a deterioration in metal margins, resulting in a decrease in profit year on year.

As a result of the above, consolidated net sales for the three months in the current fiscal year increased by ¥5,148 million year on year to ¥39,199 million. Consolidated operating profit decreased by ¥444 million year

on year to ¥1,115 million, ordinary profit decreased by ¥14,255 million to ¥10,433 million, and profit attributable to owners of parent decreased by ¥11,663 million to ¥5,911 million.

HYOKI KAIUN KAISHA, LTD., a company we concluded a capital and business alliance agreement with on January 31, 2025, is treated as an equity-method affiliate from the end of the first quarter of the fiscal year ending March 31, 2026.

Please note that the average foreign exchange rates for the first three months of the fiscal year under review that were used in the preparation of the consolidated financial statements from the financial statements of overseas subsidiaries and affiliates were as follows.

(For all overseas companies, the first three months of the fiscal year under review was from January to March 2025)

151.18 yen/U.S. dollar, 4.46 yen/baht, 9.61 won/yen

Average foreign exchange rates for the first three months of the previous fiscal year were as follows:

(For all overseas companies, the first three months of the previous fiscal year ran from January to March 2024)

149.89 yen/U.S. dollar, 4.17 yen/baht, 8.86 won/yen

(2) Overview of Financial Position

(i) Changes in financial position

At the end of the first quarter of the current fiscal year, total assets were ¥623,834 million, a decrease of ¥33,646 million from the end of the previous fiscal year.

Total liabilities were ¥56,226 million, an increase of ¥1,685 million from the end of the previous fiscal year.

Total net assets at the end of the first quarter of the current fiscal year decreased ¥35,331 million from the end of the previous fiscal year to ¥567,608 million. The main factors behind this were an increase due to profit attributable to owners of parent, and decreases caused by dividend payments and purchase of treasury shares.

Please note that the foreign exchange rates used in the preparation of the consolidated financial statements and translating the assets and liabilities of the domestic companies from the financial statements of overseas subsidiaries and affiliates at the end of the first quarter of the fiscal year under review were as follows.

(For all overseas companies, the end of the first quarter of the fiscal year under review was March 31, 2025)

149.53 yen/U.S. dollar, 4.41 yen/baht, 9.81 won/yen

(For all domestic companies, the end of the first quarter of the fiscal year under review was June 30, 2025)

144.82 yen/U.S. dollar

Also, exchange rates for the end of previous fiscal year are as follows:

(For all overseas companies, the end of the previous fiscal year was December 31, 2024)

158.17 yen/U.S. dollar, 4.65 yen/baht, 9.29 won/yen

(For all domestic companies, the end of the previous fiscal year was March 31, 2025)

149.53 yen/U.S. dollar

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities was ¥32,324 million, due mainly to profit before income taxes, and cash distributions from the equity-method affiliate in the U.S.

(Cash flows from investing activities)

Net cash used in investing activities was ¥80,189 million, due mainly to payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥17,509 million, due mainly to dividends paid.

Taking into account the effect of exchange rate changes on cash and cash equivalents of ¥4,457 million, cash and cash equivalents at the end of the first quarter of the current fiscal year decreased ¥69,831 million from the end of the previous fiscal year, to ¥54,189 million.

(3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Looking ahead, amid continued exports of over-produced inexpensive steel products by China and concerns over the impact of mutual tariffs imposed by the U.S. on the global economy, global slump in steel demand and the softening of steel market conditions are expected to linger. Demand for H-beams, the Group's main product, and other steel products used in civil engineering and construction is expected to remain generally lackluster, and intense price competition is projected to continue with the exception of the U.S. At each of our locations, we will implement measures against Chinese products and continuously endeavor to secure sales volume, maintain metal margins, and lower costs, among others.

Based on the above, we have revised our forecasts downwardly as follows. For the first half of the fiscal year ending March 31, 2026, we forecast consolidated net sales of ¥74,500 million (down ¥5,500 million from the previous forecast), operating profit of ¥1,300 million (down ¥700 million from the previous forecast), ordinary profit of ¥25,000 million (down ¥2,500 million from the previous forecast), and profit attributable to owners of parent of ¥16,500 million (down ¥3,500 million from the previous forecast). For the full year earnings, we forecast consolidated net sales of ¥147,000 million (down ¥17,000 million from the previous forecast), operating profit of ¥2,000 million (down ¥4,000 million from the previous forecast), ordinary profit of ¥50,000 million (down ¥6,000 million from the previous forecast), and profit attributable to owners of parent of ¥34,000 million (down ¥6,000 million from the previous forecast).

For further details, please refer to the "Notice Concerning Revisions to Earnings Forecasts" announced today.

Our current assumptions regarding business conditions in each country/region are as follows.

Japan (Yamato Steel)

The market for structural steel is softening further amid expectations that construction demand will remain stagnant due to a shortage of construction capacity in the industry and persistently high construction costs. While there has been no decline in public works budgets for civil engineering projects, actual demand is falling due to persistently high construction costs. We are working to strengthen sales, including collaboration with the JFE Steel group in H-beams, but both sales volume and prices are expected to be lower than the previous forecast. In terms of performance, we expect our profits to decrease compared to the previous forecast and on year on year.

Thailand (SYS)

Demand for structural steel in Thailand is recovering due to public works projects such as flood control projects and private-sector projects such as data centers, but there are uncertainties about the future due to the impact of U.S. tariffs on the economy. Amid continued fierce competition from inexpensive Chinese products in both the domestic and export markets, we are strengthening sales strategies to regain market share. We expect the steel scrap market to remain below our previous forecast, but we forecast an increase in profits compared to the previous forecast, decreasing year on year.

Indonesia (GYS)

In addition to significant cuts in government-led infrastructure investment budgets, the impact of U.S. tariff measures is also expected to cause a prolonged slump in demand for structural steel. Inexpensive Chinese products continue to flow into the market despite trade barriers, intensifying competition with domestic and overseas manufacturers. We are working to strengthen our sales capabilities through initiatives such as the launch of production and sales of earthquake-resistant construction steel materials. However, both sales volume and prices are expected to fall significantly below previous forecasts. Regarding the performance, we expect profits to decrease compared to the previous forecast and on year on year.

United States (NYS)

While there are concerns about the potential impact of reciprocal tariff measures on the U.S. economy, demand for structural steel remains strong, mainly for large-scale construction projects such as data centers,

convention centers, and stadiums, as well as infrastructure investments, and order backlogs remain at high levels. The market for structural steel is expected to exceed the previous forecast due to the impact of higher import tariffs on steel products, and we expect profits to increase compared to the previous forecast and on year on year.

Vietnam (PY VINA)

Although the demand for structural steel in Vietnam is on a recovery trend mainly due to government investment in infrastructure and the market for structural steel appears to have bottomed out, a full recovery is expected to take some time. We are striving to secure sales volume through exports to South Korea and other countries, but have not been able to improve the business environment. We forecast profits to be the same level as the previous forecast, increasing year on year.

South Korea (YKS)

While the new administration is expected to revitalize the economy, the decline in demand for rebars continues unabated and the business environment remains challenging. We are making efforts to improve market conditions by continuing to adapt our production in line with demand. As for performance, we are expecting profits to be the same level as the previous forecast, decreasing year on year.

Please note that for the January–December 2025 period, revenues generated and costs incurred by our overseas subsidiaries and affiliates have been translated into Japanese yen based on the following exchange rates:

(Average rates for the period)

141.24 yen/U.S. dollar, 4.29 yen/baht, and 9.85 won/yen

The following exchange rates have been applied for translating the year-end (meaning the end of December 2025 for overseas subsidiaries and affiliates and the end of March 2026 for domestic subsidiaries and affiliates) assets and liabilities of each subsidiary and affiliate:

(End of period rates for all overseas subsidiaries and affiliates)

135.00 yen/U.S. dollar, 4.17 yen/baht, 10.09 won/yen

(End of period rates for all domestic subsidiaries and affiliates)

135.00 yen/U.S. dollar

(Reference)

Assumptions of the previous forecast

(Average rates for the period)

139.05 yen/U.S. dollar, 4.10 yen/baht, 10.51 won/yen

(End of period rates for all overseas subsidiaries and affiliates)

135.00 yen/U.S. dollar, 3.98 yen/baht, 10.86 won/yen

(End of period rates for all domestic subsidiaries and affiliates)

135.00 yen/U.S. dollar

Previous year's results

(Average rates for the period)

152.27 yen/U.S. dollar, 4.32 yen/baht, 8.96 won/yen

(End of period rates for all overseas subsidiaries and affiliates)

158.17 yen/U.S. dollar, 4.65 yen/baht, 9.29 won/yen

(End of period rates for all domestic subsidiaries and affiliates)

149.53 yen/U.S. dollar

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	224,968	226,493
Notes and accounts receivable - trade	24,055	23,456
Merchandise and finished goods	24,530	22,989
Work in process	891	989
Raw materials and supplies	29,797	27,598
Short-term loans receivable from subsidiaries and associates	-	7,530
Other	5,893	4,398
Allowance for doubtful accounts	(21)	(20)
Total current assets	310,115	313,436
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,324	20,964
Machinery, equipment and vehicles, net	55,791	52,429
Land	29,882	28,594
Construction in progress	5,198	5,905
Other, net	2,921	2,868
Total property, plant and equipment	115,119	110,762
Intangible assets		
Goodwill	13,895	12,879
Other	3,851	3,645
Total intangible assets	17,746	16,524
Investments and other assets		
Investment securities	74,427	70,675
Investments in capital	110,827	91,089
Long-term loans receivable from subsidiaries and associates	21,673	13,459
Retirement benefit asset	1,513	1,773
Other	6,132	6,185
Allowance for doubtful accounts	(74)	(73)
Total investments and other assets	214,499	183,110
Total non-current assets	347,365	310,397
Total assets	657,481	623,834

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,197	8,633
Current portion of long-term borrowings	1,174	1,081
Accounts payable - other	3,761	4,021
Accrued expenses	3,394	4,762
Income taxes payable	2,190	4,318
Advances received	1,858	1,216
Provision for bonuses	862	585
Other	1,824	2,975
Total current liabilities	25,265	27,596
Non-current liabilities		
Long-term borrowings	782	450
Deferred tax liabilities	20,057	20,170
Retirement benefit liability	3,145	2,861
Other	5,290	5,147
Total non-current liabilities	29,275	28,629
Total liabilities	54,540	56,226
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	228	228
Retained earnings	424,470	417,959
Treasury shares	(12,326)	(17,927)
Total shareholders' equity	420,369	408,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,463	12,285
Foreign currency translation adjustment	126,419	103,433
Remeasurements of defined benefit plans	321	627
Total accumulated other comprehensive income	137,203	116,345
Non-controlling interests	45,367	43,006
Total net assets	602,940	567,608
Total liabilities and net assets	657,481	623,834

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	34,050	39,199
Cost of sales	27,979	33,713
Gross profit	6,071	5,486
Selling, general and administrative expenses		
Packing and transportation costs	1,146	1,324
Salaries and allowances	546	798
Provision for bonuses	159	166
Retirement benefit expenses	56	71
Subsidiary stock acquisition-related cost	1,139	-
Other	1,462	2,009
Total selling, general and administrative expenses	4,510	4,370
Operating profit	1,560	1,115
Non-operating income		
Interest income	3,265	2,193
Dividend income	298	353
Equity in earnings of affiliates	17,156	7,372
Foreign exchange gains	2,346	-
Other	221	254
Total non-operating income	23,289	10,173
Non-operating expenses		
Interest expenses	23	60
Foreign exchange losses	-	747
Loss on valuation of derivatives	91	-
Loss on disaster	2	-
Other	43	48
Total non-operating expenses	160	856
Ordinary profit	24,689	10,433
Extraordinary income		
Gain on sale of non-current assets	3	1
Total extraordinary income	3	1
Extraordinary losses		
Loss on retirement of non-current assets	92	42
Provision for loss on litigation	29	27
Provision for loss on transfer of receivables	-	718
Other	12	-
Total extraordinary losses	134	788
Profit before income taxes	24,558	9,646
Income taxes - current	6,579	4,196
Income taxes - deferred	62	(635)
Total income taxes	6,642	3,560
Profit	17,915	6,086
Profit attributable to non-controlling interests	341	175
Profit attributable to owners of parent	17,574	5,911

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	17,915	6,086
Other comprehensive income		
Valuation difference on available-for-sale securities	1,282	1,824
Foreign currency translation adjustment	11,479	(17,472)
Remeasurements of defined benefit plans, net of tax	(6)	307
Share of other comprehensive income of entities accounted for using equity method	11,302	(7,504)
Total other comprehensive income	24,057	(22,845)
Comprehensive income	41,972	(16,758)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,260	(14,946)
Comprehensive income attributable to non-controlling interests	712	(1,811)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	24,558	9,646
Depreciation	1,631	2,529
Interest and dividend income	(3,564)	(2,547)
Interest expenses	23	60
Equity in (earnings) losses of affiliates	(17,156)	(7,372)
Decrease (increase) in trade receivables	4,521	302
Decrease (increase) in inventories	350	1,692
Increase (decrease) in trade payables	(2,177)	(1,353)
Other, net	(2,144)	2,033
Subtotal	6,040	4,991
Interest and dividends received	42,088	28,578
Interest paid	-	(36)
Income taxes paid	(3,047)	(1,208)
Net cash provided by (used in) operating activities	45,081	32,324
Cash flows from investing activities		
Payments into time deposits	(56,174)	(142,231)
Proceeds from withdrawal of time deposits	35,763	64,348
Purchase of property, plant and equipment	(1,987)	(2,001)
Purchase of shares of subsidiaries and associates	-	(213)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(49,853)	-
Other, net	(12)	(91)
Net cash provided by (used in) investing activities	(72,264)	(80,189)
Cash flows from financing activities		
Repayments of long-term borrowings	-	(292)
Purchase of treasury shares	(0)	(5,392)
Dividends paid	(14,397)	(11,250)
Dividends paid to non-controlling interests	(632)	(549)
Other, net	(23)	(25)
Net cash provided by (used in) financing activities	(15,054)	(17,509)
Effect of exchange rate change on cash and cash equivalents	8,242	(4,457)
Net increase (decrease) in cash and cash equivalents	(33,994)	(69,831)
Cash and cash equivalents at beginning of period	168,695	124,021
Cash and cash equivalents at end of period	134,701	54,189

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

(Purchase of treasury shares)

At the meeting of the Board of Directors held on October 31, 2024, the Company resolved on the acquisition of its own shares in accordance with Article 156 of the Companies Act, applied by replacement under Article 165, paragraph (3) of the same Act. Based on the resolution, the Company has been acquiring its own shares with the maximum of 3,000,000 shares and ¥25,500 million in total during the period from November 1, 2024 to October 31, 2025. The Company acquired 660,100 shares of its own shares during the three months ended June 30, 2025, and treasury shares increased by ¥5,391 million. As a result, treasury shares were ¥17,927 million at the end of the first quarter of the fiscal year under review.

(Application of Special Accounting Treatment for the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year ending March 31, 2026, excluding certain subsidiaries, and multiplying profit before income taxes for the first quarter by the estimated effective tax rate.

(Additional Information)

(Recording of equity in losses of affiliates and provision for loss on transfer of receivables for Middle East business)

In accordance with the final agreement of the share transfer agreement for the Middle East business, we have additionally recorded ¥4,870 million of equity in loss of affiliates, and ¥718 million of provision for loss on transfer of receivables.

(Segment Information, etc.)

I. Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Information about Operating Revenues and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Trackwork materials	Sub total				
Net sales								
(1) Sales to customers	13,198	18,392	1,777	33,368	682	34,050	—	34,050
(2) Inter-segment sales and transfers	132	—	—	132	—	132	(132)	—
Total	13,330	18,392	1,777	33,500	682	34,182	(132)	34,050
Segment profit	1,320	2,013	219	3,552	68	3,621	(2,061)	1,560

- (Notes) 1. The “Other” category consists of business segments not included in reportable segments, and includes manufacture and sale of counterweights, transportation, medical waste treatment, and real estate leasing.
2. The reconciliations of segment profit included corporate general expenses of ¥ (2,061) million which were not allocated to the reportable segments. Corporate general expenses consist mainly of general expenses that are not attributable to the reportable segments, and include subsidiary stock acquisition-related cost.
3. Certain reconciliations were made between segment profit and operating profit in the quarterly consolidated statements of income.

2. Changes in Reportable Segments

The Company and its subsidiary Siam Yamato Steel Co., Ltd. jointly acquired 80% of the shares of PT Nusantara Baja Profil (“NBP”) of Indonesia effective May 31, 2024. NBP changed its trade name to PT Garuda Yamato Steel (“GYS”) as of the same date.

As the Group consists of reportable segments categorized by business or region, with each based on a production and sales structure, we are adding “Steel (Indonesia)” as a new reportable segment.

Since GYS has been included in the scope of consolidation from the end of the first quarter, its financial results will be incorporated in the consolidated financial results from the six months ending September 30, 2025.

3. Disclosure of Impairment Losses on Non-current Assets or Goodwill, etc. for Each Reportable Segment

(Significant Change in Amount of Goodwill)

The “Steel (Indonesia)” segment recorded goodwill of ¥13,603 million. This amount reflects significant revision of the initial allocation of acquisition cost following the finalization of provisional accounting treatment related to business combination.

Amortization of goodwill will be incorporated in the consolidated financial results from the six months ending September 30, 2025.

II. Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Information about Operating Revenues and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segment					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Sub total				
Net sales									
(1) Sales to customers	13,707	16,674	5,715	2,118	38,216	983	39,199	—	39,199
(2) Inter-segment sales and transfers	220	—	—	—	220	—	220	(220)	—
Total	13,928	16,674	5,715	2,118	38,436	983	39,420	(220)	39,199
Segment profit	897	646	216	318	2,079	108	2,187	(1,071)	1,115

- (Notes) 1. The “Other” category consists of business segments not included in reportable segments, and includes manufacture and sale of counterweights, transportation, medical waste treatment, and real estate leasing.
2. The reconciliations of segment profit included corporate general expenses of ¥ (1,071) million which were not allocated to the reportable segments. Corporate general expenses consist mainly of general expenses that are not attributable to the reportable segments.
3. Certain reconciliations were made between segment profit and operating profit in the quarterly consolidated statements of income.

(Significant Subsequent Events)

Not applicable.