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February 2, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)



Company name: YAMATO KOGYO CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 5444

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Nine months ended December 31, 2025	118,021	(6.5)	3,418	(60.2)	47,888	28.2	33,867	77.4
December 31, 2024	126,248	3.3	8,591	(32.7)	37,360	(49.1)	19,090	(63.2)
Note: Comprehensive income	For the nine months ended December 31, 2025:		¥	18,927 million		[(25.6) %]		
	For the nine months ended December 31, 2024:		¥	25,438 million		[(75.0) %]		

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	553.28	-
December 31, 2024	300.11	-

Note: During the previous fiscal year, the Company finalized the provisional accounting treatment for the business combination, and figures for the nine months ended December 31, 2024 have been adjusted to reflect this finalized accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of December 31, 2025	Millions of yen 635,546	Millions of yen 578,087	% 84.1
March 31, 2025	657,481	602,940	84.8

Reference: Equity

As of December 31, 2025: ¥ 534,182 million

As of March 31, 2025: ¥ 557,572 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 200.00	Yen -	Yen 200.00	Yen 400.00
Fiscal year ending March 31, 2026	-	200.00	-		
Fiscal year ending March 31, 2026 (Forecast)				200.00	400.00

Note: 1 Revisions to the forecast of cash dividends most recently announced: 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 result forecasts for the fiscal year ending March 31, 2026 (from 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	
Full year	161,000	(4.3)	4,000	(65.2)	60,000	10.3	53,000	66.5	878.54	

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

Newly included: - companies()
Excluded: - companies()

(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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2025	62,000,000 shares
As of March 31, 2025	65,000,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	1,672,844 shares
As of March 31, 2025	2,673,900 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	61,212,968 shares
Nine months ended December 31, 2024	63,609,489 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.

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1. Qualitative Information on Quarterly Results

(1) Overview of Operating Results

During the nine months ended December 31, 2025, as the slump in domestic demand in China is ongoing, the business environment surrounding the Group has been significantly affected by the intensifying competition from low-priced Chinese steel, mainly in the ASEAN region, and the impact of weak demand for steel products and softening market conditions. On the other hand, in the U.S., we managed to secure high earnings, supported by robust demand and the U.S. government's strengthened tariff measures that have sustained an upward trend in the market for structural steel. With regard to the Middle East business, we signed the share sale and purchase agreement on June 18, 2025 ("SPA") and recognized an additional loss of ¥5.6 billion (including a ¥4.9 billion loss in equity in earnings of affiliate and ¥0.7 billion in extraordinary losses). Various procedures under local laws and regulations, as set out in the SPA, required for the closing of the share transfer are currently in the final stages and are expected to be completed by the end of the current fiscal year.

In Japan, the stagnation in demand for structural steel has been prolonged resulting from shortage of construction capacity and persistently high construction costs. In the second half of the fiscal year, the market for structural steel has begun to show signs of bottoming out amid rising steel scrap prices influenced by the weakness of the yen; however, it has yet to improve. At Yamato Steel Co., Ltd., although we strove to secure orders by raising prices for certain products and by implementing integrated production and sales operations to meet short delivery schedules, increases in various costs such as electricity costs and a further deterioration in metal margins due to rising steel scrap prices resulted in a year-on-year decline in both sales and profit.

As a result, net sales of the Steel (Japan) segment decreased by ¥5,669 million year on year to ¥39,243 million, and segment profit (operating profit) decreased by ¥2,731 million year on year to ¥1,602 million.

Results for the period from January to September 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 nine months ended December 31, 2025.

At our Thai consolidated subsidiary, Siam Yamato Steel Co., Ltd. (SYS), demand for structural steel in Thailand is recovering, led mainly by public works projects such as flood control projects and private-sector projects such as data centers. Driven by stronger sales including exports, sales volume increased slightly year on year. However, selling prices are declining in both domestic and export markets due to severe competition from low-priced Chinese steel, leading to a decline in metal margins and resulting in a year on year decline in both sales and profit.

As a result, net sales of the Steel (Thailand) segment decreased by ¥3,047 million year on year to ¥50,430 million, and segment profit (operating profit) decreased by ¥1,587 million to ¥2,726 million.

At our Indonesian consolidated subsidiary, PT Garuda Yamato Steel (GYS), demand for structural steel has been weak due to a significant reduction in infrastructure investment budgets as a result of budget revisions under the new administration together with the impact of U.S. tariff measures and political instability. We have secured relatively high metal margins among our bases in ASEAN, but the market for structural steel continues to weaken further due to sluggish demand and intensifying competition with domestic and overseas manufacturers.

As a result, net sales of the Steel (Indonesia) segment decreased by ¥1,473 million year on year (the period from the second quarter onward was included in the previous fiscal year) to ¥17,859 million, and segment profit (operating profit) decreased by ¥2,267 million year on year to ¥490 million. Note that the segment profit includes amortization of intangible assets of ¥135 million and amortization of goodwill of ¥766 million associated with the business combination.

At Nucor-Yamato Steel Company (NYS), our equity-method affiliate in the U.S., demand has remained firm, particularly for large-scale construction projects related to data centers and stadiums. Sales volume increased year on year, driven by strengthening the production and sales of high-value-added products in addition to the impact of strengthened tariff measures implemented by the U.S. government. Selling prices have continued to trend upward since the beginning of the fiscal year, and metal margins are on an improving trend; however, they remain slightly below the year-on-year level. In terms of performance, stable high profitability was maintained, while performance remained broadly in line with the year-on-year level.

At POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (PY VINA), our equity-method affiliate in Vietnam, as the economy in Vietnam remains firm, the demand for structural steel is on a recovery trend. However, export sales to South Korea and other countries have been affected by sluggish demand in export destinations. In terms of performance, profit increased year on year, but remained at a level that secures profitability.

At YK Steel Corporation (YKS), our equity-method affiliate in South Korea, due to the prolonged downturn in the construction and real estate industries, demand for rebars in South Korea fell sharply, leading to a significant decline in production and sales volume. 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 nine months in the current fiscal year decreased by ¥8,226 million year on year to ¥118,021 million. Consolidated operating profit decreased by ¥5,173 million year on year to ¥3,418 million, ordinary profit increased by ¥10,528 million to ¥47,888 million, and profit attributable to owners of parent increased by ¥14,777 million to ¥33,867 million.

HYOKI KAIUN KAI SHA, 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 nine 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 nine months of the fiscal year under review was from January to September 2025)

147.79 yen/U.S. dollar, 4.47 yen/baht, 9.56 won/yen

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

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

151.63 yen/U.S. dollar, 4.26 yen/baht, 8.92 won/yen

(2) Overview of Financial Position

(i) Changes in financial position

At the end of the third quarter of the current fiscal year, total assets were ¥635,546 million, a decrease of ¥21,934 million from the end of the previous fiscal year.

Total liabilities were ¥57,459 million, an increase of ¥2,918 million from the end of the previous fiscal year.

Total net assets at the end of the third quarter of the current fiscal year decreased by ¥24,853 million from the end of the previous fiscal year to ¥578,087 million. The main factors behind this were an increase due to profit attributable to owners of parent, and decreases caused by dividends paid, purchase of treasury shares, and a decrease in foreign currency translation adjustment due to the strong yen.

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 third quarter of the fiscal year under review were as follows.

(For all overseas companies, the end of the third quarter of the fiscal year under review was September 30, 2025)

148.89 yen/U.S. dollar, 4.62 yen/baht, 9.42 won/yen

(For all domestic companies, the end of the third quarter of the fiscal year under review was December 31, 2025)

156.54 yen/U.S. dollar

Also, exchange rates for the end of the 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 ¥41,300 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 ¥69,040 million, due mainly to payments into time deposits and proceeds from withdrawal of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥43,681 million, due mainly to dividends paid and purchase of treasury shares.

Taking into account the effect of exchange rate changes on cash and cash equivalents of negative ¥5,565 million, cash and cash equivalents at the end of the third quarter of the current fiscal year decreased by ¥76,986 million from the end of the previous fiscal year to ¥47,035 million.

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

Looking ahead, in China, domestic demand has weakened further due to factors such as the real estate downturn and exports of low-priced steel products resulting from overproduction remain at high levels. As a result, the global slump in steel demand and the continued softness 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 remains generally lackluster, and intense price competition has continued with the exception of the U.S. business benefiting from strengthened U.S. government tariffs. In each of our locations, we will implement countermeasures against low-priced Chinese steel and will continue to strive to secure sales volume, maintain metal margins, and reduce costs.

Regarding the full-year earnings forecast, while there have been no material changes overall in the business environment compared with the previous forecast, the weakness of the yen has continued. As a result, we have revised our forecasts as follows: net sales of ¥161,000 million (up ¥5,000 million from the previous forecast), operating profit of ¥4,000 million (up ¥500 million), ordinary profit of ¥60,000 million (up ¥4,000 million). In addition, we have revised our forecast for profit attributable to owners of parent upward to ¥53,000 million (up ¥15,000 million), reflecting the recording of a gain on sale of investment securities (extraordinary income) of ¥13.0 billion in the fourth quarter of the fiscal year.

For further details, please refer to the "Notice Regarding the Recording of Extraordinary Income (Gain on Sale of Investment Securities) and Revision to Earnings Forecast" announced today.

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

Japan (Yamato Steel)

Amid stagnated demand for both the construction and civil engineering projects and continued sluggish shipments, although we are working to strengthen sales, including integrated production and sales operations to meet short delivery schedules and collaboration with the JFE Steel group in the H-beams business, securing volumes has remained challenging. Combined with rising costs, including the earlier rise in steel scrap prices, this has further reduced profitability. In response, although we have been implementing price increases on certain products, the market for structural steel has yet to turn upward. Regarding the performance, we forecast a decrease in profits compared to the previous forecast and year on year.

Thailand (SYS)

Despite ongoing political instability, as demand for structural steel in Thailand is showing signs of recovery, supported by public works projects such as flood control projects and power transmission towers, as well as private-sector projects such as tourism development and data centers, we are strengthening sales strategies to compete against low-priced Chinese steel. Additionally, in export markets, while a stronger baht has affected price competitiveness, we are focusing on expanding sales and striving to secure volumes. Regarding the performance, in part because steel scrap prices did not increase as expected, we forecast an increase in profits compared to the previous forecast, decreasing year on year.

Furthermore, as of November 2025, a five-year anti-dumping duty measure (ranging from 30.86% to 54.19%) has been in effect on H-beams imported from China.

Indonesia (GYS)

While the Indonesian economy has been performing robustly overall, uncertainty about the outlook for both domestic and external demand remains high, and the pace of growth has slowed. As demand for structural steel remains sluggish partly due to significant cuts in infrastructure investment budgets, the flow of low-priced Chinese steel into the market has accelerated, resulting in increasingly intense competition with domestic and overseas manufacturers. Under such an environment, we have offset a decline in selling prices by increasing sales volume through measures such as expanding sales of earthquake-resistant construction steel materials and strengthening our sales strategies to secure orders. As a result, regarding the performance, we forecast profits to be at the same level as the previous forecast, decreasing year on year.

United States (NYS)

While the U.S. economy faces concerns about a downturn due to reciprocal tariff measures, it has remained firm, supported mainly by domestic demand such as robust AI-related investments. Order backlogs remain at high levels, supported by continued robust demand for large products in large-scale construction projects such as data centers, convention centers, and stadiums as well as demand in the civil engineering sector, including infrastructure investment. In addition, as imported products have decreased due to higher import tariffs on steel products, the market for structural steel remains at high levels. Regarding the performance, we forecast profits to be the same level as the previous forecast, increasing year on year.

Vietnam (PY VINA)

While the Vietnamese economy has been performing robustly, labor shortages in the construction industry have been worsening. As the pace of recovery in demand for structural steel has slowed, severe competition from inexpensive imported products, such as Chinese steel, continues. Moreover, export sales to South Korea and other countries have remained sluggish. Regarding the performance, we forecast a decrease in profits compared to the previous forecast, increasing year on year.

South Korea (YKS)

Although the economy in South Korea is showing signs of bottoming out, the slump in demand for rebars has been prolonged and the business environment remains challenging partly due to government-led strengthening of safety regulations in the construction and measures to stabilize the housing market. We are making efforts to improve market conditions by continuing to adapt our production in line with demand. Regarding the performance, we forecast a decrease in profits compared to 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)

149.78 yen/U.S. dollar, 4.57 yen/baht, and 9.47 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)

156.54 yen/U.S. dollar, 4.95 yen/baht, 9.17 won/yen

(End of period for all domestic subsidiaries and affiliates)

147.00 yen/U.S. dollar

(Reference)

Assumptions of the previous forecast

(Average rates for the period)

145.84 yen/U.S. dollar, 4.44 yen/baht, 9.65 won/yen

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

140.00 yen/U.S. dollar, 4.35 yen/baht, 10.02 won/yen
(End of period rates for all domestic subsidiaries and affiliates)
140.00 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 Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	224,968	205,387
Notes and accounts receivable - trade	24,055	26,649
Merchandise and finished goods	24,530	21,762
Work in process	891	1,148
Raw materials and supplies	29,797	27,287
Short-term loans receivable from subsidiaries and associates	-	8,140
Other	5,893	6,384
Allowance for doubtful accounts	(21)	(20)
Total current assets	<u>310,115</u>	<u>296,737</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,324	20,577
Machinery, equipment and vehicles, net	55,791	53,743
Land	29,882	29,206
Construction in progress	5,198	5,098
Other, net	2,921	3,659
Total property, plant and equipment	<u>115,119</u>	<u>112,285</u>
Intangible assets		
Goodwill	13,895	12,260
Other	3,851	3,635
Total intangible assets	<u>17,746</u>	<u>15,896</u>
Investments and other assets		
Investment securities	74,427	78,085
Investments in capital	110,827	107,702
Long-term loans receivable from subsidiaries and associates	21,673	14,549
Retirement benefit asset	1,513	1,772
Other	6,132	8,591
Allowance for doubtful accounts	(74)	(73)
Total investments and other assets	<u>214,499</u>	<u>210,627</u>
Total non-current assets	<u>347,365</u>	<u>338,809</u>
Total assets	657,481	635,546

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,197	9,456
Current portion of long-term borrowings	1,174	981
Accounts payable - other	3,761	5,245
Accrued expenses	3,394	4,147
Income taxes payable	2,190	896
Advances received	1,858	1,990
Provision for bonuses	862	638
Other	1,824	3,483
Total current liabilities	25,265	26,840
Non-current liabilities		
Long-term borrowings	782	-
Deferred tax liabilities	20,057	22,218
Retirement benefit liability	3,145	3,107
Other	5,290	5,293
Total non-current liabilities	29,275	30,619
Total liabilities	54,540	57,459
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	228	155
Retained earnings	424,470	410,009
Treasury shares	(12,326)	(6,826)
Total shareholders' equity	420,369	411,335
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,463	16,994
Deferred gains or losses on hedges	-	1
Foreign currency translation adjustment	126,419	105,253
Remeasurements of defined benefit plans	321	597
Total accumulated other comprehensive income	137,203	122,846
Non-controlling interests	45,367	43,904
Total net assets	602,940	578,087
Total liabilities and net assets	657,481	635,546

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	126,248	118,021
Cost of sales	104,317	101,604
Gross profit	21,930	16,417
Selling, general and administrative expenses		
Packing and transportation costs	3,948	4,016
Salaries and allowances	2,083	2,545
Provision for bonuses	256	195
Retirement benefit expenses	162	202
Subsidiary stock acquisition-related cost	1,171	-
Other	5,716	6,039
Total selling, general and administrative expenses	13,338	12,999
Operating profit	8,591	3,418
Non-operating income		
Interest income	9,536	6,718
Dividend income	604	688
Equity in earnings of affiliates	15,885	34,513
Foreign exchange gains	2,200	1,947
Other	875	865
Total non-operating income	29,102	44,732
Non-operating expenses		
Interest expenses	182	160
Loss on disaster	19	2
Other	131	99
Total non-operating expenses	333	262
Ordinary profit	37,360	47,888
Extraordinary income		
Gain on sale of non-current assets	13	12
Gain on sale of investment securities	-	82
Total extraordinary income	13	94
Extraordinary losses		
Loss on retirement of non-current assets	223	336
Provision for loss on litigation	88	82
Provision for loss on transfer of receivables	-	773
Other	13	13
Total extraordinary losses	324	1,205
Profit before income taxes	37,049	46,777
Income taxes - current	15,742	12,747
Income taxes - deferred	594	(674)
Total income taxes	16,336	12,073
Profit	20,712	34,704
Profit attributable to non-controlling interests	1,622	836
Profit attributable to owners of parent	19,090	33,867

Quarterly Consolidated Statement of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	20,712	34,704
Other comprehensive income		
Valuation difference on available-for-sale securities	(868)	6,503
Foreign currency translation adjustment	1,181	(14,671)
Remeasurements of defined benefit plans, net of tax	(19)	277
Share of other comprehensive income of entities accounted for using equity method	4,432	(7,887)
Total other comprehensive income	4,726	(15,776)
Comprehensive income	25,438	18,927
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,304	19,511
Comprehensive income attributable to non-controlling interests	3,134	(583)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	37,049	46,777
Depreciation	6,677	7,762
Interest and dividend income	(10,140)	(7,406)
Interest expenses	182	160
Equity in (earnings) losses of affiliates	(15,885)	(34,513)
Decrease (increase) in trade receivables	871	(2,587)
Decrease (increase) in inventories	4,868	3,944
Increase (decrease) in trade payables	(1,801)	(615)
Other, net	(3,260)	215
Subtotal	18,561	13,738
Interest and dividends received	62,064	42,452
Interest paid	(121)	(90)
Income taxes paid	(20,474)	(14,799)
Net cash provided by (used in) operating activities	60,029	41,300
Cash flows from investing activities		
Payments into time deposits	(229,825)	(354,491)
Proceeds from withdrawal of time deposits	172,342	292,225
Purchase of property, plant and equipment	(10,256)	(6,253)
Purchase of shares of subsidiaries and associates	-	(249)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(50,576)	-
Other, net	463	(270)
Net cash provided by (used in) investing activities	(117,853)	(69,040)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,532)	(857)
Purchase of treasury shares	(4,489)	(18,134)
Dividends paid	(27,355)	(23,567)
Dividends paid to non-controlling interests	(1,596)	(879)
Other, net	(227)	(242)
Net cash provided by (used in) financing activities	(35,201)	(43,681)
Effect of exchange rate change on cash and cash equivalents	6,524	(5,565)
Net increase (decrease) in cash and cash equivalents	(86,500)	(76,986)
Cash and cash equivalents at beginning of period	168,695	124,021
Cash and cash equivalents at end of period	82,194	47,035

(4) Notes to Quarterly Consolidated Financial Statements
 (Notes on Going Concern Assumptions)
 Not applicable.

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

The Company acquired 1,583,200 shares of its own shares for a total consideration of ¥14,133 million.

Furthermore, at the meeting of the Board of Directors held on October 31, 2025, 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, with an upper limit of 1,000,000 shares and a total amount of ¥12,000 million for the period from November 4, 2025 to March 24, 2026. Based on this resolution, during the nine months ended December 31, 2025, the Company acquired 395,800 shares as treasury shares for a total of ¥4,000 million

(Cancellation of treasury shares)

At the meeting of the Board of Directors held on October 31, 2025, the Company resolved on the cancellation of its treasury shares in accordance with Article 178 of the Companies Act, and it cancelled 3,000,000 treasury shares amounting to ¥23,813 million on November 17, 2025.

As a result of this cancellation of treasury shares, the balance of capital surplus became negative; therefore, the capital surplus has been reduced to zero, and the negative amount has been deducted from retained earnings.

Consequently, capital surplus, retained earnings and treasury shares were ¥155 million, ¥410,009 million, and ¥6,826 million, respectively at the end of the third 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 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 equity in loss of affiliates of ¥4,921 million, and provision for loss on transfer of receivables of ¥773 million.

(Segment Information, etc.)

I. Nine months ended December 31, 2024 (April 1, 2024 to December 31, 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)	Steel (Indonesia)	Trackwork materials	Sub total				
Net sales									
(1) Sales to customers	44,912	53,477	19,333	6,279	124,003	2,245	126,248	–	126,248
(2) Inter-segment sales and transfers	518	167	–	–	686	–	686	(686)	–
Total	45,431	53,644	19,333	6,279	124,689	2,245	126,934	(686)	126,248
Segment profit	4,334	4,313	2,757	960	12,366	244	12,610	(4,019)	8,591

(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 ¥(4,019) 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.

4. Segment profit reflects the amounts following the finalization of provisional accounting treatment described under “Business Combinations.”

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 have added “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 have been incorporated in the consolidated financial results from the second quarter.

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.

II. Nine months ended December 31, 2025 (April 1, 2025 to December 31, 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	39,243	50,430	17,859	7,468	115,002	3,019	118,021	-	118,021
(2) Inter-segment sales and transfers	488	207	-	-	695	-	695	(695)	-
Total	39,731	50,638	17,859	7,468	115,698	3,019	118,717	(695)	118,021
Segment profit	1,602	2,726	490	1,403	6,223	254	6,477	(3,059)	3,418

(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 ¥(3,059) 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.

(Business Combinations)

(Significant revision of the initial allocation of acquisition cost in comparative information)

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

For this business combination, provisional accounting treatment was applied during the first nine months of the previous fiscal year, and it was finalized at the end of the previous fiscal year.

With the finalization of provisional accounting treatment, the comparative information included in the consolidated financial statements for the nine months ended December 31, 2025 reflects the significant revision of initial allocation of acquisition cost and the goodwill of ¥15,519 million, which was provisionally calculated, was finalized at ¥13,603 million following the finalization of the allocation of acquisition cost.

As a result, in the quarterly consolidated statement of income for the first nine months of the previous fiscal year, operating profit, ordinary profit, and profit before income taxes each decreased by ¥689 million, profit decreased by ¥464 million, and profit attributable to owners of parent decreased by ¥292 million.

Also, in the quarterly consolidated statement of cash flows for the first nine months of the previous fiscal year, cash flows from operating activities recorded a decrease of ¥689 million in profit before income taxes, an increase of ¥139 million in depreciation, a decrease of ¥74 million in amortization of goodwill, and an increase of ¥624 million in inventories.

(Significant Subsequent Events)

(Sale of investment securities)

At the Board of Directors meeting held on February 2, 2026, the Company resolved to sell a portion of its investment securities, and expects to record extraordinary income (gain on sale of investment securities), as outlined below.

1. Reason for the sale of investment securities

The Company will implement the sale in order to improve capital efficiency.

2. Details of the sale of investment securities

(1) Shares to be sold

Listed securities held by the Company

(2) Scheduled Timing of Sale

February to March 2026 (planned)

(3) Expected Gain on Sale of Investment Securities

Approximately 13.0 billion yen (estimated)

The estimated amount is calculated based on the current market price of the relevant securities and is subject to change.