August 7, 2026

CK SAN-ETSU Co., Ltd.
Hiroyuki Tsuriya, President and Representative Director
(Securities Code: 5757 TSE Prime Market)
Inquiries: Daisuke Matsui, Director and General Manager of Administration
TEL: +81-766-28-0025

Notice Concerning Recording of Non-operating Expenses (Loss on Derivative Transactions and Loss on Valuation of Derivatives)

CK SAN-ETSU Co., Ltd. (the "Company") hereby announces that it has recorded non-operating expenses for the first quarter of the fiscal year ending March 2027 (from April 1, 2026 to June 30, 2026, on a consolidated basis) as follows.

1. Details of the non-operating expenses

In the first quarter of the fiscal year ending March 2027 (consolidated basis), the Company recorded a loss on derivative transactions of 1,113 million yen and a loss on valuation of derivatives of 2,051 million yen as non-operating expenses.

Since our group uses copper and zinc, which are internationally traded commodities, as its main raw materials, the Company engages in derivative transactions to avoid and mitigate the risk of changes in inventory valuation resulting from declines in raw material prices. These expenses were incurred due to the increase in raw material prices that took place from April to June 2026.

2. Future outlook

For details regarding the non-operating expenses mentioned above, please refer to the "Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2027 (Japanese GAAP)" released today.

Gains or losses on valuation of derivatives will fluctuate depending on future raw material prices.

For the consolidated earnings forecast for the fiscal year ending March 2027, the Company has not revised the forecast announced on May 13, 2026. However, the Company will promptly disclose any necessary revisions in the future.