

Fiscal Year ending March 2026

3rd Quarter Results

(Apr. 1 – Dec. 31/2025)

January 29, 2026



■ Overview of FY2025 3rd Quarter Results (Apr. 1- Dec. 31/2025)

- The third quarter of FY2025 saw lower revenue and profits than the same quarter of last year.
- Profits decreased due to a decline in sales volume of specialty steel and a decline in orders for open-die forgings for drilling products.
- One-time expenses associated with the change in production allocation were ¥2.7 billion as planned.
- As sales were stronger and the yen was lower than initially projected, profits were higher than anticipated.

	FY2024			FY2025			(thousand tons, ¥100 mil.)	
	First half	Oct.-Dec.	Total	First half	Oct.-Dec.	Total	Oct.-Dec.	Total
							Oct.-Dec.	Total
Sales Volume of Specialty Steel	519	263	782	504	267	771	4	-11
Revenue	2,834	1,506	4,340	2,845	1,457	4,302	-49	-38
Operating Profit	183	158	341	185	127	312	-31	-29
Adjusted Operating Profit*	207	133	340	185	112	297	-21	-43
Profit Before Tax	196	171	367	197	135	332	-36	-35
Profit Attributable to Owners of Parent	122	110	232	129	89	218	-21	-14

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

■ Revenue, Operating Profit, and Adjusted Operating Profit by Segment

	FY2024			FY2025												y/y		
				3rd Quarter			1Q			2Q			3Q			3rd Quarter		
	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)
Specialty Steel	1,604	112	107	512	26	29	488	29	27	530	37	34	1,530	92	90	-74	-20	-17
High-Performance Materials and Magnetic Materials	1,531	106	117	483	31	26	485	32	31	511	46	40	1,479	109	97	-52	3	-20
Parts for Automobiles and Industrial Equipment	838	88	83	293	14	22	299	22	21	298	28	23	890	64	66	52	-24	-17
Engineering	163	13	12	68	7	7	74	6	5	61	7	7	203	20	19	40	7	7
Trading and Service	204	22	21	68	9	8	75	9	9	57	9	8	200	27	25	-4	5	4
Total	4,340	341	340	1,424	87	92	1,421	98	93	1,457	127	112	4,302	312	297	-38	-29	-43

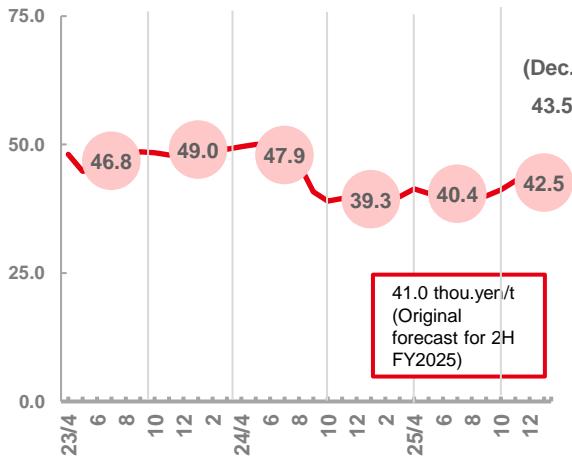
*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (levelling), and provision for paid leave

(thou. tons)

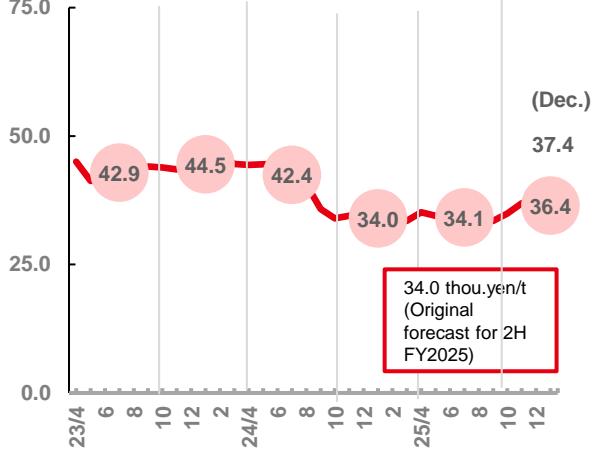
Sales Volume of Specialty Steel (Non-consolidated)	782	253	251	267	771	-11

■ Raw Materials Prices

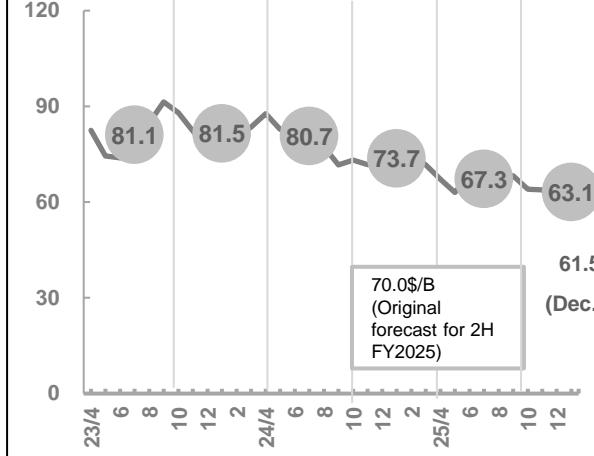
Factory bundle (1000 yen/ton)



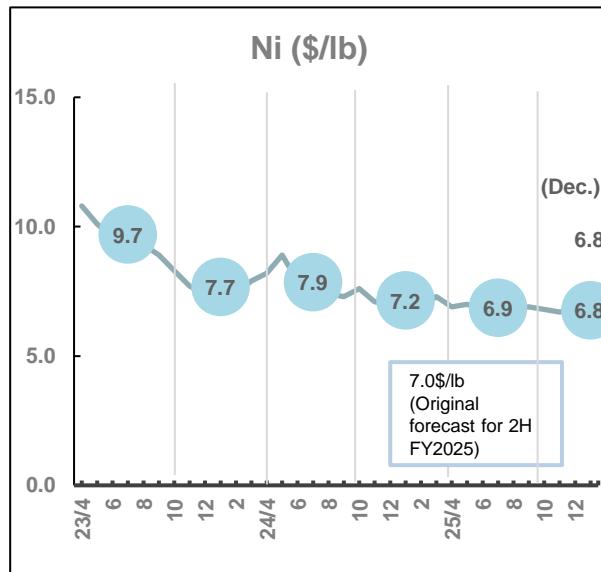
H2 (1000 yen/ton)



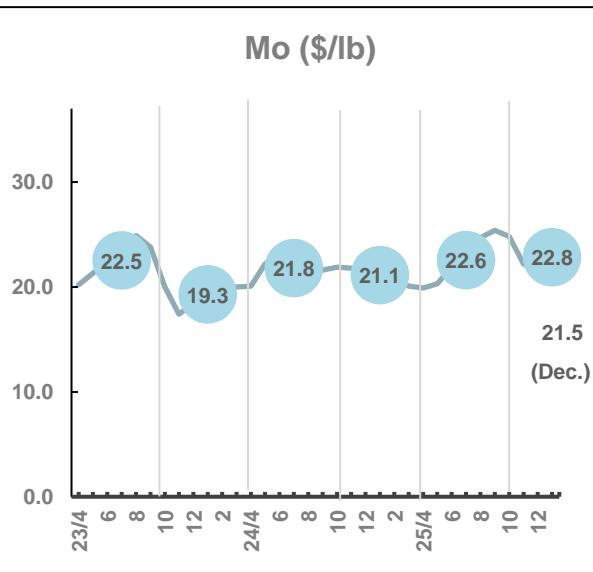
Dubai crude oil (\$/B)



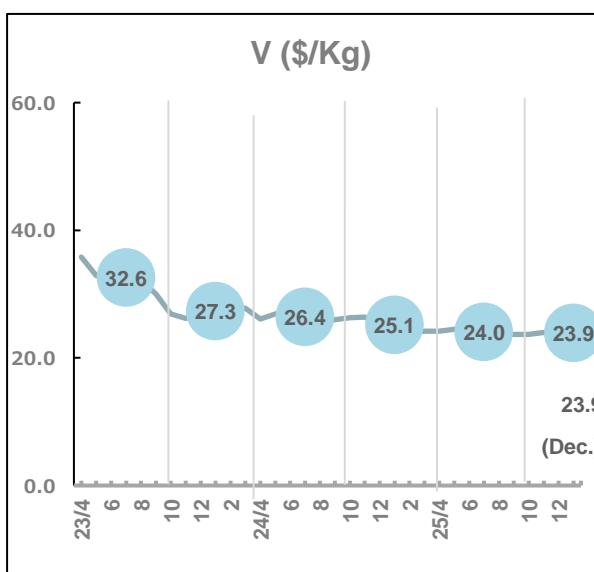
Ni (\$/lb)



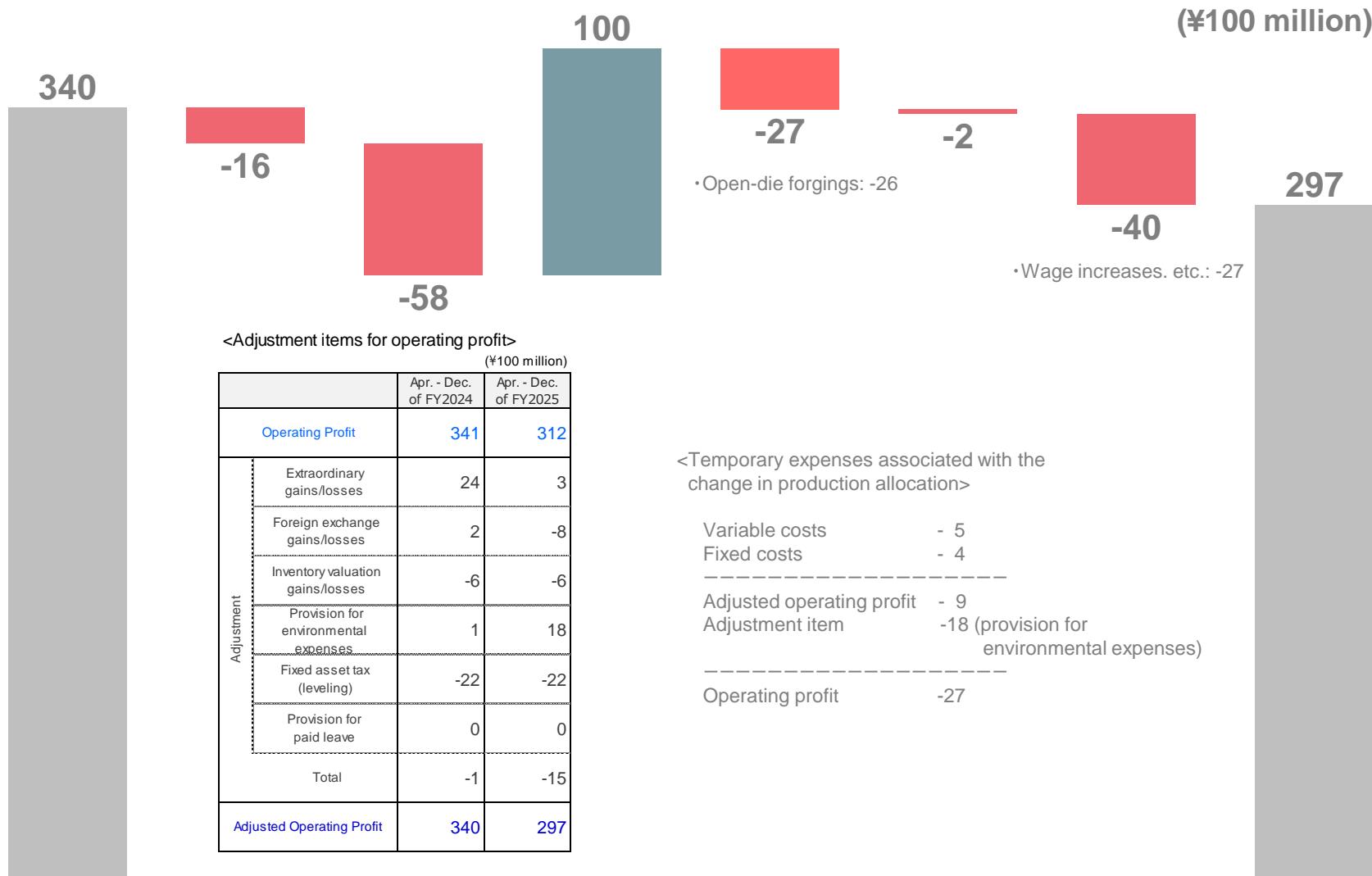
Mo (\$/lb)



V (\$/Kg)



■ Changes in Adjusted Operating Profit for the period from April to December of FY2025 (Y/Y)



Apr. - Dec. of
FY2024

Change in
sales volume

Change in
selling prices

Raw materials
and fuel prices

Sales mix

Variable cost

Fixed cost

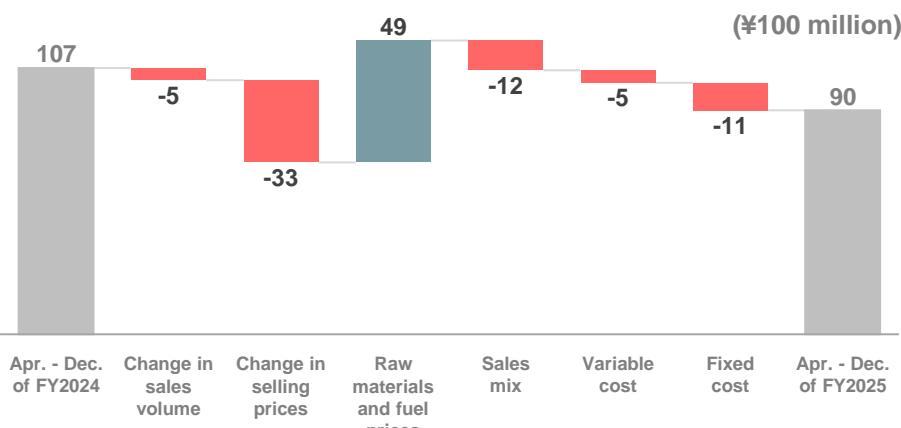
Apr. - Dec. of
FY2025

■ Overview of Specialty Steel

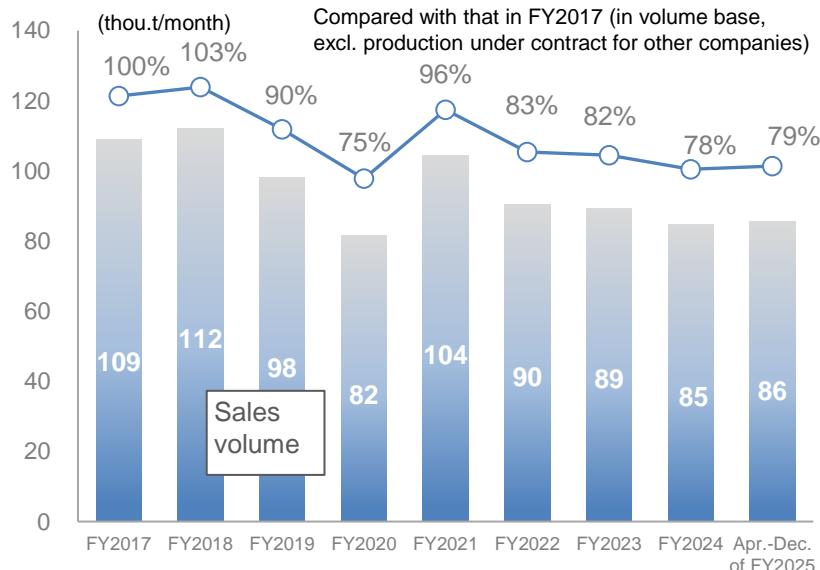
	FY2024		FY2025		y/y	
	3rd Q	Total (Apr. - Dec.)	3rd Q	Total (Apr. - Dec.)		
	Revenue	549	1,604	530	1,530	-19
Operating Profit	51	112	37	92	-14	-20
Adjusted Operating Profit*	44	107	34	90	-10	-17
Surcharge Gap	12	18	2	7	-10	-11

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (levelling), and provision for paid leave

Changes in Adjusted Operating Profit (y/y)



<Sales volume of specialty steel (non-consolidated)>



POINT

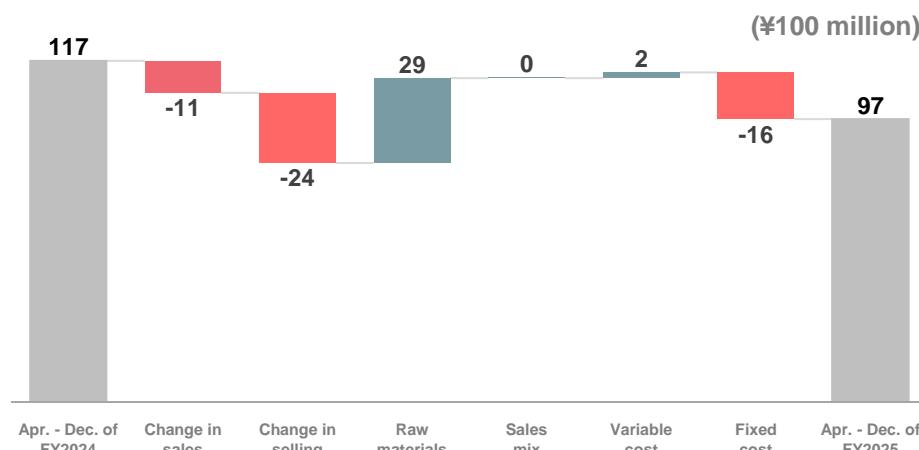
- Compared to the previous year, sales volume for automobiles, etc. decreased. Tool steel orders were weak, and the sales mix deteriorated.
- We continued to implement the pricing strategy that responded to rising costs, including fixed costs.

■ Overview of High-Performance and Magnetic Materials

	FY2024		FY2025		y/y	
	3rd Q	Total (Apr. - Dec.)	3rd Q	Total (Apr. - Dec.)		
	Revenue	530	1,531	511	1,479	-19
Operating Profit	55	106	46	109	-9	3
Adjusted Operating Profit*	44	117	40	97	-4	-20

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (levelling), and provision for paid leave

Changes in Adjusted Operating Profit (y/y)



<Revenue of superalloy, magnetic products, metal powder, and titanium>



POINT

■ Sales volume for industrial equipment declined due to the slow demand recovery.

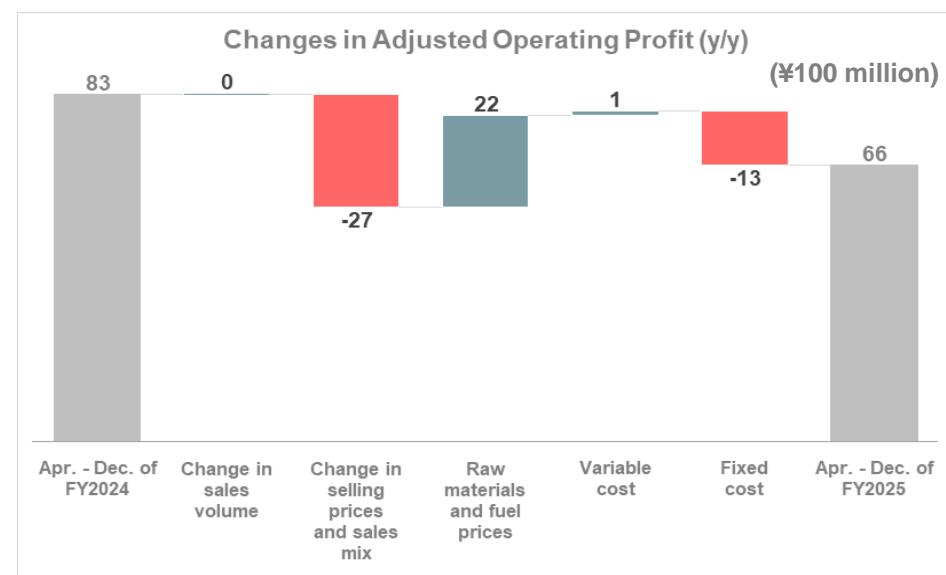
■ As for magnetic products, demand for heavy rare earth-free magnets increased due to the tightening of export restrictions on heavy rare earths (Dy and Tb*) in China.

*Dy: Dysprosium, Tb: Terbium

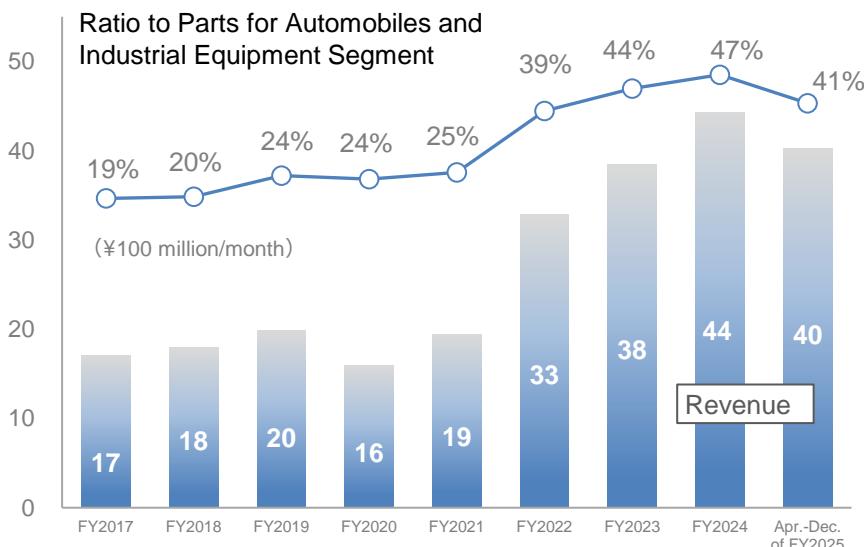
■ Overview of Parts for Automobiles and Industrial Equipment

	FY2024		FY2025		y/y	
	3rd Q	Total (Apr. - Dec.)	3rd Q	Total (Apr. - Dec.)	3rd Q	Total (Apr. - Dec.)
Revenue	301	838	298	890	-3	52
Operating Profit	39	88	28	64	-11	-24
Adjusted Operating Profit*	34	83	23	66	-11	-17

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave



<Revenue of open-die forgings>



POINT

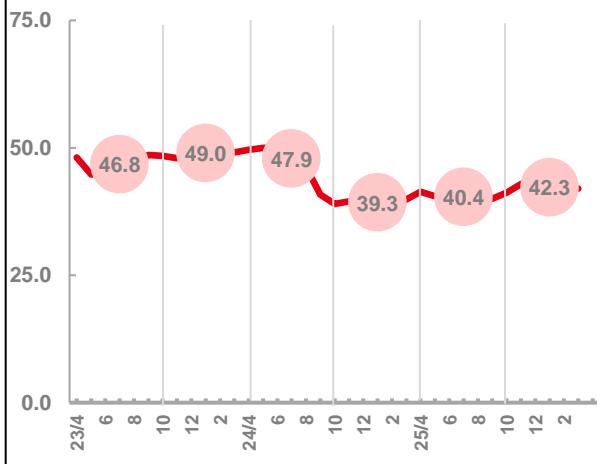
- Adjustments for open-die forgings for drilling products continued due to the weak crude oil market.
- Orders for diesel engine exhaust valves for ships remained high because of the vigorous demand.
- Demand for engine valves was solid, particularly in North America.

Outlook for FY2025 (April 2025 to March 2026)

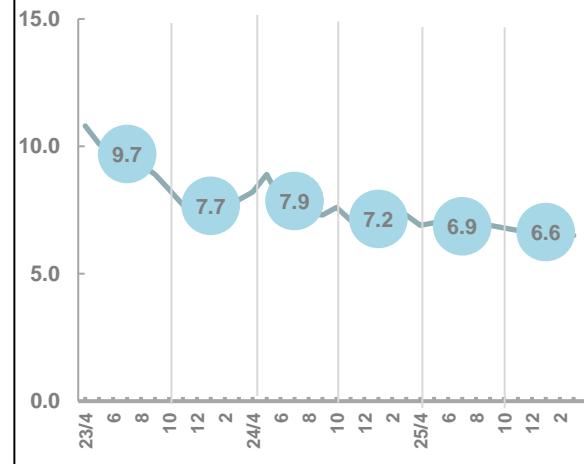
■ Profit-Planning Premises for FY2025 (Market Trends)

			FY2024 results	1H of FY2025 results	3Q of FY2025 results	Premises of FY2025 4Q's plan	Premises of FY2025 2H's plan	Premises of FY2025 plan		y/y	Differences from Oct. 30 forecast
Ferrous scrap	H2	¥thou./t	38.2	34.1	36.4	36.0	36.2	35.2	-3.0	1.1	
	Factory bundle		43.6	40.4	42.5	42.0	42.3	41.4	-2.2	0.7	
Nickel	LME	\$/lb	7.5	6.9	6.8	6.5	6.7	6.8	-0.7	-0.2	
Crude oil	Dubai	\$/B	77.2	67.3	63.1	62.1	62.6	65.0	-12.2	-3.7	
Exchange rate	TTM	yen/\$	152.6	146.0	154.2	150.0	152.1	149.1	-3.5	3.6	

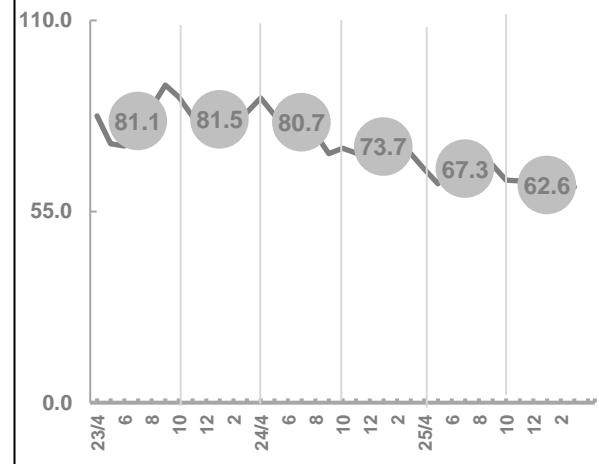
Factory bundle (1000 yen/ton)



Ni (\$/lb)



Dubai crude oil (\$/B)



■ Consolidated Earnings Outlook for FY2025

- Higher-than-anticipated profits for the third quarter have been reflected in the full-year earnings forecast.
- This is mainly due to stronger orders and weaker yen than initially projected.
- We will also continue to implement cost-cutting measures, mainly in fixed costs.
- One-time expenses associated with the change in production allocation are expected to be ¥3.3 billion for the full year as planned.

(thousand tons, ¥100 mil.)

	FY2024			FY2025					y/y	Differences from Oct. 30 forecast
	1H	2H	Total	1H	3Q	4Q	2H	Total		
Sales Volume of Specialty Steel	519	496	1,015	504	267	251	518	1,022	7	15
Revenue	2,834	2,915	5,749	2,845	1,457	1,448	2,905	5,750	1	100
Operating Profit	183	211	394	185	127	48	175	360	-34	30
Adjusted Operating Profit*	207	233	440	185	112	72	184	369	-71	16
Profit Before Tax	196	231	427	197	135	43	178	375	-52	30
Profit Attributable to Owners of Parent	122	161	283	129	89	37	126	255	-28	20

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

■ Revenue, Operating Profit, and Adjusted Operating Profit by Segment

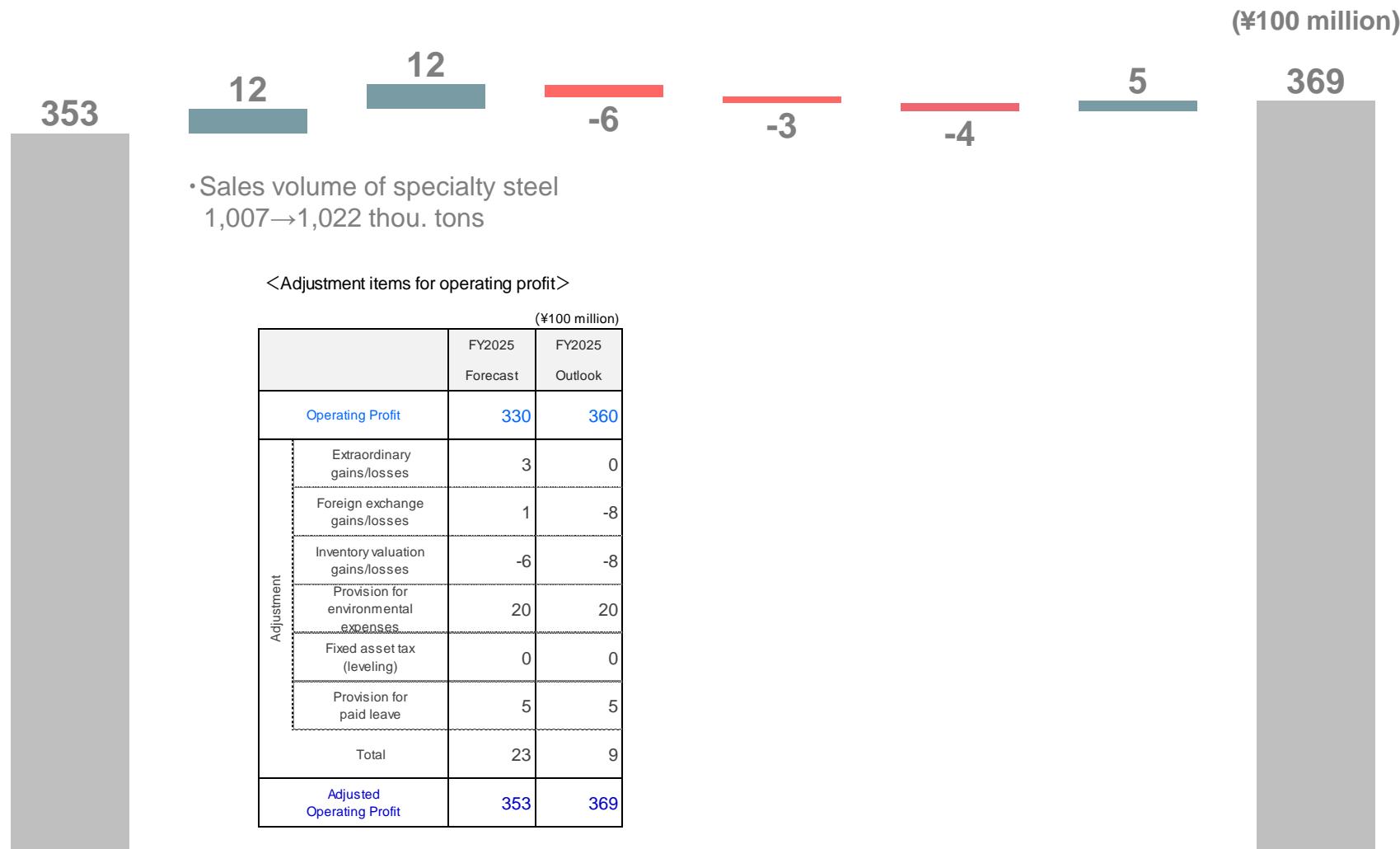
(¥100 mil.)

	FY2024			FY2025									y/y			Differences from Oct. 30 forecast		
	Full-year			1H			2H			Full-year			y/y			Differences from Oct. 30 forecast		
	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)
Specialty Steel	2,101	121	131	1,000	55	56	1,040	40	45	2,040	95	101	-61	-26	-30	40	10	7
High-Performance Materials and Magnetic Materials	2,009	110	138	968	63	57	1,002	67	67	1,970	130	124	-39	20	-14	15	5	-1
Parts for Automobiles and Industrial Equipment	1,130	113	119	592	36	43	598	39	42	1,190	75	85	60	-38	-34	65	10	7
Engineering	241	22	23	142	13	12	138	17	18	280	30	30	39	8	7	-5	5	4
Trading and Service	268	28	29	143	18	17	127	12	12	270	30	29	2	2	0	-15	0	-1
Total	5,749	394	440	2,845	185	185	2,905	175	184	5,750	360	369	1	-34	-71	100	30	16

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (levelling), and provision for paid leave

Sales Volume of Specialty Steel (Non-consolidated)	1,015	504	518	1,022	7	15
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■ Changes in Adjusted Operating Profit for FY2025 (Compared to the October 30 Forecast)



FY2025 Forecast	Change in sales volume	Change in selling prices	Raw materials and fuel prices	Sales mix	Variable cost	Fixed cost	FY2025 Outlook
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■ Changes in Adjusted Operating Profit for 4Q of FY 2025 (Q/Q)

[Operating Profit, Adjusted Operating Profit]

(¥100 million)

	FY 2024					FY 2025					Total Forecast
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q		
Operating Profit	101	82	158	53	394	87	98	127	48	360	
Adjusted Operating Profit	98	109	133	100	440	92	93	112	72	369	

112



• Impacts from surcharge gap, exchange rate (150 yen), etc. are incorporated.

-24

-3

<Adjustment items for operating profit>

	3Q of FY2025	4Q of FY2025
Operating Profit	127	48
Extraordinary gains/losses	0	-3
Foreign exchange gains/losses	-7	0
Inventory valuation gains/losses	-1	-2
Provision for environmental expenses	0	2
Fixed asset tax (leveling)	-7	22
Provision for paid leave	0	5
Total	-15	24
Adjusted Operating Profit	112	72

1

-11

-1

-2

72

<Temporary expenses associated with the change in production allocation>

	3Q	4Q
Variable costs	-2	-3
Fixed costs	-2	-3
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Adjusted operating profit	-4	-6
Adjustment item	—	—
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Operating profit	-4	-6

3Q of
FY2025

Change in
sales volume

Change in
selling prices

Raw materials
and fuel prices

Sales mix

Variable cost

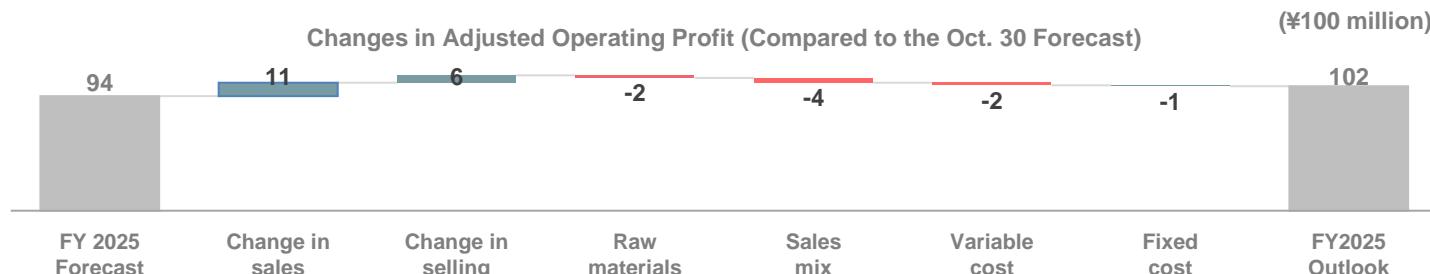
Fixed cost

4Q of
FY2025

Reference Material

■ Changes in Adjusted Operating Profit for FY2025 by Segment (Compared to the October 30 Forecast)

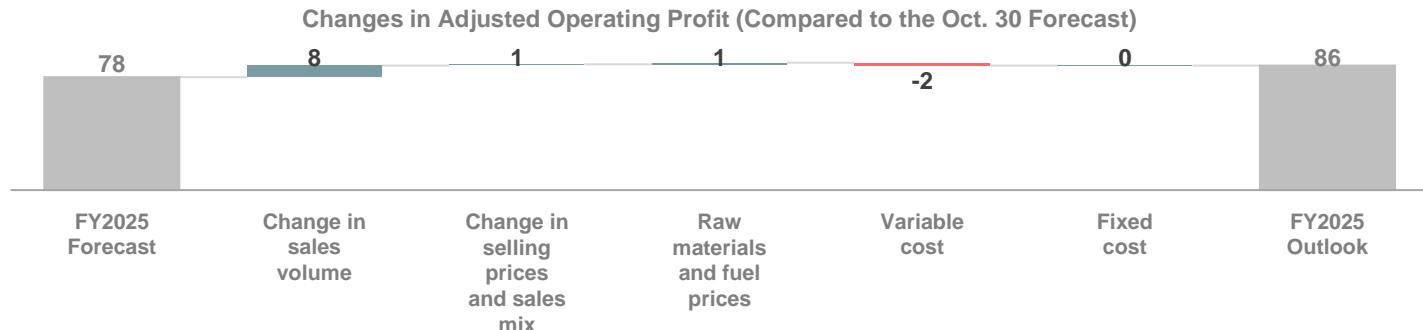
Specialty Steel



High-Performance Materials and Magnetic Materials



Parts for Automobiles and Industrial Equipment



■ Changes in Adjustment Items for Operating Profit

(¥100 million)

	FY 2024					FY 2025					Total Forecast
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q		
Operating Profit	101	82	158	53	394	87	98	127	48	360	
Adjustment	Extraordinary gains/losses	20	3	1	0	24	0	3	0	-3	0
	Foreign exchange gains/losses	-8	24	-14	9	11	2	-3	-7	0	-8
	Inventory valuation gains/losses	-8	7	-5	1	-5	-5	0	-1	-2	-8
	Provision for environmental expenses	0	1	0	0	1	16	2	0	2	20
	Fixed asset tax (leveling)	-7	-8	-7	23	1	-8	-7	-7	22	0
	Provision for paid leave	0	0	0	14	14	0	0	0	5	5
Total		-3	27	-25	47	46	5	-5	-15	24	9
Adjusted Operating Profit		98	109	133	100	440	92	93	112	72	369

■ Changes in Adjustment Items for Operating Profit by Segment

		Specialty Steel					High-Performance Materials and Magnetic Materials									
		FY2024					FY2025									
Adjustment	Operating profit	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total Forecast	1Q	2Q	3Q	4Q	Total Forecast
	Extraordinary gains/losses	33	28	51	9	121	26	29	37	3	95	30	21	55	4	110
	Foreign exchange gains/losses	0	0	0	0	0	0	0	0	0	0	20	3	0	0	23
	Inventory valuation gains/losses	-2	7	-5	3	3	0	-1	-1	0	-2	-3	8	-5	3	3
	Provision for environmental expenses	1	0	0	0	1	0	1	0	-1	0	-8	7	-3	0	-4
	Fixed asset tax (leveling)	0	0	0	1	1	5	0	0	1	6	0	0	0	1	1
	Provision for paid leave	-2	-2	-2	5	-1	-2	-2	-2	6	0	-3	-2	-3	9	1
	Total	0	0	0	6	6	0	0	0	2	2	0	0	0	4	4
	Adjusted Operating Profit	-3	5	-7	15	10	3	-2	-3	8	6	6	16	-11	17	28
		30	33	44	24	131	29	27	34	11	101	36	37	44	21	138
		Parts for Automobiles and Industrial Equipment					Engineering									
		FY2024					FY2025									
Adjustment	Operating profit	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total Forecast	1Q	2Q	3Q	4Q	Total Forecast
	Extraordinary gains/losses	28	21	39	25	113	14	22	28	11	75	2	6	5	9	22
	Foreign exchange gains/losses	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0
	Inventory valuation gains/losses	-3	6	-2	3	4	1	-1	-2	-1	-3	0	0	-1	1	0
	Provision for environmental expenses	0	1	-1	-2	-2	0	0	-1	1	0	0	0	0	0	0
	Fixed asset tax (leveling)	0	0	0	0	0	9	1	0	1	11	0	0	0	0	0
	Provision for paid leave	-2	-2	-2	6	0	-2	-2	-2	6	0	0	0	0	0	0
	Total	0	0	0	4	4	0	0	0	1	1	0	0	0	-1	0
	Adjusted Operating Profit	-5	5	-5	11	6	8	-1	-5	8	10	0	0	-1	2	1
		23	26	34	36	119	22	21	23	19	85	2	6	4	11	23

■ Changes in Adjusted Operating Profit by Segment

(¥100 million)

	FY2024					FY2025					Total Forecast
	1Q	2Q	3 Q	4Q	Total	1Q	2Q	3Q	4Q		
Specialty Steel	30	33	44	24	131	29	27	34	11	101	
High-Performance Materials and Magnetic Materials	36	37	44	21	138	26	31	40	27	124	
Parts for Automobiles and Industrial Equipment	23	26	34	36	119	22	21	23	19	85	
Engineering	2	6	4	11	23	7	5	7	11	30	
Trading and Service	7	7	7	8	29	8	9	8	4	29	
Total	98	109	133	100	440	92	93	112	72	369	

(Note)

Figures such as the business forecasts described in this document are based on specific assumptions which are predictable under the present state.

However, changes in circumstances could lead to different business outcomes, so a total reliance on this data as decision criterion is not recommended.

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