Financial Results Briefing
For the First Quarter of the Year Ending March 31, 2025

August 7, 2024

Securities code: 5463

丸一鋼管株式会社

I. Financial Highlights for the First Quarter of the Year Ending March 31, 2025

II. Results and Situation of Major Consolidated Subsidiaries

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IV. Earnings Outlook for the Year Ending March 31, 2025

POINTS

- First quarter performance was in line with forecast.
- Extraordinary losses incurred due to investment in human capital. (Dividend forecast remains unchanged)
- Announcement of plans to expand stainless steel pipe business

I. Financial Highlights for the First Quarter of the Year Ending March 31, 2025

Consolidated Performance

(millions of yen)

Consolidated	FY ended Mar. 2024: Results				FY ended Mar. 2025				year-on-year	year-on-year (%)	Progress rate (%)
	1Q	1H	2H	Full year	1Q Results	1H Plan	2H Plan	Full year Plan	1Q	1Q	1H
Net sales	67,080	135,173	136,137	271,310	67,512	138,500	141,500	280,000	432	0.6%	48.7%
Operating income	9,331	19,268	15,543	34,811	8,286	16,000	18,200	34,200	-1,045	-11.2%	51.8%
Ordinary income	10,292	21,049	17,306	38,355	9,631	17,500	18,700	36,200	-661	-6.4%	55.0%
Net income attributable to owners of parent	6,770	14,098	12,015	26,113	6,513	9,200	12,400	21,600	-257	-3.8%	70.8%

¥2.7 billion less than a previous forecast

＊The consolidated performance forecast of ”Net income attributable to owners of parent” has been revised as disclosed on July 5, 2024.

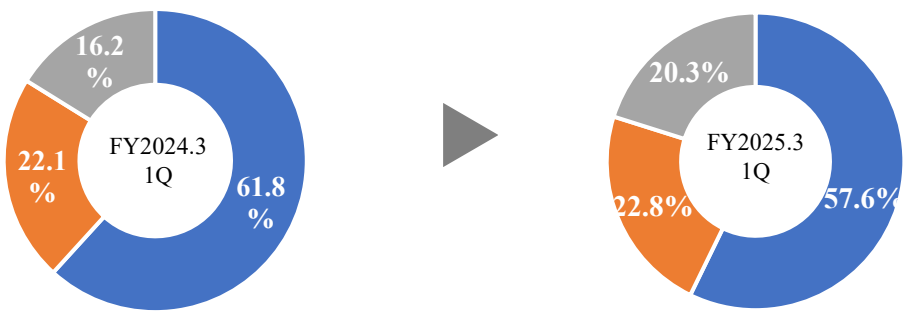
SUMMARY OF CONSOLIDTATED RESULTS

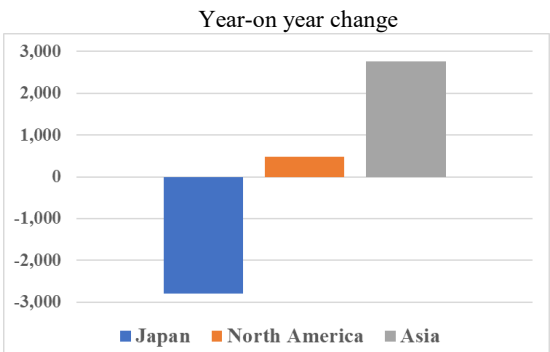
- Sales Volume(MT) increased by 17.4% in Asia, while Japan and North America decreased, and the consolidated Volume decreased by 1.1% compared to the previous year.
- Revenue decreased by 6.7% in Japan, while North America and Asia increased by 12.6%, and the consolidated Revenue increased slightly by 0.6%
- Operation income in North America and Asia increased by 14.5%, while Japan decreased by 21.9%, and net profit decreased by 11.2%. Other income increased, while ordinary income decreased by 6.4%

Net sales results by segment

(millions of yen)

Net sales	FY ended Mar. 2024: Results				FY ended Mar. 2025				year-on-year	year-on-year (%)
	1Q	1H	2H	Full year	1Q Results	1H Plan	2H Plan	Full year Plan	1Q	1Q
Japan	41,429	81,697	81,098	162,795	38,635	81,965	86,272	168,237	-2,794	-6.7%
North America	14,809	30,827	28,039	58,866	15,284	30,024	29,043	59,067	475	3.2%
Asia	10,840	22,648	27,000	49,648	13,592	26,511	26,185	52,696	2,752	25.4%
Total	67,080	135,173	136,137	271,310	67,512	138,500	141,500	280,000	432	0.6%

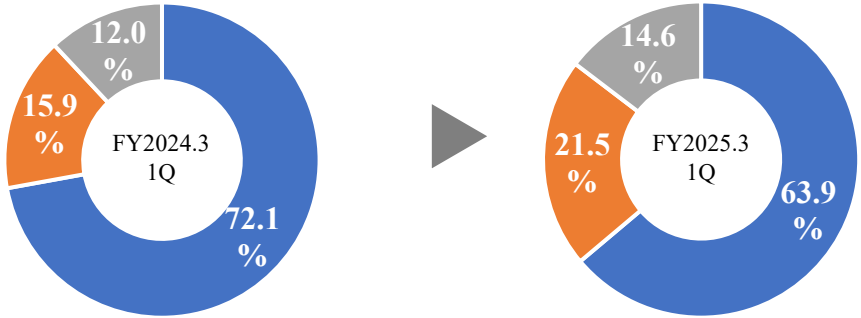




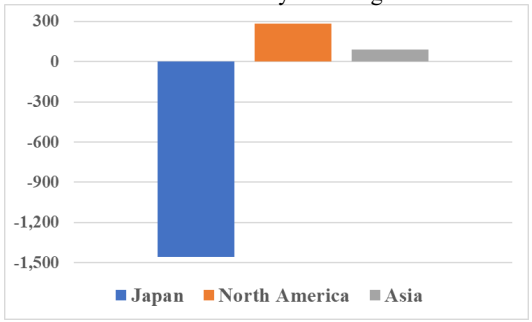
Operating income results by segment

(millions of yen)

Operating income	FY ended Mar. 2024: Results				FY ended Mar. 2025				year-on-year	year-on-year (%)
	1Q	1H	2H	Full year	1Q Results	1H Plan	2H Plan	Full year Plan	1Q	1Q
Japan	6,662	12,754	11,964	24,718	5,205	10,699	12,627	23,326	-1,457	-21.9%
North America	1,467	4,595	345	4,940	1,752	2,922	2,487	5,409	285	19.5%
Asia	1,106	1,694	2,999	4,693	1,194	2,237	2,830	5,067	88	7.9%
Reconciliations	94	224	235	459	133	142	256	398	—	—
Total	9,331	19,268	15,543	34,811	8,286	16,000	18,200	34,200	-1,045	-11.2%



Year-on year change



By SEGMENT

JAPAN

- Small-mid size construction projects remain slow. Structural Tube sales volume decreased by 7.8%. Automotive production remains slow with little change (1.8% decrease) due to quality assurance scandals. Overall Volume decreased by 3.2%

- Passing on cost to Sales prices have not been accepted as expected due to slumping demand.

- Revenue from unconsolidated and Maruichi Stainless declined due to lower sales volume. The consolidated revenue declined by 6.7%.

- Operation income from unconsolidated and Maruichi Stainless declined due to lower sales volume and higher costs. The consolidated operation income declined by 21.9%.

By SEGMENT

North America

- The USA Hot Rolled Coil INDEX, CRU started at $1,210/MT this year, once it hit $850/MT in March, and it remained at this level.
- Sales Volume in North America decreased by 14.5% due to inactive market. The Mexican sales volume increased by 27.2% due to active sales from Japanese automotive industry.
- While sales volume declined, revenue increased by 3.2%
- Operation income increased by 19.5% due to better working differential and MMX(Mexico) contribution.

By SEGMENT

ASIA

- SUNSCO(Vietnam) remains slow due to lower domestic market activities, Hanoi sales volume decreased by 4.1% due to slow motorcycle sales but Ho Chi Minh sales volume increased by 17.9% thanks to active export business.
- KUMA(India) remains strong thanks to active automotive sales. Sales volume increased by 12.1%.
- MPST(Philippines) captured the growing demand and increased the sales volume by 75.3% due to strong local demand from the motorcycle segment.
- Revenue from Asia increased by 25.4% thanks to sales efforts.
- Operation income increased by 7.9% thanks to MPST contribution.

II. Results and Situation of Major Consolidated Subsidiaries

Trends in net sales and operating income （FY ending Mar. 2025）

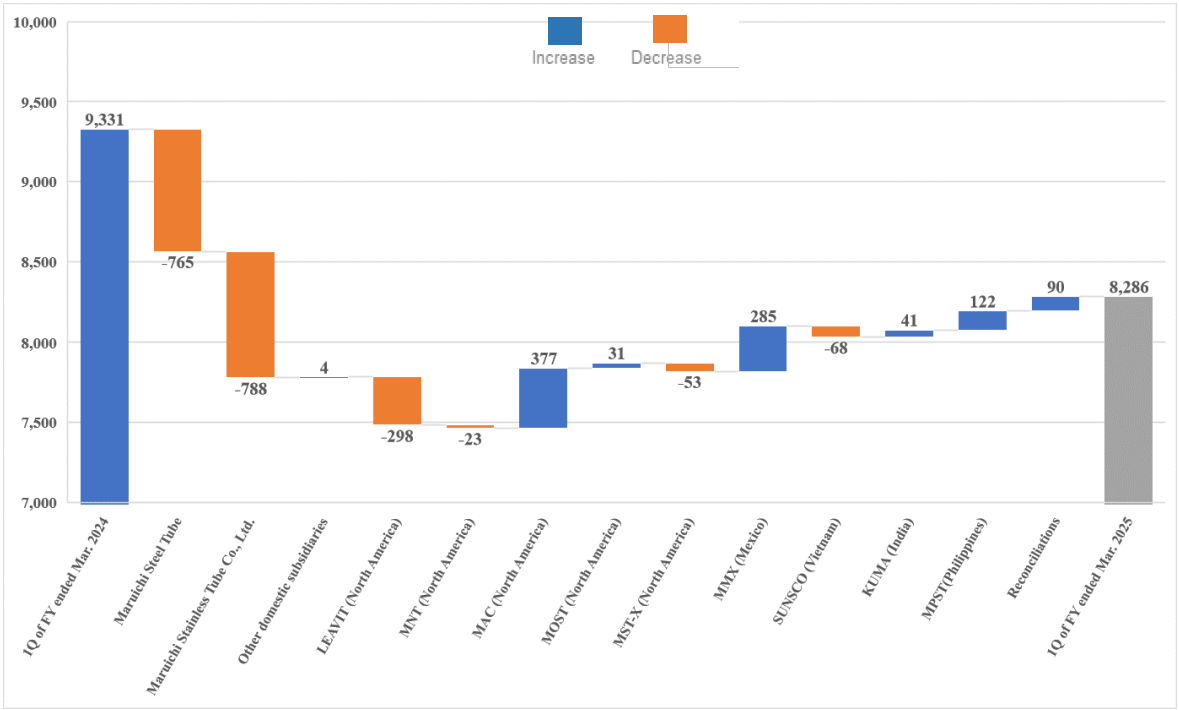
(millions of yen)

Individual stage income	Net sales						Operating income					
	FY ended Mar. 2024: Results				2025	year-on-year	FY ended Mar. 2024: Results				2025	year-on-year
	1Q	2Q	3Q	4Q	1Q	1Q(%)	1Q	2Q	3Q	4Q	1Q	1Q(%)
Maruichi Steel Tube	30,951	31,072	31,946	31,400	30,129	-2.7%	4,890	4,757	4,874	4,505	4,125	-15.6%
Maruichi Stainless Tube Co., Ltd.	7,857	6,804	6,551	6,647	6,296	-19.9%	1,195	852	899	874	407	-65.9%
Other domestic subsidiaries	3,783	3,734	4,107	3,702	3,493	-7.7%	511	489	610	91	515	0.8%
LEAVITT (North America)	6,538	6,818	6,132	5,441	6,144	-6.0%	718	1,296	-32	-707	420	-41.5%
MNT (North America)	1,167	1,125	1,174	1,200	947	-18.9%	91	187	-35	-91	68	-25.3%
MAC (North America)	3,545	4,232	3,762	3,612	4,303	21.4%	365	1,000	407	452	742	103.3%
MOST (North America)	2,203	2,497	1,779	1,786	2,230	1.2%	126	477	-33	-97	157	24.6%
MST-X (North America)	0	0	0	0	0	—	-9	-25	-21	-37	-62	—
MMX (Mexico)	1,087	1,150	1,345	1,342	1,655	52.3%	206	234	322	326	491	138.3%
SUNSCO (Vietnam)*	7,989	8,600	9,581	10,240	9,946	24.5%	772	280	1,050	1,061	704	-8.8%
KUMA (India)	2,810	3,203	3,067	3,646	3,363	19.7%	263	279	263	355	304	15.6%
MPST(Philippines)	326	289	415	621	608	86.5%	71	50	91	184	193	171.8%
Reconciliations	-1,176	-1,431	-1,439	-1,921	-1,602	—	132	61	36	196	222	68.2%
Total	67,080	68,093	68,420	67,717	67,512	0.6%	9,331	9,937	8,431	7,112	8,286	-11.2%

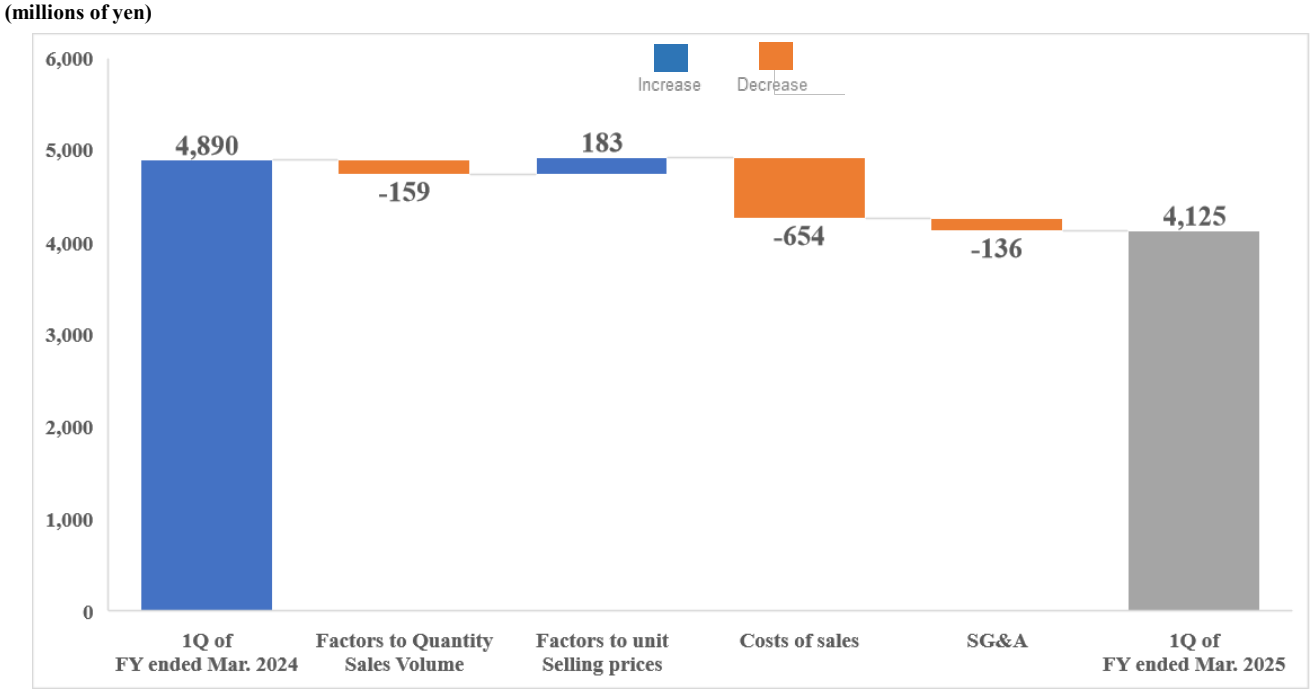
* The figures for SUNSCO (Vietnam) are a total of the Ho Chi Minh and Hanoi operations.

Factors contributing to changes in consolidated operating income
(1Q of FY ended Mar. 2024: Results → 1Q of FY ending Mar. 2025: Results)

(millions of yen)



Factors contributing to changes in non-consolidated operating income
(1Q of FY ended Mar. 2024: Results → 1Q of FY ending Mar. 2025: Results)



➢ Total sales volume was 166,194MT, down 3.2% year-on year

Trend in shipment volumes on a non-consolidated basis and overseas

(Unit : ton)

Sales volume		Quarterly basis						＜Reference＞Half/Full year basis		
		Year ended Mar. 2024				Year ended Mar. 2025	year-on-year %	Year ended Mar. 2024		
		1Q	2Q	3Q	4Q	1Q	1Q	1H	2H	Full year
Maruichi Steel Tube	For construction structures	104,500	99,148	99,221	96,629	96,335	-7.8%	203,648	195,850	399,498
	For machine structures	34,055	34,706	38,383	34,129	33,455	-1.8%	68,761	72,512	141,273
	Other	33,211	36,545	37,992	40,128	36,404	9.6%	69,756	78,120	147,876
	Total	171,766	170,399	175,595	170,885	166,194	-3.2%	342,165	346,480	688,645
U.S.A 4 companies	Leavitt	36,055	31,664	30,357	29,146	28,942	-19.7%	67,719	59,503	127,222
	MNT	6,658	5,446	6,533	6,955	4,773	-28.3%	12,104	13,488	25,592
	MAC	16,509	17,487	16,202	15,967	16,936	2.6%	33,996	32,169	66,165
	MOST	10,843	10,608	7,663	7,691	9,257	-14.6%	21,451	15,354	36,805
	Total	70,065	65,205	60,755	59,759	59,908	-14.5%	135,270	120,514	255,784
MMX (Mexico)		3,402	3,406	3,776	3,723	4,329	27.2%	6,808	7,499	14,307
SUNSCO (Vietnam)		55,867	55,842	64,184	68,453	65,285	16.9%	111,709	132,637	244,346
KUMA (India)		8,165	9,022	8,392	9,596	9,157	12.1%	17,188	17,988	35,176
MPST(Philippines)		1,230	1,110	1,551	2,269	2,158	75.3%	2,340	3,820	6,160
Total		310,496	304,984	314,253	314,685	307,030	-1.1%	615,480	628,938	1,244,418

- Unconsolidated Sales Volume (MT) remains slow due to low business activities of small-mid size construction projects. Construction structural tube sales volume decreased by 7.8%.
- Overall sales volume increased thanks to MMX, SUNSCO, KUMA, MPST contribution.

Expansion of Stainless Steel Tubing Field

＜History of Disclosure＞

- Acquisition of Land next to Shimonoseki Head Office & Works (2024/4/24)
- Acquisition of Fixed Assets for New Factories (2024/5/24)
- The details of New Factories (2024/8/7)

＜Investment Plan ＞

①Maruichi Stainless Tube Ltd. : ¥26 billion

Upgrading our production equipment of the seamless stainless steel tube.

Adding a (5,000-ton) Hot Extrusion Press
Capacity : 2,000 [MT/Month]

Heat-treating Furnace ・Straightener・Pickling Line

Construction starts in July 2025.

Construction Site/Building Area :
Shimonoseki Head Office & Works / 18,000㎡

②Maruichi Steel Tube Ltd. : ¥22 billion

Welded stainless steel pipes.

3 Tube Mills
Capacity : 1,500 [MT/Month]

1 Slitter・Heat-treating Furnace・Pickling Line

Construction starts in May 2025.

Construction Site/Building Area :
New Acquired Land / 24,000㎡

Start of Operation After 2027

③Start a feasibility study of EP Process Line

Start a feasibility study of Electro Polishing Process Line to establish an integrated manufacturing system for the semiconductor industry.

Maruichi Kohan Ltd.

(millions of yen)

Trends in business performance	FY ended Feb. 2024: Results					FY ended Feb. 2025			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	12,022	11,581	11,915	10,910	46,428	11,679	-2.9%	46,842	24.9%
Operating income	339	263	250	76	928	276	-18.6%	925	29.8%



- Sales volume decreased by 2.1%. Revenue declined by 2.9% due to lower sales price.
- Focused on passing on sales price increases to cover rising costs, such as freight rates and labor costs.
- Focused on acquiring new clients and increasing market share with existing clients to increase sales volume.

Maruichi Stainless Tube Ltd.

(millions of yen)

Trends in business performance	FY ended Mar. 2024: Results					FY ended Mar. 2025			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	7,857	6,804	6,551	6,540	27,752	6,296	-19.9%	28,541	22.1%
Operating income	1,195	852	899	874	3,820	407	-65.9%	3,270	12.4%

- Although the AI boom is helping the recovery of semiconductor industry, the demand for equipment and piping remains slow due to slow progress in investment projects. Inventory adjustments in the US and South Korea are delayed.
- Demand for stainless steel pipes remains slow due to the lack of large-scale domestic petrochemical investments. Demand for waste incineration facilities remains strong, but competition is intensifying. Shipbuilding projects remain strong due to demand for alternative fuel ships.
- MST-X started a test production.

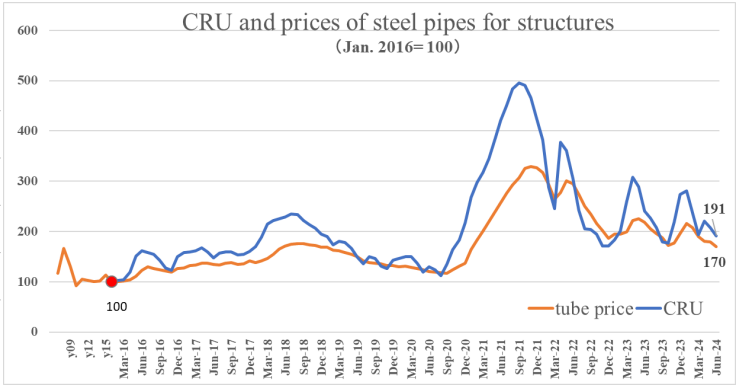


Maruichi Stainless Tube Texas Corporation (MST-X)
1Q 2025 operational (plan)

LEAVITT・MNT（North America）

（US $ thousand）

Trends in business performance	FY ended Dec. 2023: Results					FY ended Dec. 2024			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	57,130	56,682	49,068	42,739	205,619	46,765	-18.1%	200,047	23.4%
Operating income	6,211	10,974	-794	-4,747	11,644	3,370	-45.7%	9,921	34.0%

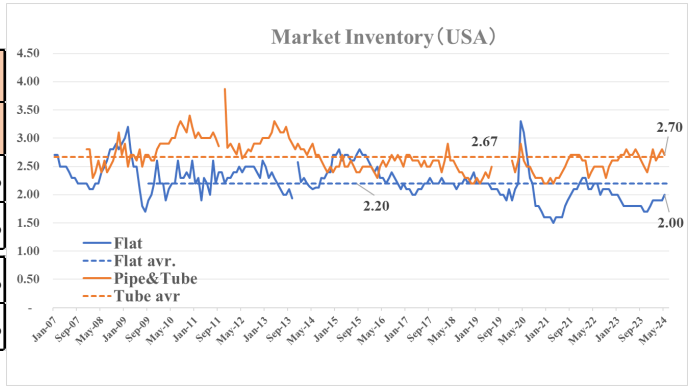


- Profits have rapidly deteriorated due to the weak demand and the fall in CRU and sales price.
- Nucor Tubular has disrupted the market by taking aggressive measures to maintain market share even at the compromising profitability to compete with new entrants into the steel pipe manufacturing industry.
- Demand for construction structural tube remains slow, but sales of steel tubes for piping are stable due to less competition.

MAC・MOST（North America）

（US $ thousand）

	Trends in business performance	FY ended Dec. 2023: Results					FY ended Dec. 2024			
		1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
MAC	Net sales	16,097	17,737	11,604	11,548	56,986	14,716	-8.6%	57,030	25.8%
	Operating income	951	3,522	-348	-486	3,639	1,058	11.3%	5,329	19.9%
MOST	Net sales	16,097	17,737	11,604	11,548	56,986	14,716	-8.6%	57,030	25.8%
	Operating income	951	3,522	-348	-486	3,639	1,058	11.3%	5,329	19.9%

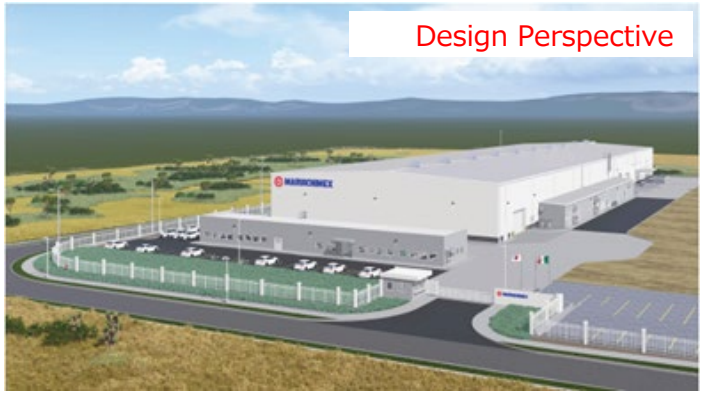


- MAC and MOST maintained relatively healthy working differential since the start of the year
- MAC and MOST worked together to control the appropriate amount of inventory.
- MAC sales are stable. It doesn't seem that presidential election has an impact on major construction projects.

MMX（Mexico）

（US $ thousand）

Trends in business performance	FY ended Dec. 2023: Results					FY ended Dec. 2024			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	8,213	8,376	9,344	9,099	35,032	11,137	35.6%	39,740	28.0%
Operating income	1,740	1,882	2,419	2,204	8,245	3,432	97.3%	10,094	34.0%



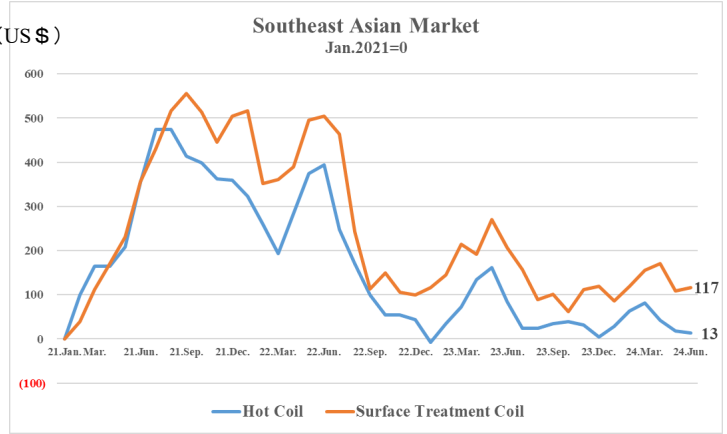
No. 2 location in Mexico Monterrey, Nuevo Leon State
April 2025 operational (plan)

- GDP for 1Q increased by 0.2%. While the primary industry is sluggish, the service sector is strong. The economy has expanded for 10 consecutive quarters, but growth is slower than recent trends
- Automobile production volume in 1Q was 927,000 units, a slight increase of 2%. Some OEM factories (in the northern area) have stopped operating due to labor shortages.
- Automobile production has slowed down from its previous strong momentum, but demand remains high and OEM inventory levels are stable, so market conditions are not expected to fluctuate significantly.

SUNSCO（Vietnam）

（US＄thousand）

Trends in business performance	FY ended Dec. 2023: Results					FY ended Dec. 2024			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	60,306	62,579	66,447	69,705	259,037	66,978	11.1%	256,273	26.1%
Operating income	4,212	340	5,801	5,595	15,948	4,398	4.4%	20,949	21.0%



- The market price of HRC started to recover from October 2023, but peaked in January 2024 and then decline by about $70 by March due to a sharp increase of imports from China while domestic demand remains sluggish.
- Ho Chi Minh sales volume was 56,000 MT, increased by 17.9% thanks to active export business. Hanoi sales volume decreased by 4.1% due to slow motorcycle sales.
- New trade risks are a concern for the main export destinations, the US and Mexico, SUNSCO is working to expand its business within Vietnam as well as to Europe and Australia.

KUMA（India）

（US $ thousand）

Trends in business performance	FY ended Mar. 2024: Results					FY ended Mar. 2025			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	20,787	22,550	21,108	24,624	89,069	21,867	5.2%	91,963	23.8%
Operating income	1,904	2,045	1,826	2,220	7,995	1,941	1.9%	8,806	22.0%



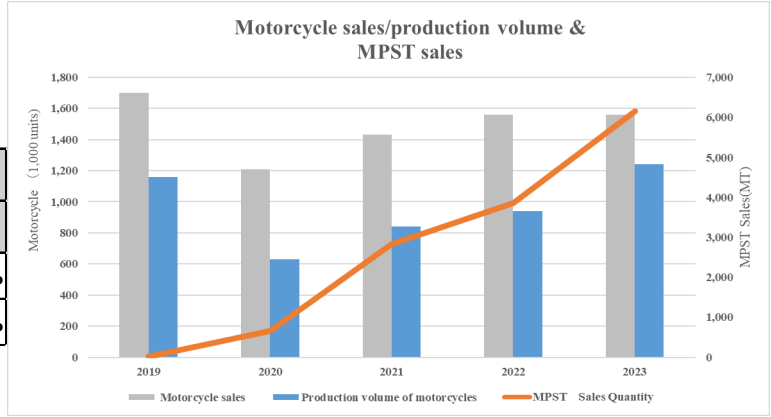
2” mill to be installed at Gujarat plant
April 2025 operational (plan)

- Sales volume increased by 12%.
- Although market was negatively affected by the delayed monsoon and extreme heat, automobile sales remained strong due to increased sales of SUVs. Motorcycle sales continued to recover.
- EV sales went down due to the impact of reduced subsidies from April 2024. Meanwhile, there are moves by the government to reduce the goods and services tax on HV instead of EV subsidies.
- Although there are concerns about heavy monsoon rains, the overall market is expected to grow steadily.

MPST（Philippines）

（US $ thousand）

Trends in business performance	FY ended Dec. 2023: Results					FY ended Dec. 2024			
	1Q	2Q	3Q	4Q	Full year	1Q Results	year-on-year	Full year Plan	Progress rate
Net sales	2,466	2,094	2,901	4,284	11,744	4,091	65.9%	17,190	23.8%
Operating income	533	361	642	1,281	2,817	1,299	143.6%	4,930	26.3%



- Motorcycle sales volume (four Japanese manufacturers) expected to reach 1.59 million units in 2024 (2% increase from 2023) and GDP growth rate is expected to be +6.0%
- Motorcycle sales volume in 1Q decreased by 9.7% due to the high interest rates.
- While MPST sales volume increased by 75% due to localization of models that began at the end of last year.
- Sales volume in 2024 is also expected to increase due to increase in motorcycle production volume and localization in the Philippines

III. Recognition of Current Business Environment

Recognition of Current Business Environment

DOMESTIC

COIL

●The volume of imported materials(HRC, CRC, GC) continues to increase (especially GC have increased significantly).

●It is difficult to maintain sales volume and prices at the same level as in previous year due to cheaper exports from China.

●We will focus on selling AL-Z55(Hot-dip 55% aluminum-zinc alloy-coted steel strip), a highly corrosion-resistant Galvalume coated coil.

PIPE&TUBE

●Construction・・・Demand for mid to small size construction projects is weak, and wholesale sales are sluggish. Medium-diameter piles are in stock at customer warehouses due to postpone of construction projects, etc. Sales volume for large size construction is expected to increase.

●Automotive・・・Sales volume decreased due to quality assurance scandal.

●Agriculture・・・Demand for greenhouse continues to be slow. Production volume both domestically and overseas dropped significantly due to small demand

●Ship building・・・Production remains strong. Shipping rates are on the rise, and new orders has increased.

●Construction equipment・・・Demand has been stable, but production volume is expected to decrease after summer in 2024.

Recognition of Current Business Environment

Off Shore

N.A

●CRU declines from the beginning of the year until March, then reversed once, but has been falling again.

●The market is waiting to see the timing of the Fed's interest rate policy change and the outcome of the presidential election, and this is having an impact on the steel industry as a whole. Not only hot coils but also other steel products such as thick plates will face a price adjustment phase.

China

●Chinese market has slowed down due to weak domestic demand. This weak demand will continue due to consumers' tendency to save money and the tough employment and income environment.

●Government introduced subsidy system for switching to new energy automobile, but there is not much effect.

●Chinese blast furnace manufacturers continue to focus on export. The export price dropped to nearly $500.

Vietnam

●GDP growth in 2024 will be 6~6.5%(the government projection). In 1Q, growth slowed to 5.87% compared to 6.72% in the previous fiscal year, but in2Q, growth accelerated to 6.93%, driven by the manufacturing industry. The sluggish real estate growth rate has exceeded 3% for the first time since 2023.

●Motorcycle sales volume in 1Q was 604,000 units, decreased by 4.9% compared to previous year (by 11.5% compared to last quarter).

IV. Earnings Outlook for the Year Ending March 31, 2025

➢ The result of 1Q was almost same level as forecast. The forecast has been kept unchanged due to a widespread sense of uncertainty of the market in and out of Japan.

(millions of yen)

Consolidated	FY ended Mar. 2024: Results					FY ended Mar. 2025					Progress rate (%)	Progress rate (%)
	1Q	2Q	1H	2H	Full year	1Q	2Q plan	1H plan	2H plan	Full year plan	1H plan	Full year planr
Net sales	67,080	68,093	135,173	136,137	271,310	67,512	70,988	138,500	141,500	280,000	48.7%	24.1%
Operating income	9,331	9,937	19,268	15,543	34,811	8,286	7,714	16,000	18,200	34,200	51.8%	24.2%
Ordinary income	10,292	10,757	21,049	17,306	38,355	9,631	7,869	17,500	18,700	36,200	55.0%	26.6%
Net income attributable to owners of parent	6,770	7,328	14,098	12,015	26,113	6,513	2,687	9,200	12,400	21,600	70.8%	30.2%

Posted an extraordinary loss due to investing in human capital in Sep.

➢ The dividend forecast has been kept ¥131 which was disclosed on May 10, 2024.

Disclaimer

Plans and forward-looking statements herein are based on the Company's judgment drawn from currently available information. Please note that actual results may differ significantly from such plans and forward-looking statements due to various important factors.