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November 2, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: YAMATO KOGYO CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 5444
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 3, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	84,046	10.3	224	(88.7)	46,071	65.0	27,556	44.0
September 30, 2025	76,180	(2.8)	1,994	(53.6)	27,928	(32.2)	19,133	(32.3)

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 37,374 million [-%]
For the six months ended September 30, 2025: ¥ (11,162) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	461.17	-
September 30, 2025	310.82	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	667,777	606,584	84.8
March 31, 2026	633,540	581,417	85.5

Reference: Equity
As of September 30, 2026: ¥ 566,608 million
As of March 31, 2026: ¥ 541,745 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	200.00	-	200.00	400.00
Fiscal year ending March 31, 2027	-	210.00			
Fiscal year ending March 31, 2027 (Forecast)			-	210.00	420.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	180,000	12.2	2,200	(51.1)	95,500	46.4	62,000	(0.6)	1,037.59

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 semi-annual 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 September 30, 2026	62,000,000 shares
As of March 31, 2026	62,000,000 shares

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

As of September 30, 2026	2,246,091 shares
As of March 31, 2026	2,247,590 shares

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

Six months ended September 30, 2026	59,753,178 shares
Six months ended September 30, 2025	61,557,767 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 Semi-annual Results, (3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements on page 5 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 Semi-annual Results

(1) Overview of Operating Results

During the six months ended September 30, 2026, the Group continued to face a generally challenging competitive environment across the ASEAN region. Signs of recovery were seen in the market for structural steel in Thailand, where tariffs on steel products from China were raised in November of last year, but exports of low-priced steel products from China continued. In Japan, demand also remained sluggish. Overall, steel demand and market conditions did not show substantial improvement in Japan or the ASEAN region, where the Group has consolidated subsidiaries. Meanwhile, steel market prices in the U.S. business continued to rise against a backdrop of solid demand. The U.S. business continued to maintain a high level of profitability and drive the Group's consolidated performance.

The conditions at each business location are outlined below.

In Japan, the business environment remained challenging, as the recovery in construction demand continued to take time and improvement in the market for structural steel remained limited. At Yamato Steel Co., Ltd., despite efforts to pass on further increases in energy costs and other expenses through higher selling prices, Yamato Steel was unable to fully offset the rising costs. In addition, Yamato Steel suspended operations for two months in May and June to carry out preliminary work for the rolling mill renewal, resulting in a significant year-on-year decline in both sales and profit.

As a result, net sales in the Steel (Japan) segment decreased by ¥5,688 million year on year to ¥20,680 million, and segment profit (operating profit) decreased by ¥4,456 million year on year to a segment loss of ¥3,018 million.

The Group's consolidated results for the current semi-annual period reflect the results for January through June 2026 of its consolidated subsidiaries in Thailand and Indonesia and its equity-method affiliates in the United States, Vietnam, and South Korea.

At Siam Yamato Steel Co., Ltd. (SYS), a consolidated subsidiary in Thailand, demand for structural steel remained solid, supported by private-sector projects such as data centers and electronics factories, as well as public infrastructure projects. Since anti-dumping duties on Chinese H-beams took effect in November of last year, imports of the products subject to these duties declined. Against this backdrop, the business environment in Thailand showed signs of improvement, with sales volume increasing year on year. Although intense competition with Chinese steel products continued in export markets, mainly in the ASEAN region, SYS recorded year-on-year increases in both sales and profit.

As a result, net sales in the Steel (Thailand) segment increased by ¥8,521 million year on year to ¥40,526 million, and segment profit (operating profit) increased by ¥2,540 million year on year to ¥4,088 million.

At PT Garuda Yamato Steel (GYS), a consolidated subsidiary in Indonesia, sales volume increased year on year despite continued constraints on infrastructure investment budgets. This increase was driven by the resumption of previously stalled government and private-sector projects, as well as a surge in demand ahead of anticipated increases in material prices due to the situation in the Middle East. Although GYS recorded increases in both sales and profit compared with the same period of the previous year, when demand had declined significantly, the market environment remained challenging. Selling prices continued to decline due to the influx of low-priced Chinese steel products and intensifying competition with local manufacturers, and market conditions had yet to improve.

As a result, net sales in the Steel (Indonesia) segment increased by ¥5,097 million year on year to ¥16,137 million, and segment profit (operating profit) increased by ¥761 million year on year to ¥729 million. Segment profit includes ¥91 million in amortization of intangible assets and ¥518 million in amortization of goodwill, both associated with the business combination.

At Nucor-Yamato Steel Company (NYS), an equity-method affiliate in the United States, demand for structural steel for large-scale construction projects, particularly data centers, remained solid, and NYS maintained a high level of order backlog. Although high tariffs on imported steel products remained in place, a certain volume of imports continued to enter the U.S. market against a backdrop of rising structural steel prices. NYS maintained high profitability by focusing on sales of high-value-added products. NYS recorded a significant year-on-year increase in profit, mainly due to an improvement in metal margins resulting from higher selling prices.

At POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (PY VINA), an equity-method affiliate in Vietnam, demand for structural steel in Vietnam was on a gradual recovery trend amid solid growth in the Vietnamese economy. However, competition with low-priced imported steel products, including those from China, and sluggish demand in South Korea, a major export destination, limited improvement in PY VINA's earnings. As a result, PY VINA recorded only a small operating profit, roughly in line with the same period of the previous year.

At YK Steel Corporation (YKS), an equity-method affiliate in South Korea, demand for rebars remained sluggish amid the downturn in the construction and real estate industries. YKS implemented measures to improve earnings, including strengthening sales to government agencies, and returned to profitability, but the business environment remained challenging.

As a result of the above, net sales for the current semi-annual consolidated accounting period increased by ¥7,866 million year on year to ¥84,046 million. Regarding profit, operating profit decreased by ¥1,769 million year on year to ¥224 million, ordinary profit increased by ¥18,143 million year on year to ¥46,071 million, and semi-annual profit attributable to owners of parent increased by ¥8,423 million year on year to ¥27,556 million.

With regard to the receivable deriving from the share sale of our Middle East business, we recorded an extraordinary loss provision of US$20M (3,146 million yen) for the early payment discount in the first half of our fiscal year ending in March 2027, subsequent to the confirmation of Foulath’s intention to exercise the early payment option. Subsequently, the early payment was made on October 5, 2026, and we received US$90M after the deduction of the early payment discount.

For details, please refer to Section (4) Notes to Semi-annual Consolidated Financial Statements, “Additional Information”, under Semi-annual Consolidated Financial Statements and Primary Notes.

For the first six months of the current fiscal year, the average exchange rates used in preparing the consolidated financial statements based on the financial statements of overseas subsidiaries and affiliates were as follows:

(The semi-annual accounting periods of the overseas companies were from January to June 2026.)

158.61 yen/U.S. dollar, 4.92 yen/baht, and 0.0092 yen/Indonesian rupiah

For the first six months of the previous fiscal year, the average exchange rates were as follows:

(The semi-annual accounting periods of the overseas companies were from January to June 2025.)

147.48 yen/U.S. dollar, 4.42 yen/baht, and 0.0090 yen/Indonesian rupiah

(2) Overview of Financial Position

(i) Changes in financial position

At the end of the second quarter of the current fiscal year, total assets were ¥667,777 million, an increase of ¥34,237 million from the end of the previous fiscal year.

Total liabilities were ¥61,193 million, an increase of ¥9,071 million from the end of the previous fiscal year.

Net assets were ¥606,584 million, an increase of ¥25,166 million from the end of the previous fiscal year. The main factors behind this were increases due to profit attributable to owners of parent and in foreign currency translation adjustment resulting from the weakness of the yen, and a decrease caused by dividends paid.

At the end of the second quarter of the current fiscal year, the exchange rates used in preparing the consolidated financial statements based on the financial statements of overseas subsidiaries and affiliates and in translating the assets and liabilities of companies in Japan were as follows:

(The semi-annual accounting periods of the overseas companies ended in June 2026.)
162.45 yen/U.S. dollar, 4.87 yen/baht, and 0.0091 yen/Indonesian rupiah
(The semi-annual accounting periods of the domestic companies ended in September 2026.)
157.33 yen/U.S. dollar

The exchange rates at the end of the previous fiscal year were as follows:
(The fiscal years of the overseas companies ended in December 2025.)
156.54 yen/U.S. dollar, 4.95 yen/baht, and 0.0093 yen/Indonesian rupiah
(The fiscal years of the domestic companies ended in March 2026.)
159.93 yen/U.S. dollar

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities was ¥44,983 million, mainly due to semi-annual profit before income taxes and cash distributions from equity-method affiliates in the United States.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥24,602 million, mainly due to proceeds from withdrawals of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥13,079 million, mainly due to dividend payments.

After taking into account the ¥2,870 million effect of exchange rate changes on cash and cash equivalents, the Group reported cash and cash equivalents of ¥134,834 million at the end of the current semi-annual consolidated accounting period, an increase of ¥59,376 million from the end of the previous fiscal year.

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

Regarding the future outlook, the global economic outlook remains uncertain amid ongoing geopolitical risks, including the prolonged instability in the Middle East. In addition, exports of low-priced Chinese steel products are expected to remain at high levels against a backdrop of sluggish steel demand in China. Under these circumstances, the business environment surrounding the Group remains generally challenging at its business locations outside the United States. Meanwhile, in the U.S. business, the supply-demand balance has been maintained against a backdrop of resilient demand, and the Group expects the U.S. business to continue generating a high level of profit. At each business location, the Group will strengthen its sales strategies, including measures to address the influx of Chinese steel products, and continue its efforts to secure sales volume, maintain and improve metal margins, and reduce costs.

Regarding the full-year earnings forecasts, while we have factored in the currently weak earnings performance of the steel business of our Japanese consolidated subsidiary and the expectation that improvement in profitability will take longer than anticipated, we have also reflected the continued weakness of the yen and the performance of our equity-method affiliate in the U.S., which has continued to exceed our expectations to an even greater extent. Accordingly, we have revised our full-year earnings forecasts as follows: net sales of ¥180,000 million (up ¥2,000 million from the previous forecast), operating profit of ¥2,200 million (down ¥1,000 million), ordinary profit of ¥95,500 million (up ¥8,500 million), and profit attributable to owners of parent of ¥62,000 million (up ¥4,500 million).

For details, please refer to the “Notice Concerning Differences Between Consolidated Earnings Forecasts and Actual Results for the Six Months Ended September 30, 2026, and Revisions to the Full Year Earnings Forecasts” announced today.

The current assumptions regarding business conditions in each country and region are as follows:

Japan (Yamato Steel)

Although demand in Japan is expected to recover gradually, particularly for large-scale construction projects, demand for small and medium-sized projects remains sluggish. In addition, uncertainty over the outlook persists due to the situation in the Middle East. As a result, the recovery in demand is expected to take longer than previously anticipated. The challenging business environment is also expected to persist, with steel scrap prices remaining high against a backdrop of the weak yen and energy costs continuing to rise due to the situation in the Middle East. Amid continued sluggish demand, further time is expected to be required to improve metal margins by passing on higher costs through selling prices. Consequently, Yamato Steel's performance is expected to fall below the previous forecast, with its operating loss expected to increase (a decline in profit from the previous fiscal year).

Thailand (SYS)

Demand for structural steel in Thailand is recovering, supported by public works projects such as infrastructure development, as well as private-sector capital investment, particularly in data centers and electronics-related facilities. Since anti-dumping duties on Chinese H-beams took effect in November of last year, SYS has regained some market share in Thailand, and the business environment in Thailand has been improving. However, imports of Chinese steel products not subject to the duties have continued, and the situation continues to warrant caution. Meanwhile, in export markets, SYS expects sales volume to exceed the previous forecast through measures such as expanding exports to markets outside the ASEAN region. SYS expects profit to exceed the previous forecast (an increase in profit from the previous fiscal year).

Indonesia (GYS)

Although progress on power transmission tower projects has been delayed, sales volume has remained largely in line with the plan, supported by public works projects such as school construction and private-sector capital investment, particularly in oil and gas and data center-related facilities. Meanwhile, uncertainty surrounding government policies and the depreciation of the Indonesian rupiah have led to increasingly

cautious market sentiment, slowing the recovery in demand. With steel scrap prices expected to remain high in the second half of the fiscal year and beyond, metal margins are expected to fall below the previous forecast due to the influx of low-priced Chinese steel products and intensifying price competition with local manufacturers. GYS expects profit to fall below the previous forecast (a decline in profit from the previous fiscal year), but expects to secure a certain level of segment profit after amortization of goodwill.

U.S. (NYS)

Although uncertainty remains regarding policy developments following the upcoming midterm elections, the U.S. economy is expected to remain resilient, supported by strong demand in the United States, particularly from robust AI-related investment. Demand for structural steel, particularly for data centers, remains solid, and NYS maintains an order backlog at a record-high level. In addition, with high import tariffs on steel products remaining in place, supply and demand conditions in the steel market remain tight against a backdrop of solid demand. Metal margins have exceeded previous expectations, driven by higher selling prices and increased sales of high-value-added products, among other factors. NYS expects profit to exceed the previous forecast (an increase in profit from the previous fiscal year).

Vietnam (PY VINA)

The Vietnamese economy continues to perform well, and demand for structural steel is expected to recover gradually, particularly in connection with public investment projects. Meanwhile, although there are signs that the market for structural steel has bottomed out, intense competition with low-priced imported steel products, including those from China, continues, and improvement in selling prices is expected to take time. In South Korea, a major export destination, demand for structural steel remains sluggish, but PY VINA is working to expand exports to other regions. PY VINA expects profit to slightly exceed the previous forecast (an increase in profit from the previous fiscal year).

South Korea (YKS)

Although the South Korean economy is showing signs of recovery, particularly in the semiconductor industry, a full-fledged recovery in demand for rebars is expected to take more time due to the sluggish construction and real estate markets. The market for rebars also remains weak, and YKS expects profit to remain in line with the previous forecast (an increase in profit from the previous fiscal year).

The exchange rates (for the period from January to December 2026) assumed for translating the revenues and expenses of overseas subsidiaries and affiliates are as follows:

Average exchange rates during the period: 157.14 yen/U.S. dollar, 4.78 yen/baht, and 0.0090 yen/Indonesian rupiah

The exchange rates assumed for translating the assets and liabilities of each company at the end of the fiscal year are as follows:
(For overseas companies, as of the end of December 2026)
Period-end exchange rates: 152.00 yen/U.S. dollar, 4.52 yen/baht, and 0.0085 yen/Indonesian rupiah
(For domestic companies, as of the end of March 2027)
Period-end exchange rate: 152.00 yen/U.S. dollar

(Reference)
Assumptions for the previous forecast
Average exchange rates during the period: 155.30 yen/U.S. dollar, 4.74 yen/baht, and 0.0089 yen/Indonesian rupiah
(For overseas companies, as of the end of December 2026)
Period-end exchange rates: 152.00 yen/U.S. dollar, 4.57 yen/baht, and 0.0085 yen/Indonesian rupiah
(For domestic companies, as of the end of March 2027)
Period-end exchange rate: 152.00 yen/U.S. dollar

Actual results for the previous fiscal year
Average exchange rates during the period: 149.78 yen/U.S. dollar, 4.57 yen/baht, and 0.0091 yen/Indonesian rupiah
(For overseas companies, as of the end of December 2025)
Period-end exchange rates: 156.54 yen/U.S. dollar, 4.95 yen/baht, and 0.0093 yen/Indonesian rupiah
(For domestic companies, as of the end of March 2026)
Period-end exchange rate: 159.93 yen/U.S. dollar

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	219,383	249,614
Notes and accounts receivable - trade	23,176	20,150
Merchandise and finished goods	24,189	26,743
Work in process	1,060	1,221
Raw materials and supplies	28,275	30,053
Other	14,083	19,298
Allowance for doubtful accounts	(24)	(25)
Total current assets	310,145	347,056
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,970	23,152
Machinery, equipment and vehicles, net	53,858	52,255
Land	29,489	28,868
Construction in progress	7,796	8,621
Other, net	3,827	3,748
Total property, plant and equipment	115,942	116,647
Intangible assets		
Goodwill	12,192	11,374
Other	3,669	3,501
Total intangible assets	15,862	14,876
Investments and other assets		
Investment securities	46,877	49,274
Investments in capital	122,413	123,467
Retirement benefit asset	2,119	2,115
Long-term accounts receivable - other	12,966	7,309
Other	7,298	7,108
Allowance for doubtful accounts	(84)	(77)
Total investments and other assets	191,590	189,197
Total non-current assets	323,395	320,721
Total assets	633,540	667,777

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,099	10,455
Current portion of long-term borrowings	744	182
Accounts payable - other	4,641	5,068
Accrued expenses	3,522	3,412
Income taxes payable	730	1,190
Advances received	1,473	3,217
Provision for bonuses	919	1,234
Other	1,295	4,361
Total current liabilities	22,426	29,122
Non-current liabilities		
Deferred tax liabilities	20,919	23,328
Retirement benefit liability	3,173	3,012
Other	5,602	5,729
Total non-current liabilities	29,696	32,070
Total liabilities	52,122	61,193
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	101	103
Retained earnings	438,530	454,177
Treasury shares	(14,074)	(14,058)
Total shareholders' equity	432,554	448,219
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,279	9,712
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	100,057	107,854
Remeasurements of defined benefit plans	851	819
Total accumulated other comprehensive income	109,190	118,389
Non-controlling interests	39,672	39,975
Total net assets	581,417	606,584
Total liabilities and net assets	633,540	667,777

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	76,180	84,046
Cost of sales	65,645	74,632
Gross profit	10,534	9,413
Selling, general and administrative expenses		
Packing and transportation costs	2,622	2,623
Salaries and allowances	1,508	1,607
Provision for bonuses	311	383
Retirement benefit expenses	160	71
Other	3,937	4,502
Total selling, general and administrative expenses	8,540	9,188
Operating profit	1,994	224
Non-operating income		
Interest income	4,488	3,341
Dividend income	363	166
Equity in earnings of affiliates	21,093	41,745
Foreign exchange gains	-	134
Other	795	717
Total non-operating income	26,740	46,106
Non-operating expenses		
Interest expenses	111	66
Foreign exchange losses	618	-
Loss on valuation of derivatives	-	146
Other	76	46
Total non-operating expenses	806	259
Ordinary profit	27,928	46,071
Extraordinary income		
Gain on sale of non-current assets	9	8
Total extraordinary income	9	8
Extraordinary losses		
Loss on retirement of non-current assets	245	236
Provision for loss on litigation	53	388
Provision for loss on transfer of receivables	735	-
Provision for discount expense on long-term receivable	-	3,146
Other	13	17
Total extraordinary losses	1,048	3,788
Profit before income taxes	26,889	42,291
Income taxes - current	8,457	11,793
Income taxes - deferred	(1,103)	1,928
Total income taxes	7,353	13,722
Profit	19,536	28,568
Profit attributable to non-controlling interests	402	1,012
Profit attributable to owners of parent	19,133	27,556

Semi-annual Consolidated Statement of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	19,536	28,568
Other comprehensive income		
Valuation difference on available-for-sale securities	3,780	1,391
Foreign currency translation adjustment	(23,711)	2,500
Remeasurements of defined benefit plans, net of tax	292	(31)
Share of other comprehensive income of entities accounted for using equity method	(11,059)	4,945
Total other comprehensive income	(30,698)	8,805
Comprehensive income	(11,162)	37,374
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,965)	36,754
Comprehensive income attributable to non-controlling interests	(2,197)	619

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	26,889	42,291
Depreciation	5,063	5,457
Interest and dividend income	(4,851)	(3,508)
Interest expenses	111	66
Equity in (earnings) losses of affiliates	(21,093)	(41,745)
Decrease (increase) in trade receivables	374	2,922
Decrease (increase) in inventories	2,619	(5,141)
Increase (decrease) in trade payables	(1,677)	1,426
Other, net	2,705	3,891
Subtotal	10,141	5,660
Interest and dividends received	37,386	49,046
Interest paid	(65)	(21)
Income taxes paid	(9,893)	(9,701)
Net cash provided by (used in) operating activities	37,569	44,983
Cash flows from investing activities		
Payments into time deposits	(270,385)	(119,671)
Proceeds from withdrawal of time deposits	196,377	151,233
Purchase of property, plant and equipment	(5,396)	(6,903)
Purchase of shares of subsidiaries and associates	(224)	-
Other, net	(199)	(56)
Net cash provided by (used in) investing activities	(79,828)	24,602
Cash flows from financing activities		
Repayments of long-term borrowings	(570)	(552)
Purchase of treasury shares	(10,776)	(0)
Dividends paid	(12,416)	(11,959)
Dividends paid to non-controlling interests	(549)	(316)
Other, net	(213)	(249)
Net cash provided by (used in) financing activities	(24,526)	(13,079)
Effect of exchange rate change on cash and cash equivalents	(6,439)	2,870
Net increase (decrease) in cash and cash equivalents	(73,225)	59,376
Cash and cash equivalents at beginning of period	124,021	75,458
Cash and cash equivalents at end of period	50,796	134,834

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

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

Not applicable.

(Application of Special Accounting Treatment for the Preparation of Semi-annual 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, 2027, excluding certain subsidiaries, and multiplying profit before income taxes for the second quarter (interim) by the estimated effective tax rate.

(Additional Information)

(Early payment of the receivable)

We signed the share sale and purchase agreement on June 18, 2025 ("SPA"), with Foulath Holding B.S.C with regard to the share in SULB Company BSC (c) and United Steel Company ("Sulb") Bahrain Venture Co. W.L.L., the equity method affiliates in the Middle East business. According to the SPA, the US$140M receivable was originally scheduled to be paid out over several years, with the first receipt being US$30M in February 2026. The SPA also includes an option that enables Foulath to make a lump sum early payment.

On 28 May 2026, Foulath informed us that they intended to exercise the early payment option. Based on that, we recorded an extraordinary loss provision of US$20M (3,146 million yen) for the early payment discount in the first half of our fiscal year ending in March 2027. Subsequently, the early payment was made on October 5, 2026, and we received US$90M after the deduction of the early payment discount.

(Segment Information, etc.)

I. Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

1. Information about Net Sales and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Subtotal				
Net sales									
(1) Sales to customers	26,369	32,005	11,039	4,745	74,160	2,019	76,180	–	76,180
(2) Inter-segment sales and transfers	348	167	–	–	515	–	515	(515)	–
Total	26,718	32,173	11,039	4,745	74,676	2,019	76,695	(515)	76,180
Segment profit or (loss)	1,438	1,548	(31)	844	3,799	217	4,016	(2,022)	1,994

(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 or (loss) included corporate general expenses of ¥ (2,022) 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 or (loss) and operating profit in the semi-annual consolidated statements of income.

II. Six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

1. Information about Net Sales and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Steel (Indonesia)	Trackwork materials	Subtotal				
Net sales									
(1) Sales to customers	20,680	40,526	16,137	4,784	82,129	1,916	84,046	–	84,046
(2) Inter-segment sales and transfers	218	–	–	–	218	–	218	(218)	–
Total	20,899	40,526	16,137	4,784	82,348	1,916	84,265	(218)	84,046
Segment profit or (loss)	(3,018)	4,088	729	689	2,490	51	2,542	(2,317)	224

(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 or (loss) included corporate general expenses of ¥ (2,317) 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 or (loss) and operating profit in the semi-annual consolidated statements of income.

(Significant Subsequent Events)

Not applicable.