

Stock No. 6581



Taiwan Steel Union

2026Q1 Earning Conference

Deputy General Manager
Jackie Lin
April 29 2026



台灣鋼鐵股份有限公司

Disclaimer

- ◆ The consolidated financial statement is hereby based on IFRS and reviewed/audited by CPA.
- ◆ The presentation may include forward-looking statements with respect to the operations and business of the company other than the historical results. The actual results may differ from those indicated forward-looking statements due to unknown risks and uncertainties. Investors should make their own judgement and control the investment risk.

TSU - Profile

- **Main Business Authority : Established by Industrial Development Administration Ministry of Economic Affairs 1995**
- **Competent Authority : Ministry of Environment**
- **Capital : US\$36 millions 、 Staff : 109 people**
- **Stock No : 6581(IPO in 2018)**
- **License Capacity : EAFD + Zinc Contain Waste : 198,900t/y**
Fly ash : 50,000t/y
- **Technology : 1,300°C 、 5-6hr high temperature Waelz Kiln X 2**
- **100% Recycled Products (Zero Waste) :**
 - **Crude Zinc Oxide (Zn>56% 、 substitute natural Zinc ore)**
 - **Reusable Waelz Slag (Substitute natural concrete materials)**
- **Fleet Pick-Up Capacity : 12 trucks 、 19,885t/month**

TSU Business Overview

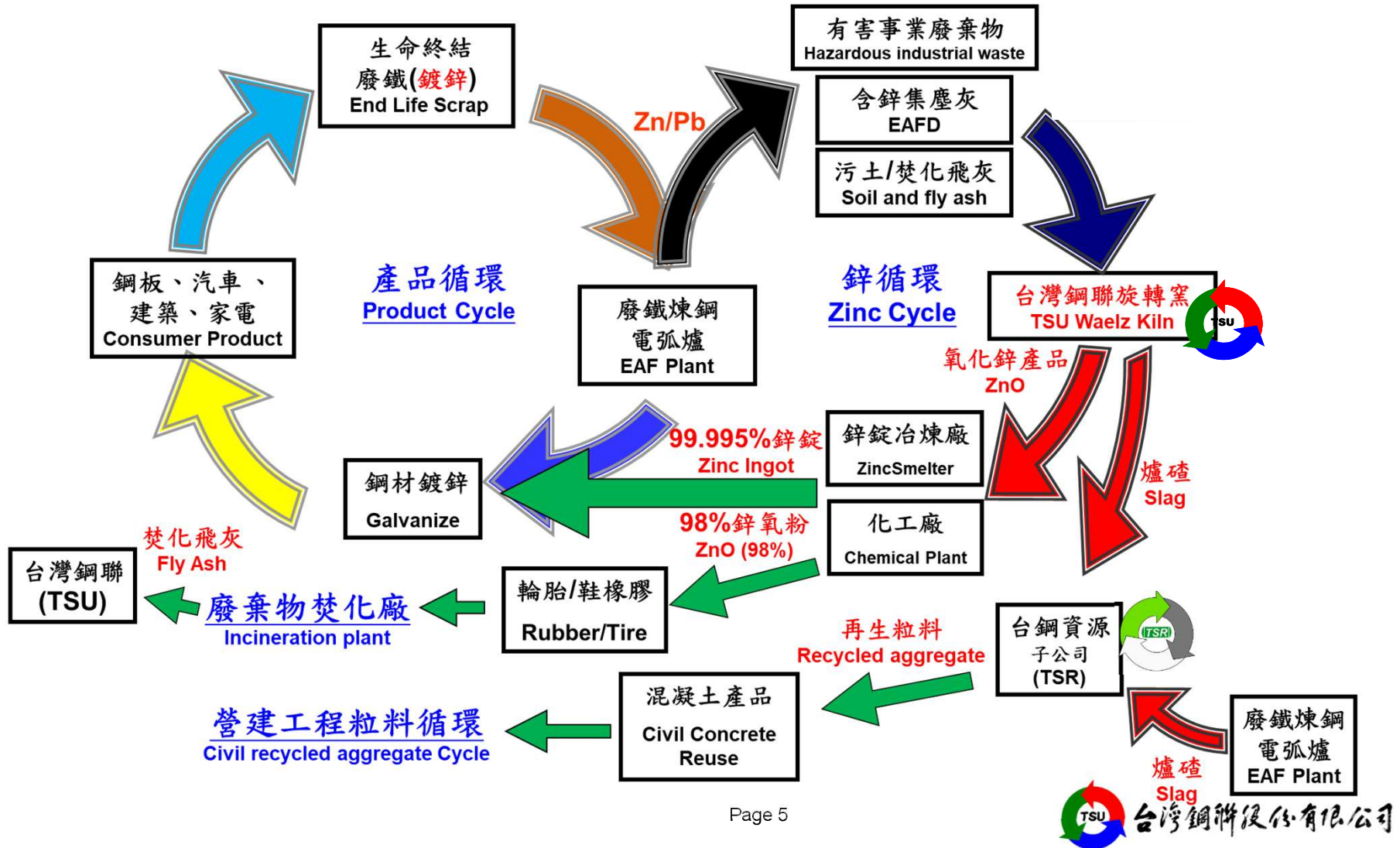
– Urban Mining and Resource Recycling

- **1** ton of Billet produces **2%** EAFD (Main Raw Materials) ◦
- To support the government’s **green energy initiatives**, we successfully expanded our waste processing capacity in 2025. We are now authorized to handle **10** different types of recyclables in **2** main business sectors:

Reusable Resources		ID	Max Capacity t/y	EIA Permits t/y	Acceptance Criteria
Main	EAFD (including stainless)	A-7101	198,900	198,900	Zn ≥ 2.5%
	Abandon EAFD site				
	Zinc Waste	R-1303	1,500		
	Zinc Manganese Battery	R-2404	4,000		
	Zinc-containing products	--	8,000		
	Zinc-containing waste	--	10,000		
	Electroplating Sludge	A-8801	20,000		
Secondary	Incinerates Fly Ash	C-0102、D-2499	50,000	69,615	Cl ≤ 3%
	Contaminated Soil	S-01、S-02	69,615		--
	High-calcium alternative materials (sludge, dust and slag)	--			

100% Circular Economy

– TSU Collaborates with Taiwan’s EAF Steel Industry to Create a 100% Circular Economy and Zero-Waste Model.



Waelz Kiln Technical principles and advantages

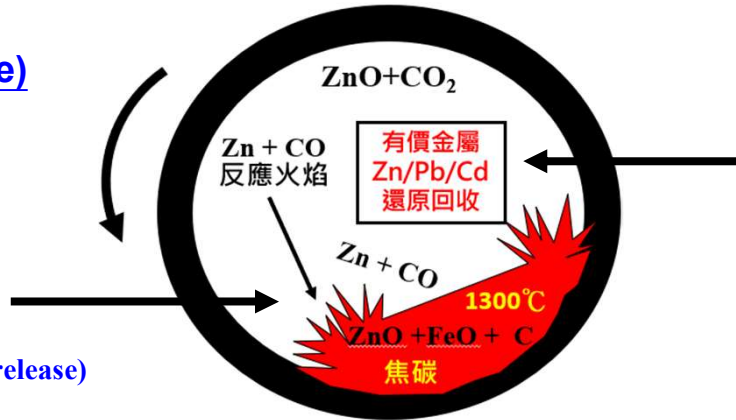
Carbothermic reaction

Reduction(fusion phase)

1. $ZnO + CO \leftrightarrow Zn + CO_2$
2. $CO_2 + C \leftrightarrow 2CO$

3. $ZnO + C \leftrightarrow Zn + CO$
4. $FeO + CO \leftrightarrow Fe + CO_2$
5. $CO_2 + C \leftrightarrow 2CO$

6. $FeO + C \leftrightarrow Fe + CO$
7. $Fe + O_2 \leftrightarrow FeO$ (heat release)



Oxidation(Gas phase)

1. $CO + 1/2 O_2 \rightarrow CO_2$
2. $Zn + 1/2 O_2 \rightarrow ZnO$ (heat release)

3H
+
2Z

Technical features :

- | | |
|------------------------|-------------------|
| 1. High Temperature | 高溫破壞有害物質戴奧辛 |
| 2. High Turbulence | 高度擾動均勻處理 |
| 3. High Residence time | 高停留時間(>5小時)可耐受重金屬 |

Technical advantage :

- | | |
|--------------------------|-----------|
| 1. Zero Carbon emissions | 再利用零碳排 |
| 2. Zero Landfill | 再利用零掩埋全循環 |

Sustainability Certifications and Governance Performance

Capacity for Climate Change Adaptation



CDP
2025 Climate Change Management B score
First in Taiwan's Waste Recycling Industry to Obtain Certification

Product Circularity and Sustainability



UL2809
recycled content validation
 Crude Zinc Oxide-TSU contains a minimum of 50% recycled content, consisting of 100% recycled zinc.
 (World's Only)

Low-Carbon Production and Manufacturing Processes



Ministry of Environment
Carbon Footprint Reduction Label

- Carbon Footprint of Heat Treatment Services-4.2%
 (The Only One in Taiwan to Obtain This Certification)
- Carbon Footprint of Zinc Oxide Product-13.2%



Ministry of the Interior
Green Building Material Label(TSR)
 CLSM-Controlled Low-Strength Material

(The only company in the domestic industry)

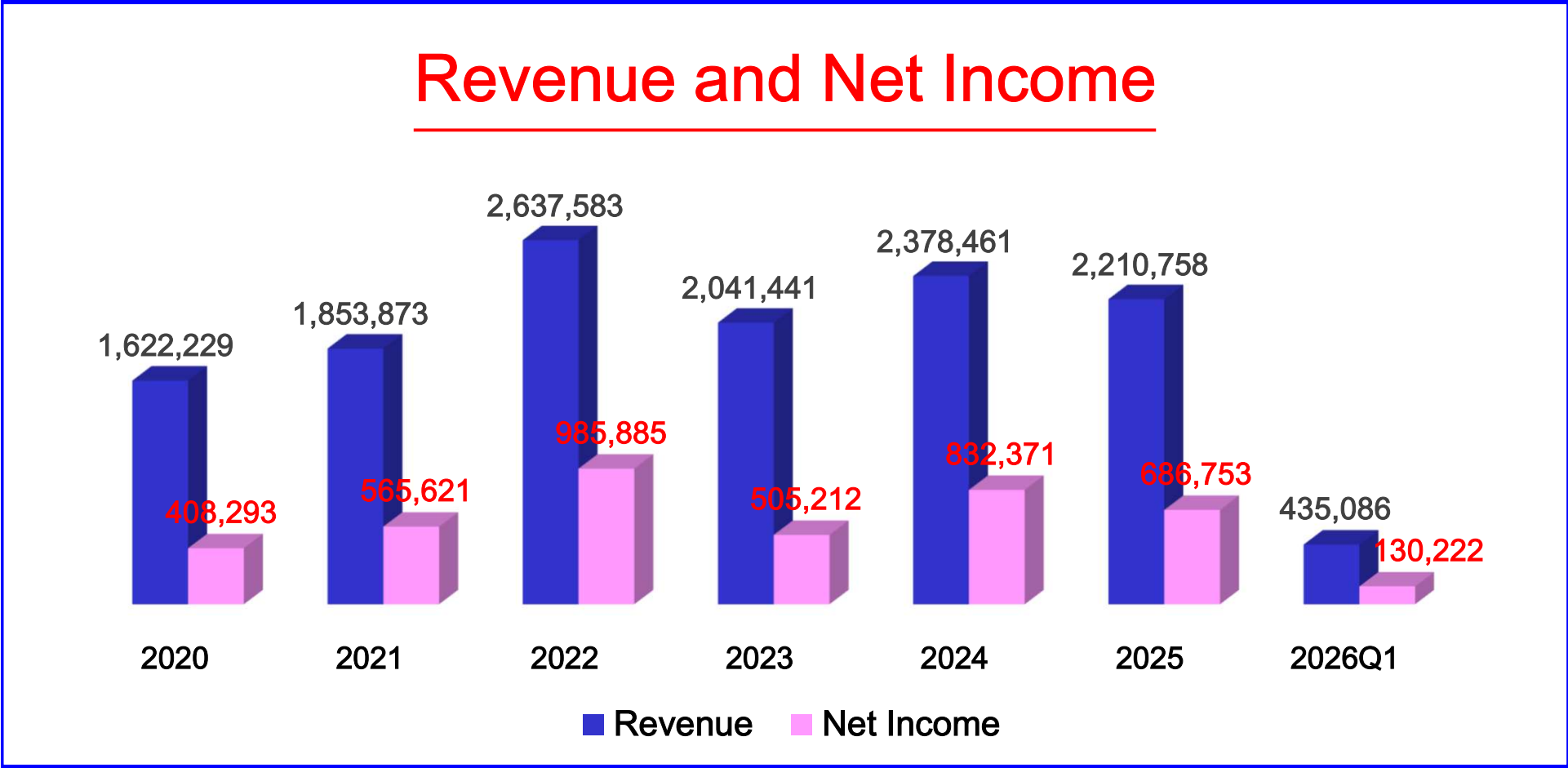


NEW
Resource Circulation Administration
Outstanding Enterprise in Resource Circulation
Gold Award – Highest Honor in 2025



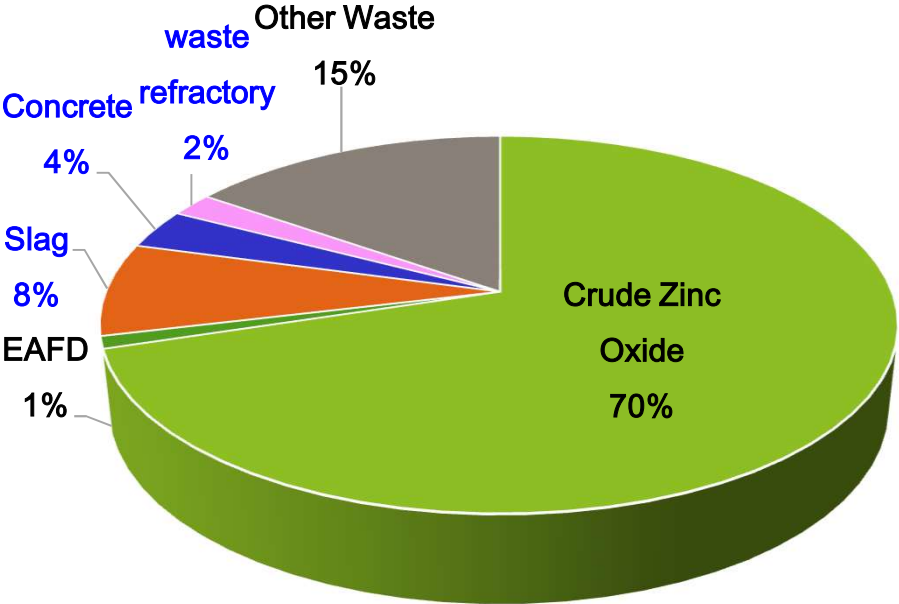
2026Q1 Performance

Revenue and Net Income

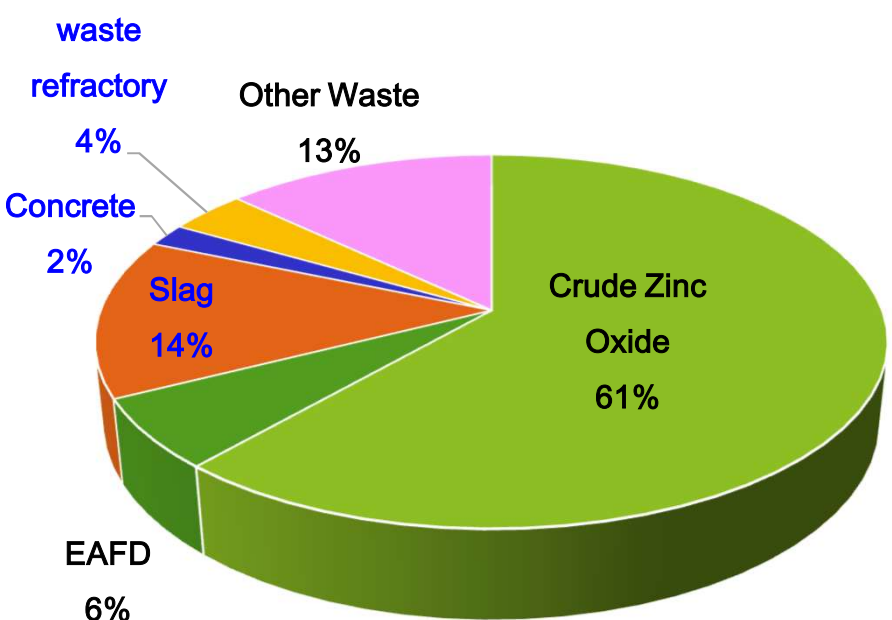


Sales Analysis

2026Q1 Sales Break Down



2025Q1 Sales Break Down

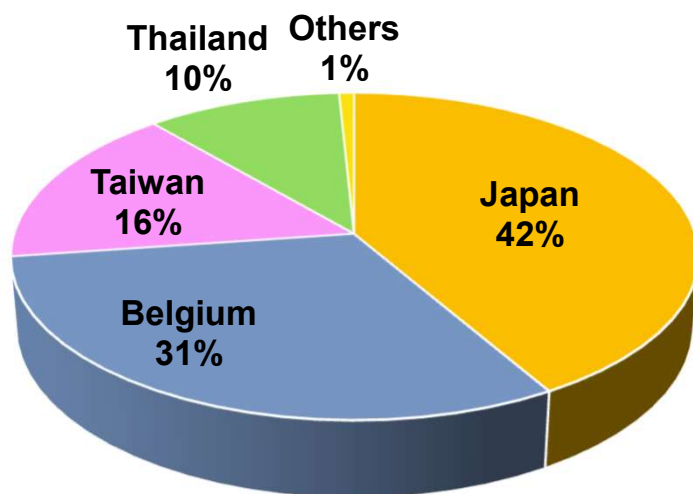


■ **TSR Business**

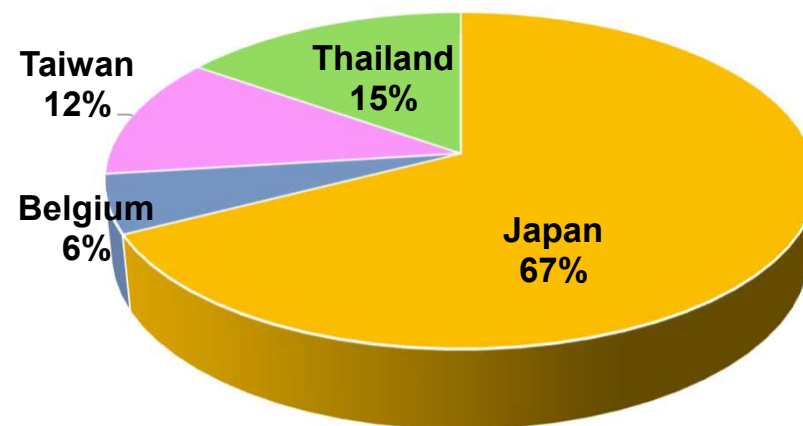
Crude Zinc Oxide (CZO)

項目	2026Q1	2025Q1	Diff %
Production	11,953 ton	12,829 ton	(7%)
Sales	7,688 ton	9,289 ton	(17%)

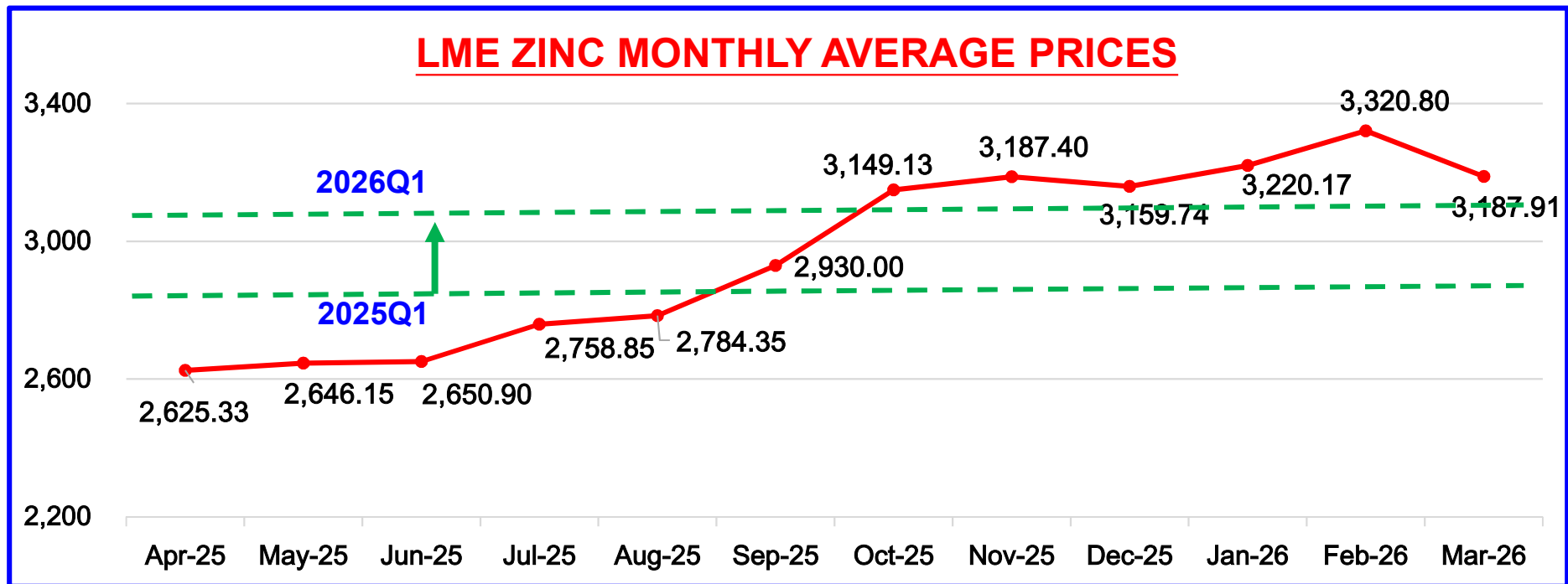
2026Q1 Crude Zinc Oxide Revenues
By Location



2025Q1 Crude Zinc Oxide Revenues
By Location



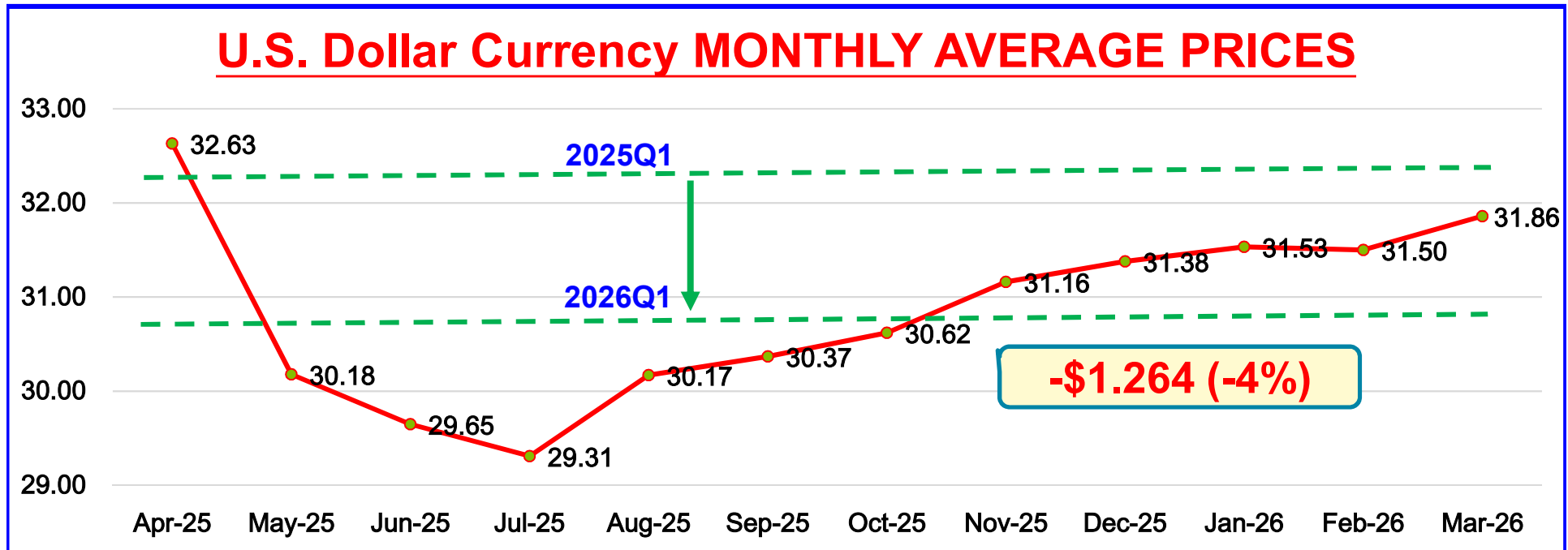
LME ZINC HISTORICAL PRICES



Zinc prices rose in 2026Q1 due to supply constraints and rising energy prices.

Note: As of April 28, 2026, the monthly average international zinc price in April was US\$ 3,363.17.

U.S. Dollar Exchange Rate



2026Q1 U.S. Dollar Currency Annual Average Prices NT\$31.631/US
2025Q1 U.S. Dollar Currency Annual Average Prices NT\$32.895/US
4% Appreciation

Revenue Contribution from TSU Waste

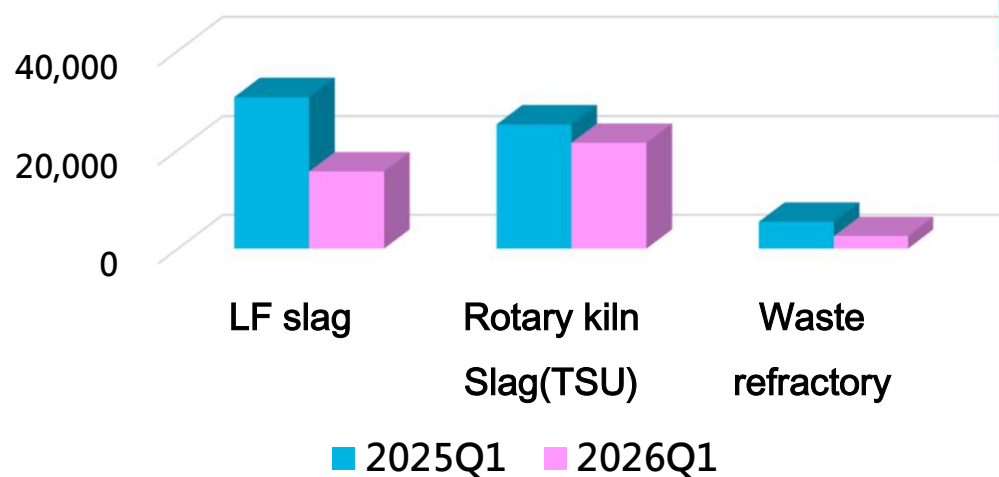
項目	2026Q1	2025Q1	Diff %
EAFD (including stainless)	24,995 ton	28,531 ton	(12%)
Product contain 2.5% Zn	6,891 ton	6,956 ton	(0.9%)
Wastes contain 2.5% Zn			
Electroplating Sludge			
Incinerates Fly Ash			
Contaminated Soil			
RDF			
Waste contain calorific value			

Slag - TSR

Unit : ton

Item	2026Q1	2025Q1	Diff %
LF Slag	15,659	30,660	(49%)
Rotary Kiln Slag (TSU)	21,455	25,167	(15%)
waste refractory	2,553	5,457	(53%)

Reused volume by TSR in 2025Q1 & 2026Q1



Unit : m³

Item	2026 Q1	2025 Q1	Diff %
Concrete	22,968	17,698	30%

Successful Case of Low-Carbon Technology Transfer in 2025

– Central Europe's largest zinc smelter

- Key Tech Transfer: Low-Carbon **Alkaline Operation** and **Secondary Slag Heating Technology**
- Execution Period: March 31, 2024 to October 27, 2025
- Outcomes & Benefits:
 - Reduced fuel coke consumption by **30%** and eliminated **100%** of natural gas usage, leading to a significant reduction in both **operational costs** and **carbon emissions**.
 - Increased product recovery rate by **3%** and improved zinc purity by **3% to 8%**, thereby increasing overall product **revenue and profitability**.
 - Continued technical collaboration to retrofit processes across six existing plants and facilitate the Key Tech Transfer.

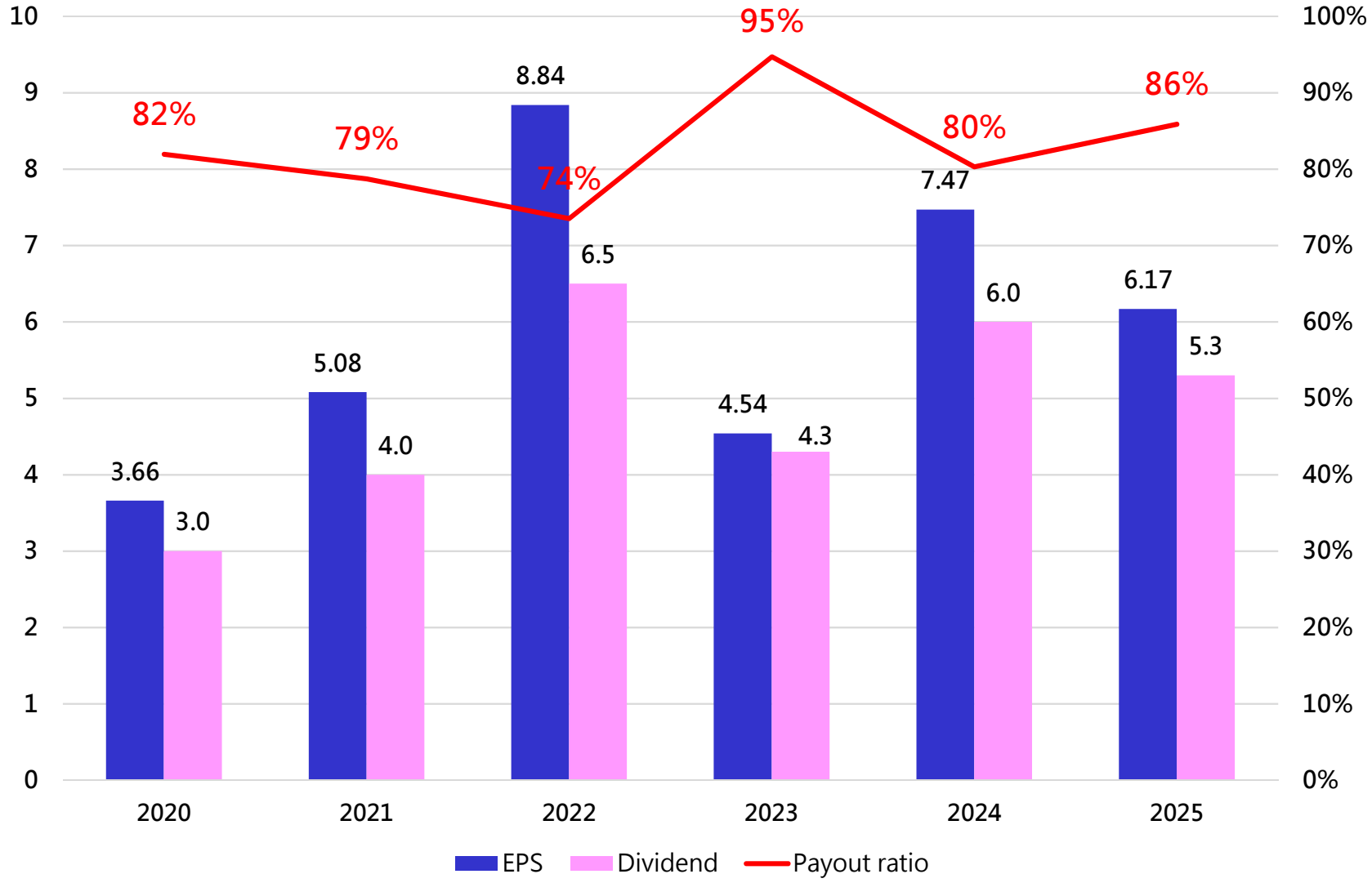
Categories	Before Tech Transfer	After Tech Transfer	Diff%
Coke usage (ton/year)	15,600	12,000	-30%
Gas usage (Nm ³ /year)	600,000	0	-100%
CO ₂ Emissions (ton-CO ₂ /year)	46,362	34,800	-25%



Consolidated Income Statements for 2026 Q1

(NT\$ million)	2026Q1	2025Q1	Diff	Diff %
Sales	435	493	-58	-12%
Operating Costs	204	232	-28	-12%
Gross Profit	231	261	-30	-11%
Operating Expenses	63	72	-9	-13%
Net Operating Profit	168	189	-21	-11%
Net Income	130	143	-13	-9%
EPS(NT\$)	1.17	1.28	-0.11	-9%

Payout Ratio >70%





Business Prospect

Crude Zinc Oxide Business Forecast

➤ CZO Sales

Demands continue exceeding supply in 2026.
Our environmental permit update has been approved.
This means we can take in more zinc materials and increase our Zinc Oxide production in the future.
2026 Treatment charge:
US\$80→**US\$85, remains at the low level.**

➤ Washing Plant in Longjing

We focus on washing services for Zinc Oxide products to enhance purity and drive high-value product transformation. This aligns with international market demands while increasing operating revenue and expanding our customer base. It's expected to be officially operational in **2027**.

➤ LME Zinc Price

Q1 2026 zinc prices rose on stock depletion, tight supply, and higher energy costs.

Zinc Waste Recycling Business Forecast

➤ Carbon Steel EAFD

Steel output declined due to weak domestic demand, lower steel prices, and China's overcapacity, reducing EAFD supply.

➤ Stainless Steel EAFD

Maintain last year's cooperative source.

➤ EAFD from Dumping Site

Market demand remains, pending government budget allocation.

Zinc Waste Recycling Business Forecast

- **Electroplating Zinc dewatered sludge**

General approval obtained, allowing nationwide acceptance.
Taiwan-U.S. tariffs confirmed at 15%; Steady Recovery Expected in Electroplating Output.

- **Zn \geq 2.5% Wastes**

Maintaining current clients, multiple cases have been consolidated and submitted for reuse approval..

- **Zn \geq 2.5% Products**

Maintaining current clients while exploring new business opportunities.

Secondary Raw Material Waste Recycling Business Forecast

➤ Contaminated Soil (non-agricultural)

High-margin hazardous heavy metal-contaminated soil treatment remains our core business focus for 2026.

➤ Fly Ash (Provide the best way in the market)

Market Leader in Fly Ash Recycling (**84% Share**)

EIA relaxation enables increased intake.

Secured **4** public tenders and **2** BOT contracts.

2 new projects pending permits to drive continuous growth.

➤ Calcium-containing Waste

Expanding into Stone Sludge Business via EIA amendment.

Other Business Outlook

➤ Roof-Top Solar Panel are continuously installed

Location : TSU and TSR

Current power generation : 1,356 KW(Renewable energy accounts for 10%)

Additional power generation : **3,831 KW**

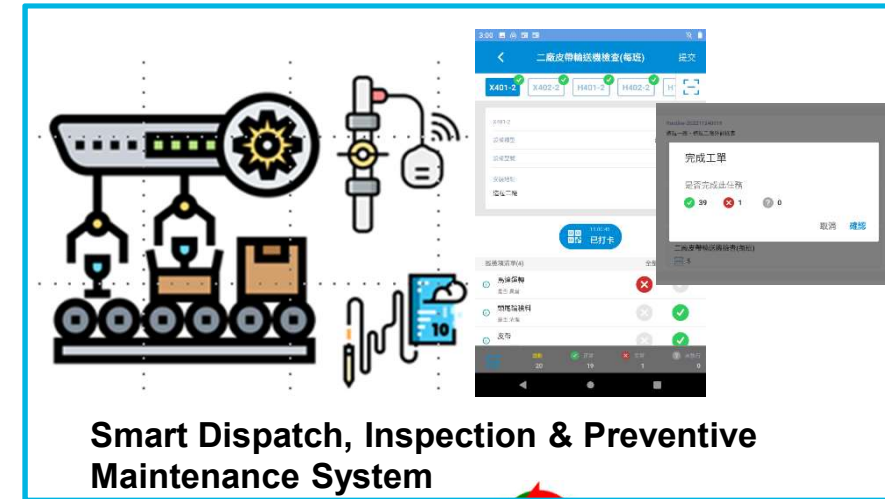
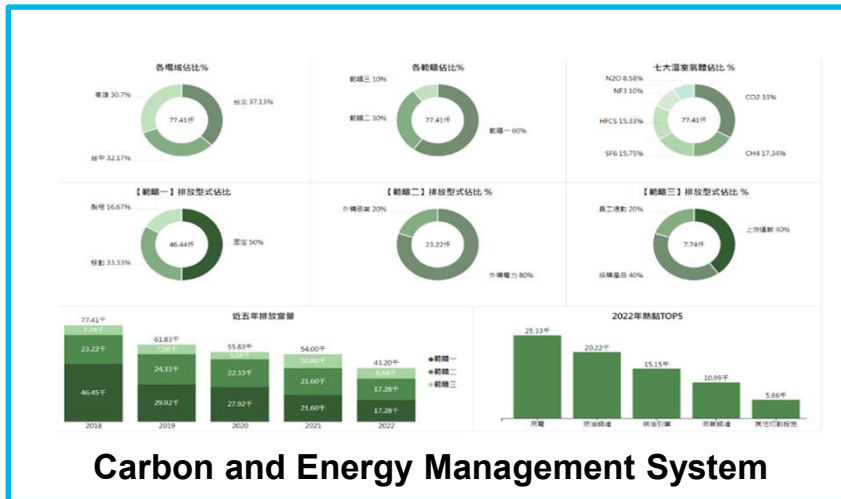
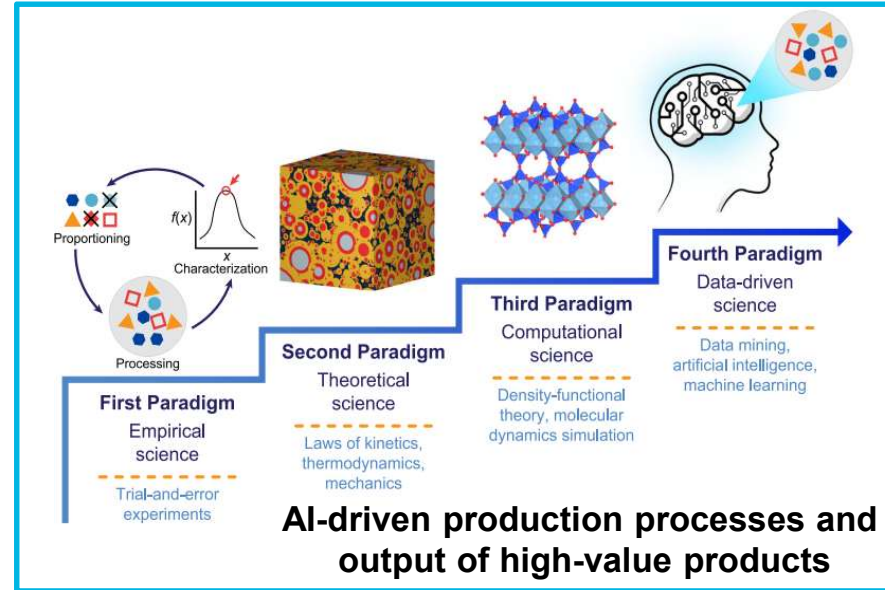
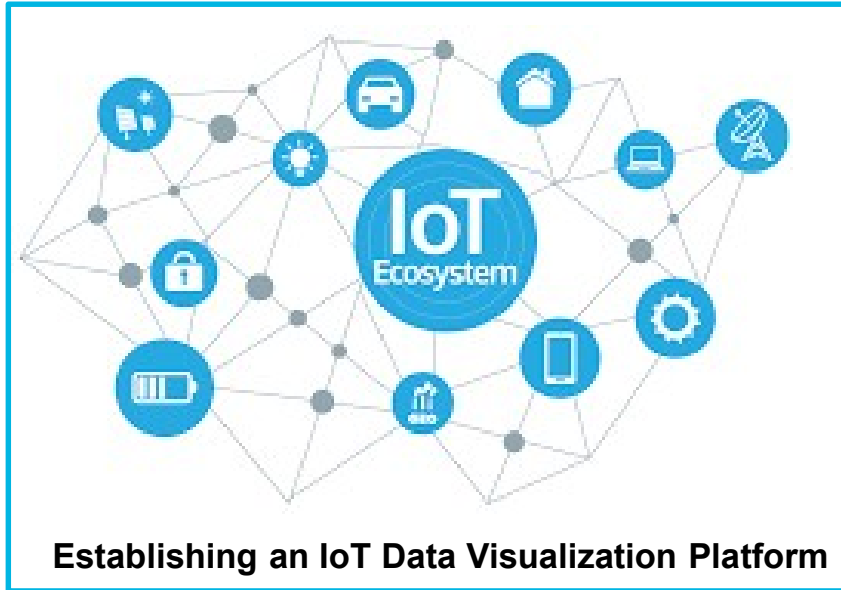
Schedule : 2026 complete & start-up

Benefit : **Green power, carbon reduction and boosting renewable energy to 32%.**



Smart & Low-Carbon Transformation for Resource Circulation

– Low-Carbon & Intelligent Carbon Reduction Enhancement Project



(TSR) Slag Recycling Business Forecast

➤ Reducing Slag

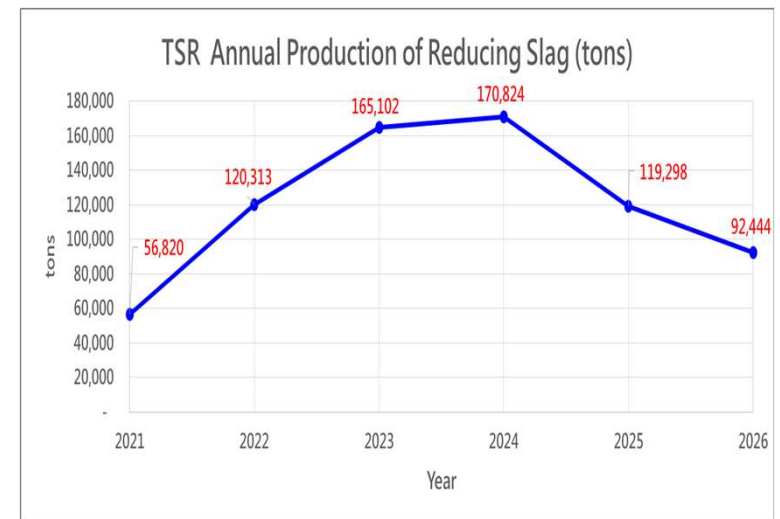
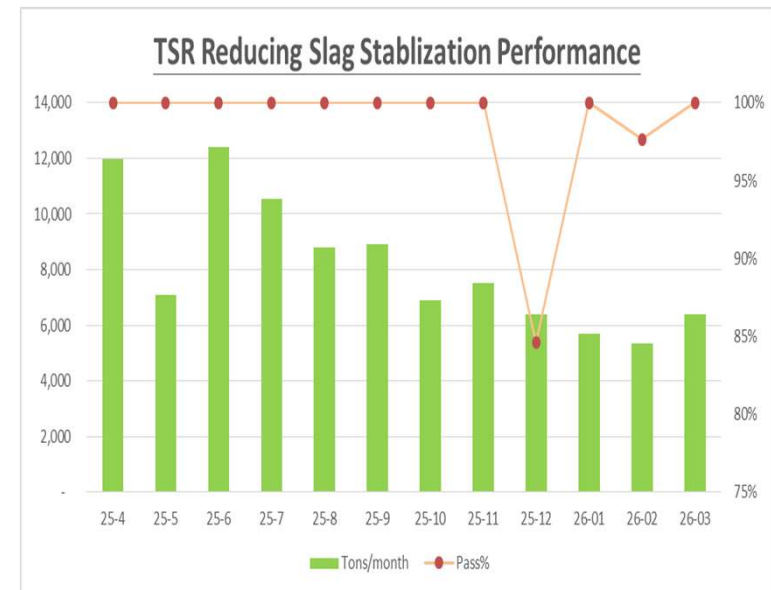
- ✓ The Taiwan steel industry is currently facing a downturn, **2026 production target 92,444 mton/yr, 100% meeting Stabilization Expansion Standard.**
- ✓ **2026Q1 production 18,212 mton, 99% meeting Stabilization Expansion Standard.**

➤ Other waste reuse applications

- ✓ D-1199 General fly ash or bottom residue mixtures case-by-case reuse permit application has been approved by the Industrial Development Administration, and the environmental permit documents are currently under application.
- ✓ The D-0501 Waste refractory material case-by-case reuse trial plan has been completed, and the results report will be submitted to the Industrial Development Administration for review in early April.
- ✓ TSR has obtained approval from the Board of Directors to launch the “Soil and Rock Resources Recycling and Disposal Site” establishment project. The application documents are currently being prepared.

➤ TSU Kiln Slag (KS)

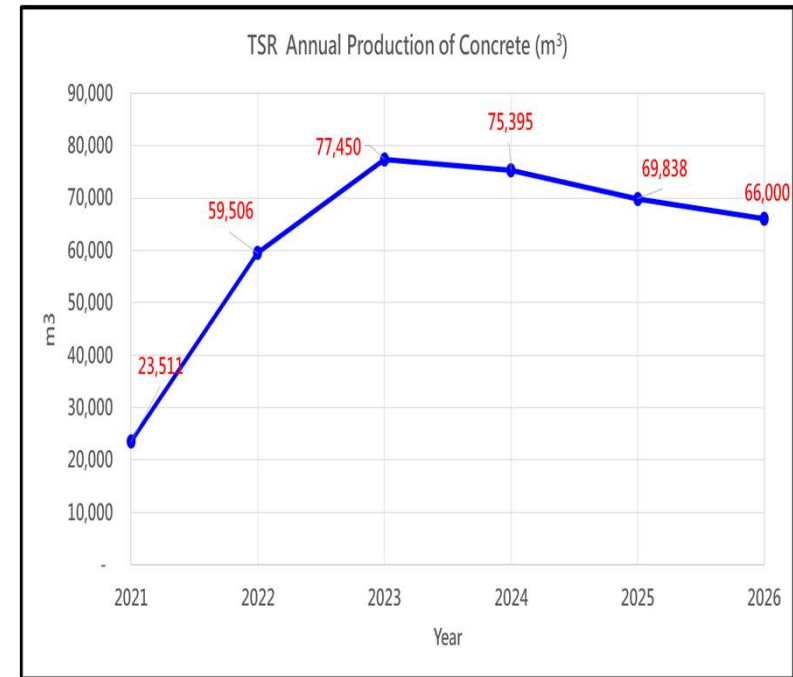
- ◆ **100% treated by TSR, vertical total integration.**



(TSR) Concrete Sale Forecast

➤ Concrete Product

- ✓ Type : CLSM Concrete for refill
Non-Structure Concrete
- ✓ 2026 production target 66,000 m³/yr,
2026Q1 concrete product sale 22,968 m³,
Quarterly target achievement rate 177%



➤ Developing low-carbon CLSM

- ✓ Developing Alkali-activated Concrete technology to produce **cement-free CLSM**.
- ✓ Use of **100% recycled Materials** for CLSM.
- ✓ The cement-free low-carbon CLSM Green Building Material Label is currently under review.



**Thanks for
Your
Attention**

Q & A

 **TAIWAN STEEL UNION CO., LTD**

 台湾鋼鐵股份有限公司