



July 31, 2023

To whom it may concern:

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Announcement of Revision in Forecasts of Performance

Yamato Kogyo Co., Ltd has revised its consolidated results forecasts for the six months ending September 30, 2023 and the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024) announced on April 28, 2023 as follows.

1. Revision of Consolidated Results Forecast for the Six Months Ending September 30, 2023 (April 1, 2023 to September 30, 2023)

	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
Previous forecast (A)	82,000	5,500	39,000	28,000	439.58
Revised forecast (B)	79,500	7,500	47,000	33,000	518.08
Change (B-A)	(2,500)	2,000	8,000	5,000	
Percentage change (%)	(3.0)	36.4	20.5	17.9	
(Reference) Consolidated financial results for the six months ended September 30, 2022	94,773	9,417	51,361	37,875	594.66

2. Revision of Consolidated Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	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
Previous forecast (A)	160,000	9,500	68,000	48,000	753.57
Revised forecast (B)	154,000	13,000	82,000	58,000	910.56
Change (B-A)	(6,000)	3,500	14,000	10,000	
Percentage change (%)	(3.8)	36.8	20.6	20.8	
(Reference) Consolidated financial results for the fiscal year ended March 31, 2023	180,438	16,813	90,494	65,317	1,025.49

3. Reason for the Revision

With regard to the future outlook, there was a sense of expectation that steel demand would recover due to the resumption of economic activity in China, but the economic recovery in China has lacked momentum, and there continue to be concerns for a slump in the global economy such as the worldwide protraction of inflation and confrontation between the United States and China. Demand for the H-beams, the Group's main products, and other products used in civil engineering and construction lacks momentum overall, and although we will continue to endeavor to secure sales volume including semi-finished products, the level of total sales volume for the Group is expected to be below the previously forecast level. Meanwhile, the prices for scrap that constitutes the main raw material of our business are weakening, and we expect profit levels exceeding the previous forecast by striving to maintain a high metal margin and reduce costs in each of our locations. We will continue to pay attention to the business environment surrounding the Group as it may change significantly due to factors such as movements in China.

Based on the above, primarily because of the effect of the weak yen and results in Japan and the equity-method affiliate in the US being expected to be better than the previous forecast, we have made upward revisions to our profit forecast for the six months ending September 30, 2023 with net sales of ¥79,500 million (down ¥2,500 million from the previous forecast), operating profit of ¥7,500 million (up ¥2,000 million from the previous forecast), ordinary profit of ¥47,000 million (up ¥8,000 million from the previous forecast), and profit attributable to owners of parent of ¥33,000 million (up ¥5,000 million from the previous forecast), and also our forecast for the fiscal year ending March 31, 2024 with net sales of ¥154,000 million (down ¥6,000 million from the previous forecast), operating profit of ¥13,000 million (up ¥3,500 million from the previous forecast), ordinary profit of ¥82,000 million (up ¥14,000 million from the previous forecast), and profit attributable to owners of parent of ¥58,000 million (up ¥10,000 million from the previous forecast).

(Note) The results forecasts are based on information available to the Company at the present time and certain assumptions deemed to be reasonable, and contain a variety of uncertain elements. Actual results may significantly differ from the forecast figures due to a variety of factors in the future.