

Our Steel, Your Future



FY2024/3 Second Quarter Financial Results Briefing Materials













November 2023

Yamato Kogyo Co., Ltd.

TSE Prime (Securities code: 5444)

Abbreviations, Fiscal Years, Conversion Rates

● Abbreviations

	Thailand	SYS	Siam Yamato Steel Co., Ltd.	Consolidated subsidiary (fiscal year: Jan-Dec 2023)
	United States	NYS	Nucor-Yamato Steel Company	Equity-method affiliate (fiscal year: Jan-Dec 2023)
	United States	ASA	Arkansas Steel Associates, LLC	Equity-method affiliate (fiscal year: Jan-Dec 2023)
	Bahrain	SULB	Sulb Company BSC(c)	Equity-method affiliate (fiscal year: Jan-Dec 2023)
	Saudi Arabia	Saudi Sulb	United Sulb Company (Saudi Sulb) LLC	Equity-method affiliate (fiscal year: Jan-Dec 2023)
	Vietnam	PY VINA	POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Equity-method affiliate (fiscal year: Jan-Dec 2023)
	South Korea	YKS	YK Steel Corporation	Equity-method affiliate (fiscal year: Jan-Dec 2023)
	United States	YKA	Yamato Kogyo America, Inc.	Holding company
	United States	YHC	Yamato Holding Corporation	Holding company
	United States	YK(USA)	Yamato Kogyo (U.S.A.) Corporation	Holding company
	Bahrain	Bahrain Venture	United Steel Company("Sulb") Bahrain Venture Co.W.L.L.	Holding company
	South Korea	YKH	Yamato Korea Holdings Co., Ltd.	Holding company

(Note) The fiscal year for the Company, domestic subsidiaries and domestic affiliates is from April 2023 to March 2024.

● Conversion rates

		Yen/Dollar			Yen/Baht			Won/Yen		
		Previous year's results	Previous forecast/results (July 31, 2023)	New forecast	Previous year's results	Previous forecast/results (July 31, 2023)	New forecast	Previous year's results	Previous forecast/results (July 31, 2023)	New forecast
Statements of Income	Jan-Jun average	124.54	136.54	-	3.67	3.97	-	9.90	9.48	-
	Fiscal year forecast	132.09	135.77	139.67	3.75	3.90	3.97	9.78	9.64	9.44
Balance Sheet	Jun. 30	136.69	144.99	-	3.87	4.06	-	9.46	9.05	-
	Sep. 30	144.81	135.00	149.58	3.87	3.84	4.09	9.91	9.73	8.99
	Dec. 31 forecast	132.70	135.00	140.00	3.82	3.84	3.81	9.55	9.73	9.65
	Mar. 31 forecast	133.54	128.00	135.00	-	-	-	-	-	-

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Financial Highlights: FY2024/3 2Q (Six Months)

Business KPI

Financial KPI

Group-wide sales volume*

2.86 million tons

(-9.2% YoY)

H-beam sales ratio**

66.3%

(-0.7pp YoY)

Operating profit margin

9.8%

(-0.2pp YoY)

Equity-method earnings

33.1 billion yen

(-5.4% YoY)

Overseas ratio
(Ordinary profit base)

72.7%

(-10.8pp YoY)

Shareholders' equity ratio

86.3%

(+0.7pp Ytd)

Ordinary profit margin

63.0%

(+8.8pp YoY)

ROE ***

15.4%

(-4.7pp YoY)

* Simple sum of the sales volume of the group companies. Including semi-finished products, DRI, and intragroup transactions

** Ratio of H-beam sales to products excluding semi-finished products and DRI

*** Annualized



I FY2024/3 2Q Financial Results Overview

FY2024/3 2Q Financial Results Overview (Six Months)

- Steel demand and market conditions softened globally due to factors such as the delay in the recovery of the Chinese economy. Structural steel demand was also low. Concerns about the outlook continue due to factors such as the increasing impact of the inflow of cheap Chinese material in some locations.
- Profit increased at Steel (Japan) due to improvement of the metal margin, but sales and profit decreased significantly at Steel (Thailand) due to a decrease in sales volume.
- Ordinary profit was on par with the previous year at 50.6 billion yen. Equity-method earning decreased despite securing a high level of earnings mainly in the US business. The weak yen and rising interest rates in the US contributed.

(100 million yen)	FY2023/3 Q2 (six months)	FY2024/3 Q2 (six months)		YoY		Versus prev. forecast	
		Most recent forecast (2023/7/31)	Results	Change	Change (%)	Change	Change (%)
Net sales	947	795	803	-144	-15.2%	8	1.0%
Steel (Japan)	362	—	365	2	0.6%	—	—
Steel (Thailand)	540	—	386	-154	-28.5%	—	—
Trackwork Materials	28	—	36	7	27.0%	—	—
Operating profit	94	75	78	-15	-16.6%	3	4.0%
Steel (Japan)	32	—	56	24	76.5%	—	—
Steel (Thailand)	74	—	33	-41	-55.2%	—	—
Trackwork Materials	0	—	4	4	857.4%	—	—
Ordinary profit	513	470	506	-7	-1.4%	36	7.7%
Equity in earnings of affiliates	350	—	331	-18	-5.4%	—	—
Profit attributable to owners of parent	378	330	363	-15	-4.0%	33	10.0%
Operating profit margin	9.9%	9.4%	9.8%	-0.1pp	—	0.4pp	—
Ordinary profit margin	54.2%	59.1%	63.0%	8.8pp	—	3.9pp	—

FY2024/3 2Q Results Overview (Quarterly)

- Sales and profit decreased in 2Q compared to 1Q. Sales volume decreased in both Japan and Thailand. The increase in equity-method earnings includes the impact of the weak yen.
- Sales and profits were down compared to a year earlier. Ordinary profit was down by 3 billion yen from the record high posted in the previous 2Q. While total sales volume of the Group decreased, each location maintained a high metal margin, and with the addition of the boost from the weak yen and rising interest rates, a high level of profit was secured.

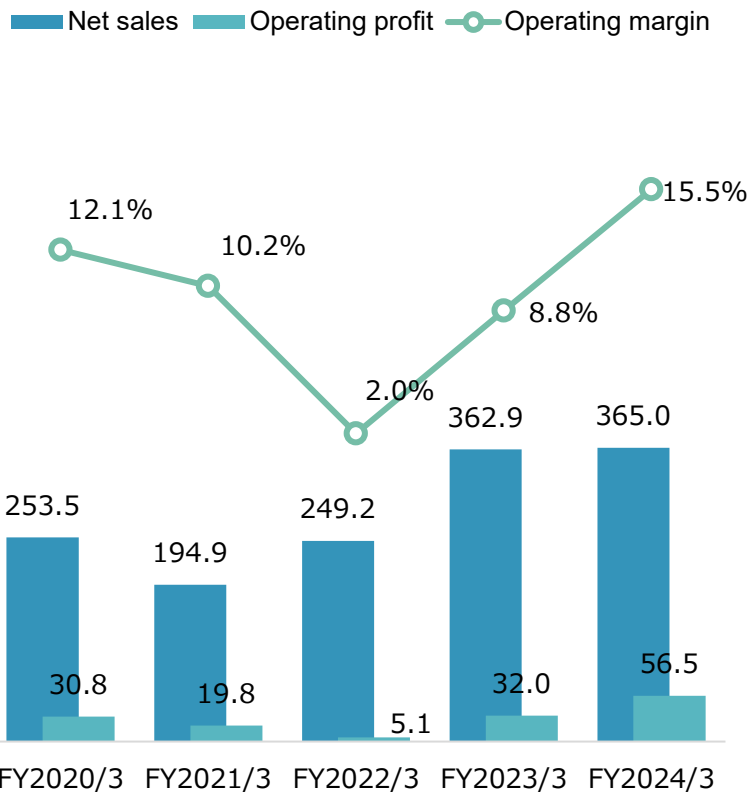
(100 million yen)	FY2023/3				FY2024/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	469	477	443	413	425	378	—	—
Steel (Japan)	183	179	192	173	189	175	—	—
Steel (Thailand)	265	274	221	212	210	175	—	—
Trackwork Materials	13	14	18	17	15	20	—	—
Operating profit	42	51	41	32	41	37	—	—
Steel (Japan)	9	22	30	24	29	26	—	—
Steel (Thailand)	38	35	17	15	16	16	—	—
Trackwork Materials	0	0	1	0	1	2	—	—
Ordinary profit	231	281	214	177	254	252	—	—
Equity in earnings of affiliates	151	199	174	137	160	171	—	—
Profit attributable to owners of parent	180	198	152	121	183	180	—	—
Operating profit margin	9.0%	10.9%	9.4%	7.8%	9.7%	9.9%	—	—
Ordinary profit margin	49.3%	59.0%	48.3%	42.9%	59.7%	66.6%	—	—

Results Overview by Segment (1) Steel (Japan)

- Demand for large-scale construction projects and civil engineering was steady. Meanwhile, small and medium-sized construction projects continued to be sluggish.
- Although sales volume decreased year on year, profit increased due to the improvement in metal margin resulting from the rise in selling prices.

Historical results: Q2 (six months)

(100 million yen)



Profit change factors

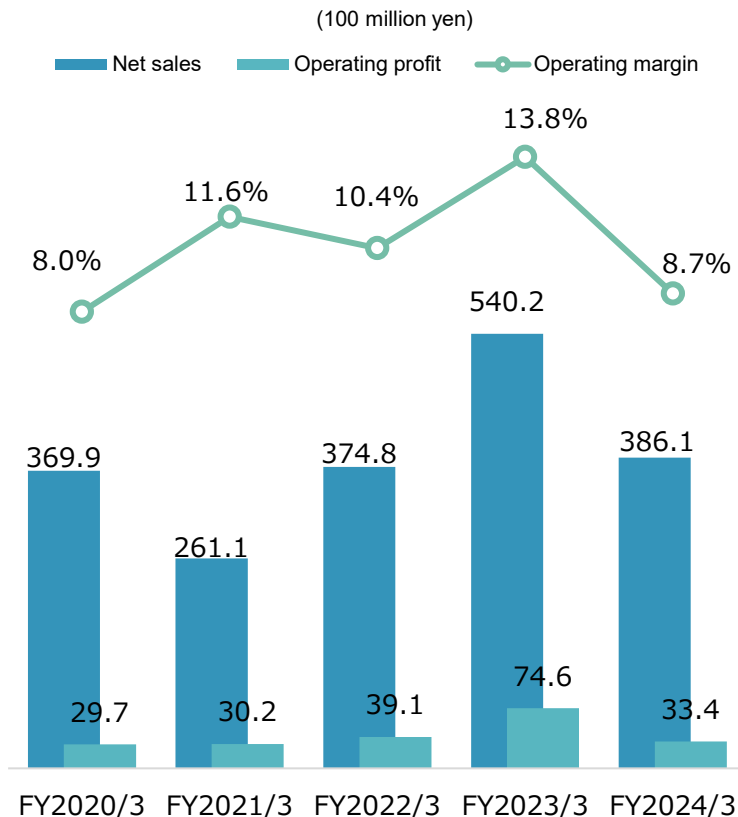
- Business environment
 - ✓ There is solid demand for large construction projects such as urban redevelopment, and semiconductor and logistics facilities.
 - ✓ Movement of goods for small and medium-sized construction projects continued to be sluggish after the rise in material prices.
- Yamato Steel
 - ✓ Orders were steady, centered on the mainstay product of H-beams and sheet pile for projects.
 - ✓ Sales volume in the first two quarters decreased by 8% year on year to 272,000 tons due to the impact of planned implementation of the work to update rolling facilities from this summer.
 - ✓ In addition to seeking to strengthen production and sales of large sizes, we endeavored to maintain high selling prices by means such as revising H-beams size extras for projects, resulting in high metal margin at 74,100 yen per ton in 2Q.

10K tons K ¥/ton	FY2023/3				FY2024/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales volume	15.3	14.1	14.6	13.0	14.2	13.0		
Metal margin	50.3	67.5	73.0	71.4	74.1	74.1		

Results Overview by Segment (2) Steel (Thailand)

- Domestic structural steel demand was sluggish partially due to political unrest following the general election, and competition with Chinese manufacturers has been increasingly intense in the export market since the second half of last year, resulting in a significant decrease in sales volume.
- Although a high metal margin was maintained due to the decline in scrap prices, profit decreased significantly compared to the same period of the previous year when exports were strong.

Historical results: Q2 (six months)



Profit change factors

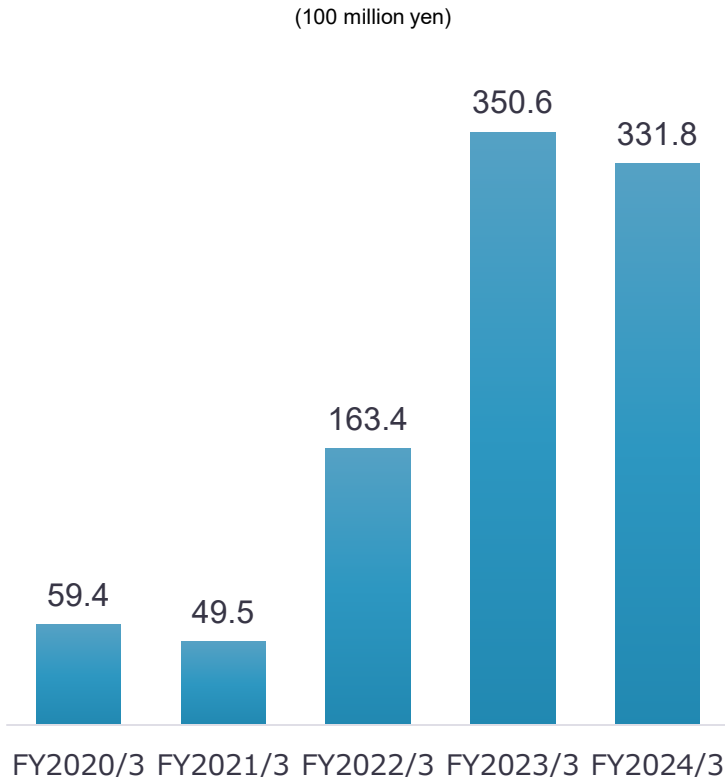
- Business environment
 - ✓ Infrastructure investment was delayed due to the delay in the establishment of the new government after the general election.
 - ✓ In ASEAN, demand slumped due to the slowdown of the Chinese economy and the impact of inflation. The inflow of cheap Chinese material has increased, and market conditions have softened.
- Siam Yamato Steel (SYS)
 - ✓ Sales volume in the first two quarters decreased by 29% to 318,000 tons mainly due to the decline in exports.
 - ✓ The metal margin was maintained at a high level due to efforts to maintain domestic selling prices even during declines in scrap prices.

(10K tons, K B/ton)	FY2023/3				FY2024/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales volume (Including semi-finished products)	23.5	21.5	17.3	17.1	17.5	14.3		
Metal margin	15.9	16.3	17.6	16.6	16.4	17.1		

Equity-Method Affiliates

- Equity-method earnings decreased 5% year on year to 33.1 billion yen. Although profit decreased in each location, the decrease was minor due to the contribution of the weak yen.
- By region, the US and Middle East businesses maintained strong performance despite profit decreasing year on year. Although the Vietnam and South Korea businesses secured a certain level of earnings, sales volume decreased due to a decline in demand.

Historical equity in earnings of affiliates: Q2 (six months)



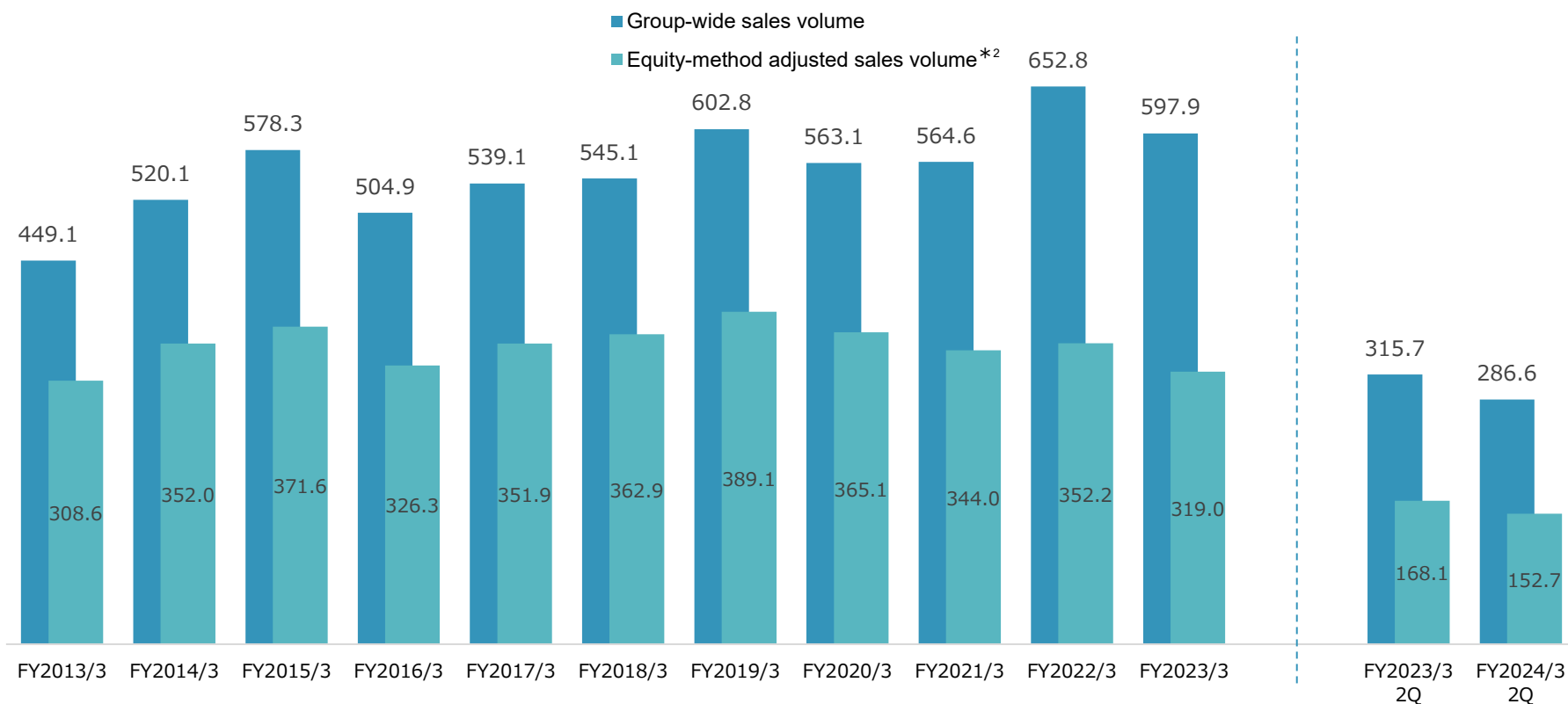
Profit change factors

- United States
 - ✓ Structural steel demand was solid primarily for large factory construction projects such as those related to semiconductors and EVs.
 - ✓ Business for distributors continued to be slow due to the impact of monetary tightening.
 - ✓ Competition with rival companies and imported products increased for some sizes.
 - ✓ Although profit decreased due to the decrease in sales volume, a high metal margin was maintained, and high earnings were secured.
- Middle East
 - ✓ Since the high oil prices of last year, construction activity has been recovering, and full production continued.
 - ✓ Market conditions have been softening since the start of the year due to the impact of the inflow of cheap Chinese material (temporarily bounced back after the earthquakes in Turkey).
 - ✓ Although profit decreased compared to the same period in the previous year when selling prices remained in a high range due to the rise in scrap prices, a high level of earnings was secured.
- Asia
 - ✓ In Vietnam, the effects of the real estate recession spread, and the construction industry as a whole was in a slump. Sales volume decreased partially due to competition with construction materials made by processing Chinese products. A certain level of earnings was secured due to strengthening exports.
 - ✓ In South Korea, due to inflation and rising interest rates, rebar demand decreased, and sales volume decreased significantly.

Historical Group-Wide Sales Volume

- Group-wide sales volume for the six months decreased by 9% YoY to 2,866,000 tons (locations other than the Middle East decreased)

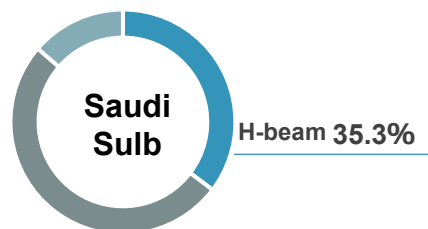
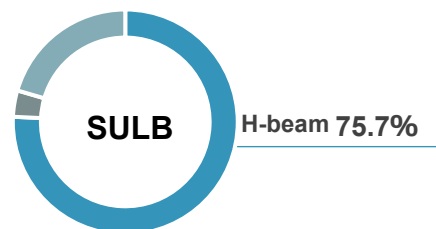
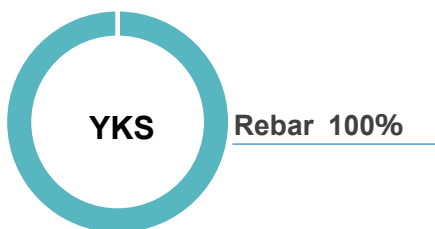
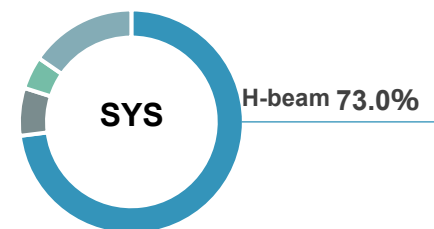
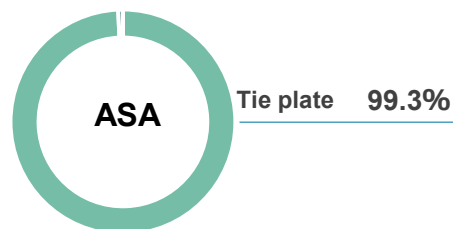
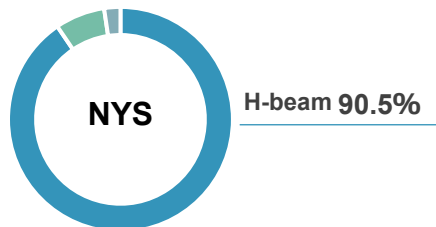
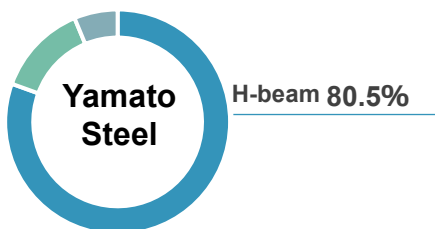
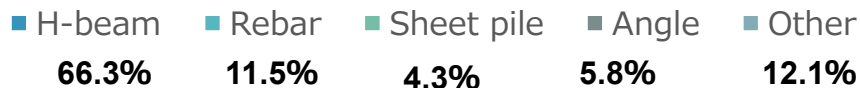
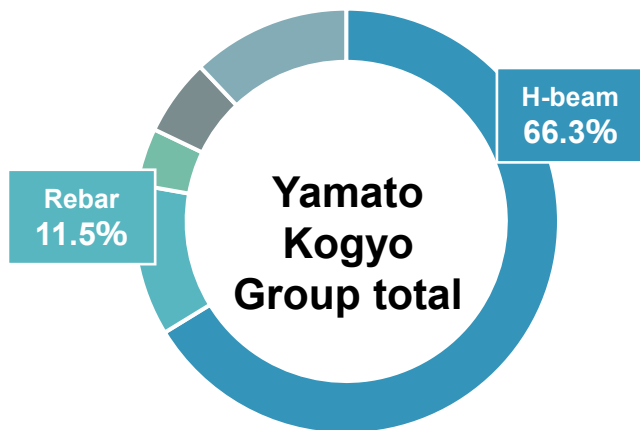
Historical group-wide sales volume*1 (10K MT)



*1 Includes semi-finished products, DRI, and intragroup transactions

*2 Calculated by multiplying each company's sales volume by the equity interest

Product Mix Results (Six Months)



Balance Sheet

- Total assets and total liabilities and net assets increased mainly due to the solid results and the weaker yen.

(100 million yen)	FY2022/3	FY2023/3	FY2024/3 Q2	YoY chg.
Current assets	1,677	2,382	3,013	631
Cash & deposits	997	1,624	2,259	635
Trade receivables	251	282	324	42
Inventory assets	398	398	381	-16
Non-current assets	2,472	2,767	2,804	37
Property, plant and equipment	597	633	655	21
Total Investments and other assets	1,858	2,115	2,129	14
Investment securities	562	731	855	123
[Shares of subsidiaries and associates]	[440]	[598]	[694]	[96]
Long-term time deposits	236	94	104	9
Total assets	4,149	5,150	5,818	668
Liabilities	392	447	484	36
Trade payables	110	105	99	-6
Deferred tax liabilities	138	172	197	25
Net assets	3,756	4,702	5,333	631
Foreign currency translation adjustment	186	584	905	320
Non-controlling interests	253	295	310	14
Total liabilities and net assets	4,149	5,150	5,818	668

Sufficient balance is maintained for strategic expansion of capacity of existing facilities and for flexible response to M&A opportunities/new business investments (Including approx. USD 1.3 billion in USD deposits)

Total Investments and other assets include below:
 Shares of subsidiaries and associates: 69.4 billion yen
 Investments in capital of subsidiaries and associates: 87.4 billion yen
 Long-term loans receivable from subsidiaries and associates: 28.1 billion yen

Including an increase of 67.3 billion yen in financial assets* from the end of the prior period to 252.5 billion yen (foreign exchange impact: +17.0 billion yen)

Zero interest-bearing debt

Shareholders' equity ratio: 86.3% (+0.7pp Ytd)
 Net assets per share: 7,884 yen (+967 yen Ytd)

* Includes the impact of 90.5 billion yen in foreign currency translation adjustment (+32.0 billion yen Ytd)

*Financial assets = cash and deposits + securities + investment securities (excluding shares of subsidiaries and associates) + long-term deposits

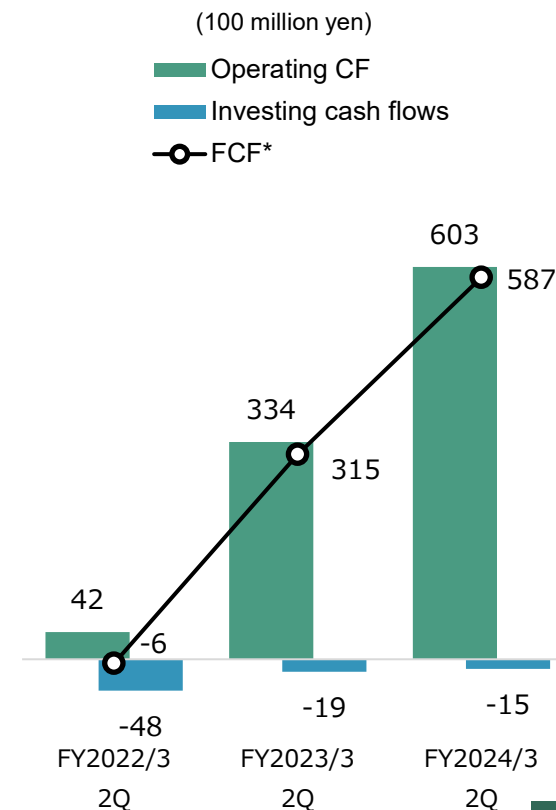
Cash Flows

- FCF was up 27.2 billion yen YoY to 58.7 billion yen owing primarily to cash distribution from the strong US equity-method affiliates.
- Investing cash flows was minus 1.5 billion yen mainly due to the purchase of property, plant and equipment.
- Financing cash flow was minus 11.0 billion yen (an increase in outflow of 3.3 billion yen YoY) after making expenditures such as returning profits to shareholders.

(100 million yen)	FY2022/3 2Q	FY2023/3 2Q	FY2024/3 2Q	YoY Change
Operating CF	42	334	603	268
Investing cash flows (excluding changes in long term time deposits)	-48	-19	-15	3
Purchase of property, plant and equipment	-22	-14	-25	-11
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-21	-	-	-
FCF*	-6	315	587	272
Financing CF	-76	-77	-110	-33
Purchase of treasury shares	-36	-0	-1	-1
Dividends paid	-26	-63	-95	-31

*FCF is calculated as operating CF + investing CF (excluding changes in time deposits)

Historical free cash flow





II FY2024/3 Forecast

FY2024/3 Earnings Forecast

- The sense of a slowdown of the global economy is growing stronger due to factors such as the real estate recession increasing in severity in China. Moreover, the outlook has become increasingly uncertain due to heightened tensions in the Middle East.
- Although structural steel demand lacks momentum globally and group-wide sales volume is decreasing, efforts to maintain high metal margin and reduce costs in each location, and the boost provided by the progression of the weak yen and rising interest rates resulted in a forecast of 90 billion yen, which is on par with the record level of the previous year.

(100 million yen)	FY2023/3	FY2024/3		YoY		Versus prev. forecast	
		Most recent forecast (2023/7/31)	New forecast (2023/10/31)	Change	Change (%)	Change	Change (%)
Net sales	1,804	1,540	1,570	-234	-13.0%	30	1.9%
Operating profit	168	130	140	-28	-16.7%	10	7.7%
Ordinary profit	905	820	900	-5	-0.5%	80	9.8%
Equity in earnings of affiliates	662	—	—	—	—	—	—
Profit attributable to owners of parent	653	580	630	-23	-3.5%	50	8.6%
Operating profit margin	9.3%	8.4%	8.9%	-0.4pp	—	0.5pp	—
Ordinary profit margin	50.2%	53.2%	57.3%	7.1pp	—	4.1pp	—

Earnings Forecast by Segment

Consolidated subsidiaries

Steel (Japan)

- Structural steel demand and civil engineering demand for urban redevelopment and large-scale construction projects such as semiconductor plants and logistics facilities are expected to remain strong.
- There are concerns about a slowdown of the market environment due to delays in construction periods caused by factors such as the labor shortage, a decline in market conditions and a rise in costs due to the impact of the weak yen.
- Results are forecast to be on par with the previous forecast (increased profit year on year).

Steel (Thailand)

- Structural steel demand is expected to recover due to factors such as the resumption of infrastructure investment following the establishment of the new government, and both sales volume and prices are improving domestically.
- In the export market, competition with Chinese manufacturers, etc. is becoming increasingly intense, and difficulties with securing sales volume and price continue.
- Results are forecast to be an increased profit compared to the previous forecast (decreased profit year on year).

Equity-method affiliates

United States

- Although the US economy has been steady amid ongoing high inflation and monetary tightening, the outlook is uncertain due to factors such as the impact of heightened tensions in the Middle East.
- Non-residential construction demand remains steady, and although the structural steel market is not at the level of the previous year, it is expected to be in a comparatively high range.
- Results are forecast to be an increased profit compared to the previous forecast (decreased profit year on year).

Middle East

- Demand for structural steel in the region is strong, centered on infrastructure investment, and sales volume is expected to exceed the previous forecast.
- There is uncertainty such as the softening of market conditions due the inflow of cheap Chinese materials, and heightened tensions in the Middle East.
- Results are forecast to be an increased profit compared to the previous forecast (decreased profit year on year).

Vietnam

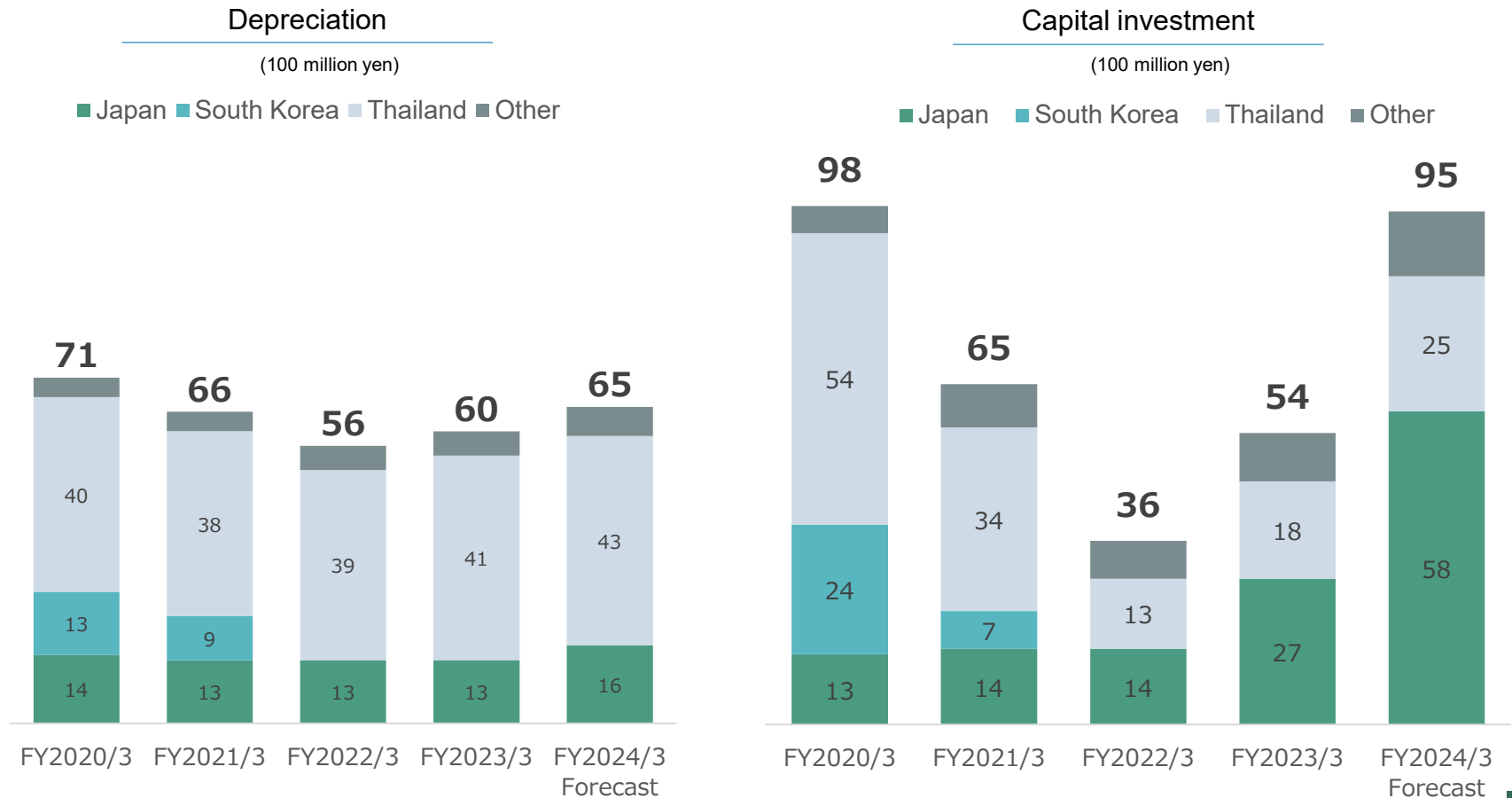
- Recovery of demand for infrastructure investment, etc. has not progressed as anticipated, and sales volume is expected to be below the previous forecast.
- Although structural steel market conditions are affected by poor market conditions in China, scrap prices have also fallen, and the metal margin is expected to be maintained.
- Results are forecast to be on par with the previous forecast (increased profit year on year).

South Korea

- The slump in the real estate market caused by monetary tightening is prolonged, and rebar demand is deteriorating further. Sales volume is also expected to drop.
- Results are forecast to be a decreased profit compared to the previous forecast (decreased profit year on year).

Depreciation & Capital Investment (Consolidated Subsidiaries)

- Capital investment for the entire group is expected to increase year on year.
- Strategic investment such as updating rolling line is progressing at Yamato Steel (including update of straightener machine scheduled for completion in around June 2024)
- Thailand/SYS will mainly update aging facilities and introduce labor-saving facilities.





Shareholder Return (Partial Revision of Dividend Policy and Dividend Forecast)

Shareholder Return: Partial Revision of Dividend Policy and Dividend Forecast

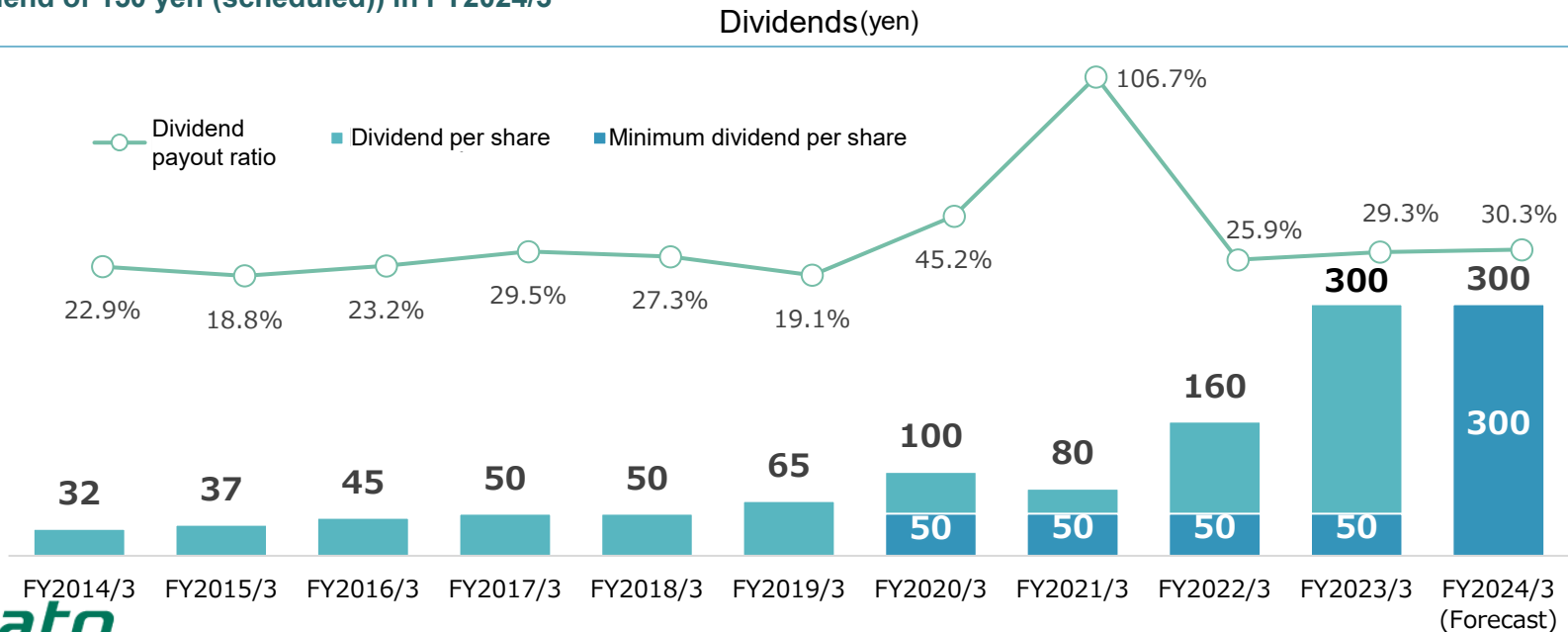
- In the meeting of the Board of Directors held on October 31, 2023, a resolution was passed to partially revise the dividend policy to further stabilize dividend levels (implemented from FY2024/3)

⇒ Revised the minimum annual dividend from “50 yen per share” to “300 yen per share for the time being”

<After change>

With regard to dividends, its basic policy is to distribute profits in accordance with performance, and we decide the dividend amount so as to target a consolidated dividend payout ratio of around 40% every year. In addition, the Company endeavors to maintain continuous and steady dividend, with a minimum annual amount of 300 yen per share for the time being.

- We forecast an annual dividend of 300 yen per share (interim dividend of 150 yen (finalized) and year-end dividend of 150 yen (scheduled)) in FY2024/3





IV

Status of Measures Aimed at Enhancement of Corporate Value

- ◆ Medium- to Long-Term Business Outlook and Investment Strategy
(Announced May 2022) Progress Review
- ◆ Vision 2030 (New Initiatives for Further Improvement of Corporate Value)

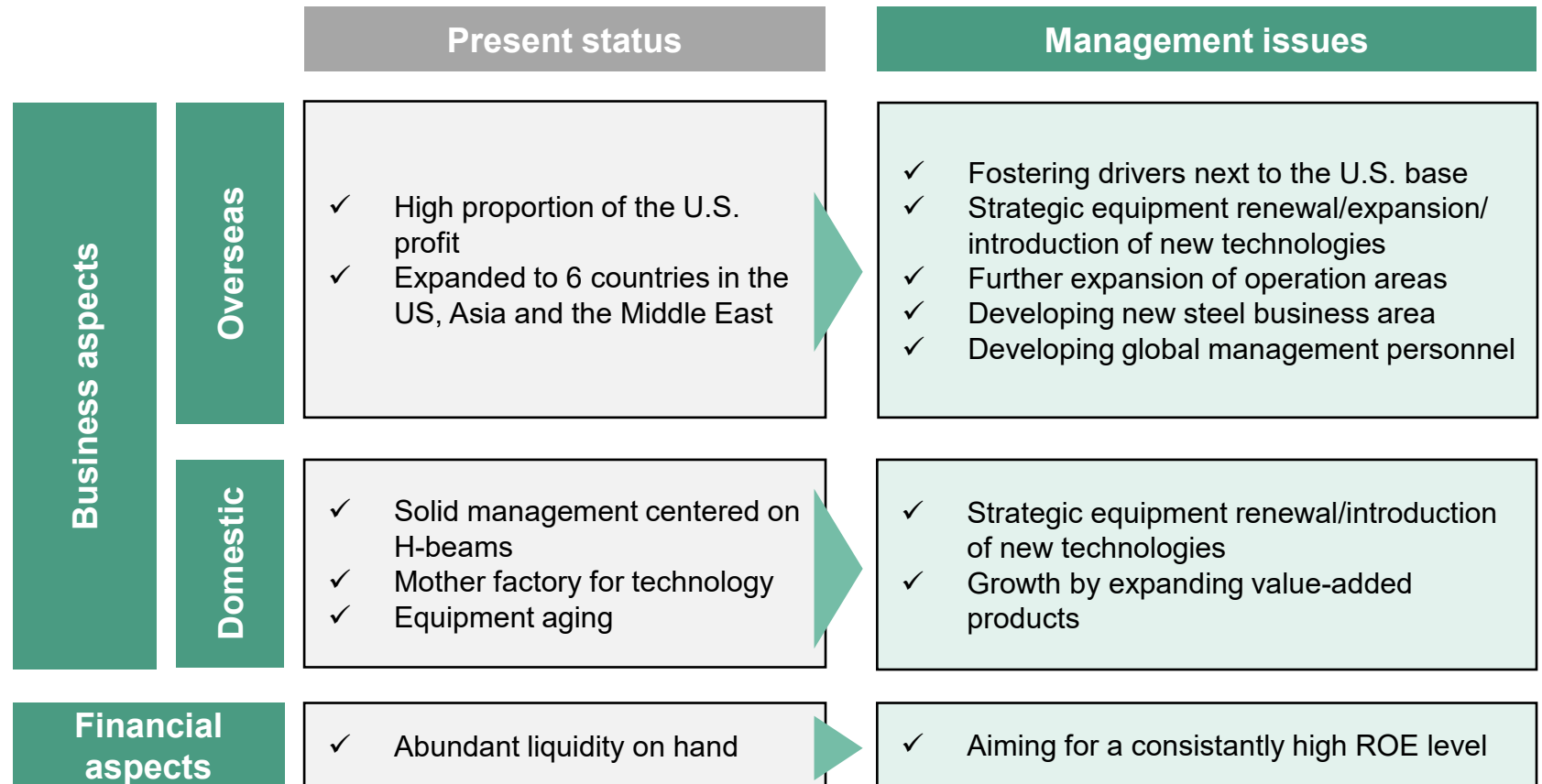
Medium- to Long-Term Business Outlook and Investment Strategy (Announced May 2022)

Progress Review

Management Challenge

(from FY2022/3 Financial Results Briefing Materials)

- The management challenge we face is to develop the second overseas source of earnings next to the U.S. base.
- Positioning ASEAN, where further growth is expected, as a priority region, we will nurture our second driver centering on our consolidated subsidiary, Siam Yamato. Meanwhile in Japan, we will focus on renewing equipment and strengthening our ability to disseminate technology to the overseas bases as a mother factory.
- By solving these, we aim for a consistently high ROE level.



Progress of Action Plan


Action plan


(1) Expansion of global sales volume

ASEAN structural steel 3 million ton capacity construction plan

1. Acquire a new base through M&A

2. Expansion of existing bases


 Thailand (SYS)
Renewal of existing rolling lines
(To be mother factory for ASEAN expansion)

 Vietnam (PY VINA)
Expansion of small and medium-size rolling line

Progress

Progress made toward ASEAN structural steel 3 million ton capacity

1. Secured a base in Indonesia which has the largest population in the region and where further growth is expected (details in the next page)

2. Optimal timing of investment being considered
 The highest priority is implementation of DC (direct current) electric furnaces as part of environmental investment, and the timing to update the rolling line will be determined while monitoring conditions

 The timing of investment will be determined while monitoring domestic demand trends

(2) Increased profitability by introduction of leading edge technology

- Reinforcement of competitiveness of Yamato Steel, the mother factory, and reinforcement of ability to disseminate technology

- Updating rolling line: To commence operation in mid-2026 (of which, update of straightener machine is progressing as planned and scheduled for completion in around June 2024)

(3) Developing highly skilled management personnel

- Proactive personnel exchanges among global bases
- Increase intra-Group personnel transfers

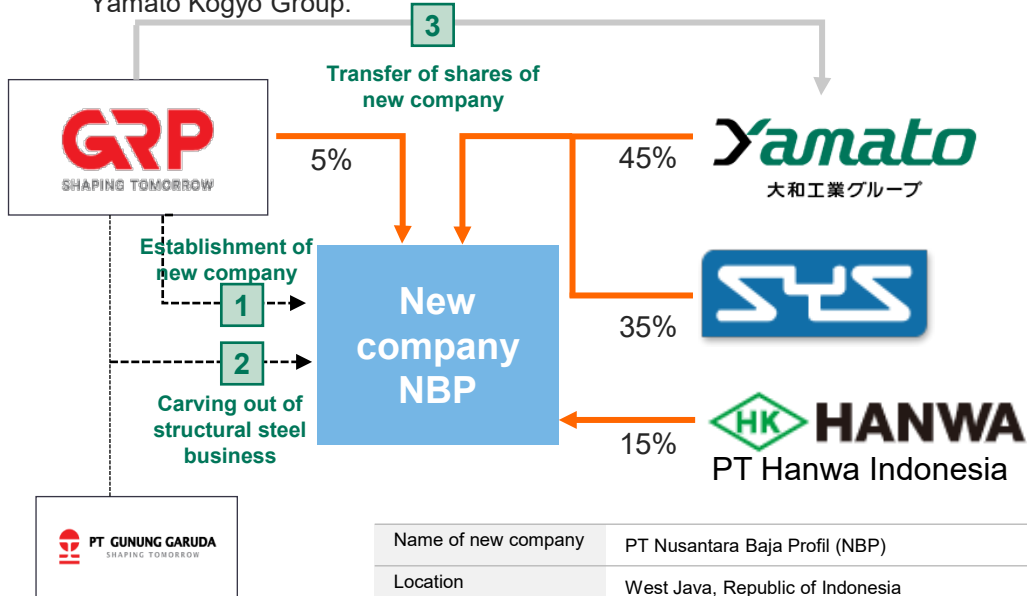
- Overall renewal of personnel system (April 2023)
- Acceleration of human resource development/exchange according to new personnel system

Overview of Indonesia Project

- The Company and its consolidated subsidiary SYS agreed to acquire 80% of the share of a new company (NBP) which succeeds through contribution in kind the structural steel business operated by GRP* and business real estate held by GRD* in Indonesia (acquisition value: approx. USD 340 million).
- A decision has been made to acquire a steel plant in Indonesia, which boasts the largest population in ASEAN. The plant will be the third base in the region, following SYS in Thailand and PY VINA in Vietnam. This will mark a significant step toward to the concrete realization of “ASEAN structural steel 3 million ton capacity construction plan.”
- With this investment the Group aims to achieve autonomous and sustainable growth as majority shareholder, and starts to promote a more aggressive business strategy.
- Date of share transfer: Scheduled for the April-June 2024

Overview

- ✓ GRP is a major privately operated steel manufacturer with experience operating in Indonesia for over 50 years, and has the largest share in the country’s structural steel market.
- ✓ GRP’s structural steel business will be spun off and transferred to the Yamato Kogyo Group.



The steel business real estate held by GRD, which is GRP’s shareholder, will be carved out.

Name of new company	PT Nusantara Baja Profil (NBP)
Location	West Java, Republic of Indonesia
Business details	Manufacture and sale of steel products
Annual production capacity (nominal)	Steel: 1,000,000 tons, Rolling: 900,000 tons

* GRP: PT Gunung Raja Paksi Tbk

* GRD: PT Gunung Garuda

M&A Synergies

- ✓ The electric furnace operation technology the Group has developed over many years, and the know-how on marketing, etc. accumulated in ASEAN by SYS will be brought in and additional strategic capital investment will be executed with the aim of capturing demand in the Indonesian structural steel market that is expected to grow significantly in future.
- ✓ SYS, which was established more than 30 years ago, will be positioned as the mother factory in the ASEAN region, and efforts will be made to maximize synergies between the three bases in ASEAN centering on SYS.
- ✓ Hanwa Co., Ltd., which operates a wide range of steel businesses in Indonesia will also have a 15% stake through its local subsidiary. We aim for the sustained growth of the business through collaboration with Hanwa.
- ✓ GRP will also continue involvement as a 5% shareholder. We will also coordinate with GRP.

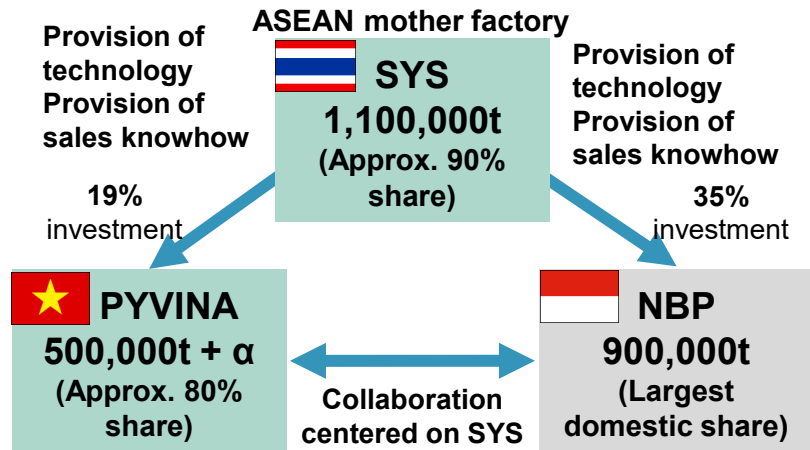


Overview of Indonesia Project

Future Initiatives Aimed at Expanding Revenue in the Indonesia Business

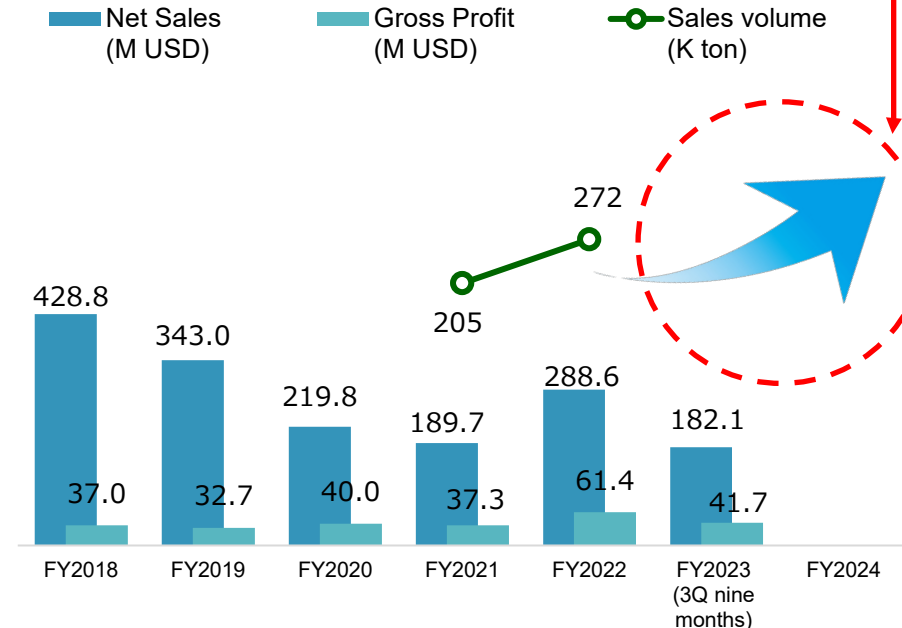
- ✓ Strengthening of coordination with SYS serving as the regional core of the ASEAN strategy (10-11 management executives and engineers to be dispatched from SYS)
- ✓ Injection of SYS marketing knowhow to capturing the growing Indonesian domestic market (e.g. using SYS products to complement steel types and sizes and strengthen the marketability of NBP products)
- ✓ Quickly increase the operating rate of the small-medium rolling line updated last year
- ✓ There are plans for additional investment aimed at increasing productivity and expanding product sizes of the medium-large rolling line.

ASEAN structural steel strategy (3 million ton capacity)



Maximize synergies in the 3 locations with the aim of gaining the majority share in the region

<Reference> Performance of GRP's Steel Bars Segment

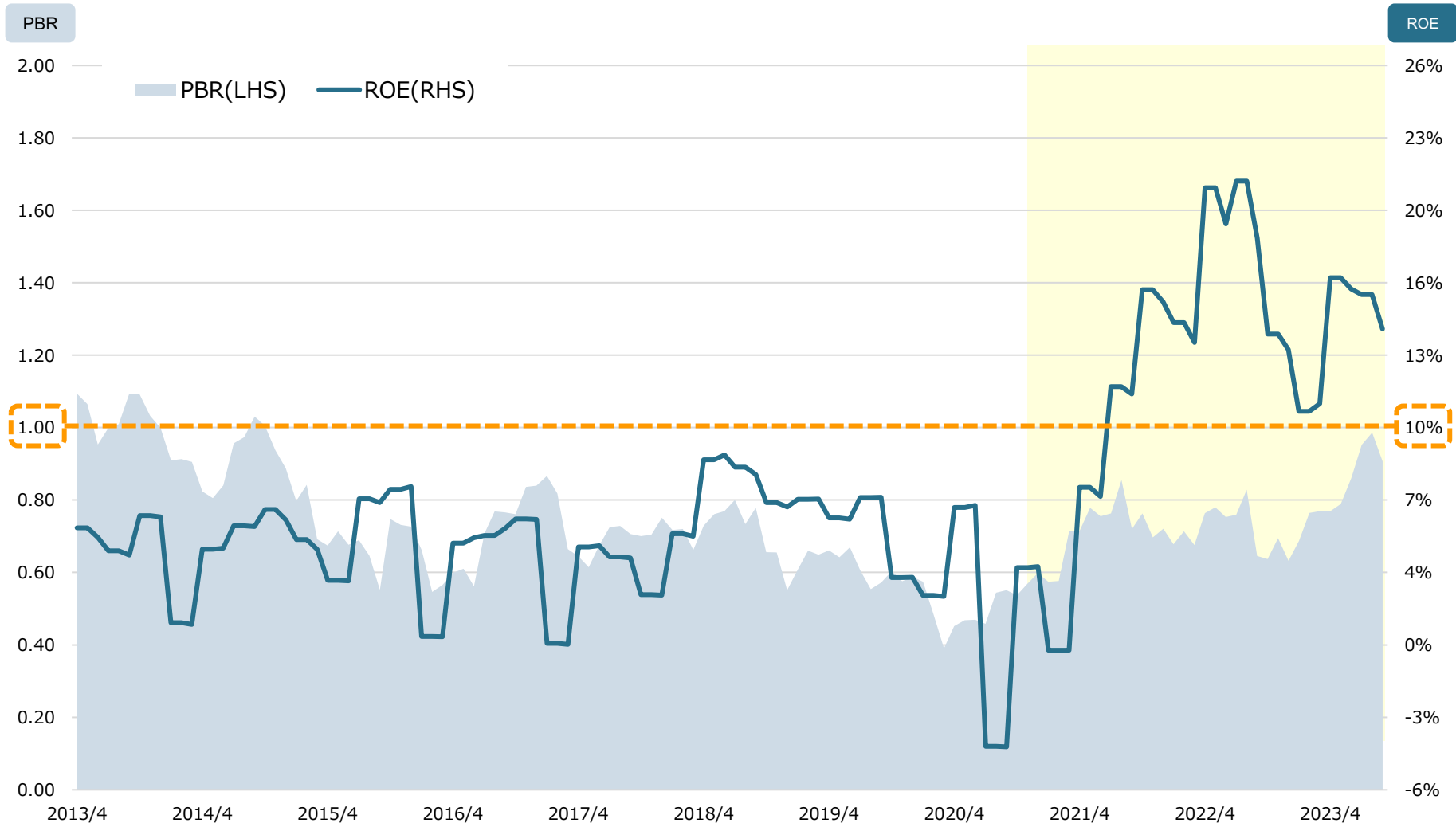


* Prepared by Yamato Kogyo based on GRP's Annual Report (Sales Volume only disclosed for FY 2021 and 2022)

* Products included in the Steel Bar Segment are H-Beam, Angle and Wide Flange

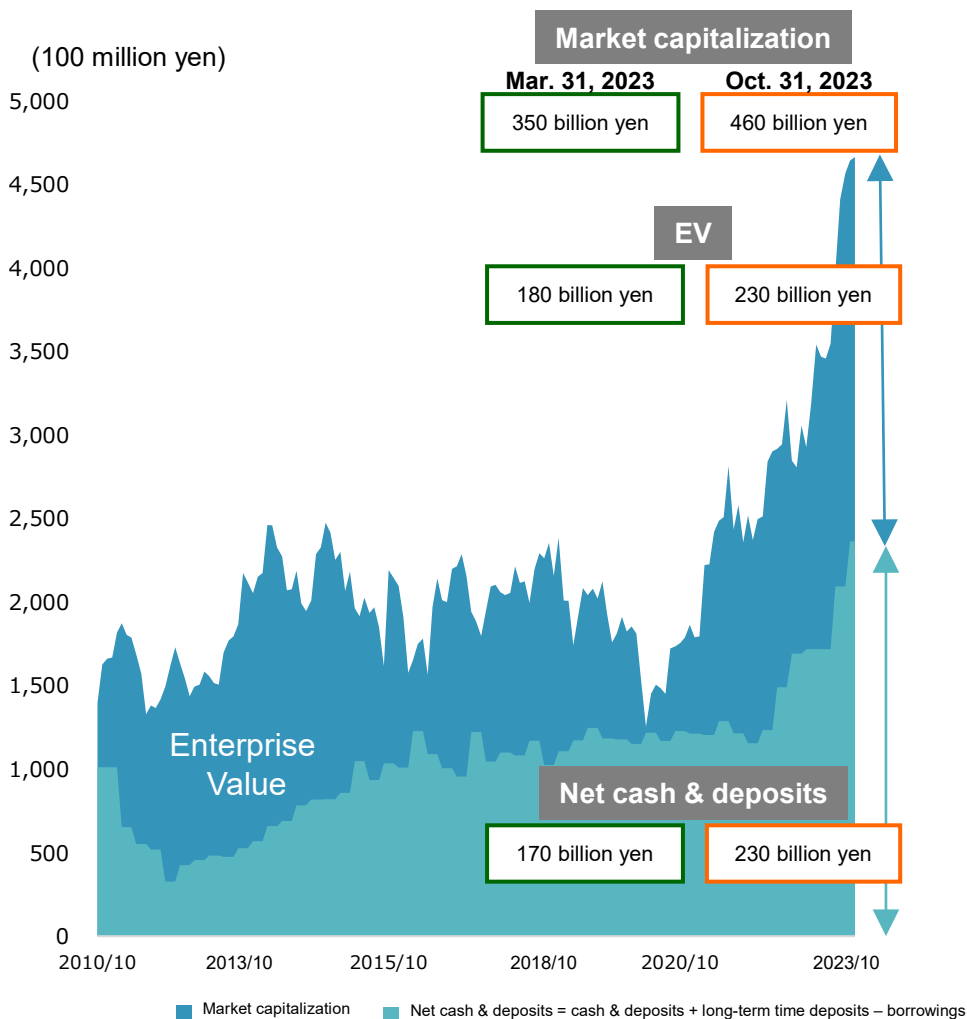
Key Performance Indicators - 1

ROE and PBR (evaluation from the market)

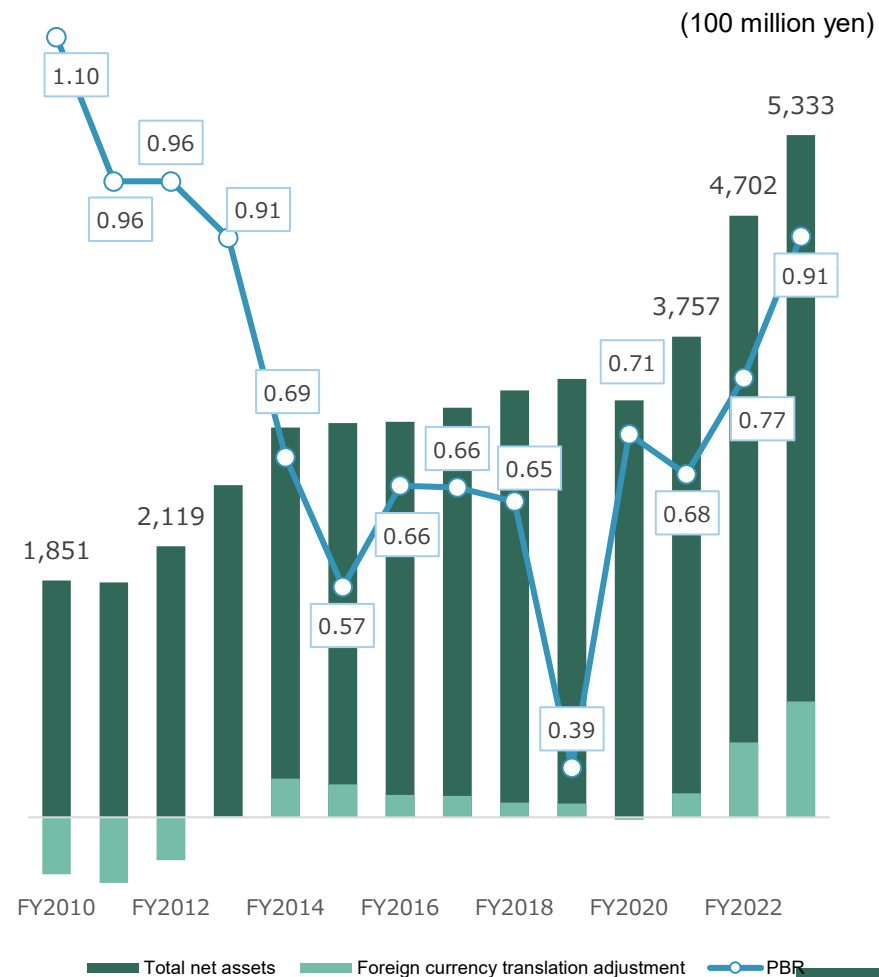


Key Performance Indicators - 2

Enterprise value (EV)



Net assets and PBR



Vision 2030

New Initiatives for Further Improvement of
Corporate Value

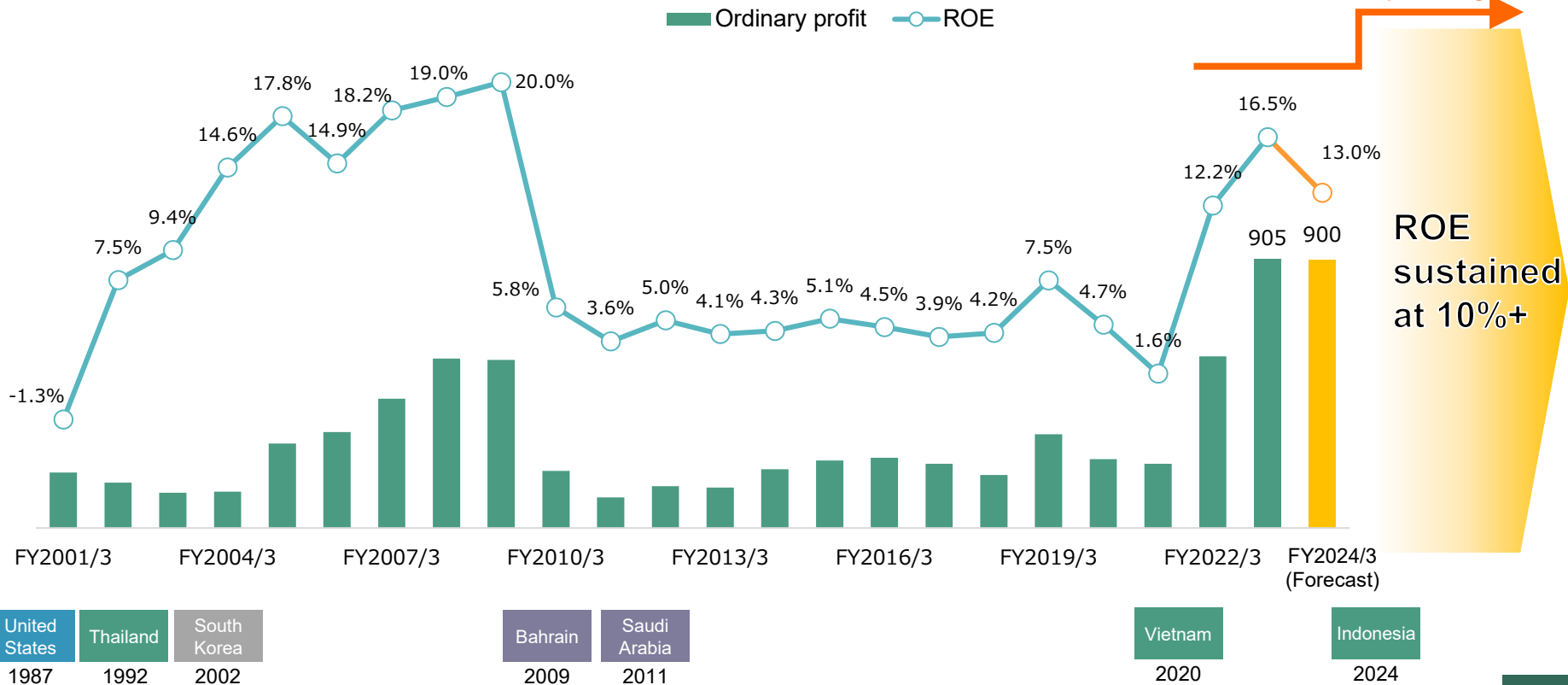
For Further Improvement of Corporate Value (Review)

- Starting with the entry into the US in 1987, Yamato Kogyo has expanded business locations in Asia and the Middle East, building a global business model (JV Partner Strategy)
 - Overseas business has contributed to the expansion of earnings as the source of the majority of the entire company's ordinary profit
 - ASEAN business was established as the second earnings pillar following the US
- ➔ We aim for stable, high capital efficiency and sustainable growth for further progress

Focus shifted to ASEAN

New Initiatives to realize the Vision 2030

Expansion of global business operations centered on the US



United States 1987
Thailand 1992
South Korea 2002

Bahrain 2009
Saudi Arabia 2011

Vietnam 2020
Indonesia 2024

Formulation of the Vision 2030

Business environment changes and management issues

Green

Countermeasures against climate change
Responsibility to realize a circular economy

Core business and new areas

Further growth of structural steel business
Full implementation of expansion of business areas

Strengths of the Yamato Kogyo Group

Global

Strong partnerships with the world's leading companies
Market development capability and securing business locations in growth regions

Technological capability

Unwavering inquisitiveness for technological improvement
Advanced operating knowhow and cutting-edge technology

Vision 2030

VISION (Established in 2019)

To be a global leading company with cutting-edge technology supporting world's infrastructure

New Initiatives to Realize the Vision 2030

Achieve and solidify a No.1 position as the global leader in structural steel (volume and profitability), and continue to embrace challenges in new business areas

Ongoing efforts to realize carbon neutrality and a circular economy

- Improvement of environmental superiority by electric furnace through accelerated introduction of green technology/energy
- Collaboration with companies owning the cutting-edge technology, joint R&D with universities

Strengthening of core structural steel business

- Expansion of sales in growing regions such as Asia
(Establishing new mills, strengthening competitiveness of existing mills)
- Maintaining and enhancing profitability through advanced operation know-how and cutting-edge technology

Growth investment in the structural steel business
200 billion yen (+ 80 billion yen over the original plan)
➔ Establishment of 8 million tons of structural steel production capacity

Entry into new steel, infrastructure and green business areas

- Expansion of product portfolio besides structural steel, strengthening of value chain, and acquisition of technology
- Active M&A in Japan and overseas

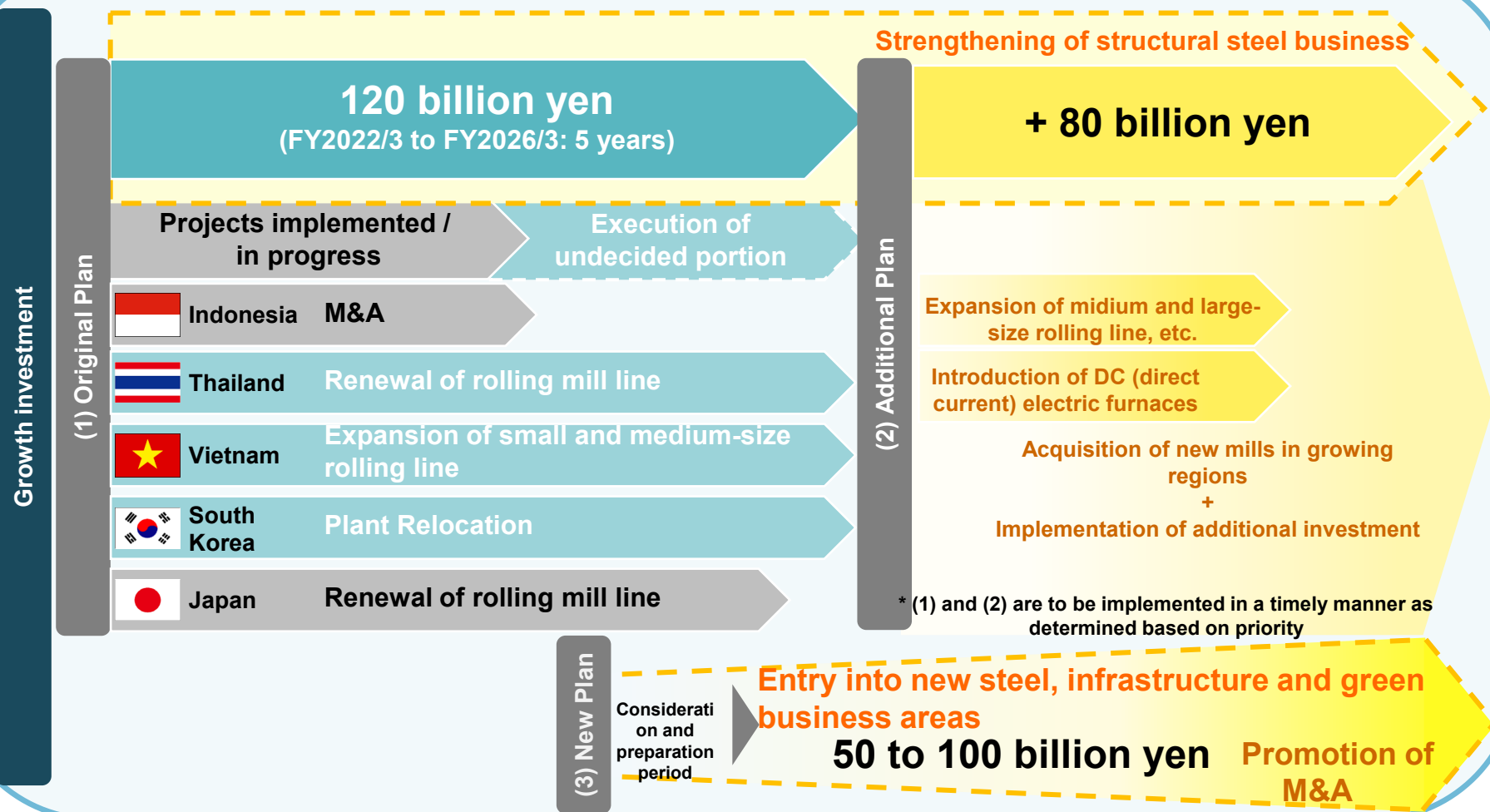
Growth investment in new business areas
50 to 100 billion yen
➔ New challenges

Development and securing of professional personnel carrying on new initiatives

Creation of new value and contribution to the realization of a rich society as a global company

Growth Investment Plan for the Vision 2030

Planned Investment total: 250 to 300 billion yen



- Progress of (1) Original Plan (announced in May 2021) is around 50% after two and half years. We will steadily execute the remainder.
- We will continue to expand growth investment and further enhance corporate value through: (2) Additional Plan (structural steel business) and (3) New Plan (new areas)

Strategic Cash Allocation for Enhancement of Corporate Value

Past 10 years (FY2012/3 to FY2023/3)

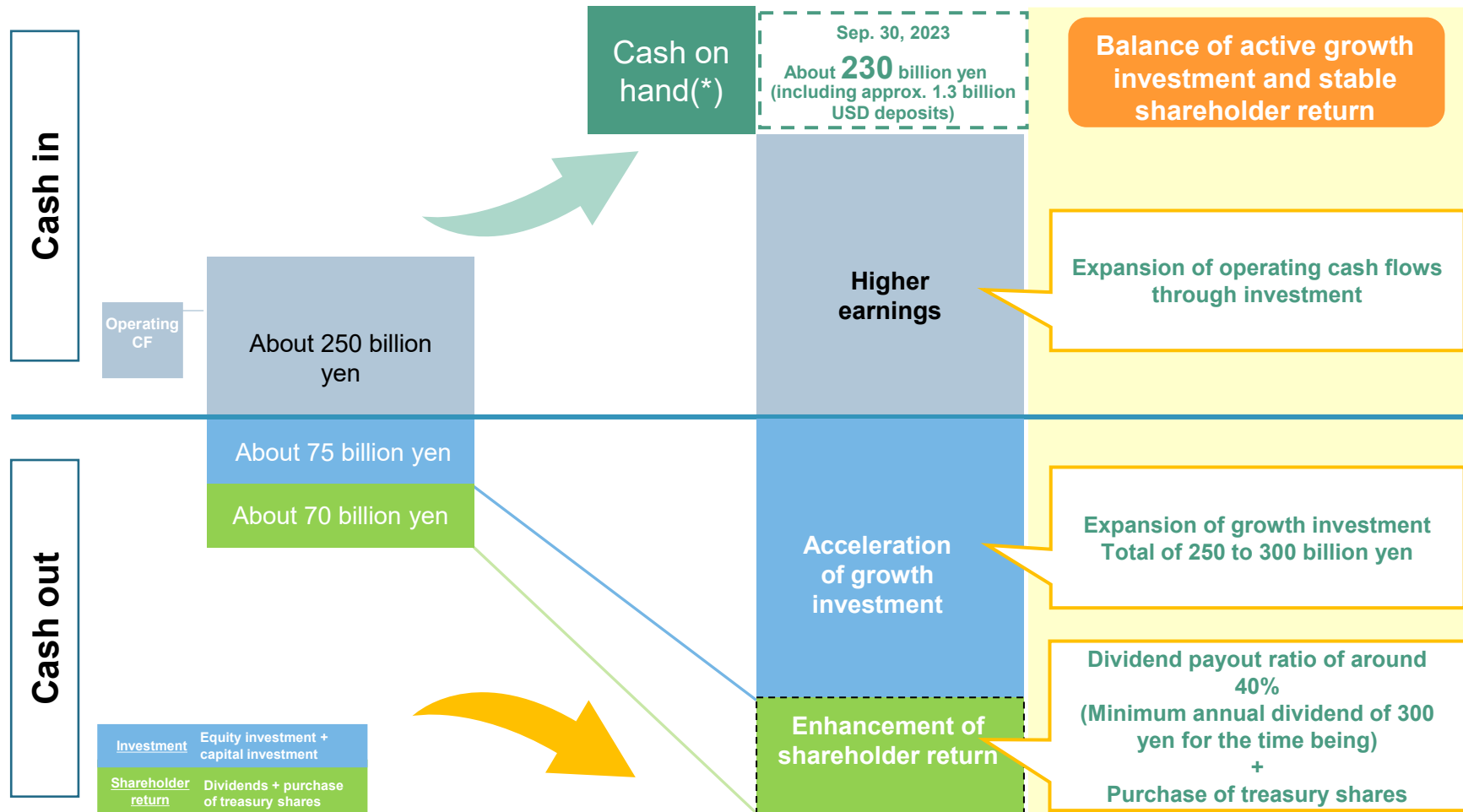
From FY 2024/3

Strengthening of financial base ⇒

Enhancement of capital efficiency

Maintaining ROE of 10%+

2030
Realization of Vision 2030

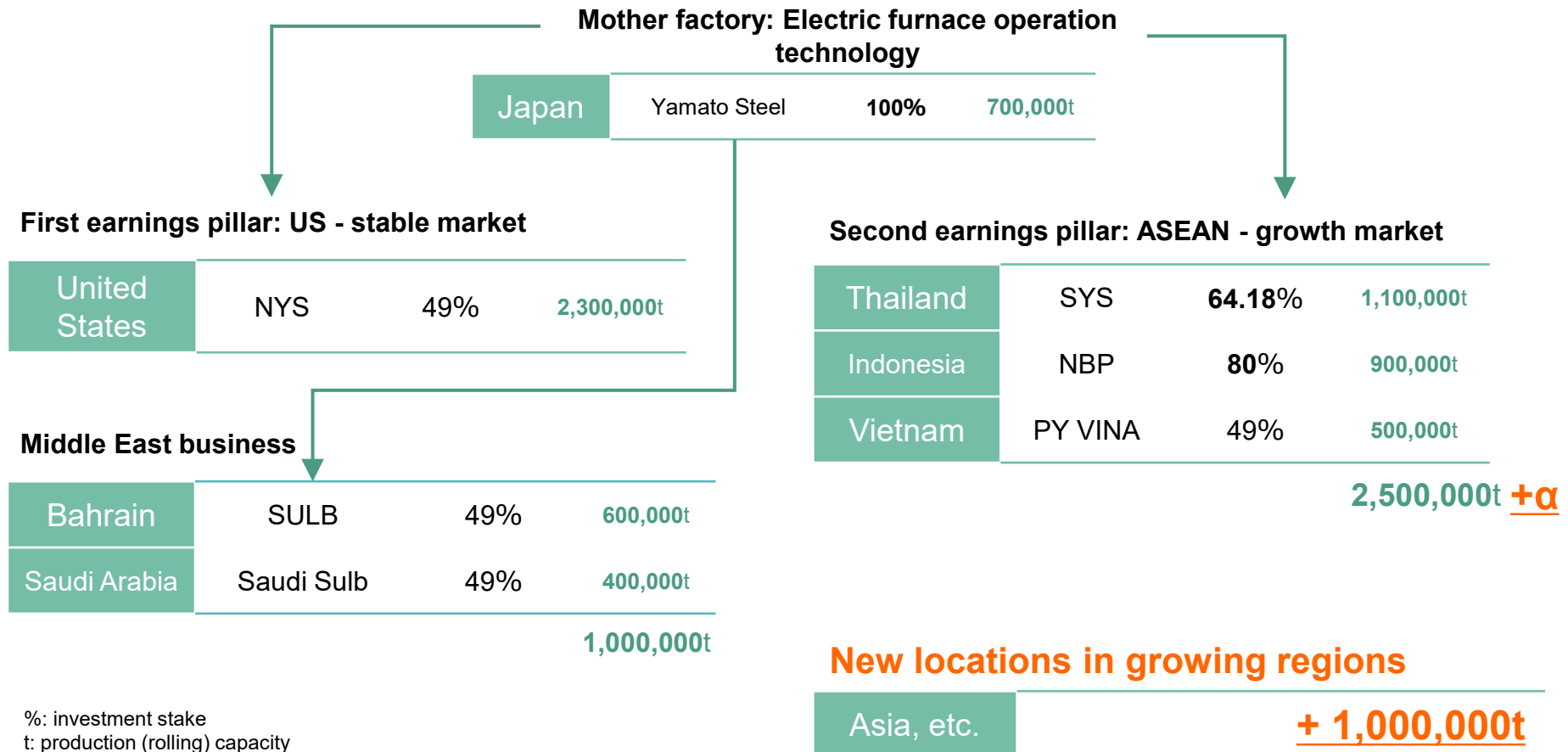


Acceleration of growth investment + enhancement of shareholder return

<Appendix> Road Map to 8 Million Tons of Structural Steel Production Capacity

Existing production capacity: **6.5 million tons** (including Indonesia)

+ **existing expansion plan and acquisition of new locations in growing regions** to realize **8 million ton capacity**



%: investment stake
t: production (rolling) capacity

Disclaimers

- The forward-looking statements including forecasts presented in this document are based on information currently available to Yamato Kogyo Group and certain assumptions deemed to be reasonable and are not intended as a promise by the Company that they will be achieved.
- Actual business performance may differ significantly due to various factors.



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