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## Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 31, 2024

Company name: YAMATO KOGYO CO.,LTD.

Stock exchange listing: Tokyo

Code number: 5444

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President

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Scheduled date of filing quarterly securities report: February 14, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

## (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	122,205	(12.2)	12,773	(5.9)	73,351	0.8	51,861	(2.4)
December 31, 2022	139,120	29.2	13,573	59.1	72,787	83.7	53,140	91.0

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 101,809 million [ (19.1)%]  
 Nine months ended December 31, 2022: ¥ 125,816 million [ 197.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	814.13	-
December 31, 2022	834.32	-

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	604,031	551,033	86.1
March 31, 2023	515,000	470,211	85.6

(Reference) Equity: As of December 31, 2023: ¥ 519,972 million  
 As of March 31, 2023: ¥ 440,622 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2023	-	150.00	-	150.00	300.00
Fiscal year ending March 31, 2024	-	150.00	-	-	-
Fiscal year ending March 31, 2024(Forecast)	-	-	-	150.00	300.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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	163,000	(9.7)	16,000	(4.8)	94,500	4.4	66,500	1.8	1,043.87

(Note) Revision to the financial results forecast announced most recently: Yes

## \* Notes:

## (1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

## (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

## (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

## (4) Total number of issued shares (common shares)

## 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 65,000,000 shares

March 31, 2023: 65,000,000 shares

## 2) Number of treasury shares at the end of the period:

December 31, 2023: 1,294,646 shares

March 31, 2023: 1,302,901 shares

## 3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 63,701,635 shares

Nine months ended December 31, 2022: 63,693,699 shares

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## Qualitative Information on Quarterly Results

### (1) Overview of Operating Results

During the nine months ended December 31, 2023, the business environment surrounding the Group saw a decline in demand for H-beams and other products used in civil engineering and construction, the Group's main products, due to a global softening of steel market condition and demand caused by a slowdown in the Chinese economy. Although competition with inexpensive Chinese products is intensifying at some locations, we are securing earnings at all locations by continuing to maintain metal margin and reduce costs, and the weak yen and rising U.S. interest rates are also boosting the Group's performance.

In Japan, although structural steel demand for large construction projects and civil engineering was steady, the structural steel market tapered off due to the impact of factors such as construction delays stemming from the labor shortage and a decline in demand for small and medium construction projects. At Yamato Steel, efforts were made through integration of manufacturing and sales to strengthen production and sales of large-sized products, and to secure orders and maintain selling prices of the mainstay product of H-beams and sheet pile for projects. Operating profit increased year on year owing to improvement in the metal margin despite a decrease in sales volume due to the impact of planned implementation of the renewal work on rolling facilities.

Results for the period from January 2023 to September 2023 for our consolidated subsidiary in Thailand and our equity-method affiliates in the US, Bahrain, Saudi Arabia, Vietnam, and South Korea have been incorporated into the consolidated accounts for the nine months ended December 31, 2023.

In the Thai consolidated subsidiary, Siam Yamato Steel Co., Ltd. (SYS), as a result of political situation being stabilized after the launch of the new government in Thailand, private sector projects and public works began moving, and there was a sense of bottoming out of structural steel demand. On the other hand, in the ASEAN market, total sales volume declined significantly from the same period last year due to continued intense competition from inexpensive Chinese products since the second half of the previous fiscal year. Operating profit decreased year on year due to the large impact of the decrease in sales volume despite the metal margin being maintained at a high level due in part to the fall in scrap prices.

SYS has been subject to a tax inspection by the Thai Revenue Department and although the company recorded ¥905 million for value-added tax for prior periods (extraordinary losses) in the third quarter cumulative period, it has filed an objection.

In Nucor-Yamato Steel Company (NYS), the equity-method affiliate in the US, demand for structural steel centered on large factory construction projects such as semiconductor and EV-related factories was solid, and the metal margin was maintained at a high level amid softening of scrap prices. Meanwhile, distributors continued to reduce inventories due to the uncertain economic outlook caused by prolonged monetary tightening, and competition from rival competitors and imported products increased in some sizes, resulting in sluggish sales volume growth. Although profits decreased year on year, a high level of earnings continued to be secured.

At SULB Company BSC (c) (SULB), the equity-method affiliate in the Middle East, economic conditions within the Middle East are recovering due to high oil prices, and full production is continuing. Meanwhile, prices for products and semi-finished products temporarily remained high in the last fiscal year due to soaring steel scrap market prices caused by Russia's invasion of Ukraine, but have softened since the steel scrap market reversed its course, affected by the influx of inexpensive Chinese products. With regard to performance, although we secured a high level of earnings, profits decreased year on year.

At our equity-method affiliate in Vietnam, Posco Yamato Vina Steel Joint Stock Company (PY VINA), we are striving to strengthen exports amid sluggish domestic sales volume growth, as the recovery in demand from infrastructure investment has not progressed as expected and competition with construction materials processed from Chinese steel sheet/plate has also had an impact. Although not at a high level, profit increased year on year.

At our equity-method affiliate in South Korea, YK Steel Corporation (YKS), demand for rebar deteriorated due to the impact of inflation and rising interest rates, and sales volume decreased significantly. Although scrap prices have declined and the metal margin has remained relatively high, the rebar market has been softening in the second half of the year and profits decreased year on year.

With regard to the litigation filed against the Korean affiliates, the Group recorded a projected loss of ¥1,909 million (negative ¥633 million as equity in earnings of affiliates and ¥1,276 million provision for loss on litigation (extraordinary losses)) in the third quarter cumulative period, but the Korean affiliates have submitted a written answer in rebuttal. For the details, please refer to “2. Quarterly Consolidated Financial Statements and Notes (4) Notes to Quarterly Consolidated Financial Statements (Additional Information).”

As a result of the above, consolidated net sales for the nine months in the current consolidated fiscal year decreased by ¥16,914 million year on year to ¥122,205 million. Consolidated operating profit decreased by ¥799 million year on year to ¥12,773 million, ordinary profit increased by ¥563 million to ¥73,351 million, and profit attributable to owners of parent decreased by ¥1,279 million to ¥51,861 million.

Please note that the average foreign exchange rates for the first nine months of the fiscal year under review that were used in the preparation of the consolidated financial statements from the financial statements of overseas subsidiaries and affiliates were as follows.

(For all overseas companies, the first nine months of the fiscal year under review ran from January to September 2023)  
139.56 yen/U.S. dollar, 4.02 yen/baht, 9.32 won/yen

Average foreign exchange rates for the first nine months of the previous fiscal year were as follows:  
(For all overseas companies, the nine months of the previous fiscal year ran from January to September 2022)  
129.48 yen/ U.S. dollar, 3.71 yen/baht, 9.80 won/yen

## (2) Overview of Financial Position

### (i) Changes in financial position

At the end of the third quarter of the current consolidated fiscal year, total assets were ¥604,031 million, an increase of ¥89,031 million over the end of the previous fiscal year.

Total liabilities were ¥52,997 million, an increase of ¥8,209 million over the end of the previous fiscal year.

Also, at the end of the third quarter of the current consolidated fiscal year, total net assets rose ¥80,821 million over the end of the previous fiscal year to ¥551,033 million. The main factors behind this were an increase due to profit attributable to owners of parent, a decline caused by dividend payments, and a significant increase in foreign currency translation adjustment due to the weakening of the yen.

Please note that the foreign exchange rates as of the end of the third quarter of the fiscal year under review that were used in the preparation of the consolidated financial statements from the financial statements of overseas subsidiaries and affiliates were as follows.

(For all overseas companies, the end of the third quarter of the fiscal year under review was September 30, 2023)  
149.58 yen/U.S. dollar, 4.09 yen/baht, 8.99 won/yen  
(For all domestic companies, the end of the third quarter of the fiscal year under review was December 31, 2023)  
141.82 yen/U.S. dollar.

Also, exchange rates for the end of previous consolidated fiscal year are as follows:  
(For all overseas companies, the end of the previous fiscal year was December 31, 2022)  
132.70 yen/U.S. dollar, 3.82 yen/baht, 9.55 won/yen  
(For all domestic companies, the end of the previous fiscal year was March 31, 2023)  
133.54 yen/U.S. dollar.

### (ii) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities was ¥70,099 million, due mainly to profit before income taxes, and cash distributions from the equity-method affiliate in the US.

(Cash flows from investing activities)

Net cash used in investing activities was ¥25,827 million, due mainly to payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥20,348 million, due mainly to dividends paid.

Taking into account the effect of exchange rate changes on cash and cash equivalents of ¥16,540 million, cash and cash equivalents at the end of the third quarter of the current consolidated fiscal year increased ¥40,463 million over the end of the previous fiscal year, to ¥174,323 million.

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

With regard to the future outlook, there are many uncertainties in the global economy, such as the prolonged economic stagnation in China, the prolonged Ukraine situation, and growing tensions in the Middle East, and the outlook remains uncertain. Demand for the Group's main products, namely the H-beams and other products used in civil engineering and construction, lacks momentum overall and the Group's total sales volume is declining. However, in addition to ongoing efforts to maintain metal margin and reduce costs in each of our locations, due to the continued depreciation of the yen, profit is expected to be higher than the previous forecast.

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.

For the fiscal year ending March 31, 2024, we forecast consolidated net sales of ¥163,000 million (up ¥6,000 million from the previous forecast), operating profit of ¥16,000 million (up ¥2,000 million from the previous forecast), ordinary profit of ¥94,500 million (up ¥4,500 million from the previous forecast), and profit attributable to owners of parent of ¥66,500 million (up ¥3,500 million from the previous forecast).

Our current assumptions regarding business conditions in the various countries and regions are as follows.

#### - Japan

Demand for major construction projects such as urban redevelopment, semiconductor factories and logistics facilities, as well as demand related to civil engineering works, remained steady. Although there are some concerns, such as construction delays due to the severe labor shortage in the construction industry and higher costs due to the weak yen, we expect to increase profit compared with the previous forecast, increasing year on year, by continuing to strengthen production and sales of large-sized products and sheet pile, responding to short delivery times and maintaining high sales prices amid the sense of bottoming out of structural steel prices that have been softening.

#### - Thailand

The Thai economy is picking up due to factors such as an increase in tourists, and domestic demand and prices for structural steel are on a recovery trend, but the flow of inexpensive Chinese products is increasing. In the export market, the competitive environment with Chinese manufacturers and others is becoming increasingly harsh and profit is forecast to be the same level as the previous forecast, decreasing year on year.

#### - United States

Amid inflation gradually slowing and expectations of avoiding a significant recession, construction demand related to semiconductors, EVs and renewable energy remained strong. Inventory of distributors is still low, but the supply and demand balance continues to be tight, and although structural steel market prices are not on the same level as the previous fiscal year, they remain in a relatively high range. We forecast profits to be higher than the previous forecast, decreasing year on year.

#### - Middle East

Structural steel demand in the Middle East is solid, centering on infrastructure investment, and production and sales volume are steady. Although the structural steel market is softening due to the influx of inexpensive Chinese products, the market is not affected by the heightened tensions in the Middle East at the present time, and performance is expected to be the same level as the previous forecast, decreasing year on year.

- Vietnam

Although domestic demand for structural steel in Vietnam is showing signs of recovery and sales volume is on the rise, distributors continue to be cautious about building up inventories due to economic uncertainty, and market conditions are softening partly due to the impact of Chinese products. Profits are forecast to be on par with the previous forecast, increasing year on year.

- South Korea

The slump in the real estate market due to the impact of monetary tightening has become prolonged, and demand for rebar is expected to decrease further going forward. Amid the ongoing trend of decreasing sales volume, efforts are being made to improve profitability through cost reductions, but profit is forecast to be in line with the previous forecast, decreasing year on year.

Please note that for the January-December 2023 period we applied the exchange rates for translating into Japanese yen revenues generated and costs incurred by our overseas subsidiaries and affiliates on the basis of the following:

(Average rates for the period)

141.20 yen/U.S. dollar, 4.06 yen/baht, and 9.25 won/yen.

We applied the following exchange rates for translating the year-end (meaning the end of December 2023 for overseas subsidiaries and affiliates and the end of March 2024 for domestic subsidiaries and affiliates) assets and liabilities of each subsidiary and affiliate:

(End of period rates for overseas subsidiaries and affiliates)

141.82 yen/U.S. dollar, 4.13 yen/baht, and 9.09 won/yen.

(End of period rates for domestic subsidiaries and affiliates)

135.00 yen/U.S. dollar.

(Reference)

Assumptions of the previous forecast

(Average rates for the period)

139.67yen/U.S. dollar, 3.97 yen/baht, and 9.44 won/yen.

(End of period rates for overseas subsidiaries and affiliates)

140.00 yen/U.S. dollar, 3.81 yen/baht, and 9.65 won/yen.

(End of period rates for domestic subsidiaries and affiliates)

135.00 yen/U.S. dollar.

Previous year's results

(Average rates for the period)

132.09 yen/U.S. dollar, 3.75 yen/baht, and 9.78 won/yen.

(End of period rates for overseas subsidiaries and affiliates)

132.70 yen/U.S. dollar, 3.82 yen/baht, and 9.55 won/yen.

(End of period rates for domestic subsidiaries and affiliates)

133.54 yen/U.S. dollar.

## 2. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	162,422	230,057
Notes and accounts receivable - trade	28,231	33,064
Securities	19	-
Merchandise and finished goods	18,324	17,108
Work in process	652	800
Raw materials and supplies	20,855	20,455
Short-term loans receivable from subsidiaries and associates	-	1,389
Other	7,760	4,911
Allowance for doubtful accounts	(22)	(27)
Total current assets	238,243	307,759
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,593	11,685
Machinery, equipment and vehicles, net	27,669	27,517
Land	18,884	19,741
Construction in progress	2,782	4,830
Other, net	2,462	2,539
Total property, plant and equipment	63,392	66,315
Intangible assets		
Goodwill	707	631
Other	1,130	1,253
Total intangible assets	1,838	1,884
Investments and other assets		
Investment securities	73,173	90,278
Investments in capital	102,143	100,232
Long-term loans receivable from subsidiaries and associates	25,144	25,299
Long-term time deposits	9,462	10,802
Retirement benefit asset	895	897
Other	1,007	862
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	211,526	228,071
Total non-current assets	276,756	296,272
<b>Total assets</b>	<b>515,000</b>	<b>604,031</b>



(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,592	11,138
Income taxes payable	3,036	2,039
Provision for bonuses	752	820
Other	7,117	10,096
Total current liabilities	21,498	24,093
Non-current liabilities		
Deferred tax liabilities	17,269	20,322
Retirement benefit liability	2,050	2,169
Other	3,969	6,411
Total non-current liabilities	23,289	28,903
Total liabilities	44,788	52,997
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	15	41
Retained earnings	370,233	403,050
Treasury shares	(1,380)	(1,354)
Total shareholders' equity	376,865	409,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,473	8,636
Foreign currency translation adjustment	58,456	101,770
Remeasurements of defined benefit plans	(172)	(168)
Total accumulated other comprehensive income	63,757	110,238
Non-controlling interests	29,588	31,061
Total net assets	470,211	551,033
Total liabilities and net assets	515,000	604,031

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
 Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	139,120	122,205
Cost of sales	114,186	98,723
Gross profit	24,933	23,482
Selling, general and administrative expenses		
Packing and transportation costs	5,177	4,220
Salaries and allowances	1,457	1,640
Provision for bonuses	336	273
Retirement benefit expenses	51	119
Other	4,336	4,454
Total selling, general and administrative expenses	11,360	10,708
Operating profit	13,573	12,773
Non-operating income		
Interest income	1,884	8,470
Dividend income	453	488
Equity in earnings of affiliates	52,483	48,875
Foreign exchange gains	3,906	2,527
Other	682	505
Total non-operating income	59,409	60,867
Non-operating expenses		
Interest expenses	64	68
Loss on valuation of derivatives	74	184
Loss on disaster	23	16
Other	33	20
Total non-operating expenses	195	289
Ordinary profit	72,787	73,351
Extraordinary income		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	4	6
Total extraordinary income	7	10
Extraordinary losses		
Provision of loss on fair-trade act	1,197	-
Provision for loss on litigation	-	1,276
Value added taxes for prior periods	-	905
Other	42	305
Total extraordinary losses	1,240	2,488
Profit before income taxes	71,555	70,873
Income taxes - current	15,361	16,658
Income taxes - refund	(1,539)	-
Income taxes - deferred	2,046	1,097
Total income taxes	15,868	17,756
Profit	55,686	53,117
Profit attributable to non-controlling interests	2,545	1,255
Profit attributable to owners of parent	53,140	51,861

## Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	55,686	53,117
Other comprehensive income		
Valuation difference on available-for-sale securities	565	3,167
Foreign currency translation adjustment	37,528	25,979
Remeasurements of defined benefit plans, net of tax	6	4
Share of other comprehensive income of entities accounted for using equity method	32,029	19,541
Total other comprehensive income	70,129	48,692
Comprehensive income	125,816	101,809
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	119,695	98,342
Comprehensive income attributable to non-controlling interests	6,120	3,466

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	71,555	70,873
Depreciation	4,434	4,795
Interest and dividend income	(2,337)	(8,958)
Interest expenses	64	68
Equity in (earnings) losses of affiliates	(52,483)	(48,875)
Decrease (increase) in trade receivables	(6,809)	(4,373)
Decrease (increase) in inventories	(8)	3,102
Increase (decrease) in trade payables	(373)	324
Other, net	(761)	2,294
Subtotal	13,281	19,252
Interest and dividends received	41,874	67,319
Income taxes paid	(14,362)	(16,472)
Net cash provided by (used in) operating activities	40,793	70,099
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3,727)	(41,881)
Proceeds from withdrawal of time deposits	1,437	18,931
Purchase of securities	(4,000)	-
Purchase of property, plant and equipment	(2,398)	(3,835)
Purchase of shares of subsidiaries and associates	(724)	-
Other, net	(515)	956
Net cash provided by (used in) investing activities	(9,929)	(25,827)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	(1)
Dividends paid	(14,998)	(18,139)
Dividends paid to non-controlling interests	(1,641)	(1,994)
Other, net	(196)	(213)
Net cash provided by (used in) financing activities	(16,837)	(20,348)
Effect of exchange rate change on cash and cash equivalents	25,361	16,540
Net increase (decrease) in cash and cash equivalents	39,388	40,463
Cash and cash equivalents at beginning of period	95,467	133,859
Cash and cash equivalents at end of period	134,855	174,323

## Notes to Quarterly 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 Quarterly 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 tax for the fiscal year ending March 31, 2024, excluding certain subsidiaries, and multiplying profit before income tax by the estimated effective tax rate.

(Additional Information)

(Filing of litigation against Korean affiliate)

During the previous fiscal year, Korean steel companies including our equity-method affiliate YK Steel Corporation (YKS) were ordered to pay penalties by the Korea Fair Trade Commission for violations of Korea's monopoly regulations and fair-trade laws in tenders for annual fixed price agreements for rebar ordered by the Korean Public Procurement Service. YKS paid the penalty (approximately 23.6 billion won) and recorded a loss, but is following administrative appeal proceedings due to disagreement with the findings.

In relation to this matter, a local government and other parties filed civil suits demanding compensation for damages from the steel companies in April and September 2023, and due to YKS and the consolidated subsidiary, Yamato Korea Holdings Co., Ltd. (YKH) also receiving complaints (approximately 14.5 billion won), the Group recorded a projected loss of ¥1,909 million (negative ¥633 million in equity in earnings of affiliates and ¥1,276 million in provision for loss on litigation (extraordinary losses)) in the first nine months of the fiscal year ending March 31, 2024. YKS and YKH have submitted a written answer in rebuttal.

(Segment Information, etc.)

## I. Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

## Information about Operating Revenues and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Trackwork materials	Sub total				
Net sales								
(1) Sales to customers	55,538	76,127	4,727	136,393	2,726	139,120	—	139,120
(2) Inter-segment sales and transfers	321	—	—	321	—	321	(321)	—
Total	55,859	76,127	4,727	136,714	2,726	139,441	(321)	139,120
Segment profit	6,235	9,231	194	15,661	38	15,699	(2,126)	13,573

(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 included corporate general expenses of ¥ (2,126) 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 and operating profit in the quarterly consolidated statements of income.

## II. Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

## Information about Operating Revenues and Profit (Loss) for Each Reportable Segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Steel (Japan)	Steel (Thailand)	Trackwork materials	Sub total				
Net sales								
(1) Sales to customers	55,476	58,989	5,498	119,965	2,240	122,205	—	122,205
(2) Inter-segment sales and transfers	352	—	—	352	—	352	(352)	—
Total	55,828	58,989	5,498	120,317	2,240	122,557	(352)	122,205
Segment profit	8,565	5,921	699	15,186	55	15,241	(2,468)	12,773

(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 included corporate general expenses of ¥ (2,468) 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 and operating profit in the quarterly consolidated statements of income.

(Significant Subsequent Events)

Not applicable.